



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST:

For the consideration and approval of the PCC

Title:

Proposing a Precept to the Police and Crime Panel

Executive Summary:

Legislation requires that the Police and Crime Commissioner (PCC) agrees its budget and associated precept and basic council tax for the forthcoming year before 1st March each year. However before doing so the PCC must notify the relevant Police and Crime Panel of the precept which they propose to issue for the following year. The report attached to this Decision Record Form sets out the options for consideration by the PCC in making the decision including the relevant financial information and supporting information.

Decision:

The attached paper sets out the options for the PCC to consider in relation to the precept for 2015/16 and provide the PCC with options as to which one to propose to the Police and Crime Panel.

The PCC is asked to approve the 2015/16 Tax Base as 142,702 Band D equivalent properties.

Based on prior discussions with the PCC and the planning assumptions on which the financial plans of the organisation have been based, the PCC is asked to approve proposing, to the Police and Crime Panel, a Band D 'Police' Precept of £206.26 for 2015/16. This is an increase of 1.99% in comparison to the 2014/15 'Police' Precept and will result in a Band D Police Precept increase of 8 pence per week.

However as around 80% of properties in Cleveland are in council tax Bands A-C these households would see an increase in their bills of between 5 and 7 pence per week based on the proposed 1.99% increase.

Implications:

Has consideration been taken of the following:	Yes	No	
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(If yes please provide further details below)

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

The attached report includes the financial implications of the decision being proposed, it has been written by the PCC's CFO and includes the comments of the post holder.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Equality and Diversity Implications

N/A

Human Rights Implications

N/A

Sustainability Implications

This report is part of the process required to ensure that the process for proposing a precept to the Police and Crime Panel is open and transparent. It sets out the realistic options that the PCC can and should consider before proposing a precept to the PCP and is part of the process of establishing sustainable annual and medium term financial plans and maintaining prudent financial management within the organisation.

Risk Management Implications

The requirements on the PCC to propose and consult with the PCP on their proposals for Precept are set out in legislation and covered in the attached report. Failure to start the consultation process with the PCP before the end of January 2015 and to conclude this process, including setting a precept before 1st March 2015, would result in an illegal budget.

OFFICER APPROVAL**Chief Executive**

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed: Simon Jenni Date: 28/1/15

Police and Crime Commissioner:

The above request HAS / ~~DOES NOT HAVE~~ my approval.

Signed: B Cop Date: 28/1/15

Report of the Chief Financial Officer of the PCC to the Police and Crime Commissioner for Cleveland

23rd January 2015

Author: Mr Michael Porter, CFO

Status: For decision

Proposing the 2015/16 Precept

1 Purpose

- 1.1 Legislation requires that the Police and Crime Commissioner (PCC) agrees its budget and associated precept and basic council tax for the forthcoming year before 1st March each year. However before doing so the PCC must notify the relevant Police and Crime Panel of the precept which they propose to issue for the following year.
- 1.2 This report establishes the Council Tax Base and presents 2 options of precept for the forthcoming year.
- 1.3 Those two options for the PCCs consideration are:
 - Option 1 - A precept freeze
 - Option 2 - A precept rise of 1.99%

2 Recommendations

2.1 The PCC is asked to agree one of the following options on the Precept for 2015/16 which will then be proposed to the Police and Crime Panel:

2.2 Option 1 – Precept freeze

- The Net Budget Requirement for 2015/16 as £123,206k.
(this is a reduction of £3,015k from the 2014/15 position)
- The funding for the Net Budget Requirement for 2015/16 as:

	£000s
Funding	
Police Grant	(46,417)
RSG/National Non Domestic Rate	(38,753)
Total Formula Funding	(85,170)
Net Surplus on Collection Funds	(1,157)
Council Tax Freeze Grant	(1,151)
Council Tax Support Grant	(6,868)
Council Tax Requirement	(28,860)
Net Budget Requirement	(123,206)

- The Council Tax Requirement as £28,860,114
- The tax base for 2015/16 as 142,702 Band D equivalent properties.
- The basic amount of council tax (Band D equivalent) for 2015/16 be set at £204.240
- The following precepts be levied on the four billing authorities:

Hartlepool	4,509,709
Middlesbrough	6,236,273
Redcar	7,552,855
Stockton	10,561,276

- Agree that council tax be set at the following levels:

Property Band	Proportion	Council Tax to 3 Decimal Places
		£
A	2/3rds	134.827
B	7/9ths	157.298
C	8/9ths	179.769
D	1	202.240
E	1&2/9ths	247.182
F	1&4/9ths	292.124
G	1&2/3rds	337.067
H	2	404.480

2.3 *Option 2 – Precept rise of 1.99%*

- The Net Budget Requirement for 2015/16 as £123,428k.
(this is a reduction of £2,793k from the 2014/15 position)
- The funding for the Net Budget Requirement for 2015/16 as:

	£000s
Funding	
Police Grant	(46,417)
RSG/National Non Domestic Rate	(38,753)
Total Formula Funding	(85,170)
Net Surplus on Collection Funds	(1,157)
Council Tax Freeze Grant	(800)
Council Tax Support Grant	(6,868)
Council Tax Requirement	(29,434)
Net Budget Requirement	(123,428)

- The Council Tax Requirement as £29,433,716
- The tax base for 2015/16 as 142,702 Band D equivalent properties.
- The basic amount of council tax (Band D equivalent) for 2015/16 be set at £206.260.

