

CAMBRIDGESHIRE POLICE AND CRIME COMMISSIONER

MEDIUM TERM FINANCIAL PLAN 2016/17 TO 2019/20

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1. Introduction

1.1 The Medium Term Financial Plan (“MTFP”) is Cambridgeshire’s Police and Crime Commissioner’s (“the Commissioner’s”) key financial planning document.

1.2 The MTFP identifies:-

- the revenue budget requirement for the next financial year and the forecasts for the following three years;
- how the budget requirement is financed;
- how budget settlements in the next few years will be addressed whilst still protecting the number of officers, especially local policing; and
- future funding changes and risks.

1.3 The MTFP identifies the challenges and opportunities for the Commissioner in seeking to achieve a balance between:

- frontline service delivery and achievement of the key Police and Crime Plan (“the Plan”) objectives over the next four years
- accommodating known increases in costs within the current economic climate

1.4 This must be achieved against a background of:

- government grant reducing in real terms over the life of the MTFP

and:

- public expectations around the affordability of Council Tax increases

1.5 In developing the MTFP the Commissioner has taken estimates of the following which are yet to be determined:

- The Provisional Grant Settlement 2016/17 was received on 17 December 2015 and final figures are expected to be received in February 2016
- Confirmation of the Victims’ Grant and hence the income and expenditure associated with this is awaited from the Ministry of Justice and is expected in mid-January 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%
- Figures for the increase in the number of Band D equivalent properties in Cambridgeshire (known as the Council Tax base) will not be finalised until January 2016

- 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.

2. Cambridgeshire's Police and Crime Plan

- 2.1 The Plan sets out the Commissioner's objectives for reducing crime and disorder in Cambridgeshire, supporting victims, how policing resources will be allocated and agreements for funding and reporting on the work. Due regard must be given to the Strategic Policing Requirement issued by the Home Secretary. Personal pledges are contained throughout the Plan which the Commissioner included in direct response to what members of the public told him is important to them.
- 2.2 The Plan's objectives and pledges are to:

Objective	Pledges
1. Maintain local police performance	<ul style="list-style-type: none"> • Call Handling – Better and faster response • Special Constables – Increasing numbers • Local Policing – Meeting local needs • Working in Partnership • Holding Police to account
2. Deliver policing within the available budget	<ul style="list-style-type: none"> • Visible Policing • Increased Collaborative working
3. Continue to tackle crime and disorder	<ul style="list-style-type: none"> • Tackling Anti-Social Behaviour • Burglary – Monitoring burglary detection rates • Drugs – Supporting work of partners
4. Keeping people safe	<ul style="list-style-type: none"> • Taking a preventative approach • Young People – Divert them away from a life of crime

5. Maintaining the resilience of protective services	<ul style="list-style-type: none"> • Increased collaborative working
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2.3 The Plan also has regard to crime and disorder reduction priorities set by partners, and the strategic direction of the criminal justice system. The Commissioner must consult the Chief Constable in preparing any changes to the Plan before it is sent to the Police and Crime Panel (“the Panel”) for consideration of any changes.

3. Revenue Funding (income from which spending is financed)

3.1 Police and crime spending, the Net Budget Requirement (“NBR”) is financed from two main sources, government grant (Police Grant) and council tax. The NBR also includes specific government grants and locally generated income.

Police Grant

3.2 On 25 November 2015 the Chancellor announced the joint Spending Review and Autumn Statement 2015. The Spending Review set out the Government’s plans for revenue and capital funding for each Government department for the period 2016/17 to 2019/20. The Provisional 2016/17 Police Finance Settlement was announced on 17 December 2015. The statement announced 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.

3.3 The plan attached at Appendix A has been put together by the Office of the Police and Crime Commissioner (“OPCC”) in consultation with the Chief Constable. The legacy council tax grant used to be shown separately from the main formula grant in previous MTFPs; in the MTFP in Appendix A both grants are now shown together under the heading ‘Formula Grant’ as they should be considered as a whole funding pot.

3.4 The Provisional Settlement covers 2016/17 only. A prudent assumptions has been made that the grant will be reduced by 1.00% per annum for the remainder of the MTFP period.

