



Nottinghamshire

POLICE & CRIME COMMISSIONER

Precept 2015-16

January 2015

The Police & Crime Commissioner's

Precept 2015-16

The Nottinghamshire Police & Crime Commissioner is proposing a precept increase of 1.98% for the 2015-16 financial year.

This supports the budget report and the commitment to Rural Crime initiatives and Victims Services, a duty transferred to the Commissioner by the Ministry of Justice during 2014-15. Further priorities include crime prevention and partnership working, both vital to community safety.

The current Comprehensive Spending Review (CSR) period has been difficult with major cuts in grant funding, whilst costs continue to increase. The next CSR is not looking any better with a further anticipated cut in funding of over 20%. The Budget Report and the Medium Term Financial Report on today's agenda details further the plans for 2015-16 and the potential risks relating to the efficiencies that need to be achieved.

The detailed budget for 2015-16, the Medium Term Financial Plan, the Reserves Strategy, the 4 Year Capital Programme and the Treasury Management Strategy are provided for information purposes to the Police & Crime Panel. These have been drawn together to support the Police and Crime Plan, which has been refreshed and which the panel have received and which is currently out for consultation.

This report, due to timing is based upon the latest tax base estimates provided by the billing authorities (actual where known): the billing authorities are not required to provide final tax base calculations and collection fund balances until 31st January. A breakdown of the final actual submissions will be tabled at the Police & Crime Panel Meeting.

When setting the budget and capital programme for the forthcoming financial year the Police and Crime Commissioner must be satisfied that adequate consideration has been given to the following:

- **The Government policy on police spending** – the current economic climate is improving and the forecast is promising. However, the Government policy continues to reduce public sector spending.
- **The medium term implications of the budget and capital programme** - the separate report sets out the Medium Term Financial Plan, which is regularly received and updated.
- **The CIPFA Prudential Code** - the separate Treasury Management Strategy report covers the CIPFA Prudential Code, which evaluates whether the capital programme and its revenue implications are prudent, affordable and sustainable. The implications of borrowing to finance the unsupported element of the capital programme are incorporated within the proposed revenue Budget for 2015-16 and the Medium Term Financial Plan.
- **The size and adequacy of general and specific earmarked reserves** - the current forecast of the general reserves at 31 March 2015 is £7 million which is higher than the minimum 2% level in the approved reserves strategy and is considered by the Chief Finance Officer to be an adequate level for the year ahead. The Chief Finance Officer considers that all of the earmarked reserves set out in the Reserves Strategy, are adequate to cover the purposes for which they are held and provide some robustness against the risks identified within the budget. The Chief Finance Officer also confirms that the budgeted insurance provision is fully adequate to meet outstanding claims.
- **Whether the proposal represents a balanced budget for the year** - the assurances about the robustness of the estimates are covered in **Section 8** of this report. The proposals within this report do represent a balanced budget based upon an assumed 1.98% maximum increase in the Police & Crime Precept on the Council Tax.
- **The impact on Council Tax** - this is covered in **Section 7** of this report.
- **The risk of referendum** – the limit set for requiring a referendum is a 2% increase on the precept for all Police and Crime Commissioners. The proposed increase of up to 1.98% is just below the limit set (further detail is provided in **Section 6**).

1. COUNCIL TAX BASE

For 2015-16 the Billing Authorities have consulted on proposed changes to the local Council Tax Support Schemes introduced in 2013-14. There have not been any significant changes affecting the individual schemes, although collection rates have been higher than anticipated

The Billing Authorities are working hard to keep collection rates up and as a consequence all have seen an increase in estimated tax bases. This is also partly due to an increase in the number of new properties in each area.

The estimated tax base as notified by the unitary and district councils (Billing Authorities) has increased by 1.83% overall, slightly down on last year's increase of 2.06%. This information has to be confirmed in writing by 31 January, the statutory deadline.

| Tax base | Band D Properties 2014/15 | Band D Properties 2015/16 | Change % |
|-------------------|--|--|---------------------|
| | No | No | |
| Ashfield | 30,256.20 | 31,052.20 | 2.63 |
| Bassetlaw | 31,893.84 | 32,545.35 | 2.04 |
| Broxtowe | 32,188.65 | 32,400.60 | 0.66 |
| Gedling | 34,912.38 | 35,610.06 | 2.00 |
| Mansfield | 26,943.82 | 27,751.40 | 3.00 |
| Newark & Sherwood | 36,233.47 | 36,770.96 | 1.48 |
| Nottingham City | 59,949.00 | 61,047.00 | 1.83 |
| Rushcliffe | 39,373.00 | 39,923.10 | 1.40 |
| Total | 291,750.36 | 297,100.67 | 1.83 |

It is intended that any negative impact from a change between the estimated tax base and the actual tax base will be met from reserves.

