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Report of the PCC for Cleveland to the Police and Crime Panel

6th February 2024

Status: For decision

The 2024/25 Precept Proposal

1 Purpose

- 1.1 Legislation requires that I agree my budget and associated precept and basic council tax for the forthcoming year before 1st March each year. However before doing so I must notify this Panel of the precept which I propose to issue for the following year.

2 Recommendations

- 2.1 The Panel is asked to consider my proposal to set the Band D Police Element of the Council Tax within Cleveland for 2024/25 at £303.73. This is an increase of £13, or 4.47%, over the 2023/24 level.
- 2.2 The Panel is asked to support this proposal.

3 Reasons

- 3.1 The balance of the cost of the police service not paid for by central government is met by local taxpayers through a precept on their council tax. In Cleveland this will equate to about 26% of the overall income that I will receive in 2024/25. It is the responsibility of the four local billing authorities to collect this.
- 3.2 Legislation requires the precept for 2024/25 to be set before 1st March 2024 and that the first step in enabling this to happen is that I am required to inform

this panel of my proposed precept by the 1st February 2024. Which I did by submitting this report prior to that date.

3.3 In making my proposal on the Police precept I have taken into account the following:

- The views of the public of Cleveland
- The financial impact on the people of Cleveland and the current financial environment.
- The financial needs of the organisation as currently projected both for 2024/25 and in the future.
- The limits imposed by the Government on a precept increase before a referendum would be triggered in Cleveland.
- I have discussed my proposals with both the Chief Constable and engaged and consulted with the public on the options available to me.

3.4 Police Funding Settlement 2024/25

3.5 The 2024-25 Provisional Settlement was announced on 14 December in a written ministerial statement by the Minister of State for Crime, Policing and Fire, Chris Philp MP.

3.6 The Minister said “Today, the Government has set out the provisional police funding settlement...for the forthcoming financial year. For 2024-25 overall funding ... will rise by up to £842.9m compared to the restated 2023-24...This funding settlement demonstrates that the Government remains committed to giving policing the resources they need to keep the public safe...The Home Office was only able to deliver this substantial funding increase by reprioritising funding from other programmes.”

3.7 Funding available to Police and Crime Commissioners (PCCs) will increase by up to an additional £922 million in 2024-25, a 6% cash increase. This includes local flexibility to increase council tax precept by £13 for English forces.

3.8 Full details of the Settlement can be found on the Home Office gov.uk pages.

3.9 Police Uplift Grant (PUP)

3.10 Prior to the provisional settlement, the sector was expecting a continuation of additional PUP funding for the recruitment of the final officers (towards the 20,000 total). The Ministerial Statement confirms ongoing funding of £425m to maintain officer numbers at (148,433 nationwide).

3.11 Within this funding £67.2m is “additional recruitment top-up grant” for forces that have agreed to recruit additional officers. The remaining £357.8m is ringfenced, allocated via formula funding shares and PCCs will be able to access this funding, as in previous years, by demonstrating that they have maintained their officer numbers.

3.12 The total PUP ringfence grant of £425m has increased by £150m, which was promised in the spending review, and therefore provides an even stronger

incentive for officer numbers to be maintained. The actual terms of the grant will be released early next year.

- 3.13 The Police Uplift Grant for Cleveland has increased by £3,479k from £3,298k to £6,777k, with a requirement for the Force to achieve 1,500 Police Officers (Headcount) in 2024/25, this is 35 higher than the initial 2023/24 target.
- 3.14 The above funding includes £1,680k for these additional 35 Officers. While there is no guarantee that these 35 Officers will continue to be funded beyond 2024/25 the **financial plans do** include these additional Officer roles on a recurring basis.
- 3.15 Pay Award
- 3.16 During 2023/24 both Police Officers and Police Staff were awarded a 7% pay award with effect from the 1st September 2023. The additional cost of a 7% award (above a 2.5% assumption) was £515m across Policing, and this has been funded by the Government.
- 3.17 The ministerial statement highlights that £330m of this was given in-year in 2023-24 with a further £185m awarded for 2024/25. Any comparisons to last year's data now include the additional £330m that was distributed in year. This indicates that this funding is in the baseline for future spending reviews.
- 3.18 The Core Government Grant increase for Cleveland in 2024/25 is £2,208k, which is enough to fund the additional costs of last year's pay award of £1,545k that fall into 2024/25 due to the way that the funding has been allocated.
- 3.19 Pensions Grant
- 3.20 From the 1st April 2024 the level of employers Pension Contributions into the Police Officer Pension scheme increases by 4.3% from 31% to 35.3%.
- 3.21 The Force estimate that the cost of this increase to be around £2,780k in 2024/25. The increase in the Pensions Grant to mitigate the impact of increased employer pension contributions is slightly higher due to the allocation method, at £2,983k, however this also includes a one-off amount of £270k to support the administration costs of a number of changes that are happening within Police Pensions.
- 3.22 Core Funding
- 3.23 The total amount of extra funding available for forces is £922m of which £298m would come from Council Tax, if every PCC raised their precept by £13 however this is a local decision for each PCC.
- 3.24 The remaining £624m comes predominantly from an increase of £184m core funding to cover the pay award, £286m additional pension grant, £83m

through additional PUP ringfenced grant and £67m from additional recruitment grant.

