



Police and Crime Panel for Northumbria

02 FEBRUARY 2021

Report of Police and Crime Commissioner for Northumbria

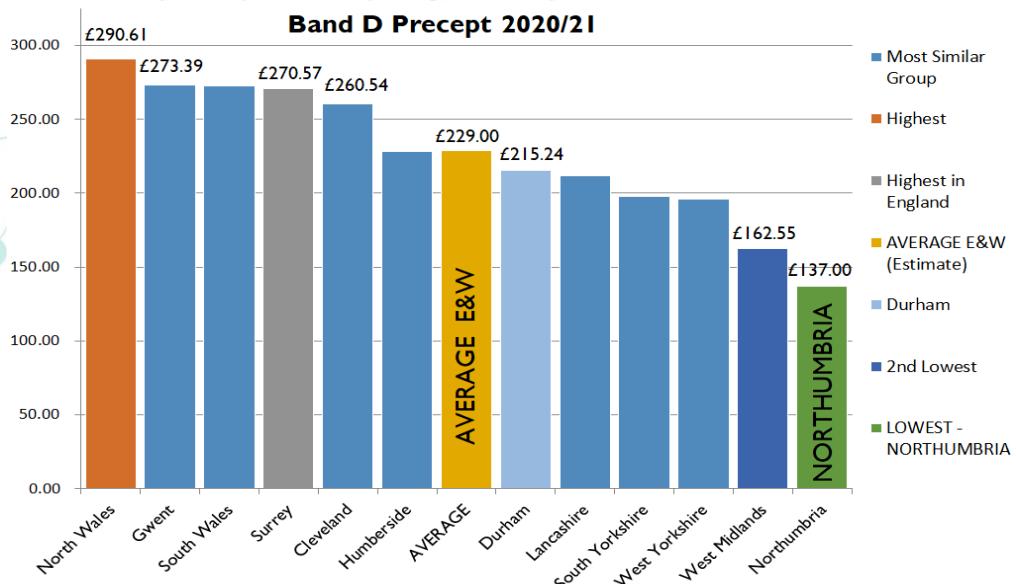
Report on Proposed Precept for 2021/22

1. Purpose of Report

- 1.1 This report sets out my proposed Council Tax Precept for the policing area covered by the Police and Crime Commissioner (PCC) for Northumbria for the 2021/22 financial year, with a recommendation to agree to the proposal.
- 1.2 I am seeking agreement on a 4.99% precept rise. In proposing this precept rise I am mindful that this last year has been one of financial challenge for many households. But it is important our police force have the funds available to keep us safe and respond to emerging crime trends. While the Government has said it will allow Police and Crime Commissioners to increase precepts by a maximum of £15 per household, equivalent to 10.95% in Northumbria, I believe the smaller increase I am proposing is fairer to households while still ensuring Northumbria Police is well placed for the future.
- 1.3 In order to address the increase in demand and complexity of investigations, as well as looking to improve the quality of investigations, the Council Tax precept will be used to deliver an additional 60 police officer investigator posts in 2021/22, over and above existing recruitment plans and the Uplift target set by government. The £2.7m raised through the precept increase will provide for all salary and employer costs including training, IT, uniform and personal protective equipment, allowances, recruitment costs and personal issue kit such as Taser capability and body-worn video.

2. Background

- 2.1 The Police Reform and Social Responsibility Act 2011 Schedule 5 states that, "A Police and Crime Commissioner may not issue a precept under section 40 of the Local Government Finance Act 1992 for a financial year until the end of the scrutiny process is reached." The first stage of the scrutiny process is that I must notify you of the precept I am proposing to issue for the financial year 2021/22.
- 2.2 The Council Tax Precept is a source of revenue for policing in Northumbria, the following graph shows a comparison of Northumbria's position to other Force areas for the current financial year 2020/21:



