

WYPCC – Decision

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Timing:	Pressing. The Commissioner is required to issue the precept by 28 February 2014.
Purpose:	Decision
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SUBJECT OF ADVICE Calculation of the Council Tax and Issue of the Precept for 2014/15

Summary: The attached report is provided to enable the Commissioner to determine the council tax requirement for 2014/15, calculate the Band D council tax and issue the precept to the Billing Authorities.

Recommendation: That the PCC approve the recommendations set out in the revenue and capital budget report attached.

APPENDICES:

Revenue and Capital Budget Report 2014/15



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

POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE

REVENUE AND CAPITAL BUDGET 2014/15

EXECUTIVE SUMMARY

- The Police and Crime Commissioner (PCC) is required to determine the council tax requirement for 2014/15, calculate the Band D police council tax and issue the precept to the Billing Authorities by 1 March 2014.
- 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 Commissioner.
- The Police Grant Settlement for 2014/15 reduced formula grant to local policing bodies by 4.8% on a like for like basis compared with 2013/14. This is a reduction of £15.3m for West Yorkshire.
- The Community Safety Fund (CSF) specific grant of £5.3m was rolled into general police grant in 2014/15.
- The Council Tax Freeze Grant for 2011/12 (£2.2m) will continue to be paid in each year of the spending review period. A further grant is available to those local policing bodies who agree to freeze the council tax again in 2014/15. This is equivalent to a 1% increase in council tax (£0.9m) and would be paid in 2014/15 and 2015/16.
- Capital support has been set at £4.3m in 2014/15, unchanged from the written ministerial statement of January 2012 which confirmed a top slice for the National Police Air Service of £10m.
- Strategic planning has been based upon the PCC's Community Outcome Framework and Vision and Strategy which provides the outcomes the PCC is to achieve. It was designed in partnership and then refined following consultation with a wide range of third sector, criminal justice, community safety and policing partners. The framework 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 the force 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 has been in discussions with each of the district councils to provide additional support towards their contributions to PCSOs, recognising that partners are also facing a very difficult budgetary position.
- After consideration of the draft revenue budget and capital programme for 2014/15, the PCC evaluated two options, namely a freeze on the council tax and a 1.99% increase, before notifying the Police and Crime Panel of his intention to increase the Band D council tax by £2.70 per annum to £138.20 (1.99%), allowed for under the government's referendum criteria.
- The Police and Crime Panel supported the PCC's precept proposal at their meeting on 7 February 2014.
- This will result in a budget of £418.7m, a 1.5 % reduction on 2013/14. The budget allows for the recruitment of 126 police officers, as against forecast leavers of 224, a net reduction of 98. Police staff numbers would reduce by 56 after allowing for recruitment of 70 essential posts. Funding is also provided for the increased recruitment of special constables and volunteers.

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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 2014/15.

2. RECOMMENDATIONS

- 2.1 It is recommended that:

Revenue

- i) The proposed budget for the Office of Police and Crime Commissioner for 2014/15, 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 2014/15, as set out in Appendix F, be approved.
- iii) The County's taxbase for the year 2014/15, as calculated and notified by the five District Councils, be noted at 596,170.92.
- iv) The PCC agrees the statutory calculations for the year 2014/15, as required by the Localism Act, 2011, as follows:

		£
	2014/15	
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)	82,390,285
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)	138.1991

- 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 2014/15 for the valuation bands shown below:

Valuation Band	(£)
A	92.1327
B	107.4882
C	122.8436
D	138.1991
E	168.9100
F	199.6209
G	230.3318
H	276.3982

vi) The PCC issues a precept of £82,390,285 for the financial year ending 31 March 2015 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	17,574,780
Calderdale	7,996,742
Kirklees	15,188,772
Leeds	29,266,009
Wakefield	12,363,982

b) and to make 12 equal payments to the PCC on 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 2013/14 and the capital budget for 2014/15 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 to the Police Reform and Social Responsibility Act 2011 and associated regulations to notify the Police and Crime Panel of his proposed precept for 2014/15 by 1 February 2014.
- 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 2013/14

PCC's budget

- 4.1 The forecast outturn for the Office of the Police and Crime Commissioner is set out at Appendix A. Vacancies throughout the year have resulted in an underspend on salaries. The move of PNLD into Ploughland House has made better use of the available space and has resulted in increased income to the OPCC.

Force budget

- 4.2. The latest budget monitoring report covers the period 1 April 2013 to 30 November 2013. The updated Force Revenue Budget for the year at outturn prices is £401.733m and includes the £4m drawn down from the Devolution Reserve. At 30 November 2013 there was an underspending of £1.735m (0.7%) against profiled budgets.
- 4.3. All individual departmental and district savings targets are on track to be achieved by 31 March 2014.
- 4.4. The additional force planned savings of £17.225m that were reported at the last Budget Planning meeting on 4 September 2013 and that were incorporated into the revised 2014/15 Budget and Medium Term Forecast continue to be on track for delivery.
- 4.5. Tight financial management continues in an effort to ensure that any emerging spending pressures are funded by in-year savings and the in-year underspending is maximised. This approach will enable the Force to absorb the additional costs of a number of additional spending pressures.
- 4.6. The latest year end forecast position is an underspending in excess of £3m but much depends on staff turnover rates, organisational change costs, operational pressures and the scale of any spending pressures bids approved by the Chief Officer Team. In addition to this, there is potentially additional slippage on the 2013/14 Capital budget and this may result in reduced Direct Revenue Financing requirement in 2013/14. Any underspend on this budget will be carried forward through the Capital Financing Reserve as it is required to fund expenditure in 2014/15.
- 4.7. The Capital Budget 2013/14 at 30 November 2013, excluding the National Police Air Service (NPAS), is £19.302m. Expenditure as at 30 November 2013 was £4.450m, with commitments of £8.411m held on the financial system. The latest forecast outturn is approximately £13m and the budget is being revised accordingly.

5. REVENUE RESOURCES 2014/15

Police Grant Settlement 2014/15

5.1 The provisional police funding announcement for 2014/15 was made in a written ministerial statement on 18 December 2013. The final settlement was announced on 5 February 2014, and confirmed the figures previously announced. The statement included the following key points:

- 4.8% reduction in core funding, as compared with the Home Secretary's announcement in June of 3.3%;
- Protection by the Home Office from the 1% additional reduction announced in the Autumn Statement;
- Top slicing reduces the amount available for core police grant from 3.3% to 4.8%, comprising
 - IPCC £18m
 - HMIC £9.4m
 - College of Policing Direct Entry £3m
 - City of London £2m
 - National Police Co-ordination Centre £2m
 - Police Innovation Fund £50m;
- Damping of the funding formula remains unchanged in 2014/15, that is, all PCCs receive the same cut in government funding, regardless of their formula allocation;
- No announcement was made on funding for 2015/16.

Core Funding

5.2. Whereas in the past funding for the police came from the Department for Communities and Local Government (DCLG) as well as the Home Office all funding will now come from the Home Office, including historic council tax freeze grants and localised council tax support.

5.3 The 2014/15 police settlement has been reduced by 3.3% from 2013/14 as announced in the Spending Review. However, due to the topslicing the reduction in core funding subject to damping is 4.8%.

	2013/14 £000	2014/15 £000
DCLG/Formula Funding	141,745	135,099
Home Office Police Grant	187,770	183,757
Total Formula Funding	329,516	318,856

- 5.4. 2014/15 includes the Community Safety Fund (CSF) of £5.3m, which was paid as a specific grant in 2013/14. The like for like comparison is therefore with £334.808m in 2013/14, a reduction of 4.8% or £15.3m to £318.856m. This is some £3.4m worse than assumed in the September Medium Term Financial Forecast (MTFF). The PCC passported the CSF to partners in 2013/14 and has protected the core amount available within the budget, extending the current allocations for a further six months in 2014/15.

Other Grants

5.5 **Counter Terrorism Specific Grant**

“At least £564m” has been allocated to Counter Terrorism in 2014/15. However, the Home Office has previously indicated that notification of the allocations will be delayed again.

5.6 **Capital Grant**

Capital grant is unchanged from the written ministerial statement of January 2012 which confirmed a top slice for the National Police Air Service of £10m. West Yorkshire’s allocation of capital grant is £4.3m.

5.7 **Localised Council Tax Support**

Payment of localised council tax support funding has been transferred from the DCLG to the Home Office. West Yorkshire’s allocation is £14.468m, a marginal increase on 2013/14.

5.8 **Council Tax Freeze Grant 2011/12**

Payment of the 2011/12 council tax freeze grant has also been transferred from DCLG to the Home Office. West Yorkshire’s allocation is £2.225m. The 2013 Spending Review confirmed that payment will be extended to 2015/16.

5.9. **Council Tax Freeze Grant 2014/15**

As part of the Spending Review 2013, the Chancellor announced funding for local policing bodies that freeze or reduce their council tax levels in 2014/15. The grant will be the equivalent of a 1% increase on the unreduced taxbase. The PCC’s indicative allocation is £952,164, and this would be payable in 2014/15 and 2015/16.

Other Resources

- 5.10 The PCC has been notified of monies due to or from the District Councils’ Collection Funds. There will be an overall surplus of £738,507 to be carried to 2014/15 and this has been included in the figures presented.

