



Tracy Brabin
Mayor
of West Yorkshire



Alison Lowe
Deputy Mayor
for Policing and Crime

Report to: Police and Crime Panel

Date: 9 December 2022

Subject: Mid Term Financial Forecast

Report of: Tracy Brabin, Mayor of West Yorkshire

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1. PURPOSE OF THE REPORT

- 1.1. To update Panel members on the position against the 2022/23 budget, the current planning for the Medium-Term Financial Forecast and provide a brief summary of matters that are likely to impact on police funding for West Yorkshire.
- 1.2. For this briefing, the Panel are presented with the following information:
 - i. An update on the current position relating to the 2022/23 budget
 - ii. A brief update on police funding from the Autumn Statement 2022
 - iii. An update regarding planning for the medium term
 - iv. A note on other factors likely to impact on future funding
- 1.3 To provide an update on the approach to the precept consultation.

2. INFORMATION

2. Update on the 2022/23 Budget Position

- 2.1. The approved overall Revenue budget for 2022/23 was £531.611m, including the West Yorkshire Combined Authority Police and Crime team. Of this £525.697m is under the day-to-day direction and control of the Chief Constable and at 31 October 2022 there is an under spend of £4.741m, representing 0.9% of the total West Yorkshire Police budget. The Police and Crime team element of the budget is currently recording only minor variations from the approved budget.
- 2.2. The key variances within the overall balance are:

Budget Line	Variance	Explanation
Police Officer Pay	£1.776m underspend	Officer numbers have been under-profile in the first half of the year same
Police Staff Pay	£2.674m underspend	Police staff numbers are under the budgeted profile, same but increased in number
PCSO Pay	£0.126m underspend	PCSOs are 35 FTE under budget profile, forecast to be 29.6 under by year end
Police Officer Overtime	£1.555m Overspend	Staff shortages and operational pressures and the additional bank holiday have necessitated additional overtime
Premises and Transport	£0.678m overspend	Largely due to electricity and fuel increase
Computer and communications	£0.558m underspend	Contract savings
Supplier and Services	£1.076 underspend	Largely due to temporary reductions in consumption

2.3. The forecast year end position is a £6.137m underspend. This is largely as a result of increasing staff vacancies throughout the year and police numbers being under budget profile at the start of the year, and a real focus on reducing in year spend on non-pay areas to contribute towards closing the gap for 2023/24.

3. Update on Police Funding from the Autumn Statement 2022

3.1. The funding settlement announced last December sought to provide some certainty by providing a three-year settlement for policing and confirming the ability to raise the precept for each of those three years by £10 without the need for a referendum. On 17 November 2022, the Chancellor of the Exchequer announced the outcome of the 2022 Autumn Statement, confirming that the country is now officially in recession and announcing a range of measures to address the economic challenges. There was, however, little specific to policing. The intentions towards supporting the public sector, and therefore policing, with increasing energy costs remain unclear. This is the single biggest driver of the large shift in the deficit for 2023/24 and is, therefore, crucial to address with Government.

3.2. There are currently no signs of any change to the ability of the Mayor to raise the council tax precepts by up to £10 (for Band D) next year and the following year. In West Yorkshire for 2023/24 this would represent a 4.52% increase on the policing element of Council Tax in West Yorkshire based on a £10 Band D increase.

4. Medium Term Financial Forecast Planning

4.1. The Panel has previously received papers updating on the Medium-Term Financial Forecast (MTFF). Work has been continuing to update and revise the MTFF to take into account the fast-changing landscape ahead of confirmation of the settlement figures expected in mid-December. The most recent MTFF is provided at **Appendix 1**. This shows the change in assumptions and cost pressures since the MTFF was

presented in the Police and Crime Panel meeting in February 2022. It shows the deficit figures for each year on the top line and then shows the movements through each year to show the current forecast deficit for each year on the bottom row.

4.2. The major changes for 2023/24 are:

- Rebase of 2022/23 Inflation £6.828m
- 2023/24 Inflationary Pressures £13.918m
- Pay Increased £4.372m
- A £738k positive change in the assumption around the level of Police Uplift Programme (PUP) funding
- £1.312m additional savings delivered since February 2021
- An additional cost of £1.603m to reflect the reductions in leavers and early recruitment in order to meet the 2023/24 uplift target

4.3. The MTFE shows ongoing deficits, driven by inflation in particular on salaries and energy and significant work will continue over the coming months to close the budget gap. This includes detailed work reviewing all areas of spend, a continued focus on reducing in year spend and consideration of use of reserves while longer term savings plans are put into place. Transfers to reserves arising from planned underspends were made at the close of 2021/22 to assist in managing inflationary pressures in coming years.

