



**Derbyshire
Police and Crime
Commissioner**

Protecting Communities,
Fighting Crime



AGENDA ITEM

5B

PUBLIC ASSURANCE MEETING

REPORT TITLE	BUDGET 2022/23, PRECEPT REPORT AND MEDIUM-TERM FINANCIAL FORECAST 2022/23 – 2025/26
REPORT BY	JOINT REPORT OF THE CHIEF CONSTABLE, DIRECTOR OF FINANCE FOR THE CONSTABULARY AND CHIEF FINANCE OFFICER FOR THE PCC
DATE	19 JANUARY 2022

PURPOSE OF THE REPORT

This report sets out the revenue budget, capital programme and precept proposals for the Office of the Police and Crime Commissioner and the Constabulary for the financial year 2022/23.

This report provides information on the draft: -

1. Police and Crime Commissioners (PCC's) Revenue Budget for 2022/23.
2. Proposed Precept for 2022/23.
3. Medium Term Financial Forecast 2022/23 – 2025/26.
4. Capital Programme 2022/23 – 2025/26

ATTACHMENTS

- A. Revenue Budget Forecast (Medium Term) 2022/23 – 2025/26
- B. Budget for the Office of the Police and Crime Commissioner 2022/23
- C. Budget for the Chief Constable 2022/23
- D. Anticipated Reserves 2022/23 – 2024/25
- E. Summary of precept 2022/23

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 2022/23.
2. In respect of the revenue budget for 2022/23:-
 - a) To note the information and analysis as set out in this report.
 - b) To agree the proposed adjustments to the 2022/23 budget as detailed in both this report and Annexes A through E
 - c) To maintain a revenue contribution to capital of at least £3.439m in the base revenue budget.
 - d) To approve the revenue budget for 2022/23.
 - e) Approved joint delegation to the Chief Finance Officer (Constabulary) and Chief Finance Officer (PCC) to make appropriate adjustments to use of Reserves in relation any surplus or deficit arising from the Collection Fund.
3. In respect of the council tax requirement, the associated police precept and provisional contributions to/(from) reserves:-
 - a) To recommend a £10 precept increase for a Band D Property.
 - b) To note the anticipated movement in reserves during 2022/23 as shown in Annex D.
4. In respect of the Medium-Term Financial Forecast for 2022/23 - 2025/26, discussed within this report but also shown in more detail at Annex A: -
 - a) To note the financial forecasts up to 2025/26.
 - 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 reserves 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 but also to protect front-line services. (The savings strategy is included in the Medium-Term Financial Strategy).

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INTRODUCTION – Letter from the Chief Constable to the PCC

14 January 2022

Angelique Foster
Police and Crime Commissioner for Derbyshire
Butterley Hall
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Dear Commissioner,

The force is committed to delivering a consistently good service to the communities of Derbyshire, one they can trust. Our core aim is to fight crime, bring offenders to justice and protect the vulnerable. 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 the Constabulary. The Constabulary has been modelling a range of financial scenarios over the last few months to ensure resilience at a time of great uncertainty, utilising the support of the government in allowing the Constabulary an increase of up to £10 against a Band-D property for the policing element of the council tax precept (hereafter the precept). We have carefully considered the impact of a range of options, and whilst I fully recognise that the communities of Derbyshire are already feeling the incredible financial impact of the Coronavirus pandemic, my primary consideration must now be how I can best deliver policing within the county, utilising the options provided by a precept increase.

Demand and COVID

The force continues to face increases in demand. The impact of the pandemic over the past two years has brought increased demand and additional challenges throughout.

Despite the restrictions the pandemic brought in terms of lifestyle and activities for communities, reported incidents increased 2.7% from 207361 incidents in 2020, to 213040 incidents in 2021. Recorded crimes increased 8.5% from 77997 in 2020, to 84664 in 2021. Like all organisations, the workforce has felt the effect of the pandemic directly. Since the start of the pandemic 24% of the workforce have been confirmed as testing positive for Covid-19. This number has started to increase dramatically since the start of 2022. In addition are the impacts on resource capability through isolation and shielding requirements over the last two years.

In December 2021, a letter to Chief Constables from the NPCC Contact Management Lead identified that 999 calls had increased nationally year-on-year by 7% in November 2021. This was a 20% increase since 2017. 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. This poses challenges to service delivery, although work is ongoing to ensure the Constabulary operates an efficient and effective contact management department. A key organisational priority for the force, to improve the service we provide through our Contact Management Centre, including the 101 provisions, and requires continued investment to do so.

Key areas of work have observed significant increases in demand over the previous 12 months. The Violence Against Women and Girls (VAWG) agenda has been in the spotlight nationally. Locally we have responded to this, recognising the impact on trust and confidence this has, especially with women and girls. We have a local focus on improving our response to incidents classified as VAWG related, working under our key organisational priority theme of vulnerability. Sexual Violence reporting has increased by 27% in Derbyshire from 2020 to 2021. The force has undertaken a great deal of work to encourage victims to come forward and report these offences, with much focus on supporting them. This has meant that victims who have previously lacked confidence to come forward are now doing so. However, this brings increased pressures on the specialist teams responsible for investigating such criminality. Increases have been observed across several other crime types with a 6.9% increase in recorded Domestic Abuse related crime from 2020 to 2021.

Residential burglary crimes have reduced during the pandemic, a national and expected trend in the face of restrictions and increased working from home. This saw 2020 figures reduce by 18.8% versus 2019, and 2021 figures reduce by 23.8% versus 2019. Despite this decrease the figure in 2021 remains high at 4436 reported residential burglaries, and the trend starting to reverse. Thus, burglary continues as an area of priority and focus for the Constabulary.

Collision rates reduced on Derbyshire roads in 2020, a trend observed nationally as restrictions were imposed in response to the pandemic. Eighteen fatal collisions were recorded in 2020 with the figure rising despite further restrictions in 2021, to 30 fatal collisions. This brought the figure short of the 40 fatal collisions observed in 2019, but still high with 340 serious injury collisions recorded in addition to those fatalities in 2021. Of this total, 11 pedestrians were killed in 2021 as a result of collisions on Derbyshire roads, with 'Fatal Four' collisions increasing during this period, particularly in respect of speeding and impaired driving. Working with partners to make our roads safer remains a priority for the force.

There are many crime types that we tackle on a daily basis but the crime examples we have discussed within a Derbyshire context, feature with significance within the 2021 'Beating Crime Plan'. This includes additional areas of focus such as knife crime and county lines. These are two additional complex thematic areas that have received focus via our force governance structure to ensure we are tackling these robustly. The product of which has been dedicated operations and resources to target both types of criminal behaviour. The plans to expand and improve our approach to these areas are touched upon in the later sections of this letter, and both are areas that would see improved service through further investment.

Strong Local Policing

There has been a great deal of excellent work this past year to fight crime, bring offenders to justice and protect the vulnerable. The Force Priorities have been refreshed and refocused, supported by a revised governance structure, to drive improvement and ensure we provide the best possible service to the public. We have focused efforts on improving how we engage with the public and have set expectations on how our staff recognise the importance of communication and engagement to improve public confidence.

Communication and engagement activity require many different approaches to be effective, and we are utilising these, including social media and engagement with key stakeholders as part of this. The force has increased Safer Neighbourhood Team (SNT) numbers over the past few years, a position we are committed to maintain, as community policing is at the heart of what we do. We recognise and value the work our SNTs do to improve public confidence, provide vital visibility, undertake a problem-solving approach, and help make our communities feel safe.

Op Uplift

The force has welcomed the increase in officers thanks to the uplift which will help us to meet these challenges. The number of officers has increased by 121 from the start of the uplift to 1948 as of November 2021. This is expected to reach a total of 1997 by March 2022, with further increases to 2110 in 2023. 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.

The force is committed to improving its representation of our communities and using the uplift as an opportunity to do so. The force has for a number of years enjoyed great success in recruiting female applicants, being one of the lead forces nationally in this area. Current officer intakes are close to a 50/50 split, with the current officer establishment being 38% female and 62% male. The organisational split of our officers, staff and volunteers combined is 51.5% female and 48.5% male.

Our local Derbyshire's recruitment data suggests that the Police Constable Degree Apprenticeship (PCDA) route is attracting 7.2% of B.A.M.E. recruits, remaining consistent with the previous non-degree entry route.

Encouragingly, from the latest application data for the Police Constable Degree Holder Entry Programme (DHEP), the Constabulary have had 15.1% B.A.M.E applicants and for the Detective Constable DHEP programme, the figure is 20.7%. Gender, LGBT+ and disability representation is continuing to increase through all entry routes.

The Constabulary is on course to meeting the targets set by government in respect of the Uplift programme. All entry routes will see Constables progressing through their initial student officer period within two to three years. This includes commencing with a Direct Entry Detective programme later in this year. As stated above the benefits of the Uplift programme are not likely to be fully realised until 2022/2023, due to the officers reaching the end of their training programme.

The force intends to increase its number of Special Constables who provide vital support to the frontline, contributing to our visible presence and local policing. The force is also seeking to maintain and establish its PCSO numbers. This is in addition to meeting the government police officer increase targets for Op Uplift. All of this requires continued investment in recruitment, positive action work, and additional resourcing in training to ensure the right people, who are properly skilled and equipped are working to deliver our services to our communities. The precept will be used to help fund some of this support.

Contact Management Department – Force Operations Room

We have been making improvements to our control room to provide a timely and effective response to calls for service. We know that waiting for calls to be answered on the non-emergency line is often a source of frustration for many. This is often the only interaction that members of the public have with the force and the impact of this on their confidence in the Constabulary cannot be underestimated.

Improvements have been made to the call system which will now route enquiries directly to the staff member concerned, improving the service provided to the public and reducing demand on call handlers. This allows operators to concentrate on other call for service and improve our responsiveness to calls. This system is ready to go live over the coming weeks.

To provide the best possible service to victims of crime and reduce demand to front-line officers by resolving incidents and occurrences, a Crime Resolution Investigation Management team (CRIMt) has been created. This will relieve pressure on the 101 call handlers by removing the crime recording function from them to a dedicated team. This in turn will improve the quality of the initial response and investigation, ensuring a focus on vulnerability during that early contact and the improvement of crime recording compliance. It should also relieve the pressure on frontline response officers as the CRIMt will retain a certain proportion of investigations, investigating those matters themselves, rather than allocating to other frontline investigators. The CRIMt went live on 10th January 2022 and specific performance data will be available moving forward.

The results from a trial exercise on the South Division demonstrated an approximate 25% reduction in allocated demand to frontline staff through effective earlier resolution, including at the first point of contact, and during the early stages of an incident or investigation.

There is also a project reviewing all functions within the Contact Management Department and the Force Operations Room with a view to improving efficiency and performance. This is one of the force priorities. The Interactive Voice Response (IVR) is technology which supports the control room. It will help deliver more effective management of demand leading to better service through 101. Investment through the precept will be utilised to support this.

Operation Wintershield

Operation Wintershield uses intelligence to identify hot spot areas for knife and violent crime with a multi-agency approach to tackle the root causes of issues. This operation started in November 2021, with a planned end in February 2022.

The operation has observed joint working with local authority colleagues in the city, county and within the districts and boroughs through the Community Safety Partnerships, supported by Health, Education, Social Care, and charities involved in the reduction of knife crime and serious violence.

In the south of the county, there have been 28 pro-active arrests as of January 2022. There have also been a number of preventative engagement events put in place including a joint patrol strategy between the police and Derby City Social Care, with the objective of identifying vulnerable young people who are at risk of becoming involved in knife crime and serious youth violence. A youth forum has been established at Littleover

Community School, designed to capture the thoughts and views of young people about the issues that affect them directly. Collaboration has taken place between the police and youth services who facilitate discussions on the dangers of knife crime, peer pressure and what to do should they become aware of a young person carrying a knife or engaging in violence.

The force wide operation demonstrated a commitment to reducing knife crime and serious violence across the county, especially amongst vulnerable groups such as children and young people. Data analysis shows that since the start of Operation Wintershield there has been a reduction of 23% in serious violence across the force, as of January 2022. There has also been an increase in the number of weapons that have been located and seized.

