



WEST YORKSHIRE POLICE AND CRIME PANEL

14 December 2018

Budget Update

1. Purpose

- To update Panel members on the position against the 2018/19 budget and provide a brief summary of matters that may impact on police funding for West Yorkshire.
- For this briefing, the Panel are presented with the following information:
 - i. An update on the current position relating to the 2018/19 budget
 - ii. An update regarding planning for the 2019/20 budget
 - iii. A brief update on police funding
 - iv. An update against the Home Office Efficiency Targets

2. Update on the 2018/19 budget position

- The Force revenue budget (excluding collaborative budgets) for 2018/19 is £423.659m (Detailed at Appendix A). As at 31st October 2018, the budget had an overspend position of £0.5m against the plan. This represents 0.22% variance against the budget for the first seven months period. This is comprised in the main, of:
 - £1.351m overspend in Police Pay and Allowances
 - £1m overspend on Police Overtime
 - Early savings of £0.3m on Police Staff Pay and Allowances
 - Early Savings of £0.4m on PCSO Pay and Allowances
 - £0.453m Early Savings on Rent and Rates
- The forecast revenue outturn position as at 31st October 2018 is an overspend of £0.863m, though I anticipate that the final position will be closer to the budgeted position with further work ongoing to try achieve this.

3. Update on the planning for 2019/20 budget

- During the next few months I will complete the detailed budget planning process looking at the priorities within the Police and Crime Plan and the latest strategic

assessment undertaken by West Yorkshire Police to effectively prioritise resources.

- Key areas that will be focussed on as part of the budget planning process to ensure the right decisions are made for sustainable investment include:
 - Ongoing recruitment
 - A continuation of the technological transformation of policing
 - Early intervention and prevention
 - Mitigating the impact of changes to the way that future police pension costs are calculated and paid for announced by the Treasury in September 2018 as an anticipated cost to West Yorkshire Police of £6.8m in 2019/20 and forecast to be over £18m per year from 2020/21.

4. Update on Police Funding

- The Minister of State for Policing and the Fire Service's letter accompanying the 2018/19 provisional police settlement (December 2017) indicated that the police funding formula would not be reviewed until after the next Spending Review, at the earliest. It is currently anticipated that the Spending Review will take place for the financial year 2020/21 and beyond.
- Despite criticism from the recent National Audit Office, the Public Accounts Committee and the Home Affairs Select Committee reports of the current method of funding the police service there remain no indication from the Home Office of an earlier formula review.
- As and when this work does commence, I will take an active role in responding to the consultation and fighting for a fairer funding allocation for West Yorkshire.
- I will discuss the draft proposals once announced as part of the consultation with the panel and other partners across West Yorkshire to gain support in representing the needs of West Yorkshire.
- I anticipate that the 2019/20 provisional settlement will be announced in early December. The detailed 2019/20 budget and the medium term financial forecast will be presented to the Panel in February.

5. Home Office Efficiency Targets

- In the February Police and Crime Panel meeting Members were advised that while the 2018/19 Home Office funding settlement was a one year only settlement, the written ministerial statement did indicate that the settlement for 2019/20 would be at a similar level subject to efficiency targets being met.
- Between February and April the Home Office worked with the Association of Police and Crime Commissioners and the National Police Chiefs' Council to determine what the efficiency targets should be.

- In October 2018 the APCC and NPCC wrote a joint letter (attached at Appendix B) to the policing minister stating that they are “fully on track” to deliver against the specific challenges agreed. As at the end of quarter 1:
 - The service nationally delivered £322m against the original target to make £350m procurement savings by 2020
 - Delivered £23m of the 3-year £100m procurement savings target, with plans in place to achieve the agreed £40m by year end
 - Delivered at least £13m against the 3-year £20m back office savings, of which £8m is due this year
 - Developed an outline business case setting out a recommended way forward to improve our collaborative approach to procurement which will be subject to formal agreement by both NPCC and APCC in January 2019

- My office and West Yorkshire Police have been fully engaged with this process and feedback from the Home Office suggests that the targets set are deemed to have been met for the purposes of the 2019/20 settlement.