Date: 31st January 2019
Subject: 2019/20 PCC COMPONENT OF THE MAYORAL PRECEPT
Report of: MAYOR OF GREATER MANCHESTER

PURPOSE OF REPORT
To notify Panel members of the Mayor’s proposals for the PCC component of the Mayoral precept for 2019-20.

RECOMMENDATIONS

1. Note that the Mayor proposes to increase the police precept by £24 for a band D property with effect from 1 April 2019.

   The Panel are asked to consider the content of this report, and either

   a) propose that the precept level can be issued, or
   b) make recommendations regarding the precept level, or
   c) veto the proposal and require the Mayor to submit a revised proposed precept.

2. Note the budget assumptions relating to the budgets for 2019/20, including the proposals for the Community Safety Fund.

Background papers presented to the Police and Crime Panel:

30th October 2018 – Police precept setting process
29th November 2018 – Police precept setting considerations 2019/20 and update on 2018/19 investment areas

CONTACT OFFICERS

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1. **INTRODUCTION**

1.1 There is a statutory duty to notify the Police and Crime Panel of the PCC Precept proposal by 1\textsuperscript{st} February each year.

1.2 Details of the Police and Crime Panel’s statutory duties in relation to the setting of the precept can be found at Appendix 1.

1.3 The proposal is to set the PCC element of the Mayoral precept for a Band D property at £198.30, a £24 increase on the 2018/19 precept which will raise £18m. For a Band B property the increase is £18.67. This report sets out the considerations which have been taken in to account to reach this decision.

1.4 If approved, this £24 increase will raise £18m and be invested in the following priority areas, addressing public concerns:

- Neighbourhood policing
- Safety on the Transport network
- Safe night time economy
- Continue to improve the 101 service and other forms of customer contact
- Tackling serious and violent crime
- Tackling violence against women and girls
- Improvements to sickness absence

To support the delivery against the above priorities there will be an increase in police officer numbers by 320, in addition to the replacement of officers who leave the force (c.500):

- Recruit 220 new Neighbourhood Police Officers (NPOs) to enable an enhanced response to calls, particularly to those most vulnerable.
- Create a new proactive Force wide team of 50 officers to allow an effective, flexible, pro-active response to local problems and priorities
- A new transport team, with 50 additional officers, to enable a more appropriate response to problems on the transport network, including a wider focus on other transport matters.
- Undertake direct entry detective recruitment which will support investigations, particularly those into serious and violent crime and violence against women and girls.

Details of the impact which the additional officers will deliver are shown in section 3.3

1.5 Following the success of delegating the voluntary and community sector grants to Local Authorities, the Deputy Mayor will release a further £550k to Community Safety Partnerships. Due to the police settlement being for one year only, this commitment can only be made for the coming year.

1.6 The Mayoral precept, which includes the PCC component, will be set on 15\textsuperscript{th} February 2019.
2. BACKGROUND

2.1 The provisional settlement received on 13th December indicated that the police grant for 2019/20 will be £436.4m, an increase of £8.5m. In addition a one-off grant of £6.6m, from HM Treasury, was announced to partially mitigate against rising employer pension costs for police officers.

2.2 This extra funding covers the additional costs of the police officer pension scheme which have arisen as a result of the reduction in the discount rate, part of the Valuation Directions and set by HM Treasury for all public sector pension schemes. The impact of this direction falls solely on the employer and the impact for Greater Manchester has been calculated as £14.1m for 2019/20. Details of this significant change can be found in section 6.1 of this report.

2.3 As the additional grants only cover the increased pension costs the provisional police grant is still ‘flat cash’ as there is no additional funding to cover pressures to meet rising / changing demand, new threats, pay awards and inflationary rises. That grant is £1m more than the increased pension costs due to the allocation method of the grant, however there is an increased contribution to the North West Regional Organised Crime Unit to cover pay award and pension costs.

2.4 Within the settlement the Home Secretary announced a maximum police precept increase of £24. In 2018/19 the maximum increase allowed was £12. Whilst this indicates that the Government have recognised that additional funding is required for policing this burden has been placed on local tax payers.

2.5 This report must also be viewed in the context of recorded crime levels and comparisons of GMP to the national average. The latest Home Office statistics show that, in the 12 months to the end of June 2018, GMP recorded 343,089 crimes. This is an increase of 16% on the 12 months previous. This increase is due in part to changes in crime recording and changes in Home Office counting rules as well as changes in crime and steps to increase confidence in reporting crime. GMP has dealt with around 66,000 domestic abuse incidents, 18,600 incidents involving people with mental health conditions and 234 modern slavery crimes. In 2017 (latest national stats available) GMP received the second highest number of 999 calls, relative to population of all police forces in England and Wales and deals with the highest number of priority incidents relative to population.

2.6 There is no doubt the cuts faced during austerity have seriously impacted on many capabilities required by the Force to deliver against its vision of “Protecting society and helping keep people safe”. The number of Police Officers has reduced by 2000 since 2010. The Force faces increased threats from terrorism, serious and organised crime, child sexual exploitation, serious sexual offences and cyber-crime.

2.7 The additional officers will not only go some way addressing public concerns but also allow the Chief Constable to continue improving the make up of the workforce to better reflect the diversity of our communities. To date the recruitment intakes have seen a 21% rise in BAME officers and a 35% rise in female officers recruited.
2.8 The provisional settlement included a number of top slices made by the Home Office, which have the effect of reducing the resources available for local policing. The total value of the top slices is £1,029m, an increase of £84m and represents 11% of the national police grant. The impact for Greater Manchester means £59m has been re-distributed from local policing to fund national projects. Detailed information regarding top slicing can be found in section 5 of this report.

2.9 Finally, in this section, the ability to plan for the medium term is severely hampered by a one year settlement and a number of uncertainties, mainly the cost for the new Emergency Services Network, future funding of the police officer pension costs, Spending Review and the prospect of a funding formula review. Further details can be found in section 6 of this report.

3. **2019/20 BUDGET**

3.1 The following key budget assumptions have been made in developing the budget. Ideally this would represent a four year strategy however the Home Office have only issued a one year settlement.

- Pay awards of 2%
- Assume no price inflation unless evidence suggests otherwise
- Police officer pension contributions increased by £14.1m
- Police staff pension contributions remain static for the next year (tri-annual review 2020)
- Community Safety Fund to increase by £550k
- Council tax base growth of 2.02
- Collection fund balances of £3.8m

3.2 Unavoidable cost pressures of £27.3m will be met by savings and resources raised from the increasing tax base and PCC share of the districts collection fund surpluses.

3.3 **Impact of recruiting additional officers**

3.3.1 **The Neighbourhood Offer**

The Force remains committed to the delivery of place based policing and will continue to develop its Neighbourhood offer in line with the Citizens’ Contract. In the current financial year the Force recruited and deployed 50 police constables into neighbourhood beat officer roles, (NBOs), using precept funding. This will be replicated in 2019/20 with a further 50 NBOs being recruited using one of the two national Police Now Academies which will be based in Manchester. The new recruits will start in the Academy in July 2019 and will be deployed into neighbourhoods in September 2019. This type of training means that officers will be available to Divisions for accompanied deployment after 9 weeks compared with 20 weeks using the traditional entry route into policing.

The Force’s local policing model and commitment to placed based working is dependent upon neighbourhood police officers (NPOs) and NBOs working closely together. However, there are currently insufficient NPO resources to meet calls for service, including those from vulnerable victims. Addressing this issue has been an area of focus for the Force and various initiatives, such as the new shift pattern and investment in IT have started to have a positive impact. However,
Despite this, it is still necessary to use NBO resources to support NPO functions. This has been the subject of comment from HMIC, who acknowledge the work the Force is doing to reduce demand but remain concerned with respect to its capacity to meet calls for service.

Analysis shows that compared to just 6 years ago, there has been an increase of over 30 percent of incidents per officer and that crime per officer has more than doubled. When the increasing complexity of this crime and the time taken to deal with each incident is considered, it is clear why the Force is struggling to meet this demand. The additional precept funding will allow the Force to increase NPO resources by 170 officers to help mitigate the current issues.

### 3.3.2 Direct Entry Detective Recruitment

The Force currently has in excess of 100 detective vacancies. This is impacting on the ability to investigate serious crime at the correct level which means that there is a knock on effect on districts. At local level this can mean that offences such as domestic violence are investigated by NPOs rather than detectives. CID offices are becoming increasingly stretched with safeguarding responsibilities and complex Child Sexual Exploitation investigations. Having a full complement of detectives will allow for a more appropriate response to crimes at all levels and will directly support the Force’s priorities in relation to violence against women and girls and violent crime in general. The Force will accelerate recruitment to detective roles in 2019/20 and will look to fill up to 50 detective vacancies using a direct entry route and use of a Police Now type scheme.

### 3.3.3 Policing the Transport Network

Metrolink PCSOs were introduced last year as part of an initiative to respond to crime and Antisocial Behaviour on the transport network (including Metrolink, bus and train). Despite the efforts of the PCSOs involved, it is widely considered that they have struggled to have the desired impact, primarily because of a lack of enforcement powers. It is proposed that in the future the role of PCSOs will be confined to the excellent work they do in neighbourhoods and the Metrolink PCSO role will be disestablished. The PCSOs will be replaced with the same number of warranted officers. There will be no need for redundancies as the Metrolink PCSOs would be moved to vacancies in neighbourhoods.

The 50 new police officers will join the existing 10 Metrolink officers to create a new transport unit which will cover the Metrolink, bus network, an element of the roads and the cycling and walking networks. In addition the officers will be able to support Manchester City Centre at the weekends. Furthermore the team will work with colleagues from TfGM and Local Authorities to create a safer transport network.

### 3.3.4 Proactive Capability

Reductions in police officer numbers over the last decade have resulted in the lack of a flexible resource to support districts with specific Level 1 (local) issues which are beyond the capacity of local teams. When such issues arise they have to be dealt with by local resources, supported by Force level resources. This inevitably means further abstractions from neighbourhood teams and overtime costs.

The Force therefore intends to use the precept to create a Force wide proactive team of 50 officers. This would provide readily available and flexible resources to be able to respond to key and critical issues identified through the tasking process.
Introducing the changes discussed above will not be easy and indeed upscaling on a one off basis can be equally as challenging as downscaling. Increased recruitment will require an increased pool of candidates and an increase in training capacity. There will be a requirement for more tutor constables and there will be further leadership demands placed on sergeants and inspectors. The introduction of the changes will be governed through an appropriate programme management structure and will inevitably take time to deliver. As welcome as the increase in police officer numbers to 6,570 is, it will still leave the Force someway short of the 7000 which the Chief Constable believes we need.

3.4 The Force continues to deliver a massive transformational programme designed along the following principles

3.4.1 Committed to Place

Commitment to Place Based working is about working closely with partners at frontline, borough and force levels. By sharing information and resources that can tackle the issues people care about in their local area, we can identify root causes of problems in communities and work to find the solution. Prioritising the people who are vulnerable, in need or have complex dependencies, Place Based working makes sure that the right services are given by the most relevant organisation.

3.4.2 “Citizen Contract”

Keeping Greater Manchester safe isn’t just down to GMP, the public have to play their part in supporting policing by working with us. We need to have an honest conversation about what we can do and confirm our capacity to them so that we can provide the best possible service.

3.4.3 Continue to refine our approach to Threat, Harm and Risk

Threat, harm and risk is a fundamental factor in every decision that is made in our organisation. The aim of the threat, harm and risk review that is currently ongoing is to reshape GMP’s investigative and safeguarding response. By reviewing our approach to threat, harm and risk, we can support and deliver on the core principles of the Target Operating Model, making sure we use our resources as effectively and efficiently as possible.

3.4.4 Continue to develop and support our workforce

To change and adapt the way we police, we need a workforce that is engaged in what they do and proactive about how they do it. We will be investing in opportunities for officers and staff to learn, develop and improve, so that we have a proactive workforce where people are able to drive their own careers with the support of clearly developed pathways. Staff well-being will be at the heart of what we do and the recent staff engagement survey will help us to focus on areas for improvement, as it showed that generally, job satisfaction is high, with officers and staff feeling highly committed to the public. Still, we know that more needs to be done to make sure people feel valued and supported in their roles, which is why we already have a well-being strategy in place. As a result, the behaviour change team will be working with local
senior leadership teams on improvements that will make GMP an even better place to work. With a supportive environment and well-being assistance, we are ensuring recognition for achievements takes place at all levels.

3.4.5 **Continue to embrace information and technology**

By making better use of information that we hold and access through public sector and other partners, we can support efficient decision making for both people and places. New technology has already been introduced to support frontline officers and staff, including the roll out of 8000 mobile devices such as smartphones and tablets.

In March 2018 a new integrated Operational Policing System will be introduced to replace GMPICs, OPUS, KIM, ICIS and Case and Custody. This approach will ensure we are able to work smarter and faster, maintaining a visible presence in the neighbourhoods across Greater Manchester.

3.4.6 **Major deliverables in 2019/20 delivered through the budget will be:**

- The transformation of working practices within the Force’s Operational Communications Branch to improve service to the public
- State of the art facilities for the Specialist Operations team, allowing more effective deployment and improved working conditions
- New Forensics Building at Chadderton which will reduce the backlog of cases and speed up access to justice.
- The refresh of frontline officers mobile devices and the introduction of new apps which will include new biometric fingerprinting technology to enhance operational efficiency

4. **COMMUNITY SAFETY PARTNERSHIPS**

4.1 In 2018/19 over £4m was delegated to Community Safety Partnerships to support delivery of ‘Standing Together’ the Police and Crime Plan, collectively making our communities safer and more resilient.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Community Safety Grant</th>
<th>Children’s Safeguarding Board</th>
<th>Adult’s Safeguarding Board</th>
<th>Delegation of grants to Voluntary sector</th>
<th>Hate Crime</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolton</td>
<td>304,523</td>
<td>17,296</td>
<td>17,296</td>
<td>100,000</td>
<td>5,000</td>
<td>444,155</td>
</tr>
<tr>
<td>Bury</td>
<td>157,973</td>
<td>11,850</td>
<td>11,850</td>
<td>100,000</td>
<td>5,000</td>
<td>286,673</td>
</tr>
<tr>
<td>Manchester</td>
<td>694,584</td>
<td>31,866</td>
<td>31,866</td>
<td>200,000</td>
<td>5,000</td>
<td>963,316</td>
</tr>
<tr>
<td>Oldham</td>
<td>262,287</td>
<td>12,900</td>
<td>12,900</td>
<td>100,000</td>
<td>5,000</td>
<td>393,087</td>
</tr>
<tr>
<td>Rochdale</td>
<td>234,000</td>
<td>12,150</td>
<td>12,150</td>
<td>100,000</td>
<td>5,000</td>
<td>363,300</td>
</tr>
<tr>
<td>Salford</td>
<td>239,306</td>
<td>13,500</td>
<td>13,500</td>
<td>100,000</td>
<td>5,000</td>
<td>371,306</td>
</tr>
<tr>
<td>Stockport</td>
<td>218,973</td>
<td>13,800</td>
<td>13,800</td>
<td>100,000</td>
<td>5,000</td>
<td>351,573</td>
</tr>
<tr>
<td>Tameside</td>
<td>243,703</td>
<td>13,200</td>
<td>13,200</td>
<td>100,000</td>
<td>5,000</td>
<td>375,103</td>
</tr>
<tr>
<td>Trafford</td>
<td>200,800</td>
<td>12,900</td>
<td>12,900</td>
<td>100,000</td>
<td>5,000</td>
<td>331,600</td>
</tr>
<tr>
<td>Wigan</td>
<td>247,614</td>
<td>14,400</td>
<td>14,400</td>
<td>100,000</td>
<td>5,000</td>
<td>381,414</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,803,763</td>
<td>153,862</td>
<td>153,862</td>
<td>1,100,000</td>
<td>50,000</td>
<td>4,261,487</td>
</tr>
</tbody>
</table>
4.2 Over 2018/19, CSPs have aligned local police and crime plans with Standing Together priorities and are using Community Safety funds to support targeted work in neighbourhoods. Oversight and governance is managed through local partnership arrangements and the Deputy Mayor is informed of spending profiles through an initial proposal followed by a mid-year update on progress. The Community Safety Grant provides CSPs with local autonomy to direct funds at key police and crime priorities.

