



**Derbyshire
Police and Crime
Commissioner**

Protecting Communities,
Fighting Crime



AGENDA ITEM

DERBYSHIRE CONSTABULARY BUDGET SETTING MEETING

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

PURPOSE OF THE REPORT

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

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

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

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

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

RECOMMENDATIONS

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

Sections within the Report

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

List of Appendices

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

1. BACKGROUND AND APPROACH

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

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

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

2. THE POLICE FINANCE SETTLEMENT

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

Background and Context

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

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

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

2024/25 Police Settlement - The National Picture

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

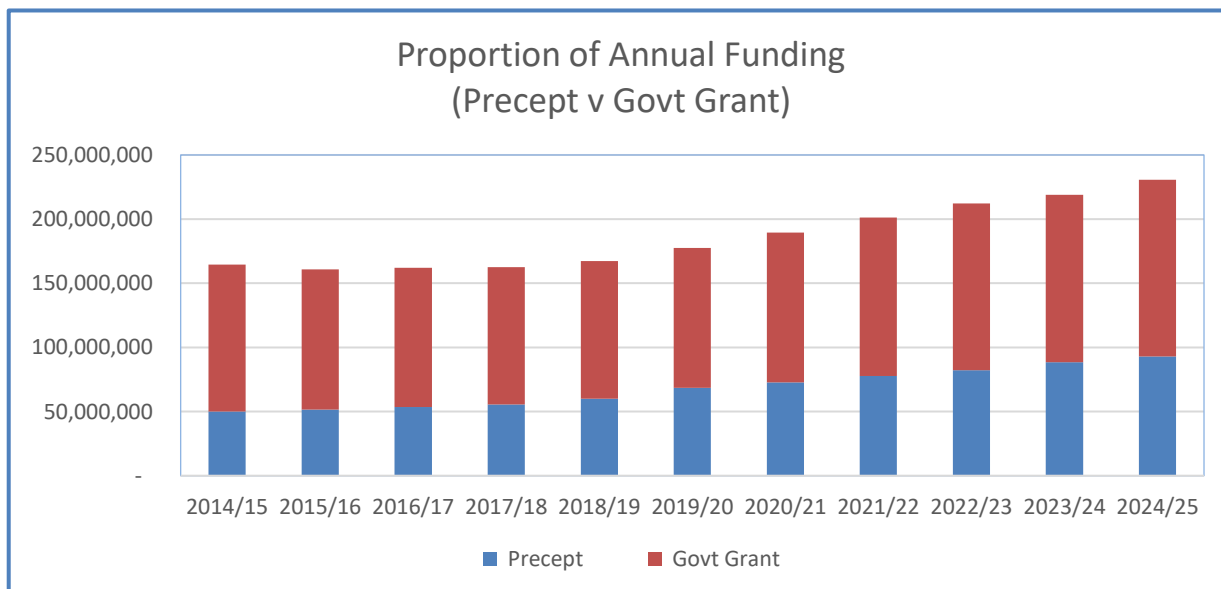
2024/25 Police Settlement - The Picture for Derbyshire

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

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

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

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



3. SETTING THE PRECEPT

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

4. PUBLIC CONSULTATION AND ENGAGEMENT

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

5. COUNCIL TAX BASE

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

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

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

6. OVERALL FUNDING POSITION 2024/25

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

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

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

7. BUILDING THE BUDGET REQUIREMENT FOR 2024/25

The 2023/24 Base Budget Position

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

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

Adjustments to the 2023/24 Base Position

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

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

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

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

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

The Workforce Strength

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

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

Pay And Price Adjustments

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

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

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

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

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

Pay Awards

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

Police Officer Pensions

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

Non-pay inflation

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

Business cases approved during 2023/24

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

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

November 2023 Planning Day - Provision for further Business Cases

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

Identified Budget Savings

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

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

Additional Income Generation

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

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

Other Budget Changes

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

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

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

Regional Collaboration

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

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

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

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

The 2024/25 Committed Budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Budget Reduction Measures - Summary

