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Devon and Cornwall Police and Crime Panel

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Published 29 January 2015

DEVON AND CORNWALL POLICE AND CRIME PANEL

Friday 6 February 2015
10.30 am
Council House (Next to the Civic Centre), Plymouth

Members:

Councillor Croad, Chair.

Councillor Rule, Vice-Chair.

Councillors Barker (Teignbridge District Council), Batters (Cornwall Council), Eginton (Mid Devon District Council), Inch (Torridge District Council), Geoff Brown (Cornwall Council), Eddowes (Cornwall Council), Excell (Torbay Council), Haywood (North Devon District Council), James (Cornwall Council), Penberthy (Plymouth City Council), Rennie (Plymouth City Council), Saltern (South Hams District Council), Sanders (West Devon District Council), Sutton (Exeter City Council), Wright (East Devon District Council) and Vacancy (Isles of Scilly),

Independent Members:

Yvonne Atkinson (Devon) and Sarah Rapson (Cornwall and Isles of Scilly).

PLEASE FIND ATTACHED ADDITIONAL INFORMATION SUBMITTED FOR CONSIDERATION UNDER AGENDA ITEM 6C.

DEVON AND CORNWALL POLICE AND CRIME PANEL

6.3 CONSIDERATION OF THE POLICE AND CRIME COMMISSIONER'S PROPOSED LEVEL OF PRECEPT FOR 2015/16 (Pages 1 - 8)

This document supports the Precept report and provides additional detail on the MTFs in a summary format.



PCC

Office of the Police and
Crime Commissioner
Devon and Cornwall

**MEDIUM TERM FINANCIAL STRATEGY
2015-16 TO 2018-19
AND
ANNUAL BUDGET 2015-16**

Summary of Funding Changes and Calculation of Council Tax Requirement

	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Council Tax Increase	2.00%	0.00%	2.00%	2.00%	2.00%
Gross Annual Expenditure	293,154	291,616	294,686	293,881	284,274
Appropriation to/(from) reserves	(530)	(2,091)	(10,540)	(13,208)	(3,688)
Gross Budget Requirement	292,624	289,525	284,146	280,673	280,586
Funding before Council Tax					
Formula Funding	(175,782)	(166,800)	(159,554)	(153,642)	(150,564)
Percentage change in formula funding		-5.1%	-4.3%	-3.7%	-2.0%
Legacy Council Tax Grants	(15,461)	(15,461)	(15,461)	(15,461)	(15,461)
Other Central Government Grants	(2,342)	(3,332)	(3,332)	(3,332)	(3,332)
Total Central Government Funding	(193,585)	(185,593)	(178,347)	(172,435)	(169,357)
Percentage change in central government funding		-4.1%	-3.9%	-3.3%	-1.8%
Surplus on Council Tax Collection Fund	(1,079)	(1,701)	(600)	(200)	(200)
Other income	(5,791)	(6,469)	(6,557)	(6,425)	(6,357)
Total Funding before Council Tax	(200,455)	(193,763)	(185,504)	(179,060)	(175,914)
Council Tax Requirement	92,169	95,762	98,642	101,613	104,672

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Summary of Budget Changes				
Gross Budget previous Year	292,624	292,624	292,624	292,624
Adjust for contributions to/from reserves	(4,269)	(4,269)	(4,269)	(4,109)
Inflation	3,192	7,659	12,746	17,850
Pay Commitments	(856)	1,120	(814)	(1,777)
Non-Pay Commitments	376	508	1,056	1,217
External funding changes	1,265	1,265	1,265	1,265
Policy Changes/Growth	600	1,800	3,100	4,000
Total Commitments	4,577	12,352	17,353	22,555
Revenue Costs Funded from Reserves	4,773	4,693	3,815	2,297
Net appropriations from funds and reserves	(2,091)	(10,540)	(13,208)	(3,688)
	2,682	(5,847)	(9,393)	(1,391)
Gross Budget before Savings Requirement	295,614	294,860	296,315	309,679
Savings Plan 14-18 : Police Officers	(985)	(2,216)	(2,462)	(2,462)
Savings Plan 14-18 : Police Staff	(1,280)	(3,055)	(5,292)	(10,810)
Savings Plan 14-18 : Non Pay	(3,511)	(4,819)	(4,767)	(5,173)
Savings Plan 14-18 : OPCC and Commissioning	(313)	(624)	(821)	(825)
Unidentified savings	0	0	(2,300)	(9,823)
Gross Budget Requirement	289,525	284,146	280,673	280,586
Deduct specific grant and other income	(9,801)	(9,889)	(9,757)	(9,689)
Net Budget Requirement	279,724	274,257	270,916	270,897