We intend to continue to invest in tackling knife crime, ensuring a clear visible message of our partnership approach to tackle the threat and risk this poses within our communities.

Taser Training

The force is committed to ensuring it has sufficient officers trained in the use of Taser. With the uplift of police officers, we have plans to train 100 additional officers in the next year. This will ensure officers are spread throughout the county in the right roles, able to respond to the threats and risks they face.

Use of a Taser includes a Taser being drawn, a person having a Taser pointed at them or the Taser being deployed. Each event is scrutinised by the Taser Training Manager and Training Team. It is debriefed with the officer to ensure the use of force is proportionate and necessary, and any learning is shared with that individual and other trained officers. This process is further supported by external scrutiny via the Independent Advisory Group (IAG), using this platform to review use of Taser by reviewing body worn video, officer rationale and other relevant documentation.

Use of force has a defined force lead and governance structure, with Taser being a key aspect of attention under this umbrella area. The increase in precept will be vital in supporting capital investment in equipment and training to deliver our capability within the Constabulary.

Neighbourhood Crime and Anti-social Behaviour (ASB)

The force places real value on the role of our Safer Neighbourhood Teams (SNT), the visible and accessible policing presence they provide, and the partnership working they undertake to solve problems within our communities. We have invested in SNTs over the past few years and are committed to maintaining the team numbers striving to ensure we are a beacon of best practice in neighbourhood policing. It is our intention to use the precept funding to maintain the temporary increase of 20 PCSOs we were provided previously, and our intention is to find funding in the mainstream budget by the end of the financial year, through savings for reinvestment, so that these can become permanent posts and not a temporary increase. Recruitment of PCSOs is underway to ensure we can deliver this.

Safer Neighbourhood Teams

We have highlighted key activities for our neighbourhood teams to work towards alongside re-enforced priority setting for each local policing area. We map our communities to make sure we understand our local demographics, ensuring that we take all opportunities to engage, using the methods that best suit the needs of the individual.

Our SNTs support the Mini-Police and youth engagement projects, recognising the importance of the early years work and the impact this can have on our future engagement and safeguarding of young people. We will aim to use the precept and the permanency of the PCSO uplift to build on the work of mini-police and our Citizens in Policing programme, utilising one of these PCSO posts to co-ordinate this work.

We have recently increased support to our SNTs through the provision of 10 Neighbourhood Investigation Officers. This takes our total to 20 across the force providing each SNT with the dedicated resource to investigate and prosecute neighbourhood crimes, support civil orders, and reduce harm caused to our communities.

We want to continue to invest in these areas as we see the value this skill set brings to the reduction of crime and anti-social behaviour (ASB). We intend to invest in crime prevention training for all PCSOs and seek to ensure that all our SNTs undertake the nationally accredited neighbourhood policing training. Two of the uplifted PCSOs will become ASB Co-ordinators, seeking to standardise practice across the force and improve our response to ASB, recognising the harm this type of crime causes within communities.

Problem Solving

Over 3,000 staff and officers have been trained in problem solving throughout the last 12 months. This evidence-based approach highlights the opportunities to work with our communities and partners to identify recurring problems and implement long-term solutions to prevent the problems persisting; thereby reducing vulnerability and demand.

Staff from our Community Safety Partnerships have benefited from this training and our prevention and problem-solving co-ordinators continue to support and identify multi-agency opportunities to reduce crime.

We have seen some positive results in the force response to ASB, seeing a reduction in incidents and young people's involvement with police, by utilising early intervention processes.

Road Safety

Safety on our roads is important to the force and the public. Despite extensive partnership working to make our roads safer, deaths on our roads continue to rise.

The Roads Policing Unit (RPU) focus on the 'fatal four' offences; speeding, use of a mobile device whilst driving, impairment through alcohol or drugs and not wearing a seatbelt. The RPU deploy each day onto high risk roads and onto the strategic road network (SRN). Collision data, statistics, and traffic flow data are used help direct their patrols and improve road safety in Derbyshire.

Nationally and in Derbyshire we have seen an increase in deaths and serious injuries where one or more of the fatal four is a cause or contributory factor. Speeding offences across the county have risen sharply over the last two years despite national restrictions in response to the pandemic. In 2019 we recorded 40,000 speeding offences, in 2020 it was 50,000 and in 2021 we are expected to be close to 60,000. This is a pattern that is being observed nationally.

In 2021, the RPU attended 552 locations, completing 867 hours of proactive enforcement work. During the same period, the RPU issued 2307 verbal warnings and advice was issued in respect of speeding under the threshold for prosecution and 871 speeding tickets.

Several operations have been implemented, and continue to run, to improve road safety. Operation Koda targets drink and drug drivers, Operation Capture provide members of the public with the platform to upload footage of dangerous driving and other traffic offences and Operation Edgecombe targeted intervention and evidence gathering for future prosecutions of illegal car meetings, a trend that is increasing locally and nationally.

The Constabulary is planning to increase local work in this area in 2022 in conjunction with SNTs, particularly around seatbelt offences. There are also plans in place to expand partnership working by completing joint operations alongside Derbyshire Fire and Rescue Service (DFRS), the Driver and Vehicle Standards Agency and the Vehicle and Operating Services Agency.

There are many partnership campaigns and programmes in place, such as; 'Upright' and 'Biker Down' delivered in conjunction with the DFRS, 'Op Tramline' addressing offences such as using mobile phones and not wearing seatbelts, and 'Op Close Pass' to educate drivers to improve safety for all road users, educating road users to afford greater protection for motor bikers, cyclists and horse riders.

We need to invest in these areas with the precept to prevent serious injuries and road deaths in Derbyshire. This includes investment in vehicles, with additional off-road bikes to help tackle ASB related off-road bike complaints, and an unmarked/plain motorcycle to help tackle different forms of speeding behaviour and further support the Close Pass campaign. In addition, the force will use further investment to increase the

number of Community Speedwatch schemes in existence and to continue to support the Bike Safe Scheme which is aimed at reducing death and injury in motorcyclist on our roads.

A key element under fatal four work is drink driving, which requires the capability to provide roadside breath tests. The current equipment is outdated and needs replacing. The precept funding will be utilised to replace an additional 150 devices, providing excellent coverage in frontline vehicles.

Rural Crime

The force understands the impact that rural crime has on many of our communities. We are fortunate to have a well-established dedicated team of officers, staff, and volunteers to tackle the bespoke issues presented by this type of incident and criminality. We are committed to finding ways in increase the force capability and capacity to tackle rural crime.

The Rural Crime Team (RCT) work proactively, offering preventative support and advice, whilst managing investigations in response to intelligence and reported rural crime. Preventative advice has been delivered to the rural community, utilising a range of methods and problem management plans, to focus activity on issues such as acquisitive agricultural crime.

Throughout the pandemic, reported crimes relating to rural and wildlife have increased, with 434 crimes reported in 2020, against 190 in 2019. The close work with the rural communities, volunteer schemes such as Farm Watch, Horse Watch and Badger Watch, and formal partners has improved confidence in reporting and demonstrated the importance of this capability. This is further supported by training to the RCT staff in areas such as rural domestic abuse and improved reporting routes for the public, such as online contact.

The RCT support other agencies and charities, such as the 'Willow Project' which is supported by funding from the PCC, who specialise in providing support to victims of domestic abuse within rural communities, and the Peak District National Park Authority to tackle crime, disorder, and Anti-social Behaviour across the Peak National Park.

The force will continue to invest in the RCT, supporting campaigns, and developing ways to improve our capacity and capability to tackle rural crime.

Victim Support and Safeguarding

Providing the best policing service to vulnerable people is an incredibly important part of the service we deliver and a force priority. Vulnerability spans across all areas of policing, particularly areas of domestic abuse, stalking and harassment, serious sexual violence, missing people, exploitation, child abuse and online child protection. A central part of the forces vulnerability strategy is also our strong commitment to tackling Violence Against Women and Girls (VAWG).

There has continued to be an increase in demand across various strands of vulnerability. Domestic abuse now accounts for over 9% of all force recorded incidents and 22% of all recorded crime.

Significantly, domestic abuse crime has increased by 1,216 crimes in 2021, compared to 2020. The force is experiencing an increase of three additional domestic crimes every single day. Derbyshire Constabulary has dedicated teams who investigate all cases of high-risk domestic abuse. As a force we have sought to improve the quality of our risk assessments, to ensure cumulative risk is considered in cases of repeated abuse, as well as identifying wider risks towards children adversely impacted. As a result, the force has introduced a new Domestic Abuse Review Team (DART), which now provides an enhanced and consistent approach to risk assessments. Since its inception in November 2021, DART has reviewed 2,356 risk assessments, resulting in an additional 29 cases being escalated to high-risk. Our high-risk cases are supported by the Multi Agency Risk Assessment Conference (MARAC), which focuses on supporting victims of abuse and their children. As we continue to improve the quality of risk assessments, set against a landscape of increasing demand, this will continue to impact MARAC requirements as more high-risk cases are identified. The current multi-agency arrangements are under review to ensure it can meet current and anticipated demand, with likely investment required.

In addition, the force has invested in the nationally recognised DRIVE programme, a perpetrator focused programme that seeks to address offender behaviour by utilising a multi-agency approach to develop longer term outcomes. This was launched in May 2021 and is currently working with 49 perpetrators. There is an ambition to increase this to 100 by March 2022.

Stalking is an area of focus for Derbyshire with a 47% increase in stalking offences, which equates to an additional 1,000 crimes. This is higher than the 42% national average. Further investment is necessary to ensure the force has a co-ordinated approach to the early identification and risk mitigation of both domestic and non-domestic related stalking. The force intends to invest in this area, creating a Stalking Co-ordinator post. This will help ensure quality of investigations across the force and a consistently good service to victims of crime. It will also be used to maximise civil orders and other interventions, working closely with partners.

In relation to Child Protection arrangements, as a force we recognised that improvements are necessary, reinforced during the HMICFRS Inspection in early 2021, and are proactively reviewing our structures and practice in response. Child Abuse has seen a 48% increase over the last 12 months. Within this, the notable area of increase relates to reported child rape, where there has been a 78% increase. This equates to 307 reported cases which is an additional 172 cases when compared to the previous year. The force has restructured its approach to child abuse investigations, re-establishing specialist child investigation teams which consists of specialist officers, to provide an effective response to such investigations. Conversely, Online Child Protection continues to be a significant area of growth in terms of demand. As a service, referrals continue to originate from external agencies, such as the National Crime Agency, which had traditionally been the case, but we now see increasing reports from members of the public. The force has professionalised its response, developing a Protecting Children Online Team, whereby safeguarding is at the centre of its purpose. Investment has seen the unit double in size, however, as we continue to improve in this area further investment is necessary and planned, to ensure a consistently good service and continue to meet the increasing demand. Moving forwards, the impact on wider functions such as digital examinations, victim identification as well as the management of offender's post-conviction, needs to remain an area of focus if we are to keep pace with this area of vulnerability.

The force continues to tackle the real and credible threat around exploitation and the close link to missing children. Since 2019, Derbyshire's trend around reports of missing people has identified that approximately 15% of all children who go missing are assessed to be at risk of exploitation. As of 2021, this now sits at 20% which is above the national average of 9%. Furthermore, just under 20% of missing demand relates to repeat missing persons, in which 80% of this cohort are children. We are committed to focusing on safeguarding vulnerable cohorts and relentlessly tackling those who may be exploiting and subjecting them to harm. This has required new arrangements to be formed, and dedicated resources aligning into a force missing and exploitation function. Within this, a new single force Missing Persons Unit, consisting of dedicated staff, with embedded intelligence and analytical capability, is already being established. This will support investigations and the co-ordination of the force's response to missing persons. A continued focus on problem solving to reduce future risk will seek to identify and tackle root causes and by doing so reduce repeat occurrences. This will be supported by the creation of a Criminal Exploitation Team identifying vulnerable young people and adults at risk of being exploited for criminal purposes and working with partners to safeguard them and deal with perpetrators. Precept funding would be included as part of the investment in this team.

