

Report of the PFCC for North Yorkshire to the Police, Fire and Crime Panel

26th January 2024

Status: For decision

The 2024/25 Police Precept Proposal

1 Purpose

1.1 Legislation requires that I agree my budget and associated precept and basic council tax for the forthcoming year before 1st March each year. However before doing so I must notify this Panel of the precept which I propose to issue for the following year.

2 Recommendations

2.1 The Panel is asked to consider my proposal to set the Band D Police Element of the Council Tax within North Yorkshire for 2024/25 at £306.86. This is an increase of 3.99%, or £11.77, over the 2023/24 level.

2.2 The Panel is asked to support this proposal.

3 Reasons

3.1 The balance of the cost of the police service not paid for by central government is met by local taxpayers through a precept on their council tax. In North Yorkshire this will equate to just over 44% of the overall income that I will receive in 2024/25. It is the responsibility of the two local billing authorities to collect this.

3.2 Legislation requires the precept for 2024/25 to be set before 1st March 2024 and that the first step in enabling this to happen is that I am required to inform this panel of my proposed precept by the 1st February 2024. Which I did by submitting this report prior to that date.

- 3.3 In making my proposal on the Police precept I have taken into account the following:
- The views of the public of North Yorkshire
 - The financial impact on the people of North Yorkshire.
 - The financial needs of the organisation as currently projected both for 2024/25 and in the future.
 - Current levels of inflation, with CPI currently at 4%
 - The limits imposed by the Government on a precept increase before a referendum would be triggered in North Yorkshire.
 - I have discussed my proposals with the Chief Constable and engaged and consulted with the public on the options available to me.
- 3.4 Police Funding Settlement 2024/25
- 3.5 The 2024-25 Provisional Settlement was announced on 14 December in a written ministerial statement by the Minister of State for Crime, Policing and Fire, Chris Philp MP.
- 3.6 The Minister said "Today, the Government has set out the provisional police funding settlement...for the forthcoming financial year. For 2024-25 overall funding ... will rise by up to £842.9m compared to the restated 2023-24...This funding settlement demonstrates that the Government remains committed to giving policing the resources they need to keep the public safe...The Home Office was only able to deliver this substantial funding increase by reprioritising funding from other programmes."
- 3.7 Full details of the Settlement can be found on the Home Office gov.uk pages.
- 3.8 Police Uplift Grant (PUP)
- 3.9 Prior to the provisional settlement, the sector was expecting a continuation of additional PUP funding for the recruitment of the final officers (towards the 20,000 total). The Ministerial Statement confirms ongoing funding of £425m to maintain officer numbers at (148,433 nationwide).
- 3.10 Within this funding £67.2m is "additional recruitment top-up grant" for forces that have agreed to recruit additional officers. The remaining £357.8m is ringfenced, allocated via formula funding shares and PCCs will be able to access this funding, as in previous years, by demonstrating that they have maintained their officer numbers.
- 3.11 The total PUP ringfence grant of £425m has increased by £150m, which was promised in the spending review, and therefore provides an even stronger incentive for officer numbers to be maintained. The actual terms of the grant will be released early next year.
- 3.12 The Police Uplift Grant for North Yorkshire has increased by £2,420k from £2,676k to £5,096k, with a requirement for the Force to achieve 1,665 Police Officers (Headcount) in 2024/25, this is 20 higher than the initial 2023/24 target.

- 3.13 The above funding includes £960k for these additional 20 Officers, however there is no guarantee that these 20 Officers will continue to be funded beyond 2024/25 and therefore the financial plans do not include these on a recurring basis.
- 3.14 Pay Award
- 3.15 During 2023/24 both Police Officers and Police Staff were awarded a 7% pay award with effect from the 1st September 2023. The additional cost of a 7% award (above a 2.5% assumption) was £515m across Policing, and this has been funded by the Government.
- 3.16 The ministerial statement highlights that £330m of this was given in-year in 2023-24 with a further £185m awarded for 2024/25. Any comparisons to last year's data now include the additional £330m that was distributed in year. This indicates that this funding is in the baseline for future spending reviews.
- 3.17 The Core Government Grant increase for North Yorkshire in 2024/25 is £1,792k, which is not enough to fund the additional costs of last year's pay award of £1,920k that fall into 2024/25 due to the way that the funding has been allocated.
- 3.18 Pensions Grant
- 3.19 From the 1st April 2024 the level of employers Pension Contributions into the Police Officer Pension scheme increases by 4.3% from 31% to 35.3%.
- 3.20 The Force estimate that the cost of this increase to be around £2,845k in 2024/25. The increase in the Pensions Grant to mitigate the impact of increased employer pension contributions is slightly higher due to the allocation method, at £3,481k, however this also includes a one-off amount of £308k to support the administration costs of a number of changes that are happening within Police Pensions.
- 3.21 Core Funding
- 3.22 The total amount of extra funding available for forces is £922m of which £298m would come from Council Tax however this is a local decision for each PCC.
- 3.23 The remaining £624m comes predominantly from an increase of £184m core funding to cover the pay award, £286m additional pension grant, £83m through additional PUP ringfenced grant and £67m from additional recruitment grant.
- 3.24 As set out above however, the North Yorkshire share of the £624m additional Government funding is all attached to additional costs for decisions already made. There is no funding with the Government settlement to support any inflationary pressures in 2024/25, no funding to support a pay award in 2024/25 and no funding to support any operational pressures/growth.

