

CAMBRIDGESHIRE POLICE AND CRIME PANEL	Agenda Item No. 7
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Report of Cambridgeshire Police and Crime Commissioner

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POLICE AND CRIME PLAN VARIATION – APPENDIX 1 FINANCES UPDATE

1. PURPOSE

- 1.1 The purpose of the report is to provide the Police and Crime Panel (“the Panel”) with an update of the Police and Crime Commissioner’s (“the Commissioner”) Police and Crime Plan (“the Plan”) Appendix 1 – Finances.

2. RECOMMENDATIONS

- 2.1 The Panel review the variation to Appendix 1 of the Plan provided within Appendix E of this report.

3. TERMS OF REFERENCE

- 3.1 Item 1 - To review and make a report or recommendation on the draft Plan, or draft variation, given to the Panel by the Commissioner.

4. BACKGROUND

- 4.1 The Commissioner presented the proposed precept and budget to his Business Coordination Board (“the Board”) at their meeting on 22 January 2016 for their consideration. The Commissioner notified the Panel of his proposal to increase the policing element of the precept by 0.99% for the financial year 2016/17 at their meeting on 3 February 2016. The Panel reviewed the recommendation at their meeting and made a formal report dated 4 February 2016 endorsing the precept. The Commissioner formally responded to the Panel’s report on their recommendation on 9 February 2016.

- 4.2 When establishing, considering and scrutinising the budget The Policing Protocol Order 2011 should be kept in mind, which sets out some key guiding principles for all Police and Crime Commissioners, Chief Constables and Police and Crime Panels. In relation to the financing of policing the Protocol sets out the following:

- *“The Commissioner is the recipient of all funding related to policing and crime reduction and all funding for the force [Constabulary] must come via the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable. The Chief Constable will provide professional advice and recommendations.*
- *The Commissioner must not fetter the operational independence of the police force and the Chief Constable who leads it.*
- *The Chief Constable is responsible to the public and accountable to the Commissioner for ... having day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner.*
- *In order to respond to the strategic objectives set by the Commissioner and the wide variety of challenges faced by the police every day, the Chief Constable is charged with the direction and control of the force and day-to-day management of such force assets as agreed by the Commissioner.*

- *The Commissioner is ultimately accountable to the public for the management of the police fund. The Commissioner and Chief Constable share a responsibility to provide effective management of the policing budget and to secure value for money on behalf of the public that they both serve.*
- *The Chief Constable has day to day responsibility for managing their allocated budgets after they have been approved by the Commissioner. The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the Commissioner and those set within his Plan”.*

5. REVENUE BUDGET 2016/17 BUILD PROCESS

- 5.1 Work on the 2016/17 budget gap started at the beginning of 2015/16, as the Constabulary identified savings during the financial year which contribute towards balancing the budgets for the next financial year. This is the established practice, which ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing.
- 5.2 Analysing and setting the Commissioner’s and Constabulary’s budgets is an iterative and ongoing process. Initial drafts of the following year’s budget are prepared throughout the current year. The budget setting process continues in earnest in September. The known factors include contractual commitments, cost pressures and savings identified during the current financial year, alongside assumptions relating to central government funding. These factors set the financial landscape for the coming year. The Constabulary’s Budget Managers are tasked with reviewing their budgets and recommending savings. This work is undertaken in close co-operation with the Constabulary’s Finance Team.
- 5.3 Budget monitoring reports are presented to the Commissioner’s monthly Finance Sub-Group, chaired by the Deputy Commissioner, whose minutes are reported to the Board. This ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing.
- 5.4 The Deputy Commissioner, Commissioner’s Chief Finance Officer (“CFO”) and Constabulary Director of Finance and Resources meet regularly from September to consider the draft budget and Medium Term Financial Plan (“MTFP”), challenging assumptions and analysing savings in order to improve a realistic and sustainable financial plan that enables the Constabulary to bring the operational policing strategy to fruition. The budget-setting process was shared with the Panel at its meeting on 4 November 2015 allowing them to both support and challenge the Commissioner during the process of budget setting.
- 5.5 The Government’s Provisional 2016/17 Police Grant Settlement was announced on 17 December 2015, stating a flat rate reduction in grant funding of 0.6% in cash terms. Once legacy council tax grants are taken into account, this is equivalent to a £416k cash reduction (0.52%) in overall policing grant for Cambridgeshire. The Provisional Settlement covers 2016/17 only. A prudent assumption has been made that the grant will be reduced by 1.00% per annum for the remainder of the MTFP period.
- 5.6 At that time other funding announcements relating to Victims Grant, Capital Grant and top slicing for the Police share of the Emergency Services Network system were not made, thereby creating uncertainty around these funding streams.
- 5.7 The MTFP was presented to the Board at its meeting on 6 January 2016 for consideration. This proposed a balanced budget for 2016/17. The Commissioner also announced his proposal to increase the precept for the 2016/17 financial year by 0.99%.
- 5.8 At the Board meeting on 22 January 2016, the Precept Report was presented for approval. This covered both the budget for 2016/17 and the Commissioner’s proposal to increase the precept by 0.99.

