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MAYOR OF WEST YORKSHIRE

POLICING REVENUE AND CAPITAL BUDGET 2022/23

EXECUTIVE SUMMARY

- The Mayor is required to determine the PCC component council tax requirement for 2022/23, calculate the Band D police council tax and issue a PCC component precept (“precept”) to the Billing Authorities by 1 March 2022.
- 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.
- The settlement was a one year only settlement however there was a strong indication of funding for 2023/24 and 2024/25.
- Strategic planning has been based upon the existing Police and Crime Plan and the draft Mayoral Police and Crime Plan due to be published in March 2022. Planning also focusses 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.
- In continuing to passport the £5.2m Community Safety Funding across West Yorkshire the Mayor is working with CSP partners to fund important local initiatives around Domestic Violence, Youth Offending and drugs intervention programmes and to look at how we work better together making the best use of diminishing resources and continuing to provide improved services to the public.
- 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 considered the £10 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 4 February 2022 following lengthy debate and recognition by the Mayor of the difficult choices to be made during COVID-19 and the priorities around protecting the public.
- The Mayor’s proposal will result in a budget of £531.611m. Alongside the savings made through the Strategic Delivery and Consultation Group, this will allow non partner-funded PCSO numbers to be maintained at 566 as a key commitment to the Neighbourhood Policing footprint, and ongoing recruitment of an additional 345 police officers and 84 police staff into various specialist roles in helping to meet the overall shared vision of ‘Safe, Just, Inclusive’.

CONTENTS

1. Purpose of the Report
2. Recommendations
3. Statutory Requirements
4. Forecast Outturn 2021/22
5. Revenue Resources 2022/23
6. Council Tax Referendum Limits
7. Capital Resources 2022/23
8. Revenue Budget 2022/23
9. Capital Programme 2022/23
10. Strategic Planning
11. Operational Context
12. Provisions, Reserves and Balances
13. Longer Term Projections
14. Council Tax Options
15. The Precept Proposal
16. Robustness of the Estimates and Adequacy of Reserves
17. Notification to the West Yorkshire Police and Crime Panel

Appendices

- A Mayor's Police and Crime Team Budget 2022/23
- B Summary Movement Statement 2021/22 to 2022/23
- C Anticipated Impact on Force Strength 2022/23
- D Capital Forecast 2021/22 to 2024/25
- E Reserves and Balances
- F Medium Term Financial Forecast 2021/22 to 2024/25
- G Protocol for Earmarked Reserves
- H Budget Survey Results
- I Mayor's Response to the Police and Crime Panel

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 2022/23.

2. RECOMMENDATIONS

- 2.1 It is recommended that:

Revenue

- i) The proposed budget for the Mayor's Police and Crime team for 2022/23, 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 2022/23 as set out in the Medium-Term Financial Forecast at Appendix F, be approved.
- iii) The County's taxbase for the year 2022/23, as calculated and notified by the five District Councils, be noted at 668,224.11
- iv) The Mayor agrees the statutory calculations for the year 2022/23, as required by the Localism Act, 2011, as follows:

		£
	2022/23	
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)	147,863,361
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)	221.28

- 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 2022/23 for the valuation bands shown below:

Valuation Band	(£)
A	147.5188
B	172.1052

C	196.6916
D	221.2781
E	270.4509
F	319.6239
G	368.7969
H	442.5561

vi) The Mayor issues a precept of £147,863,361 for the financial year ending 31 March 2023 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	31,735,705.10
Calderdale	13,831,454.54
Kirklees	26,975,128.06
Leeds	52,168,082.30
Wakefield	23,152,991.44

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 E be approved.

Capital

viii) The revised capital budget for 2021/22 and the capital budget for 2022/23 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 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 2022/23 by 1 February 2022.
- 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 2021/22

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 £0.02m.

West Yorkshire Police Delegated Budget

- 4.2. The latest budget monitoring report provided covers the period 1 April 2021 to 31 December 2021. The West Yorkshire Police net revenue budget for 2021/22 is £495.012m. At 31 December 2021 there was a forecast early savings of £2.36m. This reflects both the decision taken to over recruit following the announcement of

the national 20,000 officer uplift to ensure that West Yorkshire was in a position to be able to meet the targets set, and ensure additional resources could be deployed to keeping communities safe as quickly as possible but also the significant savings made in year to mitigate the impact of the cost of the additional officers.