- 3.25 Based on the analysis released by the Government, Core Funding to PCC's has increased by 6% in 2024/25, this however assumes that all PCCs increase their Precept by £13.
- 3.26 The smallest increases in core funding were seen in London at 3.5%, with Lincolnshire (5.7%) and Surrey (5.9%) the only other areas projected to be below the average 6% increase.
- 3.27 Outside of the City of London, Northumbria is expected to see the highest increase in core funding of 7.6%.
- 3.28 The Government calculate the increase in North Yorkshire (including a £13 increase in Precept) would be 6.5%.
- 3.29 What does the Government expect to be delivered with this additional funding?
- 3.30 The Minister set out his expectations for this investment as follows:
- 3.31 "In return for this significant investment, it is imperative that policing continues to deliver on driving forward improvements to productivity and identifying efficiencies where possible. The Government will continue to work with the sector to unlock the full range of opportunities and benefits of productivity and innovation to enable officers to have the tools to deliver on their core mission of keeping the public safe.
- 3.32 We, therefore, expect policing to approach the 2024-25 financial year with a focus on this Government key priorities:
- Maintaining 20,000 additional officers (148,433 officers in total nationally) through to March 2025.
 - Continuing to deliver on the opportunities presented by new technology and innovation to deliver improvements in productivity and drive forward efficiencies, therefore maximising officer time and service to the public.
 - Improving the visibility of police officers and focusing on providing a targeted approach to tackling crime and antisocial behaviour to make neighbourhoods safer, which should be a priority for all forces."

3.33 There are no new specific savings targets set, and the Government recognises that police have already exceeded the efficiency targets set at the start of the spending review period. The recently published Policing Productivity Review estimated that if all the recommendations were followed the equivalent of 20,000 officers could be freed up over the next 5 years. The Government will respond to the review in 2024.

3.34 What does this mean for North Yorkshire in 2024/25 in terms of Funding?

- An increase in of Core Police Grant of £1,792k
- An increase in Police Uplift Grant of £2,420k.
- An increase in the Police Pension Grant of £3,481k

3.35 Based on the precept being proposed, of £306.86 for a Band D property, then the overall impact on the Core funding for the organisation is set to increase by 6.6%, or just under £12.7m, as set out in the table below:

Overall Government and Local Revenue Funding				
	2024/25	2023/24	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(55,512)	(54,390)	(1,122)	2.1%
RSG/National Non Domestic Rate	(33,258)	(32,589)	(669)	2.1%
Police Officer Uplift Grant	(5,096)	(2,677)	(2,420)	90.4%
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	(4,930)	(1,449)	(3,481)	240.2%
Government Funding Changes	(106,695)	(99,002)	(7,693)	7.8%
Impact of a 3.99%, £11.77 Band D Precept increase				
Net Surplus on Collection Funds	(751)	(484)	(267)	
Council Tax Requirement	(96,694)	(91,970)	(4,724)	5.1%
Total Local Funding	(97,445)	(92,454)	(4,991)	5.4%
Total Government + Local Funding	(204,140)	(191,456)	(12,684)	6.6%

3.36 How does North Yorkshire compare to the National Picture?

3.37 If each PCC increased their precept by £13, combined with tax base assumptions, there will be an additional £298m of resources for policing from council tax alone.

3.38 Due to historic differences in council tax the proportion that £13 represents can vary significantly between force areas. The £13 increase means that Northumbria's percentage increase is 8.5%, followed by the West Midlands at 7.2% whereas, £13 represents a 4.4% increase for North Wales and a 4.5% increase for South Wales and Gwent.

3.39 If every PCC takes the £13 precept, the weighted average band D police precept in England and Wales would be £278.38.

3.40 The proportion of funding raised through council tax differs significantly between force area. Northumbria's Council Tax makes up 19% of their total funding, followed by West Midlands at 20.3% and Merseyside at 22.9%.

- 3.41 Conversely, Surrey has 54.6% of their funding coming from Council tax, followed by Dyfed Powys at 51.3% and North Wales at 50.2%. On average, 34.3% of budgets are made up from Council tax, which is broadly in line with last year.
- 3.42 Government Funding for 2025/26 and beyond
- 3.43 2024/25 is the final year of the current Spending Review period and therefore there is very little formal guidance for future plans.
- 3.44 The current plan has therefore assumed that Government Funding will continue to increase by CPI and that this will be 2%.
- 3.45 The current plan also assumes that PFCC's will continue to be provided with precept limits set via a monetary, instead of a percentage, increase and that increases of at least £12 per year will be possible.
- 3.46 The current plan does not consider any changes to funding that may occur as a result of the PFCC becoming part of the Mayoral Combined Authority in May 2024.
- 3.47 Top Slices
- 3.48 In 2024/25 reallocations total £1,038m, a £76m reduction over 2023-24 (£1,114m). Reallocations were also reduced by £260m between 2022-23 and 2023-24.
- 3.49 This year, the biggest reductions to funding were a £25.6m decrease in police technology programmes, followed by a £19.5m reduction in national policing capabilities and a £16m reduction in special grant. Crime reduction capabilities were dropped completely, saving £18.4m.
- 3.50 Conversely, there was a significant rise in capital reallocations, increasing by £23.8m.
- 3.51 Council Tax Legacy Grant
- 3.52 The Council Tax Legacy Grants relating to Council Tax Freeze grants from 2011-12, 2013-14, 2014-15 and 2015-16 as well as Local Council Tax Support (LCTS) funding remains separately identifiable in 2024-25. These have again remained flat cash settlements and therefore take no account of any changes for inflation or local need since they were awarded and is another area where additional costs are having to be 'absorbed'.
- 3.53 Counter Terrorism
- 3.54 The Minister announced a total of £1,017.5m for Counter Terrorism (CT) policing in 2024-25, a 2% increase in cash terms on 2023-24. PCCs will be notified separately of force-level funding allocations for CT policing, which will not be made public for security reasons.

3.55 Ministry of Justice Grants

3.56 The PFCC expects to receive £1,514k from the Ministry of Justice in 2024/25 to deliver Victims Services, however this has yet to be confirmed.

