

## **GM POLICE, CRIME AND FIRE PANEL**

Date: 31<sup>st</sup> January 2022

Subject: 2022/23 PCC Budget and PCC Component of the Mayoral Precept

Report of: Mayor of Greater Manchester

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### **PURPOSE OF REPORT:**

To notify Panel members of the proposed PCC budget for 2022/23 including the latest expected budget numbers for Greater Manchester Police and to seek a report on the Mayor's proposals for the PCC component of the Mayoral precept for 2022/23.

### **RECOMMENDATIONS:**

1. Note that the Mayor proposes to increase the police precept by £10 per year for a band D property (£7.78 for a Band B property) with effect from 1 April 2022.

The Panel are asked to consider the content of this report, and either

- a) propose that the precept level can be issued, or
  - b) make recommendations regarding the precept level, or
  - c) veto the proposal and require the Mayor to submit a revised proposed precept.
2. Note the budget assumptions relating to the budgets for 2022/23, including the proposals for the Community Safety Fund.

### **BACKGROUND PAPERS PRESENTED TO THE POLICE AND CRIME PANEL:**

14<sup>th</sup> January 2022 – Police Precept Setting Process

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## **1. INTRODUCTION**

- 1.1 This report sets out the background to the 2022/23 budget setting process for both the PCC budget and the GMP budget and confirms the budget for the PCC as a whole including the impact of the 2022/23 police funding settlement from central Government.
- 1.2 Funding for the police comes both directly from a central Government grant (75%) and from the police precept (25%).
- 1.3 The Government has given PCCs the ability to raise the precept by up to £0.83 a month (£10 a year for an average Band D property and £7.78 a year for an average Band B property) and this is the proposal in this consultation. The current police precept for a Band D property is £218.30 which would increase next year to £228.30 a year and a Band B property will go up from £169.78 to £177.56.
- 1.4 There is a statutory duty to notify the Police and Crime Panel of the Police and Crime Commissioners (PCC) precept proposal by 1<sup>st</sup> February each year. Details of the Police and Crime Panel's statutory duties in relation to the setting of the precept can be found at Appendix 1.

## **2. NATIONAL FUNDING SETTLEMENT**

- 2.1 The Spending Review in October 2021 confirmed total grant funding for police forces for the next three years, with increases of £550 million in 2022/23, £650 million in 2023/24 and £800 million in 2024/25. In addition, PCCs will have up to £10 (for a Band D property) of precept flexibility in each of the next three years to use according to local needs.
- 2.2 For 2022/23 inclusive of a £10 precept increase in every PCC the Government announced national funding for policing will rise by up to £1.1 billion compared to the 2021/22, bringing the total up to £16.9 billion. Within this, direct funding to PCCs will increase by up to an additional £796 million (5.8%), assuming full take-up of precept flexibility.
- 2.3 The settlement supports the police to:
  - 1. Complete the 20,000 officer Police Uplift Programme by March 2023;
  - 2. Accelerate progress on the Government's key policing priorities: reducing crime, ensuring the Criminal Justice System works for all, driving forward improvements in the service the public receive and transforming critical capabilities and infrastructure.
  - 3. Ensure an increase in productivity using enhanced technology and investigative tools. In return for this, it is expected that police leaders become more efficient and effective with officers' time, and in the fight against national threats.

- 2.4 Funding of £978.9m for Counter-terrorism policing for Special Branch has been transferred from existing PCC baselines and now will go to PCCs through the Counter Terrorism policing grant. PCCs will be notified separately of force-level funding allocations for CT policing, which will not be made public for security reasons.
- 2.5 The 2022/23 settlement includes a number of other top slices made by the Home Office for national priorities. The total value of the top slices is £1.374 billion, this is an increase from £1.034 billion in 2021/22. A breakdown of the priorities is shown in Appendix 2.

