



To: Joint Audit Committee

From: Chief Finance Officer, OPCC

Date: 23 March 2016

BUDGET UPDATE

1. Purpose

1.1 The purpose of the report is to update the Joint Audit Committee (“the Committee”) on the budget and Medium Term Financial Plan (“MTFP”), further to the report on budget strategy presented to the Committee meeting on 10 December 2015.

2. Recommendations

2.1 The Committee is recommended to note this report.

3. Revenue Budget 2016/17 build process

3.1 Work on the 2016/17 budget gap started at the beginning of 2015/16, as the Constabulary identified savings during the financial year which contribute towards balancing the budgets for the next financial year. This is the established practice, which ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing.

3.2 Analysing and setting the Commissioner’s and Constabulary’s budgets is an iterative and ongoing process. Initial drafts of the following year’s budget are prepared throughout the current year. The budget setting process continues in earnest in September. The known factors include contractual commitments, cost pressures and savings identified during the current financial year, alongside assumptions relating to central government funding. These factors set the financial landscape for the coming year. The Constabulary’s Budget Managers are tasked with reviewing their budgets and recommending savings. This work is undertaken in close co-operation with the Constabulary’s Finance Team.

3.3 Budget monitoring reports are presented to the Commissioner’s monthly Finance Sub-Group, chaired by the Deputy Commissioner, whose minutes are reported to the

Board. This ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing.

- 3.4 The Deputy Commissioner, Commissioner's Chief Finance Officer ("CFO") and Constabulary Director of Finance and Resources meet regularly from September to consider the draft budget and Medium Term Financial Plan ("MTFP"), challenging assumptions and analysing savings in order to improve a realistic and sustainable financial plan that enables the Constabulary to bring the operational policing strategy to fruition. The budget-setting process was shared with the Panel at its meeting on 4 November 2015 allowing them to both support and challenge the Commissioner during the process of budget setting.
- 3.5 The Government's Provisional 2016/17 Police Grant Settlement was announced on 17 December 2015, stating a flat rate reduction in grant funding of 0.6% in cash terms. Once legacy council tax grants are taken into account, this is equivalent to a £416k cash reduction (0.52%) in overall policing grant for Cambridgeshire. The Provisional Settlement covers 2016/17 only. A prudent assumption has been made that the grant will be reduced by 1.00% per annum for the remainder of the MTFP period.
- 3.6 At that time other funding announcements relating to Victims' Grant, Capital Grant and top slicing for the Police share of the Emergency Services Network system were not made, thereby creating uncertainty around these funding streams.
- 3.7 The MTFP was presented to the Business Co-ordination Board (the "Board") at its meeting on 6 January 2016 for consideration. This proposed a balanced budget for 2016/17. The Commissioner also announced his proposal to increase the precept for the 2016/17 financial year by 0.99%.
- 3.8 The Commissioner presented the proposed precept and budget to the Board at their meeting on 22 January 2016 for their consideration. The Commissioner notified the Panel of his proposal to increase the policing element of the precept by 0.99% for the financial year 2016/17. The Panel endorsed this recommendation at their meeting on 3 February 2016.
- 3.9 The final MTFP is shown in Appendix A and will be presented to the Board on 30 March 2016. This final MTFP takes account of the finalisation of the collaboration change team budget (£400k reduction). These savings have been applied to fund additional civilian investigators in the Domestic Violence unit and a local service development team to work on Joint Enforcement Teams. Further identified savings in supplies and services combined with the £1k reduction in the helicopter charge have resulted in a £13k reduction in the amount of reserve required to balance the budget.