3.57 This is almost £430k higher than the Core Grant and reflects successful bids by the PFCC for additional funding.

3.43 Crime Programme Funding

3.44 In addition to the usual Core Funding and Specific Grant funding announcements, the Government also set out a number of other funding streams that would be available to PCCs in 2024-25 for headline crime programmes.

3.45 With the Government stating that "Despite difficult decisions across all budgets, we have sought to protect those tried-and-tested programmes that support PCCs to target activity and deliver an overall reduction in crime. In total this is a continued investment of over £200 million in 2024-25.

- £92.8 million to support activity designed to combat anti-social behaviour and serious violence.
- £15 million on Safer Streets Round 5, to supplement the funding already provided for 2023-24.
- £46 million to continue the County Lines Programme and Project Adder
- £47 million to continue to support the work of Violence Reduction Units"

3.46 What does this mean for North Yorkshire?

3.47 The PFCC has been allocated the following in 2024/25:

- £1m under the Government's Anti-social Behaviour (ASB) Action Plan, to ensure an enhanced uniformed presence in ASB hotspot areas.
- £0.5m to enable the roll out of immediate justice more widely across England and Wales
- £0.35m to continue/finalise those schemes which began in 2023/24 as part of the Safer Streets programme – which is "the Government's flagship crime prevention programme, helping to drive down crime and anti-social behaviour, ensuring the public is better protected."

3.48 MTFP Assumptions

When the 2023/24 budget was set in February 2023 the forecasts were underpinned by the following assumptions:

- Pay Awards:
 - 2023/24 – 4.0% increase
 - 2024/25 – 2.0% increase
 - 2025/26 – 2.0% increase

- Precept: Increases of:
 - 2023/24 – 4.99% or £14.03
 - 2024/25 – £10 or 3.39%
 - 2025/26 – 1.99%

- Tax Base increases of:
 - 2023/24 – 1.2%
 - 2024/25 – 1.2%
 - 2025/26 – 1.0%

- Government Grants increases of:
 - 2024/25 – 1.7%
 - 2025/26 – 2.0%
 - 2026/27 – 2.0%

- Impact of Funding Formula review – Nil

3.49 Clearly much has changed in the last year and therefore in line with good planning our assumptions remain under review and are updated with the best information available. It is expected that the MTFP for 2024/25 and beyond will assume the following:

- Pay Awards:
 - 2024/25 – 2.5% increase
 - 2025/26 and beyond – 2.0% increase

- Precept: Increases of:
 - 2024/25 – £11.77 or 3.99%
 - 2025/26 and beyond – £12 per annum

- Tax Base increases of:
 - 2024/25 – 1.1%
 - 2025/26 and beyond – 1.4% per annum

- Government Grants increases of:
 - 2025/26 and beyond – 2.0%

- Impact of Funding Formula review – Nil

4 Local Financial Context

4.1 Income Forecasts

4.2 Based on these revised assumptions and the information received and forecast around other areas of funding then the entire funding expected to be available to the PFCC for Policing for the next 4 years, in comparison to 2023/24, is as follows:

	Forecasts				
	2023/24	2024/25	2025/26	2026/27	2027/28
Core Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(83,766)	(88,770)	(90,546)	(92,357)	(94,204)
Council Tax Precept	(92,454)	(97,445)	(102,482)	(107,796)	(113,239)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(5,746)	(5,746)	(5,746)	(5,746)
Funding for Net Budget Requirement	(184,118)	(194,113)	(200,925)	(208,051)	(215,341)
%age Change in Net Budgetary Requirement	3.3%	5.4%	3.5%	3.5%	3.5%
Other Funding					
Specific Grants	(8,791)	(17,733)	(11,737)	(11,738)	(11,738)
Partnership Income/Fees and Charges	(8,465)	(9,166)	(8,499)	(8,376)	(8,336)
Total Funding	(201,374)	(221,012)	(221,162)	(228,165)	(235,415)
%age Change in Funding	5.2%	9.8%	0.1%	3.2%	3.2%

4.3 Once all funding sources have been factored in then we currently forecast that Total Funding will increase by just over £19.6m, or 9.8% in 2024/25.

4.4 Pay Increases and Inflation Pressures

4.5 While the overall increases in Total Funding seem reasonable across most of the life of the plan (with the exception of 2025/26), and very good in 2024/25, it is important to reflect on the additional costs that need to be funded from these increases.

4.6 The 2023/24 pay budgets had forecast that pay awards would be 4% during 2023/24. However, given the significant increases in inflation that have occurred since that budget was set, both pay awards were settled at 7%.

4.7 The recurring impact of this additional 3% is around £4.7m of additional costs from 2024/25 onwards. This higher pay award has been fully funded by the Government which is one of the reasons that the increase in income in 2024/25 is higher.

4.8 In addition to the current year position on pay, the MTFP now forecasts that the pay award for all employees will be 2.5% for 2024/25, this is expected to add around £2.4m to the pay costs in 2024/25.

4.9 As mentioned earlier in this report, from the 1st April 2024 the level of employers Pension Contributions into the Police Officer Pension scheme increases by 4.3% from 31% to 35.3%.

- 4.10 The Force estimate that the cost of this increase to be around £2,845k in 2024/25. As with the pay award for last year this has been funded by the Government and as such both the income and expenditure of the organisation increase significantly.
- 4.11 The Force continues to invest into the Force Control Room with savings made from within non-pay areas predominantly being used to fund additional investment in this vital area of service delivery.
- 4.12 The impact of these assumptions and changes are additional costs of almost £11.9m in 2024/25, in comparison to the 2023/24 original budget.