### **3. GREATER MANCHESTER FUNDING 2022/23**

- 3.1 In December 2021 the Government announced Police grant funding for 2022/23. For GMP this is £537.3m, an increase of £29.9m, which includes the final year of the police uplift funding relating to the recruitment of the third tranche of the promised 20,000 new officers nationwide. To ensure progress in recruitment is maintained and to track the use of this investment the Government has ringfenced £135 million of the funding nationally. For GM this is an allocation of £7.8m for the delivery of its recruitment target of 438 additional police officers during the year. Government funding also includes a pension grant of £6.6m from HM Treasury to partially mitigate against rising employer pension costs for police officers.
- 3.2 As part of the overall funding for policing in 2022/23, the Government has given PCCs the ability to raise the police element of council tax (the precept) by up to £10 a year (83p a month) for an average Band D property and £7.78 a year (65p a month) for an average Band B property. The proposal is to set the PCC element of the Mayoral precept at £228.30 for a Band D property and £177.56 for a Band B property. This report sets out the considerations which have been taken into account to reach this decision.
- 3.3 If approved, this precept increase will provide an additional £12.5m based on the latest estimate of the Greater Manchester tax base. For 2021/22 budget there was an estimated deficit on the council tax collection fund held by Greater Manchester local authorities which reduced the Police Fund budget by £2.5m. For 2022/23 the position on the Collection Fund is estimated to be a surplus of £1.7m. In 2021/22 the PCC received a one-off Local Council Tax Support grant of £4.3m to compensate for lost precept revenue due to local council tax support schemes, this grant is not available in 2022/23.
- 3.4 Capital grant funding is unchanged from 2021/22 at £0.6m, supported by the £20m infrastructure funding for the new officers front loaded into the 2020/21 settlement. Of this funding £5m per year will be drawn upon from reserve to support the costs of delivery in 2021/22 to 2024/25.
- 3.5 This would be an overall funding package for Police and Crime in Greater Manchester of £721.9m revenue and £0.6m capital that is an increase of £42.5m compared to 2021/22. This is broken down below:

<b>Revenue Funding</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Change £m</b>
Core Grant	495.0	522.9	27.9
Ring Fenced uplift grant	5.8	7.8	2.0
Pension grant	6.6	6.6	-
<b>Sub-total police grant funding</b>	<b>507.4</b>	<b>537.3</b>	<b>29.9</b>
Precept	165.0	177.5	12.5
Collection Fund Surplus / -Deficit	-2.5	1.7	4.2
Tax Income Guarantee Grant	0.2	0.2	0.0
Local Council Tax Support Grant	4.2	0.0	-4.2
<b>Sub-total precept related</b>	<b>167.0</b>	<b>179.4</b>	<b>12.4</b>
<b>Total Revenue Funding</b>	<b>674.4</b>	<b>716.8</b>	<b>42.4</b>
Police Uplift Grant Reserve	5.0	5.1	0.1
<b>Total Police Fund budget</b>	<b>679.4</b>	<b>721.9</b>	<b>42.5</b>

<b>Capital Funding</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Change £m</b>
Capital Funding	0.6	0.6	0
<b>Total Capital Funding</b>	<b>0.6</b>	<b>0.6</b>	<b>0</b>

- 3.6 The Mayoral precept, which includes the PCC component, will be set on 11<sup>th</sup> February 2022.

#### **4. 2022/23 POLICE PRECEPT PROPOSALS**

- 4.1 Over the current financial year, there has been a focus on addressing the concerns raised by HMICFRS in their inspection of GMP in December 2020. Under the new Chief Constable who took office in May, there have already been significant improvements.
- 4.2 In 2021/22, as well as increasing police officer numbers, the increase in the Police precept allowed investment in:
- A force-wide team tackling child sexual exploitation
  - New city centre team for violence reduction
  - Crisis worker pilot programme for responding to rape and serious sexual offences reports
  - 150 officers for safeguarding
  - Mentoring for young people involved with/at risk of becoming involved in gang activity
  - Continuation of mental health tactical advice service in control rooms
  - Road safety initiatives including piloting community-led Speedwatch
  - Transformation in the response to and support for victims of domestic violence
  - Continued work with trusted victims' organisations.