- The following precepts be levied on the four billing authorities:

Hartlepool	4,599,341
Middlesbrough	6,360,220
Redcar	7,702,970
Stockton	10,771,185

- Agree that council tax be set at the following levels:

Property Band	Proportion	Council Tax to 3 Decimal Places
		£
A	2/3rds	137.506
B	7/9ths	160.424
C	8/9ths	183.342
D	1	206.260
E	1&2/9ths	252.095
F	1&4/9ths	297.931
G	1&2/3rds	343.766
H	2	412.519

3 Reasons

3.1 Agreeing the Precept

The balance of cost of the police service not paid for by central government is met by local taxpayers through a precept on their council tax. It is the responsibility of the four local billing authorities namely, Hartlepool Borough Council, Middlesbrough Borough Council, Redcar & Cleveland Borough Council and Stockton on Tees Borough Council to collect this.

3.2 Legislation requires the precept for 2015/16 to be set before 1st March 2015. The precept on each of the four billing authorities is set taking account of their individual surpluses/deficits on collection funds.

3.3 The PCC's attention is drawn to the following:

- The police and crime commissioner must notify the relevant police and crime panel of the precept which the commissioner is proposing to issue for the financial year (the "proposed precept") by the 31st January 2015.
- A Police and Crime Panel (PCP) can veto the proposed precept from the PCC if 2/3rds of the Membership of the panel vote to do so. In the case of the PCP for Cleveland 10 out of the 14 Members would have to vote against the proposed precept for it to be vetoed.
- The PCP are required to issue a report to the PCC on the proposed precept, by the 8th February 2015, including any recommendations that they may have on the proposal and also whether they have voted to veto the proposal.
- If the PCP do not veto the proposed precept:

The PCC must:

- Have regard to the report made by the panel including any recommendations in the report,
- Give the panel a response to the report and any recommendations; and
- Publish the response.

The PCC may then:

- Issue the proposed precept as the precept for the financial year, or
 - Issue a different precept, but only if it would be in accordance with a recommendation made in the report to do so.
-
- If the PCP veto the proposed precept then the PCC must not issue the precept and further steps must be undertaken in line with the precept regulations.

- A police and crime commissioner may not **issue** a precept under section 40 of the Local Government Finance Act 1992 for a financial year until the end of this scrutiny process is reached.

3.4 The Tax Base

The four Borough Councils have notified the PCC of their tax bases for 2015/16 as set out in the table below:

Tax Base				
	2015/16		2014/15	
	Allowance for Non Collection (%)	Net Tax Base	Allowance for Non Collection (%)	Net Tax Base
Hartlepool Borough Council	1.5	22,299	1.5	21,901
Middlesbrough Borough Council	3.7	30,836	3.7	30,248
Redcar & Cleveland Borough Council	1.0	37,346	3.0	35,980
Stockton on Tees Borough Council	3.0	52,222	3.0	51,495
		142,702		139,624

- 3.5 The tax base is expressed in terms of Band D equivalent properties. Actual properties are converted to Band D equivalent by allowing for the relevant value of their tax bands as set down in legislation (ranging from 2/3rds for Band A to double for Band H; discounts for single person occupation, vacant properties, people with disabilities etc;) and a percentage is deducted for non-collection. Allowance is also made for anticipated changes in the number of properties.
- 3.6 The tax base calculated by the billing authorities differ from the figures used by the Government (which assumes 100% collection) in calculating Grant Formula entitlements.
- 3.7 As can be seen from the table above the number of Band D equivalent properties across Cleveland has increased in 2015-16, in comparison to 2014-15, by 3,078 – this equates to an increase of 2.2%. This has resulted from various changes across the different councils, including:
- A better understanding on the impact of the policy which Localised Council Tax Support.
 - Changes to recognition of council tax income within Redcar and Cleveland.
 - New House Building.
- 3.8 The financial impact of this increase in calculated Band D properties of 3,078 is £635k which could aid to reduce budget reductions and savings.
- 3.9 **The PCC is asked to agree the 2015/16 tax base as 142,702 Band D Equivalent properties.**

3.10 Setting the Council Tax

The precept calculation needs to take account of any net surplus or deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds are shown in the table below.

