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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 26<sup>th</sup> January 2018;
- 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 31<sup>st</sup> of January 2018 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:**

## Council Tax Requisite Calculation – A 5% Council Tax rise at Band D

### 1. Budget Requirement 2018/19

£99.100 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		113.039
Contribution From Balances		-2.279
<b>TOTAL GROSS EXPENDITURE</b>		<b>110.760</b>
Other Income		-11.660
<b>NET EXPENDITURE</b>		<b>99.100</b>
Contribution to Balances		0
<b>Net Budget Requirement</b>		<b>99.100</b>
Net Budget to be met from:		
Police Grant	36.212	
National Non-Domestic Rates	8.823	
Revenue Support Grant	4.278	
<b>BALANCE TO BE MET FROM COUNCIL TAX</b>		<b>49.787</b>

Note	£m
Notional Council Tax requirement (from WG)	22.759
Revenue balances are anticipated at:	4.052

### 2. Council Tax Base for 2018/19 at Band D equivalent number of properties

Unitary Authority Area	Equivalent Number of Band D Properties
Carmarthenshire	72,153.24
Ceredigion	31,683.05
Pembrokeshire	56,103.15
Powys	61,768.85
<b>Total</b>	<b>221,708.29</b>

### 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

$$\frac{\pounds 99,100,372 - (4,278,107 + 8,822,725 + 36,211,813)}{221,708.29}$$

**THEREFORE, the Basic Amount of Tax for the Police and Crime Commissioner for Dyfed Powys area amounts to £224.56 (rounded to nearest penny)**

### 5. Council Tax Per Property Band

Property Band	Weighting	Council tax £
A	6/9ths	149.71
B	7/9ths	174.66
C	8/9ths	199.61
D	9/9ths	224.56
E	11/9ths	274.46
F	13/9ths	324.36
G	15/9ths	374.27
H	18/9ths	449.12
I	21/9ths	523.97

N.B. Tax Calculation = Weighting x Band D Value i.e. Band D = £224.56

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

<b>Unitary Authority</b>	<b>Tax Base</b>	<b>Tax per Band D Property</b>	<b>Precept due</b>
		<b>£</b>	<b>£</b>
Carmarthenshire	72,153.24	224.56	16,202,732
Ceredigion	31,683.05	224.56	7,114,746
Pembrokeshire	56,103.15	224.56	12,598,523
Powys	61,768.85	224.56	13,870,813
<b>Total</b>	<b>221,708.29</b>		<b>49,786,814</b>

**Appendix A**  
**2018/19 Precept Report**

**Appendix B**  
**Letter from Police & Crime Panel**

### **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 6<sup>th</sup> December 2017. The Force had the opportunity to present the operational challenges that they now face and the PCC discussed the financial challenges as he saw them.

On the 19<sup>th</sup> December 2019, the Home Office published provisional 2018/19 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 freeze in core government funding in cash terms.

The settlement was for one year but with the stated intention that the settlement for 2019/20 will also broadly be a cash flat settlement dependent on progress against efficiency milestones. A review of the formula that allocates funding across police services in England and Wales is unlikely to be revisited until the next spending review.

The budget for 2018/19 and medium term financial plan to 2023/24 have been compiled, taking into account inflation and known commitments. The medium term financial plan incorporates cash flat central grant settlements to 2020/21 and a reduction of 4% in central grant from 2012/22 onwards to reflect a possible change in the funding formula at that point.

The PCC, in setting the precept, was mindful of the level of funding requested by the Chief Constable and also took into account responses received from the public consultation.

Of particular concern is the level of capital grant received from the Home Office. £318k will be received for 2018/19 which is dwarfed by the planned capital expenditure over the next few years. The annual programme will run at approximately £7.5m annually until 2021/2022 before dropping to an average of about £3.0m 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 2019/20 onwards.

The PCC presented the proposed precept to the PCP on the 26<sup>th</sup> January 2018. The PCC provided full details of his proposal of an increase of 5.0% in the council tax precept. This precept increase matches the forward plan that he presented to the PCP a year ago. At this meeting the PCP voted to endorse the PCC's proposal for a council tax precept increase of 5.0% for 2018/19.

On the 31<sup>st</sup> January 2018 the PCC received notification of the final police settlement for 2018/19. The final settlement remains unchanged from the provisional settlement.

The General Reserve balance is to reduce slightly to £4.052m in 2018/19. This balance equates to 4.1% of the net revenue budget. This reduction reflects the greater certainty in central funding for 2019/20 and our understanding that the review of the funding formula is unlikely to occur until the next spending review.

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**  
**9th February 2018**