Main Components of the Budget

Line Ref	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Chief Constable				
(1) Force Gross Budget Requirement	283,386	286,623	285,774	275,922
Specific Grant and Other Income	(8,536)	(8,624)	(8,492)	(8,424)
Net Budget Requirement	274,850	277,999	277,282	267,498
(2) Police and Crime Commissioner				
Office of the Police and Crime Commissioner	1,512	1,419	1,442	1,459
Support for Council Tax Collection	56	56	56	56
Commissioning Budget	4,079	3,879	3,679	3,679
Specific Grant from Ministry of Justice	(1,265)	(1,265)	(1,265)	(1,265)
	4,382	4,089	3,912	3,929
Capital Financing				
(3) Minimum Revenue Provision and interest payments	3,077	3,179	3,303	3,463
(4) Interest Receipts	(494)	(470)	(373)	(305)
	2,583	2,709	2,930	3,158
(8) Net budget before contribution to/from Reserves	281,815	284,797	284,124	274,585
(9) Contribution to/(from) Reserves	(2,091)	(10,540)	(13,208)	(3,688)
Total Budget	279,724	274,257	270,916	270,897

Staffing Analysis (FTE)

		31st March 2016	31st March 2017	31st March 2018	31st March 2019
Police Officers	Opening 1st April	3050	3020	3010	3010
	Change	(30)	(10)	0	0
	Closing 31st March	3020	3010	3010	3010
PCSO's	Opening 1st April	353*	360	360	360
	Change	7	0	0	0
	Closing 31st March	360	360	360	360
	*Including 4 externally funded				
Police Staff: Force	Opening 1st April	1771	1741	1711	1711
	Change	(30)	(30)	0	0
	Closing 31st March	1741	1711	1711	1711
Police Staff: PCC*	Opening 1st April	23	23	23	23
	Change	0	0	0	0
	Closing 31st March	23	23	23	23

*Includes PCC and staff within the Office of the Police and Crime commissioner

All staffing forecasts are prior to the unidentified budget savings set out in the Summary of Budget Changes

Specific Grants

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Counter Terrorism	1205	1205	1205	1205
Victim support and Restorative Justice	1807	1807	1807	1807
Proceeds of Crime	320	320	320	320
Total	3332	3332	3332	3332

Balances, Reserves & Provisions

	Actual 2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		Closing Balance
	£000	Closing Balance	£000	In-Year Movement	£000	In-Year Movement	£000	In-Year Movement	£000	In-Year Movement	£000	In-Year Movement	
General Balances	6,198		0	0	0	0	0	0	0	0	0	0	6,198
General reserves:													
Programmes and Projects Reserve	7,127		(3,880)	(1,214)	0	2,033	0	1,476	(1,176)	0	300	0	173
Estates Development Reserve	681		(401)	60	0	340	4	344	(219)	0	125	0	0
Capital Financing Reserve	7,383		1,161	750	(4,560)	1,094	85	85	750	(495)	340	(1,005)	85
Strategic Alliance	0		0	(1,000)	(451)	0	0	0	(1,900)	(182)	0	0	0
Workforce Modernisation Reserve	9,199		1,440	(2,084)	0	8,545	(2,465)	6,080	(2,150)	0	3,930	0	3,430
Remuneration Reserve	2,876		0	0	0	2,876	0	2,876	0	0	2,876	0	2,876
Police Officer Ill Health	500		500	(370)	0	630	(445)	185	410	0	595	0	595
Major Operations Reserve	2,376		0	0	0	2,376	0	2,376	0	0	2,376	0	2,376
Budget Management Fund	1,505		1,295	(1,201)	0	1,599	(1,387)	212	(212)	0	0	0	0
Police and Crime Plan Reserve	560		0	(280)	0	280	(280)	0	0	0	0	0	0
Revenue Support Fund	22,969		3,609	1,807	0	28,385	(7,547)	20,838	(10,793)	(4,000)	6,045	0	2,954
Sub-total - general reserves	55,176		3,724	(3,542)	(5,011)	48,158	(13,842)	34,472	(15,290)	(4,677)	16,587	(1,005)	11,894
Specific Capital Reserves / Grants:													
Capital Grant	1,359		0	0	410	469	0	549	0	655	1,204	(3,329)	475
Capital Receipts	3,396		0	0	11,923	16,084	0	3,325	0	(1,455)	1,870	(2,045)	95
Sub-total - specific reserves	4,755		0	(535)	12,333	16,553	0	3,874	0	(800)	3,074	(5,374)	570
Total - Reserves	59,931		3,724	(3,542)	7,323	64,711	(13,842)	38,346	(15,290)	(5,477)	19,661	(6,379)	12,464
Provisions													
Insurance	1,389		(735)	0	0	654	0	654	0	0	654	0	654
Remuneration	544		(544)	0	0	0	0	0	0	0	0	0	0
Other	370		(370)	0	0	0	0	0	0	0	0	0	0
Total - Provisions	2,303		(1,649)	0	0	654	0	654	0	0	654	0	654
Total Balances, Reserves & Provisions	68,432		2,075	(3,542)	7,323	71,563	(13,842)	45,198	(15,290)	(5,477)	28,513	(6,379)	19,316