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

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

Justification for the Increase in Precept

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

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

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

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

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

9. 2024/25 PROPOSED BUDGET ALLOCATIONS

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

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

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

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

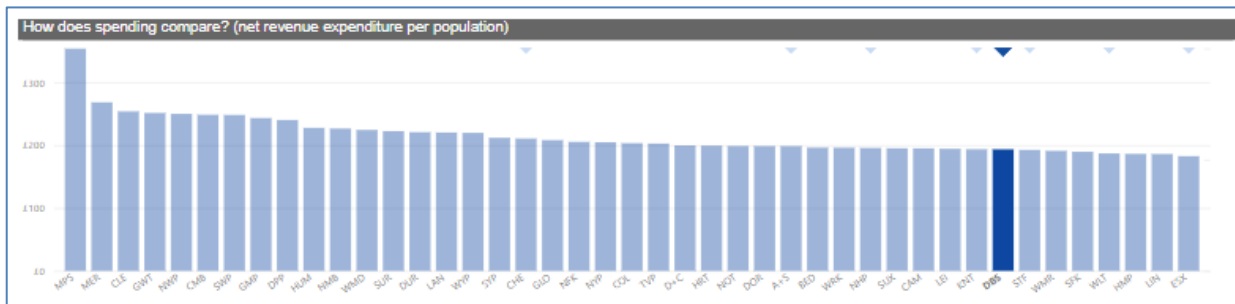
Funding Options in respect of Band D Council Tax

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

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

10. VALUE FOR MONEY

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



Source: HMICFRS Value for Money Profiles 2022

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

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

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

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

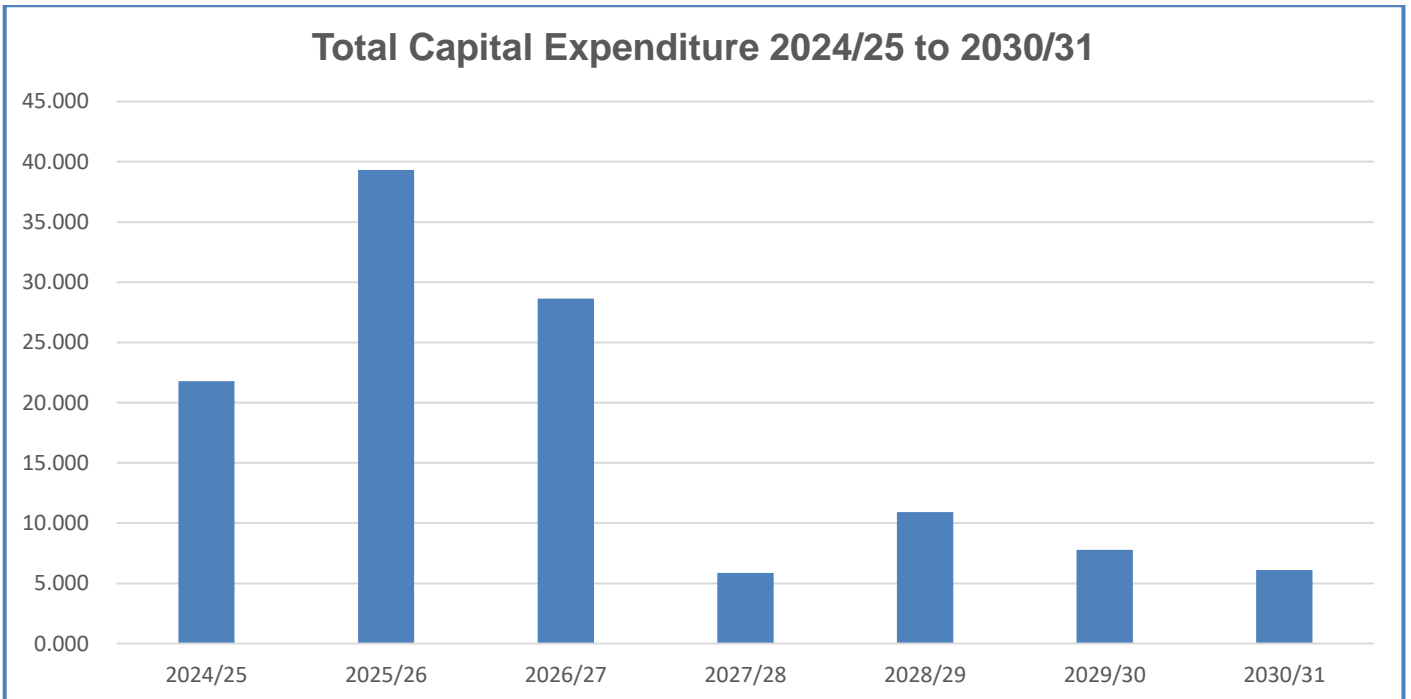
- 11.2 The following table shows the net position over the medium-term plan if a £13 precept is approved.

