

GREATER MANCHESTER POLICE FIRE AND CRIME PANEL

Date: 22nd July 2021

Subject: Greater Manchester Police Fund Revenue and Capital Budget
2021/22

Report of: Mayor of Greater Manchester

PURPOSE OF REPORT:

There is a statutory duty to determine the policing precept and set a balanced budget by 1 March each year. This paper sets out the resources available to deliver the ambitions set out in Police and Crime Plan Standing Together.

Funding for police is sourced 75% from a central Government grant and 25% from the policing precept. Revenue funding for 2021/22 is budgeted at £674.4 million, which is an overall increase of £29.2 million compared to 2020/21.

For 2021/22 the Government grant for police included an additional £23.9 million for Greater Manchester Police. The grant funding increase is expected to deliver the second year of the national expansion programme of 20,000 police officers over three years. The 2020 Spending Review provided funding for an additional 6,000 officers nationally, which equates to 325 in 2021/22 across Greater Manchester, plus 16 to support the Regional Organised Crime Unit (ROCU).

The policing precept is the amount Greater Manchester residents contribute to local policing through the council tax bill. For 2021/22 the government stated that local areas could increase the police precept by £15 for Band D properties. A public consultation exercise was undertaken with 34% of respondents stating that they supported, in principle, an increase of £1.25 a month or more as part of their council tax payment to help Greater Manchester Police invest in neighbourhood policing, 30% thought it should remain the same and 31.5% thought it should be reduced.

Following the result of the consultation, a reduced precept increase of £10 to the current band D precept was proposed at the meeting of the Police, Fire and Crime Panel on 29th January 2021 and was supported.

Taking account of the one-off Local Council Tax Support grant and a deficit on the collection fund, this will raise an additional £5.3m in 2021/22. For Greater Manchester this will cost Band D residents 19p per week, and 15p for Band B residents. The band D precept for 2021/22 will be £218.30.

RECOMMENDATIONS:

The Panel is requested to note the report.

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Equalities Implications:

This paper sets out the resources available to deliver the ambitions set out in Police and Crime Plan [Standing Together](#)

Climate Change Impact Assessment and Mitigation Measures

N/a

Risk Management:

The report includes a risk assessment.

Legal Considerations:

The report includes details on the legal implications for the 2021/22 budget.

Financial Consequences – Revenue:

The report includes the Police revenue budget for 2020/21.

Financial Consequences – Capital:

The report includes the Police capital programme for 2021/22 – 2024/25

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

- (i) Government Settlement letters, reports and precept referendum letters
- (ii) Precept report to the Police and Crime Panel 29th January 2021
- (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

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
GM Transport Committee	Overview & Scrutiny Committee	
N/a	N/a	

2021/2022 REVENUE BUDGET AND CAPITAL PROGRAMME

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1. INTRODUCTION

- 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 police to account on behalf of the public. For Greater Manchester the PCC functions were transferred to the Mayor on 8th 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 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”), a number of reports were presented to the Police and Crime Panel, with the final proposals presented and agreed at the panel meeting held on 29 January 2021.
- 1.4 On 17th December 2020 the 2021/22 Provisional Settlement was announced in Parliament and details were released to Police and Crime Commissioners. The final settlement was announced on 4th February 2021.
- 1.5 The budget sets out the overall funding which will be available to resource policing services in support of the Police and Crime Plan.

2. NATIONAL POLICE REVENUE AND CAPITAL SETTLEMENTS 2021/22

- 2.1 The police grant from Home Office for 2021/22 will be £495m, plus a further allocation of £5.8m for Greater Manchester which is ring fenced against the delivery of recruitment targets in 2021/22. This is an overall increase in funding of £23.9m with a priority to continue the recruitment of the second tranche of the promised 20,000 new officers nationwide. In addition to this is the continued pension grant of £6.6m, from HM Treasury, to partially mitigate against rising employer pension costs for police officers.
- 2.2 Within the settlement the Home Secretary announced a maximum police precept increase of £15 per year for a Band D property. Further information on this is included in section 3 below.
- 2.3 The 2020 Spending Review committed £670m of additional Local Council Tax Support (LTCS) grant nationally to help local authorities support more than 4 million households that are least able to afford council tax. The final LCTS grant for the PCC is £4.2m and is expected to be for 2021/22 as part of the recovery from the pandemic.
- 2.4 Capital grant funding is unchanged from 2020/21 at £0.6m.
- 2.5 Appendix 1 provides further information on the national funding settlement