6. REVENUE BUDGET ASSUMPTIONS

- 6.1 As with all budgets, there were a number of assumptions made at the time of presenting the budget and precept to both the Board on 22 January 2016 and the Panel on 3 February 2016. This was due to provisional information being received from Central Government pending final confirmation, information awaited from partners, and also forecasts needing to be made for the coming financial year. The main assumptions and updates on them where relevant comprise:

- Policing Grant reduction in 2016/17 of 0.52%. This was confirmed in the Home Office Final settlement issued on 4 February 2016. A formula grant reduction of 1.0% is assumed from 2017/18 onwards.
- Figures for the Council Tax Base and Collection Fund were previously estimated. All information has now been confirmed by the Local Authorities and is built into the budget.
- The Police Staff pay award has been assumed at 0.58% for 2016/17. The previous pay award of 2.2% commenced in March 2015 and covers the period up to September 2016. Increase assumed at 1.0% for the remainder of the MTFP period.
- Police Officer pay award – 1.0% assumed; maintained at this level as negotiations have yet to commence on the pay award for September 2016. Increase assumed at 1.0% for the remainder of the MTFP period.
- General inflation – 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.

7. RISKS AND UNCERTAINTIES

7.1 The main risks and uncertainties in the MTFP comprise:

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

8. 2016/17 REVENUE BUDGET

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

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

budget on a subjective (cost category) basis.

	2015/16 Budget £'m	2016/17 budget £'m
Local Policing	72.4	61.9
Business Support	32.3	17.3
Collaboration	21.7	22.4
To be collaborated	included above	26.3
Office of the Police and Crime Commissioner	1.2	1.2
Police ICT Company / Community Safety / Crime Reduction Grants	1.3	1.4
Ministry of Justice Victims' Grant	0.9	1.0
Capital Financing Costs	1.8	2.4
Income	-2.1*	-1.4*
Net Revenue Expenditure	129.6	132.5
Use of Reserves	-0.4	-2.0
Net Budget Requirement	129.2	130.5

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

8.3 During the 2016/17 budgeting process £2.8m of savings were identified which has enabled the budget to be balanced for that year. The Precept report presented to Panel on 3 February 2016 highlighted the savings which have been identified. These included:

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

8.4 The changes to the 2016/17 budget since its review at the Panel meeting on 3 February 2016 comprise:

- Finalisation of costs for Business Support, Collaboration and To Be Collaborated functions, resulting in a net reduction in Constabulary costs of £37k. Within these categories, a movement was made from To Be Collaborated supplies and services back to Business Services supplies and services of £224k, which mainly relates to Athena

costs which are to remain with Cambridgeshire Constabulary.

- Confirmation of the Police ICT Company charges for 2016/17 (£60k). The original estimated charge of £25k was shown within OPCC supplies and services; the full £60k charge is now displayed on a separate line for clarity
- OPCC conference and seminar costs returned to £5k (formerly £2k in previous draft of budget; 2015/16: £5k) to enable continued staff professional development in line with professional requirements
- OPCC subscriptions increased by £1.3k due to identification of additional subscription requirement since previous draft of budget

9. PRECEPT 2016/17

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

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

9.3 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)

9.4 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.

9.5 For the above reasons, and also due to projects currently in place to deliver future efficiencies, the Commissioner will be increasing council tax by 0.99% for 2016/17. This would see the policing element of a 2016/17 Band D council tax increasing from £181.35 to £183.15 per annum, an increase of 3.5p per week. The Commissioner wants to ensure he has listened to what people have told him, balancing their expectations of police visibility with affordability of tax increases, whilst driving efficiencies. This means that between 2012/13 and 2016/17 the total increase in council tax for a Band D property was 4.951%, marginally less than any of the indicators in 9.3.

9.6 The table below shows the 2016/17 council tax rate for each banding:

Council Tax Band	£
A	122.10
B	142.45
C	162.80
D	183.15
E	223.85
F	264.55
G	305.25
H	366.30

9.7 The Commissioner has now received notices from each local authority confirming the council tax base for 2016/17 and the collection fund surplus/deficit. The table below shows the total income to be collected from the authorities in 2016/17, which is based on the information from the authorities and the council tax bands which have been set by the Commissioner.

	2016/17 Council Tax Base	Total Precept	Collection fund surplus (+) / deficit (-)	Total Precept adjusted for Collection Fund
Cambridge City	40,932	7,496,714	-89,114	7,407,601
East Cambridgeshire District Council	28,682	5,253,108	83,346	5,336,454
Fenland District Council	27,935	5,116,295	101,055	5,217,350
Huntingdon District Council	59,358	10,871,418	42,552	10,913,970
South Cambridgeshire District Council	60,257	11,036,070	33,927	11,069,997
Peterborough City Council	54,100	9,908,488	238,090	10,146,578
Total	271,265	49,682,093	409,856	50,091,950

