

ORIGINATOR: Chief Finance Officer

DECISION NO. 10/2020

REASON FOR SUBMISSION: For Decision

SUBMITTED TO: Police and Crime Commissioner

SUBJECT: 2020/21 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 2020/21

RECOMMENDATION:

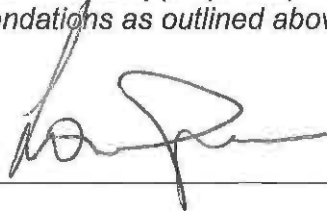
It is recommended that:

1. The PCC issues this decision report formally to record the process for finalising and issuing the 2020/21 precept and approval for the various matters detailed in paragraph 2.5.
2. The PCC issues the 2020/21 precept.

OUTCOME/APPROVAL BY: PCC/~~CHIEF EXECUTIVE~~/~~CHIEF FINANCE OFFICER~~ (Delete as appropriate)

The recommendations as outlined above are approved.

Signature



Date 17/02/2020

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 (the Panel) 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 2020/21 budget, precept options and the Medium Term Financial Plan (MTFP) are all set out in the 'Proposed Precept for 2020/21 Report to the Norfolk PCP 4 February 2020' (the Budget Report). The Report can be found on the PCC's website.
- 1.4 Information followed the publication of the above report from the Home Office about the treatment of the ringfenced grant for Operation Uplift. This has however not changed the amount required from Council tax as is the same.

2. FINANCIAL IMPLICATION

- 2.1 The Budget Report outlines the budget and financial impact of the three 2020/21 precept options on which the PCC consulted in December 2019 and January 2020 together with the Medium Term Financial Plan for the 4 years to 2023/24.
 - 2.2 The three options were:
 1. To freeze council tax
 2. To increase council tax by £5.04 per annum at Band D (1.99%).
 3. To increase council tax by £9.99 per annum at Band D (3.95%)
- NB** Increases of £10 or more would trigger a local referendum
63% of households in Norfolk are below Band D
- 2.3 There were 918 responses to the consultation. 59.8% of respondents said they were prepared to pay more for policing in Norfolk. Of the 59.8%
 - 31.8% said they would pay an increase of around 2%
 - 68.2% said they would pay an above inflation increase
 - 2.4 A high level summary of the four options is set out in the tables below.

Option 1 – Freeze Council Tax

Council Tax Freeze	Budget	Forecast	Forecast	Forecast
	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Total Funding (Grant + Precept)	(171,690)	(173,240)	(175,999)	(178,852)
Net Revenue Budget before changes and savings	163,913	169,721	174,065	178,511
REVENUE SURPLUS BEFORE KNOWN CHANGES	(7,777)	(3,519)	(1,934)	(341)
Known / Expected Changes	12,404	9,960	9,221	10,496
Planned use of reserves	(3,249)	(10)	815	48
REVENUE DEFICIT BEFORE SAVINGS	1,378	6,432	8,102	10,203
Planned Savings	(1,332)	(1,759)	(1,787)	(1,815)
Savings to be identified	(46)	(4,673)	(6,315)	(8,388)
REVENUE DEFICIT/(SURPLUS) AFTER SAVINGS	0	0	0	0

Under this option, despite the increase in government funding for officers, the Constabulary would need to make cuts in key areas of its budget to enable it to fund the growing cost of providing policing services and balance its budget. There is no opportunity to make this level of savings without a significant impact on service delivery.

Option 2 – Increase Council Tax by 1.99% per annum (£5.04)

1.99% Council Tax increase	Budget	Forecast	Forecast	Forecast
	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Total Funding (Grant + Precept)	(173,200)	(174,799)	(177,610)	(180,515)
Net Revenue Budget before changes and savings	163,913	169,721	174,065	178,511
REVENUE SURPLUS BEFORE KNOWN CHANGES	(9,287)	(5,078)	(3,545)	(2,004)
Known / Expected Changes	13,868	11,461	10,759	12,072
Planned use of reserves	(3,249)	(10)	815	48
REVENUE DEFICIT BEFORE SAVINGS	1,332	6,373	8,030	10,116
Planned Savings	(1,332)	(1,759)	(1,787)	(1,815)
Savings to be identified	(0)	(4,614)	(6,243)	(8,301)
REVENUE DEFICIT/(SURPLUS) AFTER SAVINGS	0	0	0	0

Under this option, despite the increase in government funding for officers, the Constabulary would be 'treading water only' to meet inflation-related cost pressures and would not be able to invest in and improve the broader services it provides to Norfolk communities.

