

POLICE & CRIME COMMISSIONER FOR GWENT

REVENUE BUDGET AND CAPITAL PROGRAMME 2016/17

COMMISSIONER'S INTRODUCTION

As the Police and Crime Commissioner (Commissioner) for Gwent I am required to set a five year Police and Crime Plan and the Annual Budget requirement including the police precept element of the council tax. My Police and Crime Plan is reviewed annually in line with the joint Office of the Police and Crime Commissioner and Force Strategic, Financial and Planning process. Amendments to the current plan will be available in May 2016 (to coincide with the Police and Crime Commissioner elections) and have already been considered as part of the budget proposal.

My vision is to prevent and reduce crime and antisocial behaviour, support victims and make Gwent a safer place. I have five strategic priorities on which the Police and Crime plan is based:

- To deliver the best quality of service available;
- To prevent and reduce crime;
- To take more effective action to tackle antisocial behaviour;
- To protect people from serious harm; and
- To make the best use of resources and provide value for money.

It is within this context that I commend the following paper to you.

BACKGROUND

1. The Commissioner is required to determine the Police and Crime Budget for 2016/17 and set the council tax precept, prior to 1st March 2016, after taking into account the views of the Police and Crime Panel in relation to the level of precept.
2. The Commissioner must also make arrangements, before the first precept for a financial year is issued, to obtain the views of:
 - a) the people in that police area; and
 - b) the relevant ratepayers' representatives,

on the proposals of the Commissioner for expenditure (including capital expenditure) in that financial year.

3. In setting the budget, due regard has to be taken of the Prudential Code which requires at least three year projections of expenditure, both in revenue and capital terms, in order to identify funding requirements and assess the affordability and sustainability of planned expenditure. Whilst developing

proposals for providing a balanced revenue budget and affordable capital programme in 2016/17, the report will include the longer term financial issues facing the police service in Gwent and the wider portfolio of the Commissioner's responsibilities.

4. The bulk of the resources available to the Commissioner will be needed to cover operational policing. Robust processes have been developed over many years within the Force, to quantify the budgetary resources required to provide the people of Gwent with an effective, efficient and sustainable police service. The budgetary process commences early in the financial year, providing detailed Medium Term Financial Projections (MTFPs) and identifying new burdens and pressures. These projections are constantly under review and the latest updates are attached as appendices to this report. These projections, particularly the unavoidable in-service pressures and developments, have been fully scrutinised by the Office of the Police and Crime Commissioner (OPCC).
5. The Government's Comprehensive Spending Review (CSR) 2007 announced significant real-term cuts in grant funding for the police service between 2008/09 to 2010/11. Up until then, Gwent Police had a good record of delivering efficiency savings, but the Chief Constable at the time and the Police Authority realised that the scale of cuts being imposed needed to be addressed by a radical comprehensive review of all aspects of policing in Gwent. The new initiative, called 'Staying Ahead', introduced changes in policing in Gwent which produced the savings whilst also improving service delivery. However, the CSR 2010 (covering 2011/12 to 2014/15) announced even greater cuts in grant over the period to 31st March 2015, prompting the continuation of Staying Ahead reviews. CSR 2013 (covering the 2015/16 financial year) continued the theme of significantly reducing funding into policing and crime, and CSR 2015, announced on the 25th November 2015 in the Chancellor's Autumn Statement, continues with real-term cuts in budgets between 2016/17 and 2019/20. Both CSR 2013 and CSR 2015 have therefore necessitated the continuation of the Staying Ahead Programme (into phase 8) which again, will be addressed by a radical comprehensive review of all aspects of policing in Gwent and a major restructuring. Against this backdrop of funding reductions however, the Commissioner and Force have met their previous efficiency targets year on year, delivering £37.719m of cashable efficiency savings between 2008/09 and 2015/16.
6. Whilst early indications of the CSR 2015 suggested that significant reductions should be expected for police funding, in his Autumn Statement, the Chancellor stated that "now is not the time for further police cuts, now is the time to back our police and give them the tools to do the job". In essence however, overall national funding for policing, including funding for Counter Terrorism, has been cut by 1.3% in real terms over the four years, with this cut based on the assumption that local council tax precepts are increased by at least 2% and that the council tax base nationally increases by 0.5%.
7. The Chancellor was able to lessen the cuts falling on policing in the CSR 2015 as a result of a £27bn 'windfall' arising from a revised forecast by the Government's fiscal 'watchdog', the Office for Budget Responsibility (OBR). The improved

forecast took account of changes to the way it measures VAT and national insurance receipts, coupled with lower borrowing costs and stronger tax receipts linked to economic growth. However, the Institute of Fiscal Studies, have stated that the Chancellor “needs his luck to hold out” for this windfall to be sustainable. When considered with the current risks to economic wellbeing arising from the continuing turmoil in the Middle East and the slowing of the global economy (particularly evident in China and their recent suspension of trading on their stock markets), the Chancellor’s ability to lessen the cuts falling upon policing budgets may well be questioned. If the windfall is not sustainable, a further CSR will be forthcoming in the short-term that may well reverse this decision.

8. Moving from the overall national funding available for policing to what is actually allocated to individual Commissioners, takes account of ‘reallocations’ (previously known as topslices), from Commissioner’s budgets into other parts of policing within the Home Office (HO). In 2016/17, a number of reallocations are earmarked to fund additional schemes notably, counter terrorism, transformational funding to support efficiency and reform; increased capability for firearms, cyber-crime and child exploitation; and the Emergency Services Mobile Communications Programme. Each has an impact upon the amount of funding awarded to Commissioners through the Police Funding Settlement.
9. The latest MTFPs have been updated following receipt of the Provisional Police Funding Settlement on the 17th December 2015. They now indicate a recurring budgetary imbalance for the 2016/17 financial year of £4.350m (Appendix 1b, Line 19), increasing to £26.300m by 2020/21.

