



## **PRECEPT REPORT 2016/17**

### **1. Purpose of the Report**

- 1.1 The purpose of this report is to enable the Cambridgeshire Police and Crime Panel (“the Panel”) to approve the precept proposal set out by the Cambridgeshire Police and Crime Commissioner (“the Commissioner”). The appendices to this report provide background information to inform the precept recommendation and include the latest Medium Term Financial Plan (“MTFP”).

### **2. Police and Crime Plan**

- 2.1 The budget enables delivery of the Commissioner’s Police and Crime Plan (“the Plan”). The Police Reform and Social Responsibility Act 2011 (“the Act”) places a responsibility on Police and Crime Commissioners to keep the Plan under review and may vary it at any time. The Commissioner continues to update the Police and Crime Plan in order to reflect changes occurring both regionally and nationally. Examples of updates include the enhanced status of partnership working on key themes such as Victims, Offenders and Vulnerable Adults and the collaboration work with neighbouring forces, particularly Bedfordshire Police and Hertfordshire Constabulary, and more recently a new section detailing ‘What influenced the Police and Crime Plan’.
- 2.2 The Plan incorporates the Commissioner’s objectives for ensuring efficiency and effectiveness in policing and tackling crime, based on the issues the public tells the Commissioner they are concerned about (e.g. fighting anti-social behaviour, burglary and timely response to telephone calls).
- 2.3 Public engagement between the Commissioner and the public takes place using a range of channels and methods, including via his Outreach Workers who have proved valuable in picking up and reporting back local concerns, as well as wider issues that need escalating for further action or scrutiny. Further information on public engagement is provided in section 3 below.
- 2.4 The Plan will be updated again once the 2016/17 budget and MTFP have been finalised. The Plan also reflects the Commissioner’s wider “and crime” role.

- 2.5 Commissioners must consult Chief Constables on their draft Plans before they are sent to the Panel for consideration. Commissioners must have regard to the crime and disorder reduction priorities set by partners, the strategic direction of the criminal justice system and the national Strategic Policing Requirement.
- 2.6 The Commissioner continues to ensure that every effort is taken to protect frontline policing to fulfil the Commissioner's and Constabulary's statutory functions and meet the public's needs and expectations. This is exemplified in the Plan and the new Chief Constable's operational policing strategy of safeguarding the vulnerable, attacking criminality, preventing and reducing crime, achieving excellent value for money and reassuring the public. The financial strategy is never viewed in isolation.

### **3. Public engagement**

- 3.1 Public engagement between the Commissioner and the public is continuous, using a range of methods all of which inform the decisions of the Commissioner.
- 3.2 Public opinion is fed back directly to the Commissioner through the correspondence received, typically in excess of 120 pieces per month. Communication by phone, post, e-mail, website and via Twitter are all utilised by the public. The Commissioner also visits different towns and cities and meets the public on the street listening to the views and concerns of the community. One-to-one appointments are offered to member of the public wishing to discuss particular issues with the Commissioner at one of his "surgeries". In the Commissioner's monthly newsletter financial issues are regularly raised and people are invited to comment on what they read.
- 3.3 Public opinion is also fed back through the Commissioner's two Outreach Workers who pick up and report back on local concerns, as well as wider issues that need escalating for further action or scrutiny. Public opinion received through the Constabulary is shared with the Commissioner's Office (the Office of the Police and Crime Commissioner (OPCC)) through meetings and reports.
- 3.4 Extensive engagement is achieved through various meetings with elected representatives, such as councillors and MPs, through attendance at, and feedback from, neighbourhood meetings, parish council meetings, Community Safety Partnership meetings and Neighbourhood Watch.
- 3.5 Due to continued media coverage, there is an increased awareness by the public of the extent and impact of ongoing budget pressures across the public sector.
- 3.6 The main theme expressed by the public is the desire to have greater police visibility and a perception that the police are not as visible as they used to be.
- 3.7 Whilst the confidence in the Constabulary remains high, national news coverage has had an impact on some people in terms of confidence in police integrity in general.

- 3.8 Public concerns expressed tend to be related to specific instances experienced by the individual, for example, speeding cars or anti-social behaviour.
- 3.9 There has been general support for the work undertaken to support the victims of crime and, in particular, the most vulnerable members of society.
- 3.10 There are a large number of people wanting to help their communities and one way this is expressed is in support for volunteer schemes such as Neighbourhood Watch and Speedwatch.

