

DONNA JONES

MORE POLICE
SAFER STREETS

HAMPSHIRE & ISLE OF WIGHT

Police and Crime Panel
28 January 2022
Budget & Precept 2022/23

GOOD ENGAGEMENT WITH THE FINANCE WORKING GROUP

We have met on 5 occasions:

- 28th October
- 15th December
- 6th January (Chair only)
- 19th January
- 25th January

Chief Executive and CFO in attendance from PCC's Office

Main discussion topics: Budget and Precept, Estates, Op Maganta

THREE YEAR SETTLEMENT ANNOUNCED 16TH DECEMBER 2021:

PRECEPT:

- MAXIMUM INCREASE £10 IN EACH YEAR 22/23, 24/25 & 25/26
- REFERENDUM REQUIRED IF PROPOSED INCREASE GREATER THAN £10

POLICE GRANT:

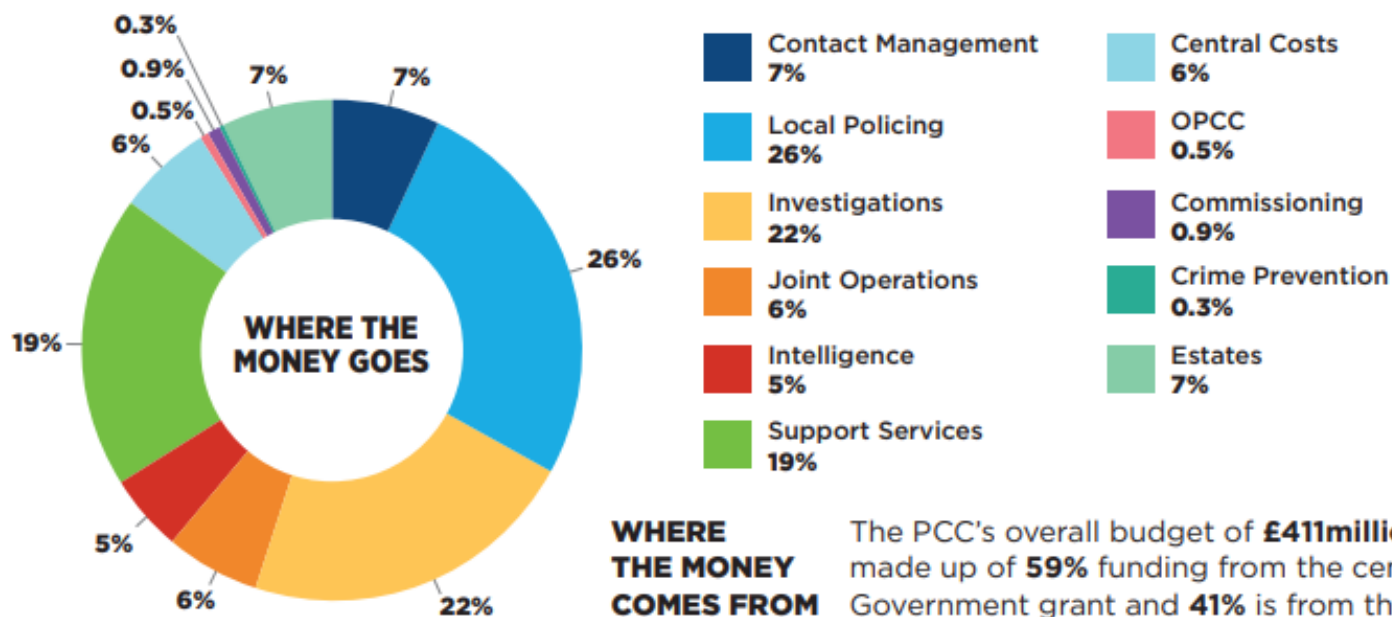
- FIRM HAMPSHIRE POLICE GRANT FIGURES 22/23 - £242.5m
- NATIONAL POLICE GRANT FIGURES ONLY 23/24 AND 24/25:
 - £100m additional grant 23/24 (Hampshire estimated share £2.6m)
 - Further £150m additional grant 24/25 (Hampshire estimated share £3.9m)
 - No information on grant for 25/26

