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**MAYOR OF WEST YORKSHIRE**

**POLICING REVENUE AND CAPITAL BUDGET 2023/24**

## EXECUTIVE SUMMARY

- The Mayor is required to determine the PCC component council tax requirement for 2023/24, calculate the Band D police council tax and issue a PCC component precept (“precept”) to the Billing Authorities by 1 March 2023.
- 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 Mayor.
- Strategic planning has been based upon the Mayoral Police and Crime Plan with planning also focussing on the West Yorkshire Police Strategic Assessment, based on threat risk and harm. 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.
- The current financial challenges arising from the cost of living and cost of doing business crisis and high inflation presents difficult funding challenges across all organisations. West Yorkshire Police finds itself facing significant budget challenges and the Mayor and the Deputy Mayor have recognised these pressures by considering the £15 increase to the precept to be the only viable option.
- The Police and Crime Panel unanimously supported the Mayor’s precept proposal at their meeting on 2 February 2023. This followed discussion and debate and a recognition of the difficult choices to be made against the background of inflation and the priorities around protecting the public.
- The Mayor’s proposal will result in a budget of £550.450m. The maintaining of officer and police numbers is challenging in this environment but the budget will allow PCSO numbers to be maintained at 506 as a key commitment to the Neighbourhood Policing footprint..

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## 1. PURPOSE OF THE REPORT

- 1.1 To provide the relevant information to allow the Mayor to approve the revenue budget, capital budget, precept and council tax for 2023/24.

## 2. RECOMMENDATIONS

- 2.1 It is recommended that:

### Revenue

- i) The proposed budget for the Mayor's Police and Crime team for 2023/24, 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 2023/24 as set out in the Medium-Term Financial Forecast at Appendix E, be approved.
- iii) The County's taxbase for the year 2023/24, as calculated and notified by the five District Councils, be noted at 675,184.11
- iv) The Mayor agrees the statutory calculations for the year 2023/24, as required by the Localism Act, 2011, as follows:

		£
	<b>2023/24</b>	
a)	The Mayor's PCC component 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)	159,531,242
b)	The basic amount of council tax for the year – PCC component 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)	236.28

- v) The Mayor, 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 2023/24 for the valuation bands shown below:

Valuation Band	(£)
A	157.5188
B	172.1052

C	196.6916
D	236.2781
E	270.4509
F	319.6239
G	368.7969
H	442.5561

vi) The Mayor issues a precept of £159,531,242 for the financial year ending 31 March 2024 and authorises her 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	34,005,144.15
Calderdale	14,920,163.40
Kirklees	29,113,192.75
Leeds	56,550,280.64
Wakefield	24,942,461.35

b) and to make 12 equal payments to the West Yorkshire Combined Authority 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 D be approved.

**Capital**

viii) The revised capital budget for 2022/23 and the capital budget for 2023/24 set out at Appendix C 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 F be approved.

### **3. STATUTORY REQUIREMENTS**

- 3.1 The Mayor is required by the Local Government Finance Act 1992 as modified by the Combined Authorities (Finance Order) 2017 to set a PCC component council tax requirement and issue a precept for the following financial year prior to 1 March. In setting a PCC component council tax requirement, the Mayor must calculate and agree the aggregate of revenue expenditure, contingency provision and level of reserves.
- 3.2 The PCC component council tax requirement which for the Mayor 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 Mayor 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 2023/24 by 1 February 2023.
- 3.4 The Panel must review the proposed precept by 8 February and make a report to the Mayor. 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 Mayor must have regard to and give the Panel a response to their report. Where no veto is exercised the Mayor may issue the precept. If the Mayor'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 Mayor by 22 February. The Mayor must respond to the report and issue her precept by 1 March.
- 3.7 Rejection by the Panel of the revised precept does not prevent the Mayor issuing it as her precept for the forthcoming financial year.
- 3.8 The Local Government Act 2003 places a duty on the Mayor's Chief Finance Officer to make a report to her on the robustness of the estimates and the adequacy of the reserves, and this is included later in this paper.

### **4. FORECAST OUTTURN 2022/23**

#### **Mayor's budget**

- 4.1 The latest forecast outturn for the Office of the Police and Crime Commissioner / Mayor's Police and Crime Team shows some small savings in year, amounting to £0.30m.

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

- 4.2. The West Yorkshire Police net revenue budget for 2022/23 is £531.611m. Since the increase in inflation efforts have been focussed on managing costs within current budgets to support future increases. Additionally there have been delays in being able to recruit during the year which has resulted in increased vacancy savings in

year and it is anticipated that transfers to inflation and energy reserves will be able to be made at the year end.

- 4.3. Tight financial management continues to ensure that where possible any underspend can be transferred to specific reserves and the general reserve to negate the impact of the challenging funding position in future years.

## 5. REVENUE RESOURCES 2023/24

### Police Grant Settlement 2023/24

- 5.1 The provisional 2023/24 Police Finance Settlement was announced on 14<sup>th</sup> December 2022 in a written statement by Chris Philp, Minister for Crime, Policing and Fire. The settlement was largely as expected.

