

**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

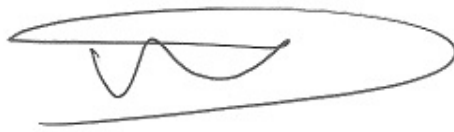
REF: 11/2022

DATE: 23 February 2022

SUBJECT		BUDGET REPORT	
REPORT BY		Chief Finance Officer, Police and Crime Commissioner & Chief Finance Officer, Chief Constable	
CONTACT OFFICER		Julie Flint, Chief Finance Officer, PCC Telephone 01522 947222 Sharon Clark, Chief Finance Officer, CC Telephone 01522 947468	
EXECUTIVE SUMMARY AND PURPOSE OF REPORT To propose: <ul style="list-style-type: none">• A revenue budget and council tax precept for 2022/23• A medium term financial plan for 2023/24 to 2025/26• A capital programme for 2022/23 to 2025/26 The proposals will support delivery of the Police and Crime Plan and are consistent with the Commissioner’s Financial Strategy.			
RECOMMENDATIONS		The Police and Crime Commissioner is asked to: <ol style="list-style-type: none">1. note the views of the Police and Crime Panel on council tax, summarised at paragraph 2.7 of the report ;2. note the Chief Finance Officer’s statement on robustness of estimates and adequacy of reserves in section 10 of the report;3. approve the council tax for 2022/23 as set out in Table A and Appendix A ;4. approve revenue budgets for 2022/23 and medium term financial plan for 2023/24 to 2025/26 as set out in Appendix B ; and5. approve the capital programme and its funding for 2023/24 to 2025/26 as set out in Table D.	

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

I hereby approve the recommendation above, having considered the content of this report.



Signature:

Date: 23 February 2022

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. Police Grant Settlement

- 1.1 The Police Grant Report accompanied by a Written Ministerial Statement was laid before Parliament on 2 February 2022.
- 1.2 The police settlement covers just one year. In his written statement the Minister confirmed that the total core grant for Lincolnshire is now £71.3m, an increase of £3.7m (5.6%). In addition, a ringfenced allocation of £1.1m is available to Lincolnshire on achievement of the police officer uplift target and in accordance with the grant conditions. The pension top-up grant allocation (£1.2m) has been maintained in 2022/23 at the same level since 2020/21.
- 1.3 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.
- 1.4 As in previous years, the existing approach to funding distribution will continue in 2022/23. The Minister's statement does not refer specifically to the timing of the Core Grant Distribution Review (funding formula review).
- 1.5 The Minister's letter states that, alongside force level allocations, the settlement provides £1.4 billion for national policing priorities, both resource and capital funding, including funding for continued investment in the Major Law Enforcement programmes, additional funding for law enforcement intelligence and investigation capacity, and new funding for improvements to the Criminal Justice System – focusing on the key commitments outlined in the End to End Rape Review.
- 1.6 The grant settlement was subject to consultation and the Police & Crime Commissioner wrote to the Home Secretary and Minister of State for Policing and Fire Services expressing his views. The Final Police Grant Report 2022/23 was confirmed by the government on 2 February 2022 and subsequently debated by Parliament on 9 February 2022. During the debate, the Policing Minister confirmed that work on the funding formula was underway, a technical oversight group had been appointed and he expected that consultation would be undertaken during summer 2022.
- 1.7 The Ministry of Justice has confirmed that the allocation of the Victim Services Grant to PCCs for 2022/23, this will remain the same in cash terms as for 2021/22, £0.884m. The budget includes commensurate ring-fenced expenditure. It has been assumed that the same level of grant will be continued for the duration of the MTFP (Medium Term Financial Plan).

- 1.8 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.
- 1.9 It is assumed that other Legacy Council tax grants and pension top up will continue across the MTFP.

