

POLICE AND CRIME PANEL
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NORTH WALES POLICE AND CRIME PANEL

REPORT ON THE COMMISSIONER'S PROPOSED PRECEPT FOR 2019/20

Background

This report is made in accordance with the Police and Crime Panel's (PCP) statutory duty contained in Paragraph 3(2), Schedule 5 of the Police Reform and Social Responsibility Act 2011 (Act).

Review of Proposed Precept

The North Wales PCP was notified of the Police and Crime Commissioner's (PCC) proposed precept for 2019/20 on 11 January 2019, in accordance with Paragraph 2, Schedule 5 of the Act.

The PCP considered the PCC's report outlining the proposed precept and budget for 2019/20, together with the Medium Term Financial Plan at its meeting held in Bodlondeb, Conwy on Monday, 28 January 2019.

Members of the PCP reviewed the proposed increase of the precept to £81,030,000 (an increase of 8.42% from the 2018/19 precept), which would increase Council Tax by 7.74% (equivalent to £278.10 per annum, an increase of £19.98 per annum or 38p per week for a Band D property).

The PCP also received a presentation from the Chief Finance Officer, which highlighted:

- Funding Allocations
- Comparison of funding between 2018/19 and 2019/20
- Central Allocations (top slicing)
- Changes in the budget between 2018/19 and 2019/20
- Proposed Budget for 2019/20
- Risks

In scrutinising the proposed precept, the PCP raised a number of questions, particularly in relation to the uncertainty around future funding and the impact this could have on policing in North Wales. The Government was due to conduct a Spending Review in 2019/20, which would set long term police budgets and look at how resources are allocated fairly across police force; it was not clear whether this would include a review of the funding formula.

The PCP also raised concerns regarding the increase in the employers' contribution from 2019/20 for public sector pension schemes and the impact this would have on the Police Pension Scheme and the cost pressures for policing in North Wales. In addition, the PCP reiterated its concerns regarding the Apprenticeship Levy and the inability to access this funding in Wales.

Therefore, the PCP requested that a letter be written to the WLGA, asking for support from other PCPs in Wales to lobby the HM Treasury and Ministers in relation to the following issues:

- The consequences of the police pension evaluation and the impact this will have on the local taxpayer and on the policing services in Wales.
- The need for the Apprenticeship Levy to be distributed from Westminster and administered via the College of Policing, in order for police forces in Wales to access the funding for the new Police Education Qualification Framework.

In considering the proposed increase of £19.98 per annum, the PCP acknowledged that the PCC had tried to find a balance between affordability of the local tax payer and ensuring the police service had sufficient funds. It was also acknowledged that the PCC had decided not to increase the precept by the recommended £24; the Home Office had assumed that all Forces would increase their precept by £24 in calculating the potential additional total amount available to Forces from the Council Tax precept.

Therefore for these reasons, the PCP felt they could support the proposed increase in order to provide a sufficient budget to enable the operational delivery of the policing service in North Wales for 2019/20 and would also allow for investment in the Operational Improvement Programme (OIP), with an additional 34 Officers and 6 Staff.

It was requested that an update on the additional investment to deliver the OIP be provided to the PCP at an appropriate time, but before consideration of the precept for 2020/21.

RECOMMENDATIONS:

(a) That the precept be increased for 2019/20 to £81,030,000.

- **This will increase council tax by 7.74% - this is equivalent to £278.10 per annum, an increase of £19.98 per annum, or 38p per week for a band D property.**

- This is an increase in precept of 8.42% from 2018/19.
- (b) That it be noted that £2.832m of savings have been identified for 2019/20.
- (c) That it be noted that £2.793m of the savings will be reinvested in front line activities.
- (d) That it be noted that a further £2.614m will be invested in front line posts from the additional increase in precept.
- (e) That it be noted that the higher than expected increase inflationary increases of £5.223m is due to decisions made by the Government regarding public sector pension costs.
- (f) That it be noted that the proposed council tax increase is significantly below the Home Office's planning assumption of £24.
- (g) That the Medium Term Financial Plan be noted, which includes the following assumptions:
 - That Council Tax will increase by an estimated 7.74% in 2019/20, and 4.32% in 2020/21, 4.14% in to 2021/22 and 3.97% in 2022/23 and 3.82% in 2023/24.
 - That policing grants will be frozen at current levels in 2020/21 onwards.
 - That annual pay awards will be 2% from September 2019.
 - That there will be additional costs relating to the new Police Education Qualification Framework (PEQF) from 2020-21 which will not be funded by the Apprenticeship Levy in Wales.
- (h) That an update on the additional investment to deliver the Operational Improvement Programme be provided to the PCP at an appropriate time, but before consideration of the precept for 2020/21.

29 January 2019