

Report of Police and Crime Commissioner for Northumbria

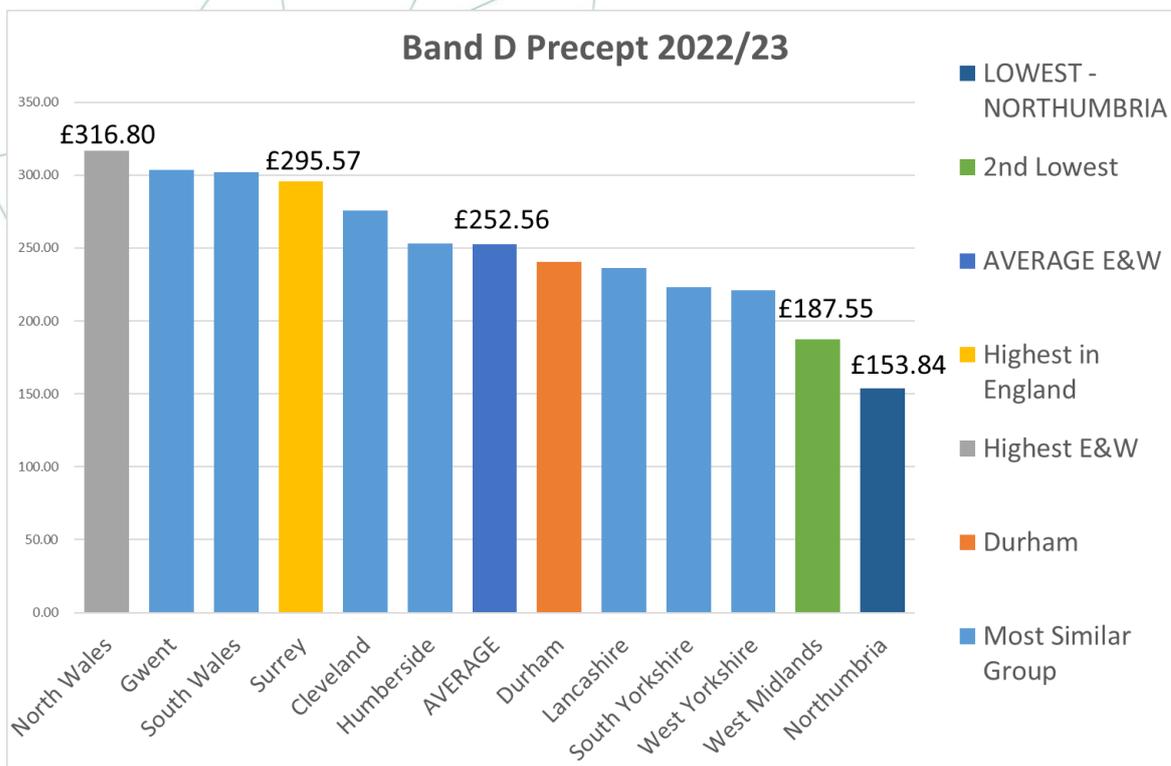
Report on Proposed Precept for 2023/24

1. Purpose of Report

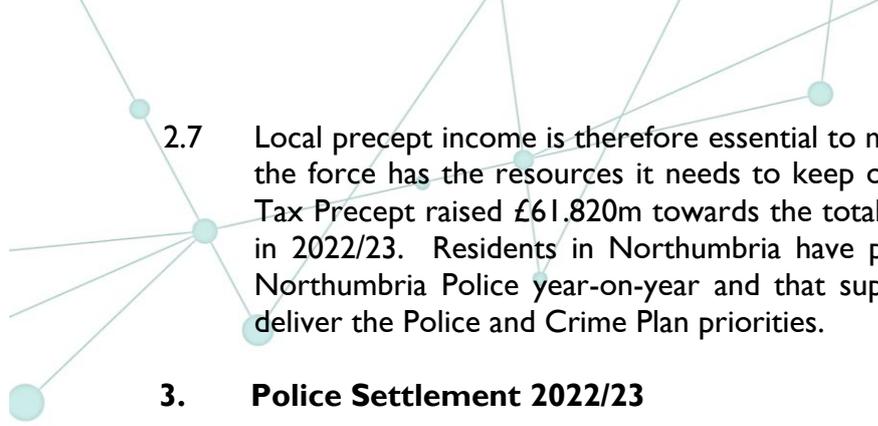
- 1.1 This report sets out my proposed Council Tax Precept for the policing area covered by the Police and Crime Commissioner (PCC) for Northumbria for the 2023/24 financial year, with a recommendation to agree to the proposal.
- 1.2 I am seeking agreement on a Precept increase of £15.00 per year for a Band D property to better fund a vital public service. Band A households make up the largest share of properties in the Northumbria force area, and for them the increase is 83p a month (£10.00 per year).
- 1.3 This proposed increase is supported by the results of a public consultation, as detailed below.
- 1.4 The proposed increase would raise an additional £6.120m income, which will:
 - Deliver a restructure of neighbourhood policing, allocating 134 new officers into specialist frontline roles to take on the fight against crime, and;
 - Help protect the force from the impact of significant budget pressures and spiraling inflation.