4.3 In response to feedback from CSPs, the Deputy Mayor supported the delegation of grants to the voluntary sector to CSPs, having previously been managed centrally through the Office of the Police and Crime Commissioner. These additional funds were used by CSPs to allocate funding to the voluntary sector to support engagement with communities in tackling local police and crime priorities and building community resilience and partnership. Based on the mid-year evaluation it is intended that the delegation of grants continues.

4.4 In keeping with the Deputy Mayor’s desire to further delegate funds, recognising the excellent outcomes delivered by CSPs and acknowledging the cuts to Local Authority budgets, the Deputy Mayor will not only continue to earmark the community safety grant but will increase the grant by £550,000.

5. **TOP SLICING**

5.1 In order to create budgets for national initiatives the Home Office top slices the Police Main Grant. In essence this reduces the amount which is allocated to Police and Crime Commissioners to support local policing. Within the provisional settlement for 2019-20 the Home Office top sliced £1,029m (11%) from the Police Main Grant. This is an increase of £84m.

5.2 For Greater Manchester this means that £59m has been top sliced from the Police Grant. The table below details the top slices for 2019/20:

<table>
<thead>
<tr>
<th>Top Slice</th>
<th>2018/19 £m</th>
<th>2019/20 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Finance Initiative (PFI)</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Police Technology Programmes (including ESN)</td>
<td>495</td>
<td>495</td>
</tr>
<tr>
<td>Arm’s Length Bodies</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Serious and Organised Crime Strategy implementation</td>
<td>42</td>
<td>90</td>
</tr>
<tr>
<td>Top ups to NCA and ROCUs (Regional and organised crime units)</td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>Police Transformation Fund (now incorporating the Innovation Fund)</td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td>Special Grant</td>
<td>93</td>
<td>73</td>
</tr>
<tr>
<td>Pre-Charge Bail</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>945</strong></td>
<td><strong>1,029</strong></td>
</tr>
</tbody>
</table>
6 MEDIUM TERM PLANNING UNCERTAINTIES

6.1 Pensions

6.1.1 A significant pressure for Policing is the impact of the Valuation Direction on unfunded public sector pension schemes, such as the scheme for police officers. HM Treasury set the Valuation Directions for all public sector pension schemes. In relation to the unfunded pension schemes, the Direction which has the greatest impact on the valuation is the Discount rate which, for the first time, is being linked to OBR forecasts of economic growth. The current discount rate is based on 3%, the new rate is 2.4%. The impact of this direction falls solely on the employer.

6.1.2 The impact nationally for policing has been calculated as £317m. This was previously reported at £417m however HM Treasury have accepted the argument that Police have been over paying since the last valuation in 2012 when employer contributions were not reduced to the determined rate 21.3%.