3. PRECEPT 2021/22

- 3.1 Taking into account the Government funding settlement and to allow the continued investment in priority areas, the Mayor and Deputy Mayor proposed to increase the PCC precept in 2021/22 by the maximum allowed by the Government, which was £15 per year for a Band D property. Following the results of a public consultation on the proposed increase which closed on 28th January 2021, the increase was reviewed in response to the issues raised by the public. The precept was reduced to £10 per year for a Band D property (£7.77 for a band B property).
- 3.2 The proposal agreed by the Police and Crime Panel on 29th January 2021 was for the Greater Manchester PCC element of the Mayoral precept for a Band D property to be set at £218.30 (£169.78 for a Band B property). The table below shows the impact for each Council Tax band of a £10 increase

	COUNCIL TAX BANDS							
	A	B	C	D	E	F	G	H
2021/22 proposed precept	145.53	169.78	194.04	218.30	266.81	315.32	363.83	436.60
2020/21 PCC precept	138.86	162.01	185.15	208.30	254.58	300.87	347.16	416.60
Change (£ per year)	6.67	7.77	8.89	10.00	12.23	14.45	16.67	20.00

- 3.3 The impact of reducing the precept increase to £10 for a Band D property was a reduction in the income raised through the precept of £3.8m against the original proposed increase of £15 and would set total funding for police and crime in 2021/22 at £671m. Whilst this would be an increase of £25.8m on the 2020/21 funding, it is lower than the level of funding anticipated by the Home Office who assume all areas will implement the maximum precept rise when determining the spending power increase for police funding as a whole.
- 3.4 Therefore, the reduction in the potential increase in precept funding of £3.8m resulting from a rise of £10 rather than the original proposal of £15 was expected to present financial challenges for GMP in 2021/22 and beyond. It should be noted that any increase in precept funding is effectively recurrent and therefore to not increase by the full £15 will have a recurrent impact on police and crime funding from 2021/22 onwards
- 3.5 For 2021/22 when the final settlement was received from Government and the Council Tax Base confirmed by GM billing authorities, there was a net increase in funding mainly as result of the Local Council Tax Support Scheme (LCTS) grant of £4.3m. The LCTS grant (see para 2.3 above) is non-recurrent funding in response to the pandemic and can only mitigate the impact of the reduction in precept income in 2021/22 as it is not expected the funding will continue beyond March 2022. The position will be kept under review during 2021/22 as further information is provided on the 2021 Spending Review and future year funding.

- 3.6 For 2020/21 budget there was an estimated collection fund surplus of £2.8m. The estimated position on the collection fund in relation to the PCC is a deficit of £2.5m for 2021/22 following the impact of the pandemic. This deficit position reflects that the government amended regulations from 1st December 2020 to permit authorities to spread collection fund deficits over the next three years rather than the usual period of a year. The 2020 Spending Review committed £762m nationally to compensate for 75% of irrecoverable council tax and business rates revenues in 2020/21 that would otherwise need to be funded through budgets in 2021/22. The government has recently issued guidance on how the allocations will be allocated which requires interpretation by the GM billing authorities to determine impact on the Police budget. At this stage it is estimated that the PCC will receive grant funding of £0.2m in compensation.

4. MEDIUM TERM FINANCIAL PLANNING

- 4.1 The Medium Term Financial Plan (MTFP) provides the resourcing for the delivery of the priorities in the Standing Together Police and Crime Plan:

Keeping people safe - Protecting and caring for people who live, work, socialise and travel in Greater Manchester. Protecting those who are vulnerable and those who are victims of crime or at risk of being victimised. Building resilience, feelings of safety and confidence in policing and community safety.

Reducing harm and offending - Preventing anti-social and criminal behaviour including the most serious offending by solving problems, intervening early and rehabilitating offenders to build confidence in criminal justice.

Strengthening communities and places - Helping to build resilient and resourceful communities including online communities and protecting the places where people live, work, socialise or travel. Supporting the delivery of the IT systems, buildings, roads, street lighting and other public assets needed to solve problems in a 21st century society.

