



**Cambridgeshire**  
Police & Crime  
Commissioner

## **PRECEPT REPORT 2015-16**

### **1. Purpose of the Report**

1.1 The purpose of this report is to enable the Cambridgeshire Police and Crime Panel (“the Panel”) to approve the precept proposal set out by the Cambridgeshire Police and Crime Commissioner (“the Commissioner”). Provided for background information are a series of documents which inform the precept including the latest Medium Term Financial Plan (MTFP).

### **2. Police and Crime Plan**

2.1 The budget enables delivery of the Commissioner’s Police and Crime Plan (“the Plan”). The Police Reform and Social Responsibility Act 2011 (“the Act”) places a responsibility on Police and Crime Commissioners to keep the Plan under review and may vary it at any time. The Commissioner continues to update the Police and Crime Plan in order to reflect changes occurring both regionally and nationally. Examples of updates currently under way includes the enhanced status of partnership working on key themes such as Victims, Offenders and Vulnerable Adults and the Collaboration work with neighbouring forces, particularly Bedfordshire Police and Hertfordshire Constabulary.

2.2 The Plan incorporates the Commissioner’s objectives for ensuring efficiency and effectiveness in policing and tackling crime, based on the issues the public tells the Commissioner they are concerned about (e.g. fighting anti-social behaviour, burglary and timely response to telephone calls).

2.3 Public engagement between the Commissioner and the public takes place using a range of channels and methods, including via his Outreach Worker who has proved valuable in picking up and reporting back local concerns, as well as wider issues that need escalating for further action or scrutiny.

2.4 The Plan has also been updated to reflect the Cambridgeshire Constabulary’s (“the Constabulary”) latest strategic assessment and risk matrix and will be updated again once the 2015-16 budget and MTFP have been finalised. It also reflects the Commissioner’s wider “and crime” role.

2.5 Commissioners must consult Chief Constables on their draft plans before they are sent to the Panel for consideration. Commissioners must have regard to the crime

and disorder reduction priorities set by partners, the strategic direction of the criminal justice system and the national Strategic Policing Requirement.

- 2.6 The Commissioner finds the Constabulary to be performing well on both crime reduction and public confidence. He wishes to ensure that this success is maintained and that the Chief Constable has the necessary resources to continue the improvement.

### **3. Public engagement**

- 3.1 Public engagement between the Commissioner and the public is continuous, using a range of methods all of which inform the decisions of the Commissioner.
- 3.2 Public opinion is fed back directly to the Commissioner through the correspondence received, typically in excess of 120 pieces per month. Communication by phone, post, e-mail, website and via Twitter are all utilised by the public. The Commissioner also visits different towns and cities and meets the public on the street listening to the views and concerns of the community. One-to-one appointments are offered to any member of the public wishing to discuss particular issues with the Commissioner at “surgeries”.
- 3.3 Public opinion is fed back through the Commissioner’s Outreach Worker who has proved valuable in picking up and reporting back local concerns, as well as wider issues that need escalating for further action or scrutiny. Public Opinion received through the Constabulary is shared with the Commissioner’s Office, the Office of the Police and Crime Commissioner (OPCC) through meetings and reports.
- 3.4 Extensive engagement is achieved through various meetings with elected representatives, such as councillors and MPs, through attendance at, and feedback from, neighbourhood meetings, parish council meetings, Community Safety Partnership meetings and Neighbourhood Watch.
- 3.5 There is an increasing awareness by the public of the extent and potential impact of budget cuts being applied across the public sector.
- 3.6 The main theme expressed by the public was the desire to have greater police visibility and a perception that the police are not as visible as they used to be.
- 3.7 Whilst the confidence in the Constabulary remains high, national news coverage has had an impact on some people in terms of confidence in police integrity in general.
- 3.8 Public concerns expressed tend to be related to specific instances experienced by the individual. For example, speeding cars or anti-social behaviour.
- 3.9 There has been general support for the work undertaken to support the victims of crime and, in particular, the most vulnerable members of society.
- 3.10 There are a large number of people wanting to help their communities and one way this is expressed is in support for volunteer schemes such as Neighbourhood Watch and Speedwatch.