2. COLLECTION FUND POSITION

Each billing authority uses a Collection Fund to manage the collection of the Council Tax. In 2014-15 this provided the Police and Crime Commissioner with a total surplus amount of £447,893. This was a particularly high and reflected better than anticipated collection rates. For 2015-16 the total figure has yet to be confirmed, but is not anticipated to be as high as last year. Those shown reflect what was declared at the time of writing this report. A breakdown is provided in the table below:

| Surplus/(deficit) | Collection Fund | |
|-------------------|-----------------|------------|
| | 2014-15 | 2015-16 |
| | £ | £ |
| Ashfield | 62,867 | 114,087 |
| Bassetlaw | 57,929 | |
| Broxtowe | 26,288 | |
| Gedling | 57,966 | |
| Mansfield | 0 | |
| Newark & Sherwood | 0 | |
| Nottingham City | 147,589 | |
| Rushcliffe | 95,254 | 81,186 |
| Total | 447,893 | TBC |

It is intended that the surplus will be transferred to balances to contribute towards the request for use of reserves for the transformational change programme.

3. COUNCIL TAX FREEZE GRANT

The Government continues to offer freeze grant equivalent to a 1.0% increase in the council tax. Consequently, the Police & Crime Commissioner has had to consider how taking the freeze grant with a short term benefit compares with a rise in the level of precept, and how each impact on the council tax paying people of Nottinghamshire.

The freeze grant would mean that the council tax payers would not see an increase in the police and crime element of their bills. However, the freeze grant will cease and therefore creates a further gap in balancing the income and expenditure of the OPCC in future years.

An increase in the precept in 2015-16 would see a long term benefit to the funding of the OPCC, but would also require the council tax payers to pay an additional £3.42 per annum (Band D equivalent properties).

Therefore, the freeze grant proposal for 2015-16 does not provide financial stability for the long term and consequently, the decision taken has been to increase the council tax charge.

4. COUNCIL TAX SUPPORT GRANT

Council Tax Support Grant is received by Commissioners for each Policing area:

As part of the settlement announcement the Home Office has combined the payment relating to freeze grants with the amount previously identified as Council Tax Support. These will be treated outside the grant system as Legacy Council Tax Grants and total £9.7m for 2015-16. No change on the 2014-15 amounts.

5. CONSULTATION

Consultation and Engagement Strategy

The Police and Crime Commissioner has a wide remit to cut crime and improve community safety in Nottingham and Nottinghamshire. Various consultation and engagement exercises were conducted last year to identify the relevant issues from communities to refresh the planning and prioritisation of policing and community safety. The consultation programme will not be fully completed until the beginning of February with any significant issues forwarded to the Police and Crime Panel for consideration.

Consultation with the Public, Stakeholders and Interested Parties

The Commissioner and his Deputy have consulted and engaged with members of the public, stakeholders and partner organisations to identify the priorities and supporting activities to be addressed for refreshing the Police and Crime Plan and setting the budget and proposing the precept levels. Throughout the last year the Commissioner and his Deputy have attended various meetings, local events throughout the summer, public meetings and walkabouts to engage and discuss local policing and crime concerns with individuals, communities and victims of crime.

Police and Crime Plan Priorities and Budget Consultation 2014/15

Consultation has been carried out on behalf of the Commissioner, which has included more than 4,000 views of residents from:

- Consultant led focus groups, one in Nottingham (City on the 25th November 2014), one in North Nottingham (Worksop on the 26th November 2014), one in South Nottingham (Bingham on the 27th November 2014), one with women (25th November 2014) and one with members of the BME community (14th January 2015).
- The Commissioner's online consultation questionnaire and supporting video on the Police's Delivering the Future proposals (September to November 2014).
- Evidence collected through Nottingham County Council Annual Residents Satisfaction Survey 2014 (October 2014) and the Nottingham City Crime and Drugs Partnership Annual Respect Survey.
- Academic led research from telephone surveys for the Partnership Plus Areas (November 2014 to February 2015).

Main findings being:

- There was overall support for having to remodel policing for Nottinghamshire 62% given the national context of austerity and on-going policing budget cuts, however, 82% did not support savings to local policing.

