



To: Business Coordination Board

From: Chief Finance Officer to the Chief Constable

Date: 22 July 2013

HEADLINE POLICE FUNDING SETTLEMENT 2014/15 AND 2015/16

1. Purpose

1.1 To update the Board on the latest financial position following the headline police funding settlement for 2014/15 and 2015/16.

2. Recommendation

2.1 The Board notes the financial implications.

3. Background

3.1 On 27th June 2013 the Home Secretary wrote a high level letter to Police and Crime Commissioners regarding the headline funding settlement for the next two financial years.

3.2 During the following week clarification from the Home Office was sought on the various announcements as it was not clear how some of the figures would work through the funding mechanisms. The Medium Term Financial Plan (MTFP), set out in the table below, now demonstrates what impact the announcements will have for Cambridgeshire for the next two years. A further two years have also been prepared but this is on the basis of speculation rather than any hard facts.

Table One

	Budget 2013/14 £'000	Forecast 2014/15 £'000	Forecast 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000
NBR	131,579	134,118	136,970	144,107	149,006
FINANCING	131,579	130,638	129,764	128,116	127,692
GAP	0	-3,481	-7,206 -3,725	-15,991 -8,785	-21,314 -5,323

3.3

Headline Announcements

(i) Core Police Funding will be reduced by 3.3% and 3.2% in cash terms for 14/15 and 15/16 respectfully.

(ii) Formula grant, community safety fund and 2010/11 council tax freeze grant have now been replaced by a single grant for core Police Funding.

(iii) Local Council Tax Support Grant is paid separately from Core Police Funding and is expected to remain at 2013/14 levels, to be paid for 14/15 and 15/16.

(iv) Funding for a further council tax freeze in 2014/15, payable in both 2014/15 and 2015/16 was announced at the equivalent of a 1% increase in council tax based on 2013/14 council tax levels in both years. The MTFP is modelled using a 1.96% increase on council tax and not taking the freeze funding. If the freeze grant were taken this would add a further £0.5m to the gap in 2014/15 and add £1m to the total gap over the four year life of the plan

(v) The announcement included information that a £50m fund will be made available as an “innovation fund” to support joint working between different police forces, as well as local authorities. Details of how this might be accessed has yet to emerge

(vi) The announcement also included information that The Troubled Families Programme will be extended to more families in 2015/16, with additional £200m funding, again no further details have yet emerged on this.



(vii) The MTFP is prepared using the following inflation figures:-

General inflation 2% with inflation on fuel and energy at 5%

Police Officer and staff pay rises 1% increase for the inflationary pay element

4. Recommendation

4.1 That the Board note the report and the budget gaps for the total Cambridgeshire Policing Budget.

BIBLIOGRAPHY

Source Document (s)	Contact Officer	Location
Home Secretary's letter 27 th June 2013 and subsequent emails	Niki Howard Chief Finance Officer to the Chief Constable	Cambridgeshire Police & Crime Commissioner, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA