Lincolnshire
POLICE & CRIME
COMMISSIONER
SAFER TOGETHER

REPORT TO THE POLICE & CRIME PANEL
POLICE PRECEPT 2022/23

1. Introduction

1.1 My proposals for the Police Precept 2022/23 reflect the priorities set in my *Community Safety, Policing and Criminal Justice Plan for Lincolnshire April 2021 – March 2025*:

- 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 29 November 2021 I received 3,030 complete responses which are analysed in Annex A attached. My precept proposal for 2022/23 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 16 December 2021. The police settlement covers just one year and the funding in respect of the national police officer uplift has been incorporated into the core grant settlement.

2.2 The total core grant for Lincolnshire is now £71.3m, an increase of £3.7m. In addition, a ringfenced allocation of £1.1m is available to Lincolnshire on achievement of the uplift target. The pension top up grant allocation (£1.2m) has been maintained in 2022/23 at the same level as for 2021/22.

2.3 The Minister confirmed the precept referendum limit to allow an increase up to an additional £10 per annum for a Band D property, for each of the next three years without the need to call for a local referendum.

2.4 The Minister's statement sets out the national priorities for 2022/23 which include:

- continuing to invest in critical priority areas including drugs and county lines activity, violent crime reduction, child sexual abuse and exploitation, fraud, and modern slavery;
- delivering on commitments and driving improvements in transparency, governance and accountability that have a key role in building public confidence in the criminal justice system;
- ensuring that there is no place left for criminals to hide that carry out serious and organised crime and rely on sophisticated digital communications to evade detection;
- continued investment in Major Law Enforcement Programmes, and other critical national police and law enforcement IT capabilities.

2.5 Following the reduction in capital grant funding to PCCs in 2019/20 of 74%, this has ceased from 2022/23, and will be redistributed as part of wider reallocations.

2.6 The Minister's statement does not refer specifically to the timing of the Core Grant Distribution Review (funding formula review).

2.7 The provisional settlement is subject to consultation and I have written to the Home Secretary and to the Minister of State for Policing and Fire Services expressing my views (Annex B).

2.8 Further detailed information on government grant is included within Annex C attached.

3. Council Tax

3.1 Council Tax receipts are based upon an assumption of a 0.5% increase in the Council Tax base, in response to the continued impact of the Covid19 pandemic. 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 approach relating to Council Tax referendum principles for 2022/23 as part of its Spending Review in October 2021. In all three years from 2022/23 PCCs will be allowed to increase band D bills by as much as £10. Informed by the views of local people, I propose an increase in the police precept of £9.99 for 2022/23. The precepts for Band A and Band B (collectively representing 46% of the taxbase) would be:

- Band A £184.20; an increase of £6.66 per annum
- Band B £214.90; an increase of £7.77 per annum

3.3 In addition, and again informed by the views of the local people, I propose to reflect the government's precept strategy and set indicative precept rises for 2023/24 and 2024/25 at £9.99 per annum per band D property. Band D council tax would therefore be:

- 2022/23 £276.30 an increase of 3.75%
- 2023/24 £286.29 an increase of 3.62%
- 2024/25 £296.28 an increase of 3.49%

3.4 My medium term financial plan (MTFP) is based upon annual council tax increases of £9.99 per annum per Band D property in 2022/23 to 2024/25 and then a 2% per annum increase in 2025/26.

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 0.5% per annum from 2023/24 onwards, a continuation of the prudent 0.5% assumption in 2022/23.

4.2 The budget proposals described in the remainder of this report assume a £9.99 council tax increase for 2022/23 to 2024/25, and a 2% increase for the final year of the MTFP.

4.3 The potential impact of a revised Funding Formula within the MTFP continues to be excluded based upon a prudent reflection that it is neither clear what the change will be nor when this might be finalised and implemented.

4.4 The budget is yet to be finalised, but the use of earmarked reserves is planned to address the shortfall between planned expenditure and income in each of the next 3 years - see Annex C for more information.

4.5 The increased funding for the continuation of the National Officer Uplift is welcome; Lincolnshire's share of the third and final tranche of 8,000 officers is 67 (inclusive of 4 for the Regional Organised Crime Unit, ROCU).

Table 1

Provisional Income	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Police Grant	(67.553)	(71.329)	(71.329)	(71.329)	(71.329)
Pension Top Up Grant	(1.175)	(1.175)	(1.175)	(1.175)	(1.175)
National Uplift Funding	(0.832)	(1.100)	-	-	-
Council Tax Compensation Grant	(1.059)	(1.059)	- 1.06	- 1.06	- 1.06
Council Tax Support Grant	(5.775)	(5.775)	(5.775)	(5.775)	(5.775)
Council Tax Precept	(62.513)	(64.916)	(67.618)	(70.371)	(72.055)
Victim Services Grant	(0.884)	(0.884)	(0.884)	(0.884)	(0.884)
Proceeds of Crime Income	(0.120)	(0.120)	(0.120)	(0.120)	(0.120)
Contribution to / (from) Reserves	(0.022)	(0.064)	(0.066)	(0.067)	(0.067)
PCC Regional Income	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)
Total Police and Crime Commissioner Income	**(140.036)**	**(146.525)**	**(148.130)**	**(150.884)**	**(152.568)**

