

REPORT ON THE POLICE AND CRIME COMMISSIONER FOR GWENT'S PROPOSED COUNCIL TAX PRECEPT FOR 2018/19

INTRODUCTION

1. This report is made in accordance with the Police and Crime Commissioner for Gwent's (Commissioner) statutory duty contained in Paragraph 6, 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 19th January 2018 of his proposed Police and Crime Budget and Council Tax Precept for 2018/19. 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 26th January 2018.
2. Following a full debate regarding the financial outlook facing the Commissioner, the policing pressures in Gwent and the proposed Council Tax Precept, the Panel resolved to veto an increase of 4.49% on the Council Tax Precept for 2018/19. It was within the Panel's gift however, whilst vetoing the Council Tax Precept increase, to recommend to the Commissioner an alternative increase for his consideration.
3. On the 1st February 2018, the Commissioner received the formal veto report from the Panel, for him to consider the recommendation to increase the Council Tax Precept by 3.99% in 2018/19.

CONSIDERATION OF THE GWENT POLICE AND CRIME PANEL'S PRECEPT VETO REPORT

1. The Commissioner, Deputy Commissioner, Chief Finance Officer and Chief Executive met on Tuesday 30th January 2018 to consider the initial veto response. Upon receipt of the Panel's formal veto report and recommendation on the 1st February 2018, the Commissioner and Chief Finance Officer held further discussions to consider the report's implications.
2. The Commissioner commended the valued challenge and scrutiny the Panel provided during its meeting of the 26th January 2018 and also conveyed his appreciation regarding the thanks given by the Panel, for the work undertaken by the Office of the

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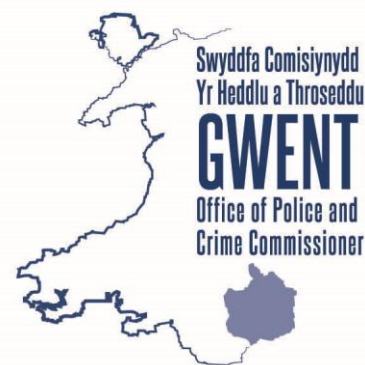
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Police and Crime Commissioner (OPCC) in the early engagement with the Panel during this budget setting round.

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

a) Current and Emerging Demand on Policing and Crime in Gwent – The Commissioner felt disappointed that sufficient regard had not been taken of the financial impacts of the comprehensive presentation and briefing which was provided by the Chief Constable at the Panel’s meeting of the 22nd December 2017. The presentation (and the subsequent inclusion of its main points in the Commissioner’s Police and Crime Budget and Precept report) clearly articulated:

- i. Rising Crime and Incident Demand – This was further endorsed by the publication on the 25th January 2018 of the Office for National Statistics’ latest crime figures for England and Wales which confirmed a 14% increase in recorded crime in Gwent in the 12 months to September 2017 as compared to the 12 months to September 2016;
- ii. Changes in the Complexity of Crime and the Need to Identify and Tackle Hidden Crimes – Particularly in relation to on-line harassment, cyber bullying and repeat victims of Child Sexual Exploitation (CSE);
- iii. Increased Levels of Vulnerability – Highlighting the volume of incidents dealt with by Gwent Police which have a mental health aspect and also the sheer volume of missing person reports and subsequent consumption of resources;
- iv. New Technology, Providing Increased Opportunities for Crime, Resulting in Increased Demand – As demonstrated through a cybercrime case study highlighting the investment required in the Paedophile and Online Investigation Team (POLIT) to deal with the year on year growth in Gwent sex offenders being managed in the community;
- v. Emerging Demand for Specialist Uniformed Operations – The effect of the Government’s austerity programme has already hampered this area of policing work. This position is further compounded when future local policing demand is factored in from the building of the International Convention Centre for Wales at the Celtic Manor Resort; dealing with protestors against the M4 relief road; and providing uniformed presence following counter terrorist work;
- vi. The Need to Balance Uniformed and Detective Resources Across Gwent – As demonstrated by the significant work across policing functions in Gwent to tackle serious and organised criminality and associated ‘Organised Crime Groups’ (OCG); and
- vii. The Need to Look After the Wellbeing of People Working for Gwent Police – Gwent Police has seen a 24.6% reduction in its overall workforce between 2007 and 2017 (the 5th largest across England and Wales) and experiences

