



# THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

## DECISION RECORD FORM

**REQUEST:** For PCC consideration and approval.

**Title:** Precept Proposal 2018/19

**Executive Summary:**

Legislation requires that the Police and Crime Commissioner (PCC) agrees their budget and associated precept and basic council tax for the forthcoming year before 1<sup>st</sup> March each year. However before doing so the PCC must notify the relevant Police and Crime Panel, by the 31<sup>st</sup> January, of the precept which they propose to issue for the following financial year.

The PCC has been informed by the Home Office that ‘In 2018/19, we will provide each PCC with the same amount of core Government grant funding as in 2017/18. Protecting police grant means PCCs retain the full benefit from any additional local Council Tax income. Alongside this, we are providing further flexibility to PCCs in England to increase their Band D precept by up to £12 in 2018/19 without the need to call a local referendum. This is equivalent to up to £1 per month for a typical Band D household. It means that each PCC who uses this flexibility will be able to increase their direct resource funding by at least an estimated 1.6% (which maintains funding in real terms).’

The results of consultation with the public of Cleveland in relation to the level of precept for 2018/19, which had 284 responses, has resulted in the following:

- 79.93% said that they would be happy to pay the extra amount to support Policing Services in Cleveland Police; while
- 20.07% said that they would prefer you to cut the level of Policing Services currently provided in Cleveland as they were unwilling to the pay the extra amount.

If the precept is increased by £12 then the Net Budget Requirement is expected to increase in 18/19, by £1.9m (or 1.6%). While this is better than the organisation was planning, it is worth noting that this increase is absorbed by unavoidable additional costs to the organisation in 18/19, in comparison to 17/18, primarily from 2% pay awards and more general inflation (CPI is currently 3.0% and RPI 4.1%).

**Decision**

The PCC is asked to give approval, based on the financial needs of the organisation and the public consultation to propose, to the Police and Crime Panel, the Police Precept for 2018/19 as £226.54, for a Band D property in Cleveland. This would be an increase of £12.00 per annum (around 23p per week), from the 2017/18 level. However as most properties within Cleveland are in Council Tax band A-C these households would see an increase in their bill of 15-20p per week based on the proposed £12 increase.

In doing so the PCC is asked to agree that:

- The Net Budget Requirement for 2018/19 as £125,750k.
- The Council Tax Requirement as £34,255,181
- The tax base for 2018/19 as 151,210.3 Band D equivalent properties.

The following precepts be levied on the four billing authorities:

Hartlepool	£5,441,717
Middlesbrough	£7,503,231
Redcar	£8,794,962
Stockton	£12,515,270

Agree that council tax be set at the following levels:

Property Band	Proportion	Council Tax to 2 Decimal Places	Council Tax to 3 Decimal Places
		£	£
A	2/3rds	151.03	151.027
B	7/9ths	176.20	176.198
C	8/9ths	201.37	201.369
D	1	226.54	226.540
E	1&2/9ths	276.88	276.882
F	1&4/9ths	327.22	327.224
G	1&2/3rds	377.57	377.567
H	2	453.08	453.080

**OPCC Lead Officer Michael Porter**

**Contractor Details (if applicable):** Not applicable

**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 Chief Finance Officer where the decision has financial implications)

The financial implications of this Decision are set out in the Executive Summary and/or the attached report. The decision will ensure that the PCC meets their legislative requirements in relation with the Police element of the precept and will also ensure that there is sufficient funding available in 2018/19 to fund the organisation to deliver against the Police and Crime Plan priorities. The decision being requested is in line with the statutory requirements of the PCC and is the first step in enabling the PCC to meet their statutory obligations in relation to Precept and Budget setting.

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

Having read this report and having considered such information as has been provided at the time of being asked to express this view, the Chief Executive is satisfied that this report does not ask the PCC to make a decision which would (or would be likely to) give rise to a contravention of the law.

## Equality and Diversity Implications

None arise

## Human Rights Implications

None arise

## 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 recommends an option that the PCC can 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 2018 and to conclude this process, including setting a precept before 1st March 2018, would result in an illegal budget.

