

REPORT OF THE WEST MERCIA POLICE AND CRIME PANEL BUDGET TASK GROUP LOOKING AT THE WEST MERCIA BUDGET 2018/19 AND THE MEDIUM TERM FINANCIAL PLAN 2018/19 TO 2021/22

Purpose

1. To present the findings and details of the considerations undertaken by the Budget Task group of the West Mercia Police and Crime Panel.

Membership

2. The Task Group of Sebastian Bowen (Lead Member), Stephen Reynolds and Carole Clive supported by Mark Sanders (Worcestershire County Council's Senior Finance Manager Financial Planning & Reporting) and Samantha Morris, Overview and Scrutiny Officer met with the Police and Crime Commissioner (PCC), his Chief Finance Officer and Chief Executive on 15 January 2018.

Role of the Task Group

3. The Group was mindful that its main role was to review the precept proposals and to report its findings to the West Mercia Police and Crime Panel.

Discussion of the Proposals

4. The Group examined the financial strategy in the proposed budget for 2018/2019 and the Medium Term Financial Plan through to 2021/2022 in the context of the Policing Plan and the Commissioner's election promises.
5. The Commissioner explained that although he had been able to freeze the police's share of Council Tax last year, the landscape had now shifted and, with Retail Price Index (RPI) inflation standing at around 4% and significant national increased demand on Police Forces (West Mercia had seen recorded crime increase by 10%), he was recommending a rise in the Council Tax in 2018/19 of £7.58 to the annual bill for a typical band D home, equivalent to 4%, or 2p a day. This would be followed by a 3% increase in 2019/20.
6. He believed that the Government had provided a fair financial settlement with the Police and Revenue Support Grant remaining stable at £108m with no reduction in central Government Grants for 2018/19.
7. The Commissioner explained that he would continue to reform the police force and build on the progress made to date. He highlighted the progress made in relation to all officers now being able to work 'on the move', and being equipped with body worn video.
8. The improvements which followed aimed to deliver a modern, agile police force that could cope with future challenges. This was balanced with making sure levels of service were protected. The budget plans protected the numbers of PCs and ensured that policing was visible and accessible to communities. The Plans continued to fund

projects that would tackle the root causes of crime and help reduce demand on the force.

9. The Commissioner's Chief Finance Officer outlined the financial risks and the Reserves Strategy. Balances would reduce from £34.39m at 1 April 2018 to £13.04m at 31 March 2021. £4.7m was the recommended contribution from the budget reserve in 2018/19 compared with £9.7m in 2017/18 with a minimum level of reserves of £10.5m which need to be held at all times. The Medium Term Financial Plan assumed future annual increases in the precept.

10. The main financial themes explored were:

- The Commissioner's vision to use the police estate to improve collaboration and drive efficiency. A programme of investment is in place to deliver a fit for purpose estate that fully supports modern operational and local policing. The Asset Management Strategy supported by the Estates Delivery Plan detailed the approach to this up to 2020 and beyond. This work would start generating both revenue savings and capital receipts within 2018/19.
- The Reserves Strategy and the Commissioner's confidence in the Strategy based on the Treasurer's assessment of the risks facing him and the assessment that £10.5m needed to be held in general reserve at all times to provide adequately for the risks.
- The impact of 4% increase to the police's share of Council Tax on the residents' affordability in terms of the overall Council Tax increases.
- The deliverability of the budget in the context of a significant savings requirement in 2018/19 based on the budget pressures and savings set out in the proposals.
- The relative impact of the increase on the council tax-payer, recognising that many other preceptors were increasing council tax for their services at the same time.

11. During the discussion, the Commissioner addressed issues arising from questions about investment in premises, particularly in Herefordshire, investment and location of custody suites and the changing nature of custody, recruitment of Police Community Support Officers (PCSOs), SAAB Safe System, Safer Neighbourhood Teams and the situation with regard to the Reform of the Police Funding Formula.

Conclusion

12. Subject to the results of the PCCs 2018/19 Budget Consultation which closed on 19 January, the Task Group were supportive of the PCCs financial strategy for the Budget proposals for 2018/ 2019 and the Medium Term Financial Plan through to 2021/2022 in context of the Policing Plan but would wish to be advised of substantial variations to the ambitious Savings Plans.

13. The Task Group felt that the reasons given for the proposed Council Tax increase of 4% in 2018/19 was fair and welcomed the advance notice that in 2019/2020, a 3% increase would be suggested.

14. The Task Group would like to thank the Commissioner and his staff for the clarity of their written and oral presentation.

Recommendation

15. The West Mercia Police and Crime Panel is asked to consider:

- (i) whether the Policing Plan supported by an ambitious transformation programme will be deliverable with the resources for the coming year and the expectation of the Medium Term Financial Plan: and**
- (ii) in light of the Report provided by the Budget Task Group and taking into account PCC's Budget Consultation results, it would wish to approve the precept recommendation for 2018/19.**