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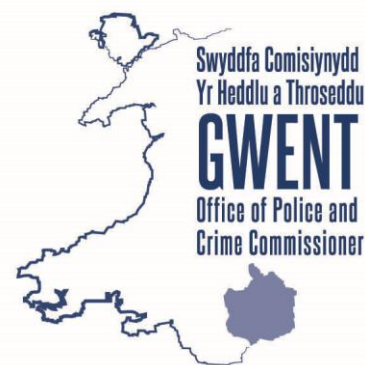
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utilisation rates of Police Officers across all 10 Neighbourhood Response Teams well in excess of the independently assessed optimum utilisation rate of 80%. In addition, between 31st March 2013 and 31st March 2017, Gwent Police has seen a steady increase in the proportion of its Police Officers on long-term sick - rising from 2.2% to 3.7% over the period; citing stress, anxiety and depression as the current top 3 reasons.

b) 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. Overwhelmingly, the public’s desire is to see visible and accessible policing across Gwent. The annual Precept increase is a fundamental component in delivering a robust Police and Crime Plan and meeting the public’s needs. 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 29th November 2017, with a closing date of 7th January 2018. It was agreed prior to the launch of the consultation that a representative sample size of 600 would be used, based on the entire population of Gwent. This provided the OPCC with 95% confidence that the answers received would be within a + / - 4% margin of error on the actual results – these parameters are widely accepted and utilised within the professional surveying arena. At the survey’s close, 609 people had replied (603 from Gwent residents) which categorically provided a representative sample size based on the parameters agreed. This response rate was a significant improvement on previous years’ and compares favourably, in response rates, to surveys of a similar nature undertaken by other bodies. The survey confirmed:

- i. 68% of respondents supported a Council Tax Precept increase in 2018/19 of 3.99%;
- ii. 54.6% of respondents supported a Council Tax Precept increase in 2018/19 of 4.99%; and
- iii. 51.8% of respondents supported a Council Tax Precept increase in 2018/19 of 5.99%

The Commissioner’s initially proposed Council Tax Precept increase of 4.49% prudently reflected the findings of the above survey and also his acute awareness of the continued financial burden placed upon people within communities in Gwent, a number of which living in the most disadvantaged communities within

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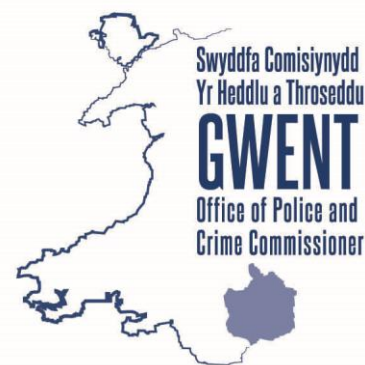
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England and Wales. However, the Commissioner's Police and Crime Plan, supported by Gwent Police's Force Delivery Plan and the OPCC's Business Plan, fundamentally aims to direct policing and crime resources toward the most deprived, disadvantaged and vulnerable people and communities in Gwent, to tackle, in partnership, deep rooted issues. Therefore, this investment in the Council Tax Precept will most benefit, those acknowledged to least afford it.

- c) Gwent Local Authority Council Tax Precept Increases – At the time of the Panel meeting of the 26th January 2018, estimates of Council Tax Precept increases for 2018/19 had been received from all five Local Authorities in Gwent. These ranged from 3.7% to 5%. The median (or middle figure in the range) was 4.52%, which, being higher than the Commissioner's proposal, confirmed that three of the five Gwent Local Authorities were proposing higher Council Tax Precept increases than the Commissioner for 2018/19. The simple average (or arithmetic mean) of the five Council Tax Precept increases received amounted to 4.47%, which was largely consistent with the Commissioner's original proposal. This exercise is undertaken to ensure local increases in police and crime funding, are not significantly inconsistent with local Public Sector partners, operating in the partnership landscape across Gwent and delivering the 'One Public Service' ethos. It must be acknowledged however, the degree of 'funding protection' Welsh Government has provided across Local Authorities in Wales is significant, compared to that provided to the non-devolved policing services who are funded via the Home Office – note that Gwent Police has experienced nearly a 25% cash reduction in Central Government Grant in the 9 years since 2010/11 and delivered over £49m of cashable efficiency savings to date.
- d) Other Welsh Commissioner's Council Tax Precept Increases – A sound barometer of the financial impact of ongoing austerity, coupled with the volume and complexity of dealing with new policing demand, are the Council Tax 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 3.58% (North Wales), 5% (Dyfed Powys) and 7% (South Wales).
- e) The Statutory Requirement to Achieve a Balanced Budget – The Commissioner's initial proposed Council Tax Precept increase of 4.49% primarily reflected four 'drivers' which were to:
- i. Contribute to maintaining Police Officer and Police Community Support Officer (PCSO) numbers at full establishment over the next three financial years;
 - ii. Reflect the findings of the statistically robust public survey;

