

CAMBRIDGESHIRE POLICE AND CRIME PANEL	Agenda Item No. XXX
3rd February 2021	Public Report

Report of Acting Cambridgeshire Police and Crime Commissioner

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PRECEPT REPORT 2021/22

1. PURPOSE

- 1.1 To notify the Cambridgeshire Police and Crime Panel (the “Panel”) of the Acting Police and Crime Commissioner’s (the “Acting Commissioner”) proposed Net Budget Requirement (NBR) and precept for 2021/22 and to enable the Panel to review the proposed precept.

2. RECOMMENDATION

- 2.1 The Panel is recommended to review and make a report to the Acting Commissioner on the proposed policing precept element of the Council Tax precept for 2021/22. The proposed Council Tax is an increase of £1.25 per month bringing the policing element of Council Tax (Band D equivalent) to £247.59 (an increase of £14.94 per year compared to 2020/21).

3. TERMS OF REFERENCE

- 3.1 Item 5 - to review and make a report and recommendation (as necessary) on the proposed precept.

4. BACKGROUND

- 4.1 Under the Police Reform and Social Responsibility Act 2011 (the “Act”) it is the Acting Commissioner’s responsibility to decide the budget, allocating assets and funds to the Chief Constable, and set the precept for the force area. It is for the Chief Constable to have day to day responsibility for financial management of the Cambridgeshire Constabulary (the “Constabulary”) and to decide on the configuration and organisation of policing resources.
- 4.2 Under both the Act and the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012, the Acting Commissioner must notify the Panel of the precept which the Acting Commissioner is proposing to issue for the financial year by 1 February. The Panel must review the proposed precept notified to it by 8 February, and make a report, including recommendations.
- 4.3 Local Government Association (LGA) Guidance for Panels states that ‘*Although Panels do not have a role in setting the budget, their scrutiny of the precept will need some awareness of the budget and a report will inevitably accompany the precept proposals to give background.*’

5. KEY ISSUES

- 5.1 The Government announced the provisional funding settlement for policing on 17th December 2020. The Minister of State for Crime and Policing stated: “*Overall funding for the policing system will total up to £15.8 billion, a £636 million increase on the 2020/21 funding settlement. Within this, available funding to Police and Crime Commissioners (PCCs) will increase next year by up to an additional £703 million, assuming full take-up of precept flexibility. This would represent an increase to PCC funding in cash terms of 5.4% on top of the 2020/21 police funding settlement.*”

- 5.2 The provisional settlement notification received from the Government was a £8.5m increase in funding for Cambridgeshire. This included both the central grant funding element of £4.2m, a ringfenced grant of £1m for police officer recruitment (the “Uplift Programme”), and Pension Grant of £1.4m, and assumed that the Acting Commissioner would increase the precept by £15 on Band D properties, which combined with the expected growth in housing subject to council tax, would raise the remaining funds.
- 5.3 The funding settlement also included details of Year 2 of the Uplift Programme resulting in the Constabulary having a further 61 officers and an expected 82 officers in Year 3 of the programme. This would increase the number of officers to 1,702 by the end of the Uplift Programme. This will result in the highest number of officers the county will have had.

6. APPROACH TO PRECEPT SETTING

- 6.1 The setting of the precept this year takes place amid unprecedented circumstances, in the midst of the Covid pandemic.
- 6.2 During early 2020, the Chief Constable undertook an innovative Strategic Threat and Risk Assessment (STRA) process to determine the future operational requirements of the Constabulary. This process identified pressures against the current capacity and capability of the force to manage the expected future demand and risk. Consequently, the STRA has developed informed thinking to managing the 2021/22 budget, consideration of options to close the current budget gap, understanding of future cost pressures and to provide a longer-term strategy for financial planning. The Constabulary’s Corporate Plan has also led the STRA business planning model in what services are required for the future of Cambridgeshire communities. This assurance in business planning means that both efficiency and effectiveness, as well as future proofing of the Constabulary has been paramount.
- 6.3 As such, the STRA process identified a need for a Vulnerability Support Team, People and Workforce development especially with a large young in-service workforce, Diversity Coordinator, enhancements to the Demand Hub, Digital investigators and cyber prevention and the Covert Authorities Bureau. It identified the priorities for 2021/22 as:
- Safeguarding the vulnerable
 - Combatting acquisitive crime, such as burglary
 - Reducing harm to communities
 - Tackling serious and organised crime
 - Increasing public satisfaction
- 6.4 Trends in the changing demand profile and technological innovations informed by prioritisation through the STRA process has informed the Chief Constable in remodelling service delivery by the Constabulary and through collaboration. Through these processes the Chief Constable has identified £5.1m savings to ensure that the Constabulary remains both efficient as well as effective.
- 6.5 Cost pressures and investment requirements have been identified which total £14.2m. Details of the areas where savings have been identified, cost pressures and investment requirements can be found in the draft Medium Term Financial Strategy (MTFS) and the related presentation, as given at Appendices 1 and 2 respectively. The identified savings, cost pressures and funding investment requirements mean that although the additional NBR for 2021/22 is £9.1m (£14.2m less savings of £5.1m). The cost of the additional Uplift Programme officers and Pension Grant have also been included in this figure. The total NBR of the Constabulary for 2021/22 is therefore £165.1m.
- 6.6 Throughout this STRA process and the year, the Acting Commissioner has had a series of meetings with the Chief Constable and the Constabulary’s Director of Finance & Resources to discuss the budget requirement for the Constabulary in this funding context.

