

D O N N A J O N E S

MORE POLICE
SAFER STREETS

H A M P S H I R E & I S L E O F W I G H T

Police and Crime Panel
27 January 2022
Budget & Precept 2023/24

Precept & Budget Task & Finish Group

GOOD ENGAGEMENT WITH THE PCP PRECEPT & BUDGET TASK AND FINISH GROUP

We have met on 3 occasions:

- 16th December
- 12th January
- 23rd January

Chief Executive and CFO in attendance from PCC's Office

Main discussion topics: Budget and Precept

What the 2023/24 Budget Delivers

- **Sets a balanced budget for 2023/24 in the sum of £426.52m**
- **Deliver the Key Priorities in the Police and Crime Plan**
- **Delivers the Chief Constable Operational Requirements**
- **Delivers investment of £9.057m, which includes an investment of £3.1m to fund 50 additional police officers**
- **Cover the costs of Inflation £12.49m**
- **Maintains PCSO numbers**
- **Delivers a 3 year Capital Programme £72.8m**

Chief Constable Statement

*'In terms of priorities, **officer numbers and visibility** are two categories that the public say are most important to them. This chimes with the mandate of More Officers and Safer Streets upon which Commissioner Donna Jones was elected. Against this context, and given the challenges faced by policing, **I have no hesitation in making the operational case for a maximum £15 increase in precept for Band D. This is the only credible way to deliver more police officers than those already committed.....***

Despite national government efforts, police funding is not keeping up. Factoring in the national funding provision, and even with a £15 increase of council tax as per this recommendation, inflationary pressures will account for nearly all of the total increase in police funding for Hampshire & Isle of Wight Constabulary. That this budget still enables 50 extra officers against that context is because of prudent financial planning, significant efficiencies of £6.4m that have been identified for 2023-24, and a steely desire to ensure every pound possible goes into operational policing.'

DONNA JONES

**POLICE & CRIME
COMMISSIONER**

HAMPSHIRE & ISLE OF WIGHT

MORE POLICE SAFER STREETS

2023/24 Budget – Economic Context

In his Autumn Statement, the Chancellor set out that the:

‘UK’s economic and fiscal outlook has deteriorated materially since March 2022. Higher inflation and interest rates, coupled with slower economic growth, have hit the public finances. Difficult decisions are necessary to put the public finances back on to a sustainable footing in the medium term.’

- December 2022 Inflation (CPI) 10.5%
- OBR Forecast average inflation for 2023 7.4%
- Energy prices remain the largest single driver, with energy inflation of 59.0% in the UK

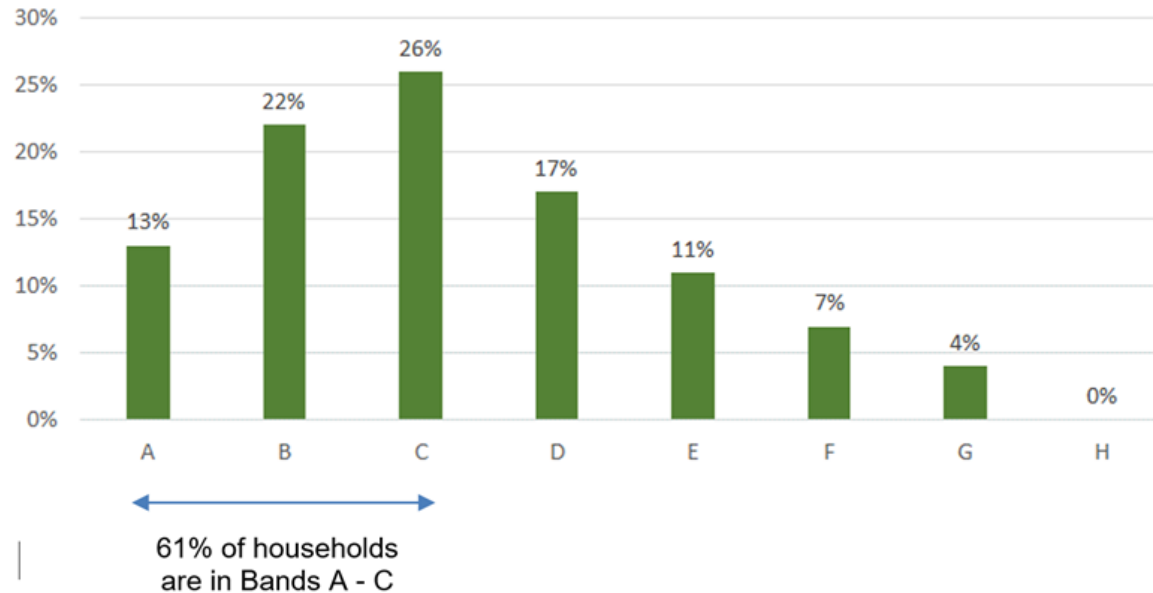
2023/24 Budget – Police Grant Settlement

