

**OFFICE OF POLICE AND CRIME COMMISSIONER**

**TITLE: Police & Crime Budget and Precept Proposal 2014/15**

**DATE: 17<sup>th</sup> January 2014**

**TIMING: Routine**

**PURPOSE: For Decision**

**1. RECOMMENDATION**

That the Commissioner considers the budget proposals and background information covered in the Annexe and Appendices to this submission and approves, subject to consultation with the Police and Crime Panel:

- (i) A budget requirement for 2014/15 of £119,517,923;
- (ii) The planned efficiency savings, budget reductions and reserve utilisation in 2014/15 of £4.215m, as detailed in Appendices 4a, 4b, 4c, 6a, 6b and 8 of the Annexe to this submission;
- (iii) The initial Capital Programme as described in Appendix 7;
- (iv) The further proposed utilisation of the reserves ( Appendix 8); and
- (v) The 2014/15 proposed precept to be levied in respect of general expenses of £42,674,833 (equivalent to a Council Tax Band D of £203.50) and that this sum be apportioned to each City/County/County Borough Council according to the following table:

<b>Unitary Authorities</b>	<b>£</b>	<b>Tax Base Band D Equivalent</b>
<b>Blaenau Gwent</b>	<b>3,997,361</b>	<b>19,643.05</b>
<b>Caerphilly</b>	<b>12,008,848</b>	<b>59,011.54</b>
<b>Monmouthshire</b>	<b>8,994,692</b>	<b>44,199.96</b>
<b>Newport</b>	<b>11,185,538</b>	<b>54,965.79</b>
<b>Torfaen</b>	<b>6,488,394</b>	<b>31,884.00</b>
<b>Total</b>	<b>42,674,833</b>	<b>209,704.34</b>

The precept shown in the above table generates the following amounts of council tax for the various bands:

<b>Council Tax Band</b>	<b>£</b>
<b>A</b>	<b>135.67</b>
<b>B</b>	<b>158.28</b>
<b>C</b>	<b>180.89</b>
<b>D</b>	<b>203.50</b>
<b>E</b>	<b>248.72</b>
<b>F</b>	<b>293.94</b>
<b>G</b>	<b>339.17</b>
<b>H</b>	<b>407.00</b>
<b>I</b>	<b>474.83</b>

2.	<p><b><u>INTRODUCTION &amp; BACKGROUND</u></b></p> <p>The Commissioner is required to determine the budget for 2014/15 and then set the council tax precept following consultation with the Police and Crime Panel. The greater part of the budget will be allocated for operational purposes, but an element needs to be retained to cover the cost of the Office of the Police and Crime Commissioner and commissioning of services from organisations other than the Chief Constable.</p>
3.	<p><b><u>ISSUES FOR CONSIDERATION</u></b></p> <p>In determining the budget requirement for 2014/15, the Commissioner has had regard to the Police and Crime Plan; the Chief Constable's view of the financial resources required to deliver the operational requirements of the Plan; the level of resources to be allocated for commissioning other than from the Chief Constable; and the cost of running the Office of the Police and Crime Commissioner.</p>
4.	<p><b><u>NEXT STEPS</u></b></p> <p>The Police and Crime Panel are required to review the proposed precept and make a report to the Commissioner on the proposed precept (whether it vetoes the precept or not) by the 8<sup>th</sup> February 2014.</p>
5.	<p><b><u>FINANCIAL CONSIDERATIONS</u></b></p> <p>This is a major financial report with clear financial implications. These are fully articulated within the Annex and Appendices.</p>
6.	<p><b><u>PERSONNEL CONSIDERATIONS</u></b></p> <p>The majority of the Policing and Crime Budget covers employees' salaries and employer's contributions. It follows that in the current situation, where core grant funding is reducing at unprecedented levels, the number of employees will inevitably fall. Addressing the situation in a sensible and timely manner as part of budget preparation demonstrates the actions of a good employer.</p>
7.	<p><b><u>LEGAL IMPLICATIONS</u></b></p> <p>Setting the budget requirement and precept are statutory responsibilities of the Commissioner.</p>
8.	<p><b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b></p> <p>This proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.</p> <p>Consideration has been given to the requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.</p>

9.	<p><b><u>RISK</u></b>  A timely decision on the precept will minimise the risk of failing to achieve the statutory deadline.</p>
10.	<p><b><u>PUBLIC INTEREST</u></b>  This report will be placed on the website of both the Commissioner and the Police and Crime Panel.</p>
11.	<p><b><u>CONTACT OFFICER</u></b>  Darren Garwood-Pask, Chief Finance Officer and Deputy Chief Executive to the Police and Crime Commissioner for Gwent.</p>
12.	<p><b><u>ANNEXES</u></b>  The Annexe to this report and its appendices provide full details in support of the proposal.</p>



**POLICE & CRIME COMMISSIONER FOR GWENT**

**REVENUE BUDGET AND CAPITAL PROGRAMME 2014/15**

**COMMISSIONER'S INTRODUCTION**

As the Police and Crime 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 April 2014 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 reduce and prevent crime;
- To take more effective action to reduce 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 Police and Crime Commissioner (Commissioner) is required to determine the Police and Crime Budget for 2014/15 and set the council tax precept, prior to 1<sup>st</sup> March 2014, after taking into account the views of the Police and Crime Panel in relation to the level of precept.
2. 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 2014/15, the report will include the longer term financial issues facing the police service in Gwent.
3. The bulk of the resources available to the Police and Crime Commissioner will be needed to cover operational policing and 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.

4. The Government's Comprehensive Spending Review (CSR) 2007 announced significant cuts in grant funding for the police service. Up until then Gwent 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 improving standards. However, the CSR 2010 announced even greater cuts in grant over the period to 31<sup>st</sup> March 2015 prompting the continuation of Staying Ahead reviews. The 2014/15 budget setting round addresses the final of the four years of the CSR 2010. Phase 6 of the Staying Ahead Programme was initiated at the commencement of the 2011/12 financial year, to deliver the £24.170m of savings originally forecast to be achieved by the end of the CSR period, on 31<sup>st</sup> March 2015. Of the actual savings required of £23.818m, £7.940m were delivered in 2011/12, £8.672m were delivered in 2012/13 with a further £3.964m planned to be delivered during 2013/14. The delivery of these schemes is monitored and challenged by sponsor Chief Officers to ensure timely, effective and economic delivery.
5. The latest MTFPs have been updated following receipt of the Provisional Police Funding Settlement on the 18<sup>th</sup> December 2013. They now indicate a recurring budgetary imbalance for the 2014/15 financial year of £4.215m (Appendix 1b, Line 17), increasing to £16.286m by 2017/18.