Ahead of the settlement, the Chancellor had announced the necessity to cut many departmental budgets to address increased levels of Government debt. Despite the country recently emerging from a pandemic, the economic landscape has significantly worsened since the last settlement. In particular, inflation has climbed much higher than was predicted this time last year, with CPI reaching 11.1% by October. There has been pressure on the Government from all sides to increase departmental spending to avoid real terms cuts.

As part of the settlement, the Government announced that Police and Crime Commissioners (PCCs) (and therefore Mayors in exercising PCC Functions), would be able to raise their council tax precepts by up to £15 (for Band D) for one year only. This equates to between the lowest 5.3% (North Welsh PCC) and highest 10.9% (Northumbria PCC). In West Yorkshire, this would represent 6.78% based on a £15 Band D increase. West Yorkshire remains as the area with the fourth lowest Police Band D level in England and Wales.

The key points to note from the statement are:

- A national increase in Government grant for Policing to support the national Police Uplift Programme
- Precept referendum limit of £15 for PCCs (and Mayor’s with PCC Function responsibilities)
- Confirmation for continuing Pension Grant at a flat rate
- The maintenance of police officer number targets
- No support for increased energy costs
- An increase in reallocations (topsllices) for national programmes and services that are set out in the table below:

Police Funding	2023/24 (£m)	2022/23 (£m)
<b>Total Reallocations (topslice) and adjustments, made up of:</b>	<b>1114.0</b>	<b>1373.7</b>
PFI	71.6	71.6
Police technology programmes	526.4	606.5

Arm's length bodies (HMICFRS, College of Policing, IOPCC)	74.7	68.7
Police Uplift Programme		12
Cyber Crime	14.1	-
National Operational Policing Units (including football policing and wildlife crime)	-	2.9
Tackling Exploitation and Abuse	21.3	-
National Capability Programmes	69.3	65
Special Grant	50.0	62.4
Forensics	20.6	25.6
Serious Violence	45.6	50.1
Police Now	-	7
Safer Streets Fund (Now wider Crime Reduction Programmes)	-	45.8
Police and CJS Performance	-	13
Crime Reduction Capabilities	18.4	13.5
Fraud	18.1	23.1
Regional and Organised Crime Units	39.5	33.2
Rape Review	-	12
Drugs / County Lines	30	30
Counter Terrorism Programmes	-	32.5
NPCC Programmes	9.5	10.6
Capital Reallocation	104.9	188.1

- Capping criteria was set so that all Police and Crime Commissioners and Mayors with PCC Function responsibilities are able to increase the band D equivalent charge by up to £15 a year without triggering a local referendum and it is assumed in the overall Government headline figure for Policing. West Yorkshire is the 4<sup>th</sup> lowest Police Council Tax in England and Wales. Recognising the scale of funding gap facing West Yorkshire Police, with £39.4 million of unavoidable increases in 2023/24, and no increase in the previously advised settlement the opportunity to move to a £15 precept to generate an additional £3.38m of funding had to be considered and the consultation was carried out on this basis.

## Funding

### 5.2 Core Funding

	2023/24 (£m)	2022/23 (£m)
DCLG/Formula Funding	156.1	155.6
Home Office Police Grant	211.6	210.8
Uplift Grant	11.7	5.8
<b>Total Formula Funding</b>	<b>379.4</b>	<b>372.2</b>
Pensions Grant	5.1	5.1
CT Freeze Grant	16.7	16.7
<b>Total Central Funding</b>	<b>401.2</b>	<b>394.0</b>

### **5.3 Localised Council Tax Support and Legacy Council Tax Freeze Grant**

Payment of localised council tax support and legacy council tax freeze grant is funded through the Home Office. West Yorkshire's allocation for 2023/24 is £16.7m, which is in line in cash terms with the 2022/23 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.

#### **Other Grants**

### **5.4 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 overall nationally.

### **5.5 Capital Grant**

No capital grants are provided from 2022/23 onwards.

### **5.6 Council Taxbase**

The taxbase, which represents the number of Band D equivalent properties in the county, was notified to the Mayor by the Billing Authorities at 675,184.11 as compared with the 2022/23 figure of 668,224.11, an increase of 1.04%.

## **6. COUNCIL TAX REFERENDUM LIMITS**

- 6.1 Capping criteria enables all PCCs, and Mayors that have PCC Function responsibilities, to raise the policing element of local taxation by increasing the Band D equivalent charge by £15 for 2023/24 only. The Mayor intends to use the precept flexibility to increase the Band D equivalent charge by £15 (6.78%) to invest in and sustain key front line policing services. Within West Yorkshire, around 81% of Council Taxpayers are in bands A, B and C which in reality will mean a less than 26 pence per week increase for most Council Taxpayers.

Our Budget Survey currently shows that 67% of respondents across West Yorkshire would support a police council tax increase of £15. The detailed results of the survey are shown at **Appendix G**.