- Police Grant Settlement announced 14th December 2022
- Hampshire and Isle of Wight Police Grant £246.9m, a below inflation increase of 1.8%;
- Changed the Precept referendum rules: maximum (without referendum) Band D precept increased from £10 to £15

2023/24 Budget – Council Tax Precept

the PCC is proposing a **below inflation precept increase of £15 (6.43%)** for a Band D property, but on the basis that the additional **£5 flexibility** she has been given is utilised primarily to support a **further increase in 50 new and additional police officers in 2023/24 onwards.**

Percentage of households by Council Tax Band



Impact of a £15 Council Tax Increase By Council Tax Band 2022/23

Band	Monthly Increase £	Annual increase £
A	0.83	10.00
B	0.97	11.67
C	1.11	13.33
D	1.25	15.00
E	1.53	18.33
F	1.81	21.67
G	2.08	25.00
H	2.50	30.00

2023/24 Budget – Council Tax Precept

- As of 26th January, 21 PCCs (incl HIOW) had formally issued their Precept proposals to their Police and Crime Panel
- The average proposed precept increase is **£14.98** for a Band D per annum
- 16 PCCs are proposing £15
- 4 PCCs are proposing £14.94, 1 PCC £14.84

2023/24 Budget – Council Tax Precept

COMPARATOR GROUP - PROPOSED POLICE PRECEPT

	2022/23	PROPOSED 2023/24	PROPOSED 2023/24
	BAND D	BAND D	BAND D
	PRECEPT	PRECEPT	PRECEPT INCREASE
	£	£	£
Leicestershire	258.23	273.23	15.00
Avon & Somerset	251.20	266.20	15.00
Staffordshire	248.57		
Thames Valley	241.28	256.28	15.00
Hampshire	236.46	251.46	15.00
Sussex	224.91	239.91	15.00
Hertfordshire	223.00	238.00	15.00
Essex	218.52		

2023/24 Budget – Available Funding

Total Police Grant and Precept Income 2023/24 included in Budget

	2022/23 £m	2023/24 £m	Increase £m	Increase %
Total Government Grant	242.5	246.9	4.35	1.8%
Estimated Precept Income based on £15 Band D Precept Increase and Tax Base increase of 0.94%	167.4*	179.7	12.3	7.35
Total Hampshire Assumed Funding	409.9	426.6	16.7	4%

*£10 precept increase 2022/23

2023/24 Budget

	£m	%
Hampshire Constabulary	377.7	88.56
Police Estate	23.6	5.53
Contribution to Reserves*	15.0	3.52
Total Budget Directly in Support of Policing	416.37	97.61
Office of the Police & Crime Commissioner (Executive & Business)	2.94	0.68
Commissioning, Criminal Justice and Partnerships	4.14	0.96
Capital Financing (net of Interest earned of £2m)	3.16	0.75
Total Proposed Budget	426.5	100