- 3.25 As set out above however, the Cleveland share of the £624m additional Government funding is all attached to additional costs for decisions already made. There is no funding with the Government settlement to support any inflationary pressures in 2024/25, no funding to support a pay award in 2024/25 and no funding to support any operational pressures/growth.
- 3.26 Based on the analysis released by the Government, Core Funding to PCC's has increased by 6% in 2024/25, this however assumes that all PCCs increase their Precept by £13.
- 3.27 The smallest increases in core funding were seen in London at 3.5%, with Lincolnshire (5.7%) and Surrey (5.9%) the only other areas projected to be below the average 6% increase.
- 3.28 Outside of the City of London, Northumbria is expected to see the highest increase in core funding of 7.6%.
- 3.29 The Government calculate the increase in Cleveland (including a £13 increase in Precept) would be 6.7%.
- 3.30 What does the Government expect to be delivered with this additional funding?
- 3.31 The Minister set out his expectations for this investment as follows:
- 3.32 “In return for this significant investment, it is imperative that policing continues to deliver on driving forward improvements to productivity and identifying efficiencies where possible. The Government will continue to work with the sector to unlock the full range of opportunities and benefits of productivity and innovation to enable officers to have the tools to deliver on their core mission of keeping the public safe.
- 3.33 We, therefore, expect policing to approach the 2024-25 financial year with a focus on this Government key priorities:
- Maintaining 20,000 additional officers (148,433 officers in total nationally) through to March 2025.
 - Continuing to deliver on the opportunities presented by new technology and innovation to deliver improvements in productivity and drive forward efficiencies, therefore maximising officer time and service to the public.
 - Improving the visibility of police officers and focusing on providing a targeted approach to tackling crime and antisocial behaviour to make neighbourhoods safer, which should be a priority for all forces.”
- 3.34 There are no new specific savings targets set, and the Government recognises that police have already exceeded the efficiency targets set at the start of the spending review period. The recently published Policing

Productivity Review estimated that if all the recommendations were followed the equivalent of 20,000 officers could be freed up over the next 5 years. The Government will respond to the review in 2024.

3.35 What does this mean for Cleveland in 2024/25 in terms of Funding?

- An increase in of Core Police Grant of £2,208k
- An increase in Police Uplift Grant of £3,479k.
- An increase in the Police Pension Grant of £2,983k

3.36 Based on the precept being proposed, of £303.73 for a Band D property, then the overall impact on the Core funding for the organisation is set to increase by 8.2%, or almost £13.6m, as set out in the table at 3.37.

3.37 It is however important to reflect that this increase is inflated by a significant surplus that has been reported on the Council Tax Collection Funds within both Middlesbrough Council and Stockton Council. This is one-off non-recurring income that has been declared this year based on both Councils reviewing the level of Bad Debt provision that they hold for the non-collection/payment of Council Tax.

3.38 **This has resulted in around £2m of additional one-off income being reported this year, in comparison to a 'normal' year. Without this one-off increase the percentage increase would have been around 6.9%.**

Overall Government and Local Revenue Funding				
	2024/25	2023/24	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
Government Funding				
Police Grant	(61,800)	(60,549)	(1,251)	2.1%
RSG/National Non Domestic Rate	(47,545)	(46,588)	(957)	2.1%
Police Officer Uplift Grant	(6,777)	(3,298)	(3,479)	105.5%
Council Tax Freeze Grant	(800)	(800)	0	0.0%
Council Tax Support Grant	(6,868)	(6,868)	0	0.0%
Police Pensions Grant	(4,307)	(1,324)	(2,983)	225.3%
Total Government Funding	(128,098)	(119,427)	(8,670)	7.3%
Impact of a £13 increase in Band D Precept - 4.47% increase				
Net (Surplus)/Deficit on Collection Funds	(1,869)	273	(2,142)	
Council Tax Requirement	(49,415)	(46,652)	(2,763)	5.9%
Total Local Funding	(51,284)	(46,379)	(4,905)	10.6%
Total Government + Local Funding	(179,382)	(165,806)	(13,575)	8.2%

3.39 How does Cleveland compare to the National Picture?

3.40 If each PCC increased their precept by £13, combined with tax base assumptions, there will be an additional £298m of resources for policing from council tax alone.

3.41 Due to historic differences in council tax the proportion that £13 represents can vary significantly between force areas. The £13 increase means that Northumbria's percentage increase is 8.5%, followed by the West Midlands at 7.2% whereas, £13 represents a 4.4% increase for North Wales and a 4.5% increase for South Wales and Gwent.

- 3.42 If every PCC takes the £13 precept, the weighted average band D police precept in England and Wales would be £278.38.
- 3.43 The proportion of funding raised through council tax differs significantly between force area. Northumbria's Council Tax makes up 19% of their total funding, followed by West Midlands at 20.3% and Merseyside at 22.9%.
- 3.44 Conversely, Surrey has 54.6% of their funding coming from Council tax, followed by Dyfed Powys at 51.3% and North Wales at 50.2%. On average, 34.3% of budgets are made up from Council tax, which is broadly in line with last year.
- 3.45 Government Funding for 2025/26 and beyond
- 3.46 2024/25 is the final year of the current Spending Review period and therefore there is very little formal guidance for future plans.
- 3.47 The current plan has therefore assumed that Government Funding will continue to increase by CPI and that this will be 2%.
- 3.48 The current plan also assumes that PCC's will continue to be provided with precept limits set via a monetary, instead of a percentage, increase and that increases of at least £12 per year will be possible.
- 3.49 Top Slices
- 3.50 In 2024/25 reallocations total £1,038m, a £76m reduction over 2023-24 (£1,114m). Reallocations were also reduced by £260m between 2022-23 and 2023-24.
- 3.51 This year, the biggest reductions to funding were a £25.6m decrease in police technology programmes, followed by a £19.5m reduction in national policing capabilities and a £16m reduction in special grant. Crime reduction capabilities were dropped completely, saving £18.4m.
- 3.52 Conversely, there was a significant rise in capital reallocations, increasing by £23.8m.
- 3.53 Council Tax Legacy Grant
- 3.54 The Council Tax Legacy Grants relating to Council Tax Freeze grants from 2011-12, 2013-14, 2014-15 and 2015-16 as well as Local Council Tax Support (LCTS) funding remains separately identifiable in 2024-25. These have again remained flat cash settlements and therefore take no account of any changes for inflation or local need since they were awarded and is another area where additional costs are having to be 'absorbed'.

