

GREATER MANCHESTER POLICE, FIRE AND CRIME PANEL

DATE: Thursday, 21st March, 2024

TIME: 1.00 pm

VENUE: The Tootal Buildings - Broadhurst House , 1st Floor, 56
Oxford Street, Manchester, M1 6EU

AGENDA

5. Police Fund Budget Report 1 - 30

A report of Steve Wilson, GMCA Treasurer

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This agenda was issued on 15th March 2024 on behalf of Julie Connor, Secretary to the
Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

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GREATER MANCHESTER POLICE, CRIME AND FIRE PANEL

Date: 21st March 2024

Subject: Greater Manchester Police Fund Revenue and Capital
Budget 2024/25

Report of: Mayor of Greater Manchester

PURPOSE OF REPORT

To inform Panel members of the Greater Manchester police fund revenue and capital budget for 2024/25, revised three-year medium term financial Plan to 2024/25 to 2026/27 and the projected position on general and earmarked reserves.

RECOMMENDATIONS

The Panel is requested to note the contents of the report and approve the budget proposals

Background papers presented to the Police and Crime Panel:

20 November 2023 – 2024/25 Police and Crime Precept Setting Process

30 January 2024 – 2024/25 PCC Budget and PCC Component of the Mayoral Precept

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**GREATER MANCHESTER
POLICE FUND
REVENUE BUDGET AND
CAPITAL PROGRAMME
2024/25**

2024/25 REVENUE BUDGET AND CAPITAL PROGRAMME

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BACKGROUND DOCUMENTS

Background documents to this report are:

- (i) Government Settlement letters, reports and precept referendum letters
- (ii) Precept report to the Police Fire and Crime Panel 30th January 2024
- (iii) Guidance note on Local Authority Reserves and Balances - Chartered Institute of Public Finance and Accountancy (CIPFA)
- (iv) Local Government Finance Act 1992
- (v) Local Government Act 2003
- (vi) Localism Act 2011
- (vii) Police Reform and Social Responsibility Act 2011
- (viii) The Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017

1. **INTRODUCTION AND BACKGROUND**

- 1.1 The Police and Crime Commissioner (PCC) within each force area has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the Chief Constable to account on behalf of the public. For Greater Manchester the PCC functions were transferred to the Greater Manchester Mayor in May 2017. The Mayor (PCC) is the recipient of funding relating to policing and crime reduction, including government grants, the council tax precept and other sources of income. How this money is allocated is a matter for the Mayor (PCC) in consultation with the Chief Constable, or in accordance with any grant terms.
- 1.2 The provisions of Section 32 of the Local Government Finance Act 1992 require the Mayor (PCC) to set a balanced budget. In addition, Section 26 of the Police Reform and Social Responsibility Act 2011 establishes the PCC as a precepting authority for the purposes of the 1992 Act. Which means the Mayor (PCC) decides how much local people pay for policing through their council tax. For Greater Manchester, the precepting authority is Greater Manchester Combined Authority with the Mayor setting the PCC precept.
- 1.3 In December 2023 the 2024/25 Provisional Settlement was announced in Parliament and details were released to Police and Crime Commissioners. Funding for the police comes both directly from a Central Government grant (75%) and from the police precept (25%).
- 1.4 In accordance with Schedule 5 of the Police Reform and Social Responsibility Act 2011 (“the Act”) and Part 2 of the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 (“the Regulations”), several reports were presented to the Police and Crime Panel, with the final proposals presented and agreed at the panel meeting held on 30th January 2024.
- 1.5 On 28th February 2024 the Mayor published the decision that confirmed:
- The 2024/25 Mayoral Police and Crime Commissioner precept would be set at £256.30 for a Band D property.
 - The issuing of an appropriate overall precept requirement of £206.919m on the ten billing authorities in the Greater Manchester area, to be incorporated as

part of the Council Tax for the purposes of Police and Crime for the financial year beginning 1 April 2024 and ending 31 March 2025.

- A 2024/25 Police Fund revenue budget of £816.827m.

2. NATIONAL FUNDING SETTLEMENTS 2024/25

2.1 The Home Office issued an updated provisional settlement for 2024/25 on 14th December 2023 this included:

- £150m announced at Spending Review 2021 to ensure the maintenance of officers for the Police Uplift Programme;
- £185m of funding provided to support forces with the additional cost of the police officer pay award in 2023/24, which is the full year effect of 2023/24 funding announced in July 2023;
- £259m to cover the increased costs of police employer pensions contributions;
- £26.8m one-off top-up funding amount of to be provided in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud (pensions) remedy.

