

SOUTH YORKSHIRE'S POLICE AND CRIME COMMISSIONER

PUBLIC ACCOUNTABILITY BOARD

24 FEBRUARY 2021

PRESENT: Dr Alan Billings (Police and Crime Commissioner)
Sophie Abbott (Chief Finance Officer)
Fiona Topliss (Community Engagement & Communications Manager)
Sally Parkin (Governance and Compliance Manager)
Efe Eruero (Interim Finance Manager)
Mark Roberts (Deputy Chief Constable)
Tim Forber (Assistant Chief Constable)
Lauren Poultney (Assistant Chief Constable)
Debbie Carrington (Chief Finance Officer)
Jacqueline Bland (Director of Resources)
Alison Fletcher (Office Manager)
Kirsty Haken (Deputy Head of Corporate Communications)
A Macaskill (Interim Chair of the Independent Ethics Panel)
Steve Wragg (Chair of the Joint Independent Audit Committee)
Councillor Garry Weatherall (Sheffield City Council)

APOLOGIES: M Buttery, E Redfearn, S Watson and D Hartley

1 **WELCOME AND APOLOGIES**

The Commissioner welcomed those who had joined the meeting, including Councillors Steinke and Short, members of the Police and Crime Panel.

2 **VIDEO CONFERENCING AND RECORDING**

The Commissioner confirmed that the meeting was being recorded and, subject to the quality being acceptable, would be published on the website.

3 **ANNOUNCEMENTS**

The Commissioner informed the Board that Lyndsey Dudley, Senior Communications Officer was leaving the Office of the Police and Crime Commissioner.

4 **PUBLIC QUESTIONS**

There were no public questions.

5 **URGENT ITEMS**

There were no urgent items.

6 DECLARATIONS OF INTEREST

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

7 FINAL PRECEPT RECOMMENDATIONS AND BUDGET 2021/2022

A report of the Chief Finance Officer was presented to the Board. The purpose of the report was to provide the recommendations of the Chief Finance Officer in relation to the budget for consideration and approval by the PCC.

The Commissioner informed the Board that the proposals in the report come at the end of quite a long period of consultation.

PCCs have a statutory responsibility to consult the public on the policing precept. Consultation is usually undertaken face to face but as a result of the Covid-19 pandemic this year's consultation has been reliant on an online survey. Over 2,600 residents have engaged, with the majority indicating they would be prepared to pay an increased precept.

Consultation has also taken place with the South Yorkshire Council Leaders and the Police and Crime Panel. Members of the Police and Crime Panel accepted the precept increase proposed unanimously.

The Commissioner confirmed that this budget will for the first time in a decade, increase officer numbers significantly. Some of this is as a result of a commitment by government. For South Yorkshire, the Home Office's target number for 2021/22 is 149 (of which 7 must go to the Regional Organised Crime Unit). An additional 79 officers have also been committed from our own resources. This is a big increase in officer numbers and the Commissioner commented that he hoped people would start to see the benefits in relation to more visible neighbourhood policing and an increase in capacity.

The Commissioner highlighted his commitment in the Police and Crime Plan to commissioned services.

The Commissioner acknowledged the precept increase of around 20 pence per week for band A and B properties. The majority of properties in South Yorkshire are in band A and B. He had been mindful that people are financially struggling and the impact the precept increase will have.

The Commissioner thanked those who had put the budget together, this is a huge task, including E Eruego, the OPCC's Interim Finance Manager, the OPCC Finance team and D Carrington and her team from SYP.

S Abbott highlighted the following key points.

The PCC is requested to formally approve a budget requirement for 2021/22, which is £296m, and an annual increase in Council Tax precept for 2021/22 of £15.00 for a Band D property.

Budget meetings had taken place with South Yorkshire Council Leaders and the Police and Crime Panel.

Over 2,600 residents have taken part in the policing precept consultation with 67% supporting the maximum precept increase.

The Police and Crime Plan has been refreshed in January 2021, and a plan addendum (attached at Appendix C to the report) determined, which will be in force until the PCC elections are held in May.

Much progress has made in recent years in terms of SYP performance. The latest Her Majesty's Inspectorate of Constabulary, Fire and Rescue (HMICFRS) police effectiveness, efficiency and legitimacy report commending SYP as 'good' in all areas, and outstanding in some sub-categories.

