



Derbyshire
Police and Crime
Commissioner

Protecting Communities,
Fighting Crime



AGENDA ITEM

POLICING BUDGET MEETING

REPORT TITLE	BUDGET 2023/24, PRECEPT REPORT AND MEDIUM-TERM FINANCIAL FORECAST 2023/24 – 2026/27
REPORT BY	JOINT REPORT OF THE CHIEF CONSTABLE, CHIEF FINANCE OFFICER FOR THE CONSTABULARY AND CHIEF OPERATING OFFICER FOR THE PCC
DATE	18 JANUARY 2023

PURPOSE OF THE REPORT

This main purpose of this report is to request that the Police and Crime Commissioner approves a Revenue Budget Requirement for the Constabulary for the financial year 2023/24 of **£219,470,868** and agrees to an increase in Band D Council Tax, at the maximum permitted under current Precept Limitation regulations (**a £15 increase**).

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

1. The Police and Crime Commissioners (PCC's) own Revenue Budget for 2023/24.
2. The Medium-Term Financial Forecasts for 2023/24 – 2026/27.
3. The forecasted balances on force Reserves and any use of these Reserves

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

ATTACHMENTS

List of Annexes

A	November 2022 Planning Day Business Cases
B	Revenue Budget Forecast (Medium Term) 2023/24 – 2026/27
C	Budget for the Office of the Police and Crime Commissioner 2023/24
D	Budget for the Chief Constable 2023/24
E	Anticipated Reserves 2023/24 – 2025/26
F	Summary of Precepts 2023/24

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 2023/24.
2. In respect of the revenue budget for 2023/24: -
 - a) To note the information and analysis as set out in this report.
 - b) To agree the proposed adjustments to the 2023/24 budget as detailed in both this report and **Annexes A through F**
 - c) To maintain a revenue contribution to capital of at least £3.491m in the base revenue budget.
 - d) To approve the revenue budget for 2023/24.
 - 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 to 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 £15 precept increase for a Band D Property.
 - b) To note the anticipated movement in reserves during 2023/24 as shown in **Annex E**.
4. In respect of the Medium-Term Financial Forecast for 2023/24 - 2026/27, discussed within this report but also shown in more detail at **Annex B**: -
 - a) To note the financial forecasts up to 2026/27.
 - 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).

1. **SETTING A BUDGET FOR 2023/24 - OUR APPROACH**

1.1 Each year the Police & Crime Commissioner is required to recommend a **Band D Council Tax** amount to support the provision of policing services in Derbyshire for that year. Applied to the **taxbase** as assessed by the 9 billing authorities, this gives a total **Police Precept** to be levied on local taxpayers.

1.2 When combined with central government funding allocated through the **Police Finance Settlement** the Precept provides the resources to finance the net revenue **Budget Requirement** for the year, which the Police & Crime Commissioner must also approve.

1.3 This report:

- sets out the potential funding available to the Constabulary, both from the recommended Council Tax option and from alternative options.
- sets out details of the proposed Revenue Budget (i.e., the ‘spending plans’ for 2023/24) and how these plans will be impacted by different council tax options.
- sets out the implications of the proposed Budget Requirement for the Constabulary’s longer-term financial position, including its Reserves.
- sets out how the proposed Budget Requirement is aligned with, and supports, a range of key policing objectives such as: delivery of the Police and Crime Plan for Derbyshire, allocating resources against threat, risk, and demand; addressing HMICFRS recommendations.

1.4 The production of the report and the recommendations within it are the result of several key actions and processes, including the following:

- 1) Receiving, analysing and understanding the details of the **Police Finance Settlement**, including its wider context of the government’s overall economic and fiscal strategy (section 2)
- 2) Receiving and following the **government’s updated Precept Limitation** principles, as they apply to Police and Crime Commissioners for 2023/24 (section 3).
- 3) **Consulting with local taxpayers** on various options for increasing the Police element of Council Tax and reflecting on the outcome (section 4).

- 4) Forecasting the estimated **taxbase of Derbyshire** for 2023/24, using past trends and figures provided by the various billing authorities where available (section 5)
- 5) From (1) to (4), projecting the potential **revenue funding available to the Constabulary** under the recommended Council Tax option and alternative options (section 6)
- 6) Calculating a committed **Budget Requirement for 2023/24**, by updating the 2022/23 Base position for the following items.
 - Removal of non-recurring spend from the 2022/23 Base (principally one-off Investment Fund items).
 - The impact of pay awards already implemented (September 2022) and the estimated impact of future pay awards (projected for September 2023) on the pay cost base.
 - The impact of non-pay inflation, actual and expected, on the non-pay cost base, as assessed on a heading-by-heading basis.
 - The full impact of Derbyshire's allocation of Uplift officers (283 officers) within the budget.
 - The impact of various other national policy decisions and other external factors influencing the Constabulary's expenditure and income.
 - The impact of changing demands and trends which have an influence on costs and income.
 - The impact of decisions previously taken by the Constabulary, for example the ongoing costs of business cases approved by the various Boards and the costs of borrowing (approved by the Commissioner) associated with the approved Capital Programme.
 - The impact of savings which have been identified as well as the ongoing financial management practised across the Constabulary.

All the above are set out in detail at section 7

- 7) Ensuring that the committed Budget Requirement is aligned with the Constabulary's **workforce planning process**.

- 8) Considering the organisational requirements that have emerged from the latest **PEEL inspection** and reflecting these appropriately in the budget proposals.
 - 9) Considering the **PCC's priorities** as set out in the current Police and Crime Plan and ensuring that the budget proposals are aligned with these as far as possible.
 - 10) Considering the decisions made following the **Constabulary's Planning Days** in November regarding its priority 'Growth Bids' and the extent to which these can be funded within the budget proposals.
 - 11) Recognising the Constabulary's ongoing responsibility to deliver **Value for Money (VFM)** for taxpayers and the wider public in the budget proposals.
 - 12) Recognising the Constabulary's ongoing responsibility to consider the impact of its budget proposals on **equality and diversity**.
 - 13) Identifying, assessing, and where possible quantifying the **key risk areas** where outcomes in 2023/24 may vary from the expectations inherent in the budget proposals.
 - 14) Projecting the ongoing impact of the funding expectations and budget proposals over the **medium-term (to 2026/27)**, to ensure their sustainability. This includes the impact on levels of Reserves.
- 1.5 All of the above considerations are overarched by the legal requirement to set a balanced budget in each year. Planned expenditure must not exceed anticipated income, taking account of any contributions to or from Reserves.
- 1.6 The consolidated proposed budget is set out at Section 8 and compared against the available funding.

2. **THE POLICE FINANCE SETTLEMENT**

2.1 The provisional Police Finance Settlement was announced via a Written Ministerial Statement on 14 December 2022. The statement initiated a period of national consultation on the settlement, ending on 13th January 2023.

Background and Context

2.2 The Settlement has occurred within the context of a very significant economic upheaval both globally and nationally which began with the fall-out from the Covid-19 pandemic, followed by the UK’s exit from the EU and more recently, has been exacerbated by the invasion of Ukraine. These have had, and will continue to have, major consequences for the country’s economic position and public finances for the foreseeable future.

2.3 The Settlement was preceded by the Chancellor’s Autumn Statement on 17 November. It was the first fiscal event to be accompanied by an Office for Budget Responsibility forecast since the spring statement on 23 March 2022.

2.4 The Autumn Statement identified the government’s priorities as ‘stability, growth and public services’, to be underpinned by ‘fiscally sustainability’ which in practice means a reducing level of national debt over the medium-term. Taxation and public spending are each to contribute to this goal ‘in a broadly balanced way’. On public spending the Statement confirmed that departmental DEL (Departmental Expenditure Limit) budgets will ‘be maintained at least in line with budgets set at the [2021] Spending Review’. For the Home Office the figures are:

	£ billion			
	Outturn 2021-22	Plans 2022-23	Plans 2023-24	Plans 2024-25
Resource DEL	14.4	14.6	15.4	15.4

2.5 While keeping to previously announced expenditure plans will help provide financial certainty and stability to allow for longer-term, strategic financial planning, the Spending Review occurred before much of the steep rise in inflation had materialised. This means that the Autumn Statement’s commitment signals a real-terms reduction in expenditure in most areas of the public sector.

2023/24 Police Settlement - The National Picture

- 2.6 The provisional settlement largely confirmed the expectations from the Autumn Statement in terms of government support for policing. It did however include a revision to the previously announced limit on Police and Crime Commissioners' ability to raise additional funding via the Police Precept (see section 3).
- 2.7 The settlement provides a total of up to £17.2 billion for policing in 2023/24, an increase of £0.3 billion, or 1.8%, on 2022/23. This compares to a £1.1 billion increase for the previous year over 2021/22. Available funding to Police and Crime Commissioners (PCCs) will increase by up to £523 million depending on whether maximum use is made of local flexibility to increase council tax precept. This would take the total resources available to forces to £15.1 billion. The total potential increase is broken down as follows:
- A £174m increase in Government grant funding to PCCs. This is £74m higher than the amount announced as part of the 2021 Spending Review, the additional resources being made available to support the costs of the September 2022 police officer pay award.
 - Up to £349m 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 £15 for a Band D equivalent property, £5 more than was previously announced in the Spending Review.