4.4. The next budget seminar with West Yorkshire Police is in early December and we anticipate a significant update to the position presented above. We anticipate the Home Secretary will announce the settlement figures in the week commencing the 19th of December.

5. Other Factors Impacting on Future Funding

5.1. The Home Office has commenced work on the Police Funding Formula. This work is progressing slowly and we will continue to monitor and make representations at various sector groups to make the case for West Yorkshire. It is not yet clear when changes will be introduced and what the transition path will be.

5.2. Multiple year settlements (3 Years) for grants such as the Violence Reduction Unit and the Ministry of Justice Victims and Witnesses grant have already been confirmed. This assists with better planning and delivery of interventions and is a welcome move from annual funding announcements.

6. Council Tax Precept Consultation

6.1 In February 2022 Members requested early discussion on the content and format of the public consultation on the 2023/24 Council Tax Precept and received a report on 7 October 2022.

6.2 The draft Council Tax precept consultation document is attached at Appendix 2 which explains the methods of planned consultation and timeline as well as the equality, diversity and inclusion benefits and implications.

7. EQUALITY, DIVERSITY AND INCLUSION BENEFITS AND IMPLICATIONS

- 7.1. West Yorkshire Police has a clearly stated commitment to diversity, equality and inclusion in all aspects of its operations, including those funded through the budget considered in this paper.

8. LEGAL IMPLICATIONS

- 8.1. None arising directly from this report.

9. EXTERNAL CONSULTATION

- 9.1. Public consultation on the proposed precept will take place from mid-December. Further information on the consultation proposal, approach, timeline and content is included in appendix 2 in this paper.

10. RECOMMENDATIONS

- 10.1. That Panel members consider the information provided on the position of the 2022/23 budget, the current planning for the Medium-Term Financial Forecast and other matters that are likely to impact on police funding for West Yorkshire.

BACKGROUND PAPERS AND APPENDICES

Appendix 1 – Medium-Term Financial Forecast

Appendix 2 - Public Consultation on the Council Tax Precept 23/24.

CONTACT INFORMATION

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BACKGROUND PAPERS AND APPENDICES

Appendix 1 MTFF as at November 2022

	2023/24 £000'	2024/25 £000'	2025/26 £000'	2026/27 £000'
Shortfall at February 2022 MTFF	10,837	11,628	11,628	11,628
Recalculation of 2023/24 Inflation	13,918	5,988	897	1,173
Rebase of 2022/23 Inflation	6,828	6,828	6,828	6,828
Officer £1900 Pay Award September 2022	5,226	5,340	5,446	5,553
£140m Additional Grant Funding for Police Pay Award	(5,964)	(5,964)	(5,964)	(5,964)
Staff Pay Award 3.5% to £1900 from September 2022	4,372	4,502	4,620	4,741
Pay updated for Leavers/Starters/Increments	1,603	2,067	2,212	1,608
Contact Regrade from Scales 3/4 to 4/5	814	832	849	866
PFI Sinking Fund and Revenue Contributions Update	310	388	869	881
Dangerous Dog Kennels	199	223	246	380
Redhill Increase costs due to use of Agency in GMP	51	52	53	54
Direct Revenue Funding (DRF) update in line with Capital Plan	27	162	(1,173)	613
Taser X2 Replacement	0	0	0	343
Pay Award added for 2025/26 and 2026/27	0	0	9,214	18,209
Non Pay Inflation added for 2025/26 and 2026/27	0	0	1,863	3,965
Bank Holidays added for 2025/26 and 2026/27	0	0	733	2,293
Reductions for Huddersfield PS Revenue Costs for 2025/26 and 2026/27	0	0	(100)	(200)
£5 Precept Increase for Additional 2 Years	0	0	(5,116)	(10,318)
Reduction of 1.25% in National Insurance Contributions	0	(70)	(135)	(201)
Updated Levy and Diploma Costs due to PCDA/DHEP Mix	(128)	77	338	321
MRP and Debt Charges inline with Capital Plan	(207)	64	387	422
2022/23 Budget Setting Savings	(1,312)	(1,312)	(1,312)	(1,312)
Shortfall at September 2022 MTFF	36,574	30,805	32,383	41,884



Appendix 2 to Mid Term Financial Forecast Paper:
Public Consultation on the Council Tax Precept 23/24.

