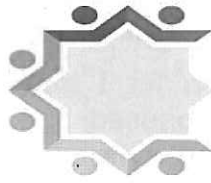




Mae'r ddogfen hon ar gael yn Gymraeg yn ogystal â Saesneg.

This document is available in Welsh as well as English.



COMISIYNYDD
HEDDLU A THROSEDDU
DYFED-POWYS
POLICE AND CRIME
COMMISSIONER

REPORT / SUMMARY DECISION SHEET

PURPOSE: COMMISSIONER DECISION

Timing: Routine

Title: Budget Requirement, Council Tax and Precept Requirements

Category of Decision / Business Area Impact: Finance

Executive Summary:

In relation to each financial year, the Commissioner is required to set out the determinations regarding Budget Requirement, Council Tax and Precept requirements in accordance with Sections 43, 44, 47 and 48 of the Local Government Finance Act 1992.

The Commissioner has paid due regard to the points raised in the Police and Crime Panel report and also responses to the public consultation. The issued precept is unchanged from that originally proposed to the Police and Crime Panel.

The attached determinations are supported by:

- the Commissioner's report to the Police and Crime Panel meeting on the 23rd January 2015;
- the Police and Crime Panel's report on the precept following that meeting; and
- the report of the Chief Financial Officer under section 25 of the Local Government Act 2003.

The final police settlement was received on the 4th of February 2015 and was unchanged from the provisional settlement previously announced.

Recommendation:

The Police and Crime Commissioner is asked to approve the attached Budget and Council Tax Requisite statutory determinations and calculations.

Police and Crime Commissioner for Dyfed-Powys

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Nolan Principles for Conduct in Public Life. The enclosed report and the statutory determinations and statutory determinations and calculations set out within have my approval.

Signature:

Date: 16/02/2015

Handwritten signature of C. R. Salmon in black ink.

Council Tax Requisite Calculation – minus 5% Council Tax at Band D

1. Budget Requirement 2015/16

£93.332 million is the Police and Crime Commissioner for Dyfed Powys' Budget Requirement for the year, calculated as follows in accordance with section 43 of the Local Government Finance Act 1992.

	£	£
Gross Revenue Expenditure		107,078,030
Contribution From Balances		-2,975,940
TOTAL GROSS EXPENDITURE		104,102,090
Other Income		-10,769,893
NET EXPENDITURE		93,332,197
Contribution to Balances		0
Net Budget Requirement		93,332,197
Net Budget to be met from:		
Police Grant	28,268,145	
Floor Grant	9,242,565	
National Non-Domestic Rates	11,361,905	
Revenue Support Grant	1,426,426	
BALANCE TO BE MET FROM COUNCIL TAX		43,033,156

Note	£m
Notional Council Tax requirement	21.074
Revenue balances are anticipated at:	4.500

2. Council Tax Base for 2015/16 at Band D equivalent number of properties

Unitary Authority Area	Equivalent Number of Band D Properties
Carmarthenshire	70,375.70
Ceredigion	30,467.50
Pembrokeshire	53,358.22
Powys	60,889.08
Total	215,090.50

3. Collection Fund Balances

The Police and Crime Commissioner for Dyfed Powys will not share in annual surpluses and deficits on the Collection Fund.

4. Calculation of Council Tax

$$\text{Calculation of Council Tax Formula} = \frac{A - (B1+B2+B3+B4)}{C}$$

Key to above:

- A = Budget Requirement
- B1 = Revenue Support Grant
- B2 = National Non-Domestic Rates
- B3 = Police Grant
- B4 = Floor Grant
- C = Total Council Tax Base

$$\frac{\pounds 93,332,197 - (1,426,426 + 11,361,905 + 28,268,145 + 9,242,565)}{215,090.50}$$

THEREFORE, the Basic Amount of Tax for the Police and Crime Commissioner for Dyfed Powys area amounts to £200.07 (rounded to nearest penny and divisible by nine)

5. Council Tax Per Property Band

Property Band	Weighting	Council tax £
A	6/9ths	133.38
B	7/9ths	155.61
C	8/9ths	177.84
D	9/9ths	200.07
E	11/9ths	244.53
F	13/9ths	288.99
G	15/9ths	333.45
H	18/9ths	400.14
I	21/9ths	466.83

N.B. Tax Calculation = Weighting x Band D Value i.e. Band D = £200.07

6. Police and Crime Commissioner for Dyfed Powys' Precept 2015/16

Unitary Authority	Tax Base	Tax per Band D Property	Precept due
		£	£
Carmarthenshire	70,375.70	200.07	14,080,066
Ceredigion	30,467.50	200.07	6,095,633
Pembrokeshire	53,358.22	200.07	10,675,379
Powys	60,889.08	200.07	12,182,078
Total	215,090.50		43,033,156

Appendix A

Precept report for Panel



REPORT ON THE COMMISSIONER'S PROPOSED PRECEPT FOR 2015/16

Background

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

Review of Proposed Precept

The Dyfed Powys Police and Crime Commissioner notified the Panel on the 23rd January 2015 of his proposed Police and Crime Budget and precept for 2015/16.

