



<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>Revenue and Capital Budget 2014-15 Precept Option 2014-15</b>
<b>Date:</b>	<b>24 January 2014</b>
<b>Recommendation:</b>	<b>That the Police &amp; Crime Panel –</b>  <b>i) note the Revenue and Capital budget report;</b>  <b>ii) review the proposed precept as set out in paragraph 3.2; and</b>  <b>iii) report to the Commissioner on the proposed precept.</b>

## **1.0 Introduction**

1.1 The Police Reform and Social Responsibility Act 2011 requires the Police & Crime Commissioner to notify the Panel of the proposed precept. The Panel in response is required to provide a report to the Commissioner on the proposed precept, including if appropriate, recommendations as to the precept that should be issued for the financial year.

## **2.0 Revenue and Capital Budget 2014-15**

2.1 The attached report sets out the latest revenue and capital budget proposals taking into account the impact of the provisional finance settlement and savings proposals. The Panel are provided with this information as background information to support the reasoning behind the recommended precept option.

## **3.0 Precept Options**

3.1 The Commissioner has sought public opinion on the precept options and the results are set out in paragraph 2 of the Precept Option report attached.

3.2 The Panel is asked to review the proposed precept increase and to note the investment areas identified by the Chief Constable. The Panel is asked to agree a precept up to the maximum permissible amount under the referendum principles when they are published by Central Government.

Contact Officer:

Mark Streater

Chief Executive & Monitoring Officer

[Mark.streater@sussex-pcc.gov.uk](mailto:Mark.streater@sussex-pcc.gov.uk)

(01273) 481584

## **Report to : POLICE & CRIME PANEL – 24 January 2014**

### **PRECEPT OPTION 2014-15**

#### **Introduction**

- 1.1 The Chancellor's June statement confirmed that the Council Tax referendum threshold for 2014-15 and 2015-16 would be set at 2%. An announcement by the Home Secretary, with regard to any flexibilities for Police & Crime Commissioners to increase the police element of the council tax by a greater amount than 2%, is expected in January 2014. The flexibilities agreed by the Home Secretary in 2013-14 allowed those Police & Crime Commissioners who had a council tax rate in the lowest quartile nationally to increase their Band D rate by £5 without requiring a referendum. If this flexibility was permitted for 2014-15 the police precept for Sussex could be increased by 3.6%, generating funding of £2.8m.
- 1.2 At the time of publishing, confirmation was still awaited from the Home Office as to whether the existing precept flexibilities for PCC's would be retained.
- 1.3 The draft budget for 2014-15 is based on a 0% precept increase and does not include any increase in investment for operational policing. The draft budget includes £12m of savings through efficiencies and improvements. It is based on Police & Crime Plan priorities with any new demands and risks being managed within existing resources.
- 1.4 This follows a period where the overall police revenue budget has been based on council tax freezes since April 2010 and the achievement of significant savings to meet grant funding reductions and unavoidable cost increases. A key challenge is to keep pace with new demands, risks and future policing challenges, whilst continuing to identify and deliver against savings requirements, and maintain or improve service delivery.
- 1.5 HMIC have previously identified risks to frontline policing as part of the Valuing the Police report on Sussex Police's response to the funding challenge published in July 2013. The report highlighted that Sussex Police faces a more difficult challenge in achieving savings for the next Comprehensive Spending Review (CSR) period because of the area's comparatively low spend on policing.
- 1.6 The HMIC 2013-14 Value for Money Profiles show that nationally, Sussex has the 5<sup>th</sup> lowest budget per head of population with a band D council tax police precept of £138.42 and total spend on local policing (7<sup>th</sup> lowest).

#### **Public Consultation**

- 2.1 The Police & Crime Commissioner has a statutory obligation to set the police budget and has sought the views of Sussex taxpayers regarding a potential increase in the budget precept. The consultation was open from 30 October 2013 to 10 January 2014. A total of 2,983 Sussex residents completed the survey and 67% of the respondents said that they would support an increase. Of the respondents that were in support, 90% agreed that a 3.6% increase was appropriate.

- 2.2 The breakdown of the consultation results are attached at Appendix A.

### **Investment Proposal**

- 3.1 The Chief Constable's assessment is that there is limited scope to fund new investment from additional savings over the current requirement already estimated for the next CSR period to 2019 without risks to operational policing and the delivery of Police & Crime Plan priorities.
- 3.2 The proposed package of investments sets out a targeted investment in neighbourhood, response and investigative capacity, together with specialist safeguarding resources. This will improve frontline capability and visibility, deliver on Police & Crime Plan priorities and address current and future operational risks, challenges and demands.
- 3.3 The investments are presented across three critical areas:

#### **Visible frontline policing**

- 3.3.1 The number of police officer and PSCO posts in Neighbourhood Policing Teams has been protected over the last three years but frontline teams continue to be stretched due to vacancies, new operational demands and a focus on improving customer service. HMIC identified potential risks to the delivery of frontline policing should this trend continue unchecked.

#### **Sexual violence, domestic abuse and child exploitation**

- 3.3.2 Quality victim care is essential in rape cases, not only because of the personal impact of such crimes but because convictions often rely on victim testimony. Feedback in Sussex indicates victim statements have often been withdrawn because of the additional stress and trauma caused by victims' experience of our current system.
- 3.3.3 Domestic abuse reports have also risen steadily across Sussex, driven by proactive efforts to encourage reporting. The number of cases taken to Multi-Agency Risk Assessment Conferences (MARAC), which deal with the highest risk cases, in Brighton & Hove has nearly tripled in four years. Figures show that the number of cases taken to MARAC in East Sussex since 2009 has more than doubled. The number of cases in West Sussex has remained fairly constant with the number of actions generated increasing, from 1588 in 2010-11 to 1882 in 2012-13, representing an increase in overall work resulting from the MARAC meetings.
- 3.3.4 There have been recent national and local high-profile cases of child sexual exploitation and human trafficking in which lead agencies, including the police service, have failed to recognise patterns of criminal offending. The Serious & Organised Crime Strategy highlights the risks and sets out the expectation for all forces to do more in their area.

#### **Cyber Crime**

- 3.3.5 Criminality is adapting to exploit the expanding digital environment, while policing and the legislation that enables it is generally accepted to be behind

the curve.

- 3.3.6 Cyber crimes are defined as a criminal act committed through the use of computers or other Information Communication Technology (ICT) devices. Cyber-enabled crimes are those that may be committed without ICT devices but are changed by the use of ICT in terms of scale and reach.
- 3.3.7 In the digital world there has been a wide range of cyber crime taking place: from individuals who have been the victims of financial scams or identity fraud, to organised crime and child exploitation. The true level of this crime is under-reported and work is ongoing nationally to assess the total risk and harm. In Sussex there is a need to urgently increase the capacity and ability of the Force to deal with this type of crime, to reduce the real risks faced by local people.
- 3.3.8 A more detailed analysis of the risks and proposals for the above three areas is attached at Appendix B.

### Proposed Revenue Investment Profile

- 4.1 The proposed investment on the above three areas is estimated to be up to full year on-going costs of £2.8m, which could be phased over a number of years.

	£'000
Visible Frontline Policing	1,150
Sexual Violence, Domestic Abuse and Child Exploitation	1,400
Cyber Crime	250
<b>Total</b>	<b>2,800</b>
<i>Delivered through:</i>	
Recruitment	275
Technology Running Costs	400
Community Bases	25
Strategy, Learning & Development	250
Police Officer Posts	1,850
<b>Total</b>	<b>2,800</b>

- 4.2 A more detailed analysis of the proposed investment plans and profile for 2014-15 is set out at Appendix C.
- 4.3 As set out in the draft budget report elsewhere on the agenda, the impact of a 3.6% precept increase for 2014-15 is to increase funding by £2m, over and above current plans, this increases to £2.8m over the period of the Medium Term Financial Plan to 2016-17.
- 4.4 This level of precept increase would enable the full investment to be delivered over the next three years with a significant element of it in 2014-15 and meet key priorities, demands and risks currently facing Sussex Police. A lower investment in these three areas would increase the risks of delivering Police & Crime Plan Priorities, frontline policing and respond effectively to new

demands and risks with regard to sexual exploitation, domestic abuse and cyber crime.

