



<b>To:</b>	<b>The Police &amp; Crime Panel for Sussex</b>
<b>From:</b>	<b>The Police &amp; Crime Commissioner for Sussex</b>
<b>Subject:</b>	<b>Medium Term Financial Forecast and Budget Timetable 2014/15</b>
<b>Date:</b>	<b>11 October 2013</b>
<b>Recommendations:</b>	<b>That the Panel scrutinises the assumptions and approach set out in this report for preparation of the revenue budget and capital programme for 2014-15 and Medium Term Financial Plan to 2016-17.</b>

## Introduction

- 1.1 This report sets out the latest Medium Term Financial Forecast (MTFF) and financial planning assumptions for the police fund budget following the Comprehensive Spending Review (CSR) announcements in June and sets out the proposed approach and timetable for agreeing the 2014-15 Revenue Budget, Capital Programme and the Precept.

## Comprehensive Spending Review Announcements

- 2.1 The Chancellor announced details of the latest CSR covering government expenditure plans up until 2015-16 on 26 June 2013. Following this announcement the Home Secretary wrote to Police & Crime Commissioners on 27 June setting out details of the funding settlement for the police service for the next two financial years. Further clarification has been provided by the Home Office in July and the position and the implications for police forces as currently understood is set out below.
- 2.2 Community Safety Grant funding is to be transferred to the core policing grant and included in the baseline Home Office funding for policing from 2014-15 onwards.
- 2.3 Council Tax Freeze Grants relating to 2011-12 and 2013-14 to be continued until at least 2015-16 and included in the baseline Home Office funding for policing.
- 2.4 Counter Terrorism Funding to be protected but no other announcements on this or other existing specific grants, e.g. PFI grants but these funding streams are included within the baseline Home Office funding for policing.
- 2.5 Real terms reduction in the level of central government funding for policing.

	2014-15	2015-16
Real Terms Reduction	5.75%	4.9%
Cash Reduction in Grant	3.3%	3.2%

- 2.6 Based on the changes to the baseline of Home Office funding for policing and elements within that baseline that have been announced or are likely to be protected from cash reductions, e.g. Counter Terrorism it is estimated that the cash reductions for individual police force allocations will be close to 3.5%.
- 2.7 Council Tax Benefit Grant expected to be at or close to the current cash amount for 2014-15 and 2015-16.
- 2.8 New Council Tax Freeze Grants for 2014-15 and 2015-16 at a level equal to a 1% precept increase to be made available and on-going until 2015-16.
- 2.9 Council Tax referendum threshold set at 2% for 2014-15 but the Home Secretary has stated an intention to allow some flexibility for higher increases for force areas with the lowest current Band D Council Tax rates. Sussex has the second lowest Band Council Tax of all force areas for 2013-14 and the lowest for any English shire force area.
- 2.10 No changes announced to previous individual force area capital budget allocations for 2014-15. Home Office capital funding reduced by 20% for 2015-16.
- 2.11 New capital funding for Innovation (£50m) and revenue funding for fire service collaboration (£30m) announced.
- 2.12 Extension of 1% public sector pay award cap until 2016. For the police service this means that 1% pay awards can be expected each September until 2016.
- 2.13 Changes to incremental pay arrangements were announced which would end the current automatic entitlements to pay progression. The details and timing of this for the police service have not been announced as yet.

### **Medium Term Financial Forecast**

- 3.1 The Medium Term Financial Forecast (MTFF) has been updated based on a new set of planning assumptions as a result of CSR announcements. The MTFF and planning assumptions are set out at Appendix 1.
- 3.2 In summary the overall savings requirement for 2014-15 and 2015-16 (based on a 0% precept increase) has reduced but there is still a significant potential requirement in 2016-17 as set out below.

	2014-15 £'m	2015-16 £'m	2016-17 £'m
Savings Requirement (February 2013)	13.7	14.8	11.1
Updated Savings Requirement (July 2013)	10.5	10.8	21.4
<b>Difference</b>	<b>3.2</b>	<b>4.0</b>	<b>(10.3)</b>

