

**ORIGINATOR: PCC CHIEF FINANCE OFFICER**

**DECISION NO. 6-2016**

**REASON FOR SUBMISSION: FOR DECISION**

**SUBMITTED TO: POLICE AND CRIME COMMISSIONER**

**SUBJECT: PRECEPT LEVEL AND COUNCIL TAX  
REQUIREMENT 2016-17**

**SUMMARY:**

1. This paper provides for a decision to be made upon the precept level and council tax requirement for 2016-17, following consideration of the PCC's proposal by the Police and Crime Panel on 29 January 2016.

**RECOMMENDATION:**

It is recommended that:

1. The PCC issues this Decision Report in response to the PCP's report on the proposed precept.
2. The PCC notes the revised Council Tax Requirement and issues the revised 2016-17 precept summarised in Appendix G- Option 1.

**APPROVAL BY: PCC**

The recommendations set out above are agreed.

Signature



Date 5<sup>th</sup> February  
2016.

## **DETAIL OF THE SUBMISSION**

### **1. INTRODUCTION**

- 1.1. On 18 January 2016 the Police and Crime Commissioner (PCC) considered the draft Medium Term Financial Plan (MTFP) 2016-17 to 2019-20 and approved the recommendations contained therein (Decision 3-2016).
- 1.2. The PCC also considered and approved the recommendations contained in a paper which explained the steps that had been taken in determining his proposed precept level and council tax requirement for 2016-17 (Decision 4-2016). The two recommendations are set out below:
- 1.3. On 18 January 2016 the Police and Crime Commissioner (PCC) agreed that;
  - (i) The Police and Crime Panel are notified of the PCC's proposal to increase the precept by 1.958% in 2016-17.
  - (ii) This proposal is submitted to the Police and Crime Panel for consideration at its meeting on 29 January 2016.

### **2. POLICE AND CRIME PANEL MEETING 29 JANUARY 2016**

- 2.1 In reviewing the proposed precept, the Police and Crime Panel (PCP) considered the PCC's response to a number of questions from the Panel, before voting whether to veto the proposed precept increase of 1.958% for 2016-17. The PCP voted unanimously to not veto the proposed precept increase.
- 2.2 A copy of the Panel's written report is attached to this paper.

### **3. UPDATED FINANCIAL IMPLICATIONS**

- 3.1 The financial implications of the recommendations set out in Decision 6-2016 were based on assumptions in respect of the council tax support grant, collection fund surplus and tax base.
- 3.2 The MTFP has subsequently been updated with the impact of these changes resulting in;
  - an increase in the Council Tax Requirement of £150.4k to £41,740.8k (Appendix G- Option 1);
  - an amendment to the Alternative Precept Strategies (Appendix E);
  - an amendment to Appendices A (i) and A (ii).

### **4. RECOMMENDATION FOR DECISION**


- 4.1 Accordingly, as a consequence of the PCC's precept proposal and the Police and Crime Panel's response, it is now recommended that the PCC;
  - issues this Decision Report in response to the PCP's report on the proposed precept;
  - notes the revised Council Tax Requirement and issues the revised 2016-17 precept summarised in Appendix G- Option 1.

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?	The PCC CFO is the originator of this report
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
Have all ethical factors been taken into consideration in developing this submission?	Yes

**APPROVAL TO SUBMIT TO THE DECISION-MAKER** (this approval is required only for submissions to the PCC).

**PCC Chief Finance Officer**

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 5-2-2016



## Suffolk Police and Crime Panel Outcomes of Consideration of the PCC's Proposed Policing Precept for 2016/17

On January 29<sup>th</sup> 2016 the Suffolk Police and Crime Panel considered a recommendation of the Police and Crime Commissioner (PCC) for Suffolk regarding the proposed precept level and Council Tax requirement for 2016-17 for policing in Suffolk. Eleven of the thirteen members of the Panel were present, including two substitute members. The PCC was accompanied by his staff and by the Chief Constable. The agenda and papers for the meeting are available on the [Suffolk County Council website](#).