**RECOMMENDATION**

**The Police & Crime Panel is asked to consider the proposed precept increase option for 2014-15.**

**Mark Streater**  
**Chief Executive, 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**

- A. Public Consultation Results
- B. Detailed Investment Commentary
- C. Annual On-Going Full Year Revenue Costs

**Appendix A****Public Consultation Results - Sussex Police Budget Precept**

The survey responses were monitored for unusual patterns of response but none were observed. A total of 7 surveys from non-Sussex residents were removed from the results.

There are variations observed across Sussex districts, ranging from Horsham with 52% support, to Lewes with 75% support. A full breakdown of results is provided below.

**Online Survey**

A total of 2,983 people responded to the consultation through the online survey. The table below details the number of responses for each of the Sussex Divisions:

	Count	%
B & H	236	8%
East Sussex	1396	47%
West Sussex	1351	45%

The table below details the results from the survey and segmented by the Sussex Police Divisions:

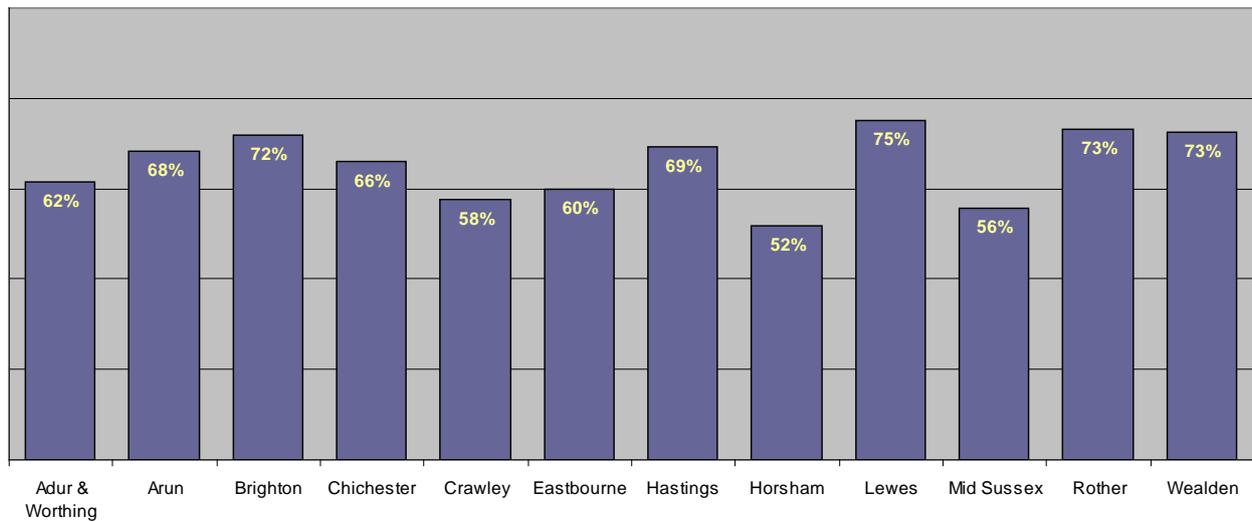
Would you support a precept increase in 2014/15?

	Yes		No	
Sussex	1991	67%	992	33%
B & H	169	72%	67	28%
East Sussex	998	71%	398	29%
West Sussex	823	61%	528	39%

The following table details the number of responses from each of the Sussex Police Districts:

District	Count	%	District	Count	%
Adur & Worthing	221	7.4%	Eastbourne	120	4.0%
Arun	350	11.7%	Hastings	179	6.0%
Chichester	215	7.2%	Lewes	157	5.3%
Crawley	106	3.6%	Rother	349	11.7%
Horsham	278	9.3%	Wealden	591	19.8%
Mid Sussex	181	6.1%	Brighton	235	7.9%

The following chart shows the proportion of residents in each Sussex Police District that supported an increase in the budget precept:



### Sussex Police Local Neighbourhood Survey

To support the public consultation, Sussex Police included similar questions in the Local Neighbourhood survey during October to December 2013. This is a telephone survey amongst Sussex residents that uses a randomised sampling technique.

Through the telephone survey, a total of 883 Sussex residents were asked:

Would you be willing to pay an additional £4.95 on your council tax precept toward policing?

Yes	519	59%
No	136	15%
Depends	196	22%
Don't Know	32	4%

Respondents that answered no or depends, were then asked if there was a particular reason why they answered this way. Common answers included not being able to afford any increase, it depends how the money will be used, and the police should look for other ways to save money.

Respondents that answered no or depends, were then asked if they would change their answer if the increase would guarantee more visible policing. Just over half (55%) said yes they would change their answer.

## Detailed Investment Commentary

## Appendix B

### 1. Visible frontline policing

#### Problem

- 1.1 The number of police officer and PSCO posts in Neighbourhood Policing Teams has been protected over the last three years, but frontline teams continue to be stretched due to vacancies, new operational demands and a desire to keep improving customer service. The HMIC Valuing the Police report identified potential risks to frontline policing should this trend continue unchecked.
- 1.2 However, with a small investment we could do much more to increase the capacity and visible presence of frontline officers in our communities, particularly those in rural areas and in communities that have the greatest operational need.

#### Proposals

- 1.3 Fast-track the recruitment and training of 150 police officers in addition to the current ambitious plan to recruit an additional 120 Specials and 60 PCSO's in 2014/15. This will ensure that Neighbourhood Policing Teams can operate at full capacity and are maintained at or above establishment. This will allow us to recruit to our agreed establishment level for the first time in many years and maintain these levels from mid-2014 onwards. It will also allow us to increase the number of specialist posts as set out below, of which 50% will be delivered in 2014-15.
- 1.4 Quickly deploy technologies that will cut time spent on paperwork and reduce the need for officers to return to their main police station base, where they aren't visible to the public. The proposal is to deploy a mixture of phones and tablets to 1,550 police officers and in 300 vehicles, primarily in neighbourhood and response teams, to enable them to remotely; view and update incidents, record crimes and stop and search details, conduct vehicle and person checks, and complete witness statements. This group of officers has been identified as offering the most benefit, including improved customer service, productivity and effectiveness and reduced bureaucracy from a real-time ability to access information and update records.
- 1.5 Such investment will significantly increase the amount of time officers can be visible in their communities. Being able to research and input directly to core policing systems will enable officers to make better decisions while working remotely, and complete many interactions in a single visit. Direct inputting will prompt officers to gather all required information at first attendance and will mean that information is immediately available to others without having to be re-keyed, reducing the need for revisits or returning to police premises during a shift. This is especially significant in rural areas, where longer travelling times to police buildings has an even greater impact. It will also remove the duplication of recording information in pocket books for later entry, saving further time.

- 1.6 The introduction of this technology for front-line teams will free an estimated 12% of officer time. This is based on our pilots in Lewes and Brighton and evidence from other forces nationally who have implemented similar programmes. In real terms, this is equivalent to officers having around an extra hour per shift for proactive, visible policing rather than travelling and form-filling. It is also a key enabler of other cashable savings from the Smarter Systems Programme and the Estates strategy, as it will help remove significant duplication in administrative processes and allow us to reduce the amount of office space and fixed-location IT equipment required.
- 1.7 Identify and open more new community bases, in rural or high need areas, similar to Broadfield Library, Crawley. These small drop-in locations give police officers and staff a local base to work from in their community, reducing the need to return to larger police station and providing a more convenient, physical and visible presence, particularly in rural areas. In some cases there may be a small charge for the use of local facilities. A provision of £25,000 has been included to cover this expenditure.

