

REPORT OF THE WEST MERCIA POLICE AUTHORITY MEETING HELD ON 18 MAY 2004

Budget 2004/2005

1. The Authority set its budget requirement for 2004/2005 at £165,838,000 and Band D council tax at £137.69 on 17 February 2004. The Office of the Deputy Prime Minister informed the Authority on 29 April 2004 that the First Secretary of State had formed the opinion that this amount was excessive.
2. The First Secretary of State has nominated the Authority for the purpose of either:
 - a) setting a maximum budget requirement for capping the Police Authority for 2005/06; or
 - b) setting a notional budget requirement for 2004/05 against which increases in the following year will be measured to decide whether they are excessive.
3. The amount, which the First Secretary of State would have proposed as the target amount for the Authority if he had designated the Authority for 2004/05, is £165,321,000. This is £517,000 less than the figure set by the Authority. The target amount would have been the maximum budget requirement had the First Secretary of State decided to impose in-year capping for 2004/05 and consequential re-billing.
4. The Authority was required to provide certain information requested by the First Secretary of State by 19 May 2004 together with any other information it wished him to take into account before making a decision.
5. Having considered the information provided, the First Secretary of State will either:
 - a) designate the Authority for 2005/06 and determine the maximum for the amount to be calculated by the Authority as its budget requirement for that year; or
 - b) determine a notional amount to be calculated by the Authority as its budget requirement for 2004/05 against which increases in the following year will be measured in deciding whether they are excessive
6. The Authority will be notified of the First Secretary of State's decision in writing and have the opportunity to challenge this decision.
7. The Authority met on 18 May 2004 and agreed a submission, which invites the First Secretary of State to set a notional budget for 2004/2005 at the Authority's resolved figure.
8. The submission details the process by which the budget judgement for 2004/2005 was reached and explains why the Authority considers the increase was proportionate, reasonable and necessary. It highlights the Constabulary's

efficiency record where over the past five years £16.5m savings have been achieved and re-directed into better front line policing and performance; external assessments of the Authority's good performance and effective processes in resource management; and the view of the Authority's external auditors, PricewaterhouseCoopers, who commented in their 2002/2003 Audit Letter on the strong record of budgetary control and financial management.

9. The submission identified the overall low level of spending on policing services in West Mercia reflecting relatively low levels of government grant. In particular the Authority pointed out it is also the fourth most economical force in terms of cost per head and would need to spend an additional £10.6m (or 6.4%) to equal the average of the 31 English shire forces.
10. The submission also examines the impact of the First Secretary of State's alternative budget, future pressures on the budget and details the strategic direction of the force as set out in the three year strategy for 2004/2007 and the Joint Policing Plan for 2004/2005 which were published on 31 March 2004.
11. Based on the assumptions about future pressures on the budget and if both grant income and the police council tax precept are constrained to a 3% increase per year and the council tax base remains unchanged, then:
 - a) in 2005/06, a real term reductions of £4.1m or 2.4% of the 2005/06 budget will be required. Whilst the Police Authority will continue to seek efficiencies and realisable economies, it pointed out in the submission that the reductions would be equivalent to 184 fewer probationer police officers.
 - b) in 2006/07, further reductions of £3.6m or 1.9% of the 2006/07 budget will be required. This is equivalent to a further 159 fewer probationer police officers.
 - c) in 2007/08 further reductions of £3.3m or 1.7% of the 2007/08 budget will be required. This is equivalent to a further 148 fewer probationer police officers.
12. The Office of the Deputy Prime Minister has offered the Authority a meeting with Ministers on 29 June 2004 to further explore the position.

Signed on behalf of the
West Mercia Police Authority

R M Forster
Chair

Further Information

Any person wishing to seek further information on the subject matter of this report should contact David Brierley or Ian Payne on Shrewsbury (01743) 344314.

List of Background Papers

In the opinion of the proper officer (in this case the Director of the Police Authority) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meetings of the West Mercia Police Authority held on 18 May 2004.