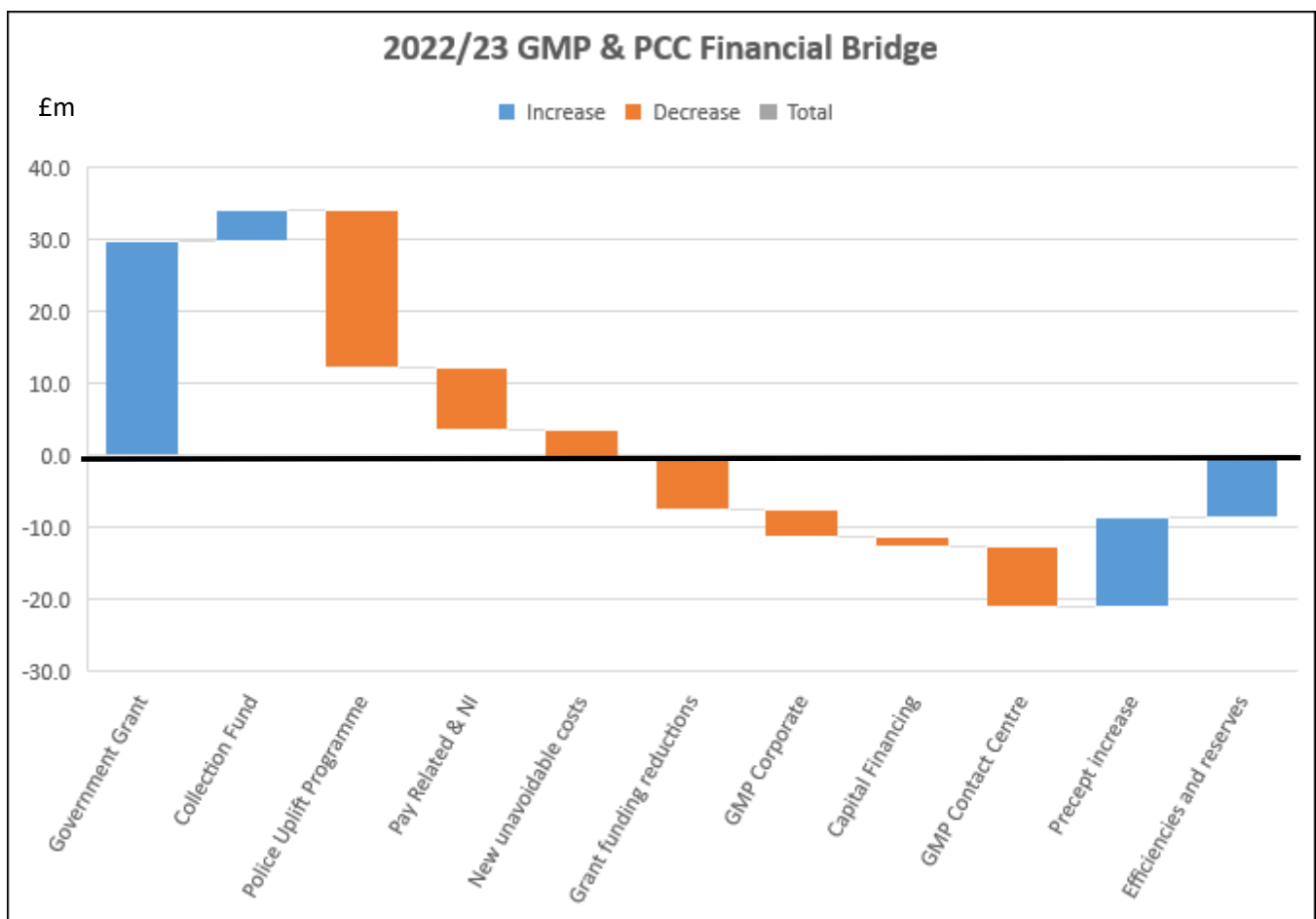
- 4.3 During 2021 the PCC also published a new and ambitious ten-year Greater Manchester Gender-Based Violence Strategy.
- 4.4 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2022/23. While the additional government grant funding is welcome, it will not make up for previous years of funding reductions. The Government has given us the ability to raise the precept by up to £0.83 a month (£10 a year for an average Band D property and £7.78 a year for an average Band B property) and this is the proposal in this consultation. The current police precept for a Band D property is £218.30 which would increase next year to £228.30 a year and a Band B property will go up from £169.78 to £177.56.
- 4.5 If this proposed increase in the police precept is agreed then along with the central Government grant there will be the funding to deliver:
- The transformation of the GMP contact centre for 999 and 101 calls – increasing staffing levels and flexibility to ensure calls are answered quickly and police officers are sent to those in need immediately.
  - 438 additional police officers, with 60 of them dedicated to road safety which will allow travel safe officers to focus on other policing such as public transport safety.
  - Continuation of the new Operation Avro days of action. These days which will take place in each area of Greater Manchester will see a surge of officers and specially trained teams dealing with issues communities tell GMP they want to see dealt with.
  - A community messaging system that Neighbourhood Policing Teams will use to inform local communities about what they are doing and that the public can use to get more involved in working with local police officers to identify issues of concern within the locality.
- 4.6 The increase in precept funding is critical to the delivery of the improvements described above and these could not be delivered without the proposed precept. Following the proposed increase the Greater Manchester police and crime precept will remain one of the 10 lowest out of the 42 police and crime areas of England.
- 4.7 It is important to note that Greater Manchester is more dependent than other areas on changes to the Government grant funding due to the lower council tax base in the region. The nationally proposed £10 maximum increase will therefore raise significant less funds for GM per head of population than in many other areas of the country.

