

NORTH YORKSHIRE POLICE, FIRE AND CRIME PANEL

REPORT TO THE NORTH YORKSHIRE POLICE, FIRE AND CRIME COMMISSIONER

Precept Proposals for Policing and Fire and Rescue – 2021/22

On 28 January 2021 the North Yorkshire Police, Fire and Crime Commissioner (“the Commissioner”) formally notified the North Yorkshire Police, Fire and Crime Panel (“the Panel”) of her proposed precepts for policing and for the fire and rescue service for 2021/22. The Panel is required to review the proposed precepts and report on its decision, including any recommendations, to the Police, Fire and Crime Commissioner by 8 February of the relevant financial year.

The Panel met on Friday, 5 February 2021. Membership of the Panel at the meeting was:

Harrogate Borough Council	Cllr Michael Chambers MBE
North Yorkshire County Council	Cllr Carl Les
Richmondshire District Council	Cllr Helen Grant
Scarborough Borough Council	Cllr Carl Maw
Selby District Council	Cllr Tim Grogan
City of York Council	Cllr Keith Aspden
City of York Council	Cllr Ashley Mason
Independent Co-opted	Santokh Singh Sidhu
Independent Co-opted	Paula Stott

The Panel would like to thank the Commissioner and her Chief Financial Officer, Michael Porter, for assisting in providing responses to the questions and issues raised by the Panel.

Fire precept proposal

The Commissioner presented a proposal to set the fire and rescue element of the Council Tax precept at £74.14 for 2021/22, which represents a 1.99% increase (or £1.45) over the 2020/21 level for a Band D property.

In reviewing the proposal, the Panel took into account the need to satisfy the statutory requirements of setting a Council Tax requirement and a balanced

budget for 2021/22. It was noted by the Panel that the proposed precept level should achieve a balanced budget with no unfunded shortfall for 2021/22. However, it is evident that there may be significant challenges to the budget longer term, not least because of a reduction in the Council Tax base and in Council Tax deficits, and that these are likely to impact not just next financial year but subsequently.

On this basis, the Panel were concerned to establish the Commissioner's confidence that the budget assumptions made around areas such as the Council Tax base and pay awards were realistic. The Panel were advised that the position on assumptions was felt to be a reasonable one and that, by way of mitigatory action if needed, the Commissioner holds a reserve which can be used to absorb capacity in relation to higher increases in pay awards.

The Panel noted that while the precept level has again been capped centrally at 1.99%, the Commissioner's public consultation highlighted a degree of support for increasing this amount to be able to provide for greater investment in the service. The Panel were keen to emphasise the importance of continuing to press nationally for greater flexibility in the precept levels for fire and rescue services, in line with the kind of flexibility given to services like policing in recent years. Greater flexibility would enable further investment in the fire service estate and the Panel voiced concern that finding sufficient funding for much-needed investment may be difficult with such a tight budget going forward.

The Commissioner sought to provide some reassurance that this is a priority area for the service and that in the longer term it is hoped that when the PFI contract ends, this will provide capacity to improve borrowing levels and use that to find investment in the estate.

Decision – Fire precept proposal

The Police, Fire and Crime Panel supported the Commissioner's proposal for a precept increase of £1.45 (for a Band D property) for 2021/22.

As far as the Panel is concerned, this ends its scrutiny process of the Commissioner's proposed precept for fire and rescue for 2021/22.

Policing precept proposal

The Commissioner presented a proposal to the Panel to set the police element of the Council Tax precept for 2021/22 at £271.06, which represents an increase of £5.29 (or 1.99%) over the 2020/21 level for a Band D property.

The Panel heard that the proposed 1.99% increase would achieve a balanced budget for 2021/22 with no unfunded shortfall. In particular, the Panel were reassured that the proposed precept level would ensure that the targets for recruitment of police officers under the national uplift programme will be fully met.

Similarly to the considerations around the fire and rescue service budget, the Panel were concerned to establish that budget assumptions made for policing would adequately factor in any unforeseen fluctuations. The Panel were advised that the assumptions made around the tax base followed analysis of projections over the last 15 years, including during a period of economic downturn, and that the Commissioner therefore had a level of confidence around where these had been set.

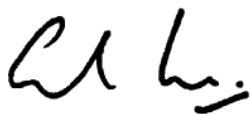
The Commissioner highlighted that her proposal reflects a concern that this year has seen financial hardship for many of the public and businesses and that as such she did not wish to seek a higher precept increase, even though the flexibility to do so is there.

It is evident to the Panel that a relatively negligible capital grant is provided to the police and that in order to be able to fully maintain and improve the estate and assets there will need to be more borrowing going forward. The Panel noted that North Yorkshire Police currently only has a very low base in relation to borrowing, relative to its budget. The Commissioner advised that the focus for this next year for the police will be the consolidation of the officer recruitment programme first and foremost, and then for North Yorkshire Police to refine its requirements around capital requirements and investment.

Decision – Policing precept proposal

The Police, Fire and Crime Panel supported the Commissioner's proposal to increase the policing precept for 2021/22 by £271.06, which represents an increase of £5.29 (or 1.99%) over the 2020/21 level for a Band D property.

As far as the Panel is concerned, provision of this report ends its scrutiny process of the Commissioner's proposed precept for policing for 2021/22.



Councillor Carl Les
Chair, North Yorkshire Police, Fire and Crime Panel
5 February 2021