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| <b>MEETING:</b> Police and Crime Panel  | <b>DATE:</b> 5 <sup>th</sup> February 2019 |
| <b>DEPARTMENT:</b> Office of the PCC  | <b>AUTHOR:</b> Mark Simmonds               |
| <b>NAME OF PAPER:</b> Medium Term Financial Plan (MTFP) update and Precept proposal |  |

## 1. PURPOSE OF REPORT AND BACKGROUND

This paper updates the Panel on the development of the PCC's MTFP and sets out the PCC's proposal for the police precept in 2019/20.

Our MTFP is substantially complete and there remain some final approvals which will be completed at the Constabulary Management Board on 31st January and then final approval of the PCC at the Police & Crime Board on 6th February. This update therefore provides the Panel with the current updated MTFP and requests the Panel's support for the PCC's proposed precept rise. In other respects the MTFP is not expected to significantly change.

## 2. REVENUE PLAN HEADLINES

The draft MTFP forecasts the following position:-

|                                   | 19/20<br>£'000  | 20/21<br>£'000  | 21/22<br>£'000 | 22/23<br>£'000 | 23/24<br>£'000 |
|-----------------------------------|-----------------|-----------------|----------------|----------------|----------------|
| Total funding                     | 306,013         | 307,262         | 311,741        | 316,378        | 321,178        |
| Less; budget requirement          | 310,545         | 312,485         | 319,526        | 326,001        | 332,600        |
| Planned Savings                   | (4,532)         | (5,116)         | (5,116)        | (5,116)        | (5,116)        |
| <b>Deficit before new savings</b> | <b>balanced</b> | <b>balanced</b> | <b>2,669</b>   | <b>4,507</b>   | <b>6,306</b>   |

The current forecast is a balanced budget for 2019/20 and the subsequent year, as a result of the increase in proposed funding. This is after the uplift in pensions, pay and other costs set out below and after the delivery of savings outlined below.

We have taken a prudent view of future funding and assumed flat cash for police grants after 2019/20, that the pension grant (see below) is a "one off" for next year only and that we revert to 2% capped precept rises after 2019/20 (see below and appendix for more details). Over the MTFP, inflationary and pay related cost pressures (circa £6m per year) erode the funding uplift and further savings will be required.

The key drivers behind these changes are:-

### **Funding – increases in funding are driven by the police grant settlement:**

Sajid Javid acknowledged before Christmas that police were "feeling stretched" and promised forces would "have the resources they needed by 2019-2020."

The resulting provisional settlement announced the following:

- **Precept**

**Flexibility** for PCCs has been increased to a £24 increase for Band D home. The PCC for Avon & Somerset is proposing to take advantage of this flexibility (12.4% increase for a band D) which would generate £15m new funds in 2019/20 with a 1.5% tax base increase. The corresponding increase for a band A home is £16 p.a. and in Avon & Somerset 68% of homes are in bands A-C.

## Council Tax bands after £24 increase (Band D) 12.4%

| Band | % of homes in A&S | 18/19 Precept £'s | 19/20 Precept £'s | Increase £'s |
|------|-------------------|-------------------|-------------------|--------------|
| A    | 17%               | 129.21            | 145.21            | 16           |
| B    | 29%               | 150.74            | 169.41            | 18.67        |
| C    | 22%               | 172.28            | 193.61            | 21.33        |
| D    | 14%               | 193.81            | 217.81            | 24           |
| E    | 10%               | 236.88            | 266.21            | 29.33        |
| F    | 5%                | 279.95            | 314.61            | 34.66        |
| G    | 2.8%              | 323.02            | 363.02            | 40           |
| H    | 0.2%              | 387.62            | 435.62            | 48           |

A survey of PCCs in January 2019 by PaCCTS shows that 31 of 36 responding are seeking to raise their precept by £24. The other 5 are all seeking to raise their precept by at least £12 for an average Band D home.

- Over the summer of 2018 the PCC listened to the views of local residents about raising the precept by £1 month. Consultations took place on the PCC's community days (across the force area), public forums, for example e-mails to Neighbourhood Watch and Parish councils as well as set events such as the Emergency Services Open Day, the Islamic Cultural Fayre, Pride, Dunster Show and Taunton Flower Show. We received 2,049 responses with 82% in favour of a £1 rise, 14% not in favour and 4% of people who were unsure.
- The telephone survey of 3,000 local residents asked about raising the precept by £1/month (£12 per annum) as this was the previous indication from the Home Office. An uplift in the precept is supported by 80% of respondents with over 60% supporting the £12 increase.
- Following the Government's announcement of a £2 rise on December 13, we replaced the online survey with a £2 survey. In the short space that this was open over Christmas we received 155 responses, 64% in favour of a rise and 36% not in favour. 12% of respondents were victims of crime and nearly 12% described themselves as disabled. The majority of respondents were between 36- 65+ and the split between men and women was approx. 50/50. Some of the comments in the free text response included:
  - "I would pay considerably more if asked. I think the police do a thankless job and need more support from their own supervisors and from the general public"*
  - "I'd like to see PCC's and Chief Constables across the country come together and publicly condemn the government until more funding is found"*
  - "I am not in favour of another increase – of course I want to be safe and secure but the increases besides the already high council tax just keep coming"*
  - "There needs to be additional funds/ resources added to patrol/response to be able to meet demand and provide victims/witness with the service they deserve."*
- Main grant increased by 2.1%. This creates an uplift of £3.3m new funds to Avon & Somerset in 2019/20. We prudently assume "Flat Cash" after that.
- New "Pension Funding" grant of £143m to PCCs. This generates £2.8m to Avon & Somerset in 2019/20. We prudently assume that this is one year only. This income was effectively already allowed for in the previous MTFP as we had reduced the impact of new increases in police pension employers contributions (next year only) based on HMT guidance.
- Capital grant frozen remains at £1m per annum.
- £59m NEW money for Counter Terrorism.
- £90m NEW funds for serious and organised crime – NOT to PCCs – some to ROCU (not yet allocated in detail by Home Office).

