
Report to: Police and Crime Panel

Date: 03 February 2023

Subject: Precept Proposal 2023/24

Report of: Tracy Brabin, Mayor of West Yorkshire

Author: Angela Taylor – Director, Finance and Commercial Services

1. PURPOSE OF THE REPORT

1.1. This paper sets out for the Panel:

Section 2 - The legal requirements for notification of the precept proposal.

Section 3 - The provisional police grant settlement for 2023/24.

Section 4 - The medium term position.

Section 5 - The draft budget for 2023/24.

Section 6 - The funding strategy.

Section 7 - Precept options considered by the mayor.

Section 8 - The decision by the mayor.

Section 13 - The Mayor's recommendation to the Panel.

2. LEGAL REQUIREMENTS FOR NOTIFICATION OF THE PRECEPT PROPOSAL

2.1 The Mayor is required under Schedule 5 of the Police Reform and Social Responsibility Act 2011 and associated regulations to notify the Police and Crime Panel of the proposed precept for 2023/24 before 1 February 2023.

2.2 The Panel must review the proposed precept before 8 February 2023 and make a report to the Mayor.

2.3 The Mayor must have regard to and give the Panel a response to their report. The Panel has a right to veto the proposed precept if at least two thirds of the Panel vote in favour of making that decision. Where this right is not exercised the

Mayor may issue the precept. If the Mayor's proposal is vetoed by the Panel, a revised proposal must be notified to the Panel before 15 February 2023.

- 2.4 The Panel must review the revised proposal and make a report to the Mayor by 22 February 2023. The Mayor must respond to the report and issue her precept by 27 February 2023.
- 2.5 Rejection by the Panel of the revised precept does not prevent the Mayor issuing it as her precept for the forthcoming financial year.
- 2.6 The Mayor has a statutory duty to set a balanced budget and calculate the Police Council Tax Requirement for the forthcoming financial year. The budget report including the statutory calculations will be considered by the Mayor once the Panel has reached the end of its scrutiny process.

3. THE PROVISIONAL POLICE GRANT SETTLEMENT 2023/24

Key Points

- 3.1 The provisional 2023/24 Police Finance Settlement was announced on 14th December 2022 in a written statement by Chris Philp, Minister for Crime, Policing and Fire. The settlement was largely as expected.

Ahead of the settlement, the Chancellor had announced the necessity to cut many departmental budgets to address increased levels of Government debt. Despite the country recently emerging from a pandemic, the economic landscape has significantly worsened since the last settlement. In particular, inflation has climbed much higher than was predicted this time last year, with CPI reaching 11.1% by October. There has been pressure on the Government from all sides to increase departmental spending to avoid real terms cuts.

As part of the settlement, the Government announced that Police and Crime Commissioners (PCCs) (and therefore Mayors in exercising PCC Functions), would be able to raise their council tax precepts by up to £15 (for Band D) for one year only. This equates to between the lowest 5.3% (North Welsh PCC) and highest 10.9% (Northumbria PCC). In West Yorkshire, this would represent 6.78% based on a £15 Band D increase. West Yorkshire remains as the area with the fourth lowest Police Band D level in England and Wales.

The key points to note from the statement are:

- A national increase in Government grant for Policing to support the national Police Uplift Programme.
- Precept referendum limit of £15 for PCCs (and Mayor's with PCC Function responsibilities)
- Confirmation for continuing the Pension Grant at a flat rate
- The maintenance of police officer number targets

- No support for increased energy costs
- A considerable reduction in reallocations (topsllices) for national programmes and services that are set out in the table below:

Police Funding	2023/24 (£m)	2022/23 (£m)
Total Reallocations (topslice) and adjustments, made up of:	1114.0	1373.7
PFI	71.6	71.6
Police technology programmes	526.4	606.5
Arm's length bodies (HMICFRS, College of Policing, IOPCC)	74.7	68.7
Police Uplift Programme		12
Cyber Crime	14.1	-
National Operational Policing Units (including football policing and wildlife crime)	-	2.9
Tackling Exploitation and Abuse	21.3	-
National Capability Programmes	69.3	65
Special Grant	50.0	62.4
Forensics	20.6	25.6
Serious Violence	45.6	50.1
Police Now	-	7
Safer Streets Fund (Now wider Crime Reduction Programmes)	-	45.8
Police and CJS Performance	-	13
Crime Reduction Capabilities	18.4	13.5
Fraud	18.1	23.1
Regional and Organised Crime Units	39.5	33.2
Rape Review	-	12
Drugs / County Lines	30	30
Counter Terrorism Programmes	-	32.5
NPCC Programmes	9.5	10.6
Capital Reallocation	104.9	188.1

- Capping criteria was set so that all Police and Crime Commissioners and Mayors with PCC Function responsibilities are able to increase the band D equivalent charge by up to £15 a year without triggering a local referendum and it is assumed in the overall Government headline figure for Policing. West Yorkshire is the 4th lowest Police Council Tax in England and Wales. See **Appendix E**. Recognising the scale of funding gap facing West Yorkshire Police, with £39.4 million of unavoidable increases in 2023/24, and no increase in the previously advised settlement the opportunity to move to a

£15 precept to generate an additional £3.38m of funding had to be considered and the consultation was carried out on this basis.

