



Lincolnshire POLICE & CRIME COMMISSIONER

SAFER TOGETHER

REPORT TO THE POLICE & CRIME PANEL POLICE PRECEPT 2023/24

1. Introduction

1.1 My proposals for the Police Precept 2023/24 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 6 December 2022. I received 3,843 complete responses which are analysed in Annex A attached. My precept proposal for 2023/24 reflects careful consideration of the views expressed in response to my consultation.

2. Government Grant

2.1 The Provisional Police Grant Report for 2023/24, accompanied by a Written Ministerial Statement, was laid before Parliament on 14 December 2022.

2.2 The total core grant for Lincolnshire is now £71.6m, an increase of £0.2m. In addition, a ringfenced allocation of £2.3m is available to Lincolnshire on achievement of the police officer uplift programme target (1,186 officers for Lincs). The pension top up grant allocation (£1.2m) has been maintained in 2023/24 at the same level as for 2022/23.

2.3 The Minister confirmed the precept referendum limit to allow an increase up to an additional £15 per annum for a Band D property without the need to call for a local referendum.

2.4 The Minister's statement sets out the government's priorities for 2023/24:

- ensuring overall police officer numbers are maintained at the agreed Police Uplift baseline plus force level allocations of the 20,000 additional officers;

- deploying these additional officers to reduce crime and honour this Government's commitment to keep the public safe;
- delivering improvements in productivity and driving forward efficiencies, maximising the value of the Government's investment.

2.5 Capital grant funding to PCCs ceased from 2022/23.

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 2022/23-2024/25 as part of its Spending Review in October 2021. In all three years from 2022/23 PCCs were to be allowed to increase Band D bills by as much as £10.

3.3 In December 2022, the government revised its approach to Council Tax referendum principles for 2023/24, allowing PCCs to increase Band D bills by as much as £15. Informed by the views of local people, I propose an increase in the police precept of £14.94 for 2023/24. The precepts for Band A and Band B (collectively representing 46% of the taxbase) would be:

- Band A £194.16; an increase of £9.96 per annum
- Band B £226.52; an increase of £11.62 per annum

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

- 2023/24 £291.24 an increase of 5.41%
- 2024/25 £301.23 an increase of 3.43%

3.5 My medium term financial plan (MTFP) is based upon annual council tax increases of 2% per annum in 2025/26 and subsequent years.

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 £14.94 council tax increase for 2023/24, a £9.99 increase in 2024/25, and a 2% increase for the following years 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 2 years - see Annex C for more information.
- 4.5 Whilst the increased funding for the continuation of the National Officer Uplift is welcome; given that the terms and conditions attached to this ringfenced grant have yet to be announced, this funding is considered to be 'at risk' at this stage.

Table 1

	Revised 2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Provisional Income					
Police Grant	(71.329)	(71.578)	(71.578)	(71.578)	(71.578)
Pension Top Up Grant	(1.175)	(1.175)	(1.175)	(1.175)	(1.175)
National Uplift Funding	(1.100)	(2.287)	-	-	-
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	(66.527)	(69.838)	(72.606)	(74.428)	(76.265)
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)
PCC Regional Income	(0.104)	(0.114)	(0.114)	(0.114)	(0.114)
Contribution to / (from) Reserves	(0.064)	(0.207)	(0.067)	(0.067)	(0.067)
Use of reserves to balance the budget	(3.354)	-	-	-	-
Total Police and Crime Commissioner Income	(151.490)	(153.036)	(153.377)	(155.199)	(157.036)

5. Expenditure Plans

- 5.1 Total spending in 2023/24 has increased in the face of significant internal and external cost pressures.
- 5.2 The budget is summarised in Table 2 and described below.

Table 1

	Revised 2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Provisional Expenditure					
Police and Crime Commissioner	13.957	13.039	13.144	13.665	13.715
Chief Constable	135.008	146.191	148.799	150.599	152.274
Joint Services	2.525	2.691	2.771	2.861	2.861
Cost Reduction Programme	-	(2.000)	(2.500)	(3.000)	(3.000)
Budget Gap/Use of Reserves	-	(6.884)	(8.836)	(8.925)	(8.813)
Total Provisional Expenditure	151.490	153.036	153.377	155.199	157.036

- 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 for capital financing charges of £5.5m.
- 5.4 The Chief Constable's 2023/24 budget includes £70.8m for police officer salaries (including the uplift). The target operating model for the period to 2025/26 is 1,186 police officers. The allocation of 50 officers in tranche one resulted in 1,070 FTE by March

2021, the additional 49 officer allocation for 2022/23 gave 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 2023/24 shows a budget gap of £6.9m after £2m of recurrent savings based upon a council tax increase of £14.94 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 for 2023/24 and into the medium term. Savings will also be identified to reduce the expenditure budget for 2023/24 and into the medium term. An extensive Priority Based Budget exercise during 2022/23 will provide evidence to reprioritise spending and formulate a plan to address the underlying budget gap. Further information is provided in Annex C.
- 6.3 The Priority Based Budgeting review informed plans for investment in service developments in 2023/24 including:
- Maintaining police officer numbers at the uplift target of 1,186;
 - Investing 9 police staff in the Safeguarding Hub to ensure effective safeguarding, management of the Domestic Violence disclosure scheme, information sharing with relevant partners and swift referrals into the Protecting Vulnerable People (PVP) Unit;
 - Investing 12 additional detectives in the PVP unit to protect the most vulnerable children and adults in our communities;
 - Investing 15 call takers into the Force Control Room to improve call response times;
 - Investing in the Serious Collisions Investigation Unit to improve the safety of Lincolnshire's roads;
 - Investing both 3 additional officers and 2 police staff in the Professional Standards Department to increase community confidence;
 - Investing in Learning & Development to ensure our officers and staff are equipped with the skills needed to deliver high quality services to our communities;
 - Following a review of the Officer Deployment Model, investment in a revised model to place more officers on duty in peak demand periods thereby improving incident response times.
- 6.4 Alongside the investments outlined above, the Force is developing a Savings Plan aimed at delivering £2m annual savings in 2023/24 rising to £3m pa by 2025/26.
- 6.5 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 2023/24 is £14.94. This is £291.24 for a Band D property. With this increase, Council Tax provides £3.6m more funding than in 2022/23.
- 7.2 The Police and Crime Commissioner's share of council tax is shown in table 3 below. This illustrates the impact of a £14.94, a 5.41% increase. The additional cost to the majority of Lincolnshire council tax-payers would be 26 pence per week or less.

Table 2

BAND	Proportion of Band D	2022/23 Council Tax £	£14.94 Increase to a Band D £ p.a.	2023/24 Council Tax £	£14.94 Increase to a Band D £ per week	% of Taxbase Cumulative
A	6/9	184.20	9.96	194.16	0.19	25.7%
B	7/9	214.90	11.62	226.52	0.22	45.9%
C	8/9	245.60	13.28	258.88	0.26	68.4%
D	9/9	276.30	14.94	291.24	0.29	83.3%
E	11/9	337.70	18.26	355.96	0.35	93.1%
F	13/9	399.10	21.58	420.68	0.42	97.9%
G	15/9	460.50	24.90	485.40	0.48	99.8%
H	18/9	552.60	29.88	582.48	0.57	100.0%

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

- 2023/24 £291.24 an increase of 5.41%
- 2024/25 £301.23 an increase of 3.43%

Marc Jones
The Police and Crime Commissioner for Lincolnshire
26 January 2023