Medium Term Financial Strategy	Starting Budget 2023/24	Inflation	Efficiency Savings	Growth & Budget Pressure	Funding Changes	Forward Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funding:									
Expected amount from General Grants	(223,049)	0	0	0	(751)	(223,800)	(227,691)	(227,691)	(227,691)
Council tax freeze and benefit grant	(12,944)	0	0	0	0	(12,944)	(12,944)	(12,944)	(12,944)
Person Grant	(2,988)	0	0	0	0	(2,988)	(2,988)	(2,988)	(2,988)
Uplift Grant	(3,502)	0	0	0	(3,598)	(7,100)	(7,100)	(7,100)	(7,100)
Council tax precept	(167,389)	0	0	0	(12,294)	(179,683)	(184,172)	(188,774)	(193,497)
Council tax collection fund surplus	(1,317)	0	0	0	1,317	0	0	0	0
Collection Fund Adjustment Grant	0	0	0	0	0	0	0	0	0
Total amount funding expected:	(411,389)	0	0	0	(15,127)	(426,515)	(434,895)	(439,497)	(444,230)
Expenditure owned by the PCC:									
Executive	1,772	66	(614)	0	0	1,224	1,242	1,257	1,272
PCC Business	1,452	29	0	236	0	1,717	1,755	1,790	1,825
Commissioning CJ & Partnerships	4,142	0	0	0	0	4,142	4,160	4,175	4,191
Estates	22,174	1,439	0	0	0	23,613	24,221	24,836	25,408
Interest on Balances	(500)	0	(1,500)	0	0	(2,000)	(500)	(500)	(500)
Capital Financing	5,158	0	0	0	0	5,158	5,158	5,158	5,158
Reserve Transfers	12,084	0	0	2,899	0	14,983	12,212	11,643	12,277
Net Expenditure owned by Office of the PCC	46,281	1,534	(2,114)	3,135	0	48,836	48,247	48,358	49,691
Police Services									
Expenditure:									
Employees	301,432	6,834	(2,201)	4,422	0	310,486	320,079	327,194	335,267
Indirect Employee Costs	5,754	7	0	293	0	6,054	6,140	6,222	6,307
Premises	1,229	5	(165)	35	0	1,104	1,042	1,066	1,092
Transport	6,398	593	0	0	0	6,991	7,204	7,424	7,652
Supplies and Services	22,400	350	(1,885)	643	0	21,568	26,861	32,288	37,713
Third Party Payments & Support Service	77,219	3,165	(12)	822	0	81,194	82,206	84,449	85,579
Total Expenditure on Police Services:	414,401	10,954	(4,263)	6,215	0	427,397	443,531	458,643	473,609
Income:									
Fees & Charges	(10,851)	0	0	0	0	(10,851)	(10,799)	(10,746)	(10,789)
Grants & Contributions	(38,533)	0	(42)	(293)	0	(38,867)	(39,564)	(40,267)	(40,984)
Total Income on Police Services:	(49,383)	0	(42)	(293)	0	(49,718)	(50,363)	(51,014)	(51,773)
Net Expenditure on Police Services:	365,108	10,954	(4,305)	5,922	0	377,679	393,168	407,630	421,835
Net Expenditure on PCC and Police Services	411,389	12,488	(6,419)	9,057	0	426,515	441,415	455,988	471,527
Budget (surplus)/ shortfall:	0	12,488	(6,419)	9,057	(15,127)	0	6,519	16,401	27,307

MORE POLICE SAFER STREETS

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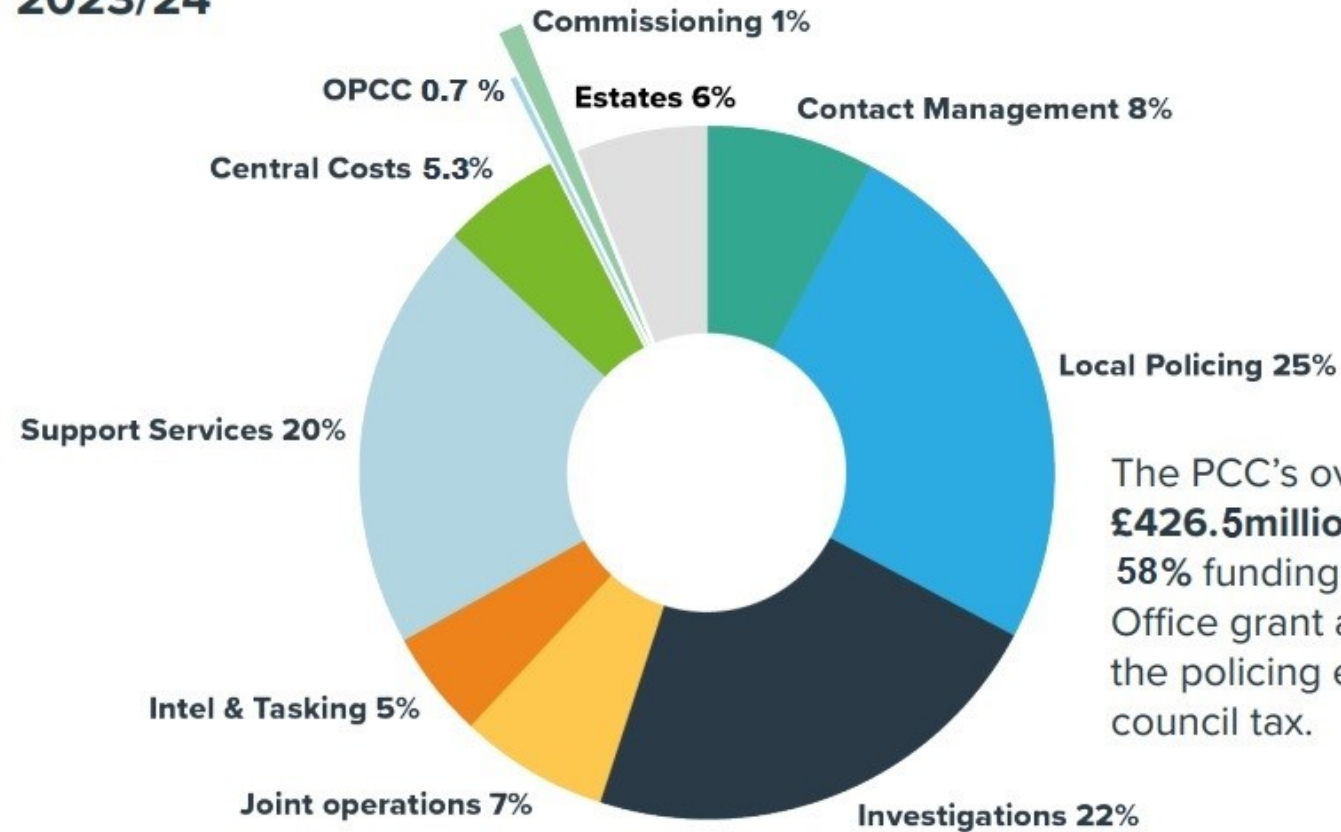
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2023/24 Budget - Savings

