

ORIGINATOR: PCC CHIEF FINANCE OFFICER

DECISION NO. 6-2020

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

**SUBJECT: PROPOSED PRECEPT LEVEL AND COUNCIL TAX
REQUIREMENT 2020-21**

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 2020-21.

RECOMMENDATION:

It is recommended that:

1. The Police and Crime Panel are notified of the PCC's proposal to increase the precept by £9.99 in 2020-21.
2. This proposal is submitted to the Police and Crime Panel for consideration at its meeting on 31 January 2020.

APPROVAL BY: PCC

The recommendations set out are agreed.

Signature

Tim Parnore

Date

*24th January
2020*

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) 2020-21 to 2023-24 the recommendations within which were approved by the PCC on 24 January 2020 (Decision number 5-2020).

2. FINANCIAL IMPLICATIONS

- 2.1 The MTFP includes particular sections and appendices relating to the 2 options under consideration, which are:
 - Option 1**- increase council tax by 2% for a Band D property in 2020-21 and 2% in each of the three remaining years of the MTFP.
 - Option 2**- increase council tax 4.69% per annum (£9.99) for a Band D property in 2021-21 and 2% in each of the three remaining years of the MTFP.
- 2.2 The paragraphs in italics below and **Appendices A(i), A(ii) and J** are relevant extracts from the MTFP.

CONCLUSION AND SUMMARY OF OPTIONS

The MTFP has been prepared following notification of the provisional 2020-21 settlements from the Home Office on 22 January 2020 and in conjunction with a wide range of assumptions summarized 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 I**, and are summarised below:*

Option 1

Based on the planning assumptions set out in this report, this option would result in the Constabulary delivering a balanced budget and investment in the following precept-funded activities:

- *Police staff investigators to support the ANPR Operation Sentinel teams*
- *Create an additional serious crime disruption team*
- *Enhance our outcome resolution team*

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 £1.5m more than

Option 1, therefore allowing the precept investment in Option 1 and the following additional activities:

- Increase our neighbourhood policing teams across the county
- Create a new domestic abuse perpetrator scheme
- Provide an additional police officer for the countywide rural crime team
- Create a new commercial vehicle enforcement unit
- Create a new neighbourhood crime proactive team

RECOMMENDATIONS

It is recommended that the PCC:

- (i) Takes account of the overall financial strategy, when considering the 2020-21 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 2020-21 and the draft capital programme over the medium term as set out at Appendix D;*
- (v) Approves the investment and treasury management strategy in Appendix E noting that no changes are proposed for 2020-21;*
- (vi) Approves the capital strategy in Appendix F;*
- (vii) Approves the proposed use and transfer of reserve balances in Appendix G;*
- (viii) Approves the MRP policy and statement in Appendix H noting that no changes to the MRP policy are proposed for 2020-21 and throughout the MTFP period; and*
- (ix) 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 PRECEPT BY 4.69% IN 2020-21

Comparison between Options 1 and 2

3.1 Option 1

Based on the planning assumptions set out in this report, this option would result in the Constabulary delivering a balanced budget and investment in the following precept-funded activities:

- Police staff investigators to support the ANPR Operation Sentinel teams
- Create an additional serious crime disruption team
- Enhance our outcome resolution team

3.2 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 £1.5m more than Option 1, therefore allowing the precept investment in Option 1 and the following additional activities:

- Increase our neighbourhood policing teams across the county
- Create a new domestic abuse perpetrator scheme
- Provide an additional police officer for the countywide rural crime team
- Create a new commercial vehicle enforcement unit
- Create a new neighbourhood crime proactive team

4. SUMMARY

4.1 In summary, after consideration of the detailed financial and non-financial aspects of the MTFP, the preferred option is to increase the precept by 4.69% in 2020-21.

4.2 More detailed information relating to the investment options are available below:

Uplift

<https://suffolk-pcc.gov.uk/wp-content/uploads/2020/01/PCC-Uplift-Proposals-2020-21.pdf>

Precept

<https://suffolk-pcc.gov.uk/wp-content/uploads/2020/01/PCC-Precept-Proposals-2020-21.pdf>

