

Warwickshire Police and Crime Panel

Addendum

Date: Thursday 10 February 2022

Time: 2.00 pm

Venue: Committee Room 2, Shire Hall

Items on the agenda: -

(3) Minutes of the previous meeting 3 - 16
To consider the minutes of the meeting held on 27 January 2022.

2. Consideration of Revised Precept 17 - 22
To consider the Police and Crime Commissioner's revised precept and make a second report to the Commissioner by 22 February 2022.

The Commissioner has advised that his formal response to the Panel's letter on 3 February is to follow; it will be received by the Panel prior to the statutory deadline of 15 February 2022.

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Warwickshire Police and Crime Panel

Thursday 27 January 2022

Minutes

Attendance

Committee Members

Councillor David Reilly (Chair) (North Warwickshire Borough Council)
Councillor Barbara Brown (Warwickshire County Council)
Andrew Davies (Independent Member)
Andy Davis (Independent Member)
Councillor Ian Davison (Warwick District Council)
Councillor Jenny Fradgley (Warwickshire County Council)
Councillor Peter Gilbert (Warwickshire County Council)
Councillor Clare Golby (Nuneaton and Bedworth Borough Council)
Councillor John Holland (Warwickshire County Council)
Councillor Dave Humphreys (Warwickshire County Council)
Councillor Christopher Kettle (Stratford-on-Avon District Council)
Councillor Derek Poole (Vice Chair) (Rugby Borough Council)

Officers

John Cole, Democratic Services Officer
Caroline Gutteridge, Team Lead Senior Solicitor, Planning & Litigation
Virginia Rennie, Strategy and Commissioning Manager (Strategic Finance)

Others Present

Sara Ansell, Treasurer, Office of the Police and Crime Commissioner
Andrew Heath, Joint Audit and Standards Committee
Polly Reed, Chief Executive, Office of the Police and Crime Commissioner
Philip Seccombe, Warwickshire Police and Crime Commissioner
Neil Tipton, Head of Media and Communications, Office of the Police and Crime Commissioner

1. General

(1) Apologies

Apologies were received from Councillor Bhagwant Singh Pandher; Councillor Peter Gilbert was present as a substitute.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

There were none.

(3) Minutes of the previous meeting

Resolved:

That the minutes of the meeting held on 15 November 2021 be confirmed as a correct record and signed by the Chair.

There were no matters arising.

(4) Public Speaking

There was none.

2. Proposed Local Police Precept 2022/23

The Police and Crime Commissioner (PCC) presented his proposed budget for Warwickshire Police including a proposed Local Police Precept increase of £9.99 (3.95%) for Band D properties (and equivalent percentage increase for other bands) in the 2022/23 financial year. The Commissioner acknowledged that the Panel had been allowed limited time to review proposals; this was due to a restrictive timescale determined by external factors influencing the budget setting process.

The Commissioner provided a summary setting out the key priorities, risks, and benefits of the Budget for 2022/23 and the rationale for the proposed increased precept amount.

The Commissioner advised that the Budget had been developed to support delivery of priorities outlined within the Police and Crime Plan 2021 – 2025.

The Commissioner advised that gross expenditure for 2022/23 had been set at approximately £134m. This was an increase of almost £10m on the figures for 2021/22. He advised that income was projected to rise by approximately £2.46m. However, some figures were yet to be determined, such as the income derived from mutual aid.

The Commissioner outlined the anticipated benefits of the 2022/23 draft budget, including:

- Enhanced services for contacting the Force (digitally, by phone, and face to face);
- Recruitment of 55 additional police officers to be supported with appropriate vehicles, equipment, and training;
- An improved response to Violence Against Women and Girls (VAWG);
- Improved criminal justice outcomes by means of Evidential Review Officers;
- Increased recruitment and improved support for Special Constables;
- Improved ICT infrastructure, including continued support for recently introduced standalone systems;
- Improved sustainability, with a focus on solar PV and electric vehicles;
- Increased resources for road safety.
- Allocation of resources to annual grants to support schemes across the County, including reoffending programmes, youth projects, and support for victims of crime.

In summary, the Commissioner stated that each 1% of the proposed precept equated to £530,000; the increase of £9.99 for a Band D property equated to £0.83 per month; householders of lower band properties would pay less. He stated that government expectations on policing were predicated on police and crime commissioners taking up the maximum precept increase; if the Panel resolved to veto the proposal, it would be necessary to seek savings from the proposed budget.

The Commissioner outlined the risks associated with a lower precept amount, stating that consideration of pay and non-pay inflation was required. The current level of inflation was approximately 5%; it was likely to go up. He stated that the increase of 3.95% would help to protect against inflationary pressures on pay. An increase in police officer pay was anticipated in September 2022; however, the level of the increase was not yet known. He indicated his support for increased pay; it was important avoid capable prospective applicants being deterred from joining the organisation.