The national funding settlement gave PCCs flexibility to increase funding in 2021/22 of up to a £15 council tax limit on a Band D property. Government allocation calculations assume the maximum precept increase.

Although South Yorkshire has received a 4.9% cash increase, based on current inflation projections this represents a 1.85% real term reduction in funding after uplift is excluded.

The capital allocation, police pensions grant and council tax support and freeze grants have continued at a 'flat cash' rate.

The Violence Reduction Unit funding has recently been announced, with £1.6m being available to South Yorkshire (the equivalent of previous years), subject to a bidding process.

The government has committed to increase police officer numbers by 20,000 before the next general election. For South Yorkshire, the Home Office's target number for 2021/22 is 149. An additional 79 officers are coming from our own resources.

S Abbott confirmed that she was proposing an annual increase in the precept equivalent to £15 on a Band D property. 75% of properties in South Yorkshire are in bands A and B. 34% of band A households, and 17% of band B households claim a reduction in council tax through the council tax reduction schemes. Consideration has been given around whether people can afford the increase. The table of page 5 shows the proposed precept and weekly increase for each council tax band.

The proposed budget of £296m includes investment to support the further increase in police officer posts of 228. Also included is investment into prioritised growth relating to essential core and uplift delivery, enhancement of the operating model and SYP priorities. This includes the Digital Forensics Unit review, officer uplift, improved IT structure, the technology enabled team and communications data review.

Savings of £2.6m in 21/22 are reflected but SYP will have to find recurrent savings of £10.7m to balance the Medium Term Resource Strategy (MTRS).

Legacy issues are currently forecast to be £133m to 2025/26, requiring £20m of our resources to fund the expected shortfall in Special Grant receivable under current Home Office rules.

The impact of the MTRS position means that the 2021/22 requires the use of £5.8m from reserves to balance the budget in 2021/22, and a combination of savings and use of reserves amounting to £19.9m throughout the MTRS period. This is not a sustainable approach, as the prudent minimum reserve balance could only be sustained until 2025/26

Section 25 of the Local Government Act 2003, as amended by the Police Reform and Social Responsibility Act 2011, requires the Chief Finance Officer to report on the robustness of estimates used for the budget and the adequacy of reserves.

The main caveats include the need for clarity around a one year funding settlement and the tax base and collection fund balances. The position around the tax base and collection fund is extremely complicated due to the Covid-19 and the current economic situation. Other items affecting the robustness of estimates are outlined in the report.

S Abbott highlighted the adequacy of reserves. If the precept is increased by £15 for the year, the proposed budget position for 2021/22 would show a £5.8m deficit, which can be wholly attributed to legacy costs, but will need to come from reserves.

Reserves can only be used once and, given the range of pressures and risks that SYP face, in particular to have to cover £20m of the funding of historic Legacy costs, it is necessary to hold additional reserves. The 2021/22 Reserves Strategy is attached at Appendix E to the report.

It is recommended that the £296m budget be approved, and that the increase in precept of £15, on a Band D property, is levied to support the proposed increase in police officer numbers in 2021/22, along with the improvement of the existing service. It is recognised that despite the precept increase, there would still have to be some savings and use of PCC resources.

S Abbott highlighted the following appendices.

- Appendix A - Police and Crime Panel precept setting letter. This confirms that members of the Police and Crime Panel unanimously accept the proposed annual increase in Council Tax precept for 2021/22 of £15.00 for a Band D property.
- Appendix D Commissioning needs assessment report. This shows the process undertaken to develop a proposed budget for the PCC which considers existing contracts and commitments, consultation responses from key stakeholders and the public responses to the priorities survey.
- Appendix E Reserves Strategy. There is currently £55m in reserves, including the insurance reserve. It is anticipated that this will go down to £25m by the end of the MTRS period.
- Appendix F Capital Strategy. The capital strategy is in line with the Estates, Vehicle Fleet and IT strategies. Priorities are based on need. The capital programme for 2021/22 is £17.7m.

The majority of the capital funding will be borrowed. The borrowing costs included in the MTRS are based on the capital programme.

- Appendix G Treasury Management Strategy. The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Framework and Prudential Code for Capital Finance in Local Authorities provides the formal guidance for the manner in which capital spending plans are to be considered and approved, and this strategy complies with the recommendations contained within the code.