Council Taxbase

- 5.11 The taxbase, which represents the number of Band D equivalent properties in the county, was notified to the PCC by the Billing Authorities at 596,170.92, as compared with the 2013/14 figure of 587,280.19

6. COUNCIL TAX REFERENDUM LIMITS

- 6.1 The Government's excessiveness limit for 2014/15, above which a public referendum is required, has been set at 2% or more than 2% increase on the band D council tax for 2013/14. This was only finally confirmed by the government on 5 February 2014.

7. CAPITAL RESOURCES 2014/15

- 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:

	2012/13 £m	2013/14	2014/15 £m
Announced December 2010	4.9	4.5	4.5
Announced December 2012	4.6	4.2	4.3

- 7.3. The reduction on the previously announced figures represents a further topslice to support the National Police Air Service.
- 7.4. Receipts from the sale of capital assets (capital receipts) may only be used to finance new capital expenditure.
- 7.5 .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.
- 7.6. 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 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 2014/15

PCC Budget

- 8.1. The draft budget for the Office of Police and Crime Commissioner is set out at Appendix A. This has been reduced from 2013/14 in proportion to the funding reductions on the force. Work is ongoing on restructuring the office within the budget provided in order to better meet the different demands required in supporting the PCC.

Force Budget

- 8.2 The Draft Base Budget for 2014/15 reflects the following key issues and assumptions:

- A 1% pay award for police officers and police staff in September 2013 and September 2014 (£3.534m);
- The cost of police officer and police staff increments (£2.115m);
- Provision for 8 Public Holidays;
- No price increases on devolved non pay budgets. On other budgets, the general price increases of 2.0% and larger increases in some specific areas including electricity (12%), rent and rates (3.2%), computer contracts/maintenance (3.5%), buildings maintenance 3% (£1.950m);
- The revenue implications of capital schemes e.g. implications of successful bids to the Force Transformation fund, PFI running costs, computer maintenance costs etc (£1.804m);
- Increased charges for national IT systems (£0.245m);
- Increased ill health retirement costs of £2.125m (assumed increase from 15 to 40 ill health retirements in 2014/15);
- Additional temporary staffing (£0.574m) funded from the Organisational Change Reserve;
- Force budget savings of £43.787m, including both pay and non pay items and savings achieved earlier than forecast in previous years
- No presentational adjustments as yet to reflect any proposed changes of direction and control between the Chief Constable and the OPCC at Stage 2 Transfer;
- The loss of 224 police officers and 126 police staff;
- The recruitment of 126 police officers and 70 essential police staff posts;
- No change as yet to the current number of PCSOs, pending discussions with partners
- A range of budget spending pressures and growth totalling £3.061m, partly funded by additional savings of £1.369m. This includes recruitment of Special Constables (£1.211m), Professional Standards Department (£0.888m) and monitoring of Sex Offenders (£0.604m);
- Presentational changes to remove the Council Tax Support grant and Community Safety Grant which are now included alongside the main grant settlement;
- No use of general balances in 2014/15;
- Contribution of £8.5m to reserves and balances through the early achievement of savings through leavers in 2014/15.

8.3 The summary movement statement from 2013/14 to 2014/15 is attached at Appendix B, and the impact on force strength is shown at Appendix C. While the budget is balanced for 2014/15 and savings over and above those required for the next financial year are achievable, the longer term position demands a financial strategy that maximises the sustainable resources available and utilises as far as possible non recurring resources as a means to reduce ongoing costs and demand for the Force and partners.

9. CAPITAL PROGRAMME 2014/15

9.1 The draft Capital Budget for 2014/15 and forecast for 2015/16 to 2017/18 with associated funding is attached at Appendix D. The draft budget only includes schemes/projects that have already been considered and included in the 2013/14 budget and beyond. This includes:

- Provision for some refurbishment work in Kirklees;
- continuation of the PFI/NPT works;
- the Fire Control Centre;
- a continuing programme of Minor Works and Health and safety works;
- a continuing programme of Estates/Asset Rationalisation works;
- IT replacement programme; and
- Vehicle Equipment replacement programmes.

9.2 Bids for new capital expenditure are being dealt with through the Force Transformation Fund, described at section 12 below. These will be considered by the PCC on receipt of costed business cases.

9.3 A funding strategy for the period of the forecast is shown at the bottom of Appendix D. It includes Capital Grant of £4.3m in 2014/15, 2015/16, 2016/17 and 2017/18. The level of capital receipts assumed in 2013/14 to 2017/18 totals £8.649m and reflects the Estates Department's latest assessment based on planned disposals over the period of the forecast. Direct Revenue Support remains at £0.500m each year and the balance of funding is from prudential borrowing, the Capital Financing Reserve and/or the Transformation Fund.

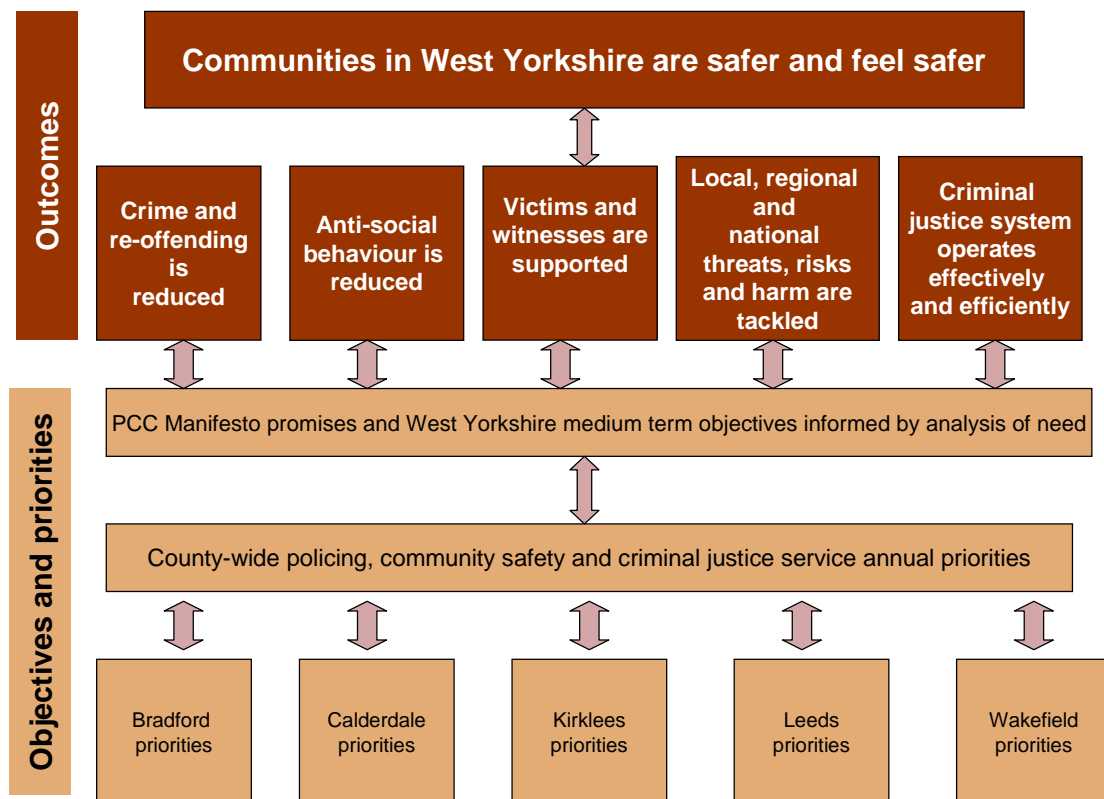
9.4 A Capital Financing Reserve was established in 2013/14 to provide additional flexibility in the financing of the capital programme in the light of the ongoing treasury management strategy of deferring new long term external borrowing by use of surplus cash within the cash flow.

9.5 While interest rate forecasts do not currently indicate any immediate prospect of sharp increases in borrowing rates, it would be prudent to have sufficient funds available to take advantage of the historically low rates currently on offer from the Public Works Loans Board should the situation look likely to change. Rather than include this in the base budget and risk continued underspends, the reserve was created to allow for the flexibility to take up part or all of the under borrowing at short notice without the need for any additional budget approval.

10. COMMUNITY OUTCOME FRAMEWORK

10.1 Strategic planning has been based upon the PCC's Community Outcome Framework which details the outcomes the PCC is to achieve. It was designed in partnership and then refined following consultation with a wide range of third sector, criminal justice, community safety and policing partners. The framework is used for planning, commissioning and performance management purposes. The ultimate outcome is that communities in West Yorkshire are safer and feel safer. The framework is underpinned by a Vision and Strategy, available at <http://www.westyorkshire-pcc.gov.uk/our-business/vision-and-strategy.aspx>.

10.2 The Outcome Framework is provided below:



11. OPERATIONAL CONTEXT

11.1 Anticipated leavers are sufficient to balance the budget in 2014/15, but a serious concern remains about the longer term prospects given the very significant reduction in the size of the Force. The following table provides an extract from the Force Strategic Assessment, which sets out the threats, risks and harm facing West Yorkshire.

Total Crime	Total crime per 1,000 population remains relatively high compared to other force areas, mainly due to the increase in theft from motor vehicles (up 10%) and shoplifting (up 11%).
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Domestic Burglary	There is still a relatively high rate of domestic burglary despite significant and ongoing reductions.
Offender Management	The management of dangerous offenders remains high risk and significant changes are being made through the government's Transforming Rehabilitation agenda.
Child Sexual Exploitation	This continues to be a key risk for the Force and partners and the number of investigations is expected to increase.
Human Trafficking	This is an emerging issue and predictions are that it will gather momentum in a similar way to Child Sexual Exploitation.
Domestic Abuse	There are around 38,000 domestic abuse incidents a year and just over a third of victims have previously reported domestic abuse.
Serious Sexual Offences	West Yorkshire has the highest rate of increase nationally.
Anti Social Behaviour	Although reducing, ASB is high volume and a key priority for communities.