Other components of the Settlement include £1.1 billion allocated to National Policing Priorities 'to support PCC's and forces, and to support the strategic vision outlined in the Beating Crime Plan to cut crime, increase confidence in the criminal justice system and put victims first'.

2023/24 Police Settlement - The Picture for Derbyshire

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

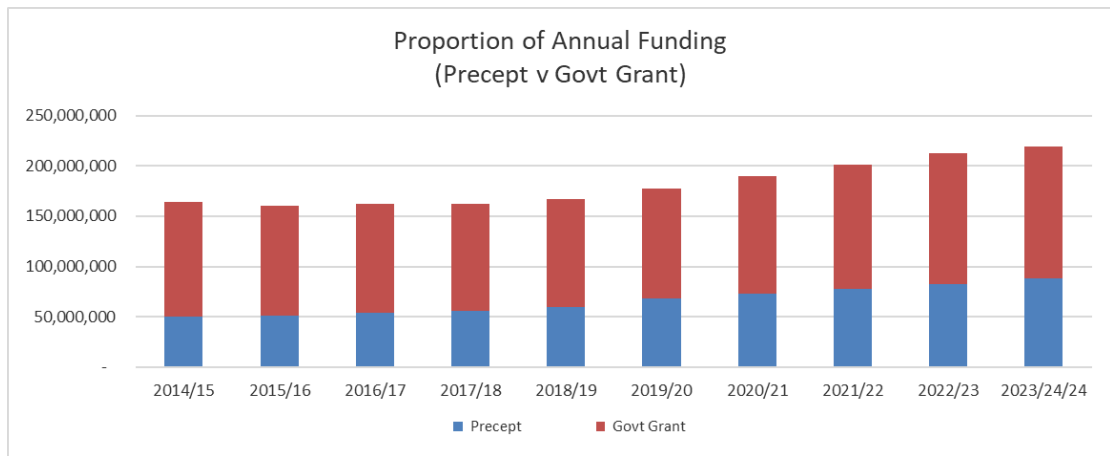
Funding Stream	2022/23 £m	2023/24 £m	Change £m	Change %
Home Office Police Grant	76.0	76.3	0.3	0.4%
Ex-DCLG Formula Funding	45.2	45.4	0.2	0.4%
Sub-Total - Formula Grant	121.2	121.7	0.5	0.4%
Council Tax Grants	8.7	8.7	0.0	0.0%
Total - General Funding Grants	129.9	130.4	0.5	0.4%
Pension Support Grant	1.9	1.9	0.0	0.0%
Police Uplift Programme Grant	1.9	3.9	2.0	105.3%
Total - All Police Grants	133.7	136.2	2.5	1.9%

2.9 The above allocations of grant funding represent an increase in cash support of just under 2% compared to 2022/23. This needs to be seen in the context of the £1,900 pay increases awarded to officers and staff in September 2022, equating to approximately 5.5% and 6.5% respectively, and the guidance issued by the Home Office that forces should plan for pay awards 'above 2%' next year as well. Additionally, key non-pay budgets have seen inflationary increases well above 2% in the past 12 months. For example, Utility costs (20%), Vehicle Fuel (28%), Vehicle Maintenance (10%) have all increased considerably over the past 12 months.

2.10 It should be noted that £2.0m of the overall £2.5m increase in funding is in the form of additional Police Uplift Programme Grant. The 2022/23 Base Budget assumed that the costs of the year 3 uplift target of 113 additional officers would be phased throughout the year. Building in the 'full year' costs of these officers from 2023/24 onwards has required £2.594m to be added to the Police Officer pay budget, so absorbing the total increase in government funding. As it is a requirement to maintain police officer numbers at the 'post-Uplift' benchmark of 2,110 officers (headcount, equating to 2,017 full-time equivalents), this provides no flexibility as to how the increase in funding is utilised.

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



3. OPTIONS FOR SETTING A PRECEPT

- 3.1 The requirement on the Commissioner to set a Band D Council Tax for policing is bounded by a 'Council Tax Referendum Principle' applied to all Police and Crime Commissioners each year. This principle is formally set by the Department of Levelling Up, Housing and Communities as part of the Local Government Finance Settlement.
- 3.2 Following the 2021 Spending Review it was announced that PCC's would be able to increase their Band D Council Tax by **£10** per year in each of the three years covered by the Review without the need to hold a local referendum. For the first year, 2022/23, Derbyshire's PCC increased Council Tax by the maximum permitted following a consultation process with local taxpayers.
- 3.3 The DLUHC issued a local government finance policy statement for 2023/24 to 2024/25 on 12 December 2022. This announced changes to Referendum Principles for most types of authority, including Police & Crime Commissioners. For 2023/24 only, the maximum permitted increase in Band D Council Tax for policing is **£15** instead of £10.
- 3.4 The change was confirmed in a letter from the Minister for Crime, Policing and Fire, Chris Philp, to the NPCC and APCC who stated that it was in recognition of the pressures faced by policing and the expressed need for a 'greater degree of flexibility when setting budgets.' The letter also states that the Home Office 'expect[s] PCCs to exhaust all other options to re-prioritise budgets, seek efficiencies and to maximise productivity of their existing resources before looking to local taxpayers for additional funding.'
- 3.5 The recommendation of this report is that the Band D Council tax should be increased by the maximum permitted of £15. The Chief Constable's letter to the Commissioner and the budget analysis and proposals set out at section 7 provide a detailed rationale for this recommendation including how all the other options requested by the Home Office have been considered and addressed.

4. PUBLIC CONSULTATION AND ENGAGEMENT

- 4.1 Decisions on increases to the Police Precept need to take account of the views of residents and taxpayers of Derbyshire as well as local and national policing priorities. The Commissioner launched an online public budget consultation in November, seeking 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 £18 increase (£1.50 per month) based on a band D property.
- 4.2 To ensure the consultation was promoted effectively, details were publicised through social media, the Commissioner's website, along with being distributed to key stakeholders including members of the public. In addition, a press release was issued by the Commissioner which was circulated to local news outlets within Derbyshire.
- 4.3 The consultation period closed on 16 January 2023 and saw 2,138 Derbyshire taxpayers participate. Responses were received from each local authority area (over 170 from each area) and the results showed that 65.9% of people supported an increase to the policing precept, with 53.1% of respondents supporting an increase of £15 or more.

5. COUNCIL TAX BASE

- 5.1 The total funding available via the Police Precept depends on the tax base as calculated by the county’s nine billing authorities. They do this by converting all properties to Band D equivalents and making assumptions about the levels of discounts to be offered, including through their localised Council Tax Benefit Schemes, and the amount of tax to be collected.
- 5.2 While the tax base tends to grow each year the rate of growth depends on the levels of economic growth and prosperity being experienced throughout the county at any particular time. It increased steadily from 2014/15 to 2020/21 with average annual growth of 1.5% but the rate of increase dropped dramatically for 2021/22 to just 0.3% because of the economic impacts of the pandemic. It recovered strongly for 2022/23 to 1.61% and based on provisional estimates provided by billing authorities a further 1.54% increase is forecast for 2023/24.
- 5.3 As a guide, each 0.5% increase in the taxbase raises just over £0.4m in additional funding based on the 2022/23 level of Council Tax.
- 5.4 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 2023/24 is expected to be 332,179.9 and this figure is broken down by authority in **Annex F**. The additional income raised from this taxbase over 2022/23, at a £10, £12, and £15 Council Tax increase is as follows:

Increase in Band D	2022/23 Precept	Increase in taxbase	Increase in Band D	2023/24 Precept	Total Increase
£ 10.00	82,305,531	1,270,937	3,322,165	86,898,634	4,593,102
£ 12.00	82,305,531	1,270,937	3,986,159	87,562,628	5,257,096
£ 15.00	82,305,531	1,270,937	4,982,699	88,559,167	6,253,636

- 5.5 In addition to the in-year Precept, billing authorities are required to share out any estimated surplus or deficit on their council tax collection accounts which relates to the previous year.
- 5.6 Among other effects of the covid-19 pandemic council tax collection rates were adversely impacted by the resulting economic slowdown. During 2021/22 the PCC received £1,312,068 in Local Council Tax Support Grant to meet any adverse impact on Precept funding from irrecoverable council tax losses. The grant

currently sits within an earmarked reserve to meet potential deficits in 2022/23 and 2023/24, as required by the regulations.

- 5.7 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 2023/24 budget calculations. Any overall deficit that the PCC is required to pay to billing authorities during 2023/24 can be debited against the grant brought forward within the earmarked reserve. However, based on the experience of the last two years, there is a significant probability that most if not all the grant will not be needed for this purpose and can be released to support the overall budget in future years.

6. OUR OVERALL FUNDING POSITION

6.1 Total funding income for the 2023/24 revenue Budget Requirement comprises the Formula Grant and Council Tax Grants as set out at section 2 plus the Precept income raised from the PCC's Band D Council Tax decision as outlined at sections 3 to 5.