PROVISIONAL GRANT SETTLEMENT

10. On the 17th December 2015, the Provisional Police Funding Settlement was announced (i.e. the Central Government Grant funding from both the HO and Welsh Government (WG)). Consultation on this provisional settlement will run until the 25th January 2016 with the final settlement being issued shortly after this date. The Provisional Police Funding Settlement for 2016/17 has quantified a number of funding adjustments, the impact of which, were previously either unknown or uncertain. The financial impact of these changes upon the organisation is detailed in the following paragraphs:
 - a) The Police Innovation Fund, which was established by the HO in 2014/15, has been reduced for 2016/17 to a value of £55m. This will be funded as a reallocation from the Police Main Grant. This fund provides Police and Crime Commissioners with the opportunity to submit bids on initiatives that will promote collaboration with other forces, emergency services, criminal justice agencies and local government. The purpose of the funding is to improve use of digital working and technology in order to deliver sustainable improvements and efficiencies in the way their police force operates in future;
 - b) In 2016/17, the Home Secretary will again provide £9.4m of funding from the police settlement to Her Majesty’s Inspectorate of

Constabulary (HMIC), to continue its programme of thematic inspections and the wider ranging Police Effectiveness, Efficiency and Legitimacy (PEEL) inspections. These will enable the public to see how well their force is performing when it comes to cutting crime and providing value for money. These inspections will give the public a clear, independent view of the quality of policing in their local area;

- c) Since 2014/15, the Home Secretary has allowed the expansion of the Independent Police Complaints Commission (IPCC), to deal with all serious and sensitive cases involving the police. For 2016/17, it has been decided that the amount provided from the police settlement to allow the IPCC to focus on delivering significantly more independent investigations will be increased by a further £2m to £32m;
- d) £4.6m of funding will continue to be provided to the College of Policing to attract, select and train exceptional people who have the potential to become senior leaders in policing. This aims to widen the talent pool from which police leaders can be drawn; open up police culture to new influences; and foster an environment where challenge and innovation are welcomed;
- e) The City of London Police will continue to be provided with additional funds in recognition of the national and international capital city functions they carry out. For 2016/17 this amounts to £4.5m, an increase of £1.7m;
- f) The Metropolitan Police will continue to be provided with additional funds in recognition of the national and international capital city functions they carry out. For 2016/17 this amounts to £173.6m, the same as its 2015/16 allocation;
- g) The Major Programme Fund, which was introduced in 2015/16 to support the continued development of the HO Biometrics and the National Police Data Programme, will be reduced from £40m to £21.8m;
- h) The Police Special Grant, which provides contingent funds for police forces facing unplanned or unexpected additional pressures, which might otherwise place them at financial risk, has been increased to £25m from £15m;
- i) The sum of £5m set aside to develop the Police Knowledge Fund in 2015/16, has not been continued in 2016/17; and
- j) Finally, two new areas have been introduced for 2016/17. Firstly, funding of £80m has been reallocated from the police settlement to support the core costs of the Emergency Services Network (ESN). This is required to fund the investment costs of moving from the existing Airwave communications system (i.e. handheld police radios) to a commercial 4G Network. Importantly, the amount of the reallocation is

expected to increase significantly over the life of this Parliament. Secondly, a Transformational Fund of £76.4m has been set up to develop and deliver specialist capabilities such as those required to tackle cyber-crime and other emerging changes in crime (£42.4m), and enable a major uplift in firearms capability and capacity so that forces can respond quickly and forcefully to a firearms attack (£34m).

11. On 9th November 2015, the Rt. Hon. Mike Penning MP (Minister for Policing, Fire and Criminal Justice and Victims) announced to Parliament that the Government had decided to delay the police funding formula changes for 2016/17 that were previously intended to be made. By way of background, once the overall size of the policing budget 'cake' is determined by the HO (via the CSR), then the size of each 'slice of cake' to respective Commissioners is determined by the police funding formula. It has been well publicised that the current formula is out-dated, overly complex, opaque and in need of review. Therefore, consultation on a new formula was undertaken in the summer of 2015, but following criticism on the process, coupled with the discovery of an error in the HO's exemplifications, a halt on proceedings was announced. Moving forward, the HO would now better seek the views of Police and Crime Commissioners and the National Police Chiefs' Council before going any further. The Minister stated that "it is essential that we come to a funding formula that is not only fair, transparent and matched by demand, but supported by the police. I have listened throughout the consultation, and the Government will continue to do so in considering the next steps, in conjunction with police leaders. We should all support the reform of the police funding formula. Police forces and Committees of the House have been calling for it for years. We will bring it forward, but we are delaying the process at the present time". As a result of this pause in funding formula review, existing bases for calculation and damping will continue for 2016/17. Importantly however, upon receipt of corrected exemplifications from the HO, showing the effect of the revised police funding formula which the HO were suggesting, they identified a £6m cut in Central Government Grant to Gwent. It could be expected therefore, that the HO will continue with their approach following this pause and from the 2017/18 financial year onwards, the Commissioner could be faced with a £6m cash cut in addition to the cuts forecast from the effect of the CSR. It is also likely that this cut will not be actioned in one fell swoop, but transitional arrangements will affect the cut over a number of financial years.
12. In summary, the effect of the overall HO Departmental cut, coupled with the reallocation decisions above, is a reduction in Central Government Grant funding between 2015/16 and 2016/17 of 0.57% in cash terms. Previous iterations of the MTFP assumed this reduction to be 7.00%. The difference is primarily down to the Government's intent to lessen the cuts on policing funding at the macro level; changes to the reallocation arrangements at paragraph 10. a) to j) above; and the postponement of the police funding formula review.
13. It should be noted that in relation to the Provisional Police Funding Settlement for 2016/17, a number of remaining specific grants and external funding arrangements are yet to be finalised (e.g. Counter Terrorism Specific Allocation (CTSA), Safety Camera Enforcement Unit, Police Community Support Officer

(PCSO) local partner schemes, etc.). This report has been prepared on the assumption that funding will remain at the 2015/16 level.

14. The revenue support from the WG for Gwent's Private Finance Initiative (PFI) funded Ystrad Mynach Police Station and Custody Suite, totalling £0.621m, is excluded from the Provisional Police Funding Settlement. However, it has already been separately confirmed, as it is provided to meet the specific requirements of the scheme.
15. Furthermore, 2016/17 funding for the 101 (whole time equivalent) WG PCSOs is subject to a separate confirmation process, which is currently estimated to amount to £3.392m. However, with the National Assembly for Wales' elections in May 2016, changes to this funding stream may be forthcoming with any changes in administration.
16. Since 2013/14, Commissioners have received Ministry of Justice (MoJ) funding to provide services to victims of crime. For the 2015/16 financial year, Gwent received £645k in grant which is used exclusively to support Connect Gwent. It is known that the Chancellor's recent announcement to lessen the cuts on policing budgets did not extend to funding received from the MoJ. At the time of writing, it is still unknown what level of funding will be forthcoming from the MoJ for the 2016/17 financial year. Suffice to say, it is expected to be a reduction on 2015/16 levels and due to the importance of the service provided by Connect Gwent, its funding will be supplemented from the Commissioner's overall funding from the HO, WG and council tax precept.
17. The HO has provided an indicative Provisional Capital Allocation for 2016/17 only, which forms the basis of the draft Capital Programme. The 2015/16 allocation of £0.876m is anticipated to reduce by 40% as a result central programmes such as the National Police Air Service (NPAS). A reduction of this magnitude will place a significant burden on revenue budgets, as to maintain an appropriate capital programme moving forward, the revenue budget will need to contribute either through a revenue contribution to capital or through increased borrowing costs. It should be noted that allocations for Capital Grants will not be published until the Final Settlement in February 2016.

COUNCIL TAX ISSUES

18. For 2016/17, Council Tax Freeze grants will continue to be available to Commissioners in England. The scheme remains however, unavailable to Welsh Commissioners.
19. In Wales, council tax capping is the responsibility of Welsh Ministers. At the time of writing, no further official announcement has been made by the WG in relation to the levels of precept rises over the forthcoming years which would be deemed unreasonable, and therefore capped. Historically, indications have been given that increases in council tax for police and crime purposes of up to 5% would not be considered unreasonable.

20. MTFPs that have previously been issued during this budget setting cycle have assumed council tax precept increases of 4.00% per annum over the five year projected period. This budget proposal now indicates council tax increases of 3.99% for each year from 2016/17 to 2020/21 and a confirmed council tax base growth of 0.84% (It has been assumed that this rate of growth will be maintained throughout the planning period). Appendix 1a shows the impact that incremental changes on the precept rate would have on funding assumptions for 2016/17. As noted above, the Chancellor's overarching CSR strategy in relation to policing assumes a 2% increase in precept year on year over this Parliament to 'maintain' Commissioner's cash budgets. However, this assumption ignores the costs of new in-service pressures and developments; which will need to be met by a combination of efficiency scheme savings, precept growth over 2%, or council tax base growth over 0.5%.

MEDIUM TERM FINANCIAL PROJECTIONS 2016/17 to 2020/21

21. The latest MTFP is shown at Appendix 1b and the detailed assumptions, service pressures/developments and efficiency schemes/budget reductions which support the projections, are provided at Appendices 2, 3, 4a, 4b, 4c, 5a and 5b.
22. Although a balanced budgetary position could be achievable for 2016/17, this is dependent upon the delivery of efficiency schemes. Indications suggest that further cash reductions in Central Government Grant funding should be expected for future years. This will increase the requirement for additional efficiency schemes to be developed and delivered.
23. The following funding bases and assumptions (Appendix 2) have been incorporated within the current MTFP:
- a) Central Government Funding (HO/WG):
 - i Funding decreases on main formula grant beyond 2016/17 of 2.00% - the rationale for increasing this cash cut from the 0.57% seen in 2016/17 is to take account of growth in future reallocations (for example, the ESN reallocation will significantly grow in future financial years) and also the inherent risk in the sustainability of the windfall which lessened the impact of CSR 2015;
 - ii The revision of the Funding Formula from 2017/18, (postponed from 2016/17), resulting in a £6m reduction in central funding across three years to 2019/20; and
 - iii Specific Grants, which have yet to be confirmed, have been assessed to remain at 2015/16 levels or at provisionally indicated amounts.
 - b) Council Tax Precept and Base:
 - i An increase in council tax precept of 3.99% for each year from 2016/17 through to 2020/21. These have been incorporated into the MTFP at Appendix 1b; and

- ii The council tax base, i.e. the Band D equivalent number of properties upon which the precept is levied, will increase in 2016/17 by 0.8419%. It has been assumed that for 2016/17 onwards, the council tax base growth will continue at this rate.
- 24. The expenditure bases and assumptions have been thoroughly scrutinised throughout the budget preparation and the following paragraphs articulate the latest expenditure assumptions:
 - a) Police Officer Establishments:
 - i The MTFP plans towards a sustainable operational policing model by 2020/21 of 1,166 wte (but remaining at 1,204 wte to September 2017 then 1,196 wte up to 2019/20). At the start of 2016/17 it is expected that the actual establishment will be 1,127 wte, rising to 1,181 wte during the year to reflect the potential recruitment of up to 80 wte probationer police officers during 2016/17. A further recruitment of 20 wte probationer police officers could also be scheduled in early 2017/18 to replace natural vacancies in the agreed operational policing model. Maintenance and review of the police officer establishment are a core component of the Staying Ahead Programme, therefore recruitment requirements will be constantly under review and will be necessary to meet particular specialist needs and to support longer-term sustainability.
 - b) Police Staff Establishments:
 - i The police staff establishment will need to complement and support the policing operational model. Design of the police staff establishment is being developed through the Staying Ahead Programme. Early indications in the MTFP plans are that a likely sustainable establishment by 2020/21 would be circa 525 wte (excluding PCSOs). At the start of 2016/17 it is expected that the actual establishment will be 629 wte, reducing to 614 wte during the year, based on retirements alone, against a budget net of efficiency improvements of 555 wte. As reductions in the police staff establishment are a core component of the Staying Ahead Programme, no recruitment, outside of exceptionally specialist roles, is anticipated during 2016/17.
 - ii The actual PCSO establishment is anticipated to commence 2016/17 at 155 wte against a budget of 170 wte; this budget is expected to remain at this level for the medium term, but may be subject to the impact of the National Assembly for Wales' elections in May.
 - c) Pay awards, allowances, enhancements etc.:
 - i Pay Award for police officers and police staff in 2016/17 is 1.0% rising from 2017/18 onwards to 1.5%.
 - d) Non-staff inflation (2016/17 to 2020/21):

- i General – limited to 2.0%;
 - ii Utilities – limited to 5%; and
 - iii Fuel – limited to 5%.
- e) Service pressures/developments have been limited to unavoidable increases and are detailed at Appendix 3. These developments/pressures have been scrutinised by the Office of the Police and Crime Commissioner and Gwent Police Chief Officers. The MTFP has been updated to reflect an increased level (£2m) of contingent service developments in each of the final four years of the current financial plan; and
- f) Capital investment:
- i At present, the MTFP does not reflect any revenue costs associated with new borrowing to fund capital strategies. However, it should be noted, that a recurrent revenue contribution of £0.498m will be made to protect the buying power of the capital programme in light of the significant cut to the capital grant. The funding of the capital strategies is discussed within the ‘Reserves’ section of this report.

