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HUMBERSIDE POLICE AND CRIME PANEL
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8 February 2023

Chair:	Mrs Sue Whittaker	Venue:	Lazaat Hotel, Woodhill Way, Cottingham, HU16 5SX
Time:	10.00 am	E-Mail Address:	matthew.nundy@northlincs.gov.uk

AGENDA

1. Welcome and Introductions
2. Apologies for Absence
3. Substitutions
4. Declarations of Disclosable Pecuniary Interests and Personal or Personal and Prejudicial interests (such declarations are to be made in accordance with the members' respective council's Code of Conduct).
5. To take the minutes of the meeting of the panel held on 29 November 2022 as a correct record and authorise the chairman to sign. (Pages 1 - 4)
6. Humberside Police and Crime Commissioner - Update
7. Police Precept for 2023-24 and Medium Term Resource Strategy 2023-24 to 2027-28
 - (a) To receive the Police and Crime Commissioner for Humberside Police Precept for 2023-24 and Medium Term Resource Strategy for 2023-24 to 2027-28 (Pages 5 - 22)
 - (b) To review the proposed precept. (Pages 23 - 26)

The Panel must review the proposed precept. Having considered the precept, the Panel will either:

- Support the precept without qualification or comment;
- Support the precept and make recommendations, or
- Veto the proposed precept

8. Police Fire and Crime Panels: Independent Member Recruitment Guidance

9. Complaints Report (Pages 27 - 28)
10. Date and time of next meeting.
11. Any other items that the Chairman decides are urgent by reason of special circumstances that must be specified.

Public Document Pack Agenda Item 5

HUMBERSIDE POLICE AND CRIME PANEL

29 November 2022

PRESENT: -

East Riding of Yorkshire Council	Councillor J Abraham Councillor B Gateshill (Vice-Chair) Councillor C Holmes
Hull City Council	Councillor M Coward Councillor A Singh Councillor L Tock
North East Lincolnshire Council	Councillor K Shutt
North Lincolnshire Council	Councillor J Davison Councillor R Hannigan
Independent Members	Mrs S Whittaker (Chair)

The meeting was held at the Ergo Connects Centre, Bridgehead Business Park, Hessle.

- 471 **WELCOME AND INTRODUCTIONS** - The Chair welcomed everyone to the meeting and invited all in attendance to introduce themselves and state the capacity in which they were attending the meeting.
- 472 **APOLOGIES FOR ABSENCE** - That it be noted that apologies for absence had been received from Mrs H Chase (Independent Member) and Councillor H Dawkins (North East Lincolnshire Council).
- 473 **SUBSTITUTIONS** - There were no substitutes at the meeting.
- 474 **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND PERSONAL OR PERSONAL AND PREJUDICIAL INTERESTS (SUCH DECLARATIONS ARE TO BE MADE IN ACCORDANCE WITH THE MEMBERS' RESPECTIVE COUNCIL'S CODE OF CONDUCT)** - There were no declarations of Disclosable Pecuniary Interests and Personal or Personal and Prejudicial interests.
- 475 **TO TAKE THE MINUTES OF THE MEETING OF THE PANEL HELD ON 6 SEPTEMBER 2022 AS A CORRECT RECORD AND AUTHORISE THE CHAIRMAN TO SIGN - Resolved** - That the minutes of the meeting of the Police and Crime Panel held on 6 September 2022, having been printed and circulated amongst the members, be taken as read and correctly recorded.
- 476 **HIS MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES REPORT - POLICE EFFECTIVENESS, EFFICIENCY AND LEGITIMACY (PEEL) INSPECTION REPORT INTO THE**

HUMBERSIDE POLICE AND CRIME PANEL
29 November 2022

PERFORMANCE OF HUMBERSIDE POLICE - The Chair welcomed the Police and Crime Commissioner for Humberside and the Chief Constable of Humberside Police to the meeting. Mr Evison and Mr Freeman had been invited to the meeting to discuss with members His Majesty's Inspectorate of Constabulary and Fire and Rescue Services Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection report into the performance of Humberside Police.

The Chair agreed to consider this as an urgent item to allow the Panel to discuss and consider the PEEL inspection report due to its timely publication and the outstanding grades the force had been awarded.

Mr Freeman informed the meeting that the inspection, which covered nine core areas of policing, was a comprehensive assessment of how the force was performing for its communities, and covered areas such as:

- Providing a service to victims of crime
- Engaging with and treating the public with fairness and respect
- Preventing crime and anti-social behaviour
- Responding to the public
- Investigating crime
- Protecting vulnerable people
- Managing offenders and suspects
- Building, supporting and protecting the workforce
- Strategic planning, organisational management and value for money

A total of six outstanding grades and two good grades were awarded across the key pillars, the most outstanding grades given to any force to-date.

Mr Freeman informed the Panel how Humberside Police compared to other forces -

- by way of average PEEL score
- for force morale
- long term sickness rates
- arrest rates per 1,000 population
- positive outcomes rates for all crimes

The Chair then invited the Police and Crime Commissioner to comment on the findings from the PEEL inspection report, before facilitating a discussion between Panel Members and Mr Freeman and Mr Evison.

Resolved – (a) That Mr Freeman and the entire Humberside Police force be congratulated on the content of His Majesty's Inspectorate of Constabulary and Fire and Rescue Services Police Effectiveness, Efficiency and Legitimacy inspection report and the outstanding grades the force had been awarded, and (b) that Mr Freeman and Mr Evison be thanked for their attendance presentation and for answering members' questions.

