



North Yorkshire  
Police, Fire & Crime  
Commissioner

Setting the Precepts 2022/23

*Police and Fire & Rescue*

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# Provisional 2022-23 Police Funding Settlement – Headlines

- Up to £16.9 billion for policing in 2022/23, an increase of up to £1.1 billion on the 2021/22 funding settlement.
- Available funding to PCCs will increase by up to an additional £796 million in 2022/23, including local flexibility to increase council tax.
- £10 precept flexibility for all PCCs, or equivalent, for the next 3 years
- Flat cash pension grant allocations compared to 2021-22.
- Capital grant has been abolished.

# Provisional 2022-23 Police Funding Settlement – Precept

- The £796m available to PCCs is broken down as follows:
- A £550 million increase in Government grant funding to PCCs. This additional funding will support the final year of the Police Uplift Programme. £135 million of this will be ring-fenced and paid out in line with progress on recruitment.
- Up to £246 million additional funding from council tax precept, based on current forecasts and assuming all PCCs maximise their precept flexibility. The Government is enabling PCCs to increase precept by up to £10 for a Band D equivalent property, less than 20p per week.

# Precept

- A £10 increase in North Yorkshire would be the equivalent of a 3.69% increase.
- Underlying Tax Base has bounced back from the small overall reduction last year. Growth of 1.67% is expected, compared to our 1.5% growth planning assumption.
- The additional Local Council Tax Support Grant of £1.2m provided in 2021/22 is not expected to be provided in 2022/23.

# Impact of a £10 (3.69%) increase in Band D Precept

<b>Overall Government and Local Revenue Funding</b>				
	<b>2022/23</b>	<b>2021/22</b>	<b>(Increase)/Reduction</b>	<b>Year on Year Change</b>
	£000s	£000s	£000s	%age
<b><u>Government Funding</u></b>				
Police Grant	(51,102)	(48,392)	(2,709)	5.6%
RSG/National Non Domestic Rate	(32,374)	(30,658)	(1,716)	5.6%
Police Officer Uplift Grant	(1,314)	(973)	(341)	35.0%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(6,901)	1,155	-16.7%
Additional Police Pensions Grant	(1,449)	(1,449)	0	0.0%
<b>Additional Government Funding Changes</b>	<b>(94,137)</b>	<b>(90,525)</b>	<b>(3,612)</b>	<b>4.0%</b>
<b>Impact of a £10 (3.69%) Band D Precept increase</b>				
Net Surplus on Collection Funds	(61)	233	(294)	
Council Tax Requirement	(86,630)	(82,178)	(4,452)	5.4%
<b>Total Local Funding</b>	<b>(86,691)</b>	<b>(81,945)</b>	<b>(4,746)</b>	<b>5.8%</b>
<b>Total Government + Local Funding</b>	<b>(180,828)</b>	<b>(172,470)</b>	<b>(8,357)</b>	<b>4.8%</b>

# Police Uplift Programme

- 2022/23 is the final year 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 8,000 Police Officers Nationally by March 2023.
- This is on top of the 12,000 that will have been delivered by March 2022.
- North Yorkshire will need to deliver an additional 78 Officers, on top of the additional 58 delivered in 2020/21 and the 58 being delivered in 2021/22. Taking total officer numbers to (at least) 1,645 by March 2023.

# Precept

- Current Council Tax/Precept Levels:
  - Band D: £271.06 – £5.21 per week
  
- Impact of a £10, or 3.69% increase in 2022/23
  - Would equate to around 20p extra per week for a Band D property
  - Would provide £3.1m additional funding (in comparison to the current precept level) to ensure the following can be delivered/met:
    - Recruitment of the final year of the Police Uplift Programme
    - Costs of the 1.25% National Insurance increase for employers
    - Costs of an expected pay award in 2022/23 (of 3% - given a pay freeze within Policing during 2021/22)
  
- Money raised beyond paying for inflation will be invested in enhancing services to support victims of violent crime, particularly women and girls, and in services to tackle the root causes of harm and offending behaviour