3.2 Core Funding

	2023/24 (£m)	2022/23 (£m)
DCLG/Formula Funding	156.1	155.6
Home Office Police Grant	211.6	210.8
Uplift Grant	11.7	5.8
Total Formula Funding	379.4	372.2
Pensions Grant	5.1	5.1
CT Freeze Grant	16.7	16.7
Total Central Funding	401.2	394.0

3.3 Localised Council Tax Support and Legacy Council Tax Freeze Grant

Payment of localised council tax support and legacy council tax freeze grant is funded through the Home Office. West Yorkshire's allocation for 2023/24 is £16.7m, which is in line in cash terms with the 2022/23 allocation. At this stage we do not know if the legacy council tax freeze grant will be built into the core grant in future years which adds uncertainty.

3.4 Community Safety Fund

The 2023/24 budget includes the Community Safety Fund (CSF), the grant for which was £5.292m in 2013/14 (base line). The Mayor has agreed to continue to ring-fence and passport the CSF to local government partners for an additional year in demonstration of a commitment to joint problem solving and early intervention and prevention.

Other Grants

3.5 Counter Terrorism Specific Grant

Allocations to Counter Terrorism Units will be announced further into the year by Government but will not be made public. Funding will be increased overall nationally.

3.6 Capital Grant

No capital grants are provided from 2022/23 onwards.

4. MEDIUM TERM POSITION

The Financial Context

4.1 The Medium-Term Financial Forecast (MTFF) presented today shows a balanced position for 2023/24 following the use of £5.207m of revenue reserves and using the £15 precept flexibility. The position for future years, if the significant saving plans in place are met, is:

- 2024/25 a balanced position (after use of £6.185m of the revenue reserve)
- 2025/26 £15.506m shortfall
- 2026/27 £25.081m shortfall

Largest risk areas for assumptions:

- Inflation assumptions, especially in utility costs have had a detailed review for 2023/24 due to the significant inflationary pressures within the economy currently. There has been significant fluctuation in those forecasts over the last 12 months due to the instability within global economies at this current time. There is also risk of market conditions not returning to 'normal' and elevated inflation rates staying at these levels for longer than assumed.
- An assumed 3% Officer and Staff Pay award has been built in for 2023/24, this has been increased from 2.5% in response to the Policing Minister's December 12th letter and NPCC discussions. The pay award for the subsequent two years is assumed at 2% but it should be noted that this remains a difficult to forecast area and there may be future cost pressure. Every 1% increase on pay increases our cost pressures by around £4.5m.
- While we have more certainty over the level of Home Office funding to forces in totality than we have had in recent years, assumptions relating to levels of government grant funding from 2024/25 onwards at a local level are less certain due to the Government's plan to review the funding formula. The timing of this is still uncertain and, considering that there is likely to be a transition plan to smooth any significant shifts in funding, it is assumed that it would be at least 2025/26 before a real impact is felt.
- Precept – the MTFF as modelled assumes a £15 increase on the Band D for the coming year, and £10 and £5 increase for the two years after. It also shows a less favourable tax base increase than we had previously modelled in line with Local Authority assumptions. As these have had significant shifts in Local Authority modelling due to the impact of COVID-19 which is still impacting the economy and other factors that determine the taxbase, there is a fair amount of

uncertainty around the assumptions. Every 0.5% increase in taxbase would generate roughly an additional £0.8m of precept. Every £1 increase in precept would generate additional income of £0.67m and therefore if the precept increase was £14 next year rather than the full £15 (or £9 instead of £10 in future years), then the income in the MTFF would be reduced by £0.67m and therefore increasing the deficit by £0.67m. This would then have a cumulative impact in future years.

Operational Context and Workforce Planning

- 4.2 The 2023/24 budget is based upon the following numbers of established posts at 31 March 2024:

	Officers	Police Staff	PCSOs	Total:
Budgeted FTEs March 2024 per Jan 2023 MTFF	5,936	4,161	565	10,662
National or Regional Commitments including, NECTU, Regional Crime NPAS, Regional Scientific Support, VIPER, PNLD, NPAS and national firearms.	442	1,032	0	1,474
WY core availability	5,494	3,129	565	9,188

However, the current inflationary pressures on the budget mean that it is not possible at this stage to plan to achieve the establishment figures as set out above. The savings required to balance the 2023/24 budget require the achievement of an 8% staff vacancy factor, higher than the usual 4% and also a PCSO vacancy factor of 10%.

West Yorkshire Police have appointed 521 new student officers this financial year to date and there are plans to appoint a further 218 before the end of March 2023. In addition, West Yorkshire Police have appointed 51 transferees since 1 April 2022. This takes the total number of new police officers appointed in 2022/23 to 790, a **net increase of 381 officers** once all retirees and leavers are taken into account.

