



Office of the  
**Police & Crime  
Commissioner**  
West Yorkshire

## **POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE**

### **REVENUE AND CAPITAL BUDGET 2020/21**

## EXECUTIVE SUMMARY

- The Police and Crime Commissioner (PCC) is required to determine the council tax requirement for 2020/21, calculate the Band D police council tax and issue the precept to the Billing Authorities by 1 March 2020.
- There is a requirement to notify the Police and Crime Panel of the proposed precept and for the Panel to issue a report to the Police and Crime Commissioner.
- The settlement was a one year only settlement which for West Yorkshire was a flat cash settlement.
- Levels of capital support were notified with the provisional settlement reducing the West Yorkshire capital allocation by 75% from £1.8m to £0.45m.
- Strategic planning has been based upon the PCC's refreshed Police and Crime Plan 2016-2021, the West Yorkshire Police Strategic Assessment, based on threat risk and harm, and organisational transformation being managed through the Programme of Change. The Police and Crime Plan was designed in partnership and then refined following consultation with a wide range of third sector, criminal justice, community safety and policing partners. The Police and Crime Plan is used for planning, commissioning and performance management purposes.
- Utilisation of surplus balances, available through early achievement of savings in previous years, has been targeted on community safety and investment in West Yorkshire Police to facilitate the delivery of the transformational change required to ensure its continuing efficiency and effectiveness in the face of the very significant budget reductions required.
- The PCC is working with partners to look at how we work better together to make the best use of diminishing resources and continue to provide improved services to the public.
- After consideration of the draft revenue budget and capital programme for 2020/21, the PCC evaluated two options, namely a £5 on the Band D equivalent increase in Police Council Tax and a £9.33 (4.99%) increase on the Band D before notifying the Police and Crime Panel of his intention to increase the Band D council tax by £9.33 per annum, to £196.28 allowed under the revised government's referendum criteria.
- The Police and Crime Panel supported the PCC's precept proposal at their meeting on 6 February 2020.
- This will result in a budget of £475.95m. The budget allows for the recruitment of 311 police officers, 100 staff and maintaining PCSO numbers around 600.

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## 1. PURPOSE OF THE REPORT

- 1.1 To provide the relevant information to allow the PCC to approve the revenue budget, capital budget, precept and council tax for 2020/21.

## 2. RECOMMENDATIONS

- 2.1 It is recommended that:

### Revenue

- i) The proposed budget for the Office of Police and Crime Commissioner for 2020/21, as set out in Appendix A, be approved.
- ii) The proposed budget for force requirements and the Chief Constable's proposed allocation of resources for 2020/21 as set out in the Medium Term Financial Forecast at Appendix F, be approved.
- iii) The County's taxbase for the year 2020/21, as calculated and notified by the five District Councils, be noted at 662,447.59
- iv) The PCC agrees the statutory calculations for the year 2020/21, as required by the Localism Act, 2011, as follows:

		£
	<b>2020/21</b>	
a)	The Commissioner's council tax requirement for the year. The aggregate of the amounts which the authority estimates for the items set out in section 42B of the Local Government Finance Act 1992 (as amended by section 75 of the Localism Act 2011) (gross expenditure less gross income)	130,023,934
b)	The basic amount of council tax for the year - council tax requirement divided by the taxbase. Calculated in accordance with the formula set out in section 42B of the Local government Finance Act 1992 (as amended by section 75 of the Localism Act 2011)	196.28

- v) The Commissioner, in accordance with section 40(2) of the Local Government Finance Act 1992 (as amended by schedule 7 of the Localism Act, 2011), sets the following amounts of council tax for the year 2020/21 for the valuation bands shown below:

Valuation Band	(£)
A	130.8521
B	152.6607
C	174.4694

D	196.2781
E	239.8954
F	283.5128
G	327.1302
H	392.5561

vi) The PCC issues a precept of £130,023,934 for the financial year ending 31 March 2021 and authorises his Chief Finance Officer to issue a formal precept demand as follows:

a) to pay the following amounts, calculated in accordance with section 48 of the Local Government Finance Act 1992:

	£
Bradford	28,332,739.41
Calderdale	12,310,009.01
Kirklees	23,715,847.39
Leeds	45,414,348.79
Wakefield	20,250,989.88

b) and to make 12 equal payments to the PCC around the 15th day of each month or the following banking day.

vii) **Use of Balances**

The level of balances and reserves as set out at Appendix E be approved.

## **Capital**

- viii) The revised capital budget for 2019/20 and the capital budget for 2020/21 set out at Appendix D be approved.

## **Section 25 Report**

- ix) The Chief Finance Officer's report on the robustness of estimates and adequacy of reserves be accepted.

## **Earmarked Reserves**

- x) The protocol for earmarked reserves at Appendix G be approved.