## **EXPENDITURE**

The budget requirement is shown after the following items:

- **Pay Awards** are finalised at 2% p.a. for officers and staff in the current year. 2% is assumed each year of the MTFP. There is a c£4.5 million cost each year for Avon & Somerset for each 2%.
- **Inflation** risk is set at a general uplift of 2.5% in 19/20 and 2.0% thereafter p.a. in each year of the MTFP.

**Taken with pay awards at 2% the PCC faces an annual cost increase of c£6m each year whilst retaining a stand still position for people and assets, before any budget growth.**

- **Pension costs.** The uplift to 31% employers' contribution rate is a new cost of £6.5m per annum to Avon & Somerset, following the updated HMT "Directions" regarding police pensions. **LGPS.** The next 3 year valuation is due in 2019. Recent stock market "corrections" have eroded gains from 2017/18, reducing the net fund asset position, which may drive up contributions in the MTFP period?
- **Recruitment** of student officers: Target is 300 recruits and apprentices in 2018/19 and 200 thereafter, to maintain a core establishment of 2651. In addition, the PCC and Chief are proposing an uplift in the police officer Establishment by 100 officers to 2751 in 2019/20 during next year funded from the new precept income.
- **Revenue funds for Capital.** An extra £3.5m p.a. will be set aside by 2023 ( increasing annual revenue contributions from £1.5m p.a. to a level of £5m per annum) to provide a sustainable revenue funding stream for capital in the future, as capital reserves are exhausted and capital receipts run out. Additional one-off funding for capital projects is being made in 2019/20 to reduce the immediate borrowing requirement and reduce interest costs.
- **INVESTMENT AND OTHER BUDGET GROWTH** – This updated version of the MTFP includes investment and growth set out in the table below:

|   | <b>19/20</b> | <b>20/21</b> | <b>21/22</b> | <b>22/23</b> | <b>23/24</b> |
|---|--------------|--------------|--------------|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| Operation Remedy (see below and PCC update) – overtime, third party costs and annual temp resource  | 2,000        | 0            | 0            | 0            | 0            |
| 100 Additional Officers (new pledge)  | 1,750        | 3,000        | 3,100        | 3,250        | 3,450        |
| Budget finalisation items – money to allocate to budget holders by end of March 2019 to finalise overtime budget in the new operating model and post Tri Force; capital funding; ICT costs; collaboration costs | 1,600        | 1,600        | 1,600        | 1,600        | 1,600        |
| Emerging Issues – risk budget for ASC CFO (reinstated)  | 100          | 100          | 100          | 100          | 100          |
| National Commercial Organisation – A&S contribution (new)   | 150          | 150          | 150          | 150          | 150          |
| National Shared Service Centre of Excellence (back office services)- A&S contribution (new)   | 150          | 150          | 150          | 150          | 150          |
| Tri Force transition provision (new)  | 300          | 0            | 0            | 0            | 0            |
| <b>TOTAL</b>  | <b>6,050</b> | <b>5,000</b> | <b>5,100</b> | <b>5,250</b> | <b>5,450</b> |

**Op Remedy** is the name for new coordinated and targeted operation by the Constabulary to address: Burglary; Drugs; and Knife crime which are a current reflection of the issues affecting local communities. The work on Drugs will include tackling local drug dealing and serious and organised crime and related violent crime. This £2m initiative in 2019/20 is specifically funded by the increased precept. The benefits plan and team structure for this is being developed at time of writing.

**The 100 extra officers** (in addition to Op Remedy costs) will be recruited during 2019 and will enable an increase in establishment to support a more sustained approach to problem solving, visible policing and tackling local issues. This is also specifically funded by the increased precept.

### Savings

The budget requirement presented is reflective of all savings achieved, or forecast to be achieved, during 2018/19 at the time this draft was prepared. There remain a number of further planned savings in the process of being delivered, which we have therefore shown from 19/20 onwards.