4. Risks and uncertainties

- 4.1 The main risks and uncertainties in the MTFP comprise:
 - Pay awards and increments and pension costs
 - Inflationary pressures

- Energy costs – predicting whether and to what extent the current low energy costs will continue.
- In July 2015, the Government proposed a new, simplified allocation model for the police funding formula. The Commissioner’s CFO and Constabulary’s Director of Finance and Resources issued joint responses to the two rounds of consultation that were broadly positive but highlighted concerns with the formula, most notably around the lack of inclusion of non-crime data. On 9 November 2015 the Home Office announced a delay to the finalisation and implementation of the funding formula to 2017/18 with further consultation due to take place in 2016. Implementation of the revised formula is likely to be slow.
- Police Grant – reduction expected over 2017/18 to 2019/20 of up to 1% per annum, to take account of Home Office top slicing of the Police Grant.
- At the present time the exact Police share of the £1bn for the Emergency Services Network (“ESN”) system (the replacement for Airwaves) is not known. The magnitude and timing of the device, vehicle and control room costs are uncertain and the financial pressure in future years associated with this new system will be significant. The ESN architecture will be funded by the Government top-slicing the national police grant.
- The future costs of the Athena system (a ‘one-stop’ IT system which will help police to identify criminals more quickly and increase the potential to catch criminals) can only be estimated at this stage as the project is in development.
- Overtime claims for undercover officers – the claim is passing through the courts at present and the outcome remains uncertain

5. 2016/17 Revenue Budget

5.1 The Police Settlement for 2016/17 covers one year only and represents a grant reduction in 2016/17 of 0.52%.

5.2 The 2016/17 net budget requirement will be £130.5m compared with a 2015/16 net budget requirement of £129.2m. The table below sets out a high level summary of the budget. Appendix A gives a more detailed summary of the 2016/17 budget.

	2015/16 Budget £’m	2016/17 budget £’m
Local Policing	72.4	62.2
Business Support	32.3	17.4
Collaboration	21.7	22.0
To be collaborated	included above	26.3
Office of the Police and Crime Commissioner	1.2	1.2

Police ICT Company / Community Safety / Crime Reduction Grants	1.3	1.4
Ministry of Justice Victims' Grant	0.9	1.0
Capital Financing Costs	1.8	2.4
Income	-2.1*	-1.4*
Net Revenue Expenditure	129.6	132.5
Use of Reserves	-0.4	-2.0
Net Budget Requirement	129.2	130.5

*£0.6m of other income included in To Be Collaborated function from 2016/17

5.3 During the 2016/17 budgeting process £2.8m of savings were identified which has enabled the budget to be balanced for that year. These included:

- Senior police officer posts
- Police staff
- Transport
- Supplies and services

6. Precept 2016/17

6.1 Since taking Office in November 2012, the Commissioner has been ensuring that the Constabulary is delivering an effective and efficient policing service to the people of Cambridgeshire, which is sustainable in the future. To ensure that this can be achieved the Commissioner is overseeing (in conjunction with the Constabulary) the delivery of the provision of mobile technology and Collaboration with Bedfordshire Police and Crime Commissioner/Police together with Hertfordshire Police and Crime Commissioner/Constabulary.

6.2 When considering the precept, the Commissioner has ensured all efficiencies are identified and that the reserve levels are at an appropriate level to meet the needs of policing. During the Commissioner's 2012 Election campaign, the Commissioner had stated he would ensure value for money policing with no extra burden on the council taxpayer.

6.3 Between March 2012 (the budget inherited by the Commissioner from the Police Authority) and November 2015 the change in key national financial indicators has been as follows:

- Consumer Price Index: 4.99%
- Retail Price Index: 7.89%

- Average weekly earnings: 6.02% (figures to October 2015 – November 2015 data not yet available)

- 6.4 The Provisional Police Grant Settlement announced that no Police and Crime Commissioner would face a cash reduction in Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept.
- 6.5 For the above reasons, and also due to projects currently in place to deliver future efficiencies, the Commissioner will be increasing council tax by 0.99% for 2016/17. This would see the policing element of a 2016/17 Band D council tax increasing from £181.35 to £183.15 per annum, an increase of 3.5p per week. The Commissioner wants to ensure he has listened to what people have told him, balancing their expectations of police visibility with affordability of tax increases, whilst driving efficiencies. This means that between 2012/13 and 2016/17 the total increase in council tax for a Band D property was 4.951%, marginally less than any of the indicators in 6.3.