### **3. STATUTORY REQUIREMENTS**

- 3.1 The PCC is required by the Local Government Finance Act 1992 as amended by the Localism Act 2011 to set a Council Tax Requirement and issue a Precept for the following financial year prior to 1 March. In setting a Council Tax Requirement, the PCC must calculate and agree the aggregate of revenue expenditure, contingency provision and level of reserves.
- 3.2 The Council Tax Requirement, which for the PCC is identical to the Precept, is calculated by deducting the sum of Formula Funding Grant including any addition to or contribution from reserves and after taking account of any surplus or deficit on the Billing Authorities' Collection Funds.
- 3.3 The Precept may only be issued following the conclusion of the scrutiny process by the West Yorkshire Police and Crime Panel. The PCC was required under Schedule 5 of the Police Reform and Social Responsibility Act 2011 and associated regulations to notify the Police and Crime Panel of the proposed precept for 2020/21 by 1 February 2020.
- 3.4 The Panel must review the proposed precept by 8 February and make a report to the PCC. The Panel has a right to veto the proposed precept if at least two thirds of the persons who are members of the Panel at the time when the decision is made vote in favour of making that decision.
- 3.5 The PCC must have regard to and give the Panel a response to their report. Where no veto is exercised the PCC may issue the precept. If the PCC's proposal is vetoed by the Panel, a revised proposal must be notified to the Panel by 15 February.
- 3.6 The Panel must review the revised proposal and make a report to the PCC by 22 February. The PCC must respond to the report and issue his precept by 1 March.
- 3.7 Rejection by the Panel of the revised precept does not prevent the PCC issuing it as his precept for the forthcoming financial year.
- 3.8 The Local Government Act 2003 places a duty on the PCC's Chief Finance Officer to make a report to him on the robustness of the estimates and the adequacy of the reserves, and this is included later in this paper.

#### **4. FORECAST OUTTURN 2019/20**

##### **PCC's budget**

- 4.1 The forecast outturn for the Office of the Police and Crime Commissioner is set out at Appendix A.

##### **West Yorkshire Police Delegated Budget**

- 4.2. The latest budget monitoring report covers the period 1 April 2019 to 31 January 2020. The updated Force Revenue Budget for the year at outturn prices is £438.9m (excluding collaboration) At 31 January 2020 there was a forecast overspend of £4m. This reflects the decision taken to over recruit following the announcement of the national 20,000 officer uplift to ensure that West Yorkshire was in a position to be able to meet any target set, and ensure additional resources could be deployed to keeping communities safe as quickly as possible.
- 4.3. If the forecast overspend materialises the cost will be met through reserves.
- 4.4. Tight financial management continues in an effort to ensure that where possible the over spend is minimised to negate the impact on future funding.
- 4.5. The Capital Budget 2019/20 at 31 January 2020, excluding the National Police Air Service (NPAS), is £17.3m. Expenditure as at 31 January 2020 was £9m, with commitments of £11m held on the financial system.



## 5. REVENUE RESOURCES 2020/21

### Police Grant Settlement 2020/21

5.1 The 2020-21 Police Finance Settlement was only announced on 22 January in a written statement by the Policing and Fire Minister, Kit Malthouse. Publication of the Police Finance Settlement was delayed due to the December 2019 general election, with Home Office ministers opting to go straight to a final settlement in the New Year. This decision meant that there was no provisional settlement or consultation over the Christmas period. Unlike the Ministry of Housing, Communities and Local Government (MHCLG), the Home Office are not legally obliged to consult on their funding allocations.

5.2 Prior to the 2020-21 settlement publication we were expecting that nationally there would be an additional £750m for the recruitment of 6,000 officers nationally (towards the 20,000 national total over three years), minus a reallocation for central costs. Allocations of officer numbers had already been published and had been calculated pro-rata to core grant. In return for this additional money the Treasury had asked the Home Office to find a further £120m of savings from within their national budget. The key points to note from the statement are:

- £10 precept flexibility for all PCCs, or equivalent
- The settlement was a one year only settlement
- £50m of the £750m national funding retained centrally to support recruitment of officers
- Of the remaining £700m - £532m via un-ringfenced core grant, £168m ringfenced for successfully meeting recruitment targets
- No other inflationary increases are provided for in the core grant
- Core funding has only increased by the uplift funding and therefore all pay rises and non-pay inflation have to be met by existing budgets
- A 74% reductions in capital grant funding to PCCs
- £92m (9%) increase in reallocations for national programmes and services to over £1.1bn in 2020-21 show in the table below:

<b>Police Funding</b>	<b>2019/20 (£m)</b>	<b>2020/21 (£m)</b>
<b>Total Reallocations and adjustments, made up of:</b>	<b>1,029</b>	<b>1,120</b>
PFI	73	73
Police technology programmes (including the Emergency Services Mobile Communication Programme)	495	498
Arm's length bodies (HMICFRS, College of Policing, IPCC)	63	73
Police Uplift Programme	-	17
Strengthening the response to Organised Crime	90	140
Counter Terrorism	-	32
Top Ups to NCA and ROCUs	56	57

Police Transformation Fund	175	-
National Capability Programmes	-	47
Special Grant	73	81
Forensics	-	29
Pre-charge bail	4	2
Serious Violence	-	39
PRUM (Transition from EU systems)	-	2
HO STAR (Science, Technology and Research)	-	8
Blue Light Commercial	-	4
Police Now	-	7
Safer Streets Fund	-	10

- Capping criteria was set so that all Police and Crime Commissioners are able to increase the band D equivalent charge by up to £10 a year without triggering a local referendum. West Yorkshire remains the 3<sup>rd</sup> lowest Police Council Tax in England and Wales, with around 71% of properties falling in bands A, B and C.