3.55 Counter Terrorism

3.56 The Minister announced a total of £1,017.5m for Counter Terrorism (CT) policing in 2024-25, a 2% increase in cash terms on 2023-24. PCCs will be notified separately of force-level funding allocations for CT policing, which will not be made public for security reasons.

3.57 Ministry of Justice Grants

3.58 The PCC expects to receive £1,560k from the Ministry of Justice in 2024/25 to deliver Victims Services, however this has yet to be confirmed.

3.59 This is £880k higher than the Core Grant and reflects successful bids by the PCC for additional funding.

3.60 Crime Programme Funding

3.61 In addition to the usual Core Funding and Specific Grant funding announcements, the Government also set out a number of other funding streams that would be available to PCCs in 2024-25 for headline crime programmes.

3.62 With the Government stating that “Despite difficult decisions across all budgets, we have sought to protect those tried-and-tested programmes that support PCCs to target activity and deliver an overall reduction in crime. In total this is a continued investment of over £200 million in 2024-25.

- £92.8 million to support activity designed to combat anti-social behaviour and serious violence.
- £15 million on Safer Streets Round 5, to supplement the funding already provided for 2023-24.
- £46 million to continue the County Lines Programme and Project Adder
- £47 million to continue to support the work of Violence Reduction Units”

3.63 What does this mean for Cleveland?

3.64 The PCC has been allocated the following in 2024/25:

- Just **over £1m** to continue to deliver the Cleveland Unit for the Reduction of Violence (CURV)
- **£1m** under the Government’s Anti-social Behaviour (ASB) Action Plan, to ensure an enhanced uniformed presence in ASB hotspot areas.
- **£0.42m** of GRIP funding to continue to provide a combination of both regular visible patrols in the streets and neighbourhoods ('hotspot areas') experiencing the highest volumes of serious violence to suppress violence and provide community reassurance, as well as delivering problem-oriented policing.
- **£1m** to enable the roll out of immediate justice more widely across England and Wales
- **£0.35m** to continue/finalise those schemes which began in 2023/24 as part of the Safer Streets programme – which is “the Government’s flagship

crime prevention programme, helping to drive down crime and anti-social behaviour, ensuring the public is better protected.”

- **£0.25m** to continue to carry out major, long-term disruption to high harm criminals and networks involved in the supply of drugs and firearms as part of Project ADDER.

3.65 MTFP Assumptions

3.66 When the 2023/24 budget was set in February 2023 the forecasts were underpinned by the following assumptions:

- Pay Awards:
 - 2023/24 – 4.0% increase
 - 2024/25 – 2.0% increase
 - 2025/26 – 2.0% increase
- Precept: Increases of:
 - 2023/24 – £15 or 5.44%
 - 2024/25 – £10 or 3.44%
 - 2025/26 - £10 or 3.33%
 - 2026/27 - £10 or 3.22%
- Tax Base increases of:
 - 2023/24 – 1.39%
 - 2024/25 – 1.2%
 - 2025/26 – 1.2%
- Government Grants increases of:
 - 2024/25 – 1.7%
 - 2025/26 – 2.0%
 - 2026/27 – 2.0%
- Impact of Funding Formula review – Nil

3.67 Clearly much has changed in the last year and therefore in line with good planning our assumptions remain under review and are updated with the best information available, and it is expected that the LTFP for 2024/25 and beyond will assume the following:

- Pay Awards:
 - 2024/25 – 2.5% increase
 - 2025/26 and beyond – 2.0% increase
- Precept: Increases of:
 - 2024/25 – £13 or 4.47%
 - 2025/26 and beyond - £12 per year
- Tax Base increases of:
 - 2025/26 and beyond – 1.3% per year

- Government Grants increases of:
 - 2025/26 and beyond – 2.0% per year
- Impact of Funding Formula review – Nil

4 Local Financial Context

4.1 Income Forecasts

4.2 Based on these revised assumptions and the information received and forecast around other areas of funding then the entire funding expected to be available to the PCC for Policing and Crime for the next 4 years, in comparison to 2023/24, is as follows:

	Actual Budget				
	2023/24	2024/25	2025/26	2026/27	2027/28
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Government Grant	(103,179)	(109,345)	(111,532)	(113,762)	(116,038)
Council Tax Precept	(46,379)	(51,284)	(52,310)	(54,975)	(57,661)
Council Tax Freeze Grant	(800)	(800)	(800)	(800)	(800)
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(6,868)	(6,868)
Funding for Net Budget Requirement	(157,226)	(168,297)	(171,510)	(176,406)	(181,367)
%age Change in Net Budgetary Requirement	2.2%	7.0%	1.9%	2.9%	2.8%
Specific Grants	(10,982)	(19,489)	(13,750)	(12,935)	(13,063)
Witness and Victims Funding	(1,595)	(1,560)	(679)	(679)	(679)
Partnership Income/Fees and Charges	(4,847)	(5,474)	(5,375)	(5,100)	(5,016)
Total Core Funding	(174,650)	(194,820)	(191,315)	(195,120)	(200,125)
%age Change in Core Funding	4.9%	11.5%	-1.8%	2.0%	2.6%
Special Grant	(3,125)	(2,450)			
Total Overall Funding	(177,775)	(197,270)	(191,315)	(195,120)	(200,125)

4.3 Once all funding sources have been factored in then we currently forecast that Overall Total Funding will increase by just under £19.5m in 2024/25.