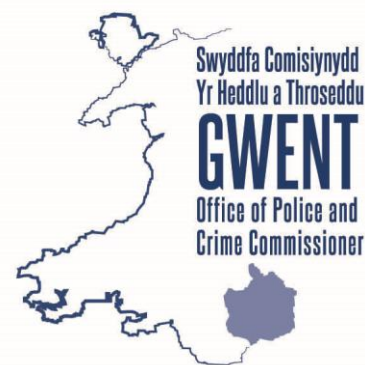
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- iii. Maintain the currently forecast recurrent deficit in 2022/23, following downward projections of future Council Tax Base levels; and
- iv. Achieve a balanced budget in 2018/19.

Of the above drivers, only point iv. is a statutory requirement. In reflecting the first three drivers, the Commissioner's Police and Crime Budget and Precept Report for 2018/19 confirmed, at Appendix 1b, that a 4.49% Council Tax Precept increase in 2018/19, after accounting for savings of £183k, returned a small surplus of £57k. In order to remove this surplus, an absolute minimum increase in Council Tax Precept to achieve a future-proofed balanced budget in 2018/19 would be 4.37%.

RECOMMENDATION

1. Prior to proposing the revised Council Tax Precept for 2018/19, a key recommendation moving forward is to continue to utilise and embed the Panels' Finance Sub-Group to provide meaningful, timely, robust and transparent scrutiny of the Commissioner's Finance Strategy and Medium Term Financial Projections, in order to assist the wider Panel members in their deliberations on the Council Tax Precept. In addition to this, a further recommendation is to adopt a formal programme of work to familiarize Panel Members with both the context and intricacies of delivering Police and Crime services across Gwent, as is currently undertaken on a quarterly basis by the Commissioner and Chief Constable's Joint Audit Committee.
2. Turning to the matter in hand however, having taking into account the Panel's report and recommendation against the considerations outlined above, the Commissioner intends to issue his revised Council Tax Precept of £52,035,431 for 2018/19, equivalent to a Council Tax Band D of £238.84, reflecting an increase of 4.37% or £10.00 per annum. The Panel's recommendation of a Council Tax Precept increase of 3.99% would have generated a Council Tax Band D of £237.97, an increase of £9.13 per year. Therefore, the Commissioner's revised Council Tax Precept increase is £0.87 per annum more than the Panel's recommendation, but is £0.27 per annum less than his original proposal.
3. The revised Council Tax Precept of £52,035,431 will be apportioned to each City/County/County Borough Council according to the following table:

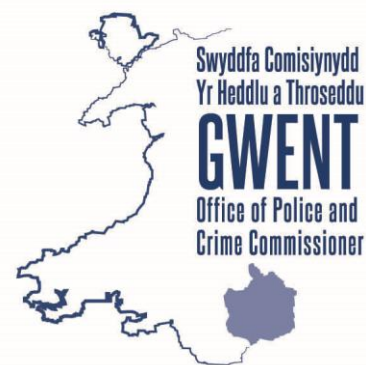
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Unitary Authorities	£	Tax Base Band D Equivalent
Blaenau Gwent	4,819,779	20,179.95
Caerphilly	14,317,027	59,944.01
Monmouthshire	10,959,854	45,887.85
Newport	13,963,903	58,465.51
Torfaen	<u>7,974,868</u>	<u>33,390.00</u>
Total	52,035,431	217,867.32

4. The Council Tax Precept shown in the above table generates the following amounts of council tax for the various bands:

Council Tax Band	£
A	159.23
B	185.76
C	212.30
D	238.84
E	291.92
F	344.99
G	398.07
H	477.68
I	557.29

5. The Commissioner requests that this report is circulated to Panel Members for their immediate consideration, in order to meet the statutory timetable and to also expedite the next stages in order that the Local Authority Billing Authorities can finalise Council Tax Bills for 2018/19.