

AGENDA

Meeting: **WILTSHIRE POLICE AND CRIME PANEL**
Place: Alamein Suite - City Hall, Malthouse Lane, Salisbury, SP2 7TU
Date: Thursday 18 January 2018
Time: **10.30 am**

Please direct any enquiries on this Agenda to Emily Higson, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 713990 or email emily.higson@wiltshire.gov.uk

Membership:

Cllr Junab Ali - Swindon Borough Council
Cllr Abdul Amin - Swindon Borough Council
Cllr Alan Bishop - Swindon Borough Council
Cllr Richard Britton - Wiltshire Council
Cindy Creasy - Co-Opted Independent Member
Cllr Anna Cuthbert - Wiltshire Council
Cllr Ross Henning - Wiltshire Council
Chris Henwood - Co-Opted Independent Member
Cllr Peter Hutton - Wiltshire Council
Cllr Brian Mathew - Wiltshire Council
Cllr John Smale - Wiltshire Council
Cllr Caryl – Sydney-Smith – Swindon Borough Council

Substitutes:

Cllr Peter Evans - Wiltshire Council
Cllr Sue Evans - Wiltshire Council
Cllr Sarah Gibson - Wiltshire Council
Cllr Ruth Hopkinson - Wiltshire Council
Cllr Gordon King - Wiltshire Council

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AGENDA

Part I

Items to be considered when the meeting is open to the public

1 **Apologies for Absence**

2 **Declarations of interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee

3 **Chairman's Announcements**

4 **Public Participation**

The Panel welcomes contributions from members of the public.

Statements

If you wish to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Speakers are permitted to speak for up to 3 minutes on any agenda item. Please contact the officer named on the first page of the agenda for any further clarification.

Questions

Members of the public are able to ask questions in relation to the responsibilities and functions of the Panel at each meeting. Those wishing to ask questions are required to give notice of any such questions in writing to the Head of Democratic Services at Wiltshire Council no later than **5.00 pm** on Friday 12 January 2018. Please contact the officer named on the first page of the agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

5 **PCC Budget 2018/19 and MTFS**

Clive Barker to present the PCC's Draft Budget Settlement for 2018/19, including the Medium Term Financial Strategy

To include initial statement on proposals for the policing element of the Council

Tax precept for 2018-19

6 **Member Questions**

7 **Forward Work Plan**

To note the forward work plan

8 **Future meeting dates**

To note the future meeting dates below:

- 1 February 2018 – Monkton Park, Chippenham
- 22 March 2018 – Corn Exchange, Devizes
- 14 June 2018 - Corn Exchange, Devizes
- 27 September – County Hall, Trowbridge
- 6 December 2018 – Civic Offices, Swindon

Part II

Item(s) during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

None



POLICE AND CRIME PANEL
18 January 2018

AGENDA ITEM NO: 5

DRAFT BUDGET SETTLEMENT

Purpose

1. This paper provides the Panel with information on the draft budget and precept being considered.

Background

2. In November 2017, the initial Medium Term Financial Strategy (MTFS) was produced and reviewed at my Monitoring Board. The MTFS looks at the estimated financial position of the PCC over the next 4 years and the impact this has on my ability to commission services. It acknowledges the fact that decisions I make today will impact my finances over the medium and long term. At this stage, I was assuming central government rules surrounding the capping of all parts of Council Tax would remain in place i.e. any planned increase above 2% would require a referendum.
3. On the 19 December 2017 the provisional settlement was received. This was significantly different from that expected. Due to the significant changes, a new revised MTFS is still in development.
4. The initial MTFS is included as an appendix; however it should be noted that these funding assumptions are based on a 1.9% precept cap and a lower level of central government grant. It is important to note that this report will show the funding expected post the provisional settlement so will not match those reported in the initial MTFS.

The Settlement

5. The following police relevant information was announced in the December settlement;
 - A cash flat central government Police Revenue Grant funding for 2018-19.
 - The raising of the policing element of council tax (policing precept) threshold for a referendum to £12 per annum. For Wiltshire this provides flexibility to increase the police part of the precept by 7%.