4.4 Pay Increases and Inflation Pressures

4.5 While the overall increases in Total Funding seem reasonable across most of the life of the plan (with the exception of 2025/26), and very good in 2024/25, it is important to reflect on the additional costs that need to be funded from these increases.

4.6 There are broadly 4 main drivers of increased pay budgets for 2024/25. These are:

- The impact of the higher than budgeted pay awards from 2023/24
- A Forecast 2.5% pay award from the 1st September 2024
- Plans to increase core Police Officer numbers by a further 48 FTEs
- Higher Employers contributions required into both the Police Officer and Police Staff Pension schemes.

- 4.7 The costs of these 4 items, along with smaller sundry increases are projected to increase pay cost by over £14m in 2024/25 as set out below:

Forecast Additional Pay Costs	Forecasts
	2024/25
	<u>£000s</u>
Impact of 2023/24 Pay Awards @ 7%	3,805
Increased Employers Contributions in Police Officer Pension	2,780
Increased Employers Contributions into Staff Pension	360
Assume 2.5% Pay Awards from Sept-24	2,115
Higher Police Officer Overtime Requirements	700
Police Officer Growth of 48 roles	2,100
Funded Roles, Increment and Sundry pay movements	2,220
Total Forecast Additional Pay Costs	14,080

- 4.8 The pay assumptions alone take around 70% of the increase in funding that is forecast between 2023/24 and 2024/25.
- 4.9 In addition to pay pressures there are a significant number of non-pay budgets that have increased as a result on direct links to additional income, plus there continue to be pressures in 2024/25 arising from inflation.
- 4.10 These total almost £4.2m, as per the table below:

Impact of Inflation, Specific additional income linked to expenditure and pressures on Non-Pay Budgets	Forecasts
	2024/25
	<u>£000s</u>
Other Pay and Training	100
Injury and Medical Police Pensions	110
Premises	30
Supplies and Services	1,250
Transport	125
External Support	75
PFI Inflation and Capital Costs	190
Newly Funded Commissioned Services	2,210
Other Inflationary Pressures	70
Total Forecast Additional Inflationary Pressures	4,160

- 4.11 The significant increase in 'Newly Funded Commissioned Services' relates to the funding that the PCC has been awarded, and referred to earlier, relating to additional Specific Grants for Anti-Social Behaviour and Immediate Justice of £2m, plus the spending on Safer Streets.
- 4.12 This has resulted in both an increase in the income balances and also an increase in the Commissioning Service budget.

- 4.13 As with all areas of Specific Grant funded expenditure, the income will only be received if it is spent on the area specified and therefore can't be used to offset pressures elsewhere.
- 4.14 Putting together all of the budget changes together, along with movements on reserves and funds provided to support the capital programme, provides the following movements from the budget set in 2023/24:

Forecast Additional Pay Costs	Forecasts
	2024 / 25
	<u>£000s</u>
Impact of 2023/24 Pay Awards @ 7%	3,805
Increased Employers Contributions in Police Officer Pension	2,780
Increased Employers Contributions into Staff Pension	360
Assume 2.5% Pay Awards from Sept-24	2,115
Higher Police Officer Overtime Requirements	700
Police Officer Growth of 48 roles	2,100
Funded Roles, Increment and Sundry pay movements	2,220
Total Forecast Additional Pay Costs	14,080
Impact of Inflation, Specific additional income linked to expenditure and pressures on Non-Pay Budgets	Forecasts
	2024 / 25
	<u>£000s</u>
Other Pay and Training	100
Injury and Medical Police Pensions	110
Premises	30
Supplies and Services	1,250
Transport	125
External Support	75
PFI Inflation and Capital Costs	190
Newly Funded Commissioned Services	2,210
Other Inflationary Pressures	70
Total Forecast Additional Inflationary Pressures	4,160
Movement of Reserves and Capital	1,255
Potential Additional Costs	19,495

- 4.15 Police Officer Recruitment Plans in Cleveland
- 4.16 To be able to receive the £6,777k specific grant that is included within these financial plans and to maintain the Government targets for Police Officer increases, then Cleveland Police need to have at least 1,500 Police Officers during 2024/2025 (this includes 24 that are funded via a time limited Special Grant.)