The Commissioner stated that it was necessary to ensure that ICT systems were adequately supported. Warwickshire Police had upgraded its ICT infrastructure; it would be important to consolidate improvements and allocate resources to maximise efficiency.

The Commissioner advised that the Home Office had announced its intention to undertake a Police Funding Formula Review in 2022. Previously, Warwickshire had marginally benefitted from the approach taken to determine allocation of funding; however, this might not prove to be the case in 2022.

The Commissioner advised that for many years the level of general reserves had been set at £5m, whereas expenditure had increased substantially during this period. He stated that a 20% increase in the general reserve was proposed to provide security against unforeseen events.

The Commissioner stated that the budget prioritised improved provision of training for police officers. The budget had taken account of commercial activities, such as the Vetting Service. Warwickshire Police was a nationally accredited service provider in this area. He stated that the importance of vetting had been made clear by the Sarah Everard case; however, fiscal resilience would be required if the level of revenue derived from the Vetting Service changed.

The Commissioner reported that that the Chief Constable would undertake an Operational Review of Warwickshire Police in 2022 to ensure that the Force was working at peak efficiency. He stated that this process provided an opportunity for the Chief Constable to set the agenda for the next five to ten years. There may be a need for investment; the Budget provided scope to do this.

In respect of Capital Funding, the Commissioner reported that there was a need to borrow to ensure that investment priorities could be achieved to make improvements across the police estate including renovation and repair.

The Commissioner provided a summary of the 'Your Police, Your Views' consultation which sought the views of residents and ratepayers on the budget for policing, in line with statutory responsibilities. He advised that an online consultation had been undertaken in tandem with a series of consultation meetings held with representative groups (local MPs, town and parish councils, local authority chief executives, and others). No serious objections to the draft budget had been raised.

The Commissioner reported that the Consultation had been heavily promoted on social media. It had also been publicised by emails, newsletters and press releases.

The Commissioner reported that the Consultation had sought a view on affordability of various options to increase the precept. Where specific sums had been presented, 42.87% of respondents indicated support for the increase of £10 per year for an average Band D property, provided this resulted in improved services.

In conclusion, the Commissioner highlighted the challenges faced by Warwickshire Police over the past three years. During this period, it had been necessary to make significant savings. The Force had emerged as an efficient organisation; however, there was still work to be done. He stated that a balanced budget had been presented to the Panel. It supported ongoing transition and increased numbers of police officers. He praised the quality of the leadership demonstrated by Chief Constable, Debbie Tedds.

The Commissioner recognised that increased council tax would not be welcomed by many residents; however, there was a need to achieve a balance that protected services and prioritised the safety of communities. He recognised the pressures that rising costs of living placed on householders, alongside increased National Insurance contributions from April 2022. However, he considered that the proposal outlined to the Panel was balanced; it would consolidate delivery of resilient police services.

In response to Councillor Poole, the Commissioner advised that the Crown Prosecution Service had set out exacting standards for submission of evidence that warranted the appointment of Evidential Review Officers. He stated that the national shortage of investigators and changing nature of crime meant that outcomes could be improved by introducing evidential review processes.

Councillor Gilbert highlighted the seriousness of financial pressures experienced by many householders due to rising energy prices and increased costs of living. Many of those adversely affected were also more likely to be exposed to crime. He emphasised that the policing precept had consistently increased over recent years; an awareness of the demand this placed on residents was required. He queried whether the Commissioner had exhausted all other options before reaching a conclusion.

The Commissioner stated that he had taken account of rising costs of living before arriving at a precept amount. He stated that there was a need for the Force to be adequately resourced to consolidate improvement of services. To accomplish this, continued investment was required. This would benefit Warwickshire residents across socio-economic groups. He highlighted the points raised during his presentation which showed how investment would lead to better services. He stated that a reduced precept would be the preferred option, if not for the effect this would have on the quality of policing.

Councillor Gilbert accepted that achieving a balance between delivery of services and recognising the challenges faced by householders was difficult. However, he stated that continued increase of the policing precept, year-on-year, constituted an undue pressure on residents. There was now an opportunity to redress the balance.

The Commissioner stated that many police and crime commissioners had made use of the option to propose a maximum precept for 2022/23 as well as the following two financial years. However, this was not his preferred option for Warwickshire. If the risks identified within his report did not materialise, there would be an opportunity to propose a lower precept amount for 2023/24 and 2024/25.