## Funding

### 5.3 Core Funding

	2019/20 £000	2020/21 £000
DCLG/Formula Funding	130,051	130,051
Home Office Police Grant	172,809	172,809
Uplift Reinvestment	0	22,666
Uplift Grant	0	7,158
<b>Total Formula Funding</b>	<b>302,860</b>	<b>332,684</b>

### 5.4. Localised Council Tax Support and Legacy Council Tax Freeze Grant

Payment of localised council tax support and legacy council tax freeze grant is now funded through the Home Office. West Yorkshire's allocation for 2020/21 is **£16.69m**, which is in line in cash terms with the 2019/20 allocation. At this stage we do not know if the legacy council tax freeze grant will be built into the core grant in future years which adds uncertainty. The £332.684m core funding shown above added to the £16.69m referred to in this paragraph, less the separate £7.2m uplift grant gives the total external support shown in the MTF of £342.193m.

- 5.5 The 2019/20 budget includes the Community Safety Fund (CSF), the grant for which was £5.292m in 2013/14 (base line). The PCC has agreed to continue to ring-fence and passport the CSF to local government partners for an additional year continuing his strong commitment to partnership working and joint working through each of the Community Safety Partnerships in each Council district.

## Other Grants

## 5.6 **Counter Terrorism Specific Grant**

Allocations to Counter Terrorism units will be announced further into the year by Government, but will not be made public. Funding will be increased from £816m to £960m overall nationally. This does not however mean that there will be a local increase.

## 5.7 **Capital Grant**

The capital budget provisional settlement is £0.45m which is a 74% cut from 2019/20. This is a continuation of the reduced level of funding for capital which again requires use of phased reserves to help continue to transform the organisation, making it fit for the future.

## 5.8 **Council Taxbase**

The taxbase, which represents the number of Band D equivalent properties in the county, was notified to the PCC by the Billing Authorities at 662,447.59, as compared with the 2019/20 figure of 652,678.5.

## 6. COUNCIL TAX REFERENDUM LIMITS

- 6.1 Capping criteria enables all PCCs to raise the policing element of local taxation to increase the Band D equivalent charge by £10. The PCC intends to use the precept flexibility to increase the Band D equivalent charge by £9.33 (4.99%) to invest in front line policing. Within West Yorkshire, around 70% of Council Tax payers are in bands A, B and C which in reality will mean a less than 80 pence per month increase for most Council Tax Payers.

The PCC has recently undertaken a 'Budget Survey' to gain views from members of the public around policing. The survey results provide a clear indication on the part of the majority of respondents that they support the PCC in raising the band D equivalent of the policing element of Council Tax by £9.33 to provide investment into additional front line policing. **79% of respondents said they would be prepared to increase their contribution on the proposal set out.**

## 7. CAPITAL RESOURCES 2020/21

- 7.1 Capital expenditure may be financed in the year it is incurred by a variety of means including the application of capital grants, use of capital receipts or by a charge directly on the revenue budget. Financing expenditure by loan allows the capital cost to be charged to revenue over a number of years, the charge being the minimum revenue provision or MRP. The interest due on external borrowing undertaken in support of the loan financing is also a charge to the annual revenue budget.

- 7.2 West Yorkshire's capital allocation is as follows:

	2019/20 £m	2020/21 £m
<b>Capital Grant Allocation</b>	1.8	0.45

- 7.3 There is no restriction, other than affordability, on the amount of capital expenditure that may be financed immediately from the revenue budget, referred to as direct revenue support.
- 7.4 Under the Local Government Act 2003, the PCC is able to determine how much capital expenditure he can afford to finance by unsupported or prudential borrowing (which does not attract any government grant) having regard to the Prudential Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Act requires that the Police and Crime Commissioner set an affordable limit for borrowing each year in accordance with the Code, subject to the scrutiny of the external auditor. The prudential indicators, including the authorised limit for borrowing, are set out in the Chief Finance Officer's report on treasury management.

## **8. REVENUE BUDGET 2020/21**

### **PCC Budget**

8.1. The draft budget for the Office of Police and Crime Commissioner is set out at Appendix A.

### **West Yorkshire Police Delegated Budget**

8.2 The medium term financial forecast reflects the following key issues and assumptions:

- Increase in Government funding assumed at flat grant for 2020/21 and GDP thereafter
- Pay inflation assumed at 2.5% from 2020/21, plus FYE of September 2019 2.5% increase in 2020/21
- Precept has been assumed at 4.99% (£9.33) for 2020/21 then £5 thereafter
- WYP receiving 4.2% grant allocation share of the national Police Uplift Programme (PUP) of 20,000 officers and 6,500 police staff. The 4.2% split means that 852 officers have been built into the MTFF over the 3 year period with 311 built in by March 2020/21 in line with Strategic Workforce Planning model and higher than the 256 government target by March 2021
- 50/50 split apprentice recruits to degree holders
- There remains uncertainty around the impact of EU Exit in terms of operational, interest rates, exchange rates and inflation impact but continues to be monitored

8.3 The summary movement statement from 2019/20 to 2020/21 is attached at Appendix B, and the impact on force strength is shown at Appendix C.

