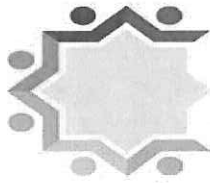




Mae'r ddogfen hon ar gael yn Gymraeg yn ogystal â Saesneg.

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 27th January 2017;
- 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 1st of February 2017 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: 30/03/2017

Council Tax Requisite Calculation – 6.9% Council Tax rise at Band D

1. Budget Requirement 2017/18

£96.616 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.

	£m	£m
Gross Revenue Expenditure		111.212
Contribution From Balances		-1.952
TOTAL GROSS EXPENDITURE		109.260
Other Income		-12.644
NET EXPENDITURE		96.616
Contribution to Balances		0
Net Budget Requirement		96.616
Net Budget to be met from:		
Police Grant	36.443	
National Non-Domestic Rates	8.935	
Revenue Support Grant	3.935	
BALANCE TO BE MET FROM COUNCIL TAX		47.303

Note	£m
Notional Council Tax requirement (from WG)	22.281
Revenue balances are anticipated at:	4.500

2. Council Tax Base for 2017/18 at Band D equivalent number of properties

Unitary Authority Area	Equivalent Number of Band D Properties
Carmarthenshire	71,599
Ceredigion	31,894
Pembrokeshire	55,920
Powys	61,764
Total	221,177

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

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

Key to above: A = Budget Requirement
 B1 = Revenue Support Grant
 B2 = National Non-Domestic Rates
 B3 = Police Grant
 C = Total Council Tax Base

$$\frac{\pounds 96,615,770 - (3,935,213 + 8,934,506 + 36,442,926)}{221,177}$$

THEREFORE, the Basic Amount of Tax for the Police and Crime Commissioner for Dyfed Powys area amounts to £213.87 (rounded to nearest penny)

5. Council Tax Per Property Band

Property Band	Weighting	Council tax £
A	6/9ths	142.58
B	7/9ths	166.34
C	8/9ths	190.11
D	9/9ths	213.87
E	11/9ths	261.40
F	13/9ths	308.92
G	15/9ths	356.45
H	18/9ths	427.74
I	21/9ths	499.03

N.B. Tax Calculation = Weighting x Band D Value i.e. Band D = £213.87

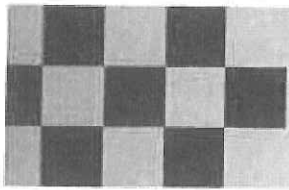
6. Police and Crime Commissioner for Dyfed Powys' Precept 2015/16

Unitary Authority	Tax Base	Tax per Band D Property	Precept due
		£	£
Carmarthenshire	71,599	213.87	15,312,878
Ceredigion	31,894	213.87	6,821,170
Pembrokeshire	55,920	213.87	11,959,610
Powys	61,764	213.87	13,209,467
Total	221,177		47,303,125

Appendix A

2017/18 Precept Report

Appendix B
Letter from Police & Crime Panel



**PANEL HEDDLU A
THROSEDDU DYFED-POWYS**

**DYFED-POWYS POLICE
AND CRIME PANEL**

Cyng. Alun Lloyd-Jones Cadeirydd
Panel Heddlu A Throseddu Dyfed-Powys
D/O Adran y Prif Weithredwr
Neuadd y Sir, Caerfyrddin, Sir Gar, SA31 1JP.

Cllr. Alun Lloyd-Jones Chair
Dyfed Powys Police and Crime Panel
C/O Chief Executive's Department
County Hall, Carmarthen, Carmarthenshire, SA31 1JP

Dyddiad /Date: 31st January 2017

Mr D. Llywelyn,
Police and Crime Commissioner,
Dyfed-Powys Police,
Police Headquarters,
Llangunnor,
Carmarthen.

Dear Commissioner,

Re: Police Precept for 2017/2018

I write further to your attendance before the Police and Crime Panel on Friday 27th January in respect of the above matter.

In accordance with the requirements of Schedule 5 of the Police Reform and Social Responsibility Act 2011, please accept this letter as the formal report of the Panel in respect of your proposed precept.

As you are aware, although Panel members had some misgivings about the size of the proposed increase in the Precept, the majority accepted your explanation that such an increase was necessary to ensure an efficient and effective police force for the people of Dyfed-Powys.

As such the Panel, by a majority of 10 to 3, approved the Precept as proposed.

I would like to thank you and your officers for the detailed report presented to the Panel and the background information provided at the Finance and Demand Summit last year. This made it much easier for the Panel to understand the financial issues affecting the Force and your rationale for the proposed precept.

Yours sincerely

Alun Lloyd-Jones

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.

The PCC held a seminar with members of the Police and Crime Panel (PCP), Joint Audit Committee and Wales Audit Office on the 7th December 2016. The Force had the opportunity to present the operational challenges that they now faced and the PCC discussed the financial challenges as he saw them and discussed possible precept levels for 2017/18.

On the 15th December 2016, the Home Office published provisional 2017/18 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 1.4% in cash terms.

With another review of the formula that allocates funding across police services in England and Wales under way, there remains significant uncertainty as to what central income the PCC might expect beyond 201/18.

Despite this, a budget for 2017/18 and indicative budgets for 2018/19 to 2020/21 have been compiled, taking into account inflation and known commitments. The PCC has also taken into account responses received from the public consultation and has adopted a prudent approach – assuming a possible £5m reduction in central funding over 2018/19 and 2019/20 in compiling these budgets.

Of particular concern is the reduction in the capital grant received from the Home Office. £318k will be received for 2017/18 which is dwarfed by the planned capital expenditure over the next few years. The annual programme will run at approximately £7.5m annually until 2020/2021 before dropping to an average of about £3.5m per year beyond that. Although the PCC currently holds significant reserves, these (apart from a general reserve and modest contingency) will be fully depleted by the end of 2019/20. In addition, external borrowing is planned from 2018/19 at a level of about £3m per annum.

It is therefore the PCC's intention to revisit the capital programme in more detail with the new Chief Constable over 2017/18 to ensure projects are appropriately prioritised and managed to make best use from available reserves and to reduce the need to borrow externally where possible. I fully support this approach and consider it imperative that the capital programme is revisited to ensure that all future plans are affordable and sustainable.

The PCC, in setting the precept, was mindful of the level of funding requested by the Chief Constable in addition to potential capping of an excessive precept increase.

The PCC presented the proposed precept to the PCP on the 27th January 2017. The PCC provided full details of his proposal of an increase of 6.9% in the council tax precept. He explained that his current proposal was for future increases in the precept to be at about 5% per annum in each of the following three years. At this meeting the PCP voted to endorse the PCC's proposal for a council tax precept increase of 6.9% for 2017/18.

On the 1st February 2017 the PCC received notification of the final police settlement for 2017/18. The final settlement remains unchanged from the provisional settlement.

At the PCP meeting held on 27th January 2017, 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.

A handwritten signature in black ink, appearing to read 'J Woods'.

Jayne Woods
Chief Finance Officer
14th February 2017

