



DECISION PAPER

DECISION: 2021/31	DATE: 17 FEBRUARY 2022
TITLE The Police and Crime Commissioner for Lancashire's Revenue Budget and Council Tax for 2022/23 and Capital Investment Programme for 2022/23 to 2026/27 Appendices A and B refer	
REPORT BY: Steve Freeman, Chief Finance Officer	
Executive Summary Police and Crime Commissioners are required by the Local Government Finance Act (LGFA) 1992 to set a Budget Requirement and a Council Tax Requirement for 2022/23 and to issue a precept prior to 1st March 2022. The precept is the total budget requirement less formula funding, which for 2022/23 is the sum of Police Grant and DCLG formula funding. This report provides all the relevant information to assist the Commissioner in confirming the Revenue Budget, the Budget Requirement, Precept and Council Tax and Capital investment for 2022/23	
Recommendation: The Commissioner is asked to: • Agree the efficiency savings, reductions in costs, investment in the service and cost pressures as set out in the report; • Agree a council tax requirement and precept for 2022/23, and consequent Band D amount that is based on a £10 increase on 2021/22 levels; • Approve a net budget requirement for 2022/23 of £338.243m and consequent council tax requirement of £106.350m and Band D council tax of £236.45 as set out in Appendix 'A'; • Agree, on the basis of the above and the fixed ratios between valuation bands set by the Government, the Police and Crime Commissioner's council tax for each valuation as set out in Appendix 'B'; • Agree the 2022/23 delegated budgets for the Constabulary and the Office of the Police and Crime Commissioner. • Approve the funding allocation for the 2022/23 Capital programme and note the proposed programme for future years	
Signature  Police and Crime Commissioner Date 17 February 2022	

1. Background and Advice

The report for consideration is attached at Appendix 'A'

2. Link to Police and Crime Plan

All of the Commissioner's priorities are met through the effective allocation and management of the revenue budget and capital programme.

3. Consultation

Consultation has taken place with key staff, stakeholders and the public

4. Implications:

Risk: The risks have been highlighted throughout the report.

a. Legal

Contained within the report

b. Financial

Contained within the report

c. Equality considerations

All savings proposals contained within the report are subject to equality impact assessments forming part of the internal decision-making process that identifies them.

5. Background Papers

Appendix A: Revenue budget report and capital investment programme

Appendix B: 2022/23 Budget requirement and precept

6. Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation.

Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Officer declaration	Date
LEGAL IMPLICATIONS – As above	
FINANCIAL IMPLICATIONS – As above	 17.02.22
EQUALITIES IMPLICATIONS – As above	

CONSULTATION – As above	
Director to the Office of the Police and Crime Commissioner (Monitoring Officer) I have been informed about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lancashire. Signature  Date: 17 February 2022	

**Police and Crime Commissioner for Lancashire
Revenue Budget 2022/23
Capital Investment Programme 2022/23 to 2026/27**

1. Background and Advice

- 1.1. The Police and Crime Commissioner (PCC) for Lancashire is required under the Local Government Finance Act, to set a budget requirement and a council tax requirement for 2022/23 and to issue a precept prior to 1 March 2022. The precept is the total budget requirement less the sum of ex-DCLG formula funding and Police Grant. As part of the process Commissioners are required to consult their Police and Crime Panel on the proposed precept level and to take the recommendations of the panel into account before setting the final precept. This report sets out the:
- Revenue budget for 2022/23
 - The Council Tax for 2022/23
 - The capital investment programme for 2022/23 and future years
- 1.2. This report also sets out the advice of the Commissioner's Chief Finance Officer on the robustness of the budget and the adequacy of the level of reserves as required by section 25 of the Local Government Act 2003.
- 1.3. The Commissioner took a report to the Police and Crime Panel on 1 February 2022 to set out his proposal in respect of the council tax precept for 2022/23. The Medium-Term Financial Strategy (MTFS) and 2022/23 budget set out in that report reflected the provisional Police Finance Settlement and estimated level of council tax base for 2022/23.
- 1.4. It was reported to the panel that the budget figures would change on receipt of final council tax base figures along with other factors that impact directly on spending, this report reflects those final figures.