Collection Funds Surplus/ (Deficit)	
	£
Hartlepool Borough Council	92,923
Middlesbrough Borough Council	123,481
Redcar & Cleveland Borough Council	370,000
Stockton on Tees Borough Council	570,150
Net Surplus on Collection Fund	1,156,554

3.11 The surpluses that have arisen need to be returned through the precept. The final precept to be levied will reflect the position on each borough's collection fund.

3.12 Prior to the Localisation of Council Tax benefits, the overall surplus on the collection funds of the 4 Councils would result in a surplus of just under £200k being paid to the police service. As can be seen from the above table the amount to be paid in 2015/16 is significantly higher than this at over £1.1m.

3.13 This results, in part, from more information now being available on the impact of the Localisation of Council Tax benefit scheme and a change to the criteria for the way that Redcar and Cleveland account for income on council tax. There is no guarantee that this level of surplus will continue into future years and therefore the current financial plans do not assume any surplus/deficit on the collective collection funds across the four councils.

3.14 **Precept Options**

The options around Precept for 2015/16 seek to provide the PCC with the realistic choices that they have in relation to proposing a Precept to the PCP.

Option 1: Precept Freeze

3.15 The Government has offered a Grant, which will be received in 2015-16 only based on current correspondence, that is the equivalent to a 1.0% precept increase based on the Council Tax base before the adjustments made in relation to the Localisation of Council Tax Support policy, to all Police and Crime Commissioners that choose to freeze, or reduce, Council Tax levels from those in place for 2014-15.

3.16 This Grant, if the PCC chooses to freeze precept for 2015-16, is expected to be for £351k and is only expected to be received in 2015-16

3.17 In a letter dated the 15th January 2014 it was stated that "Ministers have agreed that the funding for 2014-15 (including 2015-16) freeze grant should

be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available." And that the "Funding for 2011-12 and 2013-14 freeze grants is now in the local government settlement total for future years.

- 3.18 This position was re-iterated in a letter to PCC's in December 2014 as part of the 2015/16 settlement process. It is important to realise that while this paper focuses on Precept, and forecasts that the Precept Grant will only be received for one year, the indication from the Government is that the Grant will then become part of the PCC's core Police Grant.
- 3.19 There is a risk therefore that by not accepting the grant that the PCC is 'turning down' around £350k of permanent government funding, however there are no guarantees that this grant will become part of Core Funding. The only Precept Grant that has ceased being paid since they were introduced, which happened prior to the commitment given about them being built into the spending review baseline, was not added to the Core Funding of those that has previously accepted this grant.
- 3.20 The planning assumption for the 2015-16 budget and the wider LTFP is based on the precept increasing by 1.99% per annum, with the financial plans based on precept being received at the levels outlined in the table below:

	Forecasts			
	2015/16	2016/17	2017/18	2018/19
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Precept (Assumed 1.99% increase p.a.) - Nov 2014 position	(28,799)	(29,369)	(29,949)	(30,539)
Growth in Band D Assumptions	(81)	(161)	(241)	(321)
Total	(28,880)	(29,530)	(30,190)	(30,860)

- 3.21 Given the increases in Tax Base reported by the local councils, as per paragraph 3.4, the collection surplus that will be payable to the PCC in 2015/16, as per paragraph 3.10, and the offer of a Grant in 2015/16 the forecast precept levels for the next 4 years, based on a freeze in 2015/16 and a 1.99% increase thereafter is as follows:

Precept Freeze in 2015/16	Forecasts			
	2015/16	2016/17	2017/18	2018/19
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Precept - Freeze in 15/16, 1.99% increase p.a. thereafter	(28,238)	(29,434)	(30,159)	(30,841)
Growth in Band D	(623)	(136)	(81)	(82)
Collection Surplus	(1,157)			
Council Tax Freeze Grant	(351)			
Total	(30,368)	(29,570)	(30,240)	(30,924)
Variance to November 2014 Financial Plan	(1,488)	(40)	(50)	(64)

- 3.22 Given the significant increase in the calculated number of Band D properties between 2014/15 and 2015/16 the underlying level of Precept to be received by the PCC will increase by 2.2% between the 2 years even if the PCC freezes precept in 2015/16. This is evidenced by the recurring benefit to the PCC in 2016/17, in comparison to the November 2014 Financial Plan position which assumed a 1.99% increase year on year.
- 3.23 Also in 2015/16, the significant collection surplus and the Council Tax freeze Grant would provide the PCC with nearly £1.5m more funding than was expected within the Financial Plan that was presented in November 2014.
- 3.24 The impact of freezing council tax in 2015-16 and then assuming a 1.99% increase in precept in each subsequent year of the LTFP, in comparison to the **current plan** (November 2014), is that the PCC would have more income available in each year as a result of the significant Tax Base growth.