VALUE FOR MONEY PROFILES

25. The Value For Money (VFM) profiles have been produced by Her Majesty’s Inspectorate of Constabulary (HMIC) for the past five financial years. The main purpose of these profiles is to help forces compare performance and costs. They are designed for use by force management, Police and Crime Commissioners, as well as the HMIC. The comparisons are across all English and Welsh forces, but exclude the Metropolitan Police and City of London Police, due to their uniqueness of data.
26. The final profiles have been received and every area highlighted is being, or has been, considered as part of the Staying Ahead Programme. In terms of an overview, Gwent has the third highest cost per head of population across England and Wales and the highest within its Most Similar Group (MSG) of forces. Funding this is an above average level of Central Government funding and the highest level of council tax within its MSG. This is consistent with the 2014 profiles. Conversely, the level of earned income is significantly below average, but following a revision of the Income Strategy during 2015, this area has improved since the previous profiles.
27. As in previous years, the officer and staff costs are above the national average per head of population, which is viewed by the HMIC as demonstrating that Gwent is potentially over-resourced. Non-staff costs, however, are far closer to the national average, with only Transport and Collaborative costs being higher.
28. As a small force, Gwent does not enjoy the economies of scale that larger forces benefit from, therefore the headlines above need to be considered in this context. Furthermore, force performance needs to be considered too, in that the cheapest and most efficient Force may well not be the top performing.

EFFICIENCY OPPORTUNITIES (Appendices 4a, 4b and 4c, 5a and 5b)

29. The Staying Ahead Programme is focused on delivering a new generation of savings schemes and has a detailed schedule of planned work to review functions and departments across the whole of the organisation. A major component therefore within the 2016/17 budget setting exercise is the delivery of significant cash releasing efficiency savings and budget reductions through Phase 8 of the Staying Ahead Programme and rebasing of 2015/16 budgets through the bottom-up budget setting exercise. The initial emphasis of the eighth phase of the programme was on the operating side of the organisation, which delivered significant savings for 2015/16. The subsequent programme of works has far more of an emphasis on the supporting functions, both operational and enabling. The identification of future recurring savings and the associated delivery timescales are progressing satisfactorily at this time. The following paragraphs (and associated appendices) highlight the effect of Staying Ahead schemes and budget rebasing on the financial projections:
- a) Appendix 4a – this details identified budgetary savings delivered in 2015/16 and future estimated reductions relating to police officer allowances;
 - b) Appendix 4b – this details the accelerated savings that have been realised under Phase 8 of the Staying Ahead Programme within the 2015/16 financial year to date; and
 - c) Appendix 4c – this illustrates, in high level terms, the indicative savings that are planned to be delivered by Staying Ahead Phase 8 by 2020/21. Since the majority of these savings are still formative, a sensitivity risk assessment has been made that assumes 20% of the planned savings will be delivered in the subsequent year.
30. Appendices 5a and 5b indicate how police officer and police staff establishments could reduce over the following four years. The police officer flightpath reflects progress against the New Operating Model, which was introduced in April 2015. The police staff flightpath indicates the potential progression against indicative future operating numbers - Phase 8 of the Staying Ahead Programme will redefine these targets. The flightpaths receive continued scrutiny by Chief Officers, to ensure performance against the Staying Ahead Programme and the impact upon the MTFP.

REVENUE OUTTURN 2015/16

31. A key component in the setting of the 2016/17 budget is the financial performance in the current financial year. Monthly financial management reports are produced and scrutinised at both the Office of the Police and Crime Commissioner's Executive Board and also the Force's Chief Officer Team meetings on a monthly basis. From Period 8 (November), these reports include a financial outturn indicating the expected variance of total annual expenditure

against the full-year budget at the year-end (i.e. the 31st March). Consistently over recent years, the Commissioner's budget showed a positive variance at the year-end, i.e. a saving on budget was shown. This positive variance is scrutinised to assess whether it has resulted in excess budget being set in certain areas (e.g. over-budgeting on such things as the price and/or volume of fuel), or whether the variance has arisen due to a planned efficiency scheme occurring ahead of plan (e.g. a staff member leaving early, in advance of the planned removal of their post in a future period). Overwhelmingly over the period of austerity since 2008, the reason for the positive variance is the latter, i.e. accelerated efficiency savings taking effect. Suffice to say however, the financial effect of both examples are removed from the budgetary requirements for future years, as part of the detailed 'bottom up' annual budget setting process. Therefore, the fact that even after taking account of these removed/adjusted budgets in 2016/17 and future planned efficiency schemes in forthcoming financial years, the Commissioner is faced with an (as yet) unmet recurrent deficit of £14.758m in 2020/21, the 2015/16 forecast year-end variance is academic in future funding decisions. It does however provide two key benefits: a barometer as to the continuing sustainability of both previously delivered efficiency schemes and also to the organisation's ability to continue to find more efficiency schemes; and a positive year-end variance also provides a non-recurrent cash benefit, in that the year-end saving is transferred to reserves. However, this cash is automatically earmarked for utilisation through providing much needed funding to the capital programme (current capital grant does not even provide for the annual fleet replacement programme and is due to face a 40% reduction in 2016/17) or to provide pump-prime funding to deliver recurrent efficiency schemes.

32. For completeness in the budget setting scrutiny however, the remainder of this section provides extensive detail regarding the 2015/16 financial performance of the Commissioner's Group.
33. At the 30th November 2015, the Revenue account shows accelerated savings of £888,000 (Appendix 6a, Line 32), for the first eight months of the 2015/16 financial year.
34. Police Officer Salaries and Allowances show an overspending against budget of £118,000 (Appendix 6a, Line 1). This has arisen from the continued release of officers under the Voluntary Exit Scheme. A further 34 officers left during the period, bringing the total to date to 55. The exit cost of this second tranche was £1,321,000, with the accumulated value being £2,099,000.
35. Aside of these payments, savings continue to be made through the reduction in head count, but also comprise of timing differences from incremental salary increases and lower than anticipated officer allowance payments.
36. The authorised budget reflects the New Operating Model, together with non-recurrent funding for transitional roles and the Staying Ahead Programme. As the transition is completed during the year, these non-recurrent savings will be moved to the Identified Savings (Appendix 6a, Line 16).