- 4.17 The PCC has supported the Force financially and scrutinised the delivery of an accelerated recruitment programme throughout the last few years and therefore this is not expected to be a problem for the Force.
- 4.18 The PCC supports the Chief Constables plans to further increase Police Officer numbers within Cleveland and for the Force's budget to prioritise further recruitment in this area.
- 4.19 These plans therefore seek to increase the number of Core Police Officers within Cleveland by 48 during 2024/25.
- 4.20 **The planned recruitment during 2024/25 should provide the highest number of Police Officers within Cleveland since 2011/12.**

5 Capital Programme

- 5.1 There is a significant programme of investment needed across a number of areas within the Force.
- 5.2 After a number of years of challenges in terms of vehicle procurement there is a need for significant investment and some element of catch up in this area.
- 5.3 Across the 5 years of the current Capital Programme, including 2023/24 the Force have set out plans to replace vehicles that will total over £8m.
- 5.4 Plans to invest in and maintain the Police Estate is expected to need investment of £4.5m over the next 5 years, while maintaining the IT infrastructure of the Force and ensuring IT equipment is replaced and kept up to date is expected to cost in excess of £9m across the next 5 years.
- 5.5 A summary Capital Plan is included at Appendix B.

6 Public Consultation

- 6.1 To further inform the decision around the proposed precept for 2024/25 consultation has been undertaken with the public to ascertain their feedback and thoughts on this subject.
- 6.2 The PCC undertook a public consultation exercise across November, December and January, focusing on several themes in relation to police funding:
- How much additional funding people would be prepared to pay towards their police precept.
 - How they would like an increased investment in policing used
- 6.3 The consultation included an online survey, which was open from which was promoted through a number of channels including:
- OPCC social media
 - Elected members across all four local authorities

- Voluntary Development Agencies
- Engagement with partner organisations, including:
 - Youth services
 - Groups working with ethnically diverse communities
 - Organisations for disabled people/people with learning difficulties

6.4 OPCC staff also held a number of face-to-face engagement stalls in community locations using a counter based methodology where members of the public could place a counter to indicate what, if any, level of increased precept they would be willing to support. Stalls took place at the following locations:

- Middlesbrough – Hill Street Centre
- Middlesbrough – Town Hall
- Hartlepool – Middleton Grange Shopping Centre
- Stockton – Wellington Square
- Middlesbrough – Parkway Centre, Coulby Newham
- Redcar and Cleveland – ASDA, Skelton
- Stockton – Teesside Park

6.5 In total 861 people gave their views in the consultation. The OPCC team engaged with 207 people in face-to-face engagements, with 654 people completing the online survey.

6.6 The level of response varied across the four local policing areas, with considerably fewer respondents from the Hartlepool area, as follows:

- Hartlepool responses – 12.8%
- Middlesbrough responses – 27.9%
- Redcar and Cleveland responses – 29.8%
- Stockton-on-Tees responses – 29.2%

6.7 The only demographic information collected from the counter consultation was Local Policing Area. The online/paper survey collected additional demographics around gender, disability, age and race.

6.8 The response to the financial aspects were as follows:

6.9 Would you be willing to pay more towards local policing?

Across the whole consultation, covering both the survey and the counter exercise, **54.3% of respondents indicated that they would be willing to pay more Council Tax towards the cost of local policing.**

6.10 How much more would you be willing to pay towards local policing?

Respondents were asked how much more they would be willing to pay per year towards their local policing with options of no increase, £1, £1.50, £2 or £2.50 per month more.

- 6.11 Across the whole consultation, **one in five respondents (20%) chose the highest option of paying an additional £2.50 extra per month.**
- 6.12 While overall 54.3% indicated that would be willing to pay £12 or more per year.
- 6.13 The split of support for at least a £12 increase in precept was relatively consistent across each of the Local Authority areas, with support ranging from 49.6% in Hartlepool, to 63.1% in Middlesbrough, with Stockton at 50% and Redcar and Cleveland at 52.2%
- 6.14 Where would you like to see additional money spent?
Residents were then asked how they would like any additional investment – resulting in additional police officers – to be utilised in tackling crime and community safety issues in Cleveland.
- 6.15 They were asked to select one of the below concerns as the primary issue they want to see addressed.
- 6.16 With 43.2% of the overall vote, antisocial behaviour was clearly identified as the key concern affecting residents in Cleveland – a largely consistent result across each of Cleveland’s local authority areas.

Concern	All responses	Hartlepool	Middlesbrough	Redcar and Cleveland	Stockton
Violence	6.1%	9.6%	7.5%	1.93%	7.9%
Antisocial behaviour	43.2%	47.3%	44.6%	40.6%	43%
Drug-related crime	14.6%	16.1%	12.8%	16.2%	13.9%
Road-related crime)	4.7%	3.2%	3.09%	3.8%	7.5%
Residential burglary	10.9%	4.3%	10.1%	12.7%	12.3%
Shoplifting	3.14%	2.1%	3.5%	3.8%	2.3%
Better support for victims of crime	1.9%	2.1%	2.6%	2.3%	0.7%
Domestic abuse	2.17%	2.1%	3.5%	1.5%	1.5%
Sexual abuse	1.9%	1.07%	2.2%	2.3%	1.5%
Vehicle theft/damage	1.8%	1.07%	1.3%	3.8%	0.3%
Hate crime	0.48%	1.07%	0%	0.7%	0.3%
Other	8.81%	9.6%	8.4%	9.6%	7.9%

- 6.17 Combined results (online and in-person) from the consultation show the majority (54.3%) support an increase of at least £12 per year.

