

Greater Manchester Combined Authority

Police, Fire and Crime Panel

Date: 27th January 2025

Subject: 2025/26 PCC Budget and Police and Crime Commissioner Component of the Mayoral Precept

Report of: Mayor of Greater Manchester

Purpose of Report

To notify Panel members of the proposed PCC budget for 2025/26 including the latest expected budget numbers for Greater Manchester Police and to seek a report on the Mayor's proposals for the Police and Crime Commissioner (PCC) component of the Mayoral precept for 2025/26.

Recommendations:

The Police, Fire and Crime Panel is asked to:

1. Note that the Mayor proposes to increase the police precept by £14 per year for a band D property (£10.89 for a Band B property) with effect from 1 April 2025.

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 2025/26.

Contact Officers

Steve Wilson, Treasurer

Steve.Wilson@greatermanchester-ca.gov.uk

Claire Postlethwaite, Director of Operational Finance

claire.postlethwaite@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

An Equalities Impact Assessment was drafted as part of the development of the Policing Precept Consultation.

Risk Management

An assessment of the potential budget risks faced by the authority are carried out quarterly as part of the monitoring process.

Legal Considerations

Details of the Police and Crime Panel's statutory duties in relation to the setting of the precept are at Appendix 1.

Financial Consequences – Revenue

The report sets out the planned budget strategy and implications for the financial year 2025/26.

Financial Consequences – Capital

The revenue consequences of capital expenditure are reflected in budgetary planning strategy and assumptions.

Number of attachments to the report: 0 (appendix on consultation results to follow)

Comments/recommendations from Overview & Scrutiny Committee

N/A – Police, Fire and Crime Panel undertake the overview and scrutiny role.

Background Papers

Report to Police, Fire and Crime Panel 18th November 2024 – 2025/26 Police and Crime Precept Setting Process [Police and Crime Precept Setting process](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

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?

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

- 1.1 This report sets out the background to the 2025/26 budget setting process for both the Police and Crime Commissioner's (PCC) budget and the GMP (Greater Manchester Police) budget. The report also confirms the budget for the PCC including the impact of the 2025/26 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 is one of the lowest in the country. The policing grant from central government has increased from £608.6m to £643.2m providing a 5.7% increase in the policing grant to Greater Manchester for the coming year. This is less than the 6% England average.
- 1.3 The Government has given PCCs the ability to raise the precept by up to £1.17 a month (£14 a year) for an average Band D property and £0.91 pence per month (£10.89 a year) for a Band B property (more than 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 £270.30 for a Band D property and £210.23 for a Band B property. This increase would provide overall additional funding for GMP of £11.3m. The additional funding increases to £14.6m if taken alongside the expected growth in the tax base. The tax base growth is the increase in the number of households liable to pay council tax and the proposed precept. This is currently assumed at 1.5% for the financial year 2025/26.
- 1.5 It is important to note that whilst grant and precept increases total £47m the cost increases facing GMP total £70m, indicating that even with the increased grant and maximum precept increase a budget shortfall of over £22m remains.
- 1.6 There is a statutory duty to notify the Police and Crime Panel of the Police and Crime Commissioner's (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 a provisional settlement for 2025/26 on 17th December 2024, The settlement:

- Noted that PCCs will have the flexibility to raise the police precept to £14 for a Band D property in 2025-26 per the Local Government policy statement of 28th November 2024.
- Noted that funding would be distributed pro rata to the 2024/25 allocations which has been the same approach taken for the preceding twelve financial years from 2013/14.
- Confirmed a national increase in police funding of £986.9m between 2024-25 and 2025-26, of which £329.8m (33%) will come from utilising the precept flexibility.
- The remaining £657.1m is coming primarily from
 - £339m increase in Core Grant
 - £230m compensation for increases in employer National Insurance Contributions (NICs)
 - A new £100m Neighbourhood Policing Grant.

2.2 In addition to the core funding elements, the national settlement also reflected the following:

- A requirement to participate in the Police Efficiency and Collaboration Programme, which focuses on efficiency gains through national approaches to procurement with specific priorities of fleet, energy and ICT.
- Establishment of a new Performance Unit in the Home Office.
- Firearms – an increase in the level of fees for firearms licences which will require legislation to be in place which will enable full cost recovery for the police service. After the settlement the Home Office have announced significant increases in licensing fees, with effect from 5th February 2025. An assessment of this is currently being carried out by GMP.

2.3 The 2025/26 Police grant funding for Greater Manchester is £643.2m (£608.6m 2024/25), an increase of £34.6m (5.7%). This includes:

Grant Element	£m
Core Grant	548.3
Legacy Council Tax Grants	25.7
Pensions Grant	20.0
Officer Maintenance Ringfenced Grant 1	20.2
Additional Recruitment Top Up	11.0
National Insurance Contribution	12.3
Neighbourhood Policing Grant	5.8
Total	643.2

2.4 This would be an overall funding package for Police and Crime in Greater Manchester of £863.2m which would be an increase of £47.6m.

£m	Grant	Precept	Total
2024/25	608.6	206.9	815.6
2025/26	643.2	220.0	863.2
Uplift £m	34.6	13.0	47.6
Uplift %	5.7%	6.3%	5.8%

This is comprised of an overall increase of 5.7% in Government grant funding and 6.3% in funding from the proposed Precept, which is an overall increase in funding of 5.8%.

It should be noted here that the national funding assumption on tax base increase is 0.8% compared to a local assumption of 1.5%. While the increase in tax base (i.e. households liable to pay council tax and the proposed precept) is a small financial benefit locally, household growth also represents an increased demand and therefore increased cost on policing, transport, community and neighbourhood services. None of which are reflected in the current funding provision for Policing and which places considerable additional financial strain on GMP in terms of meeting increased demand without additional funding.

2.5 Whilst the increase in core funding through the grant settlement is welcome along with the increased flexibility in increases in the council tax precept, even with these there is a significant shortfall in resources to meet the operational requirements for policing greater Manchester in 2025/26 which amounts to £22m. This gap is driven by cost pressures out with the control of GMP and after in-year efficiencies in operational policing of £8m have been delivered on top of the £41m saved in balancing the 24/25 budget.

3. 2025/26 Police Precept Proposals

3.1 With the help of what was raised through the precept last year, the Chief Constable has brought about further significant improvements in policing. Whilst this progress is welcome, it is essential that the improvement in policing services to communities are maintained and further improvements are delivered. The improved service delivery is set out below based on the most up to date figures:

- In the past year the average time to answer a 999 call by GMP was 4 seconds, which is significantly better than the national average of 10 seconds. GMP continue to perform well in line with our aspiration to answer non-emergency (101) calls within 3 minutes. GMP remain the best large Metropolitan force in speed of answer.
- Improved response times for emergency and non-emergency incidents. On average GMP responded to emergency incidents in 8 minutes and 34 seconds, which was almost one and a half minutes faster than last year. Non-emergency attendance times have vastly improved. This year these were attended in 1 hour 32 minutes 59 seconds on average. This was 1 hour 17 minutes and 55 seconds faster than last year.
- GMP have retained investment in neighbourhood policing and crime prevention teams and reduced neighbourhood crimes. Overall recorded crime has reduced this year (down 8.0% on last year). There have been particularly notable reductions in elements of 'neighbourhood crime' e.g. theft from the person (down 28.2%), vehicle offences (down 18.5%) and residential burglary (down 11.3%).
- Invested in a further 30 police officers into front line policing roles in 2024/25 including in Operation Vulcan. Crime has reduced significantly in these areas as a result with theft from persons reducing by 35% and stalking and harassment by 56% in the areas of focus.
- Invested in locking up more criminals and providing swifter and better services for victims and witnesses and prosecuting offenders with a focus on increasing arrests for sex offenders and ensuring justice for vulnerable

victims. In the past year GMP continues to improve outcomes for victims of child sexual exploitation with outcomes up from 21.2% last year to 24.3% this year. Child Sexual Abuse outcomes have also increased from 14.5% to 16.3%.

3.2 Greater Manchester priorities for policing for the next financial year will be met from the funding received for 2025/26. The proposed increase in the precept, along with the central government grant, will allow the Mayor and Deputy Mayor to sustain the improvements achieved over the past year and deliver further additional benefit. A £14 for a Band D property (equating to a £10.89 increase for a Band B property) would provide an additional £11.3m of funding to enable GMP to:

- Remain one of the best police forces in the country in the speed of answering 999 calls.
- Further improve 101 answering times.
- Further improve GMP response times with a focus on improving non-emergency times.
- Further reduce and prevent neighbourhood crimes, ASB and retail crime by investment in our prevention and neighbourhood policing teams.
- Improve road and transport safety by continuing with Operation Vulcan in Piccadilly and Victoria and expanding this out to key hotspot areas across the city region.
- In partnership with TfGM and others, launch a major programme across the Bee Network aimed at improving safety and people's feeling of safety including the implementation of a dedicated Live Chat system.
- Divert more children away from crime by investing in liaison and diversion and preventative services.
- Bring more sex offenders to justice through investment in our sex offender management activity.
- Increase trust and confidence by investing in our Professional Standards Directorate.
- Deliver improved efficiency and productivity and demonstrate value for money in policing services through investment in technology which will use leading edge Artificial Intelligence software.

- 3.3 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 £220m raised through the increased precept and the increase in core government grant, it will increase overall funding by £47.6m (5.8%). Whilst this increase in funding is welcome, it should be noted that even with the maximum precept increase the 2025/26 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 operational service cuts, threatening the progress made to continue GMP's positive journey to deliver the most effective police service in the UK.
- 3.4 Most, if not all police and crime commissioners across England and Wales are seeking to increase the precept by the full £14 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 £14 maximum increase will therefore raise significantly less funds for GM per head of population than in many other areas of the country.

4. Police fund budget 2025/26

- 4.1 GMP will continue to face significant financial challenges in 2025/26, despite the increases in funding from a combination of Policing Grant and the Police Precept level proposed earlier in this report, which will provide Greater Manchester with c£48m in additional funding compared to 2024/25.
- 4.2 This is because GMP is facing new unavoidable pay pressures amount to £53.5m in 2025/26, along with other National and Local demand and inflationary driven cost pressures that result in GMP anticipating an overall budget gap of c£22m based on the funding settlement and recommended increase in precept of £14.
- 4.3 Further detail on these cost pressures and their impact on the 2025/26 budget are set out below:
- 4.3.1 Unavoidable Pay Cost Pressures (£53.5m)

- (i) **National Insurance increase (£12m)** – The recently announced National Insurance increase will increase GMP costs by around £12m from 2025/26. It is fully funded by the government and accounts for a specific element of the overall increase in Policing Grant discussed in this report.
- (ii) **Impact of 2024/25 Pay Awards (£22.2m)** – The police officer and police staff pay awards in 2024/25 were higher than expected when the budget was set. Funding has been received in 2024/25 to meet the additional in year cost and further funding is included in the overall funding settlement to assist in meeting the additional full year impact in 2025/26.
- (iii) **2025/26 Pay awards (£11.2m)** – These are currently forecast to be 2.8%, in line with the announcements by the government on the level of public sector pay settlement for 2025/26.
- (iv) **Police Officer Uplift (PUP) mainstreaming of 2024/25 additional grant funding (£2.4m)** – Whilst 2022/23 was the final year of the PUP programme, during which GMP exceeded its additional recruitment targets, in 2024/25 a further 209 Officers above the original force allocation were delivered by GMP increasing the total GMP Officers to 8,151. Whilst 159 of this additional number were funded via the national settlement, 50 were funded by an additional specific grant of £2.4m provided directly to GMP. This additional funding has now been mainstreamed by the Home Office into the core grant settlement meaning it is part of the overall funding increase offset by this local GMP cost pressure as GMP will no longer receive the specific grant previously provided. GMP will therefore maintain its overall total GMP Officers target at 8,151 for 2025/26.
- (v) **Police Officer Uplift (PUP) (£5.7m)** –The costs of maintaining officer numbers are rising above the overall level of funding as the officers recruited as part of the PUP programme become more experienced which is reflected in their pay.

4.3.2 Other unavoidable National Cost Pressures

- (i) **National IT charges (£1.6m)** – Whilst GMP has no influence on the nationally police IT programme, its costs are apportioned to forces and have been

increasing over recent years. For 2025/26, GMP will need to increase its budget provision in respect of this by £1.6m compared to its 2024/25 budget provision.