10. MEDIUM TERM FINANCIAL PLAN

- 10.1 The MTFP is a projection of the likely resource requirements over the next four years (up to 2019/20), based on both known events and assumptions of likely occurrences (such as inflation). This is a live document which will be continually updated as and when new information is received.
- 10.2 In the MTFP in Appendix A, services in the process of being collaborated with Bedfordshire Police and Hertfordshire Constabulary were included within the local policing figures in 2015/16. For the 2016/17 budget and beyond these are shown within a separate section titled 'To Be Collaborated', thus giving a more detailed picture of the Local Policing budget going forward.
- 10.3 The MTFP pulls together forecasts for expenditure, funding, precept, reserves and investments over the next four years, which then estimates the funding gap required to be addressed. This is a base tool for future planning, but it is important to stress that it is not the only tool used in future planning.
- 10.4 Whilst the Government announced its funding intentions for 2016/17, it did not give indications to funding levels beyond this period. As mentioned in 6.1 above, the police funding formula is being reviewed in order to produce a new and simplified allocation model, with consultation taking place in 2016. This has created a level of uncertainty as to future funding and the size of the budget gap for 2017/18 to 2019/20. The Commissioner and Constabulary have taken a prudent approach and assumed that the police grant will be reduced by 1.00% per annum for the remainder of the MTFP period.

- 10.5 The detailed subjective-based MTFP in Appendix B shows the key assumptions that have been made when predicting future resource requirements and funding levels. This shows the cumulative gap over MTFP period is anticipated to be £6.3m.
- 10.6 Work to balance the budget for the period 2017/18 to 2019/20 continues to focus on collaboration initiatives as part of the Constabulary's three-way Strategic Alliance with Bedfordshire Police and Hertfordshire Constabulary. This collaboration, coupled with the embedding of tuServ (the IT streamlining of processes to deliver information directly to the front-line) and further local savings in areas such as procurement and strategic use of estates, are projected to deal with the funding gap in the medium term.

Bedfordshire, Cambridgeshire and Hertfordshire Collaboration:

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

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

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

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

ERSOU:

- 10.10 ERSOU was established in 2010 to deliver an increased response to tackling the threat of organised crime across the six police forces/police and crime commissioners (Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk) in the Eastern Region of the United Kingdom and to provide specialist covert policing capability to law enforcement. The Collaboration includes the Eastern Region Intelligence Unit, Regional Asset Recovery Team, Asset Confiscation Enforcement and the Cyber Crime Unit.

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

Seven-Force Collaboration:

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

stage of development, but the expectation is that it will deliver savings in the longer term.

Other Joint Arrangements:

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

11. WORKFORCE

11.1 Despite ongoing budget pressures, the total number of police officer posts in the Constabulary establishment is budgeted to slightly increase from 1,343 in 2015/16 to 1,352 in 2016/17. 76% of police officers are deployed on front-line duties.

11.2 PCSO establishment numbers are budgeted to remain at 150.

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

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

11.5 As referred to in para 10.7, the Constabulary is already collaborating in several areas. This has enabled each Force/Constabulary to have access to a greater number of resources. The table below shows that 93 staff are to be collaborated and these relate to the functions of Learning and Development, Public Contact, Custody and Criminal Justice. It is anticipated the total number of resources the Constabulary will have access to will increase as collaboration continues to develop.

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

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

12. SPECIFIC GRANTS

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

- The Police Reform and Social Responsibility Act 2011 gave Commissioners the powers to make crime and disorder reduction grants. During 2014/15 the Commissioner took over grants previously issued by the Constabulary and integrated them with the Community Safety Grants. The Commissioner made grants of £1,307k in 2015/16 and will be making grants of £1,300k in 2016/17.

- The Commissioner received £910k during 2015/16 from the Ministry of Justice to commission services for victims and will receive £981k for this purpose in 2016/17. This funding is allocated to enable all Police and Crime Commissioners to provide:
 - 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
 - services for victims of sexual and/or domestic violence;
 - support services for family members;
 - capacity and capability building for restorative justice services (this element of the grant is unringfenced).

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

12.3 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.

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

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

12.6 **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: A charity is commissioned to provide practical support to elderly victims of crime to secure their homes and make them feel safe.

12.7 **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.

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

13. CAPITAL FINANCING

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

14 OFFICE OF THE POLICE AND CRIME COMMISSIONER

- 14.1 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.
- 14.2 The detailed budget for the OPCC is shown at Appendix C. The budget for 2016/17 has been reviewed and the final Police ICT Company subscription for 2016/17 has been split out of the overall subscriptions line and is shown on a separate line in the detailed budget to aid review and clarity.
- 14.3 It is currently anticipated that the OPCC's 2015/16 outturn will be in line with the budget for that year.

15. ROBUSTNESS OF ESTIMATES

- 15.1 Under Section 25 of the Local Government Act 2003, the Commissioner's Chief Finance Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations.
- 15.2 A sound financial strategy is the key enabler to the achievement of the pledges in the Plan, the objectives of the operational policing strategy and the protection of front-line policing. The best way to keep people safe and maintain police resources and people's confidence in the police is to place an emphasis on long-term financial and strategic management as a whole. The Commissioner and Constabulary never look at expenditure numbers in isolation. The iterative and ongoing process of analysing and setting the Commissioner's and Constabulary's budgets is set out in paragraphs 5.1 to 5.4 above.
- 15.3 2016/17 remains the most challenging year due to the impact of the end of contracting-out of National Insurance contributions (£2m pressure) and the fact that collaboration savings will not be fully realised until later in the MTFP period. The Budget Assistance reserve will be used to balance the budget during this period, as explained further in paragraph 16.5 below.

