



Police and Crime Commissioner for Devon and Cornwall

**MEDIUM TERM FINANCIAL STRATEGY
2014-15 TO 2017-18
AND
ANNUAL BUDGET 2014-15**

Summary of Funding Changes and Calculation of Council Tax Requirement

	2013-14 £000	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000
Council Tax Increase	2.00%	2.00%	2.00%	2.00%	2.00%
Gross Annual Expenditure	294,007	289,899	289,878	291,022	287,931
Appropriation to/(from) reserves	4,251	2,646	(127)	(6,519)	(8,210)
Gross Budget Requirement	298,258	292,545	289,751	284,503	279,721
Funding before Council Tax					
Formula Funding	(182,972)	(175,782)	(169,757)	(163,572)	(156,340)
Home Office Grants now included in formula funding	(1,604)	0	0	0	0
	(184,576)	(175,782)	(169,757)	(163,572)	(156,340)
Percentage change in formula funding		-4.8%	-3.4%	-3.6%	-4.4%
Council Tax Benefit Grant	(13,075)	0	0	0	0
Council Tax Freeze Grant 2011-12	(2,392)	0	0	0	0
Legacy Council Tax Grants	0	(15,461)	(15,461)	(15,461)	(15,461)
Other Central Government Grants	(1,618)	(2,342)	(3,607)	(2,385)	(2,385)
Total Central Government Funding	(201,661)	(193,585)	(188,825)	(181,418)	(174,186)
Percentage change in central government funding		-4.0%	-2.5%	-3.9%	-4.0%
Surplus on Council Tax Collection Fund	(845)	(989)	(300)	(200)	(200)
Other income	(6,504)	(5,791)	(6,134)	(6,022)	(6,039)
Total Funding before Council Tax	(209,010)	(200,365)	(195,259)	(187,640)	(180,425)
Council Tax Requirement	89,248	92,180	94,492	96,863	99,296
Summary of Budget Changes					
Gross Budget previous Year		298,258	292,545	289,751	284,503
Inflation		3,285	3,395	3,360	3,385
Pay Commitments		(382)	890	5,474	1,500
Non-Pay Commitments		2,292	535	374	480
Total Commitments		5,195	4,820	9,208	5,365
Revenue Costs Funded from Reserves		(2,404)	(826)	(692)	134
Changes in appropriations to funds and reserves		(1,605)	(2,773)	(6,392)	(1,691)
Changes in externally funded expenditure		542	1,265	(1,222)	0
		(3,467)	(2,334)	(8,306)	(1,557)
Gross Budget before Savings Requirement		299,986	295,031	290,653	288,311
Police Officers - turnover		(2,560)	(2,245)	(3,430)	(3,185)
Savings Plan 14-18 : Police officer reductions		(400)	(1,505)	(780)	(230)
Savings Plan 14-18 : Police staff reductions		(1,169)	(1,080)	(830)	0
Savings Plan 14-18 : Non pay savings		(3,312)	(450)	(600)	(85)
Savings Plan 14-18 : Unidentified Cuts		0	0	(510)	(5,090)
Total Savings Plan 14-18		(4,881)	(3,035)	(2,720)	(5,405)
Total Savings		(7,441)	(5,280)	(6,150)	(8,590)
Gross Budget Requirement		292,545	289,751	284,503	279,721
Deduct specific grant and other income		(8,133)	(9,741)	(8,407)	(8,424)
Net Budget Requirement		284,412	280,010	276,096	271,297

Main Components of the Budget

	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000
Chief Constable				
Force Budget Requirement	274,108	271,176	274,835	271,687
Office of Police and Crime Commissioner	1,802	1,825	1,849	1,873
Capital Financing				
Minimum Revenue Provision and interest payments	2,765	2,766	2,852	2,915
Interest Receipts	(325)	(392)	(545)	(678)
Support for collection of council tax	60	60	60	60
Commissioning and Partnership Working				
Commissioning Budget of the Police and Crime Commissioner	3,356	4,702	3,564	3,650
Net budget before contribution to/from Reserves	<u>281,766</u>	<u>280,137</u>	<u>282,615</u>	<u>279,507</u>
Contribution to/(from) Reserves	2,646	(127)	(6,519)	(8,210)
Total Budget	<u><u>284,412</u></u>	<u><u>280,010</u></u>	<u><u>276,096</u></u>	<u><u>271,297</u></u>

Staffing Analysis (FTE)

Police Officers :	31st March 2014	3,090	
	- Planned Changes 2014-15	(50)	
	- Planned Changes 2015-16	(20)	
	- Planned Changes 2016-17	(10)	
	- Planned Changes 2017-18	<u>0</u>	
		(80)	
	31st March 2018	<u><u>3,010</u></u>	
PCSO's :	31st March 2014 (including 4 externally funded)	384	
	- Planned Changes 2014-15	(24)	
	- Planned Changes 2015-16	0	
	- Planned Changes 2016-17	0	
	- Planned Changes 2017-18	<u>0</u>	
		(24)	
	31st March 2018	<u><u>360</u></u>	
Police Staff :		Force	PCC
	31st March 2014	1,774	26 *
	- Planned Changes 2014-15	(37)	0
	- Planned Changes 2015-16	(44)	0
	- Planned Changes 2016-17	(16)	0
	- Planned Changes 2017-18	0	0
	31st March 2018	<u><u>1,677</u></u>	<u><u>26</u></u>

* Includes PCC and 25 staff within the Office of the Police and Crime Commissioner

Specific Grants 2014-15

	£000	£000
Counter Terrorism (final confirmation outstanding)	1,480	
Victim Support and Restorative Justice	542	
Proceeds of Crime Act	<u>320</u>	
		<u><u>2,342</u></u>