These are summarised below (a fuller breakdown is provided at appendix d):-

|  | 19/20<br>£'000 | 20/21<br>£'000 | 21/22<br>£'000 | 22/23<br>£'000 | 23/24<br>£'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| Savings realised through budget build            | (1,399)        | (1,399)        | (1,399)        | (1,399)        | (1,399)        |
| Enabling services/infrastructure planned savings | (2,941)        | (3,025)        | (3,025)        | (3,025)        | (3,025)        |
| Operational services planned savings             | (192)          | (192)          | (192)          | (192)          | (192)          |
| Reductions in use of NPAS                        | (0)            | (500)          | (500)          | (500)          | (500)          |
| <b>TOTAL Planned Savings</b>                     | <b>(4,532)</b> | <b>(5,116)</b> | <b>(5,116)</b> | <b>(5,116)</b> | <b>(5,116)</b> |

### **3. CAPITAL PLAN HEADLINES**

The draft capital programme forecasts the following position:-

|                                | 18/19<br>£'000 | 19/20<br>£'000 | 20/21<br>£'000 | 21/22<br>£'000 | 22/23<br>£'000 | 23/24<br>£'000 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Forecast Capital Expenditure   | 14,342         | 18,291         | 11,305         | 7,606          | 12,500         | 20,390         |
| Less; Forecast Capital Funding | 14,342         | 18,291         | 11,305         | 7,606          | 12,500         | 7,648          |
| <b>Deficit</b>                 | -              | -              | -              | -              | -              | <b>12,742</b>  |

The key areas of capital investment are:-

- Emergency services network – the plan assumes £10.0m will be needed to implement;
- New Yeovil police station – the plan includes £4.1m investment to support this project;
- Bristol response base – the plan includes £3.7m investment to support this project;
- End user device replacement – the plan includes £11.0m to replace personal issue equipment;
- IT infrastructure replacement – the plan includes £7.0m to refresh IT infrastructure;
- New ERP system – the plan includes £10.0m to replace our ERP system – clearly this sum will be refined as future options are assessed;
- Fleet replacement – the plan includes £11.2m for ongoing fleet replacement.

Our funding forecasts assumes:-

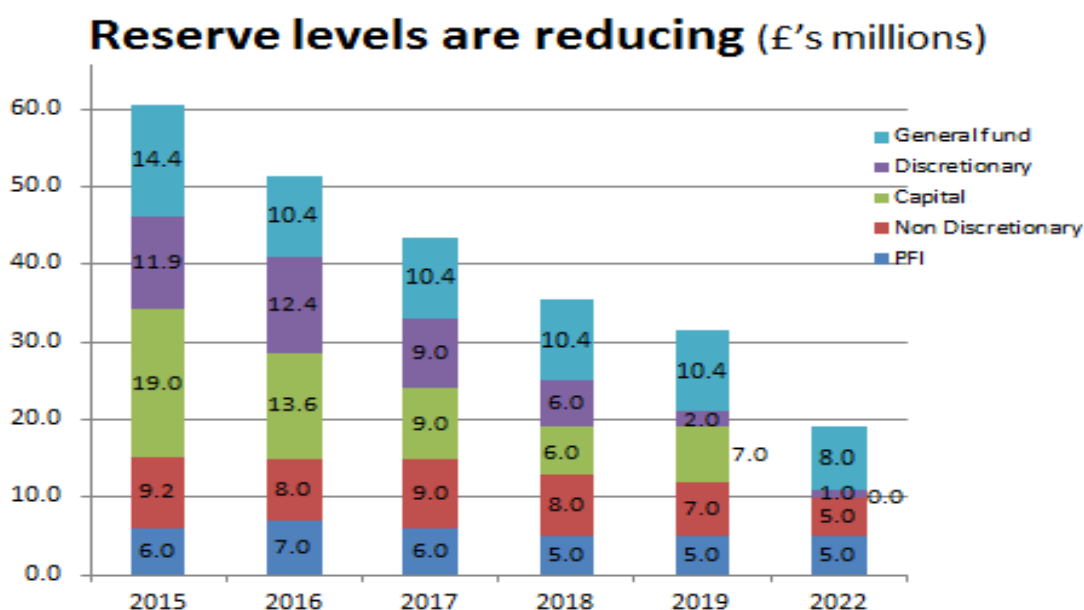
- A continuation of Home Office grant funding, frozen at historic low levels (£1.0m p.a.);
- An increase of recurring contribution from our revenue budgets (reaching £5m p.a. from 22/23), which has been included in our revenue plans, and bolstered by non-recurring revenue contributions to capital in 2018/19 and 2019/20;
- A full use of all capital reserves;
- Capital receipts of £10.7m used, after being realised through the sale of buildings and other assets. This will exhaust all currently planned opportunities to generate receipts from the sale of buildings in our estate;
- Borrowing of £15m, which is used to fund our investment in longer life assets (e.g. buildings). The revenue cost of this borrowing has been built into our revenue forecasts.

These funding streams support a balanced capital budget for the next four years, with ongoing work to ensure that capital investments remain sustainable across the longer term.

### RESERVES

We continue utilise reserves to fund capital and change programmes. As a consequence, the year end reserve balance is forecast to further reduce at March 2019 to just above £30m (of which £5m relates to PFI accounting entries and is not useable in practical terms).

### RESERVES CHART £'S MILLIONS



### 4. CONCLUSIONS

The improved settlement from Government comes with heightened expectations of the police service that it is able to demonstrate an ongoing commitment to transform itself. Specifically the settlement letter from the policing minister sets our four priority areas for policing:-

1. Continuing to realise efficiency savings through collective procurement and shared services;
2. Resolving the challenges in investigative resources identified by HMICFRS and the service;
3. Delivering £50m of productivity gains through smarter use of data and digital capabilities;
4. Maintaining serious organised crime capabilities that manage local threats and support national/regional priorities.

These increased expectations will be mirrored across our communities who will expect to see tangible outcomes as a result of being asked to fund policing through increases in council tax.