37. At the end of November 2015, the actual police officer establishment stood at 1,156.13 wte, 47.87 wte below the authorised operating model of 1,204.00 wte. This is consistent with flight-path profiling.
38. Police Staff Salaries and Allowances show total savings of £384,000 (Appendix 6a, Line 2). This reflects being below the current authorised establishment. It is anticipated that the majority of these savings will be recognised as recurring efficiencies and moved to the Identified Savings (Appendix 6a, Line 16).
39. At the end of November 2015, the actual establishment stood at 793.34 wte (including 101.00 wte WG funded PCSOs and 54.49 wte Force funded PCSOs), against the current authorised establishment of 865.93 wte (including 183.95 PCSOs). The vacancies are partly offset by 28 wte agency staff currently in Force.
40. At the end of November 2015, the PCSO Salaries and Allowances showed savings of £185,000 which are as a result of being 28.46 wte below the authorised establishment of 183.95 wte. This shows a marked drop from the previous month, following 15.00 wte PCSOs becoming probationer constables.
41. As vacancies arise in the PCSO establishment (above the base budget of 170 wte), the savings will be recognised as recurring efficiencies and moved to the Identified Savings (Appendix 6a, Line 16).
42. To provide further information with respect to the workforce numbers, Appendix 6b shows an analysis of both Police Officer and Police Staff establishments by Strategic Workstream.
43. Police Officer Overtime and Enhancements have overspent by £430,000 (Appendix 6a, Line 4). This reflects the overtime worked up to the end of October 2015. The overspending comprises of two main elements - £318,000 relating to overtime worked on core Force activities and £112,000 to Bank Holiday Enhancements.
44. The overtime worked continues to undergo scrutiny by the Chief Officer Team to understand the cause and effect. The overspending on Bank Holiday Enhancements follows significant work to determine the appropriate levels of resource across all force areas. The overspending reflects the levels of resources deployed across all Bank Holidays up to and including August Bank Holiday.
45. At the end of November 2015, Police Staff and PCSO Overtime and Enhancements showed combined overspendings of £30,000; this relates to overtime in core Force activities and Enhancements, worked up to the end of October 2015, and is undergoing scrutiny by the Chief Officer Team.
46. Other Employee Related Costs (Appendix 6a, Line 7) show overspendings of £577,000 to the end of the period. Training cost savings of £123,000 are offset by overspendings in relation to Police Pension Capital Equivalent Charges and Injury Pensions and Gratuities (£690,000), Recruitment Costs (£7,000) and

Medical Fees (£3,000). The Training savings will be monitored by the Training Strategy Group.

47. Premises Costs show savings of £393,000 (Appendix 6a, Line 8). The main contributors to this are Repairs (£171,000), Utilities (£82,000), Cleaning and Waste Management (£51,000), Contracts and Testing (£38,000), Business Rates (£21,000) and Rent (£28,000). These variances will be monitored throughout the year to identify recurring saving opportunities.
48. Transport Costs (Appendix 6a, Line 9) show savings of £364,000. The main contributors are Fuel Costs (£258,000), Fleet Repairs (£81,000), Police Vehicle Recovery (£25,000), Vehicle Hire (£23,000) and non-NPAS Helicopter Costs (£9,000). These are partially offset by overspendings on Mileage Expenses (£18,000) and Travel and Subsistence (£14,000). The areas of saving will be monitored during the year, to identify the financial effect of the remodelling of the fleet to compliment the New Operating Model. Recurrent savings will be moved to the Identified Savings (Appendix 6a, Line 16).
49. At the end of November 2015, Supplies and Services show savings of £401,000 (Appendix 6a, Line 10). The principal areas of savings are:

		£
a)	Operational Equipment	178,000
b)	Uniforms	94,000
c)	Collaboration Costs	73,000
d)	Communications Links	72,000
e)	Other Professional Services	61,000
f)	Postage, Printing and Stationery	38,000
g)	Interpreter Fees	32,000
h)	Airwave Service	26,000
i)	Miscellaneous Costs	20,000
j)	Scientific Support	20,000
k)	Hardware purchase/maintenance	15,000
l)	Toner Cartridges	12,000

50. These are partially offset by overspendings in relation to Software licencing and purchase (£112,000) and Legal Fees, Employment Tribunals and Court Costs (£128,000). These variances will be monitored throughout the year for the identification of recurring efficiency savings.
51. £1,187,000 has been transferred during the month from the Debt Repayment Reserve and applied to reduce the Commissioner's Capital Financing Requirement (the underlying need to borrow for capital purposes) (Appendix 6a, Line 14).

52. In the longer term, the charge for MRP against revenue budgets will reduce annually by £47,500 for 2016/17 and beyond, but not in 2015/16. The Commissioner continues to monitor opportunities to repay his PWLB loans but the premium for early repayment remains too high to make this worthwhile at present.
53. The 2015/16 budget included a requirement for £6,027,000 of efficiency scheme savings to be achieved. Following the implementation of the New Operating Model, the majority of these have been mapped; however, £373,000 of savings could not be specifically identified against budget areas and were therefore shown in Identified Recurring Savings (Appendix 6a, Line 16). As these saving schemes are fully identified during the year, the appropriate budgets will be reduced.
54. To the end of November 2015, efficiencies of £1,655,000 have been identified in conjunction with the Staying Ahead Programme.
55. Investment Income shows a surplus of £51,000 to the end of November. This continues to reflect the reduced level of returns being experienced in the market and the management of risk in choosing investment opportunities.
56. At the end of November 2015, Other Income showed surpluses of £248,000. The main contributors to this are Police Specific Prosecutions (£126,000), Vehicle Sales (£73,000), Firearms Licensing (£42,000), Partnership Income (£38,000), Vehicle Recovery Scrappage Income (£34,000), Rental Income (£26,000), Reports (£18,000), Miscellaneous Income (£16,000), Insurance Claims (£11,000) and Training (£4,000). These are partly offset by Income Generation (£114,000), Custody Detainee Income (£17,000) and Vehicle Recovery (£9,000). These variances will be monitored throughout the year.

57. Forecast Outturn

58. This year has presented many challenges in determining the potential revenue outturn. These have included the Voluntary Exit Scheme; the implementation of efficiency schemes under the Staying Ahead 8 Programme; remodelling of the Fleet to compliment the New Operating Model; the on-going review of the Joint Scientific Investigation Unit; and the continuing development of an Estate Strategy that compliments the New Operating Model.
59. The production of this month's financial performance position has allowed this first estimation of the potential outturn position for 2015/16, which indicates that there will be an overall saving of £3,536,000 (Appendix 6a, Line 32). The main contributing areas to this forecast are detailed below and confirm the 'planning mind-set' of both organisations when faced with the expectation of continuing significant funding reductions from 2016/17 onwards, e.g. extremely limited recruitment plans; estate work limited to statutory requirements; constrained developments and investments, etc. However, with the potential lessening of funding cuts over the medium term, coupled with precept investment, the

2016/17 budget will now stabilise to a certain extent and appropriately embed the New Operating Model.