- 4.2 The 2020 Spending Review provided a settlement of one year from Government for Police. Greater Manchester Police has a MTFP (Appendix 2) for the period 2021 – 2025 which uses assumptions of future years funding based on current grants and the tax baseline. The MTFP for 2022/23 onwards includes an increase in funding to reflect the final year of the uplift programme and an incremental increase in funding through the precept. However, future funding for Police is far from certain and the ability to plan is severely hampered by this one-year settlement, non-recurrent funding and the prospect of a funding formula review.
- 4.3 Following the 2021/22 final settlement and agreement of the Precept, the overall funding summary for 2021/22 compared to 2020/21 is summarised below:

Revenue Funding	2020/21 £m	2021/22 £m	Change £m
Core Grant	467.2	495.0	27.8
Ring Fenced uplift grant	9.7	5.8	-3.9
Pension grant	6.6	6.6	0
Sub-total grant funding	483.5	507.4	23.9
Precept income	158.9	165.0	6.1
Local Council Tax Support	0.0	4.3	4.3
MHCLG 75% Compensation Scheme (est)	0.0	0.2	0.2
Collection Fund Surplus / -Deficit	2.8	-2.5	-5.3
Sub-total Precept and CT related	161.7	167.0	5.3
Total Revenue Funding	645.2	674.4	29.2

Capital Funding	2020/21 £m	2021/22 £m	Change £m
Capital Funding	0.6	0.6	0
Total Capital Funding	0.6	0.6	0

5. REVENUE BUDGET 2021/22

- 5.1 The revenue budget for 2021/22 sets out the resources which are available to fund Mayoral PCC functions and GMP to resource policing services in support of the Standing Together Plan. In 2021/22 GMP will deliver the second year of the national expansion programme of 20,000 police officers being delivered over three years. The increased funding provided by the uplift to the Government Grant and the proposed increase in the precept would deliver an additional 325 Police Officers in Greater Manchester plus funding for 16 additional officers to support the NW Regional Crime Unit (ROCU).
- 5.2 The increase in officers has allowed additional police numbers to be established and further improvements to be made which will continue in 2021/22:
- 50 Neighbourhood beat officers, enabling the provision of a named officer for every ward
 - A dedicated transport unit of 50 officers;
 - 40 additional call handlers to improve the 101 service;
 - Investment in an Interactive Voice Response automated telephony system;
 - Investment in frontline through clothing, footwear, training and equipment, including mobile applications for frontline officers;
 - Committed to provide a dedicated police officer in schools for those who want them, and every educational establishment will be linked to a named neighbourhood liaison officer.
 - An increase of 32 posts in the Sex Offender Management Unit, to align the structure of the overall team with the national benchmark for offender per officer.
- 5.3 Major deliverables of the 2021/22 budget will include:
- A new approach to safeguarding with 150 officers to keep our most vulnerable victims safe

- A new city centre team concentrating on violence reduction and improving the safety of the city centre
- Investing resources to enable more young people involved with, or at risk of becoming involved in, gang activity to take part in a successful mentoring programme – the STEER project
- Pilot programme to ensure a crisis worker responds alongside a police officer to reports of rape and serious sexual offences
- Establish a mechanism for continued dialogue with victims of crime
- Transform the response to and support for victims of domestic violence
- Continue to fund the mental health tactical advice service, where mental health nurses are based in control rooms 24/7 to ensure despatchers and attending officers are able to provide the most effective service to people suffering such distress
- Analysis is underway to inform a range of initiatives to reduce death and serious injury on the roads, supporting conventional enforcement with a more localized approach to educate drivers. A number of community lead speedwatch schemes will also be piloted.

5.4 The following key budget assumptions have been made in developing the 2021/22 budget based on the one-year settlement issued by the Home Office.

- Pay freeze;
- Assume no general price inflation except specific cases;
- Police officer pension contributions funding remains at £6.6m;
- Police staff pension contributions remain static for the next year;
- Council Tax Collection Fund deficit of £2.5m.

