

Durham Police and Crime Commissioner Decision Record

Key Decision No	002/2016
Subject:	Precept Increase for 2016-17
Executive Summary	<p>As Police and Crime Commissioner for County Durham and Darlington, it is my responsibility to secure an efficient and effective police force for the area. This includes setting the budget for the police force. The Government only provides around 75% of the funding necessary to run the force, and the rest is raised through part of Council Tax, known as the Policing Precept. I am responsible for setting the level of the precept each year, after consulting you. Like the rest of Council Tax, how much you pay depends upon the value of your home.</p> <p>This is your money, and we must be careful how we spend it. Durham Constabulary has carried out excellent work to increase value for money and improve its service within constricting budgets. It has improved efficiency and continuously looks at innovative ways to generate income. In 2015 Durham Constabulary were the only force in the country to be graded as 'Outstanding' by HMIC for all three questions of the PEEL Efficiency Inspection. The HMIC said that Durham has a track record of strong financial management and has a clear plan to manage future reductions in its budget.</p> <p>In the recent Comprehensive Spending Review (CSR), the Government stated that they will protect the overall policing budget in line with inflation. However the amount of funding coming to local policing from Government is still reducing year on year. This is because the Government is choosing to allocate additional money to national priorities like counter terrorism, increased firearms capability, and funds to which forces have to bid for a share. The total provisional grant received by Durham in 2016-17 will be £85,782,390 which is £457,127 less than in 2015-16.</p> <p>Despite these reductions I remain committed to neighbourhood policing and my responsibility to secure an effective and efficient service to the people of County Durham and Darlington.</p> <p>My Proposal</p> <p>I intend to apply a small increase to the Council Tax Precept of 1.98% which, for a house in Band D, equates to just £3.22 per year or 6p a week.</p>

This will **raise approximately £520,000** and **help to keep 11 Police Officers on the street** compared to freezing Council Tax. The following table shows the current level (2015/16) and the proposed increases for each band of property:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Precept 2015/16	£108.49	£126.57	£144.65	£162.73	£198.89	£235.05	£271.22	£325.46
1.98 % Increase								
Proposed Precept 2016/17	£110.64	£129.08	£147.51	£165.95	£202.83	£239.70	£276.59	£331.90
Increase Per year	£2.15	£2.51	£2.86	£3.22	£3.94	£4.65	£5.37	£6.44
Increase per week	£0.04	£0.05	£0.06	£0.06	£0.08	£0.09	£0.10	£0.12

The reason I am not proposing to freeze the precept: The Government also only allows me to increase the precept by a certain level each year, without seeking an expensive referendum. This means if our area's precept did not increase one year, the baseline (and therefore the budget) would be lower for every subsequent year. If I did not increase the precept I would be permanently reducing the income that the precept can generate. This would make the force less resilient to future budget reductions, which ultimately impacts on the number of officers the police force can provide.

The reason I am not proposing an increase of higher than 1.98%: The Government restrict the amount by which I can increase the precept, and require me to hold a referendum if I wish to increase it by 2% or over. Such a referendum would cost around £768,000, and the result would not be guaranteed. Each additional increase of 1% raises approximately £250,000. Therefore, in order to recoup the costs of a referendum, I would need to raise the precept by at least 5% (2% plus 3% to cover the referendum costs) before the force would actually see any additional money in the first year. In addition, if the people decided at the referendum that they did not want to pay more, the money spent on the referendum would be lost forever.

The benefits of a 1.98% increase: After assuming a 1.98% precept increase, the estimated budget for 2016-17 is approximately £113.5 million, which is £0.9m more than the 2015-16 budget. This is the first increase in total resources for over 5 years, which still means a real terms cut after taking into account the costs of extra employers' national insurance, the nationally agreed pay award, and other inflationary pressures such as those relating to national ICT contracts. This means the Council Tax contribution to policing is a vital contribution.

Recommendation

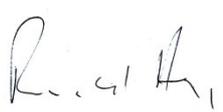
To consult the public on the following options:

- a) To increase the precept by 1.98%, increase of £3.22 per year or £0.06 per week for a Band D property.
- b) To maintain the precept at its current level.

The consultation will run from 11th January 2016 until 1159pm on **Wednesday 27th January 2016**.

The consultation is available from my website at <http://www.durham-pcc.gov.uk/Get-Involved/Public-Consultations.aspx> or from Office of the Durham Police and Crime Commissioner, County Hall, Durham, DH1 5UL. enquiries@durham-pcc.gov.uk or 03000 264631

Risks and Implications identified and considered in making this decision:			
Finance	Y	Environment	n/a
Accommodation	n/a	Potential Impact on Police and Crime Plan Priorities	n/a
Stakeholder / Community Engagement	Y		
Value for Money and Productivity	Y	Equality and Diversity	Y
Commissioning	n/a	Children's Act 2004	n/a
Staffing	n/a	Collaboration and Partnerships	Y
Crime and Disorder	n/a	Other risks	n/a

Approval	
Chief of Staff	Police & Crime Commissioner
Alan Reiss	Ron Hogg
Approved by Signature: 	Approved by Signature: 
Date: 11 January 2016	Date: 11 January 2016

Contact Officer	
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