## OFFICER APPROVAL

### Monitoring Officer

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



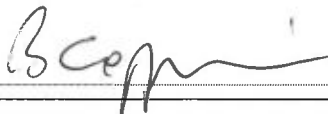
Date

30/1/18

## Police and Crime Commissioner:

The above request HAS my approval.

Signed



Date

30/1/18

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

26<sup>th</sup> January 2018

Author: Mr Michael Porter, CFO

Status: For decision

## Proposing the 2018/19 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 1<sup>st</sup> 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 the recommended option of precept for the forthcoming year.

### 2 Recommendations

- 2.1 The PCC is asked to agree that an increase in the precept for 2018/19 of £12, from the level set in 2017/18, be proposed to the Police and Crime Panel for their consideration. In doing so the Band D level of Precept for Policing within Cleveland would increase by from £214.54 per annum to £226.54.
- 2.2 In doing so the PCC is asked to agree that:
  - The Net Budget Requirement for 2018/19 as £125,750k.
  - The Council Tax Requirement as £34,255,181
  - The tax base for 2018/19 as 151,210.3 Band D equivalent properties.
  - The basic amount of council tax (Band D equivalent) for 2018/19 be set at £226.540
  - The following precepts be levied on the four billing authorities:

Hartlepool	5,441,717
Middlesbrough	7,503,231
Redcar	8,794,962
Stockton	12,515,270

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

Property Band	Proportion	Council Tax to 2 Decimal Places	Council Tax to 3 Decimal Places
		£	£
A	2/3rds	151.03	151.027
B	7/9ths	176.20	176.198
C	8/9ths	201.37	201.369
D	1	226.54	226.540
E	1&2/9ths	276.88	276.882
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G	1&2/3rds	377.57	377.567
H	2	453.08	453.080

### 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 2018/19 to be set before 1<sup>st</sup> March 2018. 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 31<sup>st</sup> January 2018.
- 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 8<sup>th</sup> February 2018, 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 2018/19 as set out in the table below:

<b>Tax Base</b>		
	<b>2018/19</b>	<b>2017/18</b>
	Net Tax Base	Net Tax Base
Hartlepool Borough Council	24,021	23,570
Middlesbrough Borough Council	33,121	32,924
Redcar & Cleveland Borough Council	38,823	38,249
Stockton on Tees Borough Council	55,245	54,333
	151,210	149,076

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 2018-19, in comparison to 2017-18, by 2,134 – this equates to an increase of 1.4%.

3.8 The financial impact of this increase in calculated Band D properties of 2,013 is £484k which has helped to maintain current services.

3.9 **The PCC is asked to agree the 2018/19 tax base as 151,210.3 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.

<b>Collection Funds Surplus/ (Deficit)</b>	
	<b>£</b>
Hartlepool Borough Council	17,655
Middlesbrough Borough Council	101,669
Redcar & Cleveland Borough Council	86,000
Stockton on Tees Borough Council	121,955
<b>Net Surplus on Collection Fund</b>	<b>327,279</b>

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. These surpluses averaged over £700k per annum in the 5 years since however as can be seen from the above table the amount to be paid in 2018/19 is £327k and therefore it appears that the level of surplus is returning to more realistic levels.

3.13 Therefore the current financial plans not assume a £250k surplus per annum on the collective collection funds across the four councils.

3.14 Provision Police Funding Settlement 2018/19

The Provisional 2018-19 Police Finance Settlement was announced in an oral statement by the Minister for Policing and the Fire Service Nick Hurd MP on Tuesday 19 December. This was followed by a written ministerial statement shortly after. Full details of the settlement can be found on the Home Office pages of the gov.uk website.

### 3.15 Headlines

The main points within the provisional settlement are as follows:

- Precept flexibility to increase the level of Band D precept by up to £12 for all PCCs (or equivalents) in 2018-19
- Flat cash grant funding (i.e. the same allocations as in 2017-18 for Home Office Core Police Settlement)
- Updated assumptions around tax base growth – now assuming tax bases with grow by 1.34% in England.
- Including these assumptions on council tax and based on the 1.5% GDP deflator (the Government measure of inflation), the resulting settlement, including council tax, represents a “real terms” increase for all between 2017-18 and 2018-19
- £450m additional funding for the service – includes £130m additional reallocation and approximately £147m as a result of additional council tax flexibilities.
- £50m additional counter Terrorism funding and the remaining £123m can be considered as “new money”.
- The minister’s letter to PCCs refers to this additional funding in addition to identified efficiency savings of up to £100m (procurement) to enable “appropriate provision for likely cost increases next year”.

