

Thank you, Chair

Today's agenda item concerns a proposal to raise the precept and, as you can see from the papers, this discussion is never clear cut.

Last year, with the Panel's endorsement, I raised the precept.

This is the second year of the current CSR, and I would remind you of the words of the then Home Secretary, Theresa May, in November 2015, when she wrote to Chief Constables and PCCs on the day of the spending review stating:

"Total Central Government resource funding to policing, including funding for counter terrorism, will be reduced by 1.3% in real terms over four years. Taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole."

National policing budgets were therefore maintained at previous levels, but we are seeing an increasing amount of reallocations from Force budgets to fund additional national schemes, such as the Police Transformation Fund. A process we all call "Top Slicing".

The actual settlement for 2017/18 was a cash reduction of 1.4%, compared with 0.6% in 2016/17, but no indication has been given for future years.

It is important that we do not lose sight of the fact that, unless the precept is raised by 2% year on year for the term of this Parliament, police funding will have been cut by nearly 7%. It is equally important to understand that in the ebb and flow of this budget we are not talking about an additional £1m, we are actually talking about offsetting £1m from a £4m cut and cost pressures. I will be using that £1m to deal with emerging threats.

The Government has again given us a yearly settlement, despite the fact Local Authorities now have a financial settlement for the length of this Parliament.

We still do not know the outcome of the second review of the funding formula - something that you know I was instrumental in starting with Government.

So, in many ways, this decision is based on similar principles to last year's, in that we face the same precept cap; the same Government approach to funding and top slicing; the same issue of waiting for a new police funding formula; **plus another drop in capital funding and a higher than expected sum from collection funds.** It is also the second year in a row that the Chief Constable has asked for more funding to meet new challenges in the policing arena.

So, let us take a look at what we did last year...

USE OF THE 2016-17 PRECEPT INCREASE

In the current year, we increased the police precept by 1.97%; following public consultation which showed 82% supporting a rise of £3.74.

It was used to reduce the impact of further cuts in central funding and provided the flexibility to increase resources in three key areas of: **protecting vulnerable people, tackling emerging threats** and **increasing public access to policing**. This money was invested in:

- Employing extra investigators dedicated to investigating child abuse and protecting vulnerable children.
- Helping to create a Multi-Agency Safeguarding Hub with partners such as Dorset councils and the NHS, to increase joined-up working to protect vulnerable people.
- Increasing the number of officers in the cybercrime intelligence and investigation team, and enhancing the software available to them to identify sexual and violent offenders.
- Recruitment of a dedicated cyber-crime prevention officer to educate businesses and residents on staying safe online.
- Relaunching the Dorset Police website to make it easier to access information, interact with local Neighbourhood Policing Teams and to report crime online.

Without last year's precept rise, the Force would have had to lose the equivalent of 23 operational police officers and seven police staff dedicated to frontline operational support.

As far as this year goes...

PROVISIONAL SETTLEMENT FOR 2017-18

The provisional Police Finance Settlement, was received on 15 December 2016.

The final settlement has arrived this week and is as expected.

As already stated, it is a single year settlement again.

Reallocations or top slicing have increased from £585m to £812m. The largest increases relate to the Emergency Services Network which is being used to fund the replacement of the current Airwave system and more money to the Police Transformation fund.

The Police Main Grant for 2017-18 has seen a further reduction of 1.4% in cash terms for all Forces. **For Dorset, this means a reduction of £0.819m from £58.568m to £57.749m.**

There has been no allocation for Counter Terrorism yet. [Raise port security.]

The Police Capital Grant has again been reduced. The allocation for Dorset has reduced by 15% from £486,052 in 2016-17 to £412,380 in 2017-18.

The Victims Services Grant from the MOJ was notified on 12 January. The same national total has been allocated but split on an updated population basis. The total allocation for Dorset has reduced by £468 to £897,544.

The Council Tax referendum limit for 2017-18 council tax increases has again been set at 2%. The only exception is for the 10 lowest precepting force areas which are allowed to increase their band D council tax by £5. This does not apply to Dorset as our precept is around the average of the 43 forces.

DORSET POLICE BUDGET FOR 2017-18

As well a cut in grant, significant cost pressures are also being faced in terms of pay, pensions, the new apprenticeship levy and increased national policing charges (NPAS, Police ICT company, etc).

