



**VERA BAIRD**<sup>QC</sup>  
POLICE & CRIME COMMISSIONER

**POLICE AND CRIME PANEL**

**23rd October 2018**

**REPORT OF THE POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA  
BUDGET SETTING PROCESS 2019/20**

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**1. PURPOSE OF THE REPORT**

- 1.1 The report sets out the budget setting process for 2019/20.

**2. BACKGROUND**

- 2.1 In February 2018 the Police and Crime Commissioner agreed the 2018/19 Revenue and Capital Budgets and the Medium Term Financial Strategy (MTFS). The MTFS sets out the key financial issues facing the Police and Crime Commissioner over the period 2018/19 to 2021/22, and provides options for delivering a sustainable budget and capital programme over the medium term including resources for the Chief Constable to deliver the priorities in the Police and Crime Plan.
- 2.2 Work is currently underway in force to review the assumptions which underpin the Budget and MTFS estimates in relation to central government funding for police forces, future budget pressures and inflationary increases, and the priorities for capital investment over the medium term.
- 2.3 This report sets out the process and timetable we will follow to set the revenue and capital budgets for 2019/20 and complete the revision of the MTFS. The timetable also highlights the key dates when we expect to find out how much grant we will receive for 2019/20 and beyond.

**3 REVISION PROCESS**

- 3.1 The budget and MTFS revision process will include the following:
- A comprehensive review of the Commissioner's current financial position.
  - A comprehensive update to the assumptions and risks about future budget pressures, funding cuts and changes to police resource allocation which the Commissioner will face over the period of the strategy.
  - A review of any changes to the financial context in which the Commissioner operates.

- Progress against budget savings targets.
- The extension of the MTFS period.
- The Commissioner’s capital programme; and
- Reserves policy.

#### **4. KEY DATES**

4.1 The process to set the revenue and capital budgets for 2019/20 and to revise the MTFS as mentioned above, has already started alongside the preparation of the quarter 2 monitoring.

4.2 The key dates for information sharing and decisions are as follows:

<b>Event</b>	<b>Date</b>	<b>Note</b>
Police and Crime Panel Meeting	23 October 2018	Information regarding this year’s process.
Autumn Budget	29 October 2018	Government discloses high level funding assumptions and plans.
Provisional Police Funding Settlement Announced	Around 19 December 2018	Grant resources for 2019/20 - provisional settlement figures issued.
Final Settlement Announced	Mid-January 2019	Update resources with final settlement figures.
Police and Crime Panel Meeting	15 January 2019	High level briefing on the MTFS and 2019/20 draft budget.
Police and Crime Panel Meeting	5 February 2019	Presentation of MTFS. Budget papers for 2019/20 including the proposal for precept.

#### **5 RISK MANAGEMENT IMPLICATIONS**

5.1 The MTFS identifies a number of significant financial risks and suggests ways to mitigate those. The refresh will consider if any of those risks have changed.

#### **6 FINANCIAL IMPLICATIONS**

6.1 All financial implications are covered in the report and there are no additional financial implications arising from the report.

#### **7 RECOMMENDATION**

7.1 To note the process and timetable that will be followed to complete the budget setting process 2019/20.