

# POLICE AND CRIME PANEL MEETING

REPORT TITLE	PROPOSED PRECEPT FOR 2024/25
REPORT OF	POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE
DATE	25 <sup>th</sup> JANUARY 2024

## 1. PURPOSE OF THE REPORT

- 1.1 To notify the Police and Crime Panel of Derbyshire of the Police and Crime Commissioner's (PCCs) proposed Band D precept for 2024/25 of £279.60, being an increase of £13 per annum, in accordance with the duty under the Police Reform and Social Responsibility Act 2011.

## 2. INFORMATION AND ANALYSIS

- 2.1 In December 2023, the Home Secretary published the provisional police grant report in which he sets out his determination for 2024/25 of the aggregate amounts of grants that he proposes to pay under the Act.
- 2.2 On 14<sup>th</sup> December 2023, the Minister of State for Crime and Policing, outlined the detail of the proposed settlement. This included:
  - Flexibility for PCCs to raise additional funding through precept flexibility. This will enable PCCs to increase their Band D precept by up to £13 for 2024/25

- A total settlement of £18.4 billion, which sees an increase of £0.8 billion on the funding settlement in 2024/25
- An increase of funding available to PCCs of £922 million, assuming full take-up of precept flexibility
- Full take up of precept funding by PCCs would deliver £298 million of this increase
- £150 million announced at Spending Review 2021 to ensure the maintenance of officers for the Police Uplift Programme.
- £185 million additional funding in 2024/25 to support forces with the cost of the police officer pay award agreed in September 2023.
- £26.8 million as a one-off top-up funding amount to be provided in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud remedy with any further costs to be considered at the next Spending Review.
- £259 million to cover the increased costs of police pensions contributions, which will be allocated using updated shares based on a proportionate average of pension contribution data from 2021-22 and 2022-23, as well as forecasted data for 2023-24 and 2024-25.

2.3 I have examined the proposed budget with my senior team and received a report from the Chief Constable on the required level of funding for 2024/25. In making my decision I have assessed the financial implications, the potential risk to front line policing and delivery of the Police and Crime Plan priorities. Further to this, a letter has been sent from the Chief Constable outlining the Constabulary's business case for additional funding for 2024/25. This is attached at **Appendix A**.

2.4 I plan to approve the Revenue Budget and the indicative proposed precept for 2024/25, on 17<sup>th</sup> January 2024. The Revenue Budget and Precept 2024/25 report is attached at **Appendix B**.

2.5 I am aware of my responsibilities to notify the Police and Crime Panel by 1<sup>st</sup> February of my precept proposals. In addition, as the Panel is a public meeting. I recognise a further need to give timely notice to the public. This report therefore advises the Panel of the actions that I intend to take within the reasonable time frame requirements.

2.6 In accordance with Schedule 5 of the Police Reform and Social Responsibility Act 2011 ('the Act') the Commissioner must notify the Police and Crime Panel ('the Panel') of the precept which the Commissioner is proposing to issue for the forthcoming financial year. Under paragraph 3 of Schedule 5 the panel is

asked to review the proposed precept having been notified of it. Details of the Rules of Procedure for the Panel are attached at **Appendix C** for information.

### 3. **ATTACHMENTS**

APPENDIX A – Letter from Chief Constable outlining the Constabulary's business case for additional funding for 2024/25

APPENDIX B – Revenue Budget and Precept Report for 2024/25

APPENDIX C – Rules of Procedure for the Panel

### 4. **RECOMMENDATIONS**

The Police and Crime Panel of Derbyshire review the proposed precept for 2024/25 and support the decision of the Commissioner, for a Band D increase of £13.

### **CONTACT FOR ENQUIRIES**

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Our reference: HQ/XEC/CC/cam  
Your reference: .  
Date: 12 January 2024

APPENDIX A

Angelique Foster  
Police and Crime Commissioner for  
Derbyshire  
Butterley Hall  
Ripley  
Derbyshire

Dear Commissioner

The force is committed to delivering an excellent service to the communities of Derbyshire, one they can trust. Our core aim is to fight crime, proactively bring offenders to justice and protect the most vulnerable from harm. Our officers, staff and volunteers do this 24/7, 365 days a year.

Through our ongoing discussions, I know that you are acutely aware of the continued challenges facing Derbyshire Constabulary; some are unique to us, but others are a factor of wider influence. I am grateful for the continued support you give to the force to meet these challenges head on. Over the past three years we have delivered significant change and improvement, delivering strongly against the objectives in your Police and Crime Plan which reflects the views and concerns of the public. There is still much more to be done, and some of this will require additional investment, at a time when finances continue to be difficult. I want Derbyshire Constabulary to be an outstanding force within five years, and I know you share this ambition.

We have carefully considered the impact of a range of options and have continued to find savings and efficiencies. I fully recognise that the communities of Derbyshire are already feeling the incredible financial impact of the cost-of-living crisis, but my primary consideration must be how I can best deliver policing within the county, utilising the options provided by a precept increase, and therefore I am seeking your support and asking for the maximum permissible precept of £13 this year.

I do not expect the people of Derbyshire to solely fund the improvements required. The force will continue, as it has over the past few years, to generate efficiencies to contribute towards funding the changes needed. However, many of the increases in costs are from issues outside of the force's control and are beyond the level of Home Office grant given to Derbyshire Constabulary. It therefore falls to force efficiencies and the precept to both bridge this gap, and fund the improvements needed.

This letter outlines some of our challenges, summarises improvements made in the past 12 months, and identifies the areas for further development and investment.

Derbyshire Constabulary, Headquarters, Butterley Hall, Ripley, Derbyshire, DE5 3RS  
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## Demand

Policing continues to grow in complexity with the rapidly changing nature of crime, sharp rises in high-harm crimes, cross-border criminality and the interconnected nature of physical and digital evidence that needs to be captured and interpreted.

Year on year, demand has risen force wide and is forecast to continue rising. In the 12 month period ending October 2023, overall crime had risen by 8%, non-crime by 4%. The largest increases by crime types were retail theft, other theft offences, public disorder, and violence without injury. It is believed that increases are likely caused by increasing population and the cost-of-living crisis.

As was highlighted in last year's letter and detailed within the table below, calls for service have continued to increase.

	01/12/2021 - 30/11/2022	01/12/2022 - 30/11/2023	Difference	% Difference
<b>All Calls</b>	338,758	394,934	56,176	16.6%
<b>999 Calls</b>	167,421	186,196	18,775	11.2%
<b>101 Calls</b>	171,337	208,738	37,401	21.8%

Mathematical forecasting, based on three years' previous demand, predicts an increase of twenty five 999 calls per day in 2024. This increase in demand sits alongside the complexity of incidents and the need to effectively identify vulnerability from the first point of contact through to resolution of the incident.

The threat of Organised Retail Crime (ORC) is increasing and now poses a significant challenge to the retail industry and law enforcement. For the same period referenced above, Derbyshire has experienced a 27% increase in shoplifting, a total of 2,374 additional crimes. The force is working with local partners to identify, reduce and tackle the threat and impact of retail crime on Derbyshire's business communities.

Serious Violence (as defined by the Home Office) has increased year on year over the last three years, 1 December 2020 - 30 November 2021 10,081 and 1 December 2022 - 30 November 2023 10,646. Knife crime has also seen an increase 1 December 2020 – 30 November 2021, 756 and 1 December 2022 – 30 November 2023, 814. In addition, 2022/2023 was a challenging year with a notable increase in protest and public order. The force is confident that the partnership Violence Reduction Unit (VRU) will support in reducing such crime.

The Criminal Justice System remains under pressure with significant backlogs linked with Covid-19 and challenges within the Crown Prosecution Service and judiciary capacity and capability. This has a knock-on effect as additional work must go into supporting victims and witnesses, alongside meeting new guidelines around disclosure and accreditation linked with the judicial process. Supporting victims and witnesses throughout a judicial process is a must for us, and the way in which we do this can significantly impact on trust and confidence.

In addition to the above, there is a local plan for 3,711 new houses per year in Derby and Derbyshire combined (until approximately 2039). The increase in housing stock may not result in a directly proportional increase in crime, but an increase should be anticipated.

The force requires a significant amount of investment in its estate. Much of this is to bring the current estate up to a suitable standard, and some is required to invest in new builds. This means the force must borrow to provide this, which in turn affects the annual revenue budget. The level of finance should not be underestimated. The force continues to work hard to ensure sound investment in this area which provides a positive legacy for the future.

## Key Investments

The force has continued to make changes to how it operates to provide a better service to the public and respond to changing threat and risk. This has been supported by investment from you as Commissioner and money the force has found through its savings programme.

The Public Contact Improvement Programme (PCIP) is the force's plan to transform its contact management services, ensuring the organisation has the right roles, processes, and technology to meet the demand now and in the future. To date the force has invested £1.6m in its Operating Model (staff costs), and a planned £20m technology investment over 10 years with £1.5m spend so far. Benefits as a result of this include the introduction of the Crime Resolution Investigation Management Team (CRIMT) and Incident Management Team (IMT), both of which provide a more prompt and efficient response to the public when reporting both incidents and crimes.

To ensure the very best service right from the outset, PCIP is designed to reduce waiting times, recognise vulnerability at the earliest opportunity and allocate the most appropriate officer, or indeed agency, to meet the needs of the person contacting the force. We have continued to invest in the control room in resources and technology whilst changing some key processes. Call waiting times are still above the levels we would like, however the recent changes made have seen a positive impact, specifically the area of non-emergency where there is high demand, dealing with incidents that are reported online, and a reduction in abandoned non-emergency calls. Improvements in this area remain a priority for the force.

With additional finance the force will continue to ensure that its Contact Management Centre is appropriately resourced and that the technology and systems are effective and fit for purpose, aiming to reduce call waiting times and improve the customer experience in their contact with us.

The force has also revised its operating model, including the introduction of the Crime Directorate. The Crime Directorate investigate the most serious and organised crime in Derbyshire. The Directorate is split into three areas: Public Protection, Serious and Organised Crime and Intelligence. Each area contains several specialist sections, employing highly skilled staff utilising sophisticated equipment and techniques, working closely with other regional forces and agencies. This approach has improved how crimes are allocated for investigation, how vulnerable people are identified and safeguarded, ensuring consistency of service for victims whilst creating synergy across North, South and Crime commands.

All frontline officers, including those working on Safer Neighbourhood Teams (SNTs) now have a laptop. A total of 1,950 laptops are deployed across all ranks within the force. Officers can remain working out in their communities, having immediate access to a mobile office environment, rather than needing to return to the station to complete statements and reports. This supports our priority of strong and visible policing but will continue to require investment, as laptops and associated equipment need reviewing and updating over time.

Derbyshire Constabulary currently has 546 officers who are taser trained, we are also one of the first forces in the country to start training special constables in the use of taser. This requires continued investment to maintain to deal with officer turnover.

Initial Police Pursuit (IPP) training commenced in February 2023 as a pilot, with 21 local policing unit officers trained at High Peak and Swadlincote. This was supported through funding by you. It ensures that officers are more able to respond to the criminal use of our roads and attend priority incidents more promptly and safely. The pilot has since been expanded, with a further 20 officers trained and supported by the ongoing roll out of new vehicles which have the necessary performance and handling requirements. By the end of 2024, the force will have 44

IPP ready vehicles on its fleet. The aim is to have 103 officers trained by the end of the 2023/2024 financial year, with another 100 training places allocated into 2024/2025.

## **Rural Crime**

The force recognises the impact of rural crime on our communities and has worked to increase the number of officers who are trained in rural affairs. Those who work on the dedicated Rural Crime Team (RCT) are trained in the investigation of heritage crime. All are specialist wildlife crime investigators, with some also specialising in the control of endangered species. Additionally, there are now 17 Rural Crime SPOCs (single point of contact) across six LPUs containing rural or semi-rural areas. These SPOCs are undergoing specific training developed by the RCT to upskill them in matters impacting rural communities, such as equine and wildlife crime.

To strengthen reporting opportunities, in early 2022 the force introduced an online reporting tool for rural and wildlife crime accessible via the Derbyshire Constabulary website. This has proved positive within rural communities, enabling multiple reports to have been submitted for investigation, building the force's understanding of criminal activity within this area. In addition, in late 2022 the RCT establishment was increased, to include the addition of Derbyshire's first Rural Crime PCSO. The PCSO supports the development of engagement strategies and leads on the crime prevention and problem-solving initiatives. Enrichment of the team is planned through the secondment of a further Constable, who will join the RCT in the near future.

In recognition of the team's work in protecting farmers and rural business, in November 2023 it was announced that Derbyshire's RCT were the winners of the 2023 Rob Oliver Award. This is a prestigious national industry award given annually to the most productive crime team in the UK based on the use and support for the Construction Industry's Official Security Marking and Registration Scheme CESAR database.

The force would seek to progress this crucial support to rural areas, though to do so requires further investment.

## **Strong Local Policing**

Underpinning all of this has been the successful recruitment of an extra 283 police officers, through the Police Uplift Programme. This uplift target was delivered six months ahead of schedule in October 2022. It should be noted that whilst many of these officers have started their role as a constable with the force, there are vast numbers still within the two and three-year training programme. We are, therefore, some time away from fully realising the benefits they bring in policing our communities. We are, however, confident that the additional numbers will go some way to increasing our visibility and representation within the county.

Our Force Wellbeing Strategy aims to bring together health and wellbeing initiatives already in place and deliver a consistent wellbeing provision that is accessible for all. The force has introduced Trauma Impact Prevention Techniques in conjunction with Police Care UK. Alongside this, our peer support networks Oscar Kilo are peer support trained and/or Mental Health First Aider trained or have undergone specific training such as Trauma Risk Management (TRiM). TRiM is a support scheme to assist officers and support staff members who have been involved in traumatic incidents or investigations to help reduce the effects of post-traumatic stress.

In April 2023, Derbyshire Constabulary moved away from a regional Occupational Health model and set up a dedicated Occupational Health and Wellbeing service in force. The service delivers a range of support for individuals 'in-house' through dedicated advisors, screening advisors, and a senior occupational health physician.

The force has maintained its local policing footprint for its SNTs. We understand that the community draw confidence from seeing their local teams based in their local communities. In 2023, a new SNT office was opened at Horsefair House, Alfreton, the purchase of which represents exceptional value for money. Office space has also been secured in Bolsover

Contact Centre. Killamarsh station will be rebuilt in 2024, whilst planning permission is waited for a new police station at Clay Cross. SNTs also occupy office space at fire station premises in Shirebrook, Long Eaton, Ashbourne, and Bakewell. Precept funding has contributed to these buildings, most notably the Killamarsh redevelopment. The force would seek to expand its visibility in communities still further, however, to do so requires significant investment.

## **Neighbourhood Crime and ASB**

Our commitment to maintain our Safer Neighbourhood Team numbers remains steadfast with a strong belief in the importance of the teams to trust and confidence in local policing. The force has invested heavily in the recruitment of PCSOs, recognising the importance of the role within neighbourhood teams, and the reassurance they offer to communities. Over the past couple of years, a number of our PCSOs were successful in applying to become police officers in Derbyshire. This is a benefit, as it retains their skills and local knowledge, however, has meant we have needed to work hard to return to our PCSO establishment. We are back at a position in maintaining our establishment. Further to this we now have an application process for neighbourhood officers, recognising it for the important specialism that it is, ensuring we get the right people for the role and allowing us to hold a waiting list for when vacancies arise.

We are committed to minimising abstraction of SNT staff, and our abstraction policy and newly designed abstraction app reinforces the force assurance that our SNTs will be supported to do their role, providing us with the data around abstractions so we can put measures in place to reduce this, where necessary.

In November 2023 we held our second Neighbourhood Policing Conference which embedded our minimum standards and expectations of SNTs, whilst also providing development for all our staff, enabling them to perform the role to the best of their ability.

As a pilot force for Home Office funded 'Hotspot Policing and Immediate Justice' we have had the opportunity to focus our response to Anti-Social Behaviour (ASB). Since July 2023 we have seen an additional 1,350 high visibility patrols take place in 23 hotspot locations across the County and City. The patrols are evidence based through the hotspot policing methodology and are supplemented through business-as-usual activity (engagement events, standard patrols etc). Positive impacts are starting to be seen. Overall, ASB is down by 6% in these areas when compared to the same month last year (November 2022). ASB (associated with hotspot areas) has also reduced by 26% from October 2023 to November 2023.

As part of this work, we have seen numerous arrests and stop searches with drugs, stolen property and weapons being recovered. Whilst on patrol, officers are identifying crimes from members of the public and recording intelligence. We are also recording numerous engagements with the public with several positive comments being noted, increasing the trust and confidence in policing within these areas.

Whilst the positive impacts are clear in certain areas, some of the hotspots continue to require increased patrols with the consequent need for additional resources. An increased presence has led to several individuals being identified and referred into the Immediate Justice Scheme. We believe that our force is the only area (currently) to be linking these two ASB initiatives to good effect. This will increase the impact, reduce demand, and ensure community payback is implemented with those committing the ASB.

Immediate Justice referrals are increasing month on month, with 56 referrals in December 2023 compared to 13 in October 2023. A total of 107 referrals have been completed since the programme started, and we are confident this will continue to rise. We have a dedicated team who support the education of police colleagues and external partners in this area, also proactively identifying incidents which are appropriate for Immediate Justice outcomes. Through the close working relationship with Remedi, the Immediate Justice providers commissioned by your office, a robust process is in place which allows for individuals to be referred in, providing the reparation to our communities that the scheme intends to achieve.

We are invested in increasing the number of Special Constables and volunteers within our organisation. With three Special Constable intakes in 2023, we have increased our numbers to 74 and have robust plans for this to continue in 2024 with a further three intakes planned.