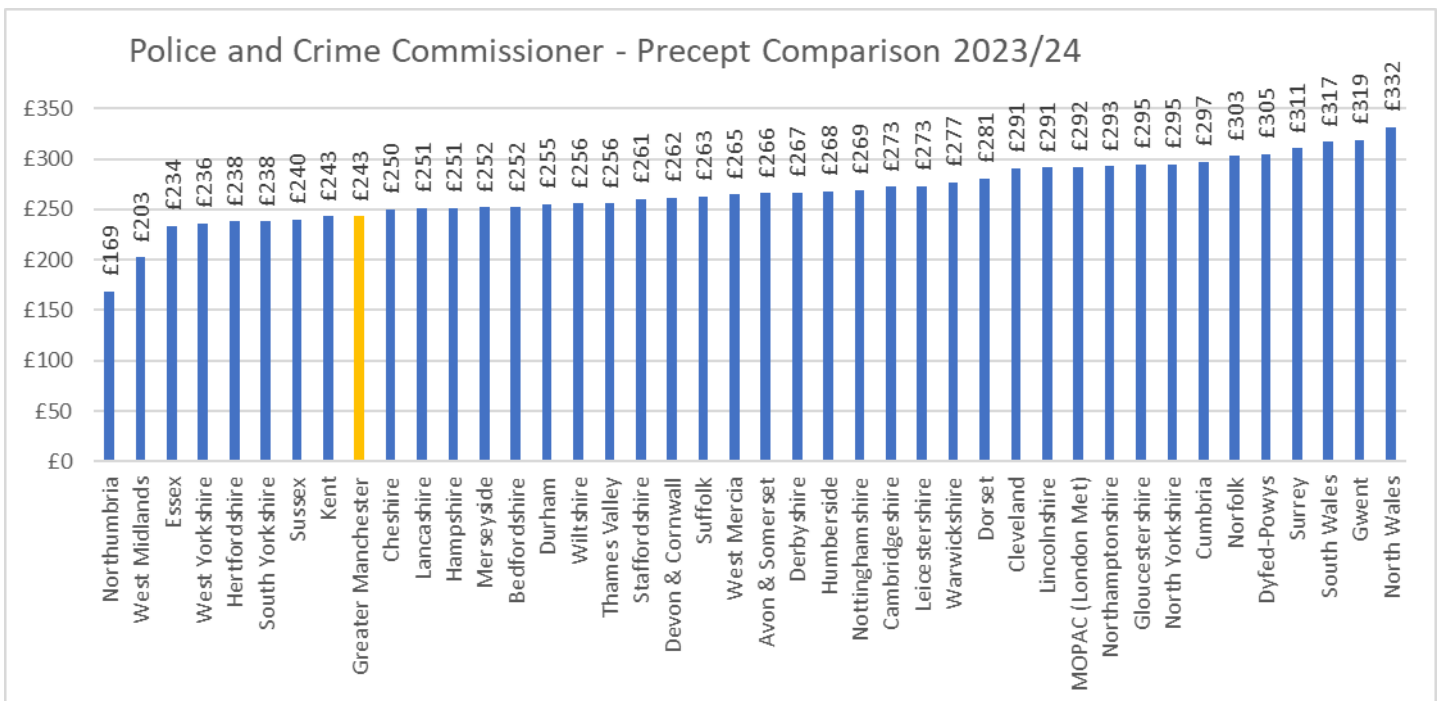
2.2 Whilst additional grant funding is welcome to meet unavoidable existing pay and pensions costs, in real terms this provides a below inflation increase of 1.5% for GMP to meet pay and price pressures in 2024/25.

2.3 To ensure forces maintain the additional 20,000 police officers, £425m of the 2024-25 national PCC allocation will be ringfenced. For GM this is £24.6m plus an additional £7.6m for forces, such as GMP, that volunteered to recruit above their uplift target as an 'additional recruitment top-up grant'. The ringfenced grant will be paid if GMP has maintained its overall officer headcount of 8,101, inclusive of the additional recruitment agreed on 31 March 2023. Access to ringfence funding shares will be based upon headcount levels recorded at data collection points on 30 September 2024 and 31 March 2025 and paid in January and July 2025 following the publication of police workforce statistics.

2.4 The Spending Review 2021 initially confirmed that for every year of the three-year Spending Review, PCCs would be given a £10 precept flexibility. However, the Government has decided that given the inflationary pressures facing forces, a £13 precept flexibility would be given for 2024/25.

2.5 Assuming every force takes the £13 precept, the weighted average band D police precept in England and Wales would be £280.95, the equivalent amount for GM in 2024/25 would be £256.30. With 80% of households in GM being Bands A to C properties, the majority will pay less than this.

2.6 Due to historic differences in council tax the proportion that £13 represents can vary significantly between force areas. Greater Manchester is in the lowest quartile in England for the precept, in 2023/24 on average, 34% of Police budgets were made up from Council tax, for Greater Manchester this was 25%. The spread of precepts across police authorities in England and Wales in 2023/24 is shown in the graph below:



2.7 In 2024-25 the national top slices made against total police funding total £1,038m, a £76m reduction over last year (£1,114m). The biggest changes in funding relate to the reduction in Police Technology Programmes, Crime Reduction Capabilities and National Crime Capabilities. A breakdown of the national priorities is shown in Appendix 2.

2.8 The provisional settlement confirmed continued funding to PCCs for priority crime programmes funded from the national top slice as follows:

- £92.8 million to support activity designed to combat anti-social behaviour and serious violence of which continued funding for GM has been confirmed at £2.888m.
- £15 million on Safer Streets Round 5, to supplement the funding already provided for 2023-24 with expected funding of around £350k to be confirmed.
- £47 million to continue to support the work of Violence Reduction Units, for which continued funding of £4.342m has been confirmed for GM in 2024/25.
- £46 million to continue the County Lines Programme and Project Adder, further details for GM will be confirmed in due course.

2.9 At least £1 billion for Counter-Terrorism Policing is also included within the headline settlement. Force level funding allocations for Counter-Terrorism Policing will be confirmed separately and will not be made public for national security reasons.