- 3.3 The main reasons for the reduction in savings requirement of £7.2m over the next two years to 2015-16 are:
- cash reductions in core policing grant lower than assumed by 1.3% (£2m)
  - extension of Council Tax Freeze Grants (2011-12 and 2013-14) until 2015-16 (£3m)
  - assumed precept increase of 1% or equivalent funding from Council Tax Freeze Grant (£1.6m)
  - pay award cap at 1% extended until 2016 (£0.6m)
- 3.4 There are still some uncertainties and risks regarding the forecast for 2014-15 and 2015-16. These are:
- actual grant funding to individual force areas will be lower than estimated;
  - funding reductions for other parts of the Home Office will result in higher costs being charged to individual forces for central services e.g. IT and training; or transfer of resources to IPCC;
  - collection fund and taxbase position is higher or lower than current estimates; and
  - inflation or other new specific cost pressures, including implementation of Winsor Review recommendations re new allowances.
- 3.5 It is not anticipated that any of the above factors will individually have a significant impact on the budget assumptions for the next two years but it is prudent to plan for up to £1m per annum in the current budget forecast and saving requirements.
- 3.6 The funding position for 2016-17 is more uncertain. There are two significant potential financial pressures in addition to further reductions in core policing grants. These are set out below.
- 3.7 Fall out of current Council Tax Freeze Grants (2011-12 and 2013-14) and if accepted further Council Tax Freeze Grants (2014-15 and 2015-16). If all grants are accepted up until 2015-16 then there is the potential for £5m of funding to be lost in 2016-17; this is the estimated total of all Council Tax Freeze Grants received in 2015-16. If no new Freeze Grants are accepted for the next two years, the fall out reduces to just over £3m.
- 3.8 The new state pension arrangements effective from 2016 are in part being funded from increases in employee and employer national insurance contributions. There is no indication or announcements that the cost of increases in employer national insurance contributions for the police service will be funded by the Home Office. The estimated cost for Sussex is £7m per annum.

- 3.9 The on-going annual savings requirement with a 2% policing grant cash reduction and a 0% precept increase from 2016-17 is approx £10m. Taking into account the other potential significant financial pressures for 2016-17 the savings requirement could be in excess of £20m.

## **Investments**

- 4.1 The current MTFE does not include any new investment proposals for 2014-15 or 2015-16. The Chief Constable and Chief Executive and Monitoring Officer are assessing revenue investment requirements and opportunities to meet current operational policing risks and/or which improve policing and community safety to achieve the priorities of the Police & Crime Commissioner. This assessment will be completed as part of the budget planning process for 2014-15.
- 4.2 The three key areas of investment identified are; to increase the visibility and resilience of neighbourhood and response policing across Sussex, to increase the Forces' capability and capacity to tackle serious sexual offending, particularly that related to child exploitation and domestic abuse and to develop (in conjunction with the national policing requirement) a capability to counter the emerging threat of cyber crime. This includes a combination of:
- Additional police officer posts in neighbourhood, response and investigation teams to improve response times and increase visibility.
  - introduction of new specialist roles and approach to deal with increased reporting of domestic abuse and violence. Proactive investigation of serious sexual crime, cyber crime and to enhance the safeguarding of vulnerable children and adults;
  - increasing the use of mobile devices and new technology by police officers in neighbourhood, response and other frontline roles to enable them to be more productive, effective, and increase visibility; and
  - increasing resources for recruitment to enable a continuing higher level of recruitment of Police Officers, PCSOs to maintain numbers at full establishment and increase the number of Specials.
- 4.3 Any additional on-going revenue investments would require an increase in the savings requirement or reductions in other budgets or an increase in other funding including precept income.

## **Serving Sussex 2015 Saving Proposals**

- 5.1 The Chief Constable's saving plans for 2013-16 have been reviewed since April. A number of savings initiatives have been:
- removed or reduced on the basis of latest assessment of achievability or duplication with other saving initiatives;
  - added or increased on the basis of latest assessment or business cases agreed by Chief Officers; and
  - re-profiled based on current implementation plans.

- 5.2 The result of these changes is a net reduction in saving plans of £0.4m and a reprofiling of £1.4m of savings to 2015-16, the majority of which relates to the Estates Strategy.
- 5.3 The Chief Constable's savings plans for 2013-17 are set out at Appendix 2 and summarised below.