60. It is anticipated that Police Officer Salaries and Allowances will generate a saving of £1,720,000 (Appendix 6a, Line 1). This is due to the force being below the authorised officer establishment. It is currently 47.87 wte below the authorised level and this is projected to grow to 77.40 wte by the end of the financial year.
61. This saving is net of the cost of officers leaving under the Voluntary Exit Scheme, which it is estimated will cost £2,483,000.
62. Police Staff Salaries and Allowances (Appendix 6a, Line 2) are anticipated to save £509,000. The actual staff establishment currently stands at 44.13 wte below the authorised level; this is predicted to grow to 52.53 wte, however, this is dependent upon the timing and delivery of a number of Staying Ahead 8 schemes.
63. A saving of £474,000 is currently forecast for PCSO Salaries and Allowances (Appendix 6a, Line 3). As part of the 2015/16 budget setting cycle, it was planned that £372,000 of savings would be identified as a Staying Ahead 8 scheme at (Appendix 6a, Line 16). The identification of these posts will be considered in the final quarter of the year.
64. Police Officer Overtime and Enhancement payments are forecast to produce an overspending of £300,000 (Appendix 6a, Line 4). This forecast assumes that whilst reductions in spending levels have reduced, overspending on overtime will continue to the year end, resulting in a £400,000 overspend. Bank Holiday enhancements, although currently overspending, will deliver a £100,000 saving at the year end, once centrally held funds are taken into consideration.
65. Police Staff Overtime and Enhancement payments are estimated to save £55,000 by the year end (Appendix 6a, Line 5 and 6), predominately in terms of enhancement payments.
66. Other Employee Related Costs (Appendix 6a, Line 7) are forecast to overspend by £929,000. The main area of overspending is the Police Pension Scheme (£1,033,000). This consists of Medical Retirement Capital Equivalent Charges (£775,000), Injury Pensions (£219,000) and Injury Gratuity Payments (£39,000). Other minor overspendings are anticipated on Recruitment Costs (£6,000) and Medical Costs (£2,000). Partially offsetting these overspendings are anticipated savings on Training Costs (£107,000) and Employer Insurance (£7,000).
67. Premises Costs (Appendix 6a, Line 8) are expected to generate savings of £383,000. This comprises of savings on Business Rates (£154,000), Utilities (£122,000), Cleaning and Waste Management (£69,000), Building Repairs (£19,000) and Premises Insurance (£18,000).
68. Transport Costs (Appendix 6a, Line 9) are forecast to save (£566,000). This is primarily due to savings on Petrol and Diesel (£407,000), Fleet Repairs (£121,000), Vehicle Recovery (£37,000), Vehicle Hire (£32,000) and Vehicle

Insurance (29,000). These are partially offset by overspendings on Travel and Subsistence (£28,000), Mileage (£27,000) and Non-NPAS Helicopter Costs (£5,000).

69. Supplies and Services (Appendix 6a, Line 10) are expected to generate savings of £391,000. The main contributing areas of saving are:

		£
a)	Scientific Support Unit	312,000
b)	Communications Links	197,000
c)	Operational Equipment	120,000
d)	Police Surgeons	100,000
e)	Other Professional Services	97,000
f)	Printing, Postage and Stationery	95,000
g)	Hardware Maintenance	82,000
h)	Uniforms	59,000
i)	Insurance Premiums	39,000
j)	Partnership Costs	36,000
k)	Interpreter Costs	35,000
l)	Toner Cartridges	18,000
m)	Telephony Investigation	16,000

70. These are, however, partially offset by forecast overspendings in the following areas:

		£
a)	Disaster Recovery	480,000
b)	Legal Costs	175,000
c)	Software Licences and Maintenance	142,000
d)	Ancillary Spares	17,000

71. It is anticipated that the Major Incident Fund will generate savings of £175,000 (Appendix 6a, Line 11); however, this is highly dependent upon operational demand and could potentially experience significant change.
72. Pro-active Operational Initiatives (Appendix 6a, Line 12), is forecast to make savings of £50,000, however, this is highly dependent upon operational demand and could potentially experience significant change.
73. At present, it is forecast that a net saving of £1,282,000 will be made in Identified Recurring Savings (Appendix 6a, Line 16). This represents the balance of Staying Ahead savings not yet recognised and accelerated schemes.

Realisation of those schemes not yet recognised will dilute the savings identified on the PCSO lines.

74. Investment Income is forecast to generate surpluses of £35,000 above budget (Appendix 6a, Line 17).

75. Other Income is forecast to produce savings of £219,000 (Appendix 6a, Line 18). The main contributing areas of surplus are:

		£
a)	Specified Police Proceedings	189,000
b)	Disposal of Vehicles	88,000
c)	Scrappage of Vehicle Recovery Vehicles	50,000
d)	Firearms Licensing	28,000
e)	Reports	23,000
f)	Property Rental	11,000
g)	Insurance Claims	11,000

76. However, the above savings are offset by the following anticipated shortfalls:

		£
a)	Income Generation	172,000
b)	Vehicle Recovery	13,000

77. During the 2015/16 budget setting cycle, it was identified that non-recurrent funding would be needed to support the Staying Ahead Programme team. This was agreed to be funded from reserves by the Commissioner. As a result of the reduction in police officer and police staff numbers, coupled with general levels of efficiency throughout other budgets, this reserve funding is no longer needed to support the 2015/16 budget, which results in a shortfall of funding of £1,114,000 (Appendix 6a, Line 30).

78. Greater clarity and confirmation of this forecast position will be gained as the financial year progresses. The forecasts will, therefore, be updated accordingly each month.

79. Capital Programme (Appendix 6c)

80. The Revised Annual Budget on proposed schemes for 2015/16 is £6,640,000.

81. The Programme for 2015/16 will be funded from HO funding in the form of Capital Grant and Innovation Fund Grant, combined with Specific Earmarked Reserves.

82. Expenditure to date amounted to £1,521,000 of which £622,000 related to Force Projects, £701,000 to Information Systems, and £183,000 to Vehicle purchases and £15,000 to Estate Schemes.
83. Confirmation of the forecast outturn position will be reported in the next monthly performance cycle.

