

Medium Term Financial Strategy 2021/22 to 2024/25

Annual Budget 2021/22

“Investing in Policing and
Communities to prevent crime”



The Medium Term Financial Strategy : 2021/22 To 2024/25

	Page
1. Police and Crime Plan	3
2. Revenue Strategy	
a. Funding Forecast	5
b. Main Components of the Revenue Budget	6
c. Schedule of Key Budget Assumptions	7
d. Reconciliation of 2021/22 Revenue Budget to 2020/21 Budget	8
e. Income from Sales, Fees, Charges and Rents	9
f. Staffing Analysis	10
3. Balances and Reserves	11
4. Council Tax Information and Precept	12
5. Capital Programme	13

1. POLICE AND CRIME PLAN

Relationship between the Medium Term Financial Strategy and the Police and Crime Plan

The Police and Crime Commissioner (PCC) has a statutory duty to produce a Police and Crime Plan. The Plan must set out the priorities for policing and community safety in Devon, Cornwall and the Isles of Scilly along with the resources that will be provided to the Chief Constable and others in order to meet those objectives. The Plan must be kept under regular review to ensure it remains appropriate to the needs of local people, the police and partners. The Plan is subject to scrutiny by the Police and Crime Panel.

The Police and Crime Plan can be found at:

<http://www.devonandcornwall-pcc.gov.uk/information-hub/key-documents/>

The Medium Term Financial Strategy is created to support delivery of the Police and Crime Plan. It sets out both the funding available and the forecast spending required to deliver the Plan priorities.

Police and Crime Plan

The Police and Crime Plan was created in April 2017 and continues to be informed by the Peninsula Strategic Assessment. Due to the delay in the PCC elections, the Plan runs until 2021/22 and sets out the PCC's five priorities for Devon and Cornwall, including:

- ❖ Connecting our communities and the police – through a new Local Policing Promise to ensure policing in the local area is 'Accessible, Responsive, Informative and Supportive'
- ❖ Preventing and deterring crime – so we can stop people becoming victims of crime and help them move on with their lives
- ❖ Protecting people at risk of abuse and those who are vulnerable – safeguarding the vulnerable and keeping them safe from harm
- ❖ Providing high quality and timely support to victims of crime to help them recover and to get justice by improving the criminal justice system
- ❖ Getting the best out of the police – making best use of our resources, supporting and developing our workforce and working well in partnership with others.

Due to the 12 month delay in PCC elections, now due to be held in May 2021, this is the fifth year of this Plan and it will remain the focus for the financial year 2021/22. The PCC will continue to work closely with the Chief Constable and colleagues across the Peninsula to drive forward progress against these priorities.

During 2020/21 the coronavirus pandemic dominated the nation. This involved significant work across the peninsula to protect the communities.

This MTFs includes the impact for Devon, Cornwall and the Isles of Scilly on the national uplift in officer numbers. The three year programme has been reprofiled to include a national uplift in the second phase of 6,000 and 8,000 officers in the third phase. The second phase of the increase has been announced with an increase of 141 officers for the area. The PCC has

provided resources for an additional 40 officers from the precept, making 181 additional officers in total.

The Police and Crime Plan places a strong emphasis on protecting the vulnerable in our society. There has been significant progress but the work continues to encourage the reporting of crime and encouraging victims to come forward and seek justice and to ensuring that they receive a high quality service when they do come forward.

As part of the 2021/22 budget process areas of investment have identified which include investment in technology, connectivity, frontline visibility and enhancements to information to safeguard individuals.

Connectivity remains at the heart of the PCCs Police and Crime Plan. It remains vital that the public are able to access and contact the police and improvements in this area, including the 101 service, are included in the investments within this budget.

Delivery & accountability

The Police and Crime Plan will be delivered by the PCC with close co-operation from the Chief Constable and partners and will be taken forward through shared action plans and joint projects.

The Plan details how strategic measures and indicators (including qualitative surveys) will be used to monitor its implementation and successful achievement. Regular progress reports will be published on the OPCC website.

The Police and Crime Commissioner is required to report regularly to the Police and Crime Panel.

Slavery and Human Trafficking compliance statement

The Police and Crime Commissioner and the Chief Constable are committed to eliminating discrimination and exploitation in all its forms from the workplace and will not knowingly or otherwise be complicit in human rights infringements.

Slavery, servitude, forced or compulsory labour, including child labour and human trafficking and other human rights offences must be identified, tackled and prevented for the future.

The Office of the Police and Crime Commissioner and the Devon and Cornwall Constabulary embrace the obligations placed on organisations under section 54(1) of the Modern Slavery Act 2015 and understands they are vital in tackling and preventing modern slavery and human trafficking.