5. Expenditure Plans

5.1 Total spending in 2022/23 has increased in the face of significant internal and external cost pressures.

5.2 The budget is summarised in Table 1 and described below.

Table 1

Provisional Expenditure Plans	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Police and Crime Commissioner	35.589	37.040	37.013	37.068	37.539
Chief Constable	101.990	109.006	111.196	113.236	114.806
Joint Services	1.428	1.534	1.610	1.690	1.780
Earmarked Service Investments	1.030	3.945	4.239	4.239	4.239
Budget Gap	-	(4.999)	(5.928)	(5.349)	(5.796)
Total Provisional Expenditure	**140.037**	**146.526**	**148.130**	**150.884**	**152.568**

5.3 The budget proposals include provision for victims' services expenditure in line with expected grant of £0.9m. Provision for crime and disorder reduction grants is set at £0.6m. The budget also includes provision of £26.4m to be disaggregated across police services due the strategic partnership with G4S ending on 31 March 2022, and capital financing charges of £4.4m.

5.4 The Chief Constable's 2022/23 budget includes £67.6m for police officer salaries (including the uplift) and £3m for PCSO salaries. The target operating model for the period to 2025/26 is 1,186 police officers, which now slightly exceeds the earlier target of 1,100. The allocation of 50 officers in tranche one resulted in 1,070 FTE by March 2021, the additional 49 officer allocation for 2022/23 gives a target of 1,119 by March 2022. With the final tranche of 67 enabling a target of 1,186 by March 2023.

6. Service Impact

6.1 The draft budget for 2022/23 shows a budget gap of £5m based upon a council tax increase of £9.99 per band D property and police officer numbers of 1,186. The PCC and Chief Constable are in ongoing dialogue with the Home Office to seek to secure additional funding for Lincolnshire, either through a fairer share of recurrent police grant or through Special Grant.

6.2 It is clear that use of reserves will be necessary to balance the budget in 2022/23 and the MTFP. Efficiencies will also need to be identified to reduce the expenditure budget in the MTFP if additional income is not forthcoming, e.g. from the formula funding review. Service reviews and a Priority Based Budget exercise during 2022/23 will provide evidence to formulate a plan to address the underlying budget gap. Further information is provided in Annex C.

6.3 Plans for 2022/23 include:

- Additional recruitment of 67 Officers to start training in 2022.
- Increase the number of Community Beat Managers by 12 - further increasing visible policing and protection for our communities.
- Provide additional cutting-edge crime fighting capability by expanding the Digital Forensics Team and investing in the latest systems to identify criminals faster than ever before.
- Provide resources to work in partnership to deliver the new Lincolnshire Drug Strategy – tackling drug dealing and supply whilst supporting those targeted by the illegal trade in drugs to save life and keep our communities safe.
- Boost the Protecting Vulnerable Persons Unit to further protect the most vulnerable children and adults in our community and help deliver the justice they deserve.

- Invest in greater and more effective partnership working in Integrated Offender Management to reduce reoffending and reduce the numbers of victims.

6.4 Further detailed information on revenue and capital expenditure plans, and risks and reserves is attached at Annex C.

7. Council Tax Proposal

7.1 My proposed Council Tax increase for 2022/23 is £9.99. This is £276.30 for a Band D property. With this increase, Council Tax provides £2.4m more funding than in 2021/22.

7.2 The Police and Crime Commissioner's share of council tax is shown in table 3 below. This illustrates the impact of a £9.99, a 3.75% increase. The additional cost to the majority of Lincolnshire council tax-payers would be 17 pence per week or less.

BAND	Proportion of Band D	2021/22 Council Tax £	£9.99 Increase to a Band D £ p.a.	2022/23 Council Tax £	£9.99 Increase to a Band D £ per week	% of Taxbase Cumulative
A	6/9	177.54	6.66	184.20	0.13	25.7%
B	7/9	207.13	7.77	214.90	0.15	46.0%
C	8/9	236.72	8.88	245.60	0.17	68.8%
D	9/9	266.31	9.99	276.30	0.19	83.6%
E	11/9	325.49	12.21	337.70	0.23	93.2%
F	13/9	384.67	14.43	399.10	0.28	97.9%
G	15/9	443.85	16.65	460.50	0.32	99.8%
H	18/9	532.62	19.98	552.60	0.38	100.0%

Table 2

7.3 In addition, I propose to reflect the government's precept strategy and set indicative precept rises for 2023/24 and 2024/25 at £9.99 per annum per band D property. Band D council tax would therefore be:

- 2022/23 £276.30 an increase of 3.75%
- 2023/24 £286.29 an increase of 3.62%
- 2024/25 £296.28 an increase of 3.49%

Marc Jones
The Police and Crime Commissioner for Lincolnshire
27 January 2022