Policing element of Council Tax Options

6. I am currently considering 3 options for the policing precept;
 - Option A – Not to increase the precept (0% increase)
 - Option B – To increase the precept by 1.9%
 - Option C – To increase the precept by £12 per annum (7%)

7. The table below shows the estimated funds I will have available under each option for 2018-19;

	2017-18 Budget	OPTION A No change in precept	OPTION B + 1.9% precept	OPTION C + 7% £12 precept
Standard Funding available to commission services (including investment income)	£105.898m	£107.193m	£108.021m	£110.261m

8. In addition to this I have central funding allocated to me to commission victims services and to support restorative justice. Ministry of Justice has announced that this will be slightly reduced from 2017-18 levels of £0.826m to £0.820m.
9. The increase in maximum policing precept has provided increased flexibility between options A, B and C.

Option A – 0% increase in policing precept

10. The savings requirement under Option A would be £4.237m.
11. The MTFS suggests that a gap of £3.479m could be closed by;
- The savings plan of £1.340m (detailed in paragraph 32)
 - The removal of all revenue contribution to capital. This would release £0.746m for revenue funding but would mean that I would need to borrow to fund day to day investments, such as vehicles, in the near future.
 - And the use of £1.393m of reserves to fund the 2018-19 budget. Page 18 of the MTFS clearly shows the negative impact of doing this on the 2019-20 budget
12. This would leave a shortfall of £0.758m still to be resolved. The full breakdown of the assumptions and risks are outlined in the MTFS.

Option B - 1.9% increase policing precept

13. The savings requirement under Option B would be £3.429m.
14. The MTFS plan disclosed under paragraph 11 above of £3.479m would cover this gap; however the down sides of this plan needs full consideration.
15. Whilst the removal of all revenue contributions to capital would release £0.746m for revenue funding, it would mean that I would need to borrow to fund day to day investments such as vehicles in the near future. All borrowing has to be repaid alongside any interest.
16. The use of £1.393m of reserves to fund the 2018-19 revenue budget does have medium term consequences. Page 18 of the MTFS clearly shows the negative impact of doing this on the 2019-20 budget (a £3.952m shortfall is forecast)
17. Whilst Option B would deliver a balanced budget, I believe this would significantly increase risk, particularly in 2019-20.

Option C – +£12 (Band D) increase in policing precept

18. The savings requirement under Option C will be £1.246m. This shortfall could be covered by the savings planned (as detailed in paragraph 32).
19. Option C significantly increases policing precept income by £3.068m.
20. A £12 per annum increase in policing precept will result in a Wiltshire's Band D council tax increasing from £170.27 to £182.27, a 7% increase. This is proportionate across all Council Tax bands as shown in the table below.

Band	Council Tax
A	£0.67
B	£0.78
C	£0.89
D	£1.00
E	£1.22
F	£1.44
G	£1.67
H	£2.00

21. Even with no increases in the rest of the region, Wiltshire will only be slightly above Avon and Somerset if they do not increase their precept. Initial conversations across the region suggest that the majority will increase their precept by £12 per annum. So it is likely that even with a £12 increase we will remain the lowest in the region. The changing policing precept is shown in the table below.

	2017-18 Band D CTax	OPTION A No change	OPTION B + 1.9% precept	OPTION C + 7% (£12 precept)
Gloucestershire	£214.49			
Dorset	£194.58			
Avon & Somerset	£181.81			
Devon & Cornwall	£176.28			
Wiltshire	£170.27	£170.27	£173.51	£182.27

22. Option C allows the protection of community policing team (CPT) resources and strengthens the sustainability of my MTFS. I can commit to maintaining officers and staff in CPTs. I am also working with the Chief Constable at how I can reduce the impact on officer numbers in all other areas of policing.
23. According to the HMICFRS Value for Money profiles, Wiltshire receives £95 per head of population under the current formula. This compares to a national average of £120 per head and a most similar forces average of £106 per head. Being the 5th lowest centrally funded office per head of population increases my reliance on locally raised income.
24. These considerations on local funding levels cannot occur without taking into account the central funding position as this provides the majority of the income for policing.

Over recent years the percentage of my funding received from central grants has reduced. With a cash flat central government settlement but an increase in local funding, this direction of travel will continue.