The Panel also considered a detailed report outlining the proposed budget for 2015/16 at their meeting held in County Hall, Carmarthenshire on the 23rd January 2015. The Panel debated the proposed decrease in light of the provisional Home Office and Welsh Government grant settlements and consideration of the current level of reserves that the Commissioner holds which is relatively high taking account of Welsh Audit Office guidance for reserve levels. This can be attributed to a number of factors including under spends on the Policing budget over the past few years.

Recommendations

1. That the Commissioner's proposal to decrease the Dyfed-Powys Police's precept by 5% for 2015/16 be endorsed.
2. That the Police and Crime Commissioner notifies the Panel in advance of the 13th February if the settlement from the Home Office alters any assumptions that have led to the 5% decrease figure being agreed.

January 2015

Local Government Act 2003 – “Section 25” Chief Financial Officer Statement

Section 25 of the Local Government Act 2003 requires the Police and Crime Commissioner (PCC) to have regard to a report from the Chief Financial officer when he is considering his budget and council tax precept. The following is a report on the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so the PCC will have authoritative advice available to him when he sets the budget and council tax precept.

The PCC decides every year how much he is going to raise from council tax. The decision is based on a budget that sets out estimates of the planned spend. Because the decision on council tax is made before the year begins and it cannot be increased during the year, consideration has to be given to the risks and uncertainties that might force more to be spent on the service than planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for each of the services; and
- ensuring that there are adequate reserves to draw on if estimates turn out to be insufficient.

With the continued pressure on finances set to remain for the foreseeable future, there is a need to build further on progress made in recent years on the cost reduction plan. The cost reduction plan has continued to be monitored and reported upon throughout 2014/15.

On the 17th December 2014, the Home Office published provisional 2015/16 Police Grant allocations which were followed on the same day by the allocations of Revenue Support Grant and National Non Domestic Rates from the Welsh Government. The draft settlement resulted in a reduction in core government funding of 5.1% in cash terms.

A draft budget for 2015/16 and indicative budgets for 2016/17 to 2018/19 have been compiled, taking into account inflation, known commitments and the impact of the Comprehensive Spending Review. The PCC has also taken into account responses received from the public consultation

The PCC currently holds significant reserves whilst having made savings against the budget in the last two years and therefore wishes to realign the precept with current spending patterns and adjust the level of reserves held.

The PCC held a seminar with the Police and Crime Panel (PCP) on the 12th December 2014 and discussed the proposal of a freeze in the precept for 2015/16 along with the possibility of returning reserves to the public via an alternative route.

Extensive discussions on how the PCC might achieve these aims have taken place and subsequently resulted in the conclusion that the precept is the only viable mechanism available to him.

The PCC has taken into account the Chief Constable's concerns raised on the 22nd January 2015 and the uncertainty of funding assumptions beyond 2015/16. In looking at the medium term financial plan, the PCC has considered possible future capping restrictions on the precept.

The draft budget position and associated cost savings plan have been discussed by the PCC and Chief Constable. The PCC recognises that there are significant and, as yet, unidentified savings to be made over the course of the medium term plan to achieve the draft budget beyond 2015/16.

The PCC presented the proposed precept to the PCP on the 23rd January 2015. The PCC provided full details of his proposal of a reduction of 5% in the precept. He explained that his current proposal for future increases in the precept would be a freeze in 2016/17 followed by an increase of 5% in each of the following two years. At this meeting the PCP voted to endorse the PCC's proposal for a council tax precept decrease of 5% for 2015/16.

On the 4th February 2015 the PCC received notification of the final police settlement for 2015/16. The proposed final settlement remains unchanged from the provisional settlement.

Meeting the scale of the financial challenge that lies ahead is a key priority of the PCC, by ensuring that services are delivered in a cost effective way. The PCC is aware that precept increases above inflation are not sustainable and has balanced this pressure on the taxpayers in Dyfed Powys against the need to provide an effective public policing service.

The PCC has therefore set a budget which aims to achieve a balance between the spending pressures identified and taxpayers' expectations.

At the PCP meeting held on 23rd January 2014, members of the panel were informed that the General Reserve balance had been maintained at £4.5m. This balance equates to 4.8% of the net revenue budget as defined in the Medium Term Financial Plan. It is suggested that this balance is retained at this level given the projected budget reductions in the next four financial years.

As Chief Financial Officer, I am satisfied that there has been a thorough and robust budget process and that due allowance has been made in relation to the matters mentioned above. In my opinion there are no major omissions to draw to the PCC's attention and I believe that my responsibilities under Section 25 of the Local Government Act 2003 have now been discharged.



Jayne Woods
Chief Finance Officer
13th February 2015

