

## SOUTH YORKSHIRE'S POLICE AND CRIME COMMISSIONER

### PUBLIC ACCOUNTABILITY BOARD

25 FEBRUARY 2020

PRESENT: Dr Alan Billings (Police and Crime Commissioner)  
Michelle Buttery (Chief Executive and Solicitor, OPCC)  
Michael Clements (Chief Finance and Commissioning Officer, OPCC)  
Sophie Abbott (Deputy Chief Finance and Commissioning Officer, OPCC)  
Fiona Topliss (Community Engagement & Communications Manager, OPCC)  
Sally Parkin (Governance and Compliance Manager, OPCC)  
Mark Roberts (Deputy Chief Constable, SYP)  
Nigel Hiller (Director of Resources, SYP),  
Alison Fletcher (Office Manager, SYP)  
Peter Spratt (Sergeant, SYP)  
Steve Wragg (Chair, Joint Independent Audit Committee)  
Cllr Garry Weatherall (Sheffield City Council)

Apologies for absence were received from: Tim Forber, Carrie Goodwin, David Hartley, Andrew Lockley, Lauren Poultney, Erika Redfearn, Kevin Wright and Stephen Watson

#### 1 WELCOME AND APOLOGIES

The Commissioner welcomed those present at the meeting.

There were Councillors Sansome and Short (members of the Police and Crime Panel) and one member of the press present.

#### 2 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

There were no items to be considered in the absence of the public and press.

#### 3 DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 4 FINAL PRECEPT DECISION AND BUDGET FOR 2020/2021

The Commissioner commented on the lack of clarity around certain elements of the police funding this year. For example, it is still unclear whether the Home Office 'Uplift' grant to support an increase of police officer numbers will just cover salaries or the additional resources and equipment needed to support the 'Uplift'. This has meant that some assumptions have had to be made.

The Commissioner invited M Clements to present the report.

M Clements confirmed that the proposals in the report would fulfil the PCC's duties under the Police Reform and Social Responsibilities Act 2011 to set the budget, allocate assets and funds to the Chief Constable and propose the police element of the precept for the force area.

M Clements reminded the Board that the draft precept recommendations and budget 2020/21 had been presented to the Public Accountability Board on 28 January 2020.

M Clements highlighted the following key points in the report.

The Police and Crime Panel agreed to support the proposed precept for 2020/21 at its meeting on 6 February 2020.

The consultation with the public regarding the policing precept has also been concluded. Over 2,600 residents engaged and expressed their views, with the majority indicating they would be prepared to pay an increased precept, in return for assurance regarding value for money and greater visibility.

M Clements highlighted the late notification of the funding settlement by the Home Office and the impact this had on preparing the 2020/21 budget.

For 2020/21, additional grant funding of £700m was included in the funding settlement to help PCCs and forces achieve the target of the first 6,000 increase in police officer numbers by 31 March 2021. PCCs were also given the flexibility to increase the policing precept by up to £10 for a Band D property in 2020/21.

For South Yorkshire, additional 'Uplift' grant of £16.8m has been made available in 2020/21 to support the increase of police officer numbers by 151 by March 2021. Of this, the Home Office have built 75% (£12.6m) into the core policing grant and retained 25% (£4.2m) as 'ringfenced grant' with conditions, assumed to be payable only if the 151 additional officers are in post by 31 March 2021.

M Clements highlighted the Force's considerable progress on its journey to outstanding. The Commissioner acknowledged that in 2016 the Force was ranked 43<sup>rd</sup> out of 43 forces. In the latest rankings it is now ranked joint fourth.

In 2019/20, the Home Office froze government grant for policing and gave PCCs the 'flexibility' to increase the precept by a value up to the equivalent of £24 on a Band D property. For South Yorkshire this equated to a 14% increase in the precept. The budget proposal for 2019/20 was to utilise the precept to increase police officer numbers initially by 55, which was then updated in July 2019 to achieve an increase in officer numbers of 220 by 2022/23.

The Commissioner enquired if this increase in officer numbers was in addition to the new 'National uplift'. N Hiller confirmed that it was.

G Weatherall asked if this was achievable. M Roberts confirmed that it was achievable although this would put a strain on the Force. One of the challenges is that there will be a workforce very young in service. Equally it is a good challenge to have and there should be fewer leavers due to retirement in time, as a result. The Force is introducing schemes to address this.

M Clements highlighted that the Commissioner's precept proposal was to levy an annual increase in the precept equivalent to £3.88 per annum on a Band D property i.e. a 2% increase. In South Yorkshire, 75% of properties are in Bands A and B (58% and 17% respectively). The annual increase for a Band A property would be £2.59, and £3.02 for Band B.

M Clements provided information in relation to what the budget is funding; this includes investment to support the further increase in police officer posts including equipment and other non pay costs, as well as supporting staff; investment in Atlas Court; the Crime Review and the estate to support the increased workforce.

The Commissioner enquired if the Crime Review investment was for part of the year and if there is the potential for slippage. N Hiller confirmed that it was for part of the year and plans are in place to mitigate any slippage.

