



**ORIGINATOR: PCC CHIEF FINANCE OFFICER**

**DECISION NO. 8-2015**

**REASON FOR SUBMISSION: FOR DECISION**

**SUBMITTED TO: POLICE AND CRIME COMMISSIONER**

**SUBJECT: PRECEPT LEVEL AND COUNCIL TAX  
REQUIREMENT 2015-16**

**SUMMARY:**

1. This paper provides for a decision to be made upon the precept level and council tax requirement for 2015-16, following consideration of the PCC's proposal by the Police and Crime Panel on 30 January 2015.

**RECOMMENDATION:**

It is recommended that the PCC:

1. Issues this Decision Report in response to the PCP's report on the proposed precept.
2. Notes the Council Tax Requirement and issues the 2015-16 precept summarised in Appendix G- Option 3.

**APPROVAL BY: PCC**

The recommendations set out above are agreed.

**Signature**

*Tim Parmenter*

**Date** 6/02/2015

## **DETAIL OF THE SUBMISSION**

### **1. INTRODUCTION**

- 1.1. On 20 January 2015 the Police and Crime Commissioner (PCC) considered the draft Medium Term Financial Plan (MTFP) 2015-16 to 2019-20 and approved the recommendations contained therein (Decision 4-2015).
- 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 2015-16 (Decision 5-2015). The two recommendations are replicated below:
  - (i) The Police and Crime Panel are notified of the PCC's proposal to increase the precept by 1.997% in 2015-16.
  - (ii) This proposal is submitted to the Police and Crime Panel for consideration at its meeting on 30 January 2015.

### **2. POLICE AND CRIME PANEL MEETING 30 JANUARY 2015**

- 2.1 In reviewing the proposed precept, the PCP considered the PCC's response to a number of questions from the Panel, before voting on the proposal of the PCC to increase the precept by 1.997% for 2015-16. The vote was carried unanimously.
- 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 1.997% are detailed in the MTFP, with the relevant appendices attached as Appendix A(iii) (Option 3- Increase the precept by 1.997% in 2015-16), and Appendix G (Council Tax and Budget Options 2015-16).

### **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 2015-16 precept summarised in Appendix G- Option 3.

<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?	PCC CFO is 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?	Not applicable
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 relevant 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).

**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

6 February 2015



## **Suffolk Police and Crime Panel**

### **Outcomes of Consideration of the PCC's Proposed Policing Precept for 2015/16**

On January 30<sup>th</sup> 2015 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 2015-16 for policing in Suffolk. Eleven of the thirteen members of the Panel were present, including three substitute members. The PCC was accompanied by his staff and by the Deputy 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 1.997% in 2015-16, and the associated Medium Term Financial Plan (MTFP).

The PCC informed the Panel that this is his first increase in the precept since being elected. 79% of over 1600 responses to his online survey were supportive of an increase. The increased terrorist threat level, the costs arising from the decision to keep the control room in Suffolk, increased concern about child sexual exploitation and increased focus on domestic abuse were all factors that led to his decision to increase the precept.

The PCC said that on the brighter side, annual recorded crime in Suffolk fell by 7%, and the PCC has maintained his commitment to ring-fence £700k community safety funding support to the voluntary and community sector. The Constabulary is committed to undertaking a zero-based-budget (ZBB) exercise, as the foundation for radical service transformation, and stressed the need for engagement of other Suffolk public sector partners in order to improve effectiveness and lower costs.

The Panel questioned why the PCC regarded the precept increase as a 'one off', noting that the factors cited by the PCC were prior and ongoing concerns, and that the gap in funding in future years, illustrated on pg.27 of the papers for the meeting, would require further income to be embedded into the base budget. It was remarked that investment would be needed in order to achieve the savings and transformational change in approach.

It was noted that whilst recorded crime in Suffolk has reduced, the pattern of crime has changed and there are other cost factors such as increased use of social media / online crime, domestic violence and child sex abuse, which require better partnership working. The Deputy Chief Constable informed the Panel that a precept increase

would help to avoid more front line staff being diverted into dealing with the other areas such as child sexual exploitation, and achieve the right balance of officers and staff.

The Panel asked how realistic are the PCC's expectations regarding cost savings arising from changing public sector partnership working, given the past experience of slow change within some councils and also that it had taken over 2 years to commence the zero based budget exercise in the Constabulary. The PCC said that it needs 'bigger picture' leadership and vision, and for people to come to the table with the right attitude. There was a track record in Suffolk of working with other partners, including Norfolk.

The Panel also asked about the PCC's asset and property review, the sickness / absentee payroll costs, and the realisation of efficiency savings from previous years. The PCC's Chief Finance Officer said that the Constabulary has a good track record in delivering the savings planned in the MTFP, and he was confident that they will deliver the savings to balance the books in 2015/16.

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

The Panel:

- 1) Agreed unanimously to approve the Police and Crime Commissioner's proposal to increase the precept by 1.997% in 2015-16.
- 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 2015.