HUMBERSIDE POLICE AND CRIME PANEL
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477 **HUMBERSIDE POLICE AND CRIME COMMISSIONER – UPDATE** - The Chairman invited Jonathan Evison, Humberside Police and Crime Commissioner to provide an update to the Panel on any matters of interest, and to respond to any questions about his role. The Police and Crime Commissioner informed the Panel of the following –

- The Home Office had announced that it would continue with the Initial Police Learning and Development Programme (IPLDP) recruitment route.
- The purchase and installation of the PENTANA software to assist the Office of the Police and Crime Commissioner.
- The award of grants from the Home Office and their intended use.
- Impact of recruitment delays on the Violence Reduction Unit.
- Police campaigns to be implemented during the football World Cup and Christmas, particularly the reduction of violence against women and girls.

Following the Commissioner’s verbal presentation, the Chairman facilitated a discussion between the Panel Members and Mr Evison.

Resolved – (a) That the contents of the verbal presentation be noted, and (b) that Mr Evison be thanked for his verbal update and for responding to members’ questions.

478 **POLICE AND CRIME COMMISSIONER ANNUAL REPORT 2021-22** - The Humberside Police and Crime Commissioner introduced his first annual report since his election, covering the Municipal Year 2021-22.

The annual report demonstrated the impact and value of the work that the Office of the Police and Crime Commissioner (OPCC) had achieved during 2021-22 on behalf of the Police and Crime Commissioner (PCC). The document included reporting on the extent to which the OPCC delivered on its Delivery Plan and provided an update on the broader work of the Office.

Resolved – That the Annual Report for 2021-22 be noted and received with thanks.

479 **HUMBERSIDE POLICE - FINANCE UPDATE** - The Chairman invited the Police and Crime Commissioner and Chief Finance Officer at the Office of the Police and Crime Commissioner to update the Panel on the Force budget. Mr Evison and Mr Wilson gave a comprehensive verbal presentation on the Force budget.

The Chairman then facilitated a discussion between the Panel Members and Mr Evison and Mr Wilson.

Resolved – That the Police and Crime Commissioner mid-year finance summary be received with thanks.

480 **COMPARISON OF THE REPORTS FOR POLICE AND CRIME PLAN REVIEWS 2021-22** - The Police and Crime Commissioner circulated a comparison of the reports for Police and Crime Plan reviews during 2021-22.

HUMBERSIDE POLICE AND CRIME PANEL
29 November 2022

Resolved – That the comparison of the reports for Police and Crime Plan reviews during 2021-22 be noted.

481 **DATE AND TIME OF NEXT MEETING** - Wednesday 8 February 2023 commencing at 10.00 am at the Ergo Connects Centre, Bridgehead Business Park, Hessle.

482 **ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT BY REASON OF SPECIAL CIRCUMSTANCES THAT MUST BE SPECIFIED** - There was no urgent business for consideration at the meeting.

POLICE AND CRIME PANEL

DATE	8th February 2023
REPORT OF	Chief Finance Officer, Office of the Police and Crime Commissioner (OPCC)
SUBJECT	Precept Proposal
STATUS	Open

1. **EXECUTIVE SUMMARY**

- 1.1 This report provides the Police and Crime Panel with a summary of the precept consultation and the Commissioner's proposed precept rise of £14.99 on a Band D property.

2. **RECOMMENDATION**

- 2.1 It is recommended that Members of the Police and Crime Panel note the details of the Medium-Term Resource Strategy attached as Appendix 1 and approve the Commissioner's precept proposal of £14.99 on a Band D property.

3. **BACKGROUND**

- 3.1 The Police and Crime Commissioner has a duty to consult the public in regard to the intention to increase the policing precept. The proposed rate should then be considered by the Police and Crime Panel.

4. **PROPOSED PRECEPT**

- 4.1 The Commissioner issued an online Survey and Council Tax Police Precept consultation which asked for views on either freezing the Council Tax Precept or increasing it by £9.99, £14.99 or £19.99 on a Band D property. The Survey ran from 22 December 2022 to 20 January 2023.

Due to the reach of My Community Alert, social media, distribution through partnership networks and funding recipients we attracted a total of 1,590 responses, an increase of 360 compared to last year. The options are set out in the table below:-

Option	Number of responses	% of overall
No change	488	30.7
£9.99	241	15.2
£14.99	471	29.6
£19.99	389	24.5

The results show strong support of 69.3% for an increase of £9.99 or above on a band D property. The referendum threshold set by Government for 2023/24 is any increase above £15 on a Band D property. The key headlines from the consultation are as follows:

Survey Report online link -

https://reporting.alchemer.com/r/260480_63ca90b4b18a69.98972109

- Total of 1,590 respondents
- 69.3% of respondents in favour of an increase in precept (24.5% in favour of £19.99; 29.6% in favour of £14.99; 15.2% in favour of £9.99)
- People responded from every one of the 47 Humber region postcode areas
- Neighbourhood Policing, 999 Response Patrol and Protecting Vulnerable People were the top three areas of policing teams the public felt were most important to them
- 77% of respondents were aged over 45, 38% were over 65 years.
- The 18-24 years bracket had the least engagement; 1% of the sample
- 13% of the sample were non-White British or preferred not to say
- 20% of the sample considered themselves to have a disability

Top 10 Postcode response areas:

YO25 (East Yorkshire Rural) – 129
HU5 (West Hull) – 90
DN15 (Scunthorpe North/Winterton) – 72
HU17 (Beverley) – 72
DN17 (Scunthorpe West) – 71
HU7 (North East Hull/Bransholme) – 65
DN16 (Scunthorpe South) – 57
DN14 (Goole) – 49
DN35 (Cleethorpes) – 48
DN32 (Grimsby East) - 48

Many additional comments were also provided which will be used to inform our programme of assurance of the Force.