6.2 The Constabulary's budget proposals as set out in detail in the next section amount to a Net Budget Requirement of **£221,068,968**, a 4.1% increase in net expenditure over 2022/23. Against this requirement, the funding available from the two options for increasing Council Tax under the previous and revised limits leave remaining shortfalls as follows:

Band D increase	Band D Council Tax	% Increase	Estimated Precept Funding	Grant Funding	Total Funding	Deficit against Committed Budget
£ 10.00	£ 261.60	3.97%	£ 86,898,634	£ 130,375,332	£ 217,273,966	£ 3,795,003
£ 12.00	£ 263.60	4.77%	£ 87,562,628	£ 130,375,332	£ 217,937,960	£ 3,131,009
£ 15.00	£ 266.60	5.96%	£ 88,559,167	£ 130,375,332	£ 218,934,499	£ 2,134,470

6.3 At the previously announced limit of £10 the deficit would be just under **£3.8m** if all requirements were funded. If the additional flexibility of a further £5 increase is utilised, the deficit reduces to around **£2.1m** and the deficit is just above **£3.1m** with a £12 precept increase.

6.4 The next section provides a detailed analysis of the assumptions used and adjustments made in arriving at the Committed Budget total for 2023/24. It is intended that this information supports and justifies the proposal for the PCC to exercise the flexibility afforded by the Precept Limitation principles to set a £15 increase in Council Tax subject to Police & Crime Panel ratification.

6.5 Under this scenario the force has identified a number of measures it could take to close the remaining budget gap of £2.134m for next year. These measures can only be a temporary fix and all carry a variety of risks and opportunity costs. Furthermore, the force's medium-term financial planning indicates that under all current assumptions the underlying budget deficit will grow in the three following years.

- 6.6 It is acknowledged by the force that even with a £15 Council Tax increase in 2023/24, a rigorous and structured process for identifying further savings will be required to enable balanced budgets to be set for 2024/25 to 2026/27. This will be immensely challenging, especially given that a substantial proportion of the overall budget is allocated to police officer costs which is effectively ring-fenced under the Government's Uplift strategy.
- 6.7 The force has a programme of work called 'Cost of Policing' intended to ensure we make best use of our resources and identify efficiencies and savings. This sits under the Productivity and Efficiency Board chaired by the Deputy Chief Constable. 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, and this workstream, will implement a longer-term Savings Plan that will help to reduce overheads, deliver continuous improvements and achieve both cashable and non-cashable savings to help towards achieving a balanced budget over the medium term. Given the challenges we have in our MTFP a small, dedicated team will be formed early in 2023 to focus this cost of policing work and identify opportunities to close the funding gap.

7. OUR BUDGET PROPOSALS

The 2022/23 Base Budget Position

- 7.1 The Committed Budget for 2023/24 has been built from the Approved Budget for 2022/23 as presented to the Public Assurance Meeting on 19 January 2022 (£212,258,465), with specific adjustments made for pay awards and price inflation increases, approved and supported Business Cases, identified savings and income generation activities and other changes from demand/activity levels.
- 7.2 The 2022/23 Budget was based on a Council Tax increase of £10, which enabled £3.016m of additional investment to ensure that the force was able to maintain its 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.
- 7.3 It was known from our projections for future funding that the budget surplus for 2022/23 would only be a temporary position, with budget deficits predicted in the three following years (2023/24 to 2025/26). For this reason, the use of the surplus was mainly targeted towards one-off non-recurring investments and progress on these have been monitored and reviewed throughout the year.
- 7.4 In line with the commitment to reduce any future burden on precept increases, £2.531m of the additional funding was allocated to one-off expenditure, with the remainder (£0.485m) being kept within the base budget. The majority of this amount is to fund the ongoing cost of 20 PCSO posts which would otherwise have needed to be removed.
- 7.5 As a consequence, the adjusted starting position for the 2023/24 Budget is as follows:

	£m
2022/23 Approved Budget	212.259
less: Removal of one-off Investment	(2.531)
2023/24 Adjusted Base	209.728

Adjustments to the Base Position

7.6 The budget review process for 2023/24 co-ordinated by the Strategic Finance Department has identified further adjustments of **£11.341m** required to bring the Base up to the 'Committed' Budget Requirement for that year. These adjustments can be summarised as follows:

	£m
Pay awards and non-pay Inflation	9.793
Business cases approved after 2022/23 Precept	1.748
Business cases supported at November 2022 Planning Day	0.519
Provision for further in-year Business Cases	1.000
Identified Savings from 2022/23 Base	(0.884)
Additional Areas of Income Generation	(1.059)
Other miscellaneous changes	0.224
Total Changes to 2023/24 Adjusted Base	11.341

7.7 The impact of the changes on the medium-term financial projections for the force is set out in Annex B.

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

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

Pay Awards and Non-Pay Inflation

7.9 At £9.793m this is by far the biggest adjustment to the Base Budget and equates to a 4.7% increase in net costs. The net total includes a reduction of £1.474m stemming from the Government's decision to reverse the 1.25% Social Care Levy

within employers' National Insurance contributions from November 2022. Without this saving, price and price adjustments would have totalled £11.267m.

7.10 The breakdown of the £9.793m is as follows:

	£m	£m	%
September 2022 pay awards			
- Officers	3.809		5.5% / £1,900
- Staff	2.445	6.254	6.5% / £1,900
September 2023 pay awards – estimate			
- Officers	1.296		2.0%
- Staff	0.646	1.942	2.0%
Pay / Prices Volatility Contingency		0.971	
Police Staff Pension Scheme revaluation		0.495	4.0%
Other changes in Employer oncosts		(0.400)	various
Non-pay inflation			
Injury Pensions	0.227		10.1%
Training Courses	0.022		4.9%
Gas	0.017		5.0%
Electricity	0.239		20.0%
PFI Fee	0.325		8.0%
Vehicle Maintenance	0.080		10.0%
Tyres	0.008		5.0%
Vehicle Fuel	0.309		26.0%
Vehicle Insurance	0.155		30.8%
Equipment	0.003		10.1%
Firearms / Tasers	0.032		6.8%
Professional/Consultants Fees	0.010		10.1%
Recruitment & Selection costs	0.015		33.3%
NPAS Recharges	0.049		14.3%
Dangerous Dogs	0.007		10.1%
Software Maintenance	0.118	1.616	4.6%
East Midlands Collaboration		0.389	3.8%
less: Removal of 1.25% Social Care Levy		(1.474)	
Total Pay awards and non-pay Inflation		9.793	

7.11 It is important to emphasise that 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.

- 7.12 In the last couple of years inflation has been an issue for the public sector, businesses, and individuals alike to an extent not experienced for over forty years. As measured by the official national statistic of CPI-H its annual rate was 0.9% in January 2021 and had risen to 4.6% by November 2021 when the 2022/23 Budget was being prepared. At that time the Bank of England was forecasting that CPI would peak at around 5% by April 2022.
- 7.13 In the latest release of official statistics by the ONS (at 14 December 2022), the annual rate of CPI stood at 10.7%, over twice what the Bank had assumed would be its peak. It had been 11.1% at its highest, in October 2022. The Bank's expectation is now that inflation will remain 'very high' for the next few months before falling gradually into the spring of 2023. However, it acknowledges there are 'considerable uncertainties' around the future outlook and that the continuance of tight labour markets could make high inflation a more persistent issue.
- 7.14 The potential impact of inflation therefore remains a challenge for the management of the Constabulary's finances and requires careful judgements to be made regarding future planning.

Pay Awards

- 7.15 The 'fixed amount' pay awards of £1,900 given to officers and staff from September 2022 varied in terms of a percentage increase quite widely. For a new officer recruit it represented an increase of just under 8% compared to 2% for an experienced Chief Superintendent, with the weighted average for officers being just over 5%. Similarly, for staff the addition to the wage bill was in the region of 6.5% when weighted by grade. Both these increases are substantially higher than the 3% assumed when the 2022/23 budget was set and the difference has had to be built into the 2023/24 Base Budget.
- 7.16 The level of pay awards to be implemented during the next year is subject to considerable uncertainty, not least because of the unpredictability of the economic environment in which they will be agreed. The Home Office have signalled that forces should budget prudently for future pay awards and should assume no further funding support than that provided by the Settlement.

7.17 It is considered that allowing for a 2% pay award in our budget provides for the minimum level of increase in pay. However, whilst inflation continues to run significantly above that level, there is a risk to the Commissioner and Chief Constable that centrally-set pay awards are above that level. Similarly, there are uncertainties inherent in our assumptions on non-pay items which are subject to inflation. We have therefore established a Pay/Prices Volatility Contingency to help cushion the Force from those inherent uncertainties.

Police Staff Pensions and other oncosts

7.18 £0.495m has been added to the Base Budget as a result of the latest triennial valuation of the Derbyshire Local Government Pension Scheme (LGPS) as at 31 March 2022. This determines the required Employer Contribution Rates to the scheme as from 1st April 2023.