The improved settlement has enabled us to plan investment in additional resources that will allow us to build on the work we had already planned through Operation Remedy, enabling us to build a more lasting capacity that can continue to realise the outcomes expected by our communities.

As with all financial plans there are a number of variables that affect both our funding and expenditure forecasts.

This plan has been prepared with sufficient flexibility to enable us to deal with known challenges (e.g. capital funding), financial uncertainties (e.g. pay awards, pensions costs) and wider societal and economic changes (e.g. Brexit financial downturn and social unrest, and apparent rising levels of violent crime).

The medium-term picture suggests that future savings will continue to need to be delivered. If we are able to realise the Governments priorities, as well as deliver the local improvements to outcomes we're targeting through our investments, we feel confident about our ability to continue to argue for financial protection of policing.

## **5. RECOMMENDATIONS**

Members of the Panel are invited to review the updated MTFP as presented and to consider the PCC's proposal to raise the council tax precept by £24 in 2019/20 for an average Band D household.

## **EQUALITY ANALYSIS**

There are no specific issues of equality highlighted by this report, but the need for savings to be realised from budgets will require us to consider equality impacts on a case by case basis.

## **SUSTAINABILITY**

There are no specific issues of environmental sustainability highlighted by this report, but the focus of the report is about our financial sustainability into the medium term. Wider sustainability considerations will be made in our plans for savings, including (where appropriate) the realisation of changes that have the dual impact of reducing our carbon footprint at the same time as unlocking revenue savings from our budgets

## Appendix A - MTFP

|   | 2019/20<br>£'000 | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>FUNDNG</b>   |                  |                  |                  |                  |                  |
| <b>Forecast Funding</b>                                   |                  |                  |                  |                  |                  |
| Grant Funding   | 182,093          | 179,265          | 179,265          | 179,265          | 179,265          |
| Council Tax Funding                                       | 123,921          | 127,997          | 132,476          | 137,113          | 141,912          |
| <b>TOTAL Funding</b>                                      | <b>306,013</b>   | <b>307,262</b>   | <b>311,741</b>   | <b>316,378</b>   | <b>321,178</b>   |
| <b>BUDGET REQUIREMENT</b>                                 |                  |                  |                  |                  |                  |
| <b>2018/19 Base Budget</b>                                |                  |                  |                  |                  |                  |
| <i>Office of the Police and Crime Commissioner</i>        | 1,358            | 1,358            | 1,358            | 1,358            | 1,358            |
| <i>Commissioning</i>                                      | 3,438            | 3,438            | 3,438            | 3,438            | 3,438            |
| <i>Constabulary</i>                                       | 280,324          | 280,324          | 280,324          | 280,324          | 280,324          |
| <b>TOTAL 2018/19 Base Budget</b>                          | <b>285,120</b>   | <b>285,120</b>   | <b>285,120</b>   | <b>285,120</b>   | <b>285,120</b>   |
| <b>Adjustments to Budgets Required/Planned</b>            |                  |                  |                  |                  |                  |
| Office of the Police and Crime Commissioner (inc savings) | 58               | 78               | 108              | 143              | 183              |
| Commissioning (inc savings)                               | 0                | 0                | 0                | 0                | 0                |
| Constabulary  | 25,367           | 27,286           | 34,298           | 40,738           | 47,297           |
| <b>TOTAL Adjustments to Budgets Required/Planned</b>      | <b>25,425</b>    | <b>27,364</b>    | <b>34,406</b>    | <b>40,881</b>    | <b>47,480</b>    |
| <b>Budget Requirement (before savings)</b>                |                  |                  |                  |                  |                  |
| Office of the Police and Crime Commissioner               | 1,417            | 1,437            | 1,467            | 1,502            | 1,542            |
| Commissioning   | 3,438            | 3,438            | 3,438            | 3,438            | 3,438            |
| Constabulary  | 305,691          | 307,610          | 314,622          | 321,062          | 327,621          |
| <b>TOTAL Budget Requirement</b>                           | <b>310,545</b>   | <b>312,485</b>   | <b>319,526</b>   | <b>326,001</b>   | <b>332,600</b>   |
| <b>SAVINGS AND USE OF RESERVES</b>                        |                  |                  |                  |                  |                  |
| <b>(SURPLUS)/DEFICIT BEFORE SAVINGS</b>                   | <b>4,532</b>     | <b>5,222</b>     | <b>7,785</b>     | <b>9,623</b>     | <b>11,423</b>    |
| <b>Savings</b>  |                  |                  |                  |                  |                  |
| Savings realised through budget build process             | (1,399)          | (1,399)          | (1,399)          | (1,399)          | (1,399)          |
| Enabling Services/Infrastructure Savings - Planned        | (2,941)          | (3,025)          | (3,025)          | (3,025)          | (3,025)          |
| Operational Services Savings - Planned                    | (192)            | (192)            | (192)            | (192)            | (192)            |
| NPAS Reductions   | 0                | (500)            | (500)            | (500)            | (500)            |
| <b>TOTAL Savings</b>                                      | <b>(4,532)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   |
| <b>REVISED (SURPLUS)/DEFICIT</b>                          | <b>0</b>         | <b>106</b>       | <b>2,669</b>     | <b>4,508</b>     | <b>6,307</b>     |
| <b>PROPOSED BUDGET</b>                                    |                  |                  |                  |                  |                  |
| Office of the Police and Crime Commissioner               | 1,417            | 1,437            | 1,467            | 1,502            | 1,542            |
| Commissioning   | 3,438            | 3,438            | 3,438            | 3,438            | 3,438            |
| Constabulary  | 301,159          | 302,494          | 309,506          | 315,946          | 322,505          |
| <b>TOTAL Proposed Budget</b>                              | <b>306,013</b>   | <b>307,369</b>   | <b>314,410</b>   | <b>320,885</b>   | <b>327,485</b>   |