- 6.7 In proposing a precept, the Acting Commissioner is required to consider the immediate funding required for 2021/22 and the context of longer-term financial sustainability and risks. To assist with this, the MTFs has been refreshed (and as such still a working draft) detailing how this will be managed and a Medium-Term Financial Plan (MTFP) developed that contains the detailed forecasts.
- 6.8 A key local consideration in respect of the future funding requirements relates to police estates. There are significant borrowing requirements for planned, operationally essential developments, including the necessary replacement of Parkside police station in Cambridge with a new police station at Milton, a police facility in Cambridge City Centre, as well as replacement training facilities for public order units. The costs of the borrowing that is required will have to be borne by the revenue budget. This increased cost of borrowing will increase future budget requirements, and a risk in this relates to future interest rate changes.
- 6.9 A further consideration is the expectation of future growth in demand. A number of factors relate to this including significant population growth in Cambridgeshire, the impact of service pressures in other key public services leading to increased police demand (80% of police demand is not crime related), and the changing nature of demand. Current demand must be met, but investment in prevention, and therefore crime reduction, is also required.
- 6.10 In addition, a number of national policing programmes are outlined in the draft MTFs that create additional cost pressures and investment requirements that reduce the flexibility for Cambridgeshire's budget planning.
- 6.11 There are many other factors and risks to be considered concerning medium term financial sustainability, in the context that Cambridgeshire remains one of the lowest funded forces in the country per head of population. Additional details relating to these can be found in Appendices 1 and 2.
- 6.12 On behalf of the Acting Commissioner, the Office of the Police and Crime Commissioner (OPCC) launched a survey on Tuesday 5th January 2021 seeking the views of members of the public with regards to funding the Constabulary's police service. The survey was made available online (in accordance with current Government restrictions), and was launched through a media release and signposting to the survey. Distribution was to local media outlets, MPs, the Panel, Community Safety Partnerships, Speedwatch, and representative groups. It was also launched via Facebook, Twitter and via Ecops to around 20,000 subscribers. There was also be targeted communications with hard to reach groups. Social media posts continued to be undertaken throughout the survey reminding the public of timescales, until it closed on the 19th January 2021.
- 6.13 The survey provided the narrative to communities about cost pressures facing the Constabulary and explored the public expectations with respect to policing. The survey asked the public: '*Do you think an increase of £1.25 per month would be value for money?* – with a 'Yes' or 'No' choice. The survey also asked for views on the public's priorities to inform an evidence base for the future Police and Crime Plan. The narrative to the survey can be found here: <https://www.cambridgeshire-pcc.gov.uk/cambridgeshire-residents-asked-for-their-views-on-police-funding/>
- 6.14 Daily analysis of the survey responses took place in order that on-going consideration could be given to the responses in order to gauge the views of the public in respect of support, or otherwise, for an increase of £1.25 and their priorities for policing and crime.
- 6.15 The intention was once the Acting Commissioner had considered these views, and taken into account the views of the Chief Constable, he would be in a position at his Business Co-ordination Board (the "Board") meeting on the 20th January 2021 to have a full discussion of the financial position based on the draft MTFs. This would then enable the Acting Commissioner to decide on what precept level to set in order to deliver efficient and effective policing in Cambridgeshire, and then propose this to the Panel for their consideration.

7. PRECEPT PROPOSAL

- 7.1 The Acting Commissioner's Board meeting on the 6th January 2021 further considered the approach to the draft MTFS and identified pressures against capacity and capability of the Constabulary to manage expected future demand and risk.
- 7.2 At its meeting on the 20th January 2021 the Board considered the precept survey results (as follows) which strongly supported an increase in precept:
- 1,270 people completed the survey with 70% agreeing that an additional £1.25 a month (on a Band D property) towards policing Cambridgeshire represented value for money.