16. USE OF RESERVES

- 16.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of the proposed financial reserves as part of budget setting considerations.
- 16.2 Appendix D sets out the Commissioner's reserves including estimated movements in 2015/16 and 2016/17.
- 16.3 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.
- 16.4 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.
- 16.5 The Budget Assistance reserve currently stands at £9.8m. The revenue budget for 2016/17 seeks to utilise £2.0m of Budget Assistance reserve, to balance the budget while the changes and savings being achieved through organisational and operational support collaboration are realised. Opportunities to replenish this reserve will be sought throughout the MTFP period as those benefits materialise in later years.

17. POLICE AND CRIME PLAN UPDATE

17.1 The Commissioner's Plan presents budgetary and grant information in its appendix 1. This sets out the resourcing for the financial year and has been updated for the financial year 2016/17, to reflect the approvals from the Board and the endorsement of the Precept from the Panel. The MTFP has been updated for the latest known information and covers the periods 2015/16 to 2019/20. The updated Police and Crime Plan appendix 1 is shown in Appendix E to this budget-setting report.

18. FURTHER INFORMATION

18.1 The Commissioner routinely publishes financial information on his website, which is available for all to access. This includes the follow (with links the area of the website):

- Financial Information - <http://www.cambridgeshire-pcc.gov.uk/transparency/financial-information>
- Expenditure over £500 - <http://www.cambridgeshire-pcc.gov.uk/transparency/expenditure-over-500>
- Contracts over £10k - <http://www.cambridgeshire-pcc.gov.uk/transparency/financial-information>
- Office of the Police and Crime Commissioner – Staffing - <http://www.cambridgeshire-pcc.gov.uk/transparency/the-office-of-the-police-and-crime-commissioner-staffing>
- Office of the Police and Crime Commissioner salaries - <http://www.cambridgeshire-pcc.gov.uk/transparency/salaries/>
- Expenses – <http://www.cambridgeshire-pcc.gov.uk/transparency/expenses>
- Business Co Ordination Board Papers - <http://www.cambridgeshire-pcc.gov.uk/business-coordination-board>
- Collaboration - <http://www.cambridgeshire-pcc.gov.uk/collaboration/>

19. SUMMARY

19.1 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.

19.2 The MTFP shows a gap of £6.3m to 2019/20. The Commissioner continues to seek to ensure that the Constabulary are delivering policing effectively and efficiently. The adoption of new technology and working in collaboration with other forces will continue to deliver further efficiencies in future years to ensure that the front line is protected, without having to burden the people of Cambridgeshire through increases in council tax.

19.3 It is important for the Panel to note that the budget is a forecast of what is expected to happen in the financial year based on known information and assumptions. There is a potential that events during the financial year could necessitate a reallocation of budgets, if differing priorities emerge.

20. RECOMMENDATION

20.1 The Panel agree the variation to Appendix 1 of the Plan provided within Appendix E of this report.

21. APPENDICES

APPENDIX A - Cambridgeshire Office of the Police and Crime Commissioner – Medium Term Financial Forecasts

APPENDIX B - Cambridgeshire Office of the Police and Crime Commissioner – Medium Term Financial Forecasts

APPENDIX C - Office of the Police and Crime Commissioner

APPENDIX D - General and Earmarked Reserves - Movements

APPENDIX E - Police and Crime Plan Appendix 1 – Finances

**Cambridgeshire Office of the Police and Crime Commissioner – Medium
Term Financial Plan: Summary**

	Original Budget 2015/16 £'000	Updates To Budget 2015/16 £'000	Updated Budget 2015/16 £'000	Proposed Budget 2016/17 £'000	Forecast Budget 2017/18 £'000	Forecast Budget 2018/19 £'000	Forecast Budget 2019/20 £'000
Local Policing Expenditure	72,448		72,448	61,922	63,488	64,897	65,906
Business Support Expenditure	32,289	55	32,344	17,271	18,039	18,418	18,806
Collaboration Expenditure	21,705		21,705	22,399	22,177	22,318	22,415
To Be Collaborated Business Support Expenditure	Included in local policing / business support above			26,278	26,722	27,174	27,634
Office of the Police and Crime Commissioner	1,219		1,219	1,229	1,248	1,267	1,287
Police ICT Company	25		25	60	60	60	60
Community Safety / Crime Reduction Grants	1,307		1,307	1,300	1,300	1,300	1,300
Ministry of Justice Victims' Grant	910		910	981	981	981	981
Capital Financing Costs	1,756		1,756	2,420	3,299	3,489	3,247
GROSS REVENUE EXPENDITURE	131,658	55	131,713	133,860	137,314	139,906	141,637
Total Income	-2,126		-2,126	-1,376	-1,376	-1,376	-1,376
NET REVENUE EXPENDITURE	129,532	55	129,587	132,484	135,938	138,530	140,261
Contributions +To /- From Reserves	-395		-395	-1,980			
NET BUDGET REQUIREMENT (NBR)	129,137	-55	129,192	130,504	135,938	138,530	140,261
Budget -Decrease / +Increase Year on Year	-1.5%		-1.4%	1.0%	4.2%	1.9%	1.2%
TOTAL FINANCING	129,137	55	129,192	130,504	131,301	132,597	133,985
	-1.48%		-1.44%	0			
BUDGET GAP	0		0	0	-4,638	-5,933	-6,276
Band D Council Tax £	£181.35		£181.35	£183.15	£186.79	£190.51	£194.30