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 2023/24.
- 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 2022/23:



- 2.3 As is clear from the graph above the Northumbria Band D precept charge of £153.84 for 2022/23 is the lowest of any PCC in England and Wales. The Band D precept charge is the contribution paid toward policing by a homeowner in that category and is the common criteria by which information and comparison is based. It should be noted that the majority of properties in the Northumbria area are Band A, i.e., the lowest banding for which the charge is £102.56. For 2022/23 18% of our core resource funding is derived from the Council Tax Precept, with the majority (82%) being through government grant.
- 2.4 Since 2010, Central Government's austerity drive saw unprecedented cuts to the funding provided to policing, with Northumbria being the hardest hit of any force in England and Wales. Central Government formula funding for policing in Northumbria was reduced by more than 31% in real terms between 2010/11 and 2018/19, as confirmed independently by the National Audit Office (NAO). As a result, police officer numbers in Northumbria reduced by more than 1,100 between March 2010 and March 2019. By March 2021 the force had made £148.000m of cuts and efficiencies to manage the reductions imposed by government.
- 2.5 Whilst government funding for policing has increased over the last 4 years there have been no inflationary increases provided by government, with core grant covering only part of the increased cost of police officer pensions for 2019/20 and delivery of the Police Uplift Programme (PUP) over 2020/21 to 2022/23.
- 2.6 The significant levels of inflation emerging in the economy over 2022/23 are expected to continue to impact on force budgets over the medium-term. There has been no additional financial support from government to recognise the unprecedented scale of inflation that forces are having to deal with. Inflation and other budget pressures identified for 2023/24 are now more than £15.000m greater than anticipated within the Medium-Term Financial Strategy (MTFS) approved last year. Utilities, fuel, insurances, pay awards, building maintenance, digital policing and all major contracts have been significantly impacted through recent challenges to the economy, inflation, energy shortages and the cost-of-living crisis.



2.7 Local precept income is therefore essential to maintain spending power and make sure the force has the resources it needs to keep our neighbourhoods safe. The Council Tax Precept raised £61.820m towards the total funding requirement for Northumbria in 2022/23. Residents in Northumbria have provided additional funding to support Northumbria Police year-on-year and that support has been vital to help the force deliver the Police and Crime Plan priorities.

3. Police Settlement 2022/23

3.1 Last year the Government provided a 3-year Spending Review settlement for 2022/23 to 2024/25, with force-level allocations for 2022/23 only and indicative national increases to police funding for 2023/24 and 2024/25.

3.2 The provisional police grant settlement for 2023/24 was published on 14 December 2022 and set out force-level allocations for the 2023/24 financial year only.

3.3 In summary, the main elements of the 2023/24 Home Office settlement included:

- Police Core Grant – Core grant allocations to PCCs to be increased by £174.000m, comprising:
 - The additional £100.000m committed in the 2021 Spending Review.
 - The £140.000m allocated to cover the additional cost of the 2022 police officer pay award has been added to the ring-fenced Uplift grant.
 - A reduction of £69.000m due to the reversal of the employer NI increase in relation to the Health and Social Care Levy.
 - Minor increase of £5.000m to legacy council tax grants.
- Legacy grants relating to Council Tax and freeze grants for 2011/12 and 2014/15 remain payable.
- Specific grant funding allocated to forces to manage part of the increased cost of employer pension contributions in 2019/20 has been confirmed for a further year.
- Council Tax Referendum Limits – In the Autumn Budget and Spending Review 2021 referendum limits were set for the 3-year spending review period 2022/23 to 2024/25. PCCs were told they could approve an increase of up to £10.00 for a Band D property in each year. The referendum limit for 2023/24 has now been increased to £15.00 for a Band D property, with no change to the £10.00 limit for 2024/25.
- Police Capital Funding – For the second year running there is no capital grant funding allocated to police forces in the settlement.

3.4 Whilst the increase to government grant will enable the force to maintain the Uplift target delivered by March 2023, it does not include any increase to manage the spiraling levels of inflation or funding to meet the ever-rising costs of transforming police services and building the digital infrastructure essential to respond to emerging crime trends.