Forecast additional Pay Costs	Forecasts 2024/25
	<u>£000s</u>
Impact of 23/24 Pay Awards @ 7% in 24/25	4,730
Increase in Employer Pension Contributions rate to Office Pension Scheme	2,845
Assume 2.5% Pay Awards from Sept-24	2,390
Increase Police Officers to 1,660 FTEs in 24/25	830
Investment in Force Control Room	1,065
Combination of multiple changes	20
Total Forecast Additional Pay Costs	11,880

- 4.13 The pay assumptions alone take around 60% of the increase in funding that is forecast between 2023/24 and 2024/25.
- 4.14 In addition to pay pressures there are a significant number of non-pay budgets that have increased as a result on direct links to additional income, plus there continue to be pressures in 2024/25 arising from inflation.
- 4.15 These total just over £6m as set out in the table below:

Impact of Inflation, Specific additional income linked expenditure and Pressures on Non-pay Budgets:	Forecasts 2024/25
	<u>£000s</u>
Other Non Salary	2,340
Injury and Medical Police Pensions	425
Estates	(160)
Supplies and Services	2,300
Transport	(410)
Commissioned Services Growth	1,370
Other Inflationary pressures	145
Total Forecast Additional Inflationary Non-Pay Costs	6,010

- 4.16 The significant increase in 'Other Non-Salary' relates predominantly to Apprentice Levy Funded training of Police Officers. Over £1.8m of income has been included in the budget alongside the corresponding expenditure.

- 4.17 Should the training not take place then the income will clearly not be received/released from the Apprenticeship Levy scheme.
- 4.18 As mentioned previously the PFCC has been awarded additional Specific Grants for Anti-Social Behaviour and Immediate Justice of £1.5m. This has resulted in both an increase in the income balances and also an increase in the Commissioning Service budget area.
- 4.19 As with all areas of Specific Grant funded expenditure, the income will only be received if it is spent on the area specified and therefore can't be used to offset pressures elsewhere.
- 4.20 Putting together all of the budget changes together, along with movements on reserves and funds provided to support the capital programme, provides the following movements from the budget set in 2023/24:

Forecast additional Pay Costs	Forecasts 2024/25
	<u>£000s</u>
Impact of 23/24 Pay Awards @ 7% in 24/25	4,730
Increase in Employer Pension Contributions rate to Office Pension Scheme	2,845
Assume 2.5% Pay Awards from Sept-24	2,390
Increase Police Officers to 1,660 FTEs in 24/25	830
Investment in Force Control Room	1,065
Combination of multiple changes	20
Total Forecast Additional Pay Costs	11,880
Impact of Inflation, Specific additional income linked expenditure and Pressures on Non-pay Budgets:	Forecasts 2024/25
	<u>£000s</u>
Other Non Salary	2,340
Injury and Medical Police Pensions	425
Estates	(160)
Supplies and Services	2,300
Transport	(410)
Commissioned Services Growth	1,370
Other Inflationary pressures	145
Total Forecast Additional Inflationary Non-Pay Costs	6,010
Movement on Reserves and Capital	1,750
Potential Additional Costs	19,640

4.21 **Key areas for investment, prioritisation and improvement in 2024/25**

4.22 As with last year I have continued to be clear with the Force that in asking the public of North Yorkshire to pay more they should expect more from their Police Service. With this in mind I have asked the Force to set out there priorities for 2024/25, linking to those areas that I have indicated as a priority in the Police and Crime Plan.

4.23 In terms of 2023/24, my precept proposals highlighted the need for the Force to deliver against an improvement plan that was put in place based upon work undertaken by the HMICFRS which identified a number of areas that required investment in order to deliver and improve some core policing services.

4.24 In addition to this the Force indicated that an organisational and operational review would be taking place to restructure the organisation to deliver the best possible front line and visible policing services within the new future budget constraints.

4.25 The precept increase for 2023/24 was expected to underpin the improvements required from the HMICRS work and included the following:

4.26 **Customer Contact**

4.27 A much-needed investment in the Force Control Room to improve 999 emergency call handling times, improve 101 call handling times, and expand the available methods through which the public can make contact with the police. Demand profiling had identified that in comparison to other forces, North Yorkshire Police had a significantly smaller workforce in the control room than other comparable forces.

4.28 As a result **an investment of around £1.9m per year** was included within the 2023/24 plans to fund the required increases in roles within the FCR. This will include a significant increase in the number of Communications Officers, who handle 999 and 101 calls, as well as investment in additional Dispatchers to manage the dispatch of police resources, Incident Management roles and a dedicated training team to deliver specialist FCR training.

4.29 **Impact of the Investment**

4.30 As presented to my [On-line Public Meeting](#) on the 25th January, the performance of the Force Control Room has significantly improved over the last 12 months:

- The average time to answer a 999 call in December was just **6 seconds**
- 999 call handling performance has improved from the worst in the country (45 out of 45) to 25th as of November 2023.
- Despite a 16% increase in 999 calls, to 117,214 calls, during 2023, the average time to answer all 999 calls was 9 seconds.

4.31 Front Line Response

4.32 The front-line uniformed response teams are often the first on scene at most incidents and are the core visible resources in our communities alongside our neighbourhood policing teams. These officers are predominantly newly recruited and trained officers joining the service before they specialise across the service. Therefore, the continued recruitment and maintenance of these officers through the uplift retention is essential to front line visible policing.

4.33 The 2023/24 precept was set based on increasing the average the number of Police Officers within North Yorkshire from 1,620 FTEs in 2022/23 to 1,645 FTEs in 2023/24.

4.34 The £1.5m investment set out a year ago has also been supplemented by a successful bid during 2023/24 for **an additional £1.2m to deliver a further 30 Officers during 2023/24.**

4.35 The Force as of the end of **December 2023 had almost 1,700 Police Officers** within the Force and is on Target to meet all of the Police Officer Uplift targets.

