



**Lincolnshire
POLICE & CRIME
COMMISSIONER**

SAFER TOGETHER

**REPORT TO THE POLICE & CRIME PANEL
POLICE PRECEPT 2018/19**

1. Introduction

1.1 My proposals for the Police Precept 2018/19 reflect the priorities set in my *Community Safety, Policing and Criminal Justice Plan for Lincolnshire April 2017 – March 2021*:

- Community safety and prevention in partnership – working together to reduce crime;
- Listening, responsive and accountable – making sure the people of Lincolnshire have their say in shaping our priorities;
- Policing that works – effective policing, there when you need it and responsive to differing community needs; and
- Protecting and supporting victims and the vulnerable – making sure the whole criminal justice system works for those that really need it.

1.2 The opportunity for the people of Lincolnshire to respond to my budget consultation concluded on 22 December 2017. I received almost 3,000 responses which are analysed in Appendix A attached. My precept proposal for 2018/19 reflects careful consideration of the views expressed in response to my consultation.

2. Government Grant

2.1 The Provisional Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 19th December 2017. The police settlement covers just one year. In his written statement the Minister confirmed that police grant would be maintained at the 2017/18 level for 2018/19 and announced a relaxation of the precept cap to allow an additional £12 per annum for a Band D property.

2.2 The Minister also sought to provide greater visibility on plans for 2019/20. He indicated his intention to maintain a broadly flat police grant in 2019/20 and the same precept flexibility in 2019/20. However, this would be dependent on the police service delivering clear progress against agreed milestones on productivity and efficiency in 2018.

- 2.3 The Minister also referred to the Core Grant Distribution Review (funding formula review) and indicated that this would be revisited in the next Spending Review, which means 2020/21 at the earliest. In light of this announcement I have removed all grant increase assumptions in the Medium Term Financial Plan (MTFP).
- 2.4 The provisional settlement is subject to consultation and I have written to the Minister of State for Policing and Fire Services expressing my views (Appendix B). The provisional settlement will be debated by Parliament during February 2018 following which the final grant allocations will be confirmed.
- 2.5 Further detailed information on government grant is included within Appendix C attached.

3. Council Tax

- 3.1 Council Tax receipts are based upon an assumption of a 1% increase in the Council Tax base. This assumption will be updated to reflect the actual position as notified by Lincolnshire's district councils before the budget is finalised.
- 3.2 The government published its proposals relating to Council tax referendum principles for 2017 on 19th December 2017. In 2018/19 *all* PCCs will be allowed to increase band D bills by as much as £12. In order to avoid a costly local referendum, I propose an increase in the police precept of £11.97 (5.8%) for 2018/19. Nevertheless, I will be unable to bridge the funding gap for 2018/19 without the use of reserves.
- 3.3 My medium term financial plan (MTFP) is based upon annual council tax increases of £11.97 per annum per Band D property in 2018/19 and £12 in 2019/20 in line with the relaxation of the precept cap, it then reverts back to a 2% per annum increase in 2020/21 and 2021/22.

4. Total Income

- 4.1 Total income is projected over the next four years as shown in **Table 1** below. There is an assumption that the council tax base will increase by 1% per annum, a continuation of the 2017/18 assumption.
- 4.2 The budget proposals described in the remainder of this report assume an £11.97 (5.8%) council tax increase for 2018/19, a 5.5% increase in 2019/20 and a 2% increase for each of the subsequent 2 years of the MTFP.
- 4.3 The potential impact of a revised Funding Formula within the MTFP has been removed based upon a prudent reflection that this will be revisited in the next Spending Review, which means 2020/21 at the earliest.
- 4.4 £5.3m of reserves is included in balancing the 2018/19 budget; beyond 2018/19 the MTFP has a budget gap of £6.5m by 2021/22.
- 4.5 To achieve financial balance beyond 2018/19, it is clear that, without a more equitable slice of the national police grant, or substantial precept rises in future years, Lincolnshire would see significant degradation of service from 2019 onwards. That would undoubtedly take the form of fewer Police Officers, Police Community Support Officers (PCSOs), and the staff who support them.