- 11.2 Other issues within the Strategic Assessment include non domestic burglary, organised crime, terrorism, cyber enabled crime, drugs, firearms, public order and missing persons, all of which will require significant investment.

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 £8.7m for 2014/15.
- 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 former Authority agreed a strategy to utilise surplus balances (generated from the early achievement of savings required) to balance the budget during the transition to the reduced budget levels anticipated at the end of 2016/17, now representing a reduction of around 30%. Balances transferred from the Authority were £30.7m, and at 31 March 2013 these stood at £40.9m. It was anticipated that the surplus amount would largely be utilised over the remaining years of the MTFF.

- 12.5 The HMIC Valuing the Police 3 report was critical of the heavy reliance placed upon balances to fund recurring expenditure over the period of the MTFE, which is not recommended professional practice unless made explicit and with clear plans in place to meet the deficit in the longer term. The PCC required a change in budget presentation to better reflect the savings profile anticipated through leavers, and following significant work on the Programme of Change to identify additional savings the reliance on balances has been significantly reduced, albeit with a very significant loss of officers and staff. The HMIC have now responded positively to the work undertaken since the publication of their report.
- 12.6. The utilisation of the one-off surplus balances generated through Force underspends for re-investment will enable fast diminishing numbers of staff and officers to work smarter and to be more visible in our communities to improve service provision and contribute, with partners, to making communities safer and feeling safer. The focus of these initiatives will be on reducing demand, increasing efficiency and effectiveness and cutting costs.
- 12.7. The PCC has agreed the following proposals for utilisation of the surplus balances, which after retention of a risk assessed minimum figure of £8.7m currently stand at some £32m:
- Time limited top up to the Community Safety Commissioning/Grants Funding £5.5m over two years
 - Partnership Executive Group Innovation Funding £1m over two years
 - 3i Pump Priming Funding £0.5m (see paragraph 12.19 below)
 - Capital Financing Funding £5m
 - Force Transformation Funding revenue and capital £20m
- 12.8. The total funds available from the Community Safety Fund will therefore total £16.1m over 2014/15 and 2015/16, a significant increase by the PCC on the funding previously made available to partners by government. In addition, bids will be invited against the pot of £1m set aside for the Partnership Executive Group, for initiatives which support innovation through partnership in delivering the outcomes in the Police and Crime Plan.
- 12.9 Partners have for several years provided a much valued contribution to the funding of PCSO posts in each of the five District Council areas. The position for 2013/14 is set out in the table below, showing the number of full time equivalent posts.

DISTRICT	PARTNER FUNDED POSTS	PARTNER CONTRIBUTION £ per year	PCC CONTRIBUTION £ per year	TOTAL COST £ per year
BRADFORD	120	1,100,880	2,568,720	3,669,600
CALDERDALE	13	119,262	278,278	397,540
KIRKLEES	68	623,832	1,455,608	2,079,440
LEEDS	165	1,513,710	3,531,990	5,045,700
WAKEFIELD	33	302,742	706,398	1,009,140
TOTAL	399	3,660,426	8,540,994	12,201,420

12.10. Partners fund approximately 30% of the cost of each of the 399 PCSOs shown above, and the Police and Crime Commissioner has already committed to retain his proportion of funding in the budget, which is £17.8m. Some £14.3m of this was formerly provided by the Government as a ring fenced specific grant. Although following the election of PCCs this was transferred into general grant and could now be used for other purposes, the PCC has made a firm commitment to protect the frontline. People across West Yorkshire are clear that this is a priority.

12.11 The PCC is very conscious that partners are also facing significant budget reductions, and following discussions has made an offer to contribute a further 30% towards the current partner funded posts over a time limited period of two years, provided there is a firm commitment from each District to fund the remaining balance over that same period. This would cost some £2.2m and would be met from the Community Safety Fund. The PCC has also agreed to allocate £1m of the Community Safety Fund towards a West Yorkshire wide programme of work tackling domestic violence and sexual offences. Discussions with the five District Councils are nearing successful completion.

12.12 In the face of such severe cuts and high levels of demand, there is a clear need to transform the organisation to meet the policing and community safety needs of West Yorkshire and to meet the changing needs and challenges to make sure our communities are safer and feel safer. One aspect of this is improving the technology used in preventing and detecting crime, and maximising the visibility, efficiency and effectiveness of officers on the frontline.

12.13. The PCC will be considering business cases provided by the Force for utilisation of the Transformation funding, against the criteria of impact on:

- The shared outcomes of the Police and Crime Plan
- Critical operational and organisational issues
- Transforming the organisation to meet financial challenges

12.14. The Transformation funding of £20m has been set aside to meet the emerging operational and organisational threats caused by a 30% reduction in funding. It is predicted that further significant cuts will continue after the general election. It is therefore critical that West Yorkshire Police continues to transform how it delivers its policing services to our communities, improving performance and quality of service to ensure communities are safer and feel safer. In order to meet these challenges urgent investment is required in the following areas:

- A new Force IT platform.
- The introduction of mobile technology including hand held devices and vehicle borne computers.
- The automation of every business process undertaken by back and middle office support functions to reduce the burden of bureaucracy on the front line.
- Significant investment in Automatic Number Plate Recognition infrastructure and capability to ensure our communities in West Yorkshire are safer and feel safer by proactively denying the use of the county's road network to the criminal.
- Further integration of police and partner agency service delivery to communities to enable safer neighbourhoods.

12.15. The Chief Constable of West Yorkshire Police has implemented the Programme of Change to transform the organisation to make the required savings and meet the challenging and changing policing and community safety needs of the communities of West Yorkshire. This organisational reform has been well received by HMIC, which has acknowledged the serious and unequal financial situation that West Yorkshire Police are in as compared to other forces.

12.16. For the Chief Constable to deliver transformational change however investment is fundamental. The £20m earmarked into reserves is to ensure that the most pressing policing needs of West Yorkshire are met, although it will only meet certain requirements and further investment is vital to ensure the continuing effectiveness and efficiency of the Force.

12.17. The funding offers a one off potential for West Yorkshire Police to make the necessary investment in ICT to ensure the maximum efficiency and effectiveness of the fast diminishing numbers of police officers and police staff. For example, tried and tested vehicle and handheld devices and body worn cameras will enable officers and staff to be more visible, more productive, engage more meaningfully and be more efficient but also more effective.

- 12.18. The investment in the future of policing and community safety is of paramount importance to all of us as we face unprecedented cuts and work towards the shared outcome of making sure our communities are safer and feeling safer.
- 12.19. The PCC has allocated this one off funding to the Force but also to partners to meet the shared outcomes in the Police and Crime Plan, and is working with the Chief Constable and other partners through the 3i (innovation, income generation and investment) project led by the Chief Executive to explore opportunities for innovation and income generation at a local, national, European and international level to further invest in all our communities.
- 12.20 An analysis of the reserves position is set out at Appendix E.

13 LONGER TERM PROJECTIONS

13.1 The MTFF (attached at Appendix F) includes the following main assumptions:

- A 4.2% reduction in Home Office funding for 2015/16, and a further 1.9% reduction in 2016/17;
- Precept increases of 2% from 2014/15 to 2016/17;
- A Collection Fund surplus of £739k in 2014/15, no surplus or deficit in future years;
- Assumed police officer recruitment of 308 from 2014/15 to 2016/17, and leavers of 765 (**net reduction 457**);
- Assumed police staff recruitment of 210 from 2014/15 to 2016/17, and leavers of 397 (**net reduction 187**);
- A 1% pay award for police officers and police staff in September 2014, 2015 and 2016 (adds £3.5m per annum to the budget);
- Incremental progression (£2m per annum);
- Devolved non pay budgets cash limited. Non pay inflation in specific areas e.g. rent/rates, utilities, IT, buildings maintenance (£2m);
- Increased ill health retirements (£2m);
- Significant impact of single tier pensions in 2016/17 (£9m).

13.2 The savings requirement over the period from 2011/12 to 2016/17 based upon the assumptions set out above now totals £152.2m (30% reduction on the original budget). Of this, £75m was planned for up to and including 2013/14. There is still therefore a very significant challenge ahead to deliver this scale of savings and to improve performance in the face of further substantial reductions to the size of the Force. Detailed plans to meet all of the remaining gap are not yet fully developed.

13.3 Her Majesty's Inspector of Constabulary (HMIC) Value for Money Profiles 2013 identify that West Yorkshire receives £3m less than the average allocation for most similar forces from the government funding formula, and £5.6m less from the precept.

13.4. West Yorkshire has significantly fewer police officers per 1000 population than most similar forces and would need an additional 548 officers to reach the same level per head as Greater Manchester Police and 940 to reach the level of West Midlands.

