

Richard Brown
Chair
Avon & Somerset Police and Crime Panel

Sent by e-mail: R.Brown@somersetwestandtaunton.gov.uk

11th February 2021

Dear Richard

Precept Proposal

I have carefully reviewed and considered your Precept Report dated 8th February with my senior team and the Chief Constable.

Clearly we are disappointed that the Panel have decided to veto our proposals, especially as 29 PCCs have agreed a precept rise of £15 (or very close) with their Panels. I feel that the Chief and I made a compelling case for the £15 precept increase in Avon & Somerset and the key items are summarised in my response.

However, I have paid due regard to the Panel's Report and I propose in my response to you a pragmatic revised precept that also fully addresses another point raised in your Report about reserves.

I also share the Panel's concern that many households are under financial pressure and I trust that the Panel will see that I have adopted a balanced response that meets your concerns but also seeks to protect the vital investments in local policing at a time of great uncertainty for the future of police funding.

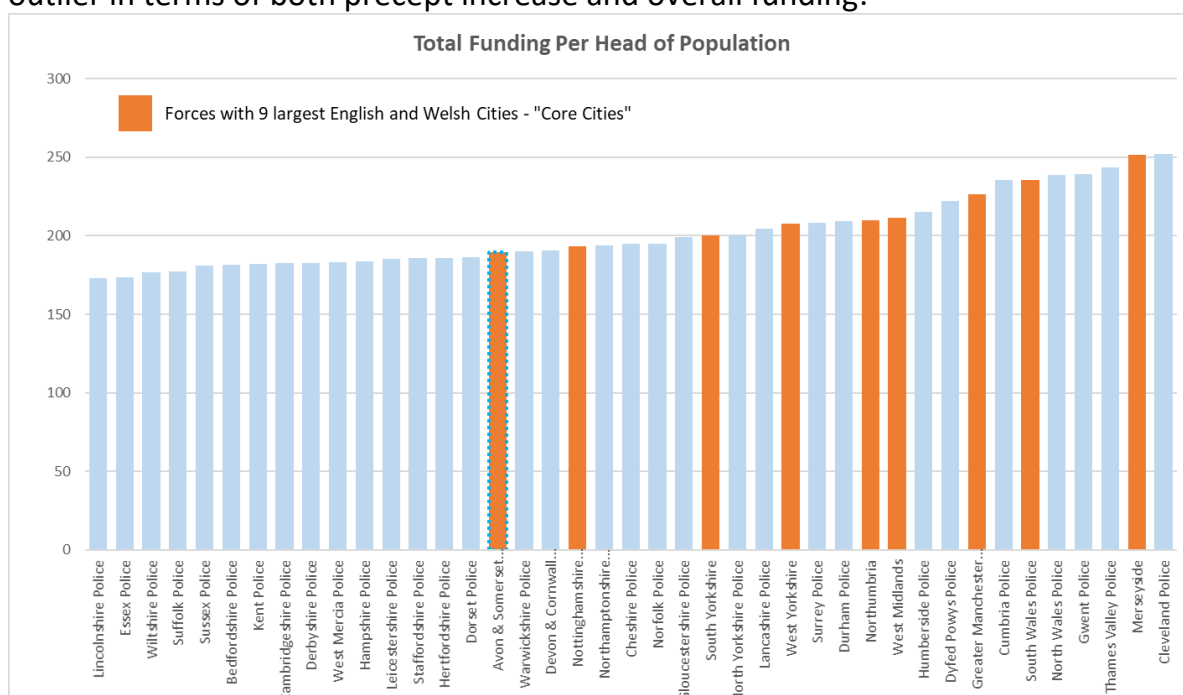
The Panel should also be aware that I am concerned for the negative impact on police officer morale at what has been a very difficult time for them and I am worried about the impact and message that the Panel's veto sends to our senior police leaders and to our hard working front line officers and staff.