2. REVENUE STRATEGY

a. FUNDING FORECAST

The funding forecast provides a prediction of the level of funding across the timeframe of the MTFs.

2020/21		2021/22	2022/23	2023/24	2024/25
	<u>Grant Funding</u>				
115,993	Core settlement	119,267	119,267	120,459	121,664
63,466	DCLG Formula	71,504	71,504	72,219	72,941
15,461	Legacy CT Grants	15,461	15,461	15,461	15,461
194,920		206,232	206,232	208,140	210,067
	<u>Council Tax</u>				
135,966	Precept income	143,626	149,400	156,175	163,830
1,391	Surplus	0	750	750	750
	Deficit	(110)	(863)	(863)	0
137,357		143,516	149,286	156,061	164,580
332,277	Total Funding	349,749	355,519	364,201	374,647
613,456	Tax base	607,144	613,215	622,413	631,750
1.46%	Tax base Increase	-1.03%	1.00%	1.50%	1.50%
221.64	Band D	236.56	243.63	250.92	259.33
4.41%	Council Tax Increase	6.73%	2.99%	2.99%	3.35%

b. MAIN COMPONENTS OF THE REVENUE BUDGET

20/21 Agreed Plan £000's	Category	Description	21/22 Draft Plan £000's	22/23 MTFS Plan £000's	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's
179,687	Pay & Employment Costs	Police Officer Pay	186,860	196,402	207,535	213,501
7,073		Police Officer Overtime	7,706	7,716	7,345	7,116
81,787		Police Staff Costs	86,965	90,026	89,684	91,382
5,921		Other Employee Expenses	5,736	5,706	5,724	5,739
24		Temporary or Agency Staff	224	170	223	224
990		Police Staff Overtime	1,118	1,044	1,110	1,258
9		PCSO Overtime	8	8	8	8
1,666		Restructure, Training & Conference Costs	2,081	2,008	2,156	2,156
2,110		Police Officer Injury/Ill Health/Death Pensions	2,209	2,303	2,399	2,497
977		Other Employee Expenses	934	975	980	949
280,244	Pay & Employment Costs Total		293,840	306,357	317,164	324,829
14,503	Overheads	Premises Related Expenditure	14,945	15,193	14,815	15,098
13,798		Supplies and Services	16,350	15,949	15,611	15,585
14,250		Communications and Computing	16,153	17,183	17,109	17,138
5,712		Transport Related Expenditure	5,535	5,995	5,929	5,894
10,155		Third Party Payments	11,884	11,930	11,985	12,047
58,419	Overheads Total		64,867	66,250	65,449	65,763
(9,651)	Grant, Trading & Reimbursement Income	Government & Overseas Funding	(10,581)	(17,218)	(21,944)	(21,970)
(242)		Interest/ Investment Income	0	0	0	0
(21)		Local Government Specific/Partnership Funding	(6)	(6)	(6)	(6)
(184)		Reimbursed Services - Other	(209)	(211)	(213)	(215)
(1,420)		Reimbursed Services - Other Police Forces	(1,388)	(1,401)	(1,415)	(1,429)
(6,966)		Reimbursed Services - Other Public Bodies	(6,758)	(6,798)	(6,803)	(6,824)
(3,820)		Sales, Fees, Charges and Rents	(4,507)	(4,515)	(4,540)	(4,550)
(485)		Special Police Services	(474)	(480)	(481)	(482)
(22,789)	Grant, Trading & Reimbursement Income Total		(23,921)	(30,629)	(35,403)	(35,476)
1,619	Capital Financing and Contributions	Loan Charges	1,443	1,749	1,947	2,091
1,567		Minimum Revenue Provision	2,181	2,559	3,052	3,469
3,690		Revenue Contribution to Capital	4,042	5,048	6,093	7,093
6,876	Capital Financing and Contributions Total		7,666	9,356	11,092	12,653
3,994	Transfers to / (from) Specific Reserves	Transfers to/from Revenue and Capital Reserves	1,552	(1,560)	154	1,132
3,994	Transfers to / (from) Reserves Total		1,552	(1,560)	154	1,132
326,744	Total Force		344,004	349,774	358,456	368,902
1,890	Office of the PCC		2,002	2,002	2,002	2,002
3,643	PCC Commissioning		3,743	3,743	3,743	3,743
5,533	Total OPCC		5,745	5,745	5,745	5,745
332,278	Net Revenue Expenditure		349,749	355,519	364,201	374,647
	Funding		349,749	355,519	364,201	374,647

c. SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2021/22 budget and Medium Term Financial Strategy.