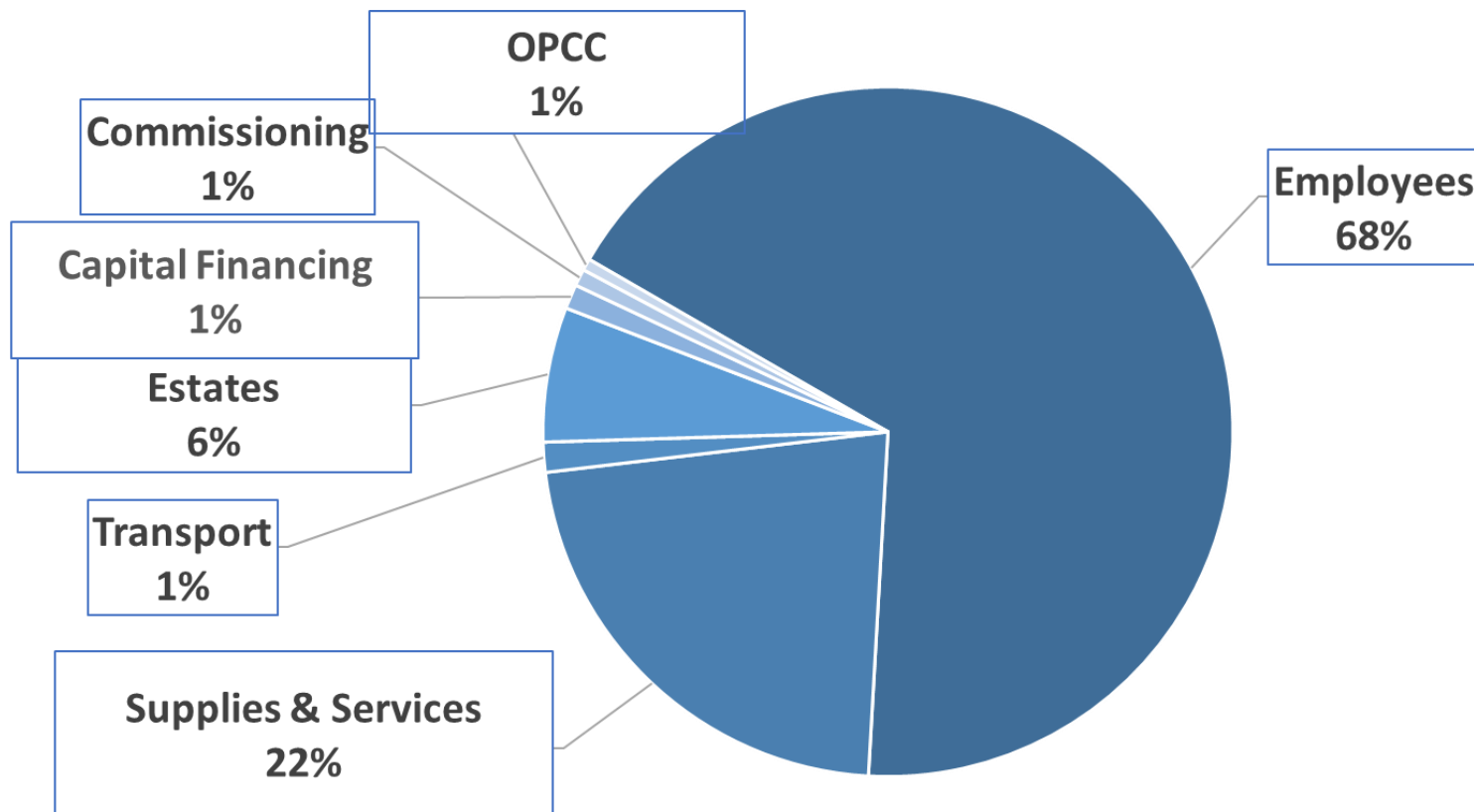
	2021/22 £m	2022/23 £m	Increase £m
Total Government Grant	229.1	242.5	13.3
Council Tax Precept @ £10 increase Band D	158.0	167.1	9.1
Total Recurrent Funding	387.2	409.6	22.4
Council Tax Collection Fund Surplus/(Deficit)	(0.1)	0.9	1.0
Total Funding	387.1	410.5	23.4

Funding	£m	%
Government Grants	242	59%
Council Tax Precept	167	41%
Total Funding	409	100%

	£m	%
Hampshire Constabulary	357.9	87.2
Police Estate	22.3	5.4
Contribution to Reserves	18.4	4.5
Total Budget Directly in Support of Policing	398.6	97.1
Office of the Police & Crime Commissioner	2.5	0.6
Commissioning	3.6	0.9
Crime Prevention	1.2	0.3
Capital Financing (net of Interest earned of £0.5m)	4.6	1.1
Total Proposed Budget	410.5	100