My proposals for the 2021/22 precept and accompanying Medium Term Financial Plan were presented to the Police and Crime Panel last Thursday. As part of this you received detailed presentations from myself, the Chief Constable and the OPCC Chief

Financial Officer. The key factors underpinning the proposal for an increase of £15 were:

- The security of funding across the MTFP period at a time of maximum financial uncertainty and recognising the government’s presumption in funding announcements that the full £15 increase would be applied;
- The commitment to priority local initiatives in respect of Operation Remedy and Integrated Offender Management, underpinned by our current uplift trajectory;
- The poorly funded position of Avon and Somerset for our population, size and profile. Avon and Somerset currently receives £189.77 per head through grant and council tax, compared to a national average (exc London) of £201.91, resulting in a comparative shortfall in funding of nearly £21m.

Of the forces with the largest 9 cities¹ in England and Wales outside of London, Avon and Somerset receives the lowest funding per head of population. This situation reflects the historic under funding reinforced within the current formula for the distribution of police grant. Despite the promise of previous governments to review and address this outdated formula, this continues to be the dominant factor in the distribution of grant funding and in the distribution of the officer uplift targets. This relative position will be exacerbated as the majority of crime panels nationally have approved the maximum, or near maximum increase. It is unfortunate that Avon and Somerset will remain an outlier in terms of both precept increase and overall funding.



¹ Liverpool, Cardiff, Manchester, Birmingham, Newcastle, Leeds, Sheffield, Nottingham and Bristol

- The very small marginal impact on council tax payers, particularly at the lower band levels.

We have now had chance to review the proposed council tax increases of each of our local authorities across Avon and Somerset, as well as the precept determined by Avon Fire Authority. In all cases the maximum permissible precept is being sought, in common with the original proposal which I put forward. Whilst there is a difference in the level permissible to be raised without requiring a referendum, these levels are set by central government and are reflective of their view on the level of investment they wish to be available for the different services funded from council tax. Not supporting the maximum possible precept for policing at the same time as supporting the maximum for other services demonstrates an inconsistency which only serves to exacerbate the underfunded position of Avon and Somerset police.

I have carefully considered your letter of veto, and reviewed my original decision, and whilst valuing the democratic check and balance provided by the Panel, I remain convinced that my reasoning was sound. I was also aware that there were no independent members present when the vote was taken. Nevertheless, I recognise that it is incumbent upon me within the democratic process to acknowledge and have due regard for your concerns. I have therefore sought to mitigate my proposal whilst making the maximum effort to avoid excessive impact on critical programmes which remain key priorities both nationally and in our communities.

Whilst it is not viable to reduce the precept to £10 as you propose (4.4%, as opposed to the 5% you mention) without seriously compromising the constabulary's ability to meet the uplift programme, I have acknowledged your views on the £1m allocated for the incoming PCC's initiatives and allocated this money to offset the 2021/22 budget. This enables me to reduce the precept ask by the equivalent sum, giving an increase of £13.39 (5.88%) for Band D.

This approach maintains a balanced budget for 2021/22, whilst increasing the savings requirement across the remainder of the Medium Term Financial Plan. I fully recognise that this is effectively using reserves to subsidise one year, and does not address the increased funding gap created in subsequent years. In following your request, albeit in part, I recognise that I am somewhat constraining the flexibility of a future PCC through the removal of specific funding to underwrite their manifesto and priorities, as well as setting them the challenge of addressing increased deficits from 2022/23. You will be aware from the discussion on Thursday that the necessary savings plans (above the £7.3m already identified) may impact officer or staffing numbers going forwards and that protecting frontline delivery will come under increased pressure.

With regard to the precept consultation, it was unfortunate that the process was constrained due to the very late funding announcement which limited the time available for this to take place. Nevertheless, I was very pleased that we were still able to conduct our widest ever survey across telephone, online and, for the first time, postal means. Whilst these were stratified by local authority area and deprivation indices, we always strive for continuous improvement, and the input from Bristol council at the meeting was very helpful and we would welcome any other input in this important area.

Finally, I would ask you, on behalf of the precepting authorities, to respond to this revised proposal as expeditiously as possible, as I have tried to do here. We have been approached by a number of authority Section 151 officers who have expressed concern at the veto timetable and its impact upon them. I am aware that in some cases they would not be able to ratify their council tax, nor to send out council tax bills or direct debits in accordance with timetables. I am sure it would be greatly appreciated if you were able to accommodate your role with this in mind.

