

GREATER MANCHESTER POLICE, CRIME AND FIRE PANEL

Date: 26th January 2023

Subject: 2023/24 PCC Budget and PCC Component of the Mayoral Precept

Report of: Mayor of Greater Manchester Andy Burnham

PURPOSE OF REPORT

To notify Panel members of the proposed PCC budget for 2023/24 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 2023/24.

RECOMMENDATIONS:

1. Note that the Mayor proposes to increase the police precept by £15 per year for a band D property (£10 for a Band A property) with effect from 1 April 2023.

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 2023/24, including the proposals for the Community Safety Fund.

BACKGROUND PAPERS:

10th November 2022 – Police & Crime Precept Process 2023/24
7th June 2022 – GM Police Fund Revenue and Capital Budget 2022/23

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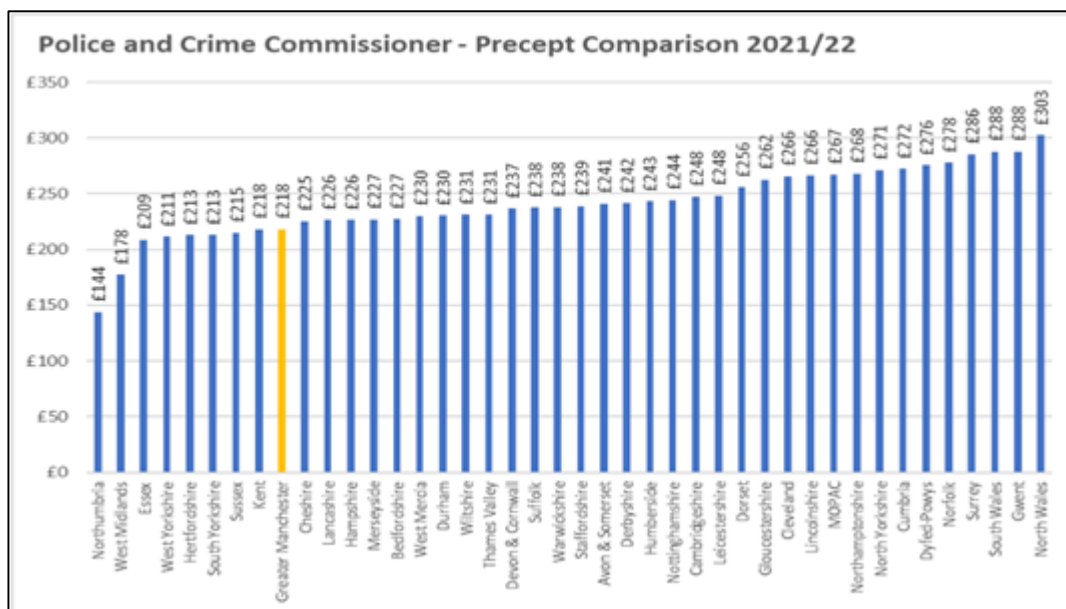
1. INTRODUCTION

- 1.1 This report sets out the background to the 2023/24 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 2023/24 police funding settlement from central Government.
- 1.2 Funding for the police comes both directly from a Central Government grant (74%) and from the police precept (26%).
- 1.3 The Government has given PCCs the ability to raise the precept by up to £1.25 a month (£15 a year) for an average Band D property and £0.83 pence per month (£10 a year) for an average Band A property. Band A is the most common property band in Greater Manchester accounting for circa 45% of households.
- 1.4 The proposal presented to the panel in this report, is to set the PCC element of the Mayoral precept for Greater Manchester at £243.30 for a Band D property and £162.20 for a Band A property. The current police precept for a Band D property is £228.30 and a Band A is £152.20. This report sets out the considerations which have been taken into account to reach this decision.
- 1.5 There is a statutory duty to notify the Police and Crime Panel of the Police and Crime Commissioners (PCC) precept proposal by 1st 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 initial grant funding for police forces for the next three years, with increases of £550m in 2022/23, £650m in 2023/24 and £800m in 2024/25. Following the 2023/24 budget announcements by the Chancellor in November 2022 the Home Office issued an updated provisional settlement on 14th December 2022.
- 2.2 The national core grant funding for police and crime across England and Wales in 2023/24 has increased by £174m (1.8%) to meet cost of final recruitment for the Police Uplift Programme (PUP) target of 20,000 additional police officers and pressures facing policing such as pay awards and non-pay inflation including energy costs. The £174m includes £100m as announced last year towards the PUP programme and the impact of the 2022/23 police officer pay award of £140m (£74m net of £66m of benefit from the reduction in employer National Insurance contributions announced by the Chancellor in November). This is below the 3% minimum increase for local government and will require reprioritisation of budgets and efficiencies in addition to increased precept funding.