There continues to be a close connection between domestic abuse, stalking and child protection, in terms of how as a service we maximise opportunities for interventions through civil orders, such as Domestic Violence Protection Notices, Stalking Prevention Orders, Domestic Violence Disclosure Orders (DVDS) and Child Abuse Warning Notices (CAWN) to name a few. Our continued challenge is how we proactively manage and enforce breaches of such orders, which requires further investment to ensure a robust and consistent response that positively polices such orders to maximise safeguarding opportunities, reducing the reliance on victims and third parties in identifying such breaches. There are investment plans utilising the precept to do this. This will strengthen the system across intervention, protection, safeguarding, as well as enforcement.

VAWG

The force is working in partnership across Derbyshire to deliver a county wide partnership Violence Against Women and Girls (VAWG) strategy. This recognises that there are many elements to VAWG and not all can be tackled by policing alone. It requires larger societal change which is partnership driven. The force has put in place a number of changes to improve the confidence of women and girls in our policing services and to

improve how we tackle aspects of crime and offending which fall under VAWG. Some of the improvements include the changes in domestic abuse, and stalking processes that have been outlined above.

The Deputy Chief Constable is the strategic lead for VAWG, with a Chief Superintendent leading on the delivery of the work, supported by a Detective Chief Inspector. There are several initiatives already in place to create safer spaces for women and girls and to proactively target offenders, utilising national work under the National Police Chiefs Council lead for VAWG. The force will continue to invest in this area, through the precept. Some of these investments include the creation of teams to target those who breach protection orders and other measures designed to reduce risk towards victims, and the provision of additional officers working on Night-Time Economy patrols. These patrols would be a mixture of high profile and plain clothes patrols conducting checks of men seen loitering, following or harassing women and girls and using the full range of powers to address inappropriate behaviour including dispersal powers, proactive Criminal Behaviour Orders or arrests for harassment, public order or public nuisance. It is intended that these patrols are conducted with relevant partner agencies and supporting organisations.

Driving Efficiencies and Finance

It is important to ensure Derbyshire Constabulary is an efficient and effective force, which represents value for money. Over the past year the force has identified £3M of savings to reinvest or contribute to the funding gap despite the demand pressures faced. It is important that the force looks to itself to deliver its services, at less cost, before asking the Derbyshire public to support its funding. The force continues to have a lower than average net spend per head of population, reserves around 4% lower than the average for forces and consistently reports higher than average efficiency savings to the Home Office.

A dedicated Force Improvement Team has been established to manage a continual programme of work by identifying 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 which is overseen by a productivity and efficiency board.

The recent Spending Review announcement set out the Government's plans to increase investment in policing by £550m in 2022/23, increasing to £800m by 2024/25. This additional grant is intended to fund uplift, and also support additional costs in relation to employer's national insurance, pay and inflation. The £800m assumes £540m for completion of the Uplift Programme and its sustainability going forward. Derbyshire's share of the £550m grant increase in 2022/23 is an extra £7.47m (1.34%) in funding. The Spending Review also confirmed the flexibility for Police and Crime Commissioners to increase precept by up to £10 per property (Band D equivalent).

After considering all other cost pressures, the ability to increase the precept by £10 would give the Constabulary the opportunity to propose a £3m investment plan to strengthen policing in Derbyshire. The funding would provide for additional investment in critical policing services above those provided for by Central Government.

Looking further ahead to 2023/24, the Government has pledged to increase grant funding by a further £100m, with our share assumed to be £1.34m. With nearly 70% of this additional funding required for the ongoing costs of the Police Uplift programme, very little remains to cover the costs of pay and inflation. With increased risks of pay awards and inflation exceeding any increase in grant funding, combined with other escalating costs and investment in services, extra pressure is placed upon our Cost of Policing programme to help reduce the impact on key services and to minimise precept increases. It will therefore be essential that our Cost of Policing programme continues to direct resources to where they are needed.

Even with an assumption of a £10 precept increase in 2023/2024, the force is currently forecasting a budget deficit of £3.3m in 2023/24. This high-lights and emphasises that the financial surplus for 2022/23 can only be directed towards one-off non-recurring investment if we are to achieve a balanced budget in the longer-term.

We continue to invest in our estate. We know that buying and building new police stations sends a clear positive message to communities that we continue to intend to be visible within them. There has been a significant lack of investment in previous years, with a plan now in place to develop one public estate in a proportionate and efficient way to meet the needs of the people we serve. The precept increase is intended

to help fund some of the investment. For example, supporting the build and provision of two new neighbourhood bases in Killamarsh and Alfreton, and the sharing of space with partners, in Bolsover. This is part of the longer-term programme to improve the estate and ensure that there are visible resources in the right place and that SNTs can work within the footprint of their communities.

We have made considerable inroads in to the estate backlog with the delivery of our joint headquarters and training centre with Derbyshire Fire & Rescue Service and have also successfully co-located with Fire at eight sites around the County including at the new Ascot Drive Police Station.

Against the backdrop of COVID we have also established the estate baseline and developed comprehensive plans against which a programme of funding has been approved to address Chesterfield Divisional Headquarters, North Area Response, Chesterfield Custody, North West Policing and a rolling programme of SNT replacements.

This investment in estates will be supported by investment in technology. Whilst having a base in communities is important, we want officers and staff to be equipped to be able to carry out their roles, using technology whilst remaining present and visible within the community. The force has invested heavily in mobile technology for frontline staff. Some precept funding will be used to pilot different technology for response teams to determine if long-term investment will improve productivity and aid visibility.

The force has invested in digital data dashboards over the last few years via the Power BI platform. This has provided a better understanding of demand, a greater perspective on crime and incident trends and ready access to analytical capability.

Although there is a focus on embedding everyday use, the digital data dashboards are already helping to drive and focus operational delivery and provide support for improved strategic analysis.

Precept Recommendation

Commissioner, 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 Coronavirus pandemic when recommending the maximum precept increase available.

In modelling all of the precept options available to us, anything other than an increase of £10 is likely to yield a significant budget shortfall in 2023/2024, 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. This is within the context of the force delivering £3M of savings and efficiencies within the last year which provided opportunity for saving and reinvestment to sustain services as we move forward. This £3M matches the investment that would come from a £10 precept increase. 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 £10, will still lead to significant challenges for the 2023/24 financial year and beyond. I have carefully considered this, and I am confident that the areas discussed in this letter for immediate investment in 2022/23 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 £10 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 against our priorities, whilst protecting the 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.

Commissioner, anything other than a precept increase of £10 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 the Constabulary 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. I am asking for your support to be able to do this through maximising the funding available.

Yours sincerely,

A handwritten signature in black ink, consisting of a sharp upward peak followed by a wavy line that tapers off to the right.

Rachel Swann
Chief Constable

1. **BACKGROUND**

1.1 This report sets out the proposed Revenue Budget and Capital Programme for 2022/23, to allow a budget and council tax to be approved in accordance with legislative requirements. The following issues have been taken into consideration in preparing the budget requirements:

- a) The financial settlement from Government to the Police for 2022/23.
- b) The key principles underlying the Medium-Term Financial Strategy.
- c) Delivery of the Police and Crime Plan for Derbyshire.
- d) Allocation of resources against threat, risk and demand.
- e) Force priorities.
- f) The options for the Council Tax precept.
- g) Force Reserves.

2. **THREE YEAR SPENDING REVIEW HEADLINES**

2.1 The Governments Spending Review, which confirmed departmental budgets up to 2024/25, will provide financial certainty and stability to allow for longer-term, strategic financial planning. This will enable the completion and maintenance of the 20,000 additional officers recruited as part of the Police Uplift Programme.

2.2 The settlement for 2022/23 provides a total of up to £16.9 billion for policing in 2022/23, an increase of up to £1.1 billion on the 2021/22 funding settlement. Available funding to Police and Crime Commissioners (PCCs) will increase by up to an additional £796 million in 2022/23, including local flexibility to increase council tax precept. This increase is broken down as follows:

- A £550 million increase in Government grant funding to PCCs. This additional funding will support the final year of the Police Uplift Programme. This funding will be allocated according to funding formula shares and £135 million of this will be ringfenced and paid out in line with progress on recruitment.
 - Up to £246 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 £10 for a Band D equivalent property.
-

- 2.3 The Government has also reaffirmed its commitment to recruit a further 8,000 officers as part of the final year of the Police Uplift Programme. The additional officers to be recruited will be allocated based on the forces' share of the core grant under the police funding formula.

3. THE FUNDING SETTLEMENT TO DERBYSHIRE

- 3.1 The government grant settlement and precept flexibility allowed for up to a £10 increase for a Band D property, (equivalent to a 4.14% increase, or less than 20 pence a week for a Band D property).
- 3.2 £10 provides an extra £4.5m of additional income to Derbyshire through council tax, bringing council tax funding to £82.3m.
- 3.3 The Constabulary has received £7.5m through its Core Grant in 2022/23 to support Derbyshire's share of the extra 20,000 police officers announced by the Government, with a further £1.9m performance related ring-fenced payment linked to achievement of the government's targets. This will fund 113 additional officers in 2022/23 as part of the wider national uplift, that will see 283 officers added to our establishment by 31 March 2023.
- 3.4 Overall funding of £212.259m, based on a £10 precept increase. This sees our funding increase by 6.0% between 2021/22 and 2022/2, allowing for a technical adjustment to the 2021/22 baseline relating to Special Branch funding.

More detailed assumptions are covered later in the report.

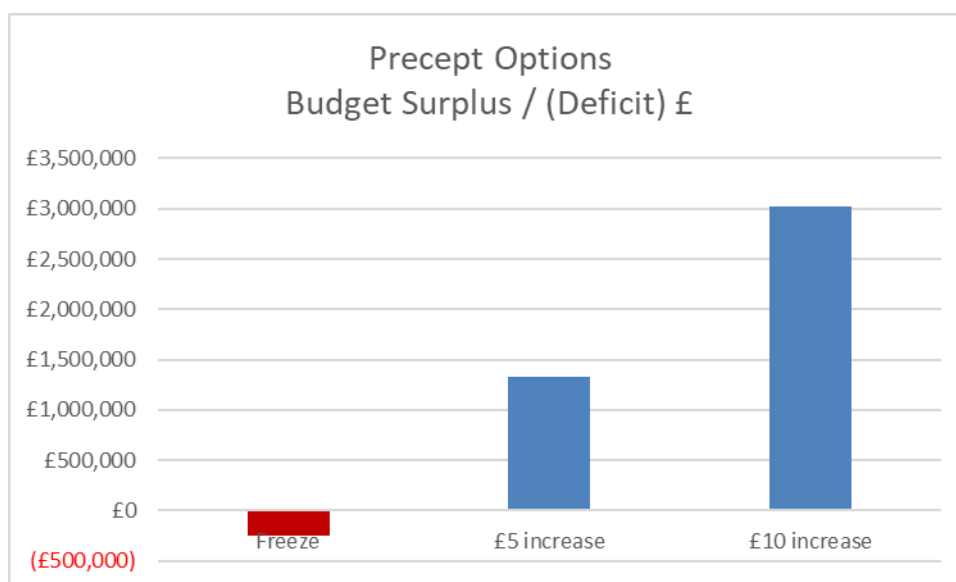
Our Precept Options

- 3.5 With precept flexibility to set Council Tax increases of up to £10 (per Band D Property), scenarios based upon 3 options of a council tax freeze and a £5 and a £10 increase have been considered. The following table shows the additional revenue raised from each precept option combined with the increase in the taxbase. The taxbase increase is estimated to be 1.6%, raising an additional £1.250m in revenue. In the case of the 'freeze' option, the additional income arises solely from the projected increase in the taxbase.
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High level analysis of 2022/23 precept options

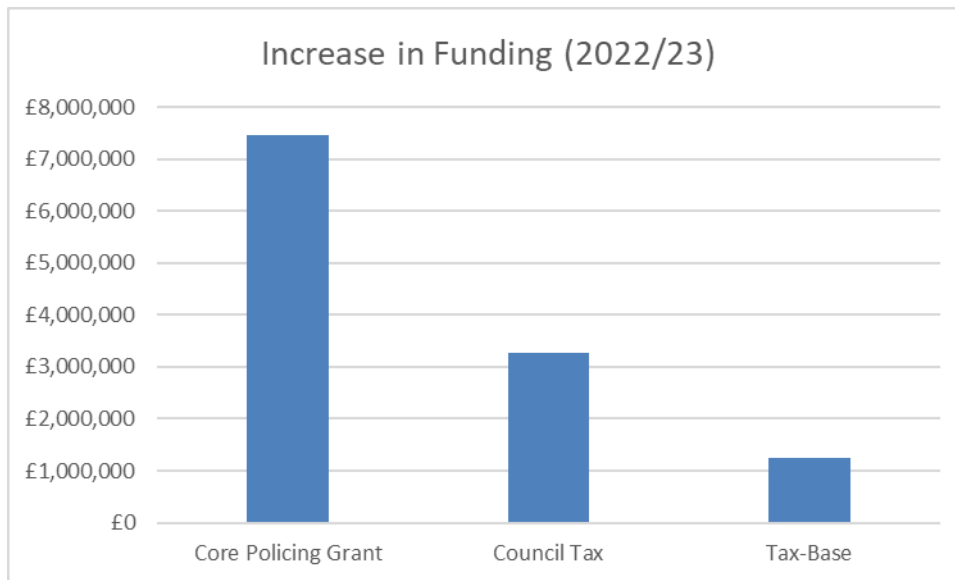
Precept Increase (£ per yr)	Band D 2022/23 (£ per yr.)	Precept Increase (%)	Generates an Additional (£ per year)
£0	241.6	0.00%	1,250,401
£5.00	246.6	2.07%	2,886,410
£10.00	251.6	4.14%	4,522,419

- 3.6 When combined with the Government grants, the options for Precept increases have varying impacts on our overall budget position for 2022/23. A precept freeze would result in a budget shortfall of £0.255m, whereas a £10 (4.14%) increase would yield a potential budget surplus of £3.016m, which could be invested in policing priorities.