Kind regards,

A handwritten signature in black ink that reads "Sue Mountstevens". The signature is written in a cursive, flowing style.

SUE MOUNTSTEVENS

Police and Crime Commissioner
for Avon and Somerset

APPENDIX 1 - 2021/22 - 2025/26 Medium Term Financial Plan - Revenue

	Current Yr 2020/21 £'000	MTFP Period				
		2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Constabulary Budgets						
Police officer costs	152,926	163,173	169,646	173,593	179,865	187,901
Police community support officer costs	12,251	12,410	12,794	13,193	13,524	13,864
Polices staff costs	88,984	93,049	95,510	99,224	101,671	104,433
Other current and former employee costs	9,840	10,312	10,653	10,853	11,053	11,253
Premises costs	13,966	13,942	14,334	15,647	14,209	15,523
Transport costs	5,150	5,058	5,135	5,213	5,322	5,434
Supplies and services costs	34,339	37,248	38,401	39,371	40,111	40,790
Partnership costs	13,912	14,839	15,102	15,424	15,822	16,230
<i>Plus</i>		-	-	-	-	-
Contribution to/(from) reserve	678	384	57	93	216	215
Capital financing costs	17,277	17,817	17,711	16,894	18,711	17,889
Outstanding savings target	214	-	-	-	-	-
<i>Less</i>						
Income (inc PFI Grants)	- 26,124	- 25,521	- 26,173	- 26,306	- 26,567	- 26,794
Constabulary costs before specific grants	323,411	342,710	353,169	363,198	373,937	386,738
<i>Less</i>						
Home Office - Pensions grant	- 2,828	- 2,828	- 2,828	- 2,828	- 2,828	- 2,828
Home Office - Uplift grant	- 3,843	- 2,287	- 2,287	-	-	-
TOTAL constabulary costs	316,741	337,595	348,054	360,371	371,110	383,910
OPCC Budgets						
PCC commissioning costs	3,488	3,529	3,529	3,529	3,529	3,529
Office of the PCC costs	1,552	1,755	1,949	2,002	2,057	2,112
<i>Less</i>						
Ministry of Justice - Victims commissioning grant	- 2,001	- 2,001	- 2,001	- 2,001	- 2,001	- 2,001
TOTAL OPCC costs	3,039	3,284	3,478	3,531	3,585	3,641
Net Revenue Expenditure	319,780	340,879	351,532	363,902	374,695	387,551
<i>Funded by:</i>						
Home Office - Main police grant	- 174,768	- 185,784	- 194,361	- 200,590	- 204,601	- 208,693
Home Office - Legacy council tax grant	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709	- 14,709
MHCLG - Council tax support grant	-	- 2,265	-	-	-	-
MHCLG - Council tax income guarantee grant	-	- 387	-	-	-	-
Council Tax - Precept	- 130,068	- 137,695	- 141,906	- 146,407	- 151,023	- 155,652
Council Tax - (Surplus)/Deficit	- 235	962	665	665	-	-
TOTAL Revenue Funding	319,780	339,879	350,311	361,040	370,333	379,054
Surplus (-) / Deficit (+) before use of reserves	-	1,000	1,221	2,862	4,362	8,497
Planned Use of Reserves		- 1,000	-	-	-	-
Surplus (-) / Deficit (+) after use of reserves	-	-	1,221	2,862	4,362	8,497