- (ii) **Dangerous dogs (£1m)** - the impact of the legislation associated with XL Bully type dogs is continuing to place significant pressure on volumes and therefore costs in this area. This was not reflected in the 2024/25 budget with the impact anticipated to reduce over time, however volumes and pressures continue to be a national issue and this now needs to be recognised in the 2025/26 budget.
- (iii) **National Neighbourhood Policing targets (£tbc)** – In addition, criteria relating to the new Neighbourhood Policing grant, which accounts for £5.8m of the overall funding increase, are not yet known and may add further financial pressure to the 2025/26 budget. The Home Office have stated that further information on neighbourhood policing will be available in ‘due course,’ so financial evaluation of this additional requirement cannot be completed at this time.

4.3.3 Local Cost Pressures and Efficiencies

- (i) **Maintaining the significant GMP performance improvements (£1.5m net)**
In order to maintain current performance levels and to drive further improvements/positive outcomes it is necessary to reflect the financial impact of associated service volume levels and specific cost/inflationary pressures currently being experienced along with mitigating savings and efficiencies that have identified to mitigate these pressures. The net impact on the 2025/26 budget is an overall cost pressure of £1.5m. Significant examples in this category include:
 - Higher Custody Operational costs associated with sustained and significant arrest rate increases and improvements in custody provision.
 - Forensic sampling volume demand/pricing pressures which reflects not only reflects service requirements but also the cost of meeting accreditation requirements and the cost pressures in a sector which is commercially fragile.
 - Additional net income from expansion of the Central Ticket Office function ensuring greater volumes of traffic offense tickets being issued to deliver on GMP’s priority commitment to the Safer Roads

GM “Vision zero” strategy, whilst also increasing income levels to assist with the direct cost of associated policing costs.

- Essential costs associated with GMP’s continuing transformation and modernisation of key IT infrastructure and critical system resilience and effectiveness to build on the outstanding progress made in this priority area over recent years.

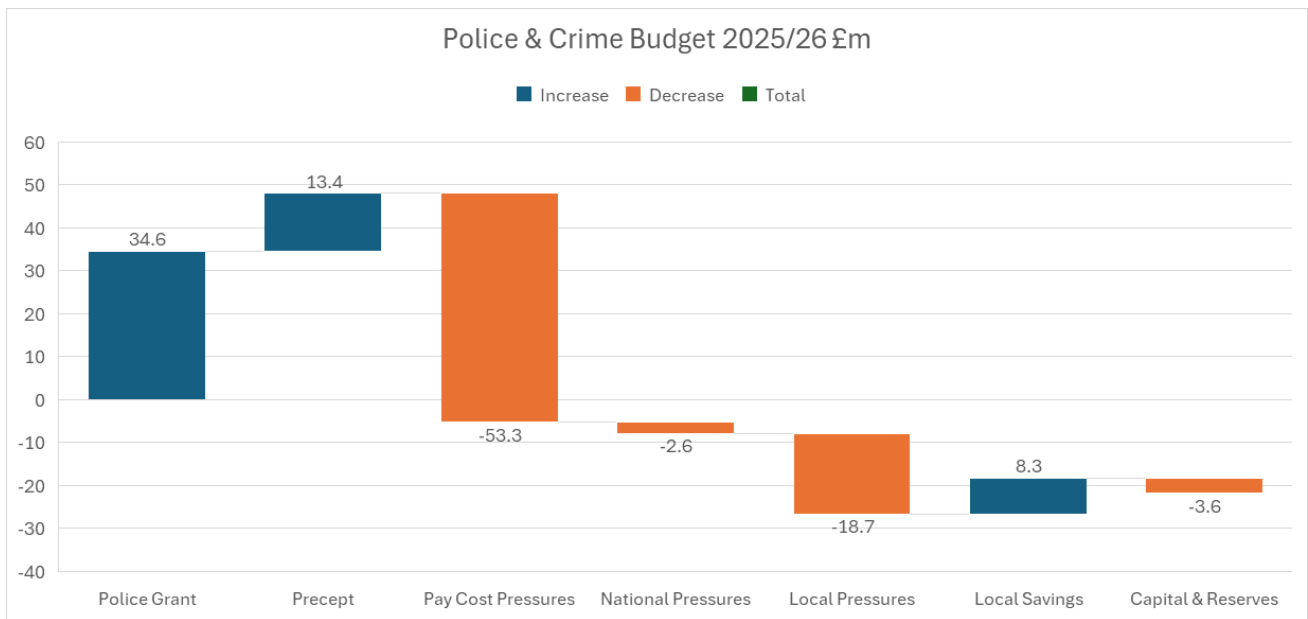
All items in this cost pressure section will be reviewed closely at Command Team level within GMP before inclusion in the final 2025/26 budget.