- 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.
- 4.4. The Capital Budget 2021/22 at 31 December 2021, excluding the National Police Air Service (NPAS), is £25.8m. Expenditure as at 31 December 2021 was £7.4m, it is anticipated that this will increase significantly by the end of the financial year and this is set out in the capital plan.

5. REVENUE RESOURCES 2022/23

Police Grant Settlement 2022/23

- 5.1 The provisional 2022/23 Police Finance Settlement was announced on 16th December 2021 in a written statement by the Policing Minister, Kit Malthouse.

Ahead of the 2022/23 Police Settlement, the Chancellor announced that Police and Crime Commissioners (PCCs) (and therefore Mayors in exercising PCC Functions), will be able to raise their council tax precepts by up to £10 (for Band D); this equates to between the lowest 3.5% (Surrey PCC) and highest 6.95% (Northumbria PCC). In West Yorkshire, this would represent 4.73% based on a £10 Band D increase. West Yorkshire is the third 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 £10 for PCCs (and Mayor’s with PCC Function responsibilities)
- Confirmation for continuing Pension Grant at a flat rate
- Removal of capital grant allocation - £0.45m for West Yorkshire
- The maintenance of police officer number targets
- An increase in reallocations (topsllices) for national programmes and services that are set out in the table below:

Police Funding	2022/23 (£m)	2021/22 (£m)
Total Reallocations (topslice) and adjustments, made up of:	1,373.7	1,033.5
PFI	71.6	71.6
Police technology programmes (including the Emergency Services Mobile Communication Programme)	606.5	484.7
Arm’s length bodies (HMICFRS, College of Policing, IOPCC)	68.7	70.5
Police Uplift Programme	12.0	14.5

Strengthening the response to Organised Crime		146.3
Counter Terrorism		32.5
National Operational Policing Units (including football policing and wildlife crime)	2.9	2.9
Top Ups to NCA and ROCUs (as of 2021/22 this is only top ups to ROCUs)		4.9
National Capability Programmes	65.0	38.7
Special Grant	62.4	54.8
Forensics	25.6	25.6
Pre-charge bail		2.0
Serious Violence	50.1	38.9
Blue Light Commercial	-	5.0
Police Now	7.0	7.0
Safer Streets Fund (Now wider Crime Reduction Programmes)	45.8	20.0
Science Technology and Research	-	5.2
International Crime Coordination Centre	-	5.0
National Policing Capabilities (NPCC, National Police Chiefs' Council)	-	3.2
Police and CJS (Criminal Justice System) Performance	13.0	-
Crime Reduction Capabilities	13.5	-
Fraud	23.1	-
Regional and Organised Crime Units	33.2	-
Rape Review	12.0	-
Drugs / County Lines	30.0	30.0
Counter Terrorism Programmes	32.5	-
NPCC Programmes	10.6	-
Capital Reallocation	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 £10 a year without triggering a local referendum and it is assumed in the overall Government headline figure for Policing. West Yorkshire is the 4th lowest Police Council Tax in England and Wales.

Funding

5.2 Core Funding

	2022/23 (£m)	2021/22 (£m)
DCLG/Formula Funding	155.6	146.9
Home Office Police Grant	210.8	199.1
Uplift Grant	5.8	4.3
Total Formula Funding	372.2	350.3

Pensions Grant	5.1	5.1
CT Freeze Grant	16.7	16.7
Total Central Funding	394.0	372.1

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 now funded through the Home Office. West Yorkshire's allocation for 2022/23 is **£16.69m**, which is in line in cash terms with the 2021/22 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.

5.5 Capital Grant

Capital grants will no longer be 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 668,224.11 as compared with the 2021/22 figure of 654,242.72, an increase of 2.14%.

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 £10. The Mayor intends to use the precept flexibility to increase the Band D equivalent charge by £10 (4.73%) to invest in and sustain key front line policing services. Within West Yorkshire, around 81% of Council Tax payers are in bands A, B and C which in reality will mean a less than 18 pence per week increase for most Council Tax Payers.

The Mayor's Budget Survey showed that 62% of respondents across West Yorkshire would support a police council tax increase of £10.