Although West Yorkshire Police has appointed 43 new PCSOs this financial year to date and there are plans to appoint a further 10 before the end of March 2023, there is expected to be a net reduction of 50 PCSOs once all retirees and leavers are taken into account. This takes the PCSO strength to 520 FTEs by 31 March 2023.

The Medium-Term Financial Forecast has been prepared alongside current workforce planning. Workforce planning includes predicting police officer leavers

of each rank, PCSO and police staff leavers, workforce modernisation plans and recruitment plans, including probationers and transferees. The national uplift programme is also factored in. Other variables that may impact on the recruitment strategy continue to be monitored i.e., career breaks, and secondee returns.

Extensive work has been done to profile the police officer and police staff establishment and to maximise the efficiencies and savings that are available in the short-term in order to maintain officer and staff numbers as far as possible to meet the Mayor's priorities. In this proposal the PCSO vacancy factor would be achieved during 2023-24 by delaying recruitment to replace leavers to create a temporary reduction in numbers.

4.3 Early work on West Yorkshire Police's Force Management Statement 5 (FMS5) outlines a number of positive achievements of West Yorkshire Police over the last 12 months including:

- Four outstanding gradings from the last PEEL assessment (Engaging with and treating the public with fairness and respect, Preventing crime and anti-social behaviour, Disrupting serious and organised crime and Strategic planning, organisational management and value for money). This is in addition to an Outstanding grade for crime recording already achieved by the Force.
- Most areas of 'neighbourhood crime' remain below the June 2019 baseline. Residential burglary has reduced by 48% over the last five years, vehicle offences have reduced by 36% and theft from the person has reduced by 28%.
- Whilst there has been a slight increase in robbery and knife crime over the last 12 months these are still below the June 2019 baseline. Firearms discharges are at their lowest level (26) and significantly below the peak of 80 in 2017.
- There have been two fewer homicides over the last 12 months and the Force has the third lowest rate in its Most Similar Group.
- Stable position for calls for service, with continuing positive performance around 999 calls.
- Strong position in meeting the Strategic Policing Requirement (SPR) national threats. Should Violence Against Women and Girls be added as a new SPR threat, the Force is in a good position having been identified as an 'exemplar Force'.
- Long term prioritisation of vulnerability threats such as domestic abuse, sexual offences and child abuse, with clear links to Violence against Women

and Girls.

- Being on track to meet the Police Uplift Programme and improving the Force position regarding workforce representation.
- Despite the financial challenges of the last 12 years, investing in areas of risk such as safeguarding, digital forensics, serious and organised crime and criminal justice, whilst also making required financial savings.
- Activity and resources focussed on frontline functions, areas of risk and priorities from a Force and local perspective as evidenced by Police Objective Analysis data and the Unit Costs of Policing pilot project.
- Being able to evidence innovation, continuous improvement and efficiency and productivity across all sections of the FMS.

Whilst FMS5 evidences some real successes for the Force, there remains some significant challenges set within the context of substantial reductions in the police budget over the last twelve years, increasing financial pressures over the next few years and increasing complexity of policing demand outlined in the table below:

Area	Commentary
Calls for Service	The Force continues to have one of the highest levels of demand per 1000 population nationally, with the fourth highest rate of 999 calls per 1000 population. The profile of calls is changing with 999 calls now accounting for 33% of all calls compared to 27% in 2016/17. Whilst performance around 999 remains strong, over the last two years 101 performance around queue times and abandonment rates has deteriorated, which risks repeat demand in the system, an increase in 999 calls and reduced customer satisfaction. This year the Force declared a demand critical incident given capacity issues/vacancies in the Contact function and the requirement for officers within other District functions to supplement Patrol to meet demand and Minimum Patrol Requirements.
Non Crime Demand	A large proportion of calls for service relate to 'non-crime demand with 38% of calls relating to public safety and welfare concerns. Analysis shows that responding to these calls is the sixth highest activity (and highest non-crime activity) of the Force and that compared to other forces, attendance rates in dealing with safety/welfare and missing persons is particularly high. A 'Demand Analysis Report' (2020) shows there has been an increase in the number of calls to both 999 and 101 that are a non-police matter. These calls should either have been directed to Local Authorities or other agencies such as Ambulance, Mental Health, Fire Service or Hospitals.
Neighbourhood Policing	The ability to maintain the current Neighbourhood Policing model and footprint within the context of the threat, harm, risk and high levels of demand facing the Force coupled with economic pressures is a risk. The factors that led to disinvestment twelve years ago are of