## **9. CAPITAL PROGRAMME 2020/21**

9.1 The draft Capital Budget for 2020/21 and forecast through to 2022/23 with associated funding is attached at Appendix D. The draft budget only includes schemes/projects that have already been considered and included in the 2019/20 budget and beyond. This includes:

- Investment in a new District Headquarters in Kirklees
- Digital Forensics Unit Investment;
- a continuing programme of Estates/Asset Rationalisation works;
- IT replacement programme; and
- Vehicle Equipment replacement programmes.

9.2 Bids for new capital expenditure are subject to business case approval through the Joint Executive Group with final sign off from the PCC.

9.3 A funding strategy for the period of the forecast is shown at the bottom of Appendix D. It includes Capital Grant of £0.47m for each year of the programme beyond 2019/20. The level of capital receipts assumed post 2019/20 in the programme totals just over £12m and reflects the Estates Department's latest assessment based on planned disposals over the period of the forecast. Prudential borrowing over the period of the capital plan is estimated to be £48m in order to fund the Estates Programme. Final business cases for all significant capital investment items will be approved by the PCC.

## 10. STRATEGIC PLANNING

10.1 Strategic planning has been based upon the PCC's refreshed Police and Crime Plan 2016-2021, the Force Strategic Assessment (based on threat risk and harm), and organisational transformation being managed through the Programme of Change. The Police and Crime Plan was designed in partnership and then refined following consultation with a wide range of third sector, criminal justice, community safety and policing partners. The Police and Crime Plan is used for planning, commissioning and performance management purposes.

## 11. OPERATIONAL CONTEXT AND WORKFORCE PLANNING

11.1 The 2020/21 budget is based upon the following numbers at 31 March 2021:

	Officers	Police Staff	PCSOs	Total:
Total FTEs	5393	3890	603	9886
National or Regional Commitments including, NECTU, Regional Crime NPAS, Regional Scientific Support, VIPER and national firearms.	373	873		1246
<b>WY core availability</b>	<b>5020</b>	<b>3017</b>	<b>603</b>	<b>8640</b>

11.2 West Yorkshire Police have appointed 357 new student officers this financial year to date and there are plans to appoint a further 156 before the end of March 2020. In addition West Yorkshire Police have appointed 19 transferees since 1 April 2019 and a further 22 are to be appointed in February. This takes the total number of new police officers appointed in 2019/20 to 554 a **net increase of 186 officers** once all retirees and leavers are taken into account (in addition to the 160 officers that were over-profile as at the 31<sup>st</sup> March 2019.)

11.3 PCSO recruitment has continued throughout the year, with 65 new appointments being made to date and a further 40 being appointed by 31st March 20 and therefore forecast to be 589 FTEs by 31st March 20.

11.4 The 2020/21 proposed budget allows **additional budgeted posts for West Yorkshire** as at 31/3/2021 of:

- 311 Officers equivalents
- PCSO numbers protected around 600
- 100 Police Staff

The Medium Term Financial Forecast has been prepared alongside current workforce planning. The continuing Programme of Change initiatives also feed into the workforce plan and may result in the re-assessment of the workforce mix going forward to meet the outcomes and priorities included in the Police and Crime Plan.

Workforce planning includes predicting police officer leavers of each rank, PCSO and police staff leavers, workforce modernisation plans and recruitment plans, including probationers and transferees. Other variables that may impact on the recruitment strategy continue to be monitored i.e. career breaks, and secondee returns.

- 11.5 Despite the uplift funding for 2020/21, a serious concern remains about the longer term pressures given the very significant reduction in the size of West Yorkshire Police's budget and the increasing demand and complexity of policing activity. The following table provides further information around the types of threats, risks and harm facing West Yorkshire Police (captured in the most recent Force Management Statement (FMS)), its partners and our communities as set out in the Police and Crime Plan.