#### **4. Budget and Medium Term Financial Strategy Development**

- 4.1 During the autumn the Commissioner oversaw work to update the MTFP. As part of the Comprehensive Spending Review 2016/17 to 2019/20, government departments were asked to model savings of 25% and 40% over the period. At that stage the budget gap for Cambridgeshire policing in 2016/17 was estimated at £9.3m with a gap of £19.3m over the full four-year period of the MTFP.
- 4.2 The Provisional 2016/17 Police Grant Settlement was announced on 17 December 2015, stating a flat rate reduction in grant funding of 0.6% in cash terms. Once legacy council tax grants are taken into account, this is equivalent to a £416k cash reduction (0.52%) in overall policing grant for Cambridgeshire. The Provisional Settlement covers 2016/17 only. A prudent assumption has been made that the grant will be reduced by 1.00% per annum for the remainder of the MTFP period.
- 4.3 Appendix 1 sets out the updated 2016/17 to 2019/20 MTFP including the 2016/17 budget which is based on detailed budget work undertaken by the Constabulary over the past few months. It also shows the £55k movement from the original 2015/16 budget as presented to the Panel in March 2015 to the updated budget for 2015/16. This was caused by the fact that the final council tax freeze grant figure for 2015/16 was not received until mid-April 2015 and it had increased by £55k compared to the original budgeted figure. It is also worth noting that in the original 2015/16 budget as presented to the Panel in March 2015, the net cost of police pensions was shown on a separate line after Local Policing and Business Support expenditure. In the budget in Appendix 1 police pensions have been allocated to individual police pensions lines in both Local Policing and Business Support to improve clarity of the division of pension costs between Local Policing and Business Support.
- 4.4 Appendix 2 sets out the assumptions underpinning the budget and MTFP and also the estimates of the following which are yet to be determined but will be finalised in the budget-setting report that will be presented to the Commissioner's Business Co-ordination Board on 25 February 2016 and to the Panel on 16 March 2016:
- The Provisional Grant Settlement 2016/17 was received on 17 December 2015 and final figures are expected to be received on 3 February 2016

- Notification of Cambridgeshire's allocation of the capital grant will not be received from the Home Office until February 2016 although the Commissioner has been advised that there will be a reduction for policing of 40%.
- Final council tax base figures and details of losses/surpluses on collection funds as at 31 March 2016 are currently being awaited.
- The cost of the police helicopter under the National Police Air Service contract will not be finalised until February 2016.
- The budgets for services within the collaborated functions of Joint Protective Services, Operational Support and Organisational Support are in the process of being finalised and this is due to be completed in January 2016.

4.5 Appendix 3 sets out the details of the Provisional Police Grant Settlement for 2016/17.

4.6 Table 1 below sets out in broad terms how the budget has been balanced and Table 2 shows a high level analysis of the total budget.

Table 1 – Budget changes 2015/16 to 2016/17

	£m
<b>Budget 2015/16</b>	<b>129.2</b>
<b>Funding Changes</b>	
Reduction of grants	-0.4
Increase in Precept	1.5
Change to Draw Required on Reserves	0.2
<b>Net Budget Requirement 2016/17</b>	<b>130.5</b>
<b>Net Revenue Expenditure Changes</b>	
Inflation and budgetary pressures	4.6
Increase in Constable posts	0.6
Increase requirement for capital funding from revenue	0.7
<b>Savings:</b>	
Senior Police Officer Posts	-0.5
Police staff	-0.9
Transport	-0.4
Supplies and services	-0.6
Estates	-0.2
Total Savings Identified	-2.6
Use of Reserves	-2.0
	<b>130.5</b>

Table 2 – High Level Budget Analysis

	£m
Policing Budget – delegated to the Chief Constable	124.6
Office of the Police and Crime Commissioner	1.2
Ministry of Justice victims' grants / crime and disorder grants	2.3
Capital Financing and Reserves	2.4
<b>Net Budget Requirement</b>	<b>130.5</b>

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**5. Council Tax Base and Collection Funds**

5.1 Final council tax base figures and details of losses/surpluses on collection funds as at 31 March 2016 are currently being awaited. The tax base figures within the budget are based on estimates received from the individual councils. Net losses or surpluses on collection funds can either contribute to or be financed from the General Reserve. Compared to 2015/16 the council tax base for 2016/17 has increased by 2.0%.

**6. Precept 2016/17**

6.1 Since taking Office in November 2012, the Commissioner has been ensuring that the Constabulary is delivering effective and efficient policing to the people of Cambridgeshire, which is sustainable in the future. To ensure that this can be achieved the Commissioner is overseeing, in conjunction with the Constabulary, the delivery of technology-enabled agile working and collaboration with Bedfordshire Police and Crime Commissioner/Police and Hertfordshire Police and Crime Commissioner/Constabulary.

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

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

- Consumer Price Index: 4.99%
- Retail Price Index: 7.89%
- Average weekly earnings: 6.02% (figures to October 2015 – November 2015 data not yet available)

6.4 The Provisional Police Grant Settlement announced that no Police and Crime Commissioner would face a cash reduction in Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept.

6.5 For the above reasons, and also due to projects currently in place to deliver future efficiencies, the Commissioner will be recommending to the Panel an increase of 0.99% in council tax for 2016/17. This would see the policing element of a 2016/17 Band D council tax increasing from £181.35 to £183.15 per annum, an increase of 3.5p per week. The Commissioner wants to ensure he has listened to what people have told him, balancing their expectations of police visibility with affordability of tax increases, whilst driving efficiencies. This means that between 2012/13 and 2016/17

the total increase in council tax for a Band D property was 4.951%, marginally less than any of the indicators in 6.3.