7.19 The 'Primary' rate, which pays for benefits to be accrued in the future, has increased by 6% (from 13.9% to 19.9% of pensionable pay). This is a consequence of an increase to the assumptions for future inflation and pay awards. It is offset by a reduction of -2% from the 'Secondary' rate which essentially recovers any outstanding deficit on benefits earned to date. Strong investment returns over the last 3 years means that all benefits accrued to the valuation date are fully funded. As a result, from 1 April 2023 the force will pay 17.9% of its police staff pay into the scheme.

7.20 Officer and staff oncosts (national insurance and pensions) also change for a variety of other reasons. For example, the number of police officer recruits who are young in age means that the average level of national insurance contributions payable has reduced. Overall, a net saving of £0.400m is projected from such changes.

Non-pay inflation

7.21 It is projected that non-pay inflation will increase costs by an estimated £1.616m in 2023/24. This figure has been derived from a heading-by-heading assessment of past and likely future price changes impacting on the cost base. There is inevitably uncertainty regarding the levels of future price changes, which will be influenced by national and global economic conditions.

Business cases approved during 2022/23

- 7.22 The force held a Strategic Planning Day in March 2022 which highlighted a number of operational areas that needed additional resourcing in the short-term to meet new or increased demand. Further requirements have been received and approved throughout the year by the Productivity & Efficiency Board or, where necessary, the Chief Officer team. In the main, these have resulted in new Police Staff posts being added to the establishment.
- 7.23 The financial position during 2022/23, particularly the carry-forward of underspends from the previous year, has meant that initial funding for this investment could be met from existing resources. However, £1.748m needs to be built into the budget from 2023/24 to maintain the investment on an ongoing basis. This will fund the following items:

Business Cases approved after 2022/23 Precept Meeting	£
Professional Standards Development	0.062
P&E Board - PCIP Project	0.344
P&E Board - Executive PA post	0.025
P&E Board - Criminal Justice posts	0.178
Crime Support Temporary Financial Investigators posts	0.135
Crime Support Stalking Co-ordinator post	0.034
Ops Support Airbox MOSAIC system	0.032
March 2022 Planning Day - approved initiatives	
- Digital Forensics Unit Staff Uplift	0.456
- Digital Forensics Unit Licences	0.075
- Contact Management - Removal of Police Staff Vacancy factor	0.223
- Mini Police scheme	0.020
- Specials subscriptions to Federation	0.011
- Information Services Service Desk post	0.031
- Information Services Network Engineer post	0.047
- Human Resources Temporary Training Planner post	0.027
- Human Resources Policy & Wellbeing post	0.048
TOTAL	1.748

Planning Day Seminar – November 2022

- 7.24 The Constabulary held a further Planning Day seminar on 21st November 2022. Out of this seminar, bids for additional resources were presented, considered, and graded against 'Capacity Risk' (Severe / Substantial / Moderate / Negligible / not graded). All the bids submitted, and whether or not they were supported by the Chief Officer Team, are set out at Annex A.

7.25 In summary the proposed funding decisions were as follows:

- £0.123m one-off capital expenditure to be approved
- £0.423m one-off revenue expenditure to be approved
- **£0.519m on-going revenue expenditure to be approved**

7.26 The one-off capital expenditure can be funded from the existing Capital Equipment provision within the proposed Capital Programme and the one-off revenue expenditure can be funded via 2022/23 underspends and / or reserves. The £0.519m of on-going revenue expenditure has been built into the 2023/24 budget requirement.

Provision for further Business Cases

7.27 There is a need for ongoing investment in up-to-date technology to make the best possible tools available to officers and staff as they respond to the increasing demands placed upon them. An additional £1.000m has been made available in each of the last two years for specific initiatives assessed and approved by the constabulary's Design Board.

7.28 It is hoped to continue this commitment with an additional £1.000m allocated annually for the next three years and this aspiration is reflected in the 2023/24 Committed Budget Requirement. However, recognising the more immediate pressures on the budget, one option to balance next year's budget (as set out at section 8) is to curtail this investment to £0.500m for 2023/24.

7.29 The PCIP project, which will modernise how we engage with the public of Derbyshire and those who need our services, is currently in its very early procurement phase. However, it is known that it will require a significant investment of resources to realise the benefits of the latest communication technology as intended. Therefore, the funding within the 2023/24 budget, plus the existing Design Board provision which has been already earmarked to the project (£1.557m), will need to be put into a reserve at 31 March 2024 pending costs coming on stream.

Identified Budget Savings

- 7.30 Reductions made to the budget from a review of vacant police staff posts and demands against other areas of spend totalling £0.884m are as follows: -

Identified Savings from the 2022/23 Approved Budget	£
Vacant posts removed from Police Staff establishment	(.361)
Contact Management - Police Staff Overtime provision	(.213)
Information Management - Police Officer Overtime / Remote Storage	(.038)
Misc Premises costs	(.160)
Vehicle Insurance Excess costs	(.100)
Corporate Services - Partnerships	(.012)
TOTAL	(.884)

Additional Income Generation

- 7.31 The net budget requirement for 2023/24 will be reduced by £1.059m of additional income being earned, mainly through recovery of costs incurred in supporting policing at a regional and national level. In some cases, the income offsets additional costs to be incurred, notably from bringing vetting activity 'in-house' from Warwickshire Police.

Additional Areas of Income Generation	£
Proceeds of Crime Income	(.080)
Recharges to EM Region for support services costs	(.231)
Recharges to EM CTIU and Sensitive Equities for support services costs	(.110)
Recovery of Vetting costs	(.100)
Vehicle Recovery income	(.233)
Provision for Mutual Aid cost recovery	(.300)
Other fees and charges / cost recovery income	(.005)
TOTAL	(1.059)

Other Budget Changes

- 7.32 This section comprises budgetary changes resulting from a wide variety of factors which impact on the constabulary's income and expenditure, but which are mostly outside its direct control. In some cases, they stem from decisions taken by external agencies or from decisions already taken in previous years which have an ongoing impact.

7.33 A full list of these other changes is included at Annex B, but the key ones of note are as follows:

- A **£2.594m** increase to the Police Officers pay budget to reflect the full year cost of 113 additional officers (Year 3 Uplift) recruited in 2022/23. Offset by,
- Additional specific Uplift grant of **(£1.951m)**. This brings the total grant budgeted for to £3.9m as provided in the provisional settlement. It is understood from communications with the Home Office that funding for the Police Officers September 2022 pay award has been included within this grant. By including this funding as a specific grant, the force will need to demonstrate the appropriate costs being incurred in order to receive it from the Home Office.
- An increase in the budget for Police Officer Overtime of **£0.500m**. Police Officer Overtime is projected to be overspent by some £1.6m in the current year. This overspend is spread across the force and is occurring for a wide variety of reasons. Recognising that major changes are taking place across the Constabulary, both in terms of officer numbers and organisational structure, a force-wide review of overtime requirements will be undertaken during the next year. Some unavoidable growth to the existing provision is expected and £0.500m is a reasonable provision to set aside to address these requirements. The Productivity and Efficiency Board will lead a review of the Police Officer overtime requirement in response to the uplift in Officer numbers and the recent increase in overtime costs.
- The impact of the proposed Capital Programme on the revenue budget equates to **£0.515m** in 'new' borrowing costs but this is offset by a reduction of **(£0.506m)** as existing borrowing falls off.
- Additional investment income of **(£1.190m)**. In 2021/22 the constabulary earned just £0.030m from its investment of surplus cash balances. As a result of the series of interest rate increases implemented by the Bank of England's Monetary Policy Committee this is forecast to rise to £1.000m in the current year and £1.200m in 2023/24.

The 2023/24 Committed Budget

- 7.34 Taking account of all the adjustments described above, the 'Committed' Budget for 2023/24 is **£221.069m**, a £11.341m increase over the adjusted base position for 2022/23. When unavoidable pay and price adjustments are taken into account (£9.793m), this represents a virtual 'standstill' position compared to the previous year, any increases being funded from reductions from elsewhere or from additional income.
- 7.35 It is considered that, as a minimum, any Precept decision needs to aim to fund the Committed position as far as possible. This accepts that some further budget reduction measures, or contribution from Reserves, will be needed in any case.

8. BUDGET PROPOSALS

8.1 Against the options for Council Tax increases, based on the previous and revised Precept Limitation criteria, the following budget shortfalls would occur:

Increase in Band D	Deficit £m
£ 10.00	3.795
£ 12.00	3.131
£ 15.00	2.134

8.2 At £3.795m it would be extremely challenging to meet the gap resulting from either a £10 or £12 increase in Council Tax. However, a number of measures have been identified which will enable the smaller deficit of £2.134m to be closed. There are some risks attached to these measures as well as opportunity costs, and they will not eliminate the need for the structured Savings Plan to be developed which was mentioned earlier. A summary of the proposed budget-reduction measures is as follows:

	£m
Police Staff Vacancy Factor increased from 4% to 6%	0.815
Reduce provision for Design Board investment by 50%	0.500
EMSOU Savings	0.283
Total Potential Budget Reductions	1.598
Remaining Deficit	0.536

Police Staff Vacancy Factor

8.3 A certain level of saving inevitably arises from the turnover of staff and the 'lag' between an employee leaving and his/her replacement starting. Unlike police officer recruitment there is less scope to avoid this by 'front-loading' / forward recruitment. This has always been recognised within the Police Staff salaries budget by allowing for less than 100% of the cost of all established posts.