7. Medium Term Financial Plan

- 7.1 The MTFP is a projection of the likely resource requirements over the next four years (up to 2019/20), based on both known events and assumptions of likely occurrences (such as inflation). This is a live document which will be continually updated as and when new information is received.
- 7.2 In the MTFP in Appendix A, services in the process of being collaborated with Bedfordshire Police and Hertfordshire Constabulary were included within the local policing figures in 2015/16. For the 2016/17 budget and beyond these are shown within a separate section titled 'To Be Collaborated', thus giving a more detailed picture of the Local Policing budget going forward.
- 7.3 The MTFP pulls together forecasts for expenditure, funding, precept, reserves and investments over the next four years, which then estimates the funding gap required to be addressed. This is a base tool for future planning, but it is important to stress that it is not the only tool used in future planning.
- 7.4 Whilst the Government announced its funding intentions for 2016/17, it did not give indications to funding levels beyond this period. As mentioned in 4.1 above, the police funding formula is being reviewed in order to produce a new and simplified allocation model, with consultation taking place in 2016. This has created a level of uncertainty as to future funding and the size of the budget gap for 2017/18 to 2019/20. The Commissioner and Constabulary have taken a prudent approach and assumed that the police grant will be reduced by 1.00% per annum for the remainder of the MTFP period.
- 7.5 The MTFP shows the key assumptions that have been made when predicting future resource requirements and funding levels. This shows the cumulative gap over MTFP period is anticipated to be £6.3m.
- 7.6 Work to balance the budget for the period 2017/18 to 2019/20 continues to focus on collaboration initiatives as part of the Constabulary's three-way Strategic Alliance with

Bedfordshire Police and Hertfordshire Constabulary. This collaboration, coupled with the embedding of tuServ (the IT streamlining of processes to deliver information directly to the front-line) and further local savings in areas such as procurement and strategic use of estates, are projected to deal with the funding gap in the medium term.

Bedfordshire, Cambridgeshire and Hertfordshire Collaboration

7.7 Collaboration between Bedfordshire, Cambridgeshire and Hertfordshire is delivering a significant contribution to the overall goal of the three forces to scale back office costs by up to £20m each year from a baseline of £120m. This Strategic Alliance enables the three forces to develop plans to collaborate on a range of operational support and organisational support functions. The three are already collaborating on a number of areas including Armed Policing, Procurement, the Professional Standards Department and Roads Policing. The Alliance signed the legal agreement under Section 22A of the Police Act (“the S22A Agreement”) on 27 November 2015 to progress with the collaboration of the following areas, creating savings of £2.8m for Cambridgeshire from 2017/18 to 2019/20:

- **Public Contact:** an integrated tri-force public contact service incorporating digitally enabled public services, with increased online access and self-service to provide an improved citizen experience, whilst reducing demand on police resources and increasing resilience.
- **Human Resources and Learning and Development:** a single organisational support function covering recruitment, knowledge and skills building, managing change programmes, health and safety, and application of regulations, terms and conditions in a unified way.
- **Firearms and Explosives Licensing:** a single tri-force structure and process to manage applications, renewals and revocations of firearms and explosives licences, and manage risk and appropriate use of intelligence.

7.8 Additional areas where there is evidence that collaboration will improve efficiency and resilience include Information Management, ICT, Criminal Justice and Custody and collaboration plans in these areas are also progressing. Full Business Cases were agreed for these areas on 13 October 2015. The S22A agreement for ICT was signed on 28 January 2016. Strategic work on the remaining S22A Agreements, and practical implementation plans, are already in hand with expectations of savings coming to fruition from 2017/18 to 2019/20 predicted to be £1.5m.