- 2.3 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, it was decided that given the inflationary pressures facing forces, a £15 precept flexibility would be given for 2023/24 only. Assuming every force takes the £15 precept, the weighted average band D police precept in England and Wales is £265.08, the equivalent amount for GM in 2023/24 would be £243.30. Due to historic differences in council tax the proportion that £15 represents can vary significantly between force areas. In 2022/23 on average, 34% of Police budgets are made up from Council tax, for GM this is only 25%. Greater Manchester is in the lowest quartile in England for the overall increase in Police funding for 2023/24 and overall funding per capita.
- 2.4 The spread of precepts across police authorities in England and Wales in 2021/22 is shown in the graph below:



- 2.5 In 2023-24 the national top slices made against total police funding total £1,114m, a £259.7m reduction over last year (£1,373.7m). The biggest changes to funding are a £83.2m decrease in capital reallocations and a £80m reduction in Police Technology Programmes. A number of top slices have been also dropped, regrouped or come to an end, including: Police Uplift Programme, Police Now, National Operational Policing Units, Police and Criminal Justice System performance, Crime Reduction programmes, Rape Review and Counter Terrorism. A breakdown of the national priorities is shown in Appendix 2.
- 3. GREATER MANCHESTER FUNDING 2023/24**
- 3.1 The 2023/24 Police grant funding for Greater Manchester is £547.2m, an increase of £9.8m (1.8%). This includes £8.1m increase in the ring-fenced Police Uplift grant for the full year impact of the final recruitment to the GM target of 1,155 additional officers, part

of the national three year 20,000 target by March 2023. The government funding also includes continuation of a pension grant of £6.6m from HM Treasury to partially mitigate against rising employer pension costs for police officers.

- 3.2 As noted above, as part of the overall funding for policing in 2023/24, the Government has given PCCs the ability to raise the police element of council tax (the precept) by up to £15 a year (£1.25 a month) for an average Band D property and £10 a year (83 pence a month) for an average Band A property. If approved, this precept increase will provide an additional £15.3m based on the latest estimate of the Greater Manchester tax base. However, this needs to be adjusted for the surplus on the council tax collection fund held by Greater Manchester local authorities which is estimated to reduce by £0.2m compared to 2022/23. Furthermore in 2023/24 the Tax Income Guarantee Grant of £0.2m comes to an end.
- 3.3 This would be an overall funding package for Police and Crime in Greater Manchester of £743.6m which would be an increase of £25.2m (3.5%) compared to 2022/23 as shown in the table below:

Police Fund Revenue Budget	2022/23	2023/24	Change	
	£m	£m	£m	%
Core Grant	522.9	524.7	1.8	
Ring Fenced uplift grant	7.8	15.9	8.1	
Pension grant	6.6	6.6	-	
Sub-total police grant funding	537.3	547.2	9.9	1.8%
Precept	177.5	193.2	15.7	
Collection Fund Surplus / -Deficit	3.4	3.2	- 0.2	
Tax Income Guarantee Grant	0.2	-	- 0.2	
Sub-total Precept related	181.1	196.4	15.3	8.4%
Total Revenue Funding	718.4	743.6	25.2	3.5%

- 3.4 The 2023/24 Police Fund will be supported by the £20m infrastructure funding for the new officers, front loaded into the 2020/21 settlement. Of this funding £5m per year is being drawn from reserve to support the costs of delivery in 2021/22 to 2024/25.