In response to Andrew Davies, the Commissioner highlighted the challenges experienced by members of the public seeking to contact the Force. The Budget provided scope for improvements to be made in this area. He stated that delivery of this objective was an operational decision to be determined by the Chief Constable; however, a reduction in the proposed precept would limit scope to achieve an improvement. He commented that, should the Panel choose to veto the proposal, some priorities may need to be downgraded or deferred.

In response to Andrew Davies, the Commissioner stated that his role was to identify the need for funding; if a reduced precept amount was required, it was not possible to say which priorities would be downgraded. However, the Budget presented to the Panel provided the Chief Constable with adequate resources to deliver the improvements set out within his report.

Andrew Davies stated that the Evolve Programme had led to substantial investment in systems. He asked if performance and productivity efficiencies had been considered when setting the Budget.

The Commissioner stated that the current ICT system had deteriorated and was barely fit for purpose. There had been an urgent need for investment leading to instatement of a modern, self-supported ICT system for Warwickshire Police. However, there was a need for continued investment to consolidate improvements and to monitor the productivity gains enabled by the new system.

Sara Ansell (Treasurer, OPCC) commented that the anticipated benefits of the 2022/23 Budget constituted a 'shopping list'; delivery of improvements to services was an operational decision to be reached by Warwickshire Police. However, by not opting for the maximum increase in the precept, the medium-term resilience of the Force could be compromised. She directed members' attention to Table 9 in the Budget and Medium Term Financial Plan Report which showed the need for £3m in efficiency savings over a three-year period. Performance and productivity gains derived from the new ICT system would enable the Force to make these savings.

In response to Councillor Golby, Neil Tipton (Head of Media and Communications, OPCC) advised that there was less interest in coverage of the Commissioner's activities from local newspapers in the north of the County. He stated that social media provided a better means of contacting residents in North Warwickshire, efforts had been focused in this area.

Councillor Golby highlighted the limited response to the Consultation from residents; of the approximately 567,000 residents of Warwickshire, only 839 had responded. Taking account of the lower proportion of responses from residents in North Warwickshire, she queried the representativeness of the Consultation.

Neil Tipton recognised the importance of seeking a geographically balanced opinion. He stated that resources had been targeted to address the imbalance.

Andy Davis stated that, as the maximum precept option had been set by government for the coming two years, an opportunity was present to move the consultation exercise to September or October. He highlighted the difficulties of coordinating a consultation over the Christmas period. An earlier consultation would allow the Panel to provide support to boost the level of interest from the public.

The Commissioner stated that there was a statutory requirement to consult with the public. However, it was a tight timeframe; relevant information was only received in late December. He commented that next year, there could be scope to hold the precept meeting with the Panel marginally later.

Neil Tipton suggested that a phased approach could be taken to seek a broader view from the public earlier in the year which would support identification of priorities when the budget was prepared. He advised that the OPCC had recently recruited an Engagement Officer, who could support this process. He stated that he would be happy to work with Panel to consider a revised approach, leading to wider engagement.

In response to the Chair, the Commissioner indicated his agreement for collaboration between the Panel and OPCC on future approaches to the public consultation to be scheduled on the Work Programme. However, he emphasised that the Budget had also been informed by the findings of the survey undertaken to develop the Police and Crime Plan 2021-25.

Andy Davis commented that attention had been given to the impact of reduced investment in the Force; however, it would be advantageous to examine how the proposed increased precept would impact on householders, many of whom were contending with rising energy costs and the effect of inflation.

In response, the Commissioner stated that for a Band D householder, the impact would equate to an additional 83p per month; for lower council tax bands, the cost would be proportionately less. He recognised the financial pressures faced by householders; however, this was a relatively low amount compared to the increases of previous years. He emphasised that pay inflation and increased energy costs would also affect Warwickshire Police.

Sara Ansell stated that borough and district councils operated council tax support schemes. Those eligible for council tax relief would not pay the full amount. This would mitigate the impact of the increased precept amount on those most severely affected by rising costs of living.

Councillor Golby left the meeting at 11:50.

In response to Councillor Davison, Polly Reed (Chief Executive, OPCC) advised that delivery of priorities and the effect of increased investment, would be tracked by means of regularly held performance accountability meetings between the PCC and Chief Constable. The Panel's Performance Framework Task and Finish Group would also support scrutiny of the effect of investment on services.

In response to Councillor Davison, the Commissioner advised that the Estates Review had been established in December 2021. It would report on its findings in May or June 2022, allowing decisions to be taken in support of the sustainability priorities set out within the Budget Report.

Councillor Davison highlighted the projected variance of £7.965m between figures in 2021/22 and 2022/23 for staff pay and overtime. In recognition of the number of new recruits to the Force, he queried whether a trend was now set for onward payment of salary increments, leading to escalating costs in future years.