The Panel reviewed the PCC's proposed precept report, the PCC's proposal to increase the precept by 1.958% in 2016-17, and the associated Medium Term Financial Plan (MTFP).

The PCC informed the Panel that the savings target had reduced significantly as a result of the Home Office announcement in December. The PCC advised that there is the need to transform the Constabulary's mode of operation as crime moves 'indoors' and online. A great deal of focus is being put on dealing with domestic abuse / violence, serious sexual offences and cyber-crime. Safer Neighbourhood Teams are the bedrock of local policing; original proposals would have resulted in just 50 Police Community Support Officers (PCSO); the PCC's decision will now ensure that there are around 107, with a good balance between the numbers of PCSOs and Police Officers. The increase in precept would enable targeted investment in 20 extra Officers and 3 PCSOs having special focus on schools. Medium term plans include the transfer of parking responsibility into a self-financing scheme operated by the local authorities.

Panel members asked the PCC questions about his confidence in getting organisations together to collaborate and commit to the savings required, Town & Parish Council matched-funding of PCSOs, reduced PCSO evening working hours, the comparative costs of PCSOs and Police Officers, the skill sets required for dealing with cybercrime, how well publicised was the PCC's recent online public survey of his precept proposals, and how well the proposals and the new approach to local policing have addressed concerns that were raised in last year's HMIC 'PEEL' report into Efficiency.

### **The Decision of the Panel**

The Panel:

- 1) Agreed unanimously to approve the Police and Crime Commissioner's proposal to increase the precept by 1.958% in 2016-17.
- 2) Agreed that the Panel Chairman would make a formal report, on behalf of the Panel, on the PCC's precept, by the statutory deadline of 8 Feb 2016.

A copy of this report of the Panel will be put on the County Council's [website](#).

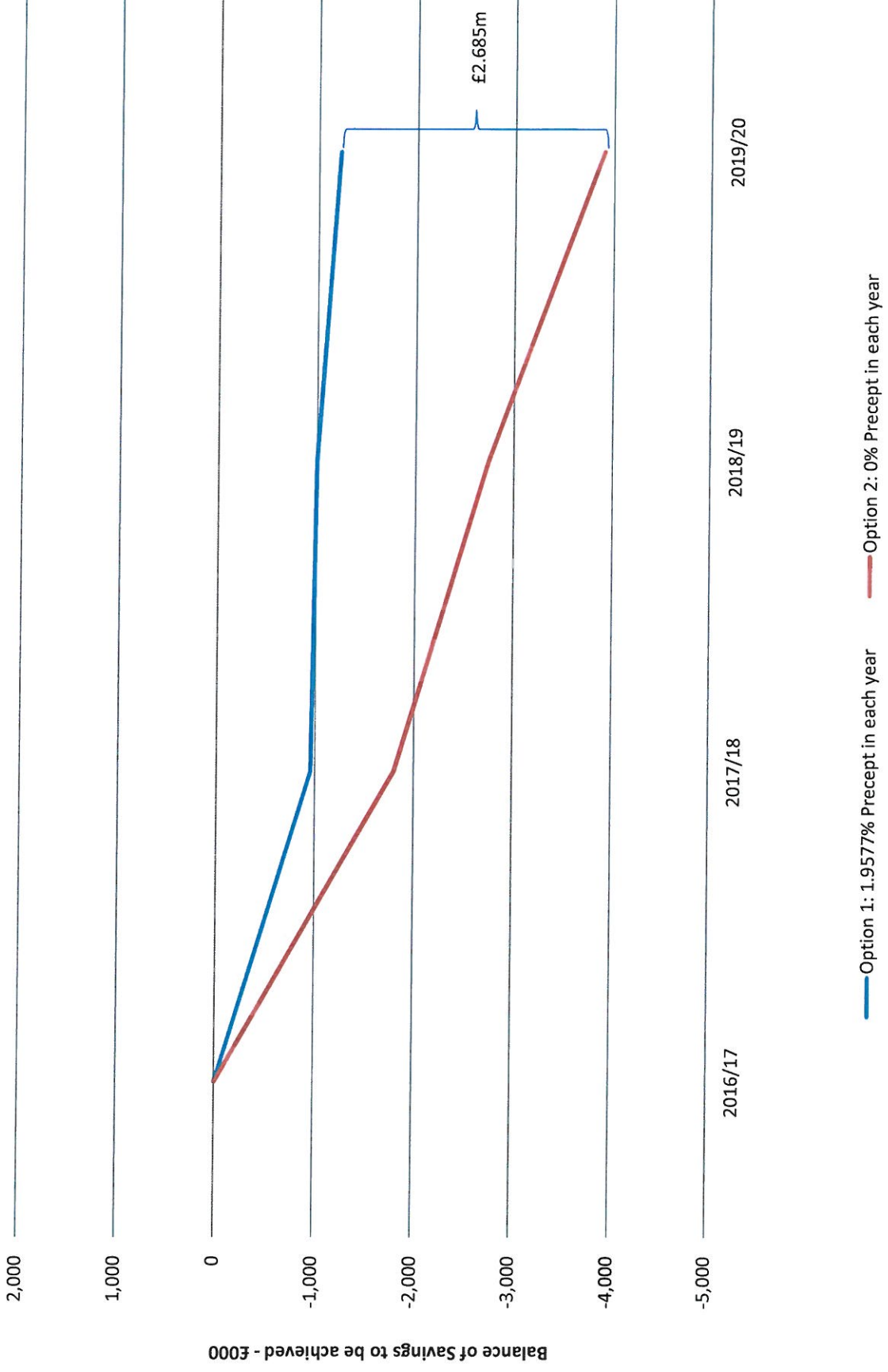
Councillor Patricia O'Brien  
Chairman of the Suffolk Police and Crime Panel