4.2 The Medium-Term Resource Strategy (MTRS) for 2023/24 to 2027/28 attached includes the Commissioner's income and expenditure plans for the next five years.

The MTRS has been updated to take account of budget pressures, efficiency savings and productivity gains and the recent provisional Police Finance Settlement that was issued on 14 December 2022. The capital programme and the projections for the Commissioner's reserves are also included.

The MTRS sets out a challenging but sustainable financial position over the medium-term and includes the following key elements:-

- An underspend for the current financial year (2022/23) of £0.1M;
- Financing included in the MTRS for a capital programme of circa £47M over the period 2023/24 to 2027/28;

- Impact of the 2023/24 Police Finance Settlement including continued funding for Operation Uplift;
- Savings requirement over the period 2023/24 to 2027/28 of circa £7.5M;
- Budgeting for increased pay and non-pay pressures of £14.2M in 2023/24;
- A total draw on reserves of £14.8M between 2023/24 and 2025/26;
- Total Reserves of £17.9M by 1/4/28;
- The MTRS includes an annual council tax precept increase of £14.99 a year on a Band D property for 2023/24 and £9.99 on Band D property for each of the years to 2027/28 inclusive.

**KEVIN WILSON
CHIEF FINANCE OFFICER
OFFICE OF THE
POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE**

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HUMBERSIDE
POLICE & CRIME
COMMISSIONER



MEDIUM-TERM RESOURCE STRATEGY

2023/24 – 2027/28

Police and Crime Commissioner for Humberside

Medium-Term Resource Strategy 2023/24 – 2027/28

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I. Purpose of the Medium-Term Resource Strategy

- 1.1 This is the Medium-Term Resource Strategy (MTRS) of the Police and Crime Commissioner for Humberside (the Commissioner). It covers a period of five years but will be reviewed annually to reflect the dynamic nature of both policing and changes in funding. It describes the financial direction of the organisation and outlines financial pressures.
- 1.2 The MTRS provides options for delivering a sustainable budget and capital programme over the medium term. It also sets out how the Commissioner can provide the Chief Constable with the resources to deliver the priorities in the Police and Crime Plan within the challenging financial climate.
- 1.3 The MTRS sets the financial context for the Commissioner's revenue budget, capital programme and precepting decisions.
- 1.4 The overall financial strategy seeks to deliver the Commissioner's Police and Crime Plan, 2021 - 2025 and meet the requirements of the National Strategic Policing Requirement.

2. Aims of the Strategy

- 2.1 The MTRS assists in:
 - Supporting delivery of the Police and Crime Plan 2021 – 2025;
 - Improving financial planning and the financial management of the Commissioner's resources, both revenue and capital;
 - Maximising the use of resources available to the Commissioner and Chief Constable, both internal and external;
 - Ensuring that the Commissioner and Chief Constable provide value for money and continue to deliver efficiency and productivity gains;
 - Reviewing the Commissioner's policy on the use of reserves, ensuring the position continues to be sustainable and that there are sufficient resources over the medium term;
 - Responding to external pressures, including changes to funding resulting from the Government's annual funding announcements.
 - Identifying resources to enable support to be provided to partners to facilitate reductions in crime and support victims of crime.
 - Ensuring that the Commissioner's and Chief Constable's long-term plans are sustainable and efficient.

3. Principles of the Strategy

- 3.1 The key principles underlying the Commissioner's MTRS 2023/24 – 2027/28 are:
 - (i) Overall expenditure of the Commissioner will be contained within original estimates each year.
 - (ii) The Commissioner will maintain a General Reserve of a minimum of 3% of the net revenue budget to cover any major unforeseen expenditure or loss of funding. A flexible approach will be taken to the use of reserve balances above this level where

appropriate, balancing the opportunity costs of maintaining reserves against the benefits of alternative approaches.

- (iii) The Commissioner will maintain earmarked reserves for specific purposes when appropriate, and which are consistent with achieving objectives.
- (iv) The Commissioner will continue to prioritise the achievement of Value for Money, securing economy, efficiency and effectiveness in the use of resources; in establishing the framework for policing within Humberside and; in commissioning and procurement decisions.
- (v) The Commissioner's Chief Finance Officer and the Chief Constable's Chief Finance Officer will prepare a rolling programme of five-year budget forecasts to inform the Commissioner's budget and precepting decisions.
- (vi) The Commissioner, supported by the Commissioner's Chief Finance Officer and Chief Constable, will continue to contribute to national reviews of police funding and take every opportunity to engage in order to pursue the fair and equitable funding of Humberside Police.

4. Reviewing the Strategy

4.1 The Commissioner's MTRS review for 2023/24 to 2027/28 has been carried out under the following key themes:

- The financial context in which the Commissioner operates;
- The Commissioner's current financial position;
- The impact of Operation Uplift (the recruitment of 20,000 Police Officers nationally);
- The future budget pressures that the Commissioner will face over the period of the strategy;
- Budget savings;
- The Commissioner's capital programme;
- Reserves policy;
- Risk assessment;
- Financial Resilience.

5. Police and Crime Plan including Partnerships

5.1 The successful delivery of the Strategy requires the Chief Constable to manage a complex set of resources, demands and priorities whilst reviewing and revising plans to meet changing demand for policing services within the available financial resources.