Total Crime	Total crime per 1,000 population is now falling within West Yorkshire. Recorded crime for the first nine months of 2019/20 (to December 2019) is 1.9% lower than in the same period last year. Good reductions have been achieved since April for a range of offences including burglary, robbery, vehicle offences and serious violent crime. The Force does record more crime per 1000 population than other forces nationally. Recorded crime statistics are influenced by each Force's determination to achieve a high standard of crime recording accuracy and its desire to place victims at the forefront of crime recording arrangements. In 2019 West Yorkshire Police were reported as being the first Metropolitan Police Force to be judged as 'Outstanding' by the HMICFRS following a Crime Data Integrity Inspection. This 'Outstanding' grading reflects the substantial progress the Force has made to achieve a high standard of crime recording accuracy.
Missing Persons	There has been a long term increase in the number of missing person investigations, which continue to have a considerable impact on frontline resources. In 2019 the Force recorded more than 16,500 missing person occurrences. However, multi-agency problem solving is now having a positive impact on the number of people going missing. In 2018/19 the Force reported a 13% reduction in missing people occurrences and the positive downward trend has continued into 2019/20. The very latest figures show that in the 12 months to December 2019, missing occurrences fell by 12.0%, 2,270 fewer occurrences than in the previous year. Despite the reductions, missing persons still presents a significant demand pressure, particularly high risk missing persons, which account for around 27% of child and 37% of adult missing persons. There are also links with other vulnerabilities, as just over 60% of all missing occurrences involve children and around one fifth of all missing occurrences involving children identify a risk of sexual exploitation.
Mental Health	Protecting the vulnerable continues to place a great deal of demand on the police who are working in improved partnerships to provide the right support to those with mental health issues at the right time from the right partner. The Force reported a 33% increase in mental health incidents in 2018 equating to more than 5,000

	<p>additional mental health related incidents during the year. Over 23,000 incidents were reported in 2019 where mental health was identified as being a factor, which continues the long term upward trend. The FMS shows that in 2018 around 54% of all arrestees had an entry on their mental health risk assessment. The FMS predicts a continuing increase in mental health incidents. In addition to volume there continues to be capacity and capability issues, with insufficient health based places of safety.</p>
Child Sexual Exploitation and Abuse (CSEA)	<p>This continues to be a key risk for West Yorkshire Police and partners, with improved confidence to report, a strong focus on non-recent incidents and large scale investigations leading to significant increases in reports of CSEA. There has been almost 6,500 offences of CSEA recorded in the latest 12 months to December 2019. The FMS predicts that CSEA offences could increase to 10,600 incidents by 2023, however recent performance has seen a stabilising of that upward trend. Non-recent investigations, which are often complex and protracted, account for around a third of all offences recorded and work at a national level (Independent Inquiry into Child Sexual Abuse and the Truth Project) suggests the increase will continue. The FMS highlights in particular, concern around indecent images of children and livestreaming of abuse, which nationally are predicted to increase.</p>
Modern Slavery/Human Trafficking (MSHT)	<p>This issue continues to gather momentum in a similar way to Child Sexual Exploitation. West Yorkshire is one of the highest referrers of Potential Victims of Trafficking to the National Referral Mechanism with significant increases over the last few years. These offences result in particularly complex investigations and have increased from 19 offences in 2013 to 542 in 2019. The FMS predicts that the volume of reported offences will more than double by 2023 as it is widely recognised that the true scale and nature of MSHT is not known. Some of the increase is also due to increased awareness and focus on the exploitation of children and vulnerable adults, linked in particular to county lines, but also other offences such as organised acquisitive crime. The National Crime Agency estimate there are around 13,000 victims of MSHT.</p>
Cyber Crime	<p>The nature and scale of both cyber-enabled and cyber dependent crime is still not fully understood. However both are predicted to increase in light of the proliferation of technology and the increasing prevalence of the 'online world', which is facilitating a broad range of organised crime such as fraud, drugs and online CSEA. 99% of cyber-crime is cyber enabled and continues to fall into three main categories; Harassment/Unwanted contact, Sexual/Indecent reports and Fraud. The Force is facing capacity and capability issues, as most investigations now involve some digital footprint, requiring increased digital capabilities.</p>
Domestic Abuse	<p>Improved recording, victim confidence and better identification of vulnerability by officers has resulted in a significant increase in recorded domestic abuse incidents over the past five years. In 2018/19 the Force recorded over 65,000 domestic incidents and the very latest figures</p>