The survey commenced on the 16<sup>th</sup> of December 2022 and closed on the 16<sup>th</sup> of January 2023.

## **7. CAPITAL RESOURCES 2023/24**

- 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 Since 2022/23 individual force areas no longer receive a capital grant from the Home Office.
- 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 Mayor is able to determine how much capital expenditure they 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 Mayor sets 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 2023/24**

### **Mayor's Police and Crime Team Budget**

8.1. The draft budget for the Mayor's Police and Crime team is set out at Appendix A.

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

8.2 The Medium Term Financial Forecast includes the following main assumptions/pressures:

- 3% Officer and Staff Pay award has been built in from 2023/24 which is in line with National Police Chiefs Council discussions. Pay award assumed for subsequent years is 2%. 3.0% per annum pay award for 2023/24 dropping to 2.0% thereafter.
- Fuel increase by 2% per annum from 2023/24
- Gas increase by 305% for 2023/24 then reducing by a quarter in 2024/25, and then 2% increase thereafter
- Electricity increases by 82% for 2023/24, reducing by 11% in 2024/25, and then 2% increase thereafter
- General inflation applied to most other areas of expenditure between 2% to 6% per annum, with some contract specific inflation being higher
- Continue to receive the additional funding for pay for the remaining two years of the Spending Review period £140m in each 2023/24 2024/25. The West Yorkshire share of the additional pay contributions will be around £5.8m
- The tax base has increased by only 1.04% in 2022/23.
- Precept increase is £15 for 2023/24, £10 in 2024/25 and £5 thereafter, on a band D household.

8.3 The summary movement statement from 2022/23 to 2023/24 is attached at Appendix B.

## **9. CAPITAL PROGRAMME 2023/24**

9.1 The draft Capital Budget for 2023/24 and forecast through to 2026/27 with associated funding is attached at Appendix C. The draft budget only includes schemes/projects that have already been considered and included in the current budget and beyond. This includes:

- The completion of the investment in a new District Headquarters in Kirklees
- A continuing programme of Estates/Asset Refurbishment works;
- IT replacement programme; and
- Vehicle Equipment replacement programmes.

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

9.3 A funding strategy for the period of the forecast is shown at the bottom of Appendix C. Most of the funding will come from prudential borrowing with some direct revenue support also being made available.

## 10. STRATEGIC PLANNING

- 10.1 Strategic planning has been based upon the Mayor’s Police and Crime Plan, the Policing Strategy and the Force Strategic Assessment (based on threat risk and harm), and organisational transformation being managed through the Strategic Delivery and Consultation Group.

## 11. OPERATIONAL CONTEXT AND WORKFORCE PLANNING

- 11.1 The 2023/24 budget is based upon the following numbers of established posts at 31 March 2024:

	Officers	Police Staff	PCSOs	Total:
Budgeted FTEs March 2024 per Jan 2023 MTFF	5,936	4,161	565	10,662
National or Regional Commitments including, NECTU, Regional Crime NPAS, Regional Scientific Support, VIPER, PNLD, NPAS and national firearms.	442	1,032	0	1,474
<b>WY core availability</b>	<b>5,494</b>	<b>3,129</b>	<b>565</b>	<b>9,188</b>

However, the current inflationary pressures on the budget mean that it is not possible at this stage to plan to achieve the establishment figures as set out above. The savings required to balance the 2023/24 budget require the achievement of an 8% staff vacancy factor, higher than the usual 4% and also a PCSO vacancy factor of 10%.

- 11.2 West Yorkshire Police have appointed 521 new student officers this financial year to date and there are plans to appoint a further 218 before the end of March 2023. In addition, West Yorkshire Police have appointed 51 transferees since 1 April 2022. This takes the total number of new police officers appointed in 2022/23 to 790, a **net increase of 381 officers** once all retirees and leavers are taken into account.

Although West Yorkshire Police has appointed 43 new PCSOs this financial year to date and there are plans to appoint a further 10 before the end of March 2023, there is expected to be a net reduction of 50 PCSOs once all retirees and leavers are taken into account. This takes the PCSO strength to 520 FTEs by 31 March 2023.

The Medium-Term Financial Forecast has been prepared alongside current workforce planning. 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. The national uplift programme is also factored in. Other variables that may impact on the recruitment strategy continue to be monitored i.e., career breaks, and secondee returns.

Extensive work has been done to profile the police officer and police staff establishment and to maximise the efficiencies and savings that are available in the short-term in order to maintain officer and staff numbers as far as possible to meet

the Mayor's priorities. In this proposal the PCSO vacancy factor would be achieved during 2023-24 by delaying recruitment to replace leavers to create a temporary reduction in numbers.