2. Council Tax

- 2.1 Details of the council tax base have been received from Lincolnshire's district councils. These indicate a 2.05% increase in the tax base for 2022/23. There is also an aggregate net surplus on council tax collection funds; the Police and Crime Commissioner's share of this net surplus is estimated to be £0.615m.
- 2.2 MHCLG announced in 2020 that the repayment of collection fund deficits arising in 2020/21 must be spread over the next three years, as opposed to one year. The government will compensate local authorities for 75% of irrecoverable losses in council tax income in respect of 2020/21, £0.099m for Lincolnshire. Funding was expected to be paid directly to PCCs in 2021/22 with the obligation that PCCs will meet the total pressure resulting from 2020/21 deficit over the next three years. The remaining £0.033m cost pressure was spread over the three years to 2023/24, as such £0.011m has been included for 2022/23.
- 2.3 The government confirmed its proposals relating to Council Tax referendum principles for 2022/23 on 2 February 2022. In 2022/23 all PCCs will be allowed to increase band D bills by up to £10 p.a. without triggering a local referendum. The budget is based upon the PCC's increase in the police precept of £9.99 (3.75%) for a Band D property for 2022/23.
- 2.4 The budget and MTFP is based upon annual council tax increases of £9.99 per annum per Band D property in 2022/23 to 2024/25, reverting to a 2% per annum increase in 2025/26.
- 2.5 It has been assumed that the taxbase will increase by 0.5% per annum across the MTFP. This is considered to be a prudent level of increase given the anticipated ongoing impact of the Covid19 pandemic and rising interest rates.
- 2.6 The details of the council tax requirement are set out in Appendix A and the impact on Lincolnshire council tax payers is summarised in Table A below.

Table A: Council Tax

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	45.9%
C	8/9	236.72	8.88	245.60	0.17	68.6%
D	9/9	266.31	9.99	276.30	0.19	83.4%
E	11/9	325.49	12.21	337.70	0.23	93.1%
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%

- 2.7 The Lincolnshire Police and Crime Panel met on 4 February 2022 to consider the PCC's proposed council tax increase. The Panel voted unanimously at the meeting to support the proposed £9.99 for a Band D property, a 3.75% increase to the policing element of the council tax in 2022/23.

3. Other Income

- 3.1 The budget includes the use of £3.4m of reserves to balance the 2022/23 budget; and further use of reserves in future years in conjunction with efficiency savings to maintain a balanced position across the MTFP. The efficiency savings have been phased in from 2023/24, rising from a £2m target in 23/24 to £3m in 25/26. A full service review and Priority Based Budgeting exercise will be completed in 2022/23 following the transfer of the G4S outsourced services. Even with achieved savings at this level, a further £8.4m of reserves will be required to balance the budget over the MTFP period. This clearly shows the need for a favourable outcome for Lincolnshire in the long-awaited Funding Formula Review.
- 3.2 Total income is projected over the next four years as shown in Table B below.

4. Revenue Expenditure

- 4.1 Overall revenue budgets are summarised in Table B below and set out in detail at Appendix B.

Table B: Revenue Budget Total

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Income					
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)	0.000	0.000	0.000
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	(62.513)	(66.527)	(68.637)	(71.399)	(73.191)
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)	(3.418)	(3.666)	(2.579)	(2.418)
PCC Regional Income	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)
Total Income	(140.036)	(151.490)	(152.748)	(154.423)	(156.054)
Expenditure					
Police and Crime Commissioner	36.618	39.727	41.898	41.953	42.424
Chief Constable	101.990	110.220	111.240	113.280	114.850
Joint Services	1.428	1.544	1.610	1.690	1.780
Efficiency savings	-	-	(2.000)	(2.500)	(3.000)
Total Expenditure	140.036	151.490	152.748	154.423	156.054

- 4.2 Budget changes across the period of the MTFP are summarised in Table C below.

