

Sinead Simpson
Chief Executive

Date: 4 February 2022

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Ms Christine Darrah
Clerk to the Committee for Justice
Room 242
Parliament Buildings
Belfast, BT4 3XX

Dear Christine

DRAFT BUDGET 2022-2025

Thank you for your letter of 17 January 2022 on behalf of the Committee for Justice requesting the likely implications or pressures arising from the indicative allocation for the Northern Ireland Policing Board (the **Board**). I am also grateful for the opportunity to provide the Board's early views on the budget position for the Police Service of Northern Ireland (the **PSNI**) given its proportion of the overall budget for the Department of Justice (the **DOJ**) and the Board's role in negotiating an annual budget for the PSNI and for holding the Chief Constable to account for how that budget is spent. I have set out below the response in respect of (i) the Board and (ii) the PSNI.

(i) Northern Ireland Policing Board Draft Budget 2022-2025

The Board has been notified of a draft budget allocation of £5.967m non ring-fenced DEL, for each year of the budget period. This 2% baseline budget cut represents a 4.8% cut in real terms in 2022-23 or £295k, increasing to 6.7% in 2024-25 or £410k. The implications of this will be difficult for the Board to manage while ensuring we continue to meet our statutory obligations. By way of background, approximately one

third of this budget is allocated towards the Board's contribution to funding for the Policing and Community Safety Partnerships (the PCSPs) with the remainder of the PCSP budget funded by the DOJ. Approximately a further one third is required for the Board's staffing (including members) costs and the remainder is non-staff costs required to run the organisation in terms of meeting the Board's core responsibilities. Over the last 10 years savings have been made across staff and operating costs in order to live within a budget that has reduced by almost 30% over that period. Additionally, during the budget period 2022-2025, the Board has highlighted to the Department other unfunded pressures associated with the increase to National Insurance rates and its statutory function to appoint independent members to the PCSPs. Over the next 2 years these amount to £340k.

As a result of the draft budget 2022-2025, and setting aside the unfunded pressures the Board is currently facing a projected funding deficit of circa £216k for 2022-23 and the Resources Committee will be assessing later in February the options available across each of the three budget areas.

(ii) PSNI Draft Budget 2022-2025

As part of the Board's role in approving the PSNI annual resource plan, discussions are currently ongoing between the PSNI Chief Constable and the Board and this response provides early views based on the PSNI's assessment of the likely implications arising from the indicative allocation for 2022-2025 and the discussions that took place at Resources Committee on 27th January, and the Board on 3rd February.

At this stage, the Chief Constable has advised the Board of a projected funding deficit of circa £226m over the 3 years. Discussions are ongoing to explore opportunities to close this projected funding gap, however the options available to the PSNI are limited and will inevitably adversely impact, to a greater or lesser extent, on service delivery, operational resilience, capabilities and delivery of the Policing Plan 2020-2025 outcomes.

In order to understand the current and future financial position for the PSNI, the extent to which money has been taken from the PSNI since 2010 can be quantified from 2009-2010 to 2019-2020 as a cash reduction of circa 17.4%. The cumulative effect of budget cuts has indeed been considerable and this has reduced the ability for PSNI to absorb pressures whilst protecting police officer and police staff numbers and the potential impact on front line service delivery to communities.

Northern Ireland Policing Board

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It is highly likely, given the size of the funding gap, that necessary budgetary control measures will include reductions in investment capabilities and essential infrastructure, and most significantly reductions in both police officer and police staff headcount and recruitment. In the New Decade New Approach document the British and Irish governments set out a number of priorities for the Executive, including increasing police numbers to 7,500. The Board has supported submission of The Strategic Outline Case for increasing PSNI officer numbers and this has been approved by the Department of Finance to proceed to Outline Business Case. Delivery of additional police numbers is largely dependent on the availability of Executive funding, but rather than increasing police officer numbers towards 7,500 as agreed under the new Decade New Approach, we could therefore instead experience a reduction over the coming financial years as evidenced by the PSNI announcement to defer the March 2022 intake of student officers. This is happening as the Police Services in England and Wales have been allocated a significant uplift of £2 billion over the next 3 years to grow police numbers by 20,000 and maintain staff numbers.

If there is no easement to the current draft budget it is likely that PSNI will be required to reduce both police officer and police staff recruitment and it is foreseeable that progress against some commitments within the Policing Plan 2020-2025 may be impacted. The Chief Constable, with support from the Board is also committed to the critical importance of neighbourhood officers in delivering visible, accessible and responsive policing and building confidence in the Police Service. Consequently, protecting the Neighbourhood Policing function and its existing resourcing levels is an agreed priority. This will, however, inevitably create knock on pressures in other areas of service delivery and capability and difficult decisions may have to be made in the months ahead.

The Board has made representations to the Department of Justice in respect of how the police are funded in Northern Ireland. PSNI is currently funded through a range of funding streams with different conditions and timelines including the Main Grant, Paramilitary Crime Task Force, Additional Security Funding, Legacy, Covid-19 and EU Exit. The non-recurring nature of much of the non-core funding means that it is problematic for use in funding posts. A consolidation of all recruitment funding into the Main Grant would provide one core funding stream to underpin police officer and police staff numbers and give greater resilience within which officers can be deployed.

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It is noteworthy that the January 2022 NI Fiscal Report highlighted that the Department of Justice as the 3rd largest department is the only Department which received a real cut in funding in the draft budget.

I trust you will appreciate that the discussions between the Board and Chief Constable on the detail of how PSNI propose to address the budget impacts is still on-going and while not helpful for your timetable, it is anticipated that greater clarity around the consequences of the 2022-2025 draft budget allocation will be achieved over the coming weeks. However, I hope this early response informs the Committee's consideration of the particular issues raised by the draft budget for delivery of policing in Northern Ireland.

Yours sincerely

Sinead Simpson Chief
Executive

Cc: Simon Byrne, Chief Constable
Pamela McCreedy, Chief Operating Officer