- 6.6 On 6 January 2016 the Commissioner announced his proposed precept increase to the media. The Commissioner considers this to be achievable as he and his team have worked closely with the Constabulary to ensure an effective and efficient police force, continuing to drive down costs and develop plans to meet future savings requirements. The adoption of new technology and working in collaboration with other police forces will continue to deliver further efficiencies in future years. As mentioned above, the Commissioner is also mindful of not wanting to create an extra burden on the taxpayer.
- 6.7 News of the Commissioner's proposal was covered by the media across Cambridgeshire, on social media, and in the Commissioner's newsletter. During the past year the Commissioner has again received numerous emails, letters and comments from members of the public expressing the desire to have greater police visibility.
- 6.8 Details of the precepts due from each collection authority net of any loss or surplus on the collection funds are set out at Appendix 5.

## **7. Collaboration**

- 7.1 Work to balance the budget for the period 2017/18 to 2019/20 continues to focus on collaboration initiatives as part of Cambridgeshire Constabulary's three-way Strategic Alliance with Bedfordshire Police and Hertfordshire Constabulary. Collaboration is delivering a significant contribution to the overall goal of the three forces to scale back office costs by up to £20m each year from a baseline of £120m. The Strategic Alliance enables the three forces to develop plans to collaborate on a range of operational support and organisational support functions. The three are already collaborating on a number of areas including Armed Policing, Procurement, the Professional Standards Department and Roads Policing. The Alliance signed the legal agreement under Section 22A of the Police Act ("the S22A Agreement") on 27 November 2015 to progress with the collaboration of the following areas, creating savings of £2.8m for Cambridgeshire from 2017/18 to 2019/20:
- Public Contact: an integrated tri-force public contact service incorporating digitally enabled public services, with increased online access and self-service to provide an improved citizen experience, whilst reducing demand on police resources and increasing resilience.
  - Human Resources and Learning and Development: a single organisational support function covering recruitment, knowledge and skills building, managing change programmes, health and safety, and application of regulations, terms and conditions in a unified way.

- Firearms and Explosives Licensing: a single tri-force structure and process to manage applications, renewals and revocations of firearms and explosives licences, and manage risk and appropriate use of intelligence.

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

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

## **8. Workforce**

8.1 Despite ongoing budget pressures, the total number of police officer posts in the Constabulary establishment is budgeted to slightly increase from 1,343 in 2015/16 to 1,352 in 2016/17.

8.2 PCSO establishment numbers are budgeted to remain at 150.

8.3 Police Staff budgeted numbers are estimated to fall from 825 to 803 in 2016/17 due to local and collaboration-related reductions in headcount.

8.4 The target for Special Constabulary numbers continues to be 300.

8.5 As referred to in para 7.1, the Constabulary is already collaborating in several areas. This has enabled each Force/Constabulary to have access to a greater number of resources. Table 3 also shows that 93 staff are to be collaborated and these relate to the functions of Learning and Development, Public Contact, Custody and Criminal Justice. It is anticipated the total number of resources the Constabulary will have access to will increase as collaboration continues to develop.

**Table 3 – Workforce projections (establishment)**

	<b>2015/16</b>	<b>2016/17</b>
<b>Police Officers:</b>		
Local Policing	1,147	1,047
Other Policing	196	212
To be collaborated		93
<b>Total Officers</b>	<b>1,343</b>	<b>1,352</b>
<b>Police Staff:</b>		
Police Staff	825	803
PCSOs	150	150
<b>Total</b>	<b>975</b>	<b>953</b>

**9. Capital Financing**

- 9.1 Capital Programme expenditure for 2016/17 to 2019/20 will be financed without the need for external borrowing, which has been the wish of the Commissioner, to continually ensure that available resources are maximised for policing purposes. Financing of the programme will be through a number of different sources which include Capital Grant from Government, Capital Receipts, Revenue Contributions and the use of Capital Reserves for its intended purpose.
- 9.2 The Capital Programme’s 2016/17 to 2019/10 revenue effects are included in the budget and the MTFP.

**10. Specific Grants**

- 10.1 The Commissioner has allocated £2.28m of grant funding to use towards various community safety and victim support services. These specific grants have controls in place and recipients must demonstrate that the money has been used for the correct purpose. This is outlined below:
- The Police Reform and Social Responsibility Act 2011 gave Police and Crime Commissioners the powers to make crime and disorder reduction grants. During 2014/15 the Commissioner took over grants previously issued by the Constabulary and integrated them with the Community Safety Grants. The Commissioner made grants of £1,307k in 2015/16 and will be making grants of £1,300k in 2016/17.

- The Commissioner received £910k during 2015/16 from the Ministry of Justice to commission services for victims and will receive £981k for this purpose in 2016/17. This funding is allocated to enable all Police and Crime Commissioners to provide:
  - (i) services for victims of crime and particularly victims in the priority categories outlined in the Victims' Code: victims of the most serious crime, persistently targeted victims, and vulnerable or intimidated victims, to help them cope with the immediate impacts of crime and, as far as possible, recover from the harm they have experienced
  - (ii) services for victims of sexual and/or domestic violence;
  - (iii) support services for family members;
  - (iv) capacity and capability building for restorative justice services (this element of the grant is unringfenced).

10.2 The move from national to local commissioning of victim support services has enabled the Commissioner to integrate and enhance the provision of evidence based support services for victims of crime in the county. A mixed model of funding services has been used which includes true commissioning and grant agreements.