14. COUNCIL TAX OPTIONS

14.1 The delay in the government announcing the referendum principles has made budget planning more difficult. In the absence of firm criteria and based upon the position in 2013/14 and earlier indications by DCLG and the Home Office, three options had been considered:

- 1) Accepting the Government's offer of a precept freeze grant equivalent to a 1% increase in council tax.
- 2) Increasing the council tax by the general referendum limit of 2%.
- 3) Increasing the council tax by the specific referendum limit for West Yorkshire of £5 at Band D, which is equivalent to 3.69%

14.2 The government announced on 5 February that the referendum limit would be an increase in council tax of 2% or more than 2%, meaning that option 3 is effectively ruled out.

14.3 As previously discussed with the Police and Crime Panel, the PCC has conducted another "Listening to You First" Survey to gain views from the public about how much extra they would be prepared to pay for policing next year. 65% of respondents would be prepared to pay 2% or more on the police council tax. The results are shown at Appendix H and summarised below:

Change in Police Council Tax	All respondents
Reduction	0.3
No increase	18.3
1%	12.2
2%	15.9
3%	14.0
4%	4.5
5%	28.3
Over 5%	2.3
Other	4.2

Base: 1,015

14.4 The increase in council tax for option 2 is as follows:

COUNCIL TAX BAND	Option 2 1.99% Increase £p per annum
A	1.80
B	2.10
C	2.40
D	2.70
E	3.30
F	3.89
G	4.49
H	5.39

14.5 A 1.99% increase would take the Band D police council tax for 2014/15 to £138.20 a year. Approximately 64% of households in West Yorkshire are in Bands A and B, and would pay £92.13 and £107.49 respectively.

15. THE PRECEPT PROPOSAL

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

- The impact on frontline policing and the potential for recruitment of police officers in 2014/15 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;
- Levels of demand and Force resilience;
- Savings made to date and the capacity for future savings;
- Public views obtained from the Listening to You First survey;

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. To accept the offer of council tax freeze grant, which is time limited, is a short term solution but one which in his view endangers the future financial health and viability of the police service in West Yorkshire. This is not a sustainable option and, having committed to keep communities safer and feeling safer in his Police and Crime Plan, not one which the PCC is able to accept because of its longer term implications.

15.3 Sustaining the recruitment of police officers to protect the frontline is a priority for the PCC, and one which requires a sustainable source of revenue funding. At the time of setting the budget in 2013/14, the financial and organisational position dictated that the only means of allowing for any police officer recruitment was to increase the police council tax by the £5 at Band D allowed for by the government for those PCCs falling into the lowest 25%. This was a difficult decision given the economic climate and on balance the PCC would not have been able to agree a similar increase, even if allowed, in 2014/15.

15.4 The PCC therefore decided to notify the Panel of his intention to increase the police council tax precept by 1.99% for 2014/15. The PCC's proposal would result in a budget of £418.4m, a reduction of 1.6% on 2013/14. The budget allows for the recruitment of 126 police officers, as against forecast leavers of 224, a net reduction of 98. Police staff numbers would reduce by 56, after allowing for recruitment of 70 to essential posts including increasing the Force capacity to deal with Child Sexual Exploitation, cyber crime, fraud, domestic abuse and Proceeds of Crime Act seizures from organised criminals. Funding is also provided for the increased recruitment of special constables and volunteers.

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 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
 - Proposals for risk sharing in respect of the localisation of council tax benefit
 - 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 mandation of national contracts.
 - Ongoing transfer of costs from the NPIA for key systems
- 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 organisational change programme as agreed by the Command 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 The position faced by the PCC following the Government's Spending Review is very challenging based on the scale of the reductions required, and this is likely to continue into the medium term beyond the current Spending Review period. Substantial effort and resources have been committed to achieving a balanced budget with least impact on service delivery. The longer term strategic planning process and organisational change programme will continue to consume significant levels of resource alongside the ongoing requirements of daily business.
- 16.8 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 30th January the PCC notified the Police and Crime Panel for West Yorkshire of his proposed precept for 2014/15. The Panel formally considered the proposal on 7th February, 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 1.99% 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.

PCC BUDGET 2014/15

APPENDIX A

	ORIGINAL ESTIMATE 2013/2014	FORECAST OUTTURN 2013/2014	ORIGINAL ESTIMATE 2014/15
Corporate Expenses			
Audit Fee	62	63	57
Bank Charges	24	12	24
Subscriptions	39	22	22
Sub Total	125	97	103
Members/ICV Expenses			
Member Allowances	6	8	6
Travel and Subsistence	18	16	19
Conferences and Training	1	1	0
Sub Total	25	25	25
Commissioner's Office			
Salaries	1,061	974	1,090
Other Employee Costs	35	24	30
Total Employee Costs	1,096	998	1,120
Running Costs	403	579	403
Income	-40	-90	-91
Sub Total	1,459	1,487	1,432
Shared Internal Audit Service	127	127	129
TOTAL	1,736	1,736	1,689

11/02/2014 SUMMARY MOVEMENT STATEMENT 2013/14 TO 2014-15

	£000	£000	%
BUDGET REQUIREMENT 2013-2014		410,810	
Add Back Council Tax Benefits Grant		14,422	
		425,232	
UNAVOIDABLE MOVEMENTS			
Pay and Prices			
Police Officer	2,484		
Police Staff	1,050		
General Inflation	<u>1,950</u>	5,484	1.29
Revenue Implications of Capital			
Debt Charges	0		
Transformational Bids	675		
New Buildings PFI	779		
Software Maintenance	<u>350</u>	1,804	0.42
Budget Increases			
Increments	2,085		
Contributions National IT Systems	245		
Bank Holiday Overtime	300		
Ill Health Retirements	2,125		
On Call Allowance	140		
Pensions Non Contractual Overtime	176		
LGPS increase	85		
Other	73	5,229	1.23
Budget Reductions			
Agency Staff and Professional Fees Estates		-45	-0.01
Organisational Change Costs			
Communications Officer	50		
Estates Agency Staff	330		
Project Officers	193	574	0.13
Income and Grants			
Loan Charges Grant	85		
Loss of Income IT	34		
Interest on Revenue Balances	0	119	0.03
Use Of Balances			
Reduce Use of Balances 2013-14	6,900		
Surplus Savings Transfer to Reserve	8,713		
Use of Organisational Change Reserve	-574	15,039	3.54
Force Budget Savings			
Police Pay	-15,058		
Police Allowances	-1,950		
Police Staff Pay	-4,516		
Overtime	-1,220		
Medical	-810		
IT	-1,448		
Transport and Travel	-1,123		
Estates	-1,070		
Forensics	-511		
Regional	-750		
Income	-781		
Debt Charges	-963		
Organisational Change	-1,150		
General running Costs	-207		
Savings from 2012-13	-12,200	-43,757	-10.29
Office of PCC Budget Savings		-73	-0.02
Community Safety Fund Grant Now in Main Grant		5,292	1.24
Community Safety Grant Allocations		0	0.00
Police Officer Recruits		2,090	0.49
Growth			
Specials	1,211		
Direct Entry Recruits	143		
PSD Officers and Staff	888		
Transport	30		
Crime Registrar DCI	75		
Apprentice Scheme	110		
Sex Offenders Officers	604		
Savings Redirected to fund Officer Growth	-1369	1,692	0.40
DRAFT BASE BUDGET 2014/15		418,680	-1.54

ANTICIPATED IMPACT ON FORCE STRENGTH

STAFF NUMBER CHANGES 1 APRIL 2014 TO 31 MARCH 2015

	POLICE OFFICERS FTE's	PCSO'S FTE's	OTHER POLICE STAFF FTE's	TOTAL FTE's
ASSUMED BASE BUDGET 1/4/14	4,957	723	2,688	8,368
Variations from Assumptions ****	-2	0	46	44
External Funding Region		0		0
REVISED BUDGET 1/4/14	4,955	723	2,734	8,412
Recruitment **	126	0	70	196
Growth			21	21
SAVINGS PROPOSALS				
Forecast Vacancies at 31 March 2014	-99	0	-58	-157
Estimated Leavers to 31 March 2015	-224	0	-126	-350
Required Leavers	0	0	0	0
	-323	0	-184	-507
BUDGET 31/3/15	4,758	723	2,641	8,122

*Budget & People Forecast assumes savings for half a year from leavers during 2014-15 .Movement above reflects total number and not the part year effect.

** Assumes 70 police staff posts including business support, customer contact staff and specialist staff will be recruited

*** Reflects average vacancies in PCSO's budget assumes recruiting to 760 but reflects the average number in post throughout the year.

