



North Yorkshire
Police, Fire & Crime
Commissioner

Setting the Precepts 2021/22

Police and Fire & Rescue

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Provisional 2021-22 Police Funding Settlement – Headlines

- Core Grant (including the Police Uplift Grant) increases from £7.8bn to £8.2bn, a difference of £413.6m an increase of 5.3%.
- £15 precept flexibility for all PCCs, or equivalent.
- 75% of council tax losses (due to Covid-19) to be compensated.
- Flat cash pension grant allocations compared to 2020-21.
- Capital grant remains cash flat for PCCs at £12.3m.

Provisional 2021-22 Police Funding Settlement – Precept

- If each PCC increases their precept by £15, combined with tax base assumptions, there will be an additional £288m of resources for policing from council tax alone.
- Due to historic differences in council tax, increases for individual PCCs range from 5.4% in Surrey to 10.8% in Northumbria.
- The unweighted average for all PCCs is 6.6%. (£15 in North Yorkshire would be a 5.6% increase)
- If every PCC takes the £15 precept, the average band D police precept in England and Wales will be £240.92 (NY would be £280.77) with an average of 38% (NY would be around 49%) of total funding coming from council tax.

Precept

- We were planning for a Precept increase of 1.99% or £5.29 for a Band D property for 2021/22 however the Referendum Limit for 2021/22 has been set at an increase of £15.
- Underlying Tax Base is likely to see a small overall reduction. Compared to our 1% growth planning assumption. This combined with an expected overall Council Tax Collection Deficit is likely to lead to a pressure against original plans to circa £1.5m.
- Indications are that additional Local Council Tax Support Grant of £1.2m will be provided to PFCC to aid with these pressures.

Impact of a 1.99% increase in Band D Precept

Overall Government and Local Revenue Funding				
	2021/22	2020/21	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(48,392)	(45,291)	(3,102)	6.8%
RSG/National Non Domestic Rate	(30,658)	(29,072)	(1,586)	5.5%
Police Officer Uplift Grant	(973)	(1,635)	662	-40.5%
Headline Government Funding Increase	(80,024)	(75,998)	(4,026)	5.3%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(6,946)	(5,746)	(1,200)	20.9%
Additional Police Pensions Grant	(1,449)	(1,449)	0	0.0%
Additional Government Funding Changes	(10,547)	(9,347)	(1,200)	12.8%
Impact of a 1.99% Band D Precept - £5.26 increase				
Net Surplus on Collection Funds	100	(360)	460	-127.8%
Council Tax Requirement	(81,849)	(80,734)	(1,115)	1.4%
Total Local Funding	(81,749)	(81,094)	(654)	0.8%
Total Government + Local Funding	(172,319)	(166,439)	(5,880)	3.5%

Police Uplift Programme

- 2021/22 is Year 2 of the Government's Programme to increase Police Officers by 20,000 across 3 years.
- The funding and Precept capacity is predicated on delivering an additional 6,000 Police Officers Nationally by March 2022.
- This is on top of the 6,000 that will have been delivered by March 2021.
- North Yorkshire will need to deliver an additional 58 Officers, on top of the additional 58 delivered in 2020/21. Taking total officer numbers to (at least) 1,567 by March 2022.

Impact of a £15 increase in Band D Precept

Overall Government and Local Revenue Funding				
	2021/22	2020/21	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(48,392)	(45,291)	(3,102)	6.8%
RSG/National Non Domestic Rate	(30,658)	(29,072)	(1,586)	5.5%
Police Officer Uplift Grant	(973)	(1,635)	662	-40.5%
Headline Government Funding Increase	(80,024)	(75,998)	(4,026)	5.3%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(6,946)	(5,746)	(1,200)	20.9%
Additional Police Pensions Grant	(1,449)	(1,449)	0	0.0%
Additional Government Funding Changes	(10,547)	(9,347)	(1,200)	12.8%
Impact of a £15 Band D Precept increase (5.64%)				
Net Surplus on Collection Funds	100	(360)	460	-127.8%
Council Tax Requirement	(84,781)	(80,734)	(4,047)	5.0%
Total Local Funding	(84,681)	(81,094)	(3,587)	4.4%
Total Government + Local Funding	(175,251)	(166,439)	(8,812)	5.3%

Forecast Summary Budgets

- The Revenue Budget is based on a 1.99% increase in Precept – **APPENDIX A**
- And assumptions outlined elsewhere
- A Summary Capital Budget is also provided – **APPENDIX B.**
- If a £15 Precept increase was proposed and supported this would add a recurring £3m per year to the current plans.