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 24 January 2020

COUNCIL TAX and BUDGET OPTIONS 2020/21		1	2			
Options for Percentage Increase in Council Tax Bills:		1.98816%	4.69543%			
2020/21 Recommended Budget Summary:		£-p	£-p			
Operational costs before Savings		128,794,529.13	128,794,529.13			
Specific Grants (excluding Council Tax Freeze Grants)		(5,273,420.00)	(5,273,420.00)			
New Savings from 2019/20		(1,282,000.00)	(1,282,000.00)			
(Savings to be identified) / Surplus to be invested		-	-			
Known Changes		9,545,556.00	11,010,556.00			
Revenue Funding of Capital		2,846,420.00	2,846,420.00			
Appropriations to / from (-) Reserves		(1,467,633.84)	(1,467,441.36)			
Total Budget		133,163,451.29	134,628,643.77			
Budget financed by:						
Police Grant		44,248,836.00	44,248,836.00			
Ex-DCLG Formula Funding		24,560,440.00	24,560,440.00			
Operation Uplift Grant		1,513,000.00	1,513,000.00			
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		858,847.00	858,847.00			
CT Support Funding Allocation		4,890,930.00	4,890,930.00			
Council Tax Requirement (based on 254,374 taxbase)		55,196,548.29	56,661,740.77			
		133,163,451.29	134,628,643.77			
Council Tax Rate Bands 20/21 (& increase over 19/20):		Rate	Annual Increase	Rate	Annual Increase	Current Rate
	A	144.66	2.82	148.50	6.66	141.84
	B	168.77	3.29	173.25	7.77	165.48
	C	192.88	3.76	198.00	8.88	189.12
	D	216.99	4.23	222.75	9.99	212.76
	E	265.21	5.17	272.25	12.21	260.04
	F	313.43	6.11	321.75	14.43	307.32
	G	361.65	7.05	371.25	16.65	354.80
	H	433.98	8.46	445.50	19.98	425.52

This guidance note explains the process for the police and crime panel's (PCP) scrutiny of the police and crime commissioner's (PCC) proposed precept and should be read alongside:

- Schedule 5 of the [Police Reform and Social Responsibility Act 2011](#) ("the Act")
- Part 2 of the [Police and Crime Panels \(Precepts and Chief Constable Appointments\) Regulations 2012](#) ("the Regulations")

A separate [guidance note setting out the scrutiny of chief constable appointments](#) has been published alongside this guidance note.

Background

Schedule 5 of the Act sets out the process for issuing a precept, including the panel's 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.

The Regulations provide greater detail to the Act, including time limits applicable to the stages of the process and the process for reviewing and issuing a revised precept.

Schedule 5 requires:

- the PCC to notify the panel of his proposed precept;
- the panel to review the proposed precept;
- the panel to make a report to the PCC on the proposed precept (this may include recommendations);
- the panel's report (if they veto the proposed precept) to include a statement that they have vetoed it;
- a decision of veto to be agreed by two-thirds of the panel members;
- the PCC to have regard to the report made by the panel (including any recommendations in the report);
- the PCC to give the panel a response to their report (and any such recommendations);
- the PCC to publish the response.

It is for the panel to determine how a response to a report or recommendations is to be published.

If there is no veto and the PCC has published his response to the panel's report, the PCC may then issue the proposed precept - or a different precept (but only if in accordance with a recommendation in the panel's report to do so).

The Regulations require:

- the PCC to notify the panel of his proposed precept **by 1 February**;
- the panel to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) **by 8 February**;
- where the panel vetoes the precept, the PCC to have regard to and respond to the Panel's report, and publish his response, including his revised precept, **by 15 February**;

- the panel, on receipt of a response from the PCC notifying them of his revised precept, to review the revised precept and make a second report to the PCC **by 22 February**;
- the PCC to have regard to and respond to the Panel's second report and publish his response, **by 1 March**.

Panel's report on the proposed precept

If the panel fails to report to the PCC by 8 February the scrutiny process comes to an end, even if the panel have voted to veto the proposed precept, and the PCC may issue the proposed precept.

PCC's response to a veto

Where the panel vetoes the proposed precept, the PCC must have regard to the report made by the panel, give the panel a response to the report and publish the response, by 15 February. In his response, the PCC must notify the panel of the revised precept that he intends to issue.

Where the panel's report:

- indicates that they vetoed the precept because it was too high, the revised precept must be lower than the previously proposed precept.
- indicates that they vetoed the precept because it was too low, the revised precept must be higher than the previously proposed precept.

The PCP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCP members (the full membership rather than those present at a meeting). Where a veto occurs, the report to the PCC must include a statement to that effect.

Panel's review of the revised precept

On receipt of a response from the PCC notifying them of the revised precept proposal, the panel must review the revised precept proposal and make a second report to the PCC on the revised precept by 22 February. This report may:

- indicate whether the panel accepts or rejects the revised precept (although rejection does not prevent the PCC from issuing the revised precept); and
- make recommendations, including recommendations on the precept that should be issued.

If the panel fails to make a second report to the PCC by 22 February, the PCC may issue the revised precept.

Issuing the precept

Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his response to their second report.

The PCC may then:

- issue the revised precept; or
- issue a different precept, although:

- they must not issue a precept that is higher than the revised precept if the revised precept was lowered following the panel's initial report on the first proposed precept indicating it was vetoed because it was too high;
- they must not issue a precept which is lower than the revised precept if the revised precept was raised following the panel's initial report on the first proposed precept indicating it was vetoed because it was too low.

Process for PCP scrutiny of PCC's proposed precept