10.3 In a pioneering move, the Commissioner opted out of the national services provided by the charity Victim Support and created a police-led locally-based Victims' Hub staffed by local people who understand local crime trends and the local support services available. The flexibility of the model has allowed the Constabulary and the Commissioner to respond in November 2015 to changes to the Code of Practice for Victims of Crime which extends entitlements to victims of careless and drink driving. It is also available to vulnerable victims of anti-social behaviour.

10.4 A range of specialist services have been commissioned by the Commissioner to enable victims of crime to cope and recover and move on from their experience. This ranges from a dedicated post to support migrant victims of exploitation to another who supports young victims of crime and their families. A team of Mental Health Pathfinders (Community Psychiatric Nurses) provide a range of services from providing self-help techniques on relaxation, stress and anxiety management along with personal face to face visits and pathfinding victims to the most appropriate primary care services.

10.5 **Domestic and Sexual Violence Support Services:** The Victim Care Co-ordinators within the Victims' Hub provide support to standard and medium risk victims of domestic violence where a specialist support service is not assigned. Outside of the Hub the services available for victims of domestic abuse and serious sexual offences have also been boosted through grants to Rape Crisis and Women's Aid. This funding has contributed to the provision of sexual violence counselling, peer support groups and telephone helplines. Young victims are able to access enhanced support through two Young Person Independent Sexual Violence Advisers and a pilot post within the

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Sexual Assault Referral Centre to support the families of children who have been sexually assaulted. A Young Person Independent Domestic Violence Adviser is also funded to sit within the force's Multi-Agency Safeguarding Hub.

- 10.6 **Home Security for elderly victims of crime:** A charity is commissioned to provide practical support to elderly victims of crime to secure their homes and make them feel safe.
- 10.7 **Road Traffic Victims:** The bereaved families of those killed on the county's roads in fatal road traffic collisions are being supported by a local charity. The work of the charity's volunteers not only saves officer time but professionalises the support offered to families in what are often traumatic circumstances.
- 10.8 The OPCC has stayed true to the 'Understand, Plan, Do and Review' mantra. This has ensured all commissioned services are evidence-based and regularly evaluated to ensure they are meeting the needs of victims.

## **11. Office of the Police and Crime Commissioner (OPCC)**

- 11.1 The work of the OPCC has been changing and as of November 2014 it took on the responsibility for the provision of certain victims' services and the continued scrutiny and oversight implications of the large collaboration projects being undertaken to deliver the savings required over the next few years.
- 11.2 The OPCC budget for 2016/17 is £1,249k, an increase of 0.4% (£5k) on 2015/16. Increased staffing costs of £24k (relating to increased National Insurance and pension costs for 2016/17) are to be offset by savings in premises costs, supplies and services of £19k. As regards pension costs, the current Commissioner and Deputy Commissioner decided that they would not seek to take advantage of the pension benefits on offer, but recognise that an incoming Commissioner and Deputy Commissioner may be of an age where it may be expected that they would make a different decision.
- 11.3 The detailed budget for the OPCC is shown at Appendix 4.

## **12. Robustness of estimates**

- 12.1 Under Section 25 of the Local Government Act 2003, the Commissioner's Chief Financial Officer (CFO) is required to report on the robustness of the estimates made for the purposes of the budget calculations.
- 12.2 Work on the 2016/17 budget gap started at the beginning of 2015/16, as the Constabulary identified savings during the financial year which contribute towards balancing the budgets for the next financial year. This is the established practice,

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

- 12.3 A sound financial strategy is the key enabler to the achievement of the pledges in the Plan, the objectives of the operational policing strategy and the protection of front-line policing. The best way to keep people safe and maintain police resources and people's confidence in the police is to place an emphasis on long-term financial and strategic management as a whole. The Commissioner and Constabulary never look at expenditure numbers in isolation.
- 12.4 Analysing and setting the Commissioner's and Constabulary's budgets is an iterative and ongoing process. Initial drafts of the following year's budget are prepared throughout the current year. The budget setting process continues in earnest in September. The known factors including contractual commitments, cost pressures and savings identified during the current financial year, alongside assumptions relating to central government funding. These factors set the financial landscape for the coming year. The Constabulary's Budget Managers are tasked with reviewing their budgets and recommending savings. This work is undertaken in close co-operation with the Constabulary's Finance Team.
- 12.5 The Deputy Commissioner, Commissioner's CFO and Constabulary Director of Finance and Resources meet regularly from September to consider the draft budget and MTFP, challenging assumptions and analysing savings in order to improve a realistic and sustainable financial plan that enables the Constabulary to bring the operational policing strategy to fruition.
- 12.6 2016/17 remains the most challenging year due to the impact of the end of contracting-out of National Insurance contributions (£2m pressure) and the fact that collaboration savings will not be fully realised until later in the MTFP period. The Budget Assistance reserve will be used to balance the budget during this period, as explained further in paragraph 13.5 below.
- 12.7 In the MTFP in Appendix 1, services in the process of being collaborated with Bedfordshire Police and Hertfordshire Constabulary were included within the local policing figures in 2015/16. For the 2016/17 budget and beyond these are shown within a separate section titled 'To Be Collaborated', thus giving a more detailed picture of the Local Policing budget going forward.