Pleasingly, the hours worked by our Specials has slightly increased with a total of 14,686 hours volunteered in 2023. Investment in a Specials' Coordinator has allowed us to concentrate on retention and productivity of our current cohort and we are seeing those benefits in the numbers of hours completed.

Police Support Volunteer (PSV) numbers are also increasing, with the Citizen in Policing Team continually looking to support different areas of business. We are at our highest number since January 2023, with 85 volunteers now registered and supporting different departments across the organisation.

## **Road Safety**

The force introduced Initial Pursuit Training to some Local Policing Units, supported by the 2022/2023 precept increase. This extends the capacity and capability beyond the Roads Policing Unit, helping to deny criminals the use of our road network, increasing visibility and our response to incidents, especially in some of our more rural areas.

Derbyshire Constabulary currently has 28 drone pilots trained. We have increased our drone capability to 13 drones, investing in two smaller all weather drones supporting flight in wet weather conditions. Drones have been deployed 1,359 times over the past 12 months (486 at planned jobs and 873 for spontaneous requests). This has reduced the reliance on helicopter support and allowed us to be more effective whilst reducing costs.

The Fatal Four offences continue to feature heavily as a causal or contributory factor in fatal collisions in Derbyshire. One of our biggest fatality/casualty groups is motorcyclists and much work has been undertaken in this area, including the introduction of 'Bikesafe' to Derbyshire with the team winning the national service excellence award in its first year.

There are now 20 officers from the Roads Policing Unit (RPU) trained as motorcycle riders, using a mixed fleet of marked and unmarked motorbikes, four of which are suitable for off-road use to help tackle anti-social behaviour in support of local SNTs.

Operation Sparta, a specific speeding operation, runs throughout the year in high-risk areas. In addition to formal prosecutions, it provides the opportunity to educate individuals regarding the risks associated with the fatal four offences.

Despite strong police and partners' activity, it remains a challenge. There is a continuing need to invest in road safety and the complex aspects within, including the Fatal Four. Road safety remains a force operational priority.

The investment by your office in the provision of victim support services, including to those bereaved as a result of road traffic collision, has been gratefully received, be this through Remedi or the Independent Road Victim Advocate (IRVA) funded through BRAKE.

Community Speed Watch (CSW) groups play a vital role in keeping the road network safe. There are now 84 schemes within Derbyshire and 613 volunteer members who between January and October 2023 conducted nearly 700 roadside hours, helping to reduce speeding through their presence and the education of 5,369 drivers who subsequently received advisory letters. SNTs actively work in their communities to encourage new groups and membership, with 25 new groups under development and 22 new members awaiting training by the CSW Coordinator in preparation for them joining existing groups.

## **Victim Support and Safeguarding**

To help enhance the quality of investigations and provide support to victims of stalking and harassment, a dedicated Stalking Coordinator was recruited in spring 2023. They are responsible for reviewing and risk assessing all non-domestic related stalking offences, providing investigative guidance to officers and supporting Stalking Protection Order (SPO) applications. This increased focus has seen the number of SPOs being granted at Court go from five in 2022 to 28 in 2023. The Coordinator also supports training and works closely with partners (including the newly commissioned Stalking Advocates) to enhance our approach to stalking investigations.

Significant improvements have been made in the way that the force identifies and responds to Rape and Serious Sexual Offences (RASSO) with a specific focus on increasing the number of cases that receive justice. A dedicated RASSO Unit provides for consistency in risk management and investigations, ensuring the most appropriate resource is allocated with the right skills and training to provide a quality of service to support the victim, and to deal with increased demands. Since the introduction of dedicated RASSO teams, the force has seen a steady increase in the positive outcomes of RASSO related offences from 8.7% in January 2023 to 13% in December 2023.

The force is also an early adopter of the RASSO National Operating Model (Op Soteria Bluestone), which ensures that rape investigations are suspect focused. As well as having a dedicated RASSO Unit, the force has trained 1,072 front line officers in the first response to reports of rape.

With your strong support the organisation will host a partnership Violence Reduction Unit (VRU) and has sought funding through the Home Office. This unit will be made up of a Programme Manager, Analyst, Young Person Engagement Officer, and Communication and Engagement Officer. We plan for the unit to be fully staffed by Spring 2024. The VRU will work closely with partners to deliver a standardised approach across the County and City, with the aim to reduce serious violence through funded interventions which are targeted through analytical review and evidence-based research. This funding is in place until March 2025. To establish as a permanent function will require investment.

It is a priority for the force throughout 2024 to improve its quality of investigations. This will improve outcomes for victims through offenders brought to justice and reduces the risk of harm to our communities. This is in line with what the public quite rightly expect and will be a significant area of focus. To date, the force has brought in excess of 200 more offenders per month through its custody suites, an increase of over 18% over the past year, and we see this trend continuing.

## **Driving Efficiencies**

The force continues to demonstrate good budgetary control and sound financial management, helping to achieve in-year savings and underspends of over £16.5m since 2020. The force is consistently below the average net spend per head of population.

In October 2021, the force approached the Chartered Institute of Public Finance and Accountancy (CIPFA) to undertake a review which found that it performed better than other force averages and significantly outperformed other forces for income generated per officer. The review concluded that, overall, the force gains more total income than the average force. A further review in 2022/2023 resulted in an increase in budgeted income of £1.059m in 2023/24 and a further increase of £0.316m is expected for 2024/25.

All frontline officers, including those working on SNTs now have personal issue laptops. A total of 1,950 laptops are deployed across all ranks within the force. This enables officers to remain working out in their communities, having immediate access to a mobile office environment, rather than needing to return to the station to complete reports. This supports our priority of strong and visible policing but will continue to require investment, as laptops and associated equipment need reviewing and updating over time.

The Force Improvement Team manages a continual programme of work which identifies efficiencies, and opportunities for reinvestment and savings. This piece of work includes a 'Cost of Policing' workstream to direct resources to the areas of greatest risk and demand, in addition to conducting periodic reviews of newly established teams to help measure benefit realisation, all of which is overseen by a productivity and efficiency board. This 'Cost of Policing' savings programme will continue, led by Assistant Chief Officer Andrew Price. It will have a large focus moving forward on efficiencies to be gained through automation of processes and AI. There remains a firm commitment to providing value for money and ensuring an efficient and effective force.

Following the successful rollout of the National Enabling Programme (NEP) delivering amongst other things productivity tools such as Teams and OneDrive, the force is continuing to exploit Microsoft tools such as PowerApps and Power Automate to improve working processes and to maximise return on investment.

A force wide review of departmental and divisional saving plans commenced during 2023, to help address the continuing financial budget pressures from high inflation and to help reduce future funding gaps. Savings plans have been worked through during the year and over £0.728m has been saved already in this financial year, with a further £1.045m removed from the budget for 24/25. The review and release of the savings has been carefully managed to ensure that there is minimal impact on frontline operational policing.

We continue to work with Blue Light Commercial to maximise financial and commercial benefits related to procurement, through use of its commercial expertise, leveraging the purchasing power available across the sector. The force has reported half yearly cashable savings for 2023/2024 of £357,000, a substantial increase on top of the £249,000 achieved in 2022/2023.

Despite the Government announcing additional funding for maintaining police officer numbers and pension cost increases, the funding settlement does not provide sufficient grant to cover all of these costs or other significant cost pressures within the force. Although our core grant funding has increased by £10.4m, pay and inflationary increases alone will add over £18m to our budget. Whilst the increase in precept will be used to mitigate the impact of the lack of funding, unfortunately it will not cover all the increase in costs.

It is acknowledged by the force that even with a maximum £13 Council Tax increase in 2024/2025, a rigorous and structured process for identifying further savings will be required to enable balanced budgets to be set for 2025/2026 to 2027/2028. This will be addressed through a structured and risk-based savings plan, building upon the savings already achieved during 2023/2024. The savings plan will help to reduce overheads, deliver continuous improvements, and achieve both cashable and non-cashable savings to assist achieving a balanced budget over the medium term.

### **Force Governance Structure**

The force has improved its governance structure, aligning priority boards with a rolling annual planning cycle to better manage the delivery and use of key products, including the Force Management Statement (FMS), Organisational Risk Assessment (ORA), Strategic Assessment and budget/precept monitoring. This is in parallel with a rolling programme of productivity and efficiency reviews across departments.

The force has also brought together its digital capability (DDaT- Digital, Data and Technology) including Information Management, Business Change and Innovation, and Information Services to reinvent how the force collaborates and invest in the future of the department. DDaT is working with a clear digital transformation strategy which aligns with the priorities of the force.

Its aim is to deliver customer centric solutions such as the new performance development review (PDR) App and QATT (Quality Assurance Thematic Testing) whilst leading the way with new and emerging technologies.

### **Future Investment/Growth**

In summary, we have much to do to sustain and strengthen the police service in Derbyshire. Having considered operational and organisational needs, along with the continued delivery of the Police and Crime Plan, below are some of the primary areas which will require additional investment during 2024/2025.

- The revision of our Learning and Development functions and embedding of our student and officer hub. This seeks to keep in touch with officers as they go through this service and is essential in helping to understand the issues affecting them, and how we retain them and their valuable skills within the organisation. In addition, having worked hard to recruit and retain them, we need to ensure they are trained, skilled and equipped to provide the best policing service to our communities, and can adapt to changes in technology and criminality.
- Automatic Number Plate Recognition (ANPR) technology is an effective tool used by the force to help deny criminals the use of the roads and prevent and detect crime. There are currently 46 vehicles installed with ANPR capability across the force. Continued expansion of ANPR will assist in making our County safer from criminality.
- The safety of our road users continues to be an operational priority. Continued investment is required to ensure that we conduct dedicated operations targeting road safety and the Fatal Four. Supporting this is the wider safer roads activity and, in particular, continuing to expand on the successful community speed watch (Op Sparta), focusing on education and prevention. All this activity is aimed at saving lives, reducing casualties, and making Derbyshire's road network safer to use for all.
- Building on the introduction of fleet telematics, it is essential we improve our use of the force fleet and estate to ensure we have the right vehicles, in the right numbers, in the right places at the right times. Additional changes are required to ensure our officers and staff can respond as required, recognising the geography of the force and the need to provide an effective and timely service to our communities.
- Long term extensive investment is required in our estates programme to ensure it is fit for purpose, both in terms of the maintenance of existing buildings and investing in new ones. Communities gain reassurance from investment in our estate as it provides confidence around our proximity to them and our responsiveness.
- The force must improve the quality of its custody estate. An efficient and effective custody function is vitally important in achieving our mission of fighting crime, bringing offenders to justice, and protecting vulnerable people. Since 2023 we have increased the number of offenders brought through custody by 200 a month, in a drive to bring offenders more effectively to justice. Having a fit for purpose custody estate, staffed appropriately, is a vital part of this process.
- As referenced above, with additional finance through PCIP the force will continue to ensure that its Contact Management Centre is appropriately resourced and that the technology and systems are effective and fit for purpose, aiming to reduce call waiting times and improve the customer experience in their contact with us.

- The force has been fortunate to benefit from Home Office funding for additional ASB patrols through a dedicated operation (Op Shango). These have had a positive impact on the existing concerns of ASB within our communities. Continuing with this throughout the next year will make a real difference to perceptions of ASB and feelings of confidence. Accompanying this is a desire to continue to increase neighbourhood watch, supporting communities to work more closely with our SNTs.
- Trust and confidence of women and girls in policing remains a challenge. The force has undertaken significant change over the past three years. However, there is still more work, change and investment needed in the associated areas of crime such as rape and serious offences, along with all crimes under the Violence Against Women and Girls (VAWG) headline. Domestic abuse remains a continued significant demand for the force. It is critical that victims feel confident to report matters to the police and that the service they receive is the best it can be.
- Further increase the capacity of the Rural Crime Team, in recognition of the growing number of people who live and work within our rural communities.
- A Crime Management Support Unit (CMSU) is being implemented. The team are focused on improving crime recording in areas such as Anti-Social Behaviour (ASB). Some of the early work has identified that our compliance has improved since the 2022 HMICFRS inspection in respect of ASB crime recording. Once fully established, the team's oversight will also assist with the overall quality of investigations. The aim is to streamline and improve the end-to-end crime management process for the force, for the benefit of the public and our workforce.
- The force has plans to introduce a Centralised Planning Unit which will manage resource across the organisation. The unit will coordinate force resilience and allocate staff based on demand, ensuring officers are on duty at the right place at the right time responding to the needs of the public.

In addition to the above it is important to highlight the feedback from the recent HMICFRS PEEL 2023-2025 Inspection, along with recognising public expectations of policing in the future.

HMICFRS acknowledged the journey the force has been on during the past 12 months; recognising that substantial changes and improvements have been made since they last inspected. However, they also highlighted that the force needs to improve its suspect and bail management and improve the quality of its investigations ensuring staff have an investigative mindset from the outset. There is also a need for the force to improve its contact with victims, ensuring that victim needs are accommodated throughout our interactions.

Nationally there are expectations that confidence in policing is restored, ensuring a high quality of service is afforded to all. The force is working hard to ensure that standards are raised in all that it does, and with every interaction it has with the public. Positive outcomes and protecting people from harm are our primary objectives.

### **Precept Recommendation**

I have outlined throughout this letter the significant operational and organisational challenges we face, within the context of substantial financial challenge. I am acutely aware of the financial challenges to our communities in the face of the cost-of-living crisis when recommending the maximum precept increase available.

In modelling all the precept options available to us, anything other than an increase of £13 is likely to yield a significant budget shortfall in 2024/2025 or be insufficient to sustain the investments we have made over the last few years to tackle the identified threat and risk priorities. Many factors in relation to our financial context are outside of my control, such as pay and inflation, and have a significant impact against the budget. The track record of delivery provides strong support to my commitment to driving through efficiencies as we seek to manage the future funding gap.

The option to increase the precept by £13, will still lead to significant challenges for the 2024/2025 financial year and beyond. I have carefully considered this, and I am confident that the areas discussed in this letter for immediate investment in 2024/2025 would enable resilience. They support delivery of your Police and Crime Plan objectives and will support delivery against force threats and risks. Increasing the precept by £13 will allow me to continue to deliver responsive and visible policing to the communities of Derbyshire in the coming year.

The key question when determining the level of precept must be, does it allow for a manageable and sustainable budget in the forthcoming year that delivers some growth and improvement against our priorities, whilst protecting Derbyshire Constabulary for the future. Unfortunately, none of the options available to us are likely to fully meet this test, and it is expected that in subsequent years we will have to make difficult decisions as to which services are needed, rather than wanted, by our communities.

Anything other than a precept increase of £13 would not deliver the immediate investment required to maintain and improve service in the short and medium term, leaving me with no option but to make this recommendation to you. I make this recommendation in the full knowledge that Derbyshire Constabulary is asking you to approach the communities of Derbyshire to ask for more funding, which I know will be extremely difficult for many. As such, I would like to reassure you that I continue to pursue all opportunities for efficiencies that do not impact upon our ability to deliver policing within Derbyshire and would never seek to ask for more funding than is absolutely necessary for this purpose. I know the public ask you to improve our policing in Derbyshire and I am asking for your support to be able to do this through maximising the funding available.

Yours sincerely



**Rachel Swann QPM**  
**Chief Constable**



# DERBYSHIRE CONSTABULARY BUDGET SETTING MEETING

<b>REPORT TITLE</b>	REVENUE BUDGET REQUIREMENT 2024/25, PRECEPT REPORT AND MEDIUM-TERM FINANCIAL FORECAST 2024/25 – 2028/29
<b>REPORT BY</b>	JOINT REPORT OF THE CHIEF CONSTABLE, CHIEF FINANCE OFFICER FOR THE CONSTABULARY AND CHIEF OPERATING OFFICER FOR THE PCC
<b>DATE</b>	17 <sup>th</sup> JANUARY 2024

## **PURPOSE OF THE REPORT**

The main purpose of this report is to request that the Police and Crime Commissioner approves a Revenue Budget Requirement for the Constabulary for the financial year 2024/25, and to agree their preferred options, from the list within the report, to fund this requirement and achieve a balanced budget.

This includes decisions on increases in Band D Council Tax, up to the maximum permitted under current Precept Limitation regulations (a £13 increase).

The report also requires actions and decisions to be made regarding the following: -

1. The Police and Crime Commissioners (PCC's) own Revenue Budget for 2024/25.
2. The Medium-Term Financial Forecasts for 2024/25 to 2028/29.
3. The forecasted balances on Reserves and any use of these Reserves

A full list of recommendations regarding these matters is set out in the following section of the report. Subsequent sections provide comprehensive background information, analysis and forecasting to support all the recommendations made.

## RECOMMENDATIONS

1. To note and acknowledge the letter from the Chief Constable setting out her professional recommendation to the PCC regarding the budget and precept proposal for 2024/25.
2. To note the adjustments made to the 2023/24 budget position, which show the foundation for the revenue base budget requirement for 2024/25 (Section 7 of the report).
3. To approve the Revenue Budget for 2024/25 as detailed in this report and **Appendix A through to E**, which includes the movements in expenditure and income and the level of revenue contribution to capital in the base budget, as outlined in Section 8
4. In respect of the Council Tax requirement, the associated police precept and provisional contributions to/(from) reserves: -
  - a) To confirm and agree the preferred option from Section 8 of this report to fund the budget requirement in terms of the **precept increase for a Band D Property**.
  - b) To agree the **Budget Reduction Measures** to achieve a balanced budget for 2024/25, and where necessary, the level of any remaining shortfall to be met from the Operational Funding and Investment Reserve.
  - c) To note the anticipated movement in reserves during 2024/25 outlined in **Appendix D**, noting that the figures which apply will depend on the precept increase decision for 2024/25 in 4a above.
5. Approval for joint delegation to the Chief Finance Officer (Constabulary) and Chief Finance Officer (PCC) to make appropriate adjustments to use of Reserves in relation to any surplus or deficit arising from the Collection Fund.
6. In respect of the Medium-Term Financial Forecast for 2024/25 – 2028/29, discussed within this report but also shown in more detail at **Appendix A**: -
  - a) To note the financial forecasts up to 2028/29.
  - b) To note the assumptions inherent in those forecasts and the scenarios that affect the projected financial position.
  - c) To note that the Medium-Term Financial Forecast indicates future budget deficits beyond 24/25 and that reserves alone will not be sufficient to close a future funding gap.
  - d) To recognise that the Force will need to identify further efficiencies and savings both for reinvestment in priority areas but also to help achieve balanced budget.