	£m
PCC Office	0.6
PCC Treasury Management Investment Income	1.5
Constabulary	4.31
Total	6.42

Functional Split of 2023/24 Budget

TOTAL COST OF POLICING 2023/24



The PCC's overall budget of **£426.5million** is made up of **58%** funding from the Home Office grant and **42%** is from the policing element of your council tax.

2023/24 Budget - Investment

The budget will deliver investment in 2023/24 of £9.05m as set out below:

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
More Frontline	6.387	4.693	4.259	4.249
Right Place, Right Time	1.351	0.624	0.255	0.255
Better Equipped	1.163	1.108	1.035	1.035
Governance Costs	0.266	0.266	0.266	0.266
Allowance for future budget investment/pressures		5.000	10.000	15.000
Gross Investment	9.168	11.691	15.816	20.806
Less Contributions from reserves	(0.109)	(1.035)	(0.160)	-
Net Investment	9.057	10.656	15.656	20.805

Further detail is included in Appendix E to the budget report

Capital Programme

Capital programme

		2022-23	2023-24	2024-25	2025-26
		£000	£000	£000	£000
Capital spend	Estates	1,520	17,464	19,500	26,900
	Vehicles	3,000	3,000	3,000	3,000
	TOTAL	4,520	20,464	22,500	29,900
Funding	Operational buildings receipts	-	(6,675)	-	-
	Residential buildings receipts	-	(1,100)	-	-
	Vehicles receipts	(150)	(150)	(150)	(150)
	Capital grant	-	-	-	-
	RCCO - Estates	(1,370)	(9,539)	(19,350)	(26,750)
	RCCO - Vehicles	(3,000)	(3,000)	(3,000)	(3,000)
	Borrowing	-	-	-	-
	TOTAL	(4,520)	(20,464)	(22,500)	(29,900)
In year (surplus) / shortfall		-	-	-	-
Cumulative (surplus) / shortfall		-	-	-	-

Key Schemes:

Bitterne Police Station: £8m - re-build of Bitterne Police station

Southampton PIC: £9m - Upgrade and maintenance to the PIC

Front Counters: £2m - investment in new Front Counters to support improved visibility and accessibility of local policing

Netley Site: £4m - upgrade and improvements to the Netley Site

Southampton PIC: £5m – new multi-story car park

Estate Infrastructure Vehicle Electrification £3m - estate wide upgrades to prepare for electrification of the vehicle fleet

Vehicle Replacement: £9m – annual vehicle replacement programme of £3m per annum

Estate wide upgrade across HIOW: £30m – upgrade to existing estate including new and re-aligned estate on the Isle of Wight

MTFS – Key Funding Assumptions

Funding Assumptions

Funding	2023/24	2024/25	2025/26	2026/27
General Govt grant	1.8%	1.74%*	0.0%**	0.0%**
Council tax benefit & freeze grants	0.0%	0.0%	0.0%	0.0%
Pension grant	0.0%	0.0%	0.0%	0.0%
Precept***	6.34%	1.99%	1.99%	1.99%
Cash Precept Increase	£15	£5.00	£5.10	£5.21