### 3.16 Government Funding for 2018/19 and beyond

Nick Hurd’s letter and statement both state the Home Office’s intention to offer greater certainty on plans for 2019-20. Their intention is to maintain a broadly flat Government Grant settlement with the same precept flexibility but this is dependent on progress against a number of efficiency milestones to be agreed in the New Year.

### 3.17 The Police Formula review is now unlikely to be revisited until the next spending review.

- He went on to state that - The increase in 2018/19 funding to PCCs must be matched by a serious commitment from PCCs and chief constables to reform by improving productivity and efficiency to deliver a better, more transparent service to the public. Following my discussions with forces and Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), I have three clear priorities:
- Seek and deliver further cost efficiencies. I welcome the progress forces have made against the £350m procurement savings target set at Spending Review 2015. However, there is a lot more to do. We have helped to identify £100m of potential savings in areas such as fleet,



professional services and construction. Forces will need to make greater use of national procurement through lead forces to make these savings. We are providing support through the Police Transformation Fund and we will also help establish a force-led National Centre of Excellence to drive down back-office costs, and make best use of estates.

- A modern digitally enabled workforce that allows frontline officers to spend less time dealing with bureaucracy and more time preventing and fighting crime and protecting the public. If all forces could deliver the same one hour per officer per day of productivity benefits from mobile working as the best in a recent sample with eight forces, this has the potential to free up the equivalent of 11,000 extra officers nationally to provide the proactive policing that committed police officers want to deliver. We will work with policing to set up a specialist team to make sure all police forces have access to, and make use of, the best mobile working apps to enable forces to free up extra hours to spend at the frontline.
- Greater transparency in how public money is used locally. It is necessary for police to hold financial reserves, including primarily for contingencies, emergencies and major change costs. As at March 2017 police forces held usable resource reserves of over £1.6bn. This compares to £1.4bn in 2011. Current reserves held represent 15% of annual police funding to PCCs. There are wide variations between forces with Gwent for example holding 42% and Northumbria holding 6%. This is public money and the public are entitled to more information around police plans for reserves and how those plans will support more effective policing. So we will be improving transparency around reserves in the new year through enhanced guidance and through national publication of comparable reserves data. HMICFRS are also consulting on plans for Force Management Statements, which could make more information on police forces available to the public.

3.18 Discussions will be held with police leadership to agree milestones against these priorities that need to be achieved over 2018.

3.19 "I have listened to the views of PCCs and Chief Constables, who have requested greater certainty about future funding to help more efficient financial planning. If the police deliver clear and substantial progress against the agreed milestones on productivity and efficiency in 2018, then the Government intends to maintain the protection of a broadly flat police grant in 2019/20 and repeat the same flexibility of the precept, i.e. allowing PCCs to increase their Band D precept by a further up to £12 in 2019/20."

### 3.20 **Consultation with the Public**

Since the announcement of the Provisional Finance Settlement, and the limits and options around precept proposals for 2018/19, I have been consulting with the public on their opinions in relation to an increase of £12 per annum for the 'Police' element of their Council Tax Bill.

3.21 The information for the survey undertaken via the PCC website was as follows:

3.22 The Government has allocated the same cash grant to Cleveland Police for the next financial year as in 2017/18. When inflation, pay increases and other rising costs are taken into account this is, in reality, a significant cut to our policing budget over the next two years.

3.23 The Government has announced additional flexibility for PCCs around the police precept - the policing element of the council tax - which means that I can increase the amount paid by a Band D property by up to £12 a year. I understand that this means more people, who are already struggling in Cleveland, would need to pay more and the burden for trying to maintain services falls to local taxpayers instead of being addressed nationally.

3.24 I am therefore consulting on whether people are prepared to pay more - to maintain policing within Cleveland through an increase in the police element of their council tax.

3.25 I want to listen to public and stakeholder views before reaching my final view, but I am minded to take the option of maximising police funding by proposing a £12 increase, which would raise around £1.8m in additional precept (above the amount raised in 2017/18). This will enable me to try to maintain current services.