## **Sections within the Report**

<b>No.</b>	<b>Description</b>
1.	Background and Approach
2.	The Police Finance Settlement
3.	Setting the Precept
4.	Public Consultation and Engagement
5.	Council Tax Base
6.	Overall Funding Position 2024/25
7.	Building the Budget Requirement for 2024/25
8.	Options to Achieve a Balanced Budget for 2024/25
9.	2024/25 Proposed Budget Allocations
10.	Value for Money
11.	The Future Financial Position (2025/26 to 2028/29)
12.	Reserves Position
13.	Borrowing Position
14.	Assurance Statement from the S151 Officers' Considerations

## **List of Appendices**

<b>Ref</b>	<b>Description</b>
<b>A</b>	Revenue Budget Forecast (Medium Term) 2024/25 – 2028/29 and options for funding.
<b>B</b>	Budget for the Office of the Police and Crime Commissioner 2024/25
<b>C</b>	Budget for the Chief Constable 2024/25
<b>D</b>	Anticipated Reserves 2024/25 – 2027/28
<b>E</b>	Summary of Precepts 2024/25

## 1. BACKGROUND AND APPROACH

- 1.1 Each year the Police & Crime Commissioner is required to recommend a **Band D Council Tax** amount to support the provision of policing services in Derbyshire for that year. Applied to the **taxbase** as assessed by the 9 billing authorities, this gives a total **Police Precept** to be levied on local taxpayers.
- 1.2 When combined with central government funding allocated through the **Police Finance Settlement** the Precept provides the resources to finance the net revenue **Budget Requirement** for the year, which the Police & Crime Commissioner must also approve.
- 1.3 This report:
- sets out the potential funding available to the Constabulary, both from the recommended Council Tax option and from alternative options.
  - sets out details of the proposed Revenue Budget (i.e., the 'spending plans' for 2024/25) and how these plans will be impacted by different council tax options.
  - sets out the implications of the proposed Budget Requirement for the Constabulary's longer-term financial position, including its Reserves.
  - sets out how the proposed Budget Requirement is aligned with, and supports, a range of key policing objectives such as: delivery of the Police and Crime Plan for Derbyshire, allocating resources against threat, risk, and demand, whilst also addressing any HMICFRS recommendations.
- 1.4 The production of the report and the recommendations within it are the result of several key actions and processes, including the following:
- Receiving, analysing and understanding the details of the **Police Finance Settlement**, including its wider context of the government's overall economic and fiscal strategy (Section 2).
  - Receiving and following the **government's updated Precept Limitation** principles, as they apply to Police and Crime Commissioners for 2024/25 (Section 3).
  - **Consulting with local taxpayers** on various options for increasing the Police element of Council Tax and reflecting on the outcome (Section 4).
  - Forecasting the estimated **taxbase of Derbyshire** for 2024/25, using past trends and figures provided by the various billing authorities where available (Section 5).
  - Using Sections 1 to 4 to project the potential **revenue funding available to the Constabulary** under the recommended Council Tax option and alternative options (Section 6).
  - Calculating a committed **Budget Requirement for 2024/25**, by updating the 2023/24 Base position for the following items (Section 7).
    - Removal of non-recurring spend from the 2023/24 Base (principally one-off Investment Fund items).
    - Ensuring that the committed Budget Requirement is aligned with the Constabulary's workforce planning process.

- The impact of pay awards already implemented (September 2023) and the estimated impact of future pay awards (projected for September 2024) on the pay cost base.
  - The impact of non-pay inflation, actual and expected, on the non-pay cost base, as assessed on a heading-by-heading basis.
  - The full impact of Derbyshire's allocation of additional Uplift officers (27 officers) within the budget.
  - The impact of various other national policy decisions and other external factors influencing the Constabulary's expenditure and income.
  - The impact of changing demands and trends which have an influence on costs and income.
  - The impact of decisions previously taken by the Constabulary, for example the ongoing costs of business cases approved by the various Boards and the costs of borrowing (approved by the Commissioner) associated with the approved Capital Programme.
  - The impact of savings which have been identified as well as the ongoing financial management practised across the Constabulary.
- Providing options for funding the budget requirement and achieving a balanced budget for 2024-25 (Section 8).
  - Considering the **PCC's priorities** as set out in the current Police and Crime Plan and ensuring that the budget proposals are aligned with these as far as possible, which include and recognise the Constabulary's ongoing responsibility to consider the impact of its budget proposals on **equality and diversity** (Section 9).
  - Recognising the Constabulary's ongoing responsibility to deliver **Value for Money (VFM)** for taxpayers and the wider public in budget proposals (Section 10).
  - Identifying, assessing, and where possible quantifying the **key risk areas** where outcomes in 2024/25 may vary from the expectations inherent in the budget proposals and projecting the ongoing impact of the funding expectations and budget proposals over the **Medium-Term to 2028/29**, to ensure their sustainability. This includes the impact on levels of Reserves. (Section 11)

1.5 All the above considerations are overarched by the legal requirement to set a balanced budget in each year. Planned expenditure must not exceed anticipated income, taking account of any contributions to or from Reserves.

## 2. THE POLICE FINANCE SETTLEMENT

- 2.1 The provisional Police Finance Settlement was announced via a Written Ministerial Statement on 14 December 2023. The statement initiated a period of national consultation on the settlement, ending on 10 January 2024.

### **Background and Context**

- 2.2 The Settlement has occurred within the context of continuing significant economic upheaval both globally and nationally which began with the fall-out from the Covid-19 pandemic, followed by the UK's exit from the EU, was then exacerbated by the invasion of Ukraine and now continues to be affected by a significant escalation of conflict in the Middle East. There will also be a general election during 2024/25. All these factors have had, and will continue to have, major consequences for the country's economic position and public finances for the foreseeable future.
- 2.3 The Settlement was preceded by the Chancellor's Autumn Statement on 22 November and was accompanied by an Office for Budget Responsibility forecast on the Economic and Fiscal Outlook.
- 2.4 The Autumn Statement included a continued focus on reducing inflation but outlined that the government are taking long-term decisions to strengthen the economy with a focus on five areas: reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education. Taxation and public spending are each to contribute to this goal 'in a broadly balanced way.' The departmental DEL (Departmental Expenditure Limit) budgets for the Home Office are:

<b>2023 Autumn Statement Figures</b>	<b>Outturn 2022-23 £ billion</b>	<b>Plans 2023-24 £ billion</b>	<b>Plans 2024-25 £ billion</b>
Resource DEL (excluding depreciation)	16.8	14.5	15.5

- 2.5 The Autumn Statement also confirmed the assumption for the future path of departmental spending, which is that after this Spending Review period, planned departmental resource spending will continue to grow at 1% a year on average in real terms. As the economy recovers from the shock of the COVID-19 pandemic and the energy crisis, extraordinary support should subside accordingly to prevent permanent growth in the size of the state. As such, Total Managed Expenditure (TME), the total amount of money that the government spends through departments, local authorities, other public bodies, and social security, is forecast to fall in each year of the forecast period as a share of the economy. This means that the Autumn Statement's commitment signals a real-terms reduction in expenditure in most areas of the public sector.
- 2.6 The Autumn Statement also highlighted a focus on improving public sector productivity and detailed the recently published independent Policing Productivity Review which made a series of recommendations to improve police productivity. The proposals range from building on recently introduced measures that cut unnecessary bureaucracy to driving greater productivity through the adoption of new and improved technology. If all of these were implemented, the government estimate up to 38 million hours of police officer time per year could be saved, the equivalent of an additional 20,000 police officers.

## 2024/25 Police Settlement - The National Picture

- 2.7 The provisional settlement largely confirmed the expectations from the Autumn Statement in terms of government support for policing. It did however include a revision to the previously announced limit on Police and Crime Commissioners' ability to raise additional funding via the Police Precept (see Section 3).
- 2.8 The settlement provides a total of up to £18.4 billion for policing in 2024/25, an increase of £0.8 billion when compared with the 2023-24 funding settlement (which has been restated to reflect the additional funding received to support the costs of the 2023-24 pay award.) Funding available to Police and Crime Commissioners (PCCs) will increase by up to an additional £922 million in 2024-25. This includes the increase in Government grant together with the local flexibility to increase council tax precept by up to £13.
- 2.9 Government grant funding for PCCs has increased by £624 million which includes:
- £150 million announced at Spending Review 2021 to ensure the maintenance of officers for the Police Uplift Programme.
  - £185 million additional funding in 2024/25 to support forces with the cost of the police officer pay award agreed in September 2023. A total of £515 million of funding was announced by the Home Office in July 2023, to be allocated through existing funding formula shares. This will ensure additional funding for pay is baselined for discussions at the next Spending Review.
  - £26.8 million as a one-off top-up funding amount to be provided in recognition of the software development and administrator costs associated with the delays to the implementation of the McCloud remedy with any further costs to be considered at the next Spending Review.
  - £259 million to cover the increased costs of police pensions contributions, which will be allocated using updated shares based on a proportionate average of pension contribution data from 2021-22 and 2022-23, as well as forecasted data for 2023-24 and 2024-25.
- 2.10 Other potential funding increases within the settlement include up to £298 million additional funding from council tax precept, based on current forecasts and assuming all PCCs maximise their precept flexibility. The Government is enabling PCCs to increase precept by up to £13 for a Band D equivalent property.

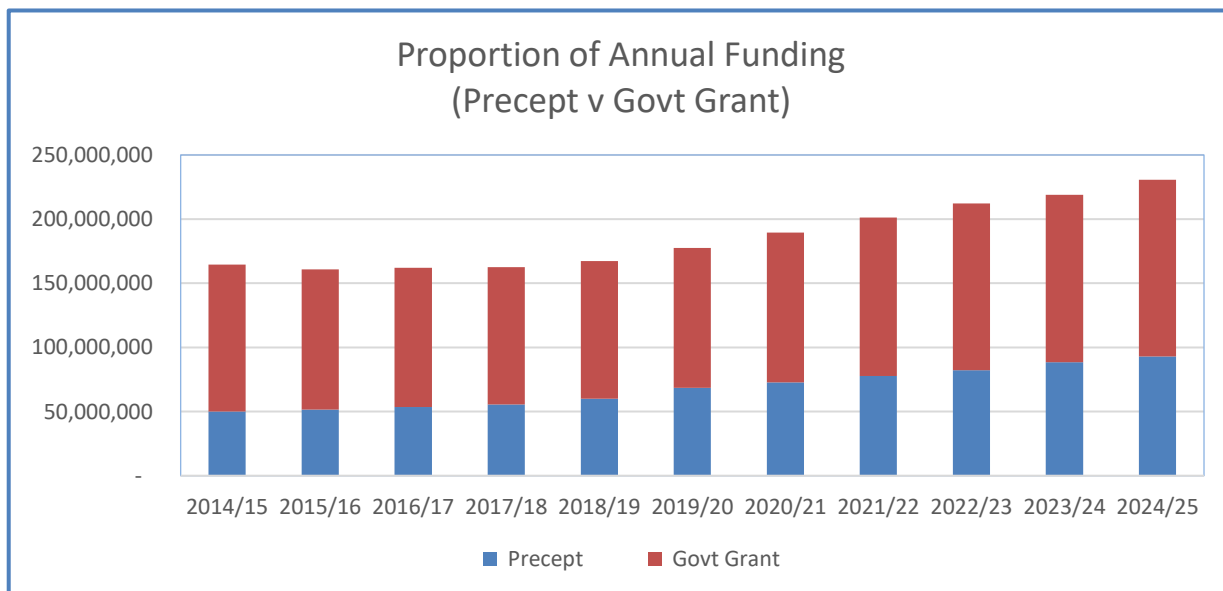
## 2024/25 Police Settlement - The Picture for Derbyshire

- 2.11 The Settlement allocates a number of separate funding streams to forces, Derbyshire's share of each being as follows:

<b>Derbyshire Constabulary Funding Streams</b>	<b>2023/24 £m</b>	<b>2023/24 Restated £m</b>	<b>2024/25 £m</b>	<b>Change £m</b>	<b>Change %</b>
Home Office Police Grant	76.3	80.9	82.6	1.7	2.1%
EX- DCLG Formula Funding	45.4	45.4	46.3	0.9	2.1%
<b>Sub Total - Formula Grant</b>	<b>121.7</b>	<b>126.3</b>	<b>128.9</b>	<b>2.6</b>	<b>2.1%</b>
Council Tax Grants	8.7	8.7	8.7	0.0	0.0%
<b>Total - General Funding Grants</b>	<b>130.4</b>	<b>135.0</b>	<b>137.6</b>	<b>2.6</b>	<b>1.9%</b>
Pension Support Grant	1.9	1.9	5.9	4.0	211.7%
Police Uplift Grant	3.9	3.9	7.3	3.4	87.3%
McCloud Grant	0.0	0.0	0.4	0.4	100.0%
<b>Total - All Police Grants</b>	<b>136.2</b>	<b>140.8</b>	<b>151.3</b>	<b>10.4</b>	<b>7.4%</b>

- 2.12 The above allocations of general grant funding represent an increase in cash support of just over **1.9%** compared to 2023/24. This needs to be seen in the context of a period of high inflation and the rising cost of living.

- 2.13 Pay and prices increased sharply during 2022 and 2023 with inflation peaking at 11.1% in October 2022. Soaring energy and fuel prices combined with strong global demand and supply chain disruption has continued to push up the cost of supplies and services. Key non-pay budgets have seen inflationary increases well above 1.9% in the past 12 months. For example, utility costs, vehicle insurance and information technology costs have all increased considerably over the past 12 months.
- 2.14 It should be noted that £1.296m of the overall increase in funding is in the form of additional Police Officer Recruitment Top-Up Grant. This grant is for forces who volunteered to recruit above their Uplift target and equates to £48k per officer for an additional 27 Officers, increasing our baseline establishment to 2,137 Officers. Although this is additional grant, it is not expected to cover the full cost of a PC, which is currently budgeted at £57k. As it is a requirement to maintain police officer numbers, this provides no flexibility as to how the increase in funding is utilised.
- 2.15 The Settlement continues to include Ringfenced Police Uplift Grant to maintain overall officer establishment at 'post Uplift' headcount of **2,137** officers. Access to Ringfenced funding will be based upon headcount levels at data collection points on 30 September 2024 and 31 March 2025. **Every officer below a force's maintenance headcount (2,137) will result in the grant reducing by £80,000 if missed at both data points (£40k per officer at each data point) down to a threshold of 1.5% (32 officers) below the total maintenance headcount.**
- 2.16 The Government Grant allocations continue to be the main source of funding for the Constabulary, with Council Tax precept income meeting the additional running costs for the force. The proportion of Grant to Council Tax has changed significantly during the past seven years, which has resulted in a greater proportion of funding through Council Tax, with now 40% of our budget funded through Council Tax compared to 30% in 2014/15.



### 3. SETTING THE PRECEPT

- 3.1 The requirement on the Commissioner to set a Band D Council Tax for policing is bounded by a 'Council Tax Referendum Principle' applied to all Police and Crime Commissioners each year. This principle is formally set by the Department of Levelling Up, Housing and Communities as part of the Local Government Finance Settlement.
- 3.2 Following the 2021 Spending Review it was announced that PCC's would be able to increase their Band D Council Tax by £10 per year in each of the three years covered by the Review without the need to hold a local referendum, this was amended to a maximum of £15 for 2023/24. For both 2022/23 and 2023/24, Derbyshire's PCC increased Council Tax by the maximum permitted following a consultation process with local taxpayers.
- 3.3 The DLUHC issued a local government finance policy statement for 2024 to 2025 on 5<sup>th</sup> December 2023. This announced changes to Referendum Principles for most types of authority, including Police & Crime Commissioners. For 2024/25 only, the maximum permitted increase in Band D Council Tax for policing is **£13** instead of £10.
- 3.4 The recommendation of the Chief Constables letter is to maximise funding by taking full advantage of the flexibility to increase the Band D Council tax by the maximum amount permitted of £13. The Chief Constable's letter to the Commissioner and the budget analysis and proposals set out at Section 7 and 8 provide a detailed rationale for this recommendation including how all other options have been considered and addressed.

## **4. PUBLIC CONSULTATION AND ENGAGEMENT**

- 4.1 Decisions on increases to the Police Precept need to take account of the views of residents and council taxpayers of Derbyshire as well as local and national policing priorities. The Commissioner ran an online public budget consultation from 14 November 2023 to 15 January 2024, seeking the public's view on an increase to the amount of council tax that local residents pay towards policing in Derbyshire. The consultation included options ranging from Nothing (a freeze in council tax) up to an £18 increase (£1.50 per month) based on a Band D property.
- 4.2 To ensure the consultation was promoted effectively, details were publicised through social media, the Commissioner's website, along with being distributed to key stakeholders including members of the public. A press release was issued by the Commissioner which was circulated to local news outlets within Derbyshire. There was also face to face consultation with members of the public in each Local Authority Area.
- 4.3 The consultation saw 2,253 Derbyshire residents participate. Around 200 responses were received from each local authority area. Results from council taxpayers who expressed an opinion showed that 77.4% supported an increase to the policing precept, with 70.8% supporting an increase of £15 or more.