4.36 Organisation Design Project

4.37 The other areas of investment and development that were set out within the 2023/24 precept proposal were part of the Organisational Design project. This project was established to deliver a refreshed organisational design for operational policing focusing on core service areas in line with the Chief Constable's vision, as well as to identify and deliver recurring revenue savings to balance the force budget.

4.38 The core project requirement was to deliver a refreshed organisational design for operational policing in North Yorkshire Police, with a primary focus on stabilising and enhancing the following core areas of business:

- Safeguarding
- Digital Forensics Unit (DFU)
- Force Control Room (FCR)
- Investigations
- Neighbourhood policing processes

4.39 The key drivers for change to the operating model included emerging areas of high-harm demand such as cybercrime and online abuse, as well as increasing calls for service.

- 4.40 The budget and proposed precept underpin the organisation design project and wider realignment of resources which has been identified with the need to implement the following:
- An uplift in **specialist safeguarding teams** to safeguard the most vulnerable in North Yorkshire sees an **investment of around £2m**.
 - Investment into **Investigation Teams** to mitigate risks to vulnerable people sees **investment of over £1m into Detectives**.
 - Further investment into the **Force Control Room of £1m** to further enhance the service to the public in this vital area is also planned.
 - Other investments into the Digital Forensics Unit, Professional Standards Unit, Neighbourhoods and Criminal Justice **of over £1m** are also planned.
- 4.41 **Capital Programme**
- 4.42 There is a significant programme of investment needed across a number of areas within the Force.
- 4.43 After a number of years of challenges in terms of vehicle procurement there is a need for significant investment and some element of catch up in this area.
- 4.44 Across the 5 years of the current Capital Programme, including 2023/24 the Force have set out plans to replace vehicles that will total over £18m.
- 4.45 Plans to invest in and maintain the Police Estate is expected to need investment of almost £10m over the next 5 years, while maintaining the IT infrastructure of the Force and ensuring IT equipment is replaced and kept up to date is expected to cost in excess of £23m across the next 5 years.
- 4.46 **Change Pipeline**
A number of items that were previously included within the Change Pipeline have now transitioned into either the Capital Programme and/or incorporated into the Revenue Budgets based on approved business cases received during 2023/24.
- 4.47 As a result of this, and the need to ensure it remains affordable, the Change Pipeline is now forecast at just over £6m across the next 5 years.
- 4.48 It is expected that these areas will be developed into business cases and if approved added to the Capital and/or Revenue Budgets as required.
- 4.49 The funding for this change and investment is factored into the overall approach to financing of the Capital Programme.
- 4.50 A summary of the Capital Programme, the Change Pipeline and the financing of this is set out at Appendix 2.

5 Public Consultation

- 5.1 To further inform the decision around the proposed precept for 2024/25 consultation has been undertaken with the public to ascertain their feedback and thoughts on this subject.
- 5.2 The consultation was conducted via an online survey and by telephone, to ensure a representative sample of council tax payers in North Yorkshire and the City of York residents by age, gender and geography.
- 5.3 The public were asked the following question:
- 5.4 North Yorkshire Police has a budget of £201 million – around 46 per cent comes from the precept on your council tax.
- 5.5 To provide a similar level of service to now, they think they will need around an extra £12m due to salary increases and the rising cost of fuel, utilities and general cost increases.
- 5.6 The Government are expected to say that Commissioner Zoë can raise the police precept by £15 from April – that would be an increase of 5.1%, an extra 29 pence per week for an average Band D property. Even this would only raise £4.7m of that extra demand
- 5.7 The following options are based on an average Band D property currently paying £295.09 each year for policing.
- 5.8 How much more would you be prepared to pay per year, through your council tax for policing in North Yorkshire and York?
- 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 £10 a year more (83 pence per month), an increase of 3.4%
This would raise around £3.1million, however is significantly below inflation and would likely lead to reductions in current levels of service delivery unless savings could be delivered.
 - Up to £15 a year more (£1.25 per month), an increase of 5.1%
This would raise around £4.7million, however is significantly below inflation and would likely lead to reductions in current levels of service delivery unless savings could be delivered.
 - Up to £20 a year more (£1.67 per month), an increase of 6.8%
This would raise around £6.2 million, is broadly in line with the organisation's inflationary pressures and would lead to no reductions in current levels of service delivery.

- 5.9 In total 2,678 responses were received with 1,683 responses via the open online survey and a further 995 interviews over the telephone. The open survey was published on the PFCC website and promoted widely via social media. The results of the consultation are detailed at Appendix 4.
- 5.10 Combined results (online and telephone) from the consultation show the majority (61%) support an increase of £10 or more in the policing precept
- 5.11 A summary of the overall results is shown in the table below:

	Total (n=2,678)	Telephone (n=995)	Online (n=1,683)
No more than I pay now a precept freeze	39%	49%	33%
Up to £10 a year more (83 pence per month), an increase of 3.4%	20%	23%	19%
Up to £15 a year more (£1.25 per month), an increase of 5.1%	20%	18%	22%
Up to £20 a year more (£1.67 per month), an increase of 6.8%	20%	11%	26%
<i>TOTAL who support an increase of at least £10</i>	61%	51%	67%

*figures may not add to 100% due to rounding

Financial Implications

5.12 The Tax Base

The two local Councils have notified the PFCC of their tax bases for 2024/25 as set out in the table below:

Tax Base	2024/25	2023/24
	Net Tax Base	Net Tax Base
North Yorkshire County Council	246,010	243,034
York City Council	69,098	68,633
Total	315,107	311,667
Annual Increase/(Decrease)	3,441	
Percentage Increase/(Decrease)	1.10%	

5.13 The tax base is expressed in terms of Band D equivalent properties. Actual properties are converted to Band D equivalent by allowing for the relevant value of their tax bands as set down in legislation (ranging from 2/3rds for Band A to double for Band H; discounts for single person occupation, vacant properties, people with disabilities etc;) and a percentage is deducted for non-collection. Allowance is also made for anticipated changes in the number of properties.