| Provisional Income | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|------------------|------------------|------------------|------------------|------------------|
| | £000s | £000s | £000s | £000s | £000s |
| Police Grant | (57,907) | (57,907) | (57,907) | (57,907) | (57,907) |
| Council Tax Compensation Grant | (1,059) | (1,059) | (1,059) | (1,059) | (1,059) |
| Council Tax Support Grant | (5,775) | (5,775) | (5,775) | (5,775) | (5,775) |
| Council Tax Precept | (46,392) | (48,988) | (52,208) | (53,785) | (55,409) |
| Victim Services Grant | (865) | (864) | (864) | (864) | (864) |
| Custody Contract | (2,143) | (2,268) | (2,268) | (2,268) | (2,268) |
| Proceeds of Crime Income | - | (120) | (120) | (120) | (120) |
| Innovation Blue Light | (250) | - | - | - | - |
| Contribution to / (from) Reserves | (3,868) | (4,603) | (310) | - | - |
| Special Grant Claim | - | - | (1,000) | - | - |
| Contribution from 2017/18 underspend | - | (685) | - | - | - |
| Apprentice Levy Clawback | - | (106) | (111) | (111) | (111) |
| Total Police and Crime Commissioner Income | (118,258) | (122,374) | (121,621) | (121,888) | (123,512) |

Table 1

5. Expenditure Plans

5.1 Total spending in 2018/19 has increased in the face of significant external cost pressures.

5.2 The budget is summarised in Table 2 and described below.

| Provisional Expenditure Plans | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|----------------|----------------|----------------|----------------|----------------|
| | £000s | £000s | £000s | £000s | £000s |
| Police and Crime Commissioner - Expenditure | 30,795 | 32,408 | 33,837 | 35,580 | 36,542 |
| Chief Constable - Expenditure | 86,251 | 88,812 | 90,033 | 91,252 | 92,352 |
| Joint Services - Expenditure | 1,213 | 1,154 | 1,154 | 1,154 | 1,154 |
| Cost Reduction Programme | - | - | (3,403) | (6,098) | (6,536) |
| Total Provisional Expenditure | 118,258 | 122,374 | 121,621 | 121,888 | 123,512 |

Table 2

5.3 The budget proposals include provision for victims' services expenditure in line with estimated grant of £0.9m. Provision for crime and disorder reduction grants is set at £0.8m. The budget also includes provision for strategic partnership contract payments of £22.9m and capital financing charges of £2.86m.

5.4 The Chief Constable's 2018/19 budget includes £59m for police officer salaries and £4.0m for PCSO salaries. As with 2017/18, the budgets for the period to 2021/22 are based on retaining 1,100 police officers.

6. Service Impact

6.1 The budget for 2018/19 shows a balanced position but a budget gap remains for 2019/20 and beyond. The Chief Constable is currently formulating detailed plans to address this should our efforts to secure further Home Office grant be unsuccessful.

6.2 Plans for 2018/19 include a significant investment in a new Command & Control system intended to unlock significant operational benefits through the better use of resources and data. Whilst investment to deliver improved productivity will mitigate the impact of potential future headcount reductions, there would nevertheless be a service impact.

6.3 Further detailed information on revenue and capital expenditure plans, savings options, risks and reserves is attached at Appendix C.

7. Council Tax

- 7.1 My proposed Council Tax increase for 2018/19 is £11.97 (5.8%). This is £217.44 for a Band D property. This increase alone provides £2.7m of additional funding.
- 7.2 The Police and Crime Commissioner's share of council tax is shown in the table below. This illustrates the impact of an £11.97 (5.8%) increase. The additional cost to the majority of Lincolnshire council tax payers would be less than 23 pence per week.

| BAND | 2017/18 Council Tax £ | Increase £ p.a. | 2018/19 Council Tax £ | Increase pence per week £ |
|-------------|--------------------------------------|----------------------------|--------------------------------------|--|
| A | 136.98 | 7.98 | 144.96 | 0.15 |
| B | 159.81 | 9.31 | 169.12 | 0.18 |
| C | 182.64 | 10.64 | 193.28 | 0.20 |
| D | 205.47 | 11.97 | 217.44 | 0.23 |
| E | 251.13 | 14.63 | 265.76 | 0.28 |
| F | 296.79 | 17.29 | 314.08 | 0.33 |
| G | 342.45 | 19.95 | 362.40 | 0.38 |
| H | 410.94 | 23.94 | 434.88 | 0.46 |

Table 3

Marc Jones
The Police and Crime Commissioner for Lincolnshire
5th February 2018