*based on share of national allocation. Actual Hampshire grant not announced

**no grant details announced for 25/26 & 26/27

***allowable precept increase is £10 for 24/25, no announcement for 25/26, 26/27.

Assumed increase is 1.99% precept referendum limit 2024/25 onwards

MTFS – Key Funding Assumptions

	Forecast Budget Deficit £m
2024/25	6.52
2025/26	16.50
2026/27	27.31

- The MTFS includes a range of assumptions which will need to be refined for the 2024/25 budget onwards. Key issues are:
 - Police Grant
 - Precept increase
 - Growth/Pressures
 - Pay Award and inflation
 - Savings and efficiencies
- Mitigations:
 - Savings and efficiencies
 - Reserves

Precept Consultation The Budget 2023/24



- Open for 4 weeks, closed on December 4th 2022
- 8,409 responses, with an 82.5% completion rate
- 72.95% of participants were supportive of a precept increase
- Reach of 54,776

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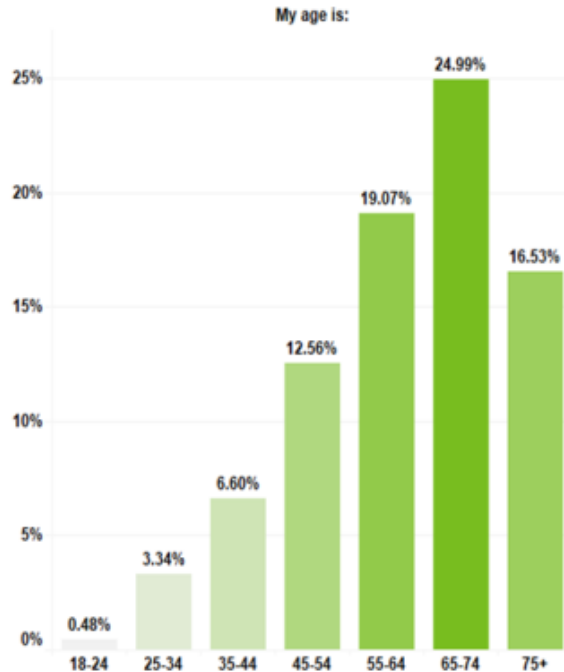
Precept Consultation