#### **4. Budget and Medium Term Financial Strategy Development**

- 4.1 During the autumn the Commissioner oversaw work to update the MTFP. This MTFP included a freeze in council tax assumption and at that stage the budget gap for 2015/16 was estimated at £4.8m.
- 4.2 The Commissioner received the Home Office Provisional Policing Grant Settlement on 17 December 2014 which took a further £0.3m from our base budget than had been expected, a total reduction to the Police Grant of 5.1% leading to a gap in budget of £5.1m.
- 4.3 Appendix 1 sets out the updated 2015 to 2019 MTFP including the 2015/16 budget which is based on detailed budget work undertaken by the Constabulary over the past few months.
- 4.4 Appendix 2 sets out the assumptions underpinning the budget and MTFP.
- 4.5 Appendix 3 sets out the details of the Provisional Policing Grant Settlement for 2015/16.
- 4.6 Table 1 below sets out in broad terms how the budget has been balanced and Table 2 shows a high level analysis of the total budget.

**Table 1 – Budget changes 2014/15 to 2015/16**

	<b>£m</b>
<b>Budget 2014/15</b>	<b>131.1</b>
<b>Funding Changes</b>	
Reduction of grants	-3.1
Increase in Precept	0.9
Change to Draw Required on Reserves	-0.2
<b>Net Budget Requirement 2014/15</b>	<b>128.8</b>
<b>Net Revenue Expenditure Changes</b>	
Inflation and budgetary pressures	2.4
<b>Savings:-</b>	
Police staff	-0.8
PCSOs	-0.1
Transport	-0.2
Supplies and services	-1.9
Decrease requirement for capital funding	-0.4
Increase in Income	-0.2
Inflation not applied	-0.9
<b>Total Savings Identified</b>	<b>-4.7</b>
Use of Reserves	-0.4
	<b>128.8</b>

**Table 2 – High Level Budget Analysis**

	<b>£m</b>
Policing Budget – delegated to the Chief Constable	123.7
Office of the Police and Crime Commissioner	1.2
Victim, restorative justice, and crime and disorder grants	2.2
Capital Financing and Reserves	1.7
<b>Net Budget Requirement</b>	<b>128.8</b>

## **5. Council Tax Base and Collection Funds**

- 5.1 Final council tax base figures and details of estimated losses/surpluses on collection funds as at 31 March 2015 are currently being awaited. The tax base figures within the budget are based on estimates received from the individual councils. Net losses or surpluses on collection funds can either contribute to or be financed from the General Reserve. Compared to 2014/15 the council tax base for 2015/16 has increased by 1.9% after allowing for receipt of Council Tax Support Grant.

## **6. Precept 2015/16**

- 6.1 When considering the level of precept for 2015/16 the Commissioner had to take a number of factors into account when arriving at his recommendation. This included the offer from the Government of a council tax freeze grant for 2015/16, which is anticipated to be 1% and during the election campaign stating he would ensure value for money with no extra burden on the council tax payer. As a result of these, current inflation levels were also a factor, with current Consumer Price Index inflation levels of 0.5% in December 2014 (and 1% in November 2014), meaning that the council tax grant offer was either the same or higher than inflation.
- 6.2 Before the consideration of the precept, the Commissioner (since taking office) has been ensuring that the constabulary is delivering effective and efficient policing to the people of Cambridgeshire which is sustainable. Therefore, the Commissioner has ensured that all efficiencies have been identified and reserve levels are at an appropriate level to both meet the needs for Policing and contribute towards meeting the anticipated challenges of the future, which are set out in the MTFP Plan (Appendix 1).
- 6.3 The Commissioner is currently overseeing the delivery (in conjunction with the Constabulary) of project METIS and collaboration with Bedfordshire Police and Crime Commissioner/Police Force and Hertfordshire Police and Crime Commissioner/Constabulary ("the Strategic Alliance") which are anticipated to generate significant future savings. Therefore, these together with the identification of internal efficiencies and the 1% council tax grant offer, allows the commissioner to recommend a freeze in council tax for 2015/16 and to apply for the expected council tax freeze grant from the Government.
- 6.4 On 8<sup>th</sup> January 2015 the Commissioner announced to the media he would be proposing to freeze the precept. The Commissioner believes that a freeze in the precept is achievable as a result of savings that have been identified during the current financial year and the projects that are in place to deliver future efficiencies. The Commissioner is also mindful of not wanting to create an extra burden on the taxpayer.
- 6.5 News of the Commissioner's proposal was covered by the media across Cambridgeshire and tweeted (and subsequently re-tweeted) to a total of around 4,700 people. During the past year the Commissioner has received numerous emails,

letters and comments from members of the public expressing the desire to have greater police visibility. The Commissioner is currently overseeing major programmes including METIS, which is aimed at freeing up officer time, to focus on frontline activities.

