

**GREATER MANCHESTER COMBINED AUTHORITY
POLICE, CRIME AND FIRE PANEL**

Date: **30th January 2024**

Subject: **2024/25 PCC BUDGET AND PCC COMPONENT OF THE MAYORAL
PRECEPT**

Report of: **MAYOR OF GREATER MANCHESTER**

PURPOSE OF REPORT

To notify Panel members of the proposed PCC budget for 2024/25 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 2024/25.

RECOMMENDATIONS

1. Note that the Mayor proposes to increase the police precept by £13 per year for a band D property (£10.11 for a Band B property) with effect from 1 April 2024.

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 2024/25, including the proposals for the Community Safety Fund.

Background papers presented to the Police, Fire and Crime Panel:

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

23rd March 2023 – Police Fund Budget Revenue and Capital Budget 2023/24

26th January 2023 – 2023/24 PCC Budget and PCC Component of the Mayoral Precept

CONTACT OFFICERS

Steve Wilson, Treasurer

Steve.Wilson@greatermanchester-ca.gov.uk

07725 481067

Rachel Rosewell, Deputy Treasurer

Rachel.rosewell@greatermanchester-ca.gov.uk

07725 482865

1. INTRODUCTION

- 1.1 This report sets out the background to the 2024/25 budget setting process for both the PCC budget and the GMP (Greater Manchester Police) budget and confirms the budget for the PCC including the impact of the 2024/25 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%). The police precept we set, which funds Greater Manchester Police (GMP), is one of the lowest in the country. Central government has provided a 1.5% increase in policing grant to Greater Manchester for the coming year, which is a below inflation increase in real terms.
- 1.3 The Government has given PCCs (police and crime commissioners) the ability to raise the precept by up to £1.08 a month (£13 a year) for an average Band D property and £0.84 pence per month (£10.11 a year) for a Band B property (80% of households in Greater Manchester are in Bands A-C).
- 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 £256.30 for a Band D property and £199.34 for a Band B property. This increase would provide overall additional funding for GMP of 2.6%, which is below current levels of inflation.
- 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 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 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 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.

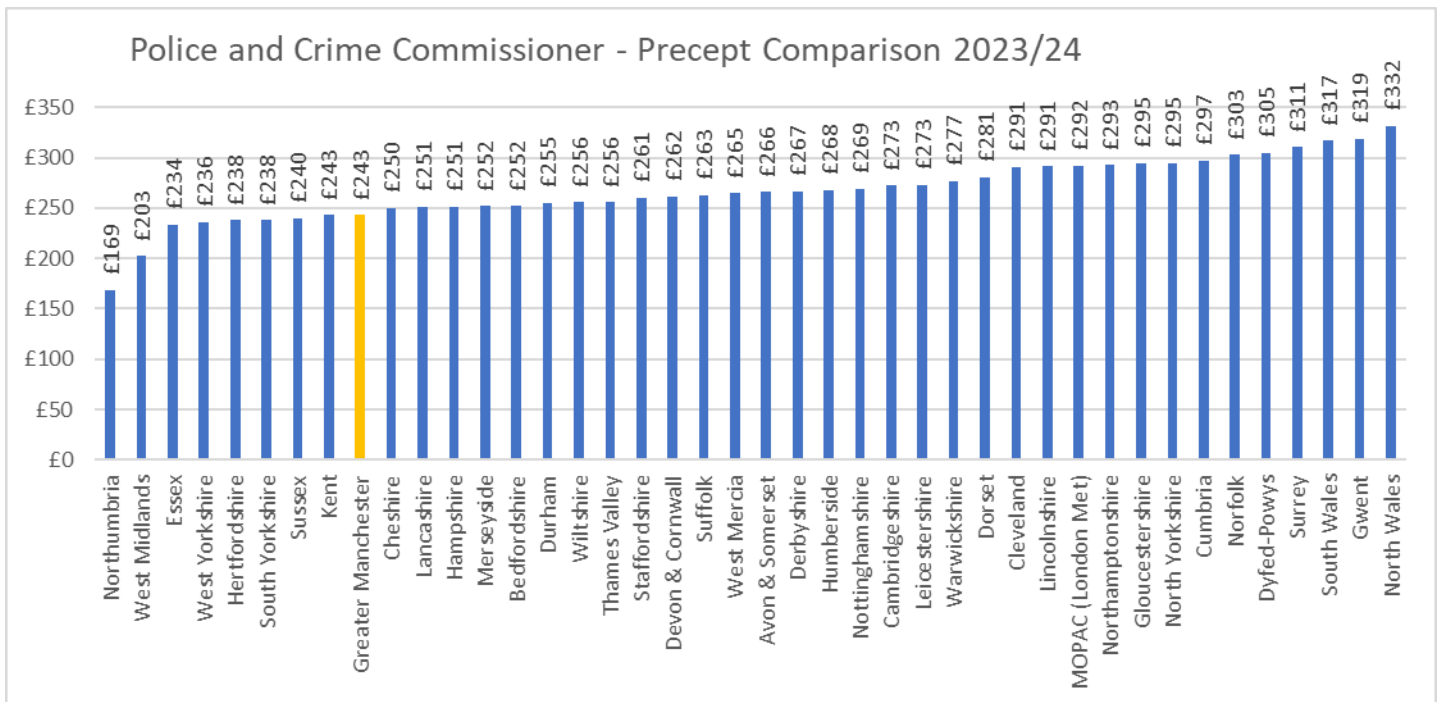
2.3 To ensure forces maintain the additional 20,000 police officers, £425m of the 2024-25 national PCC allocation will be ringfenced. For GM this is £24.6m plus an additional £7.6m for forces, such as GMP, that volunteered to recruit above their uplift target as an 'additional recruitment top-up grant'. 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. GREATER MANCHESTER FUNDING 2024/25

- 3.1 The 2024/25 Police grant funding for Greater Manchester is £608.6m, an increase of £34.9m. This includes:
- £8.7 million increase in the ring-fenced Police Uplift grant to meet costs in 2024/25;
 - £10.7 million for the full year additional cost of the 2023/24 pay award for Police officers and staff;
 - £15.5 million of additional pension grant for increased cost of police officer pension contributions.
- 3.2 As noted above, as part of the overall funding for policing in 2024/25, the Government has given PCCs the ability to raise the police element of council tax (the precept) by up to £13 a year (£1.08 a month) for a Band D property and £10.11 a year (84 pence a

month) for a Band B property. If approved, this precept increase will provide an additional £13.3m based on the latest estimate of the Greater Manchester tax base.

3.3 This would be an overall funding package for Police and Crime in Greater Manchester of £815m which would be an increase of £46.3m, 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 6.9% in funding from the proposed Precept, which is an overall below inflation increase in funding of 2.6%.

3.4 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	206.3	13.3	6.9%
Collection Fund (Surplus/-Deficit)	1.9	-	-1.9	
	194.9	206.3	11.4	
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	781.2	20.1	2.6%
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	815.0	46.3	

3.5 The 2024/25 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 the reserve to support the costs of delivery for which 2024/25 will be the fourth and final year of this funding.

4. 2024/25 POLICE PRECEPT PROPOSALS

4.1 With the help of what was raised through the precept last year, the Chief Constable has brought about significant improvements in policing. This has been evidenced in GMP's recent inspection by His Majesty's Inspectorate for Police and Fire (HMICFRS), which demonstrates that GMP is now the most improved police force in the country. But, whilst this progress is welcome, there remains much more to do.

- Improved 999 and 101 call answering times. GMP are now 4th out of 43 police forces nationally for speed of answer for 999 calls – answering 999 calls in an average of just 4 seconds last month.
- Increased resources to front line policing resulting in GMP responding to 86% of emergency (Grade 1) incidents within the national target of 15 minutes, compared to 79% last year.
- Dedicated Neighbourhood Crime Teams and Prevention Hubs in each district have reduced recorded neighbourhood crime levels by 11.5% and residential burglary by 25%. Solved rates have improved significantly across all crime types. GMP also launched a new “**Bee in the Loop**” community messaging system.
- Increased specialist resources and investigators to detect neighbourhood crime and sex offending, including such offences against children. GMP have increased arrests for domestic abuse cases by 61%, almost doubled the number of arrests made for stalking and harassment and are solving 10% of rape cases compared to 6.7% last year.
- Targeted operations, such as Op Vulcan in Cheetham Hill and Strangeways and in Piccadilly Gardens to tackle organized criminality, as well as Operation Avro on each district and the roads and transport system to crackdown on offences. As part of Operation Vulcan in Cheetham Hill and Strangeways alone GMP seized 1000 Tonnes of counterfeit items which have been repurposed and recycled, and £520,000 in cash, and violent crime and public order offences reduced by 50%.

4.2 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2024/25. 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 benefit. A £10.11 increase for a Band B property or £13 for a Band D property would provide an additional £13.3 millions of funding to 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 30 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.