2 February 2016

SUFFOLK MEDIUM TERM FINANCIAL PLAN - 4 YEAR OVERVIEW						
Precept increase 1.9+-% plus grant reductions						
	2016/17	2017/18	2018/19	2019/20		Comments
	£000	£000	£000	£000		
<b>FORWARD PROJECTION OF REVENUE BUDGET:</b>						
Constatulary Revenue Budget before savings	117,635	118,957	120,293	121,769		Excludes Capital and cost of change
PCC Corporate Budget	963	963	963	963		
PCC Commissioning Budget	1,589	1,589	1,589	1,589		
Revenue Funding of Capital, Minimum Revenue Provision and Interest	1,761	1,521	1,521	1,521		
Total Revenue Income inc Specific Grants	-8,725	-8,742	-8,759	-8,776		
General Grant & DCLG Income	-63,591	-62,637	-62,010	-61,390		0.6% reduction in 16/17, 1.5% reduction in 17/18, 1% reduction thereafter
Council Tax Freeze Grant (for no precept increase in 2011/12)	-1,030	-1,030	-1,030	-1,030		Freeze grant transferred to Home Office Grant
Council Tax Freeze Grant (for no precept increase 2013/14)	-431	-431	-431	-431		Freeze grant transferred to Home Office Grant
Council Tax Freeze Grant (for no precept increase 2014/15)	-434	-434	-434	-434		Freeze grant transferred to Home Office Grant
Precept Income	-42,720	-43,202	-44,721	-46,298		2% Precept increase in each year, 1.86% increase in CT base in 16/17, 1.5% thereafter
Council Tax Support Grant	-4,891	-4,891	-4,891	-4,891		
<b>DEFICIT / (SURPLUS) BEFORE KNOWN CHANGES</b>	<b>127</b>	<b>1,662</b>	<b>2,090</b>	<b>2,592</b>		
Known / Expected Changes	4,660	3,592	3,302	3,083		Appendix B
Planned use of reserves	-1,520	0	0	0		Appendix B
<b>REVENUE DEFICIT BEFORE SAVINGS AND INVESTMENT</b>	<b>3,267</b>	<b>5,254</b>	<b>5,392</b>	<b>5,674</b>		
Investment from additional 1.9577% precept	830	830	830	830		Appendix B
Investment in Officers and Staff	939	939	939	939		Appendix B
Change Programme Savings	-4,130	-4,892	-4,939	-4,988		Appendix C
Other Savings	-855	-1,175	-1,220	-1,232		Appendix C
Total Cumulative Impact of Savings and Investment	-3,266	-4,298	-4,391	-4,451		
<b>REVENUE DEFICIT / (SURPLUS) AFTER SAVINGS</b>	<b>0</b>	<b>956</b>	<b>1,001</b>	<b>1,223</b>		
<b>SURPLUS TO BE REINVESTED / (SAVINGS TO BE IDENTIFIED)</b>	<b>0</b>	<b>-956</b>	<b>-1,001</b>	<b>-1,223</b>		
<b>REVENUE DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>ABOVE BASED ON FOLLOWING ASSUMPTIONS</b>						
Police Pay awards	0.58%	1.00%	1.00%	1.00%		Impact in each year is a combination of pay
Staff Pay awards	0.58%	1.00%	1.00%	1.00%		awards in previous and current year
Price Inflation	1.50%	1.50%	1.50%	2.00%		Average figure.
General Grants	-0.60%	-1.50%	-1.00%	-1.00%		As per Provisional Settlement
Freeze Grants	0.00%	0.00%	0.00%	0.00%		
Precept - Tax base increase	1.86%	1.50%	1.50%	1.50%		
Precept - Bill increase	1.958%	1.972%	1.985%	1.996%		