## **PROVISIONAL GRANT SETTLEMENT**

6. On the 18<sup>th</sup> December 2013, the Provisional Police Funding Settlement was announced (i.e. the Central Government Grant Funding from both the Home Office (HO) and Welsh Government (WG)). Consultation on this provisional settlement will run until 23<sup>rd</sup> January 2014, whereupon, the final settlement will be issued shortly after this date. The Provisional Police Funding Settlement for 2014/15 has quantified a number of funding changes, the impact of which, were previously unknown. The financial impact of these changes upon the organisation is detailed in the following paragraphs:
  - a) From 2014/15, the HO will establish a Police Innovation Fund worth £50 million, which will be funded through a top-slice from Police Main Grant. This builds upon the recently announced £20 million Precursor Fund for 2013/14. The Police Innovation Fund will provide 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 2014/15 the Home Secretary will provide Her Majesty's Inspectorate of Constabulary (HMIC) with £9.4m from the police settlement to fund a new annual programme of all force inspections. This will enable the public to see how well their force is performing when it comes to cutting crime and providing value for money;
  - c) The Home Secretary has decided to allocate funding to other specific areas where there is a national policing interest. It has previously been announced that the Independent Police Complaints Commission will be expanded in order that it is able to deal with all serious and sensitive cases involving the police. For 2014/15, it has been decided that an additional £18m will be provided from the police settlement to build up the resource and capability of the IPCC to begin taking on additional cases. An additional £0.8m of funding will be provided during 2013/14 from the wider HO budget to help with transition costs as well as a further £10m in capital in 2014/15;
  - d) £3m of funding will be provided to the College of Policing to commence direct entry schemes at Inspector and Superintendent levels. This will cover the costs of the courses concerned and initial salaries of the officers on the courses; and
  - e) The City of London Police will be provided £2m of additional funds in recognition of the national and international capital city functions they carry out.
7. On the 18th December 2013, the Minister of State for Policing, Criminal Justice and Victims (Damian Green), reiterated his statement that accompanied the provisional Police Grant Report 2013/14, confirming that 'current damping arrangements would continue in 2014/15'. This means that every police force area will face the same percentage reduction in core central Government funding. No indication was made on the future for funding damping beyond 2014/15 and the Minister also stated that 'decisions on the impact of the Chancellor's Autumn Statement on police funding for 2015/16 will be made at a later date after careful consideration of all Home Office budgets. This decision will take time and we have therefore decided not to publish indicative allocations for 2015/16 in this Statement.' This provides a degree of uncertainty over the funding that will be received beyond 2014/15.
8. In summary, the effect of these decisions is a reduction in Central Government Grant funding between 2013/14 and 2014/15 of 4.76%. Previous iterations of the MTFP assumed this reduction to be 3.3%.
9. Further points of note regarding the Provisional Police Funding Settlement for 2014/15 are detailed in the following paragraphs:
- a) The Commissioner is responsible for commissioning services to cut crime and deliver an effective and efficient police service. The un-hypothecated Community Safety Fund (CSF) for 2013/14 is £1.369m. With effect from 2014/15, this grant becomes part of the overall funding

settlement, and as such is subject the same reduction in funds stated above. From October 2014, the Commissioner will also have responsibility for commissioning a significant allocation of funding in relation to Victims Support Services. This allocation does not form part of the 2014/15 budget and precept deliberations, as it will be a hypothecated specific grant; and

- b) 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, Community Support Officer (CSO) local partner schemes, etc.). This report has been prepared on the assumption that funding will remain at the 2013/14 level, although contingency plans have also been devised, to mitigate potential reductions in/removal of funding.
10. The revenue support from the WG for Gwent's Private Finance Initiative (PFI) funded Ystrad Mynach Police Station and Custody Suite, totalling £0.675m, 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.
  11. Furthermore, 2014/15 funding for the 101 (whole time equivalent) WG CSOs is subject to a separate confirmation process, which is currently anticipated to amount to £3.214m.
  12. The HO provided the Provisional Capital Allocation for 2014/15 only. This forms the basis of the draft Capital Programme. The allocation of £1.100m continues to be reduced as a result of top-slicing to fund the National Police Air Service (NPAS).

## **COUNCIL TAX ISSUES**

13. For 2014/15, Council Tax Freeze grants will continue to be available to Commissioners in England. The scheme remains however, unavailable to Welsh Commissioners.
14. In Wales, council tax capping is the responsibility of Welsh Ministers. Under this requirement, the Minister for Local Government and Government Business wrote to Welsh Commissioners on the 28<sup>th</sup> November 2013 requesting early indication of proposed council tax increases, in order to assess the need to use capping powers. The Commissioner responded giving an assurance that the increase would be no more than 3.50%. 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.



15. MTFPs that have previously been issued during this budget setting cycle have assumed council tax increases of between 2.66% and 4.00% per annum over the four year projected period. This budget proposal now indicates council tax increases of 2.66% for 2014/15, 3.50% for 2015/16 and 4.00% for 2016/17 and 2017/18. Appendix 1a shows the impact that incremental changes on the precept rate would have on funding assumptions for 2014/15.
16. The introduction of the Council Tax Support Scheme in 2013/14 impacted to varying degrees upon the individual tax bases of the Local Authorities. Some revisions have been made to these for the 2014/15 bases, reflecting WG support. This, coupled with re-assessments of collection rates and increases in properties has resulted in a growth 1.396%. Future year increases have been assessed to return to the underlying 2013/14 rate of 0.883%.

### **MEDIUM TERM FINANCIAL PROJECTIONS 2014/15 to 2017/18**

17. The latest MTFP is shown as 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, 6a and 6b.
18. Although a balanced budgetary position could be achievable for 2014/15 (the end of the CSR 2010 period), this is dependent upon the delivery of efficiency schemes and the non-recurrent use of reserves. 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.
19. 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 over the next four years of 4.76%, 4.5%, 1.0% and 1.0%; and
    - ii Specific Grants, which have yet to be confirmed, have been assessed to remain at 2013/14 levels or at provisionally indicated amounts.
  - b) Council Tax Precept and Base:
    - i An increase in Council Tax Precept of 2.66% for 2014/15, 3.50% for 2015/16 and 4.00% for 2016/17 and 2017/18. 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 2014/15 by 1.396%. This reflects some amendments to the application of the Council Tax Support Scheme by Local Authorities, coupled with re-assessments of collection rates and increases in property numbers. As a result of these

changes, it has been assumed that for 2015/16 onwards, the council tax base growth will revert to the underlying growth value for 2013/14 of 0.883%.