## Appendix B – Funding Forecasts

|   | 19/20<br>£'000  | 20/21<br>£'000  | 21/22<br>£'000  | 22/23<br>£'000  | 23/24<br>£'000  |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>GRANT FUNDING</b>                    |                 |                 |                 |                 |                 |
| Main Grants                             | 162,598         | 162,598         | 162,598         | 162,598         | 162,598         |
| Victims Commissioning                   | 1,958           | 1,958           | 1,958           | 1,958           | 1,958           |
| Legacy Council Tax Grant                | 14,709          | 14,709          | 14,709          | 14,709          | 14,709          |
| Pensions Grant                          | 2,828           | -               | -               | -               | -               |
| <b>TOTAL GRANT FUNDING</b>              | <b>182,093</b>  | <b>179,265</b>  | <b>179,265</b>  | <b>179,265</b>  | <b>179,265</b>  |
| Annual Change (£'000)                   | 6,179           | 2,828           | -               | -               | -               |
| Annual Change (%)                       | 3.5%            | -1.6%           | 0.0%            | 0.0%            | 0.0%            |
| Cumulative Change - Across MTFP (£'000) | 6,179           | 3,351           | 3,351           | 3,351           | 3,351           |
| Cumulative Change - Across MTFP (%)     | 3.5%            | 1.9%            | 1.9%            | 1.9%            | 1.9%            |
| Cumulative Change - Since 2010 (£'000)  | 22,121          | 24,949          | 24,949          | 24,949          | 24,949          |
| Cumulative Change - Since 2010 (%)      | -10.8%          | -12.2%          | -12.2%          | -12.2%          | -12.2%          |
| <b>COUNCIL TAX FUNDING</b>              |                 |                 |                 |                 |                 |
| Council Tax Precept                     | 122,921         | 127,247         | 131,726         | 136,363         | 141,162         |
| Collection Fund Surplus                 | 1,000           | 750             | 750             | 750             | 750             |
| <b>TOTAL COUNCIL TAX FUNDING</b>        | <b>123,921</b>  | <b>127,997</b>  | <b>132,476</b>  | <b>137,113</b>  | <b>141,912</b>  |
| Annual Change (£'000)                   | 15,349          | 4,077           | 4,479           | 4,637           | 4,800           |
| Annual Change (%)                       | 14.1%           | 3.3%            | 3.5%            | 3.5%            | 3.5%            |
| Cumulative Change - Across MTFP (£'000) | 15,349          | 19,425          | 23,904          | 28,541          | 33,341          |
| Cumulative Change - Across MTFP (%)     | 14.1%           | 17.9%           | 22.0%           | 26.3%           | 30.7%           |
| Cumulative Change - Since 2010 (£'000)  | 29,266          | 33,342          | 37,821          | 42,458          | 47,258          |
| Cumulative Change - Since 2010 (%)      | 30.9%           | 35.2%           | 40.0%           | 44.9%           | 49.9%           |
| <b>TOTAL FUNDING</b>                    |                 |                 |                 |                 |                 |
|   | <b>306,013</b>  | <b>307,262</b>  | <b>311,741</b>  | <b>316,378</b>  | <b>321,178</b>  |
| Annual Change (£'000)                   | 21,528          | 1,249           | 4,479           | 4,637           | 4,800           |
| Annual Change (%)                       | 7.6%            | 0.4%            | 1.5%            | 1.5%            | 1.5%            |
| Cumulative Change - Across MTFP (£'000) | 21,528          | 22,777          | 27,256          | 31,892          | 36,692          |
| Cumulative Change - Across MTFP (%)     | 7.6%            | 8.0%            | 9.6%            | 11.2%           | 12.9%           |
| Cumulative Change - Since 2010 (£'000)  | 7,144           | 8,393           | 12,872          | 17,509          | 22,309          |
| Cumulative Change - Since 2010 (%)      | 2.4%            | 2.8%            | 4.3%            | 5.9%            | 7.5%            |
| Grant Funding                           | 59.5%           | 58.3%           | 57.5%           | 56.7%           | 55.8%           |
| Council Tax Funding                     | 40.5%           | 41.7%           | 42.5%           | 43.3%           | 44.2%           |
| <b>TOTAL Funding</b>                    | <b>100.0%</b>   | <b>100.0%</b>   | <b>100.0%</b>   | <b>100.0%</b>   | <b>100.0%</b>   |
| <b>Average Band D Council Tax</b>       |                 |                 |                 |                 |                 |
|   | <b>£217.81p</b> | <b>£222.14p</b> | <b>£226.56p</b> | <b>£231.07p</b> | <b>£235.67p</b> |
| Annual Change (£p)                      | £4.00           | £4.33           | £4.42           | £4.51           | £4.60           |
| Annual Change (%)                       | 12.38%          | 1.99%           | 1.99%           | 1.99%           | 1.99%           |
| Cumulative Change - Across MTFP (£p)    | £24.00          | £28.33          | £32.75          | £37.26          | £41.86          |
| Cumulative Change - Across MTFP (%)     | 12.38%          | 14.62%          | 16.90%          | 19.23%          | 21.60%          |
| Cumulative Change - Since 2010 (£p)     | £49.78          | £54.11          | £58.53          | £63.04          | £67.64          |
| Cumulative Change - Since 2010 (%)      | 29.6%           | 32.2%           | 34.8%           | 37.5%           | 40.3%           |
| <b>Council Tax Base</b>                 |                 |                 |                 |                 |                 |
|   | <b>564,359</b>  | <b>572,824</b>  | <b>581,417</b>  | <b>590,138</b>  | <b>598,990</b>  |
| Annual Change (No. of Properties)       | 8,340           | 8,465           | 8,592           | 8,721           | 8,852           |
| Annual Change (%)                       | 1.50%           | 1.50%           | 1.50%           | 1.50%           | 1.50%           |
| Cumulative Change (No.)                 | 3,571           | 12,036          | 20,629          | 29,350          | 38,202          |
| Cumulative Change (%)                   | 0.6%            | 2.1%            | 3.7%            | 5.2%            | 6.8%            |



