



DEVON AND CORNWALL OPCC - RECORD OF DECISION

PRECEPT, BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2020/21 – 2023/24

DECISION RECORD PREPARED BY:

Nicola Allen

DATE OF DECISION:

7th February 2020

1. BACKGROUND

This decision record confirms the decision of the PCC to set the future four year financial position for the financial years 2020/21 to 2023/24 and the proposals that were presented to the 7th February 2020 Police and Crime Panel as follows:

- 1) The Police and Crime Commissioner (PCC) proposed a £9.36 increase in the Band D equivalent for the police element of the council tax for the 2020/21 financial year.
- 2) Further items that were presented for the Police and Crime Panel to note:
 - The Commissioning Intentions Plan attached to the report.
 - That the Reserves Strategy, Treasury Management Strategy and the Capital Strategy will be published online to enhance transparency.
 - Police Officers and Police Staff have received an overall 2.5% increase in pay for the year to August 2020, in accordance with national pay settlements.

2. DECISION RECORD

The Police and Crime Panel did not exercise their power of veto to the PCC's proposals for a £9.36 proposed increase in the Band D equivalent for the police element of the council tax for the 2020/21 financial year. It is therefore the PCC's decision to confirm the proposed £9.36 (4.41%) increase to the Band D equivalent in the police precept proportion of council tax, raising £5.7m in 2020/21. This will take the Band D equivalent from £212.28 for 2019/20 to £224.64 for 2020/21. The bands are shown in the table below:

Valuation Band	2019/20 £	2020/21 £	Increase £	Increase %	Increase per day £	Increase per week £	Increase per month £
A	141.52	147.76	6.24	4.41%	0.02	0.12	0.52
B	165.11	172.39	7.28	4.41%	0.02	0.14	0.61
C	188.69	197.01	8.32	4.41%	0.02	0.16	0.69
D	212.28	221.64	9.36	4.41%	0.03	0.18	0.78
E	259.45	270.89	11.44	4.41%	0.03	0.22	0.95
F	306.63	320.15	13.52	4.41%	0.04	0.26	1.13
G	353.80	369.40	15.60	4.41%	0.04	0.30	1.30
H	424.56	443.28	18.72	4.41%	0.05	0.36	1.56

3. CONSULTATION, ENGAGEMENT AND COMMUNICATION

Publication of the Police Finance Settlement was delayed due to the December 2019 general election, with Home Office ministers opting to go straight to a final settlement in the New Year. This decision meant that there was no provisional settlement or consultation with the Home Office over the Christmas period. The Home Office are not legally obliged to consult on their funding allocations.

Over the course of 2019 the OPCC Communications and Engagement team attended over 170 public events, of various sizes, and talked to people from across all sections of society. This resulted in over 14,000 conversations and produced a wealth of evidence which informed the PCC how the public feels about its police force and what priorities the public have for policing

The Devon and Cornwall Police and Crime Panel Chair has written to the PCC to formalise the agreement of the Police and Crime Panel at the meeting on the 7th February 2020. And a response dated 14th February 2020 has been provided by the PCC. A copy of the letter has been provided in the supporting documents with this decision.

4. OPCC OFFICER ADVICE

4.1 Legal, Management and Equality Implications – Current and Future

In considering the full increase of £9.36 (per Band D equivalent) in council tax funding, the PCC has taken into account this year's funding settlement and seeks to ensure that funding for the force keeps pace with inflation at current levels. The increase in precept along with continued delivery of financial savings means that the MTFs allows for growth. The opportunity for growth is being targeted at the areas that the Chief Constable has identified to support delivery of a high quality policing service that meets the changing nature and complexity of demand. The MTFs will deliver a further increase in police officer



numbers to 3,241. This is an increase of 141 above the levels proposed in 2019/20 and relates to the national uplift in officer numbers.

There are new and different demands being placed upon policing and resources need to be freed up to address these. The agreement of a pay award on the overall budget has a significant impact on funding as the pay budget accounts for 82% of the total spend. Many of the new areas of policing require investment in new technology before any operational savings can be generated. Increases in the council tax will allow these investments to be made and still provide opportunity for a further increase in police officer numbers and co-funded blue light officers. Along with investment in violent crime reduction.

4.2 Financial and Commercial – Current and Future

The national police funding announced is for one year only. It is assumed that this will increase by inflation over this MTFS based upon the Ministers statements in the settlement being fulfilled. It is also assumed that the full cost of the officer uplift will be provided within the grant funding. These statements are far from certain and subject to more risk than normal due to the impending CSR. A risk register is attached as Appendix 4 to the Police and Crime Panel Report.

Although it is indicated that the implementation of the amended funding formula will be deferred until after the next CSR, this remains a significant future risk. The new funding formula allocation could remove annual funding. It is planned to use a significant proportion of the current reserves which will restrict any use to support a smooth transition to new base levels of expenditure.

5 SUPPORTING DOCUMENTS:

- Letter dated 7th February 2020 from the Police and Crime Panel Chair to the PCC agreeing with the proposed council tax increase:
[Click here](#)
- Letter dated 14th February 2020 from the Police and Crime Commissioner replying to the Police and Crime Panel Chair's letter:
[Click here](#)
- The PCC's precept, budget and Medium Term Financial Strategy 2020/21 – 2023/24 as presented to the Police and Crime Panel on 7th February 2020 - [Click here](#) -, which is made up of the following documents:

FOIA Classification – Open for the Purposes of FOI



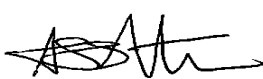

- Proposed Precept, Budget and Medium Term Financial Strategy (MTFS) 2020/21 - 2023/24 – Main Report
- Appendix 1 – Medium Term Financial Strategy 2020/21 to 2023/24
- Appendix 2 – Letter from the Chief Constable
- Appendix 3 – Commissioning Intentions Plan 2020 to 2021
- Appendix 4 – Risk Assessment

6 OFFICIAL APPROVAL

Following the appropriate approval, this decision sheet will be published, subject to FOIA classification, on the OPCC website.

If FOI Closed at the current date under Section 22, please provide details of the future date by which this decision can be reconsidered for publication	N/A
Is there a publication schedule that lists the documents relating to this decision that will also be published at a later date in the future? If yes, please attach a copy with this decision.	no

FOR OPCC OFFICE USE:

<p>The Recommendation for Decision as outlined in this report is formally approved and subject to Freedom of Information Classification will be published on the OPCC website:</p>	
<p>Police and Crime Commissioner</p>  <p>-----</p> <p>SIGNED PRINT: Alison Hernandez DATE: 14th February 2020</p>	<p>Chief Financial Officer</p>  <p>-----</p> <p>SIGNED PRINT: Nicola Allen DATE: 14th February 2020</p>
Decision logged in register? <i>[Tick if completed]</i>	✓
Decision published on OPCC website? <i>[Tick if completed]</i>	✓