Sara Ansell stated that the sum of £7.965m took account of a pay award assumption of approximately £1.7m, payment of increments of approximately £1.9m, National Insurance increases, costs associated with 55 new officers, staff turnover costs, and pension costs. She highlighted the reduction of £1.929m in third party payment costs. This saving had been achieved by successful transition of services previously shared or hosted with West Mercia Police. By establishing standalone services, the magnitude of increased staff pay costs would be comparatively less. She stated that payment of increments for career graded police officer appointments would require significant funding in future years.

In response to Councillor Holland, the Commissioner expressed confidence that the decision to retain Warwickshire Police Headquarters at Leek Wootton was wise; moving to a new site would have been prohibitively expensive. He commented that a front-line organisation required robust back-up services; Leek Wootton was also host to some important front-line services.

Councillor Kettle stated that less than half of those who responded to the Consultation had indicated support for the maximum precept rise. He highlighted that, since 2016, there had been a substantial increase in the policing precept. He drew attention to the increase in officer numbers and significant investment in the ICT infrastructure. He sought clarification of how increased spending and recruitment had translated to improved services and efficiency.

The Commissioner stated that the Consultation did not constitute a referendum on budgetary proposals. He advised that when standing for re-election, he had made a commitment to increase the number of police officers in Warwickshire. This had been clearly supported. He stated that investment in ICT infrastructure would facilitate better investigative processes and enhanced support for victims of crime; improved performance was the indicator of success.

Sara Ansell drew attention to the efficiency savings achieved to date, and the requirement in the medium term to realise additional savings of approximately £3m. She stated that investment in ICT would support this process; the next phase of the initiative would be to fully utilise the capabilities of the new system to drive efficiencies, and to monitor the Chief Constable's oversight of organisational performance.

The Chair stated that the Panel had demonstrated support for the PCC's drive to increase the number of police officers in Warwickshire. However, it was clear that additional officers presented an ongoing cost year-on-year. He stated that the ratio between on-going recruitment and cost-effectiveness warranted attention.

Councillor Brown highlighted the cumulative effect of increased demand placed on householders' finances. There was an expectation that local councillors would justify the rationale for increased taxation to residents. She stated that members had not been afforded very long to review the material and reach a conclusion.

The Commissioner highlighted the challenges associated with preparing a public service budget; it relied upon details of the government settlement being made available, timely delivery of

information from council tax collection authorities, and coordination of a public consultation within a compressed timescale. He stated that, collectively, police and crime commissioners had raised concerns in respect of the timescale for preparing budgets.

In response to Councillor Humphreys, the Commissioner stated that provision of training for police officers was a priority. There were shortcomings in this area that required attention; the Budget provided a means to achieve this.

Sara Ansell stated that Force was required to commission specialist training courses from external providers. An increased workforce brought additional costs; these were reflected in the Budget presented to the Panel.

In response to Councillor Gilbert, the Commissioner acknowledged that the relationship between setting of the budget and its eventual implementation by the Force was complex. It was his statutory duty to hold the Chief Constable to account for delivery against the Police and Crime Plan. He stated that having financial control allowed the PCC to influence outcomes; however, if insufficient resources were made available, the Force could justifiably point to budgetary limitations as an explanation for falling short of expectations.

The Chair called a vote. He sought a verdict from Panel members on whether there was support for the Commissioner's proposal to increase the 2022-23 precept by £9.99 per annum (3.95%), raising it to £262.95 for a Band D property.

A vote was held.

There was one vote in favour of the proposed precept.

There were nine votes against the proposed precept.

There were no abstentions.

As this constituted a 'veto' of the proposed precept, the Panel would make a report to the Commissioner by 8 February 2022. A meeting would then be held on 10 February 2022 to consider the PCC's revised precept.

The Commissioner expressed disappointment that the Panel had resolved to veto the proposal. He requested that the report provide a detailed account of the rationale for veto.

Resolved:

That the Police and Crime Panel rejects the Police and Crime Commissioner's precept proposal for 2022/23.

The Chair moved that the meeting be adjourned to 3 February 2022 to allow consideration to be given to the Panel's formal response to the Commissioner.

Councillor Poole seconded the motion which was unanimously supported by those present.

The meeting was adjourned at 12:45 on 27 January 2022.

The meeting reconvened at 11:00 on 3 February 2022.

The Chair sought members' agreement for the draft letter to be sent to the Commissioner outlining the rationale for veto of the proposed precept. There was unanimous agreement for the letter to be sent to the PCC.

The Police and Crime Panel's response to the Police and Crime Commissioner is attached as Appendix 1.