8.4 Within the Committed Budget a vacancy rate of 4% of all police staff posts - except those within the Force Control room - has been allowed for. This 4% allowance has been in place for a number of years. Removing it for Contact Management was the consequence of a Business Case recognising the specific challenges of rapid turnover in that particular area.

8.5 In the last couple of years Police Staff vacancies have changed from being a ‘natural occurrence’ to being something of an issue for the constabulary. The tight labour market nationally has combined with specific local circumstances to create rates of vacancy well above the 4% rate allowed for, as illustrated in the table below. One particular factor has been the number of staff, especially in PCSO roles, resigning to become police officers. The following table shows the movement in police staff vacancies during the past 12 months.

Month	Actual (inc. PCSOs)	Establishment (inc. PCSOs)	Number of Posts Vacant	% of Posts Vacant	Minimum % Gap
Nov 2022	1525.5	1752.7	227.1	13.0%	4.0%
Oct 2022	1522.1	1738.4	216.2	12.8%	4.0%
Sep 2022	1473.4	1738.3	264.8	15.2%	4.0%
Aug 2022	1483.7	1738.3	254.5	14.6%	4.0%
July 2022	1495.3	1737.3	242.0	13.9%	4.0%
June 2022	1501.5	1737.2	235.7	13.4%	4.0%
May 2022	1495.0	1725.7	230.7	13.4%	4.0%
Apr 2022	1515.7	1725.6	211.4	12.3%	4.0%
Mar 2022	1557.5	1711.7	154.2	9.0%	4.0%
Feb 2022	1561.0	1704.7	143.7	8.4%	4.0%
Jan 2022	1556.4	1699.7	143.2	8.4%	4.0%
Dec 2021	1561.6	1696.7	135.1	8.0%	4.0%

8.6 As at November 2022 vacancies were running at 13.0%. While not a deliberate aim, this situation does provide an opportunity to reflect the actual experience within the 2023/24 budget. Whilst active steps are being taken to recruit to key posts, it would be reasonably safe to assume a certain higher-than-normal vacancy rate will continue for some time. If the allowance was increased to 6% for all staff posts except the Control Room (0%) and PCSO’s (4%) this would enable a budget reduction of £0.815m to be made.

8.7 A potential downside to this measure is that it may require deliberate delay or curtailment of recruitment that would otherwise have occurred should the overall vacancy situation improve unexpectedly. Also, the budget will need to be restored in future years should the constabulary wish and be able to operate at a lower rate again, this will be factored into the wider Savings Plan work.

Design Board provision

- 8.8 As discussed at paragraphs 7.26-27, it is intended to allocate this funding to the PCIP project. As costs are not due to be incurred until 2025/26, reducing the amount by 50% would have no immediate impact. This is therefore perhaps the easiest option to implement although the overall cost of the project will need to be financed eventually.

EMSOU Saving

- 8.9 The regional collaborative budgets have yet to be agreed by the CC's and PCC's, however a budget option has been put forward that provides for a reduction in PCC funding.

Budget Reduction Measures - Summary

- 8.10 If the three budget reduction measures as outlined above are adopted, then with a **£15** precept increase the outstanding deficit would be **£0.536m**. It is proposed to take this amount from the **Operational Funding and Investment Reserve** in 2023/24 pending further savings options being developed to eliminate the budget gap on a permanent basis.

9. 2023/24 PROPOSED BUDGET SUMMARY

The Workforce Strength

- 9.1 The budget as proposed above would fund a total of 3,728.4 full-time equivalent posts (officers and staff), a net increase of 58.8 posts over the 2022/23 approved budget, as set out in the table below:

FTEs	Police Officers	PCSO's	Police Staff	Total Staff	TOTAL
2022/23 Funded Posts	2017.0	199.0	1453.6	1652.6	3669.6
Police Staff posts funded from Uplift			6.0	6.0	6.0
March 2022 Planning Day					
- Digital Forensics Unit			12.0	12.0	12.0
- Information Services			2.0	2.0	2.0
- Human Resources			3.0	3.0	3.0
November 2022 Planning Day					
- Information Services			0.6	0.6	0.6
- OSD Weapons Maintainer			1.0	1.0	1.0
- Crime Directorate - RRD Project Manager			1.0	1.0	1.0
Productivity & Efficiency Board					
- Criminal Justice Redaction Team			3.0	3.0	3.0
- Criminal Justice Custody			3.0	3.0	3.0
- Executive post			1.0	1.0	1.0
- Professional Standards Restructure			1.0	1.0	1.0
Other Approved Business Cases					
- Contact Management - PCIP project			13.0	13.0	13.0
- Professional Standards Development			3.0	3.0	3.0
- Financial Investigators - funded from PACE income			3.0	3.0	3.0
- Crime Support Stalking Co-ordinator			1.0	1.0	1.0
- HR - Head of Derbyshire Occupational Health			1.0	1.0	1.0
- Procurement - Trainee post 50% funded by OPCC			1.0	1.0	1.0
Cost of Policing vacancy review - removed posts			-8.8	-8.8	-8.8
Other Changes					
- Changes in Structure of Corporate Services			1.0	1.0	1.0
- Changes in regional posts employed by Derbyshire			6.5	6.5	6.5
- Changes in staff recharged to external bodies			4.5	4.5	4.5
Projected 2023/24 Funded Posts	2017.0	199.0	1512.4	1711.4	3728.4

The Allocation of the Budget

- 9.2 The tables below provide a summary of the 2023/24 draft revenue budget split between those elements that the PCC is directly responsible for and those under the direction and control of the Chief Constable to manage and operate.

9.3 The proposed draft budget for 2023/24 for the **Office of the Police and Crime Commissioner** is summarised in the table below:

Office of the Police and Crime Commissioner	Approved Budget 2022/23 (£m)	Draft Budget 2023/24 (£m)
Commissioner's Office	1.346	1.378
Crime Prevention Fund	0.275	0.275
Community Safety Fund	2.054	1.936
Victim and Witness Services	1.979	2.185
Sub-Total	5.654	5.774
Revenue Contributions to Capital	3.439	3.491
Debt Charges	1.674	1.583
Interest Receipts	(0.010)	(1.200)
Sub-total	10.757	9.648
Contribution from Reserves	(0.100)	(0.100)
Contribution to Reserves	0.003	0.043
Grant from the Ministry of Justice (estimate)	(1.284)	(1.337)
Local Authority Contributions	(0.941)	(1.001)
Net Budget Requirement	8.435	7.253

9.4 The proposed draft budget for the **Chief Constable** is as follows:

Chief Constable	Approved Budget 2022/23 (£m)	Draft Budget 2023/24 (£m)
Derbyshire Constabulary	190.432	199.804
East Midlands Collaboration	10.211	10.473
Contributions to National Policing	-	(0.300)
BCU Fund	0.318	0.318
Partnerships	0.549	0.537
Sub-total	201.510	210.832
Contributions to/(from) Reserves	-	2.057
Contributions to/(from) Reserves	(0.703)	(0.671)
Net Budget Requirement	200.807	212.218

- 9.5 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 2022/23 £m	Draft Budget 2023/24 £m
EMSOU Serious and Organised Crime, incl. TSU	5.365	5.910
Major Crime	0.184	0.172
Forensics	2.097	2.167
HR Service Centre - Derbyshire / Leicestershire	0.901	0.965
Learning and Development / Occupational Health	0.832	0.379
Legal	0.444	0.482
Contribution to Regional Teams	0.378	0.388
Crimestoppers Regional Manager	0.010	0.010
Total Collaboration	10.211	10.473

The 5-force collaboration for Occupational Health services will end in March 2023. Estimates for a new in-house provision have been included within the operational budget for the Constabulary.

Band D Council Tax

- 9.6 Assuming the PCC supports a £15 increase, the maximum allowed by the Government, the recommended Band D Council Tax proposed for 2023/24 is £266.60, an increase of 5.96% on the comparable figure for 2022/23.

	Precept Increase £15
Net Revenue Budget	£219,470,868
Budget Increase (%)	3.15%
Proposed Council Tax Requirement	£88,559,167
Police Council Tax (Band D)	£266.60
Police Council Tax Increase (£)	£15.00
Police Council Tax Increase (%)	5.96%
Proposed Contribution from Reserves	£536,369

10. VALUE FOR MONEY

- 10.1 The Constabulary continues to demonstrate good value for money and performs well in national comparators. The most recent procurement data reported to Blue Light Commercial shows cashable savings of £0.290m to date for 2022/23 on top of £0.622m achieved in 2021/22.

A review of 'good financial management' arrangements across our services resulted in budget reductions of £2.9m from the 2022/23 Budget and a further £0.884m has been removed from the budget requirement for 2023/24. Further efficiencies and cashable savings are planned through the Mobile Workplace project, which will improve the way we work remotely and optimise the business benefits working with Office 365 productivity tools.

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. 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. Based upon Police Objective Analysis returns for the 3-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. The review concluded that overall, the Force gains more total income than the average Force.