3. **PRECEPT 2024/25**

3.1 As part of the overall funding for policing in 2024/25, the Government gave PCCs the ability to raise the police element of council tax by up to £1.08 a month - £13 a year for an average Band D property and 84 pence a month - £10.11 a year for an average Band B property.

3.2 At the Police, Fire and Crime Panel on 30 January 2024 the Mayor took the proposal to set the PCC element of the Mayoral precept at £256.30 for a Band D property. With 80% of households in GM being Bands A to C properties, the majority will pay less than this. The table below shows the impact for each Council Tax band of the increase:

Policing Precept	Council Tax Bands							
	A	B	C	D	E	F	G	H
2023/24 Precept (£)	162.20	189.23	216.26	243.30	297.36	351.43	405.50	486.60
2024/25 Precept (£)	170.86	199.34	227.82	256.30	313.25	370.21	427.16	512.60
Change (£ per year)	8.66	10.11	11.56	13.00	15.89	18.78	21.66	26.00
Proportion of properties	45%	20%	18%	10%	5%	2%	1%	0%

3.3 This precept increase will provide an additional £13.9m based on the Greater Manchester council tax base. With this increase the Greater Manchester police and

crime precept will remain one of the lowest out of the 42 police and crime areas of England. It is important to note that Greater Manchester is more dependent than other areas on changes to government grant funding due to the lower council tax base in the region. The national £13 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.

4. **REVENUE BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN**

4.1 For 2024/25 this is an overall funding package for Police and Crime in Greater Manchester of £816.9m revenue an increase of £48.2m, of which £26.2m relates to funding for additional unavoidable costs compared to 2023/24. Excluding the new funding to meet additional costs, this is an increase of 1.5% in Government grant funding and 7.2% in funding from the proposed Precept, which is an overall below inflation increase in funding of 2.9%.

4.2 The table below sets out the funding position for 2024/25 compared to 2023/24:

GM PCC Revenue Funding	2023/24 £m	2024/25 £m	Change	
			£m	%
Council Tax funding				
Precept @ £13 (Band D)	193.0	206.9	13.9	7.2%
Collection Fund (Surplus/-Deficit)	1.9	1.3	-0.6	
	194.9	208.2	13.3	
Government grant funding				
Core Grants	524.7	524.7	-	
Ring fenced Police Uplift grant	15.9	24.6	8.7	
2023/24 Pay award - part year grant	19.0	19.0	-	
Pension contribution grant	6.6	6.6	-	
	566.2	574.9	8.7	1.5%
Sub-total Revenue Funding	761.1	783.1	22.0	2.9%
Government grant funding for new costs				
2023/24 Pay award - full year grant	-	10.7	10.7	
Additional pension contribution grant	-	15.5	15.5	
Additional officer recruitment grant	7.6	7.6	-	
	7.6	33.8	26.2	n/a
Total Revenue Funding (including new funding)	768.7	816.9	48.2	

4.3 The majority of the Police Fund budget is delegated to the Chief Constable for Greater Manchester Police and a proportion is retained to fund PCC

functions and capital financing costs for the GMP capital programme. The budget is supplemented by specific grants received throughout the financial year, reserves and income.

Police and Crime Commissioner 2024/25

4.4 The PCC net budget for 2024/25 is £30.5m, which is an increase of £17.4m compared to 2023/24 in relation to increases in capital financing costs and use of reserves. The PCC budget reflects the following assumptions for 2024/25:

- The pay award estimated for 2023/24 was 4%. For 2024/25 as with other GMCA budget assumptions a pay award of 3% has been estimated.
- Capital financing costs based on the latest capital programme from GMP. The budget for 2024/25 has an increase of £8.9m compared to 2023/24.
- Changes in use of earmarked reserves included in the PCC budget such as:
 - Police infrastructure reserve of £20m continues to be applied to GMP budget to support the implementation of the Police Uplift Programme at £5m per year over the four year period 2021/22 – 2024/25.
 - Use of £0.8m of Sexual Assault Commissioning reserve to support St Mary's Sexual Assault Referral Centre (SARC) for Victims of Rape and Sexual Assault in Greater Manchester and Operation Soteria.
 - Use of £0.8m of PCC Transformation and Commissioning reserves to support Gender Based Violence strategy.
- Income and expenditure in relation to specific grant funded programmes such as:
 - Serious Violence Home Office grant of £4.6m
 - Victims Services Ministry of Justice grant £5.3m
 - GM Integrated Rehabilitation Services grant of £8.9m from HM Prison and Probation Service

