



Report of Police and Crime Commissioner for Northumbria

Report on Proposed Precept for 2017/18

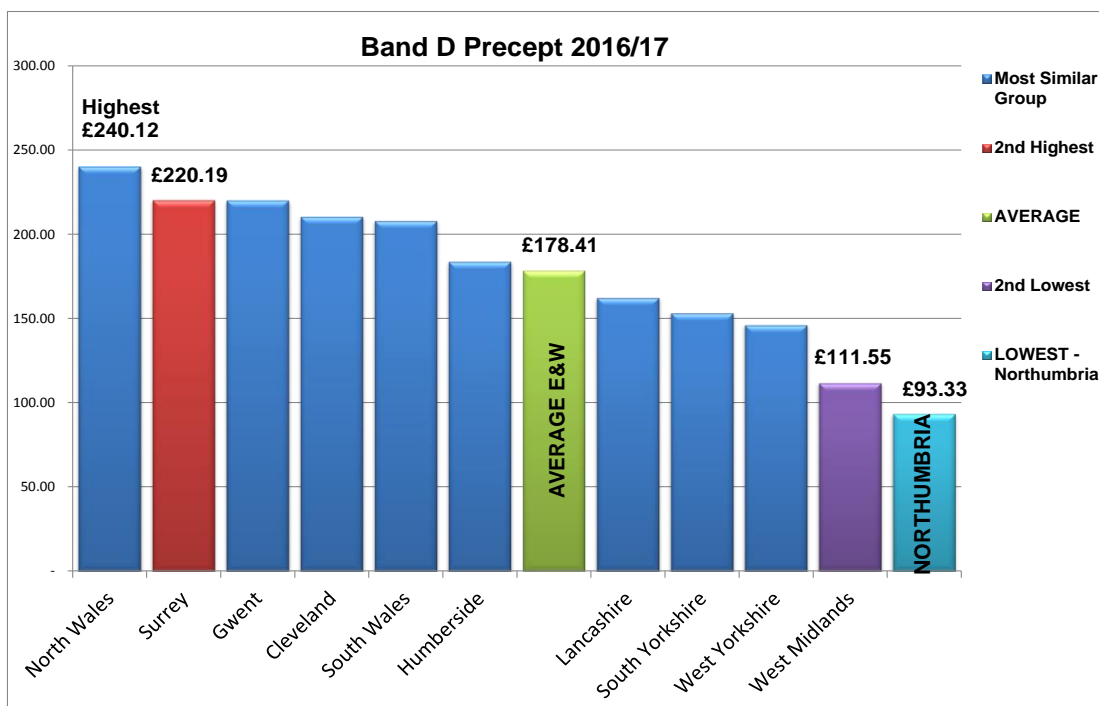
1. Purpose of Report

1.1 This report sets out my proposed council tax precept for the policing area covered by the Police and Crime Commissioner (PCC) for Northumbria for the 2017/18 financial year, with a recommendation to agree to the proposal.

2. Background

2.1 The Police Reform and Social Responsibility Act 2011 Schedule 5 states that “A Police and Crime Commissioner may not issue a precept under section 40 of the Local Government Finance Act 1992 for a financial year until the end of the scrutiny process is reached.” The first stage of the scrutiny process is that I must notify you of the precept I am proposing to issue for the financial year 2017/18.

2.2 The Council Tax Precept is a key source of revenue for my organisation:



- The Northumbria Band D precept charge of £93.33 is the lowest of any PCC in England and Wales by a very long way.
- The next lowest PCC precept is West Midlands at £111.55.
- The average precept is £178.41 and the highest is £240.12.
- The council tax precept raised over £34.9 million in 2016/17 – equivalent to 700 police officers.
- Approximately 14% of our core resource funding in 2016/17, was derived from council tax and that percentage is increasing year on year as our core funding from central government is cut.

3. THE BUDGET AND SETTLEMENT

- 3.1 The Home Office provisional 2017/18 police grant settlement stated that no force will receive a cut to their 'spending power' in 2017/18 when compared with 2015/16.
- 3.2 However, the reality is that Northumbria's grant has been cut by £3.0 million (1.4%) and the Home Office has set out a clear expectation that this cut will be met locally by tax payers through an increase to the precept of £5 to meet the shortfall.
- 3.3 The precept excessiveness rules for 2017/18 are unchanged against those in 2016/17. The majority of PCCs will be limited to a maximum 1.99% increase to their precept for 2017/18. The 10 PCCs with the lowest precept, of which Northumbria remains the lowest, have the flexibility to increase their precept by up to £5.
- 3.4 The council tax precept raised £34.947 million towards the total funding requirement for the PCC in 2016/17.
- 3.5 The Government has recognised that the local precept is a rich seam that it can use to make further cuts to our funding whilst claiming that the funding for Policing is being protected, and its latest 2017/18 settlement continues to demonstrate this.
- 3.6 The provisional settlement published in December 2016 clearly set out that due to increases in the tax base being accelerated in 2016/17 beyond the Governments CSR estimates, the Home Office were able to cut more from the core police grant in 2017/18.
- 3.7 The current financial climate remains a difficult and challenging one. Since 2010 we have seen unprecedented cuts to Police funding by the Government, significant top-slicing of local police funding and restrictions on precept increases. Northumbria were the hardest hit of any force in England and Wales over those years and looking forward over the current CSR period Government funding is set to reduce even further.
- 3.8 The severe restrictions on funding from central government are being delivered with the clear expectation that the shortfall is met locally by tax payers through the precept. Local precept income is therefore essential to maintain spending power and preserve the high standards of policing that we have in Northumbria.

3.9 The attached report at **Appendix 1** sets out the proposed revenue budget and capital programme for 2017/18 including my precept proposal, together with a review of the current year's budget position and future funding, and is fully aligned with the Medium Term Financial Strategy 2017/18 to 2020/21.

4. PRECEPT OPTIONS

4.1 There are no Council Tax Freeze grants available for 2017/18.

4.2 The funding available through the maximum permissible precept increase of £5 on the tax base would provide an additional £2.570m in 2017/18. It would also increase the underlying precept base and would therefore provide further financial benefit in future years.

4.3 For context, an increase of £5 p/year for a Band D property equates to approximately 10 pence per week. For a large proportion of the residents in Northumbria, those in a Band A property, the actual increase will be less than 7 pence per week (£3.33 p/year).

4.4 It would take nearly 4 years of increases at £5 per year to match the 2nd lowest PCC precept (West Midlands).

4.5 During January 2017 I launched a consultation with the public on the precept, which closed on Monday 30th January 2017. I promoted the precept consultation through social media – both OPCC and Northumbria Police Twitter and Facebook. A press release was sent to all local media, many of whom ran the feature in local papers, urging residents to email their thoughts and views. In addition to this, it also featured in the media section of my website.

4.6 I chose to carry out a qualitative consultation, looking for the depth of feeling that respondents had about the proposal rather than a quantitative approach which has been used in the past. This also ensured that responses were provided by residents in Northumberland and Tyne and Wear area only.

4.7 Since October 2016, I have been consulting about the priorities in the Police & Crime Plan, and often police funding was mentioned – so although the information was gained through a different consultation, it has also been included in the precept findings.

4.8 Of the responses received from the public, over 80% were fully supportive of the increase in the average precept of £5.00 p/year. The responses show that Northumbria Police is held in high regard by many residents. There is clearly a sense of pride in our local policing service and it is clear that people want to ensure the services of the police are available if they ever need them. Comments made by respondents include:

- I have no objection whatsoever to a rise in the Police Precept.
- We fully support a £5.00 increase.
- Without this increase then no doubt Police numbers will be further reduced and therefore the effectiveness of Northumbria Police further diminished. I fully support any plan to increase police funding and I would be more than happy to pay an additional £5 per year on my council tax.
- Prepared to pay the increase to keep Northumberland safe.

- 4.9 Those against the precept increase included views that local tax payers already pay enough, the cuts imposed by the two most recent terms of Government should not be funded by increases in local council tax, PCCs should go back to Government for more money, not council tax payers.
- 4.10 I have considered the options available to me and have taken into consideration the consultation feedback. However, my primary consideration is to ensure the effective delivery of the Police and Crime Plan, protecting communities and the most vulnerable, and maintaining the provision of neighbourhood based policing services as far as possible. I believe it is the right decision to recommend an increase in the precept of £5 p/year per Band D household, to continue to support local policing services in the face of continued cuts to Government funding. Even with this proposed increase, Northumbria still has the lowest police precept in England and Wales by a very long way.

5. Proposals

- 5.1 I propose that the precept is increased by £5 p/year which equates to approximately 10 pence per week for the average Band D household.
- 5.2 The impact of this decision in 2017/18 will allow for an additional and recurring £2.570m contribution to resources.
- 5.3 This proposal is made in the context of the budget with the need to maintain my spending power and balance reducing resources with essential expenditure to deliver the Police and Crime Plan.

6. Recommendation

The Police and Crime Panel is asked to:

- I. Review the recommended precept proposal;
- II. Make a report to the Commissioner on the proposed precept for the forthcoming financial year.