5.2 HMICFRS (His Majesty's Inspectorate of Constabulary and Fire & Rescue Services) considers that a Force is efficient if it is making the best use of its resources to provide policing services that meet expectation and follow public priorities, and if it is planning and investing wisely for the future.

5.3 The Commissioner's MTRS is underpinned by workforce planning and capital programmes which are aligned with the delivery of the Police and Crime Plan priorities and the continued delivery of an efficient and effective police service to the communities of Humberside.

5.4 The Commissioner is instrumental in shaping the community safety and partnership landscape in each of the local authority areas. Funding is prioritised to the local Community Safety

Partnerships, services for victims, co-commissioning of substance misuse services with Public Health and youth early intervention activities.

- 5.5 Humber Violence Prevention Partnership (HVPP) was launched in April 2022 following a successful application for Home Office funding. £3.5m will be provided by the Home Office to support the formation of the HVPP in order to identify the causes of violent crime and lead the local response to preventing and reducing violence through targeted interventions.

6. Financial Context

- 6.1 **Funding Formula** - The Funding formula used to distribute Grant between Forces (Police Allocation Formula (PAF)) was introduced in 2006/07 and much of the data used has not been updated. There has been recognition for many years that the formula no longer reflects needs, but previous attempts at reform of the PAF have not come to fruition due to various technical/political considerations. No change is anticipated to the PAF formula until at least 2024/25 at the earliest and therefore, the MTRS has made no assumptions in this regard.

- 6.2 **Operation Uplift** - The Government has made a commitment to increase police officer numbers nationally by 20,000 by March 2023. The profile for Humberside Police is as follows:

2020/21 - 97 Officers;
2021/22 - 96 Officers;
2022/23 - 129 Officers.

Funding has been allocated towards the costs of police officer salaries, additional police staff to facilitate the recruitment and training of officers and the necessary kit and equipment they need.

- 6.3 **Police Finance Settlement and Council Tax Precept** - The Provisional Police Finance Settlement for 2023/24 was announced on 14 December 2022. The final Police Finance Settlement will be released in February 2023.

The headlines from the Police Finance Settlement for Humberside are as follows:

- Police core grants of £139.1m
- Legacy grants of £10m
- Ring-fenced grant of £4.4m relating to achievement of Operation Uplift targets

- 6.4 The Secretary of State determines the maximum increase PCCs can make to council tax precept without requiring a referendum and in 2023/24, is more than £15 per year on a Band D property. The Band D council tax precept set by the Commissioner for the year 2023/24 is £268.19

The Commissioner has also run a public consultation on the level of the council tax precept for 2023/24. There have been 1,590 responses to the consultation. 69% of these responses agree with a £9.99 increase or more in a Band D council tax precept.

- 6.5 This MTRS as presented includes an increase in the precept of £14.99 for a Band D property for 2023/24 and an increase of £9.99 in future years. Final decisions on the actual precept will be made each year by the Police and Crime Commissioner based on the financial circumstances at the time.

- 6.6 **Ministry of Justice Grant** - The Ministry of Justice (MOJ) allocates a grant to the Commissioner each year for local commissioning of victim services. The grant is allocated between Police and Crime Commissioners on the basis of population. A total of £1.090m was allocated to the Police and Crime Commissioner for Humberside for 2022/23. The amount for 2023/24 is yet to be confirmed.
- 6.7 The MOJ grant is held outside of the Police General Fund and the Commissioner makes decisions on the commissioning of services on an annual basis, within the grant funding available. The commissioning of victim services therefore has no impact on Force budgets.

7. Current 2022/23 Financial Position

- 7.1 The Commissioner's group budget for 2022/23 is £217.290m. The Period 8 revenue monitoring report shows a projected budget underspend of £0.102m as at 30 November 2022.

2022/23 Revenue Monitoring – Period 8 Position			
	Approved Budget 2022/23	Projected Outturn 2022/23	Variance 2022/23
<u>Group Position</u>	£m	£m	£m
Chief Constable	206.033	206.033	-
Police and Crime Commissioner	4.397	4.332	(0.065)
Capital Financing	6.860	6.823	(0.037)
Net Expenditure	217.290	217.188	(0.102)
Central Government Grant	148.612	148.612	-
Council Tax Precept	72.917	72.917	-
Central Grant and Precept Total	221.529	221.529	-
Appropriations (to) / from reserves	(4.239)	(4.341)	(0.102)

- 7.2 The group budget is held by the Police and Crime Commissioner who provides financial resources to the Chief Constable to deliver operational policing. The PCC has a small specific budget for funding of partnerships and the OPCC running costs. The Capital Financing budget comprises the revenue provision for repayment of borrowing, interest costs and investment income.
- 7.3 The overall Group forecast represents an underspend of £0.102m (0.05%).
- 7.4 The forecast closing position on reserves for 2022/23 is £30.5m.

8. Medium Term Budget Pressures in Humberside

- 8.1 When calculating the medium-term budget projections for Humberside consideration has been given to a number of budget pressures including:
- i. Pay and price increases;
 - ii. Budget pressures;
 - iii. Revenue implications of the capital programme;
- 8.2 **Pay and price increases** - Indicative budget forecasts for 2023/24 to 2027/28 reflect the impact of inflation on budgets wherever possible such as energy, business rates and rent increases along with known contract increases. In addition, estimates for future pay awards at 3% for 2023/24 and 2% for the following years.
- 8.3 **Budget pressures** - The MTRS also includes estimates of the impact of the annual cost of officer pay progression under police regulations and the triennial review of the Local Government Pension Scheme (LGPS), this review was completed for 2023/24 and the following two years and an increase in contributions is not required. Humberside Police will also face financial pressures due to the additional costs incurred following the recruitment of additional Police Officers and Police Staff as a result of Operation Uplift.
- 8.4 **Revenue implications of the capital programme** - A revised five year capital programme has been produced, which is summarised in Section 10 below. The implications of this programme are fully reflected in the MTRS.

