



STRATEGIC POLICING AND CRIME BOARD 5 November 2013

Budget Consultation

PURPOSE OF REPORT

1. To launch a consultation on budget and precept proposals for 2014-15 and beyond.

BACKGROUND

2. The setting of the budget and precept for the West Midlands Police and Crime Commissioner (WMPCC), and hence the resources available for policing and crime in the West Midlands in 2014-15 and beyond takes place in the context of ongoing reductions in the main police grant over the medium term, including “top slicing” to finance the new Government Innovation Fund and increased resource for the IPCC, and continued uncertainty about police funding.
3. The WMPCC currently charges the second lowest police precept in England (£102.43 for Band D Property compared to, for example, Surrey PCC at £207.55 for Band D property, the consequence of which is that a far greater proportion of police spending in the West Midlands is funded from Police Grant (88%, compared to 48% in Surrey) than elsewhere. The application of crude, across the board reductions in Government Grant therefore affects the West Midlands to a far greater extent.
4. While there have been proposals to review the damping and the funding formula, and despite persistent lobbying on the unfairness of the current position which leaves West Midlands Police the most disadvantaged in the country, there is little to suggest that changes are likely in the near future.
5. Despite these reductions in grant levels, West Midlands Police has delivered significant savings, in advance of those required over the last three years, largely as a result of greater than anticipated reductions in police officers (in addition to A19 retirements) and police staff numbers, whilst mentioning and improving service levels. This has been by commended by HMIC.
6. As a result the underlying base level of spending in 2014/15 is significantly less than originally planned, and the amount of general reserves has increased to

levels (approximately £75M) where consideration can be given to the increased use of reserves to support revenue spending in the medium term

OUTLINE PROPOSALS FOR CONSULTATION

7. Whilst the use of reserves to fund recurrent spending would not normally be part of the Commissioner's Financial Strategy, he believes that a "[Tipping Point](#)" between reduced policing resources (as a result of reductions in Government Grant) and the levels of crime and anti-social behaviour in in danger of being reached and action needs to be taken to redress the balance.
8. In the context, therefore of
 - a) Increasing crime levels and public demand for services
 - b) The demographic of the current workforce, where by 2014 there will be no serving police officer under twenty five years of age, and the need to continue to ensure the workforce appropriately reflects the community it serves
 - c) The current workforce mix of police officers and police staff and opportunities for further civilianisation to release more officers for operational duties
 - d) The need to provide "pump priming" support for the Innovation and Improvement Partnership (IIP) Project
 - e) The opportunities for Invest to save Schemes
9. The Commissioner is proposing to make provision in the 2014/15 Revenue Budget for:
 - a) The recruitment of up to 250 police officers in 2014/15 (including transferees from other forces), and subject to the actual number of retirements and other leavers during 2014/15, the recruitment of up to a further 200 police officers in 2015/16
 - b) The recruitment of up to 100 police staff posts to release police officers for operational duties
 - c) The creation of a reserve of £10M to support the IIP Project and a similar amount for Invest to Save Schemes
10. This would be financed by the prudent use of reserves (about £60 million, including support likely to be required in the years after 2017/18), together with a modest precept increase in line with inflation, worth approximately £3 per year (or the equivalent of 6p per week) for most households in the West Midlands, and which would also continue to address the Government Grant/Precept ratio issue and provide some protection in the medium to longer term from further cuts in Government Grants.
11. Consequent upon budgetary decisions to provide for police officer recruitment there would need to be a review of the continued implementation of Police Pension Regulation A19, although a final decision on that would sit with the Chief Constable.

CONSULTATION

12. Given the issues arising from the proposals, it is important that the public's views are sought and acted on as the people of the West Midlands consider the future for "our police".

13. It is proposed that a consultation should run through November and December 2013, incorporating the meeting of the West Midlands Police and Crime Panel on 18 November and a meeting of West Midlands Leaders in December.
14. The consultation will include:
 - a. Dedicated webpage on www.westmidlands-pcc.gov.uk
 - b. On line survey
 - c. Survey cards
 - d. Social media support from the West Midlands Office for Policing and Crime, and West Midlands Police
 - e. Requests for consideration at local policing and crime boards
 - f. Requests for consideration at crime and disorder overview and scrutiny committees
 - g. Consideration as part of forthcoming summits and events
 - h. Coverage in newsletters
 - i. Requests for press and media coverage

FINANCIAL IMPLICATIONS

15. Before the Commissioner makes final decisions about the precept and revenue budget for 2014/15, he is required to consider a report from the Chief Finance Officer about the robustness of the estimates and the adequacy of the reserves. I also have personal statutory responsibilities for the proper administration of the PCC's financial affairs.
16. Based on an assessment of the costs of these proposals, including assumptions about the future levels of police officer retirements and other leavers if the application of Regulation A19 is discontinued; a review of the Medium Term Financial Plan; and a detailed assessment of the financial and other risks over the medium term of the proposed use of reserves, I believe the Commissioner would be taking a reasonable, prudent and balanced approach in formulating the budget and precept for 2014/15 based on the proposals set out in this report.
17. The costs of the consultation will be met within existing budgets.

LEGAL IMPLICATIONS

18. The Police Reform and Social Responsibility Act 2011 (Chapter 3, Paragraph 14(3)) requires the Commissioner to obtain the views of local people on his proposals for expenditure.

RECOMMENDATIONS

19. The Board is asked to consider the proposed consultation on outline budget and precept proposals for 2014-15.

Mike Williams
Chief Finance Officer