

West Mercia Police and Crime Panel

Report of the Budget Sub Group to examine the Police and Crime Commissioner's Proposed Budget 2024/25 and Medium Term Financial Plan (MTFP) 2024/25 – 2028/29

Purpose

1. To present the findings and details of the considerations undertaken by the Budget Sub Group of the West Mercia Police and Crime Panel (PCP).

Membership

2. The Members of the Group were Carole Clive (Independent Lay Member and Lead Member), Councillor Liz Harvey (Herefordshire Council), Councillor Helen Jones (Bromsgrove District Council), Councillor Vivienne Parry (Shropshire Council) and Councillor James Stanley (Worcestershire County Council).
3. The Sub Group was supported by the following Staff from Worcestershire County Council: Phil Rook (Chief Financial Officer), Andy Boote (Head of Service Safer Communities), Paul Kinsella (Senior Public Health Practitioner and Lead Officer for Community Safety), Samantha Morris (Interim Democratic Governance and Scrutiny Manager) and Alyson Grice/Alison Spall (Scrutiny Officers).

Meetings

4. The Group has met several times to consider and discuss the information available and the Schedule of Activity is attached at Appendix 1.

Role of the Sub Group

5. The Group's main role was to review and scrutinise the precept proposals and to report its findings to the PCP along with any recommendations.
6. Members of the Group were looking to evidence from the information provided whether the precept proposals would provide best value, enable the inclusion of community themes (that have emerged from public engagement exercises) whilst fulfilling the objectives of the Safer West Mercia Plan, both for the current year and future provision.
7. To achieve this, the Group focused on a number of themes including:
 - The national economic picture and the effect on West Mercia Police and the wider community of the proposed precept.
 - The detrimental effect that a lower level of precept ie 1.99% (projected in MTFP) would have on West Mercia Police services which would definitely lead to a reduction in the effectiveness of policing and subsequent impact on the ability to meet the objectives of the Safer West Mercia Plan.
 - The position of the Police and Crime Commissioner (PCC) with regard to precept increases when compared to other Police forces since 2016, noting that West Mercia PCC had the lowest level of precept increases.
 - The results of the Budget Consultation process.
 - Efficiencies that could be made within West Mercia Police.

- Levels of police officers and proposed service developments.
- Potential benefits and efficiencies that the proposed £13 precept increase can bring to key performance areas such as visible and accessible policing, enhanced investigations and outcomes, and improved public contact.
- Review of metrics from last year's precept setting process and consideration of how these can be enhanced with a draft version of metrics for 2024-2025 considered (see Appendix 2).

The National Picture

8. The Group also took account of the national economic picture, particularly around global uncertainty, interest rates and inflation, anticipated low economic growth forecast, financial strain on communities and the importance of efficiencies to maximise benefits. Consideration was given to inflation, which is impacting on policing with significant increases in areas such as nationally agreed pay awards, energy and fuel. This has been recognised by the Government who have given all PCCs the flexibility to increase the council tax precept by up to a maximum of £13 for the coming year. The Group also reviewed the MTFP and the financial resilience which is extremely important during periods of economic volatility.
9. It is clear that without adequate funding, holding the PCC to account would not be possible and therefore as part of the outcome from this process it is vital that the monitoring of the key performance indicators (KPIs) requested by the Group last year continues to ensure measurable and reasonable outcomes can be evidenced. Enhancing the KPIs also formed part of discussions to ensure that these could be presented to enable trends to be monitored and assurance gained.

Budget and Proposed Precept

10. The Group considered the PCC's Proposed Budget 2024/25 and Medium Term Financial Plan 2024/25 – 2028/29 in the context of the Safer West Mercia Plan.

Findings

11. The areas explored by the Group are:

Consultation

12. The PCC ran a budget consultation to understand the views of the public on local policing, contact and engagement, and crime and anti-social behaviour issues from 7 December 2023 - 7 January 2024.
13. At the time the Group met on the 5 January, 704 responses had been received with 75% of the respondents saying that they would be willing to pay on average for a Band D home £5.26 (1.99%) more for policing per year (a level which could result in a potential reduction in service) and 74% stating that they would be willing to pay more than £13 (4.91%) for a Band D home, which would allow the PCC to secure the right level of policing and to consider further investment, reducing the potential need for service reductions.
14. Since the public consultation concluded, the Group has been advised that just over 900 responses were received in total. Three quarters of respondents were willing to pay the 1.99% precept increase, with a further three quarters of those respondents also willing to pay the maximum £13. Overall, 56% of respondents

were supportive of the maximum £13 precept increase. The full results will be provided in the Report to the PCP at its meeting on 7 February.