	relevance now (financial pressures, increasing demand and threat, harm and risk around safeguarding). Tackling the issues that matter to communities, police visibility and community engagement are all drivers of public confidence and are delivered by Neighbourhood Policing.
Public Confidence	The pausing of the Crime Survey for England and Wales and a change in methodology of the 'Your Views Survey' makes it difficult to compare public confidence with previous years. However there are signs nationally that public confidence is reducing with a YouGov survey showing that in all regions of England and Wales public confidence is on a downward trend. The Strategic Review of Policing outlines that confidence has been impacted by a number of challenges including policing increasingly responding to complex social challenges (non-crime demand) meaning less time is spent on the primary role of preventing and tackling crime, a reduction in officer numbers meaning less visibility, outcomes reducing and high profile misconduct cases. Other key threats to police legitimacy nationally include race disparity/disproportionality and Violence Against Women and Girls, both of which are high priority areas for the Force.
Customer/Victim Satisfaction	The Force was graded by HMICFRS in the last PEEL Inspection as Adequate for 'Providing a Service to Victims of Crime'. Victim satisfaction has reduced in most areas except domestic abuse, robbery and safety/welfare. Satisfaction with ease of contact for 101 and online has reduced, however satisfaction with 999 remains high and stable.
Socio Economic Challenges and the cost of living	As a large metropolitan county West Yorkshire has higher levels of crime, although crime is not evenly distributed. 25% of crime takes place in 10% of ward areas which are also characterised by high levels of deprivation. Around one third of West Yorkshire's population live in neighbourhoods in the 20% most deprived nationally, with up to 18% living in the top 10%. West Yorkshire already has some significant socio-economic challenges, which are risk factors for crime, harm and demand, which may worsen as a result of the cost of living crisis, leading to an increase in demand in areas which already experience a disproportionate amount of crime.
Total Crime	Total crime has increased by 17.8% compared to the last 12 months, although this reflects a national trend with 42 out of 43 forces experiencing an increase. Burglary (both residential and business and community) and theft from vehicle remain stable and are below the June 2019 baseline with significant reductions being made over the last five years. The area of risk within 'neighbourhood' crime is theft of vehicle which has increased by 34.5% compared to the previous year and is now above the June 2019 baseline. Whilst the Force still has the second highest crime rate nationally this is within the context of being graded as 'Outstanding' by HMICFRS for Crime Recording. The offences that have increased over the last 12 months such as public order, harassment and violence without injury continue to be impacted on by crime recording improvement practice and the increase in possession of weapons and drugs reflect proactivity and focus of the Force.
Investigative capacity and	In the last PEEL Inspection the Force was graded as 'Adequate' for Investigations and over the last five years there has been a strong

capability.	focus on improving investigative capacity and capability. However in line with the national position, there remains a detective gap which is being addressed through a number of workstreams including maximising detective swim lanes through PEQF and IPLDP and an in-Force Trainee Investigator Programme. The volume of demand, complexity of file build and inexperience means there is an ongoing need to improve capability and standards of investigations.
Online/digital investigative demand	The growth in technology is leading to more complex crime and investigations. Crimes that involve a digital device are wide and varied, including organised crime (with criminal use of technology as a cross cutting threat), CSEA (live streaming and indecent images of children), online radicalisation, online stalking and online hate crime. It is likely however, that most crimes and investigations involve a digital element given that most people now have access to a digital device. Investigations are increasingly examining many devices which require specialist digital capabilities including encryption of digital devices, dashcams, drones, internet routers, car tracking devices and the 'internet of things'. With more sources of data, there are more opportunities to recover evidence, but this also increases demand and leads to much more complex investigations which take longer and are more costly than traditional crime investigations. Online crime/digital investigations are predicted to increase, leading to ongoing pressures on digital capabilities such as Digital Forensics Unit, Communications Data Investigations Unit, Police Online Investigation Teams and Abusive Images Assessment Hub.
Criminal Justice	Significant reform at a national level is increasing criminal justice demand and complexity. In particular, changes to the Directors Guidance regarding charging and file build has increased demand on file building teams at pre-charge stage and Attorney General Guidelines on disclosure is creating additional demand for investigators and Prosecution Team Officers. COVID has had a particular impact on criminal justice demand in relation to charging protocols, backlogs of trials and witness care volume. Changes to Bail legislation, VAWG (which has a strong focus on victims and perpetrators), a new Out of Court Disposal Framework and a planned Victims' Bill indicate that demand and focus on criminal justice will remain high.
Domestic Abuse	Domestic abuse remains one of the most significant demand pressures/risks for the Force, with an increasing trend predicted. Incidents per 1,000 population are significantly higher in West Yorkshire compared to the national average and analysis of the Unit Costs of Policing shows that officers/staff spend 15% of their time dealing with domestic abuse. Workload is continuing to increase with 80% of all domestic incidents resulting in a subsequent crime being recorded (compared to 40% in 2015), reflecting a continuation of the Forces ethical and victim focussed approach to crime recording.
RASSO	Rape and serious sexual offences have increased over the last 12 months and are predicted to increase over the next four years. The Force has the second highest rate of rape and serious sexual offences in its MSG but also has the second highest charge rate per 1,000 population. Unit costs of policing data shows that rape and serious sexual offences are the second and third highest activity of