2. Government Funding 2022/23

- 2.1. The government published the final Police Settlement on 2 February 2022. Lancashire has been allocated **police grant of £230.767m** that includes funding for the support costs arising due to the recruitment of an additional 204 officers as part of the national 'uplift' programme. The 204 for Lancashire includes 11 officers allocated to the North West Regional Crime Unit (NWROCU).
- 2.2. In addition to Police Grant the PCC will receive the following **specific grants in 2022/23**:

	£m	
Uplift grant	3.436	will be paid over when recruitment of an additional 204 officers in 2022/23 has been delivered
Pension grant	3.104	to meet, in part, the increase in cost that came into effect in 2019/20
Counter Terrorism Grant	1.740	contributes to the funding of Counter Terror officers in Lancashire
Victims Services grant	1.755	contributes to the funding of the victim service in Lancashire
Specific grants 2022/23	10.035	

3. Council Tax

- 3.1. The council tax represents a significant source of revenue to support the police budget. Each year the 14 Unitary, Borough and City Councils determine their taxbase (the number of band D equivalent properties in the area) and the level of surplus or deficit on the Council tax Collection Fund in relation to council tax due for previous years.
- 3.2. The City, Unitary and Borough Councils have confirmed a **surplus** on the Council tax collection fund for the PCC in 2021/22 that will require **£1.126m** to be paid by billing authorities to the PCC in 2022/23.
- 3.3. The City, Unitary and Borough Councils have also confirmed final taxbase figures for 2022/23 at **449,777.97** Band D equivalent properties.
- 3.4. The Police Funding announcement makes provision for Police and Crime Commissioners to increase their 2022/23 precept by up to £10 for a Band D property after which a referendum would be triggered.
- 3.5. The Commissioner proposed an increase for the 2022/23 precept of £10 for a Band D property to the Police and Crime Panel on 1 February 2022. The Panel considered and supported the Commissioner's proposal.
- 3.6. **The Commissioner is therefore proposing that the council tax precept for 2022/23 be increased by £10 to £236.45 per annum for a Band D property.**
- 3.7. The amount of council tax available in 2022/23 as a result of the agreed increase in charge and the final tax base amount is:

	£
Council Tax	106,350,001
2021/22 Council Tax surplus	1,125,657
Council Tax 2022/23	107,475,658

- 3.8. The total **resources available to the Commissioner to set the 2022/23** revenue budget are therefore:

	£m
Police Grant	230.767
Specific grants:	
Uplift	3.436
Pension costs	3.104
Counter Terror	1.740
Victim Services	1.755
Council tax	107.476
Resources 2022/23	348.278

4. Spending Requirement 2022/23

- 4.1. The Commissioner and Chief Constable have identified increases in cost that must be met in the 2022/23 revenue budget.

4.2. Uplift programme (£9.9m)

The cost of delivering the uplift programme in Lancashire providing an additional 204 officers in 2022/23 is £9.9m. This includes the direct pay costs of the additional officers

plus the cost of support services, the infrastructure and equipment required to service the increased workforce and the investment needed in additional front-line support resulting from the increased workload generated by the increase in officer numbers. The allocation of 204 officers includes 11 that will be provided to the North-West Regional Organised Crime Unit giving 193 additional officers in Lancashire Constabulary

4.3. Cost increases (£10.6m)

4.3.1. Pay

Allowance has been made for a pay award increase of up to 3% from 1 September 2022 based upon the latest information available and dependent upon the ongoing pay negotiations. This would give a cost pressure of £4.725m in 2022/23.

4.3.2. Employer National Insurance contributions

The Chancellor announced an increase in national insurance contributions for employers from 1st April 2022. The impact for Lancashire is an increase in cost estimated to be £2m in 2022/23.

4.3.3. Increased cost of injury awards

The cost of each award made to individuals injured whilst at work continues to increase each year, this has given a further pressure of £0.200m in 2022/23. The PCC scrutinises such awards and the constabulary seeks to ensure the number of cases is minimised through effective working practices.

4.3.4. Inflation on non-pay costs

Inflation is provided for non-staff costs incurred by the organisation totalling **£1m**; this reflects increases that are contractually agreed as well as a general provision for increased costs.

4.3.5. Force control room project officers

To ensure the force control room is operating as effectively and efficiently as possible an investment of £0.075m is being made to introduce two project officer posts.

