

**LEICESTER, LEICESTERSHIRE AND RUTLAND POLICE AND CRIME
PANEL - 1 FEBRUARY 2024**

**PROPOSED PRECEPT 2024/25 AND MEDIUM TERM FINANCIAL
STRATEGY**

At its meeting on Thursday 1 February 2024 the Police and Crime Panel considered the Police and Crime Commissioner's proposed Precept 2024/25 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 2024/25 and the Medium Term Financial Plan (MTFP). A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

In introducing his budget and precept proposals the PCC stated that he recognised the financial difficulties being faced by households in Leicester, Leicestershire and Rutland (LLR). He provided reassurance that he had reviewed and challenged the way services were provided in LLR. The PCC thanked the officers and staff of Leicestershire Police for their work. The PCC raised concerns about the Police funding formula and how it did not take into account significant factors that affected LLR.

The Chief Constable Rob Nixon explained why he supported the proposed Precept for 2024/25 and stated that even with the proposed increase by £13.00 per annum for policing purposes to £286.23 for a Band D property, the budget would still fall short of what was required to sustain policing requirements. The main issue with the budget was the unfunded Police pay award for 2023/24. However, the Precept increase being proposed would minimise the impact of the budget shortfall and the Chief Constable was still confident that the Police and Crime Plan could be delivered.

Arising from discussions the following points were noted:

- (i) The Police funding formula was not considered by the Police and Crime Commissioner and Leicestershire Police to be a fair one and it left Leicestershire Police and the people of Leicester, Leicestershire and Rutland disadvantaged compared to other areas. Of the 43 police forces in England and Wales 18 of them did not have sufficient funding to cover the payroll. The Police and Crime Commissioner explained that since he had been in post he had met with several Policing Ministers during that period and raised concerns about the funding formula, but the formula had not been changed. The PCC had been promised a further meeting with the Home Secretary which would take place before the budget on 6 March 2024. The Police and Crime Panel

Chair Mrs. D. Taylor CC offered to write to the Home Secretary and Policing Minister in support of the Leicestershire Police campaign for fairer funding. It was suggested that the letter could be signed by the Chief Executives of all the local authorities in LLR to give it more weight.

- (ii) The Government set a minimum level of police officers for LLR and in return Leicestershire Police received a level of grant funding. Reducing officers would result in a financial penalty therefore it was decided to retain police officer numbers for LLR. Instead the budget shortfall would be dealt with by cutting around 188 police staff. However, this was of concern as these staff were carrying out important roles in the criminal justice process such as answering 999 calls and carrying out forensic work. The role played by Police Community Support Officers (PCSOs) was highly valued. However, due to the difficult financial situation Leicestershire Police was facing, some cuts to PCSO numbers could have to be made. There was also a possibility that the news around cuts to police staff could cause existing staff to look for jobs elsewhere even if ultimately their jobs were not going to be cut. Reassurance was given that engagement with police staff would take place and communications would be managed carefully to minimise the amount of alarm and distress caused by the news.
- (iii) The budget for 2024/25 included £4 million for overtime. A significant proportion of this figure was due to public protests which occurred on bank holidays.
- (iv) The report stated that the Police and Crime Commissioner was continuing to allocate 2.7% of total available funding for 2024-25 to the Chief Executive for the Office of the Police and Crime Commissioner including Commissioning. There was no national guidance on the split of core funding between the OPCC and the Force. It was difficult to make a meaningful comparison between forces on this as not all Police and Crime Commissioners had the same responsibilities, for example some had responsibility for fire services. The 2.7% figure had been set in LLR by the PCC's predecessor and the current PCC had not changed it. Panel members queried whether cuts should be made to the OPCC budget, bearing in mind the difficulties that Leicestershire Police was having in covering costs. In response the PCC provided reassurance that the OPCC did not retain money unnecessarily and would give as much as possible to the force, but he emphasised that the OPCC did have statutory duties to carry out which required funding such as financial oversight, holding the Chief Constable to account etc. In addition, the PCC had a responsibility to commission services for victims and initiatives to prevent crime. The OPCC funded those services through Victim First and the Violence Reduction Network (VRN). The OPCC actually provided Victim First with a larger amount of funding than was the minimum required but the PCC felt that it was an area deserved of additional investment. The PCC stated that he believed the overall balance of funding between the OPCC and Leicestershire Police was correct.