20. 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 provides for an operational policing model of 1,332 wte at the commencement of the financial year. However, at the start of the year it is expected that the actual establishment will be 1,328 wte, reducing to 1,285 wte during the year. This reduction in officer strength is accommodated through the Staying Ahead 6 and 7 schemes forecast for delivery during 2014/15. As reductions in the police officer establishment are a core component of the Staying Ahead Programme, no recruitment has been anticipated during 2014/15. However, this situation is constantly under review and modest recruitment may be possible to meet particular specialist needs or to support longer-term sustainability.

b) Police Staff Establishments:

- i In a similar vein to the police officer establishment above, the MTFP provides for 878 wte (632 wte not including CSOs) police staff at the commencement of the financial year. However, at the start of the year, it is expected that the actual establishment not including CSOs will be 657 wte, reducing to 598 wte during the year. This reduction in police staff strength is (and has been) accommodated through the Staying Ahead 6 and 7 schemes forecast for delivery during 2014/15. 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 2014/15.

c) Pay awards, allowances, enhancements etc.:

- i Pay Award for police officers and police staff in 2014/15 to 2017/18 of 1.0%.

d) Non-staff inflation (2014/15 to 2017/18):

- i General – limited to 2.0%;
- ii Utilities – limited to 5%; and
- iii Fuel – limited to 5%.

e) Loss/Absorption of Specific Grants:

- i The MTFP reflects the absorption of the Community Safety Fund into main formula grant in 2014/15.
- f) 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. Furthermore, based on historic trends of new annual recurring pressures, the MTFP has been updated to reflect an assumed level (£1.000m) of contingent service developments in each of the final three years of the current financial plan; and
- g) Capital investment:
  - i At present, the MTFP does not reflect any revenue costs associated with new borrowing to fund capital strategies. The funding of the capital strategies is discussed within the 'Reserves' section of this report.

### **EFFICIENCY OPPORTUNITIES (Appendices 4a, 4b and 4c, 6a and 6b)**

21. The financial implications of the current CSR were such that the Staying Ahead Programme was initiated to continue the work of the Staying Ahead Review and to oversee the delivery of a new generation of savings schemes. The major component therefore within the 2014/15 budget setting exercise is the delivery of significant cash releasing efficiency savings and budget reductions through Phase 6 and 7 of the Staying Ahead Programme and rebasing of 2013/14 budgets through the bottom-up budget setting exercise. 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 budget reductions identified through the 'bottom-up' budget setting process that have already been removed from the 2014/15 base budgets, together with future estimated reductions relating to police officer allowances;
  - b) Appendix 4b – this details the accelerated savings that have been realised under Phase 6 and 7 of the Staying Ahead Programme within the 2013/14 financial year to date; and
  - c) Appendix 4c – this details those schemes due to be realised between 2014/15 and 2017/18. The timing and value of these schemes have been considered to ensure that realistic estimates are reflected in the MTFP. This has resulted in greater prudence being shown in the MTFP; however this further reinforces the efforts being placed on current and future schemes aimed at mitigating the funding challenges.
22. The schemes due for delivery in 2014/15 and beyond are largely dependent upon further reductions in police and staff establishments. It is anticipated that full realisation of these savings will only be achieved through natural vacancies arising in actual police officer and staff numbers. The timings of these are not

necessarily aligned to the savings forecast in the Staying Ahead schemes. In previous budget setting rounds, non-recurring financial pressures (volume pressures) arose due to the disparity between the actual staffing levels and those proposed by the Staying Ahead Schemes. Since these are not forecast to occur within this planning cycle, these have been removed from current projections i.e. 2014/15 and beyond. However, as new Staying Ahead Schemes are identified to address the remaining financial deficit evident in 2017/18, it is expected that these volume pressures could reappear in future versions of the MTFP.

23. In support of the Staying Ahead Programme and contributing towards the funding pressures that are faced, it is planned that the CSO numbers will be reduced as vacancies arise, until such time that a parity of 101 wte to 101 wte is achieved between the HO CSOs and the WG funded CSOs. The MTFP reflects the removal of the current vacancies of 34.3 wte HO CSO posts, which generates savings of £1.126m in 2014/15 (Appendix 1, Line 21). At the time of writing, confirmation of this proposal is still awaited from the WG.
24. Appendices 6a and 6b highlight a range of scenarios indicating how the police officer and staff establishments could reduce over the following three years (the solid coloured lines), set against the planned reductions in establishment through the implementation of known Phase 6 and 7 schemes (the dotted black line).

#### **REVENUE OUTTURN 2013/14**

25. Based upon the November 2013 financial report, the forecast year-end position on the revenue budget shows accumulated savings of £2.402m. The major contributing factors to this forecast saving are:
  - a) The impact of not filling police officer and police staff vacancies as they arise, which supports the delivery of Phase 6 and 7 of the Staying Ahead Programme. Within the 2013/14 financial year, this is forecast to save £1.828m (this is a recurring saving and is reflected in-part in Appendix 4b); and
  - b) Favourable market forces that have resulted in significant savings in vehicle fuel budgets of £0.578m (as these are highly dependent upon market forces, these have been reassessed during the budget setting process, resulting in some future recurrent savings being identified – Appendix 4a).

#### **CAPITAL PROGRAMME (Appendix 7)**

26. The initial capital investment requirements over the next four years are emerging as the implementation of the Estate, Fleet and IS strategies are progressed.
27. 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.

28. The provisional funding announcement for the capital grant of £1.100m 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.

## **RESERVES (Appendix 8)**

29. Appendix 8 provides a summary of the Commissioner's Reserves and Sinking Funds over the following four years.
30. The General Fund (Appendix 8, Line A1), remains at a satisfactory level and within accepted boundaries of cover to fund working capital and exceptional operational requirements.
  - a. The Precept Top-up Reserve (Appendix 8, Line A2) is still forecast to be used to support the revenue budget position. The MTFP forecasts indicate that this fund will need to be used in 2014/15, with the remainder being fully utilised in 2015/16;
  - b. Through prudent financial management, specific reserves have been built up to address the requirements for pump-priming the Staying Ahead Programme and to also deliver the Capital Programme for both 2014/15 and 2015/16. Beyond this timeframe, alternative sources of funding, potentially from within the totality of reserves, will need to be identified;
  - c. The remaining Earmarked and Capital Reserves are still considered necessary and sufficient for the purposes that they were created;
  - d. Similarly, the PFI and Airwave Sinking Funds are still considered to be adequate to address their respective requirements over the life-cycles of each scheme; and
  - e. It should be noted however, that utilising existing reserves to address short-term funding shortfalls will have an adverse effect on the delivery of the schemes listed in the previous points.

## **OUTSTANDING ISSUES AND UNQUANTIFIABLE RISKS**

31. 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;
- 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.
- d) 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. Increased crime due to economic and political climate;
  - iv. Further impact of the Localisation of Council Tax support and the local retention of business rates income; and
  - v. Potential increase in the employers' police officer pension rate.
- e) Unplanned initiatives and the international dimension;
- f) The impact that the 2014 NATO Summit and Commonwealth Games will have upon the revenue budget; 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**

32. The revenue budgetary requirement for 2014/15 is the net position of:

- a) The base recurring requirements;
- b) Efficiency savings and recurring budget reductions realisable in 2014/15;
- c) Non-recurring revenue requirements in 2014/15; and
- d) Non-recurring savings which are realisable in the year and reserve utilisation.