## **5. POLICE FUND BUDGET 2022/23**

- 5.1 The following key budget assumptions have been made in developing the 2022/23 budget:
- Funding as set out in the table in paragraph 3.5 above
  - Pay award and employers national insurance increase

- Unavoidable costs identified during 2021/22
- Investment in GMP Corporate Functions
- GMP Contact Centre and other precept proposals in set out in Section 4 above
- The capital financing costs for a new capital investment programme
- Efficiency savings and use of non-recurrent reserves

5.2 The movement in funding and expenditure between 2022/23 and 2021/22 is shown in the waterfall chart below:



5.3 The chart above shows that with the revenue generated through a precept increase of £10 together with the use of reserves and the targeted delivery of efficiencies totaling £8.5m GMP and the PCC budgets are expected to deliver a break-even position in 2022/23. Moving beyond 2022/23 the full £8.5m gap will need to be closed through the delivery of recurrent savings.

- 5.4 If the precept were set at a level below the permitted £10 rise then the improvements to the 101 service and contact centre and recruitment at planned levels described in 4.5 could not be delivered in full.
- 5.5 A more detailed budget will be brought back to the panel following confirmation of the decision in relation to the 2022/23 precept.

## 6. COMMUNITY SAFETY PARTNERSHIPS

- 6.1 Since 2019/20 over £4m has been delegated to Community Safety Partnerships to support delivery of the Police and Crime Plan, collectively making 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
Bolton	304,523	17,296	17,296	100,000	5,000	<b>444,155</b>
Bury	157,973	11,850	11,850	100,000	5,000	<b>286,673</b>
Manchester	694,584	31,866	31,866	200,000	5,000	<b>963,316</b>
Oldham	262,287	12,900	12,900	100,000	5,000	<b>393,087</b>
Rochdale	234,000	12,150	12,150	100,000	5,000	<b>363,300</b>
Salford	239,306	13,500	13,500	100,000	5,000	<b>371,306</b>
Stockport	218,973	13,800	13,800	100,000	5,000	<b>351,573</b>
Tameside	243,703	13,200	13,200	100,000	5,000	<b>375,103</b>
Trafford	200,800	12,900	12,900	100,000	5,000	<b>331,600</b>
Wigan	247,614	14,400	14,400	100,000	5,000	<b>381,414</b>
<b>TOTAL</b>	<b>2,803,763</b>	<b>153,862</b>	<b>153,862</b>	<b>1,100,000</b>	<b>50,000</b>	<b>4,261,487</b>