4. 2023/24 POLICE PRECEPT PROPOSALS

- 4.1 The 2022/23 financial year precept has helped fund significant improvements to GMP that under the leadership of the Chief Constable saw it come out of HMICFRS special measures. Improvements include:
- 999 call answering times are now the fastest they have been for over 2 years. In November 2022, the average speed of answer was 8 seconds, down from a peak of 1 minute and 22 seconds in July 2021. This puts GMP as the best performing large metropolitan force in the country and in the top ten of all forces nationally.

- Non-emergency average speed of answer has also improved and is now 1 minute and 31 seconds from a peak of 6 minutes and 44 seconds in June 2021.
- Attendance times for the most serious of incidents (grade 1 where there is a target to attend within 15 minutes) has improved from 13 minutes and 35 seconds in September 2021 to an average of 10 minutes, and we are also seeing a significant improvement in non-emergency responses.
- Officers attended 94 percent of all burglaries (73 percent the previous year).
- Arrests have more than doubled.
- More ethical and accurate recording of crime.
- Charges laid against suspects are up 42 percent on last year and positive criminal justice outcomes have increased by 26 percent.
- Good reductions in crime affecting neighbourhoods are being seen, such as robbery and vehicle crime.

4.2 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2023/24. The proposed increase in the precept, along with the central government grant, will allow the Mayor and Deputy Mayor to sustain the improvements already achieved over the past year and deliver further additional benefits:

- The establishment of dedicated Neighbourhood Crime Teams in each district to more effectively and proactively tackle the issues that the public told us are important to them in a GMP consultation last year, including burglary, robbery, and vehicle crime.
- The workforce level required to ensure that the significant improvements in 999 and 101 waiting times are maintained and further improved, particularly in respect of 101.
- Increased capacity and capability of crime scene investigators and digital investigators strengthening opportunities to detect neighbourhood crime and sex offending, including such offences against children in particular.
- Increased numbers of investigators who conduct initial investigations when a crime is first reported, to ensure more timely and effective investigations into offences that have a big impact on our communities like criminal damage and hate crime.

4.3 It is critically important that GMP have the level of funding required to sustain the significant improvements made to date and to continue to strengthen public safety. A £15 precept increase would provide GMP with a further £15.3 million and, including the government grant, it will increase overall funding by £25.2 million (3.5%). However, it should be noted that even with a maximum £15 per year precept increase the 2023/24 police budget will still require significant efficiencies within GMP to manage inflationary pressures, whilst continuing to deliver improvements. If the precept is set below that level, those efficiencies risk becoming service cuts and threaten the progress that GMP is making in areas such as the Force Contact Centre (call handling) and Neighbourhood Policing.

- 4.4 Most, if not all police and crime commissioners across England and Wales are seeking to increase the precept by the full £15 allowed by the government. Following the proposed 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 the Government grant funding due to the lower council tax base in the region. The nationally proposed £15 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.