Precept

- Current Council Tax/Precept Levels:
 - Band D: £265.77 – £5.11 per week
- Impact of a 1.99% increase, or £5.29 increase in 2021/22
 - Would equate to around 10p extra per week for a Band D property in 2021/22.
 - Is in line with our previous plans.
- Impact of a £15 increase in 2021/22
 - Would equate to around 29p extra per week for a Band D property in 2021/22.
 - Would provide £3m additional funding (in comparison to a 1.99% increase) to invest in policing services on a recurring basis.

Precept consultation

- **Police and Fire & Rescue** consultation
- Representative telephone interviews (target is 1,000)
- And Online survey (already in excess of 1,000 respondents)
- Consultation closes 13th January 2021
 - Full results to Panel in February

<https://www.northyorkshire-pfcc.gov.uk/news/2021preceptconsultation/>

Police

The following options are based on an average Band D property currently paying £265.77 each year for policing. How much more would you be prepared to pay per year, through your council tax for policing?

		Online	Tel
1	No more than I pay now – a precept freeze This would be a cut to the police budget due to inflation and current service delivery could not be maintained		
2	Up to £5.29, an increase of 1.99% This would raise £1.6 million, keeping up with inflation to maintain current service delivery but no investment in policing services		
3	Up to £7.97, an increase of 3% This would raise £2.4 million, exceeds inflation and would mean an investment in the policing services mentioned		
4	Up to £15, and increase of 5.6% This would raise £4.5 million, exceeds inflation and would mean a significant investment in the policing services mentioned		
	Don't know (tel)		
all answering			

Future Funding and Planning Assumptions

- Precept increases of 1.99% from 2022/23 onwards.
- Government Grant frozen from 2022/23 to 2024/25 onwards
- 1.5% increase in Tax Base per annum for next 3 years.
- £400k collection surplus per annum.
- Pensions Grant continues at current level.
- Pay Awards are 0%, (21/22), then 1%, 1.5% and then 2% thereafter.
- Additional funding is provided to continue the Uplift Programme in future years.

Reserves

- General Reserves are projected to be £5.8m throughout the plan.
- This is 3.5% of Net Budget Requirement in 21/22.

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Provisional Local Government Finance Settlement

- FRA Pensions Grant – Cash Flat.
- Confirmation that Core Spending Power increases by an average of 4.5% (£2.2bn) – a significant proportion of this is additional council tax flexibilities for social care LAs and police.
- Standalone FRAs see their CSP increase by 2.7%.
- Precept – 1.99% basic referendum limit for FRAs.
- Rural Services Delivery Grant increased from £81m to £85m.
- Allocations of £670m LCTS to follow very shortly.
- Underspend in New Homes Bonus. This has been allocated as follows:
 - £261m for the lower tier fund and half of the additional social care grant.
 - £13m to fund the increase in SFA
 - £4m Rural Service Delivery Grant uplift

Provisional Local Government Finance Settlement

- **What does this mean for NY Fire:**

- £77k (0.9%) increase in Government Settlement
- Rural Services Grant increases by £25k.
- £1,711k Pensions Grant remains at same level

However

- Tax Base reductions and Council Tax Deficits mean that income is expected to be about £0.5m lower than forecast in 21/22 than previously planned

Precept

- We were planning for a Precept increase of 1.99% for a Band D property for 2021/22 and this is what the Referendum Limit for 2021/22 has been set at.
- Underlying Tax Base is expected to reduce – finances assume a 0.6% reduction overall
- This is significantly below our 1% increase planning assumption.
- Council Tax Collection Surplus of £100k was assumed however a deficit (plan assumes £25k) is now expected.