7.9 Total collaboration savings for 2017/18 to 2019/20 including Joint Protective Service and the Eastern Regions Special Operations Unit (ERSOU) are predicted to reach £5.8m.

ERSOU:

7.10 ERSOU was established in 2010 to deliver an increased response to tackling the threat of organised crime across the six police forces/police and crime commissioners (Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk) in the

Eastern Region of the United Kingdom and to provide specialist covert policing capability to law enforcement. The Collaboration includes the Eastern Region Intelligence Unit, Regional Asset Recovery Team, Asset Confiscation Enforcement and the Cyber Crime Unit.

- 7.11 The budget includes a £2.4m contribution to this collaboration, which reflects the cost of the services that are within ERSOU.

Seven-Force Collaboration:

- 7.12 Wider collaboration across the Eastern Region covers the counties of Bedfordshire, Cambridgeshire, Hertfordshire, Norfolk, Suffolk, Essex and Kent. A collaboration team has been set up and an initial collaboration covering the areas of procurement, vetting and the anti-corruption element of the Professional Standards Department is in development. No savings have been assumed from this initiative in the MTFP period as the collaboration is in an early stage of development, but the expectation is that it will deliver savings in the longer term.

Other Joint Arrangements:

- 7.13 The Commissioner is also engaged in a national arrangement for the provision of air support for the Cambridgeshire through the National Police Air Service (NPAS) and ensuring custody capacity through an arrangement with Norfolk Police to share the use of King's Lynn Police Investigation Centre.

8. Workforce

- 8.1 Despite ongoing budget pressures, the total number of police officer posts in the Constabulary establishment is budgeted to slightly increase from 1,343 in 2015/16 to 1,352 in 2016/17. 76% of police officers are deployed on front-line duties.
- 8.2 PCSO establishment numbers are budgeted to remain at 150.
- 8.3 Police Staff budgeted numbers are estimated to fall from 825 to 803 in 2016/17 due to local and collaboration-related reductions in headcount.
- 8.4 The target for Special Constabulary numbers continues to be 300.
- 8.5 As referred to in para 7.7, the Constabulary is already collaborating in several areas. This has enabled each Force/Constabulary to have access to a greater number of resources. The table below shows that 93 staff are to be collaborated and these relate to the functions of Learning and Development, Public Contact, Custody and Criminal Justice. It is anticipated the total number of resources the Constabulary will have access to will increase as collaboration continues to develop.

Workforce projections (establishment)	2015/16	2016/17
Police Officers:		
Local Policing	1,147	1,047
Other Policing (collaborated)	196	212
To be collaborated		93
Total Officers	1,343	1,352
Police Staff:		
Police Staff	825	803
PCSOs	150	150
Total Staff	975	953

8.6 Actual strength as at 30 September 2015 was 1,335 officers of which 1,012 were Constables. 15 new constable recruits started in November 2015 and a further 15 starters are due to join by the end of March 2016.

9. Specific Grants

9.1 The Commissioner has allocated £2.28m of grant funding to use towards various community safety and victim led initiatives/services. These specific grants have controls in place and recipients must demonstrate that the money has been used for the correct purpose. This is outlined below:

- The Police Reform and Social Responsibility Act 2011 gave Commissioners the powers to make crime and disorder reduction grants. During 2014/15 the Commissioner took over grants previously issued by the Constabulary and integrated them with the Community Safety Grants. The Commissioner made grants of £1,307k in 2015/16 and will be making grants of £1,300k in 2016/17.
- The Commissioner received £910k during 2015/16 from the Ministry of Justice to commission services for victims and will receive £981k for this purpose in 2016/17. This funding is allocated to enable all Police and Crime Commissioners to provide:
 - (i) services for victims of crime and particularly victims in the priority categories outlined in the Victims' Code: victims of the most serious crime, persistently targeted victims, and vulnerable or intimidated victims, to help them cope with the immediate impacts of crime and, as far as possible, recover from the harm they have experienced