Cambridgeshire Office of the Police and Crime Commissioner – Medium Term Financial Forecasts: Subjective Summary

	Original Budget 2015/16 £'000	Updates To Budget 2015/16 £'000	Updated Budget 2015/16 £'000	Proposed Budget 2016/17 £'000	Forecast Budget 2017/18 £'000	Forecast Budget 2018/19 £'000	Forecast Budget 2019/20 £'000
Employee Costs							
Police Officer Pay & Allowances	45,353		45,353	43,027	44,215	45,273	45,997
Police Officer Overtime	1,880		1,880	1,819	1,819	1,819	1,819
Sub-total Police Officers	47,233		47,233	44,846	46,035	47,092	47,816
PCSO Pay & Allowances	4,787		4,787	4,968	5,047	5,128	5,210
Support Staff Pay	23,058		23,058	7,664	7,787	7,912	8,038
Support Staff Overtime	183		183	55	56	57	58
Sub-total Police Staff	23,241		23,241	7,719	7,843	7,968	8,096
Training	587		587	0	0	0	0
Other Employee Expenses	31		31	4	4	4	4
Other Employee Costs	618		618	4	4	4	4
Total Employee Costs	75,879		75,879	57,537	58,928	60,192	61,126
Police Pension Costs							
Notional Employer Contributions	9,598		9,598	8,816	9,061	9,280	9,429
Injury Pensions	2,329		2,329	2,295	2,341	2,387	2,435
Ill Health Retirements				150	153	156	159
Pension Admin & Comp Grant	194		194	168	171	175	178
Total Police Pension Costs	12,121		12,121	11,428	11,726	11,998	12,201
Premises Costs							
Building Repairs, Alterations & Maintenance	967		967	767	790	814	838
Utility Costs	945		945	900	926	954	983
Rent & Rates	1,571		1,571	1,489	1,534	1,580	1,628
Other Premises Costs	76		76	78	81	83	86
Cleaning Contract	522		522	516	531	547	564
Total Premises Costs	4,080		4,080	3,750	3,863	3,979	4,098
Transport Costs							
Vehicle Running Costs	1,679		1,679	1,353	1,394	1,436	1,479
Hired Transport	12		12	8	8	8	9
Travel Expenses	522		522	397	409	422	434
Vehicle Recharges	-733		-733	-733	-755	-777	-801
Total Transport Costs	1,480		1,480	1,026	1,056	1,088	1,121
Supplies & Services							
Catering & Operational Feeding	178		178	111	123	125	127
Clothing, Uniforms & Laundry	372		372	350	389	395	402
Communication Costs	2,366		2,366	124	138	141	143
Computing Costs	2,291		2,291	377	419	426	433
Conference & Seminar Costs	45		45	16	18	18	19
Consultancy, Legal & Audit Costs	233		233	296	329	335	341
Doctors - Medicals and Prisoners	992		992	35	39	40	40
Equipment & Materials	451		451	456	507	515	524
Informants, Identity Parades	126		126	126	140	142	145
Insurance & Risk Management	794		794	1,000	1,111	1,130	1,149
Interpreters	380		380	188	209	212	216
Mutual Aid	-150		-150	0	0	0	0
Other Supplies & Services	972	55	1,027	683	759	772	785
Printing, Stationery & General Office Expenses	361		361	267	297	302	307
Staff Subsistence Expenses	107		107	99	110	112	114
Subscriptions & Contributions	255		255	207	230	234	238
Total Supplies & Services	9,771	55	9,826	4,335	4,816	4,898	4,983