**** Base Budget assumed that all officer and staff vacancies are removed from the budget in the year they leave . This adjustment reflects the time delay as plans are delivered

***** Police Staff includes OPCC , Shared Services but excludes NPAS

	TOTAL BUDGET 13/14	PROPOSED RE-PHASING INTO 14/15	PROPOSED UPDATED RECEIPTS	PROPOSED SAVING IN 13/14	PROPOSED REVISED BUDGET 2013/14	ORIGINAL FORECAST 14/15	PROPOSED RE-PHASING FROM 13/14	PROPOSED BUDGET 2014/15	FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ESTATES											
CUSTODY EVOLUTION PLAN	17			-17	0		0	0			
RIDINGS HOUSE				2621	2621		0	0			
KIRKLEES/DEWSBURY REFURBISHMENT	3800	-870		-2850	80		870	870			
SCIENTIFIC SUPPORT RELOCATION	87			-60	27		0	0			
PFI / NPT	1702	-365		465	1802	200	365	565			
MINOR WORKS & HEALTH AND SAFETY	2413	-471		-463	1479	2043	471	2514	1700	1700	1700
ASSET RATIONALISATION WORKS	2313	-1425			888	1400	1425	2825	1400	1400	1400
SLIPPAGE B/fwd	0				0	1445		1445	1645	950	811
Sub Total Buildings Estates Managed	10332	-3131	0	-304	6897	5088	3131	8219	4745	4050	3911
CTU FIT OUT AND TACT CUSTODY	0				0		0	0			
Sub Total Buildings Non Estates Managed	0	0	0	0	0	0	0	0	0	0	0
TOTAL ESTATES	10332	-3131	0	-304	6897	5088	3131	8219	4745	4050	3911
INFORMATION TECHNOLOGY											
MOBILE DATA	984				984	150	0	150	150	300	150
ANPR	0				0		0	0			
CORVUS	57				57	40	0	40	45	45	45
NICHE RMS	100				100		0	0			100
CCTV	100				100	100	0	100	125	125	125
PC REPLACEMENT	209				209	100	0	100	125	125	125
NETWORK HARDWARE	864				864	850	0	850	900	900	900
CONSOLIDATION	100				100	100	0	100	100	100	100
DATA INTEGRITY	55	-10			45	55	10	65	55	55	55
IAM	150				150		0	0			
AIRWAVE (Replacements)	0				0		0	0			
INFRASTRUCTURE UPGRADE	250				250	250	0	250	250	250	250
STORAGE	420				420	450	0	450	300	125	125
HR SYSTEM	90	-10			80		10	10			
DIGITAL INTERVIEW RECORDING (CJS)	58				58		0	0			
FOREFRONT IDENTITY MANAGER	200	-200			0		200	200			
PACS (Physical Access Control System)	320	-160			160		160	160			
FIRE CONTROL CENTRE	3200	-3080			120		3080	3080			
KNOWLEDGE MANAGEMENT IT SYSTEM	64				64		0	0			
AGILITY	1093				1093	88	0	88			
FOI TEAM IT SYSTEM	58				58		0	0			
GAZETEER	115				115		0	0			
SLIPPAGE B/fwd	0				0	735		735	1296	689	563
Sub Total IT Managed	8487	-3460	0	0	5027	2918	3460	6378	3346	2714	2538
FINANCE UPGRADE	108	-40			68		40	40			
CTU	20			-20	0		0	0			
OTHER IT SCHEMES	215			46	261	100	0	100	100	100	100
Sub Total Non IT Managed	343	-40	0	26	329	100	40	140	100	100	100
TOTAL I.T.	8830	-3500	0	26	5356	3018	3500	6518	3446	2814	2638
SCIENTIFIC EQUIPMENT	21				21		0	0			
EQUIPMENT	221				221		0	0			
CTU	400				400		0	0			
VEHICLES	3057	-343			2714	2388	343	2731	2538	2644	2690
TOTAL OTHER PLANT AND EQUIPMENT	3699	-343	0	0	3356	2388	343	2731	2538	2644	2690
GRAND TOTAL	22861	-6974	0	-278	15609	10494	6974	17468	10728	9508	9239
SLIPPAGE											
Additional Estimated Slippage c/fwd - Estates	-2132	626		61	-1445	-1019	-626	-1645	-950	-811	-783
Additional Estimated Slippage c/fwd - IT	-1427	692		0	-735	-604	-692	-1296	-689	-563	-528
TOTAL ESTIMATED SLIPPAGE	-3559	1318	0	61	-2180	-1622	-1318	-2940	-1639	-1374	-1311
TOTAL EXPENDITURE TO BE FUNDED	19302	-5656	0	-217	13429	8872	5656	14528	9089	8134	7928
FINANCING											
CAPITAL GRANT	4200				4200	4300		4300	4300	4300	4300
SPECIFIC GRANT - CTU	412				412			0			
PRUDENTIAL BORROWING	923				0			0			
DIRECT REVENUE SUPPORT	11399	-4733	823	-217	7272	500		500	500	500	500
CAPITAL FINANCING RESERVE/PRUDENTIAL BORROWING	0				0	118	5656	5774	2889	1584	3128
CAPITAL RECEIPTS	2368		-823		1545	3954		3954	1400	1750	0
TOTAL FINANCING	19302	-5656	0	-217	13429	8872	5656	14528	9089	8134	7928

APPENDIX E

	31 March 2013 £000	Net Change 13/14 £000	31 March 2014 £000	Net Change 14/15 £000	31 March 2015 £000	Net Change 15/16 £000	31 March 2016 £000	Net Change 16/17 £000	31 March 2017 £000
EARMARKED RESERVES									
Devolvment Reserve	4,492	-992	3,500	-3,500	0		0		0
VIPER Reserve	2,837	200	3,037	160	3,197	160	3,357	260	3,617
PFI Sinking Fund Reserve	3,471	3,124	6,595	276	6,871	139	7,010	439	7,449
Regional Working Reserve	319	-319	0		0		0		0
Dilapidations Reserve	3,000	0	3,000	-1,000	2,000	-1,000	1,000	-1,000	0
Capital Financing Reserve*	1,935	8,924	10,859	-5774	5,085	-85	5,000		5,000
Organisational Change Fund*	0	4,000	4,000	4426	8,426	-574	7,852	-574	7,278
Insurance Reserve*	0	2,400	2,400		2,400		2,400		2,400
PNLD Reserve	492		492		492		492		492
Community Safety Fund		5,500	5,500	-2,750	2,750	-2,750	0		0
Partnership Executive Group		1,000	1,000	-500	500	-500	0		0
Innovation, Income Generation and Investment		500	500	-500	0		0		0
Force Transformation		20,000	20,000	-10,000	10,000	-10,000	0		0
TOTAL EARMARKED RESERVES	16,546	44,337	60,883	-19,162	41,721	-14,610	27,111	-875	26,236
GENERAL BALANCES - POLICE FUND	40,932	-31,681	9,251	3,721	12,972		12,972	-6,849	6,123

* Likely to be fully or partially utilised by 2016/17 but timing uncertain.

Last Updated January 2014

WEST YORKSHIRE POLICE MEDIUM TERM FINANCIAL FORECAST 2013-14 TO 2016-17

	2013/2014 Estimate at Outturn £000	Savings £000	2013/2014 Revised Estimate £000	Adjustments £000	Savings £000	Pay and Prices £000	2014/2015 Estimate at Outturn £000	Adjustments £000	Savings £000	Pay and Prices £000	2015/2016 Estimate at Outturn £000	Adjustments £000	Savings £000	Pay and Prices £000	2016/2017 Estimate at Outturn £000
DEVOLVED AND DELEGATED															
Police Pay	247,628	-4,242	243,387	1,657	-10,816	2,383	236,610	5,018	-14,001	2,422	230,049	11,945	-13,992	3,843	231,845
Police Allowances	6,888	-1,000	5,888	140	-950	32	5,110	0	-1,200	0	3,910	0	-1,200	0	2,710
Police Staff Pay and Allowances	107,043	-4,020	103,023	719	-496	1,034	104,280	800	-1,830	1,053	104,303	3,921	-1,965	1,719	107,978
Police Overtime	7,357	0	7,357	300	-1,105	69	6,621	600	0	72	7,293	-2,400	0	78	4,971
Police Staff Overtime	1,656	0	1,656	0	-115	16	1,557	0	0	16	1,573	0	0	25	1,598
Sub Total Pay and Overtime	370,573	-9,262	361,311	2,815	-13,482	3,534	354,178	6,418	-17,031	3,564	347,129	13,466	-17,157	5,665	349,102
Medical Expenses	4,219	0	4,219	0	-810	68	3,477	0	0	70	3,547	0	0	180	3,727
Forensic	7,511	-161	7,350	0	-300	141	7,191	0	0	145	7,336	0	0	147	7,483
AFR	360	0	360	0	0	7	367	0	0	7	375	0	0	8	382
DNA	2	0	2	0	0	0	2	0	0	0	2	0	0	0	2
Clothing	1,260	0	1,260	0	0	25	1,285	0	0	26	1,311	0	0	26	1,337
Training	569	0	569	0	0	11	580	0	0	12	592	0	0	12	604
Computers and Communications	12,646	-332	12,314	44	-316	217	12,259	350	-100	440	12,949	500	-720	467	13,196
Buildings Maintenance	2,437	0	2,437	0	-70	67	2,434	0	0	49	2,483	0	0	50	2,533
Cleaning	2,593	-300	2,293	0	300	52	2,645	0	0	53	2,698	0	0	54	2,752
Rent and Rates	10,744	-300	10,444	0	-400	336	10,380	0	-1,000	366	9,746	0	-1,000	344	9,090
Energy	4,796	0	4,796	0	-300	441	4,937	0	0	250	5,187	0	0	263	5,450
Contracted Support Services	275	0	275	0	0	6	281	0	0	6	286	0	0	6	292
Car Allowances & Travel	1,609	-150	1,459	0	-150	0	1,309	0	0	26	1,336	0	0	27	1,363
Vehicle Fleet	12,474	-553	11,921	0	-270	233	11,884	0	0	536	12,419	0	0	605	13,024
Internal Printing	236	-50	186	0	50	0	236	0	0	5	241	0	0	5	246
Training Recharge	242	0	242	0	0	0	242	0	0	5	247	0	0	5	252
Advertising	70	0	70	0	0	1	71	0	0	1	73	0	0	1	74
Furniture and Fittings	131	0	131	0	0	0	131	0	0	3	134	0	0	3	137
Operational and Admin Equipment	3,055	-230	2,825	0	226	11	3,062	0	0	62	3,124	0	0	63	3,186
Photocopying	1,016	0	1,016	0	0	0	1,016	0	0	20	1,036	0	0	21	1,057
Printing Stationery and Publications	545	-50	495	0	50	0	545	0	0	11	556	0	0	11	567
Postage	352	-50	302	0	50	0	352	0	0	7	359	0	0	7	366
Divisional Initiatives/Community Safety	684	0	684	0	0	0	684	0	0	14	698	0	0	14	712
ID Parades	176	0	176	0	0	4	180	0	0	4	183	0	0	4	187
Vehicle Recovery	530	0	530	0	0	11	540	0	0	11	551	0	0	11	562
Agency Staff and Professional Services	1,727	0	1,727	-45	0	34	1,716	0	0	34	1,750	0	0	35	1,785
Helicopter	1,612	0	1,612	0	0	24	1,636	0	0	83	1,719	0	0	87	1,806
PFI	449	0	449	779	0	31	1,259	-724	0	17	551	-44	0	11	518
Officers From Other Forces	15,229	0	15,229	0	0	152	15,382	0	0	309	15,691	0	0	315	16,006
Subsistence Hotel & Hospitality	1,194	0	1,194	0	-150	0	1,044	0	0	21	1,065	0	0	21	1,087
Other	15,960	0	15,960	0	-720	166	15,406	0	0	387	15,794	0	0	397	16,191
Income	-76,034	-815	-76,849	34	-85	-487	-77,387	0	0	-497	-77,884	0	0	-506	-78,390
Sub Total Non Pay	28,669	-2,991	25,678	812	-2,895	1,552	25,147	-374	-1,100	2,482	26,155	456	-1,720	2,693	27,584
TOTAL DEVOLVED AND DELEGATED	399,241	-12,253	386,989	3,627	-16,377	5,086	379,325	6,044	-18,131	6,046	373,283	13,922	-18,877	8,358	376,686