#### Latest Serving Sussex 2015 Savings Proposals

<b>Work streams</b>	<b>2011-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Spending Wisely	13,942	3,911	2,046	370	-
Local Policing	9,707	857	462	-	-
Service Delivery (Digital)	-	200	-	-	-
Joint Command	1,134	1,039	169	-	-
Support Functions	5,941	1,316	1,518	71	-
Flagship Projects	787	2,689	4,978	1,385	-
<b>Total Savings</b>	<b>31,511</b>	<b>10,013</b>	<b>9,173</b>	<b>1,826</b>	<b>-</b>
B/F Savings (prior years)		<b>4,112</b>	<b>4,501</b>	<b>3,165</b>	<b>(5,781)</b>
<b>Total Savings in Year</b>	<b>31,511</b>	<b>14,125</b>	<b>13,674</b>	<b>4,991</b>	<b>0</b>
Target	27,399	9,624	10,509	10,772	21,418
<b>Funding Gap/(Surplus)</b>	<b>(4,112)</b>	<b>(4,501)</b>	<b>(3,165)</b>	<b>5,781</b>	<b>27,199</b>

- 5.4 The proposed savings for 2013-14 and 2014-15 exceed the savings requirement in each year, although there are still some delivery risks in achieving the saving plans in full by 2015. The majority of saving plans, and at level which will at least meet the savings requirement for 2014-15, will be confirmed as part of the budget planning process and allocated as part of the base Operational Delivery budget for 2014-15.
- 5.5 There is a need to identify a further £6m of savings in order to meet the current estimated savings requirement in 2015-16 and plan for a further savings requirement of up to £20m by 2017.
- 5.6 Based on a high level assessment of current Serving Sussex 2015 work programmes the Chief Constable is developing proposals to meet, and potentially exceed, the savings requirement for 2015-16 based on:
- o extending the scope and savings from current flagship projects (Smarter Systems and Support Services Transformation);
  - o new savings expected from other current programmes of work in progress including, Collaboration with Surrey and On-Line Service Provision; and
  - o a continuing level of new savings from good budget management budget and procurement.
- 5.7 It is estimated that savings between £6-8m can be achieved from this overall approach. These proposals are at an early stage of assessment and as such are not yet included within the Serving Sussex 2015 Savings Schedule. Further work will be undertaken by October to provide firmer saving proposals against each individual element and include in the savings schedule at that point.

- 5.8 No significant new saving proposals have been developed for 2016-17. It is expected that there will be a balance of savings from existing programmes that can be brought forward but there will still be a significant savings requirement of between £10-20m. As part of the budget planning process for 2014-15 the Chief Constable will be assessing the options and opportunities for new saving plans for 2016-17 and preparing a high level plan for agreement as part of the budget process for 2014-15.

### Capital and Investment Programme

- 6.1 The proposed changes to the capital programme at this stage are in respect of:
- changes agreed as part of the outturn 2012-13 (reductions in the programme and approved carry forward of funding from the last financial year);
  - additional investment approved for Automatic Number Plate Recognition; and
  - increase in funding to deliver the recently approved Estates Strategy.
- 6.2 Details of the revised capital programme are attached at Appendix 3.
- 6.3 The proposed financing of the capital programme has been revised to reflect the updated capital programme; the estimated reduction of 20% in Home Office capital grant from 2015-16 and an updated capital receipts assumption based on the Estates Strategy.
- 6.4 The estimated financing of the capital and investment programme to 2016-17 is summarised below.

### Updated Capital and Investment Programme and Financing

	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000	Total £'000
Core Capital Programme	8,356	5,198	2,850	3,404	<b>19,808</b>
Serving Sussex 2015	9,150	300	-	-	<b>9,450</b>
Estates Strategy	3,360	11,650	11,650	8,000	<b>34,660</b>
Asset Replacement	862	2,556	2,130	-	<b>5,548</b>
<b>Total Capital &amp; Investment Programme</b>	<b>21,728</b>	<b>19,704</b>	<b>16,630</b>	<b>11,404</b>	<b>69,466</b>
Proposed Financing:					
Home Office Capital Grant	2,092	2,200	1,760	1,760	<b>7,812</b>
Revenue Contribution	1,644	1,644	1,644	1,644	<b>6,576</b>
Reserves and Capital Receipts	17,992	15,860	13,226	8,000	<b>55,078</b>
<b>Total Capital &amp; Investment Financing</b>	<b>21,728</b>	<b>19,704</b>	<b>16,630</b>	<b>11,404</b>	<b>69,466</b>

- 6.5 The current proposed capital and investment programme up to 2017 can be funded without the need for any new borrowing but is dependant on achieving capital receipts in line with the Estates Strategy.
- 6.6 A minimum capital and investment programme for 2016-17 onwards of between £3-4m can be funded from current revenue contributions and Home Office Capital Grant which would provide for vehicle and asset replacement and some limited new investments. Any significant new investments would need to be funded from:
- uncommitted investment reserves, currently estimated to be £10m, the level by 2017 will depend on achievement of capital receipts in line with Estates Strategy and any revenue budget surplus which is earmarked for future investment;
  - an increase in revenue contributions;
  - reductions in funding for schemes in the current approved capital and investment programme; or
  - new borrowing.
- 6.7 The Chief Constable will review all current approved capital and investment schemes and consider any new investment required: to deliver the Serving Sussex 2015 programme; for new asset replacement requirements; or for other service improvements to meet the priorities of the Police and Crime Plan as part of the budget planning process for 2014-15.