	officers and staff showing the strong focus of the Force in this area.
CSEA	CSEA remains a key risk for the Force, with an increase predicted over the next four years. The increase in indecent images of children is the main driver of the overall increase in CSEA. CSE accounts for around 6% of overall CSEA and 50% of CSE is non recent. There are currently 51 non recent investigations which is a significant increase on the 21 reported in FMS1 (2018). These investigations are particularly complex as they often involve multiple perpetrators and/or victims.
Child Neglect/ Protection	Crimes recorded as a result of neglect, cruelty, abandoning a child and exposure to risk have increased over the last 12 months, partly as a result of the reopening of schools following the COVID lockdown meaning children became more visible to trusted adults and professionals, as well as the roll-out of Public Protection notices, which has improved the efficiency, consistency and quality of referrals to Social Care partners. National reviews of a number of high profile child protection cases, the Independent Review of Children’s Social Care and the Independent Inquiry into Child Sexual Abuse (IICSA) have increased national focus on child protection. In addition, local scrutiny of Children’s Social Care has increased the local focus on child protection.
Mental Health	Demand associated with mental ill health has increased significantly over the last five years with around 23,000 incidents recorded. However, this is not considered to accurately reflect demand as in line with all other forces, a previous “one day snapshot” of demand suggested only a third of all mental health incidents were recorded. HMICFRS Big Data shows that the Force has particularly high rates of attendance for concerns for safety compared to peer forces and this is supported by the Unit Costs of Policing which shows this as the sixth highest activity. Mental health cuts across the full range of policing functions from contact (initial calls for service), neighbourhood policing/response (responding to incidents), investigations (victims/offenders with mental health issues), criminal justice/offender management (as many offenders have at least one mental health issue) and Learning and Organisational Development (ensuring officers and staff have good awareness of mental health issues). In addition to volume there continues to be insufficient beds/specialist beds and lack of capacity within partnerships, meaning policing often is left dealing with the consequences of this area of vulnerability, such as waiting for ambulances or waiting in hospital with patients. Analysis in one District showed that 160 police hours were lost in one week due to waiting times with patients with or suspected of suffering mental ill-health.
Missing Persons	The trend for missing persons is predicted to stabilise following significant reductions from 20,000 in March 2017 to just over 11,500 in the last 12 months. However this still presents large demand for the Force given that risk levels continue to increase. For FMS5 92% of incidents were graded as high or medium risk compared to 72% in 2017. Analysis of Unit Cost of Policing shows that around 5,000 hours per week are spent dealing with incidents. A large proportion of children who go missing are looked after children and at greater risk of CSEA and Child Criminal Exploitation (CCE), and for adults there

	remains a strong correlation with mental health.
Adult Safeguarding	Demand around adult safeguarding has increased significantly from around 1,000 occurrences in 2017 to around 4,500 in the 12 months to August 2022 and is predicted to further increase. The introduction of Public Protection Notices, coupled with dedicated adult safeguarding arrangements as a result of the Safeguarding Review, is bringing more focus on this area and will identify previously hidden demand.
Serious and Organised Crime	Serious and organised crime (SOC) presents a significant threat in West Yorkshire and it is predicted that most areas will increase. The highest scoring wards for serious and organised crime severity are also those with higher levels of deprivation. Drugs is the primary SOC threat and there are strong links to violent crime, gangs and exploitation of vulnerable people. Whilst firearms discharges are at their lowest level and remain low compared to similar forces, there is a connection between firearms and organised crime, meaning offences can be unpredictable.
Modern Slavery Human Trafficking (MSHT)	Criminal exploitation remains the most common exploitation type and consists principally of forced labour for the purposes of cannabis cultivation and forced gang related activity linked to county lines. MSHT is predicted to increase particularly given international factors such as migration, international conflict and climate change.
Fraud and Cyber dependent crime	The Crime Survey for England and Wales reports that fraud and cyber-crime are the most experienced crimes in England and Wales and are estimated to cost the UK economy approximately £137billion per year. Criminal use of technology is a cross cutting organised crime threat and has created particular opportunities around fraud and cyber-crime. In terms of fraud, crime recorded by the Force as well as disseminations from Action Fraud and Banking Protocol calls for service have all increased. Cyber dependent crime and cyber-related blackmail are also on a long term upward trend partly as a result of improving reporting and recording but also as a result of the continued growth in technology which has provided more platforms, accounts and more victims. The threat of cyber-crime is assessed as increasing with offenders having access to the skills and expertise to facilitate a wide range of crimes online.
Serious Violence	Whilst knife crime and robbery have both increased over the last 12 months, these offences still remain below the June 2019 baseline. A slight increase in most serious violence over the last 12 months means levels are on a par with the June 2019 baseline. The strong investment in Violence Reduction Units, which has included 'Grip funding' has contributed to longer term reduction in knife offences and knifed related robberies however, this funding is temporary in nature and it is recognised that a whole systems/public health approach is needed to reduce violent crime long term, particularly given its links to gangs and serious and organised crime. Analysis of the Unit Costs of Policing show that significantly more time is spent allocated to violence with injury crime than any other offence.
National threats (Strategic Policing Requirement)	SPR threats are predicted to increase. The threat level for terrorism is currently at Substantial and whilst the greatest threat continues to be from Anti-Western Terrorism, an increasing proportion of investigations relate to the extreme right wing. Public order threats

