



Chair of Panel: Councillor Norma Stephenson OBE
Municipal Buildings | Church Road | Stockton-On-Tees | TS18 1LD

'Serving the Boroughs of Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees'

CLEVELAND POLICE AND CRIME PANEL

4 FEBRUARY 2020

THE PROPOSED PRECEPT OF THE CLEVELAND POLICE AND CRIME COMMISSIONER FOR THE FINANCIAL YEAR 2020/21

REPORT OF THE PANEL

A review was undertaken by the Cleveland Police and Crime Panel ("the Panel") on Tuesday 4 February 2020 of the proposed precept of the Police and Crime Commissioner for Cleveland ("the Commissioner") for the financial year 2020/21.

Present

Cllr Norma Stephenson OBE (Chair), Cllr Barrie Cooper, Cllr Graham Cutler, Cllr Dave Hunter, Cllr Chris Jones, Paul McGrath, Cllr Steve Nelson, Cllr Vera Rider, Cllr Tony Riordan (Substitute for Cllr Matthew Vickers) and Cllr Matthew Storey.

Apologies

Cllr Lee Cartwright, Mayor Andy Preston, Cllr Matthew Vickers and Cllr Steve Walmsley.

Officers

Julie Butcher, Gary Woods, Peter Bell (Stockton-on-Tees Borough Council).

Also in attendance

Barry Coppinger (Police and Crime Commissioner), Simon Dennis, Liz Byrne, Michael Porter (Commissioner's Office), Chief Constable Richard Lewis, Detective Superintendent Lisa Theaker (Cleveland Police).

Declarations of Interest:

There were no declarations of interest.

The Review Process

Guidance relating to the procedure to be followed when reviewing a proposed precept of the Commissioner had previously been provided, including the timescales for submitting a report to the Commissioner at the conclusion of the review.

The Review

A report from the Commissioner regarding the proposed precept for the financial year 2020/21 was considered by the Panel.

The Commissioner indicated that he had taken into account the following in making his proposal on the precept for 2020/21:-

- The views of the public of Cleveland
- The financial impact on the people of Cleveland.
- The financial needs of the organisation as currently projected both for 2020/21 and in the future.
- The limits imposed by the Government on a precept increase before a referendum would be triggered in Cleveland.

The Commissioner also indicated that he had discussed his proposals with the Chief Constable and had engaged and consulted with the public on the options available to him.

The 2020-21 Police Finance Settlement was announced on 22 January in a written statement by the Policing Minister, Kit Malthouse.

Publication of the Police Finance Settlement was delayed due to the December 2019 general election, with Home Office ministers opting to go straight to a final settlement in the new year. This decision meant that there was no provisional settlement or consultation over the Christmas period.

Prior to the 2020-21 settlement publication policing was expecting an additional £750m for recruitment of 6,000 officers (towards the 20,000 total). Force allocations of officer numbers had already been published and had been calculated pro-rata to core grant. In return for this additional money the Treasury had asked the Home Office to find £120m of savings from within their budget.

As there was no Provisional Police Settlement provided by the Government in relation to 2020/21, with the first indication of the Police Settlement for 2020/21 given on the 22nd January 2020 – this provided the PCC with just over 1 week to propose a precept to the Police and Crime Panel, in line the statutory requirements to do so, and almost no time to plan a budget, consult with the public and ensure that all of the financial plans align with the operational plans of the Force.

The Government announced that “We are giving police forces £700 million for the recruitment of 6,000 additional officers by the end of March 2021, which represents an increase of almost 10% of the core grant funding provided last year. Assuming full take up of precept flexibility, overall funding for Police and Crime Commissioners (PCCs) will increase by £915 million to £13.1 billion next year.”

The main points within the settlement were as follows:

- £50m of the £750m retained centrally to support recruitment of officers
- Of the remaining £700m - £532m will be provide via un-ringfenced core grant, with the remaining £168m ring-fenced for successfully meeting recruitment targets.
- No other inflationary increases in core grant
- Resulting in a 7.5% increase in core funding
- £92m (9%) increase in reallocations to over £1.1bn in 2020-21
- Flat cash pension grant allocations compared to 2019-20
- Reduction of 74% to capital grant funding to PCCs
- Ending of the Police Transformation Fund
- Precept flexibility of up to £10 for all PCCs (or equivalents) in 2020-21.

The Minister's Statement went on to say that, in return for the additional £1.1bn invested in policing the Home Office expected:

- Forces to recruit the additional 6,000 officers by the end of March 2021
- A further planned £30m savings from procurement in 2020-21
- Continued improvements in digital, data and technology solutions to maximise the benefits of mobile working.
- Continue to pursue best values from the investment in police technology. The Home Office will work with the sector in the coming year to draw up a detailed plan which will be overseen by the, ministerially - chaired, Strategic Change and Investment Board (SCIB)

This meant for Cleveland in 2020/21 in terms of Funding:

- An increase in Police Grant of £6,380k or 7.5%
- Up to £2,015k from the ring-fenced grant for the officer uplift – linked to the recruitment of 72 FTE Police Officers by the end of March 2021
- Police Pension Grant remains at £1,324k
- A reduction of £388k or 74% in Capital Grant

Based on the increase in precept being proposed then the overall impact on the Core funding for the organisation was set to increase by 7.9%.