WEST YORKSHIRE POLICE MEDIUM TERM FINANCIAL FORECAST 2013-14 TO 2016-17

	2013/2014 Estimate at Outturn £000	Savings £000	2013/2014 Revised Estimate £000	Adjustments £000	Savings £000	Pay and Prices £000	2014/2015 Estimate at Outturn £000	Adjustments £000	Savings £000	Pay and Prices £000	2015/2016 Estimate at Outturn £000	Adjustments £000	Savings £000	Pay and Prices £000	2016/2017 Estimate at Outturn £000
NON DEVOLVED/ DELEGATED															
Pensions	6,006	0	6,006	2,525	0	158	8,689	-850	0	235	8,074	0	0	242	8,317
Capital Financing:															
Debt Charges	9,610	-940	8,670	0	-23	0	8,647	0	-412	0	8,235	0	0	0	8,235
Direct Revenue Support	10,856	0	10,856	-10,356	0	0	500	0	0	0	500	0	0	0	500
Unfunded Pension Costs	208	0	208	0	0	4	212	0	0	5	217	0	0	5	223
Insurance	1,720	0	1,720	0	0	84	1,804	0	0	90	1,894	0	0	95	1,989
Prisoner Meals	135	0	135	0	0	3	138	0	0	3	140	0	0	3	143
Witness Allowances/Interpreters Fees	805	0	805	0	0	16	821	0	0	16	838	0	0	17	854
Legal Fees/Ex Gratia Payments	131	0	131	0	0	3	134	0	0	3	136	0	0	3	139
Organisational Change	1,150	-1,150	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	5,213	-2,844	2,369	10,981	-10,289	14	3,075	675	0	14	3,764	0	0	14	3,779
PNC	2,127	0	2,127	245	0	119	2,491	0	0	75	2,565	0	0	77	2,642
Vehicle Fleet Financing	-2,720	0	-2,720	0	0	0	-2,720	0	0	0	-2,720	0	0	0	-2,720
Income General	-18,508	-38	-18,546	14,507	157	-29	-3,911	0	43	-30	-3,898	0	0	0	-3,898
TOTAL NON DEVOLVED/DELEGATED	16,733	-4,972	11,761	17,902	-10,155	372	19,880	-175	-369	412	19,747	0	0	456	20,204
TOTAL FORCE BUDGET	415,974	-17,225	398,750	21,529	-26,532	5,458	399,205	5,869	-18,500	6,457	393,031	13,922	-18,877	8,814	396,890
OFFICE OF THE PCC	1,736	0	1,736	0	-73	26	1,689	0	-77	25	1,637	0	-23	33	1,647
COMMUNITY SAFETY FUND GRANT (Note 2)	-3,916		-3,916	5,292			1,376	0			1,376				1,376
COMMUNITY SAFETY COMMISSIONING (NOTE1)	3,916		3,916	0			3,916				3,916				3,916
POLICE OFFICER RECRUITS				2,090			2,090	3,712			5,802	2,838			8,641
GROWTH				1,692			1,692	271			1,963	-114			1,849
ORGANISATIONAL CHANGE COSTS				574			574	0			574	0			574
SAVINGS DELIVERED EARLY /RESERVES															
ORGANISATIONAL CHANGE		4,000	4,000	-4,000	5,000		5,000	-5,000			0				0
INSURANCE		2,400	2,400	-2,400			0				0				0
CAPITAL		3,924	3,924	-3,924			0				0				0
GENERAL BALANCES					3,713		3,713	-3,713			0				0
TOTAL		10,324	10,324	-10,324	8,713		8,713	-8,713			0	0	0	0	0
TOTAL BASE BUDGET FUNDED BY	417,710	-6,901	410,810	20,279	-17,892	5,484	419,254	1,139	-18,577	6,482	408,299	16,646	-18,900	8,847	414,891
CONTRIBUTION FROM BALANCES	6,900	-6,900	0	0		0	0	0		0	0	6,849		0	6,849
CONTRIBUTION FROM EARMARKED RESERVES				574			574				574				574
EXTERNAL SUPPORT	331,741		331,741	3,808			335,549	-14,089			321,461	-6,103			315,358
TOPSLICE FUNDING IPCC				0			0				0				0
COLLECTION FUND SURPLUS/DEFICIT	-509		-509	1,248			739	-739			0				0
TOTAL FUNDING	338,132	-6,900	331,232	5,630	0	0	336,862	-14,828	0	0	322,035	746	0	0	322,781
PRECEPT REQUIREMENT	79,578		79,578	2,813			82,391	1,648			84,039	1,680			85,719
SHORTFALL							0	0			2,225	0			6,392

Note 1

The Community Safety Fund includes funding for the Drugs Intervention Programme which funds Detention Officers shown in the Police Staff pay budget. Funding for 2013-14 has been agreed at £1.376m. It is assumed any reduction in funding in future years will be offset by reductions in the Programme.

Note 2 The Community Safety Fund is incorporated in the Police Grant for 2014-15

PROTOCOLS FOR EARMARKED RESERVES

RESERVE	DEVOLVEMENT RESERVE	VIPER RESERVE
REASON/PURPOSE	To carry forward underspendings on devolved budgets for use in the following financial year, in accordance with Financial Regulations.	To retain the operating surplus on VIPER resulting from increased efficiencies and reduction in replacement costs (net of cost savings passed on to users).
HOW AND WHEN USED	<p>Amounts underspent are transferred into the reserve at the year end.</p> <p>Expenditure in the following year is supported by a contribution from the reserve.</p>	<p>To support future replacement of equipment and research and development costs for existing or new proposed products or services.</p> <p>To meet any trading deficit should one arise.</p>
MANAGEMENT AND CONTROL	Budget holders must submit a proposal to Chief Officer Team to justify the amount carried forward and spending plans for the following year. Agreed as part of the spending pressures process.	The ACO Finance and Business Services retains management control of the reserve. (Subject to possible change at Stage 2)
PROCESS AND TIMESCALE FOR REVIEW	The principle of carry forward is reviewed as part of the regular update of Financial Regulations	The adequacy of the reserve is considered as part of the budget and closedown process.

