



PROPOSED PRECEPT FOR 2019-20

Purpose

1. This paper notifies the Panel of the precept I am proposing for 2019-20.

Background

2. In January 2019, I presented to the Panel a paper which showed that the Government has made decisions surrounding both local and central funding which has a significant impact on the funding options available to me.
3. The paper I provided in January concluded with me suggesting that a £24 increase in the Police part of the Band D Precept (a 13% increase) was appropriate. This would result in the Band D police part of the precept rising from £182.27 to £206.27 in 2019-20.
4. At the January meeting, I also informed the Panel on how I would be consulting with the public this year. There is a separate paper on the agenda informing the Panel of the outcome from my consultation exercise; however in summary the majority of respondents are supportive of a £24 increase.

The Precept

5. My proposal to increase the precept by £24 was based on the Minister for Policing and the Fire Service recognising the demands placed on policing and allowing an increase to this level before a referendum would be triggered.
6. The Government also announced that core police funding would increase by 2.1% in 2019-20. This is the first increase since 2010-11.
7. Considering the pressures on the police, to increase the police part of the council tax by £24 is attractive. The MTFs shows that by utilising this opportunity I can increase Police Officer numbers by a net 41 posts and provide £0.475m in additional commissioning funds for investment in proactive and preventative work.
8. When deciding on next year's precept level, I have to consider future funding. As disclosed in the MTFs Wiltshire currently has the lowest Band D Precept in the South West. Previous decisions on the precept mean that there are less funds to finance policing in Wiltshire than other local forces. I would not wish to further exacerbate this position.

The Funding Available

9. The table below outlines the funding available to me based on a £24 increase in the Band D precept.

	2018-19	2019-20
Main Home Office Grant	£36.961m	£37.765m
Main DCLG Grant	£20.393m	£20.794m
Legacy Council Tax Grants	£5.235m	£5.235m
Total Central Funding	£62.589m	£63.794m
Precept Income	£46.589m	£53.743m
Council Tax Collection Fund Surplus	£0.781m	£0.550m
Total Funding Available	£109.959m	£118.087m

10. The Legacy Council Tax Grants includes the grant payable surrounding Council Tax Localisation and any previous freeze grants.
11. Wiltshire Council and Swindon Borough Council have reported a new council tax base of 260,545; this is a 1.9% increase on 2018-19. This, with the £24 increase in precept and change in central funding, will result in additional funding of £8.128m (7.4%).

Funding Allocation

12. I am expected to commission services from the funding available. In addition to the funding reported in the table in paragraph 9, I do receive investment income (estimated at £0.200m in both 2018-19 and 2019-20). Therefore my funding available to commission with is £118.287m in 2019-20. The table below identifies how I intend using these resources.

	2018-19	2019-20
OPCC Office Costs	£0.899m	£0.960m
OPCC Capital Contribution	£0.766m	£0.819m
OPCC Commissioning	£1.270m	£1.533m
OPCC Additional Commissioning	-	£0.475m
OPCC Chief Constable Allocation	£107.224m	£114.500m
	£110.159m	£118.287m

Impact on the Chief Constable's Budget

13. The Chief Constable has identified a budget requirement of £115.444m (this is disclosed in the MTFs). When compared to my funding allocation to him (£114.500m) a financial gap of £0.944m exists.
14. The Chief Constable has worked with the OPCC to identify a plan (included within the MTFs) which will deliver this savings requirement.

Risk

15. The use of reserves is based on a risk review. The MTFs has considered the long term funding of Wiltshire. The planned use of reserves to cover risks and early thinking about future precept levels reduces risk. Having general reserves of 2.5% and a 1% operational reserve also helps reduce risk.

Legal

16. I am required to receive advice from my Chief Financial Officer surrounding the budget and my reserves. The Chief Financial Officer is content that my budget and the Chief Constable's budget are sound and deliverable. He has also confirmed that he believes my reserves are adequate to manage risk.

Recommendation

17. After carrying out the necessary consultation I am minded to set a precept of £53.743m. This will require council tax to be set on all property bands based on £206.27 for a Band D property. This represents a £24 (13%) increase on the 2018-19 level.

Angus Macpherson

Police and Crime Commissioner