Option 2: Precept Rise of 1.99%

- 3.25 The Localism Act 2011 includes powers for council tax referendums. A referendum will take place if an authority, including a PCC, proposes a percentage increase in council tax that exceeds the level agreed. These referendums would be binding.
- 3.26 At the time of the provisional 2015/16 settlement the Local Government Minister announced that if a local authority, which includes PCC's, seeks to raise their council tax **by 2% or more** in 2015/16 a local referendum must be held.
- 3.27 Having established in the section on precept freeze that freezing the precept in 2015/16 and increasing by 1.99% per annum thereafter will result in more income from Precept than is currently assumed within the LTFP as a result of the significant growth in Tax Base reported by the councils within Cleveland, it is also important to understand the impact of increasing precept by 1.99% in 2015/16, in line with current planning assumptions.
- 3.28 The table below sets out the additional funding, in comparison to the precept freeze option and the current planning assumptions, of the PCC choosing to increase precept by 1.99% in 2015/16 and in each year thereafter:

1.99% Precept Increase in 2015/16	Forecasts			
	2015/16	2016/17	2017/18	2018/19
Funding	£000s	£000s	£000s	£000s
Precept increase of 1.99% p.a.	(28,799)	(30,019)	(30,757)	(31,453)
Collection Surplus	(1,157)			
Growth in Band D Assumptions	(635)	(139)	(82)	(84)
Total	(30,590)	(30,158)	(30,839)	(31,537)
Additional Funding in comparison to Precept Freeze option	(222)	(587)	(600)	(613)
Additional Funding in comparison to November 2014 Financial Plan	(1,710)	(628)	(649)	(677)

3.29 The 2.2% growth in the tax base will provide the PCC with a recurring benefit of around £600k per annum from 2016/17, against both the precept freeze option and the November financial plan forecasts, if a 1.99% increase is chosen in 2015/16. This will support balancing the financial plans of the organisation and reduce the budget reductions and savings required in future years.

3.30 Net Budget Requirement

The Net Budget Requirement options are set out in the table below:

Funding the Net Budget Requirement		
	Option 1	Option 2
	0.00%	1.99%
	£000s	£000s
Funding		
Police Grant	(46,417)	(46,417)
RSG/National Non Domestic Rate	(38,753)	(38,753)
Total Formula Funding	(85,170)	(85,170)
Net Surplus on Collection Funds	(1,157)	(1,157)
Council Tax Freeze Grant	(1,151)	(800)
Council Tax Support Grant	(6,868)	(6,868)
Council Tax Requirement	(28,860)	(29,434)
Net Budget Requirement	(123,206)	(123,428)

3.31 The final precept calculations are set out in the tables below based on the 2 options that the PCC has to consider:

3.32

Proposed Precepts - Option 1: 0.00% Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
Hartlepool Borough Council	4,602,632	92,923	4,509,709
Middlesbrough Borough Council	6,359,754	123,481	6,236,273
Redcar & Cleveland Borough Council	7,922,855	370,000	7,552,855
Stockton on Tees Borough Council	11,131,426	570,150	10,561,276
Total Precept	30,016,668	1,156,554	28,860,114

3.33 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £28,860,114 by 142,702, giving a council tax rate for Band D properties of £204.240.

3.34

Proposed Precepts - Option 2: 1.99% Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
Hartlepool Borough Council	4,692,264	92,923	4,599,341
Middlesbrough Borough Council	6,483,701	123,481	6,360,220
Redcar & Cleveland Borough Council	8,072,970	370,000	7,702,970
Stockton on Tees Borough Council	11,341,335	570,150	10,771,185
Total Precept	30,590,270	1,156,554	29,433,716

3.35 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £29,433,716 by 142,702, giving a council tax rate for Band D properties of £206.260.

3.36 **The PCC is asked to agree that the basic amount of council tax proposed to the PCP (Band D equivalent) for 2015/16 be set at:**

- **£202.240 if Option 1 is chosen**
- **£206.260 if Option 2 is chosen**

3.37 The proposed council tax rate for each property band is determined in accordance with the statutory proportions and is set out in the table below. It is advised that the tax rates should be calculated to more than 2 decimal places.

Council Tax		Option 1		Option 2	
Property Band	Proportion	Council Tax to 2 Decimal Places	Council Tax to 3 Decimal Places	Council Tax to 2 Decimal Places	Council Tax to 3 Decimal Places
		£	£	£	£
A	2/3rds	134.83	134.827	£137.51	137.506
B	7/9ths	157.30	157.298	£160.42	160.424
C	8/9ths	179.77	179.769	£183.34	183.342
D	1	202.24	202.240	£206.26	206.260
E	1&2/9ths	247.18	247.182	£252.10	252.095
F	1&4/9ths	292.12	292.124	£297.93	297.931
G	1&2/3rds	337.07	337.067	£343.77	343.766
H	2	404.48	404.480	£412.52	412.519

3.35 Although Band D is set by law as the benchmark for council tax calculations, the PCC will be aware that only a small minority of properties in Cleveland fall into Band D or above. The majority, over 80% are in Bands A-C, and in such properties households will pay less than the Band D tax. Across all property bands some households will be eligible for discounts e.g. single person occupancy.