3.26 It is important to recognise that without the proposed £1 per month increase in precept, Cleveland Police will need to make significant further cuts on top of those that have already been imposed through reduced Government Funding over the last seven years.

3.27 The Government has acknowledged the significant increase in demand on the police to tackle domestic abuse, modern slavery, child sex exploitation and cyber-crime but has not made any extra resources available locally, I will continue to do what I can to help to protect neighbourhood policing, but with procurement savings, digital technology embedded and plans for the use of one off reserves in place, I cannot do this through improvements in effectiveness and efficiency alone.

3.28 I am therefore asking whether you are prepared to pay an extra £1 per month, or an increase of £12 per year for a Band D property, to support Policing Services in Cleveland, please let me know your views:

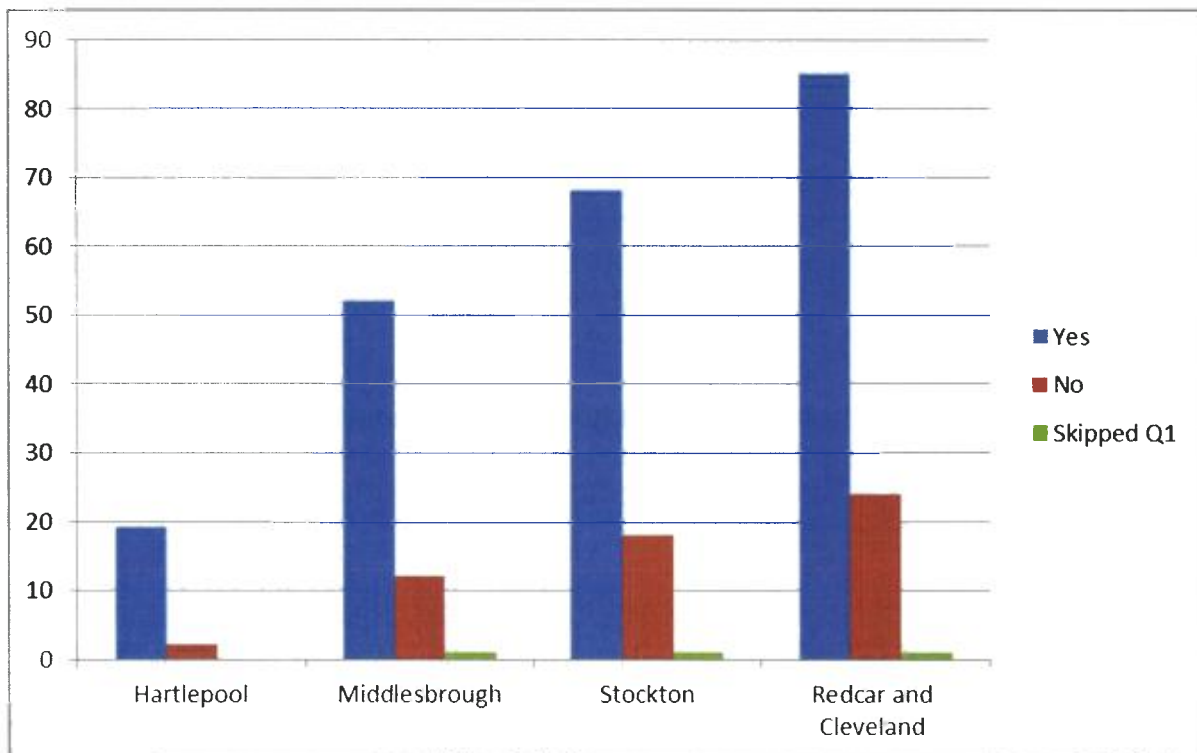
- Yes - I am happy to pay the extra amount to support Policing Services in Cleveland
- No – I would prefer you to cut the level of Policing Services from those currently provided in Cleveland. I am unwilling to pay the extra amount.

### 3.29 Consultation Results

The consultation ran from the 22<sup>nd</sup> December until the 22<sup>nd</sup> January and 284 people completed the survey. Of those 284 people who replied to the above question their answers were as follows:

- 79.93% said that they would be happy to pay the extra amount to support Policing Services in Cleveland Police; while
- 20.07% said that they would prefer me to cut the level of Policing Services currently provided in Cleveland as they were unwilling to the pay the extra amount.