# Precept consultation

- **Police and Fire & Rescue** consultation
- Representative telephone interviews (target is 1,000)
- And Online survey
- Consultation closes 13<sup>th</sup> January 2022
  - Full results to Panel in February

<https://www.northyorkshire-pfcc.gov.uk/how-can-we-help/your-say/consultations/2022-2023-precept-consultation/>

# Police

- The following options are based on an average Band D property currently paying £271.06 each year for policing.
- **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.
- **Up to £5.39, an increase of 1.99%**

This would raise £1.6 million, however this is likely to be a below inflation rise and would be a challenge to maintain current service delivery with no additional investment in policing services.
- **Up to £10, an increase of 3.7%**

This would raise £3.0 million, is likely to be slightly in excess of inflation and would provide limited scope for investment in the policing services mentioned.
- **Up to £15, an increase of 5.5%**

This would raise £4.6 million, exceeds inflation and would mean a significant investment in the policing services mentioned.

# Future Funding and Planning Assumptions

- Precept increases of £10 for 2023/24 and 2024/25.
- Government Grant increase of 1.1% in 23/24 and 1.7% in 24/25
- 1.5% increase in Tax Base in 2023/24 followed by 1.2% in 2024/24.
- £400k collection surplus per annum.
- Pensions Grant continues at current level.
- Pay Awards are 3%, (22/23), then 2.5% in 23/24, and then 2% thereafter.
- Additional funding is provided to maintain the Uplift Programme in future years.

# Reserves

- General Reserves are projected to be £5.6m throughout the plan.
- This is 3.1% of Net Budget Requirement in 22/23.

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# Provisional Local Government Finance Settlement

- Core Spending Power (CSP) increases by an average of 6.9% (£3.46bn) – assuming all authorities levy the maximum precept allowed in 2021-22.
- Standalone FRAs' CSP increases by 4.7% (£71m). **ONLY 4.1% for NYFRS**
- New grant funding has been allocated as follows:
  - o £822m one-off 2022-23 Services Grant
  - o £636m Social Care Grant
  - o £72.5m additional Settlement Funding Assessment
- The Rural Services Delivery Grant for 2022-23 is cash flat and unchanged
- Additional funding is expected to cover additional costs due to pay, inflation, the increased National Insurance levy and all other pressures.
- Funding Review in spring 2022. Whilst local government funding is under review, the fire and rescue part of the current funding formula is not expected to change.
- Fire Pensions Grant Flat Cash and unchanged

# Provisional Local Government Finance Settlement

- **What does this mean for NY Fire:**
  - £625k increase in Government Settlement
  - Rural Services Grant remains at £540k.
  - Pensions Grant remains at £1,711k

# Precept

- **The Basic Precept referendum limit will be a 1.99% increase for 2022-23. A new £5 referendum principle is being introduced for the eight lowest-charging FRAs – NY Fire is not one of these 8.**
- We were planning for a Precept increase of 1.99% for a Band D property for 2022/23 and this is what the Referendum Limit for 2021/22 has been set at.
- Underlying Tax Base has bounced back from the small overall reduction last year. Growth of 1.67% is expected, compared to our 1.5% growth 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: £74.14 – £1.43 per week
- Impact of a 1.99% increase in 2022/23
  - Would equate to an annual increase of £1.47 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 unless the precept flexibility is extended to include NY**

# Fire & Rescue

- The following options are based on an average Band D property currently paying £74.14 each year for Fire and Rescue.
- **No more than I pay now – a precept freeze**

This would mean a significant cut to the fire and rescue budget due to inflation and current service delivery could not be maintained.
- **Up to £1.47, an increase of 1.99%**

This would raise £450k, which is expected to be below inflation making it very difficult to maintain current service delivery with no additional investment in Fire and Rescue services.
- **Up to £5, an increase of 6.7%**

This would raise £1.5 million, which exceeds inflation, and would help reduce the financial shortfall and allow some investment in the areas mentioned.
- **Up to £10, an increase of 13.5%**

This would raise £3.0 million, which exceeds inflation, and would help reduce the financial shortfall and allow significant investment in the areas mentioned.