These posts will monitor performance and deliver continuous improvement for the contact centre ensuring the service provided to the public in this vital part of the business is as effective as possible.

4.3.6. Other costs

Various cost pressures have been identified across the organisation totalling **£2.6m**:

	£m	
Full year effect of previous year's budget decision	1.000	To reflect the total annual cost of cost pressures and savings identified in budget decision for 2021/22
Mobile phone contract	0.330	Increased cost of mobile phone and data contract
Fleet review	0.060	Additional investment in fleet operation resulting from service review
Reduced vacancy allowance	0.500	During current period of significant additional recruitment to the organisation the ability to realise vacancy savings is reduced
Revenue impact of capital investment	0.660	Increases to revenue budgets to meet ongoing costs resulting from capital investment in accommodation and IT infrastructure
Utilities	0.050	Increased cost for utilities

	2.600	
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4.4. Investment in policing (£7m)

4.4.1. 2022/23 represents the final year for the delivery of the national police uplift programme delivering 20,000 additional police officers for England and Wales. By 31 March 2022 Lancashire will have delivered an additional 303 officers as part of the programme. In 2022/23 a further 193 officers will be recruited in Lancashire using the funding provided by the government in the police settlement for 2022/23.

4.4.2. The savings identified in 4.5 will ensure the cost pressures identified for 2022/23 are met.

4.4.3. The Commissioner and Chief Constable have identified further investment in policing in Lancashire to deliver the Commissioner's police and crime plan and the governments beating crime plan.

4.4.4. Investment over and above the uplift programme is proposed in:

	£m	
Additional investment in police officers (45)	3.000	20 additional officers in a county wide RASSO (Rape and Serious Sexual Offences) team 17 additional neighbourhood officers across the three divisions 4 PCs, 3 Sergeants, 1 Inspector for the rural taskforce
Rural policing equipment	0.150	Investment in equipment to support the rural taskforce
Contribution to capital investment	3.885	Increase in the annual revenue budget to support on-going capital investment in the Critical Policing Infrastructure programme
	7.035	

4.5. Cost reductions/Savings (£7.6m)

4.5.1. An on-going process to review the organisation's activity and identify cost reductions and savings is in place and has identified savings that will be delivered in 2022/23 as follows:

	£m	
Capital financing	0.455	Lower than previously forecast spend on capital projects has reduced requirement for the funding of borrowing
Employer pension contributions	1.700	Saving realised through 'up-front' payment of employer pension contributions (year 3 of 3 saving)
Overtime	1.000	Reduction in amount of overtime incurred
Ill-health retirements	0.428	The number of ill health retirements has reduced from 25 to 20 (on average) enabling a reduction in the budget required
Hire vehicles	0.128	Reduction in amount of vehicle hire across all departments
Fleet	0.198	Withdrawal of a number of non-responding vehicles from the fleet
ICT licences	0.380	Reduced number of licences required
Youth Justice service	0.173	Reduced contribution to the service
Increased income	0.156	From firearms and public order training and the recovery of legal costs
Departmental savings	0.056	A number of small departmental savings across the organisation
Staff savings	1.549	Reduction of 50 fte staff posts
Further savings	1.432	Process to deliver further permanent savings is on-going and

		will deliver against the target during 2022/23
Total	7.655	

4.6. Budget requirement 2022/23

4.6.1. The information above in respect of spending requirements and the funding available gives the budget requirement as follows:

	£m
Budget Requirement 2021/22	328.398
Uplift programme	9.900
Cost pressures	10.600
Investment in policing	7.035
Less: Savings and cost reductions	-7.655
Budget Requirement 2022/23	348.278
Funding 2022/23	348.278

5. The Revenue Budget 2022/23

5.1. The resources and spending requirement to deliver policing in Lancashire shown above therefore result in a balanced budget in 2022/23 summarised as follows:

	£000
2022/23 Spending Requirement	348,277.680
Less Specific Grant funding	-10,034.847
2022/23 Net Budget Requirement	£338,242.833
Less Government Funding	-230,767.175
Less Council tax surplus 2021/22	-1,125.657
Equals Council tax requirement 2022/23	106,350.001
Divided by Tax Base	449,777.97
2022/23 Band D Council Tax	£236.45
2021/22 Band D Council Tax	£226.45
Increase	£10.00
Percentage Increase	4.42%

5.2. Attached at Appendix B is a full breakdown of the consequent council tax in 2022/23 for each council tax valuation band.