15. In light of this feedback, and the context of enabling the best possible services to the public of West Mercia, the PCC is minded to maximise his precept flexibility and will be proposing a £13 precept increase in the budget for 2024/25.
16. Members of the Group welcomed the engagement in the Budget Consultation process this year and emphasised the importance of demonstrating in the Budget Consultation document the impact of the funding against outcomes.

Revenue Budget 2024/25

17. The Police settlement and increased flexibility on council tax will enable the PCC to propose an increase of 4.91% (an average of £13 extra per year) on a Band D property. The Budget required for 2024/25 is £288.4m and the funding available is £284.2m (net budget requirement). This means there is a budget shortfall of £4.2m, use of reserves and recurrent savings.
18. The PCC and the Treasurer have demonstrated throughout the process to the Group that detailed consideration has been undertaken of the following areas:
 - Unavoidable changes in costs (pay, pension, contractual inflation).
 - Changes to external income and specific grants.
 - Priority spending areas that are essential to delivery of the Police and Crime Plan and Safer West Mercia Plan.
 - Longer term efficiency and effectiveness of policing.
 - Savings and efficiencies required.
 - Effective management of risk.
19. The Sub Group explored and challenged the PCC about how the deficit was going to be met in order to balance the budget and heard that pressures, investments and increases related to:
 - Pay awards for police officers and staff c2.5% with an additional cost of £12.1m to maintain the staffing establishment.
 - unavoidable inflation.
 - Rising borrowing costs and the impact of the capital programme (£2.6m)
 - The scheme to accommodate prisoners in custody suites has ended, reducing income (£1.5m).
 - Holding licenses and software costs (£1.5m).
 - Next phase of digital services investment.
 - Public concern leading to demand on departments – Firearms Licensing, PSD.
 - Protecting resources in the OCC and continuing to prioritise the necessary resources for digital transformation and digital forensics.

Reserves

20. The Sub Group explored the adequacy of the general balances (£8m at the end of March 2025) which were marginally below the 3% Home Office Guidance. The specific reserves were £7.2m at the end of March 2025. The report provided the estimated reserve balances to the end of March 2027 which will reduce to £3.9m. This was in the context of the challenging financial environment and the PCC's

Reserves Strategy. The Sub Group asked the Treasurer who confirmed that the policy has been to hold a low level of reserves and that he was comfortable regarding the robustness of the budget estimates at the time the budget will be set for 2024/25.

Precept Proposal

21. On 5 December, the PCP received an early Budget Briefing and at that time the PCC was considering a 1.99% per year Council Tax increase (or £5.26 on an average Band D home) equating to £2.4m of funding. However this would result in a budget deficit of £6.955m which would mean significant reductions in service provision and an inability to continue with the current level of service provision and provide an efficient and effective police service to attain objectives of the Safer West Mercia plan.
22. The draft Government settlement announced on 14 December 2023 included the Council Tax flexibility for PCC's to raise their precept by a maximum of £13 for 2024/25 financial year. The difference between a 1.99% increase in council tax and £13.00 for a Band D equivalent property is worth an additional £3.6m of funding for West Mercia Police.
23. The PCC advised the Sub Group on 19 January 2024 that, in light of the feedback from the public consultation and in the context of enabling the best possible services to be provided to the public, **he is minded to maximise his precept flexibility and for 2024/25 will be proposing a £13 increase on an average Band D home (equating to a 4.91% increase)** which in the PCC's view will allow him to meet his commitments in the Safer West Mercia Plan by enabling West Mercia to provide an efficient and effective service.
24. The Sub Group asked numerous questions around what the additional funding would achieve to maintain services and resilience for West Mercia communities and avoid service reductions which would potentially impact on the progress achieved over the last few years. The Group was advised that there would be the opportunity for:
 - The highest establishment of Police Officers on record in West Mercia with 10 additional Police Officers assigned to frontline policing.
 - Protected Safer Neighbourhood Team numbers.
 - A fit for purpose Policing Estate enabling policing presence to be maintained.
 - Better access to and use of technology including software to support digital/CCTV sharing.
 - Improved response times.
25. It was questioned whether other PCCs would be using the £13 precept flexibility. The PCC explained that all of the West Midlands PCCs were indicating that they were seeking to maximise, the full flexibility and that picture was seemingly consistent across the country. Following the meeting, some research with other PCC's financial plans for 2024/25 has been undertaken and overall, the other PCCs are also in a challenging financial position and the position in West Mercia is not unique.
26. The Group were very keen to continue to see and monitor the outcomes of the funding against the PCC's priorities as it was important that the PCP understood where services had improved as a result of the additional funding.

