



**CONSULTATION UPDATE
2016/17 REVENUE BUDGET AND PRECEPT
CAPITAL PROGRAMME 2016/17-2019/20**

Report of the PCC Chief Finance Officer and Director of Resources

PURPOSE

1. This report provides feedback on the consultation that has been undertaken by the Commissioner for the 2016/17 revenue budget, precept and capital programme.

2016/17 PROVISIONAL GRANT SETTLEMENT

2. The provisional grant settlement for the West Midlands was announced by the Home Office on 17 December 2015 and was a one year only settlement. The provisional settlement results in a reduction in funding for the West Midlands PCC of £2.5m in 2016/17. This equates to a 0.6% reduction with all Police areas in England being subject to the same percentage reductions.
3. The settlement is only for one year due to the planned review of the police funding formula in 2016 that will effect fund allocations across all forces from April 2017.
4. The Home Office has continued to apply a number of top slices to force funding and the total amount top sliced has increased by £206m, from £738m to £944m.
5. The settlement makes provision for the 10 PCC's in England with the lowest precept levels, to raise their precept by up to £5 per year per Band D property. All other Forces will have a maximum referendum precept increase limit of 2%. West Midlands has the second lowest precept in the country, so the £5 increase option is open to the PCC.

COMMISSIONER'S PRELIMINARY 2016/17 BUDGET PROPOSALS

6. The Commissioner's preliminary budget proposals for 2016/17 were presented to the Board on the 5 January 2016 and the Police and Crime Panel (PCP) on the 18 January 2016. The proposals included:-
 - Council tax precept increase of £5 on Band D properties.
 - Total capital programme of £117.7m covering the period 2015/16 to 2019/20.
 - The continued recruitment of 450 additional police officers.
 - The lifting of the need to use compulsory redundancy to achieve the reduction in PCSO numbers.

BUDGET CONSULTATION

7. In view of the considerable uncertainty about Government Grant levels in 2016/17, the Commissioner did not commence consultation on budget proposals for 2016/17 until the Provisional Grant announcements were reviewed on 22 December 2015. The consultation period ran until 29 January 2016. As at the 28 January the number of responses that had been received were 292, with 193 supporting the £5 increase (66%). An update will be provided at the meeting of the Board on the total number of responses received and how they responded.
8. The Commissioner also undertook an independent survey in 2015 of over 7,500 residents asking their views on the police service and how it can improve. The survey included a question around future potential precept increases, with 57% of respondents supporting a precept increase.
9. At the PCP meeting on the 18 January 2016 the Panel were supportive of the Commissioner's preliminary budget proposals including the £5 (Band D) increase on the Council Tax in 2016/17. The PCP received the Commissioner's detailed proposals for the 2016/17 revenue budget, including precept and the capital programme for 2016/17-2019/20 at their 1 February 2016 meeting. A verbal update will be provided at the Board meeting on the outcome of the Panel's discussions and comments.
10. The Commissioner also held a consultation meeting with representatives of Business Ratepayers where no specific issues were raised around the proposed £5 increase.

RECOMMENDATION

11. The Board is asked to note the contents of this report.

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