Precept

- Current Council Tax/Precept Levels:
 - Band D: £72.69 – £1.40 per week
- Impact of a 1.99% increase in 2021/22
 - Would equate to an annual increase of £1.44 for a Band D property. (or just under 3 pence per week)
 - Is in line with our previous plans.
- **Any increase above 1.99% would require a Referendum**

Fire & Rescue

The following options are based on an average Band D property currently paying £72.69 each year for fire and rescue services. How much more would you be prepared to pay per year, through your council tax for fire and rescue services?

		Online	Tel
1	No more than I pay now – a precept freeze This would mean a cut to the fire and rescue budget due to inflation and current service delivery could not be maintained		
2	Up to £1.45, an increase of 1.99% This would raise £432k, keeping up with inflation to maintain current service delivery but no investment in its services		
3	Up to £5, an increase of 6.9% This would raise £1.5 million, exceeds inflation, would help reduce the financial shortfall and allow investment in the areas mentioned		
4	Up to £10, an increase of 13.8% This would raise £3 million, exceeds inflation, would help reduce the financial shortfall and allow significant investment in the areas mentioned		
	Don't know (tel)		
all answering			

Future Funding and Planning Assumptions

- Precept increases of 1.99% from 2022/23 onwards.
- Government Settlement is frozen for next 3 years
- 1.5% increase in Tax Base per annum for next 3 years.
- £100k collection surplus per annum.
- Pensions Grant and Rural Service Grant continues at current level.
- Pay Awards at 0% in 21/22, then 1%, 1.5% and 2% thereafter

Reserves

- Useable Reserves as at 31st March 2020 totalled £4.9m
- This is expected to increase slightly in 2020/21 as not all of the COVID grant is expected to be spent.
- **Some small use of reserves are likely to be needed to make up for the lower income in both 21/22 and 22/23**
- Further details on reserves will be provided in February

Forecast Summary Budgets

- The Draft MTFP, based on a 1.99% increase in Precept is attached at **APPENDIX C**
- A Summary Capital Plan is also provided – **APPENDIX D**

APPENDIX A

PCC Summary MTFP - Draft Projections at January 2021

	Actual Budget 2020/21	Forecasts			
		2021/22	2022/23	2023/24	2024/25
Core Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(74,363)	(79,050)	(79,050)	(79,050)	(79,050)
Council Tax Precept	(81,094)	(81,747)	(85,027)	(88,010)	(91,197)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(6,946)	(5,746)	(5,746)	(5,746)
Funding for Net Budget Requirement	(163,355)	(169,895)	(171,975)	(174,958)	(178,145)
%age Change in Net Budgetary Requirement	5.8%	4.0%	1.2%	1.7%	1.8%
Other Funding					
Specific Grants	(5,887)	(5,259)	(8,313)	(8,333)	(8,353)
Partnership Income/Fees and Charges	(7,982)	(7,273)	(6,574)	(6,644)	(6,782)
Total Funding	(177,224)	(182,426)	(186,863)	(189,935)	(193,281)
%age Change in Funding	6.4%	2.9%	2.4%	1.6%	1.8%
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,150	1,175	1,250	1,300	1,350
Commissioned Services	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	4,101	5,486	5,763	5,597	5,649
Policing Priorities Fund	£000s	£000s	£000s	£000s	£000s
Investment Fund	3,544	0	0	0	0
Total Policing Priorities Fund	3,544	0	0	0	0
Asset Management	689	893	893	893	1,144
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	83,180	85,063	87,509	90,685	92,308
Police Overtime	2,101	2,312	2,312	1,966	1,850
PCSO Pay (incl Overtime)	7,651	7,672	7,742	7,939	8,178
Staff Pay (incl Overtime)	37,023	37,813	37,711	38,441	39,580
Pay Total	129,956	132,859	135,274	139,031	141,916
Non-Pay Budgets					
Other Non Salary	1,656	1,721	1,698	1,726	1,752
Injury and Medical Police Pensions	3,709	3,871	3,885	3,845	3,835
Premises	4,277	4,319	4,322	4,386	4,450
Supplies and Services	21,759	22,853	23,112	23,553	23,939
Transport	2,667	2,761	2,786	2,827	2,868
Non-Pay Total	34,069	35,525	35,802	36,337	36,844
Projects	1,202	1,368	2,536	1,535	1,087
Total Planned Force Expenditure	165,227	169,752	173,612	176,903	179,847
%age Change in Expenditure	6.9%	2.7%	2.3%	1.9%	1.7%
Total Expenditure Budgets after Efficiencies and Savings	174,711	177,306	181,518	184,693	187,990
(Surplus)/Deficit before Reserves/Capital	£000s	£000s	£000s	£000s	£000s
Planned Transfers to/(from) General Fund	0	0	0	0	0
Contribution to Capital Programme	2,715	5,376	5,482	5,212	5,261
Planned Transfers to/(from) Earmarked Reserves	(202)	(256)	(137)	30	30
Net (Surplus)/Deficit After Reserves	0	(0)	0	0	(0)
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	5,759	5,759	5,759	5,759	5,759
Proposed (Use of)/Contribution to General Fund	0	0	0	0	0
Current Year Forecast (Over)/ Under spend					
Release of Earmarked reserves					
General Fund Balance c/f	5,759	5,759	5,759	5,759	5,759
Employee Numbers	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,509	1,567	1,645	1,645	1,645
PCSOs	224	227	227	227	227
Police Staff	1,042	1,020	1,017	1,017	1,017
Assumptions					
Staff Pay Increases	2.5%	0.0%	1.0%	1.5%	2.0%
Police Pay Increases	2.5%	0.0%	1.0%	1.5%	2.0%
Non Pay Inflation	2.5%	1.5%	1.5%	1.5%	2.0%
Precept Increases	3.9%	2.0%	2.0%	2.0%	2.0%
Government Grant Increases	7.5%	0.0%	0.0%	0.0%	0.0%