Recommendation

27. **Members of the Sub Group recommend that the West Mercia Police and Crime Panel support the PCC's proposal for an increase of Council Tax by £13.00 for an average Band D home (equivalent to 4.91%) providing that the Panel continues to receive a quarterly budget monitoring report which includes key performance indicators (to monitor the outcomes against the Budget so that the PCP can identify trends, service improvements and satisfaction against the commitments in the Safer West Mercia Plan) and continue to have a baseline for precept reviews in future years.**
28. This recommendation also sets out to ensure that in future years base budgets have been maintained to maximise investment and flexibility enabling West Mercia to maintain and develop its current levels of service in the face of increasing demands as well as tackle new and emerging challenges. It is noted that by supporting the precept, West Mercia can continue to receive an efficient and effective policing service which the PCP can challenge and support to ensure components of Safer West Mercia Plan can be delivered.

Conclusion

29. The Panel is asked to note that the process of review in place for the precept this year has continued to provide an in-depth understanding of the rationale to support precept recommendations. Following the Group meetings with the PCC's office to review the budget proposals, the above recommendation is made to the Panel for consideration based on:

- A deeper dive and review of budgetary information including reserves and balances.
- The inclusion of emerging community themes identified in survey processes and public engagement events.
- Inclusion of actions to promote achievement of criteria within the Safer West Mercia Plan.
- Incorporation of overall policing needs with beneficial initiatives such as:
 - Additional specialist sexual and domestic violence support with progress towards new Sexual Assault Referral Centre
 - Further investment in effective prevention including actions to reassure West Mercia's communities linked to average speed camera schemes and combatting drug partnerships
 - Additional police officers focused on visibility, accessibility and neighbourhood crime
 - Enhancement of key areas to protect the most vulnerable
 - Progress towards new firearm ranges and new police station in Redditch
 - Continued investment in digital transformation
 - Enhancement to public contact.

The Sub Group, on behalf of the Panel would like to thank the PCC, his office and West Mercia Police for the time that they have contributed to the review process this year.

West Mercia Police and Crime Panel – Budget Scrutiny Sub Group
31 January 2024

**Appendix 1
Schedule of Activity**

Date	Activity
5 December 2023	<p>Early Budget Briefing for all Members of the West Mercia Police and Crime Panel by the PCC setting the context around the 2024/25 Budget.</p> <p>In attendance for this meeting: PCC, Deputy PCC, CC, Chief Executive and Treasurer.</p>
5 January 2024	<p>Sub Group Meeting to discuss the developing proposals following the Provisional Police Grant Report for 2024/25 including giving PCC's revised precept flexibility.</p> <p>In attendance for this meeting: PCC, Acting Chief Constable, Chief Executive, Treasurer, Head of Communications and Engagement and the Accountant, West Mercia Police</p>
17 January 2024	<p>Sub Group meeting to consider further information provided by the PCC and identify further information requests.</p> <p>In attendance for this meeting: Sub Group Members only.</p>
19 January 2024	<p>Sub Group meeting to consider the PCC's final proposals with attendance from PCC's office for part of the meeting to further support additional information provided and to clarify any further points.</p> <p>In attendance for part of this meeting: PCC, Chief Executive, Treasurer and the Acting Chief Constable.</p>

Appendix 2 Proposed KPIs

Up to date KPIs included (as shared with the task group on 19 January 2024)

Please note these are in draft format and only proposed as possible indicators at this time which remain subject to final review and approval.

How success will be measured

Safer West Mercia Plan	Improvement Area	Key Performance Indicator	Safer West Mercia Plan	Improvement Area	Key Performance Indicator
Putting victims & survivors first	Victim satisfaction	% of victims satisfied by crime type	Reassuring West Mercia's communities	Call Handling	% of 999 calls answered within 10 secs (90%)
		% of crime recorded in line with VCOP			% of 101 calls answered within 2 minutes (70%)
File quality	% compliant pre-charge files (75%)	Emergency response times		Median emergency response time	
Building a more secure West Mercia	Total crime			Volume of total recorded crime	Median priority response time
		Total recorded crime % solved (13%)		Firearms licensing	Reduction in expired certificates
Violence	Violence with injury volume	Violence with injury % solved (15%)			Shotgun & firearm grant issue times (50% quicker)
		Robbery		Robbery volume	Robbery % solved (12%)
Shoplifting	Shoplifting volume				Shoplifting % solved (25%)
		Home burglary		Home burglary volume	Home burglary % solved (7%)
Vehicle crime	Vehicle crime volume				Vehicle crime % solved (4%)
		Domestic abuse	Volume of repeat domestic abuse	Domestic abuse % solved (12%)	Reforming West Mercia
Rape	% cases with specialist officer first deployed			Rape % solved (10%)	
		Child protection	Quicker action to tackle online abuse		Technology