Balances, Reserves & Provisions

Forecast 2013-14 Closing Balance	2014-15		2015-16		2016-17		2017-18	
	In-Year Movement Revenue	Closing Balance	In-Year Movement Revenue	Closing Balance	In-Year Movement Revenue	Closing Balance	In-Year Movement Revenue	Closing Balance
£000	£000	£000	£000	£000	£000	£000	£000	£000
6,198	0	6,198	0	6,198	0	6,198	0	6,198
5,188	(3,225)	1,963	118	2,081	363	2,444	0	2,444
522	43	565	(345)	220	0	220	0	220
6,964	500	4,838	250	1,962	250	529	250	58
7,827	(1,457)	6,370	(120)	6,250	0	6,250	0	6,250
2,876	0	2,876	0	2,876	0	2,876	0	2,876
500	0	500	0	500	0	500	0	500
0	0	0	0	0	0	0	0	0
2,376	0	2,376	0	2,376	0	2,376	0	2,376
0	0	0	0	0	0	0	0	0
22,965	3,530	26,495	181	26,676	(6,903)	19,773	(8,460)	11,313
49,218	(609)	45,983	84	42,941	(6,290)	34,968	(8,210)	26,037
1,199	0	0	0	1,059	0	1,049	0	613
2,679	0	3,861	0	2,635	0	1,915	0	1,915
3,878	0	3,861	0	3,694	0	2,964	0	2,528
53,096	(609)	49,844	84	46,635	(6,290)	37,932	(8,210)	28,565
1,408	0	1,408	0	1,408	0	1,408	0	1,408
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,408	0	1,408	0	1,408	0	1,408	0	1,408
60,702	(609)	57,450	84	54,241	(6,290)	45,538	(8,210)	36,171

Council Tax Information and Precept

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	54,047.00	£8,981,530.46	£0.00	£8,981,530.46	9.64%
Exeter	34,344.00	£5,707,285.92	£27,437.00	£5,734,722.92	6.16%
Mid Devon	26,996.05	£4,486,203.59	£55,028.00	£4,541,231.59	4.87%
North Devon	31,543.02	£5,241,819.06	-£7,300.94	£5,234,518.12	5.62%
Plymouth	67,066.00	£11,145,027.88	£194,763.00	£11,339,790.88	12.17%
South Hams	36,250.26	£6,024,068.21	£53,000.00	£6,077,068.21	6.52%
Teignbridge	44,548.00	£7,402,986.64	£0.00	£7,402,986.64	7.95%
Torbay	41,713.28	£6,931,912.87	£0.00	£6,931,912.87	7.44%
Torrige	21,778.03	£3,619,073.03	£44,207.00	£3,663,280.03	3.93%
West Devon	19,185.50	£3,188,246.39	£0.00	£3,188,246.39	3.42%
Cornwall	175,908.63	£29,232,496.13	£609,000.00	£29,841,496.13	32.03%
Isles of Scilly	1,319.10	£219,208.04	£13,000.00	£232,208.04	0.25%
	<u>554,698.87</u>	<u>£92,179,858.22</u>	<u>£989,134.06</u>	<u>£93,168,992.28</u>	<u>100.0%</u>

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier		Council Tax by band		Increase per week	%
	Ratio		2014-15	2013-14		
A	6 / 9	0.667	£110.79	£108.61	+ 4.2 p	} 2.00%
B	7 / 9	0.778	£129.25	£126.72	+ 4.9 p	
C	8 / 9	0.889	£147.72	£144.82	+ 5.6 p	
D	1	1.000	£166.18	£162.92	+ 6.3 p	
E	11 / 9	1.222	£203.11	£199.12	+ 7.7 p	
F	13 / 9	1.444	£240.04	£235.33	+ 9.1 p	
G	15 / 9	1.667	£276.97	£271.53	+ 10.5 p	
H	18 / 9	2.000	£332.36	£325.84	+ 12.5 p	

Calculation of relevant basic amount of Council Tax		
Council Tax Requirement	£ 92,179,858.22	Band D Council Tax
Tax Base	<u>554,698.87</u>	= £166.18

The tax base and collection fund information is accurate to the date of the production of this report. Billing authorities have until the 31 January to notify the OPCC of changes to this information and for this reason it may be subject to minor changes

Capital Expenditure & Prudential Indicators

Capital Programme 2014-15 onwards

	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000	Total £000
Total Programme	10,353	19,753	13,983	5,427	48,469
Financed by:					
Long Term Borrowing	829	-	700	1,400	2,229
Temporary Borrowing	1,126	-	-	-	1,126
Home Office Capital Grant	4,069	1,811	2,880	3,306	11,404
Reserves	2,626	3,126	1,683	721	7,602
Capital Receipts	1,703	14,816	8,720	0	26,108
Total Financing for Current Capital Programme	10,353	19,753	13,983	5,427	48,469

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, offset by interest received.

	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000
Minimum Revenue Provision	1,421	1,421	1,421	1,421
Interest payable on Long Term Borrowing	1,344	1,345	1,431	1,494
Interest Received (net)	(325)	(392)	(546)	(679)
Capital Financing Costs	2,440	2,374	2,306	2,236
Net Budget Requirement	284,412	280,010	276,096	271,067
Ratio of financing costs to net revenue stream	0.86%	0.85%	0.84%	0.83%

(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 2014-15 capital programme.

	2013-14	2014-15	2015-16	2016-17
Incremental increase in Council Tax arising from Capital Expenditure Plans	£0.03p	£0.04p	£0.04p	£0.05p

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