- 2.3 As is clear from the graph above the Northumbria Band D precept charge of £137.00 for 2020/21 is the lowest of any PCC in England and Wales. The Band D precept charge is the contribution paid toward policing by a homeowner in that category, and is the common criteria by which information and comparison is based. It should be noted that the majority of properties in the Northumbria area are Band A, i.e. the lowest banding for which the charge is £91.33. For 2020/21 18% of our core resource funding is derived from the Council Tax Precept, with the majority (82%) being through government grant.
- 2.4 Since 2010, Central Governments 'Austerity' drive saw unprecedented cuts to the funding provided to Policing, with Northumbria being the hardest hit of any Force in England and Wales. Central Government formula funding for policing in Northumbria was reduced by more than 31% in real terms between 2010/11 and 2018/19, as confirmed independently by the National Audit Office (NAO). By March 2020 Northumbria had made £144.3m of cuts and efficiencies to manage the reductions imposed by government.
- 2.5 Whilst government funding for policing has increased over the last 2 years it was made clear that no inflationary increase was being provided by government, with core grant increases covering only part of the increased cost of police officer pensions for 2019/20 and delivery of the Police Uplift Programme (PUP) in 2020/21.
- 2.6 Local precept income is therefore essential to maintain spending power and make sure the Force has the resources it needs to keep our neighbourhoods safe. The Council Tax Precept raised £54.651m towards the total funding requirement for Northumbria in 2020/21. Residents in Northumbria have provided additional funding to support Northumbria Police year-on-year and that support has been vital to help the Force deliver the Police and Crime Plan priorities.

3. Police Settlement 2021/22

- 3.1 In summary, the main elements of the 2021/22 Home Office settlement included:

- £415m increase in Government funding to PCCs to support the recruitment of an additional 6,000 officers by March 2022.

- This includes £100m ring-fenced grant allocated to Forces in-line with their funding formula allocations, accessed through progression against their recruitment targets.
- The precept referendum limits for 2021/22 have been set by Government to enable PCCs to raise further funding for local priorities, through an increase of up to £15.00 per year for a Band D property.
- Specific grant funding allocated to Forces to manage part of the increased cost of employer pensions in 2019/20 and 2020/21 has been confirmed for one further year.

- 3.2 Whilst the Government continue to fund the Police Uplift Programme, delivery has been slowed against the original profile with the 2021/22 target being reduced by 2,000 officers.
- 3.3 Whilst the increase to government grant will enable delivery of Uplift targets it does not include inflationary increases or funding to meet the ever-rising costs of transforming police services and building the digital infrastructure essential to respond to emerging crime trends.
- 3.4 Northumbria have argued for a number of years that the Government settlement should deliver the additional funding required by Forces to maintain high standards of policing services to the public. Police forces now urgently need long-term funding certainty from Central Government, as opposed to one-year settlements.
- 3.5 Despite the challenges faced in 2020 Northumbria Police has continued to deliver on the priorities of its communities, reduce crime and begin the biggest digital transformation the Force has ever undertaken. The budget proposal for 2021/22 will allow the Chief Constable to continue to deliver those priorities and investment plans, maintaining the excellent level of service Northumbria Police provides.
- 3.6 The attached report at **Appendix 1** sets out the proposed revenue budget and capital programme for 2021/22 including my precept proposal, together with a review of the current year's budget position and future funding.

4. Precept Options

- 4.1 Consideration of the Council Tax Precept has to be taken alongside both the overall funding made available to the Force and the impact on households of any increase. The Government has proposed precept referendum limits for 2021/22 that enable PCCs to raise additional funding for local priorities through an increase of up to £15.00 for a Band D property. For residents in Northumbria this would equate to a further 10.95% on Council Tax bills for 2021/22.
- 4.2 In considering the right precept proposal for 2021/22 I am mindful that this last year has been one of financial challenge for many households. But it is important our police force have the funds available to keep us safe and respond to emerging crime trends. While the Government has said it will allow Police and Crime Commissioners to increase precepts by a maximum of £15 per Band D household, equivalent to 10.95% in Northumbria, I believe a smaller increase will be fairer to households while still

ensuring Northumbria Police is well placed for the future. Therefore my decision is to propose an increase of only 4.99% on the precept.