33. The gross base recurring requirement for 2014/15 is £123.733m (Appendix 1b line 9) which, when reduced by efficiency savings, recurring budget reductions and non-recurring reserve contributions totalling £4.215m, leaves a budget requirement for the year of £119.518m.

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

	£
Police Grant	46,168,666
Revenue Support Grant	17,155,708
National Non-Domestic Rates	<u>13,518,716</u>
	<u>76,843.090</u>

Deducting total general grant from the budget requirement of £119,517,923 leaves income to be raised from council tax of £42,674,833.

35. 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 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	
	2013/14	2014/15
Blaenau Gwent	19,629.12	19,643.05
Caerphilly	58,702.37	59,011.54
Monmouthshire	44,083.43	44,199.96
Newport	53,531.64	54,965.79
Torfaen	<u>30,870.00</u>	<u>31,884.00</u>
Total	<u>206,816.56</u>	<u>209,704.34</u>

36. The effect of these figures on the Band D Council Tax for police purposes is:

	Actual 2013/14	Proposed 2014/15
Council Tax	£40,997,247	£42,674,833
Band D Tax	£198.23	£203.50
Increase on previous year (£)	£5.14	£5.27
Increase on previous year (%)	2.66%	2.66%

37. The following table shows the proposed Council Tax for police purposes for all bands.

Valuation Band	Tax Payable Compared to Band D	Proposed Council Tax
		£
A	6/9	135.67
B	7/9	158.28
C	8/9	180.89
D	9/9	203.50
E	11/9	248.72
F	13/9	293.94
G	15/9	339.17
H	18/9	407.00
I	21/9	474.83

38. 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**

39. 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.

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

41. Core grants from the HO and WG currently fund approximately two thirds of the revenue budget requirement for policing in Gwent. Both CSR 2010 and CSR 2013 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% and the provisional settlement for 2014/15 a further cut of 4.76%. The current financial situation in the UK and rest of the European Union suggests that further significant cuts in grant funding will follow from the next CSR.

42. The Staying Ahead Programme continues 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.
43. The preparation of the budget is an extensive exercise spread over several months, involving the compilation of MTFPs, followed by detailed work across the Force under the supervision of the Assistant Chief Officer - Resources and in liaison with the Chief Finance Officer to the Commissioner. The involvement of all parts of the service ensures awareness not only of the demands, but also of the constraints upon them. Throughout the early stages of the budget preparation process, Members of both the Police and Crime Panel and Joint Audit Committee received progress reports and were able to examine both the proposals and the process followed. This preparatory work has 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.
44. Appendix 8 to this report shows details of reserves. The Force's Assistant Chief Officer - Resources and I continually review the adequacy of reserves and provisions. The General Reserve is required for working capital and to meet unexpected expenditure in emergency situations or major crime. At 1<sup>st</sup> April 2013 the General Reserve stood at £6.411m which represented 5.3% of the budgetary requirement for 2013/14. At the time the Assistant Chief Officer - Resources and I considered that this was a prudent level of general reserve for the policing body, 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.
45. The capital reserves are only available for capital expenditure and the sinking funds are intended to spread the cost of the two major long-term commitments in accordance with acceptable profile, eliminating large peaks and troughs. Other earmarked reserves are estimated to reduce to £0.622m by 31<sup>st</sup> March 2018.
46. 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     |

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Appendix 2	-	Medium Term Financial Projections – Assumptions
Appendix 3	-	Identified Budgetary Pressures
Appendix 4a	-	Identified Budget Reductions
Appendix 4b	-	Staying Ahead Schemes Delivered 2013/14
Appendix 4c	-	Future Staying Ahead Scheme Savings
Appendix 5	-	Revenue Outturn 2012/13 as at 30 <sup>th</sup> November 2013
Appendix 6a	-	Police Officer Establishment Flight path
Appendix 6b	-	Police Staff Establishment Flight path
Appendix 7	-	Capital Programme 2013/14 to 2017/18
Appendix 8	-	Reserves and Sinking Funds

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police  
Medium Term Financial Projections 2014/15 to 2017/18  
At 24th January 2014**

Assumption		Base Growth	Precept Growth	Total Growth	Increase / (Decrease)
Base Growth	Precept Growth				
%	%	£	£	£	£
1.40%	5.00%	572,444	2,078,170	2,650,614	973,028
1.40%	4.50%	572,444	1,870,563	2,443,007	765,421
1.40%	4.00%	572,444	1,662,956	2,235,400	557,814
1.40%	3.70%	572,444	1,537,133	2,109,577	431,991
1.40%	3.50%	572,444	1,455,348	2,027,792	350,206
1.40%	3.25%	572,444	1,350,496	1,922,940	245,354
1.40%	3.00%	572,444	1,247,741	1,820,185	142,599
1.40%	2.99%	572,444	1,243,547	1,815,991	138,405
1.40%	2.75%	572,444	1,142,889	1,715,333	37,747
1.40%	2.66%	572,444	1,105,142	1,677,586	0
1.40%	2.50%	572,444	1,040,134	1,612,578	-65,008
1.40%	2.25%	572,444	935,282	1,507,726	-169,860
1.40%	2.00%	572,444	830,430	1,402,874	-274,712
1.40%	1.75%	572,444	727,674	1,300,118	-377,468
1.40%	1.50%	572,444	622,822	1,195,266	-482,320
1.40%	1.25%	572,444	520,067	1,092,511	-585,075
1.40%	1.00%	572,444	415,215	987,659	-689,927
1.40%	0.75%	572,444	312,460	884,904	-792,682
1.40%	0.50%	572,444	207,608	780,052	-897,534
1.40%	0.25%	572,444	104,852	677,296	-1,000,290
1.40%	0.00%	572,444	0	572,444	-1,105,142