TOTAL COST OF POLICING 2022/23





Funding Assumptions

Funding	2022/23	2023/24	2024/25	2025/26
General Govt grant	6.3%	2.7%*	1.7%*	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***	4.4%	1.99%	1.99%	1.99%
Cash Precept Increase	£10	£4.71	£4.80	£4.89

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

**no grant details announced for 2025/26

***allowable precept increase is £10 for 22/23, 23/24 & 24/25 |

Inflation Assumptions

Inflation	2022/23	2023/24	2024/25	2025/26
Pay Inflation*	2.0%	2.9%	2.2%	2.0%
Default prices inflation	4.0%	2.0%	2.0%	2.0%

*this reflects the impact of a September pay award. The actual pay award assumed are:

2022/23	3.5%
2023/24	2.5%
2024/25	2.0%

The full year impact of a +/- 1% on pay is £2.8m

Exact inflation used where it is known for certain contracts

‘The operational case for investing locally is clear.....these budget papers contain a clear list of the specific things this budget will enable that without Council Tax increases will not be possiblethese are all enabled by a £10 increase in council tax’

The budget will deliver investment in 2022/23 of £20.95m as set out below:

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
More Frontline	13.163	10.482	10.465	10.635
Right Place, Right Time	5.887	3.821	2.377	2.324
Better Equipped	3.896	1.295	0.788	1.656
Contributions from reserves	(5.946)	(0.574)	(0.067)	(1.049)
Estates	2.936	2.436	2.436	2.436
Commissioning	1.017	1.017	1.017	1.017
Future pressures	-	5.000	10.000	15.000
Net Total	20.954	23.476	27.016	32.020

Further detail is included in Appendix E to the budget report

- **Additional New Police Officers £11.3m:** to provide 196 additional police officers for Hampshire Constabulary and the enabling infrastructure, which supports and will deliver the PCC's number one priority which is to have '600 more police officers' by 2023, and will also help meet the priority of 'improving police visibility'
- **Commissioning £1m:** to support 'improved outcomes for victims' and 'preventing young people from committing crime'
- **101 Service £1.5m:** investment in both staff and supporting infrastructure
- **Additional Estates Investment £2.9m:** to ensure that the police estate remains operationally effective, is continually improved, and is a modern and safe environment; this is in addition to the existing budget commitment for 2022/23 of an additional £4m capital contribution for future capital investment

- **Overall additional investment in Hampshire Constabulary £28m:** ensuring the police have the right resources to tackle crime in order to keep the residents of Hampshire and the Isle of Wight safe. This includes a focus on the delivery of the top five areas which impact the public of Hampshire and the Isle of Wight the most:
 - i) serious and organised crime and countering terrorism
 - ii) murder and serious violence
 - iii) domestic abuse, rape and serious sexual offences
 - iv) child abuse, exploitation and vulnerability
 - v) fraud and cyber crime

*this is the net increase in direct support of the Constabulary budget and includes inflation £6.6m, Efficiency Savings (£1.4m), Growth £11.1m, Specific allocation to Reserves £11.5m (Uplift, vehicles, Marine Unit, Equipment)

	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m
Forecast expenditure	7.0	9.6	18.9	26.3
Prudential borrowing	-	-	-	(1.0)
Capital grants	(0.3)	-	-	-
Capital receipts	(3.3)	(9.2)	(0.3)	(0.3)
Revenue contributions to capital	(5.2)	(8.3)	(19.8)	(14.5)
Total resources available	(8.8)	(17.5)	(20.1)	(15.8)
In year (surplus) / shortfall	(1.8)	(7.9)	(1.2)	10.5
Cumulative (surplus) / shortfall	(1.8)	(9.7)	(11.0)	(0.5)

Forecast Budget Deficit**£m**

	Forecast Budget Deficit
	£m
2023/24	10.2
2024/25	13.2
2025/26	22.5

- The MTFS includes a range of assumptions which will need to be refined for the 2023/24 budget onwards. Key issues are:
 - Grant
 - Precept increase
 - LGPS Pension Deficit saving (see para 3.20)
 - Growth/Pressures
 - Pay Award and inflation
 - Savings and efficiencies
- Mitigations:
 - Savings and efficiencies
 - Reserves

Band	Monthly Increase £	Annual increase £
A	0.56	6.67
B	0.65	7.77
C	0.74	8.89
D	0.83	10.00
E	1.02	12.23
F	1.20	14.44
G	1.39	16.67
H	1.67	20.00

Percentage of Households by Council Tax Band