- (ii) services for victims of sexual and/or domestic violence;
 - (iii) support services for family members;
 - (iv) capacity and capability building for restorative justice services (this element of the grant is unringfenced).
- 9.2 The move from national to local commissioning of victim support services has enabled the Commissioner to integrate the provision of evidence-based support services for victims of crime in the county. A mixed model of funding services has been used which includes commissioning and grant agreements.
- 9.3 In a pioneering move, the Commissioner opted out of the national services provided by the charity Victim Support and created a police-led locally-based Victims' Hub staffed by local people who understand local crime trends and the local support services available. The flexibility of the model has allowed the Constabulary and the Commissioner to respond, in November 2015, to changes to the Code of Practice for Victims of Crime which extends entitlements to victims of careless and drink driving. It is also available to vulnerable victims of anti-social behaviour.
- 9.4 A range of specialist services have been commissioned by the Commissioner to enable victims of crime to cope and recover and move on from their experience. This ranges from a dedicated post to support migrant victims of exploitation to another who supports young victims of crime and their families. A team of Mental Health Pathfinders (Community Psychiatric Nurses) deliver a range of services from providing self-help techniques on relaxation, stress and anxiety management along with personal face-to-face visits and pathfinding victims to the most appropriate primary care services.
- 9.5 **Domestic and Sexual Violence Support Services:** The Victim Care Co-ordinators within the Victims' Hub provide support to standard and medium risk victims of domestic violence where a specialist support service is not assigned. Outside of the Hub the services available for victims of domestic abuse and serious sexual offences have also been boosted through grants to Rape Crisis and Women's Aid. This funding has contributed to the provision of sexual violence counselling, peer support groups and telephone helplines. Young victims are able to access enhanced support through two Young Person Independent Sexual Violence Advisors. A Young Person Independent Domestic Violence Advisor is also funded to sit within the force's Multi-Agency Safeguarding Hub.
- 9.6 **Home Security for elderly victims of crime:** A charity is commissioned to provide practical support to elderly victims of crime to secure their homes and make them feel safe.
- 9.7 **Road Traffic Victims:** The bereaved families of those killed on the county's roads in fatal road traffic collisions are being supported by a local charity. The work of the charity's volunteers not only saves officer time but professionalises the support offered to families in what are often traumatic circumstances.

9.8 The Office of the Police and Crime Commissioner (“OPCC”) has stayed true to the ‘Understand, Plan, Do and Review’ mantra. This has ensured all commissioned services are evidence-based and regularly evaluated to ensure they are meeting the needs of victims.

10. Capital Financing

10.1 The Capital Programme expenditure for 2016/17 to 2019/20 has been financed without the need for external borrowing, which has been the wish of the Commissioner, to continually ensure that available resources are maximised for policing purposes. Financing of the programme will be through several different sources which include Capital Grant from Government, Capital Receipts, Revenue Contributions and the use of Capital Reserves for its intended purpose.

10.2 The Capital Programme’s 2016/17 to 2019/20 revenue effects are included in the budget and the MTFP.

11. Robustness of estimates

11.1 Under Section 25 of the Local Government Act 2003, the Commissioner’s Chief Financial Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations.

11.2 A sound financial strategy is the key enabler to the achievement of the pledges in the Plan, the objectives of the operational policing strategy and the protection of front-line policing. The best way to keep people safe and maintain police resources and people’s confidence in the police is to place an emphasis on long-term financial and strategic management as a whole. The Commissioner and Constabulary never look at expenditure numbers in isolation. The iterative and ongoing process of analysing and setting the Commissioner’s and Constabulary’s budgets is set out in paragraphs 3.1 to 3.4 above.

11.3 2016/17 remains the most challenging year due to the impact of the end of contracting-out of National Insurance contributions (£2m pressure) and the fact that collaboration savings will not be fully realised until later in the MTFP period. The Budget Assistance reserve will be used to balance the budget during this period, as explained further in paragraph 15.5 below.

