

Medium Term Financial Strategy 2022/23 to 2025/26

Annual Budget 2022/23

“Strengthen, stabilise and sustain
policing in Devon, Cornwall and the
Isles of Scilly”



The Medium Term Financial Strategy: 2022/23 To 2025/26

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1. POLICE AND CRIME PLAN

The Police and Crime Commissioner (Commissioner) 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 November 2021 and will be used to inform the Peninsula Strategic Assessment. The new Plan will run until 2024/25 and sets out the Commissioner's priorities for Devon and Cornwall, including:

- ❖ Violence
- ❖ Antisocial behaviour
- ❖ Drugs
- ❖ Road Safety
- ❖ Victims

The Commissioner will work closely with the Chief Constable and colleagues across the Peninsula to drive forward progress against these priorities.

During 2021/22 the coronavirus pandemic, again, dominated the nation. This involved significant work across the peninsula to protect the communities. Devon and Cornwall also hosted the G7 summit in St Ives, Cornwall.

This MTFS includes the impact for Devon, Cornwall and the Isles of Scilly on the national uplift in officer numbers. 2022/23 will see the final phase of the three year programme which was reprofiled to include a national uplift in the second phase of 6,000 and 8,000 officers in the final phase. The final phase of the increase has been announced with an increase of 188 officers for the area.

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.

The focus of the 2022/23 budget process is specifically on the ongoing police officer uplift programme and to enable it to be sustained for the long term. This will enable Devon and Cornwall Police to strengthen, stabilise and sustain their current position and fulfil the recruitment trajectory already underway to continue delivery of a progressive policing service. Visibility of policing and public confidence in policing is vitally important and this budget will keep police officer numbers high.

Connectivity remains a focus of the Commissioner's 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 Commissioner 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 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.

2021/22		2022/23	2023/24	2024/25	2025/26
	<u>Grant Funding</u>				
119,267	Core settlement	126,166	128,493	131,983	136,121
71,504	DCLG Formula	75,744	75,744	75,744	78,118
15,461	Legacy CT Grants	15,461	15,461	15,461	15,461
206,232		217,371	219,698	223,188	229,700
	<u>Council Tax</u>				
143,618	Precept income	153,186	161,790	170,618	178,355
0	Surplus	1,918	1,200	1,300	1,400
(118)	Deficit	(863)	(863)	0	0
143,500		154,241	162,127	171,918	179,755
349,732	Total Funding	371,612	381,825	395,106	409,456
607,111	Tax base	621,294	630,614	640,073	649,674
-1.03%	Tax base Increase	2.34%	1.50%	1.50%	1.50%
236.56	Band D	246.56	256.56	266.56	274.53
6.73%	Council Tax Increase %	4.23%	4.06%	3.90%	2.99%
£9.36	Council Tax Increase £	£10.00	£10.00	£10.00	£7.97

b. MAIN COMPONENTS OF THE REVENUE BUDGET

21/22 Agreed Plan £000's	Category	Description	22/23 MTFS Plan £000's	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's
196,775	Pay & Employment Costs	Police Officer Costs	212,357	221,095	228,390	237,022
94,034		Police Staff Costs	94,230	95,439	98,027	100,720
2,086		Restructure, Training & Conference Costs	2,117	2,135	2,147	2,150
934		Other Employee Expenses	928	928	928	928
293,829	Pay & Employment Costs Total		309,632	319,597	329,492	340,820
14,860	Overheads	Premises Related Expenditure	14,978	15,120	15,510	15,974
16,275		Supplies and Services	17,000	16,635	16,914	17,172
16,153		Communications and Computing	17,623	17,643	18,124	18,403
5,687		Transport Related Expenditure	6,433	6,307	6,546	6,771
11,914		Third Party Payments	13,412	14,164	14,450	14,744
64,890	Overheads Total		69,447	69,870	71,544	73,063
(10,567)	Grant, Trading & Reimbursement Income	Government & Overseas Funding	(9,098)	(9,119)	(8,729)	(8,753)
0		Interest/ Investment Income	(13)	(22)	(20)	(17)
(6)		Local Government Specific/Partnership Funding	0	0	0	0
(209)		Reimbursed Services - Other	(257)	(257)	(257)	(257)
(1,388)		Reimbursed Services - Other Police Forces	(2,106)	(2,132)	(2,159)	(2,175)
(6,782)		Reimbursed Services - Other Public Bodies	(7,848)	(7,707)	(7,788)	(7,877)
(4,507)		Sales, Fees, Charges and Rents	(5,007)	(4,974)	(5,166)	(5,473)
(474)		Special Police Services	(304)	(298)	(291)	(285)
(23,932)	Grant, Trading & Reimbursement Income Total		(24,633)	(24,509)	(24,411)	(24,837)
1,443	Capital Financing and Contributions	Loan Charges	1,339	1,528	1,648	1,742
2,181		Minimum Revenue Provision	2,217	2,500	2,857	3,405
4,042		Revenue Contribution to Capital	4,831	4,042	5,105	6,133
7,666	Capital Financing and Contributions Total		8,387	8,070	9,610	11,280
1,535	Transfers to / (from) Specific Reserves		1,034	615	651	868
1,535	Transfers to / (from) Reserves Total		1,034	615	651	868
343,988	Total Force		363,867	373,642	386,885	401,194
2,002	Office of the PCC		2,105	2,106	2,108	2,109
3,743	PCC Commissioning		4,940	5,047	5,053	5,059
5,745	Total OPCC		7,045	7,153	7,161	7,168
	Investments		700	1,030	1,061	1,093
349,733	Net Revenue Expenditure		371,612	381,825	395,106	409,456
	Funding		371,612	381,825	395,106	409,456

c. SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2022/23 budget and Medium Term Financial Strategy.

- Government Police Grant funding will increase by 5.4% in 2022/23, this includes Devon & Cornwall's share of the £550m allocated nationally and includes funding for additional officers. A three year settlement was announced with confirmation of national increases £650m 2023/24, and £800m 2024/25. An increase of 3.13% was assumed for 2025/26.
- Capital grant has been removed by central government.
- Police pension's specific grant is assumed to continue throughout the MTFs at the same cash level as received in 2022/23.
- This MTFs assumes Council Tax will increase by £10 in 2022/23, 2023/24, 2024/25 and 2.99 % in 2025/26 for a Band D property.
- The 2022/23 figures for tax base and Council Tax surplus along with future years assumptions are shown below. The previous year figures are included for context.

	2021/22	2022/23	2023/24	2024/25	2025/26
Annual increase in tax base	-1.03%	2.34%	1.50%	1.50%	1.50%
Annual surplus/deficit on Council Tax collection funds	-£1.8m *	£1.9m	£1.2m	£1.3m	£1.4m

* 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.
- No pay award was given to police officers and police staff from September 2021. The MTFs assumes that a 2.5% pay award will be applied on 01 September 2022, and each year thereafter for police officers and police staff.
- Police officer employer pension contributions have been assumed to be paid at 31.0%. A notional £0.5m has been added into the MTFs from 2024/25 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 2021 was 5.1%, compared to 0.3% in November 2020. Electricity and Gas contracts are expected to increase by 31% and 95% respectively, with Fuel 28.5%. Future years increases have been assumed at 5%.
- The employer's current contribution to the police staff pension scheme, plus agreed contributions to deficit will be as set out below.

	21/22	22/23	23/24	24/25	25/26
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	£12.5m	£12.7m	£12.9m	£13.2m	£13.4m
% of Staff Pay Budgets	16.90%	16.80%	16.80%	16.70%	16.50%

d. ANALYSIS OF CHANGES IN THE REVENUE BUDGET BETWEEN 2025/26 AND 2021/22

	22/23 MTFS Plan £000's	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's
2021/22 Budget	349,732	349,732	349,732	349,732
<u>Savings</u>				
Cost Challenge	(200)	(300)	(300)	(300)
Estates - utilities base budget savings	(493)	(493)	(493)	(493)
Other savings	(376)	(758)	(859)	(961)
Planned Budget Reductions	(1,277)	(2,427)	(2,427)	(2,427)
<u>Pay and Inflation</u>				
Pay Award	4,272	11,681	19,238	27,010
National Insurance 1.25%	2,438	2,438	2,438	2,438
Uplift Officers	5,956	10,708	11,299	11,890
Other Pay Changes	1,967	737	2,342	5,480
Pensions Growth	0	0	500	500
Inflationary Increases	3,888	4,394	5,649	6,707
Contractual Changes	1,657	2,977	3,330	3,329
<u>Capital Financing</u>				
RCCO	1,296	1,296	2,296	3,296
MRP/Interest	(68)	404	881	1,523
<u>Other</u>				
Previous year approved growth	707	707	707	707
Changes in Use of reserves	(554)	939	1,872	1,973
Uplift Grant and Non pay changes	(874)	(2,167)	(2,189)	(2,189)
Structured Financial Approach	2,840	928	31	147
Investment	700	1,030	1,061	1,093
Total 22/23 MTFS	371,612	381,825	395,106	409,455

* Structured Financial Approach: Financial resourcing model, releasing funding in a structured manner across the period of the MTFS and beyond to fund service developments.