- Government Police Grant funding will increase by 4.9% in 2021/22, this includes Devon & Cornwall's share of the £415m allocated nationally, and includes funding for additional officers. Future years have been assumed at 0%, 1% and 1% (22/23, 23/24, 24/25)
- Capital grant has remained at the previous year's level of £296k, and thereafter it is expected to continue to remain static.
- Police pension's specific grant is assumed to continue throughout the MTFs at the same cash level as received in 2021/22.
- Council Tax will increase by £14.92 in 2021/22 for a Band D property, 2.99% 2022/23 and 2023/24 and 3.35% in 24/25.
- The 2021/22 figures for tax base and Council Tax surplus along with future years assumptions are shown below. The previous year figures are included for context.

	2020/21	2021/22	2022/23	2023/24	2024/25
Annual increase in tax base	1.46%	-1.03%	1.00%	1.50%	1.50%
Annual surplus/deficit on Council Tax collection funds	£1.4m	-£1.8m *	£0.75m	£0.75m	£0.75m

* 2020/21 element of collection fund deficit to be spread across three years, as per legislation.

- Turnover on police officers takes into account officers leaving at their usual pension date, plus an estimate for ill health retirements, transfers out and resignations.
- A 2.5% pay award was agreed for police officers and police staff from September 2020. As announced by government in the autumn spending review no pay award has been assumed from 1st Sept 2021, The MTFs assumes that a 2% pay award will be applied on 01 September 2022, 1st September 2023, and 1st September 2024 for police officers and police staff.
- Police officer employer pension contributions have been assumed to be paid at 31.0%. A notional £1m has been added into the MTFs from 2023/24 when the results of the next actuarial valuation are expected to be applied.
- Inflation has been applied only to budgets that are subject to inflationary pressures. Actual CPI for November 2020 was 0.3%.
- Due to the current volatility of the markets and on the advice of Treasury Management advisors no investment income has been assumed across the whole MTFs period.
- The employer's current contribution to the police staff pension scheme, plus agreed contributions to deficit will be as set out below.

	20/21	21/22	22/23	23/24	24/25
LGPS Base Contribution	16.30%	16.30%	16.30%	16.30%	16.30%
Plus Repayment of LGPS Deficit (cash lump sum)	£0.522m	£0.522m	£0.522m	£0.522m	£0.522m
Estimated Total Cash Contribution	£11.5m	£12.2m	£12.5m	£12.8m	£13.0m
% of Staff Pay Budgets	16.30%	16.20%	16.20%	16.80%	16.50%

d. ANALYSIS OF CHANGES IN THE REVENUE BUDGET BETWEEN 2024/25 AND 2020/21

	21/22 MTFS Plan £000's	22/23 MTFS Plan £000's	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's
2020/21 Budget	332,277	332,277	332,277	332,277
Local Council Tax Support Grants	(929)	(929)	(929)	0
<u>Savings</u>				
PCSO Reduction Plan	(289)	(389)	(489)	(589)
Cost Challenge	(500)	(700)	(800)	(800)
NPAS	(234)	(234)	(234)	(234)
Other non-staff savings	(827)	(827)	(827)	(827)
<u>Pay and Inflation</u>				
Provision for Pay Increases	2,153	5,565	11,170	16,947
Police Officer Pay Changes	593	1,255	2,229	3,724
Increments / Officer Turnover	329	664	1,007	1,356
Inflation	2,231	3,239	2,844	3,118
LGPS / Police Pension increase	0	0	1,500	1,500
Other Pay Changes	1,262	2,587	2,613	2,640
<u>Changes in Use of reserves</u>	1,135	75	379	428
<u>Operation Uplift</u>	4,154	1,431	1,602	1,723
<u>Capital Financing</u>	(210)	480	1,216	1,777
<u>Commitments/Budget Assumptions</u>				
Staff regrading	340	347	354	361
Reduction in Income	468	477	487	496
Reduced Turnover allowance (Change Jul to Nov)	434	434	434	434
Overtime Costs - additional Bank Holidays	410	410	0	(205)
Revenue implication of agreed change projects	227	567	508	520
Microsoft Licences	200	204	208	212
Increase funding of short life capital investments in technology	1,000	2,000	3,000	4,000
Net - additional costs expected from COVID	210	0	0	0
Road Safety - Forensic Collision Investigation Team	59	118	120	123
Emergency Services Network (ESN)	0	500	500	500
Police Education Qualification Framework (PEQF)	30	428	577	577
<u>Mitigation of Corporate Risks</u>	333	340	346	353
<u>Transfer of National Commitments</u>	867	728	743	758
<u>Investment</u>				
Contact Centre Investment	626	854	871	889
Police Technology/Drones	300	0	0	0
Investigating crime	1,152	1,174	415	422
Professional Standards	316	322	329	335
Information Integrity	850	450	0	0
Special Police Officer Pilot	80	80	80	80
Blue Light Collaboration	150	150	150	150
Additional Police officers	551	1,441	1,521	1,601
	349,749	355,519	364,201	374,647