5.5 The planned budget for 2021/22 is as follows:

2021/22	GMP	PCC	Total
	£m	£m	£m
Budget Requirement			
Employee Related	595.0	1.9	596.9
Pensions	118.8	0.0	118.8
Premises Related	33.5	0.0	33.5
Supplies & Services	69.6	7.1	76.7
Agency Payments	14.3	20.3	34.6
Transport Related	9.1	0.0	9.1
Capital Financing	0.0	17.4	17.4
Transfer to/-from other reserves	-1.8	-8.1	-9.9
Specific Grants	-157.6	-26.4	-184.0
Income & Sponsorship	-33.8	-1.8	-35.6
Net Budget Requirement	647.3	10.2	657.5
Funding			
Home Office / MHCLG Grant	0	-495.0	-495.0
Precept	0	-160.0	-160.0
Collection Fund Surplus/-Deficit	0.0	-2.5	-2.5
Total Funding	0.0	-657.5	-657.5

5.6 There is an increase in budget requirement between 2020/21 and 2021/22 of £57.1m as follows:

- 5.7 The employee budget for 2021/22 is £596.9m this is an increase of £34.2m from 2020/21. Whilst the pay review settlement is zero increase there are a number of areas where pay uplifts and other pay pressures apply. The majority of the increase in budget relates to pay progression as part of the national scheme and full and part year costs from recruitment of additional officers in 2020/21 and 2021/22.
- 5.8 The 2021/22 budget includes further new resources of £22.9m to support the priorities in the 'Standing Together' Police and Crime Plan, the response to the HM Inspectorate of Crime and Fire and Rescue Services (HMICFRS) and draft Gender Based Abuse strategy.
- £11.2m for Chief Officer priorities
 - £5.3m for Standing Together priorities
 - £1.4m for crime recording
 - £2m for insurance premiums
 - £3m for Covid policing restrictions
- 5.9 The increase budget requirement is met from an increase in funding from:
- £27.8m increase in Home Office/MHCLG core grants in 2021/22;
 - £20.1m infrastructure funding in Home Office grant received in 2020/21;
 - £4.2m further savings;
 - £0.9m increase in Council Tax Precept / Collection Fund;
 - £4.1m increase in the use of earmarked reserves between 2020/21 and 2021/22.
- 5.10 In 2020/21 Infrastructure funding of £20.1m was transfer to earmarked reserves and will be utilised at £5m a year over the period 2021/22 to 2024/25.

6. CAPITAL PROGRAMME 2021/22 – 2024/25

- 6.1 The key capital spending priority continues to be the Target Operating Model and Information Services Transformation Programme. Details of the funding of the proposed capital programme are included in the tables below:

Capital Programme	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Business Support - Estates	1.645	1.513	1.503	1.501
Business Support - Fleet	2.800	3.308	3.382	3.558
Target Operating Model	28.478	22.698	26.320	21.338
Information Services Transformation Programme	3.545	2.598	4.437	3.297
Other	3.231	1.872	1.174	0.847
Grand Total	39.699	31.989	36.817	30.541

Funded by	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
General Capital Grant	-0.622	-0.622	-0.622	-0.622
Specific grants	-0.836	0.000	0.000	0.000
Capital Receipts	-1.446	-12.034	0.000	0.000
Borrowing - Balance	-36.796	-19.333	-36.195	-29.919
Total funding	-39.699	-31.989	-36.817	-30.541

7. **COMMUNITY SAFETY BUDGET**

- 7.1 In 2021/22 the budget continues to provide over £4m allocated to Community Safety Partnerships to support delivery of 'Standing Together' the Police and Crime Plan, collectively making our communities safer and more resilient.

Local Authority	Community Safety Grant	Children's Safeguarding Board	Adult's Safeguarding Board	Delegation of grants to Voluntary sector	Hate Crime	TOTAL
	£000	£000	£000	£000	£000	£000
Bolton	305	17	17	100	5	444
Bury	158	12	12	100	5	287
Manchester	695	32	32	200	10	968
Oldham	262	13	13	100	5	393
Rochdale	234	12	12	100	5	363
Salford	239	13	14	100	5	371
Stockport	219	14	14	100	5	352
Tameside	244	13	13	100	5	375
Trafford	201	13	13	100	5	332
Wigan	248	14	14	100	5	381
TOTAL	2,804	154	154	1,100	55	4,266

- 7.2 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.
- 7.3 The Deputy Mayor continues to allocate Voluntary and Community sector grants (Standing Together), 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.
- 7.4 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

8. RISK ASSESSMENT

- 8.1 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 2021/22 budget has been undertaken. These are highlighted below:

Pensions

- 8.2 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 2021/22 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 beyond 2021/22.