(SPR))	relating to football and cultural nationalism remain an issue however anti Government and Environmental protest are predicted to increase. Civil emergency threats of cyber-attacks, severe weather and pandemics have remained issues for some time, however a key cross cutting civil emergency threat is the recommendations from the Manchester Arena Inquiry which impacts on LRF partners.
Race Inclusion and Equality	The Force has undertaken a significant amount of work to understand inequalities across a wide range of policing functions and has a Race Action Plan and governance in place which reflects the national programme of work. Whilst workforce representation has improved over the last 12 months, at only 6.8% this does not reflect the demographics of West Yorkshire and the new Census data has resulted in a widening of the gap compared to the local population.
Workforce Challenges	Mental ill-health accounts for the largest proportion of sickness and demand is likely to increase as a result of the roles in scope for psychological screening and support. Whilst the Force is making good progress against Policing Educational Qualifications Framework (PEQF) this remains a significant challenge particularly around District patrol numbers. The recruitment of a large number of officers is positive, however Districts now have a significant proportion of their officers who are inexperienced and this issue is reflected across other policing functions such as detectives, safeguarding, roads policing and Contact. Having the capabilities and skills required to meet the demands of the future is critical. The NPCC have identified five critical skills required to meet future demand which are detectives (where the Force has an identified gap), digital forensics (which the Force is investing in), cyber-crime, intelligence/research and data specialists/analysts. A key challenge for the Force is to be competitive in the labour market to attract and retain new skills.

4.4 The longer-term position needs to ensure that the West Yorkshire Police operating model remains fit for purpose for the future, so that the Force has the capacity and capability to deal with the growing and complex operational challenges highlighted above. However, given the current funding pressures already leading into 2023/24 and beyond, direct resources available for major investment are scarce. The effective deployment of operational resources, and seeking to minimise the impact of the significant funding challenges on those resources will be key to mitigating the impact of the threats set out above.

- West Yorkshire Police’s Force Management Statement (FMS) is central to its strategic planning and performance processes, providing a comprehensive assessment of threat, harm, risk, and demand, meaning that West Yorkshire Police is aligning its resources (people and finances) to address the key priorities of the organisation and address capacity gaps. In addition, the FMS informs the demand reduction and change programme to identify where improvement activity is needed. Further improvements will be made to the planning process as the Force is currently rolling out a programme of Priority Based Budgeting.
- West Yorkshire Police is currently running the resource allocation methodology Priority Based Budgeting (PBB) across both operational and support functions.

The three phases of PBB; 1) Baselineing of services to understand resources and costs, 2) Reviewing working practices and productivity changes to achieve efficiency savings and 3) Developing service level options which range from minimum service levels (statutory requirements) through to areas where investment will be made (linked to FMS).

- Through the pilot over 60 potential options to improve productivity have been identified. This includes increased remote resolution which will extend established telephone resolution by incorporating video conferencing and providing a faster virtual (but still visible) service.
- West Yorkshire Police intends to roll out PBB across the whole organisation during 2023/24, meaning a strong focus on efficiency and productivity changes across the totality of policing in West Yorkshire. The intention is to maximise efficiency and productivity and enable the Force to prioritise investment to meet current and future threat, harm, risk, and demand.

5. DRAFT BUDGET 2023/24

5.1 The Medium-Term Financial Forecast includes the following main assumptions/pressures:

- Settlement funding for the remaining year of the settlement period ie £800m nationally in 2024/25.
- Continue to receive the additional funding for pay for the remaining two years of the Spending Review period £140m in each 2023/24 2024/25. The West Yorkshire share of the additional pay contributions will be around £5.8m
- £15 precept in 2023/24, £10 in 2024/25, and £5 thereafter
- The Council Tax base increase is 1.04% in 2023/24, and assumed to be 1.0% every year thereafter, as per the Councils' most recent forecasts.
- 3.0% per annum pay award for 2023/24 dropping to 2.0% thereafter.
- Fuel increase by 2% per annum from 2023/24
- Gas increase by 305% for 2023/24 then reducing by a quarter in 2024/25, and then 2% increase thereafter
- Electricity increases by 82% for 2023/24, reducing by 11% in 2024/25, and then 2% increase thereafter
- General inflation applied to most other areas of expenditure between 2% to 6% per annum, with some contract specific inflation being higher.

5.2 The current economic climate is challenging. West Yorkshire Police has seen the Home Office grant reduce in real terms since 2010/11 and despite levying council tax precepts in excess of inflation over the past six years we have seen a 10.7% reduction in funding in real terms. Against this background it has only been possible to balance budgets each year through a continued focus on delivering services efficiently and effectively. Despite these challenges West Yorkshire Police has succeeded in performing well, with a grading of Outstanding for

strategic planning, organisational management, and value for money under the HMICFRS PEEL assessment framework.

Inflationary increases that have arisen this year particularly on energy and salaries leave West Yorkshire facing unavoidable cost pressures. The current draft budget presents cost pressures of £39.4m for 2023/24, of which £23.9m arises from the forecast pay rise for police officers and staff, with gas and electricity a further £6.3m. With a funding increase of only £18.8m - which assumes the precept is approved at £15 - this still leaves a funding gap of £20.6m for 2023/24.