7 Financial Impact of a £13, or 4.47%, increase

7.1 Tax Base Information and Precept Calculations

The four local Councils have notified the PCC of their tax bases for 2024/25 as set out in the table below:

Tax Base		
	2024/25	2023/24
	Net Tax Base	Net Tax Base
Hartlepool Borough Council	25,780	25,342
Middlesbrough Borough Council	36,140	35,749
Redcar & Cleveland Borough Council	41,132	40,706
Stockton on Tees Borough Council	59,642	58,669
	162,694	160,466
Annual Increase/(Decrease)	2,228	
Percentage Increase/(Decrease)	1.39%	

7.2 The tax base is expressed in terms of Band D equivalent properties. Actual properties are converted to Band D equivalent by allowing for the relevant value of their tax bands as set down in legislation (ranging from 2/3rds for Band A to double for Band H; discounts for single person occupation, vacant properties, people with disabilities etc;) and a percentage is deducted for non-collection. Allowance is also made for anticipated changes in the number of properties.

7.3 The tax base calculated by the billing authorities differ from the figures used by the Government (which assumes 100% collection) in calculating Grant Formula entitlements.

7.4 As can be seen from the table above the number of Band D equivalent properties across Cleveland has increased by 2,228, which is a very similar level of increase as reported last year of 2,345.

7.5 The 2024/25 tax base is therefore 162,694.0.

7.6 Setting the Council Tax

7.7 The precept calculation needs to take account of the net surplus and deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds are shown in the table below:

Collection Funds Surplus/ (Deficit)	
	£
Hartlepool Borough Council	18,924
Middlesbrough Borough Council	1,197,578
Redcar & Cleveland Borough Council	(137,424)
Stockton on Tees Borough Council	790,106
Net Surplus on Collection Fund	1,869,184

7.8 The deficits/surpluses that have arisen need to be returned/collected through the precept. The final precept to be levied will reflect the position on each council's collection fund.

7.9 Financial Summary

7.10 Net Budget Requirement

7.11 Based on the proposed precept increase of £13, or 4.47%, the Net Budget Requirement (NBR) for 2024/25, in comparison to 2023/24, is set out in the table below:

Funding the Net Budget Requirement				
	2024/25	2023/24	(Increase)/Reduction	Increase/(Reduction)
	£000s	£000s	£000s	%age
Funding				
Police Grant	(61,800)	(60,549)	(1,251)	
RSG/National Non Domestic Rate	(47,545)	(46,588)	(957)	
Total Formula Funding	(109,345)	(107,137)	(2,208)	2.1%
Council Tax Freeze Grant	(800)	(800)	0	
Council Tax Support Grant	(6,868)	(6,868)	0	
Net Surplus on Collection Funds	(1,869)	273	(2,142)	
Council Tax Requirement	(49,415)	(46,652)	(2,763)	5.9%
Net Budget Requirement	(168,297)	(161,184)	(7,113)	4.4%

7.12 There is an increase in the Funding for Net Budget Requirement available to the PCC of £7,113k based on a £13 increase in precept. This equates to an increase of 4.4%.

7.13 Please note that the 2023/24 'Total Formula Funding' balance has been increased by £3,958k to reflect the Pay Award Grant that was paid in 2023/24, this is in line with the Government reporting of this and also enables an accurate year on year comparator.

7.14 It is important to recognise that the Net Budget Requirement does not include the £6,777k that the PCC will receive as part of the grant/funding that is directly linked to the recruitment of Police Officers. This will be treated as a Specific Grant, given the conditions that will be attached to the funding and therefore included elsewhere in the income analysis.

7.15 The Government is providing this funding to ensure Police Officer numbers are increased to at least 1,500 during 2024/25.

7.16 The final precept calculations are set out in the tables below based on a £13 or 4.47% increase:

Proposed Precepts - £13 or 4.47% increase			
	Adjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
Hartlepool Borough Council	7,849,083	18,924	7,830,159
Middlesbrough Borough Council	12,174,289	1,197,578	10,976,711
Redcar & Cleveland Borough Council	12,355,598	(137,424)	12,493,022
Stockton on Tees Borough Council	18,905,262	790,106	18,115,156
Total Precept	51,284,233	1,869,184	49,415,049

7.17 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £49,415,049 by 162,694.0 giving a council tax rate for Band D properties of £303.73.

7.18 The proposed council tax rate for each property band is determined in accordance with the statutory proportions and is set out in the table below, it also shows the increases for each Band in comparison to 2023/24. It is advised that the tax rates should be calculated to more than 2 decimal places.

Council Tax	£13 or 4.47% increase			
Property Band	2024/25	2023/24	Increase per Annum	Increase per Week
	£	£	£	£
A	202.487	193.820	8.67	0.17
B	236.234	226.123	10.11	0.19
C	269.982	258.427	11.56	0.22
D	303.730	290.730	13.00	0.25
E	371.226	355.337	15.89	0.30
F	438.721	419.943	18.78	0.36
G	506.217	484.550	21.67	0.42
H	607.460	581.460	26.00	0.50

7.19 As you will see from the table above the impact of the proposal to increase the Police precept by £13 will increase a household council tax bill by 25 pence per week for a Band D property

7.20 Although Band D is set by law as the benchmark for council tax calculations, you will be aware that only a small minority of properties in Cleveland fall into Band D or above. The majority, around 80%, are in Bands A-C, and in such properties, households will pay less than the Band D tax.

7.21 The impact of my proposal to increase the Police precept by £13 for a Band D property will, in most cases, equate to an increase of 17-22p per week in a household council tax bill.

