



Report of Police and Crime Commissioner for Northumbria

Report on Proposed Precept for 2018/19

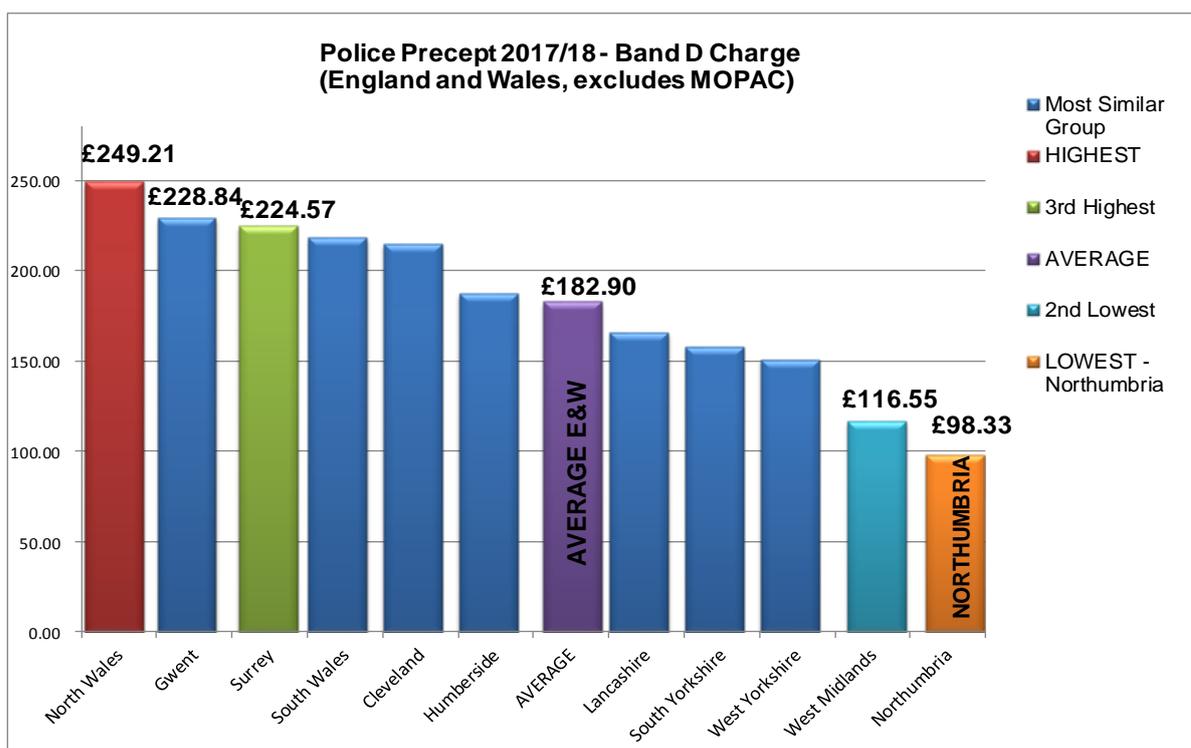
1. Purpose of Report

- 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 2018/19 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 2018/19.

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



- The Northumbria Band D precept charge of £98.33 is the lowest of any PCC in England and Wales by a very long way.
- The next lowest PCC precept is West Midlands at £116.55.
- The average precept is £182.90 and the highest is £249.21.
- The Council Tax Precept raised over £37.5m in 2017/18 - equivalent to 750 police officers.
- Approximately 14% of our core resource funding in 2017/18, was derived from Council Tax and that percentage is increasing year on year as our core funding from Central Government is cut or maintained in flat cash terms.

3. The Budget and Settlement

- 3.1 The Home Office provisional 2018/19 settlement confirmed that government grants would be maintained in flat cash terms against the level received in 2017/18. This is a real terms cut to police funding from Central Government.
- 3.2 Northumbria has already taken the biggest financial cut of all Forces in England and Wales through both the 2010 and 2015 Comprehensive Spending Review (CSR) periods. Central Government formula funding for policing in Northumbria has been reduced by 37% in real terms since 2010.
- 3.3 The precept excessiveness rules for 2018/19 give ALL Police and Crime Commissioners the flexibility to increase the precept by £12 per Band D property.
- 3.4 The Government has calculated that each PCC who uses this flexibility will be able to increase their direct resource funding by at least 1.6%, which maintains total funding (central grant plus council tax precept) in real terms.
- 3.5 The Council Tax Precept raised £37.5m towards the total funding requirement for the PCC in 2017/18.
- 3.6 The Government has recognised that the local precept is a rich seam that it can use to make further real terms cuts to our funding whilst claiming that the funding for Policing is being protected, and the 2018/19 settlement continues to demonstrate this.
- 3.7 The current financial climate remains a difficult and challenging one. The last 8 years have seen unprecedented cuts to the funding provided by the Government to Police and Crime Commissioners (PCCs) in England and Wales. Northumbria has had to make £135.6m of cuts and efficiencies to manage the reductions imposed by government over that period. In addition, it has had its ability to raise additional tax revenue from the precept restricted by the excessiveness rules and a climate of Council Tax freeze grant incentives.
- 3.8 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.

- 3.9 The attached report at **Appendix 1** sets out the proposed revenue budget and capital programme for 2018/19 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 2018/19 to 2021/22.

4. Precept Options

- 4.1 There are no Council Tax Freeze grants available for 2018/19.
- 4.2 The funding available through the maximum permissible precept increase of £12 on the tax base would provide an additional £5.2m in 2018/19. 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 £12 per year for a Band D property equates to approximately 23 pence per week. For a large proportion of the residents in Northumbria, those in a Band A property, the actual increase will be approximately 15 pence per week (£8.00 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 was featured in newspapers such as the Northumberland Gazette, Shields Gazette and the Evening Chronicle.
- 4.5 Use of social media ensured that 11,000 people saw a tweet relating to the Police precept, with it also being mentioned on BBC twitter accounts such as Richard Moss of the North East politics show. 2,900 people were reached on Facebook.
- 4.6 Information and a direct invitation to comment were shared with Office of the Police and Crime Commissioner (OPCC) contact lists. These lists include the advisory groups and scrutiny panels and other interested stakeholders. There are over 1,000 contacts on the lists held.
- 4.7 Staff from the OPCC visited shopping areas across the Force area to find out local views on the precept. Of the responses received directly by my office, 70% were supportive of the proposed precept.
- 4.8 The Public Insight team at Northumbria Police also surveyed over 600 people (100 in each local authority) to find out their thoughts on the Police precept. This contact took place in January, from 686 participants surveyed, four out of five people (80%) surveyed across the Force area are supportive of an increase in Council Tax, to maintain current levels of policing. Just over 12% were unsupportive, whilst 8% did not know either way.
- 4.9 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 think it is a good thing, as people on their own need the police. They rely on them.
- I think the police is so important and everyone should pay more.
- It's a sign of the times, this is a service we need.
- I think it is important to keep the standard we have today.
- It's a small amount to pay for the police to protect us.

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 £12 per year per Band D household, to continue to support local policing services in the face of continued real terms reductions 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

5.10 I propose that the precept is increased by £12 per year, which equates to approximately 23 pence per week for the average Band D household.

5.11 The impact of this decision in 2018/19 will allow for an additional and recurring £5.2m contribution to resources.

5.12 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 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.