Our Overall Funding

- 3.7 The provisional police funding settlement, combined with a £10 increase in precept for a Band D property in 2022/23 together with the increase in the tax-base will provide the Police and Crime Commissioner with available funding of **£212.259m**. This would represent an increase of £12.0m (6.0%).



- 3.8 This increased investment will ensure that the force is able to maintain our operational policing capabilities, to build upon the progress made so far 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.
- 3.9 The option to set a precept increase at £10 would yield a potential surplus of **£3.016m** (1.44% of net budget) in 2022/23. This will provide much need additional investment that will allow the Constabulary to meet increased demands on its services and to strengthen policing in Derbyshire, demonstrating the Constabulary's commitment to deliver responsive policing across our communities with a sound and sustainable budget.
- 3.10 We know from our future funding projections that the budget surplus for 2022/23 is only a temporary position, with budget deficits predicted in the three following years (2023/24 to 2025/26). Whilst the extra precept funding (from a £10 increase) in 2022/23 will help to reduce these future deficits, it requires careful consideration as to how any temporary surplus should be invested, so that our base budget requirement does lead to increased budget shortfalls in future years. For this purpose, the use of the surplus is being targeted towards one-off non-recurring investments.
- 3.11 A number of Investment Plans are being considered by the Chief Constable in consultation with the Police and Crime Commissioner (PCC). These are highlighted in the prefaces from the Chief Constable and the PCC (and summarised in para 3.13) and it is intended that investment will be focused upon expanding upon our current capacities and capabilities with a series of one-off expenditure, to directly address our areas of identified threat and risk and improve

our services to the public. Areas of our policing that are being considered for additional investment and an uplift in services are shown in the following table.

Ref	Police & Crime Commissioner's Investment Plan (Funded from 2022/23 Precept)	FORCE PRIORITIES							POLICE & CRIME PLAN					Cost (£)	
		Vulnerability	Fighting Crime	Our People	Prevention/Partnerships	Responsive/Visible Policing	Service to the Public	Trust & Legitimacy	Strong Local Policing	Rural Crime	Road Safety	Neighbourhood Crime / ASB	Victim Support & Safeguarding		Driving Efficiency
1	VULNERABILITY & FIGHTING CRIME- CRIME SUPPORT	✓	✓									✓		142,000	
2	VISIBILITY AND SAFER NEIGHBOURHOOD POLICING	✓	✓	✓	✓	✓		✓			✓			531,000	
3	RURAL CRIME TEAM		✓		✓	✓		✓	✓		✓			Budget Re-prioritisation	
4	ROADS POLICING		✓	✓		✓		✓		✓				223,000	
5	FIGHTING CRIME (KNIFE CRIME)		✓		✓			✓			✓			30,000	
6	SERVICES TO THE PUBLIC - CONTROL ROOM					✓	✓	✓			✓		✓	176,000	
7	VIOLENCE AGAINST WOMEN AND GIRLS	✓	✓	✓	✓		✓					✓		155,000	
8	ENABLING DELIVERY – RECRUITMENT AND TRAINING		✓	✓		✓		✓		✓	✓			200,000	
9	HR - EMPLOYEE RELATIONS / WORKFORCE PLANNING		✓	✓		✓		✓					✓	130,000	
10	PSU TRAINING	✓	✓	✓	✓			✓			✓		✓	150,000	
11	RESPONSIVE & VISIBLE POLICING - ESTATES		✓	✓		✓		✓			✓		✓	1,129,000	
12	VEHICLE TELEMATICS		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	150,000	
	TOTAL	4	11	8	6	8	3	1	10	2	3	8	2	3	3,016,000

3.12 All of the above must be seen within the current economic and social conditions that our communities find themselves. The public, through the Police & Crime Panel and via consultation from the Office of the Police and Crime Commissioner, must support any request to increase the annual precept. This is by no means certain, and as such we must be mindful of addressing some, or all, of the issues that our communities find important, whilst addressing the threat and risk evidenced in the Force Management Statement.

3.13 With a £10 precept increase, equivalent to over £3m, we can:

- provide permanent funding for 20 Police Community Support Officers with additional training to deal with anti-social behaviour and a focus on crime prevention. These were only previously funded through to July 2022 but the investment now enables us to maintain our commitment to addressing neighbourhood crime and anti-social behaviour. We will utilise these to support our Citizens in Policing and Mini Police Programmes, enabling closer work with our communities and early positive engagement with young people. We will also

utilise these posts to co-ordinate our approach to tackle ASB, and ensure we work effectively with partners, utilising all tools available such as civil orders. We will train all PCSOs in crime prevention and ensure all Safer Neighbourhood Staff are training and equipped to undertake this role. These roles will also be used to provide an increase in resourcing to the Rural Crime Team. We will provide additional resources to protect the vulnerable through a dedicated Missing Persons and Exploitation Unit and direct additional resources into tackling Rural Crime and Road Safety at the same time as providing a greater pursuit capacity and capability across the county, increased off road capability and continual support and commitment to fatal four initiatives to target both the criminal use of our roads and to make our roads safer.

- We will improve the service to the public through increased investment in our Control Room staffing and technology to improve public access and reduce 999 and 101 call waiting times. We will continue to work with partners to tackle Violence against Women and Girls (VAWG) through increased night time economy patrols, and provide officer training in this area.
 - Through further work with our partners and the creation of dedicated roles, we will provide improved services to protect the vulnerable, support victims and safeguarding and target criminals to maximise civil orders and interventions, focusing on those who breach such intervention with particular focus on stalking.
 - We will direct additional funding and resources to our workforce and facilities to help manage the national Police Officer Uplift Programme to support strong visible local policing and to optimise the retention of key skills and resources across the Force.
 - We will continue with our ambitious estates Programme to ensure that our buildings are fit for purpose, based within our communities with over £1.1m of funding directed to provide new locations for Safer Neighbourhood Teams.
 - We will continue to increase police officer training in the use of tasers to ensure that our workforce is equipped to deal with the threats and risks they face.
 - We will continue to robustly and visibly tackle the harm that knife crime causes in our communities.
 - We will also ensure we direct resources into 'spend to save' initiatives such as vehicle telematics, to monitor our fleet usage, to improve its utilisation, reduce operating costs and reduce our carbon footprint. We will provide dedicated in
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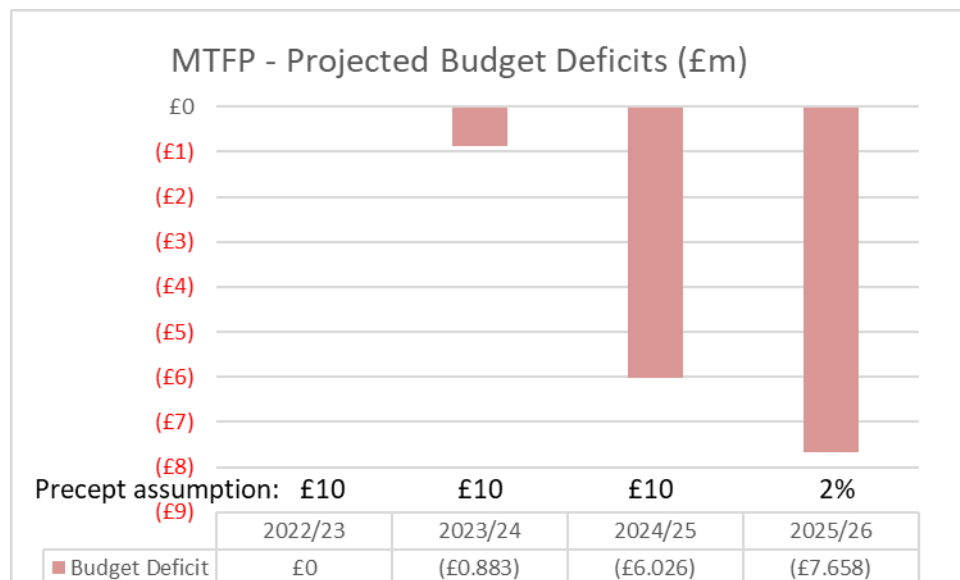
house training provision on how to deal with violent offenders. This will make sure we deliver on the commitment to the public to drive efficiencies and provide value for money to council tax payers.

- 3.14 In line with our commitment to reduce any future burden on precept increases, £2.4m of the Investment Plan relates to one-off expenditure, with £635k being built into the base budget to ensure that the ongoing cost of the 20 PCSO's is funded.
- 3.15 We will be able to continue to increase our police officer numbers with a further planned increase of 113 officers by March 2023. This follows on from our investment of 85 officers in both 2020/21 and 2021/22, meeting our commitment to recruit the 283 extra officers by 2022/23 as our share of the 20,000 announced nationally by the government.
- 3.16 Careful financial management over the last few years has also allowed us to continue our investment in our people and technology, including early adoption of the National Enabling Programme (NEP), which continues to deliver real benefits to improve our information sharing and productivity to the front line. These proposals build upon our commitment to ensure that investment is directed to priority areas and remains sustainable, but also to provide sufficient investment to meet new legislative requirements and emerging threat and risks.

Our Challenges in the Medium Term

- 3.17 The extra government funding announced for forces through the grant settlement, combined with the flexibility to increase precept by up to £10 per property are by no means a permanent solution to our funding challenges. However, the settlement for 2022/23 provides a stable foundation to continue our commitment to improve policing across Derbyshire. The underlying budget pressures remain, with further costs and uncertainties in relation to pension remedy and pension liabilities, essential investment in the Estates plan, transition to the Emergency Services Network (ESN) all combined with increased costs for pay and inflation. The announcement of the Policing Grant increasing by £100m for 2023/24 and £150m in 2024/25 allows us to forecast with greater certainty our share of future Government funding and our predicted financial position for the following four years, albeit with reduced increases compared to previous years.
- 3.18 The Medium-Term Financial Plan (MTFP) forecasts future years budget requirements based upon our funding and spending assumptions. The following
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charts show the cumulative budget positions for each precept scenario and demonstrates how decisions taken now will affect the level of future funding resources. Whilst a £10 precept increase now will soften the impact on future budget positions, there will still remain significant challenges to address our budget gaps beyond 2023/24, even with the assumption of continued precept increases up to the maximum permitted levels to 2024/25.



3.19 From prioritising the 2022/23 Investment Plans to areas of one-off expenditure the budget gap in 2023/24 is minimised and forecast to be £0.883m. A force Savings Plan will be managed through the Productivity and Efficiency Board to set out where and how these savings will be achieved, with the Cost of Policing Programme driving efficiencies alongside continued good financial management.