Appendix B – Analysis of 2021/22 PCC Precept Proposals in England and Wales

	Council Tax Av. Band D			2021/22	Total Funding 2020/21 £/Pop	HMICFRS PEEL			
	2020/21	Increase				2020/21	Efficiency	Effective	Legitimacy
	£p	£p	%			£p			
Northumbria	137.00	6.84	5.0%	143.84	209.55	Requires Imp	Requires Imp	Good	
West Midlands	162.55	15.00	9.2%	177.55	211.61	Good	Good	Good	
Essex Police	198.63	9.90	5.0%	208.53	173.26	Good	Good	Good	
West Yorkshire	196.28	15.00	7.6%	211.28	207.72	Outstanding	Good	Good	
Hertfordshire Police	198.00	15.00	7.6%	213.00	185.90	Good	Good	Good	
South Yorkshire	198.04	15.00	7.6%	213.04	200.01	Good	Good	Good	
Sussex Police	199.91	15.00	7.5%	214.91	180.84	Requires Imp	Good	Good	
Kent Police	203.15	15.00	7.4%	218.15	181.79	Outstanding	Good	Outstanding	
Greater Manchester Police	208.30	10.00	4.8%	218.30	226.54	Requires Imp	Requires Imp	Good	
Merseyside	211.97	10.00	4.7%	221.97	251.29	Good	Good	Good	
Cheshire Police	210.44	15.00	7.1%	225.44	194.87	Good	Good	Good	
Lancashire Police	211.45	15.00	7.1%	226.45	204.46	Outstanding	Good	Good	
Hampshire Police	211.46	15.00	7.1%	226.46	183.80	Good	Good	Good	
Bedfordshire Police	212.09	15.00	7.1%	227.09	181.29	Good	Good	Good	
Durham Police	215.24	15.00	7.0%	230.24	209.07	Outstanding	Outstanding	Good	
Wiltshire Police	216.27	15.00	6.9%	231.27	176.70	Good	Good	Good	
Thames Valley Police	216.28	15.00	6.9%	231.28	243.24	Good	Good	Good	
Devon & Cornwall Police	221.64	14.92	6.7%	236.56	190.74	Good	Good	Good	
Suffolk Police	222.75	15.00	6.7%	237.75	177.23	Good	Good	Good	
Staffordshire Police	225.09	13.48	6.0%	238.57	185.65	Good	Good	Good	
West Mercia Police	225.20	15.00	6.7%	240.20	182.99	Requires Imp	Requires Imp	Requires Imp	
Avon & Somerset Police	227.81	13.39	5.9%	241.20	189.77	Outstanding	Good	Good	
Derbyshire Police	226.60	15.00	6.6%	241.60	182.75	Requires Imp	Requires Imp	Good	
Humberside Police	228.22	15.00	6.6%	243.22	215.00	Good	Good	Good	
Nottinghamshire Police	229.32	14.94	6.5%	244.26	193.47	Requires Imp	Good	Good	
Cambridgeshire Police	232.65	15.00	6.4%	247.65	182.31	Good	Good	Good	
Leicestershire Police	233.23	15.00	6.4%	248.23	185.19	Good	Good	Good	
Warwickshire Police	237.97	15.00	6.3%	252.97	189.88	Requires Imp	Good	Good	
Dorset Police	240.58	15.00	6.2%	255.58	186.31	Good	Good	Good	
Cleveland Police	260.54	5.00	1.9%	265.54	251.81	Inadequate	Inadequate	Inadequate	
Lincolnshire Police	251.37	14.94	5.9%	266.31	172.78	Requires Imp	Good	Good	
Northamptonshire Police	255.04	13.00	5.1%	268.04	193.95	Inadequate	Requires Imp	Requires Imp	
Gloucestershire Police	257.25	12.83	5.0%	270.08	199.11	Good	Good	Good	
North Yorkshire Police	265.77	5.29	2.0%	271.06	200.42	Good	Good	Requires Imp	
Cumbria Police	265.59	6.60	2.5%	272.19	235.31	Good	Good	Good	
Gwent Police	273.39	TBC	TBC	273.39	239.22	Good	Good	Requires Imp	
Dyfed Powys Police	260.56	15.00	5.8%	275.56	222.05	Good	Requires Imp	Requires Imp	
Norfolk Police	263.07	14.94	5.7%	278.01	194.99	Outstanding	Good	Good	
Surrey Police	270.57	15.00	5.5%	285.57	208.35	Requires Imp	Good	Good	
South Wales Police	272.72	15.00	5.5%	287.72	235.58	Good	Good	Good	
North Wales Police	290.61	14.94	5.1%	305.55	238.75	Good	Good	Good	