## **Reserves**

- 7.1 The forecast of reserves has been updated to reflect decisions taken as part of outturn 2012-13 and the revised capital and investment programme. The following movements in reserves are included in the MTFF:
- funding from capital reserves, capital receipts, major change reserve and asset replacement reserve to fund the proposed capital and investment programme to 2016 (£47m);
  - funding from delegated budget holder reserve to fund previously approved one-off revenue investments (£5m);
  - annual contribution to the asset replacement reserve (£0.35m)
- 7.2 The forecast level of reserves up to 2017 is set out in Appendix 4.
- 7.3 The total forecast level of reserves at 31 March 2017 is £40m. This includes general balances of £10.6m (4.5% of net budget requirement). The forecast level of general reserves is expected to remain above the target level set out in the PCC's Reserves Policy of 4% over the period up to 2017.
- 7.4 The forecast level of uncommitted investment reserves by 2017 is £10m. The actual level of investment reserves at 31 March 2017 will depend on achievement of capital receipts in line with Estates Strategy and any revenue budget surplus in 2013-14; 2014-15 and 2015-16 which is transferred to investment reserves.
- 7.5 A full review of all reserves and the PCC's Reserves Policy is being undertaken and recommendations made to the PCC by the end of October 2013. This will include:

- an assessment of the appropriate level of the general reserve and other contingency reserves (insurance and operational reserves particularly in the light of the policing costs of the demonstrations at Balcombe);
- whether there is any surplus on other reserves which can be transferred to investment reserves; and
- any scope to streamline the current number of reserves.



## Budget Planning Approach 2014-15

- 8.1 The PCC's Chief Executive and Monitoring Officer and Chief Finance Officer and the Chief Constable and Director of Finance will work up more detailed capital and revenue budget proposals for 2014-15 and update the MTFF and Financial Strategy during the autumn as set out in this report. The proposed timetable for this is set out below

First Draft Revenue and Capital Budget Proposals for 2014-15 Review of Reserves Policy Version 2 Medium Term Financial Forecast to 2016-17	Report to PCC by 31 October
Provisional Funding Settlement	Early December
First Draft Revenue and Capital Budget Proposals for 2014-15 Version 3 Medium Term Financial Forecast to 2016-17	Report to PCC by 31 December
Proposed Precept Increase by PCC to Police and Crime Panel	24 January
Final Taxbase and Collection Fund Position from Billing Authorities	31 January
Approval of Revenue and Capital Budgets for 2014-15, MTFF and Financial Strategy to 2016-17 by PCC	28 February

## Precept Options

- 9.1 The precept for Sussex Police has remained the same since April 2010 i.e. four years. It is currently the lowest of any English shire area. When the Police & Crime Commissioner was elected in November 2013 the clear mandate was for no increase in precept for the 2013-14 financial year.
- 9.2 The current MTFF is modelled on a 0% precept increase for 2014-15 and the following two years. The latest CSR announcements indicate that this will attract a council tax freeze grant for each year equal to a 1% precept increase and this has been modelled in the current MTFF. A 1% precept equates to £0.8m.
- 9.3 On this basis any precept increase over 1% will increase the overall police fund budget for 2014-15 and on-going and either reduce the savings requirement or provide headroom for additional investment.
- 9.4 The Police & Crime Commissioner is considering the following precept options for 2014-15, an increase of 0%; 2% and 3.6%. The impact on funding levels over the MTFF period to 2016-17 of these different precept options are illustrated below.
- 9.5 These options are being considered on the basis of limits that are likely to be applied to council tax. The general threshold set in 2013-14 was 2% and the Home Secretary gave flexibility for Police and Crime Commissioner's in areas

with a council tax in the lower quartile nationally to increase Band D council tax by £5.00 per annum; this applies to Sussex and equates to a 3.6% increase.