You will know that I want to maintain/increase police officer numbers, which would naturally reduce as savings are delivered through the Strategic Alliance.

The total savings required to balance the 2017-18 budget is around £3.9m. The Strategic Alliance will deliver a significant proportion of these savings; with the balance delivered through the usual cost challenge processes and efficiency savings.

The tax base has increased by 1.2% which is slightly better than our MTFP assumption of 1%. There is significant growth in Bournemouth, Poole and Purbeck.

The Dorset Police share of the Collection Fund Surplus for 2017-18 is £0.77m, which is £0.37m greater than originally budgeted for. It must however be remembered that this is only one-off funding. Also, it is down from the current year (which was £1.443m).

The total allocation for the OPCC, incorporating the commissioned services and the local innovation fund, will remain at £2.134m for 2017-18. In addition, the audit and insurance section was transferred to the OPCC in the current financial year and now provides services across the Strategic Alliance. The budget for this service (£137k) has therefore also been transferred to the OPCC to match the costs which increases the OPCC budget to £2.271m.

The specific grants for Victims Services will again be spent directly by the PCC.

All of the remaining Police Revenue Grant / Precept and the other specific grants will be passed to the Chief Constable for the commissioning of police services. The total is £118.986m compared to £118.915m in the previous year.

So, let us look at the future outlook...

The Provisional Settlement has again only delivered a single year of detailed financial allocations for policing. As already mentioned, the statements from the Policing Minister imply that future settlements will protect police funding but only on the assumption that Council Tax is raised each year.

Adding further uncertainty, detailed work is currently underway on the new police funding formula which will determine the way in which government funding for the police service is split between forces. This was originally supposed to be implemented for 2016-17 but that process was abandoned and a new review commenced. It is not now known what the future proposed changes to the formula will be or when they will be implemented. New methodologies are now being examined for the formula and these may not be beneficial to Dorset.

In relation directly to these precept proposals for 2017-18, the timeline of events is as follows:

Firstly, as soon as the Chief Constable made the request, a public consultation was commenced via the website to seek views on whether the public would be prepared to pay an additional £3.80 per year.

I supplemented this on line survey with face to face consultations across the County.

The public were told that a increase of 2% in in the policing element of council tax would generate an extra £1.04m which would offset the reductions in grant from the Home Office. Whilst this rise in precept would not give us any additional money, we are making savings in other areas and we would look to increase some services with this money.

With a rise, this would be invested in:

- Protecting adults at risk of harm: Including enhancing our ability to prevent and investigate abuse of older people, which is a trend in Dorset and nationally.
- Improving our response to common, non-emergency types of crime: investing in Appointment Cars to visit victims and take details at prearranged times.
- Continuing to embrace new technology: Including further enhancements to Dorset Police's website, such as the ability to make payments online rather than by post.

The precept consultation generated over 4,485 responses, which was 8% higher than last year. The results were 80% in favour of the option of increasing Council Tax by 2% and using the additional revenue for the priorities as set out above.

CLOSE

The Panel should know that I was open minded about freezing the council tax policing element this year except for the three reasons mentioned, namely:

The Government expects me to raise the precept; and secondly, the Chief Constable, requested a precept rise; and, thirdly, under my statutory responsibilities I have consulted the public. Those consultation results show 80% are in favour of an increase.

Never forget that I oversee a force that is debt free, a force with adequate reserves, a force that has undergone the biggest IT change in its history, a force that has already paid its pension deficit and a force that punches above its weight achieving GOOD ratings in numerous HMIC inspections.

By improving the efficiency of the Force and releasing under-used assets, I have enabled it to replace the legacy of in-house IT systems with new 'fit for purpose' applications that meet our collaborative agenda.

And the Panel will know that we managed to introduce eight of my manifesto pledges within 100 days, improving police accountability, efficiency and performance.

And so, in summary, Chair, my preferred option is to increase Council Tax for 2017-18 by 1.98%. This will generate additional precept income of around £1.04m.

Dorset Police is one of the top performing police forces in this country. It is crucial that we invest in it to maintain that position.

Thank you. I now invite questions and comments.