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.

	21/22 Budget £000's	22/23 Budget £000's	23/24 Budget £000's	24/25 Budget £000's	25/26 Budget £000's
National Driver Offender Retraining Scheme	(2,535)	(2,735)	(2,870)	(3,012)	(3,161)
Firearms Certificates	(471)	(420)	(242)	(283)	(430)
Rents & Lettings	(331)	(328)	(328)	(328)	(328)
Accident Reports	(210)	(280)	(280)	(280)	(280)
Driver Improvement Income	(4)	(197)	(206)	(216)	(227)
Sale of Vehicles	(100)	(100)	(100)	(100)	(100)
Vehicle Recovery	(158)	(188)	(188)	(188)	(188)
Radio Masts and Equipment Hire	(66)	(66)	(66)	(66)	(66)
Foreign Nationals Registration / Pedlars	(36)	(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	(525)	(587)	(587)	(587)	(587)
Grand Total	(4,507)	(5,007)	(4,974)	(5,166)	(5,473)

f. STAFFING ANALYSIS

	2021/22 (FTE)	2022/23 (FTE)	2023/24 (FTE)	2024/25 (FTE)	2025/26 (FTE)
<u>Police Officers</u>					
Opening Balance at 1st April	3,241	3,422	3,610	3,610	3,610
Precept funded change	40	0	0	0	0
Uplift numbers	141*	188*	0	0	0
Closing Balance at 31st March	3,422	3,610	3,610	3,610	3,610

* Includes 16 FTE allocated to ROCU (6 21/22, 10 22/23).

Police Community Support

PCSO *	150	150	150	150	150
Blue Light	43	43	43	43	43
Total	193	193	193	193	193

* estimated year end numbers

Police Staff (Force)

Opening Balance at 1st April	2,127	2,217	2,256	2,215	2,215
Investment/Uplift	90	39	-41	0	0
Closing Balance at 31st March	2,217	2,256	2,215	2,215	2,215

Police Staff (OPCC)

Opening Balance at 1st April	29	29	32	32	32
Change	0	3	0	0	0
Closing Balance at 31st March	29	32	32	32	32

3. RESERVES AND BALANCES SUMMARY

	Actual Balance 31/3/2021 £000's	Forecast Balance 31/3/2022 £000's	Forecast Balance 31/3/2023 £000's	Forecast Balance 31/3/2024 £000's	Forecast Balance 31/3/2025 £000's	Forecast Balance 31/3/2026 £000's
Revenue Reserves						
Programme and Projects Reserve	0	0	0	0	0	0
Estates Development Reserve	609	298	0	0	0	0
Capital Financing Reserve	12,293	8,547	5,008	3,000	2,000	1,000
ESN Capital Reserve	10,225	10,225	10,010	6,902	648	648
VZSW (Ringfenced)	0	4,089	4,173	4,261	4,450	4,640
Budget Management Fund	3,812	2,765	3,356	3,135	2,948	2,877
Police and Crime Plan Reserve	991	991	991	991	991	991
Operational Reserve	0	0	0	0	0	0
PEQF Reserve	127	0	0	0	0	0
Uplift Reserve	3,631	2,818	0	0	0	0
Total Revenue Reserves	31,688	29,733	23,538	18,289	11,037	10,156
Capital Reserves						
Capital Grant	0	0	0	0	0	0
Capital Receipts	0	960	960	107	0	0
Total Capital Reserves	0	960	960	107	0	0
General Balances	14,402	15,485	15,185	14,885	14,885	14,885
Total Reserves and Balances	46,091	46,178	39,683	33,282	25,923	25,041

4. COUNCIL TAX INFORMATION AND PRECEPT

	2022/23	2021/22
	£	£
Police Budget to be met from Council Tax	153,186,325	143,500,044
Less net surplus on council tax collection from previous years	1,054,669	118,231
Total precept payable by Billing Authorities	154,240,994	143,618,275