3.20 Significant cost pressures are forecast from 2024/25 to fund the necessary investment in our estate and buildings, together with the inclusion of a 5% (£4.0m) projected increase in employer pension contributions. It is projected that the on-going cost of higher pension benefits as a result of the Pensions Remedy, arising from the McCloud Sargent case, will be built into the scheme valuation process and reflected in the 2024/25 employer and employee contribution rates. The impact of such increases has been submitted to Home Office by the National Police Chiefs Council (NPCC) as part of the Spending Review submission and whilst it is hoped that significant funding would be made available to meet this significant cost it is advisable to recognise the risk of an increase in on-going pension costs within our medium-term financial plans. It is important to highlight that, even with any Government protection to support future pension remedy costs, it will still require a

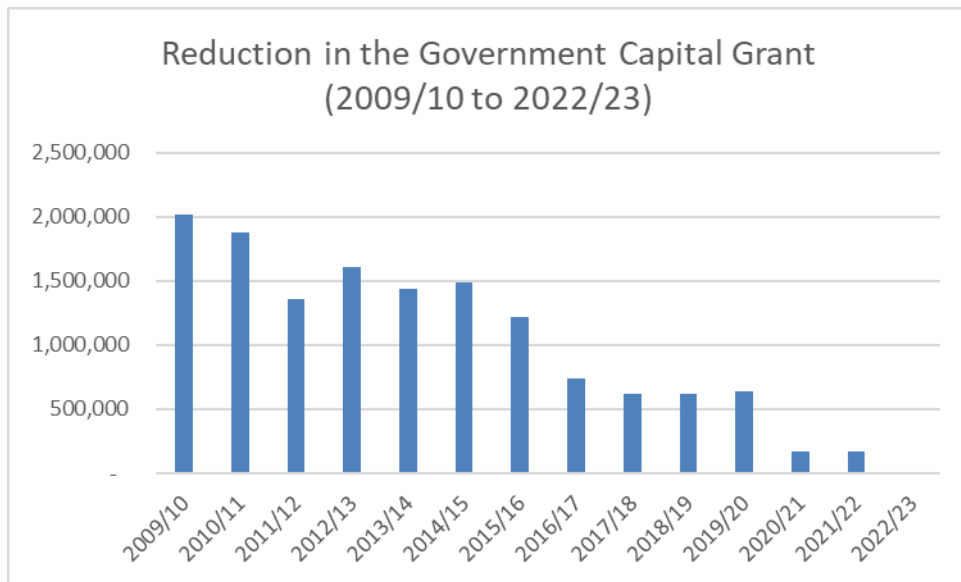
robust savings and efficiency plan to help address significant future budget gaps from 2024/25.

Our Plans to Address Them

- 3.21 We will continue to progress the 'Cost of Policing' resource allocation process to ensure that our resources are appropriately allocated to our services based upon a model that considers threat, risk and harm and are aligned to our force priorities and the Police and Crime Plan. The Productivity and Efficiency Board will deliver a longer-term savings plan that helps to reduce overheads, delivers continuous improvement and achieves both cashable and non-cashable savings to help towards achieving a balanced budget.

Our Capital Programme

- 3.22 We have increased our already significant contribution to our capital programme from the revenue budget by a further £0.167m. This will see our revenue contribution increase to £3.439m for 2022/23. The £0.167m increase replaces Government grant funding for Capital which has been steadily decreasing since 2009/10 and is now to be withdrawn completely in 2022/23. The contribution from the revenue budget will help to reduce the amount of borrowing that is required.
- 3.23 Our 4 Year Capital Programme (2022/26) includes over £67m of investment into our Estate, including £8m for locations for Safer Neighbourhood Teams, £35m towards a new Divisional HQ in the North, £12m for the North West Division and £9m to replace older buildings within our HQ site. This will ensure that we can continue to deliver a fit for purpose police estate and infrastructure that aims to deliver longer term efficiencies, that provides the best fit for operational service delivery and partnerships at every level, whilst contributing towards achieving our Environmental Sustainability Strategy.
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Our Business Case

- 3.24 Derbyshire continues to be a safe County and the investment last year into our priority areas is having a real positive impact. The preface from the Chief Constable includes the positive impact of previous investment. The Force continues to meet the Home Office tests to allow it to increase its precept. Reserves are below the average for Forces nationwide, procurement savings targets set by the Home Office are being met, income generated by the Force is above the national average and the Force maintains a low cost per head of population when compared with other Forces.
- 3.25 With the proposed additional investment from a £10 precept being targeted towards the Commissioner's Police and Crime Plan and Force Priorities, it provides a major opportunity for the Force to continue to make Derbyshire safer together.

4 THE NATIONAL PICTURE

WHAT'S HAPPENED THIS YEAR?

4.1 The Home Office published a provisional settlement for 2022/23 on 16 December 2021 on which it has requested feedback from stakeholders. The deadline for submissions to the consultation was set at 14 January 2022. The settlement followed the first three year Spending Review for several years and was announced against a mixed economic backdrop. While the landscape had been gradually improving following the phased re-opening of the economy, significant difficulties remain. Inflation is a major concern and has already reached the 5% figure, which the Bank of England had predicted to occur during 2022. In addition, further waves of coronavirus may potentially see the re-introduction of lockdown measures and there is still uncertainty around the impact of Brexit.

4.2 The key headlines announced in the provisional settlement are set out below:

- Core Grant, including ring-fenced amounts for the Police Uplift Programme and Pensions Support, increases from £9.1bn to £9.6bn a difference of £548.9m or 6.1%;
- Within this total a ring-fenced grant of £135m is made available to support year 3 of the PUP (a target to recruit an additional 8,000 officers);
- A further £142.6m is ring-fenced for Pension Support which is frozen at the 2020/21 level.
- The uplift of 8,000 additional officers is to include 425 officers to strengthen policing's presence in Regional Organised Crime Units (ROCU's).
- £10 precept flexibility for all PCC's or equivalent;
- A £340.2m (33%) increase in reallocations of funding to the centre from £1.03bn in 2021/22 to £1.37bn in 2022/23.
- Capital grant funding to PCC's has been stopped
- £188.1m capital funding for national priorities and infrastructure is included within re-allocations.

5. **WHAT ELSE DO WE THINK WILL IMPACT ON US?**

The Impact of COVID 19

- 5.1 The COVID 19 Pandemic has resulted in unprecedented uncertainty on public finances and the finances of the Constabulary, both in terms of additional costs and income streams. This uncertainty has continued throughout 2021/22 as further variants of the virus continue to emerge and is now expected to have a financial impact into 2022/23. The budget proposals have been calculated based upon the best available information with regards to the impact that the pandemic is likely to have on our services and Policing's continued response to help contain the virus.
- 5.2 Since the outbreak of the Covid pandemic in March 2020, the Force has responded with a commitment to protect the public, working closely with partners across Derby and Derbyshire to help mitigate the impact of Coronavirus within our communities. This has brought about unprecedented challenges for our officers and staff. New working practices have been adapted and implemented to ensure that our workforce has the necessary equipment and support to perform their roles safely, whilst continuing to tackle crime and keeping communities safe.
- 5.3 A Covid related Reserve Fund has been established to cover future costs, income losses and any financial loss thorough lower Council Tax collection rates. This is to be a ringfenced reserve through until 2023/24.

Reallocations of funding

- 5.4 In 2022/23 the top-slices/reallocations from total Police Service funding will be £1.37bn, £340m more than last year. Primarily this difference comes from an increase in Police Technology Programmes at £121.8m with an additional £325m going to new programmes, including Police and CJS Performance, Crime Reduction Programmes, Crime Reduction Capabilities, Rape Review, Drugs / County Lines, Capital Reallocations and Fraud. The table below shows the allocations for 2022/23:

Police Funding - National Reallocations	2022/23 £m
PFI (Private Finance Initiative(s))	71.6
Police technology programmes	606.5
Arm's length bodies	68.7
Police Uplift Programme	12
Forensics	25.6
Top-ups to NCA and ROCUs	33.2
National Capability Programmes	65
Serious Violence	50.1
Special Grant	62.4
Crime Reduction Programmes / Capabilities	59.3
Capital Re-allocations	188.1
Other	131.2
Total Reallocations and Adjustments	1,373.70

Council Tax Referendum Principles

- 5.5 The Written Ministerial Statement accompanying the provisional settlement confirmed the proposed council tax referendum principles announced within the Spending Review 2021. These propose that PCCs will be able to increase their relevant basic amount of council tax by **up to £10** in 2022/23, and in the following 2 years, without the need to call for a local referendum.

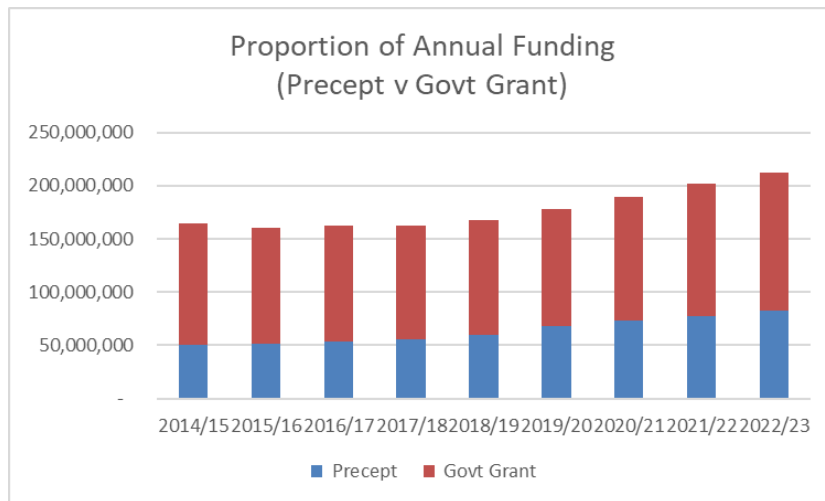
Grant Allocation

- 5.6 The settlement confirms that the PCC will receive the following grants in 2022/23:

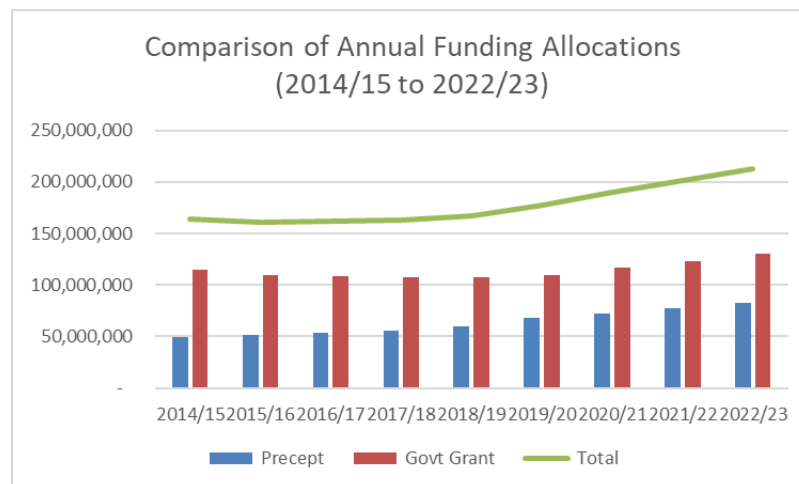
Derbyshire Allocations	2021/22 £m	2022/23 £m	Change £m
Home Office Police Grant	72.1	76	3.9
Ex DCLG1 Formula Funding	42.7	45.2	2.5
Sub-total	114.8	121.2	6.4
Council Tax Grants	10	8.7	-1.3
Total – General Funding Grants	124.8	129.9	5.1
Pension Support Grant	1.9	1.9	-
Police Uplift Programme Grant	1.4	1.9	0.5
Total – All Police Grants	128.1	133.7	5.6

- 5.7 Under accounting rules, the Pension Support grant and the Uplift Programme grant are treated as income within the overall budget requirement. In addition to these funding streams the PCC receives a grant from the Ministry of Justice to fund victim and witness services. For 2022/23 the PCC awaits the final announced figure but has assumed £1.284m at the time of writing (£1.284m in 2021/22).