## 5. COUNCIL TAX BASE

- 5.1 The total funding available via the Police Precept depends on the tax base as calculated by the county's nine billing authorities. They do this by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered, including through their localised Council Tax Benefit Schemes, and the amount of tax to be collected.
- 5.2 While the tax base tends to grow each year the rate of growth depends on the levels of economic growth and prosperity being experienced throughout the county at any particular time. It increased steadily from 2014/15 to 2020/21 with average annual growth of 1.5% but the rate of increase dropped dramatically for 2021/22 to just 0.3% because of the economic impacts of the pandemic. It recovered strongly for 2022/23 to 1.61% and based on provisional estimates received from the billing authorities the tax base increase for 2024/25 is **1.23%** generating additional income of **£1,091,402**. This figure is broken down by authority in **Appendix E**
- 5.3 The additional income raised from this taxbase over 2023/24, at a £10, £11, £12, and £13 Council Tax increase is as follows:

Increase in Band D £	2023/24 Precept £	Increase in Taxbase £	Increase in Band D £	2024/25 Precept £	Total Increase £
£10	88,559,167	1,091,402	3,362,737	93,013,306	4,454,139
£11	88,559,167	1,091,402	3,699,011	93,349,580	4,790,413
£12	88,559,167	1,091,402	4,035,284	93,685,583	5,126,686
£13	88,559,167	1,091,402	4,371,558	94,022,127	5,462,960

- 5.4 In addition to the in-year Precept, billing authorities are required to share out any estimated surplus or deficit on their council tax collection accounts which relates to the previous year.
- 5.5 Among other effects of the Covid-19 pandemic council tax collection rates were adversely impacted by the resulting economic slowdown. During 2021/22 the PCC received £1,312,068 in Local Council Tax Support Grant to meet any adverse impact on Precept funding from irrecoverable council tax losses. The amount remaining from the Grant is currently £1,311,401 and sits within an earmarked reserve to meet potential deficits in 2023/24 and 2024/25, as required by the regulations.
- 5.6 Due to the deadlines for when billing authorities are required to calculate and report the estimated position on their Collection Funds, the PCC's share of any surpluses or deficits has not been factored into the 2024/25 budget calculations. Any overall deficit that the PCC is required to pay to billing authorities during 2024/25 can be debited against the Local Council Tax Support Grant brought forward within the earmarked reserve.

## 6. OVERALL FUNDING POSITION 2024/25

- 6.1 Total funding income for the 2024/25 revenue Budget Requirement comprises the Formula Grant and Council Tax Grants as set out at Section 2 plus the Precept income raised from the PCC's Band D Council Tax decision as outlined at Sections 3 to 5.
- 6.2 The Constabulary's budget proposals as set out in detail in the next section amount to a Net Budget Requirement of **£232,353,132**, a 6% increase in net expenditure over 2023/24. Against this requirement, the funding available from the options for increasing Council Tax under the available limits would leave the remaining funding shortfalls as follows:

<b>Band D Increase</b> £	<b>Band D Council Tax</b> £	<b>Increase</b> %	<b>Estimated Precept Funding</b> £	<b>Grant Funding</b> £	<b>Total Funding</b> £	<b>Deficit against committed Budget</b> £
£10	£276.60	3.75%	93,013,306	137,664,465	<b>230,677,771</b>	<b>1,675,361</b>
£11	£277.60	4.13%	93,349,581	137,664,465	<b>231,014,046</b>	<b>1,339,086</b>
£12	£278.60	4.50%	93,685,854	137,664,465	<b>231,350,319</b>	<b>1,002,813</b>
£13	£279.60	4.88%	94,022,128	137,664,465	<b>231,685,593</b>	<b>666,539</b>

- 6.3 At the previously announced limit of £10 the deficit would be just under £1.7m if all requirements were funded. If the additional flexibility of a further £3 increase is utilised, the deficit reduces to around £0.7m.
- 6.4 The next section provides a detailed analysis of the assumptions used and adjustments made in arriving at the Committed Budget requirement for 2024/25. It is intended that this information supports and justifies the proposal to the PCC to exercise the flexibility afforded by the Precept Limitation principles for an increase in Council Tax, subject to Police & Crime Panel ratification.
- 6.5 Under this scenario the force has identified a number of measures it could take to close the remaining budget gap. These measures all carry a variety of risks and opportunity costs. Furthermore, the force's medium-term financial planning indicates that under all current assumptions the underlying budget deficit will grow in the three following years.
- 6.6 It is acknowledged by the force that even with a maximum £13 Council Tax increase in 2024/25, a rigorous and structured process for identifying further savings will be required to enable balanced budgets to be set for 2025/26 to 2028/29. This will be addressed through a structured and risk-based Savings Plan, building upon the savings already achieved during 2023/24. The Savings Plan will help to reduce overheads, deliver continuous improvements and achieve both cashable and non-cashable savings to help towards achieving a balanced budget over the medium term.

## 7. BUILDING THE BUDGET REQUIREMENT FOR 2024/25

### The 2023/24 Base Budget Position

- 7.1 The Committed Budget for 2024/25 has been built from the Approved Budget for 2023/24 as presented to the Policing Budget Meeting on 18 January 2023 (£219,470,868), with specific adjustments made for pay awards and price inflation increases, approved, and supported Business Cases, identified savings and income generation activities and other changes from demand/activity levels.
- 7.2 The 2023/24 Budget was based on a Council Tax increase of £15, which enabled £6.254m of additional investment to ensure that the force was able to maintain its operational policing capabilities, to build upon the progress made to increase the number of police officers and to direct additional investment and resources to key priority areas of threat and risk and community safety.
- 7.3 It was known from our projections for future funding that budget difficulties were likely to continue beyond 23/24. This was further exacerbated with the cost-of-living crisis and prolonged periods of high inflation during 2023. For this reason, the force instigated an in-year Savings Programme that has successfully delivered over **£728k** of savings during 2023/24 and will lead to further continued savings of £1.046m by the end of 2024/25, helping to reduce our budget requirement by over £1.774m.
- 7.4 As a consequence, the adjusted starting position for the 2024/25 Budget is as follows:

2024/25 Adjusted Base Budget	£m
2023/24 Approved Budget	219.181
less: In Year Savings 23-24 Savings Programme	(0.728)
<b>Total</b>	<b>218.453</b>

### Adjustments to the 2023/24 Base Position

- 7.5 The budget review process for 2024/25 co-ordinated by the Strategic Finance Department has identified further adjustments of **£13.9m** required to bring the base position up to the 'Committed' Budget Requirement for that year. These adjustments can be summarised as follows:

Adjustments to the 2023/24 Base Position	£m
Pay awards and non-pay inflation	18.222
Other Committed Changes	3.369
Grants - Police Uplift & Pensions Grant	(7.857)
Identified Savings	(1.046)
Additional Areas of Income Changes	(0.316)
Approved Business Cases	0.787
Force Decisions / agreements /increased Expenditure	0.740
<b>Total Changes to 2024/25 Adjusted Base</b>	<b>13.900</b>

- 7.6 The impact of the changes on the medium-term financial projections for the force is set out in **Appendix A**.

7.7 All the above adjustments have been made using the following considerations, information and assumptions:

- Decisions made at national government or police service level - e.g., implemented pay awards, levels of specific grant awards, contributions towards central police services, etc.
- Price changes experienced against non-pay headings either through contract arrangements or market conditions.
- Best assumptions about future pay awards and non-pay inflation based on national forecasts, policy discussions and professional estimation.
- Review of demand against specific budget-headings which increase or decrease expenditure beyond the force's control.

### The Workforce Strength

7.8 The budget as proposed would fund a total of **3,751.5** full-time equivalent (FTE) posts (officers and staff), a net increase of 23.1 posts over the 2023/24 approved budget, as set out in the table below:

Workforce Strength FTE's	Police Officers FTE	PCSO's FTE	Police Staff FTE	Total Staff FTE	TOTAL FTE
<b>2023/24 Funded Posts</b>	<b>2,017.0</b>	<b>199.0</b>	<b>1,512.4</b>	<b>1,711.4</b>	<b>3,728.4</b>
<b>Additional Police Officers</b>	27.0				27.0
<b>Savings Programme</b>			-37.8	-37.8	-37.8
<b>November 2022 Planning Day</b> - HR & L&D - Removal of Temp Funded Posts			-4.3	-4.3	-4.3
<b>Productivity &amp; Efficiency Board</b> - CCMC - Performance Analyst			1.0	1.0	1.0
<b>Other Approved Business Cases</b> - Corporate Services - Audit Staff - Exec - Section 151 Post & ACO Restructure - Exec - Data Quality Team - OSD - Force Security Manager - HR - Occupational Health - In house Provision of Service - Assets - Building Facilities Post – Ilkeston Police Station			2.4 1.0 5.0 1.0 9.5 1.0	2.4 1.0 5.0 1.0 9.5 1.0	2.4 1.0 5.0 1.0 9.5 1.0
<b>Other Changes</b> - Changes in regional posts employed by Derbyshire - Changes in staff recharged to external bodies - Miscellaneous Changes			13.9 3.0 0.4	13.9 3.0 0.4	13.9 3.0 0.4
<b>Projected 2024/25 Funded Posts</b>	<b>2,044.0</b>	<b>199.0</b>	<b>1,508.5</b>	<b>1,707.5</b>	<b>3,751.5</b>

## Pay And Price Adjustments

7.9 At £18.222m this is by far the biggest adjustment to the Base Budget and equates to an 8.3% increase in net costs. This adjustment reflects the impact on prices from inflation plus the cost increases for pay awards of 7% in September 2023 and a 2% pay awards allowance for 24/25, plus a further 0.5% 'pay and prices' contingency.

7.10 The breakdown of the **£18.222m** is as follows:

<b>Pay &amp; Price Adjustments</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
<b>September 2023 Pay Awards</b>			
- Officers	6.730		
- Staff	3.509		
<b>September 2023 Pay Awards</b>		<b>10.239</b>	<b>7.00</b>
<b>September 2024 Pay Awards (estimate)</b>			
- Officers	1.418		
- Staff	0.717		
<b>September 2024 Pay Awards (estimate)</b>		<b>2.135</b>	<b>2.00</b>
<b>Pay / Prices Volatility Contingency</b>		<b>0.543</b>	<b>0.50</b>
<b>Police Staff Pension Scheme revaluation</b>		<b>4.067</b>	<b>4.40</b>
<b>Non-pay inflation</b>			
Ill Health Capital Charge	0.058		7.00
Injury Pensions	0.166		6.70
External Training Courses	0.031		5.00
Utilities	0.105		6.00
Rates	0.067		5.00
PFI Fee	0.393		10.30
Insurance	0.055		Various
Vehicle Insurance	0.072		11.00
Vehicle Maintenance	0.018		5.00
NPAS Recharges	0.012		2.30
Subscriptions	0.024		5.00
Tasers	0.007		2.30
Dangerous Dogs	0.002		2.05
Vehicle Fuel	0.030		2.00
Pathologist Case Fees	0.007		4.50
Pensions Contract	0.007		6.10
Professional Fees	0.056		Various
Emergency Service Network	0.067		14.00
Mobile Services	0.014		2.10
IT Hardware Purchases	0.011		10.00
Software Maintenance	0.052		1.70
National IT Charges	0.176		10.00
Miscellaneous Supplies & Services	0.042		Various
Special Services Income	(0.008)		5.00
<b>Total Non-Pay Inflation</b>		<b>1.463</b>	
<b>East Midlands Collaboration</b>		<b>0.719</b>	<b>6.86</b>
<b>less: Removal of 2023/24 Pay / Prices Volatility Contingency</b>		<b>(0.944)</b>	
<b>Total Pay Awards &amp; Non-Pay Inflation</b>		<b>18.222</b>	

7.11 It is important to emphasise that these additional costs do not relate to any increase in service but are required just to maintain the existing base level of service and pay commitments.

- 7.12 The UK's annual inflation rate is expected to continue falling in 2024, though more gradually than in 2023. In forecasts published alongside the Autumn Statement, the Office for Budget Responsibility (OBR) expects inflation to average 4.8% in Q4 2023 and 2.8% in Q4 2024. In response to rising inflation, the Bank of England increased interest rates to try and get the rate of inflation back to its 2% target. Interest rates were raised at 14 consecutive policy meetings from 0.1% in December 2021 to 5.25% in August 2023. The potential impact of inflation and interest rates continues to remain a challenge for the management of the Constabulary's finances and requires careful judgements to be made regarding future planning.

### **Pay Awards**

- 7.13 The pay awards given to officers and staff from September 2023 of 7% were substantially higher than the 3% (2.5% increase + 0.5% pay contingency) assumed when the 2023/24 budget was set, the difference was funded by additional government grant in 2023/24 but is now within the main police grant. These full year costs have now been built into the 2024/25 Base Budget.
- 7.14 The level of pay awards to be implemented during the next year is subject to considerable uncertainty, not least because of the unpredictability of the economic environment in which they will be agreed. It is considered that allowing for a 2.0% pay award in our budget provides for the minimum level of increase in pay. However, whilst inflation continues to run significantly above that level, there is a risk that centrally-set pay awards are above that level. Similarly, there are uncertainties inherent in our assumptions on non-pay items which are subject to inflation. We have therefore established a Pay/Prices Volatility Contingency of 0.5% to help cushion the Force from those inherent uncertainties, this equates to an additional budget provision of **£543k** in 2024/25.

### **Police Officer Pensions**

- 7.15 Prior to the financial year ending March 2007 police pensions were paid by police forces out of their general funding. Since the financial year ending March 2007, police force areas receive ring-fenced pensions top-up grant funding for police pensions from outside of the agreed police settlement funding total. The 2024/25 Settlement confirmed additional grant funding of **£4.067m** to mitigate the impact of increased Police Officer pension contributions. This reflects a **4.4%** increase in employer contribution rates, from April 2024.
- 7.16 The public service pensions remedy is a solution to address the discrimination that occurred in public service pension members over the 'Remedy' period. Pension Remedy continues to affect both serving and retired officers and was described by the NPCC Pay and Pensions Lead as "*the greatest administration challenge for forces for some years, affecting a large percentage of the officer workforce and including pension administration, payroll, finance, legal and communication components*". The Settlement announcement included one-off funding of **£385k** to help towards the implementation costs of Pension Remedy

### **Non-pay inflation**

- 7.17 It is projected that non-pay inflation will increase costs by an estimated **£1.463m** in 2024/25. This figure has been derived from a heading-by-heading assessment of past and likely future price changes impacting on the cost base. There is inevitably uncertainty regarding the levels of future price changes, which will be influenced by national and global economic conditions.



## Business cases approved during 2023/24

- 7.18 Further requirements have been received and approved throughout the 2023/24 year by the Productivity & Efficiency Board or, where necessary, the Chief Officer team. In the main, these have resulted in new Police Staff posts being added to the establishment.
- 7.19 The financial position during 2023/24, particularly the carry-forward of underspends from the previous year, has meant that initial funding for this investment could be met from existing resources. However, **£0.787m** needs to be built into the budget from 2024/25 to maintain the investment on an ongoing basis. This will fund the following items:

Business Cases approved after 2023/24 Precept Meeting	£m
March 2022 Planning Day - end of Temporary Posts approved	(0.194)
Physical Security Post - Grade K	0.060
Corporate Services - Additional Audit Staff 2.4 FTE	0.090
Establishment of Data Quality Team to lead on Accreditation - 5fte	0.281
New System - Black Rainbow	0.170
Force Tasking Priorities Fund	0.050
Section 151 Post & ACO Restructure	0.178
Building Facilities Post - 1 FTE	0.035
P&E Board -Performance Analyst Post - CCMC - 1 FTE	0.045
Reinstatement of Rolling Program of Police Staff Apprenticeship Scheme	0.073
<b>TOTAL</b>	<b>0.787</b>

## November 2023 Planning Day - Provision for further Business Cases

- 7.20 A Planning Day was held in November to consider the force's financial position and the opportunities for new investment to transform and improve services. This identified a number of different proposals across several workstreams to provide a better service to the public and to respond to changing threat and risk. The proposals have been rated in order of priority and are being developed into outline or full business cases. Whilst there is allocated funding from the Design Board Budget to enable some of these proposals to commence in 2024, further work is being undertaken to review funding from previous years 'Carry Forward' Reserves alongside the structured Savings Plan to release resources to fund the remaining initiatives throughout 2024/25.
- 7.21 The priorities considered as part of the force planning day were focused on the delivery of the One Derbyshire vision, encouraging officers and staff to take accountability and support each other in the achievement of our priorities to be an Outstanding Force using our values of Integrity, Professionalism, Respect and being Proud to Serve our communities.

## Identified Budget Savings

- 7.22 The 2023 Savings Plan has removed **£1.774m** from the Base Budget requirement. Saving proposals were scrutinised by Chief Officers, Management Accountants, and Heads of Department to consider their financial and operational feasibility, which has ensured that the savings are feasible, achievable, and will generate significant cashable savings across the Force.
- 7.23 The Savings Plan was recently subject to an Internal Audit review, which provided 'Substantial Assurance' that effective controls were in place to deliver the savings and that the risks associated with the Plan are being appropriately managed.

