

ORIGINATOR: PCC CHIEF FINANCE OFFICER

DECISION NO. 6 - 2017

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: PRECEPT LEVEL AND COUNCIL TAX
REQUIREMENT 2017-18

SUMMARY:

1. This paper provides for a decision to be made upon the precept level and council tax requirement for 2017-18, following consideration of the PCC's proposal by the Police and Crime Panel on 31 January 2017.

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 Council Tax Requirement and issues the 2017-18 precept summarised in Appendix G- Option 1.

APPROVAL BY: PCC

The recommendations set out above are agreed.

Signature

Twin Parnmore

Date 7/2/2017

DETAIL OF THE SUBMISSION

1. INTRODUCTION

- 1.1. On 20 January 2017 the Police and Crime Commissioner (PCC) considered the draft Medium Term Financial Plan (MTFP) 2017-18 to 20120-21 and approved the recommendations contained therein (Decision 3-2017).
- 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 2017-18 (Decision 4-2017). The two recommendations are set out below:
- 1.3. On 20 January 2017 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 1.972% in 2017-18.
 - (ii) This proposal is submitted to the Police and Crime Panel for consideration at its meeting on 31 January 2017.

2. POLICE AND CRIME PANEL MEETING 31 JANUARY 2017

- 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 1.972% for 2017-18. 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. FINANCIAL IMPLICATIONS

- 3.1 The financial implications of increasing the precept by 1.972% are detailed in the MTFP, with the relevant appendices attached as Appendix A(i) and Appendix G (Council Tax and Budget Options 2017-18).

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 Council Tax Requirement, and issues the 2017-18 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

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 7 February 2017



Suffolk Police and Crime Panel Outcomes of Consideration of the PCC's Proposed Policing Precept for 2017/18

On January 31st 2017 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 2017-18 for policing in Suffolk. Eleven of the thirteen members of the Panel were present, including two substitute members. The PCC was accompanied by the Chief Constable (CC) and the Chief Finance Officer (CFO). The agenda and papers for the meeting are available on the [Suffolk County Council website](http://www.suffolk.gov.uk).

The Panel reviewed the PCC's proposed precept report, the PCC's proposal to increase the precept by 1.972% in 2017-18, and the associated Medium Term Financial Plan (MTFP).

The PCC explained his rationale for increasing the precept, which would raise an additional £830k which, together with an increase in the tax base, would help Suffolk Constabulary cope with the reduction in central government grant funding, inflationary pressures and additional costs arising from the pension scheme and apprenticeship levy. There would be investment in areas such as cybercrime, technology and roads policing. The prudent financial planning assumptions showed that the force had to save £6.76m over the next four years, with £2.6m of savings yet to be identified. However, if the precept was not increased for the next four years then there would be £6.26m of savings yet to be identified.

The PCC said that with the huge challenges facing the public sector there is a need for further collaboration, reform and pooling of resources. There was great financial uncertainty in the later years of the 4-year Medium Term Financial Plan, and greater clarity will be achieved when the outcome of the police funding formula is known. The current funding model was said to be outdated and it is hoped that when a broader range of factors are considered, including social mobility indices, a better settlement will be achieved for Suffolk for 2018/19 onwards. The Panel supported the PCC in pressing for a better government settlement for Suffolk.

The Panel questioned the PCC about the two options and related assumptions presented in the proposal, the level of government funding for Suffolk compared with Norfolk, the focus on business crime, how the PCC will ensure that financial efficiencies are achieved, what additional needs the extra precept money would be spent on, the benefits arising from expenditure on civil parking enforcement, and the impact of the savings on front line policing. The Chief Constable said that the front line resources are focused to deliver what is in the PCC's Police and Crime Plan.

The Panel noted that the Chief Finance Officer reports regularly on financial performance at the PCC's Accountability and Performance Panel meetings.

The Decision of the Panel

The Panel:

- 1) Unanimously supported the Police and Crime Commissioner's proposal to increase the precept by 1.972% in 2017-18.
- 2) Recommended to the PCC that further information be provided regarding the areas of need on which the additional precept money will be invested, or what would be at risk of being lost without the extra funding, and that the Panel would receive an update on progress of the PCC's precept investment and financial performance in six months.
- 3) 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 2017.

