

ORIGINATOR: PCC CFO and CC CFO

DECISION NUMBER: 2 - 2021

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: MEDIUM TERM FINANCIAL PLAN 2021-22 to 2024-25

SUMMARY:

1. The draft Medium Term Financial Plan (MTFP) attached sets out the key financial issues facing the PCC and Constabulary over the period 2021-22 to 2024-25.
2. The draft MTFP includes information and recommendations relating to the revenue budget, capital programme and associated financing issues, together with a financial appraisal of two precept options.

RECOMMENDATION:

It is recommended that:

1. The PCC considers the attached draft MTFP and approves the recommendations contained in section 8 of the report.
2. When setting the precept level and council tax requirement, consideration is given by the PCC to the medium-term financial implications of options 1 and 2, the assessment of financial risks detailed within the MTFP, and the Chief Constable's commentary on the financial position.

APPROVAL BY: PCC

The recommendations set out above are agreed.

Signature *Tui Parumore*

Date 20.01.21

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION:

1.1 This report covers the spending proposals and key issues relating to the medium-term financial plan (MTFP) for the period 2021-22 to 2024-25. It provides the Police and Crime Commissioner (PCC) with information relating to the revenue budget, capital programme and council tax options, together with associated financing issues.

1.2 It is recommended that the PCC takes account of the overall financial strategy, when considering the 2021-22 budget proposals, and

- Approves the planned revenue changes summarised in **Appendix B**;
- Approves the savings plans in **Appendix C**;
- Approves the proposed capital programme for 2021-22 and the draft capital programme over the medium term as set out at **Appendix D**;
- Approves the investment and treasury management strategy in **Appendix E** noting that no changes are proposed for 2021-22;
- Approves the capital strategy in **Appendix F**;
- Approves the proposed use and transfer of reserve balances in **Appendix G**;
- Approves the MRP policy and statement in **Appendix H** noting that no changes to the MRP policy are proposed for 2021-22 and throughout the MTFP period;
- When setting the precept level consideration is given to the medium-term financial implications of options 1 and 2, the assessment of financial risks contained in this report and the Chief Constable's commentary on the financial position.

1.3 The report also asks the PCC to consider the medium-term financial impact of:

- **Option 1** – increase Band D council tax by 2% (£4.41) in 2021-22 and by 2% in the remaining 3 years of the MTFP period.
- **Option 2** – increase Band D council tax by 6.71% (£14.94) in 2021-22 and by 2% in the remaining 3 years of the MTFP period.

2. FINANCIAL IMPLICATIONS:

2.1 The purpose of the MTFP is to provide the PCC with sufficient information to enable informed decisions to be taken with regard to the revenue and capital plans, associated financial issues, precept level and council tax requirement.

2.2 The two alternative budget options are proposed to the PCC for consideration, the financial consequences of which are contained in **Appendices A(i) and A (ii)**. These are summarised below:

Option 1

2.3 Based on the planning assumptions set out in this report, this option would result in the Constabulary requiring to secure further savings of £67k in 2021-22 to balance its budget and would not have any surplus precept funding for further investment.

Option 2

2.4 Based on the planning assumptions set out in this report, this option would result in the Constabulary delivering a balanced budget and additional funding of £2.6m more than Option 1, allowing investment in the following additional activities:

- **Improve public interaction** through the police control room.
- **Provide increased specialist capability** improving investigations including fraud prevention.
- **Enhance partnership working** supporting intelligence development in respect of criminal exploitation.
- **Protect vulnerable people** in response to serious and complex crimes placing victims at the forefront of everything we do.
- **Continue to transform and modernise the Constabulary** taking a more commercial focus to maintain and build income generation.

3. OTHER IMPLICATIONS AND RISKS:

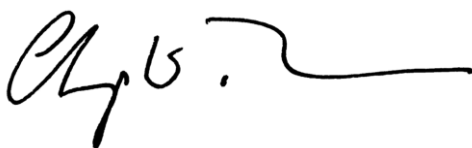
3.1 None.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	No
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes

APPROVAL TO SUBMIT TO THE DECISION-MAKER

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.

Signature: 

Date 20.01.21