

Medium Term Financial Strategy 2023/24 to 2026/27

Annual Budget 2023/24

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



The Medium Term Financial Strategy: 2023/24 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). 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 (MTFS) 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. The MTFS for 2023/24 and beyond has been prepared within a backdrop of a difficult economic climate and inflation currently in excess of 10%. Along with the mandated maintenance of the police uplift programme and a newly appointed chief Constable.

The 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 newly appointed Chief Constable and colleagues across the Peninsula to drive forward progress against these priorities.

During 2022/23 the difficult economic climate dominated the nation with inflation peaking at 11.1% and a Bank of England base rate increasing to 3.5%. The impact of the significant increases in energy prices has affected Devon and Cornwall Police as well as the communities across the force area.

This MTFS includes the impact for Devon, Cornwall and the Isles of Scilly on the national uplift in officer numbers. An element of the government grant (£6.5m) has been ringfenced and is subject to the maintenance of these numbers.

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 2023/24 budget process is specifically on maintaining the police officer uplift programme, enabling it to be sustained for the long term and continuing to see increased productivity as those officers become more highly trained. This will enable Devon and Cornwall Police to strengthen, stabilise and sustain their current position. Visibility of policing and public confidence in policing is vitally important and this budget will keep police officer numbers at the highest ever seen.

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 therefore the reopening of further Public Enquiry Offices 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.

2022/23		2023/24	2024/25	2025/26	2026/27
	<u>Grant Funding</u>				
126,166	Core settlement	126,604	130,095	132,176	134,291
75,744	Ex DCLG Formula	76,007	76,007	77,223	78,459
15,461	Legacy CT Grants	15,461	15,461	15,461	15,461
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217,371		218,073	221,563	224,861	228,211
	<u>Council Tax</u>				
153,186	Precept income	164,722	173,584	182,676	192,002
1,918	Surplus	2,449	1,800	1,800	1,800
(863)	Deficit	(863)	0	0	0
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154,241		166,307	175,384	184,476	193,802
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371,612	Total Funding	384,380	396,948	409,337	422,013
621,294	Tax base	629,766	639,212	648,800	658,532
2.34%	Tax base Increase	1.36%	1.50%	1.50%	1.50%
246.56	Band D	261.56	271.56	281.56	291.56
4.23%	Council Tax Increase %	6.08%	3.82%	3.68%	3.55%
£10.00	Council Tax Increase £	£15.00	£10.00	£10.00	£10.00

b. MAIN COMPONENTS OF THE REVENUE BUDGET

22/23 Agreed Plan £000's	Category	Description	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's
213,231	Pay & Employment Costs	Police Officer Costs	223,860	229,534	236,879	243,479
96,118		Police Staff Costs	106,901	106,622	108,609	109,128
2,118		Restructure, Training & Conference Costs	2,715	2,528	2,316	2,321
928		Other Employee Expenses	1,028	1,046	1,065	1,085
312,395	Pay & Employment Costs Total		334,504	339,730	348,870	356,012
14,978	Overheads	Premises Related Expenditure	18,982	18,276	18,098	17,825
16,938		Supplies and Services	16,798	16,058	15,833	16,167
17,678		Communications and Computing	17,277	18,241	18,563	18,825
6,503		Transport Related Expenditure	6,288	6,580	6,860	7,155
11,588		Third Party Payments	13,854	14,395	14,466	14,678
67,685	Overheads Total		73,198	73,550	73,819	74,650
(9,098)	Grant, Trading & Reimbursement Income	Government & Overseas Funding	(13,074)	(13,113)	(13,184)	(13,254)
(13)		Interest/ Investment Income	(1,419)	(1,015)	(424)	(91)
0		Local Government Specific/Partnership Funding	(384)	(384)	(384)	(384)
(257)		Reimbursed Services - Other	(335)	(335)	(285)	(285)
(2,120)		Reimbursed Services - Other Police Forces	(2,431)	(2,431)	(2,431)	(2,431)
(8,148)		Reimbursed Services - Other Public Bodies	(7,979)	(8,196)	(8,366)	(8,485)
(5,019)		Sales, Fees, Charges and Rents	(6,323)	(6,315)	(6,680)	(6,695)
(304)		Special Police Services	(426)	(426)	(426)	(426)
(24,958)	Grant, Trading & Reimbursement Income Total		(32,371)	(32,215)	(32,181)	(32,052)
1,339	Capital Financing and Contributions	Loan Charges	1,296	1,336	1,439	2,222
2,217		Minimum Revenue Provision	2,318	2,839	3,252	3,556
4,841		Revenue Contribution to Capital	4,561	5,258	6,317	7,351
8,397	Capital Financing and Contributions Total		8,175	9,433	11,008	13,129
1,034	Transfers to / (from) Specific Reserves		(6,193)	(804)	490	2,987
1,034	Transfers to / (from) Reserves Total		(6,193)	(804)	490	2,987
364,553	Total Force		377,313	389,695	402,006	414,727
2,119	Office of the PCC		2,203	2,282	2,346	2,396
4,940	PCC Commissioning		4,864	4,971	4,986	4,890
7,059	Total OPCC		7,067	7,253	7,331	7,286
371,612	Net Revenue Expenditure		384,380	396,948	409,337	422,013
	Funding		384,380	396,948	409,337	422,013

c. SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2023/24 budget and Medium Term Financial Strategy.

- Government Police Grant funding will increase by 1.8% in 2023/24, this represents year two of the three year settlement presented in the 2021 spending review. 2023/24 saw a national increase of £174m. 2024/25 assumes a further increase of £150m and an increase of 1.6% was assumed for 2025/26 and 2026/27.
- Reflecting the importance of maintaining the additional 20,000 uplift officers, £275m of funding is ringfenced and is accessible by demonstrating officer headcount is maintained.
- Police pension's specific grant is assumed to continue throughout the MTFs at the same cash level as received in 2023/24.
- This MTFs assumes Council Tax will increase by £15 in 2023/24, and £10 in 2024/25, 2025/26 and 2026/27 for a Band D property.
- The 2023/24 figures for tax base and Council Tax surplus along with future years assumptions are shown below. The previous year figures are included for context.

	2022/23	2023/24	2024/25	2025/26	2026/27
Annual increase in tax base	2.34%	1.36%	1.50%	1.50%	1.50%
Annual surplus/deficit on Council Tax collection funds	£1.8m*	£2.4m*	£1.8m	£1.8m	£1.8m

* 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 £1,900 pay award was agreed for police officers and police staff from 1st September 2022. The MTFs assumes that a 2% pay award will be applied on 1st September 2023, 3% 1st September 2024 and 2% from 1st September each year thereafter for police officers and police staff.
- Inflation has been applied only to budgets that are subject to inflationary pressures. Excluding food and energy prices inflation rose by 5.4% in the year to November 2022. Electricity and Gas contracts are expected to increase by 103% and 129% respectively, with all other inflationary/contractual increases assumed at 5%. Future years increases have been assumed in line with treasury predictions.
- Police officer employer pension contributions have been assumed to be paid at 31.0%.
- Following the 2022 Actuarial Valuation of the Devon Pension Fund the employer's current contribution to the police staff pension scheme, plus agreed contributions to the deficit, will be as set out below.

	22/23	23/24	24/25	25/26	26/27
LGPS Base Contribution	16.30%	18.90%	18.90%	18.90%	18.90%
Plus Repayment of LGPS Deficit (cash lump sum)	£0.522m	£0.652m	£0.677m	£0.703m	£0.730m
Estimated Total Cash Contribution	£12.7m	£15.5m	£15.9m	£16.3m	£16.6m
% of Staff Pay Budgets	16.80%	18.80%	19.40%	19.70%	20.10%

d. ANALYSIS OF CHANGES IN THE REVENUE BUDGET BETWEEN 2022/23 AND 2026/27

	23/24 MTFS Plan £000's	24/25 MTFS Plan £000's	25/26 MTFS Plan £000's	26/27 MTFS Plan £000's
2022/23 Budget	371,612	371,612	371,612	371,612
<u>Savings</u>				
Efficiencies/Savings	(4,612)	(5,260)	(5,699)	(5,889)
Planned Budget Reductions	(1,539)	(1,539)	(1,539)	(1,539)
<u>Pay and Inflation</u>				
Pay Award	15,313	24,249	31,635	37,684
Police Officer Pay Changes	1,954	2,710	4,723	6,246
NI Change	(2,448)	(2,448)	(2,448)	(2,448)
Increments (non Officer)	576	826	958	994
Other Pay Changes	3,550	3,770	4,176	4,221
Pension Growth	1,800	1,800	1,800	1,800
Apprentishp Levy	422	428	422	422
<u>Uplift</u>				
Uplift Costs	(1,942)	(1,942)	(1,942)	(1,942)
Ringfenced Uplift Grant	(3,288)	(3,288)	(3,288)	(3,288)
<u>Inflationary Increases</u>				
Inflation	4,618	7,478	8,793	10,012
Other unavoidable Non Pay Changes	3,887	1,821	1,943	2,726
Regional Budgets	1,787	2,304	2,618	2,893
<u>Income</u>				
Investment Interest	(1,406)	(1,002)	(411)	(78)
Changes to Income	(738)	(825)	(973)	(866)
<u>Capital Financing</u>				
RCCO	(280)	417	1,476	2,510
MRP	101	622	1,035	1,339
Interest Paid	(43)	(3)	99	883
Transfer to/from reserves	(2,520)	(594)	204	348
Growth Bids	1,836	2,590	3,327	3,465
Forensic one off - Funded by reserve	722	722	112	0
<u>Mitigations</u>				
Savings Programme	(2,403)	(6,256)	(8,551)	(10,698)
Use of reserves	(2,579)	(1,244)	(748)	1,605
Total 23/24 MTFS	384,380	396,948	409,337	422,013