- 6.6 Details of the precepts due from each collection authority net of any loss or surplus on the collection funds are set out at Appendix 5.

## **7. Collaboration**

- 7.1 The Cambridgeshire Commissioner and Constabulary currently collaborate on a number of services as part of the Strategic Alliance under the title of Joint Protective Services. This covers services including Roads Policing Unit, Dogs Unit, Major Crime Unit Counter, Terrorism and Scientific Services.

- 7.2 In December 2013, the Commissioners of Bedfordshire, Cambridgeshire and Hertfordshire signed a Memorandum of Understanding to explore the opportunity to extend Collaboration to cover functions within operational functions (areas including Public Contact, Firearms Licensing and Custody) and Organisational Support functions (areas including Finance, Human Resources and Information Technology (IT)). During 2013/14 the Commissioners commenced to lay the foundations for consideration of these functional areas.

- 7.3 It is anticipated that the collaboration will release substantial funding, which can be diverted to addressing the financial challenges that lie ahead and give maximum opportunity to maintain local policing levels within Cambridgeshire. It will also enable the Constabulary to access a larger number of resources than is currently available.

- 7.4 The approach of the Constabulary is to recognise savings as and when they become achievable. With regards to collaboration, savings will become more defined as and when full business cases have been developed and finalised. It is anticipated that these business cases will be established during the 2015/16 financial year.

- 7.5 The 2015/16 budget includes an element of IT savings which have already been achieved through collaboration. It is anticipated that other savings will materialise during the financial year which will contribute towards reducing the gap within the MTFP in future years. Whilst the Commissioner is committed to collaboration and confident that it will achieve savings, these have not been factored into the budget or MTFP, as full business cases need to be established and passed through a scrutiny process.

## **8. Workforce**

- 8.1 Despite budget reductions, the Constabulary has managed to slightly increase the total number of police officer posts from 1341 at the start of the financial year to 1343 by the start of this coming financial year.

- 8.2 As at January 2014, PCSO numbers have been maintained at 150.

- 8.3 Police Staff budgeted numbers for 2015/16 are 825. The increase relates to the establishment of the Victims Hub, which is part of the additional responsibilities the Commissioner has taken on during the year.
- 8.4 The target for Special Constabulary numbers continues to be 300.
- 8.5 As collaboration develops, the Constabulary will also have access to a greater number of policing resources beyond those directly employed by the force. As referred to in para 7.1, the Constabulary currently collaborates Joint Protective Services with Bedfordshire Police and Hertfordshire Constabulary which includes the Major Crime Unit, Roads Policing Unit, Dogs Unit, Armed Support Unit, Scientific Services, Cameras Tickets & Collisions Unit, Operational Planning Support Unit, Counter Terrorism and Domestic Extremism Unit and Serious & Organised Crime. Officers from Cambridgeshire, Bedfordshire and Hertfordshire operate within this service which has enabled each force/constabulary to have access to a greater number of resources. Table 3 below shows that the Joint Protective Services collaboration currently has 196 officers who operate on behalf of Cambridgeshire, Bedfordshire and Hertfordshire. Therefore the total resources available to each force/constabulary will have substantially increased, at a time of reducing budgets.
- 8.6 It is anticipated the total number of resources the Constabulary will have access to will increase though the collaboration of functions, where officers (excluding local policing), currently employed by either the Constabulary, Bedfordshire Police or Hertfordshire Constabulary, potentially become part of the collaboration programme.

**Table 3 – Workforce projections**

	2014/15	2015/16
<b>Police Officers:</b>		
Local Policing	998	990.1
Other Policing	343	352.9
<b>Total Officers</b>	<b>1341</b>	<b>1343</b>
<b>Collaborated with Bedfordshire and Hertfordshire</b>		196
<b>Total number of Police Officers Cambridgeshire Constabulary has access to</b>	<b>1341</b>	<b>1539</b>
<b>Police Staff:</b>		
Police Staff	819	825.4
PCSOs	150	150
<b>Total</b>	<b>969</b>	<b>975.4</b>

## **9. Capital Financing**

- 9.1 The Capital Programme expenditure for 2015 to 2019 has been financed without the need for external borrowing, which has been the wish of the Commissioner, to continually ensure that available resources are maximised for policing purposes. Financing of the programme will be through a number of different sources which include Capital Grant from Government, Capital Receipts, Revenue Contributions and the use of Capital Reserves for its intended purpose.
- 9.2 The Capital Programme 2015 to 2019 revenue effects are included in the budget and the MTFP.

## **10. Specific Grants**

- 10.1 The Commissioner has allocated £2.18m of grant funding to use towards various community safety and victim led initiatives/services. These specific grants have controls in place and recipients must demonstrate that the money has been used for the correct purpose. This is outlined below:
- The Act gave Commissioners the powers to make crime and disorder reduction grants. In 2013/14 the Commissioner received a Community Safety Grant, which in subsequent years has been rolled into the main Policing Grant to be used at the Commissioners' discretion. As within 2014/15, the Commissioner has decided to maintain this grant (albeit at a level which is representative of the Policing Grant reduction received from the Home Office), which means, when combined with the grants that the Commissioner took over from the Constabulary, he is able to allocate £1.3m of grants towards community safety and crime reduction.
  - The Commissioner received £455k during 2014/15 from the Ministry of Justice to commission services for victims. For 2015/16 a full years (indicative £875k) funding allocation will be received. This funding is to enable the Police and Crime Commissioner to provide:
    - (i) services for victims of crime and particularly victims in the priority categories outlined in the Victims' Code: victims of the most serious crime, persistently targeted victims, and vulnerable or intimidated victims, to help them cope with the immediate impacts of crime and, as far as possible, recover from the harm they have experienced
    - (ii) services for victims of sexual and/or domestic violence;
    - (iii) support services for family members;
    - (iv) Capacity and capability building for restorative justice services (this element of the grant is not ringfenced).
- 10.2 The move from national to local commissioning of victim support services has enabled the Commissioner to not only integrate the provision of services, but also to enhance them. In a pioneering move, the Commissioner has opted out of national Victim Support services and created a police-led local Victims' Hub staffed by local



people who understand local crime trends and the local support services available. Victim Care Co-ordinators assess victims of crime to determine the level of support they need and then help them in the most appropriate way, bringing in specialist services, commissioned primarily by the Commissioner, as required.

- 10.3 Significant research, including the county's first Victim and Offender Needs Assessment and engagement with providers and victims has enabled a truly evidence-based package of support, guided by the county's Victim Strategy, to be tailored to local needs. A number of pilot services have also been put in place to cover identified gaps in services. This has included Community Psychiatric Nurses known as Mental Health Pathfinder Case Workers to support those victims who appear to have significant mental health problems, and specialist support for exploited migrant workers. Victim Care Co-ordinators are also learning from caseworkers from the county's Troubled Families programmes who are working alongside them to identify vulnerable or intimidated victims who need support. Whole families are then being supported to access the services within their local communities which best suit their needs.
- 10.4 The services available for victims of domestic and serious sexual offences have also been boosted through grants to Rape Crisis and Women's Aid for sexual violence counselling, peer support groups and telephone helplines. Young victims will be able to access enhanced support through two new Young Person Independent Sexual Violence Advocates and a new post within the Sexual Assault Referral Centre to support the families of children who have been sexually assaulted. A Young Person Independent Domestic Violence Advocate is also being funded to sit within the Constabulary's Multi-Agency Safeguarding Hub. The bereaved families of those killed on the county's roads in fatal road traffic collisions are being supported by a local charity funded by the Commissioner. The work of the charity's volunteers not only saves officer time but professionalises the support offered to families in what are often traumatic circumstances.
- 10.5 Elderly burglary victims are also being offered practical security help and support by a local charity. Their remit has since been extended to secure the homes of domestic violence victims to enable them to feel safe in their own homes once the perpetrator has left.

## **11. Office of the Police and Crime Commissioner (OPCC)**

- 11.1 The Police and Crime Plan is a live document which has been updated during the year to reflect the work of the Commissioner and the OPCC has changed since the Commissioner came into the office. This includes taking on the responsibility for the provision of certain victims' services from November 2014 and the continued scrutiny and oversight implications of the large collaboration projects being undertaken to deliver the savings required over the next few years.
- 11.2 Despite the increased responsibilities and workload that comes with this, the commissioner is mindful of not wanting to impose additional burden on the tax payer. Therefore he has made the decision to freeze his budget for 2015/16 at the same level as 2014/15 and absorb any pay and cost inflation pressures within this.