Budget for Greater Manchester Police 2024/25

- 4.5 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2024/25. The GMP budget for 2024/25 will be £786.2m which is an increase of £57.2m compared to 2023/24. This increase is met from the additional funding from government grant and the approved precept increase.
- 4.6 It should be noted that as £26.6m of this overall GMP budget increase relates to mainstreaming of specific 2023/24 additional grants, which were confirmed after the budget was set in 2023 and now form part of the core Government grant settlement for 2024/25. These grants are in respect of funding additional officer recruitment agreed for 2023/24 (£7.6m) and to meet the 2023/24 additional cost of the 2023 nationally agreed pay award (£19m). These grants meet specific additional costs that were agreed after the 2023/24 GMP budget was set and therefore leave only £30.6m of the overall £57.2m GMP budget increase as new funding available to meet new 2024/25 budget pressures.
- 4.7 When the precept was agreed in January it was recognised to be critically important that GMP had the level of funding required to sustain the significant improvements made to date and to continue to strengthen public safety. The panel also received details of the Greater Manchester priorities for policing for the next financial year based on the increases in precept, along with the central government grant, which will enable GMP to:
- Remain one of the best police forces in the country in answering 999 and 101 calls.
 - Further improve response times for emergency and non-emergency incidents.
 - Retain investment in neighbourhood policing and crime prevention teams to further reduce neighbourhood crimes.
 - Invest a further 50 police officers into front line policing roles in 2024/25.
 - Increase policing of the transport network through the launch of Operation Vulcan Network with increased policing presence in and around Piccadilly and Victoria stations.
 - Invest in locking up more criminals and providing swifter and better services for victims and witnesses through investment in investigations and criminal justice units.
 - Invest in prosecuting offenders with a focus on increasing arrests for sex offenders and ensuring justice for vulnerable victims.

4.8 As previously reported to Police, Fire and Crime Panel in January there are 3 key drivers of expenditure pressures which reflect GMP's improvement journey over the last 2 financial years and which can be broadly categorized across the following 3 areas which resulted in an initial reported combined PCC/GMP policing budget gap of £40.7m:

- (i) Unavoidable cost pressures arising from national decision making and the requirement to continue to deliver improved services;
- (ii) the impact of the removal of one-off funding used to "pump prime" critical investments, which is no longer available to support these investments;
- (iii) The financial impact of service improvements arising from the Plan on a Page (POAP) improvement plan.

4.9 Work undertaken by GMP and the GM Mayor's office at that point had identified savings of £16m which could, without impacting on frontline policing, be used to reduce the overall policing (PCC/GMP) funding gap to £24.7m. In addition, it was reported that work was advanced between the Mayor's office and GMP to ensure further savings are identified to deliver a balanced budget for 2024/25 and to set out a sustainable funding strategy over the medium term.

4.10 The work is now complete and involved a detailed review of all service budgets, income generation and provisional service improvement investment plans. It has resulted in a balanced 2024/25 police budget as follows.

4.11 The PCC budget is discussed in 4.4 above. The new unavoidable GMP budget pressures for the 2024/25 Police budget have been reviewed and confirmed below, totaling £44m, leaving a gap before any new investment in service improvement of £13.4m after taking into account the additional £30.6m GMP budget increase available for 2024/25 versus 2023/24 (Para 4.6 refers).

4.12 Unavoidable Cost Pressures

- I. **Police Officer Uplift (PUP) (£6m)** – Whilst 2022/23 was the final year of the PUP programme, during which GMP exceeded its additional recruitment targets, in 2023/24 a further 189 Officers above the force allocation were delivered by GMP (including 30 agreed after the 2023/24 budget was set) increasing the total GMP Officers to 8,131 and this level will now be further increased in 2024/25 to 8,151 supported by a continuation of additional grant funding from the national programme. The costs of maintaining officer

numbers are rising above the level of funding as the officers recruited as part of the PUP programme become more experienced, which is reflected in their pay.

- II. **Impact of 2023/24 Pay Awards (£13m)** – The nationally agreed police officer and police staff pay awards in 2023/24 and effective from September 2023 were higher than expected when the budget was set. Funding was received in 2023/24 (£19m, para 4.6 refers) to meet the additional in year cost and further funding will be received in 2024/25 to meet the additional full year impact of £13m in 2024/25 bringing the total ongoing annual cost to £32m.
 - III. **2024/25 Pay awards (£8m)** – These were provisionally forecast to be 3%, however, the Policing Minister has indicated that any increase beyond 2.5% may be considered by the Home Office for additional funding. Therefore, whilst there is a degree of risk associated with this, we have reduced the budgeted allowance to 2.5% to assist in closing the final budget gap.
 - IV. **Employers Pension Contributions (£12m)** – Both police officer and staff pension schemes are subject to regular review. From 1 April 2024 the nationally set employers' contribution rate for the police officer scheme will increase by 4.3% to 35.3% and the Government has provided an initial one-year grant to cover the increased cost in 2024/25.
 - V. **Other pressures from 2023/24 (£2m)** – Several other unavoidable items, including specific inflation related issues add further pressure on the 2024/25 budget.
 - VI. **Use of reserves for specific projects (£3m)** – The PCC has previously made contributions from reserves to specific areas such as investigations into historic Child Sexual Exploitation. Now PCC reserves have been exhausted ongoing costs will need to be maintained within the GMP core budget from 2024/25.
- 4.13 Savings and Efficiencies - In order to sustain service improvements and manage pressures described above, the work undertaken by GMP and the Mayor's office has identified net savings and efficiencies totaling £21m, which, in line with the Mayor's Office and GMP budget review objective, can be delivered in 2024/25 without

impacting on frontline policing. These savings will be delivered from across the whole range of support service budgets with the most notable cost reductions including; Information Technology contract savings and efficiencies, Reductions in Fuel and Utility costs, PFI savings, Reduced support staffing costs to be delivered through pro-active vacancy management, and removal of temporary additional project implementation funding allocated to the Force Contact Centre now that stability and ongoing high performance has been achieved.