Table C: Summary of Expenditure Budget Changes

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Base Budget	135.320	140.036	151.491	152.748	154.423
Funded Growth	5.873	8.590	-	-	-
Cost Pressures	5.709	5.028	4.61	2.395	2.131
Savings	(4.752)	(1.949)	(3.477)	(0.680)	(0.500)
Collaborative Services	(2.268)	-	-	-	-
Income related changes	0.154	(0.213)	0.120	(0.040)	0.000
Total Expenditure	140.036	151.491	152.748	154.423	156.054

4.3 The key contributors to the change in spending requirement in 2022/23 are:

- Cost increase of G4S transferring services £2.0m
- Increase in employers NIC £1.0m
- Increased investment in ICT service £1.0m
- Additional 0.5% pay award allowance (2.5%) £0.25m
- Capital charges for replacement ERP & DFU server £0.9m
- PEQF implementation £0.3m
- Contact Management transformation £1.0m
- Safeguarding Hub staffing investment £0.5m
- Mobile phone kiosk team £0.5m

5. PCC direct expenditure

5.1 The budget proposals include provision for victims' services expenditure in line with the grant.

5.2 Provision for community safety grants and contributions has been included at £0.6m.

5.3 The Strategic Partnership with G4S comes to an end on 31 March 2022. The contract budget will be disaggregated across the respective services in readiness for 1 April 2022.

5.4 The budget to address the deficit in the Local Government Pension Scheme (LGPS), as required by the scheme actuary, has been set in line with the last valuation; 2022/23 £1.9m, and an estimate made from 2023/24, £2.0m per annum.

5.5 Capital financing charges usually present a cost pressure as borrowing to fund capital spending creates additional annual repayment and interest costs. The budget for capital financing is £4.4m in 2022/23, rising to £6.0m by the end of MTFP, this reflects the increased capital programme. The budget takes account of;

- changes in the capital programme;
- changes in contributions from grant and partners;
- use of capital receipts from asset sales;
- active treasury management to minimise interest costs.

5.6 The provision for pay awards arising in 2022/23 has been included at 2.5%.

- 5.7 The budget also includes non-recurrent amounts of £1.1m for Police Uplift Programme expenditure to be funded from the specific grant income budget. The expenditure has been built into the relevant expenditure budgets for 22/23.
- 5.8 The PCC has set aside earmarked funds to address the priorities of the Chief Constable and these align with the PCC's Police & Crime Plan. Plans for investment in service developments in 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. Joint services

- 6.1 The Finance element of this budget includes organisational costs and the base has been set at £1.2m rising to £1.4m by 2025/26, this provides for expected increases in insurance premiums.
- 6.2 The Commercial Partnership Team budget includes both staff and running costs, at £0.4m.

7. Chief Constable

- 7.1 The Chief Constable's baseline budget is based on strength of 1,186 police officers which is the pre uplift target establishment of 1,020 FTE plus the first tranche of the national uplift of 50 FTE, the second tranche of 49 FTE, and 67 FTE in the third and final tranche. Whilst the additional officers are welcome, it should be noted that the mandated introduction of PEQF (Police Education Qualifications Framework) has an impact on actual deployable officers.
- 7.2 The current establishment of PCSOs is 85 FTE. With minor fluctuations, the budget is based on maintaining this establishment.
- 7.3 The Police Staff budget has been based on 2020/21 establishment fully costed with a vacancy factor of 5% included to allow for staff turnover. This budget will increase when the Strategic Partnership budget is disaggregated to individual services from 1 April 2022.
- 7.4 A provision for pay awards arising in 2022/23 has been included at 2.5%.