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.

	22/23 Budget £000's	23/24 Budget £000's	24/25 Budget £000's	25/26 Budget £000's	26/27 Budget £000's
National Driver Offender Retraining Scheme	(2,735)	(3,500)	(3,673)	(3,855)	(4,046)
Firearms Certificates	(420)	(233)	(276)	(422)	(268)
Rents & Lettings	(328)	(371)	(362)	(362)	(305)
Accident Reports	(280)	(300)	(300)	(300)	(300)
Driver Improvement Income	(197)	(264)	(277)	(290)	(305)
Sale of Vehicles	(100)	(80)	(80)	(80)	(80)
Vehicle Recovery	(188)	(188)	(188)	(188)	(188)
Radio Masts and Equipment Hire	(66)	(64)	(64)	(64)	(64)
Foreign Nationals Registration / Pedlars	(36)	0	0	0	0
Stores External Income	(36)	(4)	(4)	(4)	(4)
Provision of Vehicle Services	(35)	(77)	(77)	(77)	(77)
Other Sales, Fees, Charges and Rents	(599)	(1,243)	(1,016)	(1,039)	(1,060)
Grand Total	(5,019)	(6,323)	(6,315)	(6,680)	(6,695)

f. STAFFING ANALYSIS

	2022/23 (FTE)	2023/24 (FTE)	2024/25 (FTE)	2025/26 (FTE)	2026/27 (FTE)
<u>Police Officers</u>					
Opening Balance at 1st April	3,422	3,610	3,610	3,610	3,610
Precept funded change	0	0	0	0	0
Uplift numbers	188*	0	0	0	0
Closing Balance at 31st March	3,610	3,610	3,610	3,610	3,610

* Includes 10 FTE allocated to ROCU

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	2,217	2,256	2,298	2,301	2,304
Investment/Uplift	39	42	3	3	3
Closing Balance at 31st March	2,256	2,298	2,301	2,304	2,307

Police Staff (OPCC)

Opening Balance at 1st April	29	32	34	34	34
Change	3	2	0	0	0
Closing Balance at 31st March	32	34	34	34	34

Note. These fte are before budget savings are applied. The figures will be finalised and republished.

3. RESERVES AND BALANCES SUMMARY

	Forecast Balance 31/3/23 £000's	Forecast Balance 31/3/24 £000's	Forecast Balance 31/3/25 £000's	Forecast Balance 31/3/26 £000's	Forecast Balance 31/3/27 £000's
Revenue Reserves					
Estates Development Reserve	1,000	0	0	0	0
Capital Financing Reserve	12,537	6,660	3,718	2,848	3,598
Airwave Replacement Reserve	10,010	9,237	8,494	8,182	7,982
VZSW (Ringfenced)	3,375	3,614	4,214	4,885	5,643
Budget Management Fund/Improvement Reserve	7,700	2,773	1,341	521	2,000
Police and Crime Plan Reserve	1,068	1,068	1,068	1,068	1,068
Uplift Reserve	233	0	0	0	0
Total Revenue Reserves	35,923	23,352	18,834	17,503	20,290
Capital Reserves					
Capital Grant	0	0	0	0	0
Capital Receipts	845	0	0	0	0
Total Capital Reserves	845	0	0	0	0
General Balances	15,631	15,331	15,331	15,331	15,331
Total Reserves and Balances	52,399	38,683	34,165	32,834	35,621

4. COUNCIL TAX INFORMATION AND PRECEPT

	2023/24	2022/23
	£	£
Police Budget to be met from Council Tax	166,022,126	154,241,071
Less net surplus on council tax collection from previous years	(1,520,464)	(1,054,746)
Total precept payable by Billing Authorities	164,501,662	153,186,325