Tax base, collection variations and precepts						
2022/23						
	Tax Base declared by Councils	Total Precept collected by Councils	2021/22 Surplus (Deficit) on collection	2020/21 Year 2 spread of deficit	Amount due from Councils	% share collected by Councils
	£	£	£	£	£	
East Devon	60,805.00	14,992,080.80	205,095.00	(96,375.67)	15,100,800.13	9.79%
Exeter	37,666.00	9,286,928.96	30,151.00	(14,924.33)	9,302,155.63	6.03%
Mid Devon	29,811.41	7,350,301.25	387,082.62	(50,827.00)	7,686,556.87	4.98%
North Devon	34,762.04	8,570,928.58	(48,545.75)	0.00	8,522,382.83	5.53%
Plymouth	73,830.00	18,203,524.80	(42,834.00)	(83,874.33)	18,076,816.47	11.72%
South Hams	39,139.70	9,650,284.43	178,340.00	(8,340.00)	9,820,284.43	6.37%
Teignbridge	49,633.00	12,237,512.48	56,338.00	(99,447.67)	12,194,402.81	7.91%
Torbay	46,194.82	11,389,794.82	100,161.21	(133,307.00)	11,356,649.03	7.36%
Torridge	24,447.03	6,027,659.72	141,697.53	(10,720.33)	6,158,636.92	3.99%
West Devon	20,687.75	5,100,771.64	111,397.67	(2,397.67)	5,209,771.64	3.38%
Cornwall	203,074.59	50,070,070.91	813,932.00	(362,932.00)	50,521,070.91	32.75%
Isles of Scilly	1,242.97	306,466.68	(15,000.00)	0.00	291,466.68	0.19%
	621,294.31	153,186,325.07	1,917,815.28	(863,146.00)	154,240,994.35	100.0%

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier Ratio	Council Tax by band	2022/23	2021/22	Increase per week	%
A	6 / 9 0.667	£164.37	£157.71	£157.71	+ 12.8 p	4.23%
B	7 / 9 0.778	£191.77	£183.99	£183.99	+ 15.0 p	
C	8 / 9 0.889	£219.16	£210.28	£210.28	+ 17.1 p	
D	1 1.000	£246.56	£236.56	£236.56	+ 19.2 p	
E	11 / 9 1.222	£301.35	£289.13	£289.13	+ 23.5 p	
F	13 / 9 1.444	£356.14	£341.70	£341.70	+ 27.8 p	
G	15 / 9 1.667	£410.93	£394.27	£394.27	+ 32.0 p	
H	18 / 9 2.000	£493.12	£473.12	£473.12	+ 38.5 p	

5. CAPITAL PROGRAMME

CAPITAL PROGRAMME	Revised 2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Vehicles	1,806	3,257	2,188	1,762	1,793
Minor Building Works	984	1,500	1,500	1,500	1,500
Major Building Works					
Bodmin Custody/Cornwall HQ	0	0	0	1,000	0
Bodmin Refurbishment (funded by SWF)	160	0	0	0	0
Camborne	750	642	0	0	0
Dartmouth	300	0	0	0	0
Exmouth	0	50	2,000	2,000	0
HQ Sports Centre	500	1,668	0	0	0
ICT Classroom	10	61	0	0	0
Liskeard	41	0	0	0	0
Plymouth Support Facility	600	3,424	600	0	0
Barnstaple	100	786	0	0	0
HQ Middlemoor Project	1,253	0	0	0	0
South Devon Estate	0	1,836	918	306	0
St Ives Relocation	0	280	280	0	0
Police Station Appraisals	0	1,026	1,153	0	0
Vehicle Workshops	0	0	307	308	1,230
North Devon Appraisal	0	0	0	1,000	0
TOTAL Major Works	3,714	9,773	5,258	4,614	1,230
ICT					
PRISM	3,345	1,720	698	712	559
National Projects	0	175	200	100	0
ESN	0	215	3,108	6,254	0
ICT	3,257	5,075	3,450	5,318	2,230
Equipment	1,124	1,445	1,280	860	705
TOTAL PROGRAMME	14,230	23,160	17,682	21,120	8,017
CAPITAL FUNDING					
Grants	568	272	163	54	0
Uplift Grant	296	399	0	0	0
Capital Financing Reserve	5,768	7,017	2,758	1,750	1,750
Capital Receipts & Asset Disposal	0	0	853	107	0
Revenue Funding	3,894	4,831	4,042	5,105	6,133
Forensic RCCO	365	0	0	0	0
ESN Reserve	0	215	3,108	6,254	0
Borrowing	3,339	10,426	6,758	7,850	134
Total Capital Funding	14,230	23,160	17,682	21,120	8,017