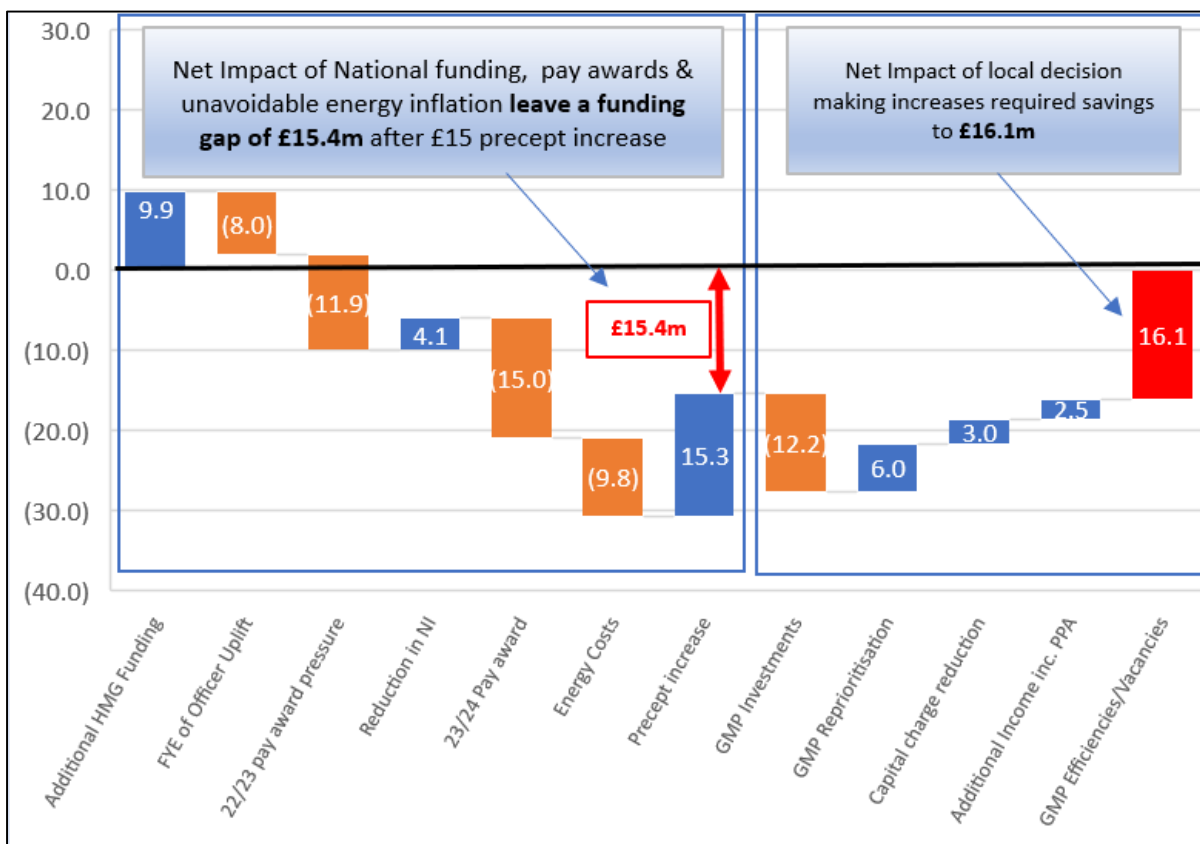
5. POLICE FUND BUDGET 2023/24

- 5.1 The following key budget assumptions have been made in developing the 2023/24 budget:

- (i) **FYE of Police Officer Uplift (PUP) (£8m)** – Whilst 2022/23 was the final year of the PUP programme 2023/24 is the first year the new establishment will be in place for the full 12 months so there is a full year effect increase in the costs in 2023/24.
- (ii) **Impact of 2022/23 Pay Awards (£12m)** – The police officer and police staff pay awards in 2022/23 were higher than expected when the budget was set. Whilst there was one-off funding for the police officer increase in 2022/23 this has been consolidated in the 1.8% funding increase in 2023/24. There was no additional funding provided for police staff pay in 2022/23.
- (iii) **2023/24 Pay awards (£15m)** – These are currently forecast to be 2.5%. This is in line with previous forecasts and national guidance although the settlement still refers to a 2% increase
- (iv) **Reduction in NI Costs (Savings of £4.1m)** – GMP will save money through the reversal of the 1% NI increase.
- (v) **Energy Costs** – Current forecasts suggest an increase of **£9.8m** in gas, electric and fuel costs for GMP

- 5.2 These costs, all of which are the result of national decision making or global market prices, present GMP with cost increases in 2023/24 totaling £40.6m.
- 5.3 As the table above shows, with the full £15 permitted increase in the council tax precept for Greater Manchester, the total increase in available funding is £25.2m.
- 5.4 Even without the essential investments required to continue the improved performance of GMP, this leaves a gap for the 2023/24 financial year of **£15.4m**