7. CAPITAL RESOURCES 2022/23

- 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 Individual force areas will no longer receive a capital grant from the Home Office. The capital grant for 2021/22 was £0.45m.
- 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 2022/23

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:

- 3.5% Officer and Staff Pay award has been built in from 2022/23 which is in line with National Police Chiefs Council discussions. Pay award assumed for subsequent years is 2.5% in 2023/24 and 2% in 2024/25.
- 2.4% Non-Pay CPI Inflation rate has been assumed for non-contractual budget categories. Where there is a contract, a minimum RPI rate of 3.4% has been applied, with increased rates for those contracts with inflationary increases above RPI, a total of 19 contracts.
- The tax base reduced by 1.24% in 2021/22 resulting in a reduction of assumed income of previous MTFE models of £1.7m. Tax base forecast figures received from Local Authorities show a total increase of 2.14% in 2022/23.
- Precept increase assumed to be £10 per year, on a band D household, each year.
- Costs of the ESN (Emergency Services Project) have been reprofiled in line with the national assumptions with the major impact now occurring from 2025/26.
- The MTFE includes the cost of the additional 1.25% employer contributions for National Insurance from April 2022.

8.3 The summary movement statement from 2021/22 to 2022/23 is attached at Appendix B, and the impact on force strength is shown at Appendix C.

9. CAPITAL PROGRAMME 2022/23

9.1 The draft Capital Budget for 2022/23 and forecast through to 2024/25 with associated funding is attached at Appendix D. The draft budget only includes schemes/projects that have already been considered and included in the 2021/22 budget and beyond. This includes:

- 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 D. Over the lifetime of the Capital MTFE, £60.8m is forecast to be funded through borrowing, £32.5m through direct revenue support, £10.9m from reserves and £9m of capital receipts.

10. STRATEGIC PLANNING

10.1 Strategic planning has been based upon the Mayor's draft 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 2022/23 budget is based upon the following numbers at 31 March 2023:

	Officers	Police Staff	PCSOs	Total:
Total FTEs	5,915	4,071	565	10,551
National or Regional Commitments including, NECTU, Regional Crime NPAS, Regional Scientific Support, VIPER and national firearms.	366	1,017	0	1,383
WY core availability	5,549	3,054	565	9,168

11.2 West Yorkshire Police have appointed 356 new student officers this financial year to date and there are plans to appoint a further 50 before the end of March 2022. In addition West Yorkshire Police have appointed 35 transferees since 1 April 2021 and a further 8 are to be appointed by the end of January. This takes the total number of new police officers appointed in 2021/22 to 449 a **net increase of 130 officers (in addition to the 176 officers that were over profile at the end of 2020/21)** once all retirees and leavers are taken into account.

PCSO (Police Community Support Officer) recruitment has resumed during the year with the anticipated year end position being 568.

The 2022/23 proposed budget allows **additional budgeted posts for West Yorkshire** as at 31/3/2023 of:

- 345 Officers
- 84 Police Staff
- Maintaining the non-partner funded PCSO establishment

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 secondees returns.

11.3 Early work on West Yorkshire Police’s Force Management Statement 4 (FMS4) outlines a number of positive achievements of West Yorkshire Police over the last 12 months including:

- Four outstanding gradings from the latest 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.
- Reductions in most categories of volume crime, continuing a pre-Covid-19 trend.
- Stable position for calls for service, with continuing excellent performance around 999 calls.
- Stable position for public confidence with the Force having the second highest rate of public confidence in the “Most Similar Group”.
- Strong position in meeting the Strategic Policing Requirement national threats.
- Embedding of a new offender management model focussing on three cohorts; Neighbourhood Offenders, Domestic Abuse Offenders and Registered Sex Offenders.
- 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 (PUP) and Police Educational Qualifications Framework (PEQF) and through the PUP programme improving the Force position regarding workforce representation.
- Despite the financial challenges of the last ten years, investing in areas of risk such as safeguarding, digital forensics 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, Value for Money Profiles and Unit Costs of Policing pilot project.

Whilst FMS4 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 ten years, increasing financial pressures over the next few years and increasing complexity of policing demand outlined in the table below:

Area	Commentary
Responding to the Public	The Force has the third highest demand nationally and has higher rates of incidents per 1000 population compared to the MSG (most similar group) and nationally. The Force also has significantly higher rates of 999 calls per 1000 population than the national average, although performance remains particularly strong in this area. More recently there has been a reduction in 101 performance, both in relation to answer times and abandonment rate compared to FMS3, exacerbated by increased demand around 999 calls.
Anti-Social Behaviour (ASB)	ASB presents significant demand for the force albeit incidents have reduced over the last 12 months and a stable trend is predicted for the next four years. Over 60% of all ASB incidents are attended, with HMICFRS Big Data showing that compared to other forces, West Yorkshire has the second highest rate of attendance whilst Unit Costs for Policing, shows that tackling ASB, is the second highest non-crime incident activity undertaken by officers and staff.