	APPENDIX B					
Capital Financing and Expenditure	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s	£000s
Earmarked Reserve/Funding b/f	1,980	2,187	1,832	3,391	1,572	1,105
Capital Grant	116	116	116	116	116	116
Capital Receipts - vehicles	169	169	169	169	169	169
Capital Receipts from Estates Strategy	1,788	1,848	3,531	0	0	0
Contributions (to)/from Revenue	2,715	5,376	5,482	5,212	5,261	5,424
Contribution to revenue changes	6					
Borrowing	2,187	2,323	1,460	1,289	980	980
Projected in-year funding available	6,980	9,831	10,757	6,786	6,525	6,688
Capital and Revenue Project Plans						
ICT	928	5,313	4,708	5,095	3,095	3,095
Fleet	1,730	1,877	2,239	1,460	2,142	1,534
Estates	2,187	2,323	1,460	1,289	980	980
Other Rolling Programmes	1,058	640	792	760	775	1,206
Other Schemes	870	33	0	0	0	33
Total Agreed Programme	6,773	10,186	9,199	8,604	6,991	6,848
Earmarked Reserve/Funding c/f	2,187	1,832	3,391	1,572	1,105	946

APPENDIX C					
	Actual	Forecast	Forecasts		
	Budget	Budget	2022/2023	2023/2024	2024/2025
	2020/2021	2021/2022	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Funding					
Total Settlement Funding	(8,631)	(8,708)	(8,708)	(8,708)	(8,708)
Rural Services Grant	(515)	(540)	(540)	(540)	(540)
Council Tax Precept	(22,081)	(22,388)	(23,178)	(23,996)	(24,843)
Collection Fund Surplus/Deficit	(100)	25	(75)	(75)	(100)
NNDR Surplus/Deficit	6	6	6	6	6
Funding for the Net Budget Requirement	(31,322)	(31,605)	(32,495)	(33,313)	(34,186)
%age change in Net Budget Requirement	0.0%	1.3%	2.5%	2.5%	2.5%
S31 NDR Grants and Specific Grants	(1,682)	(1,732)	(1,691)	(1,733)	(1,779)
Pensions Mitigation Grant	(1,711)	(1,711)	(1,711)	(1,711)	(1,711)
General Income	(547)	(583)	(574)	(581)	(594)
TOTAL FUNDING	(35,261)	(35,631)	(36,471)	(37,338)	(38,269)
%age change in Total Funding	0.0%	1.4%	2.1%	2.4%	2.4%
Expenditure					
Wholetime Firefighters	16,721	16,995	17,244	17,503	17,813
On Call Firefighters	3,325	3,316	3,349	3,399	3,467
Administrative & Clerical	3,319	3,324	3,358	3,460	3,529
Control Room Staff	765	782	790	818	834
Direct Staff Costs	24,130	24,417	24,741	25,180	25,643
Indirect Staff Costs	440	453	450	456	462
PFCC Staff Costs	74	76	78	80	82
Premises	2,111	2,090	2,122	2,153	2,186
Transport	792	832	842	867	886
Supplies and Services	3,472	3,365	3,184	3,204	3,278
Operating Leases	75	51	41	46	14