25. In calculating the funding available, an increase in the council tax base has been included. The increase for Wiltshire Council is 2.76% and Swindon Borough Council 1.99%. The consolidated increase in the tax base is 2.54%. The funding available also includes the collection fund surplus; provisionally this has not significantly changed (£0.882m in 2017-18, £0.869m in 2018-19).
26. I have been lobbying for greater flexibility for local people to increase resources for their policing service. As one of the lowest funded forces I believe that I must use this opportunity to avoid further reduction in resources and maintain current resource levels.

Future Funding

27. There has been significant work and debate surrounding the policing funding formula for central government funding. Due to our low funding per head of population, it is reasonable to expect that a change will benefit Wiltshire. It was expected that the change would be implemented in 2017-18; however this was delayed. To date no further progress has been announced. In light of this I do not believe it is prudent to rely on this providing improved funding for Wiltshire in the short to medium term.
28. The 2017-18 budget was balanced using £1.439 of reserves. As detailed in both Options A and B, I would need to use reserves again in 2018-19 to balance the budget; this increases risk and is not sustainable. Proceeding with Option C means the additional funding removes this reliance on reserve funding and strengthens our medium term financial position.
29. The use of reserves is a high profile issue within the police service. Within the MTFs, I have revised my policy and set out clearly how I intend using them in the short to medium term. Approximately half of my reserves (£9.864m) are earmarked for capital development. The capital plan (Appendix C) of the MTFs shows how I will use this funding. If Option C is used I will review my use of reserves and capital plans.
30. I intend that Wiltshire does continue to improve its efficiency and effectiveness. With our agile approach and modernising agenda, I intend to deliver in line with the Minister's expectations. The use of the majority of the capital reserve for ICT and Estates issues is directly in line with this.
31. It is important to note the Policing Minister's comments in delivering the settlement:

I have listened to the views of PCCs and Chief Constables, who have requested greater certainty about future funding to help more efficient financial planning. If the police deliver clear and substantial progress against the agreed milestones on productivity and efficiency in 2018, then the Government intends to maintain the protection of a broadly flat police grant in 2019/20 and repeat the same flexibility of the precept, i.e. allowing PCCs to increase their Band D precept by a further up to £12 in 2019/20.

Initial Savings Plans

32. The table below outlines the initial plan in the MTFS. This has been produced by the Chief Constable's Senior Command Team;

	2018-19
Operational Collaborations	£0.187m
Estates Strategy	£0.050m
ICT Maintenance/Licences	£0.068m
CPT Swindon Sgts (5 Reduction)	£0.275m
3 to 2 Swindon CPTs (3 Reduction)	£0.150m
Inspector Cover (3 Reduction)	£0.210m
FIM (10 officers modernised to staff)	£0.150m
Channel Shift (50% of full year savings)	£0.150m
Additional 10 modernisations	£0.100m
Total Proposed Savings	£1.340m

33. If Option C is taken forward these plans will be reviewed ensuring they are achievable and are compliant with my desire to protect local policing.

Reserves

34. Paragraphs 16, 28 and 29 report my intentions surrounding earmarked reserves. The value of the general reserve has been considered and I am advised that £2.6m (2.5% of the revenue budget) is acceptable. As outlined above a complete review of reserves has taken place with the outcome disclosed in Appendix D of the MTFS.

Policing Precept Consultation

35. The public consultation on the policing precept began on 2 January 2018 and will close on 31 January 2018.
36. Building on the improved consultation last year I hope to increase awareness and encourage public participation through a variety of channels. This will include:
- High profile media campaign launching the precept proposals for consultation
 - Short video to the precept proposals
 - Social media Q&As sessions – where the public could ask questions directly
 - Telephone Q&A session
 - Online responses
 - Participation in local radio programmes and phone-ins
 - Snap twitter polls
 - Stakeholder distribution including Councillors and MP's asking for their views on behalf of the people they serve
 - Working with all area boards and parish councils to make them aware of consultation and request presentation of consultation video
37. Comments and feedback will be considered and a report summarising the consultation will be provided at the Police and Crime Panel meeting where the recommendation is made on precept.

Conclusion

38. This paper outlines to the Panel my initial MTFs, reports the impact of the settlement on the 19 December 2017 and provides an assessment of the options I have on the 2018-19 policing precept level.
39. I believe Option C, a £12 increase per Band D household per year, may be appropriate and proportionate and I am now consulting the public on this proposal as outlined above.