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**

**4 February 2015**

Suffolk MTFP 15-16 to 19-20 - Option 3 - 1.997% Precept 15/16 then 1% Council Tax Freeze Grant thereafter

Appendix A(iii)

SUFFOLK MEDIUM TERM FINANCIAL PLAN - 5 YEAR OVERVIEW

	Forecast					Comments
	2015/16	2016/17	2017/18	2018/19	2019/20	
	£000	£000	£000	£000	£000	
<b>FORWARD PROJECTION OF 2014/15 REVENUE BUDGET:</b>						
Constitutory Revenue Budget before savings	119,572	120,864	122,393	123,833	125,256	Excludes Capital and cost of change
PCC Corporate Budget	995	1,007	1,020	1,033	1,046	
PCC Commissioning Budget	1,589	1,589	1,589	1,589	1,589	
Revenue Funding of Capital, Minimum Revenue Provision and Interest	1,779	1,156	1,848	1,121	1,182	
Total Revenue Income inc Specific Grants	-8,610	-8,627	-8,661	-8,644	-8,678	
General Grant & DCLG Income	-63,956	-61,078	-58,329	-55,996	-53,756	5.1% reduction in 15/16, 4.5% in 16/17 and 4% reduction thereafter
Council Tax Freeze Grant (for no precept increase in 2011/12)	-1,030	-984	-940	-902	-866	Freeze grant transferred to HO and baselined
Council Tax Freeze Grant (for no precept increase 2013/14)	-431	-411	-393	-375	-356	Freeze grant transferred to HO and baselined
Council Tax Freeze Grant (for no precept increase 2014/15)	-434	-414	-396	-378	-361	Freeze grant for 0% precept in 14/15 - assumed to be in base
Council Tax Freeze Grant (for no precept increase 2015/16 - 2019/20)	0	-437	-437	-437	-437	Freeze grant for 0% precept in 16/17 to 19/20 - assumed for 1 year only
Precept Income	-40,877	-40,792	-41,404	-42,025	-42,655	1.997% Precept Increase in 15/16, 0% thereafter. 1.91% increase in CT base in 15/16, 1.5% thereafter
Council Tax Support Funding	-4,891	-4,671	-4,461	-4,260	-4,068	
<b>DEFICIT BEFORE KNOWN CHANGES</b>	<b>3,706</b>	<b>7,222</b>	<b>11,847</b>	<b>14,542</b>	<b>17,896</b>	
Known / Expected Changes	2,094	2,839	2,651	2,529	2,634	Appendix B
Planned use of reserves	-781	-492	0			Appendix B
Temporary additional funding to pump prime an agreed service priority	350					
<b>REVENUE DEFICIT BEFORE SAVINGS</b>	<b>5,369</b>	<b>9,569</b>	<b>14,498</b>	<b>17,071</b>	<b>20,530</b>	
Total Change Programme Savings	-4,124	-5,910	-7,537	-7,222	-7,999	Appendix C
Total Other Savings	-3,245	-1,540	-1,974	-2,055	-2,076	Appendix C
Total Cumulative Permanent Savings	-8,369	-7,450	-9,510	-9,978	-10,074	Appendix C
<b>REVENUE DEFICIT AFTER SAVINGS</b>	<b>0</b>	<b>2,120</b>	<b>4,988</b>	<b>7,094</b>	<b>10,455</b>	
<b>BALANCE OF SAVINGS TO BE ACHIEVED</b>	<b>0</b>	<b>-2,120</b>	<b>-4,988</b>	<b>-7,094</b>	<b>-10,455</b>	
<b>REVISED REVENUE DEFICIT/SURPLUS (-) AFTER SAVINGS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Contribution to / from (-) Cash / Reserves	0	0	0	0	0	
<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%	1.00%	awards in previous and current year
Price Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	Average figure.
General Grants	-5.10%	-4.50%	-4.50%	-4.00%	-4.00%	As per Provisional Settlement
Precept - Tax base increase	1.91%	1.50%	1.50%	1.50%	1.50%	
Precept - Bill increase	1.997%	0.000%	0.000%	0.000%	0.000%	

<b>COUNCIL TAX and BUDGET OPTIONS 2015/16</b>				
	<b>OPTION 1</b>		<b>Options 2 &amp; 3</b>	
<b>Options for Percentage Increase in Council Tax Bills:</b>	<b>0.00000%</b>		<b>1.99700%</b>	
<b>2015/16 Recommended Budget Summary:</b>	<b>£-p</b>		<b>£-p</b>	
Operational costs before Savings	117,327,295.39		117,327,295.39	
Specific Grants (excluding Council Tax Freeze Grants)	-3,782,000.00		-3,782,000.00	
New Efficiency Savings from 2015/16	-5,369,000.00		-5,369,000.00	
Known Changes	1,313,000.00		1,663,333.31	
Revenue Funding of Capital	1,778,699.11		1,778,699.11	
<b>Appropriations to / from (-) Reserves</b>	<b>0.00</b>		<b>0.00</b>	
Total Budget	111,267,994.50		111,618,327.81	
<b>Budget financed by:</b>				
Police Grant	40,957,239.00		40,957,239.00	
Business Rates	22,998,309.00		22,998,309.00	
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)	436,530.00		0.00	
Collection Fund Surplus/Deficit	687,802.00		687,802.00	
CT Support Funding Allocation	4,891,000.00		4,891,000.00	
<b>Council Tax Requirement (based on 236,287 taxbase)</b>	<b>39,402,268.50</b>		<b>40,189,131.81</b>	
	<b>111,267,994.50</b>		<b>111,618,327.81</b>	
<b>Council Tax Rate Bands 15/16 (&amp; increase over 14/15):</b>	<b>Rate</b>	<b>Annual Increase</b>	<b>Rate</b>	<b>Annual Increase</b>
A	111.18	0.00	113.40	2.22
B	129.71	0.00	132.30	2.59
C	148.24	0.00	151.20	2.96
D	166.77	0.00	170.10	3.33
E	203.83	0.00	207.90	4.07
F	240.89	0.00	245.70	4.81
G	277.95	0.00	283.50	5.55
H	333.54	0.00	340.20	6.66