9. Medium Term Efficiencies and Productivity

- 9.1 Throughout the MTRS period efficiencies will continue to be delivered wherever possible, to sustain the investment in policing, to continue to support local policing services in the face of a challenging financial situation and balance the budget (See 11.2), for example:
- Corporate Programme of efficiency and continuous improvement reviews;
 - Non pay savings;
 - Savings through procurement through the continued use of national frameworks;
 - Maximising income generation wherever possible.
- 9.2 Productivity initiatives have been delivered in the areas described below;
- Operation Uplift - Deployment of additional officers using demand data to inform organisation design;
 - Right Care, Right Person – Working with health partners to ensure the most appropriate organisation provides timely care to individuals as required;
 - Call Demand Productivity – Software is utilised to predict call volumes based on previous historical information which then provides a basis to allocate appropriate resources.

10. Capital Estimates and Financing

10.1 The following table provides a summary of the 5-year capital programme:

Capital Estimates	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Major and Minor Building Schemes	2.803	6.767	6.470	1.215	0.950	18.205
Information Technology	3.439	2.669	2.039	2.403	7.491	18.041
Vehicles and Equipment	3.694	1.819	1.887	1.744	1.654	10.798
Total	9.937	11.255	10.396	5.362	10.094	47.044

10.2 Key areas to note in the proposed programme are:

- **Building Schemes** - Estates refurbishment programme based on operational requirements;
- **Information Technology** - the Force have a number of Improvement Schemes to deliver change and efficiency through transformation;
- **Vehicles and Equipment** - a rolling programme of vehicle replacement and programmes for upgrading equipment.

Capital Financing

Capital Estimates	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Forecast Expenditure	9.937	11.255	10.396	5.362	10.094	47.044
Financed by:						
Grants and Contributions						
Prudential Borrowing	9.937	11.255	10.396	5.362	10.094	47.044
Total Financing	9.937	11.255	10.396	5.362	10.094	47.044

10.3 The capital financing approach is to use Prudential borrowing to fund the Capital Programme and as mentioned in paragraph 8.4 the revenue implications of this borrowing is fully reflected in the MTRS Group Budget Forecast.

11. Indicative Budget Forecasts 2023/24 to 2027/28

11.1 All the budget pressures, budget savings and funding assumptions outlined earlier in this Strategy are summarised below, to show an overall position for the Group representing the combined budget forecasts for the Commissioner and Chief Constable. Having considered the savings proposals and the availability of reserves to support the MTRS an important consideration is the precept proposal for 2023/24. The MTRS includes a precept increase of £14.99 built into the funding for 2023/24 and £9.99 through to 2027/28.

11.2 The group budget forecast position is set out in the following table:

MTRS Group Budget Forecast	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Base budget	219.997	232.696	238.695	241.146	245.121
Budget pressures					
Pay related increases	12.677	3.905	3.517	3.783	4.213
Increase/(Reduction) in expenditure funded by Earmarked reserves	(0.862)	1.035	(1.170)	-	-
Budget pressures/(additional income)	0.653	1.208	1.313	1.530	0.675
Revenue impact of capital financing	1.731	1.351	0.291	0.162	(0.875)
Total budget pressures	14.200	7.499	3.951	5.475	4.013
Savings Requirement	(1.500)	(1.500)	(1.500)	(1.500)	(1.500)
Net Budget Requirement	232.696	238.695	241.146	245.121	247.634
Central Government Grant Income	139.059	141.145	142.557	143.982	145.421
Council Tax Precept Support Grant	10.041	10.041	10.041	10.041	10.041
Council Tax Precept Income	76.298	80.524	84.875	89.355	93.965
Council Tax Precept - Collection Fund surplus / (deficit)	1.059	1.059	1.059	1.059	1.059
Total Income	226.457	232.769	238.532	244.437	250.486
Funding gap / (surplus) before reserves	6.239	5.926	2.615	0.685	(2.851)
Planned use of reserves:					
Transfer (from)/to Earmarked reserves	(6.239)	(5.926)	(2.615)	(0.685)	2.851
Funding gap / (surplus) after use of reserves	-	-	-	-	-

11.3 The Group forecast budget set out above shows how after the planned use of reserves, savings and the precept there is a small surplus towards the end of the MTRS, the budget gap is manageable over the medium-term which meets the key principle of the Commissioner's Strategy that overall expenditure will be delivered within a sustainable budget over the medium term.

- 11.4 The Group forecast budget is allocated as follows between Chief Constable, Police and Crime Commissioner and Capital Financing.

Humberside PCC Group	2023/24 £M	2024/25 £M	2025/26 £M	2026/27 £M	2027/28 £M
Chief Constable	218.639	223.263	225.399	229.188	232.551
Police and Crime Commissioner	5.147	5.171	5.195	5.220	5.245
Capital Financing	8.910	10.262	10.552	10.713	9.838
Total	232.696	232.696	241.146	245.121	247.634

- 11.5 **Budget Monitoring arrangements** – the S.151 Officer confirms that the Commissioner has timely and robust monitoring arrangements. Management Accounts are reported to the Chief Constable and the Police and Crime Commissioner on a monthly basis.