8. Capital Programme

- 8.1 The capital programme for 2022/23 to 2025/26 and its funding is summarised in Table D below. This outlines the funding made available; however, business cases will be completed and approved before funding is released.
- 8.2 Building maintenance and improvements has a budget of £1.0m in 2022/23 to continue with prioritised planned improvements and maintenance, the majority of which is committed to completion of the window replacement schemes.
- 8.3 Vehicle replacement budget is set at £1.9m in 2022/23 which includes £0.8m of carry forward from 21/22. This budget allows the age profile of the fleet to be maintained within the suggested parameters, with 52 fleet vehicles being replaced in 2022/23 from the original budget allocation. The budget also allows for the introduction of 1 alternatively fuelled vehicle. The significant carried forward budget from 2021/22 is due to various issues with the supply of the vehicles. There is a proposed budget of £1.200m in the following 3 years. A prudent annual capital receipt of £0.06m has been included in relation to vehicle sales.
- 8.4 ICT Transformation projects have a proposed allocation of £1.695m for 2022/23, which includes £0.445m of carry forward from 2021/22. The original budget allocation is £1.000m for ICT Refresh and £0.250m for ICT projects. The ICT Transformation plans are currently being firmed up. The carry forward budget from 2021/22 is made up of several projects, the main ones being the Digital Asset Management System and the Digital Worker Platform. £0.250m per annum is allocated for the following years.
- 8.5 The implementation of the nationally led Emergency Services Mobile Communications Programme (ESMCP) has been delayed, so the budget has been reprofiled accordingly. Due to the operational delays encountered with the Emergency Services Mobile Communications Programme, the scheme has been pushed back until 2023/24, with £4.176m proposed budget in 2023/24 to support the purchase of the new devices. £0.373m budget remains in 2022/23 for ongoing contributions and costs. This has yet to be adjusted for the replacement of the Airwaves handsets which will require circa £1m transferring into 21/22.
- 8.6 The implementation of the new Command and Control system has been delayed, so the budget slippage has been moved into 2022/23.
- 8.7 There is £0.25m budget provision for equipment replacement; the budget allocation will be subject to business case approval.

Table D: Capital Programme

Capital Schemes	2021/22 Current Programme £m	2022/23 Proposed Programme £m	2023/24 Proposed Programme £m	2024/25 Proposed Programme £m	2025/26 Proposed Programme £m
Building maintenance/improvements	1.745	1.000	1.000	1.000	1.000
Vehicle replacement	0.634	1.895	1.200	1.200	1.200
Blue Light Collaboration Partner	0.120	-	-	-	-
Blue Light Collaboration Police	0.118	-	-	-	-
ICT Transformation	1.416	1.695	0.250	0.250	0.250
Nexus Switch	0.381	-	-	-	-
BI Tool	1.003	-	-	-	-
Body Worn Cameras	0.900	-	-	-	-
Airwave replacement terminals	0.700	-	-	-	-
Command and Control	3.537	-	-	-	-
ESMCP	0.200	0.373	4.176	-	-
Equipment replacement	0.478	0.250	0.250	0.250	0.250
Total	11.232	5.213	6.876	2.700	2.700
Funding :					
Capital receipts	0.060	0.060	0.060	0.060	0.060
Capital Grants Unapplied - ESMCP	-	-	-	-	-
Capital Grants Unapplied - Home Office	-	-	-	-	-
Capital Grants Received in Advance	-	-	-	-	-
Direct Revenue Financing	-	-	-	-	-
Earmarked Reserves	-	-	-	-	-
Borrowing - General	10.952	5.153	6.816	2.640	2.640
Borrowing - Blue Light	-	-	-	-	-
Borrowing - Salix	-	-	-	-	-
Grant - General	0.100	-	-	-	-
LRSP Partner Contribution	-	-	-	-	-
Blue Light Partner Contribution	0.120	-	-	-	-
Total	11.232	5.213	6.876	2.700	2.700

9. Medium Term Financial Plan

- 9.1 Forecasting beyond 2022/23 is challenging particularly as future grant allocations are uncertain. The Minister's statement does not refer to the timing of the Core Grant Distribution Review (funding formula review).
- 9.2 The government's precept strategy, to allow an increase up to an additional £10 per band D property for each of the next three years without the need to call for a referendum, is helpful.

Table E: Medium Term Financial Plan

Medium Term Financial Plan	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)
Council tax	(62,513)	(66,527)	(68,637)	(71,399)	(73,191)
Use of Reserves	(22)	(3,418)	(3,666)	(2,579)	(2,418)
Other income	(9,948)	(10,216)	(9,116)	(9,116)	(9,116)
Total income	(140,036)	(151,490)	(152,748)	(154,423)	(156,054)
Expenditure	140,036	151,490	154,748	156,923	159,054
Efficiency Savings	-	-	(2,000)	(2,500)	(3,000)
MTFP Gap	0	0	0	0	0