Angus Macpherson
Police and Crime Commissioner



WILTSHIRE AND SWINDON

Medium Term Financial Strategy (MTFS) 2018-19 to 2021-22

Document Control	
Version 1	29/11/2017

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Appendix Aii	PCCs Medium Term Financial Plan (0% Council Tax Increase)
Appendix B	CC's Budget Allocation
Appendix Bi	CC's Financial Plan (1.9% Council Tax Increase)
Appendix Bii	CC's Financial Plan (0% Council Tax Increase)
Appendix C	PCC's Capital Expenditure Plan
Appendix D	PCC's Reserves and Provisions Policy (Nov 2017)

Executive Summary

1. The 4 year MTFs has again been produced in a climate of uncertainty. Progress on leaving the European Union is ongoing and hampers national financial planning. The Chancellor of the Exchequer has continued with austerity measures and a new Comprehensive Spending Review remains outstanding. Whilst it has been accepted nationally that a balanced budget by the end of the term of the government is unlikely the desire to limit public spending and borrowing still remains.
2. Whilst the funding of the Police has been brought into political focus by a number of PCC's and Forces the response from government has been robust. No change in the Home Office expenditure limit was reported in the November 2017 budget. Questions on the level of reserves held by PCC's have been asked by the government after the announcement of a 1% non-funded non-consolidated bonus for Police Officers. The underlying message from the government was that PCCs held large reserves sufficient to fund this bonus and more.
3. In line with last year's settlement a 1.4% cut in central funding is expected for all PCC's. The national high level message is that if PCC's choose to increase Council Tax by 2% than the cash each PCC receives will remain the same (flat cash). An increase lower than this, or no increase, could result in a cash reduction depending on local funding circumstances. In real terms (with inflation at 3%), even with a 2% council tax increase, this is a reduction in funding. This MTFs assumes a 1.4% cash reduction in central funds in each of the years up to 2020-21. With limits on Council Tax increases and rising demand in new areas of policing there remains significant pressures on the funds available to the PCC to fulfil his remit.
4. In producing the MTFs, the settlement data announced on 15 December 2016 is the base. With a flat cash settlement and the need to deal with reserves used in 2016-17 (£1.439m), balancing the 2018-19 budget is a challenge.
5. It is estimated by the end of 2018-19 that central funding will have dropped in real terms by 35.8% since 2010-11.
6. During the next 4 years the Police and Crime Commissioner (PCC) will have to make difficult decisions on the level of precept (the police part of the council tax). Considering the Chief Constable's (CC) initial plans the MTFs identifies the savings required to balance budgets under 2 different scenarios: no increase in Precept (Council Tax) or a 1.9% increase. The estimated funds available to the PCC under each strategy is shown below;

	No Precept (Council Tax) Increase	1.9% Precept (Council Tax) Increase	Variance
2018-19	£106.390m	£107.217m	£0.827m
2019-20	£106.034m	£107.729m	£1.695m
2020-21	£105.753m	£108.359m	£2.606m
2021-22	£106.304m	£109.864m	£3.560m

7. An increase of 1.9% would result in a Band D Council Tax of £173.51, £3.24p.a. more than the current precept. Even if all other South West Forces agreed not to increase

their council tax we would still have the lowest Council Tax in the region. This is also £9.39 less than the national average of £182.90.

8. Depending on the decision on the Council Tax, cash funding will grow by a maximum of 1.2% (due to a 2.5% increase in the council tax base). With the need to fund last year's reserve funding of £1.4m and unavoidable increases such as pay/price inflation and the restructure of the Crime Communication Centre, significant savings are required. As the largest part of the PCC's budget is used to finance the CC the MTFS assumes the CC will see the largest impact on budget.
9. The plan is to use £1.393m of reserves to reduce the savings requirement in 2018-19. This however does increase the requirement in 2019-20 when the reserve usage needs to be covered. The Chief Constable's expenditure plans have been estimated based on assumptions surrounding pay awards, inflation and limited growth. When compared to the different estimated income levels the following savings are required in each year to balance the budget;

	No Council Tax Increase	1.9% Council Tax Increase
2018-19	£2.133m	£1.321m
2019-20	£4.789m	£3.952m
2020-21	£2.961m	£2.101m
2021-22	£2.240m	£1.359m
Total	£12.123m	£8.733m