- 5.5 In addition to the £15.4m gap created by national decision making, the local investments required to continue to improve the service offered to the people of Greater Manchester by GMP, a force currently described by His Majesty's Inspectorate as the most improved in the country, are likely to cost a further £12.2m.
- 5.6 Work undertaken by GMP and the GM Mayor's office has, however, identified a number of savings and additional income which can, without impacting on frontline policing, manage the majority of these local pressures. This includes a review of cost of funding historic capital investments by the force and the use of increased levels of income through the Police Property Act secured through seizures of local proceeds of crime and stolen or illegally acquired property.
- 5.7 Once these are taken into account the remaining pressure is the amount largely driven by the national factors and totals **£16.1m**
- 5.8 The movement in funding and expenditure between 2022/23 and 2023/24 is shown in the waterfall chart below:



- 5.9 Work is underway between the Mayor's office and GMP to ensure further savings are identified to deliver a balanced budget in 2023/24.

6. MEDIUM TERM FINANCIAL PLAN

- 6.1 The 2023/24 financial year is the second year of the Government's 2021 three-year Comprehensive Spending Review which provided national funding allocations for Policing for 2022/23 – 2024/25. The provisional settlement in December 2022 only provided PCC allocations for 2023/24 so planning for beyond this is based on the estimated share for Greater Manchester from the national funding announcements.
- 6.2 Working with the Deputy Mayors Office, GMP is developing its medium-term financial strategy 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. A more detailed 2023/24 revenue and capital budget report and three-year Strategic Financial Outlook will be brought back to the panel following confirmation of the decision in relation to the 2023/24 precept.

7. COMMUNITY SAFETY PARTNERSHIPS

- 7.1 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.

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	444,155
Bury	157,973	11,850	11,850	100,000	5,000	286,673
Manchester	694,584	31,866	31,866	200,000	5,000	963,316
Oldham	262,287	12,900	12,900	100,000	5,000	393,087
Rochdale	234,000	12,150	12,150	100,000	5,000	363,300
Salford	239,306	13,500	13,500	100,000	5,000	371,306
Stockport	218,973	13,800	13,800	100,000	5,000	351,573
Tameside	243,703	13,200	13,200	100,000	5,000	375,103
Trafford	200,800	12,900	12,900	100,000	5,000	331,600
Wigan	247,614	14,400	14,400	100,000	5,000	381,414
TOTAL	2,803,763	153,862	153,862	1,100,000	50,000	4,261,487

- 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 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.
- 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. PRECEPT CONSULTATION

- 8.1 The Greater Manchester police precept public consultation closes at 2pm on Wednesday 25th January 2023. The outcome of the consultation will be reported to the Panel at the meeting the following day.
- 8.2 The [consultation \(link opens in new window\)](#) proposes an increase to the police precept of £15 for a Band D property for 2023/24 to help keep communities safe by setting up dedicated Neighbourhood Crime Teams in each district to proactively tackle and investigate burglary, robbery and vehicle crime, respond to 101 and 999 calls faster and investigate crimes quicker.
- 8.3 The table below shows the impact for each Council Tax band of a £15 increase for a Band D property. 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 £10 per year (83 pence per month) for a Band A property and £11.66 per year (97 pence per month) for a Band B property.

Policing Precept Proposal	Council Tax Bands							
	A	B	C	D	E	F	G	H
2022/23 Precept	152.20	177.56	202.93	228.30	279.03	329.76	380.50	456.60
2023/24 Proposed Precept	162.20	189.23	216.26	243.30	297.36	351.43	405.50	486.60

Change (£ per year)	10.00	11.66	13.33	15.00	18.33	21.66	25.00	30.00
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9. RECOMMENDATIONS

9.1 The Panel is 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 2023/24, including the continuation 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