3.5 Cambridgeshire Constabulary has always believed it is disadvantaged by the current funding mechanism and has pressed for a fairer share of the funding ‘cake’ which recognises local population growth and diversity. The organisation loses approximately £2m year on year to the funding floor. This is a mechanism devised by government which equalises out the funding formula across the police service so that no one Force loses or gains too much as a result of applying the formula. Therefore some Forces gain more as a result of the equalisation process and some, like Cambridgeshire, lose. This has been going on now for nearly 12 years, however further consultation on a proposed new model for the police funding formula is due for 2016 with implementation in 2017/18 after having been delayed from a 2016/17 launch.

- 3.6 The Provisional Grant Settlement 2016/17 was received on 17 December 2015 and final figures are expected to be received in February 2016. Appendix A will be updated to reflect any change in grant figures as a result of these announcements.

Specific Grants

- 3.7 For 2016/17 the Commissioner estimates that it will have £1.98m of grant funding to use towards various community safety and victim-led initiatives/services. These Specific grants have controls in place and must demonstrate that the money has been used for the correct purpose as outlined below:-

- The Police and Social Responsibility Act 2011 gave all 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 Force and integrated them with the Community Safety Grants.
- The Commissioner received £910k during 2015/16 from the Ministry of Justice to commission services for victims. For 2016/17 the final funding allocation is due to be notified in mid-January 2016 and it is believed that this will be reduced. 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.¹

Charging for Services

- 3.8 Powers exist to charge for external use of police services on a break-even basis. The application of charges can be problematic due to the nature of some events, such as football matches, which can have an impact in the wider community. If all costs were applied, an event could become unviable, disadvantaging especially smaller community-based events. The Commissioner has an approved Charging Policy, updated annually to reflect changes, which is compliant with the guidance, consistent with the National

¹ This element of the grant is unringfenced

Guidelines on Charging for Police Services and considers the impact on smaller community based events. This policy was most recently reviewed at the Commissioner's Finance Sub-Group on 19 March 2015. Funds received largely remain with local policing.

- 3.9 For greater clarity, from 2016/17 income has been split in the MTFP in Appendix A between Cambridgeshire-specific income and that coming from functions that are in the process of being collaborated.

Council Tax

- 3.10 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.
- 3.11 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 Election campaign the Commissioner had stated he would ensure value for money policing with no extra burden on the council taxpayer.
- 3.12 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)
- 3.13 The Provisional Settlement announced that no PCC will face a cash reduction in Formula Funding plus legacy council tax grants plus precept income, as long as they maximise their precept.
- 3.14 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 1.00% 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 £183.16 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 4.957%, marginally less than any of the indicators in 3.12.

- 3.15 The OPCC has prepared this plan with an assumption of 1.99% per annum being included for 2017/19 to 2019/20 in line with the Government funding expectations.
- 3.16 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%.
- 3.17 If the Commissioner wishes to champion a council tax increase in excess of the prescribed limit a referendum would have to be held and the costs of the referendum picked up by the Commissioner's budget.
- 3.18 The Commissioner's proposed precept (and budget) must be reviewed by the Panel by 8 February 2016. Legislation allows for the proposed precept to be vetoed by the Panel. In the event that this is the case, the Panel would need to write to outline reasons for the veto. The Commissioner would need to consider this and whether to prepare a revised proposal.

4. Revenue Budget Planning

Budget Strategy

- 4.1 Underpinning the decision making process is a prudent and robust approach to the stewardship and management of financial resources by both the Commissioner and the Chief Constable. This is reflected in the service and financial planning process, and in the management of borrowings, investments and reserves.
- 4.2 The Commissioner has in place governance procedures to ensure full and robust scrutiny of the Chief Constable's finances. Financial Regulations and Force Finance Instructions set out the framework for financial decision making.
- 4.3 The Commissioner's key principles for sound budget setting are as follows:
- The Chief Finance Officer (the "CFO") of the Commissioner and Director of Finance and Resources of the Constabulary will look forward to find suitable projects and initiatives to help to meet future savings requirements; short-term measures will never be taken at the expense of long-term financial stability.
 - The guiding principle in setting the precept is to achieve value for money policing whilst not increasing the burden on the taxpayer.
 - Every effort will be taken to protect frontline policing to fulfil the Commissioner's and Constabulary's statutory functions and meet the public's needs and expectations, as exemplified in 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 will never be viewed in isolation.

