



Chair of Panel: Councillor Norma Stephenson OBE

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CLEVELAND POLICE AND CRIME PANEL

REVIEW – 6 FEBRUARY 2018

THE PROPOSED PRECEPT OF THE CLEVELAND POLICE AND CRIME COMMISSIONER FOR THE FINANCIAL YEAR 2018/19

REPORT OF THE PANEL

A review was undertaken by the Cleveland Police and Crime Panel ("the Panel") on Thursday 6 February 2018 of the proposed precept of the Police and Crime Commissioner for Cleveland ("the Commissioner") for the financial year 2018/19.

Present

Cllr Norma Stephenson OBE (Chairman), Cllr David Coupe, Cllr David Harrington, Cllr Ian Jeffrey, Cllr Jim Lindridge; Mr Paul McGrath, Cllr Charles Rooney, Cllr Matthew Vickers

Apologies

Cllr Alec Brown, Cllr Chris Jones, Cllr Tom Mawston, Cllr Katie Trueman and Cllr Dave Wilburn.

Officers

Julie Butcher, Judy Trainer, Steve Hume, Peter Bell (Stockton-on-Tees Borough Council)

Also in attendance

Barry Coppinger (Police and Crime Commissioner); Simon Dennis; Joanne Hodgkinson; Michael Porter, Elise Pout (Commissioner's Office); Deputy Chief Constable Adrian Roberts (Cleveland Police)

Declarations of Interest:

There were no declarations of interest.

The Review Process

Guidance relating to the procedure to be followed when reviewing a proposed precept of the Commissioner had previously been provided, including the timescales for submitting a report to the Commissioner at the conclusion of the review.

The Review

Details of a report from the Commissioner regarding the proposed precept for the financial year 2018/19 were considered by the Panel.

The Commissioner indicated that he had taken into account the following in making his proposal on the precept for 2018/19:-

- The views of the public of Cleveland
- The financial impact on the people of Cleveland
- The financial needs of the organisation as currently projected both for 2018/19 and in the future
- The limits imposed by the Government on a precept increase before a referendum would be triggered in Cleveland

The Commissioner also indicated that he had discussed his proposals with the Chief Constable and had engaged and consulted with the public on the options available to him.

On 22 November the Chancellor of the Exchequer, Philip Hammond, made his Autumn Budget 2017 announcement in the House of Commons.

In relation to Policing and Crime there was no specific reference to these areas, from a Budgeting / Finance perspective, that related to England.

The Budget contained the same Departmental Expenditure Limits for the Home Office for the next 2 years for both Revenue and Capital and therefore there was no overall additional funding for Policing.

The Provisional 2018-19 Police Finance Settlement was announced in an oral statement by the Minister for Policing and the Fire Service Nick Hurd MP on Tuesday 19 December. This was followed by a written ministerial statement shortly after.

The main points within the provisional settlement were as follows:

- Precept flexibility to increase the level of Band D precept by up to £12 for all PCCs (or equivalents) in 2018-19
- Flat cash grant funding (i.e. the same allocations as in 2017-18 for Home Office Core Police Settlement)
- Updated assumptions around tax base growth – now assuming tax bases will grow by 1.34% in England.
- Including these assumptions on council tax and based on the 1.5% GDP deflator (the Government measure of inflation), the resulting settlement, including council tax, represents a “real terms” increase for all between 2017-18 and 2018-19
- £450m additional funding for the service – includes £130m additional reallocation and approximately £147m as a result of additional council tax flexibilities.
- £50m additional Counter Terrorism funding and the remaining £123m can be considered as “new money”.
- The minister’s letter to PCCs referred to this additional funding in addition to identified efficiency savings of up to £100m (procurement) to enable “appropriate provision for likely cost increases next year”.

The Commissioner also emphasised the need for the continued delivery of Policing and Crime Services within the Cleveland area and that in light of his discussions with the Chief Constable and wider partners, he believed that his proposal to set the Band D Police Element of the Council Tax within Cleveland for 2018/19 at £226.54. This was an increase of £12, or 5.59% over the 2017/18 level.

Since the announcement of the Provisional Finance Settlement, and the limits and options around precept proposals for 2018/19, the Commissioner had been consulting with the public on their opinions in relation to an increase of £12 per annum for the 'Police' element of their Council Tax Bill.

The consultation ran from the 22nd December until the 22nd January and 284 people completed the survey and their responses were as follows:

- 79.93% said that they would be happy to pay the extra amount to support Policing Services in Cleveland Police.
- 20.07% said that they would prefer me to cut the level of Policing Services currently provided in Cleveland as they were unwilling to pay the extra amount.

The Commissioner had considered various options and various factors in deliberating on the proposal for precept in 2018/19. He had taken into account the needs for the continued delivery of Policing and Crime services within Cleveland. The Commissioner had spoken with the Chief Constable and had consulted with the public. Based on these views and the financial needs of the organisation over the medium term the Commissioner formally proposed a precept increase of £12 on a Band D property for 2018/19 and requested that the panel considered the proposal.

To aid the Panel in considering the proposal on Precept the following were attached to the report:

- Draft Budget based on a £12 Precept Increase
- Draft Capital Budget
- A copy of the presentation that the Commissioner gave to the local Councils and that was also discussed with the Finance Scrutiny Panel set up by the Police and Crime Panel.

The Panel had already considered a report from its Task and Finish Group. The Task and Finish Group was established to understand the key issues and financial pressures as part of the budget setting process in order to inform the work of the Panel and PCC. This included both the longer term financial planning process and the impact of the Government grant settlement. This settlement was announced during the timescale of the Group's work.

The Task and Finish Group met on 18 December 2017 to receive information about the Police and Crime Commissioner's overall budget strategy for 2017/18. Discussion took place about funding and planning assumptions, total funding projections and funding pressures.

The Group met again on 19 January 2018 following the settlement from the Government and discussed the proposed precept increase with the Police and Crime Commissioner.

The Task and Finish report provided detail of the evidence considered and questions that were raised for discussion with the PCC. The Task and Finish Group supported the proposal of the PCC to set the Band D Police Element of the Council Tax within Cleveland for 2018/19 at £226.54; an increase of £12, or 5.59% over the 2017/18 level.

Members considered the precept report regarding the Commissioner's proposal, and the Panel concluded by agreeing that the proposal should be supported.

RESOLVED that the Panel supports the Commissioner's proposal to set the Band D Police Element of the Council Tax within Cleveland for 2018/19 at £226.54. This is an increase of £12, or 5.59% over the 2017/18 level.