10. If £1.393m of reserves were not used in 2018-19 with a 1.9% Council Tax increase the savings requirement would then be £2.714m, in 2019-20 the savings requirement would reduce to £2.559m.
11. The MTFS includes an updated Capital Plan. To assist the revenue budget all revenue contributions to capital are planned to be removed from 2018-19. This means that in 2019-20 borrowing will be required. This is dependent on the outcome of the Estates strategy and the capital cost of the Emergency Services Mobile Communication Project (ESMCP). This may mean a delay in borrowing however it is now likely that there will be a requirement to borrow in the MTFS period.
12. Reserves are seen as a key instrument in managing risk. A level of reserves is seen as essential to manage both large incident risks and year on year variations. The reserves have been reviewed, and a new policy produced with greater detail. This is intended to dismiss a number of concerns the government have on PCC reserve levels.
13. The MTFS is based on assumptions which may or may not be realised but are currently considered as reasonable. Its purpose is to give to the PCC and the CC a financial framework to plan strategic direction over the next 4 years. As disclosed in the MTFS Wiltshire's funding per head of population is £157, the national average is £183. Wiltshire PCC is the 5th lowest centrally funded and 4th lowest when considering all funding (HMICFRS VFM Profile 2017). This current low level of funding makes finding savings difficult especially when considering that £19.8m of savings has already been made in the previous 7 years,

Introduction

14. This is the four year MTF. The MTF first covers the funds available to the Police and Crime Commissioner (PCC) depending on different local funding scenarios.
15. It then considers how the Commissioner may use the finances available to him to fulfil his wide ranging remit.
16. Appendix B deals with the Chief Constable's budget allocation and the implications on his spending plans which occur depending on the local funding decision made by the PCC. The report then considers any shortfalls which may exist. The outcome provides both the PCC and the CC information which will assist them in decision making surrounding precept (council tax), police officer numbers, etc. in the short to medium term.

The Financial Environment

17. The 4 year MTF has been produced in the knowledge that austerity remains likely to continue. Post the election and with Brexit on the horizon no sign of an improved financial settlement is expected. Early consultation from the government suggests that they will replicate last year's cash flash settlement, this is only valid if the PCC chooses to increase Council Tax by 2%. This would result in a 1.4% cut in central funding for Wiltshire. In real terms this is a reduction in funding. This MTF assumes a 1.4% cash reduction in central funds in each of the years up to 2020-21.
18. Recently funding has been announced on an annual basis, this provides no certainty which does make financial and organisational planning more difficult.

Central Public Finances

19. The MTF now assumes a 1.4% cash reduction in the first 3 years of the MTF. This is an estimate.
20. Since the austerity measures were introduced police funding has significantly reduced. The table below for Wiltshire identifies an estimated real term reduction of 35.8% over the last 8 years in central funding.

Year	Real Terms Reduction	Inflation	Cash Reduction
2011-12	3.9%	2.1%	1.8%
2012-13	8.8%	2.1%	6.7%
2013-14	2.7%	1.1%	1.6%
2014-15	5.7%	2.4%	3.3%
2015-16	5.9%	1.2%	4.7%
2016-17	2.0%	1.5%	0.5%
2017-18	2.4%	1.0%	1.4%
2018-19	4.4%	3.0%	1.4%
Total	35.8%	14.4%	21.4%

Precept (Council Tax)

21. Between 2011-12 and 2013-14 there was no increase in the Police part of the Council Tax. In 2014-15 a 1.9% increase was agreed by the PCC. To encourage local tax raising bodies not to increase Council Tax the government have previously offered grants to those who freeze council tax. No grant is expected in 2018-19. The funding of these grants and the council tax localisation grant has been passed from the DCLG to the Home Office. For those grants received in 2011-12 and 2013-14 they have now been subsumed within a new funding line 'Legacy Council Tax Grants'. The settlement provided for Wiltshire reports this grant to be £5.235m. This is the total of the previous grants with no inflation. The MTFS assumes now that this grant will continue in future years with no increase or reduction (i.e. Cash flat).
22. In 2012 the Secretary of State, under The Localism Bill, introduced new regulations surrounding Council Tax. If a major precepting body (which includes the PCC) proposes to raise taxes above a limit agreed by government then they