### **13. Use of Reserves**

- 13.1 Section 25 of the Local Government Act 2003 requires the CFO to report on the adequacy of the proposed financial reserves as part of budget setting considerations.
- 13.2 Appendix 6 sets out the Commissioner's reserves including estimated movements in 2015/16 and 2016/17.

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- 13.3 Earmarked Reserves have been built up over the last few years specifically for the financing of capital (via the Capital Reserve). The Capital Reserve has been applied to fund legacy schemes (schemes approved pre-2013) and use of the Capital Reserve in this way reduces the pressure on the revenue costs required to fund the capital programme.
- 13.4 The Commissioner holds a general reserve, primarily as a contingency for the cost of major police operations. This reserve currently totals £7.2m or 5.5% of the Net Budget Requirement for 2016/17 which is considered a prudent percentage of the total budget to hold as a general reserve for operational contingencies.
- 13.5 The Budget Assistance reserve currently stands at £9.8m and is predicted to rise to £11.2m by 31 March 2016. The revenue budget for 2016/17 seeks to utilise £1,978k of Budget Assistance reserve, to balance the budget while the changes and savings being achieved through organisational and operational support collaboration are realised. Opportunities to replenish this reserve will be sought throughout the MTFP period as those benefits materialise in later years.

#### **14. The Medium Term Outlook**

- 14.1 As set out in Appendix 1 the projected budget gap in the three years 2017/18 to 2019/20 is a further £6.6m. The Chancellor's Autumn Statement only announced a one year funding settlement, with no firm future commitments. This has made financial planning more challenging.
- 14.2 Work to balance the budget for the period 2017/18 to 2019/20 continues to focus on collaboration initiatives as part of Cambridgeshire Constabulary's three-way Strategic Alliance with Bedfordshire Police and Hertfordshire Constabulary. This collaboration, coupled with the embedding of Metis (the IT streamlining of processes to deliver information directly to the front-line) and further local savings in areas such as procurement and strategic use of estates, are projected to deal with the funding gap in the medium term.

#### **15. Conclusion**

- 15.1 Robust plans are in place for maintaining police performance, protecting frontline policing, and continuing to work with partners to reduce offending and improve support for victims.
- 15.2 The Commissioner has sought to ensure that the Constabulary are delivering policing effectively and efficiently. The adoption of new technology and working in collaboration with other forces will continue to deliver further efficiencies in future years to ensure that the front line is protected, without having to burden the people of Cambridgeshire through increases in council tax.

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**16. Recommendation**

- 16.1 Taking into account all the information contained in the report the Commissioner is asking the Panel to endorse his recommendation to increase the policing element of council tax by 0.99%; this will increase the policing element of Band D council tax from £181.35p in 2015/16 to £183.15 in 2016/17, a rise of 3.5p per week.