3.36 The Local Government Finance Act 1992 does not give authorities the power to delegate calculation of the tax payments or the 'basic amount' to officers or committees. These figures are consequently included in the recommendations in order that they may be agreed by the PCC with the advice of the PCCs Chief Finance Officer.

3.37 The impact of the options for increases in council tax is shown in the table below.

Council Tax Increases								
Property Band	Option 1 - Freeze				Option 2 - 1.99% increase			
	2015/16	2014/15	Increase per Annum	Increase per Week	2015/16	2014/15	Increase per Annum	Increase per Week
	£	£	£	£	£	£	£	£
A	134.827	134.827	0.000	0.00	137.506	134.827	2.680	0.05
B	157.298	157.298	0.000	0.00	160.424	157.298	3.126	0.06
C	179.769	179.769	0.000	0.00	183.342	179.769	3.573	0.07
D	202.240	202.240	0.000	0.00	206.260	202.240	4.020	0.08
E	247.182	247.182	0.000	0.00	252.095	247.182	4.913	0.09
F	292.124	292.124	0.000	0.00	297.931	292.124	5.806	0.11
G	337.067	337.067	0.000	0.00	343.766	337.067	6.699	0.13
H	404.480	404.480	0.000	0.00	412.519	404.480	8.039	0.15

4 Implications

4.1 Finance

The financial implications from this report are covered in the body of the report based on which of the following options on Precept are chosen:

- Option 1 - A precept freeze
- Option 2 - A precept rise of 1.99%

While the paper includes a lot of technical information, the decision to propose a 1.99% increase in precept for 2015/16 versus a precept freeze will result in the following additional funding being available for Policing within Cleveland across the next 4 years:

	Forecasts			
	2015/16	2016/17	2017/18	2018/19
Funding	£000s	£000s	£000s	£000s
Additional Funding in comparison to Precept Freeze option	(222)	(587)	(600)	(613)

The additional funding from a 1.99% increase, as opposed to a grant freeze, would result in a Band D property in Cleveland paying 8 pence per week more than in 2014/15. However 80% of the properties within Cleveland are below the Band D level and therefore would pay less than this.

While setting/proposing a precept is a separate decision it is important that it is done in the context of the overall finances and plans of the organisation. To enable this to happen the current draft revenue (Appendix A) and capital plans (Appendix B) are attached to the report.

4.2 Diversity & Equal Opportunities

There are no diversity or equal opportunity implications arising from this report.

4.3 Sustainability

This report is part of the process required to ensure that the process for proposing a precept to the Police and Crime Panel is open and transparent. It sets out the realistic options that the PCC can and should consider before proposing a precept to the PCP and is part of the process of establishing sustainable annual and medium term financial plans and maintaining prudent financial management within the organisation.

4.4 Risk

The requirements on the PCC to propose and consult with the PCP on their proposals for Precept are set out in legislation and covered in this report. Failure to start the consultation process with the PCP before the end of January 2015 and to conclude this process, including setting a precept before 1st March 2015, would result in an illegal budget.

5. Conclusion

5.1 The PCC has been presented with 2 options in relation to Precept for 2015/2016. These options seek to provide the PCC with the realistic choices that they have in relation to Precept and the impact of those choices. The challenge that the PCC faces when considering the Precept for 2015/16 is in getting the balance right between the following, sometimes competing challenges:

- Maintaining/Improving Service Levels
- Improving Performance
- Savings and Efficiencies
- Prudent Reserves over the LTFP period
- Impact on Council Tax Payers
- National guidelines on Precept increases

5.2 Once the PCC has elected one of the 2 choices outlined within this paper, **or if they prefer an alternative option can be developed**, then this will be proposed to the Police and Crime Panel by the 31st January 2015 to ensure that the PCC is in line with the legislation and the legislative timeframes.

Michael Porter

Chief Finance Officer for the PCC for Cleveland.