8 Conclusion

- 8.1 The Police Settlement for 2024/25 has provided the PCC with an increase in Core Government Funding of £8,670k, or 7.3%.
- 8.2 Unfortunately, all of this funding increase is either specifically linked to expenditure or linked to decisions already made nationally, as per the below:
- £2,208k more has been provided in additional core grant to cover the costs of last year's pay award.
 - £3,479k more has been provided to ensure Police Officer numbers are not only maintained at last year's level but increased by a further 35.
 - £2,983k more has been provided to pay for higher Employer's contributions into the Police Officer Pension Scheme.
- 8.3 As with last year the PCC has been clear with the Force that in asking the public of Cleveland to pay more, they should expect more from their Police Service.
- 8.4 The PCC has therefore asked the Force to set out their priorities for 2024/25, linking to those areas that are indicated as a priority in the Police and Crime Plan.
- 8.5 As with last year, which saw an increase in Police Officers of 43, this year the Force have continued to highlight the need for additional Police Officers.
- 8.6 The proposed precept increase, of £13, for a Band D property is expected to raise just over £2.1m and will fund the addition of 48 Police Officers.
- 8.7 **The planned increases in Police Officers will take Cleveland Police to the highest number of Police Officers since 2011/12.**
- 8.8 The organisational need for this increase and the resources that they will support, aligned with some significant support from the public for an increase of around £13, is why I formally propose a Police precept of £303.73 for 2024/25. This is an increase of 4.47% or £13 on a Band D property from 2023/24 and I ask that this panel considers my proposal.

To aid the Panel in considering my proposal on Precept I attach to this report:

- Appendix A – Draft Budget based on a £13 or 4.47% Precept Increase
- Appendix B – Draft Capital Budget
- Appendix C – Reserves Forecast

	Actual Budget				
	2023/24	2024/25	2025/26	2026/27	2027/28
Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(103,179)	(109,345)	(111,532)	(113,762)	(116,038)
Council Tax Precept	(46,379)	(51,284)	(52,310)	(54,975)	(57,661)
Council Tax Freeze Grant	(800)	(800)	(800)	(800)	(800)
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(6,868)	(6,868)
Funding for Net Budget Requirement	(157,226)	(168,297)	(171,510)	(176,406)	(181,367)
%age Change in Net Budgetary Requirement	2.2%	7.0%	1.9%	2.9%	2.8%
Specific Grants	(10,982)	(19,489)	(13,750)	(12,935)	(13,063)
Witness and Victims Funding	(1,595)	(1,560)	(679)	(679)	(679)
Partnership Income/Fees and Charges	(4,847)	(5,474)	(5,375)	(5,100)	(5,016)
Total Core Funding	(174,650)	(194,820)	(191,315)	(195,120)	(200,125)
%age Change in Core Funding	4.9%	11.5%	-1.8%	2.0%	2.6%
Special Grant	(3,125)	(2,450)			
Total Overall Funding	(177,775)	(197,270)	(191,315)	(195,120)	(200,125)
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Total Planned Expenditure	1,065	1,135	1,170	1,200	1,215
Community Safety/Victims and Witness	£000s	£000s	£000s	£000s	£000s
Community Safety Initiatives	1,069	3,321	750	762	773
Victims and Witnesses Services	2,170	2,162	1,450	1,443	1,462
Violence Reduction Unit and Serious Violence Duty	1,176	1,143			
Total Planned Expenditure	4,415	6,625	2,200	2,205	2,235
Corporate Services	£000s	£000s	£000s	£000s	£000s
Staff Pay	885	845	865	885	905
Non Pay Expenditure	85	85	85	85	85
PFI Action Stations	6,025	6,280	6,510	7,050	6,660
PFI Uraly Nook	2,160	2,240	2,290	915	940
Asset Management	1,575	1,470	1,575	1,735	1,760
Total Corporate Costs	10,730	10,920	11,325	10,670	10,350
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	87,334	96,837	99,126	101,839	103,945
Police Overtime	2,226	2,923	2,524	2,756	2,580
Staff Pay	35,450	39,235	38,230	39,255	40,280
Police Community Support Officer Pay	3,925	4,020	4,140	4,245	4,355
Pay Total	128,935	143,015	144,020	148,095	151,160
Non-Pay Budgets					
Other Pay and Training	1,151	1,252	1,262	1,262	1,262
Injury and Medical Police Pensions	3,958	4,068	4,068	4,068	4,068
Premises	5,048	5,075	4,775	4,775	4,775
Supplies and Services	15,749	16,997	17,682	18,418	18,768
Transport	1,886	2,012	2,012	2,012	2,012
External Support	3,854	3,930	3,930	3,930	3,930
Non-Pay Total	31,645	33,335	33,730	34,465	34,815
Total Planned Force Expenditure	160,580	176,350	177,750	182,560	185,975
%age Change in Expenditure	6.1%	9.8%	0.8%	2.7%	1.9%
(Surplus)/Deficit	£000s	£000s	£000s	£000s	£000s
(985)	(2,240)	1,130	1,515	(350)	
Planned Transfers to/(from) General Fund	0	0	(1,100)	(675)	
Contribution to Capital Programme	1,565	2,500	800	800	800
Planned Transfers to/(from) Earmarked Reserves	(580)	(260)	(830)	(1,640)	(450)
Net (Surplus)/Deficit After Reserves	0	0	0	0	(0)
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	5,042	7,172	7,172	6,072	5,397
General Fund Movements	2,130	0	(1,100)	(675)	0
General Fund Balance c/f	7,172	7,172	6,072	5,397	5,397
Employee Numbers	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,459	1,507	1,507	1,507	1,507
Funded Police Officer Roles	26	26	26	26	26
Non-Recurring Police Officer Posts	28	24	0	0	0
PCSOs	106	106	106	106	106
Police Staff - Police Force	864	852	800	796	796
Assumptions					
Pay Awards	4.0%	2.5%	2.0%	2.0%	2.0%
Non Pay Inflation	Calculated	Calculated	2.0%	2.0%	2.0%
RPI	10.0%	4.5%	3.0%	3.0%	3.0%
Precept Increases	5.4%	4.5%	4.0%	3.8%	3.7%
Core Government Grant Movements	0.3%	6.0%	2.0%	2.0%	2.0%