Hosted Services	1,406	1,406	1,115	1,137	1,160	1,183
Collaboration Expenditure				0	0	0
Armed Policing	2,380	2,380	2,410	2,449	2,488	2,528
Regional Change Team			171	174	177	179
Business Support	0	0	94	96	97	99
Athena - AMO	0	0	425	431	438	445
Collaboration Team - Change	1,895	1,895	1,758	1,200	1,000	750
Collaboration Team - Athena	0		292	296	301	306
CTC	0	0	0	0	0	0
Dogs Unit	842	842	752	764	776	789
Major Crime	3,211	3,211	3,131	3,181	3,232	3,284
Operational Planning	367	367	296	301	306	310
Procurement	268	268	268	272	277	281
PS Command	201	201	198	201	204	208
PSD	884	884	944	959	974	990
Roads Policing Unit	4,813	4,813	4,706	4,781	4,858	4,936
Scientific Services	2,671	2,671	2,563	2,604	2,646	2,688
Total BCH Collaboration	17,532	17,532	18,007	17,709	17,773	17,791
Other Collaboration Initiatives						
Counter Terrorism and Domestic Extremism	622	622	630	640	650	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	913	931	950	969
Total Other Collaboration Initiatives	4,173	4,173	4,392	4,468	4,545	4,624
Total Collaboration Expenditure	21,705	21,705	22,399	22,177	22,318	22,415
To be Collaborated						
Firearms Licensing			213	217	220	224
Public Contact			9,431	9,590	9,753	9,918
Information Management			1,290	1,312	1,334	1,357
ICT			6,642	6,754	6,868	6,985
Criminal Justice	Included in	Included in	1,198	1,218	1,239	1,260
Custody	figures	figures	3,534	3,594	3,655	3,716
HR	above	above	1,480	1,505	1,530	1,556
L&D			2,335	2,374	2,415	2,455
Force Resilience			155	158	160	163
Total To be Collaborated Initiatives	0	0	26,278	26,722	27,174	27,634
OPCC						
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	205	205	196	199	202	205
Total OPCC Expenditure	1,219	1,219	1,229	1,248	1,268	1,287
Police National ICT Company Subscription	25	25	60	60	60	60
Community Safety / Crime Reduction Grants	1,307	1,307	1,300	1,300	1,300	1,300
Victim and Restorative justice Grant	910	910	981	981	981	981
Capital Financing Costs						
Revenue Contribution to Capital	493	493	1,212	2,091	2,281	2,039
Interest	455	455	434	434	434	434
MRP	808	808	774	774	774	774
Total Capital Financing Costs	1,756	1,756	2,420	3,299	3,489	3,247
GROSS REVENUE EXPENDITURE	131,658	55	131,713	137,314	139,905	141,637

Total Income							
Sales, Fee & Charges	-1,139		-1,139	-81	-81	-81	-81
Other Grants and Contributions	-341		-341	-650	-650	-650	-650
Rental Income	-73		-73	-100	-100	-100	-100
Interest on Balances	-70		-70	-90	-90	-90	-90
Private Use of Police	-155		-155	-155	-155	-155	-155
Other Income	-334		-334	-300	-300	-300	-300
Costs Recovered	-15		-15	0	0	0	0
Total Income Received	-2,126		-2,126	-1,376	-1,376	-1,376	-1,376
NET REVENUE EXPENDITURE	129,532	55	129,587	132,484	135,938	138,530	140,261
Contributions +To /- From Reserves	-395		-395	-1,980			
NET BUDGET REQUIREMENT (NBR)	129,137	55	129,192	130,504	135,938	138,530	140,261
Budget -Decrease / +Increase Year on Year	-1.4%		-1.4%	1.0%	4.2%	1.9%	1.2%
Financed by:							
Total Formula Grant	79,791	55	79,847	79,431	78,637	77,850	77,072
Actual Grant Reductions	-5.11%		-5.11%	-0.52%	-1.00%	-1.00%	-1.00%
Victim and Restorative Justice Grant	910		910	981	981	981	981
Precept	48,219		48,219	49,682	51,683	53,766	55,932
Legacy Council Tax Grants					0	0	0
Council Tax Freeze Grant New							
Collection Fund - Deficit / +Surplus	217		217	410			
TOTAL FINANCING	129,137	55	129,192	130,504	131,301	132,597	133,985
	-1.44%		-1.44%	1.02%			
BUDGET GAP	0	0	0	0	-4,638	-5,933	-6,276
	0	0	0	0	-4,638	-1,295	-343
Band D Council Tax £	£181.35	£181.35	£181.35	£183.15	£186.79	£190.51	£194.30
Increase	£0.00	£0.00	£0.00	£1.80	£3.64	£3.72	£3.79
KEY ASSUMPTIONS INCLUDED IN THE FORECASTS ABOVE							
Council Tax base increases							
Actual	2.13%		2.13%	1.98%			
Forecast					2.00%	2.00%	2.00%
Council Tax	0.00%	0.00%	0.00%	0.99%	1.99%	1.99%	1.99%
Tax base	265,892	265,892	271,265	276,690	282,224	287,869	
Grant increase / Decrease (-)	-5.11%		-5.11%	-0.52%	-1.00%	-1.00%	-1.00%
Police officer pay rise (w.e.f 01/09)	1.00%		1.00%	1.00%	1.00%	1.00%	1.00%
Police staff pay rise	2.20%		2.20%	0.58%	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%

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	5.0	0.0	
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	26.0	-15.9	National Police ICT contribution shown separately
Professional subscriptions	0.0	1.1	1.1	
NET REVENUE EXPENDITURE (NRE)	1,244.0	1,228.7	-15.3	