12. Reserves

Background information on Reserves

- 12.1 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets.
- 12.2 In establishing reserves, the Commissioner must comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Chief Finance Officer is required as part of the budget setting process to provide a statement on the adequacy of reserves.
- 12.3 Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Reserves and Balances (LAAP Bulletin No 77 November 2008) and the requirements of the Code suggests twice yearly reviews of reserves. By doing this, the visibility of reserves are increased and consideration of their use is placed at the forefront of the decision-making process. Reserves are cash backed balances, held on the balance sheet until they are spent or released for other purposes. As such, they can only be spent once, and are not part of the base budget.
- 12.4 In addition, CIPFA along with the Home Office recommended as good practice that Police and Crime Commissioners publish an Annual Reserve Strategy Statement. The statement provides an explanation for each reserve along with its value. It also includes a narrative explaining whether the current and projected level of reserves is appropriate, and if governance arrangements for reserves are adequate and appropriate.
- 12.5 The Commissioner's balance sheet reserves are summarised as follows:
- **General Reserves** - a contingency for unexpected events or emergencies;
 - **Earmarked Reserves** - to meet known or predicted liabilities.
- 12.6 CIPFA guidance issued in June 2003 confirms that relevant bodies should make their own judgements on such matters, considering relevant local circumstances and an assessment of risk and the advice of the Chief Finance Officer.

Reserves Strategy

12.7 The Commissioner must retain adequate reserves so that unexpected budget pressures can be met without adverse impact on the achievement of key objectives and council taxpayers. The Commissioner’s policy for reserves and balances is based on a thorough understanding of the organisation’s needs and risks. Part of this process is to give a clear explanation of the existing and proposed use of reserves and this is addressed in the paragraphs below.

General Reserve

12.8 The expected General Reserve at 1 April 2023 will be increased to £6.6m equating to 3.0% of the revenue budget. This meets one of the key MTRS principles to seek to maintain the General Reserve at 3% of the net revenue budget. The closing General Reserves at 31 March 2028 are estimated to be £7.4m equating to 3% of the net revenue budget.

Earmarked Reserves

12.9 Earmarked Reserves represent funds which have been set aside by the Commissioner for specific purposes. The table below shows the overall strategy for use of reserves over the MTRS period.

MTRS Reserves Forecast	At 1 April 2023 £m	At 1 April 2024 £m	At 1 April 2025 £m	At 1 April 2026 £m	At 1 April 2027 £m	At 1 April 2028 £m
Earmarked Reserves						
Change Management Reserve	17.8	12.8	6.8	4.4	3.7	6.4
Risk Management Reserve (Uninsured Losses)	2.0	2.0	2.0	2.0	2.0	2.0
Partnership Reserve	2.1	2.1	2.1	2.1	2.1	2.1
Pay and Prices Reserve (Inflationary Pressures)	2.0	0.4	0.4	-	-	-
Total Earmarked Reserves	23.9	17.3	11.3	8.5	7.8	10.5
General Reserves	6.6	7.0	7.1	7.2	7.3	7.4
Total Reserves	30.5	24.3	18.4	15.7	15.1	17.9

12.10 The Commissioner retains four Earmarked reserves for the following purposes:

- Change Management Reserve – used to support the revenue budget, to help to facilitate business change and pump-prime initiatives, including those that are spend to save;
- Pay and Prices Reserve – Used to mitigate pay and price inflation over the assumptions included in the MTRS Group budget forecast (see 11.2).
- Risk Management Reserve – used to provide cover for potential liabilities that have been identified but have not yet crystalized and any shortfall in self-insurance provisions;
- Partnership Reserve – used to support community safety partners and to supplement monies from the Ministry of Justice for victims’ services provision.

12.11 **Adequacy of Reserves** – the S.151 Officer confirms that the current reserves held by the Commissioner are adequate. The position on reserves will be kept under continuous review and will be reviewed again, during 2023/24. Any material changes will be reported to the Commissioner.

13. Risk Assessment

13.1 The MTRS contains the most up to date information at the time of drafting, but the Commissioner's financial position is dynamic. A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure all risks and uncertainties affecting the Commissioner's financial position are identified. The Commissioner faces a number of significant financial pressures that could affect the position over the medium term. An assessment of the likelihood and impact of each risk and the management controls in place are shown in the following table:

Risk	Likelihood	Impact	Risk Management
Pay awards and price inflation being higher than anticipated.	Possible	High	Budget based on best information available and set at a prudent level.
Failure to deliver planned savings.	Possible	Medium	Revenue monitoring updates to the Commissioner and Chief Constable.
Further reductions in funding included in the next Comprehensive Spending Review and an unfavourable review of funding formula.	Possible	High	Balance on General Reserve maintained at minimum of 3%; forward planning; regular monitoring.
Future council tax precept rises limited by excessiveness principles determined by the Government.	Likely	Medium	Balance on General Reserve maintained at minimum of 3%; forward planning.
Costs associated with the outcome of the national legal challenge to the Police Pension Scheme (2015) transition arrangements are not met centrally by the Home Office.	Possible	Medium	Balance on General Reserve maintained at minimum of 3%; close budget monitoring; annual review of budget and MTRS; existing Police Pension Fund arrangements require the Home Office to balance the deficit on the Fund each year through a top-up grant. Government has indicated that the costs of the pension payments and some admin costs will be funded, however other costs will not be funded and will need to be met from local resources.

13.2 **Robustness of Estimates** - the S.151 Officer confirms that the budget estimates have been compiled on a robust and prudent basis.