11.3 Early work on West Yorkshire Police's Force Management Statement 5 (FMS5) outlines a number of positive achievements of West Yorkshire Police over the last 12 months including:

- Four outstanding gradings from the last PEEL assessment (Engaging with and treating the public with fairness and respect, Preventing crime and anti-social behaviour, Disrupting serious and organised crime and Strategic planning, organisational management and value for money). This is in addition to an Outstanding grade for crime recording already achieved by the Force.
- Most areas of 'neighbourhood crime' remain below the June 2019 baseline. Residential burglary has reduced by 48% over the last five years, vehicle offences have reduced by 36% and theft from the person has reduced by 28%.
- Whilst there has been a slight increase in robbery and knife crime over the last 12 months these are still below the June 2019 baseline. Firearms discharges are at their lowest level (26) and significantly below the peak of 80 in 2017.
- There have been two fewer homicides over the last 12 months and the Force has the third lowest rate in its Most Similar Group.
- Stable position for calls for service, with continuing positive performance around 999 calls.
- Strong position in meeting the Strategic Policing Requirement (SPR) national threats. Should Violence Against Women and Girls be added as a new SPR threat, the Force is in a good position having been identified as an 'exemplar Force'.
- Long term prioritisation of vulnerability threats such as domestic abuse, sexual offences and child abuse, with clear links to Violence against Women and Girls.
- Being on track to meet the Police Uplift Programme and improving the Force position regarding workforce representation.
- Despite the financial challenges of the last 12 years, investing in areas of risk such as safeguarding, digital forensics, serious and organised crime and criminal justice, whilst also making required financial savings.
- Activity and resources focussed on frontline functions, areas of risk and priorities from a Force and local perspective as evidenced by Police Objective Analysis data and the Unit Costs of Policing pilot project.
- Being able to evidence innovation, continuous improvement and efficiency and productivity across all sections of the FMS.

Whilst FMS5 evidences some real successes for the Force, there remains some significant challenges set within the context of substantial reductions in the police

budget over the last twelve years, increasing financial pressures over the next few years and increasing complexity of policing demand outlined in the table below:

Area	Commentary
<b>Calls for Service</b>	The Force continues to have one of the highest levels of demand per 1000 population nationally, with the fourth highest rate of 999 calls per 1000 population. The profile of calls is changing with 999 calls now accounting for 33% of all calls compared to 27% in 2016/17. Whilst performance around 999 remains strong, over the last two years 101 performance around queue times and abandonment rates has deteriorated, which risks repeat demand in the system, an increase in 999 calls and reduced customer satisfaction. This year the Force declared a demand critical incident given capacity issues/vacancies in the Contact function and the requirement for officers within other District functions to supplement Patrol to meet demand and Minimum Patrol Requirements.
<b>Non Crime Demand</b>	A large proportion of calls for service relate to 'non-crime demand with 38% of calls relating to public safety and welfare concerns. Analysis shows that responding to these calls is the sixth highest activity (and highest non-crime activity) of the Force and that compared to other forces, attendance rates in dealing with safety/welfare and missing persons is particularly high. A 'Demand Analysis Report' (2020) shows there has been an increase in the number of calls to both 999 and 101 that are a non-police matter. These calls should either have been directed to Local Authorities or other agencies such as Ambulance, Mental Health, Fire Service or Hospitals.
<b>Neighbourhood Policing</b>	The ability to maintain the current Neighbourhood Policing model and footprint within the context of the threat, harm, risk and high levels of demand facing the Force coupled with economic pressures is a risk. The factors that led to disinvestment twelve years ago are of relevance now (financial pressures, increasing demand and threat, harm and risk around safeguarding). Tackling the issues that matter to communities, police visibility and community engagement are all drivers of public confidence and are delivered by Neighbourhood Policing.
<b>Public Confidence</b>	The pausing of the Crime Survey for England and Wales and a change in methodology of the 'Your Views Survey' makes it difficult to compare public confidence with previous years. However there are signs nationally that public confidence is reducing with a YouGov survey showing that in all regions of England and Wales public confidence is on a downward trend. The Strategic Review of Policing outlines that confidence has been impacted by a number of challenges including policing increasingly responding to complex social challenges (non-crime demand) meaning less time is spent on the primary role of preventing and tackling crime, a reduction in officer numbers meaning less visibility, outcomes reducing and high profile misconduct cases. Other key threats to police legitimacy nationally include race disparity/disproportionality and Violence Against Women and Girls, both of which are high priority areas for the Force.
<b>Customer/Victim</b>	The Force was graded by HMICFRS in the last PEEL Inspection as