Option 1: Current MTFF (0%)

<b>Increased funding</b>	2014-15 £'m	2015-16 £'m	2016-17 £'m
Precept Increase	0%	0%	0%
Council Tax Freeze Grant	0.8	0.8	-1.6
<b>Total</b>	<b>0.8</b>	<b>1.6</b>	<b>-</b>

Option 2: (2%)

<b>Increased funding</b>	2014-15 £'m	2015-16 £'m	2016-17 £'m
Precept Increase	2%	2%	2%
Additional Precept Income	1.6	1.6	1.6
<b>Total</b>	<b>1.6</b>	<b>3.2</b>	<b>4.8</b>

Option 3: (3.6%)

<b>Increased funding</b>	2014-15 £'m	2015-16 £'m	2016-17 £'m
Precept Increase	3.6%	0%	0%
Additional Precept Income	2.8	-	-
Council Tax Freeze Grant		0.8	-0.8
<b>Total</b>	<b>2.8</b>	<b>3.6</b>	<b>2.8</b>

- 9.6 In summary a 0% precept increase for 2014-15 attracts £0.8m in additional funding for 2014-15 but this is only guaranteed for one further year. A precept increase of 2% in 2014-15 generates £1.6m additional funding and permanently increases council tax income by this amount, for a 3.6% precept this figure is £2.8m.
- 9.7 Options 2 and 3 provide £1.6m and £2.8m respectively of additional funding that could be used to increase resources and meet emerging operational threats. There are areas where investment is being considered at present and these are set out in section 4.

## Conclusion

- 10.1 Based on the CSR announcement in June the latest updated MTFF, Serving Sussex 2015 saving plans and a 1% precept assumption, or equivalent Council Tax Freeze Grant, it is forecast that a balanced budget can be achieved for 2014-15. For 2015-16 at least £6m of further savings are required and it is expected that this can be achieved by extending out the current Serving Sussex 2015 Programme and this will be confirmed by the Chief Constable by the end of October.
- 10.2 There is potential for further savings requirement on-going from 2016-17 in the region of £10m per annum. In 2016-17 there are two significant financial

pressures in respect of fall out of Council Tax Freeze Grants and additional employer national insurance contributions, which could add a further £10m to the savings requirement in that year. Plans to meet a savings requirement of between £10-20m will be prepared by the Chief Constable as part of the budget planning process for 2014-15.

**Mark Streater**  
**Chief Executive & Monitoring Officer, Office of PCC**

**Martin Richards**  
**Chief Constable**

**John Eagles**  
**Chief Finance Officer, Office of PCC**

**Mark Baker**  
**Director of Finance**

**Contact: John Eagles, Chief Finance Office**

Email: [john.eagles@sussex-pcc.gov](mailto:john.eagles@sussex-pcc.gov)

Tel: 01273 481582

**Contact: Mark Baker, Director of Finance**

Email: [mark.s.baker@sussex.pnn.police.uk](mailto:mark.s.baker@sussex.pnn.police.uk)

Tel: 01273 404008

## **Appendices**

1. Medium Term Financial Forecast and Assumptions
2. Latest Serving Sussex 2015 Savings Schedule
3. Latest Capital and Investment Plans 2013-14 to 2015-16
4. Forecast Reserves and Balances to 2016-17