14. Financial Resilience

Medium-Term Financial Resilience

- 14.1 The PCC monitors and reviews the financial resilience of the group regularly and maintains and reviews the indicators developed by CIPFA which are presented below.
- 14.2 The indicators below have been developed by CIPFA to demonstrate the medium-term financial resilience of Police Forces. These indicators allow benchmarking with other forces and organisations and provide an overall assessment of financial resilience.
- 14.3 Funding gap as a percentage of Net Revenue Expenditure (NRE) over the MTRS period - Forces need to have a clear estimate of their funding gap over the Medium-term Resource Strategy.

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
NRE	232.696	238.695	241.147	245.122	247.635
Estimated Funding Gap	7.604	6.256	4.115	2.185	(1.351)
Gap/(Surplus) as a % of NRE	3.27%	2.62%	1.71%	0.89%	(0.55%)
Savings Identified – Agreed	0.530	0.300	0.200		
Savings Identified – Agreed in Principle	0.450	0.400	0.500	0.300	
Savings – Proposed	0.520	0.600	0.500	0.370	
Savings – To be identified		0.200	0.300	0.830	1.500
Unidentified Gap/(Surplus) as a % of NRE	2.62%	1.99%	1.08%	0.28%	(1.15%)

- 14.4 Savings delivered as a percentage of planned savings - Forces need to be sure that savings plans are effective and planned savings are delivered.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
MTRS Savings Planned	1.343	3.750	2.100	0.750	1.500
MTRS Savings Achieved	1.679	3.750	2.100	1.694	1.311*
% of Savings Achieved	125.0%	100.0%	100.0%	225.9%	87.4%

*as at period 8

- 14.5 Over/Underspend relative to Net Expenditure - It is important that Forces keep over and underspending under control and that actual expenditure is as close as possible to the levels planned.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
NRE	185.423	194.507	198.760	210.612	217.290
Over/(Under)spend	(0.223)	(2.251)	(3.419)	(5.050)	(0.102)*
Over/(Under)spend as a % of NRE	(0.1%)	(1.2%)	(1.7%)	(2.4%)	(0.05%)

*Predicted over/(underspend)

14.6 Useable Reserves as a percentage of Net Revenue Budget - Reserves allow for periods of uncertainty to be managed and healthy levels of useable reserves are an important safety net to support financial sustainability.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
NRE	185.423	194.507	198.760	210.612	217.290	232.696	238.695	241.147	245.122	247.635
<u>Resource Reserves</u>										
General	5.220	5.800	6.120	6.400	6.600	7.000	7.100	7.200	7.300	7.400
Earmarked	14.782	11.371	14.232	18.965	23.923	17.284	11.257	8.542	7.757	10.508
Resource Reserves as a % of NRE	10.8%	8.9%	10.2%	12.0%	14.1%	10.4%	7.7%	6.5%	6.1%	7.2%
Change in %	(5.8%)	(1.9%)	1.3%	2.0%	2.0%	(3.7%)	(2.7%)	(1.2%)	(0.4%)	1.1%

14.7 Council Tax as a percentage of income – The shows the reliance of the Police and Crime Commissioner on core grants and potential impact changes in core grant funding could have on the financial sustainability of the Force and Police and Crime Commissioner.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Precept	53.079	60.448	62.745	66.474	71.123	76.298	80.525	84.876	89.356	93.966
Total Financing	176.287	187.647	197.042	207.211	221.530	226.479	232.793	238.556	244.461	250.510
Precept as a % of Total Financing	30.1%	32.2%	31.8%	32.1%	32.1%	33.7%	34.6%	35.6%	36.6%	37.5%

14.8 The Cost of Borrowing as a percentage of Net Revenue Expenditure – Borrowing commitments are long term and must be funded from ongoing revenue budgets, this shows the amount of revenue funding committed to meet current and future borrowing commitments.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
NRE	85.423	194.507	198.760	210.612	217.290	232.696	238.695	241.147	245.122	247.635
<u>Borrowing Costs</u>										
Minimum Revenue Provision	3.143	1.402	2.379	3.702	5.287	6.794	8.240	8.619	8.875	8.074
Interest	1.257	1.671	1.968	2.000	1.912	2.136	2.041	1.953	1.859	1.785
Cost of Borrowing as a % of NRE	2.4%	1.6%	2.2%	2.7%	3.3%	3.8%	4.3%	4.4%	4.4%	4.0%
Level of Debt	65.378	71.966	87.588	83.886	103.998	107.216	110.435	112.287	103.767	104.987
Level of Debt as a % of NRE	35.3%	37.0%	44.1%	39.8%	47.3%	46.1%	46.3%	46.6%	42.3%	42.4%

14.9 The most significant risk is that the pay awards will be higher than budgeted, and that funding increases may be less than anticipated.

15. Conclusion

15.1 The overall financial position for Humberside Police is sustainable over the medium term.

15.2 The approach set out in this MTRS delivers a balanced budget. It sets out how all five years will be financed, and general reserves can be maintained at or above 3.0% of the revenue budget, estimated at £7.4m at March 2028.

Police and Crime Panels – Scrutiny of Precepts

This guidance note 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")

A separate [guidance note setting out the scrutiny of chief constable appointments](#) has been published alongside this guidance note.