- Long-term borrowing shall not be used for short-term needs: the lifetime of loans should closely match the lifetime of the assets that they are financing.
- Virements shall only be used to correct budget allocations between cost lines where it is found after budget approval that a particular cost more sensibly sits in a different cost centre; they are not used to mitigate overspends. This will facilitate sound financial management and visibility of any over- or underspends.

Key Features of the Budget Process

- 4.4 A sound financial strategy is the key enabler to the achievement of the Pledges set out in Section 2 above, 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.
- 4.5 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.
- 4.6 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.
- 4.7 Budget monitoring reports are presented to the Commissioner's monthly Finance Sub-Group, chaired by the Deputy Commissioner, whose minutes are reported to the Business Co-ordination Board. This ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing. During the current year the budget for 2015/16 has been updated to reflect actual structures in local policing and collaboration and therefore a reconciliation between these categories will be provided as part of the precept-setting report.

4.8 Peer review and scrutiny of the budget and MTFP is achieved by consideration, discussion and challenge at the following levels:

- Force Executive Meetings
- Chief Constable's Governance Board
- Constabulary Operational Financial Planning Days
- Constabulary Change Management Board which oversees the capital programme
- Joint reviews by heads of service and Finance Team
- Finance Sub-Group
- Business Co-ordination Board meetings

Risks, Uncertainties and Spending Pressures

4.9 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 with a 0.6% reduction in 2016/17, 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

4.10 National Insurance Contributions represent an additional cost pressure from 2016/17. The effect of the Government's ending of Contracted Out National Insurance will place £2m additional cost onto our employer's National Insurance contributions from 2016/17 onwards. This is a significant contributory factor to balancing the budget in future years.

Delivering a Balanced Budget for 2016/17

4.11 The MTFP 2016/17 identifies further budget gaps totalling £6.7m over the next four years, shown in Table One below:

Table 1

	Forecast 2016/17 £'000	Forecast 2017/18 £'000	Forecast 2018/19 £'000	Forecast 2019/20 £'000
NBR	129,787	135,339	137,928	139,658
FINANCING	129,787	130,314	131,610	132,998
GAP	0	-5,025	-6,318	-6,660
		-5,025	-1,293	-342

4.12 Savings of £2.8m have been identified to produce a balanced budget for 2016/17; the main contributors comprise:

- Collaboration – Joint Protective Services (JPS) is estimated to deliver £305k of savings and ICT £490k in 2016/17, with other collaboration initiatives contributing a further £330k.
- Police Staff reductions are part of a continual drive for efficiency and effectiveness and have seen numbers reduce over the 2015/16 financial year. This has contributed a £470k saving for 2016/17.
- Supplies and services continue to be scrutinised at all levels and as a result over £690k of savings have been produced.
- Estates are being used strategically to minimise operating costs, including where appropriate the disposal of sites that are surplus to operational

requirements. Estates revenue savings of £220k have been identified for 2016/17.

- 4.13 The revenue budget for 2016/17 seeks to utilise £2,226k 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.
- 4.14 With the use of the Budget Assistance reserve (mentioned within 4.13 above) and the Collaboration benefits beginning to be realised, a balanced budget for 2016/17 has been achieved. We are also confident that collaboration will be a major contributor in reducing the identified gap in the MTFP over the next 4 years.

Balancing the Future Budget

- 4.15 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 section 22A collaboration agreements 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.
- 4.16 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 section 22A collaboration agreement 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.

- 4.17 Total collaboration savings for 2017/18 to 2019/20 including JPS and the Eastern Region Special Operations Unit (ERSOU) are therefore predicted to reach £5.8m.
- 4.18 Local savings of £2.8m are anticipated from 2017/18 to 2019/20 with the key contributors being procurement savings of £1.5m and strategic use of estates £0.5m.

The Policing Front-Line

- 4.19 Continuing to transform the way the service is delivered through Collaboration and technology-enabled agile working will enable us in future years to help maintain the service to the public by allowing more operational hours to be spent out on the street.

