



ORIGINATOR: PCC CHIEF FINANCE OFFICER

DECISION NO. 3 - 2021

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: PROPOSED PRECEPT LEVEL AND COUNCIL TAX REQUIREMENT 2021-22

SUMMARY:

1. This paper describes the steps that have been taken by the Police and Crime Commissioner in determining his proposed precept level and council tax requirement for 2021-22.

RECOMMENDATION:

It is recommended that:

1. The Police and Crime Panel are notified of the PCC's proposal to increase the precept by £14.94 for a Band D property in 2021-22.
2. This proposal is submitted to the Police and Crime Panel for consideration at its meeting on 29 January 2021.

APPROVAL BY: PCC

The recommendations set out are agreed.

Signature

A handwritten signature in black ink that appears to read "Tim Lammore".

Date

20.01.21

DETAIL OF THE SUBMISSION

1. INTRODUCTION

- 1.1 Schedule 5 of the Police Reform and Social Responsibility Act 2011 sets out the process for issuing a precept, including the Police and Crime Panel's (PCP) role in reviewing the proposed precept, their power to veto the precept and the steps to be taken if they do veto the proposed precept.
- 1.2 Attached as **Appendix 1** is a detailed guidance note issued by the Home Office on 14 November 2012, which supports the process described above, and includes requirements of Section 5 of the Act, the Regulations' requirements, and reporting requirements, together with the process for PCP scrutiny of the PCC's proposed precept, including key dates.
- 1.3 This report is based on figures within the Medium-Term Financial Plan (MTFP) 2021-22 to 2024-25, the recommendations within which were approved by the PCC on 19 January 2021 (Decision number 1- 2021).

2. FINANCIAL IMPLICATIONS

- 2.1 The MTFP includes particular sections and appendices relating to the 2 options under consideration, which are:

Option 1- increase Band D council tax by 2% (£4.41) in 2021-22 and 2% in each of the three remaining years of the MTFP.

Option 2- increase Band D council tax by 6.71% (£14.94) in 2021-22 and by 2% in each of the three remaining years of the MTFP.

- 2.2 The paragraphs in italics below and **Appendices A(i), A(ii)** are relevant extracts from the MTFP.

CONCLUSION AND SUMMARY OF OPTIONS

The MTFP has been prepared following notification of the provisional 2021-22 settlements from the Home Office on 17 December 2020 and in conjunction with a wide range of assumptions summarised in section two of this report.

*The two alternative budget options are proposed to the PCC for consideration, the financial consequences of which are contained in **Appendices A(i), A(ii), and H**, and are summarised below*

Option 1

Based on the planning assumptions set out in this report, this option would result in the Constabulary requiring to secure further savings of £67k in 2021-22 to balance its budget and would not have any surplus precept funding for further investment.

Option 2

Based on the planning assumptions set out in this report, this option would result in the Constabulary delivering a balanced budget and additional funding of £2.6m more than Option 1 allowing investment in the following additional activities:

- **Improve public interaction** though the police control room.

- **Provide increased specialist capability** improving investigations including fraud prevention.
- **Enhance partnership working** supporting intelligence development in respect of criminal exploitation.
- **Protect vulnerable people** in response to serious and complex crimes placing victims at the forefront of everything we do.
- **Continue to transform and modernise the Constabulary** taking a more commercial focus to maintain and build income generation.

RECOMMENDATIONS

It is recommended that the PCC:

- (i) *Takes account of the overall financial strategy, when considering the 2021-22 budget proposals in **Appendix A**, and*
- (ii) *Approves the planned revenue changes summarised in **Appendix B**;*
- (iii) *Approves the savings plans in **Appendix C**;*
- (iv) *Approves the proposed capital programme for 2021-22 and the draft capital programme over the medium term as set out at **Appendix D**;*
- (v) *Approves the capital strategy in **Appendix E**;*
- (vi) *Approves the proposed use and transfer of reserve balances in **Appendix F**;*
- (vii) *Approves the MRP policy and statement in **Appendix G** noting that no changes to the MRP policy are proposed for 2021-22 and throughout the MTFP period; and*
- (viii) *When setting the precept level consideration is given to the medium-term financial implications of options 1 and 2, the assessment of financial risks contained in this report and the Chief Constable's commentary on the financial position.*

3. RATIONALE FOR INCREASING THE COUNCIL TAX FOR A BAND D PROPERTY BY £14.94 (6.71%) IN 2021-22

Comparison between Options 1 and 2

3.1 Option 1

Based on the planning assumptions set out in this report, further savings of £6.131m are required to be made in the period of the MTFP (in addition to the planned savings of £3.45m in order to achieve a balanced budget over the period of the MTFP. A decision to implement **Option 1** would result in the Constabulary requiring to secure further savings of £67k in 2021-22 to balance its budget and would not have any surplus precept funding for essential further investment.

3.2 Option 2

Based on the planning assumptions set out in this report, 2021-22 achieves a balanced budget position, with savings of £4.687m required to be made in the period 2022-23 to 2024-25 (in addition to the planned savings of £3.45m), in order to achieve a balanced budget over the period of the MTFP. A decision to implement **Option 2** would result in the Constabulary delivering a balanced budget in 2021-22 and additional funding of £2.6m more than Option 1 allowing investment in the following priority areas:

- **Improve public interaction** through the police control room.
- **Provide increased specialist capability** improving investigations including fraud prevention.
- **Enhance partnership working** supporting intelligence development in respect of criminal exploitation.
- **Protect vulnerable people** in response to serious and complex crimes placing victims at the forefront of everything we do.
- **Continue to transform and modernise the Constabulary** taking a more commercial focus to maintain and build income generation.
- **Maintain financial viability by** protecting reserves at an appropriate level over the period of the MTFP.

3.3 Approval of funding for the priority areas listed above would increase police officer numbers by around 25, and by around 26 police staff numbers by 26. Monitoring delivery of improvements in performance from the additional policing resources provided through the increased budget will be at each of the quarterly public Accountability and Performance Panel meetings.

3.4 Under Option 2, increasing the precept by 6.71% in 2021-22 would result in an increase in the council tax bill from £222.75 per annum to £237.69 per annum (£14.94 per annum) for a council tax band D property.

Summary

3.5 In summary, after consideration of the detailed financial and non-financial aspects of the MTFP, the preferred option is to increase the precept by 6.70707% (£14.94) in 2021-22.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	Yes

APPROVAL TO SUBMIT TO THE DECISION-MAKER

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.

Signature:



Date 20.01.21