9.3 Forecasting assumptions are based on the following:

- Police Grant forecasts beyond 2022/23 are to maintain broadly flat to 2025/26. Due to a lack of clarity for 2023/24 onwards there is a considerable degree of estimating error in the forecasts for 2023/24 and beyond.
- Council Tax increases by £9.99 (3.75%) per annum for a Band D property in 2022/23, continuing at £9.99 per annum for 2023/24 and 2024/25 reverting to a 2% per annum increase for 2025/26.
- Baseline budgets for staffing as follows:
 - Police Officers – the allocation of 50 officers in tranche one of the PUP resulted in an FTE of 1,070 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. Whilst the additional officers are welcome, it should be noted that the mandated introduction of PEQF (Police Education Qualifications Framework) has an impact on actual deployable officers.
 - PCSOs – the current establishment is 85 FTE. With minor fluctuations, the budget is based on maintaining this establishment.
 - Police Staff – The budget has been based on 2021/22 fully costed with a vacancy factor of 5% included to allow for staff turnover. This budget will increase when the Strategic Partnership budget is disaggregated to individual services from 1 April 2022.
- Costs are forecast to increase as a result of pay awards, pension costs, and other inflationary increases e.g. fuel price increases.

10. Chief Finance Officer's report under section 25 of the Local Government Act 2003

- 10.1 The purpose of this section of the report is to provide the Commissioner with information on the robustness of the estimates and the adequacy of reserves, so that authoritative advice is available when the budget decision is made.
- 10.2 The Commissioner is required to decide each year how much should be raised from council tax. This decision is based upon a budget that sets out estimates of spending plans.

- 10.3 The decision on the level of the council tax is taken before the year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase expenditure above that which is planned, must be made by:
- making prudent allowance in the estimates, and in addition;
 - ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient.
- 10.4 Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer reports to the Police & Crime Commissioner (PCC) as part of the consideration of the budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals. Section 25 also requires the PCC to have regard to the report in making the decision.

Robustness of Estimates

- 10.5 This report provides details of the revenue budget proposals for 2022/23 together with provisional budgets for 2022/23 to 2025/26. The budget proposals presented herein are based upon delivering the PCC's Police & Crime Plan.
- 10.6 Detailed estimates for 2022/23 have been prepared on a realistic basis. Detailed workforce plans provide for the delivery of the Home Office target for Lincolnshire's police officer uplift; detailed workforce plans to deliver officer numbers beyond the uplift will be prepared in due course.

Medium Term Financial Plan

- 10.7 Provisional service budgets are proposed for 2023/24 to 2025/26. The government has yet to set grant allocations for these years. Estimates have been based on prudent assumptions. There remains the risk that the grant income will be lower than assumed.
- 10.8 There is clarity on the two years beyond 2022/23 on the government's future intentions in relation to the limitation of council tax increases.
- 10.9 On current assumptions the budget is balanced across the MTFP with use of reserves and a plan for efficiency savings included. This is based on maintaining the resources available for police officers/PCSOs and maintaining the number of police staff.
- 10.10 However, there is a risk relating to the expiry, in March 2022, of the contract term for the provision of operational and back-office support services by Lincolnshire's strategic partner. The programme of work to give effect to the decision to end the Strategic Partnership at the conclusion of the 10-year term is nearing completion. The initial plan is for a 'soft landing' in April 2022, however there is a financial risk because the operating model post 2022/23 is not yet determined.
- 10.11 Nevertheless, Financial balance is indicated across the medium term as a result of increased contributions from Lincolnshire council taxpayers, use of reserves and efficiency savings.
- 10.12 Alongside increased government funding for the national police officer uplift programme, improved service delivery to the people of Lincolnshire will be achieved by significant investment in ICT infrastructure and the

implementation of a class-leading Command & Control system which should provide the platform to unlock significant operational benefits through the better use of resources and data. In addition, the budget allows for continued investment in a Business Intelligence tool which is intended to provide a better understanding of demand further increasing productivity.

- 10.13 Improving productivity and achieving a fairer share of government funding for Lincolnshire remain key to maintaining safe levels of policing into the medium term.
- 10.14 Continuing sound financial control will also be key to maintaining financial balance into the medium term as reserves to support the revenue budget will be depleted.