OPCC Budget

- 4.20 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.
- 4.21 The OPCC budget for 2016/17 is £1,257k, an increase of 1.0% on 2015/16. Increased staffing costs of £24k (mainly relating to increased National Insurance and pension costs for 2016/17) are to be offset by savings in premises costs, supplies and services of £14k.

5. Capital Strategy and Budgeting

- 5.1 Capital investment proposals are appraised in a structured and consistent manner so as to ascertain whether the plans are affordable, prudent and sustainable and that they contribute to the delivery of the Plan priorities.
- 5.2 There are limited resources available to finance capital spending. They include:
 - Capital Grants – from the Home Office. Cambridgeshire's allocation of the capital grant will not be notified until February 2016 although the Commissioner has been advised that there will be a reduction for policing of 40%.
 - Capital Receipts – from the sale of land or property

- Capital Reserves – when supported by cash in the medium term cash flow forecast
- RCCO – revenue contribution to capital outlay
- Borrowing – only for significant long term assets, approved by the Commissioner and in accordance with the Prudential Code for Capital Finance.

5.3 The Commissioner, since his arrival in November 2012, has stated his desire to see no more public sector borrowing within the organisation. The Capital Programme Plan currently contains no requirement to borrow for any future schemes.

5.4 The Capital Programme Plan is updated on an annual rolling review basis and a draft of the 2016/17 to 2019/20 Programme will be presented to the Commissioner alongside the MTFP.

6. Reserves

6.1 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.

6.2 There are also a number of earmarked reserves, primarily to deal with insurance, collaboration and capital expenditure, as well as the Budget Assistance reserve mentioned in paragraph 4.13 above; the Budget Assistance reserve currently stands at £9.8m.

6.3 As the Commissioner has committed to not increasing the borrowing requirement, any reserves that are spent must be supported through the cash-flow report to ensure we have the cash at bank to make the purchase. At present we have a running cash flow of £16m and therefore any spend above this level would result in the need to increase borrowing.

6.4 Reserves can only be spent once, so should be used to finance one-off spending (e.g. capital schemes) or to finance revenue spending pending savings coming on stream.

7. Conclusion

7.1 In order to continue to balance the budget and ensure strong operational performance the Commissioner and Constabulary have plans to continue to redesign and transform service delivery. Setting a robust budget and MTFP is a key plank in keeping people safe and maintaining police resources and people's confidence.

