



**Date: Tuesday 1 February 2022**

**Time: 10.30 am**

**Venue: John Meikle Room, The Deane House, Taunton, TA1 1HE**

**Membership:-**

Bath & North East Somerset

Bath & North East Somerset

Bristol City Council

Bristol City Council

Bristol City Council

Independent Member

Independent Member

Independent Member

Mendip District Council

North Somerset Council

North Somerset Council

Sedgemoor District Council

Somerset County Council

South Gloucestershire Council

South Gloucestershire Council

South Somerset District Council

Somerset West and Taunton Council

Alastair Singleton

Andy Wait

Asher Craig

Jonathan Hucker

Lisa Stone

Richard Brown

Gary Davies

Julie Knight

Heather Shearer (Chair)

Peter Crew

Richard Westwood (Vice-Chair)

Janet Keen

Josh Williams

Frank Owusu-Antwi

Pat Trull

Nicola Clark

Chris Booth

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Somerset County Council

County Hall, Taunton

TA1 4DY

**Are you considering how your conversation today and the actions you propose to take contribute towards making Somerset Carbon Neutral by 2030?**



**RNID typetalk**

## Agenda Public Information Sheet

Guidance about procedures at the meeting follows the agenda. This meeting will be open to the public and press, subject to the passing of any resolution under Section 100A (4) of the Local Government Act 1972. This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages.

They can also be accessed via the council's website on  
[www.somerset.gov.uk/agendasandpapers](http://www.somerset.gov.uk/agendasandpapers)

### 1 **Formal Scrutiny of the Budget and Proposed Precept** (Pages 3 - 4)

To receive the report and scrutinise the information.

<b>MEETINGS:</b> Police & Crime Panel	<b>DATE:</b> 1 <sup>st</sup> February 2022	<b>AGENDA NO:</b>
<b>DEPARTMENT:</b> PCC's Office - Finance	<b>AUTHORS:</b> Paul Butler – PCC CFO	
<b>NAME OF PAPER:</b> 2022/23 Proposed Budget Requirement and Precept Proposal – Supplementary report		

This report provides a correction to the headline figures presented in the MTFP papers previously submitted for consideration by the Police and Crime Panel. The need for this supplementary paper arises from a material error within our MTFP model having been identified.

As part of the continuous review of the MTFP, the constabulary finance team have identified that there was an error embedded within the financial model which had the effect of materially over-inflating the movement in our partnership costs in the outlying years of the MTFP. This error has no impact on the proposed 2022/23 budget, but does have the effect of reducing the budget requirement in each of the subsequent years. The effect of this error is to inflate our budget requirement by £6.8m by 2026/27. Correcting for this error alone would therefore have the effect of reducing the forecast deficit by 2026/27 to £6.7m.

Given the identification of this error and the need to correct for this, we have also taken the opportunity to update our financial forecast to increase our assumption for pay awards in 2023 to +2.5%, an increase of 0.5% on what was assumed in our original paper. This update reflects the position agreed as the proposed pay standard to be modelled for policing as agreed at National Police Chiefs Council at their meeting in earlier in January. This was not included in our original forecasts as the timing of the meeting was after we needed to complete the preparation of our financial papers for submission. The impact of this change is to increase our budget requirement by £0.8m as a part-year effect in 2023/24, and by £1.5m p.a. in each subsequent year of the MTFP. The adjustment for this in addition to the correction of the error results in a revised deficit of £8.2m as outlined in the below table:

	<b>22/23</b> <b>£'000</b>	<b>23/24</b> <b>£'000</b>	<b>24/25</b> <b>£'000</b>	<b>25/26</b> <b>£'000</b>	<b>26/27</b> <b>£'000</b>
Budget requirement	358,707	370,838	381,993	392,914	402,500
Less; Total funding	-355,707	-365,479	-377,006	-383,978	-390,925
<b>(Surplus)/Deficit before savings</b>	<b>3,000</b>	<b>5,359</b>	<b>4,987</b>	<b>8,936</b>	<b>11,575</b>
Less; Savings	-3,000	-3,179	-3,245	-3,312	-3,379
<b>(Surplus)/Deficit after savings</b>	-	<b>2,180</b>	<b>1,742</b>	<b>5,624</b>	<b>8,196</b>

We recognise the submission of a late paper making such a material change to the financial projections is far from ideal, and it is deeply regrettable that this has occurred. We will debrief how this error occurred and was not previously identified, and ensure that any learning from this experience is incorporated into future budgeting and forecasting processes.

The positive impact of correcting for this error is that it substantially reduces the scale of the savings which we forecast will be needed by 2026/27, although it is important to recognise that the scale of savings required is still significant – particularly in the context of our underlying funding in Avon and Somerset, and after a decade of austerity which have required the Constabulary to deliver £86m in savings since 2010/11. After allowing for a £10 increase in precept there is a forecast deficit of £8.2m by 2026/27 which is the equivalent of 228 PCSO or staff.

The underlying rationale for the proposed precept increase in 2022/23 therefore remains. Consequently it

remains the PCC's proposal for a precept of £144.839m, which equates to a **council tax band D of £251.20, an increase of £10 (4.1%) in the band D equivalent for the police element of the council tax** for the 2022/23 financial year.