	<p>report over 64,000 incidents for the 12 months to December 2019. The FMS highlights domestic abuse as a particular area of concern, predicting a 27.7% increase (or an additional 17,915 incidents) by 2023. A stabilising trend suggests that volumes may be slightly lower, although the likelihood of a crime being recorded following an incident continues to rise with implications for workloads. Analysis also shows that the repeat rate for both victims and offenders is increasing and that the level of risk has increased. Of concern is that in around 30% of incidents a child is present, which is a key predictor for future offending and a recognised Adverse Childhood Experience.</p>
Sexual Offences	<p>Increased victim confidence in reporting has contributed to a long term increase in sexual offences. In the 12 months to December 2019 the Force recorded 8,414 sexual offences, 41% (3,469) of which were rape offences, which places significant capacity issues on the Forces specialist safeguarding resources. The FMS predicts a 21.8% increases in sexual offences by 2023.</p>
Anti - Social Behaviour (ASB)	<p>ASB is a key concern for communities and presents high volume demand for the Force albeit the number of incidents is on a downward trend. In the 12 months to December 2019 there were just over 45,000 ASB incidents compared to almost 60,000 in 2017/18. A number of Anti-Social Behaviour hotspots are repeat locations and these high demand generators require multi-agency problem solving. The FMS predicts a 10.4% reduction in ASB by 2023. The strong focus on neighbourhood policing and early intervention given recent investment, is aimed at achieving long term demand reduction through effective problem solving.</p>
Road Safety	<p>Road Safety is a key concern for communities and a priority area in the Police and Crime Plan. The number of fatalities in the first nine months of 2019 (January-September) is reported at 44, which whilst lower than the same period last year (53) maintains the recent trend of higher levels of fatalities on West Yorkshire's roads. The total number of Killed or Seriously Injured (KSI) casualties so far in 2019 is down by 5.1% from 645 to 612 with reductions reported for car occupants and pedestrians. However KSIs in relation to cyclists and motorbike riders have risen since January. ASB related to road safety (inconsiderate parking for example) continues to be an issue raised in confidence surveys across all Districts and recorded driving offences resulting in death have increased to 40 (up 29% April to December 2019).</p>
Economic Crime / Fraud	<p>Fraud is predicted to increase and whilst the ONS report that this is now the most frequently experienced crime (3.47 million incidents in 2018), it is still significantly under reported. In particular the FMS predicts that the cyber element of fraud will increase and highlights that nationally financial abuse against vulnerable adults and a rise in young people exploited around fraud is increasing. Money laundering remains a cross cutting threat area relied upon to facilitate all serious and organised crime and is therefore an ongoing threat.</p>

Residential Burglary	The Force has the highest rate of residential burglary, however good reductions are being reported so far in 2019/20. In the nine months since April, there has been a 14.8% reduction in residential burglary equating to over 2,000 fewer victims. There is however an increasing element of burglary which is associated with organised crime.
Violent Crime	Most serious violent crime is relatively low in West Yorkshire when compared to some other Metropolitan Forces and encouragingly the number of serious assaults is falling in 2019/20. In the nine months since April 2019 the Force has recorded 1,507 serious violent crimes which reflects a 5.3% reduction. Knife crime has also fallen since April with a 9.2% reduction reflecting 181 fewer knife crime offences so far this year. However, there has been a 19.1% increase in offences of possession of a knife or bladed instrument (to 693).
Registered Sex Offenders	The number of Registered Sex Offenders remains high with 3,021 currently at liberty in the Force area and a further 1,114 in custody. 540 of the RSOs currently at liberty are assessed as being either High or Very High risk and we predict that this increase will continue over the next few years, particularly as we continue our focus on vulnerability and sexual offences. The FMS predicts a 7.1% increase in RSOs by 2023.
Criminal Exploitation of Children and Vulnerable Adults and County Lines	Forces are starting to uncover new threats around the criminal exploitation of children and vulnerable adults. This is associated with a number of crime types including drugs distribution, preparation and storage (county lines) and organised theft. This is an area of increasing focus for the Force as we seek to both address and understand the complex relationship between most serious violence and organised crime/drugs, in particular Urban Street Gangs and county lines, which as a business model involves the exploitation of children and vulnerable adults.
Adult Safeguarding	Understanding of the scale and threat around adults at risk is limited however, trends would suggest that Adult Safeguarding crime/demand will increase, as the elderly population are growing at the fastest rate and nationally it is expected that 2.8 million people aged over 65 will be in need of nursing and social care by 2025. The potential for neglect and crimes against elderly people is therefore increasing.
Calls for Service	In 2018/19 the Force received just over 1.6 million calls for service. The FMS predicts that over the next four years this will increase by 12.6% to over 1.8 million, with particular concerns around the predicted increase in 999 calls (projected to increase by 27.9% by March 2023).

11.6 Other issues for a large metropolitan force such as West Yorkshire include the high level of threat presented by organised crime (and the links between drugs and firearms). Whilst JTAC has downgraded the terrorism threat to SUBSTANTIAL, an attack is still likely and the impact it can have on community cohesion, public order and hate crime remains a very real threat. All these areas require either significant or continued investment as demand for service remains high.

- 11.7 The longer term position also needs to ensure that our operating model remains fit for purpose for the future and growing operational challenges, e.g. on-line/cyber-crime, child sexual exploitation and abuse (current and non-recent), modern slavery/human trafficking, domestic abuse, violent crime, criminal exploitation of children and vulnerable adults and adult safeguarding. It also needs to take into account of the Strategic Policing Requirement (which covers organised crime, public order, civil contingencies, terrorism, CSEA and a major cyber incident).
- 11.8 The above threats and risks are reflected in the budget through increased resources being allocated to:
- Local Policing – Early Intervention
  - Criminal Justice – Two Way Interface (TWIF) and Rape & Serious Sexual Offences (RASSO) roles
  - Operational Support - Roads Policing, Dog Unit, Taser Capability & Firearms Intelligence
  - Digital Investigations - Digital Forensics, investigators and equipment
  - Digital Policing - IT Security and Information Management
  - People – Resourcing, Police Education Qualifications Framework (PEQF) training capacity
- 11.9 The operational benefit sought by increasing resource in each of these are detailed in Appendix J.