PCC Summary Long Term Capital Plan Position - January 2024	APPENDIX B				
	2023/24	2024/25	2025/26	2026/27	2027/28
Future Funding Levels	£000s	£000s	£000s	£000s	£000s
Earmarked Reserve/Funding b/f	11,728	8,162	7,025	4,462	2,412
Contribution to/from Revenue	4,370	2,500	800	800	800
Capital Receipts (from Vehicle sales)	140	150	155	160	165
Borrowing		1,402			
Projected In-year funding Available	4,510	4,052	955	960	966
Digital Strategy	3,511	2,013	1,405	1,103	1,140
Estates Strategy	1,146	1,402	777	631	580
Fleet Replacement Programme	2,711	1,393	1,192	1,276	1,616
Other Schemes	708	381	144	0	0
Total Capital Programme	8,076	5,189	3,518	3,010	3,336
Earmarked Capital Reserve/Funding c/f	8,162	7,025	4,462	2,412	42

Forecast Usable Reserves														APPENDIX C			
	Balance	Tranfers	Tranfers	Balance	Tranfers	Tranfers	Balance	Tranfers	Tranfers	Balance	Tranfers	Tranfers	Balance	Tranfers	Tranfers	Balance	
	at 31 March	In	Out	at 31 March	In	Out	at 31 March	In	Out	at 31 March	In	Out	at 31 March	In	Out	at 31 March	
	2023	2023/24	2023/24	2024	2024/25	2024/25	2025	2025/26	2025/26	2026	2026/27	2026/27	2027	2026/27	2026/27	2027	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Funding for projects & programmes over the period of the current MTFP																	
Direct Revenue Funding of Capital	(2,436)	(4,370)	6,806	0	(2,500)	2,500	0	(800)	800	0	(800)	800	0	(800)	800	0	
PCC Change Reserve	(129)			(129)			(129)			(129)			(129)			(129)	
Airwaves Project	(294)			(294)			(294)			(294)			(294)			(294)	
CP Change Reserve	(992)	(470)	160	(1,302)		66	(1,236)		430	(806)		285	(521)		150	(371)	
EDI Reserve	(50)			(50)		50	0			0			0			0	
Wide Area Network Reserve	(724)		240	(484)		484	0			0			0			0	
Recruitment Reserve	(502)		222	(280)			(280)			(280)			(280)			(280)	
Commissioning Reserves	(259)		35	(224)		35	(189)		35	(154)		35	(119)		35	(84)	
Road Safety Initiatives Fund	(132)			(132)			(132)			(132)			(132)			(132)	
Sub Total	(5,516)	(4,840)	7,463	(2,893)	(2,500)	3,135	(2,258)	(800)	1,265	(1,793)	(800)	1,120	(1,473)	(800)	985	(1,288)	
Funding for projects & programmes beyond the current MTFP																	
PFI Sinking Fund	(413)	(75)	30	(458)	(75)		(533)	(75)	115	(493)	(75)	530	(38)	(75)		(113)	
Incentivisation Grant	(552)		49	(503)		97	(406)		49	(358)			(358)			(358)	
Police Property Act Fund	(101)			(101)			(101)			(101)			(101)			(101)	
Sub Total	(1,066)	(75)	79	(1,062)	(75)	97	(1,040)	(75)	164	(952)	(75)	530	(497)	(75)	0	(572)	
General Contingency																	
Legal/Insurance Fund	(23)	(165)		(188)			(188)			(188)			(188)			(188)	
Injury Pension Reserve	(1,267)	191	162	(914)		115	(799)		96	(703)		160	(543)		160	(383)	
Urly Nook TTC	(81)			(81)			(81)			(81)			(81)			(81)	
NERSOU	(213)			(213)			(213)			(213)			(213)			(213)	
Collaboration Reserve	(28)		28	0			0			0			0			0	
Pay, Price and Grant Reserve	(1,674)		600	(1,074)	(600)		(1,674)		175	(1,499)		705	(794)		180	(614)	
Major Incident Reserve	(907)			(907)		300	(607)		150	(457)			(457)			(457)	
Sub Total	(4,192)	26	790	(3,377)	(600)	415	(3,561)	0	421	(3,140)	0	865	(2,275)	0	340	(1,935)	
Total Earmarked Reserves	(10,774)	(4,889)	8,332	(7,332)	(3,175)	3,647	(6,860)	(875)	1,850	(5,885)	(875)	2,515	(4,245)	(875)	1,325	(3,795)	
General Reserves	(5,042)	(2,130)		(7,172)		0	(7,172)		1,100	(6,072)		675	(5,397)		0	(5,397)	
Total Usable Reserves	(15,816)			(14,504)			(14,032)			(11,957)			(9,642)			(9,192)	
Capital Receipts Reserve	(9,293)	(140)	1,271	(8,162)	(150)	1,287	(7,025)	(155)	2,718	(4,462)	(160)	2,210	(2,412)	(165)	2,535	(42)	
Total Reserves	(25,110)			(22,666)			(21,057)			(16,420)			(12,055)			(9,235)	