Business Area	Savings Delivered 23/24 £	Cumulative Savings Expected 2024/25 £
CCMC	47,300	312,800
South Division	45,400	241,900
Crime Directorate	117,800	264,100
Criminal Justice	43,800	208,400
North Division	22,900	206,100
Corporate Services	93,100	100,300
Professional Standards	58,200	76,400
OSD - Operational Support Department	70,000	70,000
DDAT - Digital Data & Technology	95,000	64,000
People Services	55,000	39,000
Communications & Engagement	12,100	17,000
Finance & Business Services	7,000	12,100
Executive	3,000	7,000
Assets	-	3,000
Other Force Workstreams	57,700	151,900
<b>Total</b>	<b>728,300</b>	<b>1,774,000</b>

### Additional Income Generation

- 7.24 The net budget requirement for 2024/25 will be reduced by **£0.316m** of additional income being earned.

Additional Areas of Income Generation	£m
Miscellaneous Income Changes	(0.111)
Mast Income	(0.075)
Special Services Income	(0.050)
Increased Derbyshire Support Services Charges to Region	(0.035)
Assets Income	(0.045)
<b>Total</b>	<b>(0.316)</b>

### Other Budget Changes

- 7.25 This section comprises budgetary changes resulting from a wide variety of factors which impact on the constabulary's income and expenditure, but which are mostly outside its direct control. In some cases, they stem from decisions taken by external agencies or from decisions already taken in previous years which have an ongoing impact.
- 7.26 The Public Contact Improvement Programme (PCIP) is the force's plan to transform its contact management services, ensuring the organisation has the right roles, processes, and technology to meet the demand now and in the future. The Budget includes a £1.890m Revenue Contribution to Capital as part of the planned investment in 2024/25 and a planned £20m technology investment over 10 years. Benefits of this include the introduction of the Crime Resolution Investigation Management Team (CRIMt) and Incident Management Team (IMT), both of which provide a more prompt and efficient response to the public.
- 7.27 Included in the figures within **Appendix A**, are the following changes of note as follows:
- **£0.150m** provision for Police Officer Overtime, to cover the cost of Major Crime incidents. Police Officer Overtime is projected to be overspent by some £0.9m in the current year. This overspend is spread across the force and is occurring for a wide variety of reasons including reliance on overtime to cover high vacancy levels. Whilst recognising that overtime is expected in a 24-hour service where emergencies occur, a force wide review of overtime requirements has been undertaken to reduce our reliance upon overtime and to make better use of



workforce planning to manage current and projected demand. Some unavoidable growth to the existing provision is required to cover the costs of overtime required to support Major Crime incidents and based upon a seven-year average, a sum of £0.150m is considered a reasonable provision to set aside to address these requirements.

- **£0.220m** additional funding required as part of the budget due to increases within the Forensics marketplace, for the cost of contractual services for forensic submissions.
- **£0.150m** to fund an increase in respect of Pension Administration costs for the continued implementation of Pension Remedy.
- **£0.149m** to reflect an increase in insurance premiums.

## Regional Collaboration

7.28 A review of the East Midlands Special Operations Unit (EMSOU) operating model is currently being undertaken and as such the regional collaborative budgets have yet to be agreed by the CC's and PCC's. However, in determining our budget requirement a provision has been made of **£9,205,844** representing the force contribution to a regional collaborative budget requirement of **£42,000,042**. This represents an increase in our force contribution of **£0.925m**. Any agreement to increase the regional budget beyond this figure will increase our funding contribution beyond what is currently budgeted for.

PCC Funding Contributions 2024/25	EMSOU SOC	EMSOU Major Crime	EMSOU Forensics	EMSOU L&D Hub	EMSOU Legal Services	Total
	£	£	£	£	£	£
Nottinghamshire	8,251,869	245,242	1,841,847	508,814	700,054	11,547,826
Leicestershire	6,909,345	204,965	1,543,937	425,331	585,870	9,669,448
<b>Derbyshire</b>	<b>6,578,063</b>	<b>195,119</b>	<b>1,469,993</b>	<b>404,904</b>	<b>557,766</b>	<b>9,205,845</b>
Northamptonshire	4,480,162	132,466	1,003,140	274,980	379,555	6,270,303
Lincolnshire	3,965,514	117,251	887,902	N/A	335,955	5,306,622
<b>Total</b>	<b>30,184,953</b>	<b>895,043</b>	<b>6,746,819</b>	<b>1,614,029</b>	<b>2,559,200</b>	<b>42,000,044</b>

7.29 The force continues to provide a number of key services and functions through collaborative arrangements. The force's share of policing that is being delivered collaboratively with other police forces within the **East Midlands** is summarised in the table below:

East Midlands Collaborations	Approved Budget 2023/24 £m	Draft Budget 2024/25 £m
<b>East Midlands Special Operations Unit (EMSOU)</b>		
EMSOU Serious and Organised Crime, incl. TSU	5.910	6.578
EMSOU Major Crime	0.172	0.195
EMSOU Forensics	1.338	1.470
EM Learning and Development	0.379	0.405
EM Legal Services	0.482	0.558
<b>EMSOU Sub Total</b>	<b>8.281</b>	<b>9.206</b>
<b>Other Regional Collaborations</b>		
HR Service Centre - Derbyshire / Leicestershire	0.965	1.096
Contribution to Regional Forensics Contract	0.829	1.048
Contribution to Regional Teams	0.388	0.417
Crimestoppers Regional Manager	0.011	0.011
<b>Total Collaboration</b>	<b>10.473</b>	<b>11.778</b>

## **The 2024/25 Committed Budget**

- 7.30 Taking account of all the adjustments described above, the 'Committed' Budget for 2024/25 is **£232,353,132** a £13.172m (6%) increase over the base position for 2023/24. Considering that the allowance for Pay and Inflation alone is £18.222m, it is recognised that together with the inclusion of some additional grant streams (pay awards, pensions), significant savings have been realised combined with a critical review of our budget which has ensured the net budget increase has been kept to a minimal level.
- 7.31 It is considered that, as a minimum, any Precept decision needs to aim to fund the Committed Budget position as far as possible, recognising that some further budget reduction measures, or contribution from Reserves, will still be required to deliver a balanced budget.

## 8. OPTIONS TO ACHIEVE A BALANCED BUDGET FOR 2024/25

- 8.1 With a legal requirement to set a 'Balanced Budget' our budget requirement is effectively a combination of our Grant and Precept funding, depending upon whatever level of precept increase is approved. The following table sets out the total combined funding for 24/25 for each Precept increase option and the budget shortfalls which would occur based upon our calculated committed budget of **£232,353,132**.

Band D Increase £	Band D Council Tax £	Increase %	Estimated Precept Funding £	Grant Funding £	Total Funding £	Deficit against committed Budget £
£10	£276.60	3.75%	93,013,306	137,664,465	<b>230,677,771</b>	<b>1,675,361</b>
£11	£277.60	4.13%	93,349,581	137,664,465	<b>231,014,046</b>	<b>1,339,086</b>
£12	£278.60	4.50%	93,685,854	137,664,465	<b>231,350,319</b>	<b>1,002,813</b>
£13	£279.60	4.88%	94,022,128	137,664,465	<b>231,685,593</b>	<b>666,539</b>

- 8.2 As can be seen in the above table, a budget shortfall would remain for all precept options, even with a maximum £13 precept increase. With £1.774m in savings already removed from the committed budget, it would be extremely challenging to meet any further budget savings from anything other than a £13 increase in Council Tax. However, a number of budget reduction measures or options have been identified which could be considered to help close the gap and achieve a balanced budget. There are several inherent risks attached to each of these measures as well as opportunity costs and they will not eliminate the need for the structured Savings Plan to be developed, as highlighted earlier in this report. The risks relate to both delivery of the Police and Crime Plan along with effective delivery of operational priorities.
- 8.3 A summary of the proposed budget-reduction measures is as follows:

Options to Balance Budget		£m	Risks outlined in Paragraphs
1	Increase General Police Staff vacancy factor from 6% to 7% (1% increase)	(0.418)	8.4, 8.5, 8.6, 8.7
2	Increase PCSO Police Staff vacancy factor from 4% to 5% (1% increase)	(0.078)	8.8
3	Increase Force Control Room Police Staff vacancy factor from 0% to 1% (1% increase)	(0.114)	8.9
4	Remove Pay and Price Contingency from 2024/25 Budget (0.5% provision)	(0.543)	8.10
5	Reduce Direct Revenue Financing (DRF) (a reduction of £0.5m achieves a net saving of £0.430m)	(0.430)	8.11
<b>Total Potential Budget Reductions</b>		<b>(1.583)</b>	

### Risks to increasing "General" Police Staff Vacancy Factor (Option 1)

- 8.4 A certain level of saving inevitably arises from the turnover of staff and the 'lag' between an employee leaving and his/her replacement starting. Unlike police officer recruitment there is less scope with police staff to avoid this by 'front-loading' / forward recruitment. This has always been recognised within the Police Staff salaries budget by allowing for less than 100% of the cost of all established posts.
- 8.5 Within the Committed Budget a vacancy rate of 6% of all police staff posts has been included - except for those within the Force Control Room (currently 0%) and PCSO's (currently 4%). This continues the base budget assumptions introduced in 2023/24.

8.6 The following table shows the movement in police staff vacancies during the past 12 months.

Month	Actual (inc PCSO)	Establishment (inc PCSO's)	Number of Vacant Posts	% of Vacant Posts	Minimum % Gap
Nov-23	1,658.3	1,786.9	128.60	7%	6%
Oct-23	1,660.9	1,781.7	120.80	7%	6%
Sep-23	1,655.8	1,793.7	137.90	8%	6%
Aug-23	1,624.1	1,786.7	162.60	9%	6%
Jul-23	1,621.4	1,784.7	163.30	9%	6%
Jun-23	1,615.5	1,781.3	165.80	9%	6%
May-23	1,599.3	1,777.6	178.30	10%	6%
Apr-23	1,598.2	1,778.6	180.40	10%	6%
Mar-23	1,610.6	1,778.6	168.00	9%	6%
Feb-23	1,609.5	1,783.6	174.10	10%	6%
Jan-23	1,567.0	1,777.6	210.60	12%	6%
Dec-22	1,497.4	1,767.0	269.60	15%	6%

8.7 As of November 2023, the general police staff vacancy factor was running at 7%. Vacancies rates are monitored monthly and control measures will be introduced where there is a risk of vacancies reducing below 6%. The force has worked hard, in a difficult market, to reduce the vacancy rate to its current level. Given the performance of the vacancy factor in 2023/24 consideration could be given to increasing the “general” police staff vacancy factor for 2024/25 by another percentage point to 7%, this would generate an additional saving of **£0.418m**. The general police staff budgets fund a number of key support services for frontline policing including Criminal Justice, Civilian Police Investigators, DDAT, People Services, Finance, Procurement, Communications etc and a further increase in the vacancy factor would require the implementation of deliberate delays and curtailments of recruitment which is likely to adversely affect service provision and performance to the wider force with a potential domino effect on frontline services.

### Risks to increasing PCSO Police Staff Vacancy Factor (Option 2)

8.8 A vacancy factor is also currently built into the base budget for PCSOs at 4% to reflect the turnover of staff. The force recruits in cohorts and so vacancies naturally occur until enough spaces are generated for an intake and the associated lengthy training course. This could be increased by an additional percentage point to 5% which would generate an additional saving of **£0.078m**. The force has invested heavily into the recruitment of PCSOs recognising the importance of the role within neighbourhood teams, including their high visibility in ASB hot-spots and the reassurance and confidence they bring to communities. A further 1% increase in the vacancy factor would reduce PCSO numbers by 2 officers. This not only increases the risk of affecting service provision and performance to frontline services but would also be contrary to the Police and Crime Commissioner’s commitment to maintain PCSO numbers at existing levels. The force has worked hard to maintain its Safer Neighbourhood Team numbers over the past few years when other forces have reduced theirs. It has sought to find savings elsewhere. To utilise this option would undermine this commitment and the value placed upon them.

### Risks to increasing the Control Room Staff Vacancy Factor (Option 3)

8.9 The force has invested heavily in the Control Room over the past three years, recognising the impact this has on service to the public. The interaction with the Control Room is often the public’s only interaction with the police and getting this right is vital for public confidence. HMICFRS recognise this and it forms a key part of their Force Peel Inspection. The force has committed to reducing call waiting times and abandonment rates in the Control Room, seeking to provide the very best service to the public of Derbyshire at the first point of contact. Therefore, the Control Room has not had a vacancy factor built into its budget in previous years, enabling it to maintain its staff establishment, minimising impact on service. If a 1% vacancy allowance were

introduced into this area of activity, a budget saving of **£0.114m** would be achieved. Call Handlers provide an essential service within the Control Room and detailed recruitment plans are in place to ensure that we do not routinely drop below establishment numbers where service provision would be at risk. A small change in numbers can have a big impact on service given the demand the Control Room manages. Furthermore, with any staff turnover there is a loss of experience and skills and so the organisation is seeking to minimise the staff churn and prioritise this as a key area to shield, encouraging staff retention, therefore the introduction of a vacancy factor within this arena would be at odds with this goal.

### Risks to Removing the Pay and Price Contingency 0.5% (Option 4)

- 8.10 A further budget saving for consideration could be a reduction or removal of the 0.5% Pay and Prices contingency of **£0.543m**. However, a recent survey of force pay assumptions for 24/25 identified that all forces have budgeted between 2% and 3% for Pay Awards. A figure equivalent to 2.5% is therefore considered to be prudent and provides an appropriate level of financial resilience given the ongoing uncertainty to inflation and the cost-of-living increases.

### Risks to a Reduction in Direct Revenue Financing (DRF) (Option 5)

- 8.11 One of the mechanisms used to support the funding for the Capital Programme is to use an element of Direct Revenue Financing (DRF), previously referred to as Revenue Contribution to Capital Outlay (RCCO). DRF utilises funding from annual revenue budgets to offset part of the costs of capital expenditure incurred in the year, effectively avoiding the need for the organisation to borrow funds and incur the associated interest charges. Historically the annual DRF budget each year has been circa £3.5m. One of the options to help balance the 2024/25 budget is to reduce the funding from revenue for DRF by £0.5m, which would transfer this cost into borrowing and would incur additional interest costs of £0.070m, generating a net saving of **£0.430m** for 2024/25. Although this would not affect the delivery of the Capital Plan, it will inevitably increase our level of borrowing, interest costs and MRP charges for the duration of any additional borrowing. Borrowing levels would, however, continue to remain within our prudential levels.

### Budget Reduction Measures - Summary

- 8.12 If all the budget reduction measures as outlined above were adopted the budget shortfall for 2024/25 would be resolved, however these savings would need to be embedded into the base budget for future years to assist the organisation in its requirement to continue to deliver a balanced budget moving forwards. These savings would therefore effectively shrink the organisations police staff capability and capacity by a significant margin in future years on a permanent basis, with the associated knock-on impact on frontline services and performance. The professional views of the Chief Constable (CC) and the Constabulary's Chief Finance Officer (CCFO) have been considered and their recommendations are included in the following table.

Options to Balance Budget		£m	CC / CCFO Recommendation
1	Increase General Police Staff vacancy factor from 6% to 7% (1% increase)	(0.418)	Not supported
2	Increase PCSO Police Staff vacancy factor from 4% to 5% (1% increase)	(0.078)	Not Supported
3	Increase Force Control Room Police Staff vacancy factor from 0% to 1% (1% increase)	(0.114)	Not Supported
4	Remove Pay and Price Contingency from 2024/25 Budget (0.5% provision)	(0.543)	Not Supported
5	Reduce Direct Revenue Financing (DRF) (a reduction of £0.5m achieves a net saving of £0.430m)	(0.430)	Supported
<b>Total Potential Budget Reductions</b>		<b>(1.583)</b>	

## Justification for the Increase in Precept

- 8.13 It is important to evidence and justify that any increase in precept is directed to improving services and gives the public confidence that the force is making the best use of its resources and prioritising investment in key areas. Whilst an element of any precept increase is required just to maintain existing services and to cover inflationary costs, the force has identified some key areas where additional investment will be targeted through an increase in precept funding.
- 8.14 The following tables show the additional funding raised from an increase in Precept (up to the £13 maximum) and how some of this would be invested. It links the developments to the Police and Crime Plan. Without a maximum precept increase decisions would need to be made under each area around affordability and to determine the impact from a reduction in the proposal or not to undertake at all.

Precept Increases and Additional Funding Generated	£m
<b>£10 Precept Increase (built into Base Budget)</b>	<b>4.454</b>
<b>Additional Increases</b>	
£11 Precept Increase generates additional funding of:	0.336
£12 Precept Increase generates additional funding of:	0.673
£13 Precept Increase generates additional funding of:	1.009

<b>Plans Impacted by Precept Funding</b>
<p><b>Victim Support &amp; Safeguarding:</b> Protecting Children Online Team uplift (1 x Intelligence Development Officer) to support the targeting of offenders, and the protection of victims, from this heinous offending.</p>
<p><b>Driving Efficiencies:</b> Digital Data and Technology uplift (1 x Cyber Engineer, 2 x Cloud Developers, 1 x Data Analyst and 1 x Cloud Solution Specialist) to help ensure that vital technological change is delivered and to protect against ever increasing Cyber-attacks.</p>
<p><b>Strong Local Policing:</b> 1950 frontline Officers including SNT Officers have laptops thereby increasing visibility with key systems being available away from the police station. There is an ongoing need for investment in this technology available to officers – renewal and capability reduced so that more need to return to the station and use systems there.</p>
<p><b>Driving Efficiencies:</b> Improved software capability for the Intelligence Department to ensure intelligence services are equipped to deal with the ever-changing nature of criminality.</p>
<p><b>Strong Local Policing:</b> Continued roll out of Taser training to ensure officers can operate safely and protect communities from harm.</p>
<p><b>Strong Local Policing:</b> A further 100 officers trained in Initial Police Pursuit driving during 2024/2025 to respond more effectively to deny criminals the use of our roads.</p>
<p><b>Strong Local Policing:</b> Continued investment in the estate, including local bases such as Killamarsh rebuild and new station at Clay Cross.</p>
<p><b>Strong Local Policing:</b> I360 system is being considered as part of PCIP. This is a platform which looks to deliver greater demand analytics to ensure the appropriate deployment of police resources in terms of location and timings</p>
<p><b>Victim Support and Safeguarding:</b> Criminal Justice Performance Officer (1 x Police Staff Post) to support ongoing improvement in the CJ arena to support victims and bring offenders to justice</p>
<p><b>Victim Support and Safeguarding:</b> GoodSam internet platform for advance levels of contact between the police and the public, offering better opportunities to safeguard vulnerable people. It includes the live viewing of an incident from a victim's phone and details of their location to ensure an effective policing response.</p>



<b><u>Plans Impacted by Precept Funding</u></b>
<b>Victim Support and Safeguarding:</b> Potential introduction of Citizen's portal as part of PCIP to better keep victims informed.
<b>Driving Efficiencies:</b> Analytical Services uplift (1 x Analyst and 1 x Researcher) to further support effective decision making and deployment of police resources.