e. INCOME FROM SALES, FEES, CHARGES AND RENTS

This analysis details the level of external income generated from sales, fees, charges and rents. The level of income generated is continually reviewed to ensure that all opportunities are optimised.

	20/21 Budget £000's	21/22 Budget £000's	22/23 Budget £000's	23/24 Budget £000's	24/25 Budget £000's
National Driver Offender Retraining Scheme	(1,715)	(2,535)	(2,535)	(2,535)	(2,535)
Firearms Certificates	(510)	(471)	(478)	(504)	(514)
Rents & Lettings	(330)	(331)	(331)	(331)	(331)
Accident Reports	(190)	(210)	(210)	(210)	(210)
Sale of Vehicles	(100)	(100)	(100)	(100)	(100)
Vehicle Recovery	(158)	(158)	(158)	(158)	(158)
Radio Masts and Equipment Hire	(66)	(66)	(66)	(66)	(66)
Foreign Nationals Registration / Pedlars	(56)	(36)	(36)	(36)	(36)
Stores External Income	(36)	(36)	(36)	(36)	(36)
Provision of Vehicle Services	(35)	(35)	(35)	(35)	(35)
Other Sales, Fees, Charges and Rents	(624)	(529)	(529)	(529)	(529)
Grand Total	(3,820)	(4,507)	(4,515)	(4,540)	(4,550)

f. STAFFING ANALYSIS

	2020/21 (FTE)	2021/22 (FTE)	2022/23 (FTE)	2023/24 (FTE)	2024/25 (FTE)
<u>Police Officers</u>					
Opening Balance at 1st April	3,097	3,241	3,422	3,610	3,610
Precept funded change	50	40	0	0	0
Uplift numbers	94	141*	188	0	0
Closing Balance at 31st March	3,241	3,422	3,610	3,610	3,610
* Includes 6 FTE allocated to ROCU.					
<u>Police Community Support</u>					
PCSO	169	150*	150	150	150
Blue Light	37	43	43	43	43
Total	206	193	193	193	193
* estimated year end numbers					
<u>Police Staff (Force)</u>					
Opening Balance at 1st April	2,100	2,127	2,217	2,208	2,178
Investment/Uplift	27	90	-9	-30	0
Closing Balance at 31st March	2,127	2,217	2,208	2,178	2,178
<u>Police Staff (OPCC)</u>					
Opening Balance at 1st April	29	29	29	29	29
Change	0	0	0	0	0
Closing Balance at 31st March	29	29	29	29	29

3. RESERVES AND BALANCES SUMMARY

	Revenue Reserves											
	Estates Development Reserve £000's	Capital Financing Reserve £000's	ESN Capital Reserve £000's	Capital Programme Reserve	Budget Management Fund £000's	Police and Crime Plan Reserve £000's	PEQF Reserve £'000	Uplift Reserve £000's	Total Earmarked Reserves £000's	Total Capital Reserves £000's	General Balances £000's	Total Reserves and Balances £000's
Closing Balance 31/3/2020	792	23,119	2,520	2,749	2,114	991	265	0	32,550	524	10,847	43,922
Closing Balance 31/3/2021	311	9,197	9,761	0	360	826	265	3,290	24,010	0	10,098	34,109
Closing Balance 31/3/2022	(0)	1,416	8,711	0	2,219	826	0	1,410	14,582	0	11,498	26,080
Closing Balance 31/3/2023	(0)	0	4,954	0	1,290	826	0	0	7,070	0	11,527	18,597
Closing Balance 31/3/2024	(0)	0	1,376	0	360	826	0	0	2,562	0	11,860	14,422
Closing Balance 31/3/2025	(0)	0	0	0	360	826	0	0	1,186	0	12,242	13,428

The above table represents the anticipated balances on reserves at the end of each financial year. Reserves held for capital purposes will be used to fund the capital programme, while all other reserves support revenue.