## **2. Sexual violence, domestic abuse and child exploitation**

### **Problem**

- 2.1 Recent reviews into the way that Sussex Police handle rape cases 'Criminal and Specialist Investigation Departments Review', Sussex Police (June 2013), 'Sussex Police Serious Sexual Offences Review', National Policing Improvement Agency (August 2012) and 'ACPO Rape Support Programme: Visit to Sussex' (March 2010) have found that a lack of sufficient dedicated specialist officers means the care and support provided to victims is not always adequate. Victims are often being referred to a number of officers, many who are not specially trained, having to recount their ordeal many times.
- 2.2 Quality victim care is essential in rape cases, not only because of the personal impact of such crimes but because convictions often rely on victim testimony. Poor experiences can result in allegations being withdrawn or victims not being confident to give testimony in court, particularly in cases of domestic abuse. Direct feedback given by victims to the Independent Sexual Violence Advocates at the Sexual Assault Referral Centre in Sussex indicates statements have been withdrawn because of the additional stress and trauma caused by victim's experience of our current system. In addition to the significant impact on victims, there are also issues of reduced reporting or unsuccessful prosecutions, meaning perpetrators may remain free to re-offend.
- 2.3 Child protection, domestic and sexual abuse are often linked and reports are increasing. Between 2008 and 2012 there was a 130% increase in Section 47 (child at risk) referrals in West Sussex, a 30% increase in East Sussex, and 68% increase in Brighton and Hove. This equates to a 66% increase across the Force. It should be noted that these figures don't include historical allegations made which have increased by 40% nationally since the Saville revelations. Nationally there has been a 46% increase in the number of children subject to protection plans between 2008 and 2012. This trend is

likely to continue, amplified by the recent increases in reports of historic child sex abuse cases and the high-profile child sexual exploitation cases nationally.

- 2.4 There is considerable pressure on the visibility and resilience of frontline uniformed officers who currently provide the initial response to reports of serious sexual offences. It is estimated that initial deployments to reports of sexual offences across the force take up more than 9,000 hours of neighbourhood officer time every year, with this number growing and predicted to increase further as we rightly encourage increased reporting.
- 2.5 Domestic abuse reports have also risen steadily across Sussex, driven by proactive efforts to encourage reporting. The number of cases taken to Multi-Agency Risk Assessment Conferences (MARAC), which deal with the highest risk cases, in Brighton & Hove has nearly tripled in four years. Figures show that the number of cases taken to MARAC in East Sussex since 2009 has more than doubled. The number of cases in West Sussex has remained fairly constant with the number of actions generated increasing from 1588 in 2010-11 to 1882 in 2012-13, representing an increase in overall work resulting from the MARAC meetings. The likelihood is that this still masks the true level of abuse due to many people not having the confidence to report.
- 2.6 There have been recent national and local high-profile cases of child sexual exploitation and human trafficking in which lead agencies, including the police service, have failed to recognise patterns of criminal offending. Under the current system, Sussex Police is at risk of similar failings because many investigations relating to the sexual abuse of children and human trafficking are not dealt with by specialists. The Serious & Organised Crime Strategy highlights the risks and sets out the expectation for all forces to do more in their area.
- 2.7 A number of recent, Serious Case Reviews relating to the deaths of children in other areas of the UK have highlighted the need for the police and other agencies to do more to recognise the link between sexual violence, domestic abuse and child protection. At present these three disciplines are separate within Sussex Police and offences in these areas are often investigated by officers who are not specially trained. This is contrary to national best practice.

## **Proposals**

- 2.8 The overall desire is to re-design our structure, bringing the management and investigation of sexual offences and safeguarding of children and adults into a dedicated team. This team will have the capacity and specially skilled officers to provide improved victim care and help meet the Police & Crime Plan priorities. It will increase public confidence to report such offences, result in more victims having the confidence to complete the criminal justice system or other solutions, and keep people safer from offenders.
- 2.9 The specific proposals are to create a new dedicated team on each Division to investigate sexual offences, high-risk domestic abuse, child abuse (including child sexual exploitation), human trafficking and vulnerable adult abuse, with a 24/7 local service. This unit will include resources from current separate vulnerable children and vulnerable adult teams and additional specialist resources for sexual offences and safeguarding work with partners. This will:

- Treble the number of specially trained child protection officers across the Force, improving our ability deal with cases of child sexual exploitation and identify offenders.
- Ensure all crimes involving the sexual abuse of children will be investigated in the same place and by specially trained officers with the skills and knowledge to undertake effective, victim-sensitive investigations and work with partners to protect children. The funding is for posts. The additional training costs associated with increasing the number of Child Protection specialists will come from a saving in the current training costs of Sexual Offences Liaison Officers (SOLOs) which will come about as a result of the investment.

2.10 Invest in an additional 36 police officers to help fulfil our objectives. They will:

- Provide a specialist rape investigation function across the Force for the first time, significantly improving the service that victims receive and increasing the chances of a successful prosecution; meeting specific recommendations made to Sussex Police by the College of Policing in 2012 and ACPO in 2010.
- Build capacity by supporting investigations relating to child protection and high-risk domestic abuse; addressing the increase in demand which is expected to continue in line with our continuing efforts to encourage reporting.

2.11 Invest in an additional six sergeant posts to manage dedicated Safeguarding Desks in each Division to protect children and adults who are at risk of harm. This will provide partner agencies with a single point of contact when they need to speak to the police to share information or initiate joint action. This will ensure greater awareness of domestic abuse and child protection cases by all agencies, creating a fuller picture of what is happening within families and enabling more consistent, accurate and timely identification and management of risks. For example, the Unit would be able to identify potential harm to adults from domestic abuse if a situation was initially raised as a child protection issue or, vice-versa, spot children at risk of harm even if the initial focus is on adult domestic abuse.

2.12 This area also interlinks significantly with the public's expectation desire to improve visible frontline policing but proposals are not repeated to avoid duplication. As indicated above, handling these types of offences currently creates a significant demand on neighbourhood officers (9,000 hours p/a estimated for initial deployments alone). The dedicated approach proposed would free frontline officers and detectives from these complex, specialist and time-consuming cases. This would give them the capacity to focus on proactive policing, crime prevention and other investigative and deterrent activities.

### **3. Cyber crime**

#### **Problem**

3.1 Criminality is adapting to exploit the expanding digital environment, while policing and the legislation that enables it is generally accepted to be behind the curve.

- 3.2 Cyber crimes are defined as a criminal act committed through the use of computers or other Information Communication Technology (ICT) devices where the devices are both the tool for committing the crime and target of the crime. For example: harvesting of online bank account details using malware, the hacking of a website hacking of networks to steal sensitive data.
- 3.3 Cyber-enabled crimes are those that may be committed without ICT devices, but are changed by use of ICT in terms of scale and reach. For example: online fraud, online theft, online sexual offending or where the devices are used to organise or arrange crimes.
- 3.4 In the digital world there has been a wide range of cyber crime taking place: from individuals who have been the victims of financial scams or identity fraud, to organised crime and child exploitation. The true level of this crime is under-reported and work is ongoing nationally to assess the total risk and harm. In Sussex there is a need to urgently increase the capacity and ability of the Force to deal with this type of crime, to reduce the real risks faced by local people.
- 3.6 People now live more of their lives online and this trend will continue apace as younger generations who have grown-up with technology, particularly social media, move into greater positions of financial and social power. Criminality is already adapting to leverage opportunities to exploit these digital environments, while policing and the legislation that enables us is generally accepted to be behind the curve. To keep local people safe in this modern environment, we need to catch-up now and stay up-to-pace in the future.
- 3.7 In the digital world there is a wide range of crime taking place: from individuals who have been the victims of financial scams or identity fraud, to organised crime and child exploitation. The true level of this crime is under-reported and work is ongoing nationally to assess the total risk and harm. In Sussex we now need to urgently increase our capacity and ability to deal with this type of crime, to reduce the real risks faced by local people.