3.30 Of those people who responded there was a self-selecting break down of where they live, including how they voted, were as follows:



### 3.31 Net Budget Requirement

What would a £12 increase in the Band D precept level mean to the amount of funding available to the PCC for 2018/19? Based on a £12 increase the Net Budget Requirement for 2018/19, in comparison to 2017/18, would be as follows:

	Actual	Actual	Movement Year on Year
	2018/19	2017/18	
<b>Funding</b>	£000s	£000s	£000s
Government Grant	(83,500)	(83,500)	0
Council Tax Precept	(34,582)	(32,656)	1,927
Council Tax Freeze Grant	(800)	(800)	0
Council Tax Support Grant	(6,868)	(6,868)	0
<b>Funding for Net Budget Requirement</b>	<b>(125,750)</b>	<b>(123,824)</b>	<b>1,927</b>
%age change in Net Budget Requirement	1.6%		

3.32 There is an increase in the Funding for Net Budget Requirement available to the PCC of £1,927k based on a £12 increase in precept. This equates to an increase of 1.6% however this increase should also be seen in the context of the unavoidable increases in the expenditure of the organisation where Pay Awards, which cover around 75% of current expenditure, are increasing by at least 2% per annum and current inflation in the wider economy is running at 3.0% (CPI) and 4.1% (RPI).

3.33 Should the precept increase of £12 not occur, which provides additional funding of £1.8m, not occur then the financial challenges will increase and further savings/reductions will need to be found.

3.34 The final precept calculations are set out in the tables below based on a £12 increase in precept:

Proposed Precepts - £12 Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
Hartlepool Borough Council	5,459,372	17,655	5,441,717
Middlesbrough Borough Council	7,604,900	101,669	7,503,231
Redcar & Cleveland Borough Council	8,880,962	86,000	8,794,962
Stockton on Tees Borough Council	12,637,225	121,955	12,515,270
<b>Total Precept</b>	<b>34,582,460</b>	<b>327,279</b>	<b>34,255,181</b>

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. £34,255,181 by 151,210.3, giving a council tax rate for Band D properties of £226.54.

- 3.36 **The PCC is asked to agree that the basic amount of council tax proposed to the PCP (Band D equivalent) for 2018/19 be set at:**
- **£226.54**

- 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		£12 increase	
Property Band	Proportion	Council Tax to 2 Decimal Places	Council Tax to 3 Decimal Places
		£	£
A	2/3rds	151.03	151.027
B	7/9ths	176.20	176.198
C	8/9ths	201.37	201.369
D	1	226.54	226.540
E	1&2/9ths	276.88	276.882
F	1&4/9ths	327.22	327.224
G	1&2/3rds	377.57	377.567
H	2	453.08	453.080

- 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 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.

- 3.37 The impact of the proposed increase in council tax is shown in the table below.

Council Tax Increases				
Property Band	£12 increase			
	2018/19	2017/18	Increase per Annum	Increase per Week
	£	£	£	£
A	151.03	143.03	8.00	0.15
B	176.20	166.86	9.33	0.18
C	201.37	190.70	10.67	0.20
D	226.54	214.54	12.00	0.23
E	276.88	262.22	14.67	0.28
F	327.22	309.89	17.33	0.33
G	377.57	357.57	20.00	0.38
H	453.08	429.08	24.00	0.46

## **4 Implications**

### **4.1 Finance**

The financial implications from this report are covered in the body of the report.

While the paper includes a lot of technical information, the decision to propose a £12 increase in precept for 2018/19 will result in £1.8m additional funding being permanently available for Policing within Cleveland.

The additional funding from a £12 increase, as opposed to a grant freeze, would result in a Band D property in Cleveland paying 23 pence per week more than in 2017/18. However the majority 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 2018 and to conclude this process, including setting a precept before 1<sup>st</sup> March 2018, would result in an illegal budget.