<b>Satisfaction</b>	Adequate for 'Providing a Service to Victims of Crime'. Victim satisfaction has reduced in most areas except domestic abuse, robbery and safety/welfare. Satisfaction with ease of contact for 101 and online has reduced, however satisfaction with 999 remains high and stable.
<b>Socio Economic Challenges and the cost of living</b>	As a large metropolitan county West Yorkshire has higher levels of crime, although crime is not evenly distributed. 25% of crime takes place in 10% of ward areas which are also characterised by high levels of deprivation. Around one third of West Yorkshire's population live in neighbourhoods in the 20% most deprived nationally, with up to 18% living in the top 10%. West Yorkshire already has some significant socio-economic challenges, which are risk factors for crime, harm and demand, which may worsen as a result of the cost of living crisis, leading to an increase in demand in areas which already experience a disproportionate amount of crime.
<b>Total Crime</b>	Total crime has increased by 17.8% compared to the last 12 months, although this reflects a national trend with 42 out of 43 forces experiencing an increase. Burglary (both residential and business and community) and theft from vehicle remain stable and are below the June 2019 baseline with significant reductions being made over the last five years. The area of risk within 'neighbourhood' crime is theft of vehicle which has increased by 34.5% compared to the previous year and is now above the June 2019 baseline. Whilst the Force still has the second highest crime rate nationally this is within the context of being graded as 'Outstanding' by HMICFRS for Crime Recording. The offences that have increased over the last 12 months such as public order, harassment and violence without injury continue to be impacted on by crime recording improvement practice and the increase in possession of weapons and drugs reflect proactivity and focus of the Force.
<b>Investigative capacity and capability.</b>	In the last PEEL Inspection the Force was graded as 'Adequate' for Investigations and over the last five years there has been a strong focus on improving investigative capacity and capability. However in line with the national position, there remains a detective gap which is being addressed through a number of workstreams including maximising detective swim lanes through PEQF and IPLDP and an in-Force Trainee Investigator Programme. The volume of demand, complexity of file build and inexperience means there is an ongoing need to improve capability and standards of investigations.
<b>Online/digital investigative demand</b>	The growth in technology is leading to more complex crime and investigations. Crimes that involve a digital device are wide and varied, including organised crime (with criminal use of technology as a cross cutting threat), CSEA (live streaming and indecent images of children), online radicalisation, online stalking and online hate crime. It is likely however, that most crimes and investigations involve a digital element given that most people now have access to a digital device. Investigations are increasingly examining many devices which require specialist digital capabilities including encryption of digital devices, dashcams, drones, internet routers, car tracking devices and the 'internet of things'. With more sources of data, there are more opportunities to recover evidence, but this

	<p>also increases demand and leads to much more complex investigations which take longer and are more costly than traditional crime investigations. Online crime/digital investigations are predicted to increase, leading to ongoing pressures on digital capabilities such as Digital Forensics Unit, Communications Data Investigations Unit, Police Online Investigation Teams and Abusive Images Assessment Hub.</p>
<b>Criminal Justice</b>	<p>Significant reform at a national level is increasing criminal justice demand and complexity. In particular, changes to the Directors Guidance regarding charging and file build has increased demand on file building teams at pre-charge stage and Attorney General Guidelines on disclosure is creating additional demand for investigators and Prosecution Team Officers. COVID has had a particular impact on criminal justice demand in relation to charging protocols, backlogs of trials and witness care volume. Changes to Bail legislation, VAWG (which has a strong focus on victims and perpetrators), a new Out of Court Disposal Framework and a planned Victims' Bill indicate that demand and focus on criminal justice will remain high.</p>
<b>Domestic Abuse</b>	<p>Domestic abuse remains one of the most significant demand pressures/risks for the Force, with an increasing trend predicted. Incidents per 1,000 population are significantly higher in West Yorkshire compared to the national average and analysis of the Unit Costs of Policing shows that officers/staff spend 15% of their time dealing with domestic abuse. Workload is continuing to increase with 80% of all domestic incidents resulting in a subsequent crime being recorded (compared to 40% in 2015), reflecting a continuation of the Forces ethical and victim focussed approach to crime recording.</p>
<b>RASSO</b>	<p>Rape and serious sexual offences have increased over the last 12 months and are predicted to increase over the next four years. The Force has the second highest rate of rape and serious sexual offences in its MSG but also has the second highest charge rate per 1,000 population. Unit costs of policing data shows that rape and serious sexual offences are the second and third highest activity of officers and staff showing the strong focus of the Force in this area.</p>
<b>CSEA</b>	<p>CSEA remains a key risk for the Force, with an increase predicted over the next four years. The increase in indecent images of children is the main driver of the overall increase in CSEA. CSE accounts for around 6% of overall CSEA and 50% of CSE is non recent. There are currently 51 non recent investigations which is a significant increase on the 21 reported in FMS1 (2018). These investigations are particularly complex as they often involve multiple perpetrators and/or victims.</p>
<b>Child Neglect/ Protection</b>	<p>Crimes recorded as a result of neglect, cruelty, abandoning a child and exposure to risk have increased over the last 12 months, partly as a result of the reopening of schools following the COVID lockdown meaning children became more visible to trusted adults and professionals, as well as the roll-out of Public Protection notices, which has improved the efficiency, consistency and quality of referrals to Social Care partners. National reviews of a number of high profile child protection cases, the Independent Review of</p>