4. COUNCIL TAX INFORMATION AND PRECEPT

	2021/22	2020/21
	£	£
Police Budget to be met from Council Tax	143,516,205	137,357,247
Less net surplus on council tax collection from previous years	109,709	(1,390,768)
Total precept payable by Billing Authorities	143,625,914	135,966,479

Tax base, collection variations and precepts					
2021/22					
	Tax Base declared by Councils	Total Precept collected by Councils	2020/21 Surplus (Deficit) on collection	Amount due from Councils	% share collected by Councils
	£	£	£	£	
East Devon	60,084.00	14,213,471.04	373,775	14,587,246.37	10.17%
Exeter	37,377.00	8,841,903.12	114,591	8,956,493.79	6.24%
Mid Devon	28,594.00	6,764,196.64	(93,758)	6,670,438.64	4.65%
North Devon	34,397.87	8,137,160.13	100,524	8,237,684.13	5.74%
Plymouth	73,115.00	17,296,084.40	81,968	17,378,052.07	12.11%
South Hams	38,298.32	9,059,850.58	(27,900)	9,031,951	6.29%
Teignbridge	48,410.00	11,451,869.60	(78,023)	11,373,846.93	7.93%
Torbay	45,464.00	10,754,963.84	(244,031)	10,510,932.84	7.32%
Torrige	24,035.00	5,685,719.60	(16,082)	5,669,637	3.95%
West Devon	20,239.51	4,787,858.49	(6,820)	4,781,039	3.33%
Cornwall	195,849.00	46,330,039.44	(313,953)	46,016,086.44	32.06%
Isles of Scilly	1,280.00	302,796.80	0	302,796.80	0.21%
	<u>607,143.70</u>	<u>143,625,913.68</u>	<u>(109,709)</u>	<u>143,516,204.68</u>	<u>100.0%</u>

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier		Council Tax by band		Increase per week	%
	Ratio		2021/22	2020/21		
A	6 / 9	0.667	£157.71	£147.76	+ 19.1 p	} 6.73%
B	7 / 9	0.778	£183.99	£172.39	+ 22.3 p	
C	8 / 9	0.889	£210.28	£197.01	+ 25.5 p	
D	1	1.000	£236.56	£221.64	+ 28.7 p	
E	11 / 9	1.222	£289.13	£270.89	+ 35.1 p	
F	13 / 9	1.444	£341.70	£320.15	+ 41.4 p	
G	15 / 9	1.667	£394.27	£369.40	+ 47.8 p	
H	18 / 9	2.000	£473.12	£443.28	+ 57.4 p	

5. CAPITAL PROGRAMME

CAPITAL PROGRAMME	Revised 2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Vehicles	2,343	2,852	2,087	2,039	2,368
Minor Building Works	1,590	1,500	1,500	1,500	1,500
Major Building Works					
Exeter Police Station	750	0	0	0	0
Bodmin Custody/Cornwall HQ	0	0	0	0	1,000
Camborne	1,021	505	0	0	0
HQ Building Works	466	38	0	0	0
HQ Sports Centre	300	2,168	0	0	0
Plymouth Support Facility	2,500	4,385	0	0	0
Barnstaple	1,992	725	0	0	0
HQ Middlemoor Project	700	700	0	0	0
South Devon PPU	0	612	1,224	918	306
Exeter & East Devon PPU	0	3,015	0	0	0
St Ives Relocation	0	300	100	0	0
Police Station appraisals	0	0	2,061	1,153	0
Vehicle Workshops	0	0	0	307	308
North Devon appraisal	0	0	0	0	1,000
TOTAL Major Works	7,729	12,448	3,385	2,378	2,614
ICT					
RMS	831	1,348	397	40	0
PRISM	2,605	1,486	942	342	342
National Projects	200	775	200	100	0
ESN	239	1,050	3,748	3,493	1,376
ICT	4,551	2,248	4,182	3,200	3,140
Equipment	1,060	1,009	793	1,263	823
TOTAL PROGRAMME	21,148	24,716	17,234	14,355	12,163
CAPITAL FUNDING	Revised 2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Grants	1,092	568	568	459	350
Uplift Grant	562	0	0	0	0
Taser Uplift Grant	101	0	0	0	0
TAF Funding & Other Grants	125	0	0	0	0
Capital Financing Reserve	7,192	8,531	2,166	750	750
Capital Receipts & Asset Disposal	0	0	150	0	0
Revenue Funding	2,999	2,872	2,882	2,927	2,927
Forensic RCCO	61	10	0	5	5
ESN Reserve	239	1,050	3,757	3,578	1,376
Capital Programme Reserve	2,749	0	0	0	0
Borrowing	6,028	11,685	7,711	6,636	6,755
Total Capital Funding	21,148	24,716	17,234	14,355	12,163