Through exploiting the deployment of O365 the Force continues to make efficiency, cashable and non-cashable savings by maximising our use of the Microsoft Power Platform. PowerApps and associated automation has enabled the Force to solve a range of business problems without needing to invest in siloed solutions or rely on manual / obsolete processes. The Force is in the process of realising benefits for several Applications.

The creation of an in-house Drone Application and associated SharePoint storage removed the need to buy a system and train users, it also provided efficiency savings in terms of Drone Pilot time. The introduction of a Desk Booking App to support agile working in Force again avoided the need to purchase a new system

and gives the Force the flexibility to adapt and change as required.

There are many examples such as these where we have developed inhouse solutions to improve how we work which not only drive efficiencies, but which also avoid additional cost to the Force.

10.2 Procurement and Commercial Frameworks

Police Digital Service (PDS) as the predominant IS and Digital provider have concluded national frameworks for policing which Derbyshire have supported and now access to ensure WFM through savings and efficiencies through economy of scale.

Projects include Oracle licences, Chronicle Licencing and Support, SSAS, Airwave Radios (overt and covert), Adobe Licencing, VMWare Support, IBM i2 Analytical Software.

Derbyshire benefit from a very hands-on service from Blue Light Commercial (BLC) and we continue to work closely together on many national projects for both goods and services. We have also engaged with BLC to provide additional support and advice concerning our approach to market relating to the PCIP project and the current live tender. BLC have been very complimentary of our approach and the professionalism shown by the project team during the creation and publication of requirement documentation and how the market is being managed to deliver this force wide critical strategy.

During 2023 the procurement team intend to expand their knowledge and training in relation to contract management within the force as there is now a dedicated resource being allocated to this field and this will be driven via BLC training and support mechanisms.

Work is also underway with BLC to deliver procurement routes/strategies for Uniform, Body Armour, Fleet, Next Generation Forensics (traditional & digital) FM, Social Value, Net Zero, Income Generation/Cost Recovery, Learning & Development, new procurement regulations.

Projects include Contingent Labour, Vehicles Purchasing, Supply & Fit of Tyres, Fuel Cards, E-Tendering system and contract database, Custody Medical Services, Scene of Crime Consumables, Protected Personnel Carriers.

We will continue to explore collaboration and procurement opportunities with other authorities, particularly Derbyshire Fire and Rescue and also our neighbouring forces in the East Midlands and wider Midlands areas.

National collaboration is also considered via attendance at National Procurement forums, and the utilisation of compliant Government, Bluelight, NHS and Education frameworks as a first option for routes to market.

We have also established our own frameworks to drive cashable and efficiency savings in volume areas such as Estates and IS.

11. THE FUTURE FINANCIAL POSITION (2023/24 to 2026/27)

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

Medium-Term Forecast 2023/27	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Previous Year's Gross Expenditure	212.258	219.471	231.077	236.271
less: One-off investment fund expenditure	(2.531)	-	-	-
Previous Year's Gross Expenditure	209.728	219.471	231.077	236.271
Pay Awards and Inflation increases	9.793	8.706	3.991	4.074
Other Changes to the Committed Budget	(0.276)	2.436	2.014	1.797
Identified Savings Income Generation	(1.943)	0.000	0.000	0.000
New Business Cases and Investment	3.767	0.464	(0.811)	0.000
Budget Reduction Measures to meet deficit	(1.598)	0.000	0.000	0.000
Net Revenue Budget	219.471	231.077	236.271	242.142
Projected Funding	(218.934)	(225.858)	(233.156)	(240.628)
Forecast Base Budget (Surplus) / Deficit	0.536	5.219	3.115	1.514

- 11.1 It is vital that Derbyshire Police continues to explore opportunities to deliver savings to fund future investment so that we can maintain appropriate reserve levels and that ongoing enhancements to service levels are self-financed through saving plans.
- 11.2 It is also important to bear in mind that in the two years immediately beyond the current forecasting period (2027/28 and 2028/29), we will continue to incur additional debt charges as we implement our ambitious plans for developing the estate notably the North divisional HQ and response hub and the Multi-purpose Hall at force Headquarters.

12 WHAT ARE OUR RESERVES LEVELS LIKE?

Reserves Position for Derbyshire

12.1 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.
- Interest rate rises
- Consideration of any further financial 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.

12.2 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 2026:

	Balances at 31/03/22	Estimated Balances at 31/03/23	Estimated Balances at 31/03/24	Estimated Balances at 31/03/25	Estimated Balances at 31/03/26
	£m	£m	£m	£m	£m
GENERAL RESERVES	6.500	6.500	6.500	6.500	6.500
EARMARKED RESERVES					
Useable:-					
Operational Funding and Investment Reserve	3.743	5.313	5.178	5.178	5.178
Contribution to Capital	0.551	0.000	0.000	0.000	0.000
Carry-forwards	1.122	1.500	0.984	0.984	0.984
PCC Grants & Commissioning	1.119	0.974	0.874	0.774	0.674
Covid-19 Funding Reserve	0.299	0.163	0.000	0.000	0.000
Workforce Resilience & Well-Being	0.997	0.632	0.340	0.340	0.340
IT Equipment	0.500	0.000	0.000	0.000	0.000
Design Board Funding	1.000	2.500	4.057	0.000	0.000
Planning Day Initiatives	1.255	0.761	0.603	0.603	0.603
Productivity & Efficiency	0.500	0.500	0.500	0.500	0.500
Investment Fund	0.000	1.335	0.000	0.000	0.000
Local Council Tax Support	1.311	1.311	1.311	1.311	1.311
Sub-Total	12.397	14.989	13.847	9.690	9.590
Non-useable:-					
PFI - Ilkeston	0.822	0.727	0.636	0.521	0.390
PFI - Derby	1.461	0.987	0.582	0.122	0.000
Insurance	0.148	0.218	0.220	0.222	0.225
Sub-Total	2.431	1.933	1.438	0.866	0.615
TOTAL EARMARKED RESERVES	14.828	16.921	15.285	10.555	10.205
TOTAL RESERVES	21.328	23.421	21.785	17.055	16.705

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

13 **IS OUR BORROWING AFFORDABLE?**

- 13.1 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.

14. ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS

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

14.2 ASSURANCE OF THE CHIEF CONSTABLE'S CHIEF FINANCIAL OFFICER

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

- a) The main assumptions and estimates, for compiling the budget are set out within the report and the figures for the 2023/24 budget have been based on these assumptions.
- b) The recommendations are consistent with the medium-term financial strategy and do not impact on the financial stability of the Constabulary. There is, however, increased pressure on reserves with the proposed use of the Operational Funding and Investment Reserve to meet the budget deficit in 2023/24. The success of the Savings Plan will be critical to achieve a balanced budget beyond 2023/24.
- c) Future financial implications up to 2026/27 have been analysed but can only provide an indication of the potential financial position that the Constabulary and Commissioner will face, particularly with the likelihood of high inflation combined with higher interest rates and the volatility of council tax income and Precept levels. The Medium-Term Financial Plan reflects all known factors that could have an impact on our Budget up to 2026/27. The impact of increased funding through Uplift grant will also require careful monitoring and the Savings Plan 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.
- d) 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.
- e) Medium Term implications –. There are a number of scenarios that the Constabulary will continue to model within the current MTFP, based on the most prudent forecast around funding and precept increases. 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.

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

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

- a) Government Policy – The MTFP is produced in line with the latest government policy as applied to Police & Crime Commissioners.
- b) CIPFA Code – the MTFP is produced in line with the Prudential Code and the CIPFA Treasury Management Code. Details are outlined in the Treasury Management and Capital Programme reports.
- c) Council Tax – The Government confirmed that legislation through the Localism Act provides communities with the power to veto, through a referendum, council tax increases deemed by the government to be excessive. The level at which council tax is deemed excessive is decided in accordance with a set of principles determined by the Secretary of State for Communities. For 2022/23 the revised Referendum Principle is £15 for Police & Crime Commissioners. Increases in council tax secure year on year funding, as being a part of the base revenue budget.
- d) Balanced budget – a balanced budget is presented.
- e) Robustness of Estimates – I have reviewed the matters that have been considered in drafting the proposed budget and the consequential budget requirement, and the required level of the police precept. I am satisfied that the procedures adopted by the Constabulary's Chief Financial Officer and his team are sufficiently robust to ensure the financial data is accurate and forms a sound basis for the preparation of the estimates for 2022/23.
- f) Adequacy of reserves – I consider the level of general reserves (£6.5m) to be adequate for meeting estimated future risks. Specific reserves are reducing (rapidly in some cases) but are at appropriate levels to support future expenditure in the short and medium term. Given the size of the deficit, however, I will keep this position under regular review and expect to see the Constabulary's savings plans in due course.
- g) Medium Term implications – I consider that the MTFP presents a best estimate of the future financial pressures that the Commissioner will face. It should be noted that inherent within the MTFP are assumptions as set out in this report and its annexes. Movement in any of the key assumptions would have significant impact on the available resources to support policing. The Constabulary's Chief Financial Officer and I will continue to monitor national developments carefully to ensure the Commissioner and Chief Constable are sighted on any emerging risks for Derbyshire.