While the budget balances in the short term there are significant savings required to achieve this as well as use of reserves. Savings on both pay and non pay items have been built into the 2023/24 budget, including police staff pay, vacancy factors, overtime and allowances saving. Below is a summary of how West Yorkshire have planned to close the gap by driving efficiency and productivity across the organisation.

- Improvements in areas including commercial and procurement practices, and in corporate functions - West Yorkshire are currently highest on the table that Bluelight Commercial collate and distribute for procurement savings made to date in this financial year. In 2023/24 there will be increasing number of processes that are undertaken through Digital Process Automation (DPA) after several successful pilots in current year.
- Plans to use and reprioritise earmarked reserves where necessary - within the medium term financial forecast it is planned to use £5.2m of reserves to balance 2023/24 and £6.2m in 2024/25. These are reserves that have been built up prudently by reducing discretionary spend and through staffing vacancies in current year during a period of a particularly buoyant employment market where it has been difficult to recruit Police Staff.
- Plans for managing expected pressures on budgets next year – a higher vacancy rate across staffing (not Police Officers) within 2023/24 in order to create a short term saving while West Yorkshire Police undertakes the detailed Priority Based Budgeting exercise referred to above. Due to the speed at which the funding deficit increased between February 2022 and February 2023 due to inflationary pressures, in the main short term measures had to be taken to close the gap, however it is anticipated that the PBB exercise will enable us to deliver more long term savings.

5.3 Referendum Limit

Capping criteria enables all PCCs, and Mayors that have PCC Function responsibilities, to raise the policing element of local taxation by increasing the Band D equivalent charge by £15 for 2023/24 only. The Mayor intends to use the precept flexibility to increase the Band D equivalent charge by £15 (6.78%) to

invest in and sustain key front line policing services. Within West Yorkshire, around 81% of Council Taxpayers are in bands A, B and C which in reality will mean a less than 26 pence per week increase for most Council Taxpayers.

Our Budget Survey currently shows that 67% of respondents across West Yorkshire would support a police council tax increase of £15. The detailed results of the survey are shown at **Appendix A**.

The survey commenced on the 16th of December 2022 and closed on the 16th of January 2023.

6. FUNDING STRATEGY

Reserves and Balances

- 6.1 An analysis of the reserves position is set out at **Appendix B**.
- 6.2 The focus of the financial strategy is on sustainability and affordability. The General Reserve level is ensured to be in line with the Reserves Strategy of between 2.5% and 3.5% of the net revenue budget.
- The Reserves Strategy reflects significant investment in transformation over the short to medium term with reserves held for risk, in line with the CIPFA 2014 guidance, and PFI costs only by the end of financial year 2025/26.
- The current level of general balances is around 2.6% of the net revenue budget.
- 6.3 The Chief Constable of West Yorkshire Police intends to continue to implement Priority Based Budgeting (PBB) to help transform the organisation and achieve the required savings and meet the challenging and changing policing requirements in West Yorkshire.
- 6.4 The sustainability in the future of policing and community safety is of paramount importance to all of us as we have faced unprecedented cuts and austerity in recent years.

7. PRECEPT OPTIONS CONSIDERED BY THE MAYOR

- 7.1 The Mayor and the Deputy Mayor are keen to maximise resources to West Yorkshire Police due to the pressures faced and the needs of the community and therefore consider the £15 increase to be the only viable option.
- 7.2. The West Yorkshire Police and Crime Plan 2021-24 was published in March 2022. It outlines an ambitious strategy for the next 3 years on the aims, aspirations and objectives for policing, crime, community safety, and criminal justice for the communities of West Yorkshire.
- 7.3 Extensive work was undertaken to provide a solid evidence base for the new

Plan with over 2,430 survey responses, over 950 people spoken to in face-to-face engagement and over 40 partnership responses.

7.4 The Police and Crime plan clearly articulates the priorities for policing, crime and community safety based on our consultation and engagement work and needs assessment but also the Mayor’s election manifesto; **‘Safer communities: police on the streets, supporting victim’s rights’**.

The four priorities in the Police and Crime Plan are:

- Supporting victims and witnesses and improving criminal justice outcomes
- Keeping people safe and building resilience
- Safer places and thriving communities
- Responding to multiple and complex needs

The Plan also has three cross cutting themes:

- The safety of women and girls
- Equality, diversity, and inclusion
- Early intervention and prevention

The two mayoral pledges relating to policing and crime, Recruiting 750 more Police Officers and Staff to fight crime, and Keeping women and girls safe are at the heart of the Mayor’s policing plan.

7.5 Budget Survey

The Mayor has recently undertaken a ‘Budget Survey’ to gain views from members of the public around policing. The survey results provide a clear indication on the part of the majority of respondents that they support the Mayor in raising the band D equivalent of the policing element of Council Tax by £15 (just over 29p per week) to provide vital investment into West Yorkshire Police. 67% of respondents said they would be prepared to increase their contribution on the proposal set out.