5.14 The tax base calculated by the billing authorities differ from the figures used by the Government (which assumes 100% collection) in calculating Grant Formula entitlements.

5.15 As can be seen from the table above the number of Band D equivalent properties across North Yorkshire has increased in 2024-25, in comparison to 2023-24, by 3,441 – this equates to an increase of 1.10%

5.16 The 2024/25 tax base is therefore 315,107.29 Band D Equivalent properties

5.17 Setting the Council Tax

5.18 The precept calculation needs to take account of the net surplus and deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds are shown in the table below.

Collection Funds Surplus/ (Deficit)	
	£
North Yorkshire County Council	883,570
York City Council	(132,381)
Net Surplus/(Deficit) on Collection Fund	751,189

5.19 The surplus/deficits that have arisen need to be returned through the precept. The final precept to be levied will reflect the position on each council's collection fund.

5.20 Financial Summary

Net Budget Requirement

Based on the proposed precept increase of 3.99%, or £11.77, the Net Budget Requirement (NBR) for 2024/25, in comparison to 2023/24, is set out in the table below:

Funding the Net Budget Requirement				
	2024/25	2023/24	(Increase)/Reduction	%age Change
	£000s	£000s	£000s	
Funding				
Police Grant	(55,512)	(54,390)	(1,122)	2.1%
RSG/National Non Domestic Rate	(33,258)	(32,589)	(669)	2.1%
Total Formula Funding	(88,770)	(86,978)	(1,792)	2.1%
Council Tax Freeze Grant	(2,152)	(2,152)	0	0.0%
Council Tax Support Grant	(5,746)	(5,746)	0	0.0%
Net Deficit/(Surplus) on Collection Funds	(751)	(484)	(267)	55.3%
Council Tax Requirement	(96,694)	(91,970)	(4,724)	5.1%
Net Budget Requirement	(194,113)	(187,330)	(6,783)	3.6%

- 5.21 There is an increase in the Funding for Net Budget Requirement available to the PFCC of £6,783k based on a 3.99% increase in precept. This equates to an increase of 3.6%.
- 5.22 Please note that the 2023/24 'Total Formula Funding' balance has been increased by £3,212k to reflect the Pay Award Grant that was paid in 2023/24, this is in line with the Government reporting of this and also enables an accurate year on year comparator.
- 5.23 It is important to recognise that the Net Budget Requirement does not include the £5,096k that the PFCC will receive as part of the grant/funding that is directly linked to the recruitment of Police Officers. This will be treated as a Specific Grant, given the conditions that will be attached to the funding and therefore included elsewhere in the income analysis.
- 5.24 This funding is to increase Police Officer numbers to 1,665 in 2024/25.

5.25 Precept Calculations

The final precept calculations are set out in the tables below based on a 3.99%, or £11.77, increase:

Proposed Precepts - 3.99% or £11.77 Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
North Yorkshire County Council	76,374,104	883,570	75,490,533
York City Council	21,070,908	(132,381)	21,203,290
Total Precept	97,445,012	751,189	96,693,823

5.26 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £96,693,823 by 315,107.29 giving a council tax rate for Band D properties of £306.86.

5.27 The proposed council tax rate for each property band is determined in accordance with the statutory proportions and is set out in the table below, it also shows the increases for each Band in comparison to 2023/24. It is advised that the tax rates should be calculated to more than 2 decimal places

Council Tax Band Amounts and Increases				
Property Band	3.99% or £11.77 increase			
	2024/25	2023/24	Increase per Annum	Increase per Week
	£	£	£	£
A	204.573	196.727	7.85	0.15
B	238.669	229.514	9.15	0.18
C	272.764	262.302	10.46	0.20
D	306.860	295.090	11.77	0.23
E	375.051	360.666	14.39	0.28
F	443.242	426.241	17.00	0.33
G	511.433	491.817	19.62	0.38
H	613.720	590.180	23.54	0.45

5.28 As you will see from the table above the impact of the proposal to increase the Police precept by 3.99%, or £11.77, will increase a household council tax bill by 23 pence per week for a Band D property.

6 Conclusion

- 6.1 The Police Settlement for 2024/25 has provided the PFCC with an increase in Core Government Funding of £7,693k, or 6.6%.
- 6.2 Unfortunately all of this funding increase is either specifically linked to expenditure or linked to decisions already made nationally, as per the below:
- £1,792k more has been provided in additional core grant to cover the costs of last year's pay award.
 - £2,420k more has been provided to ensure Police Officer numbers are not only maintained at last year's level but increased by a further 20.
 - £3,481k more has been provided to pay for higher Employer's contributions into the Police Officer Pension Scheme.
- 6.3 The precept increase is therefore required to fund all inflationary pressures, including the 2024/25 pay award, across a budget of over £200m.
- 6.4 Each 1% increase in the precept in North Yorkshire provides around £925k of additional precept income on a recurring basis – so nearly £3.7m per year of additional income would be generated if the precept was increased by 3.99%.
- 6.5 In addition to the proposed precept increase, growth in the Tax Base and a higher Collection Fund surplus means that around £5m would then be available, from the Police Precept income, to meet all of the pay and non-pay pressures that have been set out within this report while underpinning investments across a number of vital areas, such as:
- Safeguarding - £2m
 - Investigations and Detectives - £1m
 - Force Control Room - £1m
- 6.6 Reserves are currently forecast to reduce by around £17m (from £29m) during the life of the Medium Term Financial. This is predominantly to support the Capital programme, and therefore ultimately the Revenue budget, to focus as much funding on service delivery as possible during 2024/25 and beyond.
- 6.7 The organisational need for an increase, aligned with some significant support from the public for an increase, has lead me to propose a police precept for 2024/25 of £306.86 for a Band D property within North Yorkshire. This is an increase of 3.99% or £11.77 per annum, from the 2023/24 level