APPENDIX A

PCC Summary Long Term Financial Plan Position - Projections as at January 2015

	Budgets				
	Actual	Forecasts			
		2014/15	2015/16	2016/17	2017/18
Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(89,756)	(85,170)	(83,041)	(80,965)	(78,941)
Council Tax Precept	(28,797)	(30,590)	(30,158)	(30,839)	(31,537)
Council Tax Freeze Grant	(800)	(800)	0	0	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(6,868)	(6,868)
Funding for Net Budget Requirement	(126,221)	(123,428)	(120,066)	(118,672)	(117,346)
Specific Grants	(5,619)	(5,640)	(5,640)	(5,640)	(5,640)
Witness and Victims Funding	(180)	(599)	(599)	(599)	(599)
Partnership Income/Fees and Charges	(2,233)	(2,153)	(2,230)	(2,549)	(2,730)
Total Funding	(134,253)	(131,820)	(128,535)	(127,460)	(126,315)
%age Change in Funding	-2.3%	-1.8%	-2.5%	-0.8%	-0.9%
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Staff Pay	585	605	615	625	635
Non Pay Expenditure	300	245	215	200	185
Total Planned Expenditure	885	850	830	825	820
%age Change in Expenditure	-4.8%	-4.0%	-2.3%	-0.6%	-0.7%
Community Safety/Victims and Witness	£000s	£000s	£000s	£000s	£000s
Community Safety Initiatives	1,510	1,410	1,200	1,200	1,200
Victims and Witnesses Services	258	715	715	715	715
Total Planned Expenditure	1,768	2,125	1,915	1,915	1,915
Corporate Services	£000s	£000s	£000s	£000s	£000s
Staff Pay	180	195	200	205	210
Non Pay Expenditure	60	40	30	20	20
PFI Action Stations	5,110	5,070	5,145	5,215	5,286
PFI Urley Nook	1,710	1,735	1,780	1,825	1,870
Asset Management	2,100	1,950	1,910	1,850	1,850
Total Corporate Costs	9,160	8,990	9,065	9,115	9,235
%age Change in Expenditure	-2.4%	-1.9%	0.8%	0.5%	1.3%
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	70,558	68,560	70,339	71,180	72,575
Police Overtime	1,354	1,625	1,355	1,445	1,445
Police Community Support Officer Pay	4,416	4,060	4,225	4,310	4,395
Staff Pay	6,441	6,245	6,165	6,285	6,415
Pay Total	82,769	80,490	82,084	83,220	84,830
Major Contracts					
Custody and Medical Contract	3,368	3,090	2,960	3,020	3,085
Outsourcing Contract	19,058	18,415	18,185	18,635	19,030
Major Contracts Total	22,426	21,505	21,145	21,655	22,115
Non-Pay Budgets					
Other Pay and Training	276	275	280	280	285
Injury and Medical Police Pensions	2,360	1,935	2,025	2,075	2,125
Premises	3,811	3,705	3,640	3,355	3,215
Supplies and Services	5,645	5,555	5,350	5,555	5,665
Transport	1,762	1,800	1,845	1,890	1,935
External Support	2,356	2,400	2,165	2,155	2,195
Non-Pay Total	16,210	15,670	15,305	15,310	15,420
Total Planned Force Expenditure	121,405	117,665	118,534	120,185	122,365
%age Change in Expenditure	-2.4%	-3.1%	0.7%	1.4%	1.8%
(Surplus)/Deficit	£000s	£000s	£000s	£000s	£000s
Planned Transfers to/(from) General Fund	(1,035)	(2,190)	1,810	4,580	8,020
Contribution to Capital Programme	(680)	770	(1,850)	(1,620)	(1,460)
Planned Transfers to Earmarked Reserves	800	1,380	0	0	400
Net (Surplus)/Deficit After Reserves	915	40	40	40	40
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	7,025	6,351	10,371	8,521	6,901
General Fund Movements	(680)	770	(1,850)	(1,620)	(1,460)
Underspend	6	3,250			
General Fund Balance c/f	6,351	10,371	8,521	6,901	5,441
Employee Numbers (Average per year)	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,378	1,349	1,349	1,349	1,349
PCSOs	145	132	132	132	132
Police Staff - Police Force	184	175	166	166	166
PCC/Corporate Staff	15	14	14	14	14
Assumptions					
Staff Pay Increases	1.0%	1.0%	2.0%	2.0%	2.0%
Police Pay Increases	1.0%	1.0%	2.0%	2.0%	2.0%
Non Pay Inflation	1.8%	1.8%	1.8%	1.8%	1.8%
RPI	3.0%	2.3%	2.5%	2.5%	2.5%
Precept Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Government Grant Reductions (Cash Basis)	-4.8%	-5.1%	-2.5%	-2.5%	-2.5%

APPENDIX B

PCC Summary Long Term Financial Capital Plan Position - Projections as at January 2015