4.3 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. With the £13.3 million raised through the increased precept and the increase in core government grant, it will increase overall funding by £20.2 million (2.6%). In addition, the government has provided funding of £26.2 million for increased unavoidable pay and pension costs. Whilst this is welcome, it should be noted that even with the maximum year precept increase the 2024/25 police budget will still require significant efficiencies within GMP to continue to deliver improvements and manage inflationary pressures. If the precept is set below that level, those efficiencies risk becoming service cuts, threatening the progress made to continue GMP's positive journey to deliver the most effective police service in the UK.

4.4 Most, if not all police and crime commissioners across England and Wales are seeking to increase the precept by the full £13 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 £13 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 2024/25

5.1 In framing the 2024/25 budget requirement there are 3 key drivers of expenditure which reflect GMP's improvement journey over the last 2 financial years and which can be broadly categorized across the following 3 areas:

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

5.2 Further detail on these and their impact on the 2024/25 budget are set out below:

5.2.1 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 increasing the total GMP Officers to 8,131 and this level will be maintained in 2024/25 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 police officer and police staff pay awards in 2023/24 were higher than expected when the budget was set. Funding has been received in 2023/24 to meet the additional in year cost and further funding will be received to meet the additional full year impact in 2024/25.
- (iii) **2024/25 Pay awards (£10m)** – These are currently 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 intend to reduce this 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 and the Government has provided an initial one-year grant to cover the increased cost in 2024/25.
- (v) **Other pressures from 2023/24 (£4m)** – Several other unavoidable items, including specific inflation related issues add further pressure on the 2024/25 budget.
- (vi) **Financing of capital investment (£9m)** – Police funding from government does not include any capital resource for investment in police assets such as fleet, IT, estates etc. As a such all capital is funded from borrowing which requires revenue budget to financing the borrowing costs. The significant capital investments made over the previous two financial years in necessary assets to ensure effective delivery of operational policing has led to increased capital financing charges on the costs of borrowing. In 2023/24 the increase in capital financing charges was met from the capital financing reserve which has now been exhausted. Whilst the PCC will continue to benefit from internal borrowing within the GMCA to avoid interest costs, there a required increase in

2024/25 ensure a statutory minimum revenue provision on all capital expenditure funded from borrowing.

5.2.2 Sustaining Service Improvements

- (i) **Service Improvement Commitments (£17m)** – Maintaining the investment in priority investments, agreed in the 2023/24 budget, which has led to significant GMP performance improvements over the last year.
- (ii) **New Service Improvement Investments (£6m)** – critical and unavoidable investments to address identified issues, principally in the underlying technology infrastructure and the provision of Custody were identified during 2023/24 and have been dealt with at pace. The financial impact of these investments adds £6m to the 2024/25 budget.

5.2.3 Removal of one-off funding

- (i) **One off use of reserves in 2023/24 (£7m)** – Earmarked funding set aside to support key investments was agreed as part of the funding strategy to support service improvements.
- (ii) **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.

5.3 These costs, all of which are the result of national decision making and continued delivery of approved service improvements, present GMP with cost increases in 2024/25 totaling £87m.

5.4 As show table in paragraph 3.4 above shows, with the full £13 permitted increase in the band D council tax precept for Greater Manchester, the total increase in available core

revenue funding is £20.1m, along with additional 2024/25 funding grants in respect of specific costs totaling £26.2m total funding would be £46.3m. This is insufficient to meet unavoidable cost pressures of £54m, leaving a gap before any investment in service improvement of £7.7m.