4.14 Income Generation: The budget review exercise also identified additional income targets totaling £5m, to be delivered via an increase in the activity carried out to improve road safety and to reduce the numbers Killed and Seriously injured through speed enforcement and the seizure of uninsured vehicles, which remains a key Force priority. In addition, a bid for additional funding to support GMP's over achievement of agreed Police Uplift Programme targets (4.12 (i) refers) has been successful for 2024/25.

4.15 Sustaining Service Improvements – The identification of the above £26m in combined Savings, Efficiencies and Income generation opportunities not only covers the original gap after unavoidable cost pressures but also allows for a total of £13m in new Service Improvements:

Summary of Spending Pressures - GMP	£m
Additional budget available	31
Unavoidable cost pressures	-44
Savings and Efficiencies Identified	21
Income Generation Opportunities	5
Total Available for Service Investment Priorities	13

4.16 Since the precept was set in January further work has also been undertaken to determine the priority GMP investment needs and this now reflects an additional funding requirement of £13m across the following areas:

- **Digital Policing Programme (£3.2m)** – The Decision to replace the Force's Records Management System known as Police Works was taken in 2022. Work is now well underway to secure a replacement system. This a significant project with many key interdependencies. The investment requirement reflects the level of additional capacity required in terms of specialist internal and external resources

to deliver this programme. and supports an associated Capital Programme commitment to deliver a best in class solution that will deliver significant future efficiency and effectiveness benefits.

- **Crime, Vulnerability, Intelligence and Forensic Services modernisation and improvement Programme (£4m)** – The main purpose of this investment is to provide GMP with a sustainable, long term operating model across our forensics digital capability, which encompasses; Digital Forensics Investigation Unit (DFIU); Cyber – Serious Crime Division (SCD); Digital Media Investigators (DMI); CCTV – Forensic Services Branch; and Visual Evidence and Recovery and Analysis Unit (VERA) – Serious Crime Division (SCD). The emphasis is on introducing changes to existing internal processes and organisational structures, providing greater efficiencies, productivity and services that will capture future demand, as well as current. This will not only enhance GMP as an organisation, but importantly, will help to deliver an outstanding service to victims of crime.
- **Custody Staffing Investment (£1.2m)** – Increase to Custody staffing levels to meet current and projected future demand resulting from the significant front line performance improvements that have been achieved.
- **IT and Digital Investment/Infrastructure Re-platforming (2.8m)** – Policing in the 21st century is underpinned by a digital infrastructure which supports the delivery of critical operational systems. The systems need to be robust to ensure that they withstand the risk of security compromise and deliver support to operational policing delivery. The investment will ensure that these two priorities are delivered and supports an associated Capital Programme commitment to maintain a stable, secure, and reliable infrastructure.
- **Child Protection Team Investment (£0.5m)** – To enable an uplift of 11 Case Management Officers and 1x Case Management Lead to match increases in child protection case conference demand, which is a statutory responsibility and a priority area for GMP .

- **Mental Health Tactical Advice Service (£0.5m)** – GMP is committed to the continued provision of this service aimed specifically at supporting members of the public with mental health issues who come in contact with GMP.
- **Business as usual Investment requirements (£0.8m)** – there are several investments which are required to improve service delivery and statutory compliance across a range of areas.

4.17 Taking account of the above, GMP and PCC budgets for 2024/25 are shown below, with a comparative breakdown of specific grants of £215.7m provided in Appendix 2 and comparison of the change in budget between 2023/24 and 2024/25 provided in Appendix 3.

Police Fund Revenue Budget 2024/25	GMP £m	PCC £m	Total £m
Budget Requirement			
Employee Related	737.0	2.4	739.4
Pensions	139.3	0.4	139.7
Premises Related	41.0	0.0	41.0
Supplies & Services	79.4	36.5	115.9
Agency Payments	23.2	0.0	23.2
Transport Related	11.0	0.1	11.1
Capital Financing	0.0	23.2	23.2
Transfer to/from Reserves	-5.7	-7.9	-13.6
Specific Grants	-193.9	-21.8	-215.7
Income & Sponsorship	-45.1	-2.3	-47.5
Net Budget Requirement	786.2	30.6	816.8
Funding			
Home Office Grant	0.0	-608.6	-608.6
Precept/ Council Tax Surplus	0.0	-208.2	-208.2
Total Funding	0.0	-816.8	-816.8

4.18 The medium-term financial plan for 2024/25 to 2026/27 has been revised to reflect the latest planning assumptions and is shown in Appendix 4. This includes an estimate of GM's share of Government grant funding and take up of maximum flexibility in the precept increase of £13 in 2024/25. This is purely indicative at this stage but does present the financial challenges over the medium term. In order to address this GMP will develop a range of options to maintain a sustainable financial position over the medium term.

4.19 The 2024/25 financial year is the final year of the Government's 2021 three-year Comprehensive Spending Review which provided national funding allocations for Policing for 2022/23 – 2024/25. Planning assumptions for 2025/26 and 2026/27 therefore remain subject to significant uncertainty around future national funding allocations for Policing.

5. CAPITAL INVESTMENT 2024/25

5.1 The key capital spending priority continues to be the Plan on a Page portfolio which includes information services transformation to improve contact with the public and improve officer and staff productivity, fleet replacement including a number of specialist vehicles and a revised estates strategy which includes capital investment for the planned re-opening of the Longsight Custody Suite. The investment also includes refresh of critical policing operational infrastructure such as body worn video and officer radio and taser replacement. The programme includes significant investment into Serious Crime and Forensics, Automatic Number Plate Recognition (ANPR) and additional Freezer Capacity within property stores which continues to be a key risk for the Force.