<u>Future Funding Levels</u>	2014/15 £000s	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Earmarked Reserve/Funding b/f	2,663	1,203	1,053	384	852	876	900
Capital Grant	1,225	1,200	1,200	1,200	1,200	1,200	1,200
Contribution from Revenue	825	1,380	0	0	400	400	400
Capital Receipts (from Vehicle sales)	100	100	100	100	100	100	100
Capital Receipts (from Property sales)		2,964	2,964	2,964	2,964	2,964	2,964
New Prudential Borrowing		7,500	2,500	-3,000	-3,000	-3,000	-1,000
Supported Capital Borrowing	760	760	760	760	760	760	760
Projected In-year funding Available	2,910	13,904	7,524	2,024	2,424	2,424	4,424
Carry Forwards from 2013/14	2,920						
Review of 2014/15 Budgets	-821		821				
Increased Budget for CSH	542						
Expected Spend on CSH		11,215	4,688				
Police Force New Capital Schemes	1,729	2,839	2,684	1,556	2,400	2,400	2,400
Total Capital Programme	4,370	14,054	8,193	1,556	2,400	2,400	2,400
Earmarked Capital Reserve/Funding c/f	1,203	1,053	384	852	876	900	2,924

APPENDIX A

PCC Summary Long Term Financial Plan Position - Projections as at January 2015

	Budgets				
	Actual	Forecasts			
		2014/15	2015/16	2016/17	2017/18
Funding	£000s	£000s	£000s	£000s	£000s
Government Grant	(89,756)	(85,170)	(83,041)	(80,965)	(78,941)
Council Tax Precept	(28,797)	(30,590)	(30,158)	(30,839)	(31,537)
Council Tax Freeze Grant	(800)	(800)	0	0	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(6,868)	(6,868)
Funding for Net Budget Requirement	(126,221)	(123,428)	(120,066)	(118,672)	(117,346)
Specific Grants	(5,619)	(5,640)	(5,640)	(5,640)	(5,640)
Witness and Victims Funding	(180)	(599)	(599)	(599)	(599)
Partnership Income/Fees and Charges	(2,233)	(2,153)	(2,230)	(2,549)	(2,730)
Total Funding	(134,253)	(131,820)	(128,535)	(127,460)	(126,315)
%age Change in Funding	-2.3%	-1.8%	-2.5%	-0.8%	-0.9%
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Staff Pay	585	605	615	625	635
Non Pay Expenditure	300	245	215	200	185
Total Planned Expenditure	885	850	830	825	820
%age Change in Expenditure	-4.8%	-4.0%	-2.3%	-0.6%	-0.7%
Community Safety/Victims and Witness	£000s	£000s	£000s	£000s	£000s
Community Safety Initiatives	1,510	1,410	1,200	1,200	1,200
Victims and Witnesses Services	258	715	715	715	715
Total Planned Expenditure	1,768	2,125	1,915	1,915	1,915
Corporate Services	£000s	£000s	£000s	£000s	£000s
Staff Pay	180	195	200	205	210
Non Pay Expenditure	60	40	30	20	20
PFI Action Stations	5,110	5,070	5,145	5,215	5,286
PFI Urday Nook	1,710	1,735	1,780	1,825	1,870
Asset Management	2,100	1,950	1,910	1,850	1,850
Total Corporate Costs	9,160	8,990	9,065	9,115	9,235
%age Change in Expenditure	-2.4%	-1.9%	0.8%	0.5%	1.3%
Police Force Planned Expenditure	£000s	£000s	£000s	£000s	£000s
Pay					
Police Pay	70,558	68,560	70,339	71,180	72,575
Police Overtime	1,354	1,625	1,355	1,445	1,445
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Staff Pay	6,441	6,245	6,165	6,285	6,415
Pay Total	82,769	80,490	82,084	83,220	84,830
Major Contracts					
Custody and Medical Contract	3,368	3,090	2,960	3,020	3,085
Outsourcing Contract	19,058	18,415	18,185	18,635	19,030
Major Contracts Total	22,426	21,505	21,145	21,655	22,115
Non-Pay Budgets					
Other Pay and Training	276	275	280	280	285
Injury and Medical Police Pensions	2,360	1,935	2,025	2,075	2,125
Premises	3,811	3,705	3,640	3,355	3,215
Supplies and Services	5,645	5,555	5,350	5,555	5,665
Transport	1,762	1,800	1,845	1,890	1,935
External Support	2,356	2,400	2,165	2,155	2,195
Non-Pay Total	16,210	15,670	15,305	15,310	15,420
Total Planned Force Expenditure	121,405	117,665	118,534	120,185	122,365
%age Change in Expenditure	-2.4%	-3.1%	0.7%	1.4%	1.8%
(Surplus)/Deficit	£000s	£000s	£000s	£000s	£000s
Planned Transfers to/(from) General Fund	(680)	770	(1,850)	(1,620)	(1,460)
Contribution to Capital Programme	800	1,380	0	0	400
Planned Transfers to Earmarked Reserves	915	40	40	40	40
Net (Surplus)/Deficit After Reserves	0	0	(0)	3,000	7,000
General Reserves	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	7,025	6,351	10,371	8,521	6,901
General Fund Movements	(680)	770	(1,850)	(1,620)	(1,460)
Underspend	6	3,250			
General Fund Balance c/f	6,351	10,371	8,521	6,901	5,441
Employee Numbers (Average per year)	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,378	1,349	1,349	1,349	1,349
PCSOs	145	132	132	132	132
Police Staff - Police Force	184	175	166	166	166
PCC/Corporate Staff	15	14	14	14	14
Assumptions					
Staff Pay Increases	1.0%	1.0%	2.0%	2.0%	2.0%
Police Pay Increases	1.0%	1.0%	2.0%	2.0%	2.0%
Non Pay Inflation	1.8%	1.8%	1.8%	1.8%	1.8%
RPI	3.0%	2.3%	2.5%	2.5%	2.5%
Precept Increases	2.0%	2.0%	2.0%	2.0%	2.0%
Government Grant Reductions (Cash Basis)	-4.8%	-5.1%	-2.5%	-2.5%	-2.5%