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**At 24th January 2014**

	(a) 2013/14 Actual £'000s	(b) 2014/15 Proposed £'000s	(c) 2015/16 Forecast £'000s	(d) 2016/17 Forecast £'000s	(e) 2017/18 Forecast £'000s
1 Effect of Pay Awards and Increments	887	1,722	2,037	2,061	2,104
2 Non-Staff Inflation	600	394	535	570	607
3 Loss of Home Office Grant Funding	3,138	1,369	0	0	0
4 In Service Pressures / Developments	3,253	449	1,375	3,281	1,220
5 Identified Savings	-3,063	-516	-104	-104	-104
6 Unavoidable Cost Increases	4,816	3,417	3,844	5,808	3,826
7 Gross Budget Movement	4,816	3,417	3,844	5,808	3,826
8 Recurring Base Budget Brought Forward	115,499	120,316	123,733	127,577	133,385
9 Projected Budgetary Requirement	120,316	123,733	127,577	133,385	137,212
10 % Increase on Previous Years Base Budget	-5.10%	2.84%	3.11%	4.55%	2.87%
11 Funded from :					
12 Police Grant	(47,068)	(46,169)	(44,091)	(43,650)	(43,214)
13 Revenue Support Grant	(16,925)	(17,156)	(16,384)	(16,220)	(16,058)
14 National Non-Domestic Rates	(15,325)	(13,519)	(12,910)	(12,781)	(12,653)
15 Council Tax	(40,997)	(42,675)	(44,545)	(46,720)	(49,001)
16 Total Funding	(120,316)	(119,518)	(117,930)	(119,371)	(120,926)
17 Projected Recurring Deficit / (Surplus) Before Efficiencies	-	4,215	9,647	14,014	16,286
18 Efficiencies	-	(831)	(831)	(831)	(831)
19 Accelerated Delivery / Additionality of Staying Ahead Scheme Savings	-	(1,600)	(2,751)	(3,255)	(3,255)
20 Future Year Staying Ahead Scheme Savings	-	(1,126)	(1,137)	(1,148)	(1,160)
21 Removal of Vacant CSO posts (34.3wte)	-	-	-	-	-
22 Forecast Establishment Volume Pressures	-	-	-	-	-
23 Reserve Utilisation to offset reduced Precept Increase	-	(658)	(1,449)	-	-
24 Projected Recurring Deficit / (Surplus) After Efficiencies & Reserve Utilisation	-	-	3,480	8,780	11,040

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Assumptions**

Description	2013/14 Budgeted	2014/15 Proposed	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	Source
<b><u>Police Officers</u></b>						
Pay Awards	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
<b><u>Police Staff</u></b>						
Pay Awards	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
Low Earner Pay Award	£250	£0	£0	£0	£0	Recurrent effect of consolidated pay award for 2012/13
<b><u>Indirect Staff Costs</u></b>						
	1.00%	1.00%	1.00%	1.00%	1.00%	National ACPO Finance Lead
<b><u>Non Staff Inflation</u></b>						
General (Including Rates)	3.00%	2.00%	2.00%	2.00%	2.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Utilities - Gas/Electric	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Utilities - Water	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Petrol	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
Diesel	5.00%	5.00%	5.00%	5.00%	5.00%	Based upon Bank of England Forecast Data and Welsh Force Comparisons
<b><u>Funding</u></b>						
Police Funding	-1.57%	-4.76%	-4.50%	-1.00%	-1.00%	Final Police Settlement 2013/14, Provisional Police Settlement 2014/15 and CFO Estimate
Council Tax Base Increase	0.30%	1.40%	0.88%	0.88%	0.88%	Actual Growth for 2014/15. Estimated for 2015/16 onwards - net of CT Support Scheme
Council Tax Precept Increase (Appendix 1b)	2.66%	2.66%	3.50%	4.00%	4.00%	Police and Crime Commissioner for Gwent - January 2014

Police and Crime Commissioner for Gwent / Heddlu Gwent Police  
Medium Term Financial Projections 2014/15 to 2017/18  
In-service Pressures and Developments 2014/15 to 2017/18

Description	2014/15 £	2015/16 £	2016/17 £	2017/18 £	Narrative
1 BTGC Scheme Pump Priming	100,000	100,000	100,000	100,000	Recurrent funding for developments that arise during the financial year
2 Additional Bank Holiday Impact (Timing of Christmas, New Year and Easter)	130,000	360,000	(360,000)	120,000	Timing of Festive and Easter Bank Holidays mean that premium costs occur
3 Office Automation pump priming	112,000	0	0	0	Cessation of desktop Computer Hardware replacement cycle funding from Reserves
4 National Police ICT Services - Full Recovery Charging	143,123	0	0	0	Actual increase in costs from National Police ICT Services
5 PEACE TINDER Collaboration (SPOC Software)	8,000	0	0	0	Final Year of cost pick up from PEACE TINDER initiative
6 Zanzibar Licencing Fee - National Procurement System	(5,000)	0	0	0	Anticipated savings arising from implementation of National Procurement System
7 Injury Pension Payments	100,000	0	0	0	Increase to cover current expenditure profile
8 Mamhilad Block B Rental and Utility Costs	106,000	0	0	0	Costs arising from occupation of Block B
9 Estate Strategy Contingency	0	99,000	99,000	0	Contingent costs in relation to Headquarters proposals
10 Witness Care Service - previously provided by CPS	80,000	0	0	0	Loss of CPS support for joint case preparation posts
11 Wales Audit Office - Increase in fees	11,600	0	0	0	Increase of costs following introduction of Group Account status under PCC
12 Increase in Vetting Services	40,000	0	0	0	External costs arising from decommissioning of vetting software
13 Specialist On-call Resources SRS	14,000	0	0	0	Specialist out of hours costs to ensure IT functionality can be maintained
14 Public Confidence Surveys	30,000	0	0	0	To provide public confidence data at LPU level
15 Gwent Regional Collaboration Fund	15,000	0	0	0	Contribution towards projects supported by the Gwent Regional Collaboration Fund
16 Increased Cost of Policing Seasonal Football Matches	30,000	0	0	0	Increased neighbourhood policing during matches at Christmas and Easter
17 SRS Developments (net of anticipated savings)	79,000	0	0	0	Assessment of collaborative cost base requirements for 2014/15
18 NI implications of Single State Pension	0	0	2,541,000	0	Proposed move to a single state pension - likely impact on Employer National Insurance rates
19 Potential pension implication on police overtime/allowances	?	?	?	?	Further assessment needed to establish extent of cost pressure
20 Potential pension implication on police staff overtime/allowances	?	?	?	?	Further assessment needed to establish extent of cost pressure
21 Local Impact of NATO Summit - Autumn 2014	?	?	?	?	Assessment needed of local impact not covered by external funding
22 Planned Estates Works	80,000	0	0	0	Increase in Planned Estates maintenance due to retaining sites
23 Unplanned Estates Works	60,000	0	0	0	Increase in Unplanned Estates maintenance due to retaining sites
24 DIP Testing Drug Kit Purchases	25,000	0	0	0	Home Office funding withdrawal of test kits
25 Interest Receivable	53,000	0	0	0	Rebasing of the Interest Receivable has resulted in a decrease in future interest
26 PSU Equipment	25,000	(25,000)	0	0	Non recurring pressure for replacing PSU Equipment
27 Photographic Performance Ltd Licences	5,000	0	0	0	Annual charge for playing music in office spaces, canteen and gym
28 Dangerous Dogs	10,000	0	0	0	Additional pressures of kennelling and maintaining dangerous dogs
29 Operational Custody Costs	18,000	0	0	0	Increased costs incurred in maintaining suitable services within custody
30 Body Armour Protective Sleeves	60,000	(60,000)	0	0	To reduce bio-degrading of existing units
31 Contingent Pressure Funds	50,000	901,000	901,000	1,000,000	Estimate of future cost pressures
32 Office of the PCC - Commissioning Provision	(931,000)	0	0	0	Reversal of non-recurring pressure in 2013/14
	<b>448,723</b>	<b>1,375,000</b>	<b>3,281,000</b>	<b>1,220,000</b>	