Who took part: Demographics

Total responses: 8,409



Age

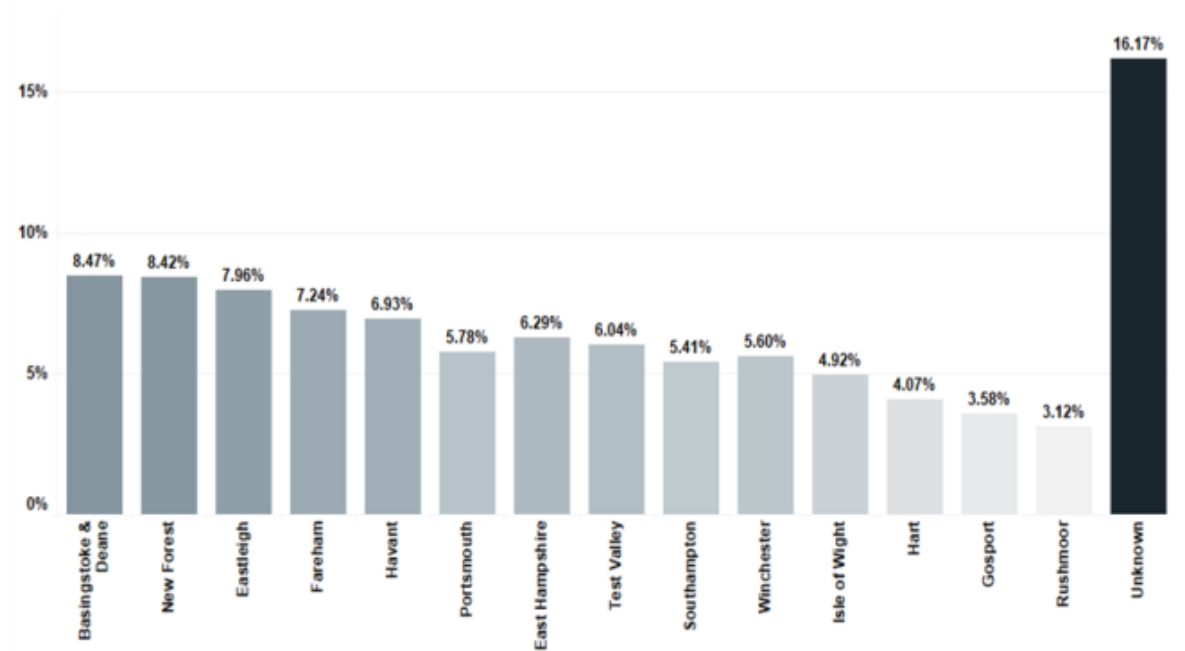


Male: 47.5%
Female: 32.95%



White British: 77.72%

District



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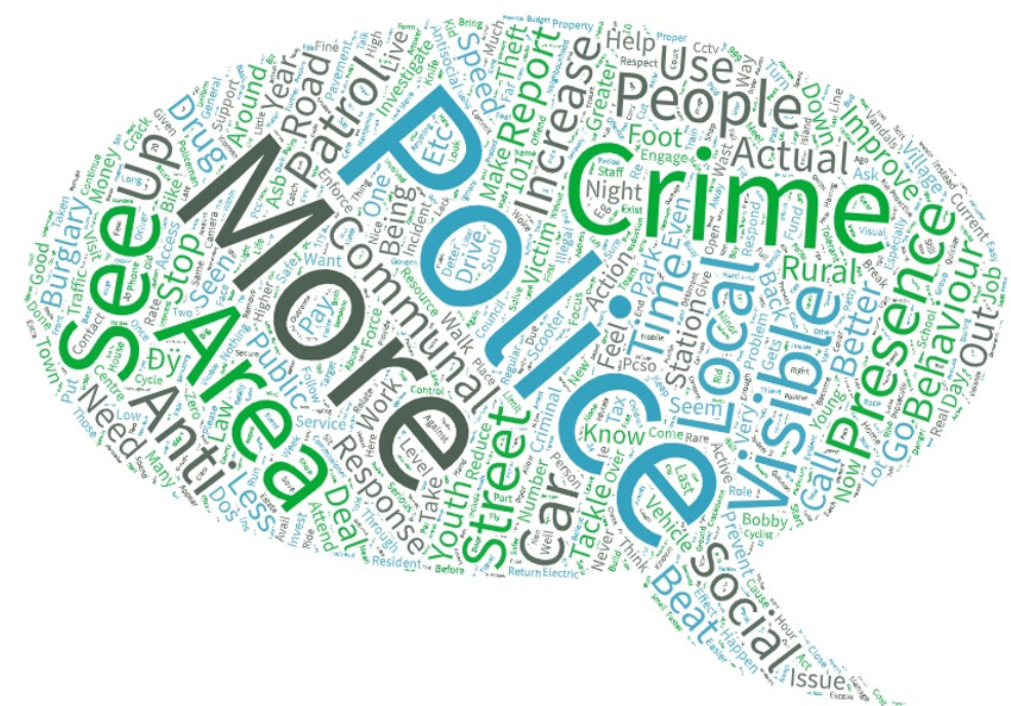
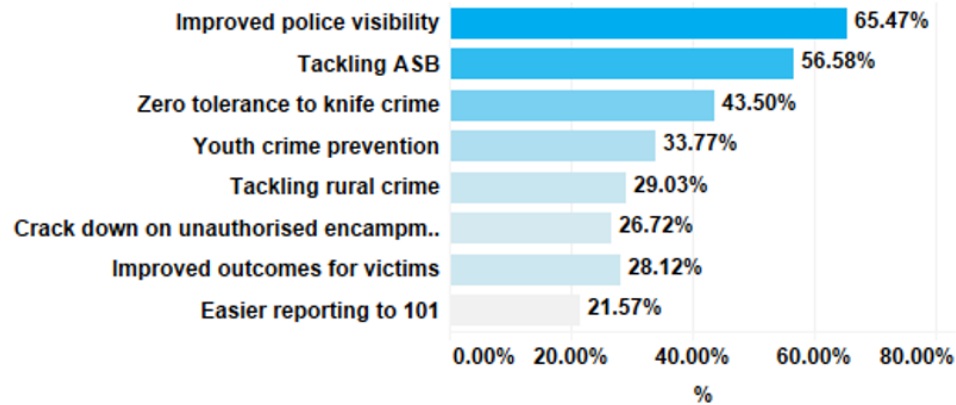
Precept Consultation

What we heard:

It's really important to us that the public continue to share the areas most important to them

What improvements would you like to see happen in your local community if policing was to receive continued investment?

Priority areas



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2023/24 Precept – Summary

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