## **12. PROVISIONS, RESERVES AND BALANCES**

- 12.1. The adequacy of provisions, reserves and general balances is reviewed as part of the budget planning process and again at the year-end during the closure of accounts. The current position is shown at Appendix E.
- 12.2 Local Authority Accounting Panel Bulletin (LAAP) 77 recommends using a risk-based approach to determine the minimum prudent amount which should be held in general balances. An exercise has been undertaken to identify the main risks likely to be faced by the force, strategic, operational and financial. An assessment is made of the likely impact on force budgets and the probability of each event occurring. The overall total resulting from this exercise is around £10.7m for 2020/21.
- 12.3 The LAAP Bulletin also requires that for each earmarked reserve there should be a clear protocol setting out the reason for the reserve, how and when it can be used, and management, control and review processes. A protocol for the PCC's earmarked reserves is set out at Appendix G for approval.
- 12.4 The PCC has agreed a strategy to utilise surplus balances (generated from the early achievement of savings required) to balance the budget to rebuild front line numbers faster.
- 12.5 The Chief Constable of West Yorkshire Police continues to implement the Programme of Change to help transform the organisation to make the required savings and meet the challenging and changing policing requirements in West Yorkshire.

### 13 LONGER TERM PROJECTIONS

13.1 The Medium Term Financial Forecast presented today shows a balanced position for 2020/21 following the use of £3.4m of revenue reserves and the position for future years, if the significant saving plans in place are met, as:

- 2021/22 £15.2m shortfall
- 2022/23 £14.1m shortfall
- 2023/24 £9.9m shortfall

13.2 There is considerable uncertainty around future police funding over the medium to long term due to:

- A new CSR for 2021/22 to 2026/27
- An intended review of the methodology for allocating police funding across policing areas

### 14. COUNCIL TAX OPTIONS

14.1 Two options have been considered by the PCC in relation to the precept:

- 1) Increasing the Police Precept by £5 on the Band D equivalent
- 2) Increasing the Police Precept by £9.33 (18 pence per week) on a Band D property to exercise the up to £10 flexibility given to all PCCs for 2020/21

Key to the discussions was the consideration of future demands on West Yorkshire Police, feedback from the budget survey and the uncertainty that remains over funding for West Yorkshire in the medium to long term, set out within the report.

The PCC continues to work closely with partners to look at how we can work better together to make the best use of resources and continue to provide improved community safety and policing services to the people of West Yorkshire.

14.2 The PCC has recently undertaken a 'Budget Survey' to gain views from members of the public around policing. The survey results provide a clear indication on the part of the majority of respondents that they support the PCC in raising the band D equivalent of the policing element of Council Tax by £9.33 to provide investment into additional front line policing. **79% of respondents said they would be prepared to increase their contribution on the proposal set out.**

14.3 The results are shown at **Appendix H** and summarised below:

Q: Respondents' Council Tax Band	% of all respondents	No. of respondents	% supporting precept increase
A	17%	358	80%
B	16%	339	75%
C	15%	324	83%

D	20%	428	80%
E	6%	134	78%
F	3%	54	81%
G	2%	34	82%
H	1%	13	77%
Don't know	21%	437	79%
<i>Total</i>	<i>100%</i>	<i>2121</i>	<i>79%</i>

14.4 In context, a £12 increase in the police precept (at Band D), based on projected taxbase levels, would provide an additional £7,718,844 of funding in cash terms into the base budget in 2018/19.

Details of the impact on police council tax for the two options shown below.

Band	Current Charge £	Charge with £5 (Option 1) £	Increase £	Charge with Band D £9.33 raise £ (Option 2)	Increase £
<b>A</b>	<b>124.63</b>	<b>127.97</b>	<b>3.33</b>	<b>130.85</b>	<b>6.22</b>
<b>B</b>	<b>145.41</b>	<b>149.29</b>	<b>3.89</b>	<b>152.66</b>	<b>7.26</b>
<b>C</b>	<b>166.18</b>	<b>170.62</b>	<b>4.45</b>	<b>174.47</b>	<b>8.29</b>
<b>D</b>	<b>186.95</b>	<b>191.95</b>	<b>5.00</b>	<b>196.28</b>	<b>9.33</b>
<b>E</b>	<b>228.49</b>	<b>234.61</b>	<b>6.11</b>	<b>239.90</b>	<b>11.40</b>
<b>F</b>	<b>270.04</b>	<b>277.26</b>	<b>7.22</b>	<b>283.51</b>	<b>13.47</b>
<b>G</b>	<b>311.58</b>	<b>319.92</b>	<b>8.33</b>	<b>327.13</b>	<b>15.55</b>
<b>H</b>	<b>373.90</b>	<b>383.90</b>	<b>10.00</b>	<b>392.56</b>	<b>18.66</b>

\*Third lowest Council tax in England and Wales (see Appendix E)

14.5 A £9.33 increase would take the Band D police council tax for 2019/20 to £196.28 a year. Approximately 61% of households in West Yorkshire are in Bands A and B, and would pay £130.85 and £152.66 a year respectively, an increase of approximately 12 pence per week for band A, 14 pence per week for band B and 18 pence per week for band D.