The £20k increase shown within the budget relates to a transfer of the external audit fees from the Constabulary budget.

11.3 The detailed budget is shown at appendix 4.

## **12. Robustness of estimates**

12.1 Under Section 25 of the Local Government Act 2003, the Commissioner's Chief Financial Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations.

12.2 Work on the 2015/16 budget gap starts at the beginning of 2014/15, as the Constabulary identifies savings during the financial year which contribute towards balancing the budgets for the next financial year. This is the established practice, which ensures that the savings and efficiencies are achievable and the Constabulary continually strives to ensure effective and efficient policing.

12.3 All budget managers were charged with addressing savings in their area of business and those savings were then challenged by their peers to produce a robust list of savings. The Constabulary Finance Team then worked with budget managers to secure the savings identified.

12.4 As described in para 12.2, over the last few years the Constabulary has been able to deliver savings ahead of schedule. This has slightly eased the pressure on preparation of the 2015/16 budget, however the future remains very challenging as the funding gaps demonstrate.

12.5 The Commissioner has built on the Constabulary's tried and tested budget preparation and monitoring arrangements. This includes scrutiny of where and why savings have been achieved and reassurance that, where possible, they have been built into the following year's budget.

12.6 Further services are now being considered for collaboration with Bedfordshire Police and Hertfordshire Constabulary which has been traditionally shown within the local policing figures and now shown within the Business Support Expenditure, thus giving a true spend for the Local Policing budget.

## **13. Use of Reserves**

13.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the adequacy of the proposed financial reserves as part of budget setting considerations.

13.2 Appendix 6 sets out the Commissioner's reserves including estimated movements in 2014/15 and 2015/16.

13.3 Earmarked Reserves have been built up over the last few years specifically for the financing of capital (via the Capital Reserve). The Capital Reserve has been applied to

fund legacy schemes (schemes approved pre 2013) and use of the Capital Reserve in this way reduces the pressure on the revenue costs required to fund the capital programme.

- 13.4 The Commissioner holds a general reserve (7%), primarily as a contingency for major police operations which may come out of the blue and at major cost.

#### **14. The Medium Term Outlook**

- 14.1 As set out in Appendix 1 the projected budget gap in the 3 years 2016 to 2019 is a further £17.3m. The Chancellor's Autumn Statement only announced a one year funding settlement, with no firm future commitments, beyond that austerity will continue for a number of years. This has made financial planning difficult and it is hoped that after the General Election there will be a move to multiyear settlements.
- 14.2 The Strategic Alliance is relying upon collaboration of Operational Support (back/middle office), coupled with the introduction of Metis, the IT streamlining of processes to deliver information directly to the front-line, in order to deal with most of the funding gap in the medium term. Any further delays with these projects may jeopardise the realisation of the required savings and necessitate another MTFP .

#### **15. Conclusion**

- 15.1 Despite larger than expected reductions in the settlement grant for 2015/16 robust plans are in place for:
- maintaining police performance,
  - retaining local officers numbers, and
  - linking with partners to reduce offending and improve support for victims
- 15.2 The Commissioner has sought to ensure that Cambridgeshire Constabulary are delivering policing effectively and efficiently. Through METIS and continued collaboration ambitious plans have been put in place to ensure the front line is protected, without having to burden the people of Cambridgeshire through increases in council tax.

#### **16. Recommendation**

- 16.1 Taking into account all the information contained in the report the Commissioner is asking the Panel to endorse his recommendation to freeze the council tax, which will maintain Band D at £181.35p.

Medium Term Financial Strategy 2015/19

Appendix 1

	Budget 2014/15 £'000	Proposed Budget 2015/16 £'000	Forecast Budget 2016/17 £'000	Forecast Budget 2017/18 £'000	Forecast Budget 2018/19 £'000
<b>Local Policing Expenditure</b>					
Police Officer Pay	41,197	42,793	44,673	45,790	46,935
Police Officer Overtime	1,880	1,880	1,880	1,880	1,880
Police Pensions	8,808	9,227	11,525	11,814	12,109
Police Staff	5,429	13,770	14,372	14,731	15,099
PCSO Pay & Allowances	4,876	4,760	4,969	5,093	5,221
<b>Total Local Policing Expenditure</b>	<b>62,190</b>	<b>72,430</b>	<b>77,419</b>	<b>79,308</b>	<b>81,243</b>
<b>Operational Support Expenditure</b>					
Police Officer Pay	4,756	2,560	2,519	2,684	2,751
Police Pensions	3,441	2,894	676	692	710
Police Staff	18,071	9,315	9,523	9,767	10,011
Training	700	587	599	607	617
Other Employee Expenses	41	31	31	32	33
Premises Costs	3,944	4,075	4,218	4,365	4,518
Transport Costs	1,711	1,480	1,532	1,585	1,641
Supplies & Services	12,322	9,801	9,948	10,127	10,309
Third Party Payments	832	1,406	1,427	1,453	1,479
<b>Total Business Support Expenditure</b>	<b>45,808</b>	<b>32,149</b>	<b>30,575</b>	<b>31,312</b>	<b>32,069</b>
<b>Collaboration Expenditure</b>					
BCH Collaboration	17,031	17,853	18,449	17,700	18,118
ERSOU	1,029	2,137	2,208	2,263	2,320
Helicopter	480	490	502	511	521
Kings Lynn PIC	906	940	964	981	999
<b>Total Collaboration Expenditure</b>	<b>19,446</b>	<b>21,420</b>	<b>22,123</b>	<b>21,455</b>	<b>21,956</b>
<b>OPCC</b>					
Staffing	874	951	973	997	1,022
Non-Staffing	350	293	297	301	305
<b>Total OPCC Expenditure</b>	<b>1,224</b>	<b>1,244</b>	<b>1,270</b>	<b>1,298</b>	<b>1,328</b>
<b>Community Safety / Crime Reduction Grants (OPCC)</b>	<b>1,341</b>	<b>1,307</b>	<b>1,307</b>	<b>1,307</b>	<b>1,307</b>
Victim and Restorative Justice Grant	454	875	0	0	0
<b>Capital Financing Costs</b>					
Revenue Contribution to Capital	836	493	1,721	1,896	1,246
Interest	475	455	461	461	461
MRP	893	808	811	780	780
<b>Total Capital Financing Costs</b>	<b>2,204</b>	<b>1,756</b>	<b>2,993</b>	<b>3,137</b>	<b>2,487</b>
<b>GROSS REVENUE EXPENDITURE</b>	<b>132,667</b>	<b>131,181</b>	<b>135,687</b>	<b>137,817</b>	<b>140,390</b>
<b>Total Income</b>	<b>-1,755</b>	<b>-1,996</b>	<b>-1,996</b>	<b>-1,996</b>	<b>-1,996</b>
<b>NET REVENUE EXPENDITURE</b>	<b>130,912</b>	<b>129,185</b>	<b>133,691</b>	<b>135,821</b>	<b>138,394</b>
Contributions To /- From Reserves	163	-420	0	0	0
<b>NET BUDGET REQUIREMENT (NBR)</b>	<b>131,075</b>	<b>128,765</b>	<b>133,691</b>	<b>135,821</b>	<b>138,394</b>
Budget -Decrease / +Increase Year on Year		-1.8%	3.8%	1.6%	1.9%
<b>FINANCED BY:</b>					
Formula Grant	77,273	73,325	69,365	65,619	62,076
Victim and Restorative Justice Grant	454	875	0	0	0
<b>Precept</b>	<b>47,190</b>	<b>48,099</b>	<b>49,601</b>	<b>51,302</b>	<b>53,061</b>
Council Tax Freeze Grant - rolled to main grant	5,995	5,995	5,995	5,995	5,995
Council Tax Freeze Grant - New	0	472	472	0	0
Council Tax Support Grant	0	0	0	0	0
Collection Funds - Deficit / +Surplus	163	0	0	0	0
<b>TOTAL FINANCING</b>	<b>131,075</b>	<b>128,765</b>	<b>125,433</b>	<b>122,916</b>	<b>121,132</b>
<b>BUDGET GAP</b>	<b>0</b>	<b>0</b>	<b>-8,257</b>	<b>-12,905</b>	<b>-17,262</b>
			<b>-8,257</b>	<b>-4,648</b>	<b>-4,357</b>
Band D Council Tax £	£181.35	£181.35	£184.07	£187.38	£190.76
<b>KEY ASSUMPTIONS INCLUDED IN THE FORECASTS ABOVE</b>					
Council Tax base Increases actual	1.50%				
Council Tax base Increases estimated	0.00%	1.89%	1.60%	1.60%	1.60%
<b>Council Tax</b>	<b>1.92%</b>	<b>0.00%</b>	<b>1.50%</b>	<b>1.80%</b>	<b>1.80%</b>
Tax base	260,217	265,226	269,470	273,782	278,162
Grant Inflation Increase / Decrease (-)	-4.80%	-5.11%	-5.40%	-5.40%	-5.40%
Police officer pay rise (w.e.f 01/09)	1.00%	1.00%	1.29%	1.50%	1.50%
Police staff pay rise (w.e.f. 01/9)	1.00%	1.00%	1.29%	1.50%	1.50%
Increment Increase	0.70%	1.00%	1.00%	1.00%	1.00%
General Inflation	2.00%	1.40%	1.50%	1.80%	1.80%
Fuel & Energy Inflation	5.00%	3.50%	3.50%	3.50%	3.50%

**Budget Assumptions**

The following assumptions (some now confirmed) underpin the estimates/forecasts:-

- Pay awards - the Chancellor's Autumn Statement confirmed a further two years of pay restraint - 1% per annum up to and including 2015/16.
- General (price) inflation is now projected at 1.4% in 2015/16, 1.5% in 16/17 and 1.8% thereafter and energy and fuel inflation assumption is 3.5%.
- A council tax freeze for 2015/16 and increase at the same level of general inflation thereafter.
- A formula grant reduction of 5.4% from 2016/17 onwards

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## Details of the Provisional Grant Settlement 2015/16

### 1. Formula Grant

- 1.1 A 5.1% cash reduction for 2015/16 compared to our assumption of 4.8%. The MTFP is worse off by £0.3m.
- 1.2 Grants will be directly payable by Department of Communities and Local Government and the Home Office.
- 1.3 No figures published for 2016/17 (in light of further reduction to Home Office budget).
- 1.4 No changes to damping arrangements. Damping has been applied to ensure all policing bodies receive the 5.1% cash reduction.
- 1.5 In the Autumn Statement 2014 the Chancellor announced that further cuts could be expected for 2016/17.

### 2. Victim and Restorative Justice Grant

- 2.1 The allocation for 2015/16 is an indicative £875k.

### 3 Council Tax

- 3.1 On 18 December 2014 the Secretary of State announced that as a general rule a 2% referendum principle would apply to all principal Local Authorities, Police and Crime Commissioners and Fire and Rescue Authorities, meaning that a positive local referendum result would be needed for council tax increases above 2%, with exceptions for those authorities whose Band D council tax was in the lower quartile for their category of authority. Cambridgeshire Police does not fall within this category.
- 3.2 Council Tax Freeze Grant details - A local elected policing body i.e the Police and Crime Commissioner ("the Commissioner") will be eligible for the grant providing it does not increase the basic amount of council tax in 2015/16. For the Commissioner this is anticipated to equate to £472k.

### 4. Capital Grant

The current capital plan is based on best estimate of Capital Grant. Confirmation is still awaited from the Home Office which is anticipated in February 2015.