5.2 A summary of the of the 2024/25 planned capital programme is shown in the table below:

<u>Capital Programme</u>	2024/25
	£m
Capital Expenditure:	
Estates	2.794
Fleet	6.979
ICT	1.461
Other / Plan on a Page (POAP)	26.359
	37.593
Funded by:	
Borrowing	36.256
Grant	1.077
Capital Receipts	0.26
Revenue	0
	37.593

5.3 A more detailed breakdown of the 24/25 Capital Programme is shown in the table below. The total planned investment is £48.5m however, based on historical trends

in previous years, an amount of assumed slippage has been included giving a more realistic expected spend in year of £37.6m:

Planned Capital Investment 2024/25	£m
Digital Policing Programme	5.000
Force Contact Centre Telephony Transformation	0.826
IT Infrastructure Investment	11.293
Serious Crime & Forensics	3.065
Estates	3.542
Longsight Custody refurbishment	6.800
General Estates requirements	4.000
Standard Fleet	8.156
Specialist Fleet	1.374
ANPR/CCTV	0.644
Digital Fleet Project (Fleet Logistics)	0.250
Taser and Firearms	2.080
Additional Freezer Capacity	0.280
Miscellaneous Capital Upgrades	1.185
Total Investment	48.495
Assumed Slippage	-10.902
Funded Programme	37.593

6. **COMMUNITY SAFETY BUDGET**

6.1 Since 2019/20 over £4m has been delegated to Community Safety Partnerships (CSPs) to support delivery of the Police and Crime Plan, collectively making communities safer and more resilient. For 2024/25 the budget reflects an increase to PCC funding for Safeguarding Boards totaling £35k. The funding for each local authority is set out in the table below:

Local Authority	Community Safety Grant	Children's Safeguarding Board	Adult's Safeguarding Board	Delegation of grants to Voluntary sector	Hate Crime	TOTAL
	£	£	£	£	£	£
Bolton	304,523	19,263	19,263	100,000	5,000	448,049
Bury	157,973	13,198	13,198	100,000	5,000	289,369
Manchester	694,584	35,491	35,491	200,000	5,000	970,565
Oldham	262,287	14,367	14,367	100,000	5,000	396,021
Rochdale	234,000	13,532	13,532	100,000	5,000	366,064
Salford	239,306	15,036	15,036	100,000	5,000	374,377
Stockport	218,973	15,370	15,370	100,000	5,000	354,712
Tameside	243,703	14,702	14,702	100,000	5,000	378,106
Trafford	200,800	14,367	14,367	100,000	5,000	334,534
Wigan	247,614	16,038	16,038	100,000	5,000	384,690
TOTAL	2,803,763	171,362	171,362	1,100,000	50,000	4,296,487

6.2 Building on the work of previous years, CSPs have continued to work closely on both GM and local priorities and are using Community Safety funds to support targeted work in neighbourhoods. Oversight and governance is managed through local partnership arrangements and the Deputy Mayor is informed of spending profiles through an initial proposal followed by a mid-year update on progress. The Community Safety Grant provides CSPs with local autonomy to direct funds at key police and crime priorities.

6.3 The Deputy Mayor has continued to delegate voluntary and community sector grants following consultation and feedback from CSPs who provide a mid-year progress update detailing the allocation of funds to local groups and voluntary sector organisations. The grants are being used to support communities to tackle grass

roots issues of concern whilst developing resilience and cohesion as local people are contributing to achieving Standing Together priorities.

6.4 A summary of the types of schemes and initiatives that the Voluntary and Community Sector grants have funded are set out below:

- Tackling anti-social behaviour and improving behaviour through early intervention and diversionary work with young people
- Support for victims of domestic and sexual abuse, including victims from minority communities and provide prevention interventions in schools
- Advice and awareness regarding healthy relationships for young people
- Reducing the risk of exploitation of vulnerable young people
- Reducing the risk of offending and re-offending
- Community cohesion and hate crime
- Keeping children and young people safe
- Interventions and awareness to prevent serious violence and promote awareness of the consequences
- Supporting vulnerable adults and reducing isolation.

7. **FINANCIAL RISK ASSESSMENT**

7.1 A key requirement of any budget setting process is the assessment of risk and how this is reflected in the financial strategy. An assessment of the major financial risks associated with the 2024/25 budget has been undertaken. These are highlighted below:

Improvement Programme

7.2 GMP has made significant improvement over the last 2 years in its journey to deliver effective policing services to the residents of GM. However, there are still changes that are required to sustain and where necessary improve services. The delivery of this in an ever-challenging public sector financial environment increases the risk. However, the clear and strong governance arrangements which are in place will act to ensure that a sustainable and robust financial plan is in place to manage these risks, including, wherever possible, securing recurring efficiency improvements from within existing budget and income generation opportunities.

Police precept

- 7.3 Overall Police funding is dependent on Government grant and the PCC precept. The £13 precept increase for 2024/25 is an opportunity given by the Home Office which is over and above the £10 flexibility that was set out in the Spending Review from October 2021. Planning assumptions for 2025/26 and 2026/27 are subject to significant uncertainty around future spending reviews and long anticipated funding formula review.