External Service Agreements	196	216	219	223	226
PFI (inc. capital element)	1,461	1,480	1,507	1,534	1,562
Total Indirect Staff and Non Staff Costs	8,620	8,563	8,443	8,562	8,695
PENSIONS	912	819	855	891	908
TOTAL EXPENDITURE BEFORE CAPITAL CHARGES	33,662	33,799	34,038	34,633	35,246
Provision for Debt Repayment	991	1,130	1,237	1,355	1,411
External Interest	550	530	580	596	610
Revenue Contribution to Capital	340	639	904	780	1,002
Total Capital Charges	1,882	2,299	2,721	2,730	3,023
TOTAL EXPENDITURE BUDGET	35,544	36,097	36,760	37,363	38,269
(Surplus)/Deficit before Reserves	282	466	289	25	0
Planned Transfers to/(from) Earmarked Revenue Bu	(244)	(466)	(289)	(25)	0
Planned Transfers to/(from) Earmarked Revenue In	(38)	0	0	0	0
Planned Transfers to/(from) General Fund	0	0	0	0	0
(Surplus)/Deficit After Reserves	0	0	0	0	0
General Reserves					
	£'000	£'000	£'000	£'000	£'000
General Fund Balance b/f	995	995	995	995	995
Proposed (use of)/contribution to General Fund	0	0	0	0	0
Current Year Forecast	0	0	0	0	0
General Fund Balance c/f	995	995	995	995	995
Employee Numbers (Budgeted as at 31st March)					
	FTEs	FTEs	FTEs	FTEs	FTEs
Wholetime Firefighters	306.0	307.0	306.0	306.0	306.0
Retained Duty System Firefighters	342.0	342.0	342.0	342.0	342.0
Support Staff	84.8	84.8	84.8	84.8	84.8
Control Staff	17.2	17.5	17.5	17.5	17.5
Assumptions					
Staff Pay Increase	2.0%	0.0%	1.0%	1.5%	2.0%
Non Pay Inflation	2.0%	1.5%	1.5%	1.5%	1.5%
Precept Increase	2.0%	2.0%	2.0%	2.0%	2.0%
Council Tax Base Increase	1.0%	-0.6%	1.5%	1.5%	1.5%

NORTH YORKSHIRE PFCC (FIRE AND RESCUE AUTHORITY)			APPENDIX D		
CAPITAL PROGRAMME 2020/21 TO 2024/25					
	Estimated	Estimated	Estimated	Estimated	Estimated
	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Capital Reserve carried forward	0	135	201	466	68
FUNDING	£000	£000	£000	£000	£000
Revenue Contribution to Capital - Cars	244	81	340	211	0
Revenue Contribution to Capital	304	558	564	569	1,002
Capital Receipts - Cars		311	160	47	323
Borrowing	850	3,810	3,102	2,457	4,396
TOTAL FUNDING	1,398	4,760	4,166	3,284	5,722
EXPENDITURE					
Vehicles exc. Pool and Response cars	440	2,848	2,270	1,594	1,879
Pool and Response Cars	231	392	500	258	75
Property	410	962	832	863	2,518
ICT	132	377	299	467	898
Logistics	0	116	0	500	0
TLT	50				
TOTAL EXPENDITURE	1,263	4,694	3,901	3,682	5,369
Capital Reserve carried forward	135	201	466	68	421