BACKGROUND/CONTEXT:

Attached is a draft of the precept consultation document we plan to promote to residents during December and January.

The consultation text aims to explain the rationale behind the Mayor's decision on next year's precept level, and collect residents' feedback on this proposal.

CONSULTATION PROGRAMME:

This year's public consultation will collect feedback through three methods of engagement:

- Our usual online survey methodology,
- A postal survey, mailed to a randomly selected sample of households,
- Face to face consultation events arranged across West Yorkshire districts by the Policing and Crime Engagement Team.

Last year's precept consultation attracted 2,377 responses from residents, with 62% supporting the Mayor's proposal for the precept in 22/23. This year we propose to widen the scope of our engagement to reach out to communities and individuals who may struggle to respond to an online survey, or whose feedback can be under-represented. Important methods used here are the postal survey and the programme of face-to-face engagement. The latter will feature up to 20 events held across districts with a mix of small groups and larger events featuring the DMPC.

The postal survey will contact c.7,000 randomly selected households; this reflects a sample size which will achieve sufficient responses for a 95% confidence level on the final result.

CONSULTATION QUESTION:

The consultation uses the format taken in previous years, with a page of commentary on the background behind the Mayor's decision to consult, followed by two short questions to gauge residents' views on the precept proposal.

EQUALITY, DIVERSITY AND INCLUSION BENEFITS AND IMPLICATIONS

Our extended programme of engagement will allow many more people to feedback on the precept this year. In particular, the programme of face-to-face consultation will allow us to engage with groups who have traditionally been under-represented in our results.

The attached questionnaire also includes the range of questions we will ask to evaluate the responses of those from different groups with the West Yorkshire population.

CONSULTATION TIMELINE:

Action	Timeline
Consultation question and text discussed at Police & Crime Panel meeting	9.12.22
Commence public consultation (online in the first instance, with postal survey to follow soon after)	w/s 12.12.22
Dedicated webpage created	On launch date (w/s 12.12.22)
Rolling social media messaging from Mayor, DMPC, and CA	From launch up to closing
Public engagement programme	During Dec. 22 & Jan. 23
Close public consultation	13.1.23
Panel meeting to discuss precept decision	3.2.23

CONTACT INFORMATION

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DRAFT TEXT FOR 23/24 PRECEPT CONSULTATION

From Tracy Brabin – Mayor of West Yorkshire

As Mayor of West Yorkshire, I am responsible for setting the annual budget for West Yorkshire Police. This includes agreeing the local 'police precept' - the part of the Council Tax that helps to fund local policing.

Every part of the country relies on funding gathered through Council Tax payments to support their local police force. The cost of the police precept in West Yorkshire is actually the fourth lowest in England and Wales, but it still provides 28% of West Yorkshire Police's total net annual budget, with almost all of the remainder coming from central government funding.

Last year, through your support for the level of precept I set, West Yorkshire residents helped support the work we all want to see our police force invest in:

- Recruiting and training 345 new police officers to support policing across our districts,
- Achieving better criminal justice outcomes for the victims of crime by investing in West Yorkshire Police's Witness Care Team,
- Pursuing the perpetrators of abuse through investment in the West Yorkshire Police Abusive Images Unit and Digital Forensic Unit,
- Building on the work to tackle serious violence in our communities in conjunction with West Yorkshire Police and the Violence Reduction Unit.

This year, I want to see West Yorkshire Police continue this work with the funding needed to sustain it during a time of acute cost increases.

West Yorkshire Police's dedicated staff are working across our districts each and every day. They work in an increasingly complex world, with today's police officers needing to prevent crime, tackle criminals, and safeguard vulnerable people, not just in our neighbourhoods and communities, but also online and in places away from the public's view.

Yet since 2010, core government funding provided to West Yorkshire Police has been cut by 17%. In response, I wrote to the Home Secretary in September to call for sustainable funding for our police service, and in November, Alison Lowe - my Deputy Mayor for Policing and Crime - also wrote to the Government to ask for additional funding to freeze the level of the precept. In both cases, the Government has failed to support us.

Funding gained through the police precept will help us to maintain the just, safe, and inclusive police service we need. Without this support, we will face severe pressure on the police budget.