6. Cash Limits

6.1. As part of the budget setting process it is necessary to set delegated cash limits for both the Office of the Police and Crime Commissioner and the Chief Constable. These are set out in the table below:

6.2.

	Cash Limit 2022/23
	£m
Constabulary:	
Staff costs	254.977
ACC Territorial Operations	12.445
ACC Specialist Operations	5.102
Deputy Chief Constable	0.811
Director of Resources	28.722
Centrally managed budgets	24.519
Total Constabulary	326.576
Office of the PCC	1.398
Communications	0.120
Fighting Crime	1.159
Victim and Domestic Abuse services	0.546
Corporate budget	8.444
TOTAL	338.243

6.3. The corporate cash limit includes the costs of financing the capital programme and the financing of elements of the Local Government Pension Fund.

7. Capital Investment Programme

7.1. The proposed **capital programme** is set out below:

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m
IT Strategy	5.572	5.930	5.996	6.000	6.034	29.532
Emergency Services Network (ESN)	0	3.500	3.900	3.800	1.300	12.500
Accommodation Strategy	13.581	33.301	44.190	26.781	30.644	148.497
Vehicle Replacement	4.402	3.500	3.500	3.500	3.500	18.402
Other Schemes	0.944	1.157	0.357	0.357	0.357	3.172
Total	24.499	47.388	57.943	40.438	41.835	212.103

The Commissioner is ***recommended to approve the allocations for the capital programme for 2022/23 and note the proposed programme for future years.***

Each proposed project for the accommodation element of the capital programme is subject to further, final approval being provided by the Commissioner on a scheme-by-scheme basis.

7.2. The main areas of investment are:

- 7.2.1. A number of projects delivering IT requirements including the replacement of equipment and mobile devices, new and replacement systems and infrastructure replacement.
- 7.2.2. The on-going investment in the Constabulary's fleet is a significant element of the programme. There has been some disruption in supply during 2021/22 which might impact in 2022/23.
- 7.2.3. A significant cost is forecast in respect of the national programme to replace the Emergency Services Network (ESN) managed by the Home Office. The costs are significant, and the policing sector is negotiating with the Home Office about the level of cost that will fall to individual forces.

7.2.4. The Commissioner's estate has been subject to a full programme of condition surveys and as a result, an extensive refurbishment and replacement programme for buildings and facilities has been developed. This programme reflects the significant amount of investment required to ensure the estate can sustain not only the existing organisation but meet the needs generated by the recruitment of additional officers in future years.

7.2.5. The main areas of investment for accommodation are:

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m
Minor works	1.310	0.700	0.901	1.114	0.868	4.893
Pendle briefing base	4.988	5.467	1.578	-	-	12.033
Bamber Bridge refurbishment (CSI)	0.750	-	-	-	-	0.750
CPIP	1.530	16.479	29.678	5.467	-	53.154
Refurbishment of Custody Suites	1.125	1.172	1.172	1.171	1.171	5.811
Refurbishment of Operating bases	2.460	8.468	10.235	0.422	0.039	21.623
East review	0.938	0.781	0.391	18.373	28.331	48.814
Solar panel installation	0.263	0.234	0.234	0.234	0.235	1.200
Skelmersdale refurbishment	0.219	-	-	-	-	0.219
Total	13.581	33.301	44.190	26.781	30.644	148.497

Financing the capital programme

7.3. The Settlement for 2022/23 includes no provision for capital grant from government.

7.4. Other financing available to support expenditure arises from the sale of property which generates a capital receipt, the use of ear-marked revenue reserves, contributions from the revenue budget and monies held within the capital funding reserve which arise from underspends in previous years and specific additional revenue contributions.

7.5. Funding for the cost of ESN is under discussion with the Home Office. If government support is not provided the impact for Lancashire is significant requiring substantial contributions from the revenue budget to meet the cost of the scheme.

7.6. The capital programme also impacts on revenue expenditure from three main sources:

- 7.6.1. capital financing charges and the impact of borrowing particularly for long term assets (buildings)
- 7.6.2. the use of our own resources, and
- 7.6.3. revenue consequences arising from capital expenditure (computer hardware/software maintenance costs and running costs of new builds)

7.7. The financing of the capital programme has been reflected in the Revenue Budget for 2022/23 and in the Medium-Term Financial Strategy (MTFS) to 2024/25.