DRAFT Medium Term Financial Strategy 2016/17 to 2019/20

Appendix 1

	Original Budget 2015/16 £'000	Updates To Budget 2015/16 £'000	Updated Budget 2015/16 £'000	Proposed Budget 2016/17 £'000	Forecast 2017/18 £'000	Forecast 2018/19 £'000	Forecast 2019/20 £'000
<b>Local Policing Expenditure</b>							
Police Officer Pay	42,793		42,793	41,650	42,817	43,852	44,553
Police Officer Overtime	1,864		1,864	1,819	1,819	1,819	1,819
Police Pensions	9,227		9,227	8,671	8,914	9,129	9,275
Police Staff	13,612		13,612	4,758	4,835	4,912	4,991
Police Staff Overtime	165		165	55	56	57	58
PCSO Pay & Allowances	4,787		4,787	4,968	5,047	5,128	5,210
<b>Total Local Policing Expenditure</b>	<b>72,448</b>		<b>72,448</b>	<b>61,922</b>	<b>63,488</b>	<b>64,897</b>	<b>65,906</b>
<b>Business Support Expenditure</b>							
Police Officer Pay	2,560		2,560	1,377	1,399	1,421	1,444
Police Officer Overtime	16		16	0	0	0	0
Police Pensions	2,894		2,894	2,757	2,812	2,869	2,926
Police Staff	9,446		9,446	2,906	2,952	3,000	3,048
Police Staff Overtime	18		18	0	0	0	0
Training	587		587	0	0	0	0
Other Employee Expenses	31		31	4	4	4	4
Premises Costs	4,080		4,080	3,750	3,863	3,978	4,098
Transport Costs	1,480		1,480	1,026	1,056	1,088	1,121
Supplies & Services	9,771	55	9,826	4,035	4,816	4,898	4,983
Agency & Hosted Services	1,406		1,406	1,135	1,158	1,181	1,204
<b>Total Business Support Expenditure</b>	<b>32,289</b>	<b>55</b>	<b>32,344</b>	<b>16,989</b>	<b>18,059</b>	<b>18,439</b>	<b>18,827</b>
<b>Collaboration Expenditure</b>							
Regional Change team				140	142	144	147
Business Support				94	96	97	99
Athena - AMO				425	431	438	445
Collaboration Team - Change	1,895		1,895	1,758	1,200	1,000	750
Collaboration Team - Athena	0		0	292	296	301	306
Armed Policing	2,380		2,380	2,443	2,482	2,522	2,562
CTC	0		0	0	0	0	0
Dogs Unit	842		842	766	778	791	803
Major Crime	3,211		3,211	3,175	3,226	3,278	3,330
Operational Planning	367		367	301	306	310	315
Procurement	268		268	268	272	277	281
PS Command	201		201	201	205	208	211
PSD	884		884	944	959	974	990
Roads Policing Unit	4,813		4,813	4,662	4,737	4,813	4,890
Scientific Services	2,671		2,671	2,564	2,605	2,647	2,689
CT and DE	622		622	630	640	651	661
ERSOU	2,121		2,121	2,359	2,397	2,435	2,474
Helicopter	490		490	490	500	510	520
Kings Lynn PIC	940		940	959	978	998	1,017
<b>Total Collaboration Expenditure</b>	<b>21,705</b>		<b>21,705</b>	<b>22,471</b>	<b>22,250</b>	<b>22,392</b>	<b>22,491</b>
<b>To be collaborated</b>							
Police Officer Pay				4,464	4,535	4,608	4,681
Police Officer Overtime				61	61	61	61
Police Pensions				949	964	979	995
Police Staff	Included in figures in the local policing and business support		Included in figures in the local policing and business support	15,129	15,371	15,617	15,867
Police Staff Overtime				126	126	126	126
Training				500	500	500	500
Other Employee Expenses				27	28	29	29
Premises Costs				91	93	96	99
Transport Costs				96	99	101	105
Supplies & Services				5,422	5,531	5,641	5,754
Agency & Hosted Services				296	302	308	314
Other Income				-635	-635	-635	-635
<b>Total Business Support Expenditure</b>	<b>0</b>		<b>0</b>	<b>26,525</b>	<b>26,975</b>	<b>27,431</b>	<b>27,896</b>
<b>OPCC</b>							
Police Staff & Commissioner	954		954	977	993	1,009	1,025
Other Employee Expenses	4		4	2	2	2	2
Premises Costs	36		36	28	28	29	29
Transport Costs	19		19	25	26	26	26
Supplies & Services	230		230	217	220	223	226
<b>Total OPCC Expenditure</b>	<b>1,244</b>		<b>1,244</b>	<b>1,249</b>	<b>1,269</b>	<b>1,289</b>	<b>1,309</b>
<b>Community Safety / Crime Reduction Grants</b>	<b>1,307</b>		<b>1,307</b>	<b>1,300</b>	<b>1,287</b>	<b>1,274</b>	<b>1,261</b>
<b>Ministry of Justice Victims' Grant</b>	<b>910</b>		<b>910</b>	<b>981</b>			
<b>Capital Financing Costs</b>							
Revenue Contribution to Capital	493		493	1,217	2,196	2,286	2,044
Interest	455		455	434	434	434	434
MRP	808		808	774	774	774	774
<b>Total Capital Financing Costs</b>	<b>1,756</b>		<b>1,756</b>	<b>2,425</b>	<b>3,404</b>	<b>3,494</b>	<b>3,252</b>
<b>GROSS REVENUE EXPENDITURE</b>	<b>131,658</b>	<b>55</b>	<b>131,713</b>	<b>133,862</b>	<b>136,731</b>	<b>139,216</b>	<b>140,942</b>
<b>Total Income</b>	<b>-2,126</b>		<b>-2,126</b>	<b>-1,376</b>	<b>-1,376</b>	<b>-1,376</b>	<b>-1,376</b>
<b>NET REVENUE EXPENDITURE</b>	<b>129,532</b>	<b>55</b>	<b>129,587</b>	<b>132,486</b>	<b>135,355</b>	<b>137,840</b>	<b>139,566</b>
Contributions +To /- From Reserves	-395		-395	-1,978			
<b>NET BUDGET REQUIREMENT (NBR)</b>	<b>129,137</b>	<b>-55</b>	<b>129,192</b>	<b>130,508</b>	<b>135,355</b>	<b>137,840</b>	<b>139,566</b>
Budget -Decrease / +Increase Year on Year	-1.5%		-1.4%	1.0%	4.0%	1.8%	1.3%
<b>Financed by:</b>							
<b>Formula Grant</b>	<b>79,791</b>	<b>55</b>	<b>79,847</b>	<b>79,431</b>	<b>78,637</b>	<b>77,850</b>	<b>77,072</b>
Actual Grant Reductions	-5.11%		-5.11%	-0.52%	-1.00%	-1.00%	-1.00%
Ministry of Justice Victims' Grant	910		910	981			
<b>Precept</b>	<b>48,219</b>		<b>48,219</b>	<b>49,686</b>	<b>51,683</b>	<b>53,766</b>	<b>55,932</b>
Collection Fund - Deficit / +Surplus	217		217	410			
<b>TOTAL FINANCING</b>	<b>129,137</b>	<b>55</b>	<b>129,192</b>	<b>130,508</b>	<b>130,320</b>	<b>131,616</b>	<b>133,004</b>
Budget Gap	-1.48%		-1.44%	0	-5,035	-6,224	-6,562
	0		0	0	-5,034	-1,189	-338
<b>Band D Council Tax £</b>	<b>£181.35</b>		<b>£181.35</b>	<b>£183.15</b>	<b>£186.79</b>	<b>£190.51</b>	<b>£194.30</b>
Increase	£0.00		£0.00	£1.80	£3.64	£3.72	£3.79
<b>KEY ASSUMPTIONS INCLUDED IN THE FORECASTS ABOVE</b>							
Council Tax base increases							
Actual	2.13%		2.13%				
Forecast				2.00%	2.00%	2.00%	2.00%
<b>Council Tax</b>	<b>0.00%</b>		<b>0.00%</b>	<b>0.99%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>
Tax base	265,892		265,892	271,265	276,690	282,224	287,869
<b>Grant increase / Decrease (-)</b>	<b>-5.11%</b>		<b>-5.11%</b>	<b>-0.52%</b>	<b>-1.00%</b>	<b>-1.00%</b>	<b>-1.00%</b>
Police officer pay rise (w.e.f 01/09)	1.00%		1.00%	1.00%	1.00%	1.00%	1.00%
Police staff pay rise	2.20%		2.20%	0.59%	1.00%	1.00%	1.00%
Increment increase	1.00%		1.00%	0.60%	0.60%	0.60%	0.60%
General Inflation	1.40%		1.40%	1.00%	2.00%	2.00%	2.00%
Energy Inflation	3.50%		3.50%	1.50%	3.00%	3.00%	3.00%