- 8.15 Where a budget shortfall still exists after the consideration of the budget reduction options and precept increase, another potential option to the PCC is to utilise underspends which may occur in the current financial year, or to draw down funds from reserves to support the delivery of a balanced budget. It is still uncertain what, if any, underspends will occur in this financial year (23/24), therefore the most appropriate means of funding any "budget gap" would be through a one-off contribution from the Operational Funding and Investment Reserve, pending further savings options being developed to eliminate the budget gap on a permanent basis. The anticipated balance on the Reserve at March 2024 is (£3.942m).
- 8.16 Based upon the recommendations in the table at 8.12 the shortfall to fund from Reserves would be between **£1.245m** (£10 Precept) to **£0.236m** (£13 Precept).

## 9. 2024/25 PROPOSED BUDGET ALLOCATIONS

- 9.1 The tables below provide a summary of the 2024/25 draft revenue budget split between those elements that the PCC is directly responsible for and those under the direction and control of the Chief Constable to manage and operate.
- 9.2 The proposed draft budget for 2024/25 for the **Office of the Police and Crime Commissioner (Appendix B)** is summarised in the table below:

<b>Office of the Police and Crime Commissioner</b>	<b>Approved Budget 2023/24 £m</b>	<b>Draft Budget 2024/25 £m</b>
Commissioner's Office	1.378	1.591
Crime Prevention Fund	0.275	0.275
Community Safety Fund	1.936	2.959
Victim and Witness Services	2.185	5.940
<b>Sub-Total</b>	<b>5.774</b>	<b>5.977</b>
Direct Revenue Financing (of Capital Expenditure)	3.491	5.366
Interest Paid on Borrowing (Debt Charges)	1.583	1.556
Interest Receipts	(0.316)	(1.282)
<b>Sub-total</b>	<b>10.532</b>	<b>11.617</b>
Contribution from Reserves	(0.100)	(0.200)
Contribution to Reserves	0.043	0.009
Grant from the Ministry of Justice (estimate)	(1.337)	(1.272)
Home Office Grants	-	(3.709)
Local Authority Contributions	(1.001)	(0.895)
<b>Net Budget Requirement</b>	<b>8.137</b>	<b>9.259</b>

- 9.3 The proposed draft budget for the **Chief Constable (Appendix C)** is as follows:

<b>Chief Constable</b>	<b>Approved Budget 2023/24 (£m)</b>	<b>Draft Budget 2024/25 (£m)</b>
Derbyshire Constabulary	199.804	211.561
East Midlands Collaboration	10.473	11.778
Contributions to National Policing	(0.300)	(0.300)
BCU Fund & Partnerships	0.855	0.753
<b>Sub-total</b>	<b>210.832</b>	<b>223.793</b>
Contributions to/(from) Reserves	2.057	0.000
Contributions to/(from) Reserves	(0.671)	(0.699)
<b>Net Budget Requirement</b>	<b>212.218</b>	<b>223.094</b>



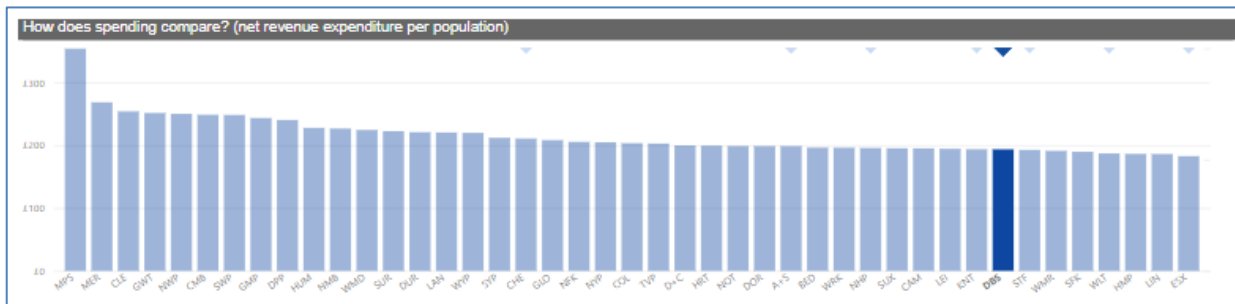
## Funding Options in respect of Band D Council Tax

- 9.4 A Precept increase of £13 for a Band D property would represent a 4.88% increase to £279.60, the equivalent of 77 pence per day.
- 9.5 The table below sets out the Net Revenue Budget requirement together with the different Band D Council Tax impact up to the maximum increase allowed by government of £13 and what this represents as an increase on the comparable figures for 2023/24 as well as the potential contribution from reserves required to balance the budget if no savings options outlined in Section 8 above are agreed.

<b>Balancing the Budget</b>	<b>Precept Increase £10</b>	<b>Precept Increase £11</b>	<b>Precept Increase £12</b>	<b>Precept Increase £13</b>
Net Revenue Budget	232,353,132	232,353,132	232,353,132	232,353,132
Budget Increase (%)	6.00%	6.00%	6.00%	6.00%
Proposed Council Tax Requirement	93,013,306	93,349,581	93,685,854	94,022,128
Police Council Tax (Band D)	276.60	277.60	278.60	279.60
Police Council Tax Increase (£)	£10.00	£11.00	£12.00	£13.00
Police Council Tax Increase (%)	3.75%	4.13%	4.50%	4.88%
<b>Potential Contribution from Reserves</b>	<b>1.675</b>	<b>1.338</b>	<b>1.002</b>	<b>0.666</b>

## 10. VALUE FOR MONEY

- 10.1 The Constabulary continues to demonstrate good value for money and performs well in national comparators.
- 10.2 A review of 'good financial management' arrangements across our services resulted in budget reductions of £0.900m from the 2023/24 Budget. A Forcewide review of departmental and divisional Saving Plans commenced during 2023, to help address the continuing financial budget pressures from high inflation and to help reduce future funding gaps. Savings plans have been worked through during the year and over £0.728m has been saved already in this financial year, with a further £1.045m removed from the budget for 24/25. The review and release of the savings has been carefully managed to ensure that there is minimal impact on frontline operational policing. The success of the Savings Plan will be critical to achieving a balanced budget and releasing resources to fund areas of new investment. There remains a firm commitment to providing value for money and ensuring an efficient and effective force.
- 10.3 In the most recent HMICFRS Value for Money profiles, Derbyshire had one of the lowest profiles for Net Revenue Expenditure per head of Population.



Source: HMICFRS Value for Money Profiles 2022

- 10.4 We continue to work with BlueLight Commercial to maximise financial and commercial benefits related to procurement, through use of the organisation's commercial expertise, leveraging the purchasing power available across the sector. The force has reported half yearly cashable savings for 23/24 of £357k, on top of the £557k achieved in 22/23.
- 10.5 Income provides the Force with opportunities to deliver services and quality to the force's strategic and policing plans, above that which would be available with statutory funding. Income from Fees and charges is budgeted to increase by £0.316m in 2024/25.
- 10.6 Through exploiting the deployment of Office 365 the Force continues to make efficiency, cashable and non-cashable savings by maximising our use of the Microsoft Power Platform. PowerApps and associated automation has enabled the Force to solve a range of business problems without needing to invest in siloed solutions or rely on manual / obsolete processes. The Force is in the process of realising benefits for several Applications.

## 11. THE FUTURE FINANCIAL POSITION (2024/25 to 2028/29)

- 11.1 The impact of the budget proposals for 2024/25 and key future assumptions for costs and income streams over the next 4 years is summarised in the table below. The projections assumes that funding for Uplift officers continues through ring fenced grant at the 2023/24 level (£3.9m). **They also assume that a £10 precept increase is approved in each of the next 3 years (24/25, 25/6 and 26/7) and shows the extent of the challenge that remains.**

Medium-Term Forecast 2024/29	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Previous Year's Gross Expenditure	219.470	232.353	239.677	248.194	255.576
Less Contribution from Reserves	(0.289)				
Less In Year Savings 23-24 Programme	(0.728)				
<b>Previous Year's Gross Expenditure</b>	<b>218.453</b>	<b>232.353</b>	<b>239.677</b>	<b>248.194</b>	<b>255.576</b>
Pay Awards and Inflation increases	18.222	4.565	3.583	4.503	4.563
Other Changes to the Committed Budget	4.110	1.402	4.550	2.361	1.794
Identified Savings Income Generation	(1.362)	(0.221)	0.000	0.000	0.000
New Business Cases and Investment	0.787	1.192	0.384	0.518	0.536
Police Uplift & Pensions Grant	(7.857)	0.386	0.000	0.000	0.000
<b>Net Revenue Budget</b>	<b>232.353</b>	<b>239.677</b>	<b>248.194</b>	<b>255.576</b>	<b>262.468</b>
Projected Funding (£10 Precept Increase)	(230.678)	(236.776)	(243.011)	(249.385)	(255.900)
<b>Forecast Base Budget (Surplus) / Deficit</b>	<b>1.675</b>	<b>2.901</b>	<b>5.183</b>	<b>6.191</b>	<b>6.568</b>

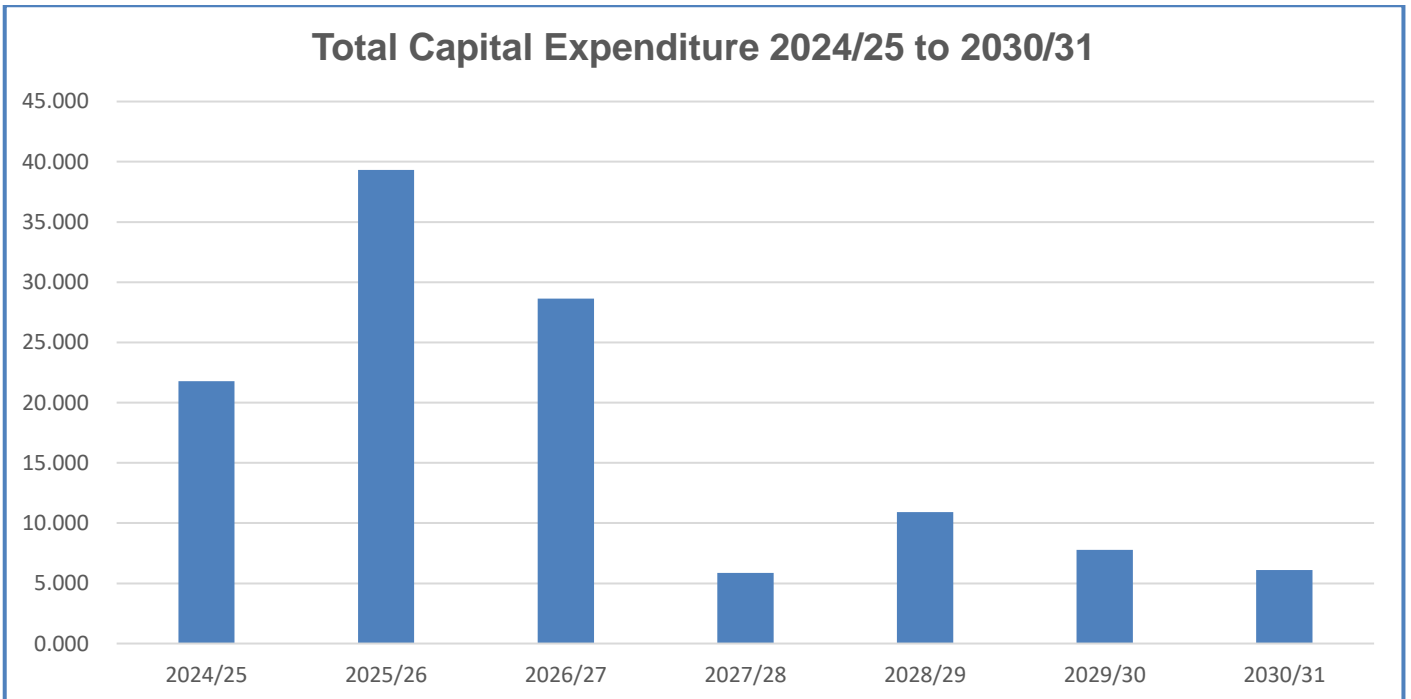
- 11.2 The following table shows the net position over the medium-term plan if a £13 precept is approved.

Medium-Term Forecast 2024/29	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
<b>Net Revenue Budget</b>	<b>232.352</b>	<b>239.677</b>	<b>248.194</b>	<b>255.576</b>	<b>262.468</b>
Projected Funding (£13 Precept Increase)	(231.686)	(237.800)	(244.050)	(250.440)	(257.024)
<b>Forecast Base Budget (Surplus) / Deficit</b>	<b>0.666</b>	<b>1.877</b>	<b>4.144</b>	<b>5.136</b>	<b>5.444</b>

- 11.3 It is vital that Derbyshire Police continues to explore opportunities to deliver savings to fund future investment so that we can maintain appropriate reserve levels and that ongoing enhancements to service levels are self-financed through saving plans.
- 11.4 The medium-term financial plan incorporates the capital charges relating to the Capital Plan. It is also important to bear in mind that in the two years immediately beyond the current forecasting period (2028/29 and 2029/30), we will continue to incur capital charges as we implement our ambitious plans for developing the estate notably Chesterfield Custody Suite and redevelopment of the North Divisional HQ, and the planned Accreditation Hub at Force Headquarters.
- 11.5 The table below shows the Capital Programme used to estimate the revenue borrowing costs and whilst the borrowing cost are included within the Medium-Term Financial Plan, this Programme is yet to be approved through the Strategic Estates Board and is therefore primarily provided in order to show the proposed funding challenge.

Summary Of Capital Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	TOTAL £m
Estates (Building Works)	14.350	32.150	23.000	0.500	0.500	3.000	0.500	74.000
Vehicles and Op Equip	1.545	1.545	2.545	1.545	1.545	1.545	1.545	11.815
IS Schemes	2.648	2.342	2.797	3.535	7.587	1.938	1.935	22.782
Other Capital Expenditure	3.228	3.274	0.295	0.295	1.295	1.295	2.134	11.816
<b>Total Capital Investment</b>	<b>21.771</b>	<b>39.311</b>	<b>28.637</b>	<b>5.875</b>	<b>10.927</b>	<b>7.778</b>	<b>6.114</b>	<b>120.413</b>
<b>Funding:</b>								
Use of Reserves	0.867	0.000	0.000	0.000	0.000	0.000	0.839	1.706
External Borrowing	15.087	35.660	24.986	2.224	7.276	4.127	1.624	90.984
Counter Terrorism Grant	0.175	0.175	0.175	0.175	0.175	0.175	0.175	1.225
Direct Revenue Financing	5.242	3.476	3.476	3.476	3.476	3.476	3.476	26.098
Capital Receipts	0.400	0.000	0.000	0.000	0.000	0.000	0.000	0.400
<b>Total Funding</b>	<b>21.771</b>	<b>39.311</b>	<b>28.637</b>	<b>5.875</b>	<b>10.927</b>	<b>7.778</b>	<b>6.114</b>	<b>120.413</b>

11.6 The chart below shows the anticipated spend profile of the proposed capital expenditure.



## 12. RESERVES POSITION

12.1 The use of reserves over the Medium-Term is an important element of the financial strategy. Reserves are held to fund one-off non-recurring expenditure which will achieve specific objectives, or to support making efficiencies in the revenue budget.