There are two changes from the last strategy for consideration:

- a. Foreign investment - The UK is has a lower sovereign rating than some other countries. Consideration is requested for foreign counterparts to be used, within strict criteria, outlined in the strategy.

- b. Money Market Funds

The strategy had added in the use of money market funds which will open up options in relation to investment, and could maximum returns at a low risk.

The budget assumption is in line with treasury management practices.

F Topliss highlight the public consultation report at Appendix B.

The PCC has a statutory duty to consult with the public and with rate payers to obtain their views before the precept is set.

A pre-consultation on policing priorities and willingness to pay more was undertaken during the autumn to act as a pre-cursor to the statutory consultation that took place in December and January.

This formal statutory consultation process was undertaken during December 2020 and January 2021. Due to Covid-19 restrictions the consultation was undertaken online. This online survey was promoted through social media and SYP Alerts.

A total of 2,160 responses were received and the results show that 67% of respondents are supportive of the maximum £15 (Band D property) increase.

The survey also asked residents to identify what they saw as policing priorities and to identify their top three priorities. These came out quite clearly as neighbourhood crime, visible policing and resources to tackle serious crime.

The Commissioner thanked SYP Corporate Communications for their support in promoting the online surveys.

S Wragg commented that the budget looked to have been done as expertly as he would have expected. He enquired if residents of South Yorkshire would be able to pay the precept increase and what measures had been put in place to counteract this. The Commissioner confirmed that this had been on his mind and has also been raised by the South Yorkshire Council Leaders and members of the Police and Crime Panel. The Commissioner confirmed that he had tried really hard to keep this as low as possible. He highlighted the breakdown in the report of the amount of residents in lower council tax bands and confirmed that this was not a big increase. He also highlighted the number of residents who get council tax relief. The Commissioner acknowledged the current economic and financial situation.

S Abbott confirmed that there are council tax support schemes for each local authority and she was also expecting a grant to be received by SYP to support the reductions schemes.

S Wragg confirmed that he was reassured that considerations had taken place and contingencies are in place.

M Roberts confirmed that the level of support from the public was really heartening and recognised the improved performance by SYP. He confirmed that SYP is acutely aware of the impact of the precept increase on the public and do not take this for granted. It is welcomed and recognised.

He highlighted that South Yorkshire received the lowest precept amount in the country in 2020/21.

M Roberts acknowledged that the public want to see a greater presence in their local neighbourhoods and confirmed that SYP had reintroduced neighbourhood policing. Firearms, off-road capability and public protection has also been enhanced.

M Roberts also acknowledged the police staff who support SYP. The Commissioner confirmed that PCCs across the country are highlighting to the Policing Minister the need for additional support staff in the context of officer uplift.

Investment in resources and technology have been made at Atlas Court to enable a better quality of service to be provided. This is a positive picture which will hopefully continue.

He reassured the Board and public that budget decisions are taken following a large amount of discussion between the OPCC and SYP finance teams. Difficult decisions have had to be made but these will give an improved policing service.

The Commissioner acknowledged the good will on the part of the public and highlighted the genuine support for SYP. This is represented by the survey results.

The Commissioner approved the following in accordance with the Local Government and Finance Act 1992:

- a) A budget requirement for 2021/22 of £296.0m, as set out in Section 7 of the report;
- b) A proposed annual increase in Council Tax precept for 2021/22 of £15.00 for a Band D property. This takes the council tax to £213.04 for the year for a Band D property. This equates to an annual increase of £10.00 for a Band A property (19 pence per week) and £11.66 for a Band B property (22 pence per week). Most properties in South Yorkshire are in Band A (58%) and Band B (17%).
- c) The Reserves Strategy as set out in Appendix E;
- d) A Capital Strategy and Programme for 2021/22 of £17.799m as set out in Appendix F;
- e) The Treasury Management Strategy and Minimum Revenue Provision policy statement (Appendix G) and the recommendations contained therein;
- f) Noted the Chief Finance Officer's statement on the robustness of estimates as set out in Section 8 of the report.

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

There was no any other business.

9 DATE AND TIME OF NEXT MEETING

10 March 2021 at 2.30pm.

CHAIR