12. Use of Reserves

12.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of the proposed financial reserves as part of budget setting considerations.

12.2 Appendix B sets out the Commissioner’s reserves including estimated movements in 2015/16 and 2016/17.

12.3 Earmarked Reserves have been built up over the last few years specifically for the financing of capital (via the Capital Reserve). The Capital Reserve has been applied to fund legacy schemes (schemes approved pre 2013) and use of the Capital Reserve in

this way reduces the pressure on the revenue costs required to fund the capital programme.

- 12.4 The Commissioner holds a general reserve, primarily as a contingency for the cost of major police operations. This reserve currently totals £7.2m or 5.5% of the Net Budget Requirement for 2016/17 which is considered a prudent percentage of the total budget to hold as a general reserve for operational contingencies.
- 12.5 The Budget Assistance reserve currently stands at £9.8m. The revenue budget for 2016/17 seeks to utilise £2.0m of Budget Assistance reserve, to balance the budget while the changes and savings being achieved through organisational and operational support collaboration are realised. Opportunities to replenish this reserve will be sought throughout the MTFP period as those benefits materialise in later years.

13. Summary

- 13.1 Robust plans are in place for maintaining police performance, protecting frontline policing, and continuing to work with partners to reduce offending and improve support for victims.
- 13.2 The MTFP shows a gap of £6.3m to 2019/20. The Commissioner continues to seek to ensure that the Constabulary are delivering policing effectively and efficiently. The adoption of new technology and working in collaboration with other forces will continue to deliver further efficiencies in future years to ensure that the front line is protected, without having to burden the people of Cambridgeshire through increases in council tax.

14. Recommendations

- 14.1 The Committee is requested to note the contents of the report.

Source Document (s)	Contact Officer	Location
Policing Protocol Police and Crime Panel Precept Report 2016/17	Josie Gowler, Chief Finance Officer and Deputy Chief Executive, Police and Crime Commissioner Niki Howard, Director of Finance and Resources, Constabulary	Cambridgeshire Police & Crime Commissioner, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA

	Original Budget 2015/16 £'000	Updates To Budget 2015/16 £'000	Updated Budget 2015/16 £'000	Original Proposed Budget 2016/17 £'000	Updates To Budget 2016/17 £'000	Final Proposed Budget 2016/17 £'000	Forecast Budget 2017/18 £'000	Forecast Budget 2018/19 £'000	Forecast Budget 2019/20 £'000
Local Policing Expenditure									
Police Officer Pay	42,793		42,793	41,650		41,650	42,817	43,852	44,553
Police Officer Overtime	1,864		1,864	1,819		1,819	1,819	1,819	1,819
Police Pensions	9,227		9,227	8,671		8,671	8,914	9,129	9,275
Police Staff	13,612		13,612	4,758	300	5,058	4,835	4,912	4,991
Police Staff Overtime	165		165	55		55	56	57	58
PCSO Pay & Allowances	4,787		4,787	4,968		4,968	5,047	5,128	5,210
Total Local Policing Expenditure	72,448		72,448	61,922	300	62,222	63,488	64,897	65,906
Business Support Expenditure									
Police Officer Pay	2,560		2,560	1,377		1,377	1,399	1,421	1,444
Police Officer Overtime	16		16	0		0	0	0	0
Police Pensions	2,894		2,894	2,757		2,757	2,812	2,869	2,926
Police Staff	9,446		9,446	2,906	100	3,006	2,952	3,000	3,048
Police Staff Overtime	18		18	0		0	0	0	0
Training	587		587	0		0	0	0	0
Other Employee Expenses	31		31	4		4	4	4	4
Premises Costs	4,080		4,080	3,750		3,750	3,863	3,979	4,098
Transport Costs	1,480		1,480	1,026		1,026	1,057	1,088	1,121
Supplies & Services	9,771	55	9,826	4,336	-12	4,324	4,816	4,898	4,983
Agency & Hosted Services	1,406		1,406	1,115		1,115	1,137	1,160	1,183
Total Business Support Expenditure	32,289	55	32,344	17,271	88	17,359	18,039	18,418	18,806
Collaboration Expenditure									
Regional Change team				171		171	174	177	179
Business Support				94		94	96	97	99
Athena - AMO				425		425	431	438	445
Collaboration Team - Change	1,895		1,895	1,758	-400	1,358	1,200	1,000	750
Collaboration Team - Athena	0		0	292		292	296	301	306
Armed Policing	2,380		2,380	2,410		2,410	2,449	2,488	2,528
CTC	0		0	0		0	0	0	0
Dogs Unit	842		842	752		752	764	776	789
Major Crime	3,211		3,211	3,131		3,131	3,181	3,232	3,284
Operational Planning	367		367	296		296	301	306	310
Procurement	268		268	268		268	272	277	281
PS Command	201		201	198		198	201	204	208
PSD	884		884	944		944	959	974	990
Roads Policing Unit	4,813		4,813	4,706		4,706	4,781	4,858	4,936
Scientific Services	2,671		2,671	2,563		2,563	2,604	2,646	2,688
CT and DE	622		622	630		630	640	651	661
ERSOU	2,121		2,121	2,359		2,359	2,397	2,435	2,474
Helicopter	490		490	490	-1	489	500	510	520
Kings Lynn PIC	940		940	913		913	931	950	969
Total Collaboration Expenditure	21,705		21,705	22,399	-401	21,998	22,177	22,318	22,415
To be collaborated									
Police Officer Pay				4,464		4,464	4,535	4,608	4,681
Police Officer Overtime				61		61	61	61	61
Police Pensions				949		949	964	979	995
Police Staff	Included in figures in the local policing and business support		Included in figures in the local policing and business support	15,129		15,129	15,371	15,617	15,866
Police Staff Overtime				126		126	126	126	126
Training				500		500	500	500	500
Other Employee Expenses				27		27	28	28	29
Premises Costs				91		91	93	96	99
Transport Costs				96		96	98	101	104
Supplies & Services				5,176		5,176	5,280	5,385	5,493
Agency & Hosted Services				296		296	302	308	314
Other Income				-635		-635	-635	-635	-635
Total Business Support Expenditure	0		0	26,278		26,278	26,722	27,174	27,634
OPCC									
Police Staff & Commissioner	954		954	977		977	993	1,009	1,025
Other Employee Expenses	4		4	2		2	2	2	2
Premises Costs	36		36	28		28	28	29	29
Transport Costs	19		19	25		25	26	26	26
Supplies & Services	230		230	196		196	199	202	205
Total OPCC Expenditure	1,219		1,219	1,229		1,229	1,248	1,268	1,287
Police ICT Company Subscription	25		25	60		60	60	60	60
Community Safety / Crime Reduction Grants	1,307		1,307	1,300		1,300	1,300	1,300	1,300
Ministry of Justice Victims' Grant	910		910	981		981	981	981	981
Capital Financing Costs									
Revenue Contribution to Capital	493		493	1,212		1,212	2,091	2,281	2,039
Interest	455		455	434		434	434	434	434
MRP	808		808	774		774	774	774	774
Total Capital Financing Costs	1,756		1,756	2,420		2,420	3,299	3,489	3,247
GROSS REVENUE EXPENDITURE	131,658	55	131,713	133,860	-13	133,847	137,314	139,906	141,637
Total Income	-2,126		-2,126	-1,376		-1,376	-1,376	-1,376	-1,376
NET REVENUE EXPENDITURE	129,532	55	129,587	132,484	-13	132,471	135,938	138,530	140,261
Contributions +To /- From Reserves	-395		-395	-1,980	13	-1,967			
NET BUDGET REQUIREMENT (NBR)	129,137	-55	129,192	130,504	0	130,504	135,938	138,530	140,261
Budget -Decrease / +Increase Year on Year	-1.5%		-1.4%	1.0%		1.0%	4.2%	1.9%	1.2%