RESERVE	PRIVATE FINANCE INITIATIVE RESERVE/SINKING FUND	REGIONAL WORKING RESERVE
REASON/PURPOSE	To support the delivery of the PFI scheme for police operational and training accommodation. To smooth the impact of PFI costs on the revenue budget.	Formed from an underspending in excess of the agreed carry forward, this is ringfenced to promote future collaborative activity within the region.
HOW AND WHEN USED	To finance professional consultancy costs and internal PFI project team costs over the period of preparation for delivery of the scheme. Contributions are made and drawn down annually to smooth the impact on the revenue budget.	Proposals for utilisation of this reserve are subject to a business case to be approved by the Joint Police Authorities Committee.
MANAGEMENT AND CONTROL	Utilisation of the reserve is controlled by the ACO Finance and Business Services.	Approved expenditure would be controlled by the Regional Programme Director in consultation with regional finance lead officer (ACO Finance and Business Services West Yorkshire Police).
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

RESERVE	DILAPIDATIONS RESERVE	TREASURY MANAGEMENT RESERVE
REASON/PURPOSE	To fund the repair, redecoration and return of lease properties to their original condition.	To provide additional flexibility in the financing of the capital programme, i.e. to meet the costs of any new borrowing taken in year pending the recurring impact being built into the base budget, and fund debt restructuring should appropriate opportunities arise to generate revenue savings.
HOW AND WHEN USED	To meet the costs of repair, decoration and alteration of lease properties at the end of the lease agreement.	Funds may be drawn down when a decision is made to take new long term borrowing or undertake debt restructuring
MANAGEMENT AND CONTROL	The ACO Finance and Business Services retains management control of the reserve.	The PCC's Chief Finance Officer has delegated responsibility for treasury management decisions including utilisation of the reserve.
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

RESERVE	PNLD RESERVE	ORGANISATIONAL CHANGE RESERVE
REASON/PURPOSE	To retain the operating surplus on PNLD resulting from increased efficiencies and reduction in replacement costs (net of cost savings passed on to users).	To meet the costs associated with Programme of Change, predominantly employee costs.
HOW AND WHEN USED	To support future replacement and development costs for existing or new proposed products or services. To meet any trading deficit should one arise.	To fund the costs of necessary organisational restructure through Programme of Change.
MANAGEMENT AND CONTROL	The PCC's Chief Executive retains management control of the reserve.	Utilisation of the reserve is controlled by the ACO Finance and Business Services.
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

RESERVE	INSURANCE RESERVE	CAPITAL INVESTMENT RESERVE
REASON/PURPOSE	To provide additional funding to the Insurance Provision should the annual budgeted contribution be inadequate to meet assessed liabilities at the balance sheet date.	To provide additional funding for the approved capital programme in the event that capital receipts do not materialise in accordance with the planned schedule.
HOW AND WHEN USED	To top up the amount provided to meet known insurance liabilities at the balance sheet date.	At the year end when decisions are taken regarding funding of the capital programme
MANAGEMENT AND CONTROL	The PCC's Chief Finance Officer retains management control of the reserve.	The PCC's Chief Finance Officer retains management control of the reserve.
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

RESERVE	COMMUNITY SAFETY FUND RESERVE	INNOVATION IN PARTNERSHIP DELIVERY RESERVE
REASON/PURPOSE	To provide time limited additional resources to the PCC's Community Safety Funding to partners, through either grants or commissioning, in support of the outcomes in the Police and Crime Plan.	To encourage innovation in partnership delivery in support of the outcomes in the Police and Crime Plan.
HOW AND WHEN USED	To be incorporated into the grant/commissioning round for the PCC's Community Safety Fund and utilised according to the process and principles established for that.	Bids against the reserve will be reviewed by the OPCC prior to presentation to the Partnership Executive Group for approval. A proforma will be prepared for submissions.
MANAGEMENT AND CONTROL	The OPCC will retain management control of the reserve.	The OPCC will retain management control of the reserve.
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

RESERVE	3i PUMP PRIMING RESERVE	FORCE TRANSFORMATION RESERVE
REASON/PURPOSE	To meet any necessary start up costs to establish the PCC's Innovation, Income and Investment entity, to work with all partners to identify opportunities to bid for funds and re-invest the surplus back into communities.	To reinvest in the Force for time limited or non recurring initiatives which reduce costs, increase efficiency or reduce demand, in support of the outcomes in the Police and Crime Plan.
HOW AND WHEN USED	In the development of the 3i initiative, to meet any necessary non recurring costs. Costs will be approved by the PCC, subject to normal procurement arrangements.	Bids against the reserve will be made via a business case to the Community Outcomes meeting for approval by the PCC. Bids must include costings (including any additional recurring costs), benefits, risks and links to the Police and Crime Plan.
MANAGEMENT AND CONTROL	The PCC's Chief Executive will retain management control of the reserve.	Management and control of the reserve will be through approval at the Community Outcome Meeting, plus regular reporting back against the business case presented, to ensure benefits are achieved.
PROCESS AND TIMESCALE FOR REVIEW	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.	The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation.

Results – Listening to You First Survey 2014

How much extra would you be prepared to pay for policing next year?

Change in Police Council Tax	All respondents
Reduction	0.3
No increase	18.3
1%	12.2
2%	15.9
3%	14.0
4%	4.5
5%	28.3
Over 5%	2.3
Other	4.2

Base: 1,015

'Other' responses

Responses under 'other' fell into a couple of categories:

- The money should come from other sources, such as central government, local government, from other non-front line services.
- Reductions should be made in other areas first e.g. reducing hoax/false calls for help, becoming more effective and efficient, removing internal waste.
- Indications of a willingness to pay an increase but no amount specified. Sometimes conditions to an increase are stated e.g. if spent on police officers.
- No information to gauge whether an increase is needed.

Significant differences

- More respondents aged 35-54 (21.3%) than over 55s (15.0%) said they wanted to pay no increase.
- The following differences between groups could be seen for the option to pay a 1% increase on their council tax:
 - More BME (23.1%) than white (11.7%) respondents.
 - More female (17.0%) than male (9.7%) respondents.
 - More respondents with disabilities (18.2%) than those without (11.1%).
- BME respondents were more likely to opt for a reduction (1.9% vs 0.2%), no increase (36.5% vs 16.4%) or a 1% increase (23.1% vs 11.7%) than white respondents.
- More white respondents (30.1%) indicated they were prepared to pay a 5% increase than BME respondents (7.7%).
- Those completing the survey who were not contacts were more likely to say they would pay 4% (7.4%) than those who were existing contacts (3.9%).

Demographics

District	Number	%
Bradford	220	21.8
Calderdale	95	9.4
Kirklees	219	21.7
Leeds	310	30.8
Wakefield	163	16.2
West Yorkshire	1,144	

Age	%
Under 35	11.3
35-54	39.6
55+	49.1

Disability	%
Disabled	15.9
Not disabled	84.1

Ethnicity	%
White	94.7
BME	5.3

Gender	%
Male	61.1
Female	38.9



POLICE AND CRIME COMMISSIONER FOR WEST YORKSHIRE

RESPONSE TO THE POLICE AND CRIME PANEL

1. INTRODUCTION

- 1.1 On 30th January I notified the Police and Crime Panel for West Yorkshire of my proposed precept for 2014/15. The Panel formally considered the proposal on 7th February, and, as it is required to do by law, has issued me with a report on that proposal.
- 1.2 The delay in the government announcing the referendum principles has made budget planning even more difficult this year. In the absence of firm criteria and based upon the position in 2013/14 and earlier indications by the Department for Communities and Local Government (DCLG) and the Home Office, three options had been considered:
- 1) Accepting the Government's offer of a precept freeze grant equivalent to a 1% increase in council tax.
 - 2) Increasing the council tax by the general referendum limit of 1.99%.
 - 3) Increasing the council tax by the specific referendum limit for West Yorkshire of £5 at Band D, which would have been equivalent to 3.69%. It is now clear that this is not an option under the criteria announced by the DCLG on 5 February 2014.
- 1.3 Sustaining the recruitment of police officers to protect the frontline is a key priority for me, and one which requires a sustainable source of revenue funding. At the time of setting the budget in 2013/14, the financial and organisational position dictated that the only means of allowing for any police officer recruitment was to increase the police council tax by the £5 at Band D allowed for by the government for those PCCs falling into the lowest 25%. This was a difficult decision given the economic climate and on balance I would have been unable to agree a similar increase, if allowed, in 2014/15.

- 1.4 I am 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. To accept the offer of council tax freeze grant, which is time limited, is a short term solution but one which in my view endangers the future financial health and viability of the police service in West Yorkshire. This is not a sustainable option and, having committed to keep communities safer and feeling safer in my Police and Crime Plan, not one which I am able to accept because of its longer term implications.
- 1.5 I therefore proposed a precept of £82,390,285 representing a 1.99% increase in the police council tax, which makes up around 10% of the overall council tax bill. My proposal reflects feedback from my Listening to You First survey which has informed decision making regarding priorities and overall support for the approach.
- 1.6 My proposal will result in a budget of £418.7m, a reduction of 1.5% on 2013/14. The budget allows for the recruitment of 126 police officers, as against forecast leavers of 224, a net reduction of 98. Police staff numbers would reduce by 56, after allowing for recruitment of 70 to essential posts including increasing the Force capacity to deal with Child Sexual Exploitation, cyber crime, fraud, domestic abuse and Proceeds of Crime Act seizures from organised criminals. The overall position on PCSOs will depend upon the decisions taken by the five District Councils to my proposal to provide additional funding for a two year period to preserve frontline numbers. Again, this is a priority for me and one in which I am prepared to invest, to support the Districts which are also facing significant budget reductions. Funding is also provided for the increased recruitment of special constables and volunteers.

2. THE PANEL'S CONCLUSIONS

- 2.1 The Panel issued its report on 7th February and this is attached at Annex A. I have a duty to take into account the recommendations made to me by the Panel and to issue a public response to it.

3. THE COMMISSIONER'S RESPONSE

- 3.1 I welcome the Panel's support for a 1.99% per annum council tax increase at Band D, which supports my overall strategy of maintaining sustainable funding to continue recruitment, investing in community safety with partners to meet our shared outcomes and equipping the Force to meet the challenges of dealing with high levels of demand in the face of falling numbers.