## Appendix C – Costs Forecasts

|  | 2019/20<br>£'000 | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>OFFICE OF THE POLICE AND CRIME COMMISSIONER (OPCC)</b>  |                  |                  |                  |                  |                  |
| <b>OPCC 2018/19 Budget</b>                                 | <b>1,358</b>     | <b>1,358</b>     | <b>1,358</b>     | <b>1,358</b>     | <b>1,358</b>     |
| Provision for inflation                                    | 40               | 60               | 90               | 125              | 165              |
| Adjustment (transfer of post from Constabulary to OPCC)    | 19               | 19               | 19               | 19               | 19               |
| Growth   | 0                | 0                | 0                | 0                | 0                |
| Savings  | 0                | 0                | 0                | 0                | 0                |
| <b>OPCC Budget Requirement</b>                             | <b>1,417</b>     | <b>1,437</b>     | <b>1,467</b>     | <b>1,502</b>     | <b>1,542</b>     |
| <b>COMMISSIONING</b>                                       |                  |                  |                  |                  |                  |
| <b>OPCC 2018/19 Budget</b>                                 | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     |
| Provision for inflation                                    | 0                | 0                | 0                | 0                | 0                |
| Growth   | 0                | 0                | 0                | 0                | 0                |
| Savings  | 0                | 0                | 0                | 0                | 0                |
| <b>Commissioning Budget Requirement</b>                    | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     | <b>3,438</b>     |
| <b>OFFICE OF THE CHIEF CONSTABLE (THE CONSTABULARY)</b>    |                  |                  |                  |                  |                  |
| <b>Original Constabulary 2018/19 Budget</b>                | <b>279,690</b>   | <b>279,690</b>   | <b>279,690</b>   | <b>279,690</b>   | <b>279,690</b>   |
| In-Year Adjustments to budget                              | 634              | 634              | 634              | 634              | 634              |
| <b>Revised Constabulary 2018/19 Budget</b>                 | <b>280,324</b>   | <b>280,324</b>   | <b>280,324</b>   | <b>280,324</b>   | <b>280,324</b>   |
| Police Officer Pay Awards                                  | 2,784            | 5,528            | 8,371            | 11,270           | 14,228           |
| Police Staff/PCSO Pay Awards                               | 1,726            | 3,458            | 5,253            | 7,085            | 8,953            |
| Change to officer and staff unit cost                      | (713)            | (713)            | (713)            | (713)            | (713)            |
| Officer Pensions - Actuarial valuation adjustments         | 6,516            | 6,516            | 6,516            | 6,516            | 6,516            |
| Staff Pensions - Actuarial valuation adjustments           | 89               | 159              | 277              | 398              | 525              |
| Other Pension adjustments                                  | 5                | 255              | 496              | 740              | 987              |
| Adjustments to bank holiday overtime                       | 186              | 369              | 553              | 369              | 186              |
| Adjustments to officer allowances                          | (125)            | (231)            | (320)            | (395)            | (458)            |
| Adjustments to apprenticeship levy                         | 17               | 17               | 17               | 17               | 17               |
| <b>Pay and Staffing adjustments</b>                        | <b>10,484</b>    | <b>15,359</b>    | <b>20,449</b>    | <b>25,288</b>    | <b>30,240</b>    |
| General non-pay inflationary adjustments                   | 856              | 1,428            | 2,079            | 2,744            | 3,421            |
| Specific non-pay inflationary adjustments                  | 292              | 574              | 867              | 1,169            | 1,481            |
| Interest receivable adjustments                            | (81)             | (81)             | (87)             | (136)            | (185)            |
| <b>Non-Pay Inflationary adjustments</b>                    | <b>1,067</b>     | <b>1,921</b>     | <b>2,859</b>     | <b>3,777</b>     | <b>4,718</b>     |
| Minimum Revenue Provision (MRP) Adjustments                | (61)             | 296              | 653              | 673              | 673              |
| Interest payable Adjustments                               | (161)            | (35)             | 100              | 85               | 71               |
| Direct Revenue Funding of Capital                          | 4,819            | 2,000            | 2,500            | 3,000            | 3,500            |
| <b>Cost of Capital adjustments</b>                         | <b>4,598</b>     | <b>2,261</b>     | <b>3,253</b>     | <b>3,758</b>     | <b>4,244</b>     |
| New growth and investment                                  | 6,050            | 5,000            | 5,100            | 5,250            | 5,450            |
| Unavoidable commitments and adjustments - non IT           | 702              | 630              | 439              | 489              | 489              |
| Unavoidable commitments and adjustments - IT               | 599              | 776              | 881              | 881              | 881              |
| Glastonbury Festival - Reinstatement following fallow year | (617)            | (617)            | (617)            | (617)            | (617)            |
| PFI model adjustments                                      | (16)             | (44)             | (67)             | (88)             | (108)            |
| <b>Growth and commitment adjustments</b>                   | <b>6,718</b>     | <b>5,745</b>     | <b>5,737</b>     | <b>5,915</b>     | <b>6,095</b>     |
| <b>Drafting Provisions and Contingencies</b>               | <b>2,500</b>     | <b>2,000</b>     | <b>2,000</b>     | <b>2,000</b>     | <b>2,000</b>     |
| <b>Constabulary Budget Requirement</b>                     | <b>305,691</b>   | <b>307,610</b>   | <b>314,622</b>   | <b>321,062</b>   | <b>327,621</b>   |
| <b>TOTAL BUDGET REQUIREMENT</b>                            |                  |                  |                  |                  |                  |
| Office of the Police and Crime Commissioner                | 1,417            | 1,437            | 1,467            | 1,502            | 1,542            |
| Commissioning  | 3,438            | 3,438            | 3,438            | 3,438            | 3,438            |
| Constabulary   | 305,691          | 307,610          | 314,622          | 321,062          | 327,621          |
| <b>TOTAL Budget Requirement</b>                            | <b>310,545</b>   | <b>312,485</b>   | <b>319,526</b>   | <b>326,001</b>   | <b>332,600</b>   |
|  | 25,425           | 27,364           | 34,406           | 40,881           | 47,480           |
|  | 8.9%             | 9.6%             | 12.1%            | 14.3%            | 16.7%            |