RESERVES (Appendix 7)

84. Appendix 7 provides a summary of the Commissioner's Reserves position for the following four years and reflects a fundamental revision of the Commissioner's Reserves Strategy during the summer of 2015. This strategy was considered by the Joint Audit Committee on the 3rd December 2015, enabling them to discharge their responsibilities in relation to the budget setting process and the annual financial statements.
85. With the outcomes of both the CSR 2015 known for the short-term and the police funding formula review deferred by at least a year, the strategy has been updated and will continue to be instrumental in stakeholder engagement and any mitigation strategies.
86. This reporting of the Commissioner's Reserves position hopefully assists Members in understanding the overall financial landscape and provides context when discussing his budget and precept proposal for 2016/17. Therefore, the following key messages are relevant:
 - a) Following the audit of the 2014/15 Statement of Accounts, the WAO are satisfied with the levels of the Commissioner's Reserves;
 - b) By the end of the 2019/20 financial year, it is forecast that the Commissioner will have reserves totalling £5.193m (bottom right hand corner of Appendix 7) – this assumes however, that 50% of the current outstanding future recurrent budgetary imbalances up to 2019/20 (highlighted through the MTFP) will be underwritten from reserves (Line A4 in the Revenue Reserves Section). As already stipulated, recurrent budgetary imbalances must be found from recurrent efficiencies – reserves should only be utilised to manage annual timing differences. Therefore adjusting Line A4 back to zero, as opposed to an over commitment of £6.803m, produces an underlying total reserves figure of £11.996m;
 - c) However, taking into account the PFI reserve (£12.204m), whose use is currently unavoidable, the Commissioner's reserves are technically overcommitted by £0.208m in 2019/20;
 - d) Continuing the theme, the CFO's judgement based on relevant local circumstance, determines a General Reserve of £4.000m should be held. However, as reserves are technically over-committed by £0.208m – this is insufficient to fund the General Reserve, let alone the remaining 2019/20 revenue reserves in relation to the 'Other Financial Liabilities' Reserves (Lines B4b to B4e) nor the 'Commissioning Strategy and Force Initiatives' Reserve (Line C3). This position simply highlights the degree of 'internal

- borrowing' to fund the entire Capital Programme (including the replacement HQ) between 2015/16 and 2019/20.
- e) The underlying reserve position does not take into account the following events which would increase this figure:
 - i Additional sales of capital assets than those already identified; and
 - ii Underspending in the capital programme or slippage which defers spend to future financial years.
 - f) Similarly, the underlying reserve position of £11.996m does not take into account the following events which would further reduce this figure:
 - i The impact on reserves of future CSRs and any transitioning arrangements to a new Funding Formula allocation;
 - ii Further significant investment in the Estate beyond the HQ provision;
 - iii Pump-priming for future Phases of Staying Ahead; and
 - iv Overspending in the capital programme or acceleration which brings forward spend.
 - g) If the underlying reserve position is an accurate reflection of the future, then the affordability of the capital programme beyond 2019/20 will be questionable without the need to undertake borrowing.

CAPITAL PROGRAMME 2016/17 (Appendix 8)

- 87. The initial capital investment requirements over the next four years are emerging as the implementation of the Estate, Fleet and IS strategies are progressed.
- 88. With the proposed reductions in capital grant, implementation of the current capital programme will require the utilisation of reserves to fund the programme's requirements, which in turn will realise long-term benefits to the organisation, e.g. appropriate estate provision, fit for purpose fleet, maximising returns on ICT investment etc.
- 89. The development of the Staying Ahead Programme will present investment requirements which will generate efficiency opportunities that should present cashable savings.
- 90. The anticipated central funding for the capital programme of £0.526m reflects the continuing intention of the HO to top-slice Commissioners' funds to provide funding for the National Police Air Service (NPAS). This presents a further burden upon the Reserve funds.

OUTSTANDING ISSUES AND UNQUANTIFIABLE RISKS

- 91. Whilst the MTFP is designed to reflect the most up to date intelligence, a number of outstanding issues and unquantifiable risks remain which are incapable of being reflected at this present time. These are briefly highlighted below:
 - a) Changes in the final grant notification from those assumed in this report;

- b) Additional austerity measures from revised growth forecasts and changes in global economy;
- c) Future delivery of Staying Ahead Programme Schemes, with particular emphasis on:
 - i. Sustainability of previously delivered schemes; and
 - ii. Timing and extent of future schemes, with the potential for a significant increase in redundancies,
 - iii. Ability to implement further police officer voluntary exit schemes.
- d) The success of future commissioning opportunities, specifically utilising joined-up service delivery across all sectors to prevent and manage demand;
- e) Emerging cost pressures, in particular at this stage:
 - i. Withdrawal of funding by partners (HO, WG and Local Authorities);
 - ii. Increased 'last resort' demand due to others withdrawing service;
 - iii. The increased costs associated with inspection regimes;
 - iv. Increased demand for service due to changing demographics, technology and changes to the economic and political climate;
 - v. Further impact of the Localisation of council tax support and the local retention of business rates income; and
 - vi. Potential increase in the employers' police officer pension rate.
- f) Unplanned initiatives and the international dimension; and
- g) The impact that the national enhancement of the IPCC will have upon the current structure, funding and functionality of the Gwent Police Standards Department.

BUDGET REQUIREMENT, TAX BASE, PRECEPT AND COUNCIL TAX

92. The revenue budgetary requirement for 2016/17 is the net position of:

- a) The base recurring requirements;
- b) Efficiency savings and recurring budget reductions realisable in 2016/17;
- c) Non-recurring revenue requirements in 2016/17; and
- d) Non-recurring savings which are realisable in the year and reserve utilisation.

93. The gross base recurring requirement for 2016/17 is £123.890m (Appendix 1b line 9) which, when reduced by efficiency savings totalling £4.350m, leaves a budget requirement for the year of £119.539m.

94. The general grants announced in the Provisional Settlement are as follows:

	£
Police Grant	42,393,286
Revenue Support Grant	21,044,031
National Non-Domestic Rates	<u>9,063,436</u>
	<u>72,500,753</u>

Deducting total general grant from the budget requirement of £119,539,273 leaves income to be raised from council tax of £47,038,520.