## APPENDIX 1a

**Police Fund MTF (Option 1 - 0%; 0%; 0% precept; Council Tax Freeze Grant to 15-16)**

	2014-15	2015-16	2016-17
	£'000	£'000	£'000
<b>Base Budget</b>	<b>256,607</b>	<b>250,732</b>	<b>245,029</b>
Removal of Council Tax Freeze Grant (11-12)			2,176
Removal of Council Tax Freeze Grant (13-14)			880
New Council Tax Freeze Grants (14-15 & 15-16)	(780)	(780)	1,559
Transfer of Community Safety Grant to Core Grant	1,225		
Changes to Contributions to (from) Reserves	(131)		
Removal of One Off Commitments	(1,763)		
Reduction in Discretionary Funding to Divisions	(18)		
<b>Total Base Budget Adjustments</b>	<b>(1,467)</b>	<b>(780)</b>	<b>4,615</b>
Pay Awards	2,221	2,262	2,978
Pay, Increments and Allowances	2,065	2,104	2,145
Employers National Insurance Contributions			7,024
Police Staff Pension Contributions	122	135	148
<b>Total Additional Pay Costs</b>	<b>4,408</b>	<b>4,502</b>	<b>12,295</b>
Price Inflation	1,395	1,334	1,363
College of Policing & National Contact Changes	234		
Gatwick Contract Overhead Reduction	50		
<b>Total Other Additional Costs</b>	<b>1,678</b>	<b>1,334</b>	<b>1,363</b>
Special Constables	14	14	
<b>Total New Investment</b>	<b>14</b>	<b>14</b>	<b>-</b>
<b>Savings Requirement</b>	<b>(10,508)</b>	<b>(10,773)</b>	<b>(21,416)</b>
<b>Net Budget Requirement</b>	<b>250,732</b>	<b>245,029</b>	<b>241,884</b>
<b>Financed by:</b>			
Home Office Grant	106,257	157,239	154,094
Revenue Support Grant	56,685	-	-
<b>Total Core Policing Grants</b>	<b>162,942</b>	<b>157,239</b>	<b>154,094</b>
CT Transitional Support Grant	10,107	10,107	10,107
Collection Fund Surplus (Deficit)	(500)	(500)	(500)
Council Tax Precept	78,182	78,182	78,182
<b>Total Precept and Grants</b>	<b>87,790</b>	<b>87,790</b>	<b>87,790</b>
<b>Net Budget Requirement</b>	<b>250,732</b>	<b>245,029</b>	<b>241,884</b>

## APPENDIX 1b

## Medium Term Financial Forecast Planning Assumptions

Assumption	Risk	2014-15	2015-16	2016-17
Core funding changes	Medium	-3.5%	-3.5%	-2%
Specific Grants change	Medium	No Change	No Change	No Change
Council Tax Freeze Grant (11-12)	Low	No Change	No Change	(£2.2m)
Council Tax Freeze Grant (13-14)	Low	No Change	No Change	(£0.8m)
Council Tax Freeze Grant (14-15)	Low	£0.8m	No Change	(£0.8m)
Council Tax Freeze Grant (15-16)	Low	0	£0.8m	(£0.8m)
CT Support Grant	Low	£10.107m	£10.107m	£10.107m
Tax base increase	Medium	-	-	-
Precept	Medium	+0%	+0%	+0%
Collection Surplus/(Deficit)	Medium	(£0.5m)	(£0.5m)	(£0.5m)
Pay award (Sept average)	Low	+1.0%	+1.0%	+1.0%
Pay Increments	Low	+0.5%	+0.5%	+0.5%
Police staff pension contributions	Low	+£0.06m	+10%	+10%
Price inflation	Medium	+3.0%	+3.0%	+3.0%
Fuel and Utilities Inflation	Medium	+5.0%	+5.0%	+5.0%
Investment Interest Returns	Low	+0.80%	+0.80%	+0.80%