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

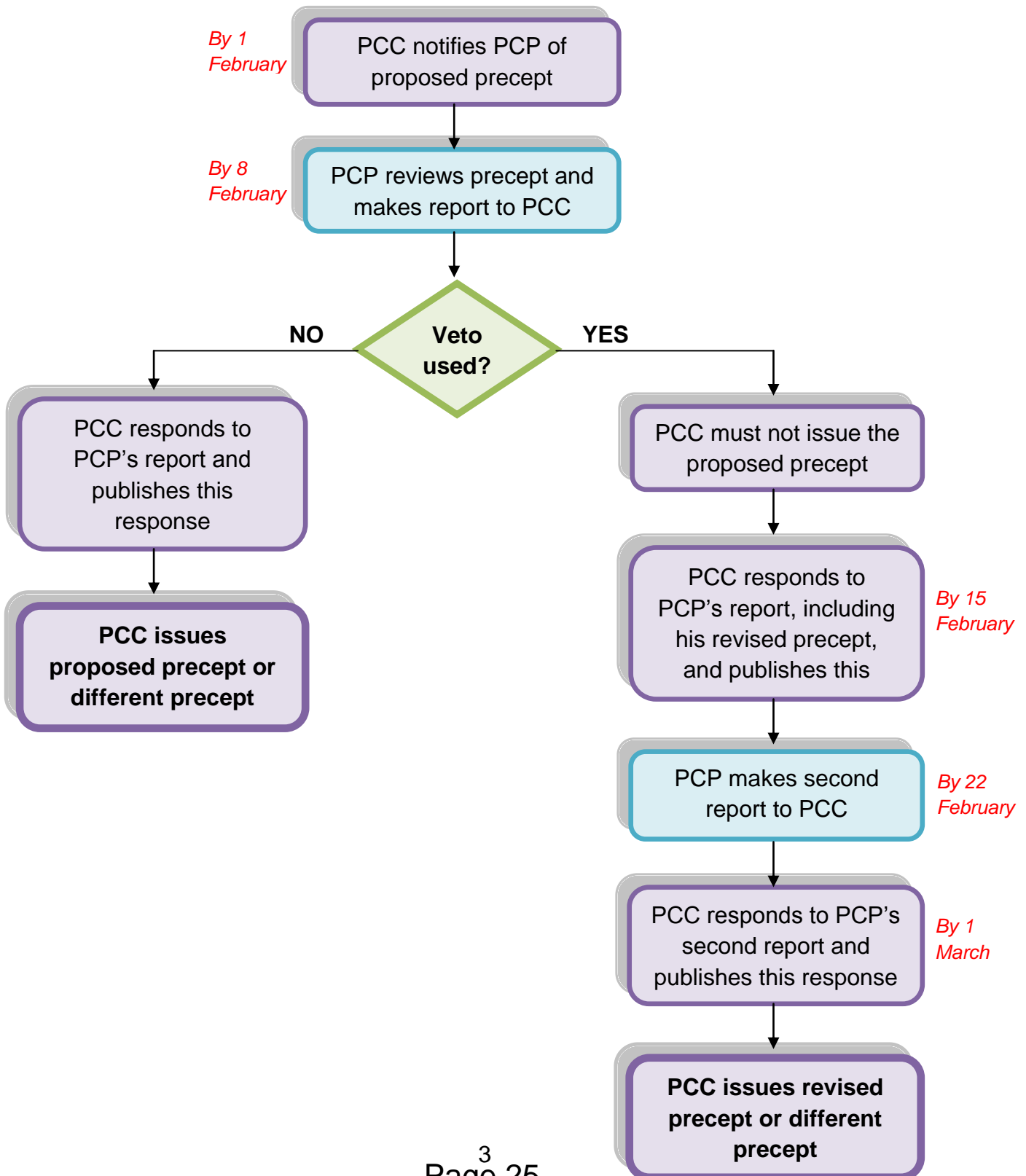
Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his/her response to their second report.

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



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HUMBERSIDE POLICE AND CRIME PANEL

COMPLAINTS REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 The purpose of this report is to provide the Panel with an update on complaints made against the Humberside Police and Crime Commissioner during the period 1 September 2022 to 30 January 2023.

2. BACKGROUND INFORMATION

- 2.1 The Panel has statutory responsibilities under the Elected Local Policing (Complaints and Misconduct) Regulations 2012 for handling and recording complaints about the conduct of the Humberside Police and Crime Commissioner.
- 2.2 At the Police and Crime Panel meeting on 6 February 2013, members discussed the issue of complaints. The Panel felt that there needed to be a separation of powers, so that the receipt and handling of complaints is not dealt with by the Office of the Police and Crime Commissioner, but by the Police and Crime Panel.
- 2.3 Information about the Panel's complaint handling role and how to make a complaint is set out on the Panel's web site www.northlincs.gov.uk.
- 2.4 In the absence of any provision or guidance regarding who should handle a complaint made against the Panel itself, it should be noted that each elected Panel Member is subject to their respective appointing Authority's Codes of Conduct. The two independent co-opted members of the Panel have adopted the Code of Conduct of the host authority (North Lincolnshire Council).

3. SUMMARY OF CASES RECEIVED

- 3.1 During the period 1 September 2022 to 30 January 2023, no complaints had been submitted against the Police and Crime Commissioner for Humberside.

4. SUMMARY OF CASES RESOLVED

4.1 There were no outstanding complaints against the Police and Crime Commissioner.

5. FREEDOM OF INFORMATION AND PRESS ENQUIRIES

5.1 There have been no Freedom of Information requests received. There have been four press enquiries and four other questions from members of the public and neighbouring local authorities

6. RECOMMENDATIONS

6.1 That the report be noted.

SECRETARY OF THE HUMBERSIDE POLICE AND CRIME PANEL

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Author: Matthew Nundy
Date: 30 January 2023

Background Papers used in the preparation of this report

Police Reform and Social Responsibility Act 2011
The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012
Local Government Association Guidance Document on Handling Complaints about the Police and Crime Commissioner and their Deputy (December 2012)