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	989	(665)	5,007	-	(500)		4,507
Drug Forfeiture (Operational) Reserve	127	8	(37)	98	-	-		98
Budget Assistance Reserve	9,797	-	-	9,797	-	(3,045)	(A)	6,752
Capital Carry Forward Reserve	1,912	500	(1,912)	500	500	(500)		500
Casualty Reduction & Support Reserve	515	476	(269)	722	-	-	(B)	722
Collaboration & Commissioning Reserve	241	-	(34)	207	-	-		207
Total Earmarked Reserves	19,795	2,723	(3,763)	18,755	1,250	(4,795)		15,210
General Reserve	7,197	-	-	7,197	-	-		7,197
Capital Receipts Reserve	705	866	-	1,571	-	1,000		571
Total Usable Reserves	27,697	3,589	(3,763)	27,523	1,250	(5,795)		22,978

(A) Comprises £1,980k use of reserves to balance 2016/17 budget plus £1,065k to finance capital programme (subject to outcome of Innovation Fund bids)

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

Police and Crime Plan Appendix 1 – Finances

The Budget

- The total budget the Police and Crime Commissioner is responsible for allocating is £130.5 million for 2016/17.
- Previously ring-fenced Community Safety Funding (CSF) has been incorporated into the main grant.
- Savings of £2.8 million have been found and £2.0 million of Budget Assistance reserve have been used to balance the budget for 2016/17. Further reductions in spending of an estimated £6.3 million are needed to balance the budget between 2017/18 and 2019/20.
- Cambridgeshire is one of the lowest costing forces with one of the highest percentages of officers deployed operationally on the “frontline”. The cost of policing per head (Police Officers and Police Community Support Officers) of population per annum in Cambridgeshire is less than in most other areas - £160.71 compared to an average of £166.45 for our most similar forces.
- To ensure a balanced budget the Commissioner has made significant savings and proposed a 0.99% council tax increase for 2016/17 to the Cambridgeshire Police and Crime Panel. The Panel did agree to the increase, which has ensured that no extra burden is placed on the council tax payer.

The Workforce

- 1,352 Police officers (including 1,047 dedicated to local policing)
- 150 Police Community Support Officers
- 803 Police staff
- 16.8 full time equivalent Office of the Police and Crime Commissioner staff including the Commissioner and Deputy Commissioner
- A target of 300 Special Constables

Reserves

- General reserves are held in the event of the occurrence of any unforeseen high impact policing operations. The Commissioner will have estimated general reserves of £7.2m (5.5 per cent of net budget for 2016/17) at the end of 2015/16.
- A Budget Assistance Reserve is also maintained, to be used to balance the budget while the changes and savings being achieved through organisational and operational support collaboration are realised. This reserve stands at £9.8m.

Capital Programme

- The Commissioner has a capital programme (premises and other assets) for 2016/17 of £4.8m which includes historical and new commitments such as:
 - Rolling replacement of mobile technology, other ICT and communications projects to replace current systems with updated and integrated ones
 - New finance/HR system
 - Major repairs to buildings
 - Replacement of vehicles
 - Fleet workshop replacement
 - Collaborated Unit projects

Community Safety Funding – Police and Crime Reduction Grants

The Police Reform and Social Responsibility Act 2011 gave Commissioners the power to make crime and disorder reduction grants. The Act provides that such a grant 'in the opinion of the elected local policing body, will secure, or contribute to securing, crime and disorder reduction in the body's area'. Grants for Cambridgeshire are made in line with the Police and Crime Objectives and Sir Graham Bright's personal pledges within this Police and Crime Plan.

For 2016/17 the grants will again be awarded from the main police grant rather than from a ring-fenced Community Safety Fund. The grant allocations are detailed in the following table:

COMMUNITY SAFETY GRANT ALLOCATIONS	2016/17 Funding (£)
Cambridge City Community Safety Partnership	39,217
Fenland Community Safety Partnership	34,710
Huntingdonshire Community Safety Partnership	22,990
East Cambs Community Safety Partnership	17,580
South Cambs Crime and Disorder Reduction Partnership (CDRP)	15,777
Countryside Watch	12,337
Cambridgeshire Substance Misuse	93,960
Safer Peterborough Partnership	132,326
Cambridgeshire Youth Offending Service	127,296
Peterborough Youth Offending Services	135,506
Peterborough Substance Misuse	150,000
County-Wide Integrated Offender Management	45,000
Multi-Agency Public Protection Agency (MAPPA)	50,000
Cambridgeshire Local Safeguarding Children Board	48,468
Peterborough Local Safeguarding Children Board	37,773
Cambridgeshire Safeguarding Adults Board	48,468
Peterborough Safeguarding Adults Board	37,773
Crimestoppers	24,000
Emerging Projects: Integrated Mental Health Team in Force Control Room	163,000
Emerging Initiatives	15,000
Police Cadets	10,000
ECINS	38,000
Rural Crime Network	1,000
TOTAL COMMUNITY SAFETY GRANTS	1,300,181