# Future Funding and Planning Assumptions

	Forecast			
	Budget	Forecasts		
	2022/2023	2023/2024	2024/2025	2025/2026
	£'000	£'000	£'000	£'000
<b><u>General Reserves</u></b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund Balance b/f	1,075	1,075	1,075	1,075
Proposed (use of)/contribution to General Fund	0	0	0	0
Current Year Forecast	0	0	0	0
General Fund Balance c/f	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>
<b><u>Employee Numbers (Budgeted as at 1st April)</u></b>	FTEs	FTEs	FTEs	FTEs
Wholetime Firefighters	311.0	308.0	307.0	305.0
Retained Duty System Firefighters	342.0	342.0	342.0	342.0
Support Staff	92.5	92.5	89.5	90.5
Control Staff	17.5	17.5	17.5	17.5
<b><u>Assumptions</u></b>				
Staff Pay Increase	2.0%	2.0%	2.0%	2.0%
Non Pay Inflation	2.0%	2.0%	2.0%	2.0%
Precept Increase	2.0%	2.0%	2.0%	2.0%
Council Tax Base Increase	1.7%	1.5%	1.2%	1.0%

# Where does this leave us currently?

	Forecast	Forecasts		
	Budget			
	2022/2023	2023/2024	2024/2025	2025/2026
	£'000	£'000	£'000	£'000
<b>Deficit before Reserves</b>	<b>1,085</b>	<b>1,007</b>	<b>699</b>	<b>668</b>
<b>Transfers from Earmarked Reserves for specific spend</b>				
New Developments Reserve	(239)	(187)	(124)	0
Pensions Grant	(45)			
ESMCP/Local Transition Resource Reserve	(94)	(18)	(18)	(18)
Home Office Protection Uplift Grant Reserve	(417)	(82)	0	0
Collection Fund reserve	(22)	(22)	(22)	
<b>Deficit after release of Reserves linked to spend</b>	<b>269</b>	<b>698</b>	<b>535</b>	<b>650</b>
<b>Transfers from Earmarked Reserves to balance the budget</b>				
Revenue Budget Support	0	(687)		
Pay and Price Reserve	(269)	(11)		
Planned Transfers to/(from) General Fund	0	0	0	0
<b>(Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>535</b>	<b>650</b>
<b>Deficit as a %age of Overall Expenditure</b>	<b>0.7%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>1.6%</b>
<b>Deficit as a %age of Non- Pay</b>	<b>2.2%</b>	<b>5.6%</b>	<b>4.2%</b>	<b>4.9%</b>

# What about Capital?

	Estimated	Estimated	Estimated	Estimated	Estimated	Total across
	2022/23	2023/24	2024/25	2025/26	2026/27	5 years
	£000	£000	£000	£000	£000	£000
Transport excluding Cars	4,771	2,187	2,873	1,521	1,284	12,636
Transport - Cars	182	570	200	331	570	1,853
Property	1,805	863	2,518	3,814	3,921	12,921
ICT	685	514	880	738	341	3,158
Logistics	0	500	0	0	0	500
TLT	50					50
<b>TOTAL EXPENDITURE</b>	<b>7,493</b>	<b>4,634</b>	<b>6,471</b>	<b>6,403</b>	<b>6,116</b>	<b>31,117</b>

# Reserves

- Earmarked Reserves as at 31<sup>st</sup> March 2021 totalled £6.9m
- This is expected to remain relatively stable during 2021/22 before reducing by 50% over the next 2 years to around £3.5m.
- Further details on reserves will be provided in February

# What are we doing/will be doing next.....

- We are feeding into the Precept/Council Tax consultation to seek the ability, in line with 8 other Fire and Rescue Authorities, to increase our Precept by £5 in 2022/23.
- Continuing to revise plans and assumptions to further close the gap
- We will need to consider the longer term challenge as part of the Risk and Resource Model and integrated risk management plan.