- 4.3 The funding available through the precept increase of 4.99% on the tax base would provide an additional £2.708m in 2021/22. It would also increase the underlying precept base and provide continued financial benefit in future years. For context, an increase of 4.99% equates to £6.84 per year for a Band D property, approximately 57p per month. For a large proportion of the residents in Northumbria, those in a Band A property, the actual increase will be approximately 38p per month (£4.56 per year).
- 4.4 On 7 January 2021 I launched a consultation with the public on the precept, asking people how much they are prepared to pay to support their police force. This was supported by a press release sent to local media and regular reminders to take part on social media. This consultation followed on from the Police and Crime Plan survey carried out in October and November 2020, which included funding questions alongside policing priority questions.
- 4.5 The online survey was active from 7 January until 21 January 2021, in which people were asked their view on range of actions. Respondents were asked their view on a zero council tax rise, an increase of 23 pence per month for a Band D property (1.99%), an increase of 57 pence per month (4.99%), and a £1.25 per month increase (10.95%). Of the responses received from the online survey 57% of survey participants were supportive of some form of council tax increase. 43% said that they were not prepared to increase their council tax.
- 4.6 During the two month consultation period on the Police and Crime Plan more than 3,200 people completed a survey on their policing priorities including a question on whether they would be prepared to pay more for improved policing. 64% said "I can afford a little more" and 36% said "the current amount is what I can afford."
- 4.7 Over two weeks in January 2021 a telephone consultation was carried out by the Public Insight team at Northumbria Police. 610 households were contacted, just over 100 in each local authority area. In order to ensure a higher success rate in the phone calls, just two options were used compared to the four in the online consultation. Those taking part were asked if they would support an increase, with information provided around the monthly increase for a Band A and Band D. Overall results show that 85% of respondents agreed that they would support a 23 pence increase per month (1.99%) on their council tax to help the police cover some of the shortfall in government funding. When asked about a higher amount, 76% of respondents agreed they would support a 57 pence increase (4.99%) for the same purpose.
- 4.8 The reasons cited by respondents for supporting the potential increase to the police Council Tax precept included: wanting to support the police; due to positive encounters with the police; for public safety; and due to the strain upon local policing as a result of budget cuts. Conversely, respondents that expressed that they were opposed to any increase cited reasons such as: feeling that they could not afford any increase; that they already paid enough council tax; and as they felt that the current provision of public services did not justify an increase.
- 4.9 I have considered the options available to me and have taken into consideration the consultation feedback. My primary considerations are to ensure the effective delivery

of the Police and Crime Plan, protecting communities and the most vulnerable, and maintaining the provision of neighbourhood based policing services as far as possible and to keep police officers 'on the beat'. Alongside that I have to take in to account the impact on residents of any rise in household bills during a period of economic uncertainty. I believe it is the right decision to recommend an increase in the precept of 4.99% (£6.84 per year for a Band D household), to continue to support local policing services in the face of a challenging financial situation.

- 4.10 In deciding on the 57 pence per month increase of 4.99% alongside the increase in grant funding, I am confident that the Chief Constable and myself will be in a good position to continue to deliver for residents in the Northumbria force area.
- 4.11 I think it is also important to acknowledge that this increase in central government funding does not yet undo the impact of ten years of austerity and the overall funding reductions Northumbria Police have had to adjust to. Uplift targets allocated to date do not go far enough towards replacing the 1,100 officers that Northumbria lost between 2010 and 2019. Indeed, this is yet again only a one-year settlement which does not provide any certainty beyond March 2022.
- 4.12 Both myself, the Chief Constable and Northumbria Police are committed to fighting crime, preventing crime and improving lives – but without appropriate and suitable funding, we will face challenges and difficult decisions ahead.

5 Proposals

- 5.1 I propose that the precept is increased by 4.99% which equates to £6.84 per year for a Band D property.
- 5.2 The impact of this decision in 2021/22 will allow for an additional and recurring £2.708m contribution to resources.
- 5.3 This proposal is made in the context of the budget needed to invest in policing resources, with essential expenditure to deliver the Police and Crime Plan.

6. Recommendation

The Police and Crime Panel are asked to:

- I. Review the recommended precept proposal.
- II. Make a report to the Commissioner on the proposed precept for the forthcoming financial year.