Key areas for potential savings included:

- Investing in preventing crime and early intervention through education and working with communities.

- Joined up working with other agencies through multi-agency hubs, supported by training and information sharing, particularly for areas such as domestic violence, child abuse and other serious crime.
 - Support for collaboration with other forces.
 - General support for specialist investigative teams to assist with bringing more people to justice, and focusing on protecting vulnerable people against crime such as child sexual exploitation and domestic violence.
 - Support for victims of crime having a single point of contact throughout their journey.
 - General support for volunteering, with 86% having participated in volunteering over the last 12 months.
 - Increasing PCSO powers, or more Police Staff to ensure that Police Officers are utilised for jobs requiring warranted powers.
 - Reducing the number of senior policing ranks and the number of meetings Police Officers attend, find savings through enabling officers with improved technology and reducing bureaucracy to free them up to be accessible in their communities to focus on tackling local issues.
 - Savings to the Nottinghamshire Office of the Police and Crime Commissioner, 44% and 50% said no to reducing police support functions.
- Respondents identified that they would be prepared to pay more for policing, 53% of respondents from the Residents Survey (with 14% responding maybe).

Key areas to invest in policing included:

- There were concerns for closing police buildings, but general support for increasing visibility of officers 85%, with the Independent Advisory Groups 28%, 75% saying no to reducing policing time dealing with the public.
- Clearer communication with communities, particularly for reporting crime, also promoting the confidence to contact the police for less serious issues to pass on intelligence, but a clear definition of an emergency would be useful to promote together with the numbers to call other than 999.

- Acceptance that new communication and social media are important tools for policing, but should not be the only method of communicating with the public.
 - Support for a named Police Officer for each area to improve response times.
 - Support for spending more on drug and alcohol related crime and exploiting new technology to assist tackling some crimes.
- Victims focused
 - Recognised importance for offering restorative justice where appropriate, with specific emphasis on it needing to be victim led.
 - Concern that there needs to be an equitable distribution of resources across the City and County.
 - Improve road safety awareness and tackle illegal parking, 58% did not want any cuts to roads policing.
 - Three quarters (75%) of all respondents reported feeling safe (either very or fairly safe) in their local area when outside after dark.
 - Perceptions of anti-social behaviour being a very or fairly big problems being: noisy neighbours (4%/7%), groups of people hanging around the streets (5%/13%), rubbish or litter lying around (10%/16%), vandalism, graffiti and deliberate damage to property or vehicles (5%/11%), people being drunk or rowdy in public places (7%/9%), people using or dealing drugs (9%/11%), people being attacked/harassed because of their skin colour /ethnic origin/religion (1%/4%), abandoned or burnt out vehicles (0%/2%).
- Communicating with the Commissioner
 - Preferred method of obtaining information about the Commissioner, being through local newspapers and newsletters (20% and 23%).
 - Important business areas identified for review include:
 - Stop and search – very important (33%), important (46%).
 - Recruitment and retention of police officers – very important (59%), important (36%).
 - Hate crime related to disability – very important (47%), important (43%).

6. COUNCIL TAX REFERENDUMS

The Localism Act 2011 requires authorities including Police & Crime Commissioners to determine whether their 'relevant basic amount of council tax' for a year is excessive, as excessive increases trigger a council tax referendum. From 2012-13 onwards, the Secretary of State is required to set out principles annually, determining what increase is excessive. For 2015-16 the principles state that, for Police and Crime Commissioners, an increase of more than 2% in the basic amount of council tax between 2014-15 and 2015-16 is excessive.

For 2015-16 the relevant basic amount is calculated as follows:

Formula:

$$\frac{\text{Council Tax Requirement}}{\text{Total tax base for police authority area}} = \text{Relevant basic amount of council tax}$$

Nottinghamshire 2015-16 estimated calculation:

$$\frac{\pounds 52,408,588.19}{297,100.67} = \pounds 176.40 \text{ (1.98\%)}$$

With a 2% increase the Band D equivalent charge would be £176.44.

This year the Referendum limit has been announced at the time of settlement notifications. It has been set at 2% for 2015-16.

7. RECOMMENDATION ON THE LEVEL OF POLICE & CRIME PRECEPT ON THE COUNCIL TAX

As discussed in the Budget report resources have been allocated to support the police and crime plan. In assessing appropriate spending levels, consideration has been given to the significant unavoidable commitments facing the Police & Crime Commissioner including pay awards, and pension liabilities. Due regard has been given to the overall cost to the local council tax payer. Consideration has also been given to the projected value of the available reserves and balances and the medium term financial assessment (both reported separately).

