

<p>Committee Performance & Resource Management (Police) Committee</p> <p>Police Authority Board</p>	<p>Date: 7 February 2020</p> <p>27 February 2020</p>
<p>Subject: Police Funding Settlement 2020/21 and impact on MTFP</p>	<p>Public</p>
<p>Report of: PA Treasurer</p>	<p>For Information</p>
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Summary

An updated Police MTFP was presented to the MTFP Working Party meeting on 10 January 2020 and informed the Efficiency & Performance Sub and Audit & Risk Management Committee meeting meetings in January 2020. The funding assumptions in the MTFP were subject to the Police Funding Settlement which was subsequently announced on 22 January 2020.

The settlement was higher than that provided in the MTFP by a net £3.4m, due largely to an uplift in officers towards the Prime Minister's commitment for 20,000 additional police officers. It also included a £0.8m increase in the Precept Grant. Additionally the settlement provides for future access to a further £1.2m for uplift which has been withheld and ringfenced by Home Office pending progress on recruitment.

Table 1 compares and contrasts the settlement outcome with the 19/20 settlement and the MTFP assumptions for 20/21.

Table 1

	19/20 £m	20/21 MTFP assumptions £m	20/21 Settlement £m	Variance from MTFP assumptions £m
1.Core grant	52.4	53.4	52.4	(1.0)
2 Unringfenced increase to core grant for Uplift			3.9	3.9
3.NICC	4.8	4.8	4.8	0
4.Precept grant	2.7	2.7	3.5	0.8
5.Pension grant	0.8	0.8	0.8	0
6.Capital grant	0.4	0.4	0.1	(0.3)
7. Council Tax legacy grant	0.1	0.1	0.1	0
Total	61.2	62.2	65.6	3.4
Council Tax freeze grant (treatment to be confirmed)	0.2 – not part of Police settlement		0.2	0.2
Uplift – ringfenced and not yet allocated pending progress on 2			1.2	1.2

The Force is updating its draft 20/21 budget for the settlement. Finalisation of this budget will be subject to confirmation of resource allocation decisions on growth posts.

The Home Office's rationale for reduction in the capital grant was that revenue grants can be used flexibly for capital purposes. The MTFP assumes a deduction of £0.4m capital grant from the costs of Force capital priorities prior to calculating the capital financing assumptions. So the £0.3m reduction in capital grant will need to be made good from the revenue settlement – or capital financing charges will need to be increased accordingly.

The net impact of the Settlement on balanced finances for 20/21 currently remains unchanged, subject to resource allocation decisions. It also makes only marginal differences to the £3m pa deficits in the subsequent years of the MTFP. An updated MTFP will be produced in line with member approval of the 20/21 Force budget.

Recommendation

Members are asked to note the Police Funding Settlement for CoLP and the impact this has on the MTFP.

Background Papers

Police MTFP update to MTFP Working Party, 10 January 2020.

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