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Budget Savings 2014/15 to 2017/18**

Description	2014/15 £	2015/16 £	2016/17 £	2017/18 £
<b>Potential Savings</b>				
1 Transitional Rent Allowance	(90,000)	(90,000)	(90,000)	(90,000)
2 Compensatory Grant	(14,000)	(14,000)	(14,000)	(14,000)
3 Review of Fleet	(386,783)	0	0	0
4 Review of Pedal Cycle Kit	(11,611)	0	0	0
5 Review of Internal Audit Fees	(14,000)	0	0	0
	<b>(516,394)</b>	<b>(104,000)</b>	<b>(104,000)</b>	<b>(104,000)</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Staying Ahead Phase 6 and 7 Schemes 2014/15 to 2017/18 and Other Savings Initiatives**

	2013/14
	£'000s
<b>Scheme</b>	
1 Specialist Crime	214
2 Roads Policing	176
3 Data Management Review	131
4 Schools Liaison	96
5 CJD Review	78
6 Service Development	50
7 Scientific Support	44
8 Business Support	34
9 Accessibility Review	6
10 Emergency Planning Review	2
<b>11 Scheme Savings for Year</b>	<b>831</b>



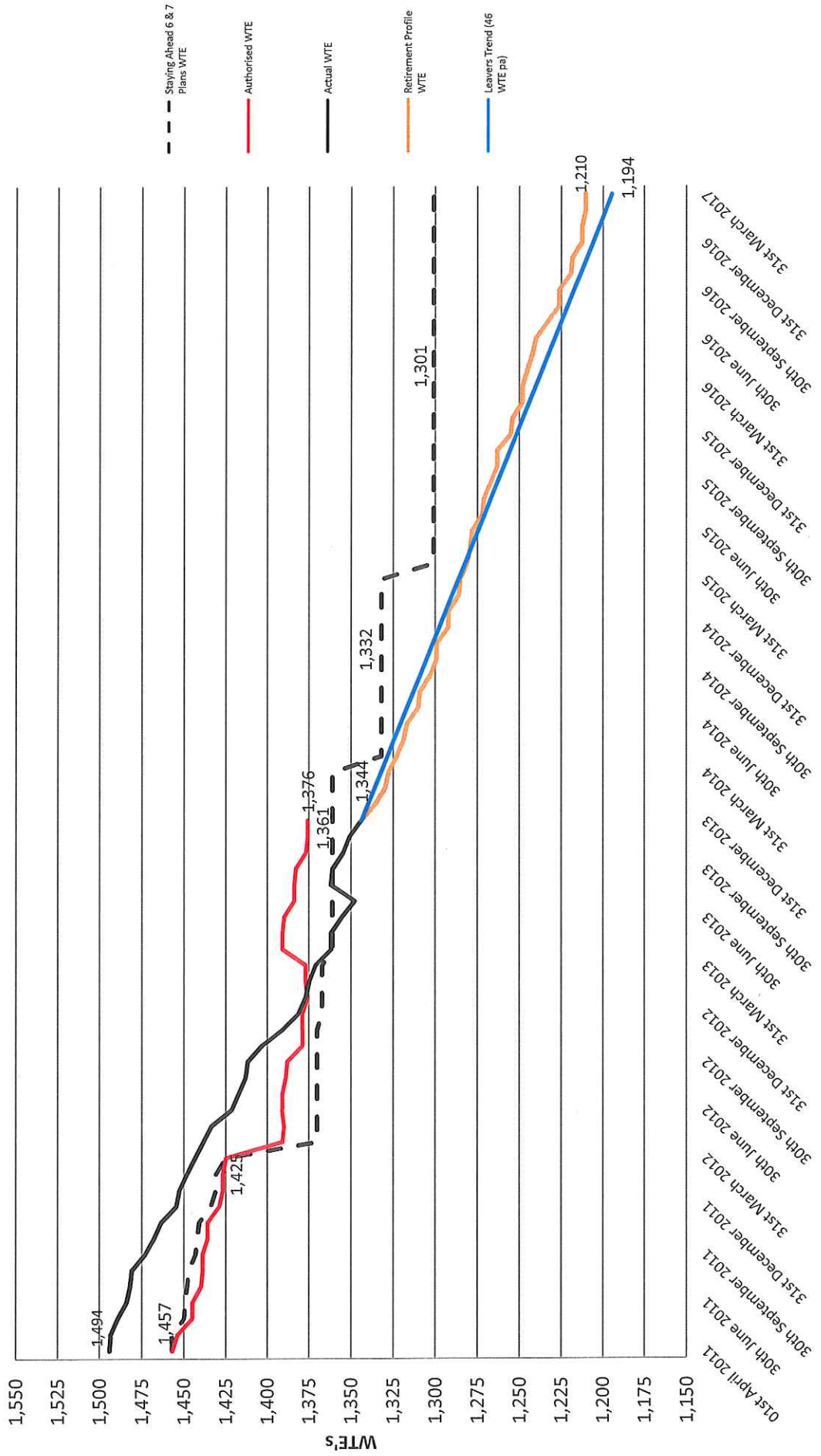
**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Staying Ahead Phase 6 and 7 Schemes 2014/15 to 2017/18 and Other Savings Initiatives**

	2014/15	2015/16	2016/17	2017/18	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>A Cumulative Savings Brought Forward</b>	0	1,600	2,751	3,255	3,255
<b>B Scheme</b>					
1 Review of Command Structure		229			229
2 Review of Fleet Function	214	19	19		252
3 Review of Business Support Function	74				74
4 Review of Finance Function	66	30	45		141
5 Mobile Data Project		183			183
6 Records Management Solution (RMS)	249	128			377
7 Data Management Review	72		100		172
8 Service Development - Post Implementation and Further Review	58				58
9 Corporate Communications Review		12			12
10 Departmental Review of Professional Standards	68		286		354
11 Winsor Review	165		54		219
12 Supervisory Ratio	550	550			1,100
13 Continuous Improvement Review of Communications Suite	4				4
14 Officer Safety and First Aid Training Review	80				80
<b>C Savings for Year</b>	<b>1,600</b>	<b>1,151</b>	<b>504</b>	<b>0</b>	
<b>D Cumulative Savings Carried Forward</b>	<b>1,600</b>	<b>2,751</b>	<b>3,255</b>	<b>3,255</b>	