**DRAFT Budget Assumptions and Main Risks and Uncertainties**

1. The following assumptions (some now confirmed) underpin the estimates/forecasts:
  - Pay awards – 1.0% per annum for Police Officers and 0.58% for Police Staff for 2016/17, and 1.0% for both Police Officers and Police Staff thereafter
  - General (price) inflation is now projected at 1.0% in 2016/17 and 2.0% thereafter
  - Energy and fuel inflation assumption is 1.5% in 2016/17 and 3.0% for the remainder of the MTFP period
  - A precept increase of 0.99% for 2016/17 and 1.99% for the remainder of the MTFP period
  - A formula grant reduction of 1.0% from 2017/18 onwards
  
2. The main risks and uncertainties in the MTFP comprise:
  - Pay awards and increments and pension costs
  - Inflationary pressures
  - Energy costs – predicting whether and to what extent the current low energy costs will continue.
  - In July 2015, the Government proposed a new, simplified allocation model for the police funding formula. The Commissioner’s CFO and Constabulary’s Director of Finance and Resources issued joint responses to the two rounds of consultation that were broadly positive but highlighted concerns with the formula, most notably around the lack of inclusion of non-crime data. On 9 November 2015 the Home Office announced a delay to the finalisation and implementation of the funding formula to 2017/18 with further consultation due to take place in 2016. Implementation of the revised formula is likely to be slow.
  - Police Grant – reduction expected over 2017/18 to 2019/20 of up to 1% per annum, to take account of Home Office top slicing of the Police Grant.
  - At the present time the exact Police share of the £1bn for the Emergency Services Network system (the replacement for Airwaves) is not known.
  - The future costs of the Athena system (a ‘one-stop’ IT system which will help police to identify criminals more quickly and increase the potential to catch criminals) can only be estimated at this stage as the project is in development.
  - Overtime claims for undercover officers – the claim is passing through the courts at present and the outcome remains uncertain

**DRAFT Details of the Provisional Grant Settlement 2016/17**

**1. Formula Grant**

- 1.1 The Provisional Grant Settlement is a flat rate reduction in grant funding of 0.6% in cash terms. Once legacy council tax grants are taken into account, this is equivalent to a £416k cash reduction (0.52%) in overall policing grant for Cambridgeshire.
- 1.2 The Provisional Settlement covers 2016/17 only.
- 1.3 The final grant settlement is expected to be received on 3 February 2016.

**2. Victim Services, Child Sexual Abuse Services and Restorative Justice Grant**

- 2.1 The Ministry of Justice has announced a grant of £981k to fund victims' services in 2016/17.

**3 Council Tax**

- 3.1 Under the Localism Act 2011, the Government sets a limit (the excessive amount) on council tax increases. The 25 November 2015 Autumn Statement set a limit of 2% for 2016/17 for policing except for the ten lowest-charging police forces for which a limit of £5 was set; therefore the limit for Cambridgeshire is 2%.

**4. Capital Grant**

The current capital plan is based on a best estimate of the Capital Grant. Confirmation is awaited from the Home Office which is anticipated in February 2016; the Commissioner has been advised that there will be a reduction for policing of 40%.