12.2 The budget plans accommodate all the known immediate financial risks facing Derbyshire Police. Nevertheless, risks continue to remain over future finance settlements, inflation and the impact of future pay awards, but also:

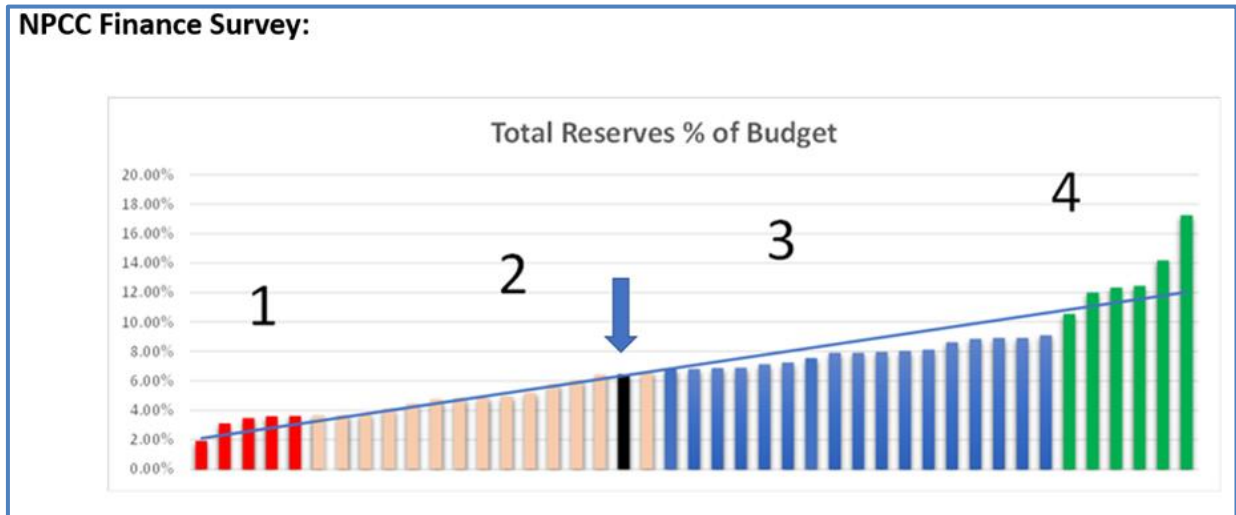
- The contributions to Regional Collaboration and the ongoing costs of the Capital Replacement Plan.
- Future funding to support any exit strategy from the Derby PFI contract.
- National Police Information and Technology charges.
- Employer Pension cost – particularly arising from ‘McCloud’ rectification’.
- Further changes to the funding model for the National Police Air Service (NPAS).
- Forensics (accreditation regimes, investment in digital technology and supplier pressure).
- Introduction of the Emergency Services Network (ESN).
- Airwave Menu Charges
- Interest and borrowing rate rises.
- Impact of Ukraine War and other conflicts internationally

12.3 Equally, major and unpredictable new policing operations can also impact heavily on the budget. As it stands, reserves are sufficient to provide a cushion against short term risks. The following table shows the projected level of reserves up to 2027/28.

RESERVES	Balances 31/03/23 £m	Estimated Balances 31/03/24 £m	Estimated Balances 31/03/25 £m	Estimated Balances 31/03/26 £m	Estimated Balances 31/03/27 £m	Estimated Balances 31/03/28 £m
<b>GENERAL RESERVES</b>	<b>6.500</b>	<b>6.500</b>	<b>6.500</b>	<b>6.500</b>	<b>6.500</b>	<b>6.500</b>
<b>EARMARKED RESERVES</b>						
<b>Useable: -</b>						
Op Funding & Investment Reserve	4.367	3.943	3.943	3.943	3.943	3.943
Carry-forwards	3.344	1.168	0.386	0.386	0.386	0.386
PCC Grants & Commissioning	1.182	1.082	0.882	0.682	0.482	0.282
Covid-19 Funding Reserve	0.119	0.082	0.082	0.082	0.082	0.082
Workforce Resilience & Well-Being	0.500	0.500	0.500	0.500	0.500	0.500
Design Board Funding	2.531	2.263	1.143	1.143	1.143	1.143
Planning Day Initiatives	0.493	0.247	0.000	0.000	0.000	.000
Productivity & Efficiency	0.500	0.403	0.365	0.365	0.365	0.365
Investment Fund	1.864	1.469	0.428	0.428	0.428	0.428
Local Council Tax Support	1.311	1.311	1.311	1.311	1.311	1.311
<b>Sub-Total</b>	<b>16.210</b>	<b>12.468</b>	<b>9.039</b>	<b>8.939</b>	<b>8.839</b>	<b>8.439</b>
<b>Non-useable: -</b>						
PFI - Ilkeston	0.746	0.657	0.543	0.409	0.256	0.085
PFI - Derby	1.283	0.788	0.232	0.001	0.148	0.224
Insurance	0.308	0.309	0.311	0.314	0.317	0.320
<b>Sub-Total</b>	<b>2.337</b>	<b>1.754</b>	<b>1.086</b>	<b>0.725</b>	<b>0.721</b>	<b>0.629</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>18.547</b>	<b>14.222</b>	<b>10.126</b>	<b>9.565</b>	<b>9.360</b>	<b>9.069</b>
<b>TOTAL RESERVES</b>	<b>25.047</b>	<b>20.722</b>	<b>16.626</b>	<b>16.065</b>	<b>15.860</b>	<b>15.569</b>

12.4 The overall level of our useable reserves as of 31 March 2024 is projected to be **£20.722m**. Reserves will continue to play a significant role in helping to manage the medium to long-term financial position of the Constabulary. However, reserves are not infinite, and a considerable proportion of the total Reserves are committed to specific initiatives. This means that we will rely more heavily on borrowing to fund future investment rather than using reserves.

12.5 A recent NPCC financial survey placed the force Reserves position within the median quartile of all forces.



12.6 Further detail on the level of reserves is set out in **Appendix D** and the Reserves Strategy within the Medium-Term Financial Strategy shows the modelling of the impact on reserves of risks and key assumptions.

### **13. BORROWING POSITION**

- 13.1 The overall level of borrowing may fluctuate depending on the timing of capital projects and the realisation of any capital receipts. Whilst the Prudential Code relates to new capital controls, it does impact on the revenue budget. Any agreed long-term borrowing meeting all the Prudential Code guidelines will have on-going revenue implications over a long period. Separate reports deal with the Capital Programme and also the Prudential Indicators for the Constabulary have been prepared. Borrowing assumptions for currently approved capital schemes are included in this report.

## **14. ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS**

- 14.1 When setting the Budget and Capital Programme for the forthcoming year the Police & Crime Commissioner must be satisfied that adequate consideration has been given to the following: –
- a) Government policy on police spending, as applied to the Police & Crime Commissioner.
    - i. The CIPFA Prudential Code and the CIPFA Treasury Management Code.
    - ii. The impact on the Council Tax and the threat or risk of exceeding the excessiveness principle (previously capping).
    - iii. Whether the proposals represent a balanced budget for the year.
    - iv. The robustness of estimates and the size and adequacy of general and specific earmarked reserves.
    - v. The medium-term implications of the Budget and Capital Programme (MTFS).
  - b) Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Financial Officer to provide the Commissioner with assurance on the robustness of estimates made for the purposes of the budget calculations and the adequacy of reserves.
  - c) The Act requires that the Commissioner has regard to the report of the Chief Finance Officer in making their budget decision. Where this advice is not accepted, this needs to be formally recorded in the minutes of an appropriate meeting.

### **ASSURANCE OF THE CHIEF CONSTABLE'S CHIEF FINANCIAL OFFICER**

- 14.2 As the Chief Constable's Chief Financial Officer, I can provide the following assurances:
- a) The main assumptions and estimates, for compiling the budget are set out within the report and the figures for the 2024/25 budget have been based on these assumptions.
  - b) The recommendations are consistent with the medium-term financial strategy and do not impact on the financial stability of the Constabulary. There is, however, increased pressure on reserves with the proposed use of the Operational Funding and Investment Reserve to meet the budget deficit in 2024/25 together with any future use of reserves to fund one off investments.
  - c) Future financial implications up to 2028/29 have been analysed but can only provide an indication of the potential financial position that the Constabulary and Commissioner will face, particularly with the likelihood of inflation rates remaining above the Bank of England target of 2%, and the uncertainty and timing of any interest rates reductions and the volatility of council tax income and Precept levels. An informed assessment has been made of interest rate movements using information provided from the OBR Predictions and from sector updates provided by our Treasury Management Advisors.
  - d) The Medium-Term Financial Plan reflects all known factors that could have an impact on our Budget up to 2028/29. The continuation of Ringfenced funding for Uplift grant will require careful monitoring to ensure that Grant Income is not at risk and that the Force can maintain Police Officer establishment in line with target numbers.



- e) The Force has made good progress in achieving cashable savings helping to reduce the budget requirement. It is recognised that we can no longer simply rely upon Grant or Precept increases to fund our budget growth and that savings will become a continuous requirement to help reduce budget gaps, fund new initiatives and to re-prioritise our resources. A structured Savings Plan will commence in early 2024 to drive out further savings and efficiencies, it will have a large focus moving forward on efficiencies to be gained through automation of processes and AI. The success of the Savings Plan will be critical to achieve a balanced budget beyond 2024/25.
- f) The figures within the Medium-Term Financial forecasts are based on a number of key assumptions and can only provide an indication of the scale of the challenge that we face at this time. In particular, the figures are heavily dependent on future government funding decisions and precept limitations.
- g) There are a number of scenarios that the Constabulary will continue to model within the current MTFP, based on the most prudent forecast around funding and precept increases. Financial risks still remain in relation to collaborative costs and working with regional partners. There is a risk that funding and services from local authority partners is reduced due funding pressure on their own budgets.
- h) The Estates Strategy provides an outline as to how the estate will be managed and developed. The Estate plan balances the need to deliver improvements to the Estate and ensure that our buildings are fit for purpose, whilst reducing the risk from backlog maintenance.
- i) Amid the pressures of needing to make savings, we have realised better ways of working and are reaping the benefits of closer partnership working, where this is possible. We also want to play our part in protecting the environment and tackling climate change with environmentally responsible buildings which support the further introduction of greener technologies, including vehicle charging, to reduce our carbon footprint as we strive to achieve Net Zero by 2050. As ever, these desired changes require investment and must be balanced with our available resources and operational needs.
- j) The PFI Contract for Saint Marys Wharf ends in 2030 and the over-riding principle in determining the most cost-effective option for any exit strategy from the arrangement is to ensure that the organisation selects a choice for investment that best meets the existing and future operating needs of the service and optimises the opportunities to secure and demonstrate best value. Key to this principle, is to ensure that any future arrangements are affordable in terms of both capital investments, ongoing revenue costs and the extent of any borrowing requirement.
- k) I remain confident that a balanced budget can be set that continues to provide good value for money and effective use of our resources. There is a commitment from the Force to achieve further cost savings and efficiencies, building on the positive record it has delivered in past years.

## **ASSURANCE OF THE POLICE & CRIME COMMISSIONER'S CHIEF FINANCIAL OFFICER**

14.3 As the Commissioner's Chief Financial Officer, I can provide the following assurances: -

- a) Government Policy – The MTFS is produced in line with the latest government policy as applied to Police & Crime Commissioners.
- b) CIPFA Code – the MTFS is produced in line with the Prudential Code and the CIPFA Treasury Management Code. Details are outlined in the Treasury Management and Capital Programme reports.
- c) Council Tax – The Government confirmed that legislation through the Localism Act provides communities with the power to veto, through a referendum, council tax increases deemed by the government to be excessive. The level at which council tax is deemed excessive is decided in accordance with a set of principles determined by the Secretary of State for Communities. For 2024/25 the revised Referendum Principle is £13 for Police & Crime Commissioners. Increases in council tax secure year on year funding, as being a part of the base revenue budget.
- d) Balanced budget – a balanced budget is presented.
- e) Robustness of Estimates – I have reviewed the matters that have been considered in drafting the proposed budget and the consequential budget requirement, and the required level of the police precept. I am satisfied that the procedures adopted by the Constabulary's Chief Financial Officer and his team are sufficiently robust to ensure the financial data is accurate and forms a sound basis for the preparation of the estimates for 2024/25.
- f) Adequacy of reserves – I consider the level of general reserves (£6.5m) to be adequate for meeting estimated future risks. Specific reserves are reducing but are at appropriate levels to support future expenditure in the short and medium term. Given the size of the deficit, however, I will keep this position under regular review and expect to see the Constabulary's savings plans in due course.
- g) Medium Term implications – I consider that the MTFP presents a best estimate of the future financial pressures that the Commissioner will face. It should be noted that inherent within the MTFP are assumptions as set out in this report and its appendices. Movement in any of the key assumptions would have significant impact on the available resources to support policing. The Constabulary's Chief Financial Officer and I will continue to monitor national developments carefully to ensure the Commissioner and Chief Constable are sighted on any emerging risks for Derbyshire.

**Appendix A - POLICE & CRIME COMMISSIONER FOR DERBYSHIRE REVENUE BUDGET PROJECTIONS FOR 2024/25 TO 2028/29**

	2024/25	2025/26	2026/27	2027/28	2028/29
<b>PROJECTED STAFFING LEVELS</b>	<b>FTE's</b>	<b>FTE's</b>	<b>FTE's</b>	<b>FTE's</b>	<b>FTE's</b>
Police Officers	2,044.0	2,044.0	2,044.0	2,044.0	2,044.0
PCSO's	199.0	199.0	199.0	199.0	199.0
Police Staff	1,508.5	1,508.5	1,508.5	1,508.5	1,508.5
<b>TOTALSTAFFING</b>	<b>3751.5</b>	<b>3751.5</b>	<b>3751.5</b>	<b>3751.5</b>	<b>3751.5</b>

<b>PROJECTED BUDGET REQUIREMENT</b>	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
<b>Previous Year's Budget Requirement</b>	<b>219.181</b>	<b>232.353</b>	<b>239.677</b>	<b>248.194</b>	<b>255.576</b>
<b>Pay &amp; Price Increases</b>					
Full Year Effect of Previous Year's Pay Award: -					
Police Officers	6.730	1.472	1.141	1.182	1.198
Police Staff	3.509	0.659	0.534	0.548	0.560
Provision for Current Year's Pay Award & Inflation: -					
Police Officers pay award	1.418	1.537	1.576	1.623	1.660
Police Staff pay award	0.717	0.731	0.744	0.761	0.777
Pay Award Contingency - Sept 24 Pay award	0.543				
Removal of Pay Award contingency	(0.944)				
Police Officer Scheme Revaluation	4.067				
Other changes in Police Officer oncosts (NI / Pensions / Appr Levy)	0.074	(0.077)	(0.015)	(0.016)	(0.016)
Non-Pay Inflation	1.464	(0.107)	(0.658)	0.139	0.112
Collaboration - inflationary increases	0.719	0.273	0.247	0.251	0.256
<b>Total - Pay &amp; Price Increases</b>	<b>18.297</b>	<b>4.488</b>	<b>3.568</b>	<b>4.488</b>	<b>4.548</b>
<b>Previous Year's Budget updated for Pay &amp; Price changes</b>	<b>237.478</b>	<b>236.841</b>	<b>243.245</b>	<b>252.682</b>	<b>260.123</b>
<b>Other Changes to the Committed Budget</b>					
OPCC - Grants, Local Authority Contributions & Commissioning	0.060				
OPCC - Contribution from OPCC reserves	(0.100)				
OPCC - Staffing / Office Running Costs	0.125				
Police Officers - Increments / Turnover	0.398	0.529	0.823	0.678	0.684
Police Officers - Additional 27 Officers	1.549				
Police Officers - Misc. Allowances / Housing Allowances	0.059	(0.003)	(0.000)	(0.001)	
Police Officers - Overtime (no of Bank Holidays changes)	(0.449)	0.152	0.467	(0.318)	
Police Staff - Increments / Regrades/ Other Changes	0.197	0.100	0.102	0.104	0.106
Information Services - Microsoft Licences renewal	0.328				
Information Services - Circuits Reduction	(0.200)				
Information Services -Reduction in Photocopiers	(0.017)				
Information Services - DEMS BWV Cloud Storage	0.060				
Information Services - Clue System	0.023				
Information Services - Additional Licences - Samsung Knox EFTOA	0.013				
Information Services - Cancellation of Radio Point to Point Licences	(0.024)				
Premises	0.250				
Premises - Running Costs of Ilkeston Police Station - End of PFI Contract	0.065				
Removal of Ilkeston PFI	(0.030)				
Other - Travel & Transport	0.024				
Other - Supplies & Services	(0.029)	0.500	0.510	0.520	0.531
Other - Recruitment & Selection Cost Police Officers	(0.030)				
MRP & Interest Charges - current borrowing	0.560	(0.029)	(0.012)	(0.007)	(0.005)
MRP & Interest Charges - new borrowing	(0.316)	1.539	1.499	1.478	0.576
Review of MRP for PFI schemes - Derby	0.624	(0.260)	0.743	(0.009)	(0.010)
Investment Income	(0.082)	0.192	0.184		
Collaboration -Inc cost of Final Option approved for 23/24	0.167				
Reserves - Remove Contribution from Reserves re 3 temporary Financial Investigators		0.135			
Reserves - Remove Contribution from Reserves re 23/24	0.289				
Budget Deficit					
Changes in other specific Reserve contributions - Derby PFI	(0.152)	0.327	0.375	(0.069)	(0.073)
Increase in Police Uplift grant	(3.405)				
Pensions Grant to cover inc Employers contribution Rate	(4.067)				
Pensions Grant - Top up funding for Remedy Costs	(0.385)	0.386			
<b>Total - Other 'Committed' Budget Changes</b>	<b>(4.394)</b>	<b>3.567</b>	<b>4.690</b>	<b>2.376</b>	<b>1.809</b>