To aid the Panel in considering my proposal on Precept I attach to this report:

- Appendix 1 – Draft Budget based on a 3.99% or £11.77 Precept Increase
- Appendix 2 – Draft Capital Programme
- Appendix 3 – Draft Forecast Reserves Schedule
- Appendix 4 – Report on Police Precept Consultation

APPENDIX 1

PFCC Summary MTFP - Draft Projections at January 2024 based on 3.99% Precept Increase

	Forecasts				
	2023/24	2024/25	2025/26	2026/27	2027/28
Core Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(83,766)	(88,770)	(90,546)	(92,357)	(94,204)
Council Tax Precept	(92,454)	(97,445)	(102,482)	(107,796)	(113,239)
Council Tax Freeze Grant	(2,152)	(2,152)	(2,152)	(2,152)	(2,152)
Council Tax Support Grant	(5,746)	(5,746)	(5,746)	(5,746)	(5,746)
Funding for Net Budget Requirement	(184,118)	(194,113)	(200,925)	(208,051)	(215,341)
%age Change in Net Budgetary Requirement	3.3%	5.4%	3.5%	3.5%	3.5%
Other Funding					
Specific Grants	(8,791)	(17,733)	(11,737)	(11,738)	(11,738)
Partnership Income/Fees and Charges	(8,465)	(9,166)	(8,499)	(8,376)	(8,336)
Total Funding	(201,374)	(221,012)	(221,162)	(228,165)	(235,415)
%age Change in Funding	5.2%	9.8%	0.1%	3.2%	3.2%
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,435	1,520	1,590	1,630	1,665
Commissioned Services	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	6,131	7,500	5,050	5,015	5,040
Asset Management	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	640	700	850	970	1,165
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	96,951	106,717	107,990	110,004	111,367
Police Overtime	2,904	2,613	3,331	4,085	3,708
PCSO Pay (incl Overtime)	6,880	6,770	8,100	8,936	9,122
Staff Pay (incl Overtime)	44,875	47,390	48,518	49,481	50,512
Pay Total	151,610	163,490	167,939	172,506	174,709
Non-Pay Budgets					
Other Non Salary	2,390	4,731	2,576	2,559	2,555
Injury and Medical Police Pensions	4,051	4,475	4,514	4,505	4,505
Premises	5,722	5,561	5,674	5,787	5,900
Supplies and Services	23,779	26,079	25,908	26,280	27,394
Transport	3,523	3,114	3,159	3,198	3,262
Non-Pay Total	39,465	43,960	41,831	42,329	43,616
Total Planned Force Expenditure	191,075	207,450	209,770	214,835	218,325
%age Change in Expenditure	8.0%	8.6%	1.1%	2.4%	1.6%
Total Expenditure Budgets	199,281	217,170	217,260	222,450	226,195
(Surplus)/Deficit before Reserves/Capital	£000s	£000s	£000s	£000s	£000s
	(2,093)	(3,842)	(3,902)	(5,715)	(9,220)
Planned Transfers to/(from) General Fund	(1,000)				1,000
Contribution to Capital Programme	3,938	4,936	4,139	6,015	8,220
Planned Transfers to/(from) Earmarked Reserves	(845)	(1,094)	(237)	(300)	0
Net (Surplus)/Deficit After Reserves	0	(0)	0	(0)	(0)
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	6,602	5,602	5,602	5,602	5,602
Proposed (Use of)/Contribution to General Fund	(1,000)	0	0	0	1,000
General Fund Balance c/f	5,602	5,602	5,602	5,602	6,602
Average Employee Numbers	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,645	1,660	1,645	1,645	1,645
PCSOs	177	163	192	208	208
Police Staff	1,142	1,153	1,147	1,146	1,146
Assumptions					
Staff Pay Increases	4.0%	2.5%	2.0%	2.0%	2.0%
Police Pay Increases	4.0%	2.5%	2.0%	2.0%	2.0%
Non Pay Inflation	calculated	calculated	2.0%	2.0%	2.0%
Precept Increases	5.0%	4.0%	3.9%	3.8%	3.6%
Government Grant Increases	0.3%	6.0%	2.0%	2.0%	2.0%

	APPENDIX 2				
Capital Financing and Expenditure					
	2023/24	2024/25	2025/26	2026/27	2027/28
	£000s	£000s	£000s	£000s	£000s
Earmarked Reserve/Funding b/f	17,103	13,342	10,018	5,538	-637
Capital Receipts - vehicles and PPE	500	525	550	550	550
Capital Receipts from Estates Strategy	465	0	350	1,090	0
Contributions (to)/from Revenue	4,040	4,936	4,139	6,015	8,220
Borrowing	1,911	4,387	2,759	639	1,042
Projected in-year funding available	6,916	9,848	7,798	8,294	9,812
Capital and Project Plans					
ICT	3,372	4,377	2,916	8,826	3,565
Fleet	4,099	2,810	4,418	3,195	3,997
Estates	1,911	4,387	1,484	639	1,042
Other Rolling Programmes and Schemes	617	368	338	302	392
Other Schemes	396	75	12	47	8
Total Agreed Programme	10,395	12,017	9,169	13,009	9,004
Change Pipeline	282	1,155	3,109	1,460	160
Earmarked Reserve/Funding c/f	13,342	10,018	5,538	-637	11