Financed by:								
Formula Grant	79,791	55	79,847	79,431	79,431	78,637	77,850	77,072
Actual Grant Reductions	-5.11%		-5.11%	-0.52%	-0.52%	-1.00%	-1.00%	-1.00%
Ministry of Justice Victims' Grant	910		910	981	981	981	981	981
Precept	48,219		48,219	49,682	49,682	51,683	53,766	55,932
Collection Fund - Deficit / +Surplus	217		217	410	410			
TOTAL FINANCING	129,137	55	129,192	130,504	130,504	131,301	132,597	133,985
	-1.48%		-1.44%	0	0			
BUDGET GAP	0	0	0	-0	0	-4,638	-5,933	-6,276
	0	0	0	-0	0	-4,638	-1,295	-343
Band D Council Tax £	£181.35		£181.35	£183.15	£183.15	£186.79	£190.51	£194.30
Increase	£0.00		£0.00	£1.80	£1.80	£3.64	£3.72	£3.79
KEY ASSUMPTIONS INCLUDED IN THE FORECASTS ABOVE								
Council Tax base increases								
Actual	2.13%		2.13%	1.98%	1.98%			
Forecast						2.00%	2.00%	2.00%
Council Tax	0.00%		0.00%	0.99%	0.99%	1.99%	1.99%	1.99%
Tax base	265,892		265,892	271,265	271,265	276,690	282,224	287,869
Grant increase / Decrease (-)	-5.11%		-5.11%	-0.52%	-0.52%	-1.00%	-1.00%	-1.00%
Police officer pay rise (w.e.f 01/09)	1.00%		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Police staff pay rise	2.20%		2.20%	0.58%	0.58%	1.00%	1.00%	1.00%
Increment increase	1.00%		1.00%	0.60%	0.60%	0.60%	0.60%	0.60%
General Inflation	1.40%		1.40%	1.00%	1.00%	2.00%	2.00%	2.00%
Energy Inflation	3.50%		3.50%	1.50%	1.50%	3.00%	3.00%	3.00%

Appendix B

General and Earmarked Reserves - Movements

	Balance	Forecast		Balance	Forecast		Notes	Balance
	31 March	2015/16		31 March	2016/17			31 March
	2015			2016				2017
	Added to			Added to				
	Reserve	Applied		Reserve	Applied			
£000	£000	£000	£000	£000	£000	£000	£000	
Carry Forward Underspending Reserve	846	750	(846)	750	750	(750)	750	
Insurance Reserve	1,047	-	-	1,047	-	-	1,047	
Ill-Health Retirement Reserve	627	-	-	627	-	-	627	
Capital Reserve	4,683	989	(665)	5,007	-	(500)	4,507	
Drug Forfeiture (Operational) Reserve	127	8	(37)	98	-	-	98	
Budget Assistance Reserve	9,797	-	-	9,797	-	(3,032)	(A) 6,752	
Capital Carry Forward Reserve	1,912	500	(1,912)	500	500	(500)	500	
Casualty Reduction & Support Reserve	515	476	(269)	722	-	-	(B) 722	
Collaboration & Commissioning Reserve	241	-	(34)	207	-	-	207	
Total Earmarked Reserves	19,795	2,723	(3,763)	18,755	1,250	(4,782)	15,210	
General Reserve	7,197	-	-	7,197	-	-	7,197	
Capital Receipts Reserve	705	866	-	1,571	-	1,000	571	
Total Usable Reserves	27,697	3,589	(3,763)	27,523	1,250	(5,795)	22,978	

(A) Comprises £1,967k use of reserves to balance 2016/17 budget plus £1,065k to finance capital programme (subject to outcome of Innovation Fund bids)

(B) Planning of allocation of reserve to 2016/17 casualty reduction initiatives is in progress