

**Police and Crime Board, 31<sup>st</sup> January 2018 13:00 – 17:00**

**Venue: OPCC Meeting Room**

**Attendees:**

- **PCC**
- **Chief Constable**
- **Deputy Chief Constable**
- **Constabulary CFO**
- **Director of People and Organisation Development**
- **OPCC CEO**
- **OPCC CFO**
- **OPCC Head of Commissioning and Partnerships**
- **OPCC Office and HR Manager**
- **OPCC Strategic Planning and Performance Officer**

To support the carrying out of the PCC's statutory functions including overseeing delivery of the Police and Crime Plan, being the forum for formal decision making by the PCC and otherwise allowing for the PCC to scrutinise the work, performance, key projects and budget of the Constabulary and other partners.

**AGENDA**

**1. Apologies**

**2. Minutes and Actions**

**3. Finance**

- a. Q3 Financial Performance Report
- b. Draft MTFP
- c. General Reserve Risk Assessment Update

**4. Performance against Police and Crime Plan (Focus on Strategic Priority 1 – Protect the Most Vulnerable from Harm and Strategic Priority 2 Strengthen and Improve Local Policing Teams)**

- a. Assurance Report (specific assurance on local priorities and improve crime prevention and reduce reoffending)
- b. Assurance Report (Specific assurance on Domestic Abuse and Persistently Targeted Victims and Repeat Victimisation)
- c. Performance Overview (including discussion about victim satisfaction measures)
- d. Assurance update re disclosure issues in rape cases

**5. Decisions (to be signed at the meeting)**

- 2017/018 – Local Police & Crime Plan (Somerset)
- 2017/019 – Local Police and Crime Plan (North Somerset)

- 2017/026 – Shepton Mallet New Response Base Location
- 2018/001 – SARC
- 2018/002 – Relocation of the Road Safety Unit
- 2018/003 – Tagging

**6. Chief Constable's Update** (any risks or issues that the Chief Constable wishes to raise)

**7. HR**

- a. Quarterly Report
- b. Update from the Diversity and Inclusion Board (from 4<sup>th</sup> Jan 18 Mtg)

**8. Key Organisational Risks and Issues**

**9. Major Projects**

- a. Strategy and Transformation Portfolio Highlight Report
- b. ERP Working Group Tracker

**10. Professional Standards Department**

- a. Quarterly Update
- b. IOPC Independent Investigations Update

**11. Out of Court Disposals**

**12. A.O.B**

- Business Continuity Disaster Recovery

**13. Publication** (agree any items for publication other than the Minutes and Decision Notices)

**Date of the Next Meeting: 7<sup>th</sup> March 2018, 13:00 – 17:00**

<b>MEETING:</b> Police and Crime Board	<b>Date:</b> 31 <sup>st</sup> January 2018	Agenda No
<b>DEPARTMENT:</b> Finance and Business Services	<b>AUTHOR:</b> Cassie Skinner	<b>3a</b>
<b>NAME OF PAPER:</b> 2017/18 Q3 Financial Performance Report		<b>COG Sponsor:</b> Julian Kern

## 1. PURPOSE OF REPORT AND BACKGROUND

The purpose of this report is to provide an update on the revenue budget and capital programme performance against the plan for 17/18. The attached Appendices A and B includes details of the outturn revenue position as at 31<sup>st</sup> December 2017, and Appendices C and D provide more detailed information about overtime spend against budget, Appendix E provides the forecast position for the capital programme. These are then summarised in our dashboard format at Appendix F, alongside other key financial performance information.

## 2. EXECUTIVE SUMMARY

Given the clearer forecasting position that Q3 provides we can, with greater certainty, determine where to focus funding and expenditure in the remaining quarter. With this in mind, the revenue position is **forecasting to be on budget by the end of the financial year**. Naturally, there are variances within departments and categories of expenditure including the following highlights:

- Police officer pay and allowances are forecasting to underspend by £3.6m/2.8%, but officer overtime is forecasting to overspend by £0.5m/10.2% - creating a **combined forecast underspend of £3.2m on police officers**. Police officer pay underspends are predominantly focussed in Patrol (£2.64m/5.3%), Investigations (£1.58m/7.3%), CTFSO (£0.35m/55.0%) and MCIT (£0.1m/4.8%), offset by overspends in Victim & Safety (£0.1m/33.6%), Criminal Justice (£0.2m/4.9%), Intelligence & Tasking (£0.3m/5.8%), and Operations (£0.3m/5.8%). Police Officer overtime overspends are largely falling in Investigations (£0.3m/58.2%), Intelligence & Tasking (£0.1m/61.6%), and Tri-Force (£0.2m/74.8%);
- Staff pay and allowances are forecasting to underspend by £2.0m/2.9%, but staff overtime is forecasting to overspend by £0.33m/31.6% - creating a **combined forecast underspend of £1.7m on staff**. This position assumes a pay award of 1% (as budgeted for) as there has been no confirmed decision here (if it were to be a 2% pay award then the forecast underspend would reduce by c. £340k). Staff pay includes a number of underspending areas, including Detainee Investigation (£0.2m/8.6%), Victim & Safeguarding (£0.1m/2.5%), Criminal Justice (£0.3m/3.0%), Intelligence & Tasking (£0.8m/12.8%), Investigations (£0.1m/4.6%) and Human Resources (£0.25m/8.2%), offset by overspends in Command & Control (£0.2m/1.5%), Business Improvement (£0.1m/3.8%), and Finance & Business Services (£0.1m/3.8%). Police Staff overtime overspends are occurring in Investigations (£0.1m/1,563.7%), Transport (£0.1m/102.0%), and Criminal Justice (£0.1m/48.5%);
- PCSO pay and allowances are forecasting to underspend by £0.46m/4.1% across our Neighbourhood Policing areas;
- Indirect employee expenses are forecasting to overspend by £2.6m, largely reflective of the anticipated need to make provision for redundancy costs at the end of this financial year in light of our planned restructure of enabling services. At present we are assuming a provision of £2.0m will be required, which when combined with redundancy costs incurred in year (£0.6m), is the sole driver for the forecast overspend here;
- Other Supplies and Services costs are forecast to overspend by £1.84m/15.3% which is largely a

consequence of an increase of £1.5m in the insurance provision to recognise the impact of Ogden Rate changes and a legal provision of £600k for historical legal claims against the Force;

- Capital Financing Costs are forecast to overspend by £2.6m, which is wholly reflective of the decision to increase our revenue contribution to capital funding in order to help manage our medium term capital affordability challenges. This has been enabled as a consequence of underspends elsewhere, and has been agreed in discussion between the Constabulary and the PCC;
- Our savings balance forecast shows an over achievement of savings of £0.64m although a number of these are one offs in this year only and will therefore not continue into next years target;
- Income is forecasting to over-achieve budget by £1.3m/5.9%, this is due to a number of areas such as Hinkley Point, Football Matches, Hurricane Irma, Speed Enforcement and additional rental income.

The capital programme is forecasting **£20.0m of expenditure** this financial year, which reflects 62.8% of our plan. This compares to a YTD spend of £11.7m, reflecting further significant capital expenditure expected in the final quarter of the year, particularly in relation to our digital programme. The forecast underspend against our capital programme reflects in some areas uncertainty around the timing of projects, as well as some permanent underspends against projects that have (or are forecast to) reach completion.

### 3. PART ONE – 17/18 REVENUE BUDGET PERFORMANCE

A balanced outturn position is forecast at the end of Q3 of the 17/18 financial year.

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Employee Costs	225,958	164,926	73.0%	223,777	(2,181)	(1.0%)
Non-Employee Costs	68,687	49,428	72.0%	72,830	4,143	6.0%
Savings Target	368	(271)		(271)	(638)	
Income	(22,303)	(17,318)	77.6%	(23,626)	(1,323)	(5.9%)
<b>CONSTABULARY SUB-TOTAL</b>	<b>272,710</b>	<b>196,765</b>	<b>72.2%</b>	<b>272,710</b>	<b>0</b>	<b>0.0%</b>
Miscellaneous & Grants	0	(394)		0	0	
<b>CONSTABULARY TOTAL</b>	<b>272,710</b>	<b>196,371</b>	<b>72.0%</b>	<b>272,710</b>	<b>0</b>	<b>0.0%</b>
OPCC	1,354	893	66.0%	1,354	0	0.0%
Commissioning	3,488	1,397	40.1%	3,488	0	0.0%
<b>TOTAL</b>	<b>277,552</b>	<b>198,660</b>	<b>71.6%</b>	<b>277,552</b>	<b>0</b>	<b>0.0%</b>

The above reflects the subjective position presented, which is supported by more detail provided at Appendix A. The remainder of part one will focus on the management structure presentation of our budget, which is shown in more detail at Appendix B.

### NEIGHBOURHOOD & PARTNERSHIP

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Neighbourhood Policing	26,719	19,665	73.6%	26,272	(447)	(1.7%)
Road Safety	290	252	86.8%	254	(37)	(12.7%)
Offender Management	4,787	3,601	75.2%	4,892	106	2.2%
Victims and Safeguarding	4,127	3,020	73.2%	4,075	(52)	(1.3%)

<b>NEIGHBOURHOOD &amp; PARTNERSHIP</b>	<b>35,923</b>	<b>26,539</b>	<b>73.9%</b>	<b>35,493</b>	<b>(431)</b>	<b>(1.2%)</b>
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During the first three quarters of the year we have consumed 73.9% of Neighbourhood & Partnership budgets. We're forecasting an underspend of £0.4m/1.2% by the end of the financial year. Highlights from this area of the budget include:

- **Neighbourhood Policing** – an underspend of £0.4m/1.7% is forecast. This is largely a consequence of underspends on PCSO pay and allowances (£0.46m/4.1%), partially offset by overspends on transport (£0.07m/103.1%). We have over-achieved on income in relation to Hinkley Point policing, but this is transferred to reserves to reflect the ring-fenced nature of this funding;
- **Offender Management** – an overspend of £0.1m/2.2% is forecast. This is partially due to an additional inspector and an additional Chief Inspector working within IOM for temporary periods and partially due to an overspend on third party payments relating to YOT.

## **RESPONSE**

	<b>Annual Budget £'000</b>	<b>YTD Actual £'000</b>	<b>YTD % Annual Budget</b>	<b>Forecast Outturn £'000</b>	<b>Over/ (Under) £'000</b>	<b>Over/ (Under) %</b>
Command and Control	17,283	12,988	75.1%	17,525	242	1.4%
Patrol	50,650	35,939	71.0%	47,963	(2,687)	(5.3%)
Detainee Investigation Support	6,093	4,327	71.0%	5,767	(326)	(5.4%)
<b>TOTAL RESPONSE</b>	<b>74,026</b>	<b>53,254</b>	<b>71.9%</b>	<b>71,254</b>	<b>(2,772)</b>	<b>(3.7%)</b>

During the first three quarters of the year we have consumed 71.9% of our Response budgets. We're forecasting an underspend of £2.8m/3.7% by the end of the financial year. Highlights from this area of the budget include:

- **Command & Control** – an overspend of £0.2m/1.4% is forecast. This is the net result of a forecast overspend on police staff pay and allowances (£0.2m/1.5%) and indirect employee expenses of £0.1m due to cost of redundancies offset by an underspend on police staff overtime (£0.1m/19.2%);
- **Patrol** – an underspend of £2.7m/5.3% is forecast. This forecast is entirely driven by underspends against officer pay and allowances budgets (£2.6m/5.4%). This reflects a continued forecast of vacancies in this area and significant wastage per the year to date trend;
- **Detainee Investigations** - an underspend of £0.3m/5.4% is forecast. This is purely down to vacancies creating an underspend on officer and staff pay and allowances.

## **OPERATIONAL SUPPORT**

	<b>Annual Budget £'000</b>	<b>YTD Actual £'000</b>	<b>YTD % Annual Budget</b>	<b>Forecast Outturn £'000</b>	<b>Over/ (Under) £'000</b>	<b>Over/ (Under) %</b>
Criminal Justice	11,663	8,740	74.9%	11,398	(265)	(2.3%)
Business Improvement	3,045	2,383	78.3%	3,148	103	3.4%
Operations	7,243	5,354	73.9%	7,331	88	1.2%
Operations Major Incidents	242	204	84.2%	242	0	0.0%
Intelligence and Tasking	12,706	9,060	71.3%	12,282	(424)	(3.3%)
<b>OPERATIONAL SUPPORT</b>	<b>34,898</b>	<b>25,740</b>	<b>73.8%</b>	<b>34,401</b>	<b>(497)</b>	<b>(1.4%)</b>

During the first three quarters of the year we have consumed 73.8% of our Operational Support budgets. We're forecasting an underspend of £0.5m/1.4% by the end of the financial year. Highlights from this area of the budget include:

- **Criminal Justice** – an underspend of £0.27m/2.3% is forecast. This is wholly within the Speed Enforcement Unit which is forecasting to over achieve on income by £0.2m/5.0% despite the over accrual setback in Q1. The rest of Criminal Justice is breaking even however there is a forecast overspend on police pay and allowances of £0.2m/4.9% partly due to unfunded fast-track officers and suspensions within custody. This is offset by forecast underspends within staff pay and allowances of £0.1m/1.7% and within supplies and services of £0.2m/8.8% which relates to a credit of £135k expected for doctors call out fees;
- **Business Improvement** – an overspend of £0.1m/3.4% is forecast. This is entirely due to the overspends on pay, including redundancy cost, reflecting the time taken to implement the new structure of this team following the PBR changes;
- **Operations** – an overspend of £0.09m/1.2% is forecast. This is the net result of an overspend on police officer pay and allowances (£0.3m/5.8%) due to being over established, partnership costs (£0.1m/723.1%) due to mutual aid requirements at the policing of high profile football events and other small overspends transport and subsistence. This is offset by an over achievement of income (£0.3m/14.6.0%) due to football events (inc mutual aid to other forces) and an accrual raised for income due for officers deployed to the British Virgin Islands following Hurricane Irma (£187k);
- **Intelligence & Tasking** – an underspend of £0.4m/3.3% is forecast. This is predominantly the result of an overspend on police officer pay and allowances (£0.3m/5.8%) and police officer overtime (£0.1m/62.2%), offset by a significant underspend on police staff pay and allowances (£0.8m/12.8%) with a net average of 29 FTE vacancies year to date.

## **INVESTIGATIONS**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Investigations	24,177	17,065	70.6%	23,008	(1,168)	(4.8%)
Investigation Major Incidents	758	710	93.7%	783	25	3.3%
<b>INVESTIGATIONS</b>	<b>24,935</b>	<b>17,775</b>	<b>71.3%</b>	<b>23,791</b>	<b>(1,143)</b>	<b>(4.6%)</b>

During the first three quarters of the year we have consumed 71.3% of our Investigation budgets. We're forecasting an underspend of £1.1m/4.6% by the end of the financial year. This is the result of underspends in police officer pay and allowances (£1.6m/7.3%) due to very high vacancies, partly offset with overspends on police officer overtime (£0.3m/58.2%), police staff overtime (£0.1m/1500.0%) and some small overspends on transport.

## **COLLABORATION**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Tri-Force Specialist Operations	11,586	8,508	73.4%	11,420	(166)	(1.4%)
Scientific Investigations	6,584	3,308	50.2%	6,590	7	0.1%
Major Crime Investigations	4,646	3,412	73.4%	4,537	(109)	(2.3%)
South West ROCU	2,331	2,331	100.0%	2,331	0	0.0%
Special Branch	1,014	659	65.0%	951	(63)	(6.3%)
Black Rock	721	313	43.4%	714	(7)	(0.9%)
Counter Terrorism Specialist Firearms	739	621	84.1%	739	0	0.0%
Tri-Force ACC	73	40	54.1%	76	3	3.9%
<b>COLLABORATION</b>	<b>27,694</b>	<b>19,191</b>	<b>69.3%</b>	<b>27,359</b>	<b>(335)</b>	<b>(1.2%)</b>

During the first three quarters of the year we have consumed 69.3% of our Collaboration budgets. We're forecasting an underspend of £0.3m/1.2% by the end of the financial year. Highlights from this area of the budget include:

- **Tri Force Specialist Operations** – an underspend of £0.17m/1.4% is forecast largely due to the staffing being heavily weighted towards A&S officers. We can expect the reimbursement from other forces to be c.£160k more than expected which is driving the underspend;
- **Major Crime Investigation** – an underspend of £0.1m/2.3% is forecast. This is the result of vacancies within the unit;
- **Special Branch** – an underspend of £0.1m/6.3% is forecast. This is a consequence of a reduction in working hours and an increase in student registrations income;
- **Counter Terrorism Specialist Firearms** – the year to date position is skewed due to the Q3 contribution not being received, however if this were included it would show a significant underspend (c.£320k) due to vacancies. The year-end position is on target, as it is assumed that any underspend will be transferred to the capital build and the other forces have agreed to pay the full budgeted contributions.

### **ENABLING SERVICES**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Chief Officers and Staff Office	1,774	1,628	91.8%	2,058	283	16.0%
Southwest One Unitary Charge	9,182	7,294	79.4%	8,973	(209)	(2.3%)
Estates	11,078	8,276	74.7%	11,024	(54)	(0.5%)
Technology Services	8,567	6,585	76.9%	8,304	(263)	(3.1%)
Transport Services	4,519	3,159	69.9%	4,491	(28)	(0.6%)
Professional Standards	1,495	1,121	75.0%	1,515	20	1.3%
Human Resources	3,398	2,057	60.5%	3,101	(297)	(8.8%)
Occupational Health & Safety	758	602	79.4%	845	87	11.5%
Corporate Learning & Development	4,535	3,475	76.6%	4,947	412	9.1%
Staff Associations and Support Groups	631	401	63.5%	560	(72)	(11.4%)
Strategy & Transformation	973	748	76.8%	957	(16)	(1.6%)
Strategy Projects (see below)	2,644	1,362	51.5%	2,224	(420)	(15.9%)
Corporate Information Management	943	647	68.6%	918	(25)	(2.7%)
Corporate Communications	828	581	70.2%	777	(51)	(6.2%)
Legal Services	662	452	68.3%	1,308	646	97.6%
Corporate Services	4,285	2,680	62.5%	4,222	(63)	(1.5%)
Finance and Business Services	3,762	2,936	78.0%	3,738	(24)	(0.6%)
<b>ENABLING SERVICES</b>	<b>60,034</b>	<b>44,004</b>	<b>73.3%</b>	<b>59,960</b>	<b>(74)</b>	<b>(0.1%)</b>

During the first three quarters of the year we have consumed 73.3% of our Enabling Services budgets. We're forecasting an underspend of £0.1m/0.1% by the end of the financial year. Highlights from this area of the budget include:

- **Chief Officers and Staff Office** – an overspend of £0.28m/16.0% is forecast. This overspend relates to staff and officer budgets which includes 2.5 unfunded posts and costs associated with the deployment of officers to the BVI following Hurricane Irma. There is also overspend in non-pay

related, again, to Hurricane Irma and to an overspend on Police Now. It should be noted that costs associated with Hurricane Irma will be recharged and are offset against income accrued within Operations;

- **Technology Services** – an underspend of £0.26m/3.1% is forecast. This is predominantly the result of underspends on communications and computing costs (£0.27m/3.3%);
- **Human Resources** – an underspend of £0.3m/8.8% is forecast. This is due to underspends of £0.25m/8.2% on police staff pay and allowances, and £20k on transport costs;
- **Occupational Health & Safety** – an overspend of £0.09m/11.5% is forecast. This is due to overspends on indirect employee expenses relating to Direct Medical Intervention budget and the £70k savings still to be found that the department is committed to;
- **Corporate Learning and Development** – an overspend of £0.4m/9.1% is forecast. This is largely due to the £307k cost of the X2 Taser upgrades (an approved overspend agreed at December's CMB meeting), however there is also an overspend within officer pay and allowances of £0.16m/6.3% which is offset against an underspend on staff pay and allowances of £0.14m/7.9%. In addition we are overspending on overtime by £24k (75%) due to work being done on weekends for the Specials training;
- **Legal Services** – an overspend of £0.6m/97.6% is forecast. This is due to a forecast uplift to our provision of £600k being made for historic legal claims.

#### **CENTRAL COSTS**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Pensions	9,924	7,954	80.1%	10,454	530	5.3%
Officer & Staff Allowances	2,710	1,560	57.6%	2,426	(283)	(10.5%)
Central Costs (inc unadjusted savings)	1,058	200	18.9%	6,799	5,741	542.6%
Central Savings	438	(271)	(61.8%)	(271)	(708)	(161.8%)
Student Officers	1,071	819	76.5%	1,043	(28)	(2.6%)
<b>CENTRAL COSTS</b>	<b>15,201</b>	<b>10,262</b>	<b>67.5%</b>	<b>20,452</b>	<b>5,251</b>	<b>34.5%</b>

This area of the budget covers a number of different aspects of our costs, including where we make adjustments to reflect the draw down against reserves to temporarily fund spend elsewhere within the budget. The YTD position is impacted by the planned drawdown against reserves which is explained below. The forecast shows an overspend, as explained.

- **Pensions** – an overspend of £0.5m/5.3% is forecast. This is the consequence of the £184k Pension Deficit Lump Sum no longer being paid by SW1 and an overspend of £140k on ill health retirements due to the budgeting for 12 and 14 being expected. The injury pension payments themselves are c.3% more than budget, this has been accounted for in the 18/19 budget setting;
- **Officer and Staff Allowances** – an underspend of £0.3m/10.5% is forecast, made up of underspends against Housing & TRA allowances, standby allowance, staff pay reserve, apprenticeship levy and holiday pay on overtime which would be expected in alignment with the underspends in officer and staff pay;
- **Central Costs** – There is a significant overspend of £5.7m/542.6% forecast. This consists of:
  - £2.0m provision for redundancies as part of the Enabling Services Review;
  - £1.5m increase in insurance provision recognising impact of Ogden factor changes;
  - £2.55m to support Capital Funding 17/18.



- **Central Savings** – when the 17/18 budget was set there was a residual balancing figure which required further savings to be identified and brought forward. This original balance was £1.4m against which we have recognised more than the requirement.

Once all the adjustments have been accounted for the balance for central savings stands at £0.6m over achievement but a lot of these are only one-off this year. The residual underlying saving requirement still stands at £1.3m and this will be rolled forward and addressed through the MTFP.

### **STRATEGY & TRANSFORMATION**

The Constabulary continues to run a number of strategic projects, including joint programmes with partners. The total budget for these programmes, including the cost of the strategic change management team, is £3.6m. The table below provides a summary of budget, actual and forecast position as at the end of Q3:

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Strategy & Transformation	1,188	748	63.0%	957	(231)	(19.4%)
Infrastructure	296	194	65.5%	273	(23)	(7.7%)
Service Design and Development	461	541	117.4%	833	372	80.7%
Digital Programme	1,117	459	41.1%	748	(369)	(33.0%)
Regional Collaboration Programme	554	168	30.3%	370	(185)	(33.4%)
<b>TOTAL</b>	<b>3,616</b>	<b>2,110</b>	<b>58.4%</b>	<b>3,181</b>	<b>(436)</b>	<b>(12.1%)</b>

During the first three quarters of the year we have consumed 58.4% of our Strategic Projects budgets. We are forecasting an underspend of £0.44m/12.1% by the end of the financial year, albeit given the very fluid nature of these programmes this forecast will be subject to further change. Highlights from this area of the budget include:

- Strategy & Transformation – the low spend to date and forecast underspend is due to the number of vacancies which were initially carried whilst this team was established following PBR;
- Service Design and Development – the forecast overspend here largely reflects the costs associated with MFSS transformation project, and include the abortive costs of Hants CC (having determined not to progress with their option), some additional costs associated with supporting data migration activity, and some additional staffing capacity to help with the transformation project;
- Digital Programme – the underspend is partly due to the reduction of costs associated with the DEMS/Niche integration from £190k to £25k;
- Regional Collaborations Programme – our contribution towards the regional programme costs will be transferred quarterly in arrears from the holding codes, this is likely to increase the forecast underspend as they too have high vacancies still to fill across a number of projects.

### **MISCELLANEOUS, GRANTS AND SECONDEES**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Miscellaneous	0	(37)		0	0	
Grants	0	(366)		0	0	
Secondes	0	8		0	0	

These items are reported on separately from our main budget as they represent areas of spend which can otherwise distort the presentation of financial information:

- Grants – this reflects the balance on our specific grants codes. The YTD position reflects receipt of funds yet to be expended or returned across a number of grant budgets. These include EU Protect Grant, NHS offender health grant, CTF SO and Integrated Offender Management related grants. Any residual balances at year-end will either be ring-fenced and carried forward or returned to the grant provider if appropriate.

#### **POLICE & CRIME COMMISSIONER MANAGED BUDGETS**

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
OPCC	1,354	893	66.0%	1,354	0	0.0%
Commissioning	3,488	1,397	40.1%	3,488	0	0.0%
<b>OPCC Total</b>	<b>4,842</b>	<b>2,289</b>	<b>47.3%</b>	<b>4,842</b>	<b>0</b>	<b>0.0%</b>

The OPCC budget is the subject of separate reports by the OPCC Chief Finance Officer.

#### **OVERTIME BUDGETS AND SPEND**

As previously reported overtime budgets have seen significant overspends, with an overspend of £1.87m/49.8% on officer overtime, and £0.88m/93.6% on staff overtime recorded in 16/17. This section of the report will therefore seek to continue to monitor our forecast overtime spend.

	Annual Budget £'000	YTD Actual £'000	YTD % Annual Budget	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
<b>POLICE OFFICER OVERTIME</b>						
Neighbourhood & Partnership	143	88	61.5%	135	(8)	(5.6%)
Response	1,401	850	60.7%	1,425	24	1.7%
Operational Support	1,286	964	75.0%	1,192	(94)	(7.3%)
Investigation	899	783	87.1%	1,202	303	33.7%
Collaboration	348	390	112.1%	598	250	71.8%
Enabling Services	7	44	628.6%	49	42	600.0%
Central Costs	511	281	55.0%	461	(50)	(9.8%)
Misc/Grants/Secondes	88	85	96.6%	108	20	22.7%
<b>Police Officer Overtime TOTAL</b>	<b>4,683</b>	<b>3,485</b>	<b>74.4%</b>	<b>5,170</b>	<b>487</b>	<b>10.4%</b>
<b>POLICE STAFF/PCSO OVERTIME</b>						
Neighbourhood & Partnership	29	54	186.2%	75	46	158.6%
Response	348	183	52.6%	300	(48)	(13.8%)
Operational Support	220	207	94.1%	342	122	55.5%
Investigation	129	194	150.4%	275	146	113.2%
Collaboration	79	60	75.9%	94	15	19.0%
Enabling Services	128	139	108.6%	207	79	61.7%
Central Costs	104	46	44.2%	79	(25)	(24.0%)
Misc/Grants/Secondes	15	58	386.7%	10	(5)	(33.3%)
<b>Police Staff/PCSO Overtime TOTAL</b>	<b>1,052</b>	<b>941</b>	<b>89.4%</b>	<b>1,382</b>	<b>331</b>	<b>31.5%</b>
<b>TOTAL</b>	<b>5,735</b>	<b>4,426</b>	<b>77.2%</b>	<b>6,552</b>	<b>818</b>	<b>12.5%</b>

As the above table demonstrates we are forecasting to overspend by £0.8m/12.5% on overtime budgets, with £0.5m/10.4% forecast as overspend on officer overtime budgets and £0.33m/31.5% overspend on staff overtime budgets.

This trend of overspends is a continuation of the pressures which were highlighted and reported on throughout 2016/17. Although this is a lot lower than last year, budgets were reviewed and changed to reflect budgets for regular activities such as football and Op Cobb with a corresponding income budget for the income that will be received and this has eliminated any known variances and allows us to now focus on areas that are spending above the budget.

- Operational Support – The primary pressure in this area is against police staff budgets where the forecast is an overspend of £0.1m/55.5%. Intelligence & Tasking in the Force Surveillance Team are creating the largest overtime overspends for staff (and officers) overtime. Criminal Justice are overspending on both officer and staff overtime due to Custody and SEU vacancies;
- Investigation – This area is forecasting overspends on both officers overtime (£0.3m/33.7%), and on staff overtime (£0.15m/113%). This is largely due to the number and vacancies and use of zero hour contracts although is a lot lower than this time last year and a reduction of £26k included due to estimated recruitment, however it may also be the case that the underlying level of budget provided here needs to be reviewed. This is flagged as an emerging issue through our MTFP;
- Collaborations – This area is forecasting overspends predominantly on officers overtime (£0.25m/71.7%) which is as a result of vacancies across the collaboration, as well as additional demand linked to heightened threat levels;
- Enabling Services – An overspend is forecast on staff overtime (£0.08m/61.4%) mainly in transport due to staffing issues and an increase in workload due to increased commissioning activity.

The actual spend across the quarter suggests that the issue in relation to overtime is still there, but is now very much a reflection on vacancies in both officers and staff positions across the force. We will continue to monitor and report the spend position closely, and would continue to encourage SLT's to maintain their regular oversight of this issue as well so that where possible we can bring our overtime spend more in line with budgets.

#### 4. PART TWO – 17/18 CAPITAL BUDGET PERFORMANCE

In February 2017 the anticipated new capital plan for 17/18 totalled £22.1m with the addition of carry forwards of capital schemes in progress amounting to £8.0m at the end of 16/17. The capital plan has since been reviewed and schemes have been added, removed or profiled into future years as necessary. Also the budget for the digital mobilisation project has been profiled to match the forecasted expenditure for 17/18 by bring forward the 18/19 budgets into the current year. These adjustments show a revised capital plan for Avon and Somerset of £31.8m for 17/18 (£32.6m including regional projects).

The table below summarises this movement:

2017/18 Capital Plan	17/18 Plan £'000	C/Fwd from 16/17 £'000	TOTAL Plan £'000	Adjustments £'000	TOTAL Revised Plan £'000
Rolling replacement and renewal	6,722	2,412	9,134	(1,231)	7,903
Other Projects	1,523	1,713	3,236	(205)	3,031
Service design and development Prog	625	0	625	1,461	2,086
Digital Prog	7,082	508	7,590	3,463	11,053
Infrastructure Prog	5,931	3,269	9,200	(1,648)	7,552
Regional Prog	250	132	382	(125)	257
<b>TOTAL Avon &amp; Somerset Schemes</b>	<b>22,133</b>	<b>8,034</b>	<b>30,167</b>	<b>1,715</b>	<b>31,882</b>
Memorandum Items	0	989	989	(293)	696
<b>TOTAL</b>	<b>22,133</b>	<b>9,023</b>	<b>31,156</b>	<b>1,422</b>	<b>32,578</b>

**17/18 CAPITAL PROGRAMME OUTTURN**

	TOTAL Plan £'000	YTD Consumption against plan £'000      % of Plan	Forecast Outturn £'000	Over/ (Under) £'000	Over/ (Under) %
Rolling replacement and renewal	7,903	4,328      54.8%	5,527	(2,376)	(30.1%)
Other Projects	3,031	282      9.3%	751	(2,280)	(24.8%)
Service design and development Prog	2,086	0      0.0%	215	(1,871)	(89.7%)
Digital Prog	11,053	5,545      50.2%	10,497	(556)	(5.0%)
Infrastructure Prog	7,552	1,554      20.6%	3,046	(4,506)	(59.7%)
Regional Prog	257	0      0.0%	0	(257)	(100.0%)
<b>TOTAL A&amp;S</b>	<b>31,882</b>	<b>11,709      36.7%</b>	<b>20,036</b>	<b>(11,846)</b>	<b>(37.2%)</b>
Memorandum Items	696	351      50.4%	432	(264)	(37.9%)
<b>TOTAL Plan</b>	<b>32,578</b>	<b>12,060      37.0%</b>	<b>20,468</b>	<b>(12,110)</b>	<b>(37.2%)</b>

At the end of Q3 £12.1m (37.0%) of the capital programme has been spent; further details of which are included within Appendix E. Decisions are still outstanding on a number of projects within the capital plan.

It should be noted that we continue to review and prioritise our plans as we move forward. Therefore the forecast is against current plans, and any amendment to these will further change these forecasts.

**ROLLING REPLACEMENT AND RENEWAL**

By the end of Q3 £4.3m (54.8%) of the plan has been consumed, with a forecast of £5.5m (69.9%) by the end of the financial year. The key highlights from this element of the capital plan are:

- IT Renewal and Replacements – Expenditure to the end of Q3 was £54k. Further spend is expected before the end of the year, with forecast of £160k predicted. This includes some network security costs and ongoing work in relation to our NGD site;
- Estates Rolling Replacement and Renewal – Expenditure to the end of Q3 was £0.25m. Further spend is expected, with a forecast of £0.35m by the end of the year. Forecast expenditure includes replacement boilers (£46k) and electrical systems (£265k) and security systems & fencing (£40k);
- Fleet Replacements – At the end of Q3 £3.3m (71.7%) of the core replacement programme has been spent. It is anticipated that a further £0.6m will be delivered by the end of the financial year to give a total spend of £3.9m in 17/18. Further commitments of £0.4m made during this financial year now have anticipated delivery dates in early 18/19 and the budget for these will be carried forward, leaving an underspend against budget of £0.35m. The contingency budget of £0.25m will be released;
- ANPR – Expenditure on the replacement ANPR equipment to end Q3 was £120k (61.9%) and this budget (£194k) is forecast to be fully spent by the end of the year. In addition the ANPR on the strategic routes is also planned to be fully spent by the end of the financial year (£40k). The works for upgrading the ANPR on the motorways £50k is currently on hold while waiting for decisions with Highways England;
- Tri-Force Equipment – Additional survey and ARV equipment is due to be purchased in this financial year. Expenditure to the end of Q3 was £198k and the forecast for the full year is £214k.

**OTHER PROJECTS**

By end Q3 £0.3m (9.3%) has been consumed, with a forecast of £0.7m/24.8% by the end of the financial year. The key highlights from this element of the capital plan are:

- Voice and Data Communications – This project is due for completion by the end of 17/18. A review has been made of the outstanding commitments and it is anticipated that £0.1m will be required to complete the project, leaving £0.9m as a permanent underspend;
- Site resilience for VOIP – It is not anticipated that any expenditure (of the £0.5m budget) will be incurred in this financial year;
- Project Atlas (Niche) – At the end of Q3 £0.1m has been spent with no further expenditure forecast in this financial year;
- Business Analytics Licences – At the end of Q3 £0.12m has been spent on further licences for our business analytics visualisation software (Qlik) with no further expenditure forecast in this financial year.

**SERVICE REDESIGN AND DEVELOPMENT**

This project is the replacement of the existing ERP solution (SAP) with the MFSS (Multi Force shared service) solution, of which the original anticipated cost in 17/18 was £2.1m. Due to delays the expected cost in this financial year is now £215k with the balance being re-profiled into 18/19.

**DIGITAL PROGRAMME**

The expenditure to the end of Q3 is £5.5m (50.2%), with an anticipated full year forecast of £10.5m (95.0%). The key highlights are as follows:-

- Emergency Services Network – This scheme is part of the national programme to replace the current airwave system. The upgrade to the control room phase 1 (£0.1m) is due for completion during 17/18 and phase 2 is anticipated to be completed in 18/19, in readiness for this scheme to go live in the South West region in 21/22;
- Digital Mobilisation – £5.3m expenditure has been incurred by the end of Q3 on the project, with a forecasted expenditure of £10.1m in 17/18. £2.5m from the budget set aside from 18/19 has been brought forward into 17/18 as the laptops are being purchased earlier than originally anticipated;
- Digital Evidence – at the end of Q3 £0.2m has been spent on the development work for the Digital Evidence management system (Evidence works), with a forecasted expenditure of £0.3m at the end of 17/18, supporting the progression of this project.

**INFRASTRUCTURE AND ASSET PROGRAMME**

The expenditure at end of Q3 is £1.55m (20.6%) and the anticipated forecast to the end of the financial year is £3.0m (40.3%). The key highlights of this programme include:

- Work has commenced on several schemes and is due to complete during 17/18 including:-
  - Wilfred Fuller VC Operational Training Centre – Q3 expenditure £0.66m, and forecast £0.73m by the end of the financial year;
  - Regional Drug and Chemical Labs – Q3 expenditure £0.3m, and forecast £0.4m by the end of the financial year;
  - Fire Service HQ Occupation – Q3 expenditure £0.3m, and forecast £0.32m by the end of the financial year;
  - Cheddar Police Station – Q3 expenditure £0.1m, and forecast £0.24m by the end of the financial year;

- Williton Police station – due for completion in Q4 with a forecasted cost of £0.12m;
- CTSFO Estates Works - £0.45m forecast in Q4 with the remainder being carried forward;
- Several schemes have been awaiting approval before progressing during 17/18. For some it has been assumed that only feasibility costs will be spent by the end of 17/18 and are more likely to be carried forward into the 18/19 capital plan. Schemes now substantially re-profiled into future years include:
  - Taunton Police Station Response – expected to be completed in 18/19;
  - Yeovil Response Hub – expected to be progressed in 18/19 with completion in 19/20;
  - Shepton Mallett Response Hub – minimal fees expected in this financial year, with completion expected in 18/19;
  - Kenneth Steel House Accommodation – £50k expenditure is expected in 17/18 with the remainder of the work expected to be progressed during 18/19 and completed in 19/20.

### **REGIONAL PROGRAMME**

This includes the upgrade to the STORM system (£0.3m). The project is currently on hold, pending agreement across the region on the next steps.

### **MEMORANDUM ITEMS**

The expenditure for the Regional Organised Crime Unit was £0.3m in Q3, with a full year forecast of £0.4m. The purchase of this building is funded through regional funds.

The £0.3m funding received to support the new air support base is going to be returned to NPAS as they are undertaking the work to complete the new base.

## **5. PART THREE – 17/18 FINANCIAL HEALTH INDICATORS**

Details of financial indicators for 17/18 are provided in Appendix F. Highlights include:-

- a) Revenue budget summary: This highlights that during the three quarters of 17/18 we have consumed 72% (£198.6m) of the budget, and forecast a balanced budget with no variance by the end of the year;
- b) Revenue budget over/(under) spends: This shows the breakdown of the budget into its constituent subjective elements, and enables the reader to see at a glance whether that area of the budget is over or underspent during 17/18. As demonstrated by the graph underspends are primarily occurring in officer and staff pay. Overspending is forecast in our other pay budgets, central costs and supplies and services. All of these over and under spends have been explained in the above report;
- c) Overtime Budgets: This shows the position in relation to overtime spend for both police officers and police staff. As is shown here 77.2% of the budget has been consumed by the end of Q3, both officer and staff overtime running ahead of budget and forecasting overspends. As highlighted above this is a continuation of pressures seen last year, and whilst represents an improvement it needs to continue to be closely monitored by SLT's throughout the force;
- d) Capital budget summary: This provides a visualisation of the actual position in relation to the capital programme, as reported above. As demonstrated by this, we consumed 37% of the plan by the end of Q3;
- e) Supplier Payments: This section provides an update on our performance for paying suppliers within 30 days (measured against the receipt of the invoice at our scanning department less 2 days for posting). As is demonstrated here, during the first three quarters of 17/18, we have paid 92.2% of our suppliers within this 30 day timescale;

- f) Borrowing and Investments: Here we provide an update on our total borrowings (£40.2m) compared to the total approvals for borrowing (£58m), as well as the average rate we're paying on our borrowing (3.88%). In addition we also show the amount of cash held on deposit as at 31st Dec 2017 (£52.6m), and the average rate of interest we received on these cash balances during the first three quarters of 17/18 (0.47%).

## 6. EQUALITY ANALYSIS

All business cases in support of change, both with revenue and capital implications are subject to an equality impact assessment. This way we can ensure that those decisions on how we allocate our funding across budgets and plans are cognisant of equality issues.

## 7. SUSTAINABILITY

Sustainability is important in regard to ensuring the organisation is living within both its financial limits (financial sustainability) as well as within its environmental limits through ensuring effective and efficient use of natural resources. In fulfilling the objectives in terms of financial sustainability, the PCC has adopted the set of Key Financial Health Indicators which were originally adopted by the Police Authority and which are reported on within the content of this report. Wider environmental sustainability considerations are also accounted for within the budget and capital programme.

## 8. CONCLUSIONS AND RECOMMENDATIONS

Our revenue headline performance (balanced budget/0.0%) represents a significant shift from that which was forecast at the end of Q2. This reduction in underspend reflects the certainty around emerging underspends and subsequent decisions made on the most suitable use of these funds. The known pressures relating to redundancies, changes in Ogden factor and potential historic legal claims allows us to make reasonable provisions for these costs. Additionally we are able to finance capital projects and reduce the borrowing that we had previously thought we would rely upon to fund our transformation programmes.

The projections around vacancies, which are set to continue into the new financial year, are being used to bring forward recruitment and address the current establishment and wastage issues.

The overtime spend position has shown positive movement, reflecting in part improved budgeting around Operation Cobb, as well as ongoing control being brought about by managers and leaders throughout the Constabulary. An overspend is still forecast here, and this largely reflects current and forecast vacancies. Through discussions with budget holders there are areas of the organisation that are now suggesting that overtime spend at current levels is unlikely to significantly reduce further even if vacancies are filled – and this might therefore require us to make greater consideration of the appropriateness of our overtime budgets into the medium term.

Our capital spend continues to reflect a large number of projects and initiatives underway, however there does appear to be some success in realising permanent underspends against budget which is to be welcomed in the context of our wider capital affordability concerns.

Members of the Police and Crime Board are invited to review and discuss this financial performance report.