5.8 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 nearly 40% of our budget funded through Council Tax compared to 30% in 2014/15.



5.9 A year on year comparison of our funding sources shows how Government Grant has only increased by 13% since 2014/15, largely as a direct result of grant reductions and spending cuts. During the same period, the Net Revenue Budget for the Force has increased by 29% from £164.7m to £212.3m, placing a greater reliance upon precept as a means of balancing the budget, with precept income increasing by 65% from £49.9m to £82.3m.



6. VALUE FOR MONEY

6.1 The Constabulary continues to demonstrate value for money and performs well in national comparators. The most recent procurement data shows cashable savings of £0.301m for 2020/21 and a further £0.349m since April 2021. The Constabulary also plays a significant role in supporting the National Enabling Programme (NEP) and the Police Digital Service (PDS), both of which drive VFM. Through NEP the Constabulary has delivered cashable savings of £0.786m plus a further £1.979m of non-cashable savings alongside £0.245m of savings from the PDS.

A review of 'good financial management' arrangements across our services has resulted in budget reductions of £2.9m from the 2022/23 Budget. This has been achieved without any detrimental impact on our service delivery. These savings have helped to reduce the base budget requirement and contributed towards a budget position that sustains critical investment in services whilst creating funding towards one-off investment proposals.

Description	£m
Other Approved changes in Officers / Staff	(280,200)
Removal of Police Staff Posts	(30,900)
Injury Allowances	(72,000)
Changes in Estate / Fleet running Costs	(72,100)
Travel Savings re Covid Pandemic	(74,400)
Reduction in Mobile Phones	(30,000)
Reduction in Photocopying Contract	(20,000)
Infrastructure Maintenance	(94,000)
Insurance Premiums	(412,900)
New Interpreters Contract	(30,000)
Misc. - Supplies & Services	(26,200)
PFI MRP Review	(983,500)
Increase Profit Share on Police / Fire LLP	(100,000)
Income Review	(329,300)
Partnership Review	(57,900)
Reduction in OPCC costs	(47,100)
Reduction Of Op Priorities funding base budget	(272,813)
Total Budget Reductions	(2,933,313)

Further cashable savings are planned through the Agile Working project and Project Evolve, to optimise further business benefits working with Office 365 productivity tools.

6.2 Income Generation

6.2.1 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. The NPCCs key principle is ensuring that Forces can properly balance resources to provide a level of policing that is fit for purpose by making appropriate decisions on when and what to charge for police services within the current legal framework.

6.2.2 In October 2021, the force approached CIPFA to undertake an assessment of where Derbyshire are compared to others and to identify any significant opportunities in respect of Income Generation.

6.2.3 Based upon Police Objective Analysis returns for the three year period 2018/19 to 2020/21, the review found that Derbyshire Constabulary performed better than the average of all forces and significantly outperformed other forces for income generated per officer.

TOTAL INCOME FOR AN AVERAGE FORCE REPORTING		
	Average	Derbyshire
	£000's	£000's
2018/19	22588	22751
2019/20	24573	24819
2020/21	19532	27380

6.2.4 The review concluded that overall, the Force gains more total income than the average Force.

6.3 The collaboration with Derbyshire Fire and Rescue Service continues to demonstrate ongoing benefits and opportunities for savings and closer working and the work through the East Midlands Special Operations Unit (EMSOU) also maximises the resources for specialist policing operations. Collaboration with DFRS continues where opportunities arise including the following areas during the past twelve months:

- Implementation of a joint transport system
- Joint contracts for Treasury Management, banking and travel advice Joint Property team and helpdesk
- Joint Maintenance, Design, Contractor frameworks

- Continuation of co-location projects
- Police procurement support for Fire BA replacement, fleet and HR system replacement with £0.436m of contracts procured for Fire and £1.816m of joint contracts.

7. WHAT ASSUMPTIONS HAVE WE MADE? WHAT COSTS DO WE NEED TO COVER? WHAT INVESTMENT DO WE NEED TO MAKE?

Assumptions

- 7.1 The proposals developed for the budget ensure that resources remain committed towards priority service areas, the delivery of the strategic objectives contained in the Police and Crime Plan and meeting our Strategic Policing Requirement.
- 7.2 In developing and refining the budget and the forecasts the following underlying assumptions have been made:
- The public sector pay freeze implemented for 2021/22 will end in 2022/23, as announced in the Chancellor's Spending Review 2021. Taking into account current and forecast levels of inflations, a 3% pay award has been allowed for in 2022/23, followed by a 2.0% award in each of the following 3 years. Any pay settlement in excess of this assumption would be funded from reserves in the short term.
 - As announced in Spending Review 2021, employer's National Insurance contributions will increase by 1.25% from April 2021, funding for which is to be met from the overall Police Settlement
 - An increase in council tax precept of £10 in 2022/23 (4.14%) and for the following two years, reverting to 2% in 2025/26.
 - Derbyshire's Council Tax base increases by 1.6% in 2022/23 and by 1.5% per year in each of the next three years. The increase for 2022/23 is based on provisional figures provided by billing authorities.
 - As part of Spending Review 2021 grant funding increases for Police Forces were announced for a further two years, 2023/24 and 2024/25. Whereas the increase for 2022/23 over 2021/22 is £550m, those announced for the next two years are £100m and £150m respectively. If these amounts were distributed

according to current formula shares, this would give grant increases of 1.0% and 1.6% for Derbyshire in the two years following 2022/23.

- The Home Office will continue to provide funding towards the Regional and Organised Crime Units (ROCU's).
- The transfer of Special Branch costs to a specific Counter-Terrorism funding stream is now being implemented from April 2022.
- An assumption that there will be some flexibility in managing the increase in police officer numbers with budget provided for the additional 113 officers to be recruited evenly throughout the year.
- Continuing provision will be needed for support and other costs associated with the Police Uplift Programme. £1.0m per annum has been built into the budget for these costs, £0.259m of which is currently unallocated.
- No provision has been made at this stage for any changes to the national Police Funding Formula.
- As advised by the NPCC's lead on pensions, it is recognised that employer pension contribution rates may increase by up to 10% from 2024/25 as a result of higher benefits being payable following the McCloud case. A 5% increase has been allowed for in the MTFP, with an expectation that government assistance will be made available similar to the Police Officer pension increase.

Inflation

- 7.3 This additional cost does not relate to any increase in service but is required just to maintain the existing base level of service and pay commitments. General inflation, as measured by the official national statistic of CPI-H has risen from an annual rate of 0.9% in January 2021 to 4.6% in November, the highest it has been for over 13 years. The Bank of England is forecasting that CPI will peak at around 5% by April 2022.
- 7.4 The impact of inflation on the Constabulary's costs has been assessed for key budget headings, and it has been considered prudent to add £1.590m into the 2022/23 budget for non-pay inflationary cost pressures. This includes £0.543m for premises utility costs (65%) and £0.134m for vehicle fuel (14%).

Costs We Have to Cover

- 7.5 These are items within the budget which are committed to by means of previous decisions taken, national agreements or statutory payments. The main significant

changes that have occurred in this section for 2022/23 include:

Description	£m
Pay Awards	2.711
Increase in Employer's National Insurance	1.385
Specific Price Inflation	1.59
Contributions to regional policing	0.275
Total unavoidable costs	5,961

Maintaining, Sustaining and Supporting

- 7.6 A significant part of the 22/23 budget increase relates to costs that are required to both improve and maintain performance, to meet the Commissioner's and Constabulary's priorities and to meet the growing demands on the Constabulary. The significant budget increases are identified below:

Description	£m
<i>Maintaining and sustaining investment</i>	
Additional Police Officers funded through the Police Uplift Programme	2.979
Body-Worn Video – enhanced data storage	0.053
Upgrade to NICHE system	0.102
Other IT systems	0.039
Uniforms and Specialist Equipment	0.081
Revenue Support for Capital Investment (debt charges and RCCO)	0.383
PCC Grants & Commissioning – net of partner contributions	0.134
Total	3.771

Description	£m
<i>Other areas of investment to support the front line and the vulnerable</i>	
Increases to Police Staff establishment / amended vacancy factors	0.326
Officer and Staff Overtime	0.376
Firearms / Taser training	0.178
Extension of FME contract at the Sexual Assault Referral Centre	0.083
Special Crime Expenses	0.100
Vehicle Recovery activity	0.098
Other Investments and Business Cases	1.000
Total	2.161

These investments and cost-pressures are also shown in **Annex A**.

8. Our Force Priorities

The baseline budget for 2022/23 has been designed to ensure that we align our financial resources against the Force Strategic Priorities and the PCC's Police and Crime Plan.



The Workforce Strength

The table below provides a summary of the changes to the funded establishment built into the 2022/23 revenue budget including the uplift from the Governments proposed grant for extra Police Officers:

FTE's	Police Officers	PCSO'S	Police Staff	Total Staff	Total
2021/22 Funded Posts – Precept Report	1,918	199	1,419.80	1,618.80	3,536.80
Additional uplift officers allocated by the Home Office during 2021/22	2				2
2022/23 Uplift Officers	113				113
Special Branch officers / staff moved to externally funded establishment	-16		-4	-4	-20
Temporary OPCC staff			2	2	2
Operational Priorities Fund – additional CMARC operators			14	14	14
Operational Priorities Fund – additional Neighbourhood Investigation Officers			9	9	9
Operational Priorities Fund – Business Architect and IS Installation Technician			2	2	2
Training and Positive Action posts from Uplift Implementation Fund			5	5	5
Learning & Development Staff transferred from region			3.5	3.5	2.5
Other Police Staff changes			2.3	2.3	2.3
Projected 2022/23 Funded Posts – Precept Report	2,017	199	1453.6	1652.6	3669.6

- 4 of the 85 uplift posts recruited in 2021/22 were allocated to the East Midlands ROCU. Derbyshire's share of a further 54 officers to be allocated to the ROCU over the next 2 years will be taken from the 113 uplift officers to be recruited in 2022/23.

9. WHAT IS THE EXPECTED OUTCOME? - 2022/23 DRAFT BUDGET SUMMARY

9.1 The tables below provide a summary of the 2022/23 draft revenue budget showing a high-level split of the overall budget 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 2022/23 for the **Office of the Police and Crime Commissioner** is summarised in the table below:

Office of the Police and Crime Commissioner	Approved Budget 2021/22 (£m)	Draft Budget 2022/23 (£m)
Commissioner's Office	1.353	1.346
Crime Prevention Fund	0.275	0.275
Community Safety Fund	1.839	2.054
Victim and Witness Services	1.727	1.979

Other Partnership Contributions	0.036	-
Sub-Total	5.230	5.654
Revenue Contributions to Capital	3.272	3.439
Debt Charges	0.688	1.674
Interest Receipts	(0.010)	(0.010)
Sub-total	9.180	10.757
Contribution from Reserves	(0.100)	(0.100)
Contribution to Reserves	1.324	0.003
Grant from the Ministry of Justice (estimate)	(1.284)	(1.284)
Local Authority Contributions	(0.628)	(0.941)
Net Budget Requirement	8.492	8.435

9.3 The proposed draft budget for the **Chief Constable** is set out in the table below:

Chief Constable	Approved Budget 2021/22 (£m)	Draft Budget 2022/23 (£m)
Derbyshire Constabulary	183.194	190.432
East Midlands Collaboration	9.727	10.211
BCU Fund	0.318	0.318
Partnerships	0.607	0.549
Operational Priorities Fund *	1.334	-
Sub-total	195.180	201.510
Contributions from Reserves	(1.042)	(0.703)
Net Budget Requirement	194.138	200.807

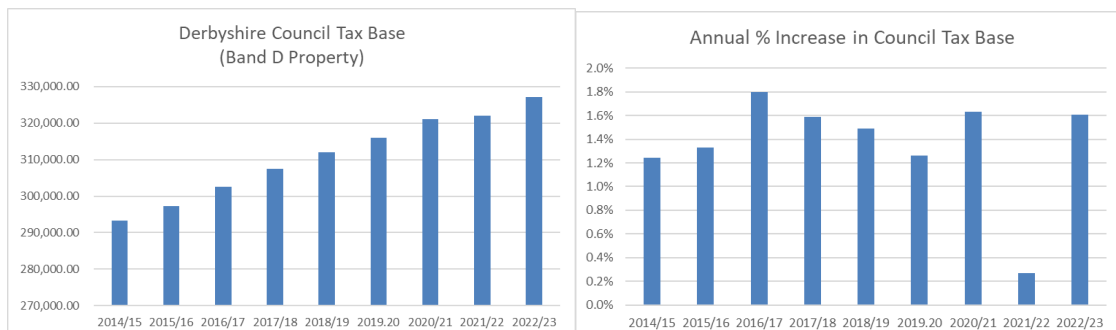
* The ongoing costs from the 2021/22 Operational Priorities Fund totalling £1.061m have been added into appropriate budget headings in the 2022/23 Budget.