SUFFOLK MEDIUM TERM FINANCIAL PLAN - 4 YEAR OVERVIEW						
0% Precept plus grant reductions	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2019/20 £000	Comments
<b>FORWARD PROJECTION OF REVENUE BUDGET:</b>						
Constatulary Revenue Budget before savings	117,635	118,957	120,293	121,769		Excludes Capital and cost of change
PCC Corporate Budget	963	963	963	963		
PCC Commissioning Budget	1,589	1,589	1,589	1,589		
Revenue Funding of Capital, Minimum Revenue Provision and Interest	1,761	1,521	1,521	1,521		
Total Revenue Income inc Specific Grants	-8,725	-8,742	-8,759	-8,776		
General Grant & DCLG Income	-63,591	-62,637	-62,010	-61,390		0.6% reduction in 16/17, 1.5% reduction in 17/18, 1% reduction thereafter
Council Tax Freeze Grant (for no precept increase in 2011/12)	-1,030	-1,030	-1,030	-1,030		Freeze grant transferred to Home Office Grant
Council Tax Freeze Grant (for no precept increase 2013/14)	-431	-431	-431	-431		Freeze grant transferred to Home Office Grant
Council Tax Freeze Grant (for no precept increase 2014/15)	-434	-434	-434	-434		Freeze grant transferred to Home Office Grant
Precept Income	-41,918	-41,553	-42,177	-42,809		0% Precept Increase in each year, 1.86% increase in CT base in 16/17, 1.5% thereafter
Council Tax Support Grant	-4,891	-4,891	-4,891	-4,891		
<b>DEFICIT / (SURPLUS) BEFORE KNOWN CHANGES</b>	<b>928</b>	<b>3,311</b>	<b>4,634</b>	<b>6,080</b>		
Known / Expected Changes	4,688	3,620	3,330	3,111		Appendix B
Planned use of reserves	-1,520	0	0	0		Appendix B
<b>REVENUE DEFICIT BEFORE SAVINGS AND INVESTMENT</b>	<b>4,096</b>	<b>6,931</b>	<b>7,964</b>	<b>9,190</b>		
Investment in Officers and Staff	939	939	939	939		Appendix B
Change Programme Savings	-4,180	-4,892	-4,939	-4,988		Appendix C
Other Savings	-855	-1,175	-1,220	-1,232		Appendix C
Total Cumulative Impact of Savings and Investment	-4,096	-5,128	-5,221	-5,281		
<b>REVENUE DEFICIT / (SURPLUS) AFTER SAVINGS</b>	<b>0</b>	<b>1,803</b>	<b>2,743</b>	<b>3,909</b>		
<b>SURPLUS TO BE REINVESTED / (SAVINGS TO BE IDENTIFIED)</b>	<b>0</b>	<b>-1,803</b>	<b>-2,743</b>	<b>-3,909</b>		
<b>REVENUE DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>ABOVE BASED ON FOLLOWING ASSUMPTIONS</b>						
Police Pay awards	0.58%	1.00%	1.00%	1.00%		1.00% ) Impact in each year is a combination of pay
Staff Pay awards	0.58%	1.00%	1.00%	1.00%		) awards in previous and current year
Price Inflation	1.50%	1.50%	1.50%	2.00%		Average figure.
General Grants	-0.60%	-1.50%	-1.00%	-1.00%		As per Provisional Settlement
Freeze Grants	0.00%	0.00%	0.00%	0.00%		
Precept - Tax base increase	1.86%	1.50%	1.50%	1.50%		
Precept - Bill increase	0.00%	0.00%	0.00%	0.00%		