Council Tax Collection Fund

- 7.4 The 2023/24 Collection Fund surplus is estimated to be £1.26m which has been included in the funding for the 2024/25 budget. There is a risk the final position is not as favourable and surpluses are not available in future years.

Inflationary risk

- 7.5 There is a general risk around cost inflation because of the challenging global economic environment. The police officer and police staff pay awards for 2024/25 are subject to agreement and the allowance in the budget of 2.5% may be insufficient. For every 1% increase in pay the additional cost is c£6m for the budget.

Pensions

- 7.6 In 2019/20 the Home Office provided funding of £8.5m which has now been included in core grant and a further £6.6m in specific grant to cover these additional costs. The funding in core grant for 2024/25 has rolled forward again and the specific grant of £6.6m has once again been provided, however there is a risk that the grant may not continue in future settlements.

8. **RESERVES**

8.1 Total reserves as at 31 March 2023 were £98.3m, and are predicted to be £67.5m at 31 March 2024. Based on the 2024/25 planned budget to apply £30.8m of earmarked reserves during the year, the forecast reserves at 31 March 2025 is expected to be £55.4m. These figures include a General Fund balance of £15.375m which is not available for planned use. Section 25 of the Local Government Act 2003, requires the Treasurer of the GMCA to be satisfied that the level of the general fund is adequate (see section 9 below).

8.2 Planned use of PCC reserves includes release of the PUP infrastructure funding received in 2020/21 at £5m a year over the four year period 2021/22 to 2024/25 which is included as part of the GMP revenue budget.

8.3 GMP earmarked reserves at March 2024 reflected a newly created reserve in 2023/24 to fund investment in police officer uniform and protective equipment. The previously created POAP reserve will continue to be held to manage risk relating to the POAP programme of work in year but a release has not been included within the budget.

8.4 The table below provides a breakdown of all Police reserves as at 31 March 2023 and projections for balances at end of financial years 2023/24 and 2024/25.

Police Reserves	Closing Balances 31 March 2023 £m	2023/24 Planned Use of Reserves £m	Forecast Balances 31 March 2024 £m	2024/25 Planned Use of Reserves £m	Forecast Balances 31 March 2025 £m
General Reserve - Police Fund	-15.375		-15.375		-15.375
Transformation reserve	-1.829	1.829	0.000	0.000	0.000
Commissioning reserve	-8.929	7.047	-1.882	1.403	-0.479
Community Crime Fund reserve	-0.819	0.091	-0.728	0.091	-0.637
Justice and Rehabilitation reserve	-1.838	0.929	-0.909	0.442	-0.467
Sexual assault commissioning reserve	-3.500	0.815	-2.686	0.798	-1.888
Youth aspiration / diversion reserve	-0.093	0.000	-0.093	0.000	-0.093
Legal costs reserve	-1.855	1.192	-0.663	0.000	-0.663
Health and Justice reserve	-0.079	0.000	-0.079	0.000	-0.079

Traffic Enforcement & Road Safety reserve	-0.083	0.025	-0.058	0.000	-0.058
Capital Financing reserve	-5.982	4.895	-1.088	0.000	-1.088
CF Smoothing reserve	-1.520	1.520	0.000	0.000	0.000
RASSO	-0.776	0.350	-0.427	0.000	-0.427
Infrastructure HO reserve	-10.471	5.000	-5.471	5.000	-0.470
Police Property Act reserves	-1.222	0.383	-0.838	0.121	-0.718
Total PCC Earmarked Reserves	-38.997	24.076	-14.921	7.854	-7.066
Operational Contingency Fund	-1.900	-0.238	-2.138	0.000	-2.138
Chief Constable's Insurance reserve	-13.743	0.000	-13.743	0.000	-13.743
PFI Residual reserve	-8.926	1.019	-7.908	1.085	-6.823
Other Earmarked reserves	-19.375	5.919	-13.456	3.216	-10.240
Total GMP Earmarked Reserves	-43.944	6.700	-37.244	4.301	-32.943
Total Police Reserves	-98.316	30.776	-67.540	12.155	-55.384

9. GENERAL FUND RESERVE

- 9.1 A General Fund level has to be set annually based on an assessment of risk. There is no prescriptive guidance on the minimum (or maximum) level of general reserves required, either as an absolute amount or a percentage of the budget.
- 9.2 When recommending a minimum level of the General Fund level the Treasurer takes account of the strategic, operational and financial risks, and that level can be expressed in cash terms or as a percentage of the budget.
- 9.3 The General Fund is held to provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing and act as a contingency to cushion the impact of unexpected events or emergencies
- 9.4 Factors to be considered in setting the level of General Fund are:
- cash flow requirements
 - treatment of inflation and interest rates
 - estimates of the level and timing of capital receipts
 - the treatment of demand-led pressures
 - the treatment of planned savings/efficiencies
 - financial risks inherent in any significant new funding partnership, major outsourcing arrangement or major capital development

- the adequacy of other funds, e.g. insurance provision

9.5 A risk assessment has been undertaken to establish what the minimum General Fund level should be. The assessment is not an exact science and views may differ on what constitutes key financial risks and their evaluation. The reserves figure of £15.4m represents 1.9% of turnover is considered to be adequate for 2024/25 given there has been a significant increase in funding which is simply a “pass through” payment for pension costs. It is likely, however, that this will need to increase over the next couple of years but this will be done in a graduated way so as to avoid a detrimental impact on front line services. The 2024/25 budget and future year’s estimates do not include any use of General Fund balances.