9.4 The budget for the share of specialist policing within Derbyshire that is being delivered collaboratively with other police forces within the **East Midlands** is summarised in the table below: -

East Midlands Collaboration	Approved Budget 2021/22 £m	Draft Budget 2022/23 £m
EMSOU Serious and Organised Crime, incl TSU	5.030	5.365
Major Crime	0.180	0.184
Forensics	1.992	2.097
HR Service Centre - Derbyshire / Leicestershire	0.853	0.901
Learning and Development / Occupational Health	0.916	0.832
Legal	0.415	0.444
Contribution to Regional Teams	0.331	0.378
Crimestoppers Regional Manager	0.010	0.010
Total Collaboration	9.727	10.211

Council Tax base

- 9.5 The tax base is calculated by the billing authorities by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered and the amount of tax to be collected. The Tax Base steadily increased from 2014/15 to 2020/21 with average annual growth of 1.5%. The rate of increase sharply reduced to 0.3% for 2021/22 as a result of the Coronavirus pandemic. Based on provisional estimates provided by billing authorities a 1.61% increase over 2021/22 is forecast for 2022/23.



- 9.6 Billing authorities are not required to finalise their tax bases until the end of January. Based on provisional returns, the total tax base for the PCC for 2022/23 is expected to be 327,128.50 and this figure is broken down by authority in **Annex E**.

9.7 In addition to the Precept based on the PCC's 2022/23 approved Council Tax, billing authorities are required to share out any estimated surplus or deficit on their council tax collection accounts which relates to the previous year. Among other effects of the covid-19 pandemic council tax collection rates were adversely impacted by the resulting economic slowdown and in consequence the Government committed to:

- funding up to 75% of irrecoverable council tax losses
- allowing the deficits to be spread across 3 years rather than the usual period of a year.

Accordingly, during 2021/22 the PCC received a share of the £670m Local Council Tax Support Grant allocated by the government to fund irrecoverable losses. This share totalled £1,312,068, based on returns submitted by billing authorities. After offsetting a small overall net deficit on collection accounts payable during 2021/22 of £52,000, the remainder of the grant will be put to an earmarked reserve to meet potential deficits in 2022/23 and 2023/24, as required by the regulations.

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 2022/23 budget. Any overall deficit that the PCC is required to pay to billing authorities during 2022/23 will be debited against the grant brought forward within the earmarked reserve. If a surplus is due to be received, this can be used to support the overall budget position.

Band D Council Tax

9.8 Assuming the PCC opts for a £10 increase, the maximum allowed by the Government, the recommended Band D Council Tax proposed for 2022/23 is £251.60, an increase of 4.14% on the comparable figure for 2021/22.

	Precept Increase £10
Net Revenue Budget	£212,259,465
Budget Increase (%)	6.0%
Proposed Council Tax Requirement	£82,305,531
Police Council Tax (Band D)	£251.60
Police Council Tax Increase (£)	£10.00
Police Council Tax Increase (%)	4.14%
Proposed Contribution from reserves	£0m

WHAT DOES THE FUTURE FINANCIAL POSITION LOOK LIKE? (2022/23 to 2025/26)

- 9.9 The impact of the budget proposals for 2022/23 and key assumptions based on relatively limited information for costs and income streams over the next 4 years is summarised in the table below. All government funding, including all special grants, are shown as external funding, assuming that the Core Policing Grant increases in line with the previous Spending Review announcement. and that further funding for Uplift officers continues through ring fenced grant. **It also assumes a £10 precept increase is approved in each of the next 3 years and shows the extent of the challenge that remains.**

Medium-Term Forecast 2022/26	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Previous Year's Gross Expenditure	202.630	212.259	221.093	233.090
Transfer of Special Branch	(1.055)	-	-	-
Previous Year's Gross Expenditure	201.576	212.259	221.093	233.090
Pay Awards and Inflation increases	5.686	4.079	3.755	3.582
Other spending pressures reductions	2.292	6.106	7.241	2.818
Contribution to Council Tax Support Reserve	- 1.311	-	-	-
New Business Cases	1.000	1.000	1.000	1.000
PCC's investment for 2022/23	3.016	(2.351)		
Net Revenue Budget	212.259	221.093	233.090	240.490
Projected Funding	(212.259)	(220.210)	(227.064)	(232.832)
Forecast Base Budget (Surplus) / Deficit	(0.000)	0.883	6.025	7.658

- 9.10 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.

10. PUBLIC CONSULTATION AND ENGAGEMENT

- a. The Commissioner launched an online public budget consultation in December, following notification by the Government of the precept flexibility offered to Police &

Crime Commissioner's for 2021/22. The consultation aimed to seek the public's view on the amount of council tax that local residents pay towards policing in Derbyshire. The consultation included options ranging from 0% (a freeze in council tax) up to a £12 to £15 increase (i.e. the increase from last year) based on a band D property.

- b. 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. In addition, a press release was issued by the Commissioner which was circulated to local news outlets within Derbyshire.
- c. Following closure of the consultation, a total of 1,731 responses were submitted by Derbyshire residents. Responses were received from each of the 9 local authority areas (which includes Derby City). The results showed that overall, 62.9% of respondents supported a precept increase ranging from £5 and up to £15 per year. Additionally, over a quarter of all respondents (27.2%), indicated they were supportive of the top increase option of between £12 and £15 per year.

11. **WHAT ARE OUR RESERVES LEVELS LIKE?**

Reserves Position for Derbyshire

- 11.1 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 Organised Crime Units (ROCU) and East Midlands Serious and Organised Crime Unit.
 - Future funding to support recruitment and the associated costs.
 - National Police Information and Technology charges.
 - Employer Pension rates – 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).
 - Impact of Brexit.
 - Ongoing impact of the Covid-19 pandemic in terms of the costs of any policing response, reductions in Fees & Charges income and suppression

of the local Council Tax base.

11.2 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 2025:

	Balances at 31/03/21	Estimated Balances at 31/03/22	Estimated Balances at 31/03/23	Estimated Balances at 31/03/24	Estimated Balances at 31/03/25
	£m	£m	£m	£m	£m
GENERAL RESERVES	5.500	5.500	5.500	5.500	5.500
EARMARKED RESERVES					
Useable:-					
Operational Funding and Investment Reserve	2.883	5.492	5.280	5.280	5.280
Carry-forwards	0.840	0.428	0.428	0.428	0.428
PCC Grants & Commissioning	1.166	1.066	0.966	0.866	0.766
Covid-19 Funding Reserve	0.757	0.257	0.000	0.000	0.000
Officer Uplift Support Costs Reserve	0.497	0.497	0.000	0.000	0.000
Local Council Tax Support	0.000	1.257	0.629	0.000	0.000
Sub-Total	6.143	8.998	7.303	6.574	6.474
Non-useable:-					
PFI - Ilkeston	0.924	0.843	0.747	0.640	0.523
PFI - Derby	1.754	1.417	1.024	0.596	0.129
Insurance	0.147	0.152	0.154	0.156	0.158
Sub-Total	2.825	2.412	1.924	1.391	0.809
TOTAL EARMARKED RESERVES	8.968	11.410	9.227	7.966	7.284
TOTAL RESERVES	14.468	16.910	14.727	13.466	12.784

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

12. IS OUR BORROWING AFFORDABLE?

12.1 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.

13. **ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS**

13.1 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: –

- Government policy on police spending, as applied to the Police & Crime Commissioner.
- The CIPFA Prudential Code and the CIPFA Treasury Management Code.
- The impact on the Council Tax and the threat or risk of exceeding the excessiveness principle (previously capping).
- Whether the proposals represent a balanced budget for the year.
- The robustness of estimates and the size and adequacy of general and specific earmarked reserves.
- The medium-term implications of the Budget and Capital Programme (MTFS).

13.2 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.

13.3 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

13.4 As the Chief Constable's Chief Financial Officer, I can provide the following assurances: -

- The main assumptions and estimates, for compiling the budget are set out within the report and the figures for the 2022/23 budget have been based on these assumptions.
- The recommendations are consistent with the medium term financial strategy also set out within the report and do not impact on the financial stability of the Constabulary. There is, however, increased pressure on reserves with the operational funding and investment reserve being reduced in 2023/24 based on current forecasts without any savings and savings programme targets for future years.
- Future financial implications up to 2025 have been analysed but can only provide an indication of the potential financial position that the Constabulary and Commissioner will face, particularly with the likely volatility of council tax income and one off grants that have been provide in support so far. This reflects all known factors that could have an impact on these financial plans up to 2025. The impact of increased funding through ring fenced grants will also require careful monitoring and the Cost of Policing Programme will be required to deliver savings to sustain the budget in the short and medium term and will be monitored through the Force's Productivity and Efficiency Board and the Financial Assurance Board with the PCC.
- 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.
- Medium Term implications –. There are a number of scenarios that the Constabulary will need to model with the current MTFP based on the most prudent forecast around funding and precept increases. It does, however, present a significant challenge, accepting it provides the worst or a likely case scenario, based on very limited information at the moment.

ASSURANCE OF THE POLICE AND CRIME COMMISSIONER'S CHIEF FINANCIAL OFFICER

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

- Government Policy – The MTFS is produced in line with the latest government policy as applied to Police & Crime Commissioners.
 - 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.
 - 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 2022/23 the revised Referendum Principle is £10 for Police & Crime Commissioners. Increases in council tax secure year on year funding, as being a part of the base revenue budget.
 - Balanced budget – a balanced budget is presented.
 - 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 Director of Finance 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 2022/23.
 - Adequacy of reserves – I consider the level of general reserves (£5.5m) to be adequate for meeting estimated future risks. Specific reserves are reducing (rapidly in some cases) but are at appropriate levels to support future expenditure in the medium term. Given the size of the deficit, however, I will keep this position under regular review.
 - 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 that (a) the pensions remedy is funded by the government although allowance has been made for
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the increased employer pension contributions, (b) the precept is increased by £10 in 2022/23 and £10 for the next two years in line with government settlement announcements and (c) that 3% (dropping to 2% from 2023/24) pay inflation will apply in the future. Movement in any of the key assumptions would have significant impact on the available resources to support policing. The Director of Finance and I will continue to monitor national developments carefully to ensure the Commissioner and Chief Constable are sighted on any emerging risks for Derbyshire.