- (ii) Police Staff efficiencies (£9.2m)** – the delivery of significant staff vacancy savings whilst ensuring the maintenance of critical operational delivery in key areas such as the Force Contact Centre remain a challenge and add to the current financial gap. A robust ongoing senior management focus on vacancy management and overall staffing levels during 2024/25 is however already having a significant positive impact on both current and future staffing costs. It is anticipated that the continuation of this focus will result in this cost pressure being reduced significantly before the final 2025/26 budget is approved.
- (iii) Financing of capital investment (£1.8m saving)** – Police funding from government does not include any capital resource for investment in police assets such as fleet, IT, estates etc. As such, all capital is funded from borrowing which requires revenue budget to financing the borrowing costs. The significant capital investments made over the previous three financial years in necessary assets to ensure effective delivery of operational policing has led to increased capital financing charges on the costs of borrowing. Whilst the PCC will continue to benefit from internal borrowing within the GMCA to mitigate interest costs, there is a requirement to ensure a statutory minimum revenue provision on all capital expenditure funded from borrowing. A full review of asset lives by GMP has however recently been completed and, with further capital investment in 2024/25, has resulted in an overall reduction in this statutory MRP charge for 2025/26.
- (iv) Use of reserves to support the GMP budget (£5m)** – The PCC has previously made annual contributions from the Police infrastructure reserve.

to support the GMP revenue budget at £5m per year over the four-year period 2021/22 – 2024/25. This reserve is now fully utilised adding a budget pressure of £5m in 2025/26 versus 2024/25.

4.4 These cost pressures, all of which are the result of national decision making, maintaining current performance levels and driving further improvements/positive outcomes for GM, present GMP with cost increases in 2025/26 totalling £70m, which are only partly offset by the settlement funding increases of £48m.

4.5 In summary the movement in funding and expenditure which currently leaves a gap for the 2025/26 financial year of £22m as is shown in the waterfall chart below:



4.6 The Panel will recognise from previous budget reports that the financial challenges facing the Policing sector and GMP is significant. With the support of the Panel over recent years resources have been provided which have enabled GMP to continue to deliver on its mission to deliver improved services to Greater Manchester residents. When the current year’s budget was set in March 2024, the budget gap for 2025/26 was estimated to be £35m. The previous paragraphs set out the financial pressures which now exist for 2025/26, even with an increase in the Band D precept of £14, this still leaves a gap of over £22m to deliver a balanced budget.

4.7 To secure financial stability GMP has been working during the current financial year on the delivery of a financial plan to address the financial challenges it faces in a high demand, high risk operational environment. This programme is known as Operation Rydal and has made significant inroads to addressing financial pressures in the current year. This activity has delivered several cash savings which total £8m

and have already been taken into account to help reduce the budget gap from the initial £25m to the current £22m. However, further savings will be required to close the current gap of £22m.

- 4.8 Faced with this, GMP has instigated, through Operation Rydal, a series of “Star Chambers”, whereby senior leaders have presented a series of budget saving options ranging from 5% to 15%, to the Deputy Chief Constable, Chief Resources Officer and Chief Finance Officer. The assessment of these options is currently being finalised to determine the contribution that this activity will make towards reducing the budget gap.
- 4.9 Further work is also being carried out to determine the extent to which further potential revenue generation from activity with Partners on the GM Transport network can be made available to assist with the delivery of improved safety across the BEE network.
- 4.10 This along with further detailed analysis of the revenue and capital budgets for 2025/26 will be brought back to the Panel once confirmation of the decision in relation to the 2025/26 precept is known.

5. Community Safety Partnerships

- 5.1 Since 2021/22 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. The funding for each local authority for 2025/26 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	262,787	14,367	14,367	100,000	5,000	396,521
Rochdale	234,175	13,532	13,532	100,000	5,000	366,239
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	243,900	14,702	14,702	100,000	5,000	378,303
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	2,804,635	171,362	171,362	1,100,000	50,000	4,297,359

5.2 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 are 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.

5.3 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.