7.8. The investment programme is financed as follows:

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	1.467	0	0	0	0	1.467
Revenue Contribution	6.420	7.620	8.620	9.620	10.620	42.900
Borrowing	12.902	31.636	41.979	25.442	29.111	141.070
Funding for ESN	0	3.500	3.900	3.800	1.300	12.500
Funding to be found	3.710	4.632	3.444	1.576	0.804	14.166
Total	24.499	47.388	57.943	40.438	41.835	212.103

The Commissioner is ***recommended to approve the funding of the 2022/23 capital programme and note the proposed funding for future years.***

- 7.9. The financing of the capital programme reflects the Commissioner's published Financial Strategy including the forecast use of contributions from the revenue budget. This source of funding is used for assets with a shorter life such as IT systems and equipment as it is considered a more prudent approach to use such funding in this way rather than unsupported borrowing. Borrowing will continue to be used for the financing of longer life assets such as property as this reflects an appropriate method of financing for such assets.
- 7.10. The cost of the borrowing included in the financing of the capital programme is reflected in the revenue budget requirement and MTFS.

8. Reserves

- 8.1. It is illegal for the Commissioner to allow expenditure to exceed the resources available and the PCC's Chief Finance Officer (CFO) has a duty to report if it appears that this is likely to arise. A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances.
- 8.2. The Commissioner sets out his reserves strategy each year that explains the reserves held and their planned use in conjunction with the Medium-Term Financial Strategy.
- 8.3. The Commissioner holds two types of reserve, General reserves that are available to support the revenue budget and provide security should the organisation face an unexpected issue that realises a call on its resources. The forecast level of these general reserves for 1 April 2022 is £11.465m or 3.4% of the 2022/23 revenue budget. The Chief Finance Officer considers general reserves at this level to be appropriate and in line with the Commissioner's Reserves Strategy.
- 8.4. There are also a number of earmarked reserves that are available to support the transition process including investment in capital projects that will support the delivery of savings in the future.
- 8.5. The Commissioner, in conjunction with the Chief Constable, will review the capital investment strategy and the reserves strategy during 2022/23 to ensure sufficient resources are made available for the financing of the capital programme in future years.

9. Robustness of the 2022/23 budget

- 9.1. Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Finance Officer to advise the Commissioner as he is making budgetary decisions on the robustness of the assumptions underlying the budget and the adequacy of the Commissioner's reserves in the context of the financial risks to which the organisation is exposed.
- 9.2. The basis of the estimates on which the budget has been prepared, as in previous years, relies on forecasts of demand and other activity prepared by the constabulary. The forecast is kept under review as part of the budget monitoring process and actions identified to identify any financial risks arising from changes in the forecast as they occur. The main risks relate to the pace and depth of funding reductions and the ability of the organisation to deliver these within the required timeframes.

- 9.3. The resources available to the Commissioner to manage these risks consist of the various reserves held by the Commissioner, principally general funds and the transition fund. At this stage it is anticipated that general reserves will be maintained at around 3.4% of the Commissioner's budget requirement reflecting the level of financial risk that the combination of significant ongoing spending reductions and resource uncertainties creates. This should allow the Commissioner to respond to any changes that may occur in a planned way which provides stability to services and certainty to communities.
- 9.4. In addition to general reserves, the Commissioner maintains a range of earmarked reserves for specific purposes including investment in the capital programme as identified elsewhere in this report. The level and appropriateness of earmarked reserves is kept under review, in accordance with the Commissioner's reserves strategy, to ensure that sums are only held if required, and released when not. At this stage these reserves are regarded as adequate with plans in place to invest the majority of the earmarked reserves through the capital investment programme that will support the future of the constabulary as it seeks to improve productivity through the use of more efficient infrastructure.
- 9.5. As the statutory finance officer of the PCC, the CFO must advise on the robustness of the estimates upon which the PCC's budget is based. At this stage the CFO's opinion is that the budget process has taken all practical steps to identify and make appropriate provision for the commitments to which the PCC is exposed.