## Serving Sussex 2015 Savings Schedule

## Appendix 2

	2011-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000	Total £'000
Star Chamber 1 & 2	7,702	111	84			7,898
Star Chamber 3	11	2,206				2,217
Star Chamber 4 Target			1,000			1,000
Fleet Review	187	261	141			589
Forcewide Projects & Programmes	710	60				770
SE Region Collaboration Savings	389					389
National Air Support	100	196				296
Chief Officer, Non-Delegated & Other	1,836					1,836
National Unit Levies		35				35
<u>Pay &amp; Expenses</u>						
Overtime	799	319	240			1,358
Allowances	1,393	345	222			1,959
Winsor (SPP & CRTP)	814	378	359	370		1,921
<b>Spending Wisely</b>	<b>13,942</b>	<b>3,911</b>	<b>2,046</b>	<b>370</b>	<b>0</b>	<b>20,269</b>
Quest RPVC - Divisions	5,207					5,207
Front Offices/PNSOs	1,996	76	34			2,106
Quest CMU	903					903
Quest Intelligence	793					793
North & West Merger	807					807
Workforce Modernisation		781	428			1,209
<b>Local Policing</b>	<b>9,707</b>	<b>857</b>	<b>462</b>		<b>0</b>	<b>11,026</b>
Switchboard		200				200
<b>SDIDA</b>		<b>200</b>			<b>0</b>	<b>200</b>
Joint Command	1,134	1,039	169			2,342
<b>Working with Surrey</b>	<b>1,134</b>	<b>1,039</b>	<b>169</b>		<b>0</b>	<b>2,342</b>
Finance & Business (Support Services)	769	131	559			1,459
ITD Function & Service Orders	1,670	711	296			2,677
Performance & Strategic Support	350					350
Learning & Development	1,681	403	366			2,450
HR Support Function	987					987
Duties	72	73				145
Shared Business Services	412					412
Insurance/Procurement/Fleet (with Surrey)		-1	297	71		367
<b>Support Services</b>	<b>5,941</b>	<b>1,316</b>	<b>1,518</b>	<b>71</b>	<b>0</b>	<b>8,846</b>
PFI Review & Custody Modernisation	687	500	285			1,472
Support Services Transformation		900	1,220			2,120
Smarter Systems Programme		757	1,543			2,300
Quest Resourcing		367	1,333	47		1,747
Estates & Future Workplace	100	165	597	1,338		2,200
<b>Flagship Projects</b>	<b>787</b>	<b>2,689</b>	<b>4,978</b>	<b>1,385</b>	<b>0</b>	<b>9,839</b>
<b>Total Savings</b>	<b>31,511</b>	<b>10,013</b>	<b>9,173</b>	<b>1,826</b>	<b>0</b>	<b>52,522</b>
B/F Savings (from previous year)		4,112	4,501	3,165	(5,782)	
<b>Total Savings in Year</b>	<b>31,511</b>	<b>14,125</b>	<b>13,673</b>	<b>4,991</b>	<b>(5,782)</b>	
Target	27,399	9,624	10,508	10,673	21,416	79,720
<b>Funding Gap (Surplus)</b>	<b>(4,112)</b>	<b>(4,501)</b>	<b>(3,165)</b>	<b>5,782</b>	<b>27,198</b>	<b>27,198</b>
<b>RAG Status</b>						
Green	31,511	7,310	1,643	370		40,833
Amber		1,046	2,611	118		3,775
Red		1,657	4,919	1,338		7,914
<b>Total Savings</b>	<b>31,511</b>	<b>10,013</b>	<b>9,173</b>	<b>1,826</b>	<b>0</b>	<b>52,522</b>

## Appendix 3

## Latest Capital &amp; Investment Programme

Scheme	2013/14 Revised	2014/15 Revised	2015/16 Revised	Total Programme 2013-16
		£'000	£'000	£'000
<b>Core Capital Programme</b>				
Telephony	160			160
Healthcheck Applications	56			56
Healthcheck Infrastructure	72			72
Networks	370	235		605
Server & Storage	611			611
Business Productivity	1,482	1,401		2,883
Remote Access	18			18
Core Infrastructure	596	596		1,192
Application Platforms	168	168		336
Data Centre Consolidation	8	8		16
<b>Information Strategy</b>	<b>3,540</b>	<b>2,408</b>		<b>5,948</b>
Bognor Lockers	160			160
<b>Estates Other</b>	<b>160</b>			<b>160</b>
Fleet Replacement	2,869	2,740	2,800	8,409
Fleet Other	66			66
<b>Fleet Strategy</b>	<b>2,934</b>	<b>2,740</b>	<b>2,800</b>	<b>8,474</b>
Intranet Content Management	6			6
<b>Corporate Communication</b>	<b>6</b>			<b>6</b>
Business Objects	10			10
<b>Corporate Development</b>	<b>10</b>			<b>10</b>
Covert Authorities System Refresh	184			184
PND (IMPACT)	19			19
Digital Recording	88			88
Confidential Environment (IMPACT)	308			308
i2 ANPR/iBase	31			31
Medusa HD	38			38
<b>Force Crime &amp; Justice Department</b>	<b>669</b>			<b>669</b>
ANPR Strategic Roads Infrastructure	705			705
ANPR and Cleartone In car equipment	77			77
<b>Operations</b>	<b>782</b>			<b>782</b>
Command & Control	134	50	50	234
<b>Communications</b>	<b>134</b>	<b>50</b>	<b>50</b>	<b>234</b>
E-Expenses	32			32
E-invoicing	13			13
SBS Business Objects	76			76
<b>HR Shared Business Services</b>	<b>121</b>			<b>121</b>
<b>Total Core Capital Programme</b>	<b>8,356</b>	<b>5,198</b>	<b>2,850</b>	<b>16,404</b>
<b>Serving Sussex 2015</b>				
Smarter Systems Programme	3,812			3,812
Shared Business Services	1,000			1,000
Mobile Data	1,647			1,647
Quest Resourcing	2,691	300		2,991
<b>Total Serving Sussex 2015</b>	<b>9,150</b>	<b>300</b>		<b>9,450</b>
<b>Estates Strategy</b>				
Kingstanding Listed Building Refurbishment	750			750
Eastbourne Grove Road Police Station	60			60
Hammonds Drive Police Station	1,500			1,500
Unit 6, Industrial Estate, Lewes	150			150
Custody Centres	400			400
Future Workplace Areas	500			500
Estates Strategy		11,650	11,650	23,300
<b>Total Estates Strategy</b>	<b>3,360</b>	<b>11,650</b>	<b>11,650</b>	<b>26,660</b>
<b>Asset Replacement Programme</b>				
Servers and Storage	200	100	150	450
Vehicles			150	150
Network	500	700	300	1,500
Misc Equipment	62	139	30	231
Software upgrade	100		100	200
Gatwick Camera replacement		300		300
Countywide ANPR		445	130	575
PPV		872	70	942
Airwave Handsets			1,200	1,200
<b>Total Asset Replacement Programme</b>	<b>862</b>	<b>2,556</b>	<b>2,130</b>	<b>5,548</b>
<b>Total Investment Programme</b>	<b>21,728</b>	<b>19,704</b>	<b>16,630</b>	<b>58,062</b>

