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## **PROPOSED PRECEPT FOR 2017-18**

### **Purpose**

1. This paper notifies the Panel of the precept I am proposing for 2017-18.

### **Background**

2. In January 2017 I presented to the Panel a paper which disclosed my thinking surrounding the 2017-18 budget. This paper, which also included a copy of my Medium Term Financial Strategy (MTFS), reported that I was thinking of increasing the Police part of the Band D Precept by 1.9% to £170.27, a £3.17 increase from the 2016-17 Police part of the Council Tax of £167.10.
3. At the January meeting I also informed the Panel on how I would be consulting with the public this year. I have expanded the consultation process and combined this with my draft Police and Crime Plan.

### **Consultation**

4. I have held a significant consultation exercise to seek the views of residents on my precept proposal and the draft Police and Crime Plan (P&C Plan). The consultation opened on the 3 January 2017 and closes on the 27 January 2017. This has been by far the biggest communication and engagement exercise my office has delivered to date.
5. This has included a wide range of approaches to raise awareness and encourage debate and formal responses. It included:
  - High profile media campaign launching the precept recommendation and draft P&C Plan
  - Short video to communicate new Plan and precept recommendation
  - 4 public social media Q&As sessions – where the public could ask questions directly
  - Wiltshire Police officer and staff drop in sessions
  - Online consultation survey
  - Twitter poll on “do you agree with the precept increase?” Yes-67%, No 32% (total 120 people)
  - Press releases identifying the proposal and highlighting to the public how they can make their views heard via the PCC’s website
  - Stakeholder distribution including Councillors and MP’s asking for their views on behalf of the people they serve
  - Video and offer of attendance to every area and locality board

6. As of 24 January 2016, the consultation has had a reach of at least 490,000 through the channels mentioned above. Of those, the total campaign was engaged with at least 105,000 times through social media. The use of channels such as community messaging, local media and stakeholder networks is in addition to these numbers.
7. The 124 responses that specifically mention the precept are as follows. 91 have stated they agree with a rise in precept, with 43 people disagreeing with the increase.

### The Precept

8. My initial proposal to increase the precept by 1.9% was based on the knowledge that the Government has announced 2% as the referendum 'trigger' level, i.e. any increase of 2% and above would require a referendum to validate the decision. With the cost of a referendum estimated at over £600,000 I have decided that I do not wish to spend public money on such a course of action.
9. The Government have announced that police funding will be cash neutral in 2017-18. This can only occur with a precept increase of 1.9%. Hence there is an expectation that PCC's will increase the precept by 1.9%.

### The Funding Available

10. The table below outlines the funding available to me based on a 1.9% precept increase. The table assumes that the provisional central funding allocations are confirmed.

	2016-17	2017-18
Main Home Office Grant	£37.485m	£36.961m
Main DCLG Grant	£20.683m	£20.393m
Legacy Council Tax Grants	£5.235m	£5.235m
Total Central Funding	£63.403m	£62.589m
Precept Income	£41.160m	£42.458m
Council Tax Collection Fund Surplus	£0.882m	£0.602m
Total Funding Available	£105.445m	£105.649m

11. The table above shows a £0.814m reduction in total central funding. The Legacy Council Tax includes the grant payable surrounding Council Tax Localisation and any previous freeze grants.
12. Wiltshire Council and Swindon Borough Council have reported a new council tax base of 249,356; this is a 1.2% increase on 2016-17. This with the 1.9% increase in precept will result in additional funding of £0.204m (0.2%).

### Funding Allocation

13. I am expected to commission services from the funding available. In addition to the funding reported in the table in paragraph 7 I do receive investment income (estimated at £0.250m in both 2016-17 and 2017-18). Therefore my funding available to commission with is £105.899m in 2017-18. The table below identifies how I intend using these resources.

	2016-17	2017-18
OPCC Office Costs	£0.712m	£0.713m
OPCC Capital Contribution	£0.741m	£0.742m
OPCC Commissioning Funds	£1.226m	£1.229m
OPCC Chief Constable Allocation	£103.016m	£103.215m
	£105.695m	£105.899m

### Impact on the Chief Constable's Budget

14. The Chief Constable has identified a budget requirement of £106.934m (this is disclosed in the MTFs). When compared to my funding allocation to him (£103.215m) a financial gap of £3.719m exists. With 81% of his budget spent on staff the only way to close a gap this size would be to reduce staff.
15. A review of my reserves has been undertaken with the section 151 officer. He has identified £1.439 of reserves which can be used in 2017-18. This can only occur for one year but evens up the savings requirement over the next 2 years.
16. This reduces the savings the Chief Constable has to find. The new savings requirement is reported below;

	2017-18 CC Budget
Initial Funding gap	£3.719m
Use of reserves	-£1.439m
New Savings requirement	£2.280m

17. The Chief Constable will identify efficiencies and savings to meet this reduced savings requirement.

### Risk

18. The use of reserves is based on a risk review. I think by balancing the savings out over 2 years it provides the Chief Constable time to reduce expenditure in a planned way. The risk in 2018-19 is partly mitigated by having general reserves of 2.5% and a 1% operational reserve.

### Legal

19. 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

20. After carrying out the necessary consultation I am minded to set a precept of £42.458m. This will require council tax to be set on all property bands based on £170.27 for a Band D property. This represents a £3.17 (1.9%) increase on the 2016-17 level.

**Angus Macpherson**  
Police and Crime Commissioner