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
Revenue Budget Projections 2022/23 to 2025/26

	notes	2022/23	2023/24	2024/25	2025/26
PROJECTED STAFFING LEVELS	21/22	fte's	fte's	fte's	fte's
Police Officers	1,918	2,033	2,033	2,033	2,033
PCSO's	199	199	199	199	199
Police Staff	1,420	1,449	1,449	1,449	1,449
TOTALSTAFFING	3537	3681	3681	3681	3681
PROJECTED BUDGET REQUIREMENT		£m	£m	£m	£m
Previous Year's Budget Requirement		202.630	212.259	221.093	233.090
Removal of Special Branch from Force Budget		(1.055)			
Adjusted Base Budget Requirement		201.576	212.259	221.093	233.090
Pay & Price Increases					
Full Year Effect of Previous Year's Pay Award:-					
Police Officers			1.381	0.966	1.033
Police Staff		0.066	0.440	0.450	0.463
Provision for Current Year's Pay Award & Inflation:-					
Police Officers pay award		1.829	1.306	1.363	1.445
Police Staff pay award		0.816	0.620	0.635	0.653
1.25% National Insurance increase		1.385			
Non-Pay Inflation		1.263	0.128	0.133	(.241)
Collaboration - inflationary increases		0.327	0.204	0.208	0.229
Total - Pay & Price Increases		5.686	4.079	3.755	3.582
Previous Year's Budget updated for Pay & Price changes		207.262	216.338	224.848	236.672
Other Ongoing Changes (eg from government / policing service / previous PCC decisions)					
Review of Office of the PCC running costs		(.047)			
PCC - Grants and Commissioning budgets		0.448			
less: Contributions from Partners		(.313)			
Estimated Uplift Officers		3.484	2.575		
less: Earmarked Uplift Grant		(.505)	1.949		
Police Officers - Increments / Turnover		(.277)	0.352	0.927	1.027
Police Officers - Misc Allowances		(.065)			
Police Officers - Overtime (no of Bank Holidays)			(.258)	(.263)	0.134
Police Officers - Overtime (other changes)		0.163			
Police Officers - Housing Allowance eligibility		(.108)	(.102)	(.102)	0.000
Police Officers - Pension Scheme revaluation				3.961	
Police Officer Injury Pensions		(.072)			
Police Staff - Increments / regrades		0.241	0.483	0.492	0.483
Police Staff - Removal of 20 additional PCSO's		(.445)			
less: Contribution from Reserves		0.378	0.212		
Police Staff - other changes		0.143			
Ascot Drive / Cotton Lane running costs		(.100)			
Other Premises Costs		0.095			
Fleet Mileage		0.061			
Review of Travel Budgets		(.074)			
Vehicle Insurance Excess costs		(.155)			
Other Fleet/Transport costs		(.003)			
Op Support Uniforms and Equipment		0.109			
New payroll contract / other financial contracts		(.072)			
Vehicle Recovery Contract charges		0.196			
less: Vehicle Recovery income		(.098)			
Other Supplies and Services		0.071	(.005)	0.017	
Debt Charges - current borrowing		(.259)	(.493)	(1.510)	(2.915)
Debt Charges - new borrowing		0.474	1.772	3.161	4.040
RCCO - increase to replace Capital Grant		0.167			
Profit share from Police / Fire LLP		(.100)			
Court Compensation Income		(.150)			
Special Services Income changes following end of Covid-19 restrictions		(.109)			
Other changes in income		(.170)			
Review of Force Partnerships		(.058)			
Cash Contributions to Regional Units		0.275			
Changes in specific Reserve contributions		(.049)	(.045)	(.050)	0.327
Total - Other Ongoing Changes		3.077	6.439	6.633	3.095
Previous Year's Budget plus previously agreed / known changes		210.339	222.777	231.481	239.767

Items arising after 2021/22 Precept Meeting					
Police Staff - Temp increase in CMARC overtime		0.398	(.213)		
Revised Cleaning Contract		0.064			
Tasers - refresher courses and additional officer training		0.150			
Body-worn video replacement - additional cost		0.053			
Upgrade of NICHE system		0.102			
Other changes in IT systems / hardware		(.085)			
SARC FME contract - additional cost		0.083			
Rural Crime Team - running costs		0.020			
Special Expenses re Crime		0.100			
2021 Insurance Tender		(.413)			
Review of MRP for PFI schemes		(.984)	(.121)	0.609	(.277)
Recharges to EM Region for technical support to Units		0.000			
Total - Items agreed / arising after 2021/22 Precept Meeting		(.512)	(.334)	0.609	(.277)
Remove unallocated amount from 2021/22 Op Priorities Fund		(.273)			
Provision for new Growth Items		1.000	1.000	1.000	1.000
PCC's investment for 2022/23		3.016	(2.351)		
Remove one-off contribution to Council Tax Support reserve		(1.311)			
BUDGET REQUIREMENT FOR YEAR		212.259	221.093	233.090	240.490

FUNDING FOR BUDGET REQUIREMENT	notes	£m	£m	£m	£m
Central Government Funding					
Formula grant		(121.253)	(124.648)	(126.829)	(129.366)
Council Tax grants		(8.700)	(8.700)	(8.700)	(8.700)
Total - Central Government Funding		(129.953)	(133.348)	(135.529)	(138.066)
Precept Funding					
Previous year Council Tax Funding		(77.784)	(82.306)	(86.862)	(91.535)
Change in tax base - annual growth		(1.250)	(1.235)	(1.303)	(1.373)
Change in Band D Council Tax		(3.272)	(3.321)	(3.371)	(1.858)
Change in Collection A/c Surplus / (Deficit)		0.000	0.000	0.000	0.000
Total - Precept Funding		(82.306)	(86.862)	(91.535)	(94.766)
TOTAL PROJECTED FUNDING		(212.259)	(220.210)	(227.064)	(232.832)

BUDGET (SURPLUS) / DEFICIT		(.000)	0.883	6.025	7.658
Contribution from Operational Funding / Investment Reserve		0.000	0.000	0.000	0.000
REMAINING (SURPLUS) / DEFICIT NOT FUNDED		(.000)	0.883	6.025	7.658

Office of the PCC - 2022/23 Budget (Detail)

Account	Budget Heading	2021/22 Base Budget	Full Year Inflation	Increments	Other Changes	2022/23 PROPOSED BUDGET
1100	Police Staff Pay	800,600	9,300	2,500	(1,500)	810,900
1120	Police Staff Overtime - Plain Time	1,100				1,100
1140	Police Staff National Insurance	80,000	10,400	200	600	91,200
1160	Police Staff Superannuation	111,900	1,300	300	(800)	112,700
1501	Training Courses	5,000			2,500	7,500
1602	Recruitment Advertising	1,000			500	1,500
1603	Interview Expenses	500				500
2210	Hire of Rooms	1,200			(200)	1,000
3200	Police Vehicle Fuel	400			100	500
3300	Hire of Vehicles	1,200				1,200
3400	Other Mileage (PSV)	11,000			(5,500)	5,500
3403	Rail Travel	8,000			(4,000)	4,000
3408	Car Parking, Taxis, etc	1,000			(250)	750
4000	Equipment - General	3,000				3,000
4040	Furniture	2,500			(500)	2,000
4100	Accommodation / Hotel Expenses	1,800			(300)	1,500
4101	Subsistence Expenses	400				400
4291	Meals / Refreshments	1,700			(950)	750
4400	Printing and Stationery - General	5,000			(2,000)	3,000
4401	Publications	500				500
4505	Financial Contracts	48,000			7,000	55,000
4520	Professional Fees	22,400			(2,400)	20,000
4543	Professional Fees - Legal	17,600				17,600
4575	Engagement and Communications	46,500				46,500
4635	Software Purchase	17,500			(2,500)	15,000
4740	JARAC Attendance	12,000			1,000	13,000
4741	JARAC Mileage	1,000				1,000
4805	Non-Recruitment Advertising	4,900			(900)	4,000
4807	Conference Expenses	2,500				2,500
4888	Bank Charges	21,800			(9,800)	12,000
4890	Misc. Expenditure	25,000			(11,500)	13,500
4895	National & Regional Membership Fees	96,000				96,000
Office of the PCC - Total Budget		1,353,000	21,000	3,000	(31,400)	1,345,600

<u>2022/23 PROPOSED BUDGET</u>		
<u>Services Commissioned via the Chief Constable</u>		
	2021/22 Approved £m	2022/23 Proposed £m
Police Officers	105.552	110.735
Community Support Officers	7.006	6.119
Other Police Staff	42.980	46.446
Police Pensions	3.092	3.075
Other Employee Expenses	0.711	0.762
Premises	10.273	9.876
Transport	3.929	3.837
Supplies & Services	19.317	21.063
Agency & Contracted Services	0.212	0.272
Specific Grants	(6.054)	(6.559)
General Income	(3.824)	(5.194)
Derbyshire Constabulary	183.194	190.432
Contribution to East Midlands Collaboration	9.727	10.211
BCU Funding	0.318	0.318
Partnerships	0.607	0.549
PROPOSED GROSS SPENDING	193.846	201.510
Contribution from reserves		
- PFI	(.452)	(.491)
- Devolved Carry-Forwards	0.000	0.000
- Other Reserves	(.590)	(.212)
	(1.042)	(.703)
PROPOSED NET SPENDING	192.804	200.807

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
STATEMENT OF LEVEL OF RESERVES AS AT 31st MARCH 2021 & FORECAST LEVELS TO 31st MARCH 2025

	2021 / 22				2022 / 23			2023 / 24			2024 / 25			
	Balances at 1/04/21	Movements (to) / from Revenue	Transfers Between Reserves	Contributions to Capital	Balances at 31/03/22	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/23	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/24	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/25
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
GENERAL RESERVES	5,500,000	-		-	5,500,000	-	-	5,500,000	-	-	5,500,000	-	-	5,500,000
EARMARKED RESERVES														
Useable:-														
Operational Funding and Investment Reserve	2,883,227	2,500,000	109,000		5,492,227	(211,800)		5,280,427			5,280,427			5,280,427
Carry-forwards	839,594	(302,900)	(109,000)		427,694			427,694			427,694			427,694
PCC Grants & Commissioning	1,166,371	(100,000)			1,066,371	(100,000)		966,371	(100,000)		866,371	(100,000)		766,371
Covid-19 Funding Reserve	757,053	(500,000)			257,053	(257,053)		-			-			-
Officer Uplift Support Costs Reserve	497,000				497,000	(497,000)		-			-			-
Local Council Tax Support	-	1,257,401			1,257,401	(628,701)		628,701	(628,701)		-			-
Total Useable:-	6,143,245	2,854,501	0	0	8,997,746	(1,694,554)	0	7,303,193	(728,701)	0	6,574,492	(100,000)	0	6,474,492
Non-useable:-														
PFI - Ilkeston	923,534	(80,282)			843,252	(96,589)		746,663	(106,444)		640,219	(117,489)		522,730
PFI - Derby	1,754,457	(337,785)			1,416,672	(392,853)		1,023,819	(428,205)		595,614	(467,065)		128,549
Insurance	146,598	5,400			151,998	1,600		153,598	2,000		155,598	2,500		158,098
Total Non-useable:-	2,824,589	(412,667)		0	2,411,922	(487,842)	0	1,924,080	(532,649)	0	1,391,431	(582,054)	0	809,377
TOTAL EARMARKED RESERVES	8,967,834	2,441,834	0	0	11,409,668	(2,182,396)	0	9,227,273	(1,261,350)	0	7,965,923	(682,054)	0	7,283,869
TOTAL RESERVES	14,467,834	2,441,834	0	0	16,909,668	(2,182,396)	0	14,727,273	(1,261,350)	0	13,465,923	(682,054)	0	12,783,869

ANNEX E

2022/23 PRECEPT PROPOSAL: A £10 COUNCIL TAX INCREASE ON BAND D PROPERTIES

Band D £251.60	Council Tax Base	Total Funding	Collection Fund - figures yet to be notified		Council Tax
			Surplus	Deficit	
	327,128.50	82,305,531	-	-	82,305,531
Amber Valley Borough Council	40,307.09	10,141,264			10,141,264
Bolsover District Council	22,443.26	5,646,724			5,646,724
Chesterfield Borough Council	29,858.12	7,512,303			7,512,303
Derby City Council	70,030.60	17,619,699			17,619,699
Derbyshire Dales District Council	30,539.40	7,683,713			7,683,713
Erewash Borough Council	33,826.40	8,510,722			8,510,722
High Peak Borough Council	31,342.00	7,885,647			7,885,647
North East Derbyshire District Council	32,079.63	8,071,235			8,071,235
South Derbyshire District Council	36,702.00	9,234,223			9,234,223

<u>Gross Revenue Expenditure</u>	
2021/22 Approved	202,630,397
2022/23 Proposed	212,258,465
Increase in GRE	4.75%

<u>Council Tax Requirement</u>	
2021/22 Approved	77,783,810
2022/23 Proposed	82,305,531
Increase in CTR	5.81%

<u>Council Tax per Banding</u>		
<u>BAND</u>	<u>2021/22</u>	<u>2022/23</u>
	£	£
A	161.07	167.73
B	187.91	195.69
C	214.76	223.64
D	241.60	251.60
E	295.29	307.51
F	348.98	363.42
G	402.67	419.33
H	483.20	503.20