6.1.3 The impact for Greater Manchester is £14.1m. For 2019/20 this has been funded through £8.5m increase in the police grant and £6.6m one-off grant from HM Treasury. (Note a favourable position of £1m due to the gearing of the police grant for Greater Manchester). This poses a challenge for future years financial planning. Guidance has been given to assume the additional police grant will continue however the HM Treasury grant will not continue past 2019/20 with reference being made to the Spending Review in 2019.

6.2 Spending Review

6.2.1 This settlement is the last before the next Spending Review, which the Home Secretary has said will set long term police budgets and look at how resources are allocated fairly across police forces.

6.2.2 A policing submission is being developed at a national level in collaboration between Association of Police and Crime Commissioners (APCC), National Police Chiefs Council (NPCC), National Crime Agency (NCA), College of Policing (Cop) and the Home Office. This is to ensure the best possible submission to HM Treasury which details the changing nature of demand and threat, transformation activity to deliver the Police Vision 2025 and improved efficiency, productivity and effectiveness. This approach is welcomed by Greater Manchester and we are fully committed to supporting the development of the submission.

6.2.3 The impact of both the spending review and the funding formula is significant for Greater Manchester due to the reliance upon government funding (80%). This is due to a low tax base compared to other, more affluent areas, and historic precept decisions.
6.3 **Funding Formula review**

6.3.1 In 2015 the Home Office launched a consultation on the future funding formula of the police grant. It was well documented that the consultation process was flawed and following the release of exemplifications, which included the wrong dataset, the Home Office withdrew the consultation with a view to recommencing some time in 2017.

6.3.2 Detailed work was undertaken to launch a new consultation in the summer of 2017 however the General Election overtook events and the consultation was never launched.

6.3.3 There are indications that the formula review could be resurrected alongside the Spending Review. It is recognised that the current funding formula is flawed and does not reflect the demographics and demands of an area nor the ability to raise taxes. However, given the heavy reliance on government funding in Greater Manchester the impact could have a significant impact, either positively or negatively.

6.4 **Emergency Services Mobile Communication Programme (ESMCP)**

A further concern is the delay in the £1bn project to transition from Airwave radio to the new Emergency Services Mobile Communications Programme (ESMCP). The original plan was a National Shut Down (NSD) date of December 2019, which the Home Office have now confirmed will not be achieved. A review is underway to ascertain a revised NSD date including the associated cost increase. There is a real concern that any additional costs arising from the delay will result in dual running costs, possible further top-slicing to the Police Grant and / or a transfer of costs to local policing.

7 **RESERVES**

Reserves as at 31 March 2018 were £75m, current plans show reserves falling 32% (£23m) by March 2022. The total balance includes a £14m reserve held for contingency purposes and a number of reserves set aside to meet contractual obligations in the future, these include a PFI reserve of £12m, an insurance reserve of £15m and an operational contingency reserve of £6m. It has been the strategy to maintain reserves at a prudent level particularly given the uncertainty of the funding landscape which includes the future levels of police grant, the potential impact of a Spending Review, increased threat levels, costs and delays of the Emergency Services Mobile Communications Programme (ESMCP). However the investment reserve, currently £28m can be drawn down based on invest to save business cases which reduce demand for policing services and support the Standing Together plan.
8 PRECEPT PROPOSALS

8.1 The 2018/19 police precept for a band D property in Greater Manchester is £174.30. The government provided flexibility for all Police and Crime Commissioners to raise the precept by £12. This represented a significant change from recent years whereby Police and Crime Commissioners could raise the precept by no more than 2% unless they were one of the 10 areas with the lowest police precept. For these Police and Crime Commissioners they had flexibility to raise income from council tax by £5 rather than 2%. In 2017/18 Greater Manchester had the 9th lowest precept in England and therefore qualified for the additional flexibility.

8.2 For 2019/20 the Home Secretary announced a maximum PCC precept increase of £24.

8.3 Taking into consideration all the factors outlined in this report the Mayor and Deputy Mayor are proposing a £24 increase to the PCC component of the Mayoral precept for Band D properties. This is not a decision which has been taken lightly because of the impact it has on local taxpayers. However, the only option the Government has allowed is to ask residents to pay an extra £24 in order to maximise resources, mitigate Government cuts and keep Greater Manchester as safe as possible.