Tax base, collection variations and precepts						
2023/24						
	Tax Base declared by Councils	Total Precept collected by Councils	2022/23 Surplus (Deficit) on collection	2021/22 Year 3 spread of (Deficit) on collection	Amount due from Councils	% share collected by Councils
		£	£		£	
East Devon	61,653.00	16,125,958.68	473,332.67	(96,375.67)	16,502,915.68	9.95%
Exeter	38,247.00	10,003,885.32	156,393.90	(14,924.33)	10,145,354.89	6.11%
Mid Devon	29,832.98	7,803,114.25	73,843.07	(50,826.66)	7,826,130.66	4.71%
North Devon	35,085.94	9,177,078.47	159,525.85	0.00	9,336,604.32	5.62%
Plymouth	74,891.00	19,588,489.96	305,390.36	(83,874.36)	19,810,005.96	11.93%
South Hams	39,949.00	10,449,060.44	323,340.00	(8,340.00)	10,764,060.44	6.42%
Teignbridge	50,215.00	13,134,235.40	113,787.00	(99,447.50)	13,148,574.90	7.92%
Torbay	46,620.10	12,193,953.36	290,119.00	(133,307.00)	12,350,765.36	7.44%
Torridge	24,749.62	6,473,510.61	109,968.33	(10,720.19)	6,572,758.75	3.96%
West Devon	21,225.87	5,551,838.56	278,397.67	(2,397.67)	5,827,838.56	3.45%
Cornwall	206,062.26	53,897,644.73	171,932.00	(362,932.00)	53,706,644.73	32.33%
Isles of Scilly	1,233.90	322,738.88	(7,000.00)	0.00	315,738.88	0.19%
	629,765.67	164,721,508.66	2,449,029.84	(863,145.37)	166,307,393.13	100.0%

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier Ratio	Council Tax by band	2023/24	2022/23	Increase per week	%
A	6 / 9 0.667	£174.37	£174.37	£164.37	+ 19.2 p	6.08%
B	7 / 9 0.778	£203.44	£203.44	£191.77	+ 22.4 p	
C	8 / 9 0.889	£232.50	£232.50	£219.16	+ 25.7 p	
D	1 1.000	£261.56	£261.56	£246.56	+ 28.8 p	
E	11 / 9 1.222	£319.68	£319.68	£301.35	+ 35.3 p	
F	13 / 9 1.444	£377.81	£377.81	£356.14	+ 41.7 p	
G	15 / 9 1.667	£435.93	£435.93	£410.93	+ 48.1 p	
H	18 / 9 2.000	£523.12	£523.12	£493.12	+ 57.7 p	

5. CAPITAL PROGRAMME

CAPITAL PROGRAMME	Revised 22-23	MTFS 23-24	MTFS 24-25	MTFS 25-26	MTFS 26-27
Vehicles	1,742	2,727	2,620	2,253	1,830
Minor Building Works	1,631	1,600	1,710	1,831	2,250
Major Building Works:-					
Barnstaple Demolition	0	786	0	0	0
Bodmin Roof	0	1,000	0	0	0
Camborne	1,000	2,003	500	0	0
Dartmouth	291	0	0	0	0
Corporate Storage Facility	3,244	750	0	0	0
Exmouth	44	100	2,500	2,500	0
HQ Sports Centre	3,010	300	0	0	0
North Devon Custody	0	0	0	0	2,000
South Devon Estate	0	0	500	0	0
SSU (South West Forensics)	41	0	0	0	0
St Ives Relocation	20	250	420	0	0
Comms Roof/Windows HQ	0	0	0	0	3,000
Training Site Replacement	0	0	0	0	4,000
Tiverton Relocation	0	1,000	0	0	0
ISO Fleet/RPU	0	0	1,000	0	0
Firing Range	0	200	200	0	0
Building Efficiency Programme	0	1,000	1,000	1,000	1,000
EV Infrastructure Upgrade	0	0	1,000	0	0
TOTAL Major Works	7,650	7,389	7,120	3,500	10,000
PRISM	3,114	1,255	860	818	1,500
National Projects	0	365	390	140	140
ESN	215	50	21	200	200
ICT	4,960	5,731	4,271	3,264	2,039
Equipment	1,352	1,389	1,507	1,130	1,000
TOTAL PROGRAMME	20,665	20,507	18,500	13,137	18,959
CAPITAL FUNDING					
Grants	272	163	54	0	0
Uplift Grant	399	0	0	0	0
Capital Financing Reserve	5,924	6,627	3,692	1,620	0
Airwave Replacement Reserve	215	50	21	200	200
Capital Receipts & Asset Disposal	0	103	845	0	0
Revenue Funding	4,579	4,561	5,258	6,317	7,351
Borrowing	9,276	9,003	8,630	5,000	11,408
Total Capital Funding	20,665	20,507	18,500	13,137	18,959