

AGENDA ITEM

REPORT TO CLEVELAND POLICE & CRIME PANEL

5 FEBRUARY 2014

REPORT OF DIRECTOR OF LAW AND DEMOCRACY

FINAL REPORT OF APPROACH TO BUDGET TASK AND FINISH GROUP

SUMMARY

The Task and Finish Group formed to examine the approach being taken to the 2014-15 budget and longer term financial planning has completed its work. The Group's final report is attached for the Panel's consideration.

RECOMMENDATIONS

The Panel is recommended to:

1. Note that the Group found there is a strategy in place to balance the overall budget for 2014-15 and 2015-16. However, the level of grant reductions has necessitated additional reductions in the numbers of police officers, PCSOs and staff for the Cleveland area, and important details remain unresolved for 2014-15. Under current forecasts, significant further work is needed for 2016-17 and beyond. It is currently forecast that there will be a budget gap of £11.5m by 2017-18.
2. Note that the Group recognise the pressure on the 'community safety funding' and the removal of the ring fence. It is recommended that the PCC should give full consideration to the importance of the prevention agenda and the wider benefits of such community safety services, including the impact on the success of the Police and Crime Plan, and ensure that partners are fully engaged in discussion before decisions are made.
3. Note that decisions had not yet been made on the spending priorities for the majority of the community safety funds for 2014-15. There is therefore very little time to notify organisations and CSPs of any allocations, and it is recommended the PCC conclude this process as soon as possible to give certainty to both partners and current providers.
4. Note that due to the ever increasing need for effective allocation of scarce resources and competing demands, the Group would support any move to develop objective criteria for the allocation of funding for community safety initiatives in the 2014-15 and future years.
5. Note that the Group wished to examine further the potential use of PCC reserves and that additional information on the reserves held by the PCC has been requested to be considered at the Panel on 5 February,

including the 'Robustness of Estimates and Adequacy of the Financial Reserves' report.

6. lobby the government to express its dissatisfaction with, and highlighting the difficulties caused by, the timescale of Government spending announcements, and it is recommended that the PCC undertake a similar approach. As with previous years, the Government announced the 2014-15 (one year) settlement in mid-December and this reduces the amount of time available to plan for all PCCs. This has been exacerbated by the announcement that the 14-15 council tax precept capping limit will not be confirmed until after PCCs are required to notify the Panel of their intentions.
7. consider re-constituting the Task Group during 2014-15 due to the ongoing need to review the budget strategy. This would allow Members to consider both the funding pressures but also the achievement of current savings plans and initiatives.
8. agree to receive a mid-year financial update, potentially based on the quarterly PCC monitoring reports, in order that the full Panel has early sight of progress on the achievement of saving plans and any emerging issues.

DETAIL

1. In July 2013, the Panel agreed to form a Task and Finish Group to undertake work to understand the PCC's budget setting process for 2014-15 and future years.
2. The Group has met three times and made a number of findings and recommendations. These are outlined in the attached report and summarised above.
3. Recommendations are directed to the full Panel and also to the PCC (those elements directed at the PCC are underlined).

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