

2020/21 Revenue Budget

Report of the Police and Crime Commissioner

PURPOSE

1. To provide the Panel with further information in relation to Police and Crime Commissioners revenue budget for 2020/21.

BACKGROUND

2. The 2020/21 budget and precept report presented to the Panel in February 2020 detailed West Midlands Police has financial pressures of £18m in 2020/21 and the £10 increase on Band D council tax will only raise an additional £8m of funding. Therefore to deliver the 2020/21 budget, West Midlands Police are required to find savings of £9.9m to operate the Force within the resources available.
3. At the Panel's meeting on the 3 February 2020, the Panel requested further information as to how the £9.9m savings will be delivered. This report provides this information.

DELIVERING THE 2020/21 BUDGET

4. In the current financial year (2019/20) there is a forecasted revenue underspend available of £5.3m. As reported to the Strategic Policing and Crime Board on the 18 February 2020, the Force will protect this planned underspend to offset the budget shortfall in 2020/21. The £5.3m is only available in 2020/21 as a one off and therefore a permanent solution to this element is required.
5. In 2019/20 the West Midlands will receive an allocation of £7.6m of Surge grant funding from Central Government to tackle serious violence. Contained within the budget 2020/21 is a pressure of £3m relating to Surge funding activities. This is because at the time of setting the budget the Government had not announced Surge funding allocations for 2020/21. However, on the 26 February 2020 the Government announced that a total £41.5m will be available in 2020/21 for Surge funding and the West Midlands provisional allocation is £5m. Therefore it is assumed that £3m budget pressure will be covered from the 2020/21 Surge funding.

6. After taking into account the underspend from 2019/20 and the anticipated Surge funding, there is a remaining balance of £1.6m to be found from savings and efficiencies. This will be through the Force's ongoing successful programme of efficiency and effectiveness reviews that includes identifying areas that can achieve cashable savings. This will include areas such as automation in non-frontline services that will allow costs to be reduced. Also there is a programme of external income generation that potentially can be used to generate more funding for the Force.
7. The flexibility provided through the 2020/21 police funding settlement is another area that can may be used to deliver the 2020/21 budget. This relates to the extra £43m that has been allocated to the West Midlands for the police officer uplift programme. This will be allocated through £33m in additional general grant and £10m in specific grant that is dependent on the achievement of additional officer numbers. The uplift funding needs to be spent on the extra officers in 2020/21 and the infrastructure costs related to all the extra officers over the 3 years of the programme. However, there may be opportunities to use this resource to fund support activities and contribute towards fixed costs.
8. The delivery of the 2020/21 budget will be closely monitored through the year and reported to the Commissioner and senior leaders across West Midlands Police. If variances arise corrective action will be undertaken to ensure the organisation operates within its budget.

MEDIUM TERM FINANCIAL PLAN

9. The Medium Term Financial Plan of the Police and Crime Commissioner is currently being updated to take account of the 2020/21 police funding settlement. This will include forecasted levels of expenditure and funding over future years. This will be brought to a future meeting of the Panel.
10. It is also important to note the Government are planned to complete a spending review in 2020 that will give an indication of police funding over a potential 3 year period.

RECOMMENDATION

11. The Panel is asked to note the content of this report.

Mark Kenyon
Chief Finance Officer