Option 3 – Increase Council Tax by 3.95% per annum (£9.99)

3.95% (£9.99) Council Tax increase	Budget 2020/21 £000	Forecast 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000
Total Funding (Grant + Precept)	(174,682)	(176,331)	(179,192)	(182,150)
Net Revenue Budget before changes and savings	163,913	169,721	174,065	178,511
REVENUE SURPLUS BEFORE KNOWN CHANGES	(10,769)	(6,610)	(5,128)	(3,639)
Known / Expected Changes	15,350	12,972	12,301	13,645
Planned use of reserves	(3,249)	(10)	815	48
REVENUE DEFICIT BEFORE SAVINGS	1,332	6,353	7,989	10,055
Planned Savings	(1,332)	(1,759)	(1,787)	(1,815)
Savings to be identified	(0)	(4,594)	(6,202)	(8,240)
REVENUE DEFICIT/(SURPLUS) AFTER SAVINGS	0	0	0	0

Under this option, the PCC would be able to provide additional funding of £1.5m to the Constabulary to invest in and improve services and agree funding options with the Chief Constable from the following areas:

- An improved service for the public when reporting crime to our control room
- Increased investigative capacity to help further improve the quality of some of our frontline investigations and bring offenders to justice
- Investment in long-term crime prevention in the areas of domestic abuse, sexual violence, county lines drug dealing, programmes for children and young people to prevent them becoming victims or involved in crime
- 21st century technology, including further ANPR capabilities to support the successful Operation Moonshot teams leading to more arrests and prosecutions
- Developing the skills of the workforce to meet the challenges of policing in the 21st century

2.5 The Budget Report also includes:

- Details of the Known/Expected Changes funded and included in the budget and MTFP Appendices B(ii)
- A summary of the savings identified in the budget (Appendix B(iii))
- Capital Strategy and Capital Programme 2020/24 (Appendix D)
- Reserves Strategy and Forecast Movements (Appendix F)
- Annual Treasury Management Strategy including Prudential Code Indicators 2020/21 including the borrowing limits (Appendix G)
- The Minimum Revenue Provision Statement
- The 2020/21 Precept to be levied on the collection authorities for 2020/21 (Appendix J).

3. PCC's PROPOSAL

- 3.1 The PCC proposed Option 3 to the Panel on the basis that the extra funding would enable investment in and improvement in Mental Health support in the Control Room, additional resources in the 101 service to improve response times and resources to provide Domestic Abuse Safe Guarding support.
- 3.2 **The Norfolk Police and Crime Panel considered, and unanimously supported, the PCC's proposal at its meeting on 4 February 2020.**

4. ISSUING OF THE PRECEPT

- 4.1 Full details of the precept to be levied on the collection authorities can be found in Appendix J to the Budget Report and attached at Appendix A to this report.

5. RECOMMENDATION

- 5.1 It is recommended that:
- The PCC issues this decision report formally to record the process for finalising and issuing the 2020/21 precept and approval for the various matters detailed in paragraph 2.5.
 - The PCC issues the 2020/21 precept.

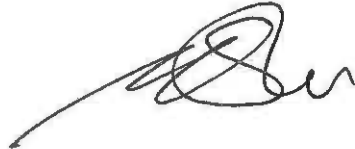
ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes
Has the PCC's Chief Finance Officer been consulted?	The PCC CFO is the originator of this report
Have equality, diversity and human rights implications been considered including equality 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 13.2.2020

Chief Finance Officer (Section 151 Officer)

I certify that:

- a) there are no financial consequences as a result of this decision,
OR
- b) the costs identified in this report can be met from existing revenue or capital budgets,
OR
- c) the costs identified in this report can be financed from reserves
AND
- d) the decision can be taken on the basis of my assurance that Financial Regulations have been complied with.

Signature:



Date: 17.2.2020

Appendix A

Option 3 - Norfolk PCC Precept 2020/21 – £9.99 (3.95%) increase in Council Tax

Budget Requirement				£	
				174,681,917	
Less Government Funding				94,780,161	
To be met from council tax (incl. surplus)				79,901,756	
Billing Authority	Taxbase	Precept Amount	Surplus on Collection Fund	Total Payments Due	
		£	£	£	
BRECKLAND	44,013	11,578,553	38,559	11,617,112	
BROADLAND	46,430	12,214,340	7,103	12,221,443	
GT. YARMOUTH	29,048	7,641,657	39,882	7,681,539	
K.LYNN & W. NORFOLK	51,980	13,674,300	540,448	14,214,748	
NORTH NORFOLK	41,033	10,794,551	99,032	10,893,583	
CITY OF NORWICH	37,003	9,734,379	307,400	10,041,779	
SOUTH NORFOLK	49,966	13,144,556	86,996	13,231,552	
	299,473	78,782,336	1,119,420	79,901,756	
Vaulation Band	Council Tax 2019/20	Council Tax 2020/21	Increase		
	£	£	Year	Week	
A	168.72	175.38	6.66	0.13	
B	196.84	204.61	7.77	0.15	
C	224.96	233.84	8.88	0.17	
D	253.08	263.07	9.99	0.19	
E	309.32	321.53	12.21	0.23	
F	365.56	379.99	14.43	0.28	
G	421.80	438.45	16.65	0.32	
H	506.16	526.14	19.98	0.38	
(i)	As in previous years instalment payments will be made to the PCC by the district councils on the day that they receive their government grant instalments. This will minimise the cash flow effect on the collection authorities.				
(ii)	Where a surplus on collection of 2019/20 council tax has been estimated, the District Council concerned will pay to the PCC its proportion of the sum by ten equal instalments, as an addition to the May 2020 to February 2021 precept payments.				
(iii)	Where a deficit on collection of 2019/20 council tax has been estimated, the District Council concerned will receive from the PCC its proportion of the sum by ten equal instalments, as a reduction to the May 2020 to February 2021 precept payments.				

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.