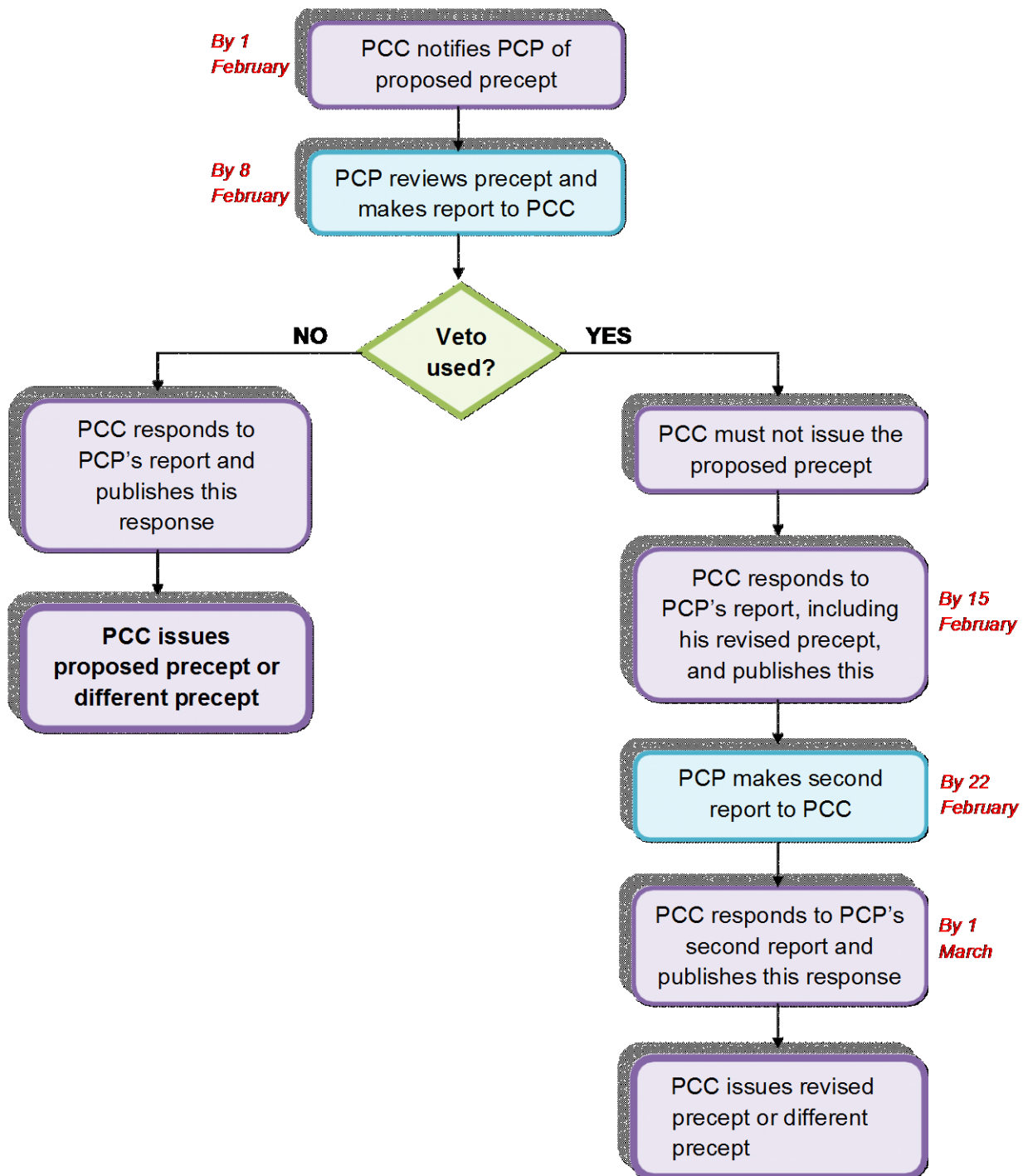
Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his/her response to their second report.

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	2023/24
	£m
Arm's Length Bodies	74.7
Crime Reduction Capabilities	18.4
Cyber Crime	14.1
Drugs / County Lines	30.0
Forensics	20.6
Fraud	18.1
National Policing Capabilities	69.3
NPCC Programmes	9.5
PFI	71.6
Police Technology Programmes	526.4
Regional and Organised Crime Units	39.5
Serious Violence	45.6
Special Grant	50.0
Tackling Exploitation and Abuse	21.3
Capital Reallocations	104.9
Total	1,114.0