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These are challenging times for households and individuals. The rising cost of living impacts on us all, and I understand that for some of us, these costs are too hard to bear.

The last thing I want to do is to ask for further funding at this time, but I hope that if you can, you will consider supporting your local police by agreeing to a small increase in your annual precept payment.

Most West Yorkshire residents live in properties in Council Tax Band A, B or C, and under these proposals, the extra cost for these households would be between 13p and 17p per week (a 4.52% increase on last year). If you **do not** pay Council Tax then nothing will change, and you will not pay the police precept next year.

Without raising funds in this way, we can expect that West Yorkshire Police will need to cut costs across its operations, which will mean making difficult choices about which services to communities they will need to focus on, and which will need to be cut-back.

Each year, the majority of people who respond to our Council Tax precept consultation tell me they support further investment in policing. This support has helped West Yorkshire Police to develop to become one of the most efficient and effective police forces in England and Wales.

I want to maintain and support these levels of service in the years ahead, and so once again I would like to ask your opinion on our proposals with two questions on the following page. I have also provided a short table showing the weekly cost to residents for the different Council Tax bands:

The table below gives a guide to how much the increase would be for all property bands. **Please remember that if you do not pay Council Tax now, then you will not pay anything next year.**

Council Tax Band	Current precept cost per year	Our proposed annual increase	You would pay ...
A	£147.52	£6.67	13p extra per week
B	£172.11	£7.78	15p extra per week
C	£196.69	£8.89	17p extra per week
D	£221.28	£10.00	19p extra per week
E	£270.45	£12.22	24p extra per week
F	£319.62	£14.44	28p extra per week
G	£368.80	£16.67	32p extra per week
H	£442.56	£20.00	38p extra per week

You can check the Council Tax Band of your property at www.gov.uk/council-tax-bands

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**** The consultation will run until midnight on 13th January 2023. Please have your say. ****

You can view the Combined Authority's Policing & Crime Privacy Policy at www.westyorks-ca.gov.uk/policing-and-crime/privacy-policy/, where you can find details about how we use your information and your rights over your data.

[PTO for questions]

Consultation Questions

Do you support the proposal to increase the Council Tax police precept to seek the funding required to help West Yorkshire Police keep our neighbourhoods and communities safe?

- Yes
- No

Are you willing to pay the associated increase to your council tax (e.g. 13p - 17p per week for Band A, B or C properties) to help protect frontline policing across West Yorkshire?

- Yes
- No
- I do not pay Council Tax

**Are you ...
(Please tick all that apply)**

- A resident in West Yorkshire
- A business owner in West Yorkshire
- Someone who works in West Yorkshire

If you do pay Council Tax in West Yorkshire, what band is your property?

- A
- B
- C
- D
- E
- F
- G
- H

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Don't know

Do you have any other comments about funding policing in West Yorkshire?

Please can you indicate which district you live in:

- Bradford
- Calderdale
- Kirklees
- Leeds
- Wakefield
- I don't live in West Yorkshire

Information About You

The West Yorkshire Combined Authority collects personal information in this survey so that we can see whether community safety issues affect some groups more than others.

The questions (below) are optional; your answers are confidential and will not be shared.

What is your age?

- 15 and under
- 16-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74

- 75 - 84
- 85 and over
- Prefer not to say

What word best describes yourself?

- Female
- Male
- Trans-gender
- Non-binary
- Prefer not to say
- Prefer to self-describe:

Do you live in the gender you were assigned at birth?

- Yes
- No
- Prefer not to say

Your ethnic group

What is your ethnicity?

- Asian or Asian British
- Black, African, Caribbean or Black British
- Mixed Heritage
- White
- Other ethnic group
- Prefer not to say

Prefer to self-describe:

The following questions are about sensitive personal characteristics. You do not have to answer these questions if you do not want to.

How would you describe your sexual orientation?

- Bisexual
- Gay or lesbian
- Heterosexual or straight
- Prefer not to say
- Prefer to self-describe:

Do you have a long-term health problem or disability which limits your normal day to day activity?

- Yes
- No
- Prefer not to say

What is your religion or belief?

- Buddhist
- Christian
- Hindu
- Islam/Muslim
- Jewish
- Sikh
- No religion
- Prefer not to say
- Other religion or belief - please add in the box:

Thank-you for taking part in our survey.