ANNEX A

Constabulary Planning Days November 2022 - Submitted Bids for Additional Resources

Growth Bid	Decision	HMICFRS	Department	Capital Cost £	One -off Revenue £	Ongoing Revenue 23/24 £
Review, Retention, Disposal Project (Project Manager)	Supported		Crime Directorate - Intelligence			50,200
Cellebrite Capability	Supported	AFI 19	Crime Directorate - Intelligence			80,000
Chorus Investigate for Intelligence Officers	Supported	AF19	Crime Directorate - Intelligence			109,000
Driving Training Vehicles	Supported	AFI s 19, 22	Human Resources - Training	123,400		6,000
Rounding up of 0.6 (across 3 posts) within Information Services	Supported	AFI 21	Information Services			20,000
Armourer	Supported	AF1 22	OSD			34,200
Occupational Health & Wellbeing	Supported	AFI 18	Human Resources			220,000
DFU Outsourcing	Supported	AFIs 14, 19	Crime Directorate - Intelligence		357,700	
Trim - Train the Trainer Course	Supported	AFI 18	Human Resources - Training		1,500	
Training Estate - Matlock Lease	Supported	AFI 19	Human Resources - Training		24,000	
Campaign Funding	Supported	AFI 3	Comms & Engagement		40,000	
RASSO Victim Liaison Officers	Supported	AFIs 10, 11	Crime Directorate -Public Protection		213,400	
Central Disclosure	Supported - Temp Basis	-	Information Management			
Substance Abuse Co-ordinator	PC Uplift (if cannot be funded through external)	AFI 13, 21	Corporate Services			
E-CINS Co-ordinator	PC Uplift	AFIs 1, 13, 21	Corporate Services			
Serious Violence Co-ordinator	PC Uplift	AFI 13, 21	Corporate Services			
VAWG Coordinator	PC Uplift	AFI 14	Corporate Services			
NACT Burglary Prevention Co-ordinator	PCSOs to be used	AFI 21	Corporate Services			
Custody Tagging	Not supported	AFI 10, 14	Criminal Justice -Custody			
Dedicated Custody Trainer	Not supported	AFI 19, AFI 22	Criminal Justice - Custody			
PCSO Supervisor Uplift - Chesterfield	Not supported	AFIs 3,4	North Division			
Total				123,400	636,600	519,400

ANNEX B

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE Revenue Budget Projections 2023/24 to 2026/27

		2023/24	2024/25	2025/26	2026/27
PROJECTED STAFFING LEVELS	2022/23	fte's	fte's	fte's	fte's
Police Officers	2,017.0	2,017.0	2,017.0	2,017.0	2,017.0
PCSO's	199.0	199.0	199.0	199.0	199.0
Police Staff	1,453.6	1,512.4	1,512.4	1,512.4	1,512.4
TOTALSTAFFING	3669.6	3728.4	3728.4	3728.4	3728.4
PROJECTED BUDGET REQUIREMENT		£m	£m	£m	£m
Previous Year's Budget Requirement		212.258	219.471	231.077	236.271
Remove non-recurring costs from 2022/23 Chiefs Investment Fund		(2.531)			
Adjusted Base Budget Requirement		209.728	219.471	231.077	236.271
Pay & Price Increases					
Full Year Effect of Previous Year's Pay Award:-					
Police Officers		3.809	1.489	1.108	1.081
Police Staff		2.445	0.773	0.503	0.514
Provision for Current Year's Pay Award & Inflation:-					
Police Officers pay award		1.296	1.395	1.329	1.407
Police Staff pay award		0.646	0.686	0.698	0.713
Pay & Prices Volatility Contingency		0.971			
Removal of 1.25% Social Care Levy in National Insurance		(1.474)			
Police Officer Scheme Revaluation			4.029		
Police Staff Pension costs - LGPS Revaluation		0.495			
Other changes in Police Officer oncosts (NI / Pensions / Appr Levy)		(.400)	(.107)	0.000	0.000
Non-Pay Inflation		1.616	0.232	0.136	0.139
Collaboration - inflationary increases		0.389	0.210	0.216	0.221
Total - Pay & Price Increases		9.793	8.706	3.991	4.074
Previous Year's Budget updated for Pay & Price changes		219.520	228.177	235.068	240.345
Other Changes to the Committed Budget					
OPCC - Grants & Commissioning		0.088			
OPCC - Ministry of Justice Grant / Local Authority contributions		(.113)			
OPCC - Staffing / Office running costs		(.045)			
Police Officers - Increments / Turnover		(1.261)	1.032	0.533	0.773
Police Officers - 2022/23 Uplift (full year effect)		2.594			
Police Officers - Misc Allowances / Housing Allowances		(.045)	(.103)	(.000)	(.000)
Police Officers - Overtime (no of Bank Holidays and other changes)		(.125)			
Police Staff - Increments / regrades / other changes		0.172			
Other Indirect employee expenses		0.015			
Cleaning Contract specification		0.176			
Vehicle Commissioning and Maintenance		0.240			
Other Fleet / Travel costs		0.055			
Crime Support Professional Fees		0.090			
Criminal Justice Fees - GMP Custody Contract / Doctors Statements, etc		0.030			
Finance and Business Support Fees - Financial Contracts		0.066			
Finance and Business Support Fees - Vehicle Recovery		0.165			
NPAS Recharges		0.154			
Information Services - Microsoft Licences renewal		0.157	0.124		
Information Services - NICHE Cloud		0.105			
Information Services - Telematics costs		0.071			
Information Services - other costs		(.036)	(.200)		
Ops Support - Dangerous Dogs costs		0.051			
Other Supplies & Services		0.042	0.017		
Debt Charges - current borrowing		(.506)	(.414)	0.962	2.214
Debt Charges - new borrowing		0.515	1.422	0.469	(1.104)
Review of MRP for PFI schemes		(.101)	0.609	(.277)	(.086)
Increase in Police Uplift grant		(1.951)			
Investment Income		(1.190)			
Remove contribution from reserves re additional PCSO's		0.212			
Contribution from reserves re 3 temporary Financial Investigators		(.135)			
Changes in other specific Reserve contributions		(.007)	(.050)	0.327	0.000
Recharges from EM Collaborative Units		0.240			
Total - Other 'Committed' Budget Changes		(.276)	2.436	2.014	1.797

COMMITTED BUDGET BEFORE IDENTIFIED SAVINGS / BUSINESS CASES		219.245	230.613	237.082	242.142
identified Savings from the 2022/23 Approved Budget					
Vacant posts removed from Police Staff establishment		(.361)			
Contact Management - Police Staff Overtime provision		(.213)			
Information Management - Police Officer Overtime / Remote Storage		(.038)			
Misc Premises costs		(.160)			
Vehicle Insurance Excess costs		(.100)			
Corporate Services - Partnerships		(.012)			
		(.884)	0.000	0.000	0.000
Additional Areas of Income Generation					
Proceeds of Crime Income		(.080)			
Recharges to EM Region for support services costs		(.231)			
Recharges to EM CTIU and Sensitive Equities for support services costs		(.110)			
Recovery of Vetting costs		(.100)			
Vehicle Recovery income		(.233)			
Provision for Mutual Aid cost recovery		(.300)			
Other fees and charges / cost recovery income		(.005)			
		(1.059)	0.000	0.000	0.000
Business Cases approved after 2022/23 Precept Meeting					
March 2022 Planning Day - approved initiatives		0.938	(.036)		
Professional Standards Development		0.062			
P&E Board - PCIP Project		0.344			
P&E Board - Executive PA post		0.025			
P&E Board - Criminal Justice posts		0.178			
Crime Support temp Financial Investigators posts		0.135			
Crime Support Stalking Co-ordinator		0.034			
Ops Support Airbox MOSAIC system		0.032			
PCIP - additional revenue costs				0.746	
		1.748	(.036)	0.746	0.000
Provision for further Business Cases					
Design Board		0.000	0.500	0.500	
Contribution to Reserves - PCIP Project		1.000		(2.057)	
Police Officer Overtime		0.500			
		1.500	0.500	(1.557)	0.000
Supported Planning Day Business Cases					
In-house Occupational Health provision		0.220			
2 Additional Driver Training Vehicles - Revenue		0.006			
Info Mgt - Review, Retention, Disposal Project Manager		0.050			
Crime Directorate - Enhanced Cellbrite Capability		0.080			
Crime Directorate - Chorus Investigate Licences		0.109			
Operational Support - Armourer Post		0.034			
Information Services - 0.6 fte (Rounding up of 3 part-time posts)		0.020			
		0.519	0.000	0.000	0.000
Total - New Growth less Identified Savings and Income Generation		1.824	0.464	(.811)	0.000

REVISED BUDGET REQUIREMENT FOR YEAR		221.069	231.077	236.271	242.142
Savings Measures to be implemented					
- Increased Vacancy Allowance for Police Staff posts		(.815)			
- Reduced Design Board Investment		(.500)			
- EMSOU Budget Reductions		(.283)			
		(1.598)	0.000	0.000	0.000
REVISED BUDGET REQUIREMENT FOR YEAR AFTER SAVINGS		219.471	231.077	236.271	242.142

