



North Yorkshire Police, Fire & Crime Commissioner

Setting the Precepts 2023/24

Police and Fire & Rescue

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Provisional 2023-24 Police Funding Settlement – Headlines

- Up to £17.2 billion for policing in 2023/24, an increase of up to £287 million on the 2022/23 funding settlement.
- Available funding to PCCs will increase by up to an additional £523 million in 2023/24, assuming full take up of local flexibility to increase council tax by the maximum amount.
- £15 precept flexibility for all PCCs, or equivalent, for 23/24
- Expected to be a £10 precept limit in 24/25.
- Would equate to a national increase to PCC funding - in cash terms - of 3.6%

Provisional 2023-24 Police Funding Settlement – Precept

- The £523m available to PCCs is broken down as follows:
- A £174 million increase in Government grant funding to PCCs. However £140m of this is added to the ring-fenced funding to maintain the Police Uplift Programme.
- Up to £349 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 £15 for a Band D equivalent property, less than 30p per week.

Precept

- A £15 increase in North Yorkshire would be the equivalent of a 5.34% increase.
- Underlying Tax Base has seen growth of 1.2%.
- Depending on the position on the councils Collection Funds then the maximum increase in core funding, in comparison to 2022/23 is expected to be around 4%.

Impact of a £15 (5.34%) increase in Band D Precept

Overall Government and Local Revenue Funding				
	2023/24	2022/23	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
<u>Government Funding</u>				
Police Grant	(51,178)	(50,800)	(377)	0.7%
RSG/National Non Domestic Rate	(32,589)	(32,675)	87	-0.3%
Police Officer Uplift Grant	(2,677)	(1,314)	(1,363)	103.7%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(5,746)	0	0.0%
Police Pensions Grant	(1,449)	(1,449)	0	0.0%
Government Funding Changes	(95,790)	(94,137)	(1,653)	1.8%
Impact of a £15 (5.34%) Band D Precept increase				
Net Surplus on Collection Funds	(61)	(318)	257	
Council Tax Requirement	(92,272)	(86,556)	(5,716)	6.6%
Total Local Funding	(92,333)	(86,874)	(5,459)	6.3%
Total Government + Local Funding	(188,123)	(181,011)	(7,112)	3.9%

Pay Awards and Wider Inflation

Forecast additional Pay Costs	Forecasts		
	2023/24	2024/25	2025/26
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Impact of 22/23 Pay Awards @ £1,900 per FTE	2,400	2,450	2,500
Incremental pay increases (net of NI and Pension changes)	500	510	520
Assume 4% Pay Awards from Sept-23	3,400	5,950	6,070
Total Forecast Additional Pay Costs	6,300	8,910	9,090
Impact of Inflation on Non-pay Budgets:	Forecasts		
	2023/24	2024/25	2025/26
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Other Non Salary	330	275	235
Injury and Medical Police Pensions	360	370	470
Estates	1,000	1,115	1,225
Supplies and Services	240	790	1,310
Transport Pressures	490	560	625
Other Inflationary pressures	80	325	395
Total Forecast Additional Inflationary Non-Pay Costs	2,500	3,435	4,260
Potential Additional Costs from Inflation	8,800	12,345	13,350

Changes Beyond Inflation

- While the Force will meet their Uplift Target of 1,645 Police Officers by the end of 2022/23 – the 22/23 budget assumed 1,620 Officers on average.
- Increasing this to 1,645 Officers throughout 23/24 **costs circa £1.4m more per year.**
- **Investment of £1.9m per year** is planned into the Force Control Room to add/make permanent 44 more staff to improve call handling performance.
- Wider **Staff Growth of £1.5m**, some of which is funded through additional income.
- We expect **Other Income to increase by £1.7m** from the budget set for 22/23.

Where does this leave us?