	<p>Children’s Social Care and the Independent Inquiry into Child Sexual Abuse (IICSA) have increased national focus on child protection. In addition, local scrutiny of Children’s Social Care has increased the local focus on child protection.</p>
<b>Mental Health</b>	<p>Demand associated with mental ill health has increased significantly over the last five years with around 23,000 incidents recorded. However, this is not considered to accurately reflect demand as in line with all other forces, a previous “one day snapshot” of demand suggested only a third of all mental health incidents were recorded. HMICFRS Big Data shows that the Force has particularly high rates of attendance for concerns for safety compared to peer forces and this is supported by the Unit Costs of Policing which shows this as the sixth highest activity. Mental health cuts across the full range of policing functions from contact (initial calls for service), neighbourhood policing/response (responding to incidents), investigations (victims/offenders with mental health issues), criminal justice/offender management (as many offenders have at least one mental health issue) and Learning and Organisational Development (ensuring officers and staff have good awareness of mental health issues). In addition to volume there continues to be insufficient beds/specialist beds and lack of capacity within partnerships, meaning policing often is left dealing with the consequences of this area of vulnerability, such as waiting for ambulances or waiting in hospital with patients. Analysis in one District showed that 160 police hours were lost in one week due to waiting times with patients with or suspected of suffering mental ill-health.</p>
<b>Missing Persons</b>	<p>The trend for missing persons is predicted to stabilise following significant reductions from 20,000 in March 2017 to just over 11,500 in the last 12 months. However this still presents large demand for the Force given that risk levels continue to increase. For FMS5 92% of incidents were graded as high or medium risk compared to 72% in 2017. Analysis of Unit Cost of Policing shows that around 5,000 hours per week are spent dealing with incidents. A large proportion of children who go missing are looked after children and at greater risk of CSEA and Child Criminal Exploitation (CCE), and for adults there remains a strong correlation with mental health.</p>
<b>Adult Safeguarding</b>	<p>Demand around adult safeguarding has increased significantly from around 1,000 occurrences in 2017 to around 4,500 in the 12 months to August 2022 and is predicted to further increase. The introduction of Public Protection Notices, coupled with dedicated adult safeguarding arrangements as a result of the Safeguarding Review, is bringing more focus on this area and will identify previously hidden demand.</p>
<b>Serious and Organised Crime</b>	<p>Serious and organised crime (SOC) presents a significant threat in West Yorkshire and it is predicted that most areas will increase. The highest scoring wards for serious and organised crime severity are also those with higher levels of deprivation. Drugs is the primary SOC threat and there are strong links to violent crime, gangs and exploitation of vulnerable people. Whilst firearms discharges are at their lowest level and remain low compared to similar forces, there is a connection between firearms and</p>

	organised crime, meaning offences can be unpredictable.
<b>Modern Slavery Human Trafficking (MSHT)</b>	Criminal exploitation remains the most common exploitation type and consists principally of forced labour for the purposes of cannabis cultivation and forced gang related activity linked to county lines. MSHT is predicted to increase particularly given international factors such as migration, international conflict and climate change.
<b>Fraud and Cyber dependent crime</b>	The Crime Survey for England and Wales reports that fraud and cyber-crime are the most experienced crimes in England and Wales and are estimated to cost the UK economy approximately £137billion per year. Criminal use of technology is a cross cutting organised crime threat and has created particular opportunities around fraud and cyber-crime. In terms of fraud, crime recorded by the Force as well as disseminations from Action Fraud and Banking Protocol calls for service have all increased. Cyber dependent crime and cyber-related blackmail are also on a long term upward trend partly as a result of improving reporting and recording but also as a result of the continued growth in technology which has provided more platforms, accounts and more victims. The threat of cyber-crime is assessed as increasing with offenders having access to the skills and expertise to facilitate a wide range of crimes online.
<b>Serious Violence</b>	Whilst knife crime and robbery have both increased over the last 12 months, these offences still remain below the June 2019 baseline. A slight increase in most serious violence over the last 12 months means levels are on a par with the June 2019 baseline. The strong investment in Violence Reduction Units, which has included 'Grip funding' has contributed to longer term reduction in knife offences and knifed related robberies however, this funding is temporary in nature and it is recognised that a whole systems/public health approach is needed to reduce violent crime long term, particularly given its links to gangs and serious and organised crime. Analysis of the Unit Costs of Policing show that significantly more time is spent allocated to violence with injury crime than any other offence.
<b>National threats (Strategic Policing Requirement (SPR))</b>	SPR threats are predicted to increase. The threat level for terrorism is currently at Substantial and whilst the greatest threat continues to be from Anti-Western Terrorism, an increasing proportion of investigations relate to the extreme right wing. Public order threats relating to football and cultural nationalism remain an issue however anti Government and Environmental protest are predicted to increase. Civil emergency threats of cyber-attacks, severe weather and pandemics have remained issues for some time, however a key cross cutting civil emergency threat is the recommendations from the Manchester Arena Inquiry which impacts on LRF partners.
<b>Race Inclusion and Equality</b>	The Force has undertaken a significant amount of work to understand inequalities across a wide range of policing functions and has a Race Action Plan and governance in place which reflects the national programme of work. Whilst workforce representation has improved over the last 12 months, at only 6.8% this does not reflect the demographics of West Yorkshire and the new Census data has resulted in a widening of the gap compared to the local