7.6 The results are shown at **Appendix A** and summarised by band below:

Q: Respondents' Council Tax Band	% of all respondents	No. of respondents	% Supporting precept increase
A	16%	275	62%
B	15%	247	65%
C	19%	316	71%
D	22%	368	69%
E	10%	162	62%
F	5%	78	75%

G	3%	47	74%
H	0%	7	29%
Don't know / not specified	10%	177	74%
<i>Total</i>	100%	1677	67%

7.7 A £15 increase would take the Band D police council tax for 2023/24 to £236.28 a year. Approximately 61% of households in West Yorkshire are in Bands A and B, and would pay £157.52 and £183.77 a year respectively, an increase of approximately 19 pence per week for band A, 22 pence per week for band B and 29 pence per week for band D.

8. DECISION BY THE MAYOR

8.1 Relevant considerations for the Mayor in making her decision included:

- Police and Crime Plan consultation feedback
- Operational resilience
- Public views obtained from the Budget Survey
- The impact on frontline policing
- The significant financial challenges for West Yorkshire Police over the medium term
- The impact on council taxpayers
- Future financial health, including the adequacy and utilisation of reserves and balances
- The robustness of financial and organisational management processes in place
- Savings made to date and the capacity for future savings
- The uncertainty of change to the police funding formula review which accounts for around 70.7% of the West Yorkshire budget

8.2 The Mayor was conscious of the current level of the police council tax which is the fourth lowest in England and Wales, the current difficult economic climate facing the public, and the longer term requirement to make significant additional savings in the budget.

8.3 Continuing the recruitment of police officers and specialist staff, protecting the current number of non-partner funded PCSOs to support the frontline as far as possible are priorities for the Mayor.

This has been a challenge given the current economic climate and ongoing cost of living crisis, and the Mayor is acutely aware of the potential financial impact on individuals within the community, but also takes note of the wider public views and feedback who see policing as a priority with a majority (67%) supporting the level of increase proposed.

The Mayor feels that, despite personal impacts in communities, maintaining and

rebuilding core front line operational resilience is imperative in order to keep the communities of West Yorkshire safe and feeling safe and this view is supported by the majority of the survey respondents and other key stakeholders in protecting key police staff jobs.

- 8.4 The Mayor has therefore decided to support the £15 on the Band D, and the MTFF and summary movement statement from 2022/23 to 2023/24 are attached at **Appendices C and D**.
- 8.5 The Mayor notifies the Panel of her intention to increase the police precept by £15 on Band D.
- 8.6 The Mayor's proposal would result in a budget of £550.450m. which will be used to deliver the requirements of the Police and Crime Plan to the benefit of the people of West Yorkshire.

9. EQUALITY, DIVERSITY AND INCLUSION BENEFITS AND IMPLICATIONS

- 9.1 Equality impact assessment is an integral part of the precept and budget setting process. A full equality impact assessment has taken place.
- 9.2 Every effort has been made to make the consultation and engagement work as inclusive as possible within the timeframe provided, reaffirming the Mayor's commitment to diverse responses and an inclusive process.

10. FINANCIAL IMPLICATIONS

- 10.1. As detailed in section 4 and 5 of the report.

11. LEGAL IMPLICATIONS

- 11.1. As detailed in section 2 of the report.

12. EXTERNAL CONSULTATION

- 12.1 The public consultation on the 2023/24 Council Tax police precept ran between 16 December 2022 and 16 January 2023. Residents were invited to respond to the proposal of a 6.78% increase, corresponding to 29 pence per week for a Band D property.
- 12.2 The consultation was promoted extensively online through the Mayor's and Deputy Mayor's Twitter and Facebook accounts, through the Combined Authority's 'Your Voice' consultation platform, and also circulated to our partners to help reach a wider audience. This year we also extended our engagement through a postal survey (contacting a randomly selected sample of West Yorkshire addresses), and by face-to-face engagement through four focus group events.

12.3 At the close of the survey, 1,700 residents had recorded their views on the precept proposal.

13. RECOMMENDATIONS

13.1 The Mayor recommends that the Panel agrees her proposed Police precept figure of £159.5m which would result in an increase to the police council tax of £11.6m.

13.2 This would increase the council tax for band D households from £221.28 to £236.28. However, approximately 61% of households in West Yorkshire are in Bands A and B, which would increase from £147.52 to £157.52 and from £172.11 to £183.77 respectively per year.

13.3 The proposed increase in police precept would amount to less than £15 per annum for most households in West Yorkshire, an increase of less than 29 pence per week, to help secure extra investment into front-line policing.

BACKGROUND PAPERS AND APPENDICES

- A Budget Survey Results.**
- B Reserves and Balances.**
- C Medium Term Financial Forecast**
- D Movement Statement 2022/23 to 2023/24**
- E Chart showing Band D Police Precept levels in England and Wales**

CONTACT INFORMATION

Contact Officer:	Angela Taylor – Director, Finance and Commercial Services
E-mail:	Angela.taylor@westyorks-ca.gov.uk