8.3 COVID-19

A £3m in year only allocation of funds has been assumed in the budget for 21/22 to police the restrictions of the pandemic, and any follow on required action as the roadmap to exit lockdown is achieved. As the future policing requirement is uncertain at this time there is a risk that this may not be enough should enforcement action increase or extend significantly.

Victim Services Audit

- 8.4 Investment has been identified within Chief Officer Priorities and the Standing Together Fund to put into place short and long term solutions to a number of the issues identified in the Victim Services Audit. GMP is still however working through the route cause analysis and defining the wider action plan therefore there is the potential that additional funding may be sought should the outcome of this exercise suggest this.

Local Council Tax Support Grant

- 8.5 The Local Council Tax Support (LCTS) grant of £4.3m will offset the reduction in the tax base resulting from the pandemic in the 2021/22 budget. This grant is non-recurrent and if the Council tax baseline does not recover this will result in a shortfall in income from 2022/23.

Collection Fund

- 8.6 The 2020/21 Collection Fund deficit is estimated to be £7.5m which has been permitted to be provided for as part of the budget over the three year period 2021/22 to 2023/24. If the further Council Tax arrears accumulate in 2021/22 the deficit position on the Collection Fund in future years could increase further.

9. RESERVES

- 9.1 Reserves as at 31 March 2020 were £85.346m, and are predicted to be £93.151m at 31 March 2021. Based on the budget to apply £9.9m of reserves during 2021/22, the forecast reserves at 31st March 2022 are expected to be £83.251m. These figures assume General Fund balances will not be used to fund any future deficits.

Police Fund Earmarked Reserves	Actual 31st March 2020	Planned trfs out/(in) 2020/21	Forecast 31st March 2021	Planned trfs out/(in) 2021/22	Forecast 31st March 2022
	£0	£0	£0	£0	£0
Police Fund General Reserve	-15,375		-15,375		-15,375
Capital Finance Reserve	-3,797		-3,797		-3,797
CF Smoothing Reserve	-1,316	-914	-2,230	236	-1,994
Commissioning Reserve	-8,966	2,714	-6,252	1,125	-5,127
Community Crime Fund reserve	-4,071	226	-3,845	1,222	-2,623
Health and Justice reserve	-276	135	-141		-141
Justice and Rehabilitation reserve	-1,427	568	-859	327	-532
Legal costs reserve	-1,855		-1,855		-1,855
Sexual assault commissioning reserve	-3,374	400	-2,974	200	-2,774
Traffic Enforcement & Road Safety Reserve	-189		-189	34	-155
Transformation Reserve	-2,329	500	-1,829		-1,829
Youth aspiration / diversion reserve	-93		-93		-93
Infrastructure reserve	0	-20,112	-20,112	5,000	-15,112
Chief Constable's Insurance reserve	-15,881	649	-15,232		-15,232
PFI reserve	-11,227	620	-10,607	727	-9,880
Revenue Expenditure Reserve	-15,170	7,409	-7,761	1,029	-6,732
Total Police Fund Reserves	-85,346	-7,805	-93,151	9,900	-83,251

9.2 The forecast balance at 31 March 2021 includes a number of reserves set aside to meet contractual obligations in the future; these include a PFI reserve of £10.6m, an insurance reserve of £15.232m and an operational contingency reserve of £7.761m. It has been the strategy to maintain reserves at a prudent level particularly given the uncertainty of the funding landscape which includes the future levels of police grant, the potential impact of a Spending Review, increased threat levels.

10. **GENERAL FUND**

10.1 A General Fund level has to be set annually based on an assessment of risk.

10.2 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.

10.3 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.

10.4 The General Fund is held to:

- Provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing
- act as a contingency to cushion the impact of unexpected events or emergencies

10.5 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

10.6 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. Taking into account the factors listed in paragraph 9.1.5, the assessment indicates minimum and maximum levels of £13.151m and £16.439m respectively during 2019/20. The calculation is set out below. The General Fund Balance at 31st March 2021 is forecast to be £15.375m. The 2021/22 budget and future year's estimates do not include any use of General Fund balances.