Risks and Uncertainties

- 9.6. There are a number of risks and uncertainties that will impact upon the final position for 2022/23 and the MTFS for future years:

9.6.1. Inflation and pay award

Recent announcements about the rate of inflation and the forecast of future rates indicate that there will be significant pressure placed upon budgets in future years. The level of inflation remains uncertain and will be closely monitored as part of the continuing financial planning process.

In turn it is expected that this pressure will impact upon the level of pay award made to police officers and staff which will directly affect the PCC budget in future years.

9.6.2. Impact of the Covid pandemic

The impact of the pandemic has a direct impact on the delivery of policing services in Lancashire and the demands placed upon the force. This is expected to continue in 2022/23 with little certainty about how long and how significant the impact will be.

The broader impact of the pandemic on the economy and government finances is uncertain and it is not unreasonable to anticipate significant stress on government spending as a result.

It is widely anticipated that funding for public services in future years will be severely restricted which will in turn directly affect budgets for policing.

9.6.3. Additional government funding

The three-year funding announcement made by the Minister of Policing in December 2021, and the financial settlement provided, is welcomed as it gives greater certainty to inform financial planning over the spending review period.

The Minister also indicated that there will be additional funding for a number of areas including for Serious Violence, Violence Against Women and Girls and for Victims of Domestic and Sexual Abuse over the three-year funding period.

The amount of funding for these area remains uncertain at this time and will be announced in the coming months.

9.6.4. Emergency Services Network (ESN) - Replacement of Airwave

The emergency services communications network 'Airwave' replacement programme has already 'slipped' by more than three years. There is a financial consequence of a delay in moving over to the new system that is not yet clear. There is also a capital requirement for the equipment that will be required to operate on the new system that will impact upon future years' capital investment programme. The financial impact of these is not yet fully known with estimated provision included in the draft capital programme based on best available information. When further information is received from the Home Office the financial forecast will be updated.

9.6.5. Impact of the Police Pensions Remedy

The Government introduced changes to public sector pensions and introduced revised pension arrangements for Police Officers in 2015. As part of the implementation a series of protection measures were put in place to protect those officers within 10 years of their normal retirement date. This policy was successfully challenged in the Courts and was found to be discriminatory on the basis of age. The Government has recently announced its proposals to remedy the discrimination. Whilst these proposals will take some time before they are in place, initial indications are that the cost of administering the remediation will be an additional cost on police forces and the ultimate cost of the remedy may require an increase in employer contributions of 10%. This will form detailed discussion with the Government and the extent to which sufficient funding is made available will be a key element of the discussion.

10. Equality Impact Assessments

- 10.1. The Commissioner and the Constabulary have a 'Futures' Programme to identify and deliver the required savings. As each review area is progressed an equality impact assessment is carried out to assess the impact of the proposed recommendations on service recipients and is an integral part of the process.