APPENDIX B

PCC Summary Long Term Financial Capital Plan Position - Projections as at January 2015

<u>Future Funding Levels</u>	<u>2014/15</u> £000s	<u>2015/16</u> £000s	<u>2016/17</u> £000s	<u>2017/18</u> £000s	<u>2018/19</u> £000s	<u>2019/20</u> £000s	<u>2020/21</u> £000s
Earmarked Reserve/Funding b/f	2,663	1,203	1,053	384	852	876	900
Capital Grant	1,225	1,200	1,200	1,200	1,200	1,200	1,200
Contribution from Revenue	825	1,380	0	0	400	400	400
Capital Receipts	100	3,064	3,064	3,064	3,064	3,064	3,064
New Prudential Borrowing		7,500	2,500	-3,000	-3,000	-3,000	-1,000
Supported Capital Borrowing	760	760	760	760	760	760	760
Projected In-year funding Available	2,910	13,904	7,524	2,024	2,424	2,424	4,424
Carry Forwards from 2013/14	2,920						
Review of 2014/15 Budgets	-821		821				
Expected Spend on CSH	542	11,215	4,688				
Police Force New Capital Schemes	1,729	2,839	2,684	1,556	2,400	2,400	2,400
Total Capital Programme	4,370	14,054	8,193	1,556	2,400	2,400	2,400
Earmarked Capital Reserve/Funding c/f	1,203	1,053	384	852	876	900	2,924

APPENDIX C

PCC Forecast Earmarked Reserves as at January 2015

	Balance at 31 March 2014 £000	Transfers In 2014/15 £000	Transfers Out 2014/15 £000	Balance at 31 March 2015 £000	Transfers In 2015/16 £000	Transfers Out 2015/16 £000	Balance at 31 March 2016 £000	Transfers In 2016/17 £000	Transfers Out 2016/17 £000	Balance at 31 March 2017 £000	Transfers In 2017/18 £000	Transfers Out 2017/18 £000	Balance at 31 March 2018 £000
Insurance Fund	(1,675)			(1,675)			(1,675)			(1,675)			(1,675)
Direct Revenue Funding of Capital	(2,386)	(825)	2,008	(1,203)	(1,380)	1,530	(1,053)	669		(384)		(468)	(852)
Injury Pension Reserve	(1,200)			(1,200)		480	(720)		480	(240)		240	0
PFI Sinking Fund	(215)	(40)		(255)	(40)		(295)	(40)		(335)	(40)		(375)
Incentivisation Grant	(307)	(180)	200	(287)	(180)	200	(267)	(180)	200	(247)	(180)		(227)
Neighbourhood Policing	(16)			(16)			(16)			(16)			(16)
Specials	(62)			(62)			(62)			(62)			(62)
Urley Nook TTC	(48)			(48)			(48)			(48)			(48)
Development Fund	(12)			(12)			(12)			(12)			(12)
Invest to Save	(83)			(83)			(83)			(83)			(83)
Devolved Budget Carry Forwards	(8)			(8)			(8)			(8)			(8)
Estates Reserve	(288)			(288)		288	0			0			0
Job Evaluation Reserve	(292)			(292)		292	0			0			0
Police Property Act Fund	(27)		27	(0)			(0)			(0)			(0)
ER/MR/CR Reserve	0	(875)		(875)		875	0			0			0
Innovation Fund	(105)			(105)			(105)			(105)			(105)
Victims and Witnesses	(75)			(75)			(75)			(75)			(75)
Safety Camera Reserve	(146)	(240)	362	(24)			(24)			(24)			(24)
Revenue Grants Unapplied	(241)			(241)			(241)			(241)			(241)
Total	(7,184)	(2,160)	2,597	(6,747)	(1,600)	3,665	(4,682)	449	680	(3,553)	(220)	(28)	(3,801)