3. Report of the Planning and Performance Working Group

Andy Davis, Chair of the Planning and Performance Working Group, provided an update of the meeting held on 10 January 2022. He reported that the Group had focused on:

- Police officer turnover figures – the Office of the Police and Crime Commissioner (OPCC) provided assurance that turnover figures were monitored and regularly discussed at Force governance meetings. Recent figures showed that officer turnover rates had begun to stabilise.
- Continuity planning and the impact of an inexperienced workforce – the Group highlighted the risks associated with an influx of newly recruited, recently trained officers.
- Outcome rates of Action Taken (detections) across Total Recorded Crime – it was noted that outcome rates had deteriorated. The OPCC advised that the position would continue to be scrutinised at Force governance meetings. The Group will continue to monitor work in this area with a focus on victim satisfaction.
- Diversity, with a focus on the proportion of Black and Minority Ethnic (BME) police officers – this remained at a level below the 7.3% figure required to be representative of the population of Warwickshire. The Group emphasised that whilst the composition of the Force did not currently reflect the population of Warwickshire, there was a need to ensure that a high level of cultural awareness was present to deliver a service that was inclusive and representative.

Andy Davis advised that the Group had received a progress update on deployment of the upgraded Warwickshire Police ICT system. Assurances were sought that robust business continuity measures were in place and that future performance reporting would show how investment in ICT had led to tangible improvements and a reduction in crime.

4. Update from the Performance Framework (Police and Crime Plan 2021 - 2025) Task and Finish Group

The Chair reported that the Performance Framework Task and Finish Group had met on two occasions since the meeting of the Panel in November 2021. It would meet on 24 February 2022 to give further attention to:

- An improved understanding of the effectiveness of the Commissioner's approaches to the holding to account of the Chief Constable;
- The effectiveness of partnership working arrangements;

- The role of the Commissioner to prioritise the organisational health of Warwickshire Police with a focus on diversity;
- Commissioning practices operated by the PCC with a focus on allocation of grants and the process by which the Commissioner manages the budget;
- Key Performance Indicators (KPIs) as a measure of performance.

Andy Davis praised the quality of resources and input provided by the Office of the Police and Crime Commissioner (OPCC) in support of the Group's work. The Chair agreed.

Polly Reed (Chief Executive, OPCC) thanked the Panel, stating that the work of the Task and Finish Group had proved to be informative.

5. Work Programme

It was decided that the Work Programme would be refreshed taking account of recent changes. This would be coordinated by email prior to the Panel's meeting on 7 April 2022.

6. Dates of Meetings

Future meeting dates were noted.

7. Any Urgent Items

There were none.

8. Reports Containing Confidential or Exempt Information

Resolved:

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 and paragraph 7 of Schedule 12A of Part 1 of the Local Government Act 1972.

9. Exempt Minutes

Resolved:

That the exempt minutes of the meeting held on 15 November 2021 be confirmed as a correct record and signed by the Chair.

There were no matters arising.

10. Complaints

There were none.

The meeting rose at 11:08 on 3 February 2022.

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Chair



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Mr Philip Seccombe
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By email: philip.seccombe@warwickshire.police.uk
cc: Polly Reed (OPCC) polly.reed@warwickshire.police.uk

3 February 2022

Dear Mr Seccombe

Warwickshire Policing Precept 2022/23

Thank you for presenting your budget proposals to the meeting of the Police and Crime Panel on 27 January 2022, and for addressing the broad ranging questions posed by Panel members.

I write to confirm that a majority of over two-thirds of the membership of the Panel voted to veto your proposal of an increase of £9.99 per annum (3.95%) in the local policing precept for Band D properties (and equivalent percentage increase for other bands) in the 2022/23 financial year.

The Panel resolved that the proposed increase was too high.

At the meeting, the Panel was mindful that its decision was taken in the context of increasing financial pressures experienced by many householders due to rising inflation, energy prices, costs of living, and the introduction of increased National Insurance contributions from April 2022.

The Panel recognises the challenges associated with preparing a balanced budget and the need to deliver resilient police services. However, it was resolved that continued increase of the policing precept, year-on-year, placed an undue burden on residents. There is now an opportunity to review the precept amount to secure a fairer balance between the needs of policing and affordability for taxpayers.

Needs Based Precept

At the meeting on 27 January, the Panel expressed concern that the information provided did not specifically outline how additional precept funding would be utilised. Conversely, there was limited explanation of the services which would need to be downgraded or deferred if the precept was not agreed. Information presented at the meeting provided an outline of whole budget proposals but failed to adequately demonstrate the areas where additional funding would have a positive impact on the efficiency and effectiveness of our policing service, or how this would be monitored. By way of explanation, Section 7 of the Budget Report¹ outlines 'anticipated benefits delivered from this budget'; however, these are broad strategic intentions drawn from the Police and Crime Plan 2021-25, rather than specific costed interventions.