8.4 The public consultation closes on 27th January. Results will be circulated ahead of the meeting, as soon as they have been collated.

8.5 If approved, this £24 increase will raise £18m and be invested in the following priority areas, addressing public concerns:

- Neighbourhood policing
- Safety on the Transport network
- Safe night time economy
- Continue to improve the 101 service and other forms of customer contact
- Tackling serious and violent crime
- Tackling violence against women and girls
- Improvements to sickness absence

To support the delivery against the above priorities there will be an increase in police officer numbers by 320, in addition to the replacement of officers who leave the force (c.500):

- Recruit 220 new Neighbourhood Police Officers (NPOs) to enable an enhanced response to calls, particularly to those most vulnerable.
- Create a new proactive Force wide team of 50 officers to allow an effective, flexible, pro-active response to local problems and priorities
- A new transport team, with 50 additional officers, to enable a more appropriate response to problems on the transport network, including a wider focus on other transport matters.
- Undertake direct entry detective recruitment which will support investigations, particularly those into serious and violent crime and violence against women
8.6 Recognising the challenges of increasing recruitment to this level, the budget will plan for one-off use of any in year underspend as a result of a staggered recruitment plan. It is intended that these funds will be invested in activity which supports the Community Safety Partnerships. This could include:

- Investment in the Night Time Economy
- Tackling Youth violence through ‘detached’ youth work
- One-off contribution to support the development of CCTV GM wide collaboration opportunities
- Initial start up costs of CS Accreditation

8.7 The table below shows the impact for each Council Tax band of a £24 increase

<table>
<thead>
<tr>
<th>COUNCIL TAX BANDS</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20 proposed precept</td>
<td>132.20</td>
<td>154.23</td>
<td>176.27</td>
<td><strong>198.30</strong></td>
<td>242.37</td>
<td>286.43</td>
<td>330.50</td>
<td>396.60</td>
</tr>
<tr>
<td>2018/19 PCC precept</td>
<td>116.20</td>
<td>135.56</td>
<td>154.94</td>
<td><strong>174.30</strong></td>
<td>213.04</td>
<td>251.76</td>
<td>290.50</td>
<td>348.60</td>
</tr>
<tr>
<td>Change (£ per year)</td>
<td><strong>16.00</strong></td>
<td><strong>18.67</strong></td>
<td><strong>21.33</strong></td>
<td><strong>24.00</strong></td>
<td><strong>29.33</strong></td>
<td><strong>34.67</strong></td>
<td><strong>40.00</strong></td>
<td><strong>48.00</strong></td>
</tr>
</tbody>
</table>

8.8 The police precept, on average, represents 10% of the overall council tax bill. The impact of a £24 increase would equate to 1.4% increase on the overall council tax bill for 2019/20, for band D properties, an increase of just 46 pence per week.

8.9 46% of Greater Manchester properties fall into the band A category, for these properties the annual increase will be £16.00, an increase of just 31 pence per week. For Band B the annual increase will be £18.67, an increase of just 36 pence per week.
9 RECOMMENDATION

9.1 The Panel are asked to consider the content of this report and either:

   a) propose that the PCC precept level can be issued, or
   b) make recommendations regarding the precept level, or
   c) veto the proposal and require the PCC to submit a revised proposed precept.

9.2 Note the budget assumptions relating to the budget for 2019/20, including the increase to the Community Safety grant.
Appendix 1

Police and Crime Panels – Scrutiny of Precepts

This appendix explains the process for the police and crime panel's (PCP) scrutiny of the police and crime commissioner’s (PCC) proposed precept and should be read alongside:

- Schedule 5 of the Police Reform and Social Responsibility Act 2011 (“the Act”)
- Part 2 of the Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 (“the Regulations”)

Background

Schedule 5 of the Act sets out the process for issuing a precept, including the panel’s role in reviewing the proposed precept, their power to veto the precept and the steps to be taken if they do veto the proposed precept.