## Office of the Police and Crime Commissioner (OPCC)

Subjective	Narrative	PCC	PCC		Comments
		2014/15 Budget	2015/16 Forecast	Movement	
		£'000	£'000	£'000	
030001	Police Staff Pay & Allowances	873.7	952.7	79.0	Increased capacity for new functions
081100	Training - Support Staff - External	0.6	0.6	0.0	
	Agency Staff/Seconded Officers		0.0	0.0	
092600	Advertising for Support Staff	4.0	4.0	0.0	
120000	Rents & Leases	36.0	28.0	-8.0	
230200	Support Staff Travel Expenses	3.1	6.1	3.0	
230300	Reorganisation Travel	1.8	1.8	0.0	
250000	Car Allowances Staff (staff mileage)	14.5	14.4	-0.1	
330000	Printing & Stationery - General	7.6	10.6	3.0	
330100	Postage & Carriage Costs	2.0	1.5	-0.5	
331000	Photocopier - Rentals	0.9	0.9	0.0	
331100	Photocopier Copy Charges	1.0	0.5	-0.5	
331300	Other Office Equipment	1.0	1.0	0.0	
332000	Books & Publications etc.	0.1	1.0	0.9	
332100	Printed Materials	5.0	3.0	-2.0	
342200	Casual Hire of Rooms	1.0	2.0	1.0	
343100	Consultants - Non-Operational	16.5	10.0	-6.5	
343200	Legal Fees - Civil	98.0	20.0	-78.0	Review of requirements for 2015/16
346000	External Audit Fees	45.0	65.0	20.0	Transfer from the Constabulary
346100	Internal Audit	46.0	46.0	0.0	
347100	Advertising - Non Recruitment	2.0	2.0	0.0	
351000	Computer Hardware - Purchase	1.5	1.5	0.0	
351300	Computer Software Purchase	0.2	0.2	0.0	
351600	Computer Consumables & Peripherals	3.0	1.9	-1.1	
356100	Telephone Rental	0.1	0.5	0.4	
360000	Support Staff Subsistence Expenses	1.5	2.0	0.5	
361000	Conference & Seminar Costs	4.0	5.0	1.0	
362100	Hospitality - Internal	0.1	2.1	2.0	
363100	Members Attendance Allowance	7.8	8.8	1.0	
363200	Members Travel Expenses	0.5	3.4	2.9	
365000	Custody Visitor-Expenses	3.5	3.5	0.0	
365200	Custody Visitor-Training & Conferences	2.0	2.1	0.1	
371100	Subscriptions Corporate	40.0	41.9	1.9	
NRE	<b>NET REVENUE EXPENDITURE</b>	<b>1,224.0</b>	<b>1,244.0</b>	<b>20.0</b>	

## Appendix 5

### Estimated Share of Precept to be paid by each District/City Council in 2015/16

	Council Tax Estimated Base No	Precept	Collection Fund Surplus (+)/Deficit (-)	Estimated Total Payment due	Comment
Cambridge City	39,946	7,244,243	-60,333	7,183,911	
East Cambridgeshire	28,263	5,125,495		5,125,495	Estimate Base provided by the Authority. Collection fund being finalised by the Authority
Fenland	27,368	4,963,187	55,592	5,018,779	Estimate Base and Collection fund provided by the Authority.
Huntingdonshire	58,329	10,577,964		10,577,964	Estimate Base provided by the Authority. Collection fund being finalised by the Authority
South Cambridgeshire	59,680	10,823,004		10,823,004	Estimate Base provided by the Authority. Collection fund being finalised by the Authority
Peterborough	51,640	9,364,914	0	9,364,914	Estimate Base provided by the Authority. Collection fund being finalised by the Authority
<b>Total</b>	<b>265,226</b>	<b>48,098,808</b>	<b>-4,741</b>	<b>48,094,067</b>	



## General and Earmarked Reserves - Movements

	Balance	Forecast		Balance	Forecast		Balance
	31 March	2014/15		31 March	2015/16		31 March
	2014	Added to Reserve	Applied	2015	Added to Reserve	Applied	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Innovation Reserve	592	-	-	592	-	-	592
Carry Forward Underspending Reserve	985			985			985
Insurance Reserve	908			908			908
Ill-Health Retirement Reserve	627			627			627
Capital Reserve	5,525		(750)	4,775		(548)	4,227
Collaboration Initiatives Reserve	2,106			2,106			2,106
Drug Forfeiture (Operational) Reserve	97	31	(3)	125			125
Operational Contingency Reserve	500			500			500
Metis Programme Year 3 and 4 Reserve	2,000			2,000			2,000
Budget Assistance Reserve	2,624	2,000		4,624		(420)	4,204
Capital Carry Forward Reserve	537			537			537
<b>Total Earmarked Reserves</b>	<b>16,502</b>	<b>2,031</b>	<b>(753)</b>	<b>17,780</b>	<b>-</b>	<b>(968)</b>	<b>16,812</b>
General Reserve	9,205	-	-	9,205	-	-	9,205
<b>Total Usable Reserves</b>	<b>25,707</b>	<b>2,031</b>	<b>(753)</b>	<b>26,985</b>	<b>-</b>	<b>(968)</b>	<b>26,017</b>