Effectiveness and Efficiency

The Panel recognises the importance of effective and efficient policing. At the meeting, members drew attention to the delivery of the Evolve Programme, including substantial investment in ICT infrastructure. It is the Panel's view that taxpayers' interests can be best served by utilising existing resources to optimal efficiency alongside investment. The Panel felt that there was a lack of information about how this will improve efficiency and costs savings that will feed through into the budget.

At the meeting, the Panel was interested to hear that the Chief Constable proposed to undertake an Operational Review of Warwickshire Police in 2022. The Panel would be pleased to support this initiative.

Consultation Processes

At the meeting, attention was given to the limited response to the 'Your Police, Your Views' consultation from residents; of the approximate 567,000 residents of Warwickshire, only 839 had responded. This, coupled with the severely limited response from residents in the north of the County, led members to question the representativeness of the public consultation findings.

The Panel's view is that the proposed precept does not adequately reflect the findings of the Consultation. The presentation to the Panel² showed that 13% of respondents indicated that they "could afford a larger increase"; this was considerably outweighed by the 39% of responses expressing the view that "I do not feel that any increase would be affordable to me". This was the majority view held in North Warwickshire, Nuneaton & Bedworth, Stratford-on-Avon, and Warwick.

¹ OPCC (24 January 2022), *Warwickshire Budget 2022-23 and Medium Term Financial Plan 2022/23 – 2026/27, Report of the Treasurer, Director of Finance, Chief Executive and Chief Constable*, p. 15

² OPCC (January 2022), *Budget Consultation Results – Your Police, Your Views 2022-23*, p. 7

Furthermore, the Panel was concerned that the effect of a moderate rise had not been adequately communicated to those participating in the survey. It is considered that an explanation of the implications for service delivery of a rise of £5 per year for a Band D property (specifically, which services would be downgraded or deferred) would have enabled a more informed response.

In recognition of the low response rate from Nuneaton & Bedworth Borough, and the high proportion of those consulted who indicated support for a precept freeze; I would urge you to consider implementation of a precept that takes account of the fiscal challenges faced by householders.

The Panel recognises the challenging timescale to coordinate a public consultation. It is a subject which attracted the Panel's attention at meetings previously held to consider the precept: in February 2020, the Panel observed that the response rate had been low. At that meeting, I urged the Office of the Police and Crime Commissioner to consider making use of alternative strategies to improve response rates and encourage wider participation.

In February 2018, the Panel recommended that you consider approaches to future consultations to enable collection of "more detailed information on the demographic of those who respond and take active steps to engage with those groups who are underrepresented".

The Panel thanks you for your commitment to consider initiating future consultations earlier in the year by means of a phased approach to seek a view from residents in advance of details of the government settlement being made available. The Panel continues to express an interest in supporting your Office to improve response rates that are representative of the geographic and demographic composition of Warwickshire.

Conclusions:

An increased council tax burden will inevitably contribute to existing pressures on households, and members were required to balance this against the Constabulary's understandable desire to consolidate the considerable progress made to establish a resilient, standalone Police Force for Warwickshire, but we feel a business case has not been set out to demonstrate the need for a precept increase of 3.95%.

The Panel invites you to look again at your proposed Precept figure and recommends a reduced amount.

Next Steps:

Following receipt of this report, the Regulations state that:

- Where the Panel vetoes the precept, the PCC is to have regard to and respond to the Panel's report, and publish a response, including the revised precept, by 15 February;
- The Panel, on receipt of a response from the PCC giving notice of the revised precept, is to review the revised precept at a public Panel meeting and make a second report to the PCC by 22 February;
- The PCC is to have regard to and respond to the Panel's second report and publish a response by 1 March.

A meeting of the Panel has been scheduled at 2pm on 10 February 2022 at Shire Hall, Warwick. It would be helpful to know if we will have your revised Precept Report by this date. The Panel requests your presence at this meeting for the purpose of responding to questions in relation to the revised precept and would be very grateful if you could confirm your attendance.

A copy of the minutes of the meeting of 27 January 2022 will be forwarded to you shortly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Reilly', followed by a period.

Councillor David Reilly
Warwickshire Police and Crime Panel Chair



Report to the Police and Crime Panel on the revised budget for 2022/23

Report Author	Sara Ansell
Report Date	8 February 2022
Security Classification	OFFICIAL
Disclosable under Freedom of Information Act?	Yes

OFFICIAL**1. Purpose of the Report**

This report outlines the Commissioner's revised budget for 2022/2023 following the Police and Crime Panel's decision to exercise their right to veto the original proposed precept increase of £9.99 on a Band D property. The revised precept increase will be £9.75.

The final budget for 2022/23 is summarised as part of this report based on the revised precept increase, the final police funding settlement for 2022/23 and the confirmed council tax base and collection fund surplus positions all notified recently.

2. Budget 2022/23 and precept proposal

In accordance with Schedule 5 of the Police Reform and Social Responsibility Act 2011, the Commissioner proposed a precept increase of £9.99 for a Band D property for 2022/23 to the Police and Crime Panel at their meeting on the 27 January 2022. He provided a full and detailed report outlining the 2022/23 draft budget, including the capital programme, Medium Term Financial Plan and reserves position, based on a £9.99 band D precept increase.

The Panel reviewed the proposed precept and chose not to support the proposed increase for 2022/23, exercising their right to veto, by issuing a report to the PCC on the 3 February 2022. The PCC has considered the comments and report from the Panel and in doing so has issued his revised precept for 2022/23.

Since the 27 January Panel meeting, final confirmation of the police funding settlement, the collection fund surplus/deficit information and the council tax base positions for each authority has been received, this has enabled the 2022/23 budget to be finalised. No further changes in the core government grant have been notified, but districts have confirmed an improved position against the draft budget with a total net collection fund surplus of £0.470m and council tax base of 215,689.50.

The draft budget had included an estimated collection fund surplus of £0.279m. The revised actual collection fund surplus therefore represents an additional £0.191m. This is one-off money.

Based on a precept increase of £9.75 the increased council tax base will generate an additional £0.233m of base line funding, compared to the draft budget previously presented to the Panel. This additional funding has provided the Commissioner with the flexibility to make changes to the 2022-23 funding arrangements.

In response to the Panel's concerns, the Commissioner now proposes to make a reduction in the precept increase, from £9.99 to £9.75. This would equate to a rise of 3.85%, which is further below the rate of inflation than the original proposal.

However, he also proposes to use some of the additional money from the improved funding position to provide further enhancements to services. These include:

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- funding for five additional Police Community Support Officers, allocated at one in each district/borough across the county, at a cost of £0.174m. They will be targeted in urban areas to improve visibility and public engagement. They will also support the work to address violence against women and girls, increasing the patrolling capability in areas that the public have reported feeling unsafe as part of the Street Safe project.
- An additional £0.050m for the Commissioner's grants scheme, to further support victims,
- and an additional £0.200m to expedite the sustainability work that the force can access and bid against in 2022/23 from a new 'sustainability' reserve. This will help the force to roll out infrastructure improvements to the estate, such as solar panels and electric vehicle charging points.
- The table below shows the final budget position for 2022/23, compared to the budget for 2021/22 and the draft budget presented to the panel previously.

Category of spend	2021/22 approved budget £m	2022/23 vetoed £9.99 precept increase budget £m	2022/23 final approved budget, based on a £9.75 precept increase £m
Police officer, PCSO & staff pay and overtime	87.090	95.055	95.229
Other employee expenses	2.185	2.375	2.375
Premises costs	3.027	3.523	3.523
Transport	2.790	2.847	2.847
Supplies and Services	13.958	14.709	14.709
Third party payments	13.193	11.264	11.314
Capital financing costs	3.262	5.176	5.176
Gross expenditure	125.505	134.949	135.173
Income	(11.272)	(13.735)	(13.735)
Net force budget	114.233	121.214	121.438

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Contribution to/(from) reserves	1.117	(0.250)	(0.050)
Net budget requirement	115.350	120.964	121.388
Funded by:			
Core Central Grant	(62.188)	(64.254)	(64.254)
Council Tax Precept requirement	(53.162)	(56.710)	(57.134)
Total Funding/net budget requirement	(115.350)	(120.964)	(121.388)

A precept rise of £9.75 is equivalent to a 3.85% increase. This level will see Warwickshire PCC amongst the lowest precept increases in the country, with almost all other PCC precept increases being supported by their respective panels at £9.99 or £10.00.

The precept is a progressive tax, and residents living in lower banded properties will pay a smaller proportion of any increase and vice versa. The table below indicates the total police precept charges for each banding and the annual increases that residents living in each band will incur in 2022/23.

It should be noted that 62% of properties across Warwickshire fall in bands A – C, so the majority of residents will be paying less than the £9.75 precept increase outlined. The Chancellor has also recently announced a £150 council tax rebate to help those living in band A – D properties manage recent cost of living increases as part of a package of new measures.