Reserves

- 10.15 CIPFA's Guidance makes clear that the adequacy of the PCC's reserves should be assessed in the context of its strategic, operational and financial risks.
- 10.16 The currently approved Financial Strategy requires that "general reserves will be maintained at the mid-point of a target range based on the financial risk assessment in respect of residual financial risks." The Financial Strategy has been reviewed as part of the budget process and is the subject of a separate decision paper.
- 10.17 The PCC currently holds a General Reserve of £5.9m, there are no plans to use this to balance the 2022/23 revenue budget, however it may become necessary to do so during the MTFP. Table G below provides a summary of the risk based assessment that has been undertaken.
- 10.18 The range of required reserves is assessed as £6.4m - £13.8m, the mid-point of which is £10m. This is set against forecast risk based reserves of £9.6m: General Reserve £5.9m, Major Incident Reserve £1.9m, Victim's Major Incident Reserve £0.3m, Insurance Reserve £1m and staffing related reserves £0.5m.
- 10.19 In the current circumstances, it will be proposed in the refreshed Financial Strategy that the risk based reserves policy remain at the mid-point of the target range (£10m). During the life of the MTFP it is likely that there will be a requirement to revert to a reserves policy based upon the minimum of the risk assessed target range in order to enable drawdown of risk based reserves to support the MTFP. However, in the meantime, I am satisfied that the level of reserves is just adequate.

TABLE G: Reserves & Risk)

Area	Risk addressed	Calculation basis		Proposed allocation	
		Min	Max	Min £000	Max £000
General balance	Budget overspend & general contingency	0.5% budget requirement	1% budget requirement	741	1,481
Major Disaster	First 1% of budget requirement to be met on major disasters	50% of potential impact	100% of potential impact	741	1,481
Council Tax	To provide for future non-payments, reducing yields etc.	1% of council tax (2022/23)	3% of council tax (2022/23)	659	1,978
Police Staff Pension Scheme Contributions	Actuarial variations in the level of contributions due to market volatility			500	1,000
Business Transition	Risk of additional costs during transition from Strategic Partner.	Based on 1% of disaggregated budget	Based on 5% of disaggregated budget	250	1,250
Economic uncertainty	To provide for potential adverse effects, for example inflation, following Brexit and the Covid Pandemic	1% of non-pay budget (2022/23)	2% of non pay budget (2022/23)	595	1,191
Medium Term Financial Plan	Risk of non-delivery of efficiency savings required within the MTFP	Savings required in Year 1 of the MTFP	Savings required in Year 3 of the MTFP	2,000	3,000
Major Incidents	Possibility of in-year major incident costs exceeding provision in revenue budget	Maximum spend in last 5 years less revenue budget provision	2 x the maximum spend in last 5 years less revenue budget provision	400	1,400
Insurance	Covers excess on insurance position	2 x current excess	4 x current excess	500	1,000
				6,386	13,781

A2. LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES/PRIORITIES

The revenue budget and capital programme are the financial expression of the Police and Crime Plan and the Commissioner's strategies and is consistent with his Financial Strategy.

B. FINANCIAL CONSIDERATIONS

These have been included in the main report above.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Police and Crime Commissioner is required to set a balanced budget, determine the rate of council tax and issue a precept in accordance with the Local Government Finance Act 1992 and the Police Act 1996.

D. PERSONNEL AND EQUALITIES ISSUES

There are no direct personnel, equal opportunities or diversity issues arising from this report.

E. REVIEW ARRANGEMENTS

The revenue budget will be monitored monthly and capital programme will be monitored quarterly at Police & Crime Strategic Board meetings.

F. RISK MANAGEMENT

The risk of a shortfall in funding resulting in severe financial difficulties for the Police and Crime Commissioner and the Police Force is highlighted in both the PCC and Force risk registers. Particular areas of risk around funding levels, reserves are highlighted in the report.

G. PUBLIC ACCESS TO INFORMATION

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC's website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

Is the publication of this form to be deferred? No

If Yes, for what reason:

Until what date:

Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate part 2 form.

