



WEST YORKSHIRE POLICE AND CRIME PANEL

11 SEPTEMBER 2015

FINANCIAL BRIEFING: OVERVIEW OF CURRENT FINANCIAL POSITION

1. Purpose

- 1.1 To update Panel members on the current financial position and contextual information regarding the uncertain financial position that the Police and Crime Commissioner faces.
- 1.2 For this briefing, the Panel are presented with the following information:
 - i. A brief overview of the future funding position for 2016/17 and beyond.
 - iii. An update on the current position relating to the 2015/16 budget.

2. Update on the Financial Landscape

- 2.1 In the current Spending Review HM Treasury is inviting government departments to set out plans for reductions to their Resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019-20. As the Home Office is an unprotected department policing is likely to face cuts within these ranges. The results of the spending review (CSR) will be announced on the 25th of November with indicative allocations provided in December.
- 2.2 Coupled with the spending review we face further uncertainty due to the current consultation on the police funding formula which the Home Office hope to introduce for 2016/17. The government started the consultation on the 21st of July and announced that the consultation would run for an eight week period which closes on the 15th of September. The consultation document does not provide sufficient information or exemplifications to enable the likely impact to be calculated. We have written to the Home Secretary requesting that exemplifications are provided and have contributed to the responses of national groups.
- 2.3 We are concerned through the limited modelling that the Police and Crime Commissioners Treasurers Society's (PACCTS) technical team have been able to do, that there appears to be a shift in funding from the Metropolitan areas such as West Yorkshire to the shire areas. The Home Office have advised that no individual force will gain or lose by more than 20% (any change will be on top of the funding reductions due to the CSR).

2.4 Due to the current level of uncertainty we have not completed the revision of the Medium Term Financial Forecast but will look to model a number of scenarios throughout the autumn period in advance of the spending review.

3. Update on the current budget position

3.1 Appendices A and B detail the latest budget position report from force finance and is broadly in line with expectations.