	population.
<b>Workforce Challenges</b>	Mental ill-health accounts for the largest proportion of sickness and demand is likely to increase as a result of the roles in scope for psychological screening and support. Whilst the Force is making good progress against Policing Educational Qualifications Framework (PEQF) this remains a significant challenge particularly around District patrol numbers. The recruitment of a large number of officers is positive, however Districts now have a significant proportion of their officers who are inexperienced and this issue is reflected across other policing functions such as detectives, safeguarding, roads policing and Contact. Having the capabilities and skills required to meet the demands of the future is critical. The NPCC have identified five critical skills required to meet future demand which are detectives (where the Force has an identified gap), digital forensics (which the Force is investing in), cyber-crime, intelligence/research and data specialists/analysts. A key challenge for the Force is to be competitive in the labour market to attract and retain new skills.

- 11.4 The longer-term position needs to ensure that the West Yorkshire Police operating model remains fit for purpose for the future, so that the Force has the capacity and capability to deal with the growing and complex operational challenges highlighted above. However, given the current funding pressures already leading into 2023/24 and beyond, direct resources available for major investment are scarce. The effective deployment of operational resources, and seeking to minimise the impact of the significant funding challenges on those resources will be key to mitigating the impact of the threats set out above.
- 11.5 West Yorkshire Police's Force Management Statement (FMS) is central to its strategic planning and performance processes, providing a comprehensive assessment of threat, harm, risk, and demand, meaning that West Yorkshire Police is aligning its resources (people and finances) to address the key priorities of the organisation and address capacity gaps. In addition, the FMS informs the demand reduction and change programme to identify where improvement activity is needed. Further improvements will be made to the planning process as the Force is currently rolling out a programme of Priority Based Budgeting.
- West Yorkshire Police is currently running the resource allocation methodology Priority Based Budgeting (PBB) across both operational and support functions. The three phases of PBB; 1) Baselineing of services to understand resources and costs, 2) Reviewing working practices and productivity changes to achieve efficiency savings and 3) Developing service level options which range from minimum service levels (statutory requirements) through to areas where investment will be made (linked to FMS).
  - Through the pilot over 60 potential options to improve productivity have been identified. This includes increased remote resolution which will extend established telephone resolution by incorporating video conferencing and providing a faster virtual (but still visible) service.
  - West Yorkshire Police intends to roll out PBB across the whole organisation during 2023/24, meaning a strong focus on efficiency and productivity changes

across the totality of policing in West Yorkshire. The intention is to maximise efficiency and productivity and enable the Force to prioritise investment to meet current and future threat, harm, risk, and demand.

## **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 D.
- 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.
- 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 Mayor's earmarked reserves is set out at Appendix F.
- 12.4 The focus of the financial strategy is on sustainability and affordability. The General Reserve level is ensured to be in line with the Reserves Strategy of between 2.5% and 3.5% of the net revenue budget.

The Reserves Strategy reflects significant investment in transformation over the short to medium term with reserves held for risk, in line with the CIPFA 2014 guidance, and PFI costs only by the end of financial year 2025/26.

The current level of general balances is around 2.6% of the net revenue budget.

## **13 LONGER TERM PROJECTIONS**

- 13.1 The Medium-Term Financial Forecast (MTFF) presented shows a balanced position for 2023/24 following the use of £5.207m of revenue reserves and using the £15 precept flexibility. The position for future years, if the significant saving plans in place are met, is:

- 2024/25 a balanced position (after use of £6.185m of the revenue reserve)
- 2025/26 £15.506m shortfall
- 2026/27 £25.081m shortfall

### **Largest risk areas for assumptions:**

- Inflation assumptions, especially in utility costs have had a detailed review for 2023/24 due to the significant inflationary pressures within the economy currently. There has been significant fluctuation in those forecasts over the last 12 months due to the instability within global economies at this current time. There is also risk of market conditions not returning to 'normal' and elevated inflation rates staying at these levels for longer than assumed.
- An assumed 3% Officer and Staff Pay award has been built in for 2023/24, this has been increased from 2.5% in response to the Policing Minister's December 12th letter and NPCC discussions. The pay award for the subsequent two years is

assumed at 2% but it should be noted that this remains a difficult to forecast area and there may be future cost pressure. Every 1% increase on pay increases our cost pressures by around £4.5m.

