



# 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
<b>Funding before Council Tax</b>					
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)
<b>Total Central Government Funding</b>	(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)
<b>Total Funding before Council Tax</b>	(200,455)	(193,763)	(185,504)	(179,060)	(175,914)
<b>Council Tax Requirement</b>	<b>92,169</b>	<b>95,762</b>	<b>98,642</b>	<b>101,613</b>	<b>104,672</b>

	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000
<b>Summary of Budget Changes</b>				
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)
<b>Gross Budget before Savings Requirement</b>	<b>295,614</b>	<b>294,860</b>	<b>296,315</b>	<b>309,679</b>
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)
<b>Gross Budget Requirement</b>	<b>289,525</b>	<b>284,146</b>	<b>280,673</b>	<b>280,586</b>
Deduct specific grant and other income	(9,801)	(9,889)	(9,757)	(9,689)
<b>Net Budget Requirement</b>	<b>279,724</b>	<b>274,257</b>	<b>270,916</b>	<b>270,897</b>

## Main Components of the Budget

Line Ref	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	
<b>Chief Constable</b>					
(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
<b>(2) Police and Crime Commissioner</b>					
	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
<b>Capital Financing</b>					
(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)
	<b>Total Budget</b>	<b>279,724</b>	<b>274,257</b>	<b>270,916</b>	<b>270,897</b>

### Staffing Analysis (FTE)

		31st March 2016	31st March 2017	31st March 2018	31st March 2019
<b>Police Officers</b>	Opening 1st April	3050	3020	3010	3010
	Change	(30)	(10)	0	0
	Closing 31st March	3020	3010	3010	3010
<b>PCSO's</b>	Opening 1st April	353*	360	360	360
	Change	7	0	0	0
	Closing 31st March	360	360	360	360
	*Including 4 externally funded				
<b>Police Staff: Force</b>	Opening 1st April	1771	1741	1711	1711
	Change	(30)	(30)	0	0
	Closing 31st March	1741	1711	1711	1711
<b>Police Staff: PCC*</b>	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
<b>Total</b>	<b>3332</b>	<b>3332</b>	<b>3332</b>	<b>3332</b>

**Balances, Reserves & Provisions**

	Actual	2014-15		2015-16		2016-17		2017-18		2018-19	
	2013-14	In-Year	Closing	In-Year	Closing	In-Year	Closing	In-Year	Closing	In-Year	Closing
	Closing	Movement	Balance	Movement	Balance	Movement	Balance	Movement	Balance	Movement	Balance
	Balance	Revenue	£000	Capital	£000	Revenue	Capital	Revenue	Capital	Revenue	Capital
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Balances</b>	<b>6,198</b>	<b>0</b>	<b>6,198</b>	<b>0</b>	<b>6,198</b>	<b>0</b>	<b>6,198</b>	<b>0</b>	<b>6,198</b>	<b>0</b>	<b>6,198</b>
<b>General reserves:</b>											
Programmes and Projects Reserve	7,127	(3,880)	3,247	(1,214)	2,033	(557)	1,476	(1,176)	300	(127)	173
Estates Development Reserve	681	(401)	280	60	340	4	344	(219)	125	(125)	0
Capital Financing Reserve	7,383	1,161	4,903	750	1,094	750	85	750	340	750	85
Strategic Alliance	0	0	0	(1,000)	1,094	(1,915)	0	(1,900)	0	(1,450)	0
Workforce Modernisation Reserve	9,199	1,440	10,639	(2,094)	8,545	(2,465)	6,080	(2,150)	0	(500)	0
Remuneration Reserve	2,876	0	2,876	0	2,876	0	2,876	0	3,930	0	3,430
Police Officer Ill Health	500	500	1,000	(370)	630	(445)	185	410	0	0	2,876
Major Operations Reserve	2,376	0	2,376	0	2,376	0	2,376	0	595	0	2,376
Budget Management Fund	1,505	1,295	2,800	(1,201)	1,599	(1,387)	212	(212)	0	0	2,376
Police and Crime Plan Reserve	560	0	560	(280)	280	(280)	0	0	0	0	0
Revenue Support Fund	22,969	3,609	26,578	1,907	28,385	(7,547)	20,838	(10,793)	6,045	(3,091)	2,954
Sub-total - general reserves	55,176	3,724	55,259	(3,542)	48,158	(13,842)	34,472	(15,290)	16,587	(5,138)	11,894
<b>Specific Capital Reserves / Grants:</b>											
Capital Grant	1,359	0	59	0	469	0	549	0	1,204	2,600	475
Capital Receipts	3,396	0	4,161	0	16,084	0	3,325	0	1,870	270	95
Sub-total - specific reserves	4,755	0	4,220	0	16,553	0	3,874	0	3,074	2,870	570
<b>Total - Reserves</b>	<b>59,931</b>	<b>3,724</b>	<b>59,479</b>	<b>(3,542)</b>	<b>64,711</b>	<b>(13,842)</b>	<b>38,346</b>	<b>(15,290)</b>	<b>19,661</b>	<b>(2,268)</b>	<b>12,464</b>
<b>Provisions</b>											
Insurance	1,389	(735)	654	0	654	0	654	0	654	0	654
Remuneration	544	(544)	0	0	0	0	0	0	0	0	0
Other	370	(370)	0	0	0	0	0	0	0	0	0
<b>Total - Provisions</b>	<b>2,303</b>	<b>(1,649)</b>	<b>654</b>	<b>0</b>	<b>654</b>	<b>0</b>	<b>654</b>	<b>0</b>	<b>654</b>	<b>0</b>	<b>654</b>
<b>Total Balances, Reserves &amp; Provisions</b>	<b>68,432</b>	<b>2,075</b>	<b>66,331</b>	<b>(3,542)</b>	<b>71,563</b>	<b>(13,842)</b>	<b>45,198</b>	<b>(15,290)</b>	<b>28,513</b>	<b>(2,268)</b>	<b>19,316</b>

**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		Council Tax by band		Increase per week	%
	Ratio		2015-16	2014-15		
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	
<b>D</b>	<b>1</b>	<b>1.000</b>	<b>£169.47</b>	£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
<b>Total Programme</b>	<b>12,994</b>	<b>27,171</b>	<b>13,477</b>	<b>7,594</b>	<b>61,236</b>
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
<b>Total Financing for Current Capital Programme</b>	<b>12,994</b>	<b>27,171</b>	<b>13,477</b>	<b>7,594</b>	<b>61,236</b>

### 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)
<b>Capital Financing Costs</b>	<b>2,769</b>	<b>2,772</b>	<b>2,930</b>	<b>3,158</b>
<b>Net Budget Requirement</b>	<b>279,864</b>	<b>274,374</b>	<b>271,035</b>	<b>271,021</b>
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.