- (v) It was noted that the commissioning section of the OPCC budget included £637,000 for commissioning of the force which comprised of £400k towards the Force's Prevention and Partnership Strategy and the remaining funding was for Integrated Offender Management, Police Offender Management and contributed towards Multi Agency Risk Assessment Conference (MARAC) posts. Not included in the £637,000 figure was additional funding provided to the force for the Safeguarding Board and Domestic Homicide Reviews. When this was all added together it resulted in a total of £870,000 of funding being transferred from the OPCC to Leicestershire Police. Panel members suggested that this meant that the figure of 2.7% of total available funding being allocated to the OPCC was misleading because it did not include the money the OPCC gave to the force as part of commissioning. Once that commissioning funding had been taken into account, it was actually 2.2% of the overall funding going to the OPCC. The Panel felt that this point could have been more clearly explained in the report.
- (vi) Panel members questioned whether there had been an increase in OPCC staffing numbers/costs since 2018 in real terms. It was noted that whilst the VRN sat within the OPCC it was not included in the staffing totals for the OPCC as the funding for the VRN came from a separate grant. The VRN would not have been included in the figures for 2018. Increases in overall staffing costs could be caused by staff going up the incremental salary points on the pay scales. There were also 3 members of OPCC staff whose wages were previously included under the commissioning budget but were now covered under the OPCC general staffing budget. It was agreed that further details on OPCC staffing numbers and costs since 2018 would be provided after the meeting.
- (vii) The Police and Crime Commissioner held all the reserves for Leicestershire Police. The reserve strategy was due to be reviewed in March 2024. It was recommended by the Home Office that the General Reserve should be between 2% and 5% of the Net Revenue Expenditure (NRE).
- (viii) The Panel queried whether reserves should be used to save the 188 police staff from being cut as this would save on recruitment costs in years to come but it was acknowledged that this would only be a short-term fix and reserves could only be used once. The Chief Constable did support fast tracking the training of police staff to allow them to become Police Officers.
- (ix) When major incidents occurred in LLR, Leicestershire Police could apply to the Home Office for additional funding to cover the costs. For example, with the East Leicester disorder that had occurred in 2022 £1.2 million of funding had been applied for and 85% of that had been awarded by the Home Office. The remaining costs of the East Leicester disorder had to be covered from the budget contingency.

- (x) The OPCC had opportunities throughout the year to submit bids to funding bodies for additional funding. The OPCC had already secured an additional £6m for the next 2 financial years to spend on services for the residents of LLR. In response to a request from the Panel for further detail on this funding reference was made to the Domestic Abuse Perpetrator Scheme, Safer Streets funding and the Violence Reduction Network. It was agreed that further details would be provided after the meeting.
- (xi) Advice was sought from experts in relation to energy costs faced by the OPCC and Leicestershire Police. The most significant costs related to Force Headquarters in Enderby. A heat replacement programme was underway, and work was taking place to electrify the vehicles used by Leicestershire Police.
- (xii) The PCC recognised the importance of neighbourhood policing to the residents of LLR and it was a topic which regularly came up when he engaged with the public. Reassurance was given that Neighbourhood Policing would be protected in LLR. The PCC held the Chief Constable to account through the Corporate Governance Board and the PCC had requested and received reassurances relating to Neighbourhood Policing through that Board.
- (xiii) A member noted chart 4 on page 25 of the agenda pack which set out the Leicestershire Police Funding by Population for the period 2015-2024. The chart indicated the amount of growth there had been over that period but did not give details on what the reasons were for the growth and what extra demands had been placed on Leicestershire Police during that period. The member suggested that an amended graph could be circulated which provided the extra information.
- (xiv) The increased Core and Ex-MHCLG funding quoted for Leicestershire was £7.7m but this did not include the £6.5m Home Office Uplift Grant & £6.6m Home Office Pension Grant. A member noted that for the year 2019/20 additional income was received in the form of a Pensions Grant and in that year the precept increased by £24.00 per Band D equivalent property for 2019-20 which included £12 to fund the additional costs associated with the increased pension liability for 2019-20. The member queried whether a similar approach was being taken for 2024/2 but in response it was confirmed that this was not the case and the latest Home Office Pension Grant covered 2024/25 only.
- (xv) The PCC was intending to finance capital expenditure through borrowing (debt) and therefore resources needed to be set aside to repay that debt from the revenue account. In response to a question from the Chair as to whether this was the right time to borrow, the PCC explained that the decision to borrow was not taken lightly and borrowing only took place when it was absolutely necessary. Capital projects were graded in terms of how essential they were

and only the most essential projects were invested in such as vehicles and the control room.

- (xvi) Reassurance was given that the regional collaboration which Leicestershire Police was involved in was value for money.
- (xvii) Leicestershire Police was implementing the 'Right Care, Right Person' operational model developed by Humberside Police which changed the way the emergency services responded to calls involving concerns about mental health. However, Leicestershire Police had already been using some aspects of the model for several years such as with the mental health triage car.

RESOLVED:

- (a) That the information presented in the report be noted;
- (b) That the proposal to increase the 2024/25 precept by £13.00 per annum for police purposes to £286.23 for a Band D property be supported;
- (c) That the future risks, challenges, uncertainties, and opportunities included in the precept proposal together with the financial and operational considerations identified be noted;
- (d) That the Chair on behalf of the panel shall write to the Policing Minister about the core funding concerns and the unfair funding formula;
- (e) That the current Medium Term Financial Plan, the Capital Strategy and the Treasury Management Strategy be noted.
- (f) That the Police and Crime Commissioner be requested to provide further detail and documentation regarding the following areas of the budget:
 - The percentage of total available funding held by the OPCC and how this percentage compares to other force areas nationally;
 - OPCC staffing numbers from 2018 onwards and how changes to the staffing structure led to increases in OPCC staff pay;
 - Breakdown of the funding figures for OPCC commissioning and specifically OPCC commissioning of Leicestershire Police;
 - Bids made by the OPCC to other bodies for funding;
 - The total amount of reserves held by the Police and Crime Commissioner;
 - A graph to demonstrate how police funding has changed over time, the reasons for the change, and where and when extra demands were placed on Leicestershire Police.

The motion was carried unanimously.