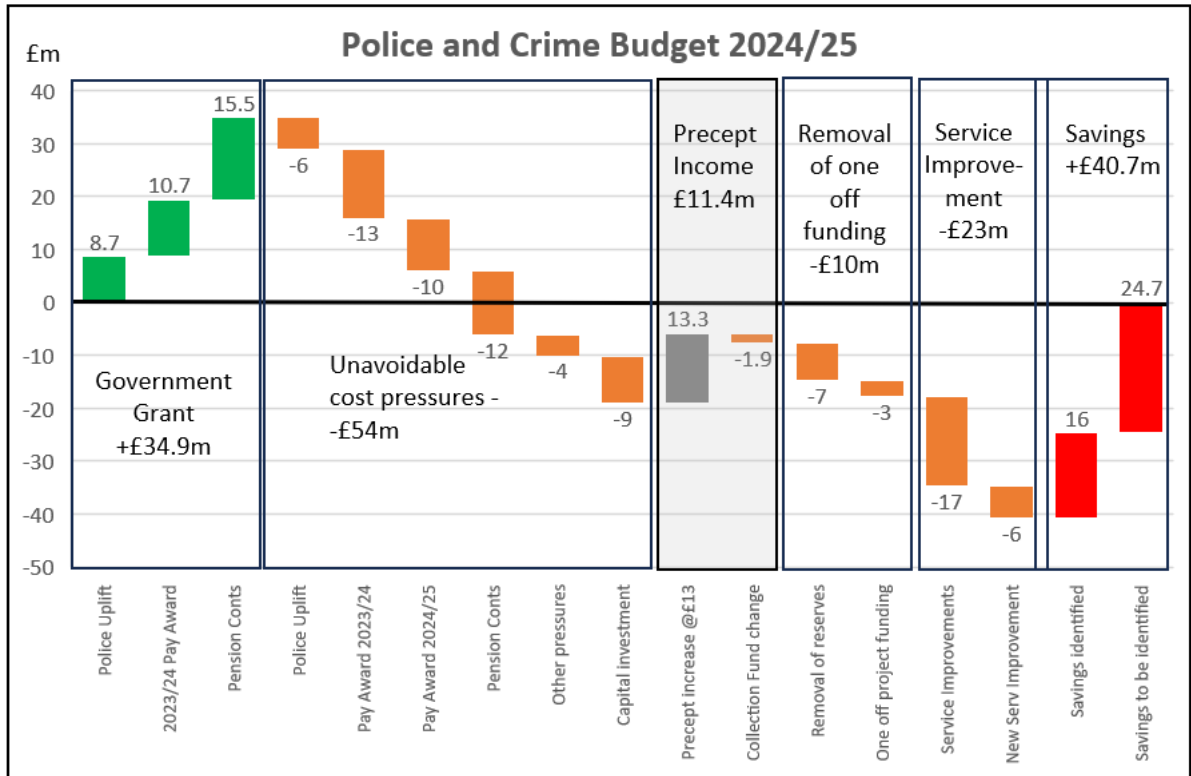
5.5 Taking into account continuation of investments of £17m agreed in the 2023/24 budget that have led to significant GMP performance improvements over the last year, plus a further £6m of new essential investment required to drive further improved performance of GMP there is an additional £23m required. There is also removal of one-off funding for investment in 2023/24 of £10m.

5.6 In summary this leaves a gap for the 2024/25 financial year of £40.7m as set out in the table below:

Summary of Spending Pressures	£m
Unavoidable cost pressures	-54.00
Sustaining Service improvements	-23.00
Removal of one-off funding	-10.00
Total spending Pressures	-87.00
Less estimated Income	46.30
Remaining Funding Gap	-40.70

5.7 Work undertaken by GMP and the GM Mayor's office has however identified several savings of £16m which can, without impacting on frontline policing, be used to reduce the funding gap to £24.7m.

5.8 The movement in funding and expenditure between 2023/24 and 2024/25 is shown in the waterfall chart below:



5.9 In addition to the £24.7m gap referred to above, a detailed business planning process has been carried out by GMP to address areas where additional investments are required to meet ongoing operational and organisational priorities and risks. Initial assessment of the investments has been carried out resulting in a revised requirement of £11.5m.

5.10 Work is 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.

5.11 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 are subject to significant uncertainty around future spending reviews and long anticipated funding formula review.

5.12 Working with the Deputy Mayor's 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 2024/25 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 2024/25 precept.

6. COMMUNITY SAFETY PARTNERSHIPS

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. PRECEPT CONSULTATION

7.1 The Greater Manchester police precept public consultation closed on Wednesday 24th January 2024. The Mayor of Greater Manchester proposed an increase of £10.11 for a

Band B property (or £13 for a Band D property). The majority of properties in Greater Manchester fall within Band A and B. This amounts to an extra 84 pence a month for Band B property. The proposed increase, along with the central government policing grant, will enable Greater Manchester Police to continue to sustain the improvements to deliver the most effective police service in the UK.

7.2 The table below shows the impact for each Council Tax band of a £13 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 £8.66 per year (72 pence per month) for a Band A property and £10.11 per year (84 pence per month) for a Band B property.

Policing Precept Proposal	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 Proposed 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
<i>Proportion of properties</i>	<i>45%</i>	<i>20%</i>	<i>18%</i>	<i>10%</i>	<i>5%</i>	<i>2%</i>	<i>1%</i>	<i>0%</i>

7.3 The outcome of the consultation was 758 responses with 26% supporting an increase to the precept of which 19% supported a greater increase than the proposals in this report.