## **Proposals**

- 3.8 A Cyber Crime Strategy is being developed jointly with Surrey Police as the lead force for Specialist Crime. This is due for approval in 2014 and will need to be supported by an implementation and investment plan for both forces. This will cover the overall approach and be clear about the different remits of regional, specialist and local teams.
- 3.9 The initial proposals are to:
  - Enable the development of the joint Cyber Crime Strategy and implementation plans.
  - Train specialist officers and staff to lead this business area for both forces.
  - Develop a bespoke training package for all frontline officers and staff to better recognise and respond to cyber-enabled crime.

**Investment Summary: Full Year, On-Going Annual Revenue Costs**

**Appendix C**

To meet the proposals outlined in the three areas above, the following investment is recommended:

	<b>Recruitment £'000</b>	<b>Technology £'000</b>	<b>Community Bases £'000</b>	<b>Specialist Police Officers £'000</b>	<b>Training &amp; Development £'000</b>	<b>Total £'000</b>
Visible Frontline Policing	275	400	25	450	0	<b>1,150</b>
Sexual Violence, Domestic Abuse and Child Exploitation	0	0	0	1,400	0	<b>1,400</b>
Cyber Crime	0	0	0	0	250	<b>250</b>
<b>Total</b>	<b>275</b>	<b>400</b>	<b>25</b>	<b>1,850</b>	<b>250</b>	<b>2,800</b>
<b>Investment Details</b>	Recruitment per annum of: new police officers (up to 150), new PCSOs (up to 60) and new specials (up to 160) per year to maintain levels at or above establishment.	Running costs of Phones or tablets to 1,550 officers and 300 vehicles enabling access and updating of records in real time. Equals 84 fte increase in police officer time and visibility	Accommodation /rental costs to delivers upto 10 new community bases in rural and high need areas.	Additional 36 fte specialist roles (sexual offences) and 6 Sergeants to manage safeguarding desk function.	To deliver cyber crime strategy for frontline and specialist teams.	

N.B. Costs illustrate expenditure against 2015-16 and 2016-17 position

**Investment Summary: Annual On-Going Full Year Revenue Costs****Appendix C**

Investment could be profiled as followed over the next three financial years:

	<b>2014-15 £'000</b>	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>
Recruitment	325	275	275
Technology: purchase of devices (additional provision only)	600	-	-
Technology: running costs	150	400	400
Community Bases	25	25	25
Strategy, Learning & Development	100	250	250
Police Officer Posts	800	1,050	1,850
<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>2,800</b>

## **Report to : POLICE & CRIME PANEL – 24 January 2014**

### **REVENUE AND CAPITAL BUDGET 2014-15**

#### **Introduction**

- 1.1 This report sets out the latest revenue and capital budget proposals and precept options for 2014-15, taking into account the impact of the provisional finance settlement. This includes:
- the overall funding position and draft budget for 2014-15;
  - budget and saving proposals for the revenue and capital budgets for 2014-15 and capital programme to 2017;
  - medium term financial forecast and savings projections

#### **Grant Settlement**

- 2.1 The provisional finance settlement was announced on 18 December 2013. Details are set out and summarised below.
- 2.2 The total Home Office funding for policing in 2014-15 is £8.5bn, this represents a reduction in funding for policing of 3.3% and is in line with announcements made in June 2013. There has been no impact on police funding for next year of the additional 1% funding reduction for the Home Office announced in the Autumn Statement on 5th December.
- 2.3 The reduction in core funding for police force areas is 4.8%. This is higher than anticipated due to top-slicing of Home Office funding for policing to support other police reforms including earmarked funding for a new Innovation Fund and additional resources allocated to HMIC, IPCC, the College of Policing, City of London Police and the National Police Co-ordination Centre.
- 2.4 The current arrangements for damping individual allocations continue in 2014-15. This means that every individual police force area will face the same percentage reduction in core funding of 4.8%.
- 2.5 As previously announced the Community Safety Grant, previously allocated as a specific grant to the Police and Crime Commissioner, is now included within core funding.
- 2.6 The Home Office has not announced individual force settlements for 2015-16 and is not expected to do so until a full review of Home Office budgets has taken place. The Home Office announcement in June 2013 indicated a further reduction in police funding of 3.2% for 2015-16 but this could be higher depending on how the Home Office manages the additional budget reductions announced in the Autumn statement. It is also possible that police force areas will face a higher reduction as a result of any further top-slicing to support other police reforms, e.g. additional resources for IPCC.

2.7 A summary of the provisional grant settlement for Sussex is set out below.

#### Provisional Grant Settlement 2014-15

	2013-14 £'000	2014-15 £'000	Difference £'000	Difference %
Police Core Grant	108,886	104,804	(4,082)	-3.6%
Formula Funding	58,741	56,003	(2,738)	-4.7%
Community Safety Fund	1,225	0	(1,225)	
<b>Total Core Funding</b>	<b>168,852</b>	<b>160,807</b>	<b>(8,045)</b>	<b>-4.8%</b>
CT Freeze Grant (2011-12)	2,176	2,176	0	0
CT Freeze Grant (2013-14)	886	886	0	0
CT Benefit Support Grant	10,107	10,140	33	0.3%
CT Benefit Transitional Grant	259	0	(259)	-
Capital Grant	2,092	2,200	108	5.2%

2.8 The settlement reduces the core revenue grant funding for Sussex by £8m (4.8%) on a like for like basis compared to 2013-14.

2.9 Legacy grants relating to Council Tax Freeze for 2011-12 and 2013-14 together with the Council Tax Support grant are now included in the baseline Home Office settlement and will be allocated as specific grants alongside Home Office core funding for future years. These grant amounts remain largely unchanged for 2014-15 and this is expected to continue in 2015-16. There is now greater certainty that these overall grant amounts will continue beyond 2016 and be subject to any reductions in line with core funding

2.10 Funding received in relation to the PFI grant, Counter Terrorism grants and Regional Crime and Asset Recovery were not announced as part of the settlement. Based on other notifications and indications from the Home Office we do not expect any change to the PFI grant and minimal changes to other grant funding streams.

2.11 The capital grant for 2014-15 is £2.2m; this is a small increase on current funding but is in line with expectations and previous announcements.

2.12 New grants will be devolved to Police and Crime Commissioners next year. These relate to commissioning victim support and witness services and restorative justice.

2.13 The level of grant reductions announced in December are higher than assumptions included in the Medium Term Financial Forecast (MTFF) due to a higher level of top-slicing of Home Office police funding than anticipated. A level of top-slicing had been expected based on Home Office briefings in October and the MTFF assumptions were revised in November based on this as set out on the following page.

### MTFF Assumptions on Core Funding Reductions

	July (PCP Panel Oct) 2013	November 2013	Prov. Settlement
Core Funding Reduction	3.5%	4.00%	4.8%

- 2.14 All other grant and settlement announcements are in line with expectations. The overall impact on the budget for 2014-15 is set out below.

### Grant Change Impact on Police Budgets

	November MTFF	Prov. Settlement	Change	
	£'000	£'000	£'000	%
DCLG Grant	56,392	56,003	(389)	-0.7%
Home Office Grant	105,706	104,804	(902)	-0.9%
<b>Total Core Funding</b>	<b>162,098</b>	<b>160,807</b>	<b>(1,291)</b>	<b>-0.8%</b>

- 2.15 The impact of the provisional finance settlement announcement is that funding reductions for 2014-15 are £1.3m higher than anticipated in the autumn. This will need to be managed within the overall budget and funding for 2014-15 and/or an increase in the savings requirement.

### Precept Funding

- 3.1 The final taxbase and collection fund positions have yet to be received from billing authorities; these will include the actual and estimated net impact of the new council tax support arrangements on the taxbase. The deadline for billing authorities to provide the final position for 2014-15 is 31 January 2014.
- 3.2 Due to the uncertainty of the economic outlook and the impact of the new council tax support arrangements on collection rates the original MTFF assumed no increase in the taxbase across Sussex and an overall collection fund deficit of £0.5m.
- 3.3 Based on the provisional returns for 10 of 13 billing authorities there is both a consistent level of increases in tax base (between 0.1% and 2%) and the majority of billing authorities reporting no deficit on their collection fund. Based on this the budget assumptions for 2014-15 have been updated to reflect a 1% increase in taxbase and a neutral position on collection fund. In summary the latest estimate of precept and council tax benefit grant funding for 2014-15 is set out on the following page.