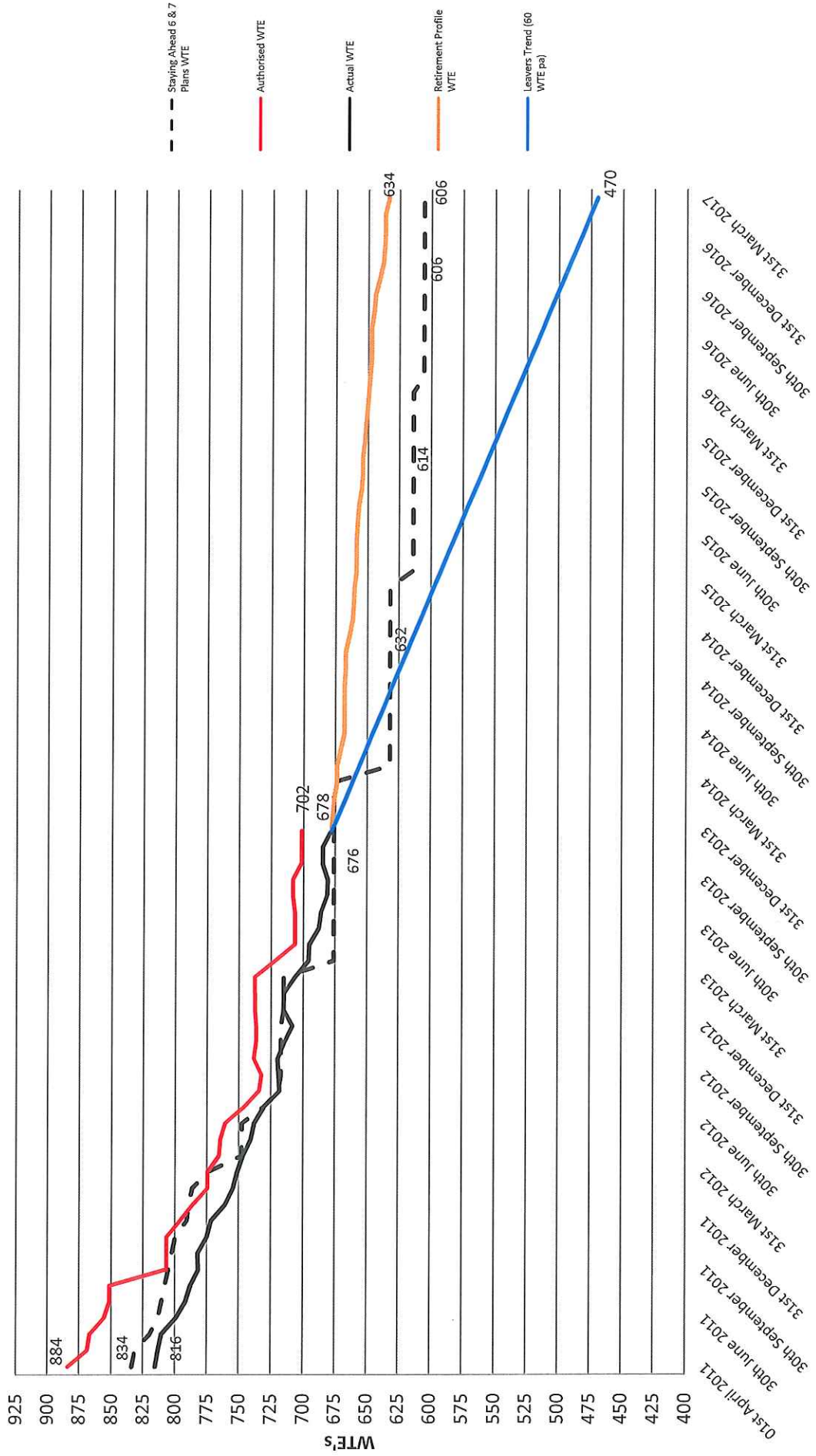
**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**2013/14 Revenue Budget - Gwent Police Group**  
**Performance to 30th November 2013**

	Initial Annual Budget	Revised Annual Budget	Budget to Date	Expenditure to Date	Variance to Date	Full Year Forecast
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Expenditure</b>						
1 Police Officer Salaries and Allowances	70,377	69,800	46,496	46,042	455	1,219
2 Police Staff Salaries and Allowances	23,891	23,008	15,396	15,443	(47)	148
3 PCSO Salaries and Allowances	7,068	7,068	4,712	4,212	500	828
4 Police Officer Overtime and Enhancements	1,473	1,607	983	1,130	(147)	(187)
5 Police Staff Overtime and Enhancements	1,007	993	580	588	(9)	50
6 PCSO Overtime and Enhancements	727	735	432	405	27	42
7 Other Employee Related Costs	2,119	2,094	1,551	1,577	(27)	(206)
8 Premises Costs	5,472	5,370	3,793	3,574	219	137
9 Transport Costs	3,563	3,564	2,345	2,005	340	569
10 Supplies and Services	13,875	16,300	10,401	10,122	278	(124)
11 Major Incident Schemes	684	684	525	525	(0)	0
12 Proactive Operational Initiatives	267	267	115	116	(0)	50
13 Contribution to NPIA	573	573	529	535	(6)	(10)
14 Capital Charges	500	500	127	127	0	0
	<b>131,595</b>	<b>132,561</b>	<b>87,984</b>	<b>86,401</b>	<b>1,583</b>	<b>2,514</b>
<b>Other Approved Revenue Requirements</b>						
15 Development Reserve	110	110	0	0	0	0
16 Identified Recurring Savings	(1,763)	(367)	(0)	0	(0)	(367)
	<b>(1,653)</b>	<b>(257)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(367)</b>
<b>Income</b>						
17 Investment Income	(215)	(215)	(131)	(128)	(3)	0
18 Other Income	(8,099)	(11,547)	(7,604)	(7,977)	374	256
	<b>(8,314)</b>	<b>(11,761)</b>	<b>(7,735)</b>	<b>(8,105)</b>	<b>370</b>	<b>256</b>
<b>19 Net Expenditure Before Transfers</b>	<b>121,629</b>	<b>120,543</b>	<b>80,249</b>	<b>78,296</b>	<b>1,953</b>	<b>2,402</b>
<b>Transfers</b>						
20 To Earmarked Reserves (Pre-Approved)	2,022	3,276	0	0	0	0
21 To Capital Account	0	8	0	0	0	0
	<b>2,022</b>	<b>3,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>22 Net Expenditure Including Transfers</b>	<b>123,651</b>	<b>123,827</b>	<b>80,249</b>	<b>78,296</b>	<b>1,953</b>	<b>2,402</b>
<b>23 Funded By:</b>						
24 Revenue Support Grant	(16,925)	(16,925)	(11,714)	(11,714)	0	0
25 National Non-Domestic Rates	(15,325)	(15,325)	(10,607)	(10,607)	0	0
26 Police Grant	(47,068)	(47,068)	(31,379)	(31,379)	0	0
27 Council Tax	(40,997)	(40,997)	(27,331)	(27,331)	0	0
28 Specific Grant Income	(1,470)	(1,459)	(735)	(735)	0	0
29 Use of General Reserves	0	0	0	0	0	0
30 Use of Earmarked Reserves	(1,865)	(2,052)	(2,052)	(2,052)	0	0
<b>31 Total Funding</b>	<b>(123,651)</b>	<b>(123,827)</b>	<b>(83,817)</b>	<b>(83,817)</b>	<b>0</b>	<b>0</b>
<b>32 (Over)/Underspend</b>	<b>0</b>	<b>0</b>	<b>(3,568)</b>	<b>(5,521)</b>	<b>1,953</b>	<b>2,402</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police  
 Medium Term Financial Projections 2014/15 to 2017/18  
 Police Officer Establishment Flight Path - 31st December 2013**