Is there a part 2 form? No

ORIGINATING OFFICER DECLARATION

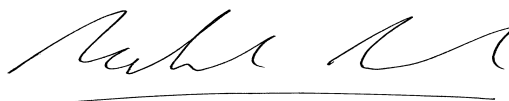
	Initial to confirm
Originating Officer: PCC's Chief Finance Officer recommends this proposal for the reasons outlined above.	JF
Financial advice: The CC's Chief Finance Officer has been consulted on this proposal.	SC
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	MB
Chief Constable: The Chief Constable has been consulted on this proposal	CH

OFFICER APPROVAL

Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

Signature:



Date: 23 February 2022

A. BUDGET & COUNCIL TAX REQUIREMENT 2022/23			£	£
TOTAL BUDGET				151,490,326.00
LESS:	Victim Services		883,520.00	
	POCA & Regional Income		224,190.00	
	Use of Reserves		3,418,000.00	4,525,710.00
BUDGET REQUIREMENT				146,964,616.00
	Police Specific Grant		71,329,158.00	
	National Uplift Fund		1,100,000.00	
	MHCLG Adjustment		(11,385.84)	
	Pension Top Up Grant		1,174,926.00	
	Council Tax Support Grant		5,774,887.00	
	Council Tax Freeze Grant		1,058,666.00	80,426,251.16
POLICE AND CRIME COMMISSIONER PRECEPT				66,538,364.84
LESS:	District Council Collection Fund Surplus			615,348.27
COUNCIL TAX REQUIREMENT				65,923,016.57
B. PCC ELEMENT OF COUNCIL TAX BY PROPERTY BAND			Proportion of Band D	Council Tax £
Band A			6/9	184.20
Band B			7/9	214.90
Band C			8/9	245.60
Band D			9/9	276.30
Band E			11/9	337.70
Band F			13/9	399.10
Band G			15/9	460.50
Band H			18/9	552.60
C. PRECEPTS ON DISTRICT COUNCILS	No. of Band D Equivalent Properties	Council Tax Requirement £	Collection Fund Surplus / (Deficit) £	PCC Precept £
Lincoln City	25,310.01	6,993,155.76	(3,740.00)	6,989,415.76
Boston B.C.	20,051.00	5,540,091.30	91,384.26	5,631,475.56
East Lindsey D.C.	45,793.00	12,652,605.90	94,542.00	12,747,147.90
West Lindsey D.C.	31,038.46	8,575,926.50	203,400.00	8,779,326.50
North Kesteven D.C.	38,300.00	10,582,290.00	122,847.01	10,705,137.01
South Kesteven D.C.	48,706.70	13,457,661.21	62,976.00	13,520,637.21
South Holland D.C.	29,393.00	8,121,285.90	43,939.00	8,165,224.90
TOTAL	238,592.17	65,923,016.57	615,348.27	66,538,364.84