- 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. MEDIUM TERM FINANCIAL PLANNING**

- 7.1 The 2021 Comprehensive Spending Review provided national funding allocations for Policing for three financial years 2022/23 – 2024/25. The provisional settlement in December 2021 only provided PCC allocations for 2022/23 so planning for 2023/24 and 2024/25 is based on estimated funding.
- 7.2 This report sets out the indicative funding levels over the next three years as set out in the October 2021 spending review. These, combined with Government assumptions around local funding through precept, provide an indicative funding envelope for GMP for the three years to 2024/25. Against this envelope, the spending pressures over the same period for GMP clearly identify that there will be a requirement to deliver financial savings to ensure that balanced budgets are achieved, and financial sustainability is maintained.
- 7.3 Working with the Deputy Mayors Office, GMP has already begun to create a revised medium term financial strategy and a robust business planning framework and business planning process to deliver a sustainable financial plan to meet financial challenges through the delivery of efficiency and productivity savings, and to demonstrate value for money in the delivery of Policing Services to the public of Manchester

## **8. PRECEPT CONSULTATION**

- 8.1 The public consultation on the £10 precept increase concluded at midnight on the 27<sup>th</sup> January 2022. There were 1,096 respondents with 23% supporting a precept increase of £10 per year or more and 30% supporting a freeze in the precept.
- 8.2 The Greater Manchester Police precept is currently the 9<sup>th</sup> lowest of the 42 police and crime areas of England. The majority of PCCs will have consulted on the £10 precept increase. In the unlikely situation that all other areas froze the precept and Greater Manchester increased the precept by £10, GM would be 14<sup>th</sup> lowest, with two thirds of police and crime areas in England still having a higher precept.

8.3 A sufficiency of funding comparable to other areas of the country is essential to enable a continued focus on addressing the concerns raised by HMICFRS in their inspection of GMP in December 2020 and to support the improvement plans of the Chief Constable. Implementing a precept increase of £10 will still need to be supported by the delivery of savings and use of reserves of £8.5m to ensure a balanced budget for 2022/23.

8.4 The table below shows the impact for each Council Tax band of a £10 increase for a Band D property.

Policing Precept Proposal	Council Tax Bands							
	A	B	C	D	E	F	G	H
2022/23 Proposed Precept	152.20	177.56	202.93	<b>228.30</b>	279.03	329.76	380.50	456.60
2021/22 Proposed Precept	145.53	169.78	194.04	<b>218.30</b>	266.81	315.32	363.83	436.60
Change (£ per year)	6.67	7.78	8.89	<b>10.00</b>	12.22	14.44	16.67	20.00

8.5 Across Greater Manchester residential properties there are 45% in Band A and 20% in Band B Council Tax bands. The Police precept increase will be £6.67 (13 pence per week) for a Band A property and £7.78 (15 pence per week) for a Band B property.

## 9. RECOMMENDATIONS

9.1 The Panel are asked to consider the content of this report and either:

- a) propose that the PCC precept level can be issued, or
- b) make recommendations regarding the precept level, or
- c) veto the proposal and require the PCC to submit a revised proposed precept.

9.2 Note the budget assumptions relating to the budget for 2022/23, including the roll forward of the Community Safety grant.

## Police and Crime Panels – Scrutiny of Precepts

This appendix explains the process for the police and crime panel's (PCP) scrutiny of the police and crime commissioner's (PCC) proposed precept and should be read alongside:

- Schedule 5 of the Police Reform and Social Responsibility Act 2011 ("the Act")
- Part 2 of the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 ("the Regulations")

### Background

Schedule 5 of the Act sets out the process for issuing a precept, including the panel's role in reviewing the proposed precept, their power to veto the precept and the steps to be taken if they do veto the proposed precept.