Forecast Usable Reserves													APPENDIX 3			
	Balance at 31 March	Tranfers In	Tranfers Out	Balance at 31 March	Tranfers In	Tranfers Out	Balance at 31 March	Tranfers In	Tranfers Out	Balance at 31 March	Tranfers In	Tranfers Out	Balance at 31 March	Tranfers In	Tranfers Out	Balance at 31 March
	2023	2023/24	2023/24	2024	2024/25	2024/25	2025	2025/26	2025/26	2026	2026/27	2026/27	2027	2027/28	2027/28	2028
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.																
PFCC Reserve	471			471			471			471			471			471
Capital Reserve	9,051	4,040	(8,767)	4,324	4,936	(8,785)	475	4,139	(4,614)	(0)	6,015	(6,014)	0	8,220	(8,122)	98
Firearms Licence Reserve	539		(30)	509		(30)	479		(30)	449		(30)	419		(30)	389
Investments Reserve	219			219			219			219			219			219
Training Reserve	265		(173)	92		(19)	73			73			73			73
Council Tax Reserve	217	(79)	(7)	132		(80)	52		(80)	(28)			(28)			(28)
ESMCP	739			739			739			739			739			739
Commissioned Services Reserve	861		(243)	618		(54)	564		(57)	507		(10)	497		(10)	487
Total Reserves within current MTFP	12,362	3,962	(9,220)	7,104	4,936	(8,968)	3,072	4,139	(4,781)	2,430	6,015	(6,054)	2,390	8,220	(8,162)	2,448
Funding for specific projects and programmes beyond the current planning period.																
Confiscated Monies Reserve	565	154	(294)	425	140	(100)	465	140	(100)	505	140	(100)	545	140	(100)	585
Cost of Change Reserve	1,469		(1,223)	246		(170)	76			76			76			76
Total Reserves beyond current MTFP	2,033	154	(1,517)	671	140	(270)	541	140	(100)	581	140	(100)	621	140	(100)	661
As a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management (e.g. insurance)																
Insurance Reserve	0	555		555			555			555			555			555
Pay and Pensions Reserve	950	900		1,850		(781)	1,069		(110)	959		(300)	659			659
Major Incident Reserve	432			432			432			432			432			432
Total General Contingency Reserves	1,383	1,455	0	2,838	0	(781)	2,057	0	(110)	1,947	0	(300)	1,647	0	0	1,647
Total Earmarked Reserves	15,779	5,571	(10,737)	10,613	5,076	(10,019)	5,670	4,279	(4,991)	4,958	6,155	(6,454)	4,658	8,360	(8,262)	4,756
General Reserves	5,602			5,602			5,602			5,602			5,602	1,000		6,602
Total Usable Reserves	21,381	5,571	(10,737)	16,215	5,076	(10,019)	11,272	4,279	(4,991)	10,560	6,155	(6,454)	10,261	9,360	(8,262)	11,359
Capital Receipts Reserve	8,053	965		9,018	525		9,543	900	(4,905)	5,538	1,640	(7,816)	(638)	550		(88)

Precept Consultation Results 2024/25 – Policing Precept**Approach**

The Police, Fire and Crime Commissioner’s precept consultation aimed to understand how much the public would be prepared to pay via their council tax for policing and separately for the fire and rescue service next year (2024/25).

Between 4 December 2023 and 21 January 2024, an online, self-completion survey was open to the public of North Yorkshire and the City of York. The survey was promoted via media releases and social media including; Facebook, Twitter, Next Door and Commissioner Newsletter subscribers via Mailchimp. Posters and leaflets were distributed to all North Yorkshire and City of York libraries to raise awareness of the survey. All users of the Community Messaging system in North Yorkshire and the City of York were notified about the survey and an email was sent to all local MPs and Councillors in December and January, to raise community awareness.

Throughout the consultation period, online results were reviewed and areas/demographics with low take-up were targeted using targeted Facebook posts.

Residents could respond via post, phone, email or online, resulting in 1,691 responses.

In addition, a representative telephone survey was conducted with 1,000 North Yorkshire and City of York residents, screened to ensure respondents were council tax payers and aged over 18. Quotas were set by gender, age and district to reflect the demography and geography of the county. The telephone interviews were undertaken by an independent market research company.

Questions around both precepts were combined within one survey. The order in which people considered each precept was rotated; 50% answered the policing precept question first, 50% the fire and rescue precept question.

Combined, the total number of responses to the Police, Fire and Crime Commissioner’s 2024/25 precept survey was 2,691.

All districts were well represented as shown in Table 1 below.

Table 1: Total responses (combined telephone and online) by district

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	TOTAL
Survey responses All answering (2,621)	6%	13%	20%	11%	7%	13%	10%	19%	99%
North Yorkshire and City of York: estimated households*	7%	11%	20%	6%	7%	14%	11%	24%	100%

*Household district estimates, [Population and household estimates, England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Results

The results of the consultation have been analysed by methodology type (representative telephone survey vs open online survey). Responses to the online survey were more supportive of the highest precept increase option of up to £20 a year more (26% in favour online vs 11% telephone). Telephone respondents were far more likely to suggest a freeze in the precept (49% vs 33% online).

Those who support a freeze for the policing precept are very likely to also suggest a freeze for the fire and rescue precept. There is a strong correlation between the amount people are prepared to pay and household income with lower income households most likely to opt for a freeze in both precepts.

Responses to the policing precept question are summarised in the chart below. Six out of ten respondents (60%) were prepared to pay an increase of at least £10 in their council tax for policing next year. Overall, 41% support an increase of at least £15.

Figure 1: Policing precept response

Q. How much more would you be prepared to pay per year, through your council tax for policing in North Yorkshire and York?