	Budget		Medium Term Financial Plan		
	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Funding					
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	(832)	(1,100)	0	0	0
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	(62,513)	(66,527)	(68,637)	(71,399)	(73,191)
Other Funding					
Victim Services Grant	(884)	(884)	(884)	(884)	(884)
Proceeds of Crime Income	(120)	(120)	(120)	(120)	(120)
PCC Regional Income	(104)	(104)	(104)	(104)	(104)
Reserves	(22)	(64)	(66)	(67)	(67)
Use of reserves to balance the budget	0	(3,354)	(3,600)	(2,512)	(2,351)
Total Funding	(140,036)	(151,490)	(152,748)	(154,423)	(156,054)
Police Officer Pay	63,561	68,618	68,853	69,598	70,348
Uplift in Police Pensions Employer Contribution	0	0	0	300	305
Police Officer Bank Holiday Overtime	805	1,135	855	872	890
Police Community Support Officers	3,007	3,102	3,251	3,388	3,453
Police Staff Pay	11,550	13,057	13,418	13,668	13,927
Total Pay Budgets	78,924	85,913	86,378	87,827	88,924
Other Chief Constable Budgets					
Crime Command	1,292	1,379	1,386	1,396	1,396
Coroners	310	310	310	310	310
Local Policing East	781	725	630	630	630
Local Policing West	719	713	713	713	713
Force-wide Services	53	18	18	18	18
Specialist Ops	1,183	1,475	1,475	1,475	1,475
National Contribution & Central Costs	529	592	592	592	592
Force Executive	155	161	161	161	161
Partnerships	(21)	13	13	13	13
Earned Income & Staff Recharges	(335)	(388)	(388)	(388)	(388)
Police Led Prosecution Income	(340)	(340)	(340)	(340)	(340)
Firearms Income	(260)	(200)	(80)	(120)	(120)
Mutual Aid	(20)	(40)	(40)	(40)	(40)
Horizons	317	67	67	67	67
Apprentice Levy	306	306	306	306	306
Strategic Development	39	39	39	39	39
Wellbeing	96	96	96	96	96
Information Management Unit	(15)	3	3	3	3
Regional Data Quality & Regional Review Team	96	99	102	105	108
Legal Services	141	141	141	141	141
Volunteers	105	97	97	97	97
Professional Standards Department	15	24	24	24	24
Premises Monitored & Managed	3,365	3,665	3,910	4,060	4,060
Fleet Monitored & Managed	1,262	1,375	1,475	1,575	1,675
Human Resources Monitored & Managed	157	157	157	157	157
Training Monitored & Managed	588	747	602	602	602
ICT Monitored & Managed	4,449	5,122	5,187	5,397	5,617
Other Monitored & Managed	641	696	696	696	696
FME Contract	1,155	1,378	1,501	1,524	1,524
Lincs Road Safety Partnership Income	(1,056)	(1,085)	(1,085)	(1,085)	(1,085)
Lincs Road Safety Partnership Expenditure	293	293	293	293	293
Major Incidents	599	564	564	564	564
Regional Budgets	4,061	4,291	4,373	4,458	4,548
Seconded Officers	24	13	13	13	13
Ill Health & Injury Pensions	1,690	1,730	1,780	1,830	1,890
Corporate Communications	62	72	72	72	72
Contingency Budget	633	0	0	0	0
Total Chief Constable Other Costs	23,066	24,307	24,862	25,453	25,926
Total Chief Constable Budgets	101,990	110,220	111,240	113,280	114,850
Office of the Police and Crime Commissioner	1,145	1,325	1,348	1,338	1,358
PCC Budgets					
Pay Awards	0	0	1,104	1,104	1,106
PCC Contingency	0	241	0	0	0
Recurrent Funding Requirements	1,030	4,351	4,635	4,635	4,635
Community Grants and Contributions	556	556	556	556	556
Victim Services Expenditure	1,009	1,031	1,037	1,043	1,049
Strategic Partnership	25,416	25,846	25,557	25,557	25,557
Horizons	832	0	0	0	0
East Coast Model	460	0	0	0	0
Historic LGPS Pension Cost	1,657	1,874	2,000	2,000	2,000
Capital Financing	4,389	4,356	5,511	5,567	6,007
Investment Income	(25)	(5)	(5)	(5)	(5)
PCC Regional Expenditure	130	132	135	138	141
POCA Expenditure	20	20	20	20	20
Total PCC Budgets	36,618	39,727	41,898	41,953	42,424
Joint Services					
Corporate Finance	1,034	1,151	1,217	1,297	1,387
Commercial Partnership Team	393	393	393	393	393
Total Joint Services	1,428	1,544	1,610	1,690	1,780
Total Expenditure	140,036	151,490	154,748	156,923	159,054
Efficiency Savings	0	0	(2,000)	(2,500)	(3,000)
Total Adjusted Expenditure	140,036	151,490	152,748	154,423	156,054
Pensions					
Police Pension Scheme Income		(42,369)	(44,863)	(47,619)	(47,841)
Police Pension Scheme Expenditure		42,369	44,863	47,619	47,841
Total Pensions	0	0	0	0	0
Total Surplus/(Deficit)	0	0	0	0	0