The Regulations provide greater detail to the Act, including time limits applicable to the stages of the process and the process for reviewing and issuing a revised precept.

**Schedule 5** requires:

- the PCC to notify the panel of his/her proposed precept;
- the panel to review the proposed precept;
- the panel to make a report to the PCC on the proposed precept (this may include recommendations);
- the panel's report (if they veto the proposed precept) to include a statement that they have vetoed it;
- a decision of veto to be agreed by two-thirds of the panel members;
- the PCC to have regard to the report made by the panel (including any recommendations in the report);
- the PCC to give the panel a response to their report (and any such recommendations);
- the PCC to publish the response.

It is for the panel to determine how a response to a report or recommendations is to be published.

If there is no veto and the PCC has published his/her response to the panel's report, the PCC may then issue the proposed precept - or a different precept (but only if in accordance with a recommendation in the panel's report to do so).

**The Regulations** require:

- the PCC to notify the panel of his/her proposed precept **by 1 February**;
- the panel to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) **by 8 February**;
- where the panel vetoes the precept, the PCC to have regard to and respond to the Panel's report, and publish his/her response, including the revised precept, **by 15 February**;
- the panel, on receipt of a response from the PCC notifying them of his/her revised precept, to review the revised precept and make a second report to the PCC **by 22 February**;

- the PCC to have regard to and respond to the Panel's second report and publish his/her response, **by 1 March**.

### **Panel's report on the proposed precept**

If the panel fails to report to the PCC by 8 February the scrutiny process comes to an end, even if the panel have voted to veto the proposed precept, and the PCC may issue the proposed precept.

### **PCC's response to a veto**

Where the panel vetoes the proposed precept, the PCC must have regard to the report made by the panel, give the panel a response to the report and publish the response, by 15 February. In his/her response, the PCC must notify the panel of the revised precept that he intends to issue.

Where the panel's report indicates that they vetoed the precept because it was:

- too **high**, the revised precept must be lower than the previously proposed precept.
- too **low**, the revised precept must be higher than the previously proposed precept.

The PCP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCP members (the full membership rather than those present at a meeting). Where a veto occurs, the report to the PCC must include a statement to that effect.

### **Panel's review of the revised precept**

On receipt of a response from the PCC notifying them of the revised precept proposal, the panel must review the revised precept proposal and make a second report to the PCC on the revised precept by 22 February. This report may:

- indicate whether the panel accepts or rejects the revised precept (although rejection does not prevent the PCC from issuing the revised precept); and
- make recommendations, including recommendations on the precept that should be issued.

If the panel fails to make a second report to the PCC by 22 February, the PCC may issue the revised precept.