- While we have more certainty over the level of Home Office funding to forces in totality than we have had in recent years, assumptions relating to levels of government grant funding from 2024/25 onwards at a local level are less certain due to the Government's plan to review the funding formula. The timing of this is still uncertain and, considering that there is likely to be a transition plan to smooth any significant shifts in funding, it is assumed that it would be at least 2025/26 before a real impact is felt.
- Precept – the MTFF as modelled assumes a £15 increase on the Band D for the coming year, and £10 and £5 increase for the two years after. It also shows a less favourable tax base increase than we had previously modelled in line with Local Authority assumptions. As these have had significant shifts in Local Authority modelling due to the impact of COVID-19 which is still impacting the economy and other factors that determine the taxbase, there is a fair amount of uncertainty around the assumptions. Every 0.5% increase in taxbase would generate roughly an additional £0.8m of precept. Every £1 increase in precept would generate additional income of £0.67m and therefore if the precept increase was £14 next year rather than the full £15 (or £9 instead of £10 in future years), then the income in the MTFF would be reduced by £0.67m and therefore increasing the deficit by £0.67m. This would then have a cumulative impact in future years.

## 14. COUNCIL TAX OPTIONS

- 14.1 The Mayor and the Deputy Mayor are keen to maximise resources to West Yorkshire Police due to the pressures faced and the needs of the community and therefore consider the £15 increase to be the only viable option.
- 14.2 The West Yorkshire Police and Crime Plan 2021-24 was published in March 2022. It outlines an ambitious strategy for the next 3 years on the aims, aspirations and objectives for policing, crime, community safety, and criminal justice for the communities of West Yorkshire.
- 14.3 Extensive work was undertaken to provide a solid evidence base for the new Plan with over 2,430 survey responses, over 950 people spoken to in face-to-face engagement and over 40 partnership responses.
- 14.4 The Police and Crime plan clearly articulates the priorities for policing, crime and community safety based on our consultation and engagement work and needs assessment but also the Mayor's election manifesto; **'Safer communities: police on the streets, supporting victim's rights'**.

The four priorities in the Police and Crime Plan are:

- Supporting victims and witnesses and improving criminal justice outcomes
- Keeping people safe and building resilience
- Safer places and thriving communities
- Responding to multiple and complex needs

The Plan also has three cross cutting themes:

- The safety of women and girls
- Equality, diversity, and inclusion
- Early intervention and prevention

The two mayoral pledges relating to policing and crime, Recruiting 750 more Police Officers and Staff to fight crime, and Keeping women and girls safe are at the heart of the Mayor’s policing plan.

#### 14.5 Budget Survey

The Mayor 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 Mayor in raising the band D equivalent of the policing element of Council Tax by £15 (just over 29p per week) to provide vital investment into West Yorkshire Police. 67% of respondents said they would be prepared to increase their contribution on the proposal set out.

14.6 The results are summarised by band below:

Q: Respondents' Council Tax Band	% of all respondents	No. of respondents	% Supporting precept increase
A	16%	275	62%
B	15%	247	65%
C	19%	316	71%
D	22%	368	69%
E	10%	162	62%
F	5%	78	75%
G	3%	47	74%
H	0%	7	29%
Don't know / not specified	10%	177	74%
<i>Total</i>	100%	1677	67%

14.7 A £15 increase would take the Band D police council tax for 2023/24 to £236.28 a year. Approximately 61% of households in West Yorkshire are in Bands A and B, and would pay £157.52 and £183.77 a year respectively, an increase of approximately 19 pence per week for band A, 22 pence per week for band B and 29 pence per week for band D.

### 15. The Mayor’s Decision

15.1 Relevant considerations for the Mayor in making her decision included:

- Police and Crime Plan consultation feedback
- Operational resilience
- Public views obtained from the Budget Survey
- The significant financial challenges for West Yorkshire Police over the medium

term

- 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 the outcome to a change in the police funding formula which accounts for around 71% of the West Yorkshire budget

15.2 The Mayor was conscious of the current level of the police council tax which is the fourth 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 non-partner funded PCSOs to support the frontline as far as possible are priorities for the Mayor.

This has been a challenge given the current economic climate and ongoing cost of living crisis, and the Mayor is acutely aware of the potential financial impact on individuals within the community, but also takes note of the wider public views and feedback who see policing as a priority with a majority (67%) supporting the level of increase proposed.

The Mayor feels that, despite personal impacts in communities, maintaining and rebuilding core front line 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 and other key stakeholders in protecting key police staff jobs.

15.4 The Mayor has therefore decided to support the £15 on the Band D, and the MTFP and summary movement statement from 2022/23 to 2023/24 are attached at **Appendices E and B**.

15.5 The Mayor notified the Panel of her intention to increase the police precept by £15 on Band D.

15.6 The Mayor's proposal results in a budget of £550.450m which will be used to deliver the requirements of the Police and Crime Plan to the benefit of the people of West Yorkshire.

## **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 Chief Finance Officer when she is considering her 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 Mayor 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
- 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.

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.

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 26th January 2023 the Mayor notified the Police and Crime Panel for West Yorkshire of her proposed precept for 2023/24. The Panel formally considered the proposal on 3rd February 2023, and, as it is required to do by law, has issued a report on that proposal.

17.2 The Panel considered the Mayor's proposal and unanimously supported a £15 per annum increase at Band D. A copy of the Panel's report, including the recommendations made to the Major, and the Mayor's response is included at Appendix H.