10.7 GENERAL FUND RISK ASSESSMENT

		General Fund Amount Minimum £m	General Fund Amount Maximum £m
<u>Large scale major incident</u>			
Funding 2021/22	£m		
Police Grant	495.039		
Precept & Collection fund balance	<u>162.504</u>		
Funding total	657.543		
Allow between 2% and 2.5% of funding total		13.151	16.439
<u>SUGGESTED GENERAL FUND LEVEL AT 31/03/21</u>		<u>13.151</u>	<u>16.439</u>
Forecast level at 31/03/21		<u>15.375</u>	<u>15.375</u>
Difference between suggested and forecast levels at 31/03/21		(2.224)	1.064

As required by Section 25 of the Local Government Act 2003, the Treasurer of the GMCA is satisfied that the level of the general fund is adequate.

2021/22 NATIONAL DATA

The aggregate amount of grants for police purposes under section 46(2)(a) of the Police Act in 2021/22 is £8,681 million, comprising:

- £4,774 million in Home Office Police Core Settlement;
- £3,182 million in Ministry for Communities and Local Government Formula Funding;
- £507 million in Legacy Council Tax Grants;
- £190 million in National and International Capital City Grants;
- £23 million in Welsh Top-Up Grant;
- £5 million in Precept Grant.

The 2021/22 settlement includes a number of top slices made by the Home Office, which have the effect of reducing the resources available for local policing. The total value of the top slices is £1,033.5m, a decrease of £87.4m (8%). The table below details the top slices for 2021/22:

Top Slice	2020/21 £m	2021/22 £m
Private Finance Initiative (PFI)	72.8	71.6
Police Technology Programmes (including ESN)	498.4	484.7
Arm's Length Bodies	73.1	70.5
Serious and Organised Crime Strategy implementation	140.0	146.3
Top ups to National Crime Agency and ROCUs (Regional and organised crime units)	56.8	4.9
International Crime Co-ordination Centre	0	5.0
Special Grant	80.9	54.8
Pre-charge Bail	2.0	2.0
Police Uplift Programme	16.5	14.5
Police Commercial Organisation	3.7	5.0
Forensics	28.6	25.6
Police Now	7	7.0
Serious Violence Strategy	38.9	38.9
National Capability Programmes	47.0	38.7
National Operational Policing Units (including football policing and wildlife crime unit)	2.9	2.9
National Policing Capabilities (NPCC)	0	3.2
Safe Streets Fund	10.0	20.0
Science Technology and Research	8.0	5.2
Counter Terrorism	32.4	32.5
TOTAL	1,121.0	1,033.5

