

**LEICESTER, LEICESTERSHIRE AND RUTLAND POLICE AND CRIME  
PANEL - 1 FEBRUARY 2019**

**PROPOSED PRECEPT 2019/20 AND MEDIUM TERM FINANCIAL  
PLAN**

At its meeting on Friday 1 February 2019 the Police and Crime Panel considered the Police and Crime Commissioner's proposed Precept 2019/20 and his Medium Term Financial Strategy. The minute of the meeting on this item serves as the Panel's report and recommendation on the proposed Precept.

The Minute of the discussion on this item is set out below:

The Police and Crime Panel considered a report of the Police and Crime Commissioner (PCC) concerning the Proposed Precept for 2019/20 and the Medium Term Financial Plan (MTFP). A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Arising from discussions the following points were noted:

- (i) Part of the budget proposals was that the total number of police officers within Leicestershire Police would be increased by 80 in the 2019/20 year and a further 27 in the year 2020/21. In reality Leicestershire Police would actually be recruiting a total of approximately 250 officers to account for those that had left the force. The 27 officers that were intended to be recruited in 2020/21 could not be recruited a year earlier due to the manpower and resources it took to carry out the recruitment and training process and it was not feasible to recruit all 107 in the same year. When recruitment had been frozen in previous years the capacity of the force to carry out recruitment had also diminished therefore additional staff were now needed to carry out vetting, medical checks and training. The Chairman informed members that Recruitment and Retention in Leicestershire Police would be on the agenda for a future meeting of the Police and Crime Panel.
- (ii) The Panel sought reassurances from the PCC that in future adequate resources would be allocated to policing rural areas. In response the PCC explained that the Police had to allocate the most resources to areas where the most crime was committed however the Force did have a responsibility to ensure that the whole of Leicester, Leicestershire and Rutland was effectively policed. Therefore the rationale behind the budget was to move police officers away from central locations into Neighbourhood Policing Areas to provide more visibility and better response times in those localities. Whilst there would be abstractions of Neighbourhood Police Officers to other areas where necessary, this would be kept to a minimum. The Panel supported this approach and the emphasis on Neighbourhood policing, though one Panel member raised concerns that there may not be sufficient space in the Neighbourhood offices to accommodate the additional officers.

- (iii) In response to a question from a member as to why pension costs formed such a significant part of the budget it was clarified that traditionally police pension costs were borne by central government. However, the Treasury had made a decision that the cost of the pension deficit should now be borne locally, and individual Forces had no discretion over the level of their contribution. The PCC stated that in his view it was unreasonable that the pension deficit was required to be made up locally and that he had made these views known in the House of Lords and to Government ministers including the Home Secretary.
- (iv) Members raised concerns that Leicestershire Police were at a disadvantage compared to other forces with regards to the amount of central funding they received due to the way the funding formula worked. It was noted that the funding formula was due to be reviewed but this was long overdue. Lord Bach stated that he shared members concerns and had attended a meeting with the seven MPs that represented the County of Leicestershire to discuss the issue. The message was slowly getting through to government ministers that the funding system was not fair. It was hoped that a new funding formula would come into place at the time of the 2019 Comprehensive Spending Review.
- (v) Although the Medium Term Financial Plan relied on the use of reserves over the first four years of the plan, reassurance was given that the level of reserves would still be sufficient and would remain above the minimum level set by the national guidelines.
- (vi) The income referred to in Appendix 1 to the report included funding from the government to combat counter terrorism, monies received under the Proceeds of Crime Act 2002, payments from the Road Safety Partnership, payments received for the work the Force carried out for the Disclosure and Barring Service, and money received for policing East Midlands Airport and football matches.
- (vii) In response to a question from a Member, it was explained that funding received under Section 106 of the Town and Country Planning Act 1990 did not form part of the core budget. It was part of the capital budget. A working group within Leicestershire Police made decisions on how Section 106 funding would be spent.
- (viii) Leicestershire Police gave regular consideration to which would be the most cost effective methods of procurement including whether it was appropriate to bring contracts in house. For example the forensics service had now been brought within Leicestershire Police. The Force would only enter procurement on a national basis where that was the most cost effective option, for example Leicestershire Police were part of the national procurement scheme for uniforms. HMICFRS had assessed police forces for value for money and Leicestershire Police came in the best 5 forces under that category.
- (ix) It was noted that the PCC's commissioning budget was forecast to remain the same for the next 4 years and members questioned whether this was going to be an adequate level of funding in the future. The PCC stated that he thought the commission budget was already a large one but it would be kept under

review. It was too early to say with confidence whether any changes would be required but for now an assumption had been made that the figure would be £4,296,550 each year until 2023/24. Some of the commissioning budget was already committed to organisations such as Victim First, Safeguarding Boards and Community Safety Partnerships. Some commissioning contracts that were in place between the PCC and providers required the PCC to pay more for the service after the first year of the contract and this had been taken into account in the budgeting process.

- (x) The Government had set out four priority areas for Police Forces to drive efficiency, productivity and effectiveness. One of the priorities was smarter use of data and digital services and there was an aim to deliver £50m worth of productivity gains nationally from data and digital services. However, little detail had been provided by the government on how these priorities should be tackled and further guidance was expected.
- (xi) The Police Negotiating Board had recommended a 3% increase in police officer pay for 2018 however the Government had not supported the recommendation and only granted a 2% pay increase. The Police Federation had lodged an application with the High Court for Judicial Review of this decision therefore in case the Government's decision was overturned, an assumption had been made in the Leicestershire Police budget that officers would be awarded the additional 1% pay increase.

It was moved by the Chairman and seconded by Cllr. Rickman that:-

- (a) The information presented in the report be noted, including:
  - the total 2019-20 net budget requirement of £187.139m, including
  - a council tax (precept) requirement for 2019-20 of £72.062m.
- (b) the proposal to increase the 2019-20 Precept by £24.00 per annum (12.05%) for police purposes to £223.2302 for a Band D property be supported.
- (c) the future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational considerations identified be noted.
- (d) it be noted that any changes required, either by Government grant alterations notified through the final settlement or through amended council tax base and/or surplus/deficit notifications received from the collecting authorities, will be balanced through a transfer to or from the Budget Equalisation Reserve (BER).
- (e) the current Medium Term Financial Plan contained in Appendix 1 be noted.

The motion was carried unanimously.

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