Valuation Banding	% of Warwickshire properties currently falling in this band	2022/23 Annual Increase £	2022/23 Actual PCC precept £
Band A (6/9th)	16.7%	6.50	175.14
Band B (7/9th)	19.8%	7.58	204.33
Band C (8/9th)	25.2%	8.67	233.52
Band D	15.7%	9.75	262.71
Band E (11/9th)	10.6%	11.92	321.09
Band F (13/9th)	6.5%	14.08	379.47
Band G (15/9th)	4.8%	16.25	437.85
Band H (18/9th)	0.6%	19.50	525.42

To further mitigate the impact of precept increases, each billing authority has a statutory responsibility to set and administer a local council tax reduction scheme

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which is reviewed and approved through their internal governance processes each year. These schemes apply to all elements of the precept including the PCC's. Whilst the schemes differ between each authority across Warwickshire, they all provide support to protect working age residents from the impact of precept charges, if they meet the scheme eligibility criteria. Those who receive the maximum reduction will typically pay between 8.5% and 20% of the total council tax charge dependent on where they live in Warwickshire. There is no restriction for eligible older people who are entitled to 100% support as set by central government.

The Commissioner also remains very mindful of the operational and funding requirements of the Chief Constable to deliver effective policing in Warwickshire as the final transition from the former alliance is completed. He is aware of a number of continuing risks, referred to in the previous panel report and at the meeting. In summary these include, the increasing cost base of the force, the outcome of government's funding formula review, commercial service risks, the final delivery and next phase of work on our ICT project to drive out efficiency savings, future funding of our capital programme and the Medium Term Financial Plan which indicates a savings requirement of £3m over the next few years.

In respect of the policing priorities; the Commissioner has set out his priorities in the Police and Crime Plan, which was discussed and supported by the Panel last autumn. The Chief Constable has accepted the priorities that relate to the force, and putting them together with her Fit for the Future Strategy, and the priorities she has outlined in the Empower programme; there is a clear direction of travel for the force. The Chief Constable has shared some headlines of where she seeks to make improvements to operational policing, which were outlined and discussed at the meeting on 27 January. The Commissioner will hold the Chief Constable to account using the formal governance mechanisms which are well established in Warwickshire.

The implication of the revised precept proposal and finalised council tax information from districts, over the medium term is summarised in the table below. This constitutes a new summarised Medium Term Financial Plan and includes the anticipated reserve levels following the revisions referred to in this report, to the 2022/23 funding.

	2022/23	2023/24	2024/25	2025/26	2026/27
Net force budget	121.438	126.083	130.866	135.073	138.692
Reserve movement	(0.050)	(0.150)	(0.100)	(0.100)	(0.100)
Net budget requirement	121.388	125.933	130.766	134.973	138.592
Funded by:					
Precept funding	57.134	59.809	63.036	65.558	68.181
Core funding	64.254	64.945	65.970	66.578	67.191

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Total funding:	121.388	124.754	129.006	132.136	135.372
Remaining budget gap requiring savings to be identified	0.000	1.179	1.760	2.837	3.220
Reserves levels at the end of each year	13.978	13.828	13.728	13.628	13.528

The Treasurer's statement regarding the adequacy of reserves remains applicable and reserve levels remain resilient into the medium term for managing known risk.

Despite the challenges of setting up a standalone force following the enforced ending of the former strategic alliance, the force has a good track record of delivering efficiency savings. To put this into context, in April 2021 £4.000m of savings were delivered, in addition to a further £0.800m of savings during the course of the year. The 2022/23 budget includes a further £0.200m of efficiency savings. In order to plan effectively for the further £3m of savings identified in the Medium Term Financial Plan, the Chief Constable has already commenced work on a review of the target operating model, as part of the Empower programme, to identify efficiency saving options for meeting the annual budget gaps. This work will continue to be progressed and will be presented to the Commissioner in the early summer.

3. Conclusions

The PCC has listened to and taken note of the views of the Chief Constable, the issues raised in the Panel report and those of residents and stakeholders in the various consultation meetings, engagements he has held and also through the online public consultation. The Commissioner's assessment is that a precept increase of £9.75 or 3.85% on a band D property in 2022/23 will address the issues that have been raised and still help to ensure that the force is properly funded, resilient and viable into the future, and mitigate the identified risks. This budget with the revised funding levels is balanced, however, the Medium Term Position still requires the force to improve their efficiency and productivity and deliver improvements to policing services in Warwickshire.

4. Recommendations

The Panel note the summarised 2022/23 final budget, reserves position and the effect of the funding changes on the Medium Term Financial Plan.

The Panel note the Commissioner's revised precept proposal for a band D property of an increase £9.75 for 2022/23. The revised precept proposal will increase the actual band D charge from £252.96 to £262.71 in 2022/23.