### Alternative Precept Strategies



<b>COUNCIL TAX and BUDGET OPTIONS 2016/17</b>					
	<b>1</b>		<b>2</b>		
<b>Options for Percentage Increase in Council Tax Bills:</b>	<b>1.95770%</b>		<b>0.00000%</b>		
<b>2016/17 Recommended Budget Summary:</b>					
	£-p		£-p		
Operational costs before Savings	116,628,906.56		116,628,906.56		
Specific Grants (excluding Council Tax Freeze Grants)	-4,706,000.00		-4,706,000.00		
New Savings from 2016/17	-5,035,785.29		-5,035,785.29		
Known Changes	6,429,000.00		5,627,000.00		
Revenue Funding of Capital	1,300,000.00		1,300,000.00		
<b>Appropriations to / from (-) Reserves</b>	<b>-1,520,000.00</b>		<b>-1,519,470.17</b>		529.83
Total Budget	113,096,121.28		112,294,651.11		
<b>Budget financed by:</b>					
Police Grant	40,723,584.00		40,723,584.00		
Business Rates	22,867,107.00		22,867,107.00		
Council Tax Freeze Grant (for no precept increase in 2011/12)	1,030,298.00		1,030,298.00		
Council Tax Freeze Grant (for no precept increase in 2012/13)	0.00		0.00		
Council Tax Freeze Grant (for no precept increase in 2013/14)	430,720.00		430,720.00		
Council Tax Freeze Grant (for no precept increase in 2014/15)	433,828.00		433,828.00		
Council Tax Freeze Grant (for no precept increase in 2015/16)	0.00		0.00		
Collection Fund Surplus/Deficit	978,738.00		978,738.00		
CT Support Funding Allocation	4,891,000.00		4,891,000.00		
<b>Council Tax Requirement (based on 240,678 taxbase)</b>	<b>41,740,846.28</b>		<b>40,939,376.11</b>		
	<b>113,096,121.28</b>		<b>112,294,651.11</b>		
<b>Council Tax Rate Bands 16/17 (&amp; increase over 15/16):</b>					
	<b>Rate</b>	<b>Annual Increase</b>	<b>Rate</b>	<b>Annual Increase</b>	
A	115.62	2.22	113.40	0.00	
B	134.89	2.59	132.30	0.00	
C	154.16	2.96	151.20	0.00	
D	173.43	3.33	170.10	0.00	
E	211.97	4.07	207.90	0.00	
F	250.51	4.81	245.70	0.00	
G	289.05	5.55	283.50	0.00	
H	346.86	6.66	340.20	0.00	