## 15. The Precept Proposal

15.1 Relevant considerations for the PCC in making his decision included:

- Police and Crime Plan consultation feedback
- Operational resilience
- Public views obtained from the Budget Survey
- The impact on frontline policing and the potential for recruitment of police officers in 2020/21 and beyond
- The impact on council taxpayers
- Future financial health, including the adequacy and utilisation of reserves and

balances

- The robustness of financial and organisational management processes in place
- Savings made to date and the capacity for future savings
- The uncertainty of future funding for the change in pensions costs
- The uncertainty of funding in the next Comprehensive Spending Review (CSR)
- The uncertainty of the outcome to a change in the police funding formula which accounts for around 72% of the West Yorkshire budget

15.2 The PCC was conscious of the current level of the police council tax which is the third lowest in England and Wales, the current difficult economic climate facing the public, and the longer term requirement to make significant additional savings in the budget.

15.3 Continuing the recruitment of police officers and specialist staff, protecting the current number of PCSOs to support the frontline as far as possible are priorities for the PCC, they were his election pledges and require a sustainable source of revenue funding underpinned by the Special Constables and police volunteers strategy going forward.

This has been a challenge given the current economic climate, and the PCC is acutely aware of the potential financial impact on individuals within the community, but also takes note of the wider public views and feedback with a majority (79%) supporting the level of increase proposed.

The PCC feels that, despite personal impacts in communities, maintaining and rebuilding core operational resilience is imperative in order to keep the communities of West Yorkshire safe and feeling safe and this view is supported by the majority of the survey respondents.

15.4 The PCC has therefore decided to support Option 2, and the MTF and summary movement statement from 2019/20 to 2020/21 are attached at **Appendices C and D**.

15.5 The PCC notifies the Panel of his intention to increase the police council tax precept by £9.33 (4.99%).

15.6 The PCC's proposal would result in a budget of £475.952m. Alongside the savings made through the Programme of Change, this will allow **PCSO numbers to be maintained at 603** despite reductions in partner funding and additional Police Officer recruitment of 311 and Police Staff recruitment in excess of 100 (**See Appendix J which provides detail on the benefits that the proposed investment would bring**).

## **16. ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES**

16.1 Section 25 of the Local Government Act 2003 requires that a report be made by the Responsible Financial Officer to the Police and Crime Commissioner when he is considering his budget and council tax. The report must deal with the robustness of estimates and the adequacy of reserves allowed for in the proposals.

- 16.2 As the council tax is set before the year begins and may not be increased during the year the Commissioner must consider risks and uncertainties which might result in spending more than planned. These risks and uncertainties include
- The delivery of the significant level of savings identified to balance the budget.
  - The global economic climate and in particular, levels of inflation, interest rates for borrowing and investment, security of investments, availability and viability of competitive suppliers and so on.
  - A high degree of uncertainty surrounding future funding assumptions
  - Potential reduction in external funding from partners.
  - The impact of unforeseen events which would fall initially on general balances.
  - The need to meet new national standards and demands.
  - The impact of increasing mandating of national contracts.
- 16.3 Allowance is made for these risks by:
- Making prudent allowance in the estimates on each of the budget headings.
  - Ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient.
  - Robust financial management processes throughout the year to identify emerging spending pressures and manage them appropriately.
- 16.4 With reference to robustness, the budget estimates are prepared and validated by qualified staff in the force Finance Department with due care and attention and in accordance with appropriate professional standards. The estimates are consistent with the latest assumptions on timescales for delivery of the programme of change as agreed by the Chief Officer Team.
- 16.5. Known spending pressures have been identified and provided for within the base budget. Provision has been made for specific inflationary pressures on both pay and prices, although some budget heads have been cash limited. Savings identified have been deducted from the budget and these have been phased in such a way that there is a justifiable expectation that they will be achieved, although the assumptions made are more significant than in previous spending review periods.
- 16.6. The costs of borrowing and the estimate of investment interest are based on latest forecasts of interest rate movements during the year in accordance with the Treasury Management Strategy.
- 16.7 On adequacy of reserves, an appropriate level of general balances has been assessed using a risk-based approach in accordance with CIPFA guidance, and the budget proposals allow for this level to be maintained. While balances are currently adequate, there are significant uncertainties in the medium term forecast as outlined above. The adequacy of the insurance provision against estimated known liabilities is assessed throughout the year and at the year-end.

## **17. NOTIFICATION TO THE WEST YORKSHIRE POLICE AND CRIME PANEL**

- 17.1 On 29th January 2020 the PCC notified the Police and Crime Panel for West Yorkshire of his proposed precept for 2020/21. The Panel formally considered the proposal on 6th February 2020, and, as it is required to do by law, has issued a report on that proposal.

17.2 The Panel considered the Commissioner's proposal and supported a £9.33 (4.99%) per annum increase at Band D. A copy of the Panel's report, including the recommendations made to the PCC, and the PCC's response is included at Appendix I.