### Police and Crime Commissioner for Gwent / Heddlu Gwent Police Medium Term Financial Projections 2014/15 to 2017/18 Police Staff (Excluding PCSOs) Establishment Flight Path - 31st December 2013



**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Capital Programme 2014/15 to 2017/18**

		2014/15 £'000s	2015/16 £'000s	2016/17 £'000s	2017/18 £'000s
<b>A</b>	<b>Estate</b>				
1	Regular Capital Maintenance	570	500	500	500
2	Replacement HQ				
3	Decommissioning of Headquarters				
4	Replacement FCR				
<b>5</b>	<b>Total Estate</b>	<b>570</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>B</b>	<b>Vehicles</b>	<b>1,921</b>	<b>1,134</b>	<b>1,700</b>	<b>1,228</b>
<b>C</b>	<b>Information Systems</b>				
1	Voice Over Internet Protocol	500			
2	Citrix Servers (64 Bit)	80			
3	Replacement Servers	40	60		
4	Main Blade Server Chassis		120		
5	Checkpoint Firewall Infrastructure	60			
6	Network Switches		150	150	150
7	Replacement SQL Server			130	
8	PND Infrastructure		160		
9	Replacement ICCS System	500			
10	Enterprise Resource Planning System	500	2,287		
11	Disaster Recovery		415		
12	Command & Control		1,161		
<b>13</b>	<b>Total Information Systems</b>	<b>1,680</b>	<b>4,353</b>	<b>280</b>	<b>150</b>
<b>D</b>	<b>Other BTCG Projects / Schemes</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>E</b>	<b>Total Programme</b>	<b>4,371</b>	<b>6,187</b>	<b>2,680</b>	<b>2,078</b>
<b>F</b>	<b>Funding</b>				
1	Capital Grant	1,100	1,100	1,100	1,100
2	Receipts from sale of Premises	480	0	0	0
3	Funding from Reserves	2,791	5,087	1,580	978
<b>4</b>	<b>Total Funding</b>	<b>4,371</b>	<b>6,187</b>	<b>2,680</b>	<b>2,078</b>
<b>G</b>	<b>Surplus Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Police and Crime Commissioner for Gwent / Heddlu Gwent Police**  
**Medium Term Financial Projections 2014/15 to 2017/18**  
**Forecast Movements 2013/14 to 2017/18**  
**Reserves and Sinking Funds**

	Opening Balance 2013/14 £'000s	Actual Movement 2013/14 £'000s	Forecast Movement 2013/14 £'000s	Forecast Year End 2013/14 £'000s	Forecast Movement 2014/15 £'000s	Forecast Year End 2014/15 £'000s	Forecast Movement 2015/16 £'000s	Forecast Year End 2015/16 £'000s	Forecast Movement 2016/17 £'000s	Forecast Year End 2016/17 £'000s	Forecast Movement 2017/18 £'000s	Forecast Year End 2017/18 £'000s
<b>A Reserves</b>												
1 General Reserve (Operational)	6,411	0	0	6,411	0	6,411	0	6,411	0	6,411	0	6,411
2 Precept Top-Up Reserve	2,107	0	0	2,107	(658)	1,449	(1,449)	0	0	0	0	0
3 Forecast Underspend			2,402	2,402	0	2,402	0	2,402	0	2,402	0	2,402
<b>4 Total General Reserves</b>	<b>8,518</b>	<b>0</b>	<b>2,402</b>	<b>10,920</b>	<b>(658)</b>	<b>10,262</b>	<b>(1,449)</b>	<b>8,813</b>	<b>0</b>	<b>8,813</b>	<b>0</b>	<b>8,813</b>
<b>B Earmarked Reserves</b>												
1 Specific Reserves	1,738	0	0	1,738	(350)	1,388	(352)	1,036	(400)	636		636
2 Police Officer Recruitment 2013-14	1,016	0	0	1,016	(1,016)	0	0	0	0	0		0
3 Capital & Estate Strategy	6,917	(187)	(4,394)	2,336	(3,071)	(735)	(4,006)	(4,741)	(1,379)	(6,120)	(778)	(6,898)
4 Staying Ahead Reserve	5,098	(332)	(380)	4,386	746	5,132	(250)	4,882	(200)	4,682	(200)	4,482
<b>Total Earmarked</b>	<b>14,769</b>	<b>(519)</b>	<b>(4,774)</b>	<b>9,476</b>	<b>(3,691)</b>	<b>5,785</b>	<b>(4,608)</b>	<b>1,177</b>	<b>(1,979)</b>	<b>(802)</b>	<b>(978)</b>	<b>(1,780)</b>
<b>C Capital Reserves</b>												
1 Command & Control	1,161	0	0	1,161	0	1,161	(1,161)	0	0	0	0	0
2 Capital Receipts Reserve	972	275	400	1,647	480	2,127	0	2,127	0	2,127	0	2,127
<b>3 Total Capital Reserves</b>	<b>2,133</b>	<b>275</b>	<b>400</b>	<b>2,808</b>	<b>480</b>	<b>3,288</b>	<b>(1,161)</b>	<b>2,127</b>	<b>0</b>	<b>2,127</b>	<b>0</b>	<b>2,127</b>
<b>D Total Reserves</b>	<b>25,420</b>	<b>(244)</b>	<b>(1,972)</b>	<b>23,204</b>	<b>(3,869)</b>	<b>19,335</b>	<b>(7,218)</b>	<b>12,117</b>	<b>(1,979)</b>	<b>10,138</b>	<b>(978)</b>	<b>9,160</b>
<b>E Sinking Funds</b>												
1 PFI	10,466	0	160	10,626	164	10,790	130	10,920	130	11,050	130	11,180
2 Airwave	4,303	0	208	4,511	208	4,719	208	4,927	210	5,137	210	5,347
<b>3 Total Sinking Funds</b>	<b>14,769</b>	<b>0</b>	<b>368</b>	<b>15,137</b>	<b>372</b>	<b>15,509</b>	<b>338</b>	<b>15,847</b>	<b>340</b>	<b>16,187</b>	<b>340</b>	<b>16,527</b>
<b>F Total Reserves and Sinking Funds</b>	<b>40,189</b>	<b>(244)</b>	<b>(1,604)</b>	<b>38,341</b>	<b>(3,497)</b>	<b>34,844</b>	<b>(6,880)</b>	<b>27,964</b>	<b>(1,639)</b>	<b>26,325</b>	<b>(638)</b>	<b>25,687</b>