## **5. Conclusion**

- 5.1 The PCC has been presented with one recommended option in relation to Precept for 2018/2019, this is supported by 80% of people who responded to the PCC's consultation on the proposed increase. This option should provide sufficient funding to underpin the financial needs of the organisation for 2018/19 and the platform for the longer term financial plan. The proposed precept increase will enable the PCC to, amongst other things, provide sufficient levels of funding to the Chief Constable to support the plans and structures that the Force has articulated to the PCC to support the delivery of the Police and Crime Plan
- 5.2 The challenge that the PCC faces when considering the Precept for 2018/19 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
- 5.3 **If the PCC would prefer an alternative option for the Precept for 2018/19 this can be developed.**
- 5.4 The PCC's preferred option for precept will then be proposed to the Police and Crime Panel by the 31<sup>st</sup> January 2018 to ensure that the PCC is in line with the legislation and the legislative timeframes.

**Michael Porter**  
**PCC Chief Finance Officer**

	Actual	Forecasts			
	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Funding</b>	£000s	£000s	£000s	£000s	£000s
Government Grant	(83,500)	(83,500)	(83,500)	(85,170)	(86,873)
Council Tax Precept	(32,656)	(34,582)	(36,637)	(37,738)	(38,839)
Council Tax Freeze Grant	(800)	(800)	(800)	(800)	(800)
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(6,868)	(6,868)
<b>Funding for Net Budget Requirement</b>	<b>(123,824)</b>	<b>(125,750)</b>	<b>(127,805)</b>	<b>(130,576)</b>	<b>(133,380)</b>
Specific Grants	(4,558)	(4,911)	(4,436)	(5,436)	(4,336)
Witness and Victims Funding	(659)	(1,246)	(820)	(669)	(682)
Partnership Income/Fees and Charges	(2,664)	(2,737)	(2,869)	(2,923)	(2,942)
<b>Total Funding</b>	<b>(131,705)</b>	<b>(134,644)</b>	<b>(135,930)</b>	<b>(139,604)</b>	<b>(141,340)</b>
%age Change in Funding	-1.2%	2.2%	1.0%	2.7%	1.2%
<b>Office of the PCC Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Total Planned Expenditure</b>	<b>850</b>	<b>860</b>	<b>875</b>	<b>890</b>	<b>905</b>
<b>Community Safety/Victims and Witness</b>	£000s	£000s	£000s	£000s	£000s
Community Safety Initiatives	986	1,058	1,058	1,073	1,073
Service Improvement and Development	1,250	1,450	1,500	1,550	1,600
Victims and Witnesses Services	1,009	1,532	1,107	927	927
<b>Total Planned Expenditure</b>	<b>3,245</b>	<b>4,039</b>	<b>3,664</b>	<b>3,550</b>	<b>3,600</b>
<b>Corporate Services</b>	£000s	£000s	£000s	£000s	£000s
Staff Pay	330	340	350	360	370
Non Pay Expenditure	100	100	100	100	100
PFI Action Stations	5,145	5,240	5,325	5,410	5,500
PFI Uraly Nook	1,770	1,820	1,855	1,915	1,945
Asset Management	1,605	1,875	2,175	1,960	1,600
<b>Total Corporate Costs</b>	<b>8,950</b>	<b>9,375</b>	<b>9,805</b>	<b>9,745</b>	<b>9,515</b>
<b>Police Force Planned Expenditure</b>	£000s	£000s	£000s	£000s	£000s
<b>Pay</b>					
Police Pay	66,740	63,874	65,015	65,818	67,029
Police Overtime	1,375	1,456	1,541	1,621	1,780
Police Community Support Officer Pay	4,255	4,360	4,595	4,720	4,880
Staff Pay	9,755	10,525	10,999	11,321	11,636
<b>Pay Total</b>	<b>82,125</b>	<b>80,215</b>	<b>82,150</b>	<b>83,480</b>	<b>85,325</b>
<b>Major Contracts</b>					
Custody and Medical Contract	2,523	2,446	2,520	2,570	2,620
Outsourcing Contract	17,139	17,900	18,300	17,990	17,990
<b>Major Contracts Total</b>	<b>19,662</b>	<b>20,346</b>	<b>20,820</b>	<b>20,560</b>	<b>20,610</b>
<b>Non-Pay Budgets</b>					
Other Pay and Training	380	774	774	774	774
Injury and Medical Police Pensions	2,435	2,753	2,753	2,753	2,753
Premises	3,620	3,637	3,197	3,220	3,243
Supplies and Services	7,035	7,935	7,391	7,554	7,556
Transport	1,576	1,576	1,576	1,576	1,576
External Support	2,587	2,533	2,738	2,942	2,942
<b>Non-Pay Total</b>	<b>17,633</b>	<b>19,209</b>	<b>18,430</b>	<b>18,820</b>	<b>18,845</b>
<b>Total Planned Force Expenditure</b>	<b>119,420</b>	<b>119,770</b>	<b>121,400</b>	<b>122,860</b>	<b>124,780</b>
%age Change in Expenditure	0.0%	0.3%	1.4%	1.2%	1.6%
<b>(Surplus)/Deficit</b>	£000s	£000s	£000s	£000s	£000s
<b>Planned Transfers to/(from) General Fund</b>	<b>760</b>	<b>(600)</b>	<b>(185)</b>	<b>(2,560)</b>	<b>(2,540)</b>
Planned Transfers to/(from) General Fund	(2,000)	(950)	(850)	0	0
Contribution to Capital Programme	1,165	1,400	885	2,410	2,390
Planned Transfers to/(from) Earmarked Reserves	75	150	150	150	150
<b>Net (Surplus)/Deficit After Reserves</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
<b>General Reserves</b>	£000s	£000s	£000s	£000s	£000s
General Fund Balance b/f	8,016	6,016	5,066	4,216	4,216
General Fund Movements	(2,000)	(950)	(850)	0	0
General Fund Balance c/f	<b>6,016</b>	<b>5,066</b>	<b>4,216</b>	<b>4,216</b>	<b>4,216</b>
<b>Employee Numbers (Average per year)</b>	FTEs	FTEs	FTEs	FTEs	FTEs
Police Officers	1,280	1,236	1,226	1,226	1,226
PCSOs	148	147	147	147	147
Police Staff - Police Force	285	318	318	318	318
PCC/Corporate Staff	14	14	14	14	14
<b>Assumptions</b>					
Staff Pay Increases	1.0%	2.0%	2.0%	2.0%	2.0%
Police Pay Increases	1.0%	2.0%	2.0%	2.0%	2.0%
Non Pay Inflation	1.6%	2.0%	2.0%	2.0%	2.0%
RPI	3.0%	3.5%	3.0%	3.0%	3.0%
Precept Increases	2.0%	5.6%	5.3%	2.0%	2.0%
Government Grant Movements (Cash Basis)	-1.4%	0.0%	0.0%	2.0%	2.0%