The Commissioners proposed spending plans for 2015-16 result in a Police & Crime Precept on the Council Tax of £176.40 for a Band D property, representing an increase of 1.98%.

For comparison purposes the Council Tax for Precepting Authorities is always quoted for a Band D property. In Nottinghamshire by far the largest number of properties are in Band A.

To achieve a balanced budget with reduced grant income an increase in the Police & Crime Precept has been required. This is on top of significant budget reductions and efficiencies to be achieved in year.

The calculation of the Police & Crime Precept on the Council Tax is as follows:

| | 2014-15 Budget £m | 2015-16 Budget £m | Increase/ Decrease £m |
|--------------------|----------------------------------|----------------------------------|--------------------------------------|
| Budget | 193.8 | 191.2 | 2.6 (-) |
| External Income | 143.3 (-) | 136.5 (-) | 6.8 (+) |
| Collection Surplus | 0.5 (-) | 0.0* (-) | 0.5 (+) |
| Reserves | 0.5 (+) | 2.3** (-) | 2.8 (-) |
| Precept | 50.5 (-) | 52.4 (-) | 1.9 (-) |
| Council Tax Base | 291,770 | 297,101 | 5,331 |
| Council Tax Band D | £172.98 | £176.40 | £3.42 |
| Council Tax Band A | £115.32 | £117.60 | £2.28 |

* Collection fund surplus/deficit unconfirmed at time of writing this report so will be transferred to reserves

** £3.0m requested to balance the budget. Current estimate for precept collection is £0.7m over estimated, so will transfer excess to reserves.

The overall Police & Crime Precept to be collected on behalf of the Police & Crime Commissioner for 2015-16 is:

| | | |
|---|-----------|-----|
| | £m | |
| Budgeted Expenditure | 191.2 | + |
| Less income from: | | |
| Police & Crime Grant | 126.8 | (-) |
| Legacy Council Tax Grant | 9.7 | (-) |
| Collection Fund surplus | 0.0 | (-) |
| Net contribution to/from Balances | 2.3 | (-) |
| Police & Crime Precept on the Council Tax | 52.4 | (-) |
| | | |

The resulting precept and Council Tax levels derived from the measures contained in this report are detailed below:

Police & Crime element of the Council Tax

| Band | 2014-15 £ | 2015-16 £ |
|----------|---------------|---------------|
| A | 115.32 | 117.60 |
| B | 134.54 | 137.20 |
| C | 153.76 | 156.80 |
| D | 172.98 | 176.40 |
| E | 211.42 | 215.60 |
| F | 249.86 | 254.80 |
| G | 288.30 | 294.00 |
| H | 345.96 | 352.80 |

Amounts to be raised from Council Tax in each billing authority area 2015-16:

| | Precept amount to be collected £ | Collection Fund Surplus/(Deficit) £ | Total amount due £ |
|-------------------|--|---|-----------------------|
| Ashfield | 5,477,608.08 | 114,087 | |
| Bassetlaw | 5,740,999.74 | | |
| Broxtowe | 5,715,465.84 | | |
| Gedling | 6,281,614.58 | | |
| Mansfield | 4,895,346.96 | | |
| Newark & Sherwood | 6,486,397.34 | 0 | |
| Nottingham City | 10,768,690.80 | | |
| Rushcliffe | 7,042,434.84 | 80,186 | |
| Total | 52,408,558.19 | TBC | |

Collection Dates

The dates, by which the Commissioners bank account must receive the credit in equal instalments, otherwise interest will be charged.

£

2015

20 April
29 May
01 July
05 August
10 September
15 October
19 November

2016

04 January
05 February
11 March

TBC

8. ROBUSTNESS OF THE ESTIMATES

The Chief Finance Officer to the Police & Crime Commissioner has worked closely with Head of Finance & Business to ensure assurance on the accuracy of the estimates can be provided. There have been weekly meetings between the Commissioner, Chief Constable and their professional officers.

The budget proposed within this report represents a balanced budget. To achieve this, the force has provided detail on how efficiencies and savings will be delivered. There are some potential risks to the full amount of savings being achieved and should this be the case reserves may need to be used to smooth the implementation of change. The Force will work hard to achieve required reduction of £11.0m and this will be monitored by the Commissioner.

The balanced budget is based upon the recommended 1.98% increase in Council Tax for 2015-16.