## Appendix D – Planned/Expected Savings Forecast

|   | 2019/20<br>£'000 | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Provision against Savings 1819                            | (75)             | (75)             | (75)             | (75)             | (75)             |
| YOT Contribution  | (97)             | (97)             | (97)             | (97)             | (97)             |
| Regional Collaboration MCIT 2018/19                       | (76)             | (76)             | (76)             | (76)             | (76)             |
| Re-baselining of Intel and Tasking Budgets                | (117)            | (117)            | (117)            | (117)            | (117)            |
| Removal of YOT budget                                     | (45)             | (45)             | (45)             | (45)             | (45)             |
| Estates Savings achieved through income                   | (288)            | (288)            | (288)            | (288)            | (288)            |
| Adjustment relating to post transfer to OPCC              | (5)              | (5)              | (5)              | (5)              | (5)              |
| Inc LS income to cover the cost of the Civil team         | (40)             | (40)             | (40)             | (40)             | (40)             |
| Overachievement LSU Saving                                | (40)             | (40)             | (40)             | (40)             | (40)             |
| Saving from NH Review                                     | (82)             | (82)             | (82)             | (82)             | (82)             |
| IBM SAP Software extension contract                       | (535)            | (535)            | (535)            | (535)            | (535)            |
| <b>Savings realised through budget build process</b>      | <b>(1,399)</b>   | <b>(1,399)</b>   | <b>(1,399)</b>   | <b>(1,399)</b>   | <b>(1,399)</b>   |
| Legal - reduction in counselling fees                     | (45)             | (45)             | (45)             | (45)             | (45)             |
| People & Organisational Development                       | (667)            | (667)            | (667)            | (667)            | (667)            |
| Learning & Development                                    | (1,054)          | (1,054)          | (1,054)          | (1,054)          | (1,054)          |
| Admin Services  | (311)            | (353)            | (353)            | (353)            | (353)            |
| Hybrid Mail   | (45)             | (45)             | (45)             | (45)             | (45)             |
| Enquiry Office  | (610)            | (610)            | (610)            | (610)            | (610)            |
| IT Redesign   | (208)            | (250)            | (250)            | (250)            | (250)            |
| <b>Enabling Services/Infrastructure Planned Savings</b>   | <b>(2,941)</b>   | <b>(3,025)</b>   | <b>(3,025)</b>   | <b>(3,025)</b>   | <b>(3,025)</b>   |
| Intelligence and Tasking Review                           | (192)            | (192)            | (192)            | (192)            | (192)            |
| <b>Operational Services Savings Planned</b>               | <b>(192)</b>     | <b>(192)</b>     | <b>(192)</b>     | <b>(192)</b>     | <b>(192)</b>     |
| NPAS Helicopter (based on forecast deployment reductions) | 0                | (500)            | (500)            | (500)            | (500)            |
| <b>TOTAL PLANNED OR TARGETTED SAVINGS</b>                 | <b>(4,532)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   | <b>(5,116)</b>   |