## DRAFT Office of the Police and Crime Commissioner (OPCC)

Narrative	PCC	PCC		Comments
	2015/16 Budget £'000	2016/17 Forecast £'000	Movement £'000	
Police Staff Pay & Allowances	952.7	977.0	24.3	Increased National Insurance and pension costs
Training - Support Staff - External	0.6	0.3	-0.3	
Agency Staff/Seconded Officers	0.0	0.0	0.0	
Advertising for Support Staff	4.0	2.0	-2.0	
Rents & Leases	28.0	28.0	0.0	
Travel and Subsistence Expenses	6.1	10.5	4.4	
Reorganisation Travel	1.8	0.0	-1.8	
Car Allowances Staff (staff mileage)	14.4	15.7	1.3	
Printing & Stationery - General	10.6	7.9	-2.7	
Postage & Carriage Costs	1.5	0.6	-0.9	
Photocopier - Rentals	0.9	2.2	1.3	
Photocopier Copy Charges	0.5	1.0	0.5	
Other Office Equipment	1.0	0.2	-0.8	
Books & Publications etc.	1.0	0.1	-0.9	
Printed Materials	3.0	0.5	-2.5	
Casual Hire of Rooms	2.0	1.0	-1.0	
Consultants - Non-Operational	10.0	10.0	0.0	
Legal Fees - Civil	20.0	12.0	-8.0	
External Audit Fees	65.0	46.0	-19.0	Constabulary to contribute £20k to their share
Internal Audit	46.0	52.0	6.0	
Advertising - Non Recruitment	2.0	2.0	0.0	
Bank Charges	0.0	6.0	6.0	Transfer from Constabulary, to reflect responsibility for cash balances and treasury management
Computer Hardware - Purchase	1.5	0.5	-1.0	
Computer Software Purchase	0.2	0.2	0.0	
Computer Consumables & Peripherals	1.9	0.0	-1.9	
Telephone Rental	0.5	0.1	-0.4	
Support Staff Subsistence Expenses	2.0	1.5	-0.5	
Conference & Seminar Costs	5.0	2.0	-3.0	
Hospitality - Internal	2.1	1.5	-0.6	
Members Attendance Allowance	8.8	8.8	0.0	
Members Travel Expenses	3.4	3.4	0.0	
Custody Visitor-Expenses	3.5	3.6	0.1	
Custody Visitor-Training & Conferences	2.1	2.0	-0.1	
Subscriptions Corporate	41.9	49.7	7.8	Includes National Police ICT contribution not yet finalised
Professional subscriptions	0.0	1.1	1.1	
<b>NET REVENUE EXPENDITURE (NRE)</b>	<b>1,244.0</b>	<b>1,249.4</b>	<b>5.4</b>	

Cambridgeshire Police and Crime Commissioner

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## Appendix 5

### DRAFT Estimated Share of Precept to be paid by each District/City Council in 2016/17

	2016/17 Council Tax Estimated Base No	Precept	Collection fund surplus (+) / deficit (-)	Estimated Total Payment Due	Comments
Cambridge City	40,932	7,497,123	-89,114	7,408,010	Estimated Base and Collection Fund deficit provided by the Authority
East Cambridgeshire District Council	28,682	5,253,395	83,346	5,336,741	Estimated Base and Collection Fund surplus provided by the Authority
Fenland District Council	27,935	5,116,575	101,055	5,217,630	Estimated Base and Collection Fund surplus provided by the Authority
Huntingdon District Council	59,358	10,872,011	42,552	10,914,563	Estimated Base and Collection Fund surplus provided by the Authority
South Cambridgeshire District Council	60,257	11,036,672	33,927	11,070,599	Estimated Base and Collection Fund surplus provided by the Authority
Peterborough City Council	54,100	9,909,029	238,090	10,147,119	Estimated Base and Collection Fund surplus provided by the Authority
<b>Total</b>	<b>271,265</b>	<b>49,684,806</b>	<b>409,856</b>	<b>50,094,662</b>	

## DRAFT General and Earmarked Reserves - Movements

	Balance	Forecast		Balance	Forecast		Notes	Balance
	31 March	2015/16		31 March	2016/17			31 March
	2015	Reserve	Applied	2016	Reserve	Applied		2017
	£000	£000	£000	£000	£000	£000		£000
Carry Forward Underspending Reserve	846	750	(846)	750	750	(750)		750
Insurance Reserve	1,047	-	-	1,047	-	-		1,047
Ill-Health Retirement Reserve	627	-	-	627	-	-		627
Capital Reserve	4,683	-	(665)	4,018	-	(500)		3,518
Drug Forfeiture (Operational) Reserve	127	8	(37)	98	-	-		98
Budget Assistance Reserve	9,797	1,380	-	11,177	-	(2,892)	(A)	8,285
Capital Carry Forward Reserve	1,912	735	(1,912)	735	500	(735)		500
Casualty Reduction & Support Reserve	515	476	(269)	722	-	-	(B)	722
Collaboration & Commissioning Reserve	241	-	(34)	207	-	-		207
<b>Total Earmarked Reserves</b>	<b>19,795</b>	<b>3,349</b>	<b>(3,763)</b>	<b>19,381</b>	<b>1,250</b>	<b>(4,877)</b>		<b>15,754</b>
General Reserve	7,198	-	-	7,198	-	-		7,198
<b>Total General and Earmarked Reserves</b>	<b>26,993</b>	<b>3,349</b>	<b>(3,763)</b>	<b>26,579</b>	<b>1,250</b>	<b>(4,877)</b>		<b>22,952</b>

(A) Comprises £1,978k use of reserves to balance 2016/17 budget plus £914k to finance capital programme (subject to outcome of Innovation Fund bids)

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