### Precept and Council Tax Benefit Grant 2014-15

	2013-14 £'000	2014-5 £'000	Difference £'000
Police Funding from Council Tax (0% increase)	78,182	78,963	781
Council Tax Benefit Grant	10,107	10,140	33
Transition Council Tax Benefit Grant	259	0	(259)
<b>Sub Total</b>	<b>88,548</b>	<b>89,103</b>	<b>(555)</b>
Collection Fund Surplus	432	0	(432)
<b>Total Funding Precept and Benefit Grant</b>	<b>88,980</b>	<b>89,103</b>	<b>123</b>

- 3.4 The expected funding from council tax and council tax support grant in 2014-15 is a small increase in funding compared to 2013-14 without any increase in the level of council tax.
- 3.5 Compared to the latest MTFF assumptions (November 2013) this level of funding is higher than anticipated as set out below.

### Precept and Council Tax Support Change Impact on Police Budgets

	November MTFF	Latest MTFF	Change	
	£'000	£'000	£'000	%
Taxbase	78,182	78,963	781	1%
Collection Fund	(500)	0	500	100%
Council Tax Benefit Grant	10,107	10,140	33	0.3%
<b>Total</b>	<b>87,789</b>	<b>89,103</b>	<b>1,314</b>	<b>1.5%</b>

- 3.6 The impact of the latest estimate of precept and council tax support funding increases the level of funding by £1.3m. This closely matches the adverse funding impact of the provisional settlement such that taken together there is no significant change to the overall funding position for Sussex compared to previous assumptions and plans.
- 3.7 All funding and MTFF assumptions are based on a zero precept increase. The Chancellor announced in his June Statement that new Council Tax Freeze Grants for 2014-15 and 2015-16 will be available at a level equal to a 1% precept increase on the current 2013-14 taxbase. For Sussex this equates to funding of £0.8m in each of the next two years. As part of the provisional finance settlement the DCLG has announced that the Chancellor has agreed that the funding of these new Council Tax Freeze grants will be built into Departmental spending baselines.

- 3.8 The Chancellor's June Statement also confirmed that the Council Tax referendum threshold for 2014-15 and 2015-16 has been set at 2%. An announcement by the Home Secretary, with regard to any flexibilities for Police and Crime Commissioners to increase the police element of the council tax by a greater amount than 2%, is expected in January 2014. The flexibilities agreed by the Home Secretary in 2013-14 allowed those PCCs who had a council tax rate in the lowest quartile nationally to increase their Band D rate by £5 without requiring a referendum. If this flexibility was permitted for 2014-15 the police precept for Sussex could be increased by 3.6%, generating funding of £2.8m.
- 3.9 At the time of publishing, confirmation was still awaited from the Home Office as to whether the existing precept flexibilities for PCC's would be retained.

### Revenue Budget 2014-15

- 4.1 The 2014-15 draft budget has been updated based on a new set of planning assumptions as a result of the provisional settlement, latest council taxbase and collection fund estimates and commitments identified from the budget setting process.
- 4.2 The core grant funding and estimated precept income (based on a 0% precept increase) would provide resources to set a revenue budget of £249.9m. The movement from 2013-14 is set out below and in more detail in Appendices A and B.

#### Draft Police Fund Revenue Budget 2014-15

<b>No change to current Band D precept (£138.42 per year)</b>	
<b>Net budget of £249.9m</b>	
<b>(equal to 2.6% budget reduction on like for like basis)</b>	
	<b>£'000</b>
<b>Base Budget 2013-14</b>	<b>256,607</b>
Base Budget Adjustments	(2,048)
Additional Pay Costs	4,939
Inflation and Other Additional Costs	2,244
Savings Requirement	(11,832)
<b>Draft Revenue Budget 2014-15</b>	<b>249,910</b>

- 4.3 In addition to the grant changes notified in the provisional settlement and improvements in the collection fund and taxbase, since the last report to the Panel, a number of changes have been made to the draft 2014-15 budget:
- increase in the employers contribution to the local government pension scheme based on valuation report received in November 2013 (£0.5m)
  - identification of a number of operational delivery cost pressures during the budget planning process (£0.3m)

- 4.4 The overall impact of the changes in budget plans and funding position from that reported to the Panel in October is a increase to the savings requirement for 2014-15 of £1.3m.
- 4.5 The draft budget only includes unavoidable cost pressures or commitments identified and assessed as part of the budget setting process. This reflects a standstill budget with no new investment proposals, delivery of nearly £12m of cashable savings from efficiencies and improvements with all new policing demands and risks managed within the current level of resources.
- 4.6 The Chief Constable's assessment is that the draft budget will be sufficient to enable him to fulfil his operational delivery responsibilities in 2014-15. The Chief Constable's assessment is that there is limited scope to fund new investment from additional savings over the current requirement already estimated for the next CSR period to 2019 without significant risk to operational policing and delivery of Police and Crime Plan priorities.
- 4.7 A separate paper Precept Option 2014-15 (Agenda item 4) has been prepared outlining a proposal for investment to meet current operational demands and risks that would require up to a 3.6% precept increase.

### **Medium Term Financial Plan**

- 5.1 In preparing the budget proposals for 2014-15 the Chief Constable, Chief Executive, and Chief Financial Officers consider the implications for future years of the commitments set out in the budget, on-going levels of grant funding and potential new commitments and cost pressures. The latest MTFP and planning assumptions is set out at Appendix C.
- 5.2 The grant settlement for 2014-15 was worse than anticipated and there remains significant uncertainty on the level of funding for 2015-16 and beyond. The Autumn Statement and subsequent announcements by the Chancellor indicate that government departments will be subject to further austerity pressure. The impact on police funding is almost certain to worsen.
- 5.3 Funding for 2016 onwards is subject to the next Comprehensive Spending Review (CSR) and possible changes to the police funding formula from 2016-17. Sussex's grant is still dependent on protection provided by the grant floor. Without this protection, £1.4m of grant funding is at risk.
- 5.4 In addition, there is significant cost (£6.7m) anticipated as a result of increased employer contributions to the local government pension scheme and increases to employer National Insurance contributions in 2016-17.
- 5.5 The impact of the latest MTFP assumptions is a savings requirement for the next three years as set out below.

### **Estimated Savings Requirement 2014-17**

	<b>2014-15 £'000</b>	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>
Savings Requirement	11,832	13,994	15,896

6.1 The Chief Constable's saving plans have been based on the Serving Sussex 2015 programme of change to deliver improvements in policing and realise cashable savings. A summary of the savings achieved to date and planned for 2014-15 are set out on the following page and in more detail at Appendix D.

### Latest Serving Sussex 2015 Savings Proposals

Work streams	2011 to 2013 £000	2013-14 £000	2014-15 £000	2015-16 £000	Total £000
Spending Wisely	13,942	3,911	2,286	1,620	21,759
Local Policing	9,707	801	462	0	10,970
Service Delivery (Digital Age)	0	200	0	0	200
Joint Command	1,134	1,367	497	61	3,059
Support Functions	5,941	1,435	1,177	27	8,580
Flagship Projects	787	1,344	6,415	1,385	9,931
<b>Total Savings</b>	<b>31,511</b>	<b>9,058</b>	<b>10,837</b>	<b>3,093</b>	<b>54,499</b>
B/F Savings (previous year)		4,112	3,546	2,551	
<b>Total Savings in Year</b>	<b>31,511</b>	<b>13,170</b>	<b>14,383</b>	<b>5,644</b>	
Target	27,399	9,624	11,832	13,994	<b>62,849</b>
<b>Funding Gap/(Surplus)</b>	<b>(4,112)</b>	<b>(3,546)</b>	<b>(2,551)</b>	<b>8,350</b>	<b>8,350</b>

6.2 To date nearly £40m of savings have been delivered up to 2013-14 from this programme and a further £10m planned and expected to be achieved in 2014-15. This will ensure delivery of savings against the £50m target by 2015.