VICTIMS' SUPPORT GRANT ALLOCATIONS	2016/17 Funding (£)
Victims' Hub	446,000
Shrievalty Trust	50,000
Specialist Victim Care Co-ordinator - supporting young people	33,000
Restorative Justice	52,750
Specialist Victim Care Co-ordinator - supporting migrant victims of exploitation	33,445
Young Person Independent Domestic Violence Advisors (IDVA)	40,000
Countywide Young Person Independent Sexual Violence Advisors (ISVA)	80,000
Countywide support and outreach for victims of domestic abuse	63,000
Specialist Support Services - Sexual Violence Victims	65,000
Mental Health Pathfinder Project	75,000
Child Sexual Abuse	68,040
Healthy Relationships Young People	4,000
Counselling for Young Victims of Crime (not specialist)	2,000
Practical support for young victims of crime	2,000
FINANCED BY:	
OPCC FUNDING – EMERGING VICTIMS' INITIATIVES	32,881
MINISTRY OF JUSTICE VICTIMS' GRANTS	981,354

TOTAL OF ALL GRANTS – COMMUNITY SAFETY AND MINISTRY OF JUSTICE FUNDING	2,281,535
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The Future

Partnership Working

- Work is ongoing to influence how partners approach problems which impact on all agencies. Responding to and preventing problems caused by alcohol misuse, working together on mental health, addressing anti-social behaviour and safeguarding vulnerable people remain high on the Commissioner's list of priorities.

Victims

- Responsibility for commissioning support services for victims transferred to the Commissioner in October 2014. The Commissioner wants to put the victim in the driving position, ensuring they receive the necessary help and support to cope, recover and, where possible, return to the life they had before the crime occurred. The Commissioner is also championing work with offenders to prevent people becoming victims in the first place.

Police and Crime Commissioner's Youth Fund

- The Commissioner is making a further £40k available in 2016/17, from Police Property Act monies, to the Cambridgeshire Community Foundation to fund small projects (no more than £2k) to engage youth people in positive community activities. Awards would be prioritised in areas linked to high levels of youth offending and child deprivation.

Police ICT Company

- Police ICT Company funding of £60k in 2016/17 is now shown separately for clarity.

Figures correct as of 7th March 2016

	Original Budget 2015/16 £'000	Updates To Budget 2015/16 £'000	Updated Budget 2015/16 £'000	Proposed Budget 2016/17 £'000	Forecast Budget 2017/18 £'000	Forecast Budget 2018/19 £'000	Forecast Budget 2019/20 £'000
Local Policing Expenditure							
Police Officer Pay	42,793		42,793	41,650	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
Total Local Policing Expenditure	72,448		72,448	61,922	63,488	64,897	65,906
Business Support Expenditure							
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	3,979	4,098
Transport Costs	1,480		1,480	1,026	1,057	1,088	1,121
Supplies & Services	9,771	55	9,826	4,336	4,816	4,898	4,983
Agency & Hosted Services	1,406		1,406	1,115	1,137	1,160	1,183
Total Business Support Expenditure	32,289	55	32,344	17,271	18,039	18,418	18,806
Collaboration Expenditure							
Regional Change team				171	174	177	179
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	2,410	2,449	2,488	2,528
CTC	0		0	0	0	0	0
Dogs Unit	842		842	752	764	776	789
Major Crime	3,211		3,211	3,131	3,181	3,232	3,284
Operational Planning	367		367	296	301	306	310
Procurement	268		268	268	272	277	281
PS Command	201		201	198	201	204	208
PSD	884		884	944	959	974	990
Roads Policing Unit	4,813		4,813	4,706	4,781	4,858	4,936
Scientific Services	2,671		2,671	2,563	2,604	2,646	2,688
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	913	931	950	969
Total Collaboration Expenditure	21,705		21,705	22,399	22,177	22,318	22,415
To be collaborated							
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	15,866
Police Staff Overtime				126	126	126	126
Training				500	500	500	500
Other Employee Expenses				27	28	28	29
Premises Costs				91	93	96	99
Transport Costs				96	98	101	104
Supplies & Services				5,176	5,280	5,385	5,493
Agency & Hosted Services				296	302	308	314
Other Income				-635	-635	-635	-635
Total Business Support Expenditure	0		0	26,278	26,722	27,174	27,634
OPCC							
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	196	199	202	205
Total OPCC Expenditure	1,219		1,219	1,229	1,248	1,268	1,287
Police ICT Company Subscription	25		25	60	60	60	60
Community Safety / Crime Reduction Grants	1,307		1,307	1,300	1,300	1,300	1,300
Ministry of Justice Victims' Grant	910		910	981	981	981	981
Capital Financing Costs							
Revenue Contribution to Capital	493		493	1,212	2,091	2,281	2,039
Interest	455		455	434	434	434	434
MRP	808		808	774	774	774	774
Total Capital Financing Costs	1,756		1,756	2,420	3,299	3,489	3,247
GROSS REVENUE EXPENDITURE	131,658	55	131,713	133,860	137,314	139,906	141,637
Total Income	-2,126		-2,126	-1,376	-1,376	-1,376	-1,376
NET REVENUE EXPENDITURE	129,532	55	129,587	132,484	135,938	138,530	140,261
Contributions +To /- From Reserves	-395		-395	-1,980			
NET BUDGET REQUIREMENT (NBR)	129,137	-55	129,192	130,504	135,938	138,530	140,261
Budget -Decrease / +Increase Year on Year	-1.5%		-1.4%	1.0%	4.2%	1.9%	1.2%

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