ANNEX A - Subjective Structure 2017/18 Revenue Outturn December 2017	YTD Actual				Q3 Forecast Outturn			
	17/18 YTD Actual	17/18 YTD Budget	Over/ (Under)	Over/ (Under)	17/18 Projected Outturn	17/18 Annual Budget	Over/ (Under)	Over/ (Under)
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Police Officer pay and allowances	96,276	98,461	(2,185)	(2.2%)	127,996	131,630	(3,634)	(2.8%)
Police Officer Overtime	3,400	3,247	153	4.7%	5,061	4,595	466	10.2%
Police Staff pay and allowances	48,834	51,105	(2,271)	(4.4%)	67,167	69,163	(1,996)	(2.9%)
Police Staff Overtime	871	706	165	23.4%	1,361	1,034	327	31.6%
PCSO pay and allowances	7,892	8,292	(400)	(4.8%)	10,587	11,043	(456)	(4.1%)
PCSO Overtime	11	3	8	235.2%	13	4	8	193.5%
Indirect Employee Expenses	1,506	853	653	76.6%	3,867	1,235	2,632	213.1%
Pensions	6,136	5,952	184	3.1%	7,725	7,253	471	6.5%
<b>EMPLOYEE COSTS</b>	<b>164,926</b>	<b>168,618</b>	<b>(3,692)</b>	<b>(2.2%)</b>	<b>223,777</b>	<b>225,958</b>	<b>(2,181)</b>	<b>(1.0%)</b>
<b>PREMISES COSTS</b>	<b>8,861</b>	<b>9,495</b>	<b>(634)</b>	<b>(6.7%)</b>	<b>11,652</b>	<b>11,890</b>	<b>(237)</b>	<b>(2.0%)</b>
<b>TRANSPORT COSTS</b>	<b>3,326</b>	<b>3,621</b>	<b>(294)</b>	<b>(8.1%)</b>	<b>4,791</b>	<b>4,934</b>	<b>(143)</b>	<b>(2.9%)</b>
<b>S&amp;S - COMMUNICATIONS AND COMPUTING COSTS</b>	<b>7,651</b>	<b>7,839</b>	<b>(188)</b>	<b>(2.4%)</b>	<b>9,888</b>	<b>10,180</b>	<b>(292)</b>	<b>(2.9%)</b>
<b>S&amp;S - FORENSICS COSTS</b>	<b>7</b>	<b>53</b>	<b>(46)</b>	<b>(86.3%)</b>	<b>53</b>	<b>62</b>	<b>(9)</b>	<b>(14.7%)</b>
<b>S&amp;S - OTHER COSTS</b>	<b>7,823</b>	<b>8,718</b>	<b>(895)</b>	<b>(10.3%)</b>	<b>13,827</b>	<b>11,988</b>	<b>1,839</b>	<b>15.3%</b>
<b>PARTNERSHIP COSTS (3RD PARTY PAYMENTS)</b>	<b>14,640</b>	<b>14,874</b>	<b>(234)</b>	<b>(1.6%)</b>	<b>20,604</b>	<b>20,779</b>	<b>(176)</b>	<b>(0.8%)</b>
<b>TRANSFERS TO/(FROM) RESERVES</b>	<b>(1,906)</b>	<b>(2,326)</b>	<b>420</b>	<b>18.0%</b>	<b>(1,734)</b>	<b>(2,289)</b>	<b>556</b>	<b>24.3%</b>
<b>CAPITAL FINANCING COSTS</b>	<b>9,025</b>	<b>8,974</b>	<b>52</b>	<b>0.6%</b>	<b>13,748</b>	<b>11,143</b>	<b>2,606</b>	<b>23.4%</b>
<b>OUTSTANDING SAVINGS TARGET</b>	<b>(271)</b>	<b>368</b>	<b>(638)</b>	<b>173.6%</b>	<b>(271)</b>	<b>368</b>	<b>(638)</b>	<b>173.6%</b>
<b>TOTAL CONSTABULARY EXPENDITURE</b>	<b>214,083</b>	<b>220,233</b>	<b>(6,150)</b>	<b>(2.8%)</b>	<b>296,336</b>	<b>295,013</b>	<b>1,323</b>	<b>0.4%</b>
INCOME - SPECIAL GRANTS	0	0	0	0.0%	0	0	0	0.0%
INCOME - OTHER	(17,318)	(16,231)	(1,087)	6.7%	(23,626)	(22,303)	(1,323)	(5.9%)
<b>TOTAL CONSTABULARY INCOME</b>	<b>(17,318)</b>	<b>(16,231)</b>	<b>(1,087)</b>	<b>6.7%</b>	<b>(23,626)</b>	<b>(22,303)</b>	<b>(1,323)</b>	<b>(5.9%)</b>
<b>TOTAL CONSTABULARY (exc Misc/Grants/Secondees)</b>	<b>196,765</b>	<b>204,002</b>	<b>(7,237)</b>	<b>(3.5%)</b>	<b>272,710</b>	<b>272,710</b>	<b>(0)</b>	<b>(0.0%)</b>
MISCELLANEOUS	(37)	0	(37)	0.0%	0	0	0	
GRANTS	(366)	131	(497)	0.0%	0	0	0	
SECONDEES	8	0	8	0.0%	(0)	0	(0)	
<b>TOTAL CONSTABULARY</b>	<b>196,371</b>	<b>204,133</b>	<b>(7,762)</b>	<b>(3.8%)</b>	<b>272,710</b>	<b>272,710</b>	<b>(0)</b>	<b>(0.0%)</b>
OFFICE OF THE POLICE AND CRIME COMMISSIONER	893	1,001	(109)	(10.8%)	1,354	1,354	(0)	(0.0%)
COMMISSIONING COSTS	1,397	2,619	(1,223)	(46.7%)	3,488	3,488	0	0.0%
<b>TOTAL OPCC AND COMMISSIONING</b>	<b>2,289</b>	<b>3,620</b>	<b>(1,331)</b>	<b>(36.8%)</b>	<b>4,842</b>	<b>4,842</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL REVENUE EXPENDITURE</b>	<b>198,660</b>	<b>207,753</b>	<b>(9,094)</b>	<b>(4.4%)</b>	<b>277,552</b>	<b>277,552</b>	<b>(0)</b>	<b>(0.0%)</b>



ANNEX B - Mgt Structure 2017/18 Revenue Outturn December 2017	YTD Actual				Q3 Forecast Outturn			
	17/18 YTD Actual	17/18 YTD Budget	Over/ (Under)	Over/ (Under)	17/18 Projected Outturn	17/18 Annual Budget	Over/ (Under)	Over/ (Under)
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Neighbourhood Policing	19,665	20,025	(359)	(1.8%)	26,272	26,719	(447)	(1.7%)
Road Safety	252	266	(14)	(5.1%)	254	290	(37)	(12.7%)
Offender Management	3,601	3,611	(10)	(0.3%)	4,892	4,787	106	2.2%
Victims and Safeguarding	3,020	3,133	(113)	(3.6%)	4,075	4,127	(52)	(1.3%)
<b>NEIGHBOURHOOD &amp; PARTNERSHIP</b>	<b>26,539</b>	<b>27,035</b>	<b>(496)</b>	<b>(1.8%)</b>	<b>35,493</b>	<b>35,923</b>	<b>(431)</b>	<b>(1.2%)</b>
Command and Control	12,988	12,924	64	0.5%	17,525	17,283	242	1.4%
Patrol	35,939	37,638	(1,699)	(4.5%)	47,963	50,650	(2,687)	(5.3%)
Detainee Investigation Support	4,327	4,550	(223)	(4.9%)	5,767	6,093	(326)	(5.4%)
<b>RESPONSE</b>	<b>53,254</b>	<b>55,113</b>	<b>(1,858)</b>	<b>(3.4%)</b>	<b>71,254</b>	<b>74,026</b>	<b>(2,772)</b>	<b>(3.7%)</b>
Criminal Justice	8,740	8,677	63	0.7%	11,398	11,663	(265)	(2.3%)
Business Improvement	2,383	2,260	123	5.5%	3,148	3,045	103	3.4%
Operations	5,354	5,984	(630)	(10.5%)	7,331	7,243	88	1.2%
Operations Major Incidents	204	238	(34)	(14.4%)	242	242	(0)	(0.0%)
Intelligence and Tasking	9,060	9,491	(431)	(4.5%)	12,282	12,706	(424)	(3.3%)
<b>OPERATIONAL SUPPORT</b>	<b>25,740</b>	<b>26,650</b>	<b>(910)</b>	<b>(3.4%)</b>	<b>34,401</b>	<b>34,898</b>	<b>(497)</b>	<b>(1.4%)</b>
Investigation	17,065	18,130	(1,065)	(5.9%)	23,008	24,177	(1,168)	(4.8%)
Investigation Major Incidents	710	739	(29)	(3.9%)	783	758	25	3.3%
<b>INVESTIGATION</b>	<b>17,775</b>	<b>18,869</b>	<b>(1,093)</b>	<b>(5.8%)</b>	<b>23,791</b>	<b>24,935</b>	<b>(1,143)</b>	<b>(4.6%)</b>
Triforce Specialist Operations	8,508	8,631	(123)	(1.4%)	11,420	11,586	(166)	(1.4%)
Scientific Investigations	3,308	3,295	12	0.4%	6,590	6,584	7	0.1%
Major Crime Investigations	3,412	3,528	(116)	(3.3%)	4,537	4,646	(109)	(2.3%)
South West ROCU	2,331	2,331	0	0.0%	2,331	2,331	0	0.0%
Special Branch	659	730	(71)	(9.8%)	951	1,014	(63)	(6.3%)
Black Rock	313	360	(48)	(13.2%)	714	721	(7)	(0.9%)
Counter Terrorism Specialist Firearms	621	470	151	32.0%	739	739	0	0.0%
Tri Force ACC	40	42	(2)	(5.5%)	76	73	3	3.9%
<b>COLLABORATION</b>	<b>19,191</b>	<b>19,389</b>	<b>(198)</b>	<b>(1.0%)</b>	<b>27,359</b>	<b>27,694</b>	<b>(335)</b>	<b>(1.2%)</b>
Chief Officers and Staff Office	1,628	1,321	307	23.3%	2,058	1,774	283	16.0%
Southwest One Unitary Charge	7,294	7,526	(231)	(3.1%)	8,973	9,182	(209)	(2.3%)
Estates	8,276	8,886	(610)	(6.9%)	11,024	11,078	(54)	(0.5%)
Technology Services	6,585	6,783	(198)	(2.9%)	8,304	8,567	(263)	(3.1%)
Transport Services	3,159	3,416	(257)	(7.5%)	4,491	4,519	(28)	(0.6%)
Professional Standards	1,121	1,119	2	0.2%	1,515	1,495	20	1.3%
Human Resources	2,057	2,313	(256)	(11.1%)	3,101	3,398	(297)	(8.8%)
Occupational Health & Safety	602	548	53	9.7%	845	758	87	11.5%
Corporate Learning & Development	3,475	3,422	54	1.6%	4,947	4,535	412	9.1%
Staff Associations and Support Groups	401	476	(75)	(15.7%)	560	631	(72)	(11.4%)
Strategy & Transformation	748	729	19	2.6%	957	973	(16)	(1.6%)
Strategic Projects	1,362	1,593	(231)	(14.5%)	2,224	2,644	(420)	(15.9%)
Corporate Information Management	647	707	(60)	(8.5%)	918	943	(25)	(2.7%)
Corporate Communications	581	621	(40)	(6.5%)	777	828	(51)	(6.2%)
Legal Services	452	460	(8)	(1.7%)	1,308	662	646	97.6%
Corporate Services	2,680	2,874	(194)	(6.8%)	4,222	4,285	(63)	(1.5%)
Finance and Business Services	2,936	2,747	189	6.9%	3,738	3,762	(24)	(0.6%)
<b>ENABLING SERVICES</b>	<b>44,004</b>	<b>45,540</b>	<b>(1,537)</b>	<b>(3.4%)</b>	<b>59,960</b>	<b>60,034</b>	<b>(74)</b>	<b>(0.1%)</b>
Pensions	7,954	7,818	136	1.7%	10,454	9,924	530	5.3%
Officer & Staff Allowances	1,560	1,751	(191)	(10.9%)	2,426	2,710	(283)	(10.5%)
Central Costs (inc unadjusted savings)	200	557	(357)	(64.2%)	6,799	1,058	5,741	542.6%
Central Savings	(271)	438	(708)	(161.8%)	(271)	438	(708)	(161.8%)
Student Officers	819	843	(24)	(2.9%)	1,043	1,071	(28)	(2.6%)
<b>CENTRAL COSTS</b>	<b>10,262</b>	<b>11,407</b>	<b>(1,145)</b>	<b>(10.0%)</b>	<b>20,452</b>	<b>15,201</b>	<b>5,251</b>	<b>34.5%</b>
<b>TOTAL CONSTABULARY (exc Misc/Grants/Secondees)</b>	<b>196,765</b>	<b>204,002</b>	<b>(7,237)</b>	<b>(0)</b>	<b>272,710</b>	<b>272,710</b>	<b>(0)</b>	<b>0</b>
MISCELLANEOUS	(37)	0	(37)		0	0	0	
GRANTS	(366)	131	(497)		0	0	0	
SECONDEES	8	0	8		(0)	0	(0)	
<b>TOTAL CONSTABULARY</b>	<b>196,371</b>	<b>204,133</b>	<b>(7,762)</b>	<b>(3.8%)</b>	<b>272,710</b>	<b>272,710</b>	<b>(0)</b>	<b>(0.0%)</b>
OFFICE OF THE POLICE AND CRIME COMMISSIONER	893	1,001	(109)	(10.8%)	1,354	1,354	(0)	(0.0%)
COMMISSIONING COSTS	1,397	2,619	(1,223)	(46.7%)	3,488	3,488	0	0.0%
<b>TOTAL OPCC AND COMMISSIONING</b>	<b>2,289</b>	<b>3,620</b>	<b>(1,331)</b>	<b>(36.8%)</b>	<b>4,842</b>	<b>4,842</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL REVENUE EXPENDITURE</b>	<b>198,660</b>	<b>207,753</b>	<b>(9,094)</b>	<b>(4.4%)</b>	<b>277,552</b>	<b>277,552</b>	<b>(0)</b>	<b>(0.0%)</b>

APPENDIX C Officer Overtime December 2017 - QUARTER 3	Year To Date				Forecast Outturn			
	17/18 TOTAL Actual	17/18 YTD Budget	Over/ (Under)	Over/ (Under)	17/18 Projected Outturn	17/18 Annual Budget	Over/ (Under)	Over/ (Under)
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Neighbourhood Policing	64	65	(1)	(1.8%)	100	104	(4)	(4.3%)
Road Safety	0	0	0	0.0%	0	0	0	0.0%
Offender Management	17	23	(6)	(25.6%)	25	34	(9)	(27.5%)
Victims and Safeguarding	7	3	4	130.5%	11	5	6	119.4%
<b>NEIGHBOURHOOD &amp; PARTNERSHIP</b>	<b>88</b>	<b>91</b>	<b>(3)</b>	<b>(3.1%)</b>	<b>135</b>	<b>143</b>	<b>(8)</b>	<b>(5.7%)</b>
Command and Control	3	3	(1)	(24.0%)	3	5	(2)	(44.7%)
Patrol	809	787	21	2.7%	1,356	1,330	26	1.9%
Detainee Investigation Support	39	39	(0)	(1.3%)	66	66	(0)	(0.2%)
<b>RESPONSE</b>	<b>850</b>	<b>830</b>	<b>20</b>	<b>2.4%</b>	<b>1,425</b>	<b>1,401</b>	<b>24</b>	<b>1.7%</b>
Criminal Justice	94	71	23	33.1%	152	118	34	28.4%
Business Improvement	1	4	(3)	(69.3%)	2	6	(4)	(69.4%)
Operations	614	817	(204)	(24.9%)	763	942	(179)	(19.0%)
Operations Major Incidents	160	129	31	23.9%	129	129	0	0.0%
Intelligence and Tasking	95	57	38	67.0%	146	90	56	61.6%
<b>OPERATIONAL SUPPORT</b>	<b>964</b>	<b>1,078</b>	<b>(114)</b>	<b>(10.6%)</b>	<b>1,192</b>	<b>1,286</b>	<b>(94)</b>	<b>(7.3%)</b>
Investigation	502	311	191	61.5%	784	495	288	58.2%
Investigation Major Incidents	281	403	(121)	(30.1%)	419	404	15	3.7%
<b>INVESTIGATION</b>	<b>783</b>	<b>713</b>	<b>70</b>	<b>9.8%</b>	<b>1,202</b>	<b>899</b>	<b>303</b>	<b>33.7%</b>
Triforce Specialist Operations	349	190	158	83.1%	537	307	230	74.8%
Scientific Investigations	0	0	0	0.0%	0	0	0	0.0%
Major Crime Investigations	21	12	9	72.8%	35	21	14	70.4%
South West ROCU	0	0	0	0.0%	0	0	0	0.0%
Special Branch	11	7	4	51.2%	16	11	5	40.7%
Black Rock	0	0	0	0.0%	0	0	0	0.0%
Counter Terrorism Specialist Firearms	9	6	3	47.7%	11	10	1	11.8%
<b>COLLABORATION</b>	<b>390</b>	<b>216</b>	<b>174</b>	<b>80.5%</b>	<b>598</b>	<b>348</b>	<b>250</b>	<b>71.7%</b>
Chief Officers and Staff Office	34	0	34	0.0%	34	0	34	100.0%
Southwest One Unitary Charge	0	0	0	0.0%	0	0	0	0.0%
Estates	0	0	0	0.0%	0	0	0	0.0%
Technology Services	0	0	0	0.0%	0	0	0	0.0%
Transport Services	0	0	0	0.0%	0	0	0	0.0%
Professional Standards	3	1	2	140.9%	4	2	3	140.8%
Human Resources	0	0	0	0.0%	0	0	0	0.0%
Occupational Health & Safety	0	0	0	0.0%	0	0	0	0.0%
Corporate Learning & Development	7	3	4	102.1%	11	5	5	102.1%
Staff Associations and Support Groups	0	0	(0)	(100.0%)	0	0	(0)	(100.0%)
Strategy & Transformation	0	0	0	0.0%	0	0	0	0.0%
Strategic Projects	0	0	0	0.0%	0	0	0	0.0%
Corporate Information Management	0	0	0	0.0%	0	0	0	0.0%
Corporate Communications	0	0	0	0.0%	0	0	0	0.0%
Legal Services	0	0	0	0.0%	0	0	0	0.0%
Corporate Services	0	0	0	0.0%	0	0	0	0.0%
Finance and Business Services	0	0	0	0.0%	0	0	0	0.0%
<b>ENABLING SERVICES</b>	<b>44</b>	<b>5</b>	<b>39</b>	<b>801.6%</b>	<b>49</b>	<b>7</b>	<b>42</b>	<b>568.5%</b>
Pensions	0	0	0	0.0%	0	0	0	0.0%
Officer & Staff Allowances	181	197	(16)	(8.0%)	361	394	(33)	(8.4%)
Central Costs (inc unadjusted savings)	99	117	(18)	(15.0%)	100	117	(17)	(14.6%)
Student Officers	1	0	1	100.0%	1	0	1	100.0%
<b>CENTRAL COSTS</b>	<b>281</b>	<b>314</b>	<b>(33)</b>	<b>(10.4%)</b>	<b>461</b>	<b>511</b>	<b>(49)</b>	<b>(9.7%)</b>
<b>TOTAL CONSTABULARY (exc Misc/Grants/Secondees)</b>	<b>3,400</b>	<b>3,247</b>	<b>153</b>	<b>4.7%</b>	<b>5,061</b>	<b>4,595</b>	<b>466</b>	<b>10.2%</b>
MISCELLANEOUS	4	0	4	0.0%	0	0	0	0.0%
GRANTS	46	42	4	9.2%	61	61	0	0.0%
SECONDEES	35	22	14	64.2%	47	27	20	75.9%
<b>TOTAL CONSTABULARY</b>	<b>3,485</b>	<b>3,310</b>	<b>175</b>	<b>5.3%</b>	<b>5,170</b>	<b>4,683</b>	<b>487</b>	<b>10.4%</b>
OFFICE OF THE POLICE AND CRIME COMMISSIONER	0	0	0	0.0%	0	0	0	0.0%
COMMISSIONING COSTS	0	0	0	0.0%	0	0	0	0.0%
<b>TOTAL OPCC AND COMMISSIONING</b>	<b>3,485</b>	<b>3,310</b>	<b>175</b>	<b>5.3%</b>	<b>5,170</b>	<b>4,683</b>	<b>487</b>	<b>10.4%</b>

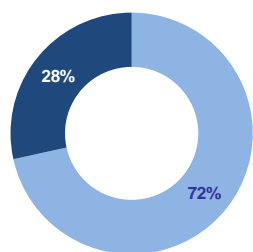
APPENDIX D Staff Overtime December 2017 - QUARTER 3	Year To Date				Forecast Outturn			
	17/18 TOTAL Actual	17/18 YTD Budget	Over/ (Under)	Over/ (Under)	17/18 Projected Outturn	17/18 Annual Budget	Over/ (Under)	Over/ (Under)
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Neighbourhood Policing	7	7	0	5.7%	10	10	0	4.1%
Road Safety	2	0	2	0.0%	2	0	2	100.0%
Offender Management	21	1	19	1,372.3%	31	2	29	1,358.8%
Victims and Safeguarding	24	11	13	115.3%	32	17	15	87.0%
<b>NEIGHBOURHOOD &amp; PARTNERSHIP</b>	<b>54</b>	<b>19</b>	<b>34</b>	<b>178.4%</b>	<b>75</b>	<b>29</b>	<b>46</b>	<b>156.5%</b>
Command and Control	166	208	(42)	(20.2%)	272	333	(61)	(18.2%)
Patrol	1	0	1	0.0%	1	0	1	100.0%
Detainee Investigation Support	16	10	6	64.1%	27	15	12	79.9%
<b>RESPONSE</b>	<b>183</b>	<b>218</b>	<b>(35)</b>	<b>(16.1%)</b>	<b>300</b>	<b>348</b>	<b>(48)</b>	<b>(13.8%)</b>
Criminal Justice	115	76	40	52.6%	176	119	58	48.5%
Business Improvement	5	5	1	16.3%	8	6	2	0.0%
Operations	17	6	11	180.4%	25	8	17	207.6%
Operations Major Incidents	8	38	(31)	(79.7%)	38	38	0	0.0%
Intelligence and Tasking	61	30	31	100.7%	95	49	46	93.9%
<b>OPERATIONAL SUPPORT</b>	<b>207</b>	<b>155</b>	<b>52</b>	<b>33.2%</b>	<b>342</b>	<b>220</b>	<b>122</b>	<b>55.3%</b>
Investigation	97	6	91	1,567.6%	145	9	136	1,563.7%
Investigation Major Incidents	97	120	(23)	(19.2%)	131	121	10	8.3%
<b>INVESTIGATION</b>	<b>194</b>	<b>126</b>	<b>68</b>	<b>54.0%</b>	<b>275</b>	<b>129</b>	<b>146</b>	<b>113.0%</b>
Triforce Specialist Operations	1	1	(0)	(40.8%)	1	1	0	0.0%
Scientific Investigations	40	30	10	33.1%	64	60	4	6.2%
Major Crime Investigations	18	10	8	74.9%	29	17	12	68.3%
South West ROCU	0	0	0	0.0%	0	0	0	100.0%
Special Branch	0	0	(0)	(13.5%)	0	1	0	0.0%
Black Rock	0	0	0	0.0%	0	0	0	0.0%
Counter Terrorism Specialist Firearms	1	0	1	0.0%	1	0	1	100.0%
<b>SPECIALIST OPERATIONS</b>	<b>60</b>	<b>42</b>	<b>18</b>	<b>0.0%</b>	<b>94</b>	<b>79</b>	<b>15</b>	<b>16.2%</b>
Chief Officers and Staff Office	4	17	(13)	(75.8%)	6	23	(17)	(72.9%)
Southwest One Unitary Charge	0	0	0	0.0%	0	0	0	0.0%
Estates	0	0	0	0.0%	0	0	0	0.0%
Technology Services	0	0	0	0.0%	0	0	0	0.0%
Transport Services	67	33	34	104.1%	100	49	50	102.8%
Professional Standards	0	1	(1)	(98.9%)	0	1	(1)	(100.0%)
Human Resources	6	3	3	88.1%	8	4	4	87.8%
Occupational Health & Safety	0	0	0	0.0%	0	0	0	0.0%
Corporate Learning & Development	14	2	12	592.1%	21	3	18	591.8%
Staff Associations and Support Groups	0	0	0	0.0%	0	0	0	0.0%
Strategy & Transformation	2	0	2	0.0%	2	0	2	100.0%
Strategic Projects	1	0	1	0.0%	1	0	1	100.0%
Corporate Information Management	1	1	(1)	(50.6%)	1	2	(1)	(50.7%)
Corporate Communications	16	14	2	15.3%	24	21	3	15.2%
Legal Services	0	0	0	0.0%	0	0	0	0.0%
Corporate Services	25	14	11	80.7%	38	23	16	68.8%
Finance and Business Services	4	2	2	89.8%	6	3	3	95.9%
<b>ENABLING SERVICES</b>	<b>139</b>	<b>86</b>	<b>53</b>	<b>61.1%</b>	<b>207</b>	<b>128</b>	<b>79</b>	<b>61.4%</b>
Pensions	0	0	0	0.0%	0	0	0	0.0%
Officer & Staff Allowances	33	41	(8)	(20.0%)	66	83	(17)	(20.0%)
Central Costs (inc unadjusted savings)	13	21	(8)	(37.9%)	13	21	(8)	(37.9%)
Student Officers	0	0	0	0.0%	0	0	0	0.0%
<b>CENTRAL COSTS</b>	<b>46</b>	<b>63</b>	<b>(16)</b>	<b>(26.1%)</b>	<b>79</b>	<b>104</b>	<b>(25)</b>	<b>(23.7%)</b>
<b>TOTAL CONSTABULARY (exc Misc/Grants/Secondees)</b>	<b>882</b>	<b>709</b>	<b>173</b>	<b>24.4%</b>	<b>1,373</b>	<b>1,038</b>	<b>335</b>	<b>32.3%</b>
MISCELLANEOUS	1	0	1	0.0%	0	0	0	0.0%
GRANTS	23	4	19	521.2%	6	6	0	0.0%
SECONDEES	35	1	34	3,777.9%	2	1	1	105.8%
<b>TOTAL CONSTABULARY</b>	<b>940</b>	<b>713</b>	<b>227</b>	<b>0.0%</b>	<b>1,380</b>	<b>1,044</b>	<b>336</b>	<b>0.0%</b>
OFFICE OF THE POLICE AND CRIME COMMISSIONER	1	5	(4)	(89.7%)	2	8	(5)	(73.3%)
COMMISSIONING COSTS	1	0	1	0.0%	0	0	0	0.0%
<b>TOTAL OPCC AND COMMISSIONING</b>	<b>941</b>	<b>718</b>	<b>223</b>	<b>31.1%</b>	<b>1,382</b>	<b>1,052</b>	<b>331</b>	<b>31.4%</b>

Appendix E Capital Programme Dec 2017 - Q3 17/18	TOTAL BUDGET	YTD		FORECAST	
	2017/18 £000	Q3 YTD Actual £'000	% Total Budget	Year-End Forecast £'000	Over/(Under) £'000
<b>ROLLING REPLACEMENT and RENEWAL - Excluding Change Portfolio</b>					
Information and Communication Systems	1,150	54	4.7%	160	(990)
Estates	400	251	62.8%	351	(49)
Fleet	5,699	3,690	64.7%	4,483	(1,216)
Plant, Machinery and Equipment	654	333	50.9%	533	(121)
<b>ROLLING REPLACEMENT and RENEWAL TOTAL</b>	<b>7,903</b>	<b>4,328</b>	<b>54.8%</b>	<b>5,527</b>	<b>(2,376)</b>
<b>OTHER PROJECTS</b>					
PROJECTS - Corporate Systems	616	229	37.2%	229	(387)
PROJECTS - Mobile and Fixed Line Telephony/Data	1,700	46	2.7%	121	(1,579)
PROJECTS - Others	357	8	2.2%	352	(5)
<b>INFORMATION AND COMMUNICATIONS SYSTEMS TOTAL</b>	<b>2,673</b>	<b>283</b>	<b>10.6%</b>	<b>702</b>	<b>(1,971)</b>
<b>ESTATES TOTAL</b>	<b>358</b>	<b>-1</b>	<b>-0.3%</b>	<b>49</b>	<b>(309)</b>
<b>OTHER PROJECTS TOTAL</b>	<b>3,031</b>	<b>282</b>	<b>0</b>	<b>751</b>	<b>(2,280)</b>
<b>CHANGE PORTFOLIO PROGRAMME</b>					
PROJECTS - Corporate Systems	2,086	0	0.0%	215	(1,871)
<b>SERVICE REDESIGN and DEVELOPMENT PROGRAMME TOTAL</b>	<b>2,086</b>	<b>0</b>	<b>0.0%</b>	<b>215</b>	<b>(1,871)</b>
PROJECTS - National Systems	320	110	34.4%	115	(205)
PROJECTS - Digital Mobilisation	9,671	5,256	54.3%	10,060	389
PROJECTS - Digital Evidencing (DEMS)	994	179	18.0%	321	(673)
PROJECTS - Other	68	0	0	1	(67)
<b>DIGITAL PROGRAMME TOTAL</b>	<b>11,053</b>	<b>5,545</b>	<b>50.2%</b>	<b>10,497</b>	<b>(556)</b>
PROJECTS - HQ Site refurbishment and projects (including Central Store)	2,767	1,320	47.7%	2,107	(660)
PROJECTS - Estate rationalisation programme	4,754	189	4.0%	894	(3,860)
Feasibility costs	31	45	145.2%	45	14
<b>INFRASTRUCTURE and ASSETS PROGRAMME TOTAL</b>	<b>7,552</b>	<b>1,554</b>	<b>20.6%</b>	<b>3,046</b>	<b>(4,506)</b>
<b>REGIONAL PROGRAMME TOTAL</b>	<b>257</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>(257)</b>
<b>CHANGE PORTFOLIO PROGRAMME TOTAL</b>	<b>20,948</b>	<b>7,099</b>	<b>33.9%</b>	<b>13,758</b>	<b>(7,190)</b>
<b>CAPITAL PROGRAMME TOTAL</b>	<b>31,882</b>	<b>11,709</b>	<b>36.7%</b>	<b>20,036</b>	<b>(11,846)</b>
<b>MEMORANDUM - AIRCRAFT (EXCLUDED FROM ABOVE AS HELD ON BEHALF OF NPAS)</b>					
Funding received in 2012/13 which is ring-fenced for capital/revenue costs associated with securing a permanent base for the National Police Air Service helicopter within our region. This is excluded from the above as it is funding we're holding on behalf of the national organisation.	5	6	120.0%	6	1
<b>MEMORANDUM - REGIONAL ORGANISED CRIME UNIT (EXCLUDED AS HELD ON BEHALF OF HOME OFFICE)</b>					
This is excluded from above as funding to be received from the regional organised crime unit.	691	345	49.9%	426	(265)

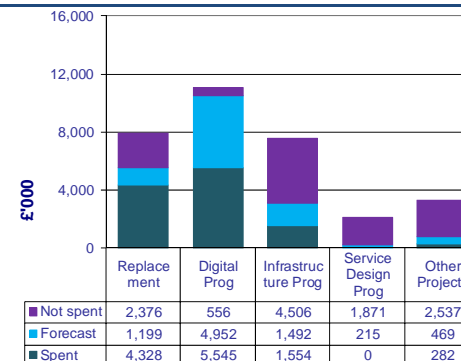
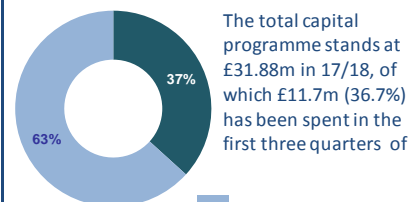
## Avon &amp; Somerset Police and Crime Commissioner - Dec 2017 - Q3 (17/18)

## Appendix F

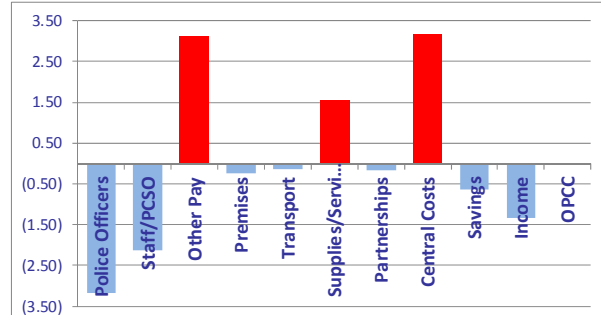
## a) 2017/18 REVENUE YTD AND FORECAST OUTTURN



## d) 2017/18 CAPITAL OUTTURN

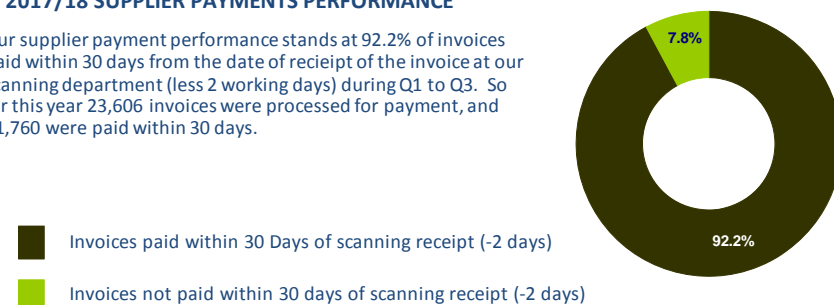


## b) FORECAST REVENUE OUTTURN - OVER/(UNDER) SPENDS

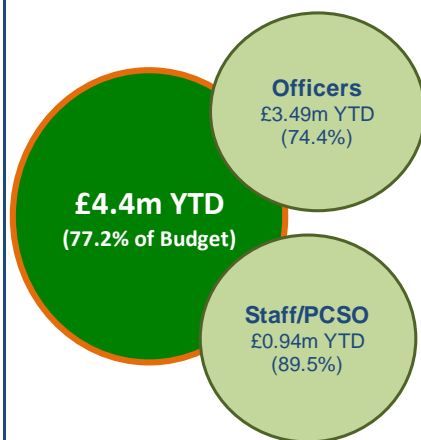


## e) 2017/18 SUPPLIER PAYMENTS PERFORMANCE

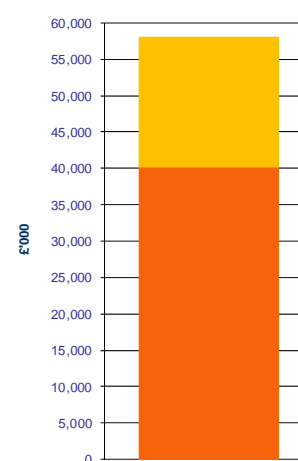
Our supplier payment performance stands at 92.2% of invoices paid within 30 days from the date of receipt of the invoice at our scanning department (less 2 working days) during Q1 to Q3. So far this year 23,606 invoices were processed for payment, and 21,760 were paid within 30 days.



## c) 2017/18 OVERTIME BUDGETS (Exc Misc/Grants)



## f) BORROWING AND INVESTMENTS



**3.88%**

The Average Interest rate of interest we've paid on our borrowing during the first three quarters of the year.

Borrowing Taken (£40.19m)

Borrowing approved not taken (£17.81m)

The OPCC held cash on deposit of **£52.6m** as at 31st December 2017.

The Average Interest rate received on our cash on deposit YTD is **0.47%**.

Actual interest earned year to date is **£276k** and as at the end of Q3 we are forecasting to achieve income of **£334k** in this financial year, which is £159k more than originally budgeted for.

**Cash on Deposit**  
**£52.6m**

**Av. % Interest received**  
**0.47%**



# **Avon & Somerset Police & Crime Commissioner**

## **Medium Term Financial Plan**

**2018/19 – 2022/23**

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## Executive Summary

This Medium Term Financial Plan (MTFP) sets out the extent of our forecast financial challenge over the next five years, and prepares the way for the continued transformation and change required of us in order to meet this challenge and continue to operate within ever tightening fiscal constraints.

	Actual	Forecast				
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
Budget requirement	278,830	288,861	299,553	302,273	308,654	314,751
Less; Total funding	277,552	284,486	292,812	294,512	296,391	298,454
<b>Deficit before savings</b>	<b>1,278</b>	<b>4,376</b>	<b>6,741</b>	<b>7,761</b>	<b>12,263</b>	<b>16,296</b>

The key assumptions that underpin this forecast position are:-

- Our **funding is forecast to grow by £20.9m/7.5% p.a.** by 2022/23, driven by:-
  - Main police grant funding will be frozen for the next two years, and thereafter will reduce by 1.5% p.a. – a cumulative **reduction of £7.1m/% p.a.** by 2022/23;
  - Council Tax funding will grow, driven by annual increases to our tax base of 1.5% p.a., and increases to the precept of £12 in each of the first two years (18/19 and 19/20), followed by 1.99% p.a. – an **increase in this funding of £28.0m/27.5% p.a.** by 2022/23;
- Our **budget requirement is forecast to increase by £35.9m/12.9% p.a.** by 2022/23, driven by factors such as:-
  - Annual uplift to officer and staff pay of 2% p.a. – an **increase in cost of £24.3m p.a.** by 2022/23;
  - Annual increases to non-pay costs of 2.5% for the next two years (3.5% for utilities/fuel costs), reducing to 2.0% (3.0% for utilities/fuel) to keep track with rising inflation pressures – an **increase in cost of £5.2m p.a.** by 2022/23;
  - Increases in the amount of capital funding we have set aside to support ongoing investment, and to replace other sources of capital funding which are expected to diminish over the medium term – an **increase in cost of £3.4m p.a.** by 2022/23;
  - Increases resulting from unavoidable commitments and growth, including an increase in the number of officers being recruited into the force in order to maintain current establishment levels – an **increase in cost of £1.4m p.a.** by 2022/23;
  - Increases to costs resulting from the transition of services back from our Southwest One joint venture and the introduction of our collaboration with Multi-Force Shared Service (MFSS) – an **increase in cost of £1.5m p.a.** by 2022/23 – all of which is expected to be covered by specific savings achieved as a result of this transition.

The forecast position presents challenges. It comes after 8 years of continued austerity, in which we have already realised savings of £74m/25%, and at a time of increasing demand and pressure on policing.

Avon & Somerset has supported the work led by the Association of Police and Crime Commissioners (APCC) and National Police Chiefs Council (NPCC) to put forward the case for why policing needs greater investment. We therefore welcome the announcements made by the Policing Minister in December which recognised this work and provides greater protection from austerity and greater freedom around local council tax levels than we had previously been forecasting.



We do however recognise:-

- The continued affordability challenges for public sector spending within which the improved settlement has been made;
- The financial challenges faced by individual households and the pressures that calls for increased council tax precepts could have on household budgets; and
- The continued need to ensure that our services are provided as efficiently and effectively as they can be – recognising that calls for continued investment and protection from austerity are not going to be as impactful unless we can demonstrate this clearly.

To that end we are continuing to plan for further transformation and change. These initiatives include:-

- Transition of our main back office systems and many back office transactional services into the MFSS collaboration – delivering savings which should at least cover the increased costs outlined above (**target of £1.2m w/e from 2018/19**);
- Restructure of our Enabling Services, and continue rationalisation across our estate and fleet portfolios – realising improvements in the service, and savings in their delivery (**target of £6.6m w/e from 2019/20**);
- Review of our victims and safeguarding services (**target of £0.14m w/e from 2018/19**);
- Reductions in our use of the National Police Air Service (NPAS) which will realise a saving against current costs (**target of £0.35m w/e from 2018/19**).

In the medium term these initiatives will bring about savings which will help us to balance our revenue budget over the next three years. Beyond this we forecast financial challenges will remain, and it will be our intention to continue to improve our efficiency and productivity with a view to realising some of these benefits as cashable savings should this be required of us in future years.

	<b>18/19</b> <b>£'000</b>	<b>19/20</b> <b>£'000</b>	<b>20/21</b> <b>£'000</b>	<b>21/22</b> <b>£'000</b>	<b>22/23</b> <b>£'000</b>
<b>Deficit before savings</b>	<b>4,376</b>	<b>6,741</b>	<b>7,761</b>	<b>12,263</b>	<b>16,296</b>
Savings plans	(4,376)	(6,741)	(7,761)	(8,290)	(8,290)
<b>Residual deficit</b>	-	-	-	<b>3,973</b>	<b>8,006</b>

Our continued transformation also requires capital investment. Continued investments in our digital transformation, as well as across our estates and fleet transformation, require funding to implement. Capital funding is increasingly under pressure to provide for our ambition, at the same time as maintaining and replacing our existing asset base. These plans therefore make forward provision for uplift to capital funding, both in terms of direct revenue contributions and in the form of planned borrowing.

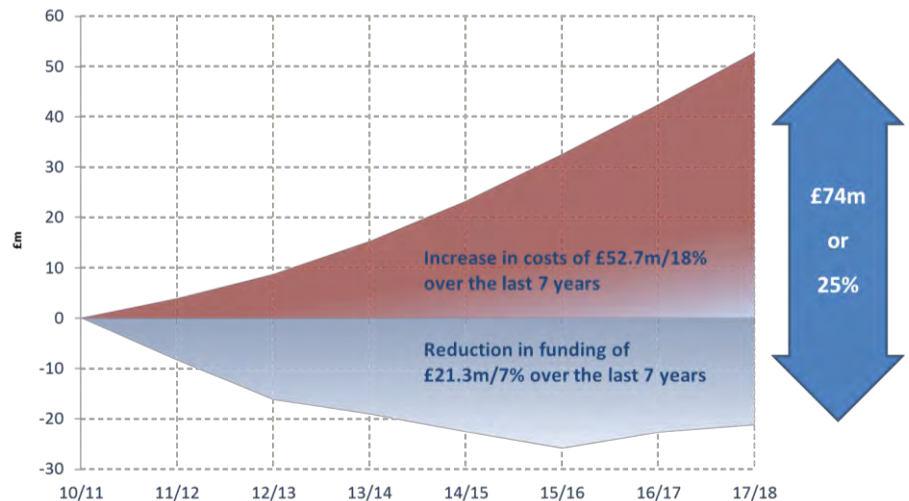
Our useable reserve levels stood at £44.3m at the end of March 2017, representing a reduction of £7.0m/13.7% over the preceding 12 months. Our medium term forecasts project continued reductions in our reserves as they are utilised to support our ongoing transformation and investment. By the end of March 2022 we forecast useable reserves will stand at £20.7m (a further reduction of £23.5m/53%), representing the recurring prudent level beyond which we are unlikely to drop much further.

## Introduction

The context within which this MTFP has been prepared is one of significant uncertainty and change. We face increasingly complex challenges to keep communities, vulnerable victims and individuals safe, and tackle criminality, the impact of globalisation and extremism. We face these challenges at a time of significant political and economic uncertainty, after having already faced 8 years of austerity across our financial position.

Compared to 2010 Avon & Somerset now receives £21.3m less in overall funding.

During the same period we have seen our costs increase by £52.7m as we've managed the impacts of inflation, as well as having to account for specific cost changes (e.g. apprenticeship levy) and make provision to continue to support change and transformation.



**Since 2010 therefore we have already had to find £74m/25% of savings. Our forecasts predict that we will continue to need to bring forward savings to balance our revenue budgets, but the grant settlement and flexibility around our council tax precept mean that the future financial outlook is a lot more sustainable across the medium term.**

2018/19 will be a year of significant change within Avon & Somerset. We will:-

- Continue the Constabulary's digital transformation with the roll out of personal issue laptops to officers and staff, supported by Wi-Fi capability throughout our estate and vehicles;
- Implement a new neighbourhood policing model across our communities;
- Introduce new ways of bringing student police officers into the Constabulary in step with the College of Policing's new Professional Educational Qualification Framework (PEQF);
- Transition our main back office systems and transactional services that provide HR, resource management, procurement and finance functions across to Multi-Force Shared Service (MFSS);
- Transition our Technology Services function back from Southwest One, and bring this contract to a conclusion at the end of its 10 year life;
- Restructure our enabling services functions to release increased efficiency and effectiveness in their delivery, and to realise savings on a recurring basis;
- Continue to enhance our business intelligence and insights, utilising our investment in business analytics capabilities and enhancing this to include insight into our partners' data;
- Bring forward opportunities to rationalise our estate and fleet, delivering a modern, sustainable, flexible and efficient property and fleet portfolio that supports both an effective Constabulary and the communities it serves; and
- Continue our investment in enhancing our leadership capabilities, improving staff health and wellbeing, and furthering our ambition to increase the diversity of our workforce.

It is in this national and local context that this MTFP has been prepared.

## Revenue Funding

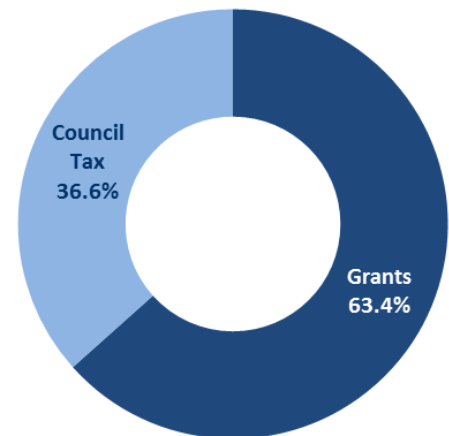
The PCC receives two main sources of funding:-

- Government grant funding; and
- Council tax funding.

Over the medium term we expect there to be growth in our total funding, with **an increase of £21.2m/7.6% by the 2022/23** financial year.

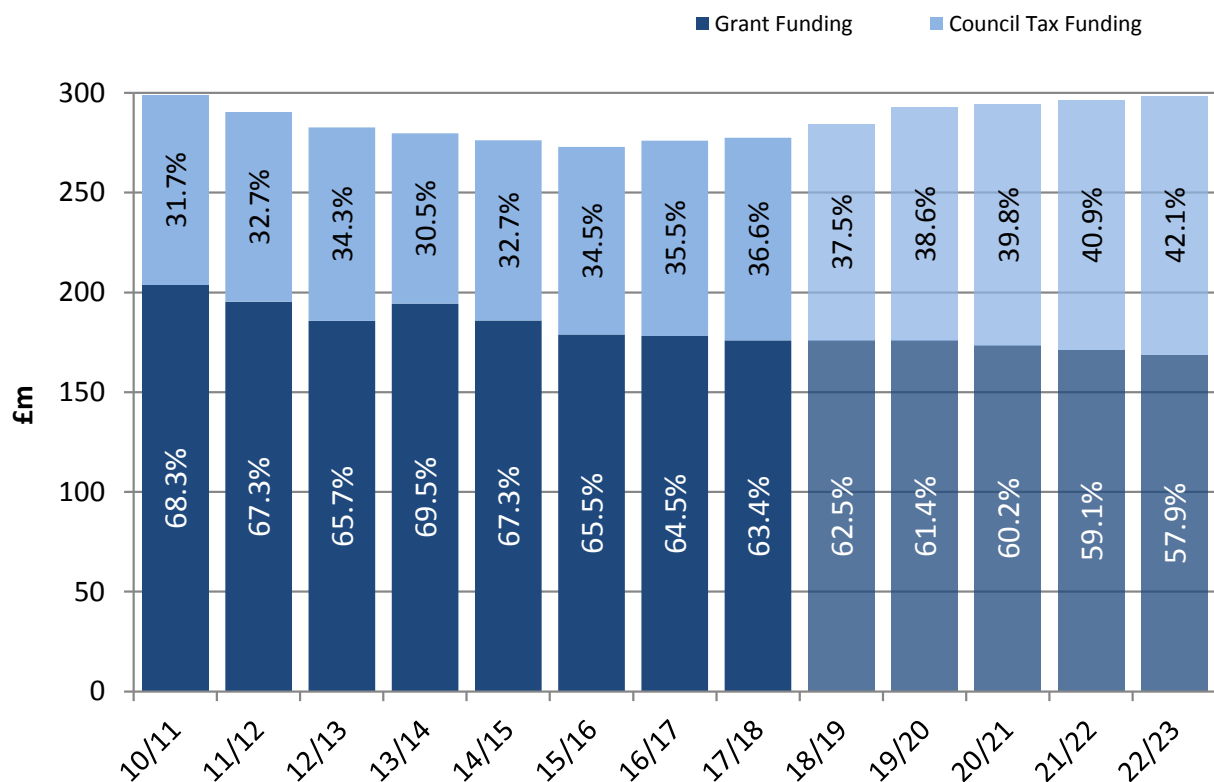
Underlying this forecast is a shift in the profile of our funding, resulting from increases to our council tax income offset by reductions in our grant funding.

Figure 1: 17/18 Profile of funding



	Actual	Forecast				
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
Grant funding	175,914	175,914	175,914	173,525	171,172	168,854
Council tax funding	101,638	108,572	116,898	120,987	125,219	129,600
<b>TOTAL funding</b>	<b>277,552</b>	<b>284,486</b>	<b>292,812</b>	<b>294,512</b>	<b>296,391</b>	<b>298,454</b>

Figure 2: Actual and forecast profile of total funding



## Grant Funding

The forecasts for our future grant funding focus on three areas:-

- Main grant funding;
- Legacy council tax grant funding;
- Victims grant funding.

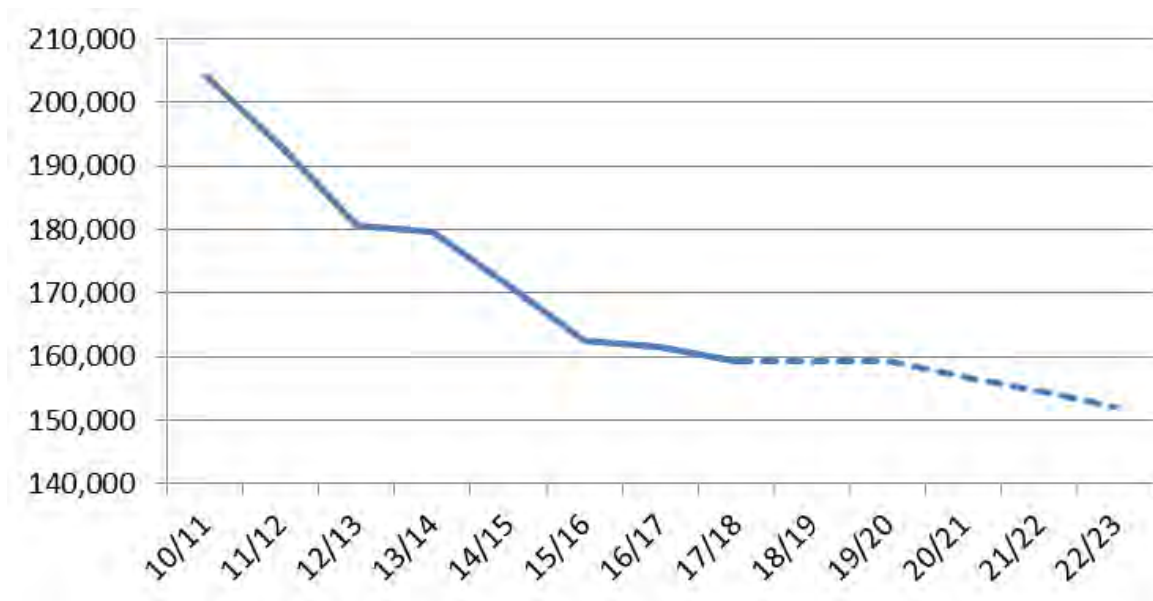
There are other sources of grant funding (e.g. Counter Terrorism grant funding) but these are all passed straight through to the Chief Constable to support specific activity within the Constabulary.

	Actual	Forecast				
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
Main grant funding	159,254	159,254	159,254	156,865	154,512	152,195
Legacy council tax funding	14,709	14,709	14,709	14,709	14,709	14,709
Victims grant funding	1,951	1,951	1,951	1,951	1,951	1,951
<b>TOTAL grant funding</b>	<b>175,914</b>	<b>175,914</b>	<b>175,914</b>	<b>173,525</b>	<b>171,172</b>	<b>168,854</b>

**Main grant funding** – Over the course of the MTFP we forecast that grant funding will **reduce by £7.1m/4.4%**. For the next two years we forecast that our grant funding will be frozen at its 17/18 value, as outlined in the announcements that accompanied the 2018/19 grant settlement. After this (from 2020/21 onwards) we expect the level of funding to be determined through a new comprehensive spending review, and we note the Government's intention to review the funding formula at this time also. We have therefore assumed that funding will reduce at a rate of 1.5% p.a. in each of the final three years of the plan.

When considered against our 2010/11 baseline (including other grants which have been consolidated into our main grant funding during this period), this forecast will mean a cumulative reduction in main grant funding of £52m/25.5% over a 12 year period.

**Figure 3: Actual and Forecast Main Grant Funding 2010/11 – 2022/23**



**Legacy council tax grant funding** – This grant funding is analysed separately from the main grant funding, and is the combination of:-

- funding that is paid in recognition of historic council tax freezes (therefore only payable to those PCC's who froze council tax in relevant years); and
- funding which reflects the abolition of council tax benefit and the replacement of this with local council tax discount schemes (payable to all PCCs to replace funds previously paid through as council tax income).

The 17/18 value of this funding is £14.7m, and this is **forecast to remain frozen for the duration of the MTFP**.

**Victims grant funding** – This grant is awarded to PCCs annually from the Ministry of Justice to support the commissioning of victims services, including £906k pass through to the Chief Constable to support the Lighthouse Victims service provision, with the remainder retained by the PCC to support the commissioning of wider victims' services. This funding has remained substantially frozen since it was introduced 2015/16, and we have assumed that it will remain **frozen across the MTFP period**.

## Council Tax Funding

The value of council tax income received in any one year is determined by three key factors:-

- The value of the **precept** set by the Police and Crime Commissioner;
- The **tax base** (no. and profile of properties) from which council tax will be collected;
- Effectiveness of collection in previous year generating **surplus or deficit on the collection fund**.

	Actual	Forecast				
	17/18	18/19	19/20	20/21	21/22	22/23
Precept (£p)	£181.81p	£193.81p	£205.81p	£209.90p	£214.08p	£218.34p
Tax base (No.)	548,800	556,019	564,359	572,824	581,417	590,138
<b>Precept Income (£'000)</b>	<b>99,775</b>	<b>107,760</b>	<b>116,148</b>	<b>120,237</b>	<b>124,469</b>	<b>128,850</b>
Surplus/(Deficit) (£'000)	1,863	812	750	750	750	750
<b>Total Council Tax (£'000)</b>	<b>101,638</b>	<b>108,572</b>	<b>116,898</b>	<b>120,987</b>	<b>125,219</b>	<b>129,600</b>

As a result of the assumptions we are making across these three factors we forecast that our **council tax funding will increase by £28.0m/27.5% over the next five years**.

**Precept** – The value of the precept is defined by the rate applicable to an average band D property. Currently Avon & Somerset have the median average band d precept value of all PCCs across England and Wales - £181.81p.

In considering the level of precept to set the PCC will have consideration of:-

- The views of the public, as expressed to her through a range of ongoing public engagement activity;
- The views of the Police and Crime Panel, who have a power of veto over the precept; and
- The Governments council tax referendum principles which establish the level above which a local referendum must be held in order to approve a proposed increase to the value of the precept.

For the past four years the PCC has approved annual increases to the precept of 1.99% p.a. This decision has been reached in light of all the considerations outlined above, and particularly reflects the PCC's continued desire to protect Neighbourhood Policing, and provide the Chief Constable with the maximum possible funds to help deliver her police and crime plan.

The referendum principle for 18/19 has provided PCCs with greater flexibility, allowing for an annual increase up to £12 p.a. (which would equate to a 6.6% increase), with indication that they might also be minded to repeat this flexibility in 19/20 also.

Our **planning assumption is that the PCC will maximise the opportunity presented, and raise the council tax by £12 in each of the next two years, thereafter followed by 1.99% p.a.** over the life of this MTFP. The table below sets out the impact of these changes:-

	Actual	Forecast				
	17/18 £p	18/19 £p	19/20 £p	20/21 £p	21/22 £p	22/23 £p
Av. Band D Precept	£181.81p	£193.81p	£205.81p	£209.90p	£214.08p	£218.34p
Annual Increase %		+6.60%	+6.19%	+1.99%	+1.99%	+1.99%
Annual Increase £p		+£12.00	+£12.00	+£4.10	+£4.18	+£4.26

**Tax base** – This is the number of properties against which tax can be collected, expressed as a weighted average at band D, and adjusted for a collection rate. In our area we have 9 billing authorities, and we therefore have to collate this from them all. There are a number of factors which can impact on the growth in this figure, with volume of new house building being the single biggest factor.

We have seen strong growth in our local tax base over recent years. In 2017/18 our tax base stood at 548,800, after growth of 2.04% compared to the previous year, and the indications from our billing authorities is that we will continue to see growth in our tax base into 2018/19:-

	17/18 No.	18/19 No.	Change No.	Change %
Bath & North East Somerset	63,996	64,347	350	0.55%
Bristol	124,083	125,798	1,715	1.38%
North Somerset	77,204	78,003	799	1.04%
South Gloucestershire	90,777	92,631	1,854	2.04%
<b>Unitary ("Avon") authorities</b>	<b>356,060</b>	<b>360,779</b>	<b>4,719</b>	<b>1.33%</b>
Mendip DC	39,323	39,599	276	0.70%
Sedgemoor DC	39,400	40,078	678	1.72%
South Somerset DC	59,313	59,988	675	1.14%
Taunton Deane BC	40,843	41,486	643	1.57%
West Somerset DC	13,860	14,088	228	1.64%
<b>District ("Somerset") authorities</b>	<b>192,740</b>	<b>195,240</b>	<b>2,500</b>	<b>1.30%</b>
<b>TOTAL Tax Base</b>	<b>548,800</b>	<b>556,019</b>	<b>7,219</b>	<b>1.32%</b>

As the above table demonstrates we will see fairly significant variation in growth across our billing authorities. The current position will see extremes of a 2.04% increase in South Gloucestershire, compared with just a 0.55% increase in Bath & North East Somerset. Whilst the growth in 18/19 is lower than experienced last year, we are confident in the level of ongoing house building locally to retain an assumption that the tax base will continue to grow at a rate of 1.5% p.a. for the remainder of the MTFP period.

**Collection fund surplus** – This represents our share of any surplus or deficit on the collection fund as calculated by our 9 collecting authorities. In each of the past four years all of our local collecting authorities have generated a surplus, with the combined value of these ranging from £1.8m - £2.0m.

However, the indication from our billing authorities is that maintaining this level of surplus is proving to be a challenge. Three of our billing authorities (Bristol, BANES and North Somerset) are forecasting a deficit position, with the remainder forecasting surpluses of varying values. The combined result across our nine billing authorities is a **net surplus position of £0.81m in 18/19**.

The challenges are expected to continue, particularly with the roll out of universal benefit, and the wider economic challenges hitting household budgets. As a consequence it is recognised that there may be some difficulties in achieving collection levels and surpluses like those experienced in recent years. For the purposes of planning we are making the **assumption that our share will be £0.75m p.a. over the medium term**.

## The Revenue budget requirement

The budget requirement accounts for how the PCC will commit expenditure that enables the provision of policing and community safety across Avon & Somerset.

	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
PCC's Office budget requirement	1,358	1,373	1,393	1,423	1,458
PCC's Commissioning budget requirement	3,438	3,438	3,438	3,438	3,438
Chief Constables budget requirement	284,066	294,884	297,486	303,839	309,901
<b>TOTAL budget requirement</b>	<b>288,861</b>	<b>299,553</b>	<b>302,273</b>	<b>308,654</b>	<b>314,751</b>

## PCC's Office budget requirement

This budget reflects the costs of the PCC and her immediate office that enables and supports the fulfilment of the full range of duties of the Police and Crime Commissioner.

	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
17/18 Base budget	1,354	1,354	1,354	1,354	1,354
Pay and inflationary adjustments	23	38	58	88	123
Growth	15	15	15	15	15
<b>Annual budget requirement</b>	<b>1,392</b>	<b>1,407</b>	<b>1,427</b>	<b>1,457</b>	<b>1,492</b>
Savings	(34)	(34)	(34)	(34)	(34)
<b>Proposed budget</b>	<b>1,358</b>	<b>1,373</b>	<b>1,393</b>	<b>1,423</b>	<b>1,458</b>

**17/18 Base Budget** – The 17/18 base budget was set at £1,354k. This budget supports the PCC, and a team of 17 Full Time Equivalent (FTE) staff who support her in the range of activities undertaken in the fulfilment of her statutory duties.

**Pay and inflationary adjustments** – Applying the same assumptions to the OPCC budgets as those used for the Chief Constables budgets (see below for more detail) identifies an inflationary pressure over the MTFP period. This predominantly relates to increased costs for both pay and non-pay items.

**Growth** – The budget includes provision for the expected shared costs of a new regional OPCC officer role, the costs of which will be shared across the 5 south west regional forces.

**Savings** – In reviewing the budget, the Chief Finance Officer for the PCC has identified savings from budget in 18/19 totalling £34k. The result of this is that the proposed budget for 18/19 shows a very small net growth from the 17/18 base position.



## PCC's Commissioning budget requirement

This budget supports the commissioning of services from external organisations.

	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
17/18 Base budget	3,488	3,488	3,488	3,488	3,488
<b>Annual budget requirement</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>
Savings	(50)	(50)	(50)	(50)	(50)
<b>Proposed budget</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>

This budget is used by the PCC to commission core services across the following areas:-

	2018/19 £'000
Drug and alcohol referral services	565
Victims services (inc SARC, but excl those within Constabulary)	1,724
Appropriate adult services	52
Mental health triage service in A&S call centre	159
Restorative justice services	179
Police and crime grants for community safety and other 3 <sup>rd</sup> party work	760
<b>TOTAL</b>	<b>3,438</b>

In addition to the above new Independent Sexual Advisors (ISVA) services will be procured, utilising £80k of new funding from NHS England.

The commissioning budget provisions for those victims services commissioned from other organisations. The funding provided to the Chief Constable for the provision of the Lighthouse victims services (£906k confirmed for 2018/19), is captured within the Chief Constables budget requirement set out below.

## Chief Constable's budget requirement

This budget reflects the majority of the overall budget requirement, providing funds to support the Chief Constable and the Constabulary in the provision of policing services to the communities of Avon & Somerset.

	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
17/18 Base budget	272,710	272,710	272,710	272,710	272,710
Residual savings balance from prior year	+1,278	+1,278	+1,278	+1,278	+1,278
<b>Restated 17/18 Base budget</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>
Pay & staffing adjustments	+4,091	+9,448	+14,436	+19,569	+24,452
Non-pay inflationary adjustments	+1,047	+2,133	+3,050	+4,094	+5,091
Cost of capital adjustments	+1,004	+6,752	+3,377	+3,377	+3,377
Growth and commitments	+3,935	+2,421	+2,590	+2,765	+2,946
<b>Cumulative increase in costs</b>	<b>+10,077</b>	<b>+20,754</b>	<b>+23,454</b>	<b>+29,805</b>	<b>+35,867</b>
<b>Budget requirement (before savings)</b>	<b>284,066</b>	<b>294,742</b>	<b>297,442</b>	<b>303,793</b>	<b>309,855</b>

**17/18 Base Budget** – Our budget for 2017/18 included an in-year savings target in order to balance. During the course of the year we have recognised savings against this target, some of which were time limited (e.g. relating to one off savings), and some of which permanent (e.g. savings from the return of Southwest One business services). However, it has also been necessary to recognise some cost pressures (e.g. uplift in Microsoft licences costs) and in-year growth (e.g. introduction of new strategic roles). The result of these changes to date means that the current savings target stands at £1,278k. It is therefore necessary to build in this balance onto our base budget position in order to project forward a true budget requirement. Including this balance on our base budget, results in an adjusted base budget position of £273,998k.

This base budget makes provision for an establishment of:-

Budgeted Establishment	Core Funded FTE	Externally Funded FTE	Collaboration FTE	TOTAL FTE
Police Officers	2,214	103	335	<b>2,652</b>
Police Community Support Officers	329	12	-	<b>341</b>
Police Staff	1,977	114	309	<b>2,400</b>
<b>TOTAL Budgeted establishment</b>	<b>4,520</b>	<b>229</b>	<b>644</b>	<b>5,393</b>

**Pay & staffing adjustments** – Pay and employee related costs are the single biggest area of spend for the Constabulary, representing nearly 80% of our total costs. It should therefore be expected that this area of spend is where we forecast the biggest change to our costs over the MTFP period.

- **Pay Awards** – Our budget projections must make provision for annual increases to pay, in line with anticipated future pay awards. Since 2010 public sector pay restraint has seen the pay of our

officers and staff initially frozen, and then uplifted by 1% p.a. More recently the Government has signalled a change in this course, recognising the numerous calls for this pay restraint to be eased. The announcement of the 2017 officer pay award (a 1% increase coupled with a 1% bonus) reflects this emerging change, and it is therefore important that our forecasts reflect this:-

Annual pay uplift (w/e 1 <sup>st</sup> September)	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
Annual % uplift	+3%	+2%	+2%	+2%	+2%
Officers cumulative pay uplift	+3,257	+6,138	+8,893	+11,704	+14,571
Staff cumulative pay uplift	+2,051	+4,081	+5,914	+7,783	+9,690
<b>TOTAL cumulative pay uplift</b>	<b>+5,308</b>	<b>+10,219</b>	<b>+14,807</b>	<b>+19,487</b>	<b>+24,261</b>

Our general working assumption is that pay will increase by 2% p.a. throughout the life of the MTFP period. The only variation on this is to assume 3% uplift in 18/19, reflecting the assumption that the current 1% bonus is built into base (this wasn't budgeted for in 17/18), and that a further 2% annual pay award is added to this.

The result of these assumptions is that our **costs will increase by £24,261k p.a. by 2022/23** – making this the single biggest increase in our costs recognised in this MTFP.

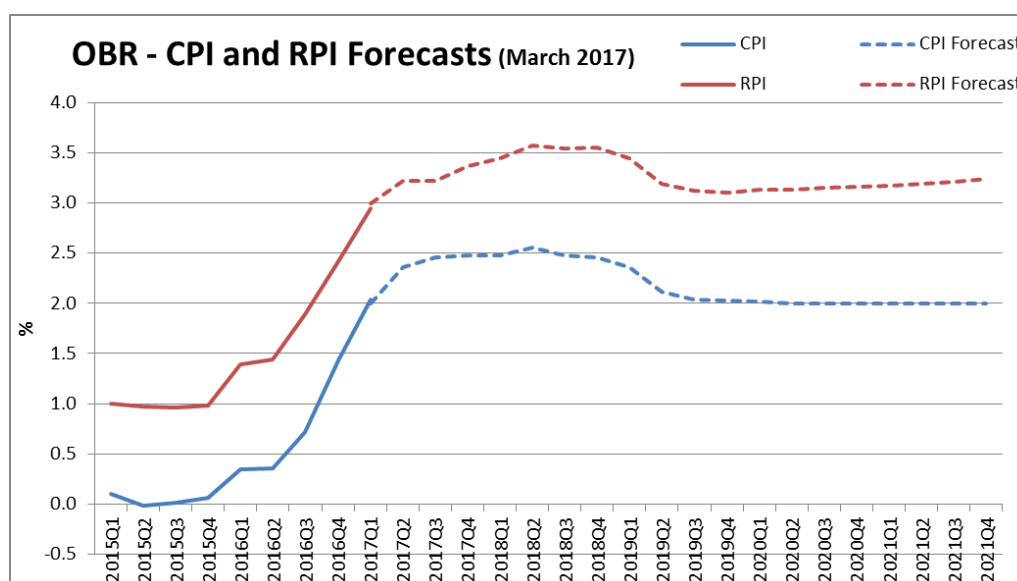
- **Change to officer and staff unit cost** – We have reviewed the current profile of officers and staff against the budgeted pay cost (adjusting for average where there are vacancies), and in so doing we recognise that in many areas the unit cost per officer/staff is less than in the budget. This is the consequence of the turnover of officers and staff, and reflects the profile of individuals within the pay scales. The result of this analysis is that we are able to reduce our unit cost in most areas of our pay, resulting in a **reduction to our pay budgets in 18/19 of £1,262k p.a.** As this is an adjustment to base, this change is reflected across the MTFP period.
- **Adjustment to vacancy factor** – In our 16/17 budget we increased the pay top slice factor on PCs from 1% (which is the normal factor applied to our officer budgets) to 2%. This was intended as a temporary adjustment, recognising the level of PC vacancies at the time and the length of time it would take to close the gap. It was therefore our intention to “unwind” this adjustment back to a 1% vacancy factor over two years, with an effective rate of 1.5% in 17/18 and a 1% factor in 18/19. The MTFP reflects this, with a **cost of £459k p.a.** to return the vacancy factor to 1%. We intend to keep this under review as we manage our resourcing and vacancy levels going forward.
- **Injury and Medical pension adjustments** - The cost of injury awards made at the point at which an officer is retired on medical grounds are paid for out of the Constabulary's budget. The annual current budget for this stands at £6,141k (about 2.3% of our annual budget), but our spend in 17/18 is forecast to be nearly £200k greater than this reflecting the number of recipients of injury awards now being paid. In order to account for this pressure, and reflect future increases in both numbers and value of the awards (the value is linked to CPI), we forecast to **increase this budget over the life of the MTFP by a further £1,474k p.a.**
- **LGPS Pensions deficit lump-sum** – Last year the Somerset County Council Local Government Pension Scheme was reviewed by our actuaries. The result of this was to adjust both the % contribution made by us as the employer (increased from 11% to 13.2%), and to make changes to the annual value of the lump-sum payment made. The adjustments for the rate change were reflected in our 17/18 budget but the lump-sum change requires us to make 2% uplifts each year.

We have therefore reflected the cost of this within our MTFP, **adding £446k p.a. to our base budget by 2022/23;**

- **Overtime adjustments** – An annual adjustment is made to the budget to reflect the number of bank holidays which fall within any one particular financial year. Owing to the date on which Easter falls each year as well as whether Christmas falls on a weekend, this can vary from one year to the next. Whilst there is variation across the MTFP period (e.g. 18/19 has 7 bank holidays, whereas 2021/22 has 10 bank holidays) the overall impact across the life of the MTFP is negligible as our 17/18 base budget and the 2022/23 financial year both have 9 bank holidays.
- **Housing allowance and comp grant adjustments** – Adjustment is made to our budget to reflect the forecast reduction in officers who continue to receive housing allowance and comp grant. In 2018/19 we are forecasting a reduction of £533k in costs, and by **2022/23 we expect this reduction to have increased to £927k p.a.**

**Non-pay inflationary adjustments** – It has been our policy over the past few years to restrict the inflationary uplifts made to our non-pay budgets. This has been possible through low inflationary pressures and strong financial and budgetary control throughout the organisation. Wider economic factors are now placing strain on our non-pay budgets, and we forecast that these pressures are likely to increase over the short to medium term.

**Figure 4: Office of Budget Responsibility CPI and RPI forecasts to 2021**



In light of these current and forecast pressures we have adjusted our assumptions for the future:-

- **General Non-Pay** – we have assumed an annual uplift in our non-pay costs of 2.5% p.a. in each of 2018/19 and 2019/20, reducing to 2.0% p.a. in each year thereafter. These assumptions **add £4,478k p.a. onto our current budgets by 2022/23;**
- **Utilities and Fuel** – we have assumed an annual uplift in our utilities and fuel costs of 3.5% p.a. in each of 2018/19 and 2019/20, reducing to 3.0% p.a. in each year thereafter. These assumptions **add £713k p.a. onto our current budgets by 2022/23;**

We have also made assumptions around our interest receivable balances. Over the course of the MTFP we are assuming a phased uplift in the return we can expect from our investments from current low levels up to 0.5% in 2018/19 and 2019/20, rising again to 0.75% in 2020/21 and 2021/22 and achieving 1.0% by 2022/23. The impact of these uplifts is tempered by an assumed reduction in our average cash balance

over the course of the MTFP period as we reduce the level of reserves held (see section on reserves below). The impact of this is to **increase our income from investments by £100k p.a. by 2022/23.**

**Cost of capital adjustments** – It is necessary for us to recognise increases to our revenue costs of capital investment over the life of the MTFP. Our ability to continue to afford future capital investment is dependent on us having sufficient capital funds available. Since 2010 we have seen substantial reductions in the value of our capital grant funding from the Home Office (reduced by nearly 70%). To date we have been able to minimise the impact of this reduction on our capital investment through the generation of capital receipts and the use of reserves. However, this is not a sustainable basis on which to support future capital replacement and investment.

There are two key assumptions that affect the amount by which this part of our budget needs to change:-

- **Borrowing** - The level and use of borrowing we undertake to support capital investment. Over the MTFP we forecast we will need to borrow a further £15m, with £10m expected to be taken by the end of the 2018/19 financial year with a further £5m in 2019/20. The timing of this reflects current assumptions around our capital programme, and will be subject to ongoing review and reflection.

The cost of borrowing has an impact on our revenue budget in two ways:-

- Interest Payable – At present we are paying an average interest rate of 3.9% on c. £41m worth of borrowings. We know that current borrowing rates (dependent on term of the borrowing) are better than this average rate, and therefore we are assuming any new borrowing will attract interest at a rate of 3.5%. We are also assuming that we will look to take new borrowing close to the end of the financial year, thereby only requiring us to provision for the cost of this fully in the following financial year. These assumptions mean we will **increase our interest payable costs by £438k p.a. by 2020/21.**
- Minimum Revenue Provision – It is necessary for us to make provision for the repayment of our borrowing against our revenue budget. Our method of calculating the value of the provision is dependent on the life of the asset that is being funded by the borrowing. This means we try and use our borrowing over longer-life assets (e.g. buildings) where possible, as the annual cost is minimised. At the end of 2017/18 we will have fully re-provisioned for the borrowing undertaken to support the investment in SAP, which was a short-life asset. Our assumption for the new borrowing is that the majority of this will be used over longer-life assets, and that the amount of new MRP required by the end of the MTFP is less than the reduction being made from the end of the SAP provision. Therefore in 2018/19 we are forecasting a reduction of £661k in MRP budget, with annual increases in both 2019/20 and 2020/21 which substantially reverse this benefit leaving a **residual reduction of £61k p.a. from base budget p.a. by 2020/21.**
- **Direct revenue funding of capital investment** – We recognise the challenges around our medium term capital affordability (see section below) and therefore our 2018/19 budget sees the reinstatement of our revenue contribution budget of £740k after a 2 year holiday, and an uplift of this by a further £760k, lifting the base budget to £1,500k in that year. Over the course of the remainder of the MTFP period we are further forecasting another £1,500k uplift to this budget, so that **by 2020/21 we will have provisioned for a recurring budget of £3,000k p.a.** In addition our current revenue forecasts also enable us to make a one off uplift to our capital funding of £5m in 2019/20. Whilst this remains subject to ongoing review and consideration, this lifts the in-year revenue contribution in that year to £6,750k, significantly supporting the capital affordability pressures we had been previously reporting.

**Growth and Commitment adjustments** – In setting our budget it is necessary to recognise any growth or unavoidable commitments and capture the impact of these on our budgets.

- **New growth and investments** – We have identified £227k p.a. in additional revenue costs associated with an uplift in Digital Policing Services team (to provide additional developer resource to support the delivery, management and maintenance of applications and interfaces between our systems) and in the creation of the new IT Director role to drive forward our digital agenda, and prepare the Constabulary for the end of the Southwest One contract in 2018/19.
- **Unavoidable commitments** – We have identified £1,650k in unavoidable commitment items in 2018/19, reducing to £1,354k by 2022/23. This is made up of lots of small amounts and items, with the majority being accounted for in just two areas:-

- Student officer recruitment – 2018/19 will be a transitional year for student officer recruitment. We anticipate that the new police apprenticeship scheme will be introduced with effect from the autumn of 2018, changing the model and structure of how new officers will be introduced into the force over their probationary period. The impact of this change will have budgetary, and operational impacts which we have yet to fully quantify. However for the purposes of our budgetary planning we are assuming that we will transition to this model at the same time as continuing to run our current courses.

Overall we expect recruitment to be in excess of 300 officers throughout 2018, enabling us to recover the current vacancy position, manage future forecasted leaver numbers and manage through the transition of this initial training. In order to provision for the costs of this we are forecasting an **uplift of £1,117k**.

After 2018/19 we have assumed that the annual number of **new recruits will reduce**, all of which will undertake training through the apprentice model. This means that **from 2019/20 the overall additional commitment required reduces to £674k**, uplifted thereafter in line with assumptions around the pay award.

- Insurance – Our plans assume an uplift of £225k p.a. in the costs of our insurance premiums, effective from 2018/19. The reason for this is twofold:-
  - Insurance Premium Tax (IPT) – In the 2017 budget, the Government increased the rate of IPT from 10% to 12%. This was introduced too late to affect our 17/18 premiums, but this is now impacting on the cost of our 18/19 premiums;
  - Change to way in which victim compensation is calculated – The Government has changed the discount rate (known as the “Ogden rate”) applicable in determining appropriate value of compensation to be paid to victims of accidents. This has resulted in their being an increase in the potential value of pay outs by insurance companies, and as a consequence the cost of all premiums is increasing.
- **Glastonbury Festival** – 2018 will be a fallow year for the festival, and as a consequence we will not incur the costs of supporting the festival, nor will we receive the income from the festival to support this special policing service activity. As our income is derived on a full cost recovery basis, the income received is greater than the variable costs incurred in supporting the event. This means that our budget recognises a net contribution of £617k towards overheads and less variable cost elements. As there will be no festival in 2018 we cannot budget for this additional income. We have assumed that the festival will return in 2019/20 and that this budget will be reinstated.
- **Building maintenance reserve adjustment** – We have reduced our building maintenance budgets within estates by £71k to reflect future forecast budget required upon substantial completion of

the current estates capital plan. In the interim we will look to top-up the building maintenance budget from our buildings maintenance reserve on a reducing balance basis.

- **PFI Costs** – We have uplifted our PFI budgets in accordance with our cost model, recognising increases to both utilities costs (on same basis as utilities are inflated across the rest of our estate – see above), as well as our unitary charge payments (linked to CPI). The result of this is that we forecast increases in costs of **£161k p.a. by the end of the MTFP period**.
- **End of Southwest One and transition to MFSS** – In 2018/19 we will bring to an end our Southwest One joint venture contract. We will have to re-provision for the entirety of services currently provided through Southwest One, with current plans including the transition of our key ERP system and associated support contracts across to the Multi Force Shared Service (MFSS). There are a number of variables that will impact on our budgets here, and therefore it is necessary to try and pull together as complete a picture as possible for the purposes of budgeting. The below table sets out our assumptions around the budgetary impacts of this transition.

	<i>Forecast</i>				
	<i>18/19</i> <i>£'000</i>	<i>19/20</i> <i>£'000</i>	<i>20/21</i> <i>£'000</i>	<i>21/22</i> <i>£'000</i>	<i>22/23</i> <i>£'000</i>
TS Staff Related Costs	3,108	4,122	4,129	4,136	4,144
TS Non-Pay Contract Liabilities	1,317	1,350	1,383	1,418	1,454
Hardware Support	100	103	105	108	110
MDM entity uplift	195	269	279	288	298
MFSS Unitary Charge	1,913	1,961	2,010	2,060	2,111
Crown Tech Support Team	153	156	159	162	165
Peninsula Pensions Payroll	100	100	100	100	100
Less; SWOne Unitary Charge	(5,214)	(6,889)	(6,889)	(6,889)	(6,889)
<b>TOTAL</b>	<b>1,671</b>	<b>1,170</b>	<b>1,275</b>	<b>1,383</b>	<b>1,494</b>

Offset against the above cost will be the savings associated with those transactional business services which will transfer into MFSS. These will be captured separately within the savings delivered through our enabling services review work.

The above position reflects a lot of assumptions at this stage. The 18/19 position is higher than the later years in the MTFP, reflecting the current uncertainty around the date that MFSS will go live.

There equally remains uncertainty within the contractual liabilities, and hardware support costs both of which will require more detailed understanding and provision.

At this stage we have assumed that we will continue with the MDM entity product (currently used by our Digital Policing Support Unit to manage duplicate records within NICHE), but expect that the cost of this is likely to significantly increase after Southwest One. This is therefore the subject of ongoing considerations at this time, and we may take the decision not to re-contract for this and to support the DPSU differently.

The MFSS unitary charge and Crown Tech support team charge are based on the latest information provided by the project team, and the Peninsula Pensions payroll cost is estimated at this stage as it remains subject to ongoing discussions and contractual arrangements with Peninsula Pensions.

## Revenue savings requirement and plans

### Savings requirement

After having made all of the assumptions around both funding and pay outlined above, we can establish the following overall position:-

	Forecast				
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
Total Funding Forecast	284,486	292,812	294,512	296,391	298,454
<b>Less;</b>					
PCC's Office proposed budget	1,358	1,373	1,393	1,423	1,458
PCC's Commissioning proposed budget	3,438	3,438	3,438	3,438	3,438
<b>Funding left to support Chief Constable</b>	<b>279,690</b>	<b>288,001</b>	<b>289,681</b>	<b>291,530</b>	<b>293,558</b>
<b>Less;</b>					
Chief Constable budget requirement	284,066	294,742	297,442	303,793	309,855
<b>Standstill Deficit</b>	<b>4,376</b>	<b>6,741</b>	<b>7,761</b>	<b>12,263</b>	<b>16,296</b>

The Constabulary has recognised the need to bring forward further savings plans, and has been working over the last 9 months on a transformation programme through which options for savings are being advanced. These savings plans include:-

- Savings achieved from transition of transactional enabling services to MFSS – it is expected that these at least cover the indicative full-year costs of this service – **minimum targeted £1.2m in savings from go live of MFSS**. The timing of the delivery of this project is currently uncertain, and we are working with partners to realise this transition in an effective and timely way. As a consequence we will not assume any savings from this in 2018/19, but assume a full year effect of these savings from 2019/20;
- Savings achieved from across enabling services budgets, to be achieved through restructure of enabling services and from rationalisation of our estates and fleet – **minimum targeted £6.6m in savings to be achieved for full year effect by 2019/20**, with expectation of achieving **£4m in savings for 2018/19**;
- Savings achieved from review and restructure of our victims and safeguarding services – **targeted saving of £0.14m for full year effect in 2018/19**;

In addition to these programmes of work we have also been tracking other initiatives which we hope will enable us to realise savings. These include:-

- Reduction in our use of the National Police Air Service (NPAS) enabling us to reduce our share of the national cost of this service – **targeted saving of £0.35m for full year effect in 2018/19**. The indications are from NPAS that, if the same charging model as applied in 2017/18 is used, we will realise this reduction in our costs.

Beyond these immediate plans other opportunities presented to realise further savings, include:-

- Further collaboration with partners, including our neighbouring police forces (through which we already collaborate in a number of operational areas) as well as with our other blue light services;



- Realising the efficiencies offered through our digital mobilisation work – potential to unlock overtime and headcount reductions here in fullness of time;
- Ongoing procurement savings which may enable us to avoid some of the forecast uplift in costs through commercial or collaborative deals struck;
- Greater automation and digitalisation across some of our operational processes, building on the opportunities presented through upgrades to existing applications (e.g. NICHE) and on those presented through national programmes and initiatives (e.g. Emergency Services Network);

	<i>Forecast</i>				
	<i>18/19</i> <i>£'000</i>	<i>19/20</i> <i>£'000</i>	<i>20/21</i> <i>£'000</i>	<i>21/22</i> <i>£'000</i>	<i>22/23</i> <i>£'000</i>
<b>Standstill Deficit</b>	<b>4,376</b>	<b>6,741</b>	<b>7,761</b>	<b>12,263</b>	<b>16,296</b>
Further MFSS Savings	-	(1,200)	(1,200)	(1,200)	(1,200)
Enabling Services Restructure	(4,000)	(6,600)	(6,600)	(6,600)	(6,600)
Victims and Safeguarding	(140)	(140)	(140)	(140)	(140)
NPAS Reductions	(350)	(350)	(350)	(350)	(350)
Contingency against Savings	114	1,549	529	0	0
<b>Revised Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,973</b>	<b>8,006</b>

As the above table demonstrates those planned savings which we can quantify reduce the current forecast deficit, and enable us to balance our revenue budget for the next three years. Thereafter there is a deficit or c. £4m in 2021/22 and c. £8m in 2022/23 forecast, which we will continue to prepare for to realise the opportunities outlined above.

## Delivering Transformation

Avon & Somerset is committed to continuous improvement. We recognise that we must continue to transform in order to ensure that we are able to provide the best possible service to the public at the best possible value.

The principle of continuous improvement underpins all of our planning, with individuals departments required to produce annual Continuous Improvement Plans.

Continuous improvement has delivered improvements in efficiency and effectiveness across the organisation, including:-

- Transformative changes to the way we use business analytics and intelligence software to provide insight into our demand, productivity and performance to drive forward improvement, and manage down demand;
- Ongoing investment and improvements to our leadership capacity and capability, delivered through our ASPIRE Leadership programme;
- Embedded organisational learning and assurance processes, providing confidence that we are successfully realising the outcomes of all change activity.

In addition to transformation embedded through continuous improvement, we also recognise that there will need to be some larger scale transformation programmes. The scale of these programmes reflects the continued transformation ambition we have in Avon & Somerset, which will require a clear framework through which our change activity can be resourced and delivered.

We have developed our plans for the future structure of our transformation programme in consultation with a range of stakeholders, resulting in three highly interdependent programmes comprising:-

### **Service Redesign & Development Programme**

Encompassing:-

- Delivering planned changes to our operational structures;
- Planning for and delivering all aspects of the end of the Southwest One contract;
- Determining and delivering on the future of our ERP system;
- Designing and delivering new structures for enabling services.

### **Digital Programme**

Encompassing:-

- Digital mobilisation, including phones, laptops, building and vehicle Wi-Fi provision, transition to Office 365, and new ways of working;
- Niche upgrade, and digital evidence interface;
- Emergency Services Network support;
- Website and e-services development.

### **Infrastructure Programme**

Encompassing:-

- Estates rationalisation, including co-locations at partner sites or with partners at police sites;
- Fleet review, re-profiling and rationalisation.

In addition to our local transformation portfolio, we are also a partner in a regional programme. Through this we have established a framework for governance over our existing collaborations (under the direction of two regional ACCs) and have agreed to work in collaboration with partners on other projects.

The scale of this programme requires the support of the whole organisation, but also requires us to bring in additional capacity from time to time. In 2018/19 we estimate that the revenue cost of this additional resource, both within Avon & Somerset, and as a contribution to our regional programme, will be **£2.6m**. This will be funded through reserves, and has been included in our reserve forecasts set out below.

## Capital Programme and Funding

Over the medium term it is important that we recognise the capital investments we plan to make. These are required to both support the refresh of our existing assets and infrastructure, as well as to invest in new transformative initiatives which will help us to realise improvements in our operational efficiency and effectiveness.

Our capital plans are, by their nature, complex and require detailed planning and forecasting. This requires support and understanding of colleagues across the organisation, including those from our established change programmes. It also requires a large degree of wider environmental scanning in order to assess the impact of national projects and initiatives which will require our support to implement locally.

Our funding position is also complicated, relying on multiple sources of funding in order to be able to support planned expenditure. Forecasting our funding is therefore based on a large number of assumptions and inter-dependencies which are subject to ongoing change both in value and timing.

	Current	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
Capital Expenditure	20,036 <sup>1</sup>	20,136	14,314	12,621	7,742	5,502	<b>80,351</b>
Less; Capital Funding	20,036 <sup>1</sup>	20,136	14,314	12,621	5,320	4,116	<b>76,542</b>
<b>Deficit</b>	-	-	-	-	<b>2,422</b>	<b>1,386</b>	<b>3,809</b>

## Capital Expenditure

Whilst our plans require further refinement, we have an emerging picture which identifies that the current year (17/18) of capital spend, plus the planned spend over the next five years (through until 22/23) totals £80.1m.

	Current	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
Asset replacement	4,736	6,102	5,539	7,159	5,699	5,502	<b>34,737</b>
A&S capital projects	13,180	11,426	8,775	5,462	2,043	-	<b>40,886</b>
Funded Projects	2,120	2,608	-	-	-	-	<b>4,728</b>
<b>TOTAL</b>	<b>20,036</b>	<b>20,136</b>	<b>14,314</b>	<b>12,621</b>	<b>7,742</b>	<b>5,502</b>	<b>80,351</b>

Within the detail of this plan there remain several areas of uncertainty. Some of our expenditure requirements will potentially reduce as we refine our plans and requirements into the future (e.g. ICT infrastructure, Fleet replacement) whereas other emerging issues and initiatives might potentially increase our expenditure (e.g. uncertainty around the national ESN project, emerging estates opportunities).

**Asset replacement** – Our asset replacement plans total £34.7m, which accounts for 43% of our total capital plan spend. This includes provision for the ongoing maintenance, replacement and renewal of our existing assets:-

<sup>1</sup> Reflects the forecast position as at the end of December 2017

	Current Yr	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
ICT replacement	160	1,182	2,077	3,646	2,523	2,321	<b>11,909</b>
Estates replacement	401	1,249	250	250	250	250	<b>2,650</b>
Fleet replacement	3,893	3,363	2,904	2,955	2,658	2,663	<b>18,436</b>
Equipment replacement	282	308	308	308	268	268	<b>1,742</b>
<b>TOTAL</b>	<b>4,736</b>	<b>6,102</b>	<b>5,539</b>	<b>7,159</b>	<b>5,699</b>	<b>5,502</b>	<b>34,737</b>

**ICT replacement** - our ICT replacement plans require further refinement as part of our planning for the end of the Southwest One contract during 2018/19. We expect to continue this work over the coming months. The current draft of the plan assumes the following renewal and replacement activity:-

- End User Devices (£5.7m) – the number of end user devices has increased in recent years, and we would expect all devices to need at least one replacement during the life of this plan. This includes:-
  - replacement of both desktops and laptop devices (£2.8m);
  - replacement of mobile phones and tablets (£2.1m);
  - replacement of body worn video cameras (£0.8m).
- Infrastructure (£6.4m) – over the course of the plan we have made provision for replacement and enhancements to our IT infrastructure, including:-
  - Storage and back-up requirements (£1.3m);
  - Servers and infrastructure (£2.5m);
  - Network Security (£0.6m);
  - Data Centre Consolidation Strategy (£1.3m);

In addition to which we also have an annual provision of £0.1m to support unscheduled spend requirements.

**Estates replacement** – our estates replacement plans include two key areas of activity:-

- HQ generator replacement (£1.0m) – Our generator is at the end of its life and needs replacement. We will look to replace this, to both modernise the facility, but also provide us with enhanced ability to better manage our future utility costs and requirements across our largest single site;
- Electrical/Heating/Fire precautions (£1.7m) – Across our estate we have a regular need to upgrade our electrical and heating systems as well as to ensure that we continue to take appropriate precautions against the risk of fire. From 18/19 we will provision £0.25m p.a. to support this work, and we will look to align this where possible to other planned projects so as to minimise disruption to our workforce.

**Fleet replacement** – our fleet replacement plan currently reflects the activity required in order to maintain our current fleet numbers and profile. Across the life of the plan this equates to £18.4m. We expect this to reduce in the coming months as the outcome of the fleet review emerges and opportunities to reduce the number of vehicles across our fleet are realised.

**Equipment replacement** – our plan for the replacement of our capital equipment falls into two distinct areas as follows:-

- ANPR (£1.2m) – over the course of the plan we estimate that £1.2m is required in order to maintain and replace our current ANPR asset estate;
- Provision (£0.5m) – annual provision of £0.1m is included in the plan to provide for the rolling replacement of a large number of smaller value assets which when purchased in aggregate are more suitable to be funded through capital than through our revenue equipment budgets.

**A&S capital projects** - Our planned A&S projects total £40.5m, which accounts for 51% of our total capital plan spend. This includes provision for all of our planned capital investments, including those both in-scope and out of scope of our change programme arrangements:-

	Current Yr	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
Digital	10,496	2,462	1,425	5,312	2,043	-	21,738
Infrastructure	2,095	5,525	7,350	150	-	-	15,120
Service & Workforce	215	3,089	-	-	-	-	3,304
Other Projects	374	350	-	-	-	-	724
<b>TOTAL</b>	<b>13,180</b>	<b>11,426</b>	<b>8,775</b>	<b>5,462</b>	<b>2,043</b>	<b>-</b>	<b>40,886</b>

**Digital Programme** – our digital programme includes our assessment of the capital spend required to take forward all activity currently within scope of this programme. Some continued refinement is required to these numbers, with the current draft of the plan including provision for the following:-

- National Projects (£9.3m) – we have made provision for national projects where it has been possible to do so. The provision therefore includes:-
  - The Emergency Services Network (ESN) programme - £9.0m;
  - The Digital Evidence Transfer (DET) project - £0.1m;
  - The National ANPR System (NAS) project - £0.1m;
  - The National Law Enforcement Data (NLED) programme - £0.03m.

There remain a number of other projects and initiatives which may require capital funding to support – these include Vigilant, CRASH, Biometrics and the National Enabling Programme.

- Digital Mobilisation (£10.8m) – our provision for our digital mobilisation project is largely occurring in the 2017/18 financial year, with some provision into 18/19 and 19/20. Through this project we are provisioning:-
  - New mobile devices, platform and associated infrastructure (£3.9m);
  - Both in-vehicle and in-fleet Wi-Fi capability (£2.0m); and
  - Personal issue laptops and migration to Office 365 (£4.2m).
- Digital Evidence (£1.7m) – our provision for digital evidence includes completion of all remaining work to embed, improve and integrate our digital evidence management system, as well as provision for increased storage capacity that will be needed to support the growth in digital evidence now being retained.

**Infrastructure Programme** – our infrastructure programme includes provision for a large number of different projects across our estate. These include:-

- HQ Site (£0.7m) – provision is made for the progression and completion of a number of projects associated with our HQ site in Portishead. These include the works supporting the co-location of Avon Fire & Rescue Service, the conversion of the former tactics house into file storage capacity, and traffic and security initiatives;
- Specialist Ops and Ops Training (£0.7m) – provision has been made entirely within the 17/18 plan to complete the works at the Wilfred Fuller VC Ops Training Centre;
- South East Somerset (£3.7m) – provision has been made to provide for a new response and investigations base, and a new neighbourhood base and enquiry office in Yeovil. A number of options are currently being explored, and therefore this provision represents an estimate at this stage. The project is linked to an anticipated capital receipt of £2.1m from the sale of the current Yeovil police station site (see capital receipts below);
- North Somerset (£0.2m) – provision has been made within the 17/18 financial year to complete the provision of the new North Somerset response base at Weston-Super-Mare, as well as the neighbourhood base within Nailsea. These projects were linked to the capital receipt of £2.3m achieved from the sale of our Nailsea Police Station site;
- Mid Somerset (Mendip/Sedgemoor) (£1.8m) – provision has been made for a number of initiatives, including a new response base at Shepton Mallet, and new Neighbourhood bases at Cheddar, Frome, Wells, Radstock, Street and Somerton. The combined value of the capital receipts expected from the sites linked to these projects is £3.2m;
- Bristol/North (£4.6m) – our plans include provision for the redevelopment of our Kenneth Steele House site in central Bristol (£3.6m), as well as new neighbourhood bases to replace our Broadbury Road site, our Trinity Road site, our Southmead site and make new provision in Bradley Stoke/Patchway. The progression of these projects is expected to release £5.3m in capital receipts;
- Somerset West (£1.5m) – we have made provision for a new response and neighbourhood base in Taunton, as well as new neighbourhood bases in Williton and in Minehead. The progression of these projects is expected to release £2.5m in capital receipts;
- Public Protection Suites (£1.1m) – our plans include the provision of new public protection suites in the South East, South West and North East of our force area. The progression of these projects would bring our entire public protection estate up to a common standard. The progression of these 3 separate initiatives is expected to release £0.7m in capital receipts.
- Other Projects (£0.8m) – in addition to the above initiatives we also recognise the need to provision for feasibility and WAN related costs in support of furthering options and delivering operational buildings. We are also aware of an emerging requirement from the Home Office to ensure that we are able to maintain 10 days worth of fuel to support our fleet, and therefore we have provision set aside to ensure we can support any works required to our fuel bunkering.

There remain a number of ways in which the above plans can and will change. The emergence of new opportunities will potentially impact upon our plans, as will decisions around the scope of projects and preferred options to be progressed. Therefore, whilst the above position represents our best assessment of our current plans we recognise the further refinement may result in some changes to these.

**Service and Workforce Development Programme** – our service and workforce development programme includes provision for the transfer of our ERP and Duty Management Systems across to those provided through the Multi Force Shared Service (MFSS), as well as other capital costs associated with the progression of our enabling services restructure and the exit from the Southwest One contract.

**Other Projects** – there remain a number of projects outside of the change programme which are earmarked for completion within 2017/18. These include the finalisation of our voice and data communications project, the implementation of new business continuity functionality for key corporate systems, as well as the continued investment in business analytics and the upgrade to our security access systems.

**Funded projects** - Our capital plans also include a number of projects and initiatives which have funding provided that either completely covers the planned spend, or which partially covers the spend with the expectation of a balance to be funded by Avon & Somerset. In order to improve the presentation of our capital plan these projects are being shown separately for the first time:-

	Current Yr	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
ICT	328	1,900	-	-	-	-	<b>2,228</b>
Estates	951	708	-	-	-	-	<b>1,409</b>
Fleet	590	-	-	-	-	-	<b>590</b>
Equipment	251	-	-	-	-	-	<b>251</b>
<b>TOTAL</b>	<b>2,120</b>	<b>2,608</b>	-	-	-	-	<b>4,478</b>
<i>Partner Contributions</i>	<i>1,218</i>	<i>284</i>	-	-	-	-	<i>1,502</i>
<i>Grant Funding</i>	<i>758</i>	<i>1,900</i>	-	-	-	-	<i>2,658</i>
<i>Earmarked Reserves</i>	<i>78</i>	<i>400</i>	-	-	-	-	<i>478</i>
<b>TOTAL Funding</b>	<b>2,055</b>	<b>2,584</b>	-	-	-	-	<b>4,639</b>
<b>Net Cost to A&amp;S</b>	<b>65</b>	<b>24</b>	-	-	-	-	<b>89</b>

- Funded Projects ICT – we have identified two ICT projects that have direct funding:-
  - Multi-Agency Analytics Hub – This collaborative project is looking to enhance our information sharing across partner agencies and to utilise some of our business analytics capability in support of this. A&S are the lead force for this initiative, having secured £2.2m in police transformation funding from the Home Office to support this project;
  - Road Safety Unit Contact Centre call handling infrastructure – the investment in new technology to support our road safety unit in handling the volume of calls currently being received is planned during 17/18. This will be funded from the funds in the road safety reserve;
- Funded Projects Estates – In total there are seven funded estates projects included within the plan. These include:-
  - Almondsbury CTSFO accommodation – This collaborative project will provide the facilities required to accommodate the uplift if Counter Terrorism Specialist Firearms Officers at our Almondsbury Tri-Force base. The cost of this project is £0.7m, of which £0.45m is forecast in 17/18, with the remainder expected to complete the project in 18/19;
  - SW Drugs and Chem lab – This collaborative project will provide the accredited facilities required to support the South West forensics collaboration. The cost of the project is £0.39m, of which A&S will contribute £0.16m;

- Other projects – There are 5 further projects which support collaborative or partnership working, or which have specific earmarked funding to support them. In total these projects are forecast to cost £0.57m, of which £0.04m will be required from A&S main capital funding sources;
- Funded Projects Fleet – These include CTSFO fleet uplift (funded through grant) and regional hosted services (SWCTIU and SWROCU) fleet requirements (funded through these collaborations).
- Funded Projects Capital Equipment – These include purchases made on behalf of collaboration (Tri-Force operations) or hosted services (SWCTIU) where the purchases are funded through these collaborations.

## Capital Funding

There are a number of sources of capital funding.

	Current	MTFP					TOTAL £'000
	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
Home Office Grant	1,005	1,005	1,005	1,005	1,005	1,005	6,030
Revenue Contribution	2,670	1,500	6,750	3,000	3,000	3,000	19,920
Earmarked Reserve	323	411	11	11	11	11	776
General Capital Reserve	1,685	-	-	-	-	-	1,685
Receipts (Buildings)	10,406	4,554	1,449	8,506	1,203	-	26,118
Receipts (Vehicles)	180	100	100	100	100	100	680
Partner Contributions	1,252	284	-	-	-	-	1,536
Grant Funding	1,078	2,282	-	-	-	-	3,361
Unapplied borrowing	1,436	-	-	-	-	-	1,436
New borrowing	-	10,000	5,000	-	-	-	15,000
<b>TOTAL</b>	<b>20,036</b>	<b>20,136</b>	<b>14,315</b>	<b>12,622</b>	<b>5,319</b>	<b>4,116</b>	<b>76,542</b>

- Home Office capital grant funding – The value of this grant funding has reduced by 67% since the value received in 2010/11. The current value has been largely static for the last two years at just over £1m p.a. We have forecast that it will remain at this level for the duration of our planning period;
- Revenue contribution – Over the course of our MTFP we have made provision for a gradual uplift in the value of the revenue contribution towards our capital funding, resulting in an annual contribution of £3.0m p.a. with effect from 2021/22. The plan also assumes a one off uplift in contribution of £5m in 19/20, reflecting the current capacity within our revenue projections to support this level of contribution as a one off;
- Earmarked reserves – our earmarked reserves are used to support specific items of spend, including the use of the road safety reserve to continue to invest in the assets that support our road safety and speed enforcement teams;
- General capital reserve – this represents historic funds which have been set aside to support general capital investment;



- Building receipts – over the course of the period covered by the plan we anticipate selling a number of our buildings, as is highlighted in the estates section of the plan above. The combined value of receipts already received (£13.2m), and those we are expecting to receive over the next three years (£12.9m) totals £26.2m over the course of the plan. There remains risk over those receipts not yet received both in terms of the value (subject to market factors at the point at which the asset is sold) and the timing (subject to us being in a position to release the asset from operational use) which we will continue to monitor;
- Vehicle receipts – over the course of the plan we are assuming some receipts generated from the sale of our vehicles that have reached the end of their useful life to us. On average we expect to generate £0.1m p.a.
- Partner contributions – these total £1.3m, and reflect contributions from partners towards a number of our funded schemes as outlined above;
- Grant funding – this funding reflects the specific grant funding provided through either the CTIU grant or through the Police Transformation Fund grant which is detailed in the funded programmes section above, as well as the grant funding received in support of our local ESN costs;
- Unapplied borrowing – this balance of £1.4m reflects the residual element of the borrowing which was taken out during 2016/17 which has yet to be applied in support of capital expenditure;
- New borrowing – this reflects the current assumed profile of borrowing which will be undertaken in support of capital expenditure. The final value and profile of our borrowing will be subject to ongoing discussion and dialogue with the PCC, and depending on timing of capital expenditure may be delayed from that which is currently shown (thereby releasing a small revenue saving also).

## Reserves and Risk

### Reserves

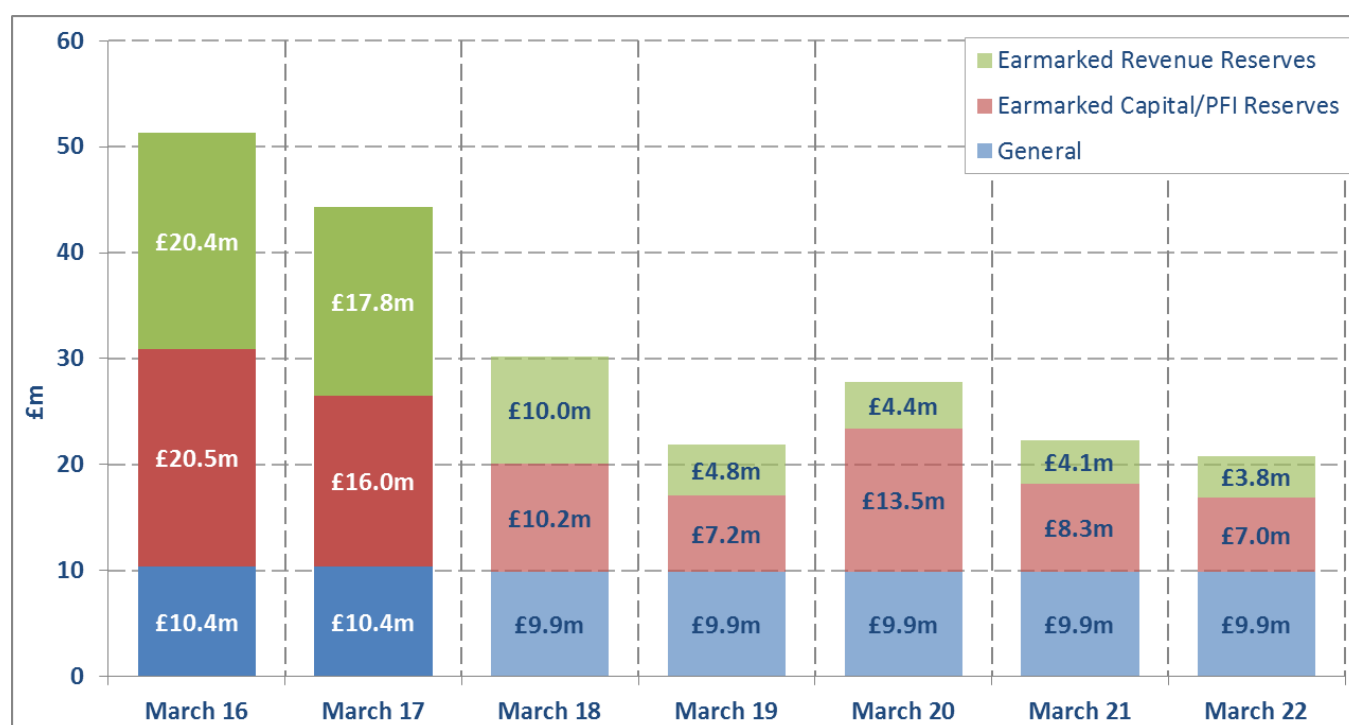
The PCC holds reserves in order to:-

- Support capital and revenue investment to continue our further transformation and change;
- Manage uncertainty and risk in our future; and
- Comply with accounting practice and convention.

As reported in our financial statements at the end of March 2017 the PCC had total usable reserves of £44.3m. This reflected a reduction of £7.0m/14% compared to the balance held 12 months previously.

Our projections across the medium term forecast that our reserves will continue to significantly reduce, with the biggest change occurring by the end of this financial year.

**Figure 5: Useable reserve projections over the life of the MTFP**



Our useable reserve levels are therefore forecast to stand at £30.1m by the end of the 2017/18 financial year, and to £20.7m by the end of the MTFP period (March 2022).

As the graph demonstrates the current projections estimate an uplift in reserves at the end of the 2019/20 financial year, reflecting timing of anticipated capital receipts before our ability to use these as part of our funding. This reflects a projection only at this stage, and will therefore be subject to ongoing review and refinement as our plans crystalize.

Our reserve levels are not forecast to substantially reduce beyond £20m over the course of this MTFP period for the following reasons:-

- Our **general fund** is set annually by the PCC's Chief Finance Officer in consultation with the Chief Constable's Chief Finance Officer, and after a consideration of all risks facing the PCC. The risk level, and our appetite for the financial provision needed to assure ourselves, may change over the medium term enabling some reductions in this reserve – however, we will need to maintain some provision here and **the general fund balance (£9.9m) represents 3.4% of 18/19 Net Revenue**

**budget**, which would be within the prudent range expected of us (between 3-5% would be the expected range of general reserves held);

- Our forecasts assume we would maintain an **operations reserve (£1.0m)** in order to provision for the one-off costs associated with a significant operation or investigation which placed our annual budget provisions under pressure;
- Our **PFI reserves** are used to equalise the phasing of our income (in the form of PFI credits and interest receipts) to our forecast expenditure. In the early years of the contract we generate a surplus which our accounting model requires us to put into reserves, in order to be released against the annual deficit in funding forecast in the later years of the contract. By so doing we are able to smooth the financial impact on the revenue budget over the life of these assets. By March 22 we forecast that our PFI reserves will stand at **£7.0m**. Our financial model forecasts that this will be the peak level of these reserves, and that from this point onwards the reserves will begin to reduce as we use the funds to help top-up our revenue budgets. Our modelling identifies that these reserve will not fully unwind until the 2038/39 financial year which will coincide with the end of our PFI contracts;
- The remainder of our reserves are made up of lots of smaller amounts. These reflect annual amounts expected to be held at any given year-end which relate to ring-fenced activity. This includes the value on our detained property fund (the majority of which is returnable), specific grants and ring-fenced receipts of funding unspent at any given year-end, as well as an ongoing road safety reserve generated through income received from speed awareness course referrals.

## Risk

Given the extent of the modelling and assumptions required across the development of our MTFP, it is important that we have consideration of risks and the potential impact these could have on our forecasts and plans. The table below highlights some of the key risks identified:-

Risk	Potential scale	Mitigation
<b>Grant Funding</b> – the value of future grant levels is higher or lower than currently forecast owing to decisions made by the Government about the overall funding available to provide to PCC's.	1.0% of total grant funding is £1.7m p.a.	Review of detailed grant settlement (expected mid Dec) and associated announcements. Benchmarking against other forces.
<b>Grant Funding</b> – the value of future grant levels is higher or lower than current forecast owing to decisions made by the Government about how to distribute overall funding available to PCC's.	1.0% of formula grant funding is £1.5m p.a.	Engage with and monitor the work of the Home Office as they consult on proposals to change the current formula for distribution (now expected as part of next CSR in 2019).
<b>Council Tax Base</b> – the increase in council tax base currently forecast is higher or lower than currently forecast (1.5% growth p.a. from 18/19 onwards).	1.0% of council tax income is £1.0m p.a.	Ensure our forecasts for council tax base increases materially reflect those being made by local authorities themselves.
<b>Council Tax Precept</b> – the increase in council tax precept current forecast (£12 p.a. for 2 years, followed by 1.99% increases p.a.) is not supported and/or not possible without incurring cost and risk of a local referendum.	1.0% of council tax income is £1.0m p.a.	Continue to seek confirmation from PCC about appropriateness of this assumption, and monitor Government information about referendum capping principles.

