

Meeting: Police and Crime Panel for Essex
Date: 2.30pm; 29th January 2015
Venue: County Hall, Chelmsford

Proposed Precept for 2015/16

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Charles Garbett, Treasurer

1 Purpose of Report

- 1.1 To present the Police and Crime Commissioner's (PCC) proposed precept for 2015/16.

2 Force Performance

- 2.1 Essex Police has performed well against HMIC effectiveness indicators. The most recent 2014 HMIC PEEL inspection report states that 'Essex Police is good at reducing crime, preventing offending and tackling anti-social behaviour.'¹ Crime is broadly static in Essex with the most recent year to date figures showing no increase, despite a significant increase in domestic abuse crimes, which is one indicator of a greater confidence in reporting to the police.
- 2.2 The 2014 HMIC PEEL inspection report states that Essex Police is an efficient force and delivers good value for money. Recorded crime has fallen by 3.4% over the four years of significant funding reductions.
- 2.3 The PCC provides this Panel with a detailed performance report each quarter, showing progress against each of the key areas of focus within the Police Crime Plan. <http://www.essex.pcc.police.uk/scrunity/essex-police-performance/>
- 2.4 Further work is underway to demonstrate the relationship between financial inputs and performance outcomes, so we can better evidence the impact of investment on Essex Police performance. The PCC convenes monthly finance and resources scrutiny meetings with Essex Police to hold them to account on this important area.

3 Budget Overview

- 3.1 This report builds upon the initial discussion on 'budget issues' at the last meeting of this Panel and a full analysis of the PCC's proposed budget is shown in Annex 1.
- 3.2 The loss of central government grant from 2014/15 to 2015/16 is significant at 4.7%, equivalent to £8.5m. This loss of grant is very similar to the loss of grant last year and is indicatively equivalent to another 165 police officers. A precept increase of just under 2% will generate £1.7m to partly offset this loss.

¹ <http://www.justiceinspectrates.gov.uk/hmic/essex/>

- 3.3 Savings required for a balanced budget in 2015/2016 are £12.2m. HMI has advised PCCs to plan for further reductions in the following three years which will require savings of an additional £20.5m during 2016/17 and £16.3m during 2017/18. Based on medium term trends produced by the Office of Budget responsibility total recurring savings required over the next five years amount to £79m by 2019/20. This is an immensely challenging target and intense work will continue over the next few months to ensure that there are plans in place to meet the savings while maintaining essential investment in infrastructure projects.
- 3.4 The PCC is preparing plans for investing in estate and technology in order to provide the essential infrastructure that will be necessary for a modern, fit for purpose force over the five to ten year period. With reducing resources over a prolonged period of time it is essential that the Force has the technology, equipment and facilities to both prevent crime and deliver efficient policing in Essex in the interests of citizens and victims. The current police estate is too large, expensive to maintain and not always in the right place. The draft capital programme in Annex 1 indicates the magnitude of the task. More detailed preparation work is being undertaken as a matter of urgency and the Panel will be kept up to date with developments.
- 3.5 The PCC remains committed to supporting community safety partnerships. This work reduces crime and reduces demand on Essex Police. His ongoing grants and commissioning programme, more recently in addressing victim's needs will continue. The PCC's net grant budget of £2.5m is the same level as the current year and less than 1% of the total net budget.

4 Budget Strategies

Revenue Budget

- 4.1 The Revenue Budget strategy is to:
- i) Maintain a balanced budget over the five year life of the 2015/16 to 2019/20 Medium Term Financial Strategy (MTFS) by achieving a profile of savings reaching a total of £79m per year by 2019/20. This will require a significant change to the policing model in Essex involving further regional collaboration and radically changed local partnerships with other public authorities.
 - ii) Increase the precept for 2015/16 by the maximum permitted by the Government before a referendum is triggered in order to ensure a continuing stream of precept income to mitigate the savings required. The PCC is considering a referendum thereafter to lift the currently low precept to a more responsible level.
 - iii) Accommodate the cost of financing capital investment in the estate, IT and fleet within the medium term financial plan on the basis that approved business plans are both viable and affordable.
 - iv) Maintain only minimum sufficient reserves to meet working capital needs, essential investment and unforeseen events.

Capital Programme

- 4.2 The PCC's capital expenditure programme for 2015/16 will be financed from accumulated capital reserves, new capital receipts and through central government support. The Capital Expenditure strategy is to:-
- i) Continue the work on the capital strategies for the estate, IT and fleet through investment in strategic options that define the capital investment that would best meet operational policing and community requirements.
 - ii) Maximise capital resources from capital receipts and grants to fund both the current and emerging Capital Programme.
 - iii) During 2015/16 prepare a capital financing strategy to meet the anticipated net borrowing requirement arising from the capital investment in i) above.

4. Recommendation

- 4.1 The PCC invites the Police and Crime Panel to note the continuing satisfactory performance of Essex Police.
- 4.2 The PCC proposes to increase the precept (the policing part of the council tax) in 2015/16 to the maximum permitted by the Government before a referendum is triggered.
- 4.3 The PCC therefore recommends a precept increase of 1.996%, equivalent to an increase of £2.88 a year from £144.27 to £147.15 for a Band D property, thus raising £1.7m of additional council tax receipts.
- 4.4 The Police and Crime Panel is invited to review and report on this proposed precept.