3.2 My response to the specific recommendations set out in the Panel's report is as follows:

No	Recommendation and PCC Response
1.	<p>Involve the public, partners and Panel in a long-term planning process on the shape and size of frontline policing in West Yorkshire, covering the staffing mix of the Force and physical presence in communities;</p> <p>This is vital to the shared outcomes in the Police and Crime Plan of keeping communities safer and feeling safer. A comprehensive review is already planned and I will ensure that the Panel is involved and kept informed of its progress and outcomes.</p> <p>The Force Transformation Fund will allow for investment in mobile technologies including hand held devices and vehicle borne computers, to assist in increasing the visible policing presence in our communities. It will also assist in the further integration of police and partner agency service delivery to communities to enable safer communities.</p>
2.	<p>Bring forward a detailed report on the use of the £20m Force Transformation Fund, including the expected outcomes for residents and longer-term efficiency savings;</p> <p>The utilisation of the Transformation Fund is subject to my approval of individual business cases. I will be looking to ensure that best possible use is made of this opportunity to invest in the Force as it reduces in size, so that it continues to transform how it delivers the policing service to our communities, improving performance and quality of service.</p> <p>I will ensure that the Panel receives a regular report on its use at appropriate times.</p>
3.	<p>Monitor the impact of the Force's new assets so that savings in running costs are realised and reinvested in recruitment of Police Officers;</p> <p>The report referred to in 2 will cover the savings and benefits realised through utilisation of the Force Transformation Fund.</p> <p>Sustainable recruitment of police officers is a key priority for me and one which underpins my overall financial strategy. Presented to the Panel.</p>

4.	<p>Introduce, alongside the Chief Constable, a strategic approach to the use of Special Constables, including in specialist areas like cyber and financial crime;</p> <p>I have been in discussions with the Chief Constable about the recruitment and deployment of special constables, including their use in specialist areas. In light of the importance of a joint approach to the recruitment of special constables from under-represented communities and areas, the Chief Constable and I will attend future recruitment events.</p> <p>A Chief Superintendent is currently carrying out a review to assess whether the campaign has targeted under-represented groups and specialisms sufficiently, and to make any recommendations for improvement if appropriate.</p>
5.	<p>Ensure that the recruitment of 126 Police Officers reflects the diversity of West Yorkshire;</p> <p>Police officer recruitment is targeted towards those who work as special constables and PCSOs and this means that we will benefit from the fact that 12.9% of specials are from a BME community which should feed through into more representative police officer recruitment. Adverts always say that applications from BME candidates are particularly welcome and a separate support seminar is held for BME applicants.</p>
6.	<p>Ensure that the costs of the Office of the Police and Crime Commissioner continue to reflect the spending pressures on the Force as a whole;</p> <p>The OPCC budget is just 0.4% of total spending and the MTFP shows that it continues to reduce in line with the reductions to the force budget. Savings of £73k have been built into the budget proposal.</p> <p>I have committed to ensure that the spend on my office remains value for money. HMIC Value for Money profiles for 2013 identify that the costs of the PCC per head of population in West Yorkshire are the lowest in the most similar group and the second lowest overall.</p>
7.	<p>Continue to seek external funding, including from the national Police Innovation Fund.</p> <p>The PCC's 3i project, (innovation, income generation and investment) will continue to explore opportunities for innovation and income generation at a local, national, European and international level to further invest in all our communities.</p>

	<p>It is also the intention to develop bids in advance so that they are available as and when needed, particularly where deadlines for submission are tight.</p>
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The Home Office gave a high weighting to collaborative bids in the first round of the Innovation Fund and we will be looking to work in partnership to maximise the potential for success.



Report of the West Yorkshire Police and Crime Panel

Precept Proposal 2014/15

Friday 7th February 2014

1. Executive Summary

- 1.1 This document constitutes the report and recommendations of the West Yorkshire Police and Crime Panel (hereafter referred to as 'the Panel') in respect of the Commissioner's proposed precept for 2014/15.
- 1.2 This report is submitted to the West Yorkshire Police and Crime Commissioner in accordance with the requirements of Paragraph 3, Schedule 5 of the Police Reform and Social Responsibility Act 2011.
- 1.3 The Panel endorses the Commissioner's proposal to increase the Council Tax by 1.99%.

2. West Yorkshire Police and Crime Panel

2.1 Those Panel Members present to consider the proposed precept were as follows:

- Cllr Alison Lowe Leeds (Chair)
- Cllr Sarah Ferriby Bradford
- Cllr Imran Hussain Bradford
- Cllr Michael Walls Bradford
- Cllr Malcolm James Calderdale
- Cllr Steve Sweeney Calderdale
- Cllr David Hall Kirklees
- Cllr Mohammed Iqbal Leeds
- Cllr Les Carter Leeds
- Cllr Jean Askew Wakefield
- Cllr Alan Wassell Wakefield
- Jo Sykes Independent Member
- Roger Grasby Independent Member

3. Powers of the West Yorkshire Police and Crime Panel

- 3.1 The Panel have the functions conferred by Schedule 5 Part 1 of the Police Reform and Social Responsibility Act 2011 (Issuing Precepts.) This enables them to:
 - (i) Review the proposed precept notified by the Commissioner
 - (ii) Make a report to the Commissioner on the proposed precept

- (iii) Include recommendations within the report as to the precept that should be issued for the financial year
- 3.2 The Panel may, having reviewed the proposed precept, veto the proposed precept:
- (i) If the Panel vetoes the proposed precept, the report must include a statement that the Panel has vetoed it
- 3.3 If the Panel does not veto the precept:
- (i) The Police and Crime Commissioner must have regard to the Panel's report and recommendations and publish a response to it.
 - (ii) It is for the Panel to decide in what way the Commissioner's response is published.
- 3.4 If the Panel does veto the precept:
- (i) The Police and Crime Commissioner must not issue the proposed precept
 - (ii) The Police and Crime Commissioner must issue a revised precept-
 - Lower than the originally proposed precept if the Panel indicated it was too high
 - Or:
 - Higher than the originally proposed precept if the Panel indicated it was too low
 - (iii) The Panel must then review the revised precept and submit a second report to the Commissioner including recommendations as to the precept that should be issued.
- 3.5 The Police and Crime Commissioner will then:
- (i) Have regard to the second report and publish his response to it.

4. Panel's Consideration of the Precept Proposal

- 4.1 The Panel received notification from the Office of the West Yorkshire Police and Crime Commissioner of the proposed precept on January 30th 2014.
- 4.2 The Panel considered the precept proposal at their meeting on February 7th 2014 in the Wakefield Suite, Wakefield One Building, Wakefield. The Police and Crime Commissioner attended to present his proposal and take questions from the Panel. The meeting was held in public.
- 4.3 The Panel asked the Commissioner a series of questions which related to his precept proposal, the budget assumptions which underpinned it and his future financial plans.
- 4.4 The questions covered:
- The projected outturn for 2013/14 and the use of the projected £3.5m underspend which is expected to go to the Devolvement Reserve;
 - The terms of the Government's offer to freeze council tax, its impact on the medium and long-term tax-base and the implications on frontline policing;

- The balance between Police Officers, Police Staff, PCSOs and Specials in West Yorkshire Police;
- The expected outcomes and management of the £5.5m earmarked as a top-up to Community Safety Funding / Grants;
- The oversight and decision-making mechanism for spending the proposed £20m Force Transformation Fund to ensure that business cases were robust and linked to improved outcomes;
- The impact on the budget of the Stage 2 Transfer; and,
- The considerable reduction in capital spending on estates and the PCC's role in making best use of assets to underpin strong frontline policing.

5. Panel's Decision

5.1 The Panel, through its discussion with the Commissioner on February 7th, agreed to endorse the proposal to increase the Council Tax by 1.99% on the basis that the Police and Crime Commissioner would:

- 5.1.1 Involve the public, partners and Panel in a long-term planning process on the shape and size of frontline policing in West Yorkshire, covering the staffing mix of the Force and physical presence in communities;
- 5.1.2 Bring forward a detailed report on the use of the £20m Force Transformation Fund, including the expected outcomes for residents and longer-term efficiency savings;
- 5.1.3 Monitor the impact of the Force's new assets so that savings in running costs are realised and reinvested in recruitment of Police Officers;
- 5.1.4 Introduce, alongside the Chief Constable, a strategic approach to the use of Special Constables, including in specialist areas like cyber and financial crime;
- 5.1.5 Ensure that the recruitment of 126 Police Officers reflects the diversity of West Yorkshire;
- 5.1.6 Ensure that the costs of the Office of the Police and Crime Commissioner continue to reflect the spending pressures on the Force as a whole; and,
- 5.1.7 Continue to seek external funding, including from the national Police Innovation Fund.

5.2 The Panel voted on the proposed precept and those Members supporting the proposal were:

Councillor Alison Lowe	Councillor Jean Askew	Councillor Sarah Ferriby
Councillor Imran Hussain	Councillor Mohammed Iqbal	Councillor Malcolm James
Councillor Ken Smith	Councillor Steve Sweeney	Councillor Alan Wassell
Mr Roger Grasby	Mrs Jo Sykes	-

Those Members who voted to veto the proposed precept increase were:

Councillor Les Carter	Councillor David Hall	Councillor Michael Walls
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5.3 As at least two thirds of the Panel did not vote to veto the proposed precept, the Panel's veto was not exercised.

6. Conclusions and Recommendation

6.1 On the basis of the commitments made by the Commissioner, as specified above, the Panel agreed to support the Commissioner's increase of the precept by 1.99% for 2014/15.

6.2 The Panel confirmed this approval was based on their recognition of the importance of front line policing and thus the belief that the public would sufficiently benefit from the continued investment in police officers across West Yorkshire.

RESOLVED:

That the Police and Crime Commissioner increases the Council Tax precept by 1.99% for 2014/15.