



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

**Report on Proposed Precept for 2016/17**

**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 2016/17 financial year, with a recommendation to agree to the proposal.

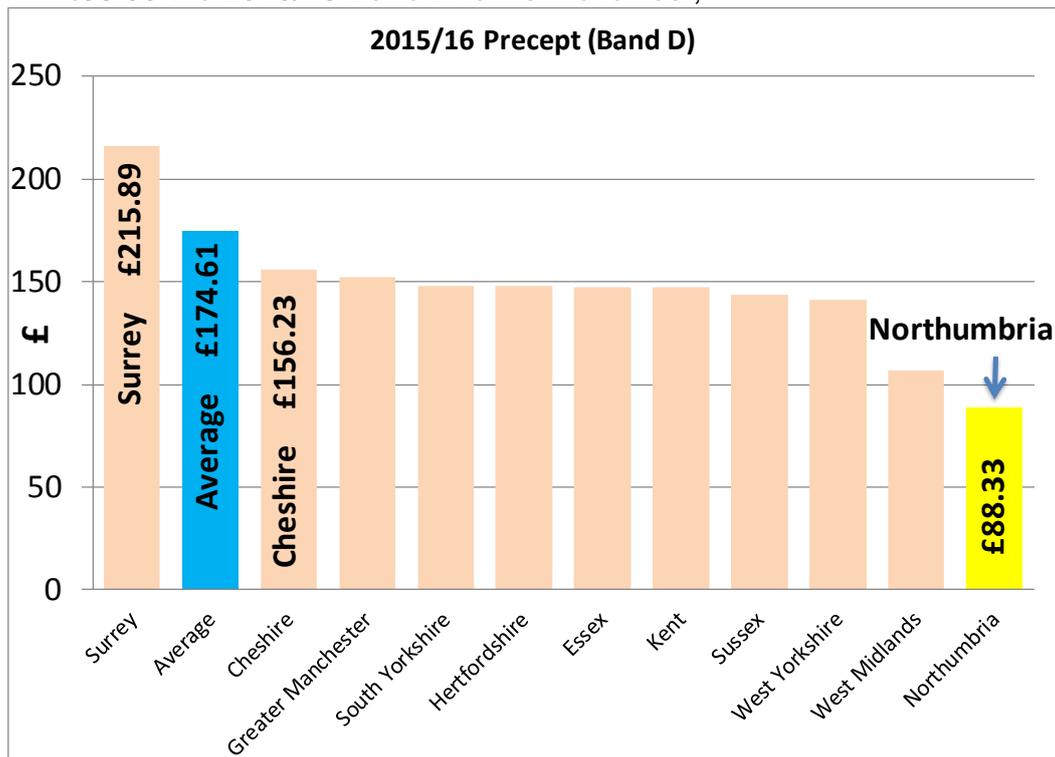
**2. Background**

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 2016/17.

2.2 The council tax precept is a key source of revenue for my organisation:

1.

- At £88.33 the 2015/16 Band D tax is the lowest;



- The next lowest PCC precept is West Midlands at £106.55;
- The council tax precept raises over £32.6 million a year – equivalent to 652 officers
- Approximately 13% of our core resource funding in 2015/16, was derived from council tax and that percentage is increasing year on year as our core funding is cut;

### **3. THE BUDGET AND SETTLEMENT**

- 3.1 The Home Office provisional 2016/17 police grant settlement stated that no force will receive a cut to their 'spending power' in 2016/17 and that Northumbria's spending power, which is determined as grant plus precept income, has increased by £0.8 million (0.3%).
- 3.2 However, the reality is that Northumbria's grant has been cut by £1.25 million (0.6%) and the Home Office has made an assumption that this cut will be offset by an increase to the precept of £5 to plug the gap.
- 3.3 In common with previous years the majority of PCCs will be limited to a maximum 2% increase in their precept for 2016/17. But the 10 PCCs with the lowest precept, of which Northumbria is one, have been given a new flexibility to increase their precept by up to £5.
- 3.4 The council tax precept raised £32.6 million towards the total funding requirement for the PCC in 2015/16.
- 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 2016/17 settlement demonstrates this.
- 3.6 The unrelenting cuts of the last 5 years, the top slicing of local police funding, the cap on the increase in council tax to prevent so called 'excessive' tax increases, cost inflation and use of reserves to balance the books means that every pound of council tax we can raise is essential for the delivery of the current policing requirements.
- 3.7 The attached report at Appendix A sets out the proposed revenue budget and capital programme for 2016/17 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 2016/17 – 2019/20.

### **4. PRECEPT OPTIONS**

- 4.1 The freeze grants that were offered in previous years to prevent increases to bills are not on offer for 2016/17. As there is no freeze grant on offer and to maintain my spending power in light of the cut to the grant my preferred option is therefore to increase the precept by £5.
- 4.2 The funding available through the maximum permissible precept increase of £5 on the tax base would provide an additional £1.872m in 2016/17. 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 equates to approximately 10 pence per week for a Band D property, and for a Band A property that make up a large proportion of our tax payers the increase would be approximately 6 pence per week.
- 4.4 It would take nearly 4 years of increases at £5 per year to match the next lowest PCC West Midlands.
- 4.5 A public survey on the precept closed on Friday 22nd January 2016. I made contact with more than 12,000 people via Twitter, a press article regarding the consultation was printed in all local papers, urging residents to email in their thoughts and views. I also used Facebook to engage with local residents and sent out more than 2,000 emails to seek the views of local people.
- 4.6 This year I chose to carry out qualitative consultation, looking for the depth of feeling that respondents had about the proposal rather than a quantitative method approach used in the past. This also ensured that responses were provided by residents in Northumberland and Tyne and Wear area only.
- 4.7 We received 40 responses of which only 4 were against the increase in the precept of £5.00. 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:
- Seems a reasonable increase.
  - I live in North Northumberland and want to see more investment in police, not maintain what is already available. I would be happy to pay £10 per more year as it offers excellent value for money.
  - Raise the precept and keep the police fully funded.
  - Thank you for asking for our views on the amount householders should pay for local policing. This is to confirm that we are very happy to pay an additional £5 per year to protect our local police services and help to maintain their quality.
- 4.8 Those against the precept increase included a view that other methods such as joint working with health and other partners should be used to reduce crime.
- 4.9 I have considered the options available to me and have taken into consideration the consultation feedback. However, my primary consideration is to ensure that the delivery of the Police and Crime Plan, and the provision of neighbourhood based policing services are maintained as far as possible. I believe it is the right decision to recommend an increase in the precept of £5 to continue to support local policing services in the face of continued and increased cuts to Government funding. Even with this proposed increase, Northumbria still has the lowest police precept in England and Wales (the next lowest being £106.55)

## **5. Proposals**

- 5.1 I propose that the precept is increased by £5.
- 5.2 The impact of this decision in 2016/17 will allow for an additional and recurring £1.872m 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 which may include recommendations as to the precept that should be issued for the forthcoming financial year.