### **Issuing the precept**

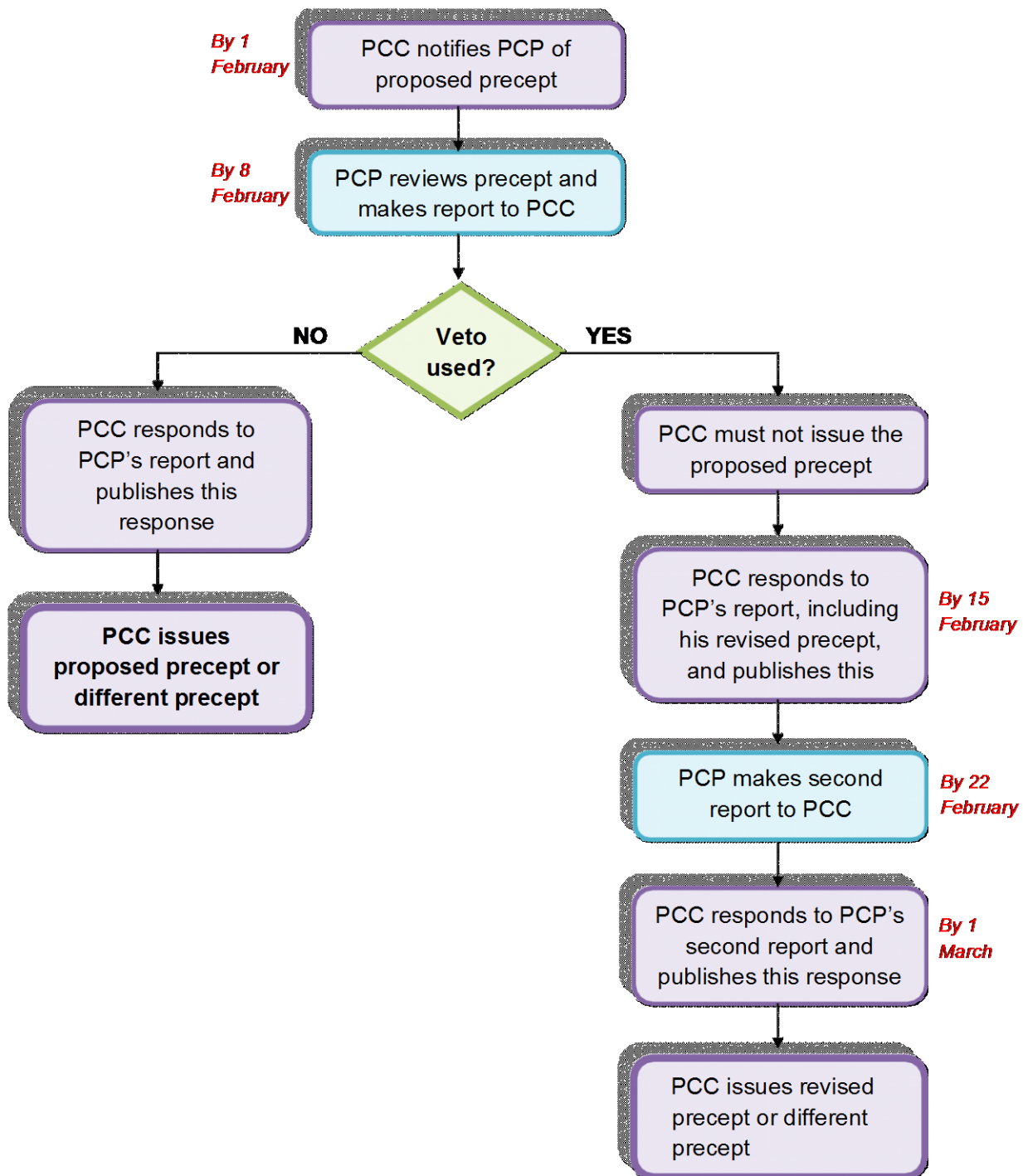
Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his/her response to their second report.

The PCC may then:

- issue the revised precept; or
- issue a different precept, although:

- they must not issue a precept that is higher than the revised precept if the revised precept was lowered following the panel's initial report on the first proposed precept indicating it was vetoed because it was too high;
- they must not issue a precept which is lower than the revised precept if the revised precept was raised following the panel's initial report on the first proposed precept indicating it was vetoed because it was too low.

### Process for PCP scrutiny of PCC's proposed precept



## Appendix 2

Police Funding Settlement National Top Slice	2022/23
	£m
Special Grant	62.4
PFI	71.6
Arm's Length Bodies	68.7
Police Uplift Programme	12.0
Police Now	7.0
National Operational Policing Units	2.9
Police Technology Programmes	606.5
National policing capabilities	65.0
Forensics	25.6
Police & CJS performance	13.0
Crime Reduction Programmes	45.8
Crime Reduction Capabilities	13.5
Fraud	23.1
Regional and Organised Crime Units	33.2
Rape Review	12.0
Serious Violence	50.1
Drugs / County Lines	30.0
Counter Terrorism Programmes	32.5
NPCC programmes	10.6
Capital Reallocations	188.1
<b>Total</b>	<b>1,373.6</b>