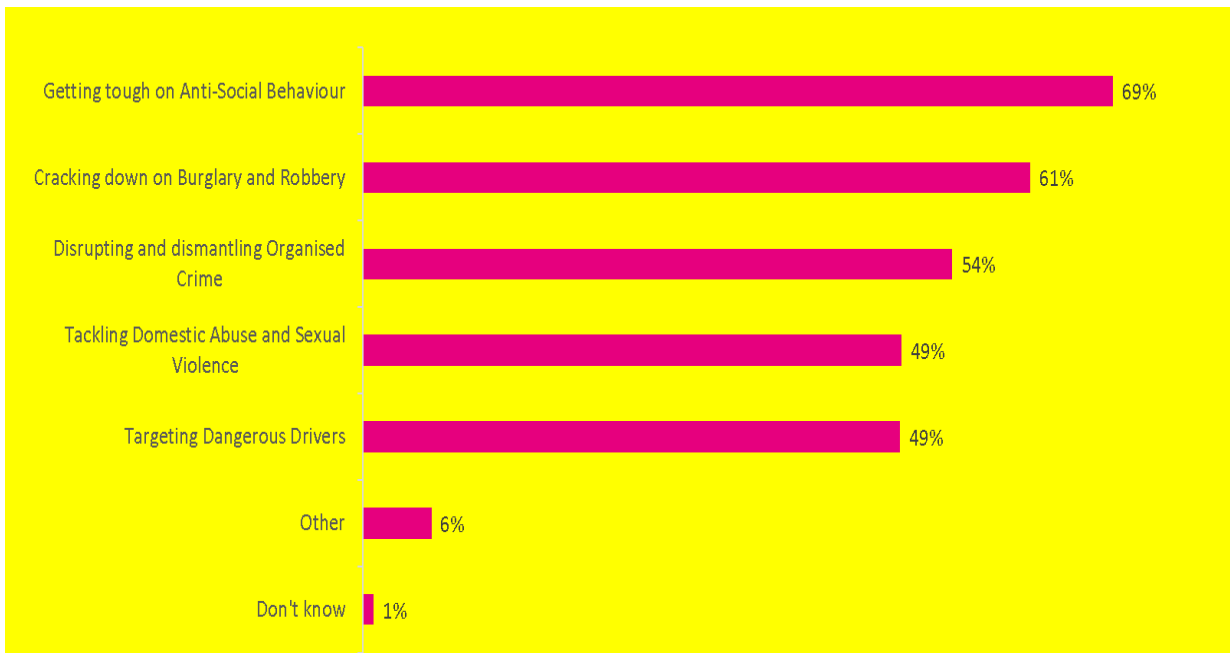
11. Consultations

- 11.1. The Commissioner has undertaken survey with the people of Lancashire to ensure their needs are taken into consideration when setting the council tax precept.

- 11.2. 2,431 Lancashire residents took part in the consultation and were asked the following question

" If the Commissioner was to put council tax up by 19p a week in line with Home Office recommendations, do you agree that this should be invested into more frontline police officers and the essential technology, infrastructure and equipment needed to deliver operational policing?"

- 11.3. 86% of participants agreed with the Commissioner's proposal that the increase in precept should be focussed on recruiting more frontline police officers and investing in the essential technology, infrastructure and equipment needed to deliver operational policing.
- 11.4. Participants were also asked their views on policing priorities, ranking each as a high, medium or low priority. The following graph identifies which priorities are considered key in Lancashire:



11.5. The Police and Crime panel for Lancashire was consulted on, and approved, the precept proposal for 2022/23 on 1 February 2022.

11.6. Close consultation on the preparation of the budget and savings proposals has been carried out with the Chief Constable and his senior officer team.

12. Summary

The Commissioner is asked to consider this report and the recommendations within it, including the approval of a £10 increase to the council tax precept for a Band D property in 2022/23.

Police and Crime Commissioner for Lancashire

2022/23 Budget Requirement and Precept

1. The Commissioner is asked to approve the net budget requirement for 2022/23 of £338.242m and consequent council tax requirement of £106.350m and Band D Council Tax of £236.45 (£10 or 4.4% increase from 2021/22) as follows:

	£000
2022/23 Spending Requirement	348,277.680
Less Specific Grant funding	-10,034.847
2022/23 Net Budget Requirement	£338,242.833
Less Government Funding	-230,767.175
Less Council tax surplus 2021/22	-1,125.657
Equals Council tax requirement 2022/23	106,350.001
Divided by Tax Base	449,777.97
2022/23 Band D Council Tax	£236.45
2021/22 Band D Council Tax	£226.45
Increase	£10.00
Percentage Increase	4.42%

2. On the basis of the above and the fixed ratios between valuation bands set by the Government, the Police and Crime Commissioner for Lancashire's council tax for each valuation would be:

BAND	£
Band A	157.63
Band B	183.91
Band C	210.18
Band D	236.45
Band E	288.99
Band F	341.54
Band G	394.08
Band H	472.90

3. Based on each district and unitary council's proportion of the total Band D equivalent tax base of 449,777.97 the share of the total Police and Crime Commissioner for Lancashire's precept of £106,350,001.01 to be levied on each council would be:

	£
Blackburn with Darwen	8,379,622.49
Blackpool	8,781,753.00
Burnley	5,553,501.15
Chorley	9,010,636.60
Fylde	7,422,638.40
Hyndburn	4,977,272.50
Lancaster	9,945,087.00
Pendle	5,660,754.87
Preston	9,403,380.05
Ribble Valley	5,805,556.85
Rossendale	4,866,141.00
South Ribble	8,650,499.60
West Lancashire	8,907,002.93
Wyre	8,986,154.57
	<u>106,350,001.01</u>