**PCC Summary Long Term Capital Plan Position -January 2018****APPENDIX B**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Future Funding Levels</b>	£000s	£000s	£000s	£000s	£000s	£000s
<b>Earmarked Reserve/Funding b/f</b>	<b>3,924</b>	<b>246</b>	<b>1,475</b>	<b>95</b>	<b>483</b>	<b>1,302</b>
Capital Grant	515	515	515	525	535	545
Contribution to/from Revenue	1,165	1,400	885	2,410	2,390	2,250
Capital Receipts (from Vehicle sales)	100	100	100	100	100	100
Capital Receipts (from Property sales)		2,542	575	3,109	2,988	3,109
New Prudential Borrowing	11,000	3,000		-3,272	-4,000	-4,772
Supported Capital Borrowing	760					
<b>Projected In-year funding Available</b>	<b>13,540</b>	<b>7,556</b>	<b>2,075</b>	<b>2,872</b>	<b>2,014</b>	<b>1,232</b>
Community Safety Hub	11,423	2,956				
IT Replacement programme/Data Centre move	967					
Police Force New Capital Schemes	4,828	3,371	3,455	2,484	1,194	1,500
<b>Total Capital Programme</b>	<b>17,218</b>	<b>6,327</b>	<b>3,455</b>	<b>2,484</b>	<b>1,194</b>	<b>1,500</b>
<b>Earmarked Capital Reserve/Funding c/f</b>	<b>246</b>	<b>1,475</b>	<b>95</b>	<b>483</b>	<b>1,302</b>	<b>1,034</b>