FUNDING FOR BUDGET REQUIREMENT		notes	£m	£m	£m	£m
Central Government Funding						
Formula grant		(4)	(121.675)	(123.834)	(126.310)	(128.836)
Council Tax grants		(4)	(8.700)	(8.700)	(8.700)	(8.700)
Total - Central Government Funding			(130.375)	(132.534)	(135.010)	(137.536)
Precept Funding						
Previous year Council Tax Funding			(82.306)	(88.559)	(93.324)	(98.146)
Change in tax base - annual growth		(5)	(1.271)	(1.328)	(1.400)	(1.472)
Change in Band D Council Tax			(4.983)	(3.436)	(3.422)	(3.474)
Change in Collection A/c Surplus / (Deficit)			0.000	0.000	0.000	0.000
Total - Precept Funding			(88.559)	(93.324)	(98.146)	(103.092)
TOTAL PROJECTED FUNDING			(218.934)	(225.858)	(233.156)	(240.628)

BUDGET (SURPLUS) / DEFICIT		0.536	5.219	3.115	1.514
Contribution from Operational Funding / Investment Reserve		(.536)	0.000	0.000	0.000
REMAINING (SURPLUS) / DEFICIT NOT FUNDED		0.000	5.219	3.115	1.514

ANNEX C

Office of the PCC - 2023/24 Budget (detail)

Account	Budget Heading	2022/23 Base Budget	Full Year Inflation	Increments	Other Changes	2023/24 PROPOSED BUDGET
1100	Police Staff Pay	810,900	40,800		(40,830)	810,870
1120	Police Staff Overtime - Plain Time	1,100				1,100
1140	Police Staff National Insurance	91,200	(3,900)		(4,180)	83,120
1160	Police Staff Superannuation	112,700	42,800		(6,700)	148,800
1501	Training Courses	7,500				7,500
1602	Recruitment Advertising	1,500			(500)	1,000
1603	Interview Expenses	500				500
2210	Hire of Rooms	1,000				1,000
3200	Police Vehicle Fuel	500			(200)	300
3300	Hire of Vehicles	1,200			(200)	1,000
3400	Other Mileage (PSV)	5,500			(1,500)	4,000
3403	Rail Travel	4,000			(3,000)	1,000
3408	Car Parking, Taxis, etc	750				750
4000	Equipment - General	3,000			(1,000)	2,000
4040	Furniture	2,000			(2,000)	0
4100	Accommodation / Hotel Expenses	1,500			(500)	1,000
4101	Subsistence Expenses	400				400
4291	Meals / Refreshments	750				750
4400	Printing and Stationery - General	3,000			(2,500)	500
4401	Publications	500				500
4505	Financial Contracts	55,000			7,500	62,500
4520	Professional Fees	20,000				20,000
4543	Professional Fees - Legal	17,600				17,600
4575	Engagement and Communications	46,500				46,500
4635	Software Purchase	15,000				15,000
4740	JARAC Attendance	13,000				13,000
4741	JARAC Mileage	1,000			(500)	500
4805	Non-Recruitment Advertising	4,000			(2,500)	1,500
4807	Conference Expenses	2,500			(1,500)	1,000
4888	Bank Charges	12,000				12,000
4890	Misc. Expenditure	13,500	20,300		(13,500)	20,300
4895	National & Regional Membership Fees	96,000			7,000	103,000
Office of the PCC - Total Budget		1,345,600	100,000	0	(66,610)	1,378,990

ANNEX D

2023/24 PROPOSED BUDGET		
<u>Services Commissioned via the Chief Constable</u>		
	2022/23 Approved £m	2023/24 Proposed £m
Police Officers	110.735	116.423
Community Support Officers	6.119	7.308
Other Police Staff	46.446	49.604
Police Pensions	3.075	3.301
Other Employee Expenses	0.762	0.840
Premises	9.876	10.443
Transport	3.837	4.642
Supplies & Services	21.063	21.408
Agency & Contracted Services	0.272	0.272
Specific Grants	(6.559)	(8.510)
General Income	(5.194)	(5.927)
Derbyshire Constabulary	190.432	199.804
Contribution to East Midlands Collaboration	10.211	10.473
Contributions to National Policing		(.300)
BCU Funding	0.318	0.318
Partnerships	0.549	0.537
Contribution to Reserves		2.057
PROPOSED GROSS SPENDING	201.510	212.889
Contribution from reserves		
- PFI	(.491)	(.536)
- Other Reserves	(.212)	(.135)
	(.703)	(.671)
PROPOSED NET SPENDING	200.807	212.218

ANNEX E

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
STATEMENT OF LEVEL OF RESERVES AS AT 31st MARCH 2021 & FORECAST LEVELS TO 31st MARCH 2026

	2022 / 23					2023 / 24			2024 / 25			2025 / 26		
	Balances at 1/04/22	Movements (to) / from Revenue	Transfers Between Reserves	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	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/26
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
GENERAL RESERVES	6,500,000	-			6,500,000	-	-	6,500,000	-	-	6,500,000	-	-	6,500,000
EARMARKED RESERVES														
Useable:-														
Operational Funding and Investment Reserve	3,742,886	1,569,702			5,312,588	(134,700)		5,177,888			5,177,888			5,177,888
Contribution to Capital	550,689			(550,689)	0		0			0			0	
Carry-forwards	1,122,300	377,700			1,500,000	(516,200)		983,800		983,800			983,800	
PCC Grants & Commissioning	1,118,578	(144,502)			974,076	(100,000)		874,076	(100,000)	774,076	(100,000)		674,076	
Covid-19 Funding	299,153	(136,200)			162,953	(162,953)		-		-			-	
Workforce Resilience & Well-Being	997,000	(145,000)		(220,000)	632,000	(292,000)		340,000		340,000			340,000	
IT Equipment	500,000			(500,000)	-									
Design Board Funding	1,000,000	1,500,000			2,500,000	1,557,000		4,057,000	(4,057,000)	-			-	
Planning Day Initiatives	1,254,500	(493,900)			760,600	(157,900)		602,700		602,700			602,700	
Productivity & Efficiency	500,000				500,000			500,000		500,000			500,000	
Investment Fund	-	1,335,000			1,335,000	(85,000)	(1,250,000)	-		-			-	
Local Council Tax Support	1,311,401				1,311,401			1,311,401	0	1,311,401			1,311,401	
Total Useable:-	12,396,507	3,862,800	0	(1,270,689)	14,988,618	108,247	(1,250,000)	13,846,865	(4,157,000)	0	9,689,865	(100,000)	0	9,589,865
Non-useable:-														
PFI - Ilkeston	822,335	(95,262)			727,073	(91,103)		635,970	(114,871)	521,099	(130,700)		390,399	
PFI - Derby	1,460,688	(473,497)			987,191	(404,780)		582,411	(459,937)	122,474	(122,474)		0	
Insurance	148,262	70,185			218,447	1,600		220,047	2,000	222,047	2,500		224,547	
Total Non-useable:-	2,431,285	(498,574)	0	0	1,932,711	(494,283)	0	1,438,428	(572,808)	0	865,620	(250,674)	0	614,946
TOTAL EARMARKED RESERVES	14,827,792	3,364,226	0	(1,270,689)	16,921,329	(386,036)	(1,250,000)	15,285,293	(4,729,808)	0	10,555,485	(350,674)	0	10,204,811
TOTAL RESERVES	21,327,792	3,364,226	0	(1,270,689)	23,421,329	(386,036)	(1,250,000)	21,785,293	(4,729,808)	0	17,055,485	(350,674)	0	16,704,811

ANNEX F

2023/24 PRECEPT PROPOSAL: A £15 COUNCIL TAX INCREASE ON BAND D PROPERTIES

Band D £266.60	Council Tax Base	Total Funding	Collection Fund - figures yet to be notified		Council Tax
			Surplus	Deficit	
	332,179.92	88,559,167	-	-	88,559,167
Amber Valley Borough Council	41,085.91	10,953,504			10,953,504
Bolsover District Council	22,900.72	6,105,332			6,105,332
Chesterfield Borough Council	30,222.43	8,057,300			8,057,300
Derby City Council	71,038.69	18,938,915			18,938,915
Derbyshire Dales District Council	30,662.53	8,174,630			8,174,630
Erewash Borough Council	34,613.00	9,227,826			9,227,826
High Peak Borough Council	31,390.00	8,368,574			8,368,574
North East Derbyshire District Council	32,603.64	8,692,130			8,692,130
South Derbyshire District Council	37,663.00	10,040,956			10,040,956

<u>Gross Revenue Expenditure</u>	
2022/23 Approved	212,258,465
2023/24 Proposed	219,470,868
Increase in GRE	3.40%

<u>Council Tax Requirement</u>	
2022/23 Approved	82,305,531
2023/24 Proposed	88,559,167
Increase in CTR	7.60%

<u>Council Tax per Banding</u>		
<u>BAND</u>	<u>2022/23</u>	<u>2023/24</u>
	£	£
A	167.73	177.73
B	195.69	207.36
C	223.64	236.98
D	251.60	266.60
E	307.51	325.84
F	363.42	385.09
G	419.33	444.33
H	503.20	533.20