	Population projections and socio-economic challenges suggest ASB will remain a demand pressure for the Force and our partners. There is likely to be increased focus on this area with an HMICFRS thematic inspection on ASB planned next year, which is likely to include a focus on the recording of ASB.
Socio-economic challenges	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. West Yorkshire faces a broad range of socio-economic challenges which are risk factors for crime, vulnerability and offending. A future predicted trend of Rising Inequality and Social fragmentation could worsen socio-economic conditions and further impact on crime and demand.
Total Crime	COVID-19 gave significant impetus to the reducing crime trend, but as restrictions have eased, crime has inevitably increased. However, the increases in West Yorkshire have been lower than the national average. West Yorkshire Police has the second highest crime rate nationally but this is within the context of the Force being graded as “Outstanding” by HMICFRS for crime recording. Whilst volume may be reducing in traditional crime areas, it is however, becoming increasingly complex and nationally there is a reported shift to virtual crimes such as cyber-crime and fraud. In addition, serious and organised crime and safeguarding still present significant threats to West Yorkshire Police and it is anticipated that given the strong focus nationally and locally on VAWG, crimes that disproportionately affect women and girls will increase, with increased confidence to report.
Cyber Crime	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. Increased dependence on remote working and online services in response to the COVID pandemic has provided significant opportunities for cyber-crime and these are highly likely to continue post pandemic. However, cyber-crime remains significantly under reported meaning that the scale of the threat is not fully understood or reflected in police data.
Fraud/Economic Crime	According to the Crime Survey for England and Wales, fraud remains the most common crime type accounting for over a third of crime with an estimated 4.4 million offences, with only 14% reported to Action Fraud. Nationally it is assessed that cyber-enabled fraud is a prevalent and increasing threat (accounting for 85% of fraud) as more of the population moves online, thereby widening the pool of potential victims. COVID-19 has created particular opportunities for fraud and there remains ongoing risks associated with the pandemic. Force data around fraud reflects investigative demand rather than actual risk and whilst it is assessed that the threat will increase this is not fully understood or reflected in police data.
Online crime	Whilst data for fraud and cyber-crime has limitations, it is clear that online demand is a cross-cutting issue creating complex investigative demand for the Force. Use of technology is identified as a growing and cross cutting threat; indecent images of children are predicted to increase by 15% over the next four years, the dark/web social media is used for a range of serious and organised