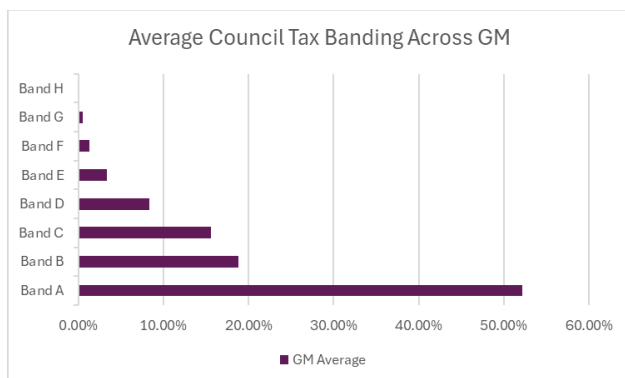
6. Precept consultation

6.1 The Greater Manchester police precept public consultation will close on 17th January 2025. The Mayor of Greater Manchester proposed an increase of £10.89 for a Band B property (or £14 for a Band D property). The majority of properties in Greater Manchester fall within Band A and B. This amounts to an extra 91 pence a month for a 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.

6.2 The table below shows the impact for each Council Tax band of a £14 increase for a Band D property.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2024/25	170.86	199.34	227.82	256.30	313.25	370.21	427.16	512.60
2025/26 Proposed	180.20	210.23	240.26	270.30	330.36	390.43	450.50	540.60
£ increase	9.34	10.89	12.44	14.00	17.11	20.22	23.34	28.00

6.3 Overall, 80% of residential properties across Greater Manchester fall into the lowest Council Tax bands (A to C).



6.4 At the time of writing this report, the consultation remained open. To date the outcome of the consultation is 484 responses with 34.92% of respondents supporting an increase to the Precept and 63.84% not supporting an increase to the Precept. These are only interim results, and the Police, Fire and Crime Panel members will receive an updated overview of responses after the consultation has closed and prior to the Panel meeting.

6.5 To support the Precept consultation this January we ran three focus groups. These were representative of the Greater Manchester population and will provide us with further insights around residents understanding and views of the Policing Precept. Focus groups concluded on Friday 17th January. Interim findings include:

- A consensus that the police are very visible in central Manchester, but there were mixed views about other districts. Some believed resources had been directed away from other districts to central Manchester, whereas others reflected that other districts have adequate resources, but that people only become aware when those resources are called upon.
- Awareness of how local policing was funded varied. Some participants did not know, including some whose family members worked for the police. Some knew it was funded through tax at the national level as well

as their council tax. There was an assumption that areas in Greater Manchester with higher reported crime/anti-social behaviour would receive more funding for policing than those with lower prevalence. More widely, it was also felt that police funding derived through national tax would be directed more to the south of the country (particularly London), to the detriment of the north.

- Generally, participants had not heard the term ‘police precept’ before, though a small number had seen it on their council tax bill. In the focus groups participants received information about the police precept. Some were surprised at how small the proposed increase was, and so were happy to pay it. *“The increase is not as high as I was expecting [...] so I’m not personally bothered by that increase [...] I’d be happy to pay that if it was going towards the police.”* (Female, 18-29 years old, Wigan)
- Within the first two focus groups (ages 18-29 and 30-44) there was generally a positive reception to the police precept increase, with some concern that this increase was only for policing and that if other services increased their council tax contributions by the same percentage, then the overall increase to council tax may be prohibitively high. However, in the third focus group (ages 45+) there was a more negative reception towards the increase in the police precept from an affordability and fairness perspective.
- Transparency about what the policing precept would be used for was highlighted as being vital, regardless of what the increase was.

6.6 Final updated results from the consultation and the focus groups will be issued to the Panel in a to follow Appendix ahead of the meeting.

7. Recommendations

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

- a) propose that the PCC precept level of £10.89 for a Band B property (or £14 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.

7.2 Note the budget assumptions relating to the budget for 2025/26, 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 2025**;
- 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 2025**;
- 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 2025**;
- 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 2025**;
- the PCC to have regard to and respond to the Panel's second report and publish his/her response, **by 1 March 2025**.

Panel's Report on the proposed precept

If the panel fails to report to the PCC by 8 February 2025 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 2025. 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 PCFP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCFP 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 2025. 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 2025, the PCC may issue the revised precept.

Issuing the precept

Excluding where the panel fails to report on the proposed precept by 8 February 2025 or make a second report on the revised precept by 22 February 2025, 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.