Risk	Potential scale	Mitigation
<b>Pay Inflation</b> – the increase in pay is higher or lower than currently forecast (2.0% increase p.a.).	1.0% of officer and staff pay is £2.1m p.a.	Benchmarking of our assumptions for future pay awards against other forces to ensure not outlier. Monitor Government, and emerging sector statements regarding future public sector pay.
<b>Pensions</b> – the MTFP currently assumes growth in employer contribution over the next three years in accordance with LGPS actuarial valuation. Depending on the outcome of officer pension scheme valuations, and future LGPS valuations we may be required to make provision to increase contributions further.	Additional 1.0% contribution is:- Staff = £0.52m p.a. Officer = £1.0m p.a.	Monitor the ongoing position of actuarial reviews, engaging where appropriate with national intelligence (new national support for police pensions through NPCC Finance and Resources).
<b>Inflation</b> – the UK economic position carries a lot of uncertainty and risk at present which could lead to fluctuations in inflation. Our assumptions for non-pay inflationary provisions, might not be appropriate to keep pace with increases in price.	Additional 1.0% on non-pay budgets is £0.4m p.a.	Continue to monitor emerging picture and determine if any adjustment needs to assumptions already factored in across the MTFP.
<b>Cost of Change</b> – The Constabulary and PCC have ambitious programmes which will require both capital and revenue investment. Funding these will require us to utilise our reserves, as well as undertake further borrowing. However, there remains a need to ensure that our investments remain within a level of affordability, and if we are unable to achieve this through some prioritisation of current plans then there is a risk that the MTFP does not adequately provide for the cost of these investments. Making further provision for these costs will increase the revenue budget requirement, and in turn increase the size of the savings needed.	Depends on the scale of ambition and the value of the investment decisions yet to be made.  Currently capital ambition is c. £3.8m greater than our funding.	Identify and support activity to review current capital plans to enable the cost of these to be further refined.  Review revenue costs of change with Strategy & Transformation colleagues and ensure that this remains at a sustainable level.
<b>Cost of Change (Redundancy)</b> – The restructure of our enabling services, as well as the transition of services to MFSS, will necessitate a reduction in headcount. This will bring about redundancy cost, which could be increased by pension strain cost (where individuals meet the relevant criteria). We therefore need to recognise these costs and ensure we have appropriate provision to cover them. To date our redundancy costs have been covered within revenue underspends in year, however the tighter our budgets become and the more impactful our change is on staff, the greater the potential for redundancy costs to create budgetary overspends.	Redundancy costs are hard to forecast at the outset of change work as it is often hard to identify the individuals who would be made redundant at the end of a restructure.	Quantify redundancy costs where possible to do so, and identify as best as possible the potential scale of further redundancy.  Use this forecast to provision for costs at the end of the 2017/18 financial year (our Q3 forecast outturn now assumes a £2m provision will be made to cover potential redundancy costs).

## Appendix A – MTFP

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>FUNDNG</b>					
<b>2017/18 Base Funding</b>					
Grant Funding	175,914	175,914	175,914	175,914	175,914
Council Tax Funding	101,638	101,638	101,638	101,638	101,638
<b>TOTAL Funding</b>	<b>277,552</b>	<b>277,552</b>	<b>277,552</b>	<b>277,552</b>	<b>277,552</b>
<b>Forecast increase/(decrease) to 2017/18 Base Funding</b>					
Grant Funding	0	0	(2,389)	(4,742)	(7,059)
Council Tax Funding	6,934	15,261	19,349	23,581	27,962
<b>TOTAL increase/(decrease) in Funding</b>	<b>6,934</b>	<b>15,261</b>	<b>16,960</b>	<b>18,839</b>	<b>20,903</b>
<b>Forecast Funding</b>					
Grant Funding	175,914	175,914	173,525	171,172	168,854
Council Tax Funding	108,572	116,898	120,987	125,219	129,600
<b>TOTAL Funding</b>	<b>284,486</b>	<b>292,812</b>	<b>294,512</b>	<b>296,391</b>	<b>298,454</b>
<b>BUDGET REQUIREMENT</b>					
<b>2017/18 Base Budget</b>					
Office of the Police and Crime Commissioner	1,354	1,354	1,354	1,354	1,354
Commissioning	3,488	3,488	3,488	3,488	3,488
Constabulary	273,988	273,988	273,988	273,988	273,988
<b>TOTAL 2017/18 Base Budget</b>	<b>278,830</b>	<b>278,830</b>	<b>278,830</b>	<b>278,830</b>	<b>278,830</b>
<b>Adjustments to Budgets Required/Planned</b>					
Office of the Police and Crime Commissioner (inc savings)	4	19	39	69	104
Commissioning (inc savings)	(50)	(50)	(50)	(50)	(50)
Constabulary	10,077	20,754	23,454	29,805	35,867
<b>TOTAL Adjustments to Budgets Required/Planned</b>	<b>10,031</b>	<b>20,723</b>	<b>23,442</b>	<b>29,823</b>	<b>35,920</b>
<b>Budget Requirement (before savings)</b>					
Office of the Police and Crime Commissioner	1,358	1,373	1,393	1,423	1,458
Commissioning	3,438	3,438	3,438	3,438	3,438
Constabulary	284,066	294,742	297,442	303,793	309,855
<b>TOTAL Budget Requirement</b>	<b>288,861</b>	<b>299,553</b>	<b>302,273</b>	<b>308,654</b>	<b>314,751</b>
<b>SAVINGS AND USE OF RESERVES</b>					
<b>DEFICIT BEFORE SAVINGS</b>	<b>4,376</b>	<b>6,741</b>	<b>7,761</b>	<b>12,263</b>	<b>16,296</b>
<b>Savings</b>					
MFSS Savings	0	(1,200)	(1,200)	(1,200)	(1,200)
Enabling Services/Infrastructure Savings	(4,000)	(6,600)	(6,600)	(6,600)	(6,600)
Victims and Safeguarding	(140)	(140)	(140)	(140)	(140)
NPAS Reductions	(350)	(350)	(350)	(350)	(350)
<b>PROVISION AGAINST SAVINGS/ADJUSTMENTS</b>	<b>114</b>	<b>1,549</b>	<b>529</b>	<b>0</b>	<b>0</b>
<b>TOTAL Savings</b>	<b>(4,376)</b>	<b>(6,741)</b>	<b>(7,761)</b>	<b>(8,290)</b>	<b>(8,290)</b>
<b>REVISED DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,973</b>	<b>8,006</b>

## Appendix B – Revenue Funding Forecasts

	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
<b>GRANT FUNDING</b>						
Main Grants	159,254	159,254	159,254	156,865	154,512	152,195
Victims Commissioning	1,951	1,951	1,951	1,951	1,951	1,951
Council Tax Freeze	3,331	3,331	3,331	3,331	3,331	3,331
Council Tax Support	11,378	11,378	11,378	11,378	11,378	11,378
<b>TOTAL GRANT FUNDING</b>	<b>175,914</b>	<b>175,914</b>	<b>175,914</b>	<b>173,525</b>	<b>171,172</b>	<b>168,854</b>
Annual Change (£'000)	-2,253	0	0	-2,389	-2,353	-2,318
Annual Change (%)	-1.3%	0.0%	0.0%	-1.4%	-1.4%	-1.4%
Cumulative Change (£'000)		0	0	-2,389	-4,742	-7,059
Cumulative Change (%)		0.0%	0.0%	-1.4%	-2.7%	-4.0%
<b>COUNCIL TAX FUNDING</b>						
Council Tax Precept	99,775	107,760	116,148	120,237	124,469	128,850
Collection Fund Surplus	1,863	812	750	750	750	750
<b>TOTAL COUNCIL TAX FUNDING</b>	<b>101,638</b>	<b>108,572</b>	<b>116,898</b>	<b>120,987</b>	<b>125,219</b>	<b>129,600</b>
Annual Change (£'000)	3,730	6,934	8,326	4,088	4,232	4,381
Annual Change (%)	3.8%	6.8%	7.7%	3.5%	3.5%	3.5%
Cumulative Change (£'000)		6,934	15,261	19,349	23,581	27,962
Cumulative Change (%)		6.8%	15.0%	19.0%	23.2%	27.5%
<b>TOTAL FUNDING</b>	<b>277,552</b>	<b>284,486</b>	<b>292,812</b>	<b>294,512</b>	<b>296,391</b>	<b>298,454</b>
Annual Change (£'000)	1,476	6,934	8,326	1,699	1,879	2,063
Annual Change (%)	0.5%	2.5%	2.9%	0.6%	0.6%	0.7%
Cumulative Change (£'000)	-21,317	-14,383	-6,057	-4,357	-2,478	-415
Cumulative Change (%)	-7.1%	-4.8%	-2.0%	-1.5%	-0.8%	-0.1%
Grant Funding	63.4%	61.8%	60.1%	58.9%	57.8%	56.6%
Council Tax Funding	36.6%	38.2%	39.9%	41.1%	42.2%	43.4%
<b>TOTAL Funding</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Average Band D Council Tax</b>	<b>£181.81p</b>	<b>£193.81p</b>	<b>£205.81p</b>	<b>£209.90p</b>	<b>£214.08p</b>	<b>£218.34p</b>
Annual Change (£p)	£3.55	£12.00	£12.00	£4.10	£4.18	£4.26
Annual Change (%)	1.99%	6.60%	6.19%	1.99%	1.99%	1.99%
Cumulative Change (£p)	£13.78	£25.78	£37.78	£41.87	£46.05	£50.31
Cumulative Change (%)	8.2%	15.3%	22.5%	24.9%	27.4%	29.9%
<b>Council Tax Base</b>	<b>548,800</b>	<b>556,019</b>	<b>564,359</b>	<b>572,824</b>	<b>581,417</b>	<b>590,138</b>
Annual Change (No. of Properties)	10,967	7,219	8,340	8,465	8,592	8,721
Annual Change (%)	2.04%	1.32%	1.50%	1.50%	1.50%	1.50%
Cumulative Change (No.)	-11,988	-4,769	3,571	12,036	20,629	29,350
Cumulative Change (%)	-2.1%	-0.9%	0.6%	2.1%	3.7%	5.2%

## Appendix C – Revenue Costs Forecasts

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>OFFICE OF THE POLICE AND CRIME COMMISSIONER (OPCC)</b>					
<b>OPCC 2017/18 Budget</b>	<b>1,354</b>	<b>1,354</b>	<b>1,354</b>	<b>1,354</b>	<b>1,354</b>
Provision for inflation	23	38	58	88	123
Growth	15	15	15	15	15
Savings	(34)	(34)	(34)	(34)	(34)
<b>OPCC Budget Requirement</b>	<b>1,358</b>	<b>1,373</b>	<b>1,393</b>	<b>1,423</b>	<b>1,458</b>
<b>COMMISSIONING</b>					
<b>OPCC 2017/18 Budget</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>	<b>3,488</b>
Provision for inflation	0	0	0	0	0
Growth	0	0	0	0	0
Savings	(50)	(50)	(50)	(50)	(50)
<b>Commissioning Budget Requirement</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>	<b>3,438</b>
<b>OFFICE OF THE CHIEF CONSTABLE (THE CONSTABULARY)</b>					
<b>Constabulary 2017/18 Budget</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>	<b>273,988</b>
Police Officer Pay Awards	3,257	6,138	8,893	11,704	14,571
Police Staff/PCSO Pay Awards	2,051	4,081	5,914	7,783	9,690
Change to officer and staff unit cost	(1,262)	(1,262)	(1,262)	(1,262)	(1,262)
Adjustment to vacancy factor	459	459	459	459	459
Injury and Medical Pension adjustments	450	733	986	1,228	1,474
Adjustment to Pension Deficit Lump-Sum	47	136	206	324	446
Overtime adjustments	(351)	(169)	13	196	13
Housing allowance and compensatory grant adjustments	(533)	(658)	(763)	(852)	(927)
Apprenticeship Levy	(28)	(12)	(12)	(12)	(12)
<b>Pay and Staffing adjustments</b>	<b>4,091</b>	<b>9,448</b>	<b>14,436</b>	<b>19,569</b>	<b>24,452</b>
General Non-Pay Inflationary adjustments	915	1,870	2,723	3,592	4,478
Utilities Inflationary adjustments	75	153	220	289	360
Fuel Inflationary adjustments	72	147	214	282	353
Interest receivable adjustments	(15)	(38)	(106)	(69)	(100)
<b>Non-Pay Inflationary adjustments</b>	<b>1,047</b>	<b>2,133</b>	<b>3,050</b>	<b>4,094</b>	<b>5,091</b>
Minimum Revenue Provision (MRP) adjustments	(584)	(261)	(61)	(61)	(61)
Interest payable adjustments	88	263	438	438	438
Revenue Funding of Capital	1,500	6,750	3,000	3,000	3,000
<b>Cost of Capital adjustments</b>	<b>1,004</b>	<b>6,752</b>	<b>3,377</b>	<b>3,377</b>	<b>3,377</b>
New growth and investments	227	227	227	227	227
Unavoidable commitments and adjustments	1,407	993	1,039	1,085	1,136
Glastonbury Festival - Fallow Year	617	0	0	0	0
Building Maintenance Reserve adjustment	(71)	(71)	(71)	(71)	(71)
PFI Costs	84	102	120	140	161
End of Southwest One and transition to MFSS	1,671	1,170	1,275	1,383	1,494
<b>Growth and commitment adjustments</b>	<b>3,935</b>	<b>2,421</b>	<b>2,590</b>	<b>2,765</b>	<b>2,946</b>
<b>Constabulary Budget Requirement</b>	<b>284,066</b>	<b>294,742</b>	<b>297,442</b>	<b>303,793</b>	<b>309,855</b>
<b>TOTAL BUDGET REQUIREMENT</b>					
Office of the Police and Crime Commissioner	1,358	1,373	1,393	1,423	1,458
Commissioning	3,438	3,438	3,438	3,438	3,438
Constabulary	284,066	294,742	297,442	303,793	309,855
<b>TOTAL Budget Requirement</b>	<b>288,861</b>	<b>299,553</b>	<b>302,273</b>	<b>308,654</b>	<b>314,751</b>

## Appendix D – Capital Programme

Summary Capital Programme	Current Yr	MTFP					6 Yr
	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000
<b>Expenditure</b>							
<b>BAU Replacement Programmes</b>							
- ICT Replacement Programme	£160	£1,182	£2,077	£3,646	£2,523	£2,321	<b>£11,909</b>
- Estates Replacement Programme	£401	£1,249	£250	£250	£250	£250	<b>£2,650</b>
- Fleet Replacement Programme	£3,893	£3,363	£2,904	£2,955	£2,658	£2,663	<b>£18,436</b>
- Equipment Replacement Programme	£282	£308	£308	£308	£268	£268	<b>£1,742</b>
<b>Sub-Total Replacement Programme</b>	<b>£4,736</b>	<b>£6,102</b>	<b>£5,539</b>	<b>£7,159</b>	<b>£5,699</b>	<b>£5,502</b>	<b>£34,737</b>
<b>Capital Projects</b>							
- Digital Programme Projects	£10,496	£2,462	£1,425	£5,312	£2,043	-	<b>£21,738</b>
- Infrastructure Programme Projects	£2,095	£5,525	£7,350	£150	-	-	<b>£15,120</b>
- Service Workforce and Development Programme Projects	£215	£3,089	-	-	-	-	<b>£3,304</b>
- Other Projects	£374	£350	-	-	-	-	<b>£724</b>
<b>Sub-Total Capital Projects</b>	<b>£13,180</b>	<b>£11,426</b>	<b>£8,775</b>	<b>£5,462</b>	<b>£2,043</b>	<b>-</b>	<b>£40,886</b>
<b>Funded or Part-Funded Projects</b>							
- Expenditure on Funded Projects	£2,120	£2,608	-	-	-	-	<b>£4,728</b>
<b>Total Funded or Part-Funded Projects</b>	<b>£2,120</b>	<b>£2,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>£4,728</b>
<b>TOTAL Capital Expenditure</b>	<b>£20,036</b>	<b>£20,136</b>	<b>£14,314</b>	<b>£12,621</b>	<b>£7,742</b>	<b>£5,502</b>	<b>£80,351</b>
<b>Funding</b>							
<b>Specific Purpose Funding</b>							
- A&S Revenue Contributions	- £120	-	-	-	-	-	<b>£120</b>
- Partner Contributions	- £1,218	- £284	-	-	-	-	<b>£1,502</b>
- Earmarked Reserves	- £323	- £411	- £11	- £11	- £11	- £11	<b>£776</b>
- Grant Funding	- £758	- £1,900	-	-	-	-	<b>£2,658</b>
<b>Total Specific Purpose Funding</b>	<b>- £2,420</b>	<b>- £2,595</b>	<b>- £11</b>	<b>- £11</b>	<b>- £11</b>	<b>- £11</b>	<b>£5,057</b>
<b>General Purpose Funding</b>							
- Home Office Capital Grant Funding	- £1,005	- £1,005	- £1,005	- £1,005	- £1,005	- £1,005	<b>£6,030</b>
- A&S Revenue Contributions	- £2,550	- £1,500	- £6,750	- £3,000	- £3,000	- £3,000	<b>£19,800</b>
- Partner Contributions	- £34	-	-	-	-	-	<b>£34</b>
- General Capital Reserve	- £1,685	-	-	-	-	-	<b>£1,685</b>
- Grant Funding	- £320	- £382	-	-	-	-	<b>£702</b>
- Capital Receipts	- £10,586	- £4,654	- £1,549	- £8,606	- £1,303	- £100	<b>£26,798</b>
- Unapplied Borrowing	- £1,436	-	-	-	-	-	<b>£1,436</b>
- New Borrowing	-	- £10,000	- £5,000	-	-	-	<b>£15,000</b>
<b>Total General Purpose Funding</b>	<b>- £17,616</b>	<b>- £17,541</b>	<b>- £14,304</b>	<b>- £12,611</b>	<b>- £5,308</b>	<b>- £4,105</b>	<b>£71,485</b>
<b>TOTAL Capital Funding</b>	<b>- £20,036</b>	<b>- £20,136</b>	<b>- £14,315</b>	<b>- £12,622</b>	<b>- £5,319</b>	<b>- £4,116</b>	<b>£76,542</b>
<b>Surplus (-)/Deficit (+)</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£2,424</b>	<b>£1,386</b>	<b>£3,809</b>



## Appendix E – Capital Receipts from sale of Buildings

Useable Capital Receipts	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000
<b>Balance B/Fwd</b>	<b>7,149</b>	<b>3,106</b>	<b>93</b>	<b>6,319</b>	<b>1,203</b>	<b>0</b>
<i>Southmead (Sold)</i>	2,281					
<i>Bishopsworth (Sold)</i>	548					
<i>Nailsea (Sold)</i>	2,262					
<i>Bower Ashton (Sold)</i>	696					
<i>19 Coombe Road (Sold)</i>	269					
Cheddar		288				
Frome Parking Land strip		288				
Frome ransom strip		144				
North West CPU	307					
Shepton Mallet 23 Commercial Rd		285				
Williton		336				
Police Houses		200	200	200		
Taunton			700	1,000		
Minehead			500			
Trinity Road			1,150			
Yeovil			2,125			
Radstock				600		
Keynsham				900		
Street			500			
Somerton			300			
Wells			1,200			
North East CPU				350		
South West CPU				170		
South East CPU				170		
Broadbury Rd			1,000			
Receipts from the sale of vehicles	180	100	100	100	100	100
Use of reserve to fund capital expenditure	- 10,586	- 4,654	- 1,549	- 8,606	- 1,303	- 100
<b>Balance C/Fwd</b>	<b>3,106</b>	<b>93</b>	<b>6,319</b>	<b>1,203</b>	<b>0</b>	<b>0</b>

## Appendix F – Reserves Forecasts

Useable Reserves							
	ACTUAL		FORECAST				
	Bal as at 31st March 2016	Bal as at 31st March 2017	Bal as at 31st March 2018	Bal as at 31st March 2019	Bal as at 31st March 2020	Bal as at 31st March 2021	Bal as at 31st March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carry Forwards	474	256	200	200	200	200	200
Neighbourhood Policing reserve	250	226	186	146	106	66	0
Operations reserve	1,500	1,500	1,500	1,000	1,000	1,000	1,000
Overtime - liability for AURORA Switch on	1,200	1,200	750	0	0	0	0
Buildings and sustainability	1,499	1,129	651	378	300	250	100
Transformation reserve	7,473	4,515	2,865	0	0	0	0
<b>DISCRETIONARY RESERVES</b>	<b>12,396</b>	<b>8,826</b>	<b>6,152</b>	<b>1,724</b>	<b>1,606</b>	<b>1,516</b>	<b>1,300</b>
Insurance reserve	1,948	1,936	0	0	0	0	0
Other Non-Discretionary Reserves	6,044	7,061	3,890	3,040	2,790	2,540	2,540
<b>NON-DISCRETIONARY RESERVES</b>	<b>7,991</b>	<b>8,997</b>	<b>3,890</b>	<b>3,040</b>	<b>2,790</b>	<b>2,540</b>	<b>2,540</b>
Capital Financing reserve	1,973	1,685	0	0	0	0	0
Capital earmarked reserves	90	225	0	0	0	0	0
PFI Change Reserve	558	454	400	300	200	100	0
PFI Interest Smoothing Account	2,820	2,709	2,590	2,462	2,327	2,185	2,038
PFI Sinking Fund Reserve	3,512	3,827	4,114	4,375	4,605	4,804	4,969
Capital Receipts Reserve	11,577	7,149	3,106	93	6,319	1,203	0
<b>CAPITAL AND PFI RESERVES</b>	<b>20,529</b>	<b>16,049</b>	<b>10,211</b>	<b>7,230</b>	<b>13,451</b>	<b>8,292</b>	<b>7,007</b>
General Fund	10,400	10,400	9,900	9,900	9,900	9,900	9,900
<b>TOTAL Useable Reserves</b>	<b>51,317</b>	<b>44,272</b>	<b>30,153</b>	<b>21,894</b>	<b>27,747</b>	<b>22,248</b>	<b>20,747</b>