Appendix 3 provides more detail on the survey and results. The responses received from the public in respect of their policing priorities will help provide an evidence base for consideration by the incoming Commissioner's in developing their Police and Crime Plan, following the elections due to take place in May.

It is worth noting, that 1,197 people completed the precept survey for 2020/21.

- 7.3 The Board also considered the draft MTFS and heard that the STRA process identified additional call handlers, and support for calls for service from the vulnerable, Cyber, online prevention officers, Digital media investigators and increased capacity for handling digital contact from the public as well as support for the development of frontline officers. It also noted that funding reductions in other public services may impact on policing and the Constabulary's capital infrastructure also needs investment. This is all against a background where Cambridgeshire, in line with other areas are seeing a shifting demand profile with more private/hidden crime, online crimes, complex crime and an increasing role in policing dealing with vulnerability.
- 7.4 The Board noted the work as set out in the draft MTFS relating to:
- Savings to drive efficiencies;
 - Existing Cost pressures;
 - Where investment will have most impact; and
 - Central Government initiatives/National Programmes

The Board also noted the risks and uncertainty faced by the Constabulary over the coming years.

- 7.5 At the Board meeting, the s151 Officer provided assurance under section 25 of the Local Government Act 2003, to the Acting Commissioner. This assurance was that in his review of the draft budget he believed that the budget proposals set out by the Acting Commissioner are robust and sustainable. He further stated that the level of reserves is sufficient to meet the known risks within the budget taking account of the Acting Commissioner's robust financial management framework.
- 7.6 As given in the LGA Guidance for Panels, *'Panels will need to understand budget material to be able to offer effective challenge and support of the commissioner on the proposed precept... The provision by the commissioner of background information explaining the budget and precept proposals will help the panel to direct its scrutiny effectively'*. The Guidance also goes on to state that *'At a time of unprecedented financial challenge, significant changes in the nature, type, scale and complexity of crime and increasing public expectations of policing, Panels will need to be familiar with the range of challenges and pressures on the Commissioner and the diversity of responses to those by the Commissioner, her/his office and the wider public sector'*.
- 7.7 Therefore, in order to assist the Panel in understanding the budget material and to inform the Panel's consideration of the precept proposal, a Budget Presentation was given to Panel members on the 22nd January 2021 detailing the considerations of the Acting Commissioner and Chief Constable in the development of the financial strategy for the medium-term. The presentation that formed the basis of this session is given at Appendix 2.

7.8 At this session the Panel also received reassurance from the Acting Commissioner's s151 Officer regarding the robustness of the budget setting process (as he had previously given to the Acting Commissioner at the Board meeting on the 20th January 2021).

8. PRECEPT RECOMMENDATION

8.1 The precept proposed will ensure a £165.1m budget for policing in Cambridgeshire for 2021/22 and a balanced budget. This would see the policing element of a 2021/22 Band D council tax increasing from £232.65 per annum in 2020/21 to £247.59 per annum, an increase of £1.25 a month.

8.2 The Panel is recommended to review the proposed precept in the context of ensuring continued and sustainable effectiveness and efficiency in policing in Cambridgeshire.

8.3 The Panel are asked to note that final MTFs, including the section 25 statement, and the MTFP will be brought to the Panel meeting on 24th March 2021 once the precept funding is agreed.

9. NEXT STEPS

9.1 The Panel must make a report to the Commissioner on the proposed precept.

10. BACKGROUND DOCUMENTS

Police Reform and Social Responsibility Act 2011

<http://www.legislation.gov.uk/ukpga/2011/13/contents>

Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012

<http://www.legislation.gov.uk/uksi/2012/2271/made>

Cambridgeshire Constabulary's Corporate Plan 2020/21

<https://www.cambs.police.uk/Our Force Corporate Plan 2020-21.pdf>

Provisional Police Grant Report (England and Wales) 2021/22, Home Office, December 2020

<https://www.gov.uk/government/publications/police-grants-in-england-and-wales-2021-to-2022>

Ministerial statement on provisional settlement

<https://questions-statements.parliament.uk/written-statements/detail/2020-12-17/hcws663>

'Policing and fire governance - Guidance for police and crime panels', Local Government Association Guidance, 2019

<https://www.local.gov.uk/sites/default/files/documents/Police%20and%20Crime%20Panel%20Guidance.pdf>

Minutes of the Business Co-ordination Board meeting on 6th January 2021

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/decision-making/business-coordination-board/bcb-20th-january-2021/>

11. APPENDICES

Appendix 1 – Draft Medium Term Financial Strategy 2021-22 to 2024-25

Appendix 2 – Presentation - 2021-22 to 2024-25 Medium Term Financial Strategy

Appendix 3 – Precept Survey Report Precept Survey Report