

26 October 2017

Our ref: B00722-17

Roger Palmer
Department for Communities and Local Government
2nd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

Dear Roger

The 2018-19 Local Government Finance Settlement : Technical Consultation Paper

This is the response from the Police and Crime Commissioner for Gloucestershire to the Technical Consultation Paper concerning the 2018-19 Local Government Finance Settlement. I would add that the PCC also supports the response sent to you by the PCC's Treasurers' Society (PACCTS).

The following questions are relevant to the PCC and have been commented upon:

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

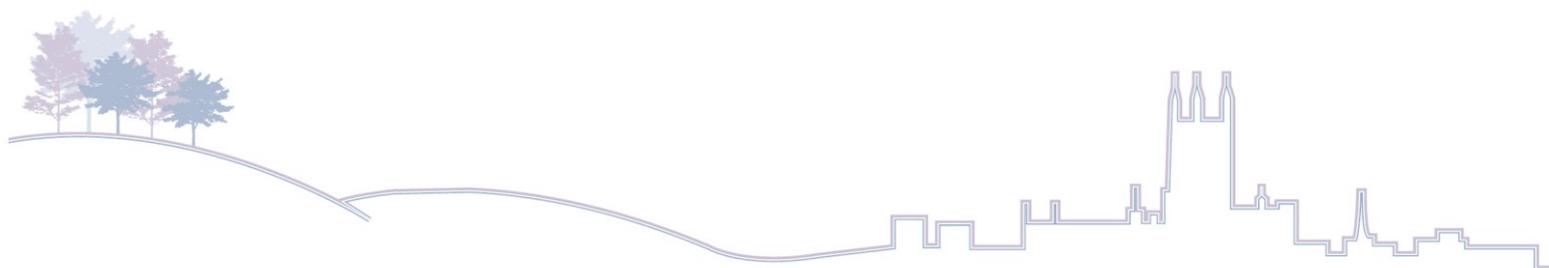
The majority of police funding now comes from the Home Office and not from DCLG. The Home Office have not offered a four year settlement and have not even provided indicative figures for the next four years. The grant settlement announced in December 2016 was for one year only (2017-18).

The PCC welcomes the offer made by DCLG to local authorities and would urge Government to encourage other departments, including the Home Office, to offer four year settlements. It is very difficult to do any long term financial planning when we have no indication what will happen to 60% of our funding.

Question 9: Do you have any views on council tax referendum principles for 2018-19 for principal local authorities?

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

The PCC supports the views represented by PACCTS that referendum thresholds should be abandoned altogether. PCCs are elected by local taxpayers in their area and should be accountable to them for local taxation. The PCC for Gloucestershire takes his role as elected representative very seriously and spends a lot of time engaging with the public. Since his election he has appointed myself as Deputy PCC, and my main



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role is to support engagement with the public. The PCC feels that he has a good understanding of the views of the public in Gloucestershire and should be able to make decisions about the level of local taxation.

The rules for calling referendums are very restrictive. As the experience in Bedfordshire has shown, once the referendum was called, despite having proposed the issue, the PCC was not allowed to argue the case for a larger increase, so the referendum was always unlikely to succeed. Under these circumstances calling any referendum is a waste of public money.

Although the PCC is calling for the abandonment of referendum limits he very strongly feels that this should not allow the Home Office to further cut grant funding. The 2017/18 settlement from the Home Office was a flat cash settlement. This meant that the grant from the Home Office was reduced and the PCC could offset this by increasing council tax up to the referendum limit. However, a flat cash settlement, does not fund inflation and pay rises. 80% of police expenditure is in respect of officers and staff, and the cost of their pay rises is not funded by a flat cash settlement. If the referendum limit were abandoned there is a distinct risk that the funding of pay rises and inflation would be pushed onto local taxation. This should be funded centrally by the Home Office.

Also, in calculating the flat cash settlement and grant reduction the Home Office assumes an increase in the tax base. This means that forces have to include an increase in tax base, and the subsequent additional precept income, in their stand still budget, rather than allowing the additional resources arising from the new developments to be used to deliver services to those developments. Police forces have to use the increase in the tax base to balance the budget. It is the view of the PCC that no increase in tax base should be assumed in any precept calculation when working with flat cash settlements and grant allocations.

I hope you find this response helpful. If you require any further information, or would like to discuss our response, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Brierley'.

Chris Brierley
Deputy Police and Crime Commissioner