6.3 Plans are now being developed to meet the further savings requirements for 2015-16 and 2016-17 estimated to be up to £25m (a further 10% of the revenue budget). These are expected to be achieved through a combination of:

- realisation of full savings from current Serving Sussex 2015 projects
- new projects and plans for savings on third party spend, pay and allowances and other divisional and departmental efficiencies
- collaboration with Surrey, through agreed joint services covering specialist operational services; Lead Force (Crime); Lead Force (Operations) and Support Services (initially covering HR, Finance and IT functions).

### Capital Programme

7.1 The draft capital programme totals £58.1m of expenditure over the next three years. The proposed funding is summarised in the table below.

### Draft Capital and Investment Programme and Financing

	2014-15 £'000	2015-16 £'000	2016-17 £'000	Total £'000
Home Office Capital Grant	2,200	1,760	1,760	5,720
Revenue Contribution	2,000	2,000	2,000	6,000
Reserves and Capital Receipts	25,348	13,492	7,495	46,335
<b>Total Capital and Investment Programme</b>	<b>29,548</b>	<b>17,252</b>	<b>11,255</b>	<b>58,055</b>

- 7.2 The draft capital budget for 2014-15 includes provision for the estates strategy and the latest proposed transfer of funding for specific capital schemes from 2013-14 to 2014-15 following capital reviews throughout the year.
- 7.3 The capital and investment plans to 2017 require no additional borrowing. The forecast residual balance of capital and investment reserves provides some funding headroom for further new investment requirements identified from 2017-18 onwards. The reduced forecast investment reserve means the current borrowing strategy may have to be revisited before 2017.
- 7.4 The draft capital and investment budgets for 2014-15 and programme to 2016-17 are set out in Appendix E.

### **Reserves**

- 8.1 Reserves are a key part of budget setting and financial planning. The forecast level of reserves up to 2017 is set out in Appendix F.
- 8.2 The following movements in reserves are included in the revenue and capital budgets for 2014-15:
- funding from capital and investment reserves and capital receipts to fund the draft capital budget and investment programme to 2017 (£46m);
  - annual contribution from revenue to the asset replacement reserve (£0.35m)
- 8.3 The total forecast level of reserves at 31 March 2017 is £38m. This includes general balances of £9.6m (4.0% of net budget requirement, inline with the PCC's Reserves Policy of 4% of Net Revenue Expenditure).
- 8.4 The forecast level of uncommitted investment reserves by 2017 is £10.2m. The actual level of investment reserves remaining 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 may be transferred to investment reserves.

### **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. The Police & Crime Commissioner was elected in November 2012 with a mandate for no increase in precept for the 2013-14 financial year.
- 9.2 The current MTFE is modelled on a 0% precept increase for 2014-15 and the following two years. The Chancellors June Statement confirmed that 2014-15 and 2015-16 will attract a Council Tax Freeze grant equal to a 1% precept increase and this has been modelled in the current MTFE. The Chancellors Autumn Statement confirmed that legacy and new freeze grants would now remain in baseline budget and not be removed. 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% and 3.6%. The impact on funding levels over the MTF period to 2016-17 of these different precept options are illustrated on the following page.
- 9.5 These options have been considered on the basis of referendum limits already announced at 2% for 2014-15 and 2016-17. In 2013-14 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; if this flexibility is granted again in 2014-15 this would enable a 3.6% increase.

#### Option 1: Current MTF (0%)

<b>Increased funding</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Precept Increase	0%	0%	0%
Council Tax Freeze Grant 14-15	£0.8m	£0.8m	£0.8m
Council Tax Freeze Grant 15-16	-	£0.8m	£0.8m
<b>Total</b>	<b>£0.8m</b>	<b>£1.6m</b>	<b>£1.6m</b>

#### Option 2: (3.6%)

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

- 9.6 In summary a 0% precept increase for 2014-15 attracts £0.8m council tax freeze funding for 2014-15. A precept increase of 3.6% in 2014-15 generates £2.8m additional funding and permanently increases council tax income by this amount.
- 9.7 Option 2 provides at least £2m of additional funding compared to current draft budget proposal (council tax freeze) and this increases to £2.8m over the period of the medium term financial forecast.
- 9.8 The proposal to increase the policing precept by 3.6% in 2014-15 is based on using the additional funding of £2m in 2014-15 rising to £2.8m by 2016-17 to invest in new resources and capacity to meet emerging operational demands and risks. These are set out in more detail in the Precept Option 2014-15 paper at Agenda item 4.

## **RECOMMENDATION**

**The Police and Crime Panel is asked to note the Medium Term Financial Forecast and draft revenue budget and draft capital programme for 2014-15.**

**Mark Streater**  
**Chief Executive, 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**

- A Draft Revenue Budget 2014-15
- B. Draft Revenue Budget by Cost Category
- C. Medium Term Financial Forecast and Assumptions
- D. Latest Serving Sussex 2015 Savings Schedule
- E. Draft Capital Programme 2014-15 to 2016-17
- F. Reserves

## Draft Revenue Budget 2014-15

## Appendix A

<b>Incremental Budget Changes</b>	<b>2014-15 £'000</b>
<b>Base Budget 2013-14</b>	<b>256,607</b>
New Council Tax Freeze Grant (14-15)	(780)
Transfer of Community Safety Fund to Core Grant	1,225
Removal of One -off Commitments	<b>(2,113)</b>
Changes to Contributions to/(from) Reserves	(232)
Reduction in Investment Income	120
Lower Requirement for Pay and Price Contingency	(235)
Reduction in Discretionary Funding to Divisions	(33)
<b>Total Base Budget Adjustments</b>	<b>(2,048)</b>
Pay Awards	2,132
Pay, Increments and Allowances	1,986
Ill Health Pensions	251
Police Staff Pension Contributions	570
<b>Total Additional Pay Costs</b>	<b>4,939</b>
Price Inflation	972
IT and Communications Contractual increases	277
College of Policing and national police contract changes	214
Microsoft Enterprise Licence	450
Special Constables	14
Operational Cost Pressures	317
<b>Total Other Additional Costs</b>	<b>2,244</b>
<b>Savings Requirement</b>	<b>(11,832)</b>
<b>Net Budget Requirement</b>	<b>249,910</b>
<b>Financed by:</b>	
Home Office Grant	104,804
Revenue Support Grant	56,003
<b>Total Core Policing Grants</b>	<b>160,807</b>
Council Tax Support Grant	10,140
Collection Fund Surplus (Deficit)	0
Council Tax Precept	78,963
<b>Total Precept and Council Tax Grants</b>	<b>89,103</b>
<b>Net Budget Requirement</b>	<b>249,910</b>



## Appendix B

## Draft Total Police Fund Revenue Budget – By Cost Category

	2014-15
	£'000
Police Officer pay	118,307
Police Overtime	3,361
Police Pension Contribution	25,609
Police Staff	59,529
LGPS pension deficit lump sum	1,233
PCSO's	11,026
Other Employee costs	6,547
<b>Total Employee Costs</b>	<b>225,612</b>
Buildings And Premises	13,054
Transport	8,082
IT and Communications	10,097
Supplies and Services	29,758
Other Expenditure & Savings	650
Depreciation	(6,911)
Ill Health Pensions	2,289
<b>Total Non Pay</b>	<b>57,019</b>
<b>Chief Constable Gross Budget</b>	<b>282,631</b>
Income	(25,647)
Specific Grants	(8,225)
<b>Chief Constables Operational Delivery Budget</b>	<b>248,759</b>
Office of PCC Budget	1,184
Grant Expenditure	2,754
Financial Provisions	2,343
Transfers to/from Earmarked Reserves	(450)
Grant income	(4,680)
<b>Total PCC retained Budget</b>	<b>1,151</b>
<b>Total Police Fund</b>	<b>249,910</b>