PROJECTED BUDGET REQUIREMENT	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
<b>Previous Year's Budget plus previously agreed / known changes</b>	<b>233.083</b>	<b>240.408</b>	<b>247.934</b>	<b>255.058</b>	<b>261.932</b>
<b>Items arising after 2022/23 Precept Meeting</b>					
<b>1. Identified Savings from the 2023/24 Approved Budget</b>					
23-24 - Savings Initiative Programme - Reduction in Staff Posts 37.8 fte	(1.215)	(0.216)			
23-24 - Savings Initiative Programme - Reduction in Other Costs	(0.559)	(0.005)			
	<b>(1.774)</b>	<b>(0.221)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>2. Business Cases approved after 2023/24 Precept Meeting</b>					
March 2022 Planning Day - end of Temporary Posts approved	(0.194)				
Physical security Post - Grade K	0.060				
Corporate Services - Additional Audit Staff 2.4 fte	0.090				
Establish Data Quality Team to lead on Accreditation - 5fte	0.281				
New System - Black Rainbow	0.170				
Force Tasking Priorities Fund	0.050				
Crime Support - Increased POCA receipts to fund 3 fte Financial Investigator Posts		(0.135)			
PCIP - additional revenue costs		0.574	(0.116)	0.018	0.036
Section 151 Post & ACO Restructure - 1 fte	0.178				
Building Facilities Post - 1 fte	0.035				
Performance Analyst Post - CCMC - 1 fte	0.045				
Reinstatement of Rolling Program of Police Staff Apprenticeship Scheme	0.073				
	<b>0.787</b>	<b>0.439</b>	<b>(0.116)</b>	<b>0.018</b>	<b>0.036</b>
<b>3. Provision for further Business Cases</b>					
Design Board/ P&E - New Business Cases	0.000	0.500	0.000	0.000	0.000
Design Board/ P&E - Ongoing Revenue	0.000	0.253	0.500	0.500	0.500
Removal of DB/PCIP contribution	(0.167)	(1.890)			
	<b>(0.167)</b>	<b>(1.137)</b>	<b>0.500</b>	<b>0.500</b>	<b>0.500</b>
<b>4. Force Decisions/ agreements / increased expenditure</b>					
Increased Uniforms costs	0.100	0.100			
Increased Collaboration Costs	0.114				
Police Officer III Health Retirements	(0.178)				
Forensic re-tender / increased cost	0.220	0.112			
Financial Contracts - XPS costs for Pensions Remedy	0.150	(0.025)	(0.125)		
Financial Contracts - Internal/ External Audit Costs	0.009				
Financial Contracts - Payroll	0.033				
Increased Insurance Costs	0.149				
Interpreter Costs	0.030				
Fuel Savings	(0.225)				
Vehicle Recovery Costs	0.072				
Gateway Contract - SHRSC	0.069				
Increased Costs of Boarding up	0.038				
Increased Expenditure on Temporary Alarms	0.010				
Major Crime Overtime Budget	0.150				
	<b>0.740</b>	<b>0.187</b>	<b>(0.125)</b>	<b>0.000</b>	<b>0.000</b>
<b>5. Additional areas of Income Generation</b>					
Income Changes	(0.111)				
Mast Income	(0.075)				
Special Services Income	(0.050)				
Increased Derbyshire Support Services Charges to Region	(0.035)				
Assets Income	(0.045)				
	<b>(0.316)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total - New Growth less Identified Savings and Income Generation</b>	<b>(0.730)</b>	<b>(0.731)</b>	<b>0.260</b>	<b>0.518</b>	<b>0.536</b>
<b>REVISED BUDGET REQUIREMENT FOR YEAR AFTER SAVINGS</b>	<b>232.353</b>	<b>239.677</b>	<b>248.194</b>	<b>255.576</b>	<b>262.468</b>

<b>FUNDING FOR BUDGET REQUIREMENT</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
<b>Central Government Funding</b>					
Formula grant	(128.964)	(130.255)	(131.558)	(132.874)	(134.203)
Council Tax grants	(8.700)	(8.700)	(8.700)	(8.700)	(8.700)
<b>Total - Central Government Funding</b>	<b>(137.664)</b>	<b>(138.955)</b>	<b>(140.258)</b>	<b>(141.574)</b>	<b>(142.903)</b>
<b>Precept Funding</b>					
Previous year Council Tax Funding	(88.559)	(93.013)	(97.822)	(102.753)	(107.811)
Change in tax base - annual growth	(1.091)	(1.395)	(1.467)	(1.541)	(1.617)
Change in Band D Council Tax	(3.363)	(3.413)	(3.464)	(3.516)	(3.569)
<b>Total - Precept Funding</b>	<b>(93.013)</b>	<b>(97.822)</b>	<b>(102.753)</b>	<b>(107.811)</b>	<b>(112.997)</b>
<b>TOTAL PROJECTED FUNDING</b>	<b>(230.678)</b>	<b>(236.776)</b>	<b>(243.011)</b>	<b>(249.385)</b>	<b>(255.900)</b>

<b>BUDGET (SURPLUS) / DEFICIT</b>	<b>1.675</b>	<b>2.901</b>	<b>5.183</b>	<b>6.191</b>	<b>6.568</b>
Additional income from £11 Precept increase in 2024/25 (£10 subsequent years)	(0.336)	(0.341)	(0.346)	(0.352)	(.357)
Additional income from £12 Precept increase in 2024/25 (£10 subsequent years)	(0.673)	(0.683)	(0.693)	(0.703)	(.714)
Additional income from £13 Precept increase in 2024/25 (£10 subsequent years)	(1.009)	(1.024)	(1.039)	(1.055)	(1.123)
<b>REMAINING (SURPLUS) / DEFICIT NOT FUNDED £11 Precept</b>	<b>1.338</b>	<b>2.559</b>	<b>4.837</b>	<b>5.839</b>	<b>6.211</b>
<b>REMAINING (SURPLUS) / DEFICIT NOT FUNDED £12 Precept</b>	<b>1.002</b>	<b>2.218</b>	<b>4.490</b>	<b>5.488</b>	<b>5.854</b>
<b>REMAINING (SURPLUS) / DEFICIT NOT FUNDED £13 Precept</b>	<b>0.666</b>	<b>1.877</b>	<b>4.144</b>	<b>5.136</b>	<b>5.444</b>

## Appendix B

### OFFICE OF THE PCC - 2024/25 BUDGET (DETAIL)

Account	Budget Heading	2023/24 BASE BUDGET £	Full Year Inflation £	Increments £	Other Changes £	2024/25 Proposed Budget £
1100	Police Staff Pay	852,200	37,800	43,100		933,100
1120	Police Staff Overtime - Plain Time	1,100	100			1,200
1140	Police Staff National Insurance	85,600	3,900	3,800		93,300
1160	Police Staff Superannuation	153,100	7,000	6,900		167,000
1501	Training Courses	7,500				7,500
1602	Recruitment Advertising	1,000				1,000
1603	Interview Expenses	500				500
2210	Hire of Rooms	1,000				1,000
3200	Police Vehicle Fuel	300			(300)	0
3300	Hire of Vehicles	1,000				1,000
3400	Other Mileage (PSV)	4,000			1,500	5,500
3403	Rail Travel	1,000			500	1,500
3408	Car Parking, Taxis, etc	750				750
4000	Equipment - General	2,000				2,000
4040	Furniture	0				0
4100	Accommodation / Hotel Expenses	1,000				1,000
4101	Subsistence Expenses	400				400
4291	Meals / Refreshments	750			1,750	2,500
4400	Printing and Stationery - General	500			500	1,000
4401	Publications	500				500
4505	Financial Contracts	62,500			51,800	114,300
4520	Professional Fees	20,000				20,000
4543	Professional Fees - Legal	17,600				17,600
4575	Engagement and Communications	46,500			3,500	50,000
4635	Software Purchase	15,000				15,000
4636	Software Rental & Licences	0			6,600	6,600
4740	JARAC Attendance	13,000			2,400	15,400
4741	JARAC Mileage	500			400	900
4805	Non-Recruitment Advertising	1,500				1,500
4807	Conference Expenses	1,000			500	1,500
4888	Bank Charges	12,000				12,000
4890	Misc. Expenditure	0	0		0	0
4895	National & Regional Membership Fees	103,000	10,600		2,300	115,900
<b>Office of the PCC - Total Budget</b>		<b>1,406,800</b>	<b>59,400</b>	<b>53,800</b>	<b>71,450</b>	<b>1,591,450</b>

## Appendix C

### SERVICES COMMISSIONED VIA THE CHIEF CONSTABLE – 2024/25 BUDGET (DETAIL)

Budget Heading	2023/24 Approved £m	2024/25 Proposed £m
Police Officers	116.423	130.162
Community Support Officers	7.308	7.735
Other Police Staff	49.604	53.033
Police Pensions	3.301	3.348
Other Employee Expenses	0.840	0.864
Premises	10.443	11.754
Transport	4.642	4.560
Supplies & Services	21.408	22.534
Agency & Contracted Services	0.272	0.272
Specific Grants	(8.510)	(16.039)
General Income	(5.927)	(6.661)
<b>Derbyshire Constabulary Costs</b>	<b>199.804</b>	<b>211.562</b>
<b>Contributions:</b>		
Contribution to East Midlands Collaboration	10.473	11.778
Contributions to National Policing	(0.300)	(0.300)
BCU Funding & Partnerships	0.855	0.753
Contribution to Reserves	2.057	0.000
<b>Proposed Gross Spending</b>	<b>212.889</b>	<b>223.793</b>
<b>Contribution from reserves</b>		
- PFI	(0.536)	(0.699)
- Other Reserves	(0.135)	0.000
<b>Other Sources of Funding</b>	<b>(0.671)</b>	<b>(0.699)</b>
<b>PROPOSED NET SPENDING</b>	<b>212.218</b>	<b>223.094</b>

## Appendix D

### POLICE & CRIME COMMISSIONER FOR DERBYSHIRE

### STATEMENT OF RESERVE LEVELS AS AT 31<sup>ST</sup> MARCH 2023 AND FORECAST LEVELS TO 31<sup>ST</sup> MARCH 2028

RESERVES	2023/24			2024 / 25		2025 / 26		2026/ 27		2027/ 28	
	Balances at 1/04/23	Movements (to) / from Revenue	Estimated Balances at 31/03/24	Projected Movements (to) / from Revenue	Estimated Balances at 31/03/25	Projected Movements (to) / from Revenue	Estimated Balances at 31/03/26	Projected Movements (to) / from Revenue	Estimated Balances at 31/03/27	Projected Movements (to) / from Revenue	Estimated Balances at 31/03/28
	£	£	£	£	£	£	£	£	£	£	£
<b>GENERAL RESERVES</b>	<b>6,500,000</b>	<b>-</b>	<b>6,500,000</b>	<b>-</b>	<b>6,500,000</b>	<b>-</b>	<b>6,500,000</b>	<b>-</b>	<b>6,500,000</b>	<b>-</b>	<b>6,500,000</b>
<b>EARMARKED RESERVES</b>											
<b>Useable: -</b>											
Op Funding & Investment Reserve	4,366,818	(424,079)	<b>3,942,739</b>		<b>3,942,739</b>		<b>3,942,739</b>		<b>3,942,739</b>		<b>3,942,739</b>
Contribution to Capital	0		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
Carry-forwards	3,344,100	(2,176,600)	<b>1,167,500</b>	(781,300)	<b>386,200</b>		<b>386,200</b>		<b>386,200</b>		<b>386,200</b>
PCC Grants & Commissioning	1,181,867	(100,000)	<b>1,081,867</b>	(200,000)	<b>881,867</b>	(200,000)	<b>681,867</b>	(200,000)	<b>481,867</b>	(200,000)	<b>281,867</b>
Covid-19 Funding	118,853	(37,200)	<b>81,653</b>		<b>81,653</b>		<b>81,653</b>		<b>81,653</b>		<b>81,653</b>
Workforce Resilience & Well-Being	500,000	0	<b>500,000</b>		<b>500,000</b>		<b>500,000</b>		<b>500,000</b>		<b>500,000</b>
Design Board Funding	2,531,000	(267,911)	<b>2,263,089</b>	(1,120,200)	<b>1,142,889</b>		<b>1,142,889</b>		<b>1,142,889</b>		<b>1,142,889</b>
Planning Day Initiatives	492,500	(245,200)	<b>247,300</b>	(247,300)	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
Productivity & Efficiency	500,000	(96,800)	<b>403,200</b>	(38,000)	<b>365,200</b>		<b>365,200</b>		<b>365,200</b>		<b>365,200</b>
Investment Fund	1,863,500	(394,300)	<b>1,469,200</b>	(1,041,700)	<b>427,500</b>		<b>427,500</b>		<b>427,500</b>		<b>427,500</b>
Local Council Tax Support	1,311,401	0	<b>1,311,401</b>	0	<b>1,311,401</b>		<b>1,311,401</b>		<b>1,311,401</b>		<b>1,311,401</b>
<b>Total Useable:-</b>	<b>16,210,039</b>	<b>(3,742,090)</b>	<b>12,467,949</b>	<b>(3,428,500)</b>	<b>9,039,449</b>	<b>(200,000)</b>	<b>8,839,449</b>	<b>(200,000)</b>	<b>8,639,449</b>	<b>(200,000)</b>	<b>8,439,449</b>
<b>Non-useable: -</b>											
PFI - Ilkeston	746,076	(89,494)	<b>656,582</b>	(113,337)	<b>543,245</b>	(133,914)	<b>409,331</b>	(152,977)	<b>256,354</b>	(171,760)	<b>84,594</b>
PFI - Derby	1,283,025	(494,750)	<b>788,275</b>	(556,737)	<b>231,538</b>	(229,549)	<b>1,989</b>	145,511	<b>147,500</b>	76,686	<b>224,186</b>
Insurance	307,824	1,600	<b>309,424</b>	2,000	<b>311,424</b>	2,500	<b>313,924</b>	3,000	<b>316,924</b>	3,500	<b>320,424</b>
<b>Total Non-useable: -</b>	<b>2,336,925</b>	<b>(582,644)</b>	<b>1,754,281</b>	<b>(668,074)</b>	<b>1,086,207</b>	<b>(360,963)</b>	<b>725,244</b>	<b>(4,466)</b>	<b>720,778</b>	<b>(91,574)</b>	<b>629,204</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>18,546,964</b>	<b>(4,324,734)</b>	<b>14,222,230</b>	<b>(4,096,574)</b>	<b>10,125,656</b>	<b>(560,963)</b>	<b>9,564,693</b>	<b>(204,466)</b>	<b>9,360,227</b>	<b>(291,574)</b>	<b>9,068,653</b>
<b>TOTAL RESERVES</b>	<b>25,046,964</b>	<b>(4,324,734)</b>	<b>20,722,230</b>	<b>(4,096,574)</b>	<b>16,625,656</b>	<b>(560,963)</b>	<b>16,064,693</b>	<b>(204,466)</b>	<b>15,860,227</b>	<b>(291,574)</b>	<b>15,568,653</b>



## Appendix E - 2024/25 PRECEPT

### EXAMPLE BASED ON A £13 COUNCIL TAX INCREASE ON BAND D PROPERTIES

Band D	Council Tax Base £	Total Funding £	Collection Fund <i>figures yet to be notified</i>		Council Tax £
			Surplus	Deficit	
£279.60	336,273.70	94,022,127	-	-	94,022,127
Amber Valley Borough Council	41,881.66	11,710,112			11,710,112
Bolsover District Council	23,122.93	6,465,171			6,465,171
Chesterfield Borough Council	30,443.17	8,511,911			8,511,911
Derby City Council	71,844.12	20,087,616			20,087,616
Derbyshire Dales District Council	30,817.66	8,616,618			8,616,618
Erewash Borough Council	34,510.30	9,649,080			9,649,080
High Peak Borough Council	31,795.00	8,889,882			8,889,882
Northeast Derbyshire District Council	33,049.86	9,240,741			9,240,741
South Derbyshire District Council	38,809.00	10,850,996			10,850,996

<u>Gross Revenue Expenditure</u>	
2023/24 Approved	£219,470,868
<b>2024/25 Proposed</b>	<b>£232,353,132</b>
Increase in GRE	5.87%

<u>Council Tax Requirement</u>	
2023/24 Approved	£88,559,167
<b>2024/25 Proposed</b>	<b>£94,022,127</b>
Increase in CTR	6.17%

<u>Council Tax per Banding</u>		
<u>BAND</u>	<u>2023/24</u> £	<u>2024/25</u> £
A	177.73	186.40
B	207.36	217.47
C	236.98	248.53
D	266.60	279.60
E	325.84	341.73
F	395.84	403.87
G	444.33	466.00
H	533.20	559.20

## Appendix C

### EXTRACT FROM RULES OF PROCEDURE FOR DERBYSHIRE POLICE AND CRIME PANEL

#### 14.7 Proposed precept

- 14.7.1 The Police and Crime Commissioner will notify the Police and Crime Panel by 1<sup>st</sup> February of the relevant financial year of the precept which the Commissioner is proposing to issue for the financial year. The Panel must review the proposed precept by 8<sup>th</sup> February of the relevant financial year and make a report including recommendations.
- 14.7.2 Having considered the precept, the Police and Crime Panel will either:
- (a) support the precept without qualification or comment.
  - (b) support the precept and make recommendations; or
  - (c) veto the proposed precept (by the required majority of at least two thirds of the persons who are members of the Panel at the time when the decision is made).
- 14.7.3 If the Panel vetoes the proposed precept, the report to the Commissioner must include a statement that the Panel has vetoed the proposed precept with reasons. The Panel will require a response to the report and any such recommendations.
- 14.7.4 Where the Panel exercises the power of veto, the Police and Crime Commissioner shall, by 15<sup>th</sup> February of the relevant financial year, notify the Police and Crime Panel of the precept he/she now proposes to issue subject to the following:
- (a) where the Panel report indicates that the Panel vetoes the proposed precept because it is too high, the revised precept shall be lower than the proposed precept.
  - (b) where the Panel report indicates that the Panel vetoes the proposed precept because it is too low, the revised precept shall be higher than the proposed precept.
- 14.7.5 On receiving a response containing notification of a revised precept under the regulation the Panel shall, by 22<sup>nd</sup> February of the relevant financial year:
- (a) review the revised precept; and
  - (b) make a report (second report) to the Commissioner on the revised precept.

14.7.6 The Commissioner shall, by 1<sup>st</sup> March of the relevant financial year, have regard to the second report, give the Panel a response and publish the response.

The Commissioner may then issue the revised precept for the financial year or issue a different precept still subject to the requirements noted at 14.7.4.