3.5 Despite the financial challenges faced by Northumbria Police the force has continued to deliver on the priorities of its communities, reduce crime and begin the biggest digital transformation the force has ever undertaken. The budget proposal for 2023/24 will allow the Chief Constable to continue to deliver those priorities and investment plans, maintaining the excellent level of service Northumbria Police provides.

3.6 The attached report at Appendix I sets out the proposed revenue budget and capital programme for 2023/24 including my precept proposal, together with a review of the current year's budget position and future funding.

4. Precept Options

4.1 In making my decision in regard to the Council Tax Precept I have considered the overall funding made available to the force and the impact any increase will have on households. The Government has proposed a precept referendum limit for 2023/24 that enables PCCs to raise additional funding for local priorities through an increase of up to £15.00 per year for a Band D property.

4.2 In considering the right precept proposal for 2023/24 I was mindful that Northumbria Police has the lowest precept in the country and is as a result very reliant upon central government funding, over which I have no control.

4.3 The funding available through the £15.00 per year precept increase would provide an additional £6.120m in 2023/24. It would also increase the underlying precept base and provide continued financial benefit in future years. For context, a £15.00 per year increase for a Band D property equates to approximately 125p per month. For the majority of residents in Northumbria, those in a Band A property, the actual increase will be approximately 83p per month (£10.00 per year).

4.4 On 9 January 2023 I launched a consultation with the public on the precept, asking people whether they would support an increase to their police precept.

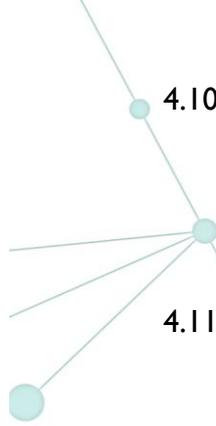
4.5 Telephone surveys were carried out by the Northumbria Police Public Insight Team at random with residents in the force area to ask if they would support an increase to their police precept Council Tax contribution. 604 residents were surveyed with approximately 100 from each Local Authority area.

4.6 70% of survey participants said they would support an increase to offset the budget pressures facing the force.

4.7 Residents supportive of an increase often acknowledged the economic pressures facing the police and other public services. These residents expressed support for the police and the view that they would require additional funding to carry out their roles effectively in the current economic climate. The absence of police visibility and a desire to see more police visible in local areas, were also frequently commented on by supportive survey participants. Some participants perceived that previous budget cuts and pressures had negatively impacted the current service provision and that they would support an increase if it resulted in service improvements.

4.8 Residents that opposed the increase to their precept council tax contribution cited reasons such as not being able to afford an increase due to the rise in the cost of living or as they felt they were already paying enough council tax. Other survey participants stated that the funding for the increase should be sourced from elsewhere, such as the central government or through the current council tax provision.

4.9 An online consultation was also carried out across the force area, alongside the telephone consultation, and ran until 29 January 2023. This consultation was promoted in media releases, across newsletters and with a leaflet through the door of 70,000 households. The consultation was covered in the local news media.



4.10 As with the telephone survey, residents taking part in the survey were asked to choose between an increase equal to £15.00 for a Band D property or no increase. 1,124 residents took part in the online survey. 62% of respondents from within the force area agreed that they would support an increase to offset the rising costs facing the force and prevent deeper cuts to police budgets.

4.11 Residents were given the option of providing feedback on the financial challenges facing policing. The majority of those that were in favour of the precept increase cited that they would be willing to increase their contribution but would expect to see an improved service and increased police visibility. Residents were clear in their responses that they would only be willing to fund increase should the funds be directed to frontline neighbourhood policing.

4.12 The most common response from those who selected option two, no increase to my council tax, was that they don't believe the current fee is value for money as they don't see any visible local policing. Residents highlighted the lack of neighbourhood policing local to them or poor experiences they've had in dealings with the force as reasons for not wanting to contribute the higher proposed fee.

4.13 The precept consultation carried out in January was the second police precept consultation carried out this financial year. In December the public were consulted on their views on a £10.00 increase, in-line with the Government's then maximum precept increase. While this consultation was being carried out the Government updated its advice to PCCs by raising the precept level to £15.00.

4.14 In the £10.00 consultation the public backed the increase by 72% in an online poll. The reasons for and against the increase were similar to those in the later consultation.

4.15 Both myself, the Chief Constable and Northumbria Police are committed to fighting crime, preventing crime and improving lives – but without appropriate and suitable funding, we will face challenges and difficult decisions ahead.

5 Proposals

5.1 I propose that the precept is increased by £15.00 per year for a Band D property which equates to an increase of 9.75%.

5.2 The impact of this decision in 2023/24 will allow for an additional and recurring £6.120m contribution to resources.

5.3 This proposal is made in the context of the budget needed to invest in policing 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.