	crime threats such as drugs, 25% of hate crime is committed online and online radicalisation and the increasing use of technology by extremists remain areas of concern.
Investigative Demand	Whilst reductions in total crime mean that the volume of investigative demand is reducing, the growth in technology is leading to more complex crime investigations with most investigations having some digital footprint. FMS4 predicts this will continue to increase, leading to significant pressures on capabilities including Digital Forensics Unit, Communications Data Investigations Unit, Police Online Investigation Teams and Abusive Images Assessment Hub.
Violence against Women and Girls (VAWG)	Whilst the Force has prioritised key elements of VAWG for a number of years through its strong focus on vulnerability, the new requirements of the VAWG Strategy and NPCC Strategic Intent will impact on demand for the Force across the full range of policing functions.
Domestic Abuse	Domestic abuse remains one of the most significant demand pressures/risks for the Force. Incidents per 1,000 population are significantly higher in West Yorkshire compared to the national average and HMICFRS big data shows that compared to peer forces, attendance rates are particularly high (95%). 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 79% of all domestic incidents resulting in a subsequent crime being recorded (compared to 63% in 2017), reflecting a continuation of the Forces ethical and victim focused approach to crime recording.
Serious Sexual Offences	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 1000 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.
Child Sexual Exploitation and Abuse (CSEA)	CSEA remains a key risk for West Yorkshire Police and recent trends have shown increases. The National Strategic Assessment outlines that COVID-19 has increased the scale of online CSEA offending which is likely to continue post pandemic. Non-recent CSE accounts for more than half of CSE and remains a significant demand pressure/risk. The Force now has 56 non-recent investigations (an increase on FMS3) which are complex, costly and time consuming.
Mental Health	Demand associated with mental ill health has increased significantly over the last five years and currently stands at around 25,000 incidents. However, this is not considered to accurately reflect demand as in line with all other forces, a “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, leaving policing to deal with the consequences of this area of vulnerability.
Adult Safeguarding	HMICFRS describe Adult Safeguarding as the ‘Poor Relation’ as less focus is given to this, given competing areas of safeguarding demand. Demand around adult safeguarding has increased and FMS4 predicts further increases. The introduction of Public Protection Notices, will bring about consistency and coupled with dedicated adult safeguarding arrangements as a result of the Safeguarding Review, is likely to bring more focus and identify previously hidden demand.
Modern Slavery/Human Trafficking (MSHT)	MSHT reduced during 2020 due to COVID-19, with travel restrictions and the closure of businesses disrupting the MSHT marketplace. However, these disruptions were temporary and post pandemic offences have started to increase again. Nationally it is recognised that the true scale of the threat remains unknown. 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 with demographics continuing to shift away from EU migrants to potentially more UK nationals.
Missing Persons	The trend for missing persons is predicted to stabilise following significant reductions over the last few years, however this still presents large volume for the Force. HMICFRS Big Data shows that the Force has higher rates of attendance for missing persons and analysis of Unit Cost of Policing shows that around 5,000 hours per week are spent dealing with incidents. Risk levels continue to increase with 87.4% graded as high risk compared to 72% in 2017 and these are more time-consuming and costly. For children there are a number of vulnerabilities, including almost 42% being ‘looked after’ and 17% at risk of CSE (these are also risk factors for child criminal exploitation). For adults there are links with mental health, which is a particular risk for men over 40 who are more at risk of suicide.
Criminal Justice	Significant reform at a national level is increasing criminal justice demand. In particular, changes to the 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 particularly in relation to charging protocols, backlogs of trials and witness care volume.
Serious and Organised Crime	Serious and organised crime (SOC) presents a significant threat in West Yorkshire and it is predicted that most areas will increase. Understanding of the serious and organised crime threat has increased over the last year with the implementation of Serious and Organised Crime Systems Tasking (SOC ST), enabling us to

	<p>understand the SOC threat beyond Organised Crime Groups (OCGs) to also include 'priority individual nominals', problematic geographic locations and vulnerabilities. Drugs is the most prominent activity of Organised Crime Groups (OCGs), followed by county lines, organised acquisitive crime and illicit finance and there are strong connections between drugs, gangs, violent crime and vulnerability. Whilst the numbers of firearms discharges remains low compared to similar forces, there is a connection between firearms and OCGs and offences can therefore be unpredictable given the nature of the threat.</p>
Violent Crime	<p>Knife crime and robbery have reduced over the last 12 months however most serious violence has increased. The strong investment in Violence Reduction Units, which has included 'Grip funding' has contributed to the fall 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.</p>
National Threats (SPR)	<p>SPR threats are predicted to increase. The threat level for terrorism is currently at Severe and whilst the greatest threat continues to be from Daesh and Al Qaida, an increasing proportion of investigations relate to the extreme right wing. Nationally, high priority public order threats relate to football, cultural nationalism, anti-Government and environmentalism. Civil emergency threats such as cyber-attacks, severe weather and seasonal flu are long term threats from the Local Resilience Forum, which are being realised and require active management.</p>
Race inclusion and equality	<p>The Force has undertaken a significant amount of work to understand inequalities across a wide range of policing functions and has plans and governance in place which reflects the national programme of work. Whilst workforce representation has improved over the last 12 months, at only 6.5% this does not reflect the demographics of West Yorkshire and the position is likely to worsen when new census data is published during 2022.</p>
COVID-19	<p>COVID-19 was the most significant civil contingency threat in 2020/21 and remains a key issue. A COVID-19 Response Plan is in place with additional plans that can be utilised as required. The Force has responded to the HMICFRS Report 'Policing the Pandemic' with all areas either completed or ongoing. A General Pandemic Plan has been developed which can be activated should a similar national incident be experienced. Uncertainties around the future impact of COVID-19 remain in relation to officer and staff absence, mental health and the socio-economic impact on communities in West Yorkshire which are risk factors for crime, harm and offending and these are likely to worsen as a result of COVID-19 and economic recession.</p>
Workforce challenges	<p>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 the PEQF this remains a significant challenge particularly around District patrol numbers given the</p>

'fallow' year. 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.