Option	Total	Percentage
I would support an increase of 84 pence per month (for a B household) or £1.08 (for a Band D household)	54	7.12%
I would support an increase of 97 pence per month (for a Band B household) or £1.25 for a Band D property	142	18.73%
I do not support an increase in the police precept	518	68.34%
Not answered	44	5.80%

8. RECOMMENDATIONS

8.1 The Panel is asked to consider the content of this report and either:

- a) propose that the PCC precept level of £10.11 for a Band B property (or £13 for a Band D property) 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.

8.2 Note the budget assumptions relating to the budget for 2024/25, 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 ends, 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

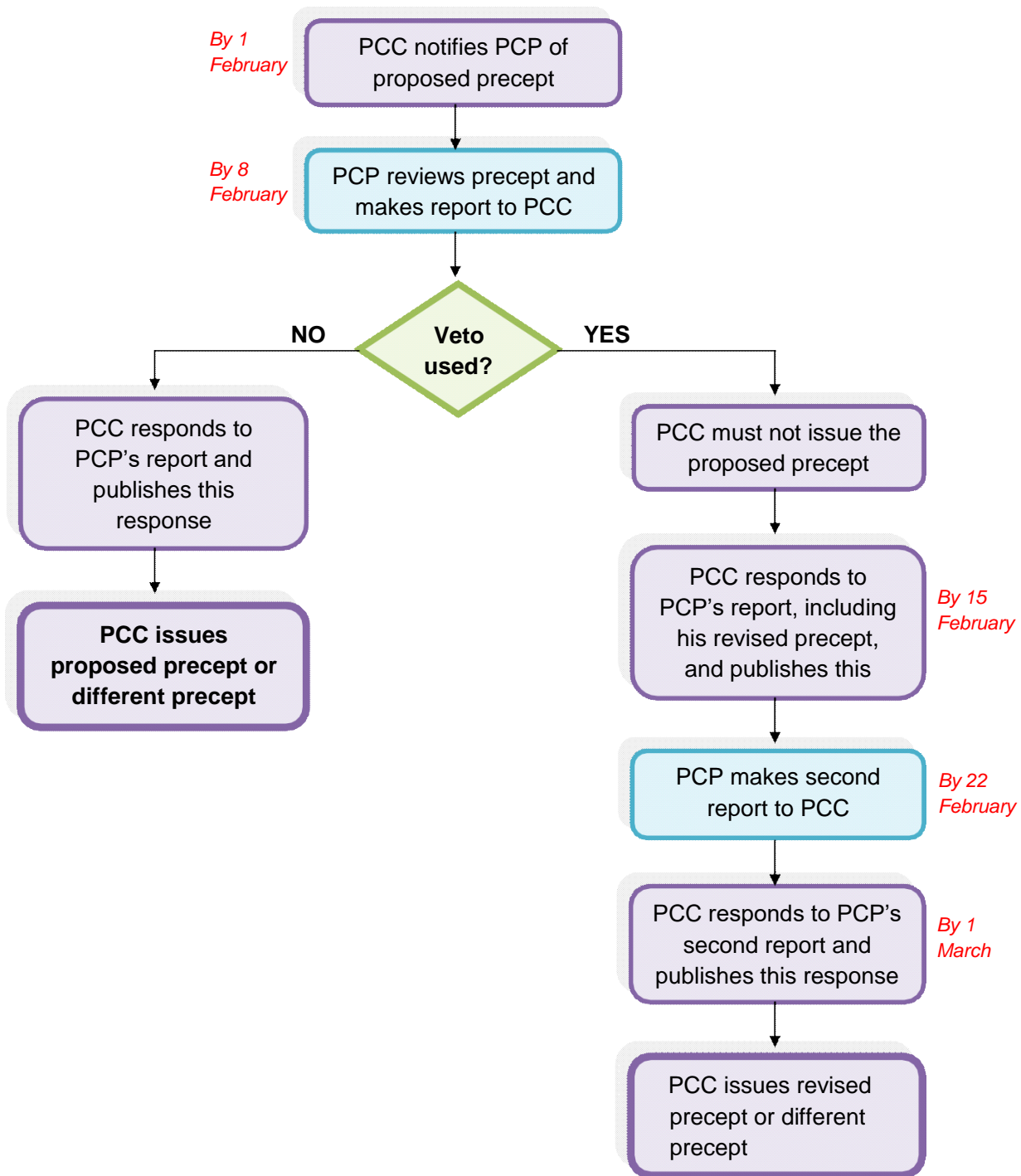
Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his/her response to their second report.

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	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