The Medium Term Resource Strategy (MTRS) assumes a 2% precept increase each year to 2024/25. The MTRS also reflects the full increase in police officer numbers to 3,056 by March 2023.

The annual inflationary pay award for police officers and staff applies from September to August. M Clements highlighted that the initial planning assumption was that this would be 2% from September 2020 and the life of the MTRS. On 30 January 2020 the Association of Police and Crime Commissioners issued a circular indicating that the National Police Chiefs Council was proposing a 2.5% pay award for 2020/21 and a multi-year pay deal thereafter. 2.5% pay has now been reflected in the proposed 2020/21 budget and MTRS.

Information has also been received that there are likely to be increased charges for the national police air service (NPAS) and national IT projects. Both of these increased charges are reflected in the 2020/21 budget.

M Clements confirmed that South Yorkshire Police's approach will complement the work of partner organisations commissioned using the Commissioner's partnerships and commissioning budget which is summarised in the Commissioning Plan 2020/21 (attached at Appendix 3 to the report).

M Clements highlighted the legacy costs relating to civil claims from the Hillsborough disaster and child sexual exploitation (CSE). The effect of this is estimated at £6.1m (net) in 2020/21. Applications to the Home Office for Special Grants have to be made. However, 15% of the costs will have to be found by the Force.

Accumulatively, in 2023/24 the deficit is £19m.

M Clement confirmed that the 2020/21 budget is in balance, but the MTRS requires the use of reserves to balance the budget from 2021/22 onwards.

M Clements highlighted that balancing the medium term financial position to ensure recurrent financial balance will require some, or all, of the following:

- a) achieving clarity through the Spending Review regarding the level of grant funding to increase 'Uplift' police officer numbers beyond 151 towards

achieving the estimated 487 of the national 20,000 target, as the cost of the 487 officers (plus supporting staff, equipment and estate costs) is currently factored into the MTRS in full and may not be affordable,

- b) the Force's future integrated planning to balance demand and growth pressures and the need for efficiency savings,
- c) an improved deal on Legacy cost funding from the Home Office,
- d) use of precept flexibility i.e. increases greater than the assumed 2% per annum.

M Clements highlighted the following assumptions:

- the estimated costs of the full expected Uplift of 487 officers by March 2023 but not estimating an increase in grant income beyond the full 2020/21;
- Savings for 2020/21 have been included. However, savings in future years have been assumed; and
- assumptions have been made about the potential scale and timing of expenditure and the potential levels of Special Grant

The Commissioner enquired when the Government started counting the increase in officer numbers. This will start when the Force has recruited the 220 additional officers. The Commissioner asked if the Home Office use the same police officer numbers as the Force. N Hiller confirmed that the Force use full-time equivalent numbers, whereas the Home Office use head count.

M Roberts highlighted that the Force has become more efficient as a result of austerity but the infrastructure will now need to be increased to support the additional uplift in police officers.

M Clements highlighted the following:

- It is recommended that £1.5m of reserves be earmarked as contingency against the development of key business systems.
- Non-recurrent grant support for increased pension costs.

The 2020/21 Reserves Strategy reflects the reserves position over the life of the MTRS to 2024/25, maintaining a level of general reserves at or above 5% of the net revenue budget until 2023/24.

M Clements circulated an amended Capital Strategy 2020 to 2025 (Appendix 5).

The Commissioner was asked to formally approve the Capital Strategy Programme for 2020/21 of £22.20m instead of £27.81m as originally stated. Amendments have also been made to the figures in tables at 5.1 and 6.4.

A draft Treasury Management Strategy Statement 2020/21 had been provided at Appendix 6. Further work will be undertaken before this is presented to the Joint Independent Audit Committee on 24 March 2020.

The Commissioner approved:

- a) A budget requirement for 2020/21 of £278.4m, as set out in Section 9 of the report;
- b) A Council Tax precept increase of 2%, equivalent to a £3.88 increase to £198.04 for the year on a Band D property for 2020/21. This equates to an annual increase of £2.59 for a Band A property and £3.02 for a Band B property, as set out in paragraph 8.1 of the report;
- c) The Reserves Strategy as set out in Appendix 4;
- d) A Capital Strategy and Programme for 2020/21 of £22.204m as set out in Appendix 5;
- e) Taking the draft Treasury Management Strategy and Minimum Revenue Provision policy statement (Appendix 6) and the recommendations contained therein, to the Joint Independent Audit Committee on the 24 March 2020, for Commissioner approval immediately after;
- f) To note the Chief Finance and Commissioning Officer's statement on the robustness of estimates as set out in Section 12 of the report.

5 ANY OTHER BUSINESS - TO BE NOTIFIED AT THE BEGINNING OF THE MEETING

There was no other business.

6 DATE AND TIME OF NEXT MEETING

10 March 2020 at 10am, Rotherham Town Hall, Moorgate Street, Rotherham, South Yorkshire, S60 2TH.

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