Appendix 1

Police Funding Settlement	2023/24	2024/25	Change
	£m	£m	£m
<u>National Top Slice</u>			
Arm's Length Bodies	74.7	65.7	-9.0
Crime Reduction Capabilities	18.4	0.0	-18.4
Cyber Crime	14.1	13.1	-1.0
Drugs / County Lines	30.0	30.0	0.0
Forensics	20.6	13.0	-7.6
Fraud	18.1	18.1	0.0
National Policing Capabilities	69.3	49.8	-19.5
NPCC (National Police Chiefs Council) Programmes	9.5	7.7	-1.8
PFI (Private Finance Initiative)	71.6	71.2	-0.4
Police Productivity and Innovation	0.0	11.0	11.0
Police Technology Programmes	526.4	500.9	-25.5
Regional and Organised Crime Units	39.5	31.6	-7.9
Serious Violence	45.6	45.6	0.0
Special Grant	50.0	34.0	-16.0
Tackling Exploitation and Abuse	21.3	17.6	-3.7
Capital Reallocations	104.9	128.7	23.8
Total National Top Slice	1,114.0	1,038.0	-76.0

Appendix 2

FORMULA FUNDING AND SPECIFIC GRANTS			
	2023/24	2024/25	Change
	£m	£m	£m
Formula Grant Funding			
Core Grant Funding	524.7	524.7	0.0
Ring Fenced Uplift Grant	15.9	24.6	8.7
Pay award	19.0	29.7	10.7
Pension Grant	6.6	22.1	15.5
Additional Recruitment Top Up		7.6	7.6
Total	566.2	608.7	42.5
Specific Grants			
Local Council Tax Support Grant	0.0	0.0	0.0
Pension Top-Up Grants	115.4	127.1	11.6
Private Finance Initiative (PFI)	5.3	5.3	0.0
Asset Incentivisation	3.5	3.6	0.1
Special Grants	42.4	42.8	0.4
PCC Commissioning Fund	0.0	0.0	0.0
Other Revenue Grants	28.4	36.9	8.5
Total	195.0	215.7	20.7

Appendix 3

2024/25 REVENUE BUDGET COMPARED TO 2023/24			
	2023/24	2024/25	Change
	£m	£m	£m
Budget Requirement			
Employee Related	700.8	739.4	38.6
Pensions	130.2	139.7	9.5
Premises Related	45.3	41.0	-4.3
Supplies & Services	97.1	115.9	18.8
Agency Payments	13.0	23.2	10.2
Transport Related	12.6	11.1	-1.5
Capital Financing	14.3	23.2	8.9
Additional POAP investment	15.2	0.0	-15.2
Transfer to/from Reserves	-21.4	-13.6	7.8
Specific Grants	-195.0	-215.7	-20.7
Income & Sponsorship	-46.1	-47.5	-1.4
Income and expenditure savings	-3.0	0.0	3.0
Efficiency savings	-1.9	0.0	1.9
Net Budget Requirement	761.1	816.8	55.7
Funding			
Home Office / DHLUC Grant	-566.2	-608.6	-42.4
Precept	-193.0	-206.2	-13.2
Collection Fund Surplus/-Deficit	-1.9	-2	-0.1
Total Funding	-761.1	-816.8	-55.7

Appendix 4

MEDIUM TERM FINANCIAL PLAN 2024/25 – 2026/27									
Budget Heading	Total			GMP			PCC		
	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Employee Related	739.4	769.9	794.6	737.0	767.6	792.3	2.4	2.4	2.2
Pensions	139.7	149.2	144.7	139.3	148.8	144.4	0.4	0.4	0.4
Premises Related	41.0	44.8	45.1	41.0	44.8	45.1	0.0	0.0	0.0
Supplies & Services	115.9	98.8	97.1	79.4	76.0	75.3	36.5	22.8	21.7
Agency Payments	23.2	23.5	23.8	23.2	23.5	23.8	0.0	0.0	0.0
Transport Related	11.1	11.3	11.4	11.0	11.2	11.3	0.1	0.1	0.1
Capital Financing	23.2	24.4	27.1	0.0	0.0	0.0	23.2	24.4	27.1
Additional POAP investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer to/from reserve	-13.6	-1.7	-2.0	-5.7	-1.0	-2.0	-7.9	-0.7	0.0
Specific Grants	-215.7	-210.8	-205.4	-193.9	-200.6	-195.8	-21.8	-10.2	-9.6
Income & Sponsorship	-47.5	-48.9	-47.4	-45.1	-46.6	-45.2	-2.3	-2.3	-2.2
Income and expenditure savings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Efficiency savings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Budget Requirement	816.8	860.4	889.0	786.2	823.6	849.3	30.6	36.7	39.7
Government grant	-608.6	-608.6	-608.6	0.0	0.0	0.0	-608.6	-608.6	-608.6
Precept income	-208.2	-217.1	-225.3	0.0	0.0	0.0	-208.2	-217.1	-225.3
Total Funding	-816.8	-825.8	-833.9	0.0	0.0	0.0	-816.8	-825.8	-833.9
Shortfall / Surplus(-)	0.0	34.6	55.0	786.2	823.6	849.3	-786.2	-789.1	-794.3

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