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

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

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

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



12. RESERVES POSITION

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

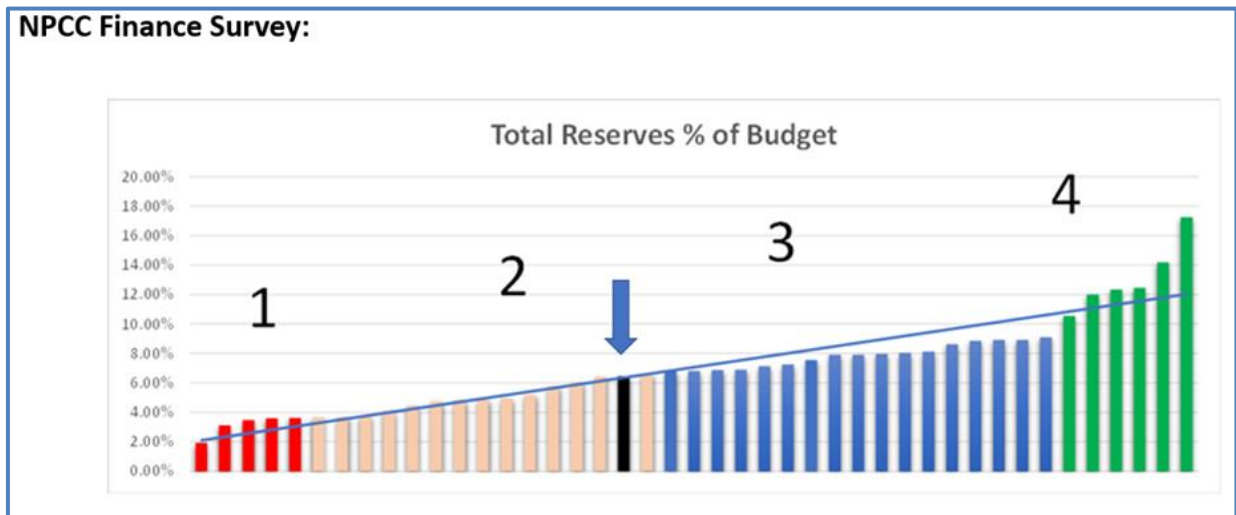
12.2 The budget plans accommodate all the known immediate financial risks facing Derbyshire Police. Nevertheless, risks continue to remain over future finance settlements, inflation and the impact of future pay awards, but also:

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

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

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

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



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

13. BORROWING POSITION

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

14. ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS

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

ASSURANCE OF THE CHIEF CONSTABLE'S CHIEF FINANCIAL OFFICER

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

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

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

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

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

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

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

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

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

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

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

Appendix B

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

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

Appendix C

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

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

Appendix D

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE

STATEMENT OF RESERVE LEVELS AS AT 31ST MARCH 2023 AND FORECAST LEVELS TO 31ST MARCH 2028

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

Appendix E - 2024/25 PRECEPT

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

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

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

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

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