



# OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

**ORIGINATOR:** Chief Finance Officer

**DECISION NO.** 2018/i

**REASON FOR SUBMISSION:** For Decision

**SUBMITTED TO:** Police and Crime Commissioner

**SUBJECT:** 2018/19 Precept and Council Tax Requirement

**SUMMARY:**

1. This report describes the steps that have been taken by the PCC in determining his proposed precept and council tax requirement for 2018/19

**RECOMMENDATION:**

It is recommended that:

1. The PCC issues this decision report formally to record the process for finalising and issuing the 2018/19 precept and approval for the various matters detailed in paragraph 2.2.
2. The PCC issues the 2018/19 precept.

**APPROVAL BY:** PCC

The recommendations as outlined above are approved.

**Signature**

**Date**

22/02/18

## 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, its power to veto the precept and the steps to be taken if it does.
- 1.2 The Home Office has also issued detail guidance which supports this process including reporting requirements, the process for PCP scrutiny and the key (statutory) dates by which the various stages must be completed.
- 1.3 The 2018/19 budget, precept options and the Medium Term Financial Plan (MTFP) are all set out in the 'Proposed Precept for 2018/19 Report to the Norfolk PCP 6 February 2018' (the Report). The Report can be found on the PCC's website here <https://www.norfolk-pcc.gov.uk/spend/budget-council-tax/>

### 2. FINANCIAL IMPLICATION:

- 2.1 The report outlines the budget and financial impact of the three 2018/19 precept options considered by the Police and Crime Commissioner following public consultation in November/December 2017:

- Option 1. To freeze council tax over the period of the MTFP
- Option 2. To increase council tax by 1.99% (£4.32 per annum at Band D) in 2018/19 with similar increases in each of the following year.
- Option 3. To increase council tax by 5.5% (£11.97 per annum at Band D) in 2018/19 with a similar increase in 2019/20 (for planning purposes and subject to consultation late in 2018)

NB Increases of £12.00 or more would trigger a local referendum.  
62% of households in Norfolk are below Band D

A high level summary of the three options is set out below. All the options require the Constabulary to make savings.

#### Option 1:

- would see reserves reduce from £15.6m as at 31 March 2018 to an estimated £10m as at 31 March 2022
- would require a further £13.7m of savings to be found by 2021/22 (on top of the £5.7m identified). Most of this would have to be from front-line operational and local policing. £6m of the savings required would be to protect reserves
- was not the planning assumption.

#### Option 2:

- would see reserves reduce from £15.6m as at 31 March 2018 to an estimated £10m as at 31 March 2022

- would require a further £8.3m of savings to be found by 2021/22 (on top of the £5.7m identified). £6m of the savings required would be to protect reserves.
- for 2018/19, would result in no changes to the Local Policing Model (Norfolk 2020) announced in October 2017 but would inevitably mean further local policing reductions in 2019/20 and later years
- would increase the Band D council tax by £4.32 (8p a week) to £221.49.

### **Option 3:**

- would see Reserves reduce from £15.6m as at 31 March 2018 to an estimated £10m as at 31 March 2022
- would require a further £4.6m of savings to be found by 2021/22 (on top of the £4.6m identified). £2m of the savings required would be to protect reserves
- would result in an increase to the Local Policing Model (Norfolk 2020) announced in October 2017
- would increase the Band D council tax by £11.97 (23p a week) to £229.14.

### **2.2 The report also includes:-**

- Details of the Known/Expected Changes funded and included in the budget and MTFP Appendices B(i) and B(ii)
- A summary of the savings identified in the budget (Appendix B(iii))
- Capital Programme 2018/22
- Reserves Strategy (Appendix E)
- Forecast Movements in Reserves 2017/18 to 2021/22 (Appendix F)
- Prudential Code Indicators 2018/21 including the borrowing limits (Appendix G)
- Treasury Management Strategy 2018/19 including counterparty criteria (Appendix H) as endorsed by the Audit Committee.

### **3. PCC's PROPOSAL:**

- 3.1 The PCC proposed Option 3 (see overleaf) to the Panel on the basis that the extra funding would enable him to put an additional 23 posts into front line policing, over and above the announcement made in October on the Norfolk 2020 policing model. It also enabled the PCC to put the financing of short life capital assets (particularly body worn video and mobile devices) on a firmer footing, thus protecting reserves. All of this additional investment would improve police visibility, which remains the top strategic aim of the PCC.

### Option 3

5.5% Council Tax increase	Budget 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000
Total Funding (Grant + Precept)	(154,555)	(158,080)	(159,788)	(161,589)
Net Revenue Budget before changes and savings	153,600	157,114	160,636	164,224
<b>REVENUE DEFICIT BEFORE KNOWN CHANGES</b>	<b>(955)</b>	<b>(966)</b>	<b>848</b>	<b>2,635</b>
Known / Expected Changes	7,466	7,274	4,579	8,335
Planned use of reserves	(3,475)	(2,188)	1,895	(1,766)
<b>REVENUE DEFICIT BEFORE SAVINGS</b>	<b>3,036</b>	<b>4,120</b>	<b>7,322</b>	<b>9,204</b>
Planned Savings	(3,036)	(4,120)	(4,495)	(4,591)
Savings to be identified	0	0	(2,827)	(4,613)
<b>REVENUE DEFICIT/(SURPLUS) AFTER SAVINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.2 The PCP considered, and unanimously supported, the PCC's proposal at its meeting on 6 February 2018.

3.3 The Letter from the PCP endorsing the PCC's proposal and the PCC's reply can be found here <https://www.norfolk-pcc.gov.uk/spend/budget-council-tax/>

#### 4. ISSUING OF THE PRECEPT:

4.1 Full details of the precept to be levied on the collection authorities can be found in Appendix L to the Report.

#### 5. RECOMMENDATION:

It is recommended that:

- The PCC issues this decision report formally to record the process for finalising and issuing the 2018/19 precept and approval for the various matters detailed in paragraph 2.2.
- The PCC issues the 2018/19 precept.

**PUBLIC ACCESS TO INFORMATION:** Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the OPCC website. Submissions should be labelled as 'Not Protectively Marked' unless any of the material is 'restricted' or 'confidential'. Where information contained within the submission is 'restricted' or 'confidential' it should be highlighted, along with the reason why.

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
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
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** (this approval is required only for submissions to the PCC).

**Chief Executive**

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

**Signature:**



**Date** 22.2.2018