Latest Estimated Reserves & Balances

Forecast Reserve and Balances		Investment					Single purpose					Contingency and Risk			General		% NRE
		Major Change Reserve	Capital Reserve	Capital Receipts	Asset Replacement	Asset Seizures	capital grants and contributions unapplied	Delegated Budget holder Reserve	PFI	Insurance	Operational	General Reserve	Total Reserves				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Pre -Audit Balance at 31 March</b>	<b>23,104</b>	<b>11,091</b>	<b>3,336</b>	<b>6,611</b>	<b>555</b>	<b>19</b>	<b>6,770</b>	<b>12,727</b>	<b>1,365</b>	<b>1,270</b>	<b>12,227</b>	<b>79,075</b>	<b>0</b>	<b>4.88%</b>			
2013-14																	
Approved contributions	1,894		5,002	350								7,246					
Other Estimated Contributions	(9,150)	(4,620)	(3,360)	(862)		(19)	(3,464)	148				148					
Planned Commitments											(1,600)						
Transfers Between Reserves	1,600											0					
<b>Estimated balance at 31 March</b>	<b>17,448</b>	<b>6,471</b>	<b>4,978</b>	<b>6,099</b>	<b>555</b>	<b>0</b>	<b>3,307</b>	<b>12,875</b>	<b>1,365</b>	<b>1,270</b>	<b>10,627</b>	<b>64,995</b>	<b>0</b>	<b>4.34%</b>			
2014-15																	
Approved contributions				350								350					
Other Estimated Contributions			4,275	(2,556)			(350)	149				4,424					
Planned Commitments	(300)	(3,751)	(9,253)									(16,210)					
Transfers Between Reserves	0											0					
<b>Estimated balance at 31 March</b>	<b>17,148</b>	<b>2,720</b>	<b>0</b>	<b>3,893</b>	<b>555</b>	<b>0</b>	<b>2,957</b>	<b>13,024</b>	<b>1,365</b>	<b>1,270</b>	<b>10,627</b>	<b>53,559</b>	<b>0</b>	<b>4.39%</b>			
2015-16																	
Approved contributions				350								350					
Other Estimated Contributions			4,100	(2,130)			(350)	151				4,251					
Planned Commitments	(4,276)	(2,720)	(4,100)									(13,576)					
Transfers Between Reserves	0											0					
<b>Estimated balance at 31 March</b>	<b>12,872</b>	<b>0</b>	<b>0</b>	<b>2,113</b>	<b>555</b>	<b>0</b>	<b>2,607</b>	<b>13,175</b>	<b>1,365</b>	<b>1,270</b>	<b>10,627</b>	<b>44,584</b>	<b>0</b>	<b>4.46%</b>			
2016-17																	
Approved contributions				350								350					
Other Estimated Contributions			3,450	(3,450)			(1,000)	153				3,603					
Planned Commitments	(4,550)											(9,000)					
Transfers Between Reserves	0											0					
<b>Estimated balance at 31 March</b>	<b>8,322</b>	<b>0</b>	<b>0</b>	<b>2,463</b>	<b>555</b>	<b>0</b>	<b>1,607</b>	<b>13,328</b>	<b>1,365</b>	<b>1,270</b>	<b>10,627</b>	<b>39,537</b>	<b>0</b>	<b>4.46%</b>			