

**LEICESTER, LEICESTERSHIRE AND RUTLAND POLICE AND CRIME
PANEL - 5 FEBRUARY 2025**

**PROPOSED PRECEPT 2025/26 AND MEDIUM TERM FINANCIAL
PLAN**

At its meeting on Wednesday 5 February 2024, the Police and Crime Panel considered the Police and Crime Commissioner's proposed Precept 2025/26 and his Medium Term Financial Plan. The minute of the meeting on this item serves as the Panel's report and recommendation on the proposed Precept.

The Minute of the discussion on this item is set out below:

The Police and Crime Panel considered a report of the Police and Crime Commissioner (PCC) concerning the Proposed Precept for 2025/26 and the Medium Term Financial Plan (MTFP). A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

In introducing the budget and precept proposals the PCC stated that whilst he welcomed an increase in the Government Grant for Policing by 4.8%, the outdated and inequitable police funding formula would mean that this would not cover costs for 2025-26. He stated that despite Leicestershire Police making £14m of savings, a further £9.3m was required to be found to close the deficit for 2025/26 and a further £8.5m over the medium-term financial plan (MTFP). The PCC thanked the Chief Constable, and officers and staff within Leicestershire Police for their work. He recognised the financial difficulties being faced by households in Leicester, Leicestershire and Rutland (LLR). He provided assurance that he would work with Leicestershire Police to review and challenge the way services were provided.

The PCC drew the Panel's attention to the fact that the meeting would be the last to be attended by Leicestershire Police's Chief Constable, Rob Nixon, as he would be leaving Leicestershire Police in March. The PCC thanked Rob for his invaluable work in protecting the residents of Leicester, Leicestershire and Rutland over the years.

The Chief Constable Rob Nixon explained that he supported the proposed Precept for 2025/26 in order to sustain good policing and to protect investments made in Leicestershire Police. He stated that the proposed increase by £14.00 per annum for policing purposes to £300.2302 for a Band D property, would sustain and manage existing commitments against growing demand, however, it would not provide additionality to policing requirements. The main funding shortfalls affecting the budget related to the external inflationary environment and underfunding of both the employer's national insurance cost increase and subsequent pay awards. The Chief Constable also raised concerns relating to the unfairness of the police funding formula. Reassurance was given that despite financial pressures and other challenges, Leicestershire Police would continue to focus on good quality service and high standards in delivery of policing. The Chief Constable thanked the officers and staff within the Leicestershire Police for their work, and the Police and Crime Panel for supporting the PCC and Leicestershire Police in their responsibilities.

Arising from discussions the following points were noted:

- (i) The Panel acknowledged that the funding position meant that the PCC had taken the decision to recommend an increase to the Policing Precept in order to meet the requirements expected of Leicestershire Police. It was taken into consideration that the level of funding allocated through the police funding formula was not sufficient in order to meet the budget without increasing the Precept. The Panel shared the PCC's concern regarding underfunded pay awards and costs associated with an increase in employer's National Insurance contributions. The Government had previously provided assurances that it would cover increases in National Insurance, however, this commitment had not been met and this would result in an additional £0.3 million cost to Leicestershire Police.
- (ii) The report stated that the Government had announced that it intended to increase neighbourhood policing officers and Police Community Support Officers (PCSOs) by up to 13,000 nationally. The Police and Crime Panel Chair Mrs. D. Taylor CC raised concern that although the Government had confirmed a £1.5m grant for neighbourhood policing, it had not provided details relating to grant conditions. The Chairman asked that the Panel be updated on this position at a future meeting of the Police Crime Panel.
- (iii) The PCC stated that he had met with the Minister of State (Minister for Policing, Fire and Crime Prevention) to raise concern regarding the policing funding formula, however, the discussions had not reached a satisfactory conclusion. The PCC stated that he also emphasised to the Minister that grant funding confirmed for Leicestershire for 2025/26 would not be sufficient to meet budget demands. In addition to this, the PCC stated that he raised concerns around funding for neighbourhood policing.
- (iv) The report stated that a reserve funded from proceeds of crime would be used to support Leicestershire Police's capability in specific investigative areas. It was proposed that £0.51m would be used during 2025-26 to support the work of the Economic Crime Unit. It was anticipated that this would result in a balance of £1.1m by 31 March 2026. The Panel queried the purpose for this reserve. The PCC stated that the reserve would be used in order to offset fluctuation in income from economic crime and to employ additional staff to identify and investigate economic crime.
- (v) The Chief Constable stated that he and his senior team had worked constructively with the PCC and his office in order to develop the budget. The Plan had been scrutinised both internally and independently and the result of this scrutiny indicated that robust fiscal management had been applied.
- (vi) The report stated that the proposed precept would support Leicestershire Police in its ability to invest in technology to be more effective and efficient in the way in which it delivered the Police and Crime Plan. The Panel queried the type of technology which was being invested in. The Chief Constable stated that artificial intelligence and cloud-based technology was being developed and would reduce the amount of time required to undertake specific police activities and require less officers and police staff to carry out the work. It was therefore anticipated that this investment would result in reduced costs in future budgets.

- (vii) The Panel asked how the PCC planned to communicate with the public regarding the proposed precept. The PCC provided assurance that written communication regarding the precept would be delivered to all households alongside notices issued to Council Tax billpayers from the start of the financial year of 2025-26.
- (viii) The Police and Crime Panel Chair Mrs. D. Taylor CC offered to write to the Policing Minister on behalf of the Panel in support of the Leicestershire Police campaign for fairer funding. In addition to this, she agreed to highlight the case for police funding within the context of the Spring spending review and anticipated police reforms.

RESOLVED:

- (a) That the information presented in the report be noted;
- (b) That the proposal to increase the 2025/26 precept by £14.00 per annum for police purposes to £300.2302 for a Band D property be supported;
- (c) That the future risks, challenges, uncertainties, and opportunities included in the precept proposal together with the financial and operational considerations identified be noted;
- (d) That the Chair on behalf of the panel shall write to the Policing Minister about the core funding concerns and the unfair funding formula;
- (e) That the current Medium Term Financial Plan, the Capital Strategy and the Treasury Management Strategy be noted;
- (f) That the Police and Crime Commissioner be requested to provide an update on the conditions relating to an additional grant for neighbourhood policing, at a future meeting of the Leicester, Leicestershire and Rutland Police and Crime Panel.

The motion was carried.