## Appendix E – DRAFT Capital Programme

| Summary Capital Programme                             | MTFP                |                 |                 |                |                 |                | 5 Yr            |
|---|---------------------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|
|   | Forecast<br>2018/19 | 2019/20         | 2020/21         | 2021/22        | 2022/23         | 2023/24        | TOTAL           |
|   | £'000               | £'000           | £'000           | £'000          | £'000           | £'000          | £'000           |
| <b>Expenditure</b>                                    |                     |                 |                 |                |                 |                |                 |
| <b>BAU Replacement Programmes</b>                     |                     |                 |                 |                |                 |                |                 |
| - ICT Replacement Programme                           | 1,067               | 3,089           | 3,004           | 2,012          | 4,688           | 5,236          | 19,096          |
| - Estates Replacement Programme                       | 1,011               | 714             | 410             | 250            | 250             | 250            | 2,885           |
| - Fleet Replacement Programme                         | 2,160               | 2,382           | 2,307           | 2,067          | 2,135           | 2,346          | 13,397          |
| - Equipment Replacement Programme                     | 194                 | 308             | 308             | 268            | 268             | 218            | 1,564           |
| <b>Sub-Total Replacement Programme</b>                | <b>4,432</b>        | <b>6,493</b>    | <b>6,029</b>    | <b>4,597</b>   | <b>7,341</b>    | <b>8,050</b>   | <b>36,942</b>   |
| <b>Capital Projects</b>                               |                     |                 |                 |                |                 |                |                 |
| - Digital Programme Projects                          | 3,122               | 3,344           | 0               | 2,749          | 4,679           | 2,340          | 16,234          |
| - Infrastructure Programme Projects                   | 1,971               | 7,983           | 5,276           | 260            | 0               | 0              | 15,490          |
| - Service Workforce and Development Programme Project | 1,387               | 0               | 0               | 0              | 0               | 10,000         | 11,387          |
| - Other Projects                                      | 499                 | 471             | 0               | 0              | 500             | 0              | 1,470           |
| <b>Sub-Total Capital Projects</b>                     | <b>6,979</b>        | <b>11,798</b>   | <b>5,276</b>    | <b>3,009</b>   | <b>5,179</b>    | <b>12,340</b>  | <b>44,581</b>   |
| <b>Funded or Part-Funded Projects</b>                 |                     |                 |                 |                |                 |                |                 |
| - Expenditure on Funded Projects                      | 2,931               | 0               | 0               | 0              | 0               | 0              | 2,931           |
| <b>Total Funded or Part-Funded Projects</b>           | <b>2,931</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>       | <b>0</b>        | <b>0</b>       | <b>2,931</b>    |
| <b>TOTAL Capital Expenditure</b>                      | <b>14,342</b>       | <b>18,291</b>   | <b>11,305</b>   | <b>7,606</b>   | <b>12,520</b>   | <b>20,390</b>  | <b>84,454</b>   |
| <b>Funding</b>  |                     |                 |                 |                |                 |                |                 |
| <b>Specific Purpose Funding</b>                       |                     |                 |                 |                |                 |                |                 |
| - Partner Contributions                               | (335)               | 0               | 0               | 0              | 0               | 0              | (335)           |
| - Earmarked Reserves                                  | (795)               | 0               | 0               | 0              | 0               | 0              | (795)           |
| - Grant Funding                                       | (2,099)             | 0               | 0               | 0              | 0               | 0              | (2,099)         |
| <b>Total Specific Purpose Funding</b>                 | <b>(3,229)</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>       | <b>0</b>        | <b>0</b>       | <b>(3,229)</b>  |
| <b>General Purpose Funding</b>                        |                     |                 |                 |                |                 |                |                 |
| - Home Office Capital Grant Funding                   | (1,005)             | (1,005)         | (1,005)         | (1,005)        | (1,005)         | (1,005)        | (6,030)         |
| - A&S Revenue Contributions                           | (6,854)             | (6,319)         | (3,500)         | (4,000)        | (4,500)         | (5,000)        | (30,173)        |
| - General Capital Reserve                             | (654)               | (2,867)         | (2,185)         | 0              | 0               | 0              | (5,706)         |
| - ESN Grant Funding                                   | 0                   | 0               | 0               | (303)          | 0               | 0              | (303)           |
| - Capital Receipts                                    | 0                   | 0               | (215)           | (1,998)        | (6,915)         | (1,543)        | (10,671)        |
| - Vehicle Sales & other                               | (100)               | (100)           | (100)           | (100)          | (100)           | (100)          | (600)           |
| - New Borrowing                                       | (2,500)             | (8,000)         | (4,300)         | (200)          | 0               | 0              | (15,000)        |
| <b>Total General Purpose Funding</b>                  | <b>(11,113)</b>     | <b>(18,291)</b> | <b>(11,305)</b> | <b>(7,606)</b> | <b>(12,520)</b> | <b>(7,648)</b> | <b>(68,483)</b> |
| <b>TOTAL Capital Funding</b>                          | <b>(14,342)</b>     | <b>(18,291)</b> | <b>(11,305)</b> | <b>(7,606)</b> | <b>(12,520)</b> | <b>(7,648)</b> | <b>(71,712)</b> |
| <b>Surplus (-)/Deficit (+)</b>                        | <b>(0)</b>          | <b>0</b>        | <b>0</b>        | <b>(0)</b>     | <b>(0)</b>      | <b>12,742</b>  | <b>12,741</b>   |