The Regulations provide greater detail to the Act, including time limits applicable to the stages of the process and the process for reviewing and issuing a revised precept.

Schedule 5 requires:

- the PCC to notify the panel of his/her proposed precept;
- the panel to review the proposed precept;
- the panel to make a report to the PCC on the proposed precept (this may include recommendations);
- the panel’s report (if they veto the proposed precept) to include a statement that they have vetoed it;
- a decision of veto to be agreed by two-thirds of the panel members;
- the PCC to have regard to the report made by the panel (including any recommendations in the report);
- the PCC to give the panel a response to their report (and any such recommendations);
- the PCC to publish the response.

It is for the panel to determine how a response to a report or recommendations is to be published.

If there is no veto and the PCC has published his/her response to the panel’s report, the PCC may then issue the proposed precept - or a different precept (but only if in accordance with a recommendation in the panel’s report to do so).

The Regulations require:

- the PCC to notify the panel of his/her proposed precept by 1 February;
- the panel to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) by 8 February;
- where the panel vetoes the precept, the PCC to have regard to and respond to the Panel’s report, and publish his/her response, including the revised precept, by 15 February;
- the panel, on receipt of a response from the PCC notifying them of his/her revised precept, to review the revised precept and make a second report to the PCC by 22 February;
• the PCC to have regard to and respond to the Panel’s second report and publish his/her response, by 1 March.

Panel's report on the proposed precept
If the panel fails to report to the PCC by 8 February the scrutiny process comes to an end, even if the panel have voted to veto the proposed precept, and the PCC may issue the proposed precept.

PCC’s response to a veto
Where the panel veto the proposed precept, the PCC must have regard to the report made by the panel, give the panel a response to the report and publish the response, by 15 February. In his/her response, the PCC must notify the panel of the revised precept that he intends to issue.

Where the panel’s report indicates that they vetoed the precept because it was:

• too high, the revised precept must be lower than the previously proposed precept.
• too low, the revised precept must be higher than the previously proposed precept.

The PCP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCP members (the full membership rather than those present at a meeting). Where a veto occurs, the report to the PCC must include a statement to that effect.

Panel's review of the revised precept
On receipt of a response from the PCC notifying them of the revised precept proposal, the panel must review the revised precept proposal and make a second report to the PCC on the revised precept by 22 February. This report may:

• indicate whether the panel accepts or rejects the revised precept (although rejection does not prevent the PCC from issuing the revised precept); and
• make recommendations, including recommendations on the precept that should be issued.

If the panel fails to make a second report to the PCC by 22 February, the PCC may issue the revised precept.

Issuing the precept
Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his/her response to their second report. The PCC may then:

• issue the revised precept; or
• issue a different precept, although:
they must not issue a precept that is higher than the revised precept if the revised precept was lowered following the panel's initial report on the first proposed precept indicating it was vetoed because it was too high;

they must not issue a precept which is lower than the revised precept if the revised precept was raised following the panel’s initial report on the first proposed precept indicating it was vetoed because it was too low.
**Process for PCP scrutiny of PCC’s proposed precept**

- **By 1 February**: PCC notifies PCP of proposed precept
- **By 8 February**: PCP reviews precept and makes report to PCC

  - If Veto NOT used:
    - **PCC responds to PCP’s report and publishes this response**
    - **PCC issues proposed precept or different precept**

  - If Veto used:
    - **PCC must not issue the proposed precept**
    - **PCC responds to PCP’s report, including his revised precept, and publishes this**
      - **PCC makes second report to PCC**
      - **PCC responds to PCP’s second report and publishes this response**
      - **PCC issues revised precept or different precept**

- **By 15 February**: PCC responds to PCP’s report and publishes this response
- **By 22 February**: PCC issues revised precept or different precept
- **By 1 March**: PCP makes second report to PCC