MTFP 2016/17 to 2019/20 Draft Proposal

	Budget	Forecast	Forecast	Forecast	Forecast
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Local Policing Expenditure					
Police Officer Pay	42,793	41,600	42,766	43,800	44,501
Police Officer Overtime	1,864	1,819	1,819	1,819	1,819
Police Pensions	9,227	8,671	8,914	9,130	9,276
Police Staff	13,612	4,718	4,793	4,870	4,948
Police Staff Overtime	165	56	56	57	58
PCSO Pay & Allowances	4,787	4,968	5,047	5,138	5,210
Total Local Policing Expenditure	72,448	61,831	63,395	64,803	65,811
Business Support Expenditure					
Police Officer Pay	2,560	1,377	1,399	1,421	1,444
Police Officer Overtime	16	0	0	0	0
Police Pensions	2,894	2,757	2,812	2,869	2,926
Police Staff	9,446	2,906	2,952	3,000	3,048
Police Staff Overtime	18	0	0	0	0
Training	587	0	0	0	0
Other Employee Expenses	31	4	4	4	4
Premises Costs	4,080	3,817	3,932	4,050	4,171
Transport Costs	1,480	1,026	1,056	1,088	1,121
Supplies & Services	9,826	3,982	4,816	4,898	4,983
Agency & Hosted Services	1,406	1,717	1,236	1,261	1,286
Total Business Support Expenditure	32,344	17,080	18,207	18,590	18,982
Collaboration Expenditure					
Regional		140	142	144	147
Business Support		94	96	97	99
Athena - AMO		422	429	436	443
Collaboration Team - Change	1,895	1,758	1,200	1,000	750
Collaboration Team - Athena	0	292	296	301	306
Armed Policing	2,380	2,443	2,482	2,522	2,562
CTC	0	0	0	0	0
Does Unit	842	766	778	791	803
Major Crime	3,211	3,175	3,226	3,278	3,330
Operational Planning	367	301	306	310	315
Procurement	268	268	272	277	281
PS Command	201	201	205	208	211
PSD	884	944	959	974	990
Roads Policing Unit	4,813	4,662	4,737	4,813	4,890
Scientific Services	2,671	2,564	2,605	2,647	2,689
CT and DE	622	630	640	651	661
ERSOU	2,121	2,359	2,397	2,435	2,474
Helicopter	490	490	500	510	520
Kings Lynn PIC	940	940	959	978	998
Total Collaboration Expenditure	21,705	22,449	22,228	22,370	22,468
To be collaborated					
Police Officer Pay		4,464	4,535	4,608	4,681
Police Officer Overtime	Included	61	61	61	61
Police Pensions	in figures	949	964	979	995
Police Staff	in the	14,929	15,168	15,411	15,657
Police Staff Overtime	local	126	126	126	126
Training	policing	500	500	500	500
Other Employee Expenses	and	27	28	29	29
Premises Costs	business	91	93	96	96
Transport Costs	support	96	99	101	105
Supplies & Services		5,663	5,777	5,892	6,010
Agency & Hosted Services		796	302	308	314
Other Income		-635	-635	-635	-635
Total Business Support Expenditure	0	26,567	27,017	27,476	27,942
OPCC					
Police Staff & Commissioner	954	978	993	1,009	1,025
Other Employee Expenses	4	2	2	2	2
Premises Costs	36	28	28	29	29
Transport Costs	19	25	26	26	26
Supplies & Services	230	224	228	231	234
Total OPCC Expenditure	1,244	1,257	1,277	1,297	1,317
Community Safety / Crime Reduction Grants	1,307	1,300	1,287	1,274	1,261
Victim and Restorative Justice Grant	910	680			
Capital Finance Costs					
Revenue Contribution to Capital	493	1,017	2,096	2,286	2,044
Interest	455	434	434	434	434
MIP	808	774	774	774	774
Total Capital Finance Costs	1,756	2,225	3,304	3,494	3,252
GROSS REVENUE EXPENDITURE	131,713	133,389	136,715	139,304	141,034
Total Income	-2,126	-1,376	-1,376	-1,376	-1,376
NET REVENUE EXPENDITURE	129,587	132,013	135,339	137,928	139,658
Contributions +To / - From Reserves	-395	-2,226			
NET BUDGET REQUIREMENT (NBR)	129,192	129,787	135,339	137,928	139,658
Budget -Decrease / +Increase Year on Year	-1.4%	0.5%	4.3%	1.9%	1.3%
Financed by:					
Formula Grant	79,847	79,431	78,637	77,850	77,072
Actual Grant Reductions	-5,111	-0,526	-1,000	-1,000	-1,000
Victim and Restorative Justice Grant	910	680			
Precept	48,219	49,676	51,677	53,760	55,926
Collection Fund - Deficit / +Surplus	217				
TOTAL FINANCING	129,192	129,787	130,314	131,610	132,998
BUDGET GAP	0	0	-5,025	-6,318	-6,660
	0	0	-5,025	-1,293	-342
Band D Council Tax £	£181.35	£183.16	£186.81	£190.53	£194.32
Increase	£0.00	£1.81	£3.64	£3.72	£3.79
KEY ASSUMPTIONS INCLUDED IN THE FORECASTS ABOVE					
Council Tax base increases					
Actual	2.13%				
Forecast		2.00%	2.00%	2.00%	2.00%
Council Tax	0.00%	1.00%	1.99%	1.99%	1.99%
Tax base	265,892	271,209	276,634	282,166	287,810
Grant increase / Decrease (-)	-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%
Police staff pay rise	2.20%	0.58%	1.00%	1.00%	1.00%
Increment increase	1.00%	0.60%	0.60%	0.60%	0.60%
General Inflation	1.40%	1.00%	2.00%	2.00%	2.00%
Energy Inflation	3.50%	1.50%	3.00%	3.00%	3.00%

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