11.5 The above threats and risks are reflected in the budget through increased resources being allocated to:

Growth Area	Rationale
Criminal Justice	The Prosecution Team will be increased to help meet the demands of the changes to the charging guidelines from both the Attorney General and the Director General in late 2020. This will have significant benefits for protecting the vulnerable, reducing crime and providing reassurance.
Witness Care	There is a significant demand on the Witness Care team due to the backlog of cases that has been created in part by COVID-19. It is anticipated that this backlog will be there for the medium term. This investment will have a significant benefit for victim and witness attrition and providing assurance to victims.
Diversity, Equality and Inclusion Team	Increasing the level of investment into the Diversity, Equality and inclusion Team will support West Yorkshire Police to become an organisation where its workforce is diverse, flexible, reflects the communities it serves and has a more inclusive culture. Through better understanding and implementing change to eliminate existing barriers that stop individuals from underrepresented groups joining, staying, and progressing within West Yorkshire Police, this will in turn support the police service in West Yorkshire to greater understand its communities, and therefore be able to engage, deliver and protect our communities more effectively.
Cultural Awareness Training	
Abusive Images Hub	A significant increase in demand in this area has created an operational imperative for more investment into this team.
Protective Services Crime (PSC)	Several teams within PSC will be increased to help meet the demands of the changes to the charging guidelines from both the Attorney General and the Director General in late 2020. This will have significant benefits for protecting the vulnerable, reducing crime and providing reassurance.

- Other key demand pressure areas that will see increased investment are

Firearms training, apprentice mechanics and vetting.

12. PROVISIONS, RESERVES AND BALANCES

- 12.1. The adequacy of provisions, reserves and general balances is reviewed as part of the budget planning process and again at the year-end during the closure of accounts. The current position is shown at Appendix E.
- 12.2 Local Authority Accounting Panel Bulletin (LAAP) 77 recommends using a risk-based approach to determine the minimum prudent amount which should be held in general balances. An exercise has been undertaken to identify the main risks likely to be faced by the force, strategic, operational and financial. An assessment is made of the likely impact on force budgets and the probability of each event occurring. The overall total resulting from this exercise is around £10.7m for 2022/23.
- 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 G.
- 12.4 The core focus of the financial strategy is on sustainability and affordability. Whilst again an element of revenue reserves will be used to fund spending plans. 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 2024/25.
- 12.5 A contribution will be made to the general reserve to ensure that the General Reserve level is in line with the Reserves Strategy of between 2.5% and 3.5% of the net revenue budget. This contribution of £771,000 keeps the general reserve within the stated threshold in future years.
- 12.6 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. Within the current financial year a contribution is being made to an ESN Reserve in order to mitigate the impact in future years of the investment that will be required for the Emergency Services Network compatible devices.
- 12.7 The current level of general balances is around 2.5% of the net revenue budget.

13 LONGER TERM PROJECTIONS

- 13.1 The Medium Term Financial Forecast presented today shows a balanced position for 2022/23 following the use of £0.134m of revenue reserves and using the £10 precept flexibility. The position for future years, if the significant saving plans in place are met, as:
 - 2023/24 £10.8m shortfall
 - 2024/25 £11.6m shortfall

Largest risk areas for assumptions:

- Inflation assumptions have had a significant amount of work undertaken for 2022/23 due to the significant inflationary pressures within the economy currently. The assumption currently made for 2023/24 and 2024/25 is a reduction back to 2%, this is in line with Office of Budget Responsibility Forecasts released in October. However, we have seen significant fluctuation in those forecasts over the last 12 months due to the instability within global economies at this current time.
- 3.5% Officer and Staff Pay award has been built in from September 2022 which is in line with NPCC Finance discussions. Pay award for subsequent years is assumed at 2.5% in 2023 and 2% in 2024. Given there was no overall pay increase in September 2021, the fact that officers and staff are facing increased NI payments and the inflationary pressures within the economy it is felt prudent to assume 3.5%. We decrease the assumed increase for future years as set out earlier in this paragraph and therefore raise this as an area that may have future cost pressure. Every 1% increase on pay increases our cost pressures by around £2.5m.
- While we have much more certainty over the level of Home Office funding to forces in totality than we have had in recent years, assumption relating to levels of government grant funding from 2023/24 onwards at a local level are less certain following the government's announcement that a funding formula review will take place. It is likely that there will be a transition plan if there are significant swings in funding and therefore, I would anticipate the 2024/25 would be the earliest we would see a real significant impact if there is one.
- ESN device costs will be a significant pressure to fund in future years. Current discussions nationally are considering whether ESN devices will have useful economic lives of five years as built into previous ESN business cases or if this will be more like three years. This of course has a significant impact on the funding of their replacement cycle and at this point in time we do not have a clear picture of what the device costs will be. We have built in costs as per the national model (which mainly impacts beyond the life of this MTFF) but it is now clear that nationally there is a lot of uncertainty around ESN devices.
- Precept – the MTFF as modelled assumes a £10 increase on the Band D for each of the next three years in line with the Home Office cap. It also shows a much more 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 £0.7m of precept. Every £1 increase in precept would generate additional income of £0.65m and therefore if the precept increase was £9 in one year rather than the full £10, then the income in the MTFF would be reduced by £0.65m and therefore increasing the deficit by £0.65m. 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 £10 increase to be the only viable option.
- 14.2 The West Yorkshire Police and Crime Plan 2021-24 will be 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 has been undertaken over the last six months to provide a solid evidence base for the new Plan. A programme of consultation and engagement to understand the public's views and the views of partners; and the development of a needs assessment. In terms of the consultation and engagement work. The public survey had over 2,430 responses, over 950 people were spoken to in face-to-face engagement – spoken to nearly 950 people face-to-face, over 40 partnership responses received, an analysis of phone calls, emails and casework, a call for evidence for women and girls, social media/Facebook/Tik tok comments, and an easy read survey, all illustrate the extensive consultation, with particular attention being given to ensure 'hard to hear' groups and the voice of women and girls is heard.
- 14.4 The new Police and Crime Plan clearly articulates the priorities for policing, crime and community safety based on the consultation and engagement work and needs assessment but also the Mayor's election manifesto; **'Safer communities: police on the streets, supporting victims' rights'**. Key themes from the manifesto include:
- reinvigorate community and neighbourhood policing;
 - a victim-centred response to crime;
 - building upon the success of the West Yorkshire Domestic Violence perpetrator pilot;
 - a zero tolerance to modern slavery;
 - tackling anti-social behaviour;
 - tackling drug crime;
 - tackling crime at its root through early intervention.

The two mayoral pledges relating to policing and crime, Recruit 750 More Police Officers and Staff to Fight Crime, and keeping women and girls safe at the heart of the Mayor's policing plan, are central to the delivery of the new Police and Crime Plan. The proposed precept increase will assist in the delivery and success of the new plan moving forward.

7.5 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 PCC in raising the band D equivalent of the policing element of Council Tax by £10 (just over 19p per week) to provide vital investment into West Yorkshire Police. 62% of respondents said they would be prepared to increase their contribution on the proposal set out.

7.6 The results are summarised by band below:

Q: Respondents' Council Tax Band	% of all respondents	No. of respondents	% supporting precept increase
A	16%	371	57%
B	14%	332	58%
C	16%	390	62%
D	24%	571	64%
E	9%	208	67%
F	4%	101	65%
G	3%	61	61%
H	1%	17	47%
Don't know / not specified	13%	311	63%
<i>Total</i>	100%	2362	62%

7.7 A £10 increase would take the Band D police council tax for 2022/23 to £221.28 a year. Approximately 61% of households in West Yorkshire are in Bands A and B, and would pay £147.52 and £172.11 a year respectively, an increase of approximately 13 pence per week for band A, 15 pence per week for band B and 19 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 impact on frontline policing and the potential for recruitment of police officers in 2022/23 and beyond
- 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 future funding for the change in pensions costs
- The uncertainty of the outcome to a change in the police funding formula which accounts for around 72% of the West Yorkshire budget

15.2 The 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 impact of COVID-19, 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 (62%) 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 £10 on the Band D, and the MTF and summary movement statement from 2021/22 to 2022/23 are attached at **Appendices F and B**.
- 15.5 The Mayor notified the Panel of her intention to increase the police precept by £10 on Band D.
- 15.6 The Mayor's proposal results in a budget of £531.611m. Alongside the savings made through the Programme of Change, this will allow recruitment of an additional 345 officers and to maintain the level of non-partner funded PCSOs.

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 27th January 2022 the Mayor notified the Police and Crime Panel for West Yorkshire of her proposed precept for 2022/23. The Panel formally considered the proposal on 4th February 2022, 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 £10 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 I.