



## **REPORT ON THE POLICE AND CRIME COMMISSIONER FOR GWENT'S PROPOSED PRECEPT FOR 2017/18**

### **INTRODUCTION**

1. This report is made in accordance with the Police and Crime Commissioner for Gwent's (Commissioner) statutory duty contained in Paragraph 5, Schedule 5 of the Police Reform and Social Responsibility Act 2011.

### **BACKGROUND**

1. The Commissioner notified the Gwent Police and Crime Panel (Panel) on the 20<sup>th</sup> January 2017 of his proposed Police and Crime Budget and Precept for 2017/18. The Panel considered a detailed report, annex and associated appendices in support of the proposal at their meeting held in Monmouthshire County Hall on the 27<sup>th</sup> January 2017.
2. Following a full debate regarding the financial outlook facing the Commissioner, the policing provision in Gwent and the proposed Precept, the Panel resolved to approve an increase of 3.99% on the Precept for 2017/18. It was within the Panel's gift however, whilst agreeing to the Precept increase, to recommend to the Commissioner an alternative increase for his consideration.
3. On the 31<sup>st</sup> January 2017, the Commissioner received the formal report from the Panel, for him to consider the recommendation to increase the Precept by 3.55%.

### **CONSIDERATION OF THE GWENT POLICE AND CRIME PANEL'S PRECEPT RECOMMENDATION REPORT**

1. The Commissioner, Deputy Commissioner, Chief Finance Officer and Chief of Staff met on Wednesday 1<sup>st</sup> February 2017 to consider the Panel's report and recommendation.
2. The Commissioner commended the valued challenge and scrutiny the Panel provided during the budget setting process and acknowledged the well-made and well-presented points outlined in the Panel's report. He also conveyed his appreciation regarding the thanks given by the Panel, for the work undertaken by his Office in the early engagement with the Panel during this budget setting round.



3. In determining his response and recommendation, the Commissioner took into account the following considerations:

- a) Future Funding Levels – The Medium Term Financial Projections (MTFP) currently estimate further funding cuts beyond 2017/18 of 2% per annum on Central Government Core Grant. In addition, as a result of the expected outcomes of the Government’s review of the Police Funding Formula, the Commissioner could also lose a further £6m of Central Government Core Grant. In cash terms the effect of these two types of cuts amounts to £11.31m between 2017/18 and 2021/22. By way of context, to date, the Commissioner has already experienced a 27% cash cut in Central Government Core Grant (over 40% in ‘real’ terms);
- b) Future Financial deficit – The Chancellor’s overarching Comprehensive Spending Review (CSR) strategy in relation to policing and crime, assumes a national average increase of 2% Precept year on year over the course of this Parliament. This increase, coupled with a consistent national council tax base growth of 0.5% per annum is intended, on a national average, to maintain Commissioner’s ‘flat cash’ funding levels. However, these assumptions do not reflect the local impact of reductions in Central Government Core Grant as a result of the review of the Police Funding Formula. As Gwent is expecting to lose a further £6m as a result of this review, a 3.99% increase in Precept per annum, coupled with a 1% council tax base growth per annum, is required to maintain flat cash funding to 2021/22. Flat cash funding obviously will not meet new unavoidable costs (e.g. from legislative changes) and investment in known emerging pressures (e.g. cyber enabled criminality). When these are accounted for, the financial deficit faced by the Commissioner in 2021/22 amounts to £9.36m. The entirety of the Precept increase therefore supports the maintenance of the existing operational policing model and also the known emerging pressures and associated Force’s investment plan. To this end, Gwent Police is planning to recruit around 120 police officers during 2017/18. This continues the trend which will see 160 police officers being recruited during the 2016/17 financial year – which in no small part relied upon the 3.99% Precept increase agreed a year ago for the 2016/17 financial year;
- c) Savings Programme – Between 2008/09 and 2016/17, the Commissioner and Gwent Police will have delivered recurrent cashable efficiency savings of £42.07m. The budget estimate for the 2017/18 financial year already accounts for a further £7.48m of cashable efficiency savings taking the total to £49.55m. The financial deficit to 2021/22 creates a further savings target of £9.36m. To this backdrop, a Precept increase of 3.99% (which only provides for flat cash funding moving forward), provides a degree of stability in sustaining already delivered efficiencies; risk-manages those identified for 2017/18; and provides a



degree of surety around the future savings target to be delivered by the Staying Ahead Programme;

- d) Public Views – Since taking office in May 2016, the Commissioner has undertaken a significant programme of public engagement events and surgeries. He has listened carefully to the public’s concerns and views and drafted a Police and Crime Plan and associated financial strategy which will deliver against the public’s and partner’s needs. The annual Precept increase is a fundamental component in delivering a robust Police and Crime Plan. In addition to the continual public engagement activities, to support the Commissioner’s financial planning and to meet statutory requirements, an on-line public consultation regarding proposed council tax Precept increases was launched on 16<sup>th</sup> December 2016, with a closing date of 20<sup>th</sup> January 2017. At the survey’s close, 491 people had replied (600 respondents would have provided a statistically robust sample) and of these, over 51% of respondents were in support of at least an increase of 3.99% on the Precept; and
- e) Other Welsh Commissioner’s Precept increases – A sound barometer of the financial impact of ongoing austerity, coupled with the volume and complexity of dealing with new policing demand, is the Precept increases proposed by the other three Welsh Police and Crime Commissioners. Following the conclusion of their respective Police and Crime Panel Meetings, the Precept increases have been agreed at 3.79% (North Wales), 5% (South Wales) and 6.9% (Dyfed Powys).
4. In relation to a specific point in the Panel’s recommendation report, above and beyond the above considerations, the Commissioner will, via the Chief Constable, invest the additional Precept income of £0.56m (the difference between the 3.99% and 3.55%) into frontline service delivery in support of the Force’s investment plan. The Commissioner will specifically hold the Chief Constable to account for the delivery of this investment plan (in addition to the overarching Force Delivery Plan) and report this to the Panel in due course.

## **RECOMMENDATION**

1. Having taking into account the Panel’s report and recommendation against the considerations outlined above, the Commissioner intends to issue his proposed Precept of £49,455,388 (equivalent to a Council Tax Band D of £228.84) for 2017/18, reflecting an increase of 3.99%.

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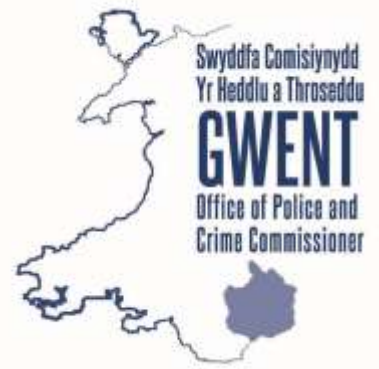
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2. The Commissioner requests that this report is circulated to Panel Members for their immediate notification, as he now intends to issue his Precept in line with statutory timescales. In doing so, he notes the request of the Chair of the Panel that this outcome is reported to the next Panel meeting on the 17<sup>th</sup> March 2017 for information only.