

POLICE AND CRIME PANEL FOR LEICESTERSHIRE

PAPER MARKED

D

Report of	POLICE AND CRIME COMMISSIONER
Subject	UPDATED REVENUE BUDGET AND PRECEPT 2013-14 AND MEDIUM TERM FINANCIAL STRATEGY
Date	WEDNESDAY 30 JANUARY 2013
Authors	CHIEF FINANCE OFFICER, OFFICE OF POLICE AND CRIME COMMISSIONER AND FINANCE DIRECTOR, CHIEF CONSTABLE'S OFFICE

The latest information received from council tax collecting authorities in relation to the council tax base and estimated council tax surplus, when combined with the specific grant for the Localisation of Council Tax Support (LCTS), produces a slightly greater sum (£14,826) than that anticipated. This has required the following paragraphs to be updated:

Recommendations

3. The Police and Crime Panel (PCP) is asked to:
 - a. Note the information in this report, including the 2013/14 budget requirement at **£173.461m** and council tax requirement for 2013/14 at **£49.222m**.

The Provisional Grant Settlement

11.

Funding Source	2012/13 Final (£'m)	2013/14 Planned (£'m)
Formula Grant (excluding 2011/12 Council Tax Freeze Funding)	45.023	43.300
Precept	55.706	49.222
Localised Council Tax Support (2013/14 onwards)		6.999
2011/12 Council Tax Freeze Funding	1.349	1.349
2013/14 Council Tax Freeze Funding		0.562
Police Grant	67.317	71.901
Neighbourhood Policing Fund (2012/13 only)	4.695	
Planned Council Tax Surplus	0.205	0.128
Total	174.295	173.461

15. The Office of the Police and Crime Commissioner (OPCC) will also receive a new specific grant for the Localisation of Council Tax Support (LCTS). This scheme replaces the current council tax benefit scheme (CTB), and will be administered locally by council tax collecting authorities. As a local scheme, the grant previously given to collecting authorities to reflect actual expenditure on CTB will be distributed

to collecting and precepting authorities. The sum allocated to the OPCC for Leicestershire is **£6.999m**. The local schemes were described in a report to the Executive Board on 6 December 2012.

Precept Options

24. b. Option 2 – a council tax Band D increase of 2% (£3.48 per annum or 6.7p per week) in 2013/14, which would produce about **£1m** in additional council tax receipts.
25. The graph illustrates the additional financial resource that would be available over the next four years if option 2 was taken; that is, an additional revenue of **£0.4m** in 2013/14 and a cumulative **£6.0m** over the four year period (made up of **£7.2m** cumulative additional precept income, offset by not claiming £1.2m of council tax freeze grant over 2013/14 and 2014/15). Under this option, the council tax receipts would be **£2.1m** higher in 2016/17 than they are under option 1.

Base Revenue Budget Changes

37. Note: There are other budget streams which when added to the above makes up the 2013/14 net budget requirement set out in para 3a. These are listed below:

2013/14 Base Budget Requirement (Gross)	175,425,620
Community Safety Fund (new source of funding from Home Office to commission services)	(1,649,000)
Efficiency Savings (national and local initiatives which are to be presented to the change board)	(445,801)
Transfers to/(from) reserves (transfer to insurance liability reserve of £354k, and transfer £215k from the Proceeds of Crime Act reserve)	129,958
2013/14 Base Budget Requirement (Net)	173,460,777

Medium Term Financial Strategy (MTFS)

60. With the above assumptions, the MTFS reveals a funding gap as set out in the table below:

2014/15	2015/16	2016/17
£6.086m	£13,017m	£20.660m