## Appendix C(i)

## Total Police Fund Medium Term Financial Forecast

	Precept	0.0%	0.0%	0.0%
Incremental Budget Changes	2014-15 £'000	2015-16 £'000	2016-17 £'000	2016-17 £'000
<b>Base Budget 2013-14</b>	<b>256,607</b>	<b>249,910</b>	<b>243,970</b>	<b>243,970</b>
Council Tax Freeze Grant (11-12) to Core Funding		2,176		
Council Tax Freeze Grant (13-14) to Core Funding		886		
New Council Tax Freeze Grant (14-15)	(780)			780
New Council Tax Freeze Grant (15-16)		(780)		780
Community Safety Fund Grant to Core Funding	1,225			
Removal of One –off 2013-14 Commitments	(2,113)			
Changes to Contributions to/(from) Reserves	(231)			
Reduction in Investment Income	120			
Lower Requirement for Pay and Price Contingency	(235)			
Reduction in Discretionary Funding to Divisions	(33)	(25)		(24)
<b>Total Base Budget Adjustments</b>	<b>(2,048)</b>	<b>2,257</b>		<b>1,536</b>
Pay Awards	2,132	2,174		2,221
Pay, Increments and allowances	1,986	2,011		2,093
Ill Health Pensions	251			
Employers National Insurance contributions				6,708
Police Staff Pension Contributions	570	585		598
<b>Total Additional Pay Costs</b>	<b>4,939</b>	<b>4,770</b>		<b>11,620</b>
Price Inflation	972	1,167		1,192
IT and Communications Contractual Increases	277			
College of Policing and National Police Contract Changes	214			
Microsoft Enterprise Licence	450			
Special Constables	14	14		
Operational Cost Pressures	317			
<b>Total Other Additional Costs</b>	<b>2,244</b>	<b>1,181</b>		<b>1,192</b>
<b>Savings Requirement</b>	<b>(11,832)</b>	<b>(13,994)</b>		<b>(15,896)</b>
<b>Net Budget Requirement</b>	<b>249,910</b>	<b>241,061</b>		<b>241,014</b>
<b>Financed by:</b>				
Home Office Grant	104,804	152,767		149,713
Revenue Support Grant	56,003			
<b>Total Core Policing Grants</b>	<b>160,807</b>	<b>152,767</b>		<b>149,713</b>
Council Tax Support Grant	10,140	9,633		9,440
Legacy Council Tax Freeze Grants				3,000
Collection Fund Surplus (Deficit)		(500)		(500)
Taxbase Increase				
Council Tax Precept	78,963	79,161		79,361
<b>Total Precept and Council Tax Grants</b>	<b>89,103</b>	<b>88,294</b>		<b>91,301</b>

<b>Net Budget Requirement</b>	<b>249,910</b>	<b>241,061</b>	<b>241,014</b>
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**Appendix C(ii)****Medium Term Financial Forecast Planning Assumptions**

<b>Assumption</b>	<b>Risk</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Precept</b>	<b>Medium</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Core Home Office Grant	Medium	-4.8%	-5%	-2%
Specific Grants	Medium	No Change	No Change	No Change
Council Tax Freeze Grant (11-12)	Low	£2.176m	No Change	-2%
Council Tax Freeze Grant (13-14)	Low	£0.886m	No Change	-2%
Council Tax Freeze Grant (14-15)	Low	£0.780m	No Change	(£0.780m)
Council Tax Freeze Grant (15-16)	Low	N/A	£0.780m	(£0.780m)
Legacy Council Tax Support Grant	Low	No Change	-5%	-2%
Tax base Increase	Medium	1%	0.25%	0.25%
Collection Surplus/(Deficit)	Medium	0	(£0.5m)	(£0.5m)
Pay award (Sept average)	Low	1.00%	1.00%	1.00%
Pay Increments	Low	0.50%	0.50%	0.50%
Police Staff Pension Contributions	Low	1%	1%	1%
Price inflation	Medium	3.00%	3.00%	3.00%
Fuel and Utilities Inflation	Medium	5.00%	5.00%	5.00%
Investment Interest Returns	Low	0.40%	0.40%	0.40%

## Serving Sussex 2015 Savings Schedule

## Appendix D

	2011-13	2013-14	2014-15	2015-16	2016-17	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Star Chamber 1 & 2	7,703	111	84			7,898
Star Chamber 3 & 4	11	2,206	1,154			3,371
Star Chamber/Procurement/Allowances				1,000		1,000
Fleet Review	187	261	141			589
Forcewide Projects & Programmes	711	60				771
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	308	250	250	2,546
Winsor (SPP & CRTP)	814	378	359	370		1,921
<b>Spending Wisely</b>	<b>13,943</b>	<b>3,911</b>	<b>2,286</b>	<b>1,620</b>	<b>250</b>	<b>22,010</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		724	428			1,152
<b>Local Policing</b>	<b>9,706</b>	<b>800</b>	<b>462</b>			<b>10,968</b>
Switchboard		200				200
<b>SDIDA</b>		<b>200</b>				<b>200</b>
Joint Command	1,134	1,342	200			2,676
Lead Force - Major Crime						
Lead Force - Operations						
Support Services Collaboration						
Insurance/Procurement/JTS		25	297	61	10	393
<b>Working with Surrey</b>	<b>1,134</b>	<b>1,367</b>	<b>497</b>	<b>61</b>	<b>10</b>	<b>3,069</b>
Finance & Business (Support Services)	769	164	541			1,474
ITD Function & Service Orders	1,670	788	305			2,763
Performance & Strategic Support	350					350
Learning & Development	1,681	411	358			2,450
HR Support Function	987					987
Duties	72	73	-27	27		145
Shared Business Services	412					412
<b>Support Services</b>	<b>5,941</b>	<b>1,436</b>	<b>1,177</b>	<b>27</b>		<b>8,581</b>
PFI Review & Custody Modernisation	687	1,020	285			1,992
Support Services Transformation		126	1,994			2,120
Smarter Systems Programme			1,872			1,872
Quest Resourcing			1,700	47		1,747
Estates & Future Workplace	100	198	564	1,338		2,200
<b>Flagship Projects</b>	<b>787</b>	<b>1,344</b>	<b>6,415</b>	<b>1,385</b>		<b>9,931</b>
<b>Total Savings</b>	<b>31,511</b>	<b>9,058</b>	<b>10,837</b>	<b>3,093</b>	<b>260</b>	<b>54,759</b>
B/F Savings (from previous year)		4,112	3,546	2,551	(8,350)	
<b>Total Savings in Year</b>	<b>31,511</b>	<b>13,170</b>	<b>14,383</b>	<b>5,644</b>	<b>(8,090)</b>	
Target	27,399	9,624	11,832	13,994	15,896	78,745
<b>Funding Gap (Surplus)</b>	<b>(4,112)</b>	<b>(3,546)</b>	<b>(2,551)</b>	<b>8,350</b>	<b>23,986</b>	<b>23,986</b>