Appendix 2

2021/22 - 2024/25 MEDIUM TERM FINANCIAL PLAN	2021/22	2022/23	2023/24	2024/25
	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m
2020/21 Budget Requirement	£628.8	£628.8	£628.8	£628.8
Reversal of TOM Investment in 20/21	-£9.8	-£9.8	-£9.8	-£9.8
Reversal of TOM Savings in 20/21	£0.6	£0.6	£0.6	£0.6
Reversal of other one-off expenditure / income in 20/21	-£0.8	-£0.8	-£0.8	-£0.8
Reversal of one-off transfers from PCC in 20/21	£0.0	£0.0	£0.0	£0.0
Reversal of one-off Transfers to Reserves in 20/21	-£21.8	-£21.8	-£21.8	-£21.8
Reversal of one-off Transfers from Reserves in 20/21	£7.6	£7.6	£7.6	£7.6
Total Reversal of one-off transactions in 2020/21	-£24.4	-£24.4	-£24.4	-£24.4
Continuation Budget	£604.4	£604.4	£604.4	£604.4
<u>Commitments</u>				
Police Officer Pay (excluding Part-restoration)	£4.7	£3.4	£18.1	£32.7
PCSO Pay	£1.5	£2.1	£2.9	£3.6
Police Staff Pay	£5.6	£8.9	£16.3	£20.0
Prudential Borrowing Associated with Committed Capital Exp	£0.6	£3.0	£4.0	£9.7
Part Restoration - Police Officer Pay	£14.8	£35.8	£45.7	£49.7
Part Restoration - Overhead Costs	£0.9	£1.8	-£0.1	-£1.0
Part Restoration - Specific Grant	£3.9	£3.9	£3.9	£3.9
Pension - Specific Grant	£0.0	£0.0	£0.0	£0.0
Other GMP Budget Changes	£9.8	£9.9	£11.7	£10.0
Other Mayoral Office Budget Changes	-£3.0	-£1.6	-£2.1	-£2.2
Local Tax Grant - Specific Grant	-£4.2	£0.0	£0.0	£0.0
Increase in Insurance Premiums	£2.0	£2.0	£2.0	£2.0
Pension Triennial Review	£0.0	£0.0	£1.0	£1.0
Transfer to GMP from PCC	£0.0	£0.0	£0.0	£0.0
Transfer from Reserves	-£9.9	-£9.2	-£6.8	-£6.6
Transfer to Reserves	£0.0	£0.0	£0.0	£0.7
Total Commitments	£26.8	£60.1	£96.6	£123.5
<u>Choices</u>				
Chief Officer Cost Pressures 2020/21	£11.2	£15.0	£17.0	£20.2
Force TOM - Revenue Investment	£9.9	£6.8	£1.9	£0.1
Increase in Crime Recording	£1.4	£2.4	£2.4	£2.4
Business Planning Fund	£5.3	£7.1	£6.3	£6.1
Covid Policing Restrictions	£3.0	£0.0	£0.0	£0.0
Total Choices	£30.9	£31.3	£27.6	£28.8
<u>Savings</u>				
Target Operating Model	-£2.9	-£3.9	-£10.3	-£8.8
Reduce Apprentices from 240 to 120	-£1.7	-£1.7	-£1.6	-£1.6
Total Savings	-£4.5	-£5.6	-£11.9	-£10.5
Total Budget Requirement Change	£53.1	£85.7	£112.2	£141.9
Total Budget Requirement	£657.5	£690.1	£716.6	£746.3
<u>Funding</u>				
Total Government Funding	£495.0	£517.8	£517.8	£517.8
Precept	£165.0	£174.9	£185.0	£195.3
Collection Fund Surplus / -Deficit	-£2.5	-£2.5	-£2.5	£0.0
Total Funding	£657.5	£690.1	£700.2	£713.1
Savings Still Required	£0.0	£0.0	£16.4	£33.2

FORMULA FUNDING AND SPECIFIC GRANTS

	2020/21	2021/22	Change
	£m	£m	£m
Formula Grant Funding			
Police Grant (Home Office)	259.066	263.113	4.047
Formula Funding (MHCLG)	182.429	206.212	23.783
Legacy Council Tax Grants	25.714	25.714	0
Total	467.209	495.039	27.830
Specific Grants			
Ring Fenced Uplift Grant	9.708	5.778	-3.930
Pension Grant	6.604	6.604	0
Local Council Tax Support Grant	0	4.238	4.238
Pension Top-Up Grants	107.359	108.218	0.859
Private Finance Initiative (PFI)	5.315	5.315	0
Asset Incentivisation	2.013	2.094	0.081
Counter Terrorist Unit	38.592	34.176	-4.416
PCC Commissioning Fund	3.288	3.288	0
Other Revenue Grant	10.841	14.272	3.431
Total	183.720	183.983	263

VARIATIONS BETWEEN 2020/21 AND 2021/22

	2020/21	2021/22	Change
	£m	£m	£m
Budget Requirement			
Employee Related	562.8	596.9	34.1
Pensions	118.8	118.8	0.0
Premises Related	33.7	33.5	-0.1
Supplies & Services	65.4	76.7	11.3
Agency Payments	29.6	34.6	5.0
Transport Related	7.0	9.1	2.1
Capital Financing	16.7	17.4	0.7
Transfer to Infrastructure Reserve	20.1	0.0	-20.1
Transfer to/-from other reserves	-5.8	-9.9	-4.1
Specific Grants	-183.7	-184.0	-0.3
Income & Sponsorship	-35.6	-35.6	0.0
Net Budget Requirement	628.9	657.5	28.6
Funding			
Home Office / MHCLG Grant	467.2	495.0	27.8
Precept	158.9	165.0	6.1
Collection Fund Surplus/-Deficit	2.8	-2.5	-5.3
Total Funding	628.9	657.5	28.6