

Police and Crime Panel

5th January 2017

(written on 21st December 2016)

Consultation on Council Tax Police Precept 2017-18

Report of the Police, Crime and Victims' Commissioner

Purpose of report

1. The purpose of this report is to advise members of the Police and Crime Panel of my proposal to consult on an increase in the policing element of the Council Tax Precept for 2017-18.
2. Under Schedule 5 of the Police Reform and Social Responsibility Act 2011, the Police and Crime Panel is required to review the proposed precept, and to make a report on it (the panel are to determine the manner of this report). The report can include recommendations on the level of the precept. The panel has the power to veto the proposed precept, which requires a two-thirds majority in favour of a veto.
3. For the avoidance of doubt, this particular report is about my intention to consult, not my final proposal, and therefore the requirements set out in paragraph 2 do not yet apply.

Background

4. As Police and Crime Commissioner for County Durham and Darlington, it is my responsibility to secure an efficient and effective police force for the area. This includes setting the budget for the police force, which includes setting the Policing Precept.
5. In the 2015 Comprehensive Spending Review (CSR), the Government stated that they will protect the overall policing budget. However the amount of funding coming to local policing from Government is still reducing year on year. This is because the Government is choosing to allocate additional money to national priorities like counter terrorism, increased firearms capability, and funds to which forces have to bid for a share. The total provisional grant received by Durham for 2017-18 will be £84.668 million which is £1.113 Million less than 2016-17.
6. After assuming a 1.98% precept increase, the estimated budget for 2017-18 is approximately £113.3million which is £0.7m less than the 2016-17 budget. In addition to this decrease, there are significant cost pressures in terms of pay awards, pension costs, and IT costs. There are also dedicated cost pressures in respect of improving service delivery in key areas. This means the Council Tax contribution to policing is vital.
7. The Government has imposed a cap whereby precept increases of 2% or above require a referendum to take place. Such a referendum would cost around £768,000.

Each additional increase of 1% raises approximately £260,000. Therefore, in order to recoup the costs of a referendum, I would need to raise the precept by a minimum of 5% (2% plus 3% to cover the referendum costs) before the force would actually see any additional money in the first year. In addition, if people voted against the rise, the money spent on the referendum would be lost.

Precept Proposal

8. Durham Constabulary has retained their 'outstanding' grading by Her Majesty's Inspectorate of Constabulary (HMIC) for all three questions in the PEEL Efficiency Inspection. The HMIC said that "Durham Constabulary understands the costs of the provision of police services. It consistently reviews how it can improve efficiency without reducing its service to the public." They added "Durham Constabulary's plans for the future are well developed and ambitious. They make realistic assumptions based on comprehensive information about the future demand for policing and resources to meet these." In order to maintain the excellent service they deliver I propose a precept increase of 1.98%.
9. A 1.98% increase will cost a Band A property an additional 4p per week, which is £2.20 for a year (see Appendix 2 for a full breakdown of costs). This in turn will generate circa £560,000 for Durham Constabulary, which equates to the approximate cost of keeping 11 police officers. A full breakdown of what this means for each Council Tax Band is included in Appendix 2.
10. An increase of less than 1.98% or remaining at the current level would result in a lower baseline for any increase in subsequent years, meaning the budget would also be restricted over the forthcoming years. To increase by more than my proposed level would mean increasing by more than 5% to recoup the costs spent on the referendum.
11. I have decided, in the light of the above factors, not to include a referendum, or a decrease in the precept, as options in this year's consultation document.

Consultation

12. I am proposing that the consultation will run from 6th January 2017 until 29th January 2017. The consultation will be available online on my website and hard copies will be available from my office. The consultation will be promoted by press release and through social media. The online survey sets out my proposal, details of what it would cost, and then asks respondents if they agree. Respondents are also given the chance to enter any additional comments that they may have. A draft of the consultation is attached at **Appendix 3**.
13. Details of the precept consultation will be widely circulated including to Elected Members, the County Durham Partnership, the Darlington Partnership, the Community Safety Partnerships, the Local Criminal Justice Board, Town and Parish Councils, Area Action Partnerships (AAPs), the Voluntary and Community Sector, etc. for onward cascade and circulation.
14. I am undertaking 'Community Days' during the consultation period where I will also seek public opinion. As part of these community days I am attending a number of AAPs across County Durham. At the AAPs I plan to present my proposals for increasing the precept and seek the overall opinion of the group rather than to elicit individual survey responses. If I am not able to attend the AAP or if they do not have a

scheduled meeting during the consultation, the AAP Coordinators have agreed to circulate details of the consultation to the AAP Board Members and wider forum members.

Recommendations

15. The Panel is recommended to:

- Note the intention to consult; and
- Note that a full report on the outcome of the consultation will be presented to members at their next meeting on 2nd February 2017.

Ron Hogg

Police and Crime Commissioner

Appendix 1: Risks and Implications

Finance: The Council Tax Precept 2017-18 proposed to rise by 1.98% (as per main body of the report).

Staffing: Increasing the precept as indicated will enable 11 police officer posts to be retained.

Equality and Diversity: No specific implications.

Accommodation: No specific implications

Crime and Disorder: The money received through the increase will be put towards reducing crime and disorder and ensuring matters are dealt with as efficiently as possible.

Children's Act 2004: No specific implications

Stakeholder/Community Engagement: Feedback on the proposed increase has been sought from the community.

Environment: No specific implications

Collaboration and Partnerships: No specific implications

Value for Money and Productivity: The precept increase proposed is the largest it can be without holding a costly referendum.

Potential Impact on Police and Crime Plan Priorities: No specific implications

Commissioning: No specific implications

Other risks: No specific implications

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Appendix 2: Table Showing the Impact of the 1.98% Precept Increase by Council Tax Band

| | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Precept 2016-17 | £110.63 | £129.07 | £147.51 | £165.95 | £202.83 | £239.71 | £276.58 | £331.90 |
| 1.98 % Increase | | | | | | | | |
| Proposed Precept 2017-18 | £112.83 | £131.63 | £150.44 | £169.24 | £206.85 | £244.46 | £282.07 | £338.48 |
| Increase Per year | £2.20 | £2.56 | £2.93 | £3.29 | £4.02 | £4.75 | £5.49 | £6.58 |
| Increase per week | £0.04 | £0.05 | £0.06 | £0.06 | £0.08 | £0.09 | £0.10 | £0.12 |

*Typical property is classed as Band D.

** 55% of households in County Durham and Darlington are classed as Band A.