**Draft Capital Programme 2013-17**

**Appendix E**

Scheme	2013/14	2014/15	2015/16	Total Programme	2016/17	Total Strategy
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Core Capital Programme</b>						
Telephony	160	40	40	240	40	280
(Healthcheck) Applications	56			56		56
Healthcheck Infrastructure	74			74		74
Networks	707	2,311	338	3,356	100	3,456
Server & Storage	648	224	70	942	20	962
Business Productivity/End User Computing	2,176	2,300	403	4,879	200	5,079
Core Infrastructure	450	659	308	1,417	70	1,487
Application Platforms	11	360	230	601	100	701
Data Warehouse		350	350	700		700
<b>Information Strategy</b>	<b>4,282</b>	<b>6,244</b>	<b>1,739</b>	<b>12,265</b>	<b>530</b>	<b>12,795</b>
Bognor Lockers	160			160		160
<b>Estates Other</b>	<b>160</b>			<b>160</b>		<b>160</b>
Fleet Replacement	2,935	2,582	2,639	8,156	2,675	10,831
In - car recording Devices			250	250		250
Fleet Other	99			99		99
<b>Fleet Strategy</b>	<b>3,034</b>	<b>2,582</b>	<b>2,889</b>	<b>8,505</b>	<b>2,675</b>	<b>11,180</b>
Intranet Content Management	6			6		6
<b>Corporate Communication</b>	<b>6</b>			<b>6</b>		<b>6</b>
Business Objects	2			2		2
<b>Corporate Development</b>	<b>2</b>			<b>2</b>		<b>2</b>
Covert Authorities System Refresh	124	60		184		184
PND (IMPACT)	19			19		19
Digital Recording	61	27		88		88
Confidential Environment (IMPACT)	38	270		308		308
i2 ANPR/iBase	31			31		31
NSPIS CuCP Hardware Refresh						
Medusa HD	78			78		78
Digital interview Recording - Phase 2			150	150		150
<b>Force Crime &amp; Justice Department</b>	<b>351</b>	<b>357</b>	<b>150</b>	<b>858</b>		<b>858</b>
ANPR Strategic Roads Infrastructure	705			705		705
ANPR and Cleartone In car equipment	77			77		77
SSRP Investments	214			214		214
<b>Operations</b>	<b>996</b>			<b>996</b>		<b>996</b>
Command & Control	134	50	50	234	50	284
<b>Communications</b>	<b>134</b>	<b>50</b>	<b>50</b>	<b>234</b>	<b>50</b>	<b>284</b>
E-Expenses	32			32		32
E-invoicing	13			13		13
SBS Business Objects	20	56		76		76
<b>HR Shared Business Services</b>	<b>65</b>	<b>56</b>		<b>121</b>		<b>121</b>
Airport Aviation Equipment	40			40		40
Gatwick MANPAD Vehicles	75			75		75
<b>GATWICK</b>	<b>115</b>			<b>115</b>		<b>115</b>
Port Communications Centre Equipment	60			60		60
<b>Communications</b>	<b>60</b>			<b>60</b>		<b>60</b>
<b>Total Core Capital Programme</b>	<b>9,205</b>	<b>9,289</b>	<b>4,828</b>	<b>23,322</b>	<b>3,255</b>	<b>26,577</b>
<b>Serving Sussex 2015</b>						
Future Workplace Investments						
Smarter Systems Programme	3,812			3,812		3,812
Shared Business Services	250	3,750		4,000		4,000
Mobile Data	1,647			1,647		1,647
Quest Resourcing	1,959	1,032		2,991		2,991
<b>Total Serving Sussex 2015</b>	<b>7,668</b>	<b>4,782</b>		<b>12,450</b>		<b>12,450</b>
<b>Estates Strategy</b>						
Kingstanding Structural Works	450	300	2,000	2,750		2,750
Hammonds Drive - Upgrade	1,000	1,085		2,085		2,085
Eastbourne Grove Road Police Station	20	40		60		60
Future Workplace Areas	80	420		500		500
Unit 6, Industrial Estate, Lewes	100	50		150		150
Custody Centres	400		100	500		500
Lewes HQ Comms building Quest + ext works	30	470		500		500
Shoreham Airport Hangar		150		150		150
Brighton John St PS	50	3,950	4,000	8,000	4,000	12,000
LewesHQ Sports Hall & Training Block	30	2,470	2,500	5,000		5,000
Bognor PS		700		700		700
Hastings PS		700		700		700
Joint Firing Range		1,500		1,500		1,500
Sussex House		1,000		1,000		1,000
Astley House Workshop			2,000	2,000		2,000
Replacement/ Relocate local Police Stations		600	1,050	1,650	600	2,250
Haywards Heath PS					700	700
Chichester PS					700	700
Centenary House Build New and End Lease					2,000	2,000
<b>Total Estates Strategy</b>	<b>2,160</b>	<b>13,435</b>	<b>11,650</b>	<b>27,245</b>	<b>8,000</b>	<b>35,245</b>
<b>Asset Replacement Programme</b>						
Underwater search vehicle			150	150		150
Misc Equipment	62	112		174		174
Gatwick ANPR Camera replacement		198		198		198
Countywide ANPR Replacement		445	130	575		575
PPV		787	494	1,281		1,281
Airwave Handsets		500		500		500
<b>Total Asset Replacement Programme</b>	<b>62</b>	<b>2,042</b>	<b>774</b>	<b>2,878</b>		<b>2,878</b>
<b>Total Investment Programme</b>	<b>19,095</b>	<b>29,548</b>	<b>17,252</b>	<b>65,895</b>	<b>11,255</b>	<b>77,150</b>

## Draft Reserve Balances

## Appendix F

	Investment			Single purpose					Contingency and Risk		General		Operational Reserve
	Capital and Investment Reserve	Capital Receipts	capital grants and contributions unapplied	Asset Seizures	Delegated Budget holder Reserve	Sussex Safer Roads Partnership	PFI	Insurance	Operational Reserve	General Reserve	Total Reserves	General Reserve	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	% NRE	% NRE
<b>Audited Balance at 31 March 2013</b>	<b>40,806</b>	<b>3,336</b>	<b>19</b>	<b>555</b>	<b>6,770</b>	<b>0</b>	<b>12,727</b>	<b>1,365</b>	<b>1,270</b>	<b>12,227</b>	<b>79,075</b>	<b>4.9%</b>	<b>0.5%</b>
<b>2013-14</b>													
Outturn Contributions													
Approved contributions	1,894	5,002									6,896		
Other Estimated Contributions	994			500			148				1,642		
Planned Commitments	(11,958)	(3,360)	(19)	(825)	(2,749)						(18,911)		
Transfers Between Reserves	1,600				(1,572)	1,212			1,180	(2,420)	0		
<b>Estimated balance at 31 March 2014</b>	<b>33,336</b>	<b>4,978</b>	<b>0</b>	<b>230</b>	<b>2,449</b>	<b>1,212</b>	<b>12,875</b>	<b>1,365</b>	<b>2,450</b>	<b>9,807</b>	<b>68,702</b>	<b>4.1%</b>	<b>1.0%</b>
<b>2014-15</b>													
Outturn 13-14 Contributions											0		
Approved contributions	5,000										5,000		
Other Estimated Contributions		4,275					149				0		
Planned Commitments	(16,096)	(9,253)			(450)						4,424		
Transfers Between Reserves	1,099				(1,099)						0		
<b>Estimated balance at 31 March 2015</b>	<b>23,339</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>900</b>	<b>1,212</b>	<b>13,024</b>	<b>1,365</b>	<b>2,450</b>	<b>9,807</b>	<b>52,327</b>	<b>4.1%</b>	<b>1.0%</b>
<b>2015-16</b>													
Approved contributions											0		
Other Estimated Contributions		4,100					151				4,251		
Planned Commitments	(9,392)	(4,100)			(450)						(13,942)		
Transfers Between Reserves	250									(250)	0		
<b>Estimated balance at 31 March 2016</b>	<b>14,197</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>450</b>	<b>1,212</b>	<b>13,175</b>	<b>1,365</b>	<b>2,450</b>	<b>9,557</b>	<b>42,636</b>	<b>4.0%</b>	<b>1.0%</b>
<b>2016-17</b>													
Approved contributions											0		
Other Estimated Contributions		3,450					153				3,603		
Planned Commitments	(4,045)	(3,450)			(450)						(7,945)		
Transfers Between Reserves											0		
<b>Estimated balance at 31 March 2017</b>	<b>10,152</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>1,212</b>	<b>13,328</b>	<b>1,365</b>	<b>2,450</b>	<b>9,557</b>	<b>38,294</b>	<b>4.0%</b>	<b>1.0%</b>