Tax base, collection variations and precepts					
	Tax Base declared by Councils	Total Precept payable by Councils £	Surplus (Deficit) on collection £	Amount due from Councils £	% share payable by Councils
East Devon	55,289.00	£9,369,826.83	£107,733.00	£9,477,559.83	9.72%
Exeter	34,750.00	£5,889,082.50	£27,436.00	£5,916,518.50	6.07%
Mid Devon	27,289.76	£4,624,795.63	£32,734.00	£4,657,529.63	4.78%
North Devon	31,715.01	£5,374,742.74	£60,149.89	£5,434,892.63	5.58%
Plymouth	68,460.00	£11,601,916.20	£53,588.00	£11,655,504.20	11.96%
South Hams	36,606.88	£6,203,767.95	£87,000.00	£6,290,767.95	6.45%
Teignbridge	45,746.00	£7,752,574.62	£104,956.00	£7,857,530.62	8.06%
Torbay	42,370.75	£7,180,571.00	£131,240.00	£7,311,811.00	7.50%
Torrige	22,219.21	£3,765,489.52	£86,498.00	£3,851,987.52	3.95%
West Devon	19,457.00	£3,297,377.79	£39,558.28	£3,336,936.07	3.42%
Cornwall	179,845.00	£30,478,332.15	£970,000.00	£31,448,332.15	32.27%
Isles of Scilly	1,321.40	£223,937.66	£0.00	£223,937.66	0.23%
	<u>565,070.01</u>	<u>£95,762,414.59</u>	<u>£1,700,893.17</u>	<u>£97,463,307.76</u>	<u>100.0%</u>

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier Ratio		Council Tax by band 2015-16	2014-15	Increase per week	%
A	6/9	0.667	£112.98	£110.77	+ 4.3 p	
B	7/9	0.778	£131.81	£129.24	+ 4.9 p	
C	8/9	0.889	£150.64	£147.70	+ 5.7 p	
D	1	1.000	£169.47	£166.16	+ 6.4 p	1.99%
E	11/9	1.222	£207.13	£203.08	+ 7.8 p	
F	13/9	1.444	£244.79	£240.01	+ 9.2 p	
G	15/9	1.667	£282.45	£276.93	+ 10.6 p	
H	18/9	2.000	£338.94	£332.32	+ 12.7 p	

Calculation of relevant basic amount of Council Tax		
Council Tax Requirement	£ 95,762,414.59	Band D Council Tax
	<hr/>	= £169.47
Tax Base	565,070.01	

Capital Expenditure & Prudential Indicators

Capital Programme 2015-16 onwards

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	Total £000
Total Programme	12,994	27,171	13,477	7,594	61,236
Financed by:					
Borrowing	1,396	2,336	4,530	1,215	9,477
Home Office Capital Grant	2,218	2,520	1,945	3,329	10,012
Reserves	5,010	3,146	4,677	1,005	13,838
Capital Receipts	4,370	19,169	2,325	2,045	27,909
Total Financing for Current Capital Programme	12,994	27,171	13,477	7,594	61,236

Prudential Indicators

The Police and Crime Commissioner is required to consider a range of indicators in order to form a judgement about whether the proposed level of debt is affordable, prudent and sustainable.

The indicators below show the impact of the capital expenditure and the level of debt on the revenue budget and hence provide information on the affordability of the capital expenditure plans.

(i) Estimate of the ratio of net capital financing costs to revenue budget

Capital financing costs comprise minimum repayment of "loan principal" and interest paid on loans and finance leases, offset by interest received.

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
Minimum Revenue Provision (MRP)	1,489	1,533	1,573	1,627
Finance Lease MRP	186	63	0	0
Interest payable on Long Term Borrowing	1,588	1,646	1,730	1,836
Interest Received (net)	(494)	(470)	(373)	(305)
Capital Financing Costs	2,769	2,772	2,930	3,158
Net Budget Requirement	279,864	274,374	271,035	271,021
Ratio of financing costs to net revenue stream	0.99%	1.01%	1.08%	1.17%

(ii) Incremental Impact on Council Tax

This indicator shows the incremental impact on the Band D council tax payer of the additional capital expenditure funded from borrowing included in the 2015-16 capital programme.

	2015-16	2016-17	2017-18	2018-19
Incremental increase in Council Tax arising from Capital Expenditure Plans	£0.04p	£0.18p	£0.28p	£0.37p

Treasury management indicators are set out in the Treasury Management Strategy.

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