

West Mercia Police and Crime Panel

Report of the Task Group to examine the Precept Proposed by the Police and Crime Commissioner for 2019/20

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 Mackay, Stephen Reynolds and Carole Clive met with the Police and Crime Commissioner (PCC), his Chief Finance Officer and Chief Executive on 10 December 2018 and 3 January 2019. The Task Group has been supported by Mark Sanders (Worcestershire County Council's Senior Finance Manager, Financial Planning & Reporting) Tim Rice (Worcestershire County Council's Senior Public Health Practitioner, lead Officer for Community Safety) and Sheena Jones (Democratic Governance and Scrutiny Manager).

Role of the Task Group

3. The Group's main role was to review the precept proposals and to report its findings to the West Mercia Police and Crime Panel. At the meeting of the Police and Crime Panel in September it was agreed that an update on the Estates profile would be provided to the Panel as part of the Budget process. At its meeting in December the Task Group visited the Hindlip site and a briefing on the Estates Strategy was also provided to the Group.

4. The Group welcomed the update on the Estates programme, the thrust of which was to maximise the effective and efficient use of property, both directly as a resource and with partners to enable improved access to services for police personnel and the public. The Group suggested that it might be helpful to Panel members to learn more about such projects and the PCC confirmed he supported inviting Panel members to see examples of successful initiatives in their areas at the appropriate times.

Discussion of the Budget and Proposed Precept

5. The Group considered the Police and Crime Commissioner's (PCC's) Draft Budget 2019/20 and Draft Medium Term Financial Plan (MTFP) 2019/20–2021/22 in the context of the Safer West Mercia Plan 2016-2021.

6. Last year the PCC had indicated that he was minded to propose a precept of 3% for 2019/20. The financial background had changed since then as financial commitments had been updated and noting that the Government had increased its Grant to Police and Crime Commissioners, announced flexibility in increasing the precept and had allocated specific grant for meeting additional employers' contributions for Police pensions. This had enabled the PCC to propose an increase in the precept of 9.94% which generated an additional £5.84m revenue from Council tax. This equated to £19.59 per year for the average Band D property. The proposed budget reflected an overall increase in the net revenue budget of £13m.

7. The context for the budget included continuing increase in demand for police service, which are crimes, (8%) and for non-crime, which are welfare and public safety incidents (15%), inflation increases of 2.4% CPI and 3.31% RPI, 2% Police pay award and investment in ICT infrastructure.

8. The PCC's priority for the additional income was to recruit an additional 115 Police Officers. This would be in addition to the current establishment and to the extra 100 Officers announced earlier this year. He explained that there would be a time lag between making the funds available and deploying the additional officers, but they should come on stream between 2019 and 2021. Currently approximately 1000 applicants were needed in order to fill 100 posts and this led to a time lag in recruitment. The cumulative effect of the current year's initiative to recruit 100 additional officers and the additional 115 as planned in the budget would mean an establishment of around 2,150 police officer posts overall.

9. Whilst there was a national move towards graduate entry, apprenticeships were also available. Policing was a complex area and broad training was required. The Group was interested to learn about the level of starters and leavers and how the gap between the current level of police officers and the total being aimed for could be closed, given that officers with longer service continue to leave the service. It suggested that the PCC include sickness absence rates in his holding to account meetings with the Chief Constable as one way of assessing the impact of additional resource on the organisation.

10. The Task Group explored IT provision, in particular the Athena project and the risks and implications of this for the budget. The PCC explained that the force had a variety of legacy ICT systems and data storage arrangements. The ICT replacement and strategy programme capital estimates are set out at section 8 of the PCC's draft budget and MTFP. The Treasurer to the PCC explained that the best estimate was £40m over the next 4 years to upgrade the ICT, 20% of which was likely to be revenue costs. The Task Group pressed the PCC on the details of the delivery of the Athena project and he responded that as the force was in a consortium with Police forces for procurement and implementation of this, the risk to delivery was not funding but around this being a priority workstream within the consortium as a whole.

11. The Panel asked how the proposed budget would support the PCC in addressing the performance issues raised in the PEEL report. The PCC reported that funds had been allocated to ROCU and resolution work, since the level of unmet demand was a risk to performance. The development of 'Harm Hubs' where a multi-disciplinary approach was taken to the early resolution of incidents, was felt to be an effective way of dealing with this.

12. During 2018-19 the PCC's proposals to take on governance of the Fire Service in the West Mercia area had been approved by the Home Secretary. Implementation had been suspended whilst a judicial review had been launched, but the Group asked whether the budget took into account the potential costs/savings of implementation of this. The PCC responded that if the governance proposals went ahead then the opportunity would be taken to contribute to the efficiencies that continued to be necessary as part of the MTFP. An example was given where it was proposed to share premises with the Fire Service as part of the Estates programme. The PCC suggested that such initiatives would be achieved more quickly under single governance arrangements.

13. The Group asked how and when the budgetary impact of the PCC's and Chief Constable's decision to terminate the current Alliance arrangements with Warwickshire

would be noted. The PCC reported that work was ongoing to agree how the services involved in the Alliance would be delivered in future and his aim remained to continue in some form of joint arrangement in the future. Local policing budgets had been disaggregated within the Alliance, the effects of which were set out in the budget at Appendix B (ii) Analysis of Income and Expenditure. It was otherwise too early to identify any specific financial changes associated with the Alliance.

Conclusion

14. The Task Group considered that the application of the budget should support moving out of the HMIC's inadequacy finding and address the number of new officers. The increase in precept was a concern, although the Task Group acknowledged changing funding arrangements. It noted that at the time of its meeting with the PCC, the majority of members of the public who had responded to the consultation were in favour of the growth identified in the MTFP.

15. The Task Group suggested that the Panel authorised it to revisit the budget later in the 2019/20 financial year to assess how the issues highlighted in the proposals were being implemented, specifically in relation to:

- the recruitment strategy for additional police officers and any impact on specialisms
- developments associated with the withdrawal from the current Alliance arrangements with Warwickshire
- IT and particularly Athena
- The effectiveness of investment in victims and commissioning
- The recruitment of additional rural and business crime officers

16. The Group considered that there were a number of risks to the planned budget, including:

- it included a major savings programme and any delays to achieving this were likely to impact on the budget
- the outcome of the national future spending review was not yet known
- Police pensions (the government grant towards meeting the costs of this was currently a one-off)

17. Subject to the results of the PCC's 2019/20 Budget Consultation which closed on 20 January, the Task Group was supportive of the PCC's financial strategy for the Budget Proposals for 2019/20 and the MTFP through to 2021/22 in the context of the West Mercia Policing Plan. The Task Group considered that the PCC addressed public concern about the number of police officers, by increasing funding through the precept.

18. The Task Group recommends that the Panel authorises it to meet again with the PCC mid-way through the financial year to review the impact and effectiveness of the spending proposals, including the £200k investment in victim support, recruitment to the additional posts for rural and business crime officers and an update on the Athena project.

19. The Task Group also recommends that the Panel arranges to examine the impact of the additional £1m Commissioning pot both in terms of monitoring arrangements and impact.

20. The Task Group would like to thank the Commissioner and his staff for the clarity of their written and oral presentation as well as their time in facilitating their meetings.

Recommendation

21. 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**
- (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 2019/20**
- (iii) authorising the Task Group to revisit the budget with the PCC later in the 2019/20 financial year to review the impact and effectiveness of the spending proposals as set out in paragraphs 18 and 19 of this report.**