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

1 February 2017

| SUFFOLK MEDIUM TERM FINANCIAL PLAN - 4 YEAR OVERVIEW | | | | | | |
|--|------------------|------------------|------------------|------------------|---|--|
| Precept increase 1.9+% plus grant reductions | | | | | | |
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | |
| | £000 | £000 | £000 | £000 | Comments | |
| REVENUE FUNDING | | | | | | |
| Home Office Grant | -62,701 | -61,761 | -61,143 | -60,532 | 1.4% reduction in 17/18, 1.5% in 18/19, 1% reduction thereafter | |
| Legacy Council Tax Grants | -6,786 | -6,786 | -6,786 | -6,786 | | |
| Precept Income | -43,846 | -44,726 | -46,298 | -47,917 | 2% Precept Increase in each year, 1.5% increase in CT base | |
| TOTAL FUNDING | (113,334) | (113,273) | (114,227) | (115,235) | | |
| BASE REVENUE BUDGET INCLUDING INFLATION: | | | | | | |
| Constabulary Revenue Budget before savings | 117,913 | 120,557 | 122,183 | 123,700 | Excludes Capital and cost of change | |
| PCC Corporate Budget | 928 | 928 | 928 | 928 | | |
| PCC Commissioning Budget | 1,635 | 1,635 | 1,635 | 1,635 | | |
| Revenue Funding of Capital, Minimum Revenue Provision and Interest | 1,761 | 1,761 | 1,761 | 1,761 | | |
| Total Revenue Income Inc Specific Grants | -8,254 | -8,254 | -8,254 | -8,254 | | |
| NET REVENUE BUDGET BEFORE KNOWN CHANGES AND SAVINGS | 113,983 | 116,627 | 118,254 | 119,770 | | |
| REVENUE DEFICIT BEFORE KNOWN CHANGES | 649 | 3,354 | 4,026 | 4,535 | | |
| Known / Expected Changes | 3,463 | 1,572 | 2,000 | 1,876 | Appendix B | |
| Planned use of reserves | -2,398 | -394 | 343 | 346 | Appendix B | |
| REVENUE DEFICIT BEFORE SAVINGS | 1,714 | 4,532 | 6,370 | 6,757 | | |
| Change Programme Savings | -156 | -988 | -1,508 | -1,566 | Appendix C | |
| Other Savings | -1,557 | -1,952 | -2,246 | -2,540 | Appendix C | |
| Total Cumulative Impact of Savings | -1,714 | -2,940 | -3,754 | -4,106 | | |
| REVENUE DEFICIT AFTER SAVINGS | 0 | 1,592 | 2,615 | 2,651 | | |
| SAVINGS TO BE IDENTIFIED | 0 | -1,592 | -2,615 | -2,651 | | |
| REVENUE DEFICIT / (SURPLUS) | 0 | 0 | 0 | 0 | | |
| ABOVE BASED ON FOLLOWING ASSUMPTIONS | | | | | | |
| Police Pay awards | 1.00% | 1.00% | 1.00% | 1.00% | Impact in each year is a combination of pay | |
| Staff Pay awards | 1.00% | 1.00% | 1.00% | 1.00% |) awards in previous and current year | |
| Price Inflation | 2.50% | 2.50% | 2.50% | 2.00% | Average figure. | |
| General Grants | -1.40% | -1.50% | -1.00% | -1.00% | As per Provisional Settlement | |
| Freeze Grants | 0.00% | 0.00% | 0.00% | 0.00% | | |
| Precept - Tax base increase | 1.51% | 1.50% | 1.50% | 1.50% | | |
| Precept - Bill increase | 1.972% | 1.985% | 1.985% | 1.968% | | |

| COUNCIL TAX and BUDGET OPTIONS 2017/18 | | | | | |
|---|----------------|-----------------|----------------|-----------------|--|
| | 1 | | 2 | | |
| Options for Percentage Increase in Council Tax Bills: | 1.97198% | | 0.00000% | | |
| 2017/18 Recommended Budget Summary: | £-p | | £-p | | |
| Operational costs before Savings | 117,303,678.62 | | 117,303,678.62 | | |
| Specific Grants (excluding Council Tax Freeze Grants) | -4,620,835.00 | | -4,620,835.00 | | |
| New Savings from 2017/18 | -1,713,643.26 | | -1,713,643.26 | | |
| Savings to be identified | | | -836,237.20 | | |
| Known Changes | 3,462,718.19 | | 3,462,718.19 | | |
| Revenue Funding of Capital | 1,300,000.00 | | 1,300,000.00 | | |
| Appropriations to / from (-) Reserves | -2,398,331.60 | | -2,397,653.12 | | |
| Total Budget | 113,333,586.95 | | 112,498,028.23 | | |
| Budget financed by: | | | | | |
| Police Grant | 40,154,673.00 | | 40,154,673.00 | | |
| Business Rates | 22,546,666.00 | | 22,546,666.00 | | |
| Council Tax Freeze Grant (for no precept increase in 2011/12) | 1,030,300.00 | | 1,030,300.00 | | |
| 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) | 433,830.00 | | 433,830.00 | | |
| Council Tax Freeze Grant (for no precept increase in 2015/16) | 0.00 | | 0.00 | | |
| Collection Fund Surplus/Deficit | 638,725.00 | | 638,725.00 | | |
| CT Support Funding Allocation | 4,890,925.00 | | 4,890,925.00 | | |
| Council Tax Requirement (based on 244,319 taxbase) | 43,207,747.95 | | 42,372,189.23 | | |
| | 113,333,586.95 | | 112,498,028.23 | | |
| Council Tax Rate Bands 17/18 (& increase over 16/17): | Rate | Annual Increase | Rate | Annual Increase | |
| A | 117.90 | 2.28 | 115.62 | 0.00 | |
| B | 137.55 | 2.66 | 134.89 | 0.00 | |
| C | 157.20 | 3.04 | 154.16 | 0.00 | |
| D | 176.85 | 3.42 | 173.43 | 0.00 | |
| E | 216.15 | 4.18 | 211.97 | 0.00 | |
| F | 255.45 | 4.94 | 250.51 | 0.00 | |
| G | 294.75 | 5.70 | 289.05 | 0.00 | |
| H | 353.70 | 6.84 | 346.86 | 0.00 | |