95. Council tax is a tax on dwellings, levied according to the valuation band attributed to the property. Each unitary authority calculates its council tax base by establishing the number of properties in each of the nine council tax bands (A to I) and converting the band totals to a Band D equivalent figure (e.g. Band A council tax is two thirds of the Band D tax, the Band A total is therefore multiplied by two thirds to arrive at the Band D equivalent). The total Band D equivalent figure is then adjusted to take account of reductions for disabled residents, single occupancy discounts, etc. to produce the council tax base. The council tax to be raised for police and crime purposes is allocated to the unitary authorities in proportion to their tax bases. The tax bases notified by the unitary authorities are as follows:

Unitary Authorities	Band D Equivalent Properties	
	2015/16	2016/17
Blaenau Gwent	19,815.17	20,034.35
Caerphilly	59,318.14	59,575.14
Monmouthshire	44,561.34	45,102.03
Newport	55,560.04	56,145.64
Torfaen	<u>32,714.00</u>	<u>32,896.00</u>
Total	<u>211,968.69</u>	<u>213,753.16</u>

96. The effect of these figures on the Band D council tax for police and crime purposes is:

	Actual 2015/16	Proposed 2016/17
Council Tax	£44,856,814	£47,038,520
Band D Tax	£211.62	£220.06
Increase on previous year (£)	£8.12	£8.44
Increase on previous year (%)	3.99%	3.99%

97. The following table shows the proposed Council Tax for police and crime purposes for all bands.

Valuation Band	Tax Payable Compared to Band D	Proposed Council Tax
		£
A	6/9	146.71
B	7/9	171.16
C	8/9	195.61
D	9/9	220.06
E	11/9	268.96
F	13/9	317.86
G	15/9	366.77
H	18/9	440.12
I	21/9	513.47

98. The unitary authorities are billing authorities for council tax purposes. The Commissioner's precept will be added to the figures for council tax for expenditure by the unitary authorities and community councils and will form part of the single council tax demand. Under regulations, the billing authority must determine a schedule of instalments for payments to precepting authorities. Currently, the unitary authorities pay the police precept in equal instalments as follows:

Last working day of each month

Blaenau Gwent

Third Tuesday of each month

Caerphilly
 Monmouthshire
 Newport
 Torfaen

CHIEF FINANCE OFFICER'S STATEMENT - REQUIREMENTS OF THE LOCAL GOVERNMENT ACT 2003

99. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on:

- a) The robustness of the estimates made for calculating the precept; and
- b) The adequacy of the proposed financial reserves.

100. The same Section requires the Commissioner to have regard to the Chief Finance Officer's report when making decisions about precepts.

101. Core grants from the HO and WG currently fund approximately 60% of the revenue budget requirement for policing in Gwent. A combination of CSR 2010, CSR 2013 and CSR 2015 has resulted in significant reductions in core HO and WG grants. The reduction in these grants for 2011/12 of 5.1% came on top of an in-year cut in the previous year of 1.3%. The grant settlement for 2012/13 showed a reduction of 6.7%, 2013/14 a reduction of 1.57%, 2014/15 a reduction of 4.76%, 2015/16 a reduction of 5.11% and the provisional settlement for 2016/17 a further cut of 0.57%. In total therefore, the budget available for policing and crime in Gwent has experienced over a 25% cash reduction over 7 years. When the effect of inflation is built in, the real reduction is approaching 40%. Whilst the Chancellor is optimistic of the global economic picture over the medium term and in particular sound economic growth in the UK coupled with low interest rates and increased tax receipts, it must be noted that continuing turmoil in the Middle East and the slowing of the Chinese economy may well impact on growth in the European Union and therefore the UK. Therefore, the lessening of budget cuts afforded by CSR 2015 may not be sustainable.
102. The Staying Ahead Programme has continued to be remarkably successful in keeping expenditure within reducing budgets, yet still managing to maintain performance in the service to the public. Year after year, difficult savings' targets have been achieved ahead of time and as a consequence reserves have been generated for supporting investment necessary to redesign the estate and for pump-priming new initiatives. However, the continuing austerity and associated funding cuts have necessitated the second radical comprehensive review of all aspects of policing in Gwent and a major restructuring under the direction of the Deputy Chief Constable.
103. The preparation of the budget is now, almost a continual exercise, involving the compilation of MTFPs, dovetailing with detailed work across the Commissioner and Force under the supervision of the Assistant Chief Officer - Resources and in liaison with me. The involvement of all parts of the service ensures awareness not only of the demands, but also of the constraints upon them. Throughout 2015/16, Members of both the Police and Crime Panel and Joint Audit Committee received progress reports on the 2016/17 budget and beyond and were able to examine both the proposals and the process followed. The extent of this preparatory work has therefore greatly assisted the Commissioner in his deliberations. I am satisfied therefore, that this process ensured that the budget takes into account all those cost and income items that can be reasonably foreseen, and that there is no cause to question the robustness of the estimates.
104. Appendix 7 to this report shows details of the Commissioner's Reserves position. The Force's Assistant Chief Officer - Resources and I continually review the adequacy of reserves and provisions. In addition, in the summer of 2015, I undertook a fundamental revision of the Commissioner's Reserve Strategy and reported my findings to the Joint Audit Committee.
105. The General Reserve is required for working capital and to meet unexpected expenditure in emergency situations or major crime. At 1st April 2014 the General Reserve stood at £6.411m which represented 5.4% of the budgetary

requirement for 2014/15. During my review of the Reserve Strategy, in conjunction with the Commissioner and the Force's Chief Officer Team, I concluded that a General Reserve of £4m would be a prudent level for the policing body moving forward, taking into consideration its size, local circumstances and the requirement to identify savings to address significant reductions in core grant funding. This view has not been challenged by the external auditor.

106. In relation to the committed revenue and capital reserves, and the uncommitted revenue reserves, I am content on the need and sufficiency of the amounts reported.

107. In conclusion, I am content therefore, with the adequacy of the proposed financial reserves.

APPENDICES

Appendix 1a	-	Impact of Incremental Precept Changes
Appendix 1b	-	Medium Term Financial Projections
Appendix 2	-	Medium Term Financial Projections – Assumptions
Appendix 3	-	Identified Budgetary Pressures and Developments
Appendix 4a	-	Identified Budgetary Savings
Appendix 4b	-	Staying Ahead Schemes Delivered 2015/16
Appendix 4c	-	Future Staying Ahead Phase 8 Scheme Savings
Appendix 5a	-	Police Officer Establishment Flight path
Appendix 5b	-	Police Staff Establishment Flight path
Appendix 6a	-	Revenue Outturn 2015/16 as at 30 th November 2015
Appendix 6b	-	Establishment Summary as at 30 th November 2015
Appendix 6c	-	Capital Programme as at 30 th November 2015
Appendix 7	-	Reserves Position 2015/16
Appendix 8	-	Capital Programme 2015/16 to 2020/21