The forecast average increase in Revenue funding across England and Wales was, subject to all areas experiencing a 1.33% increase in tax base, and increasing their precept by £10, 7.84%.

Cleveland had seen an increase of 7.86% and therefore was slightly above the average level of increase.

The highest increase in total revenue funding, as a result of this settlement, within the country, excluding the City of London Police, was expected to be in Northumbria at 9.26%, with lowest expected to be 6.79% in Surrey. These increase assume that both areas increase the precept by £10 and that the tax base in both areas had increased by 1.33%.

The funding position for 2021/22 would be set out and determined as part of the Spending Review that would be undertaken in 2020.

It was recognised that as part of the written ministerial statement the government stated the following:

The Government had committed £750 million to enable the recruitment of 6,000 additional officers. To manage the delivery of this uplift £168 million had been ring fenced which would be paid to forces in line with their progress in recruiting the 6,000 additional officers by March 2021, and making the relevant infrastructure improvements needed to recruit the 20,000 additional officers by March 2023. Funding would be released quarterly and in arrears subject to evidence on their progress

It was possible therefore that future settlements won't be on a similar scale to the current one and that all enabling and infrastructure cost, so estates, IT and fleet, to support the full 20,000 National Uplift may, from the Governments perspective, had already been included in this settlement. There were no references within the settlement to the Funding Formula and any review of this.

Top-slices / Reallocations totalling £1,121m had been announced for 2020/21. This was £92m, or 9% higher than 2018/19. The areas this funding would now be spent on, instead of being allocated to PCC's were detailed within the report.

Of the £80.9m earmarked for special grant, £26.3m was understood to be reserved for costs associated with Hillsborough, leaving £54.6m for special grant. A reduction of £18.4m on the previous year, which had been higher to accommodate the Commonwealth Heads of Government meeting.

The allocations for force Serious Violence Surge Funding were expected to be released separately.

The report highlighted the following areas of funding:

- Police Transformation Fund (PTF)
- Pensions Grant
- Council Tax Legacy Grant
- National and International Capital City Grant (NICC)
- Capital Funding
- Counter Terrorism
- Ministry of Justice Grants
- LTFFP Assumptions

Based on the revised assumptions, and the information received and forecast around other areas of funding, then the entire funding expected to be available to the Commissioner for the next 4 years, in comparison to 2019/20 was detailed within the report.

As a result of the Government Grant settlements being significantly better than expected, and the Governments policy to significantly increase, and fund, the number of Police Officers across the country, then the overall funding available to the PCC was significantly higher than projected in February 2019 by nearly £7.8m.

This therefore provided a significant opportunity to invest in Policing within 2020/21 and beyond, providing that the Government continue to provide PCC's with sufficient funding, to not only increase Police Officer numbers but also the additional funding required to enable this to happen and deal with the increases in work that more Officers would generate in other parts of the Force.

The financial impact of the increase and the proposed council tax rate for each property band was detailed within the report.

Given the late publication of the funding settlement and the precept limits for policing PCC's had very little time to undertake consultation with the public around this vitally important area. The PCC had however undertaken a survey via the PCC website to inform the precept proposal and the consultation results were detailed within the report.

The Commissioner had considered various options and various factors in deliberating on his proposal for precept in 2020/21. The Commissioner had taken into account the needs for the continued delivery of Policing and Crime services within Cleveland. The Commissioner had spoken with the Chief Constable and had consulted with the public. Based on these views and the financial needs of the organisation over the medium term the Commissioner formally propose a precept increase of £10 on a Band D property for 2020/21.

This option was supported by nearly 64% of people who responded to the consultation on the proposed increase. This option should provide sufficient funding to underpin the financial needs of the organisation for 2020/21 and accelerate the recruitment of Police Officers into the Force, in comparison to the Governments timeframes, with 55 FTE more Police Officers being recruited in 2020/21 than the 72 FTEs than the Government were initially funding.

The proposed precept increase would enable the Commissioner, amongst other things, provide sufficient levels of funding to the Chief Constable to support the plans and structures that the Force had articulated to the Commissioner that they need to support the delivery of the Police and Crime Plan, this included all of the posts that the Chief Constable had indicated as required to provide the necessary support and resilience to address the concerns raised within the HMICFRS report.

To aid the Panel in considering the proposal on Precept the following were attached to the report:

- Draft Budget based on a the proposed Precept Increase
- Draft Capital Budget
- Full details of the Precept Consultation

The Panel had already considered a report from its Task and Finish Group. The Task and Finish Group was established to understand the key issues and financial pressures as part of the budget setting process in order to inform the work of the Panel and PCC.

The Task and Finish Group supported the proposal of the PCC to set the Band D Police Element of the Council Tax within Cleveland for 2020/21 at £260.54. This was an increase of £10, or 3.99% over the 2019/20 level.

Members considered the precept report regarding the Commissioner's proposal, and the Panel concluded by agreeing that the proposal should be supported.

RESOLVED that the Panel supports the Commissioner's proposal to set the Band D Police Element of the Council Tax within Cleveland for 2020/21 at £260.54. This is an increase of £10, or 3.99% over the 2019/20 level.