



POLICE AND CRIME PANEL

AGENDA ITEM NO: 7

6 February 2013

PCC PROPOSED PRECEPT 2013-14

Introduction

1. This report presents the Panel with my proposed precept for 2013-14, consistent with section 26 (4) and schedule 5 of the 2011 Police Reform and Social Responsibility Act.

Background

2. In December 2012 the Government announced the provisional settlement for all Police and Crime Commissioners. This included the transfer of some specific grants to main funding which is important to note when comparing funding between years.
3. The other part of the funding available to the PCC comes from council tax. In recent years the Government has encouraged Councils and Forces to freeze the council tax levy by providing a special grant. In 2013-14 a grant equivalent to a 1% increase in tax is available to organisations that freeze their council tax. This paper concludes with my decision not to increase the council tax and to accept the freeze grant in 2013-14. It should be noted that any council tax increase above 2% would require a referendum with the possibility that local voters might veto the increase.

Funding Available

4. Appendix A identifies that the total funding available, with no increase in the Band D council tax, is £106.693m.
5. £69.919m of the funding comes from central government. When comparing the central funding to that received last year a cash reduction of 1% is identified. Assuming inflation of 2.5% this equates to a real terms reduction of 3.5%.
6. Local funding is split between the collection fund and the precept. The collection fund reports any surplus or deficit incurred by Wiltshire Council and Swindon Borough Council when collecting the council tax. The surplus of £0.488m derives from both authorities collecting a higher percentage of the council tax than expected.
7. The reduction in precept income is due to the new Localisation Bill. This bill gives Councils more freedom surrounding council tax benefits. In return there has been a reduction in central grant of 10% and a change in the funding mechanism with grants now paid to each precepting authority rather than the billing authority. The impact on Wiltshire Police is a reduction in precept funding of £3.812m and a new grant of £3.830m. Whilst it looks like there has been a small gain, the normal 1% growth in council tax base has been lost. This would have been worth over £300,000 to our budget.

Funding Allocation

8. I am expected to commission services from the funding balance of £106.693m and propose that initially funding will be split as follows;

Total Funding	£106.693m
Less Office of the PCC	-£0.687m
Less Community Safety Grants	-£0.477m

For the commissioning of Policing Services (Provided to the Chief Constable of Wiltshire)	£105.529m

9. A summary of this is shown, for information, in Appendix B.

Legal

10. In line with the requirements of the 2011 Act, I have received advice from my Treasurer confirming that in his view, the budget is robust and our financial reserves adequate.
11. In addition to this reassurance, the Chief Financial Officer to the Chief Constable has also confirmed the “soundness of the budget in relation to the Force.”

Recommendation

12. I am pleased to notify the Panel that for 2013-14, after Government funding, my proposed precept will be £36.286 million. This means a Council Tax for policing services for all property bands based on £157.77 for Band D properties, representing a percentage increase of 0% on 2012-13 (as shown in Appendix A).

Angus Macpherson

Police and Crime Commissioner