	1.99% Precept Increase	£10 Precept Increase	£15 Precept Increase
<u>Cost Increases</u>	£m	£m	£m
Potential Additional Costs from Inflation	8.8	8.8	8.8
Maintain Police Officers at 1,645	1.4	1.4	1.4
Investment in the Force Control Room	1.9	1.9	1.9
Additional Staff Growth/Funded Roles	1.5	1.5	1.5
Forecast Total Cost Increases	13.6	13.6	13.6
<u>Income Changes</u>			
Other Income Changes	-1.7	-1.7	-1.7
Government Funding Increases	-1.7	-1.7	-1.7
Additional Precept Income	-2.5	-3.9	-5.5
Forecast Total Income Changes	-5.9	-7.3	-8.9
Savings/Reductions Required	7.7	6.3	4.7

- We are considering a number of savings options, how reserves are used and how capital is financed to balance.

Precept

- Current Council Tax/Precept Levels:
 - Band D: £281.06 – £5.41 per week
- Impact of a **£5.59, or 1.99% increase** in 2023/24
 - Would equate to around **11p extra per week** for a Band D property
 - Would provide **£1.8m additional funding** (versus 22/23 precept level)
- Impact of a **£10, or 3.56% increase** in 2023/24
 - Would equate to around **20p extra per week** for a Band D property
 - Would provide **£3.1m additional funding** (versus 22/23 precept level)
- Impact of a **£15, or 5.34% increase** in 2023/24
 - Would equate to around **29p extra per week** for a Band D property
 - Would provide **£4.7m additional funding** (versus 22/23 precept level)

Precept consultation

- **Police and Fire & Rescue** consultation
- Representative telephone interviews (target is 1,000)
- And Online survey
- Consultation closes 16th January 2023
 - Full results to Panel in February

The survey can be found at:

www.tellCommissionerZoe.co.uk

Police

- The following options are based on an average Band D property currently paying £281.06 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 levels of service delivery could not be maintained
- **Up to £5.60 a year more (47 pence per month), an increase of 1.99%**

This would raise around £1.7 million, however is significantly below inflation and would likely lead to reductions in current levels of service delivery unless significant levels of savings could be delivered.
- **Up to £10 a year more (83 pence per month), an increase of 3.6%**

This would raise around £3.1 million, however is significantly below inflation and would likely lead to reductions in current levels of service delivery unless savings could be delivered
- **Up to £18 a year more (£1.50 per month), an increase of 6.4%**

This would raise around £5.6 million, is broadly in line with the organisation's inflationary pressures and would lead to no reductions in current levels of service delivery.

Future Funding and Planning Assumptions

- Precept increases of £10 are expected to be possible for 2024/25.
- Government Grant increase of 1.7% in 24/25
- 1.2% increase in Tax Base in 2024/25 followed by 1.0% increases thereafter.
- £400k collection surplus per annum.
- Pensions Grant continues at current level.
- Pay Awards are 4%, (23/24), 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 23/24.
- Earmarked Reserves are expected to be £16m at the start of 23/24.
- Capital Receipts Reserve is expected to be £8.5m at the start of 23/24.

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Provisional Local Government Finance Settlement

- Core Spending Power increases by an average of 9.2% (£5.0bn) – this is made up of £3.1bn additional grant funding and £1.9bn additional council tax revenue (assuming maximum precept increases in 2023-24).
- Stand-alone Fire and Rescue Authorities (FRA's) precept flexibility of £5 in 2023-24 only.
- **Standalone FRAs' Core Spending Power** reported as a 7.4% increase (£110m), this is **estimated to increase to 9.4%** (£140m) with £5 council tax flexibility.
- Spring Budget on 15 March 2023.
- The Rural Services Delivery Grant for 2023-24 is flat cash and unchanged
- Fire Pensions Grant Flat Cash and unchanged

Precept

- A £5 increase for North Yorkshire Fire would be the equivalent of a 6.6% increase.
- Underlying Tax Base has seen growth of 1.2%.
- Depending on the position on the councils Collection Funds then the maximum increase in core funding, in comparison to 2022/23 is expected to be around 7.6%. (this is 1.8% lower than the national average for FRA's)

Impact of a £5 (6.6%) increase in Band D Precept

Local and Government Funding				
	2023/24	2022/23	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Total Settlement Funding	(9,284)	(8,738)	(546)	6.2%
Rural Services Grant	(540)	(540)	0	0.0%
Fire Pensions Grant	(1,711)	(1,711)	0	0.0%
Services Grant/Funding Guarantee	(268)	(424)	156	-36.8%
Compensation for Underindexing of Business Rates	(1,088)	(629)	(459)	72.9%
Total Government Funding	(12,891)	(12,042)	(848)	7.0%
Impact of a £5 (6.6%) increase in Band D Precept				
Net Surplus on Collection Funds	(87)	(87)	(0)	
Council Tax Requirement	(25,123)	(23,285)	(1,838)	
Total Local Funding	(25,210)	(23,372)	(1,838)	7.9%
Total Government + Local Funding	(38,101)	(35,414)	(2,687)	7.6%

Pay Awards and Wider Inflation

Forecast additional Pay Costs	
	2023/24
	<u>£000s</u>
Impact of 22/23 £1,925 Support Staff Pay Award	135
Assume 5% FF Pay Award in 22/23	460
Assume 4% Support Staff Pay Award in Apr-23	95
Assume 4% FF Pay Award in 23/24	720
Total Forecast Additional Pay Costs	1,410
Impact of Inflation and Pressures/Growth on Non-pay Budgets:	
	2023/24
	<u>£000s</u>
Premises	290
Transport	180
Supplies and Services	360
External Agreements	70
PFI	180
Capital Financing	520
Pensions	60
Total Forecast Additional Non-Pay Costs	1,660
Potential Additional Costs and Pressures	
	3,070

Non Pay Savings and Efficiencies

- **£450k of savings/efficiencies currently identified** and factored into plans (about 5% of our Indirect staff and non-staff costs)
- Of which:
 - Supplies and Services - £345k
 - Operating Leases - £35k
 - PFI - £20k
 - Other Employee Expenses - £40k
 - Other - £10k

Where does this leave us?

- We expect to have a balanced budget across the 4 years of our MTFP based on the work done to date and the information and assumptions provided in this presentation.
- Please keep in mind that this assumes a 5% FF pay award in 22/23 and 4% pay award in 23/24.
- We have some final areas to finalise in relation to Precept and Business Rates
- The current projections don't factor in the RRM changes at this stage although all efficiencies and savings will be reinvested in line with the consultation.

Precept

- Current Council Tax/Precept Levels:
 - Band D: £75.61 – £1.45 per week
- Impact of a £5 increase in 2023/24
 - Would equate to an annual increase of 6.6% for a Band D property. (or just under 10 pence per week)
- **Any increase above £5 would require a Referendum**

Fire & Rescue

- The following options are based on an average Band D property currently paying £75.61 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 £2.26 a year more (19 pence per month), an increase of 2.99%**

This would raise around £700k, however is significantly below inflation and would likely lead to reductions in current levels of service delivery.
- **Up to £5 a year more (42 pence per month), an increase of 6.6%**

This would raise around £1.5m, is broadly in line with the organisation's inflationary pressures and would lead to no reductions in planned levels of service delivery
- **Up to £7.50 a year more (63 pence per month), an increase of 9.9%**

This would raise around £2.3m, is likely to be higher than the organisation's inflationary pressures and would allow some additional investment into fire and rescue service delivery.

Future Funding and Planning Assumptions

- Precept increases of 2.99% are expected to be possible for 2024/25 and beyond
- Government Grant increase of CPI (5%) in 24/25, then 2% thereafter
- 1.2% increase in Tax Base in 2024/25 followed by 1.0% increases thereafter.
- £100k collection surplus per annum.
- Pensions Grant continues at current level.
- Pay Awards are 4%, (23/24), then 2% thereafter.

Reserves

- General Reserves are projected to be £1.1m throughout the plan.
- This is 3.1% of Net Budget Requirement in 23/24.
- Earmarked Reserves are expected to be £3.6m at the start of 23/24.
- Capital Reserves are expected to be £2.5m at the start of 23/24.
- Further details on reserves will be provided in February