



**Report of Police and Crime Commissioner for Northumbria**

**Report on Proposed Precept for 2019/20**

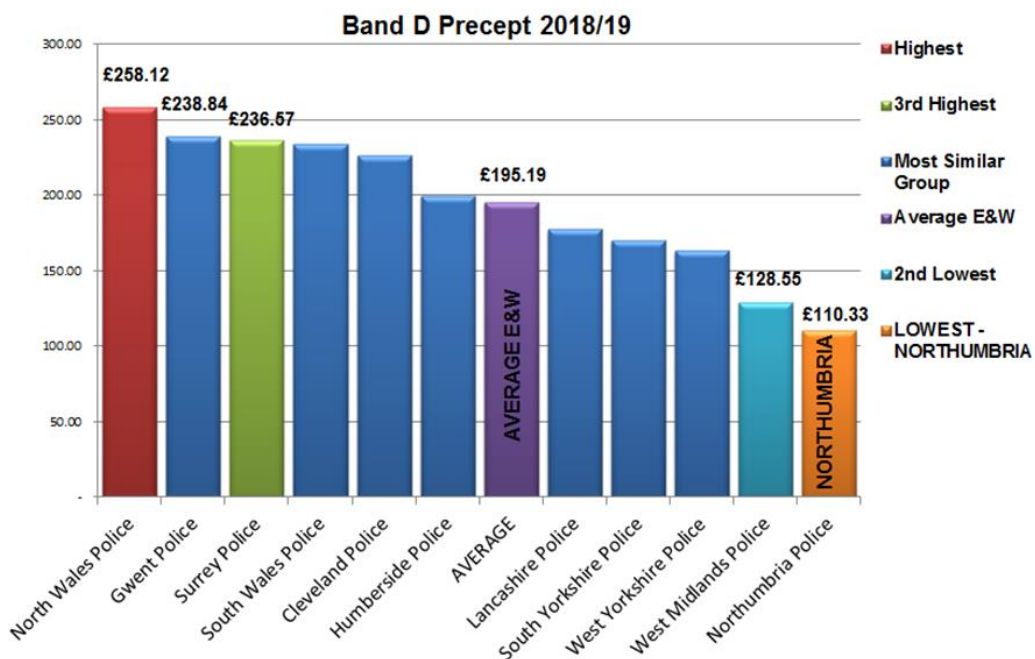
**1. Purpose of Report**

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 2019/20 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 2019/20.

2.2 The Council Tax Precept is a source of revenue for policing in Northumbria, the following graph shows a comparison of Northumbria’s position to other Force areas for the current financial year 2018/19:



As is clear on the graph the Northumbria Band D precept charge of £110.33 is the lowest of any PCC. Band D precept charge is the contribution paid toward policing by homeowners in that category.

Currently 16% of our core resource funding in 2018/19, is derived from Council Tax and the government is increasing the percentage paid by local tax payers every year.

### **3. The Budget and Settlement**

3.1 In summary, the main elements of the 2019/20 Home Office settlement included:

- Core Police grants would be increased by 2.1%.
- The precept referendum limits for 2019/20 have been increased so that all PCCS are allowed/required to increase the precept by £24 per Band D property.
- Allocated funding to pay part of the increased cost of police pension contributions in 2019/20 via a specific one off special grant.

3.2 Northumbria has already taken the largest financial cut of all Forces in England and Wales through both the 2010 and 2015 Comprehensive Spending Review (CSR) periods, as reported by the National Audit office (NAO, 2018). Central Government formula funding for policing in Northumbria has been reduced by 31% in real terms since 2010.

3.3 The current financial climate remains a difficult and challenging one. The last 9 years have seen unprecedented cuts to the funding provided by the Government to Police and Crime Commissioners (PCCs) in England and Wales. By the end of 2018/19 Northumbria will have made £142.3m of cuts and efficiencies to manage the reductions imposed by government over that period.

3.4 The severe restrictions on funding from Central Government are being delivered with the continued 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.

3.5 The Government has recognised that the local precept is a rich seam that it can use to further transfer the burden of funding Policing onto local taxpayers. The Council Tax Precept raised £42.7m towards the total funding requirement for the PCC in 2018/19.

3.6 The attached report at **Appendix I** sets out the proposed revenue budget and capital programme for 2019/20 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 2019/20 to 2022/23.

### **4. Precept Options**

4.1 There are no Council Tax Freeze grants available for 2019/20.

- 4.2 The funding available through the maximum permissible precept increase of £24 on the tax base would provide an additional £9.4m in 2019/20. It would also increase the underlying precept base and would therefore provide continued financial benefit in future years.
- 4.3 For context, an increase of £24.00 per year for a Band D property equates to approximately 46p per week. For a large proportion of the residents in Northumbria, those in Band A property, the actual increase will be approximately 31p per week (£16.00 per year).
- 4.4 Following the announcement by the government on Northumbria's funding settlement, I launched a consultation with the public on the precept. A press release was issued to all local media for publication. The article featured in newspapers such as the Morpeth Herald, Evening Chronicle and Sunderland Echo.
- 4.5 Use of social media ensured that over 23,000 people saw the tweets relating to the police precept consultation. Over 8,000 people were reached on Facebook.
- 4.6 Information and a direct invitation to complete the on-line survey was also shared with the Office of the Police and Crime Commissioner (OPCC) contact lists. These lists included the advisory groups and scrutiny panels and other interested stakeholders. There are over 1,000 contacts on the lists held.
- 4.7 The on-line survey was active from 03 January 2019 until 21 January 2019, in which three simple questions were asked:
- Do you agree that policing, regardless of where the money comes from, needs more investment.
  - If you live in a Band A property are you willing to pay 31p per week more for policing or 46p per week more for a Band D property.
  - Do you have any further comments.

Of the responses received from the on-line survey 56% were supportive of the proposed precept.

- 4.8 Between the 07 and 13 January 2019, over 600 people were contacted by phone by the Public Insight team at Northumbria Police (100 in each local authority area) to find out their thoughts on the police precept. The questions asked were those asked on-line (4.7). Of the responses received from the telephone survey 71.0% were supportive of the proposed precept increase.
- 4.9 Staff from the OPCC visited shopping areas in each of the local authority areas to find out local views on the precept. Of the response received from face to face interviews, 87.3% were supportive of the proposed precept.
- 4.10 The responses show that Northumbria Police is held in high regard by many residents and they appreciate that policing needs more investment. There continues to be 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.

- 4.11 I have considered the options available to me and have taken into consideration the consultation feedback. 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 and to keep police officers 'on the beat'. Reluctantly, I believe it is the right decision to recommend an increase in the precept of £16 per year per a Band A household or £24 per year for a Band D household, to continue to support local policing services in the face of a challenging financial situation. Even with the proposed increase, Northumbria still has the lowest police precept in England and Wales by a very long way.
- 4.12 The Chief Constable and I continue to take tough decisions every day to make ends meet. We have listened carefully to local residents and we will invest the money into policing, including new officers and staff, and the retention of roles that had originally been planned to be lost.

## **5 Proposals**

- 5.1 I propose that the precept is increased by £24 per year, which equates to approximately 31p for a Band A property or 46p for a Band D property.
- 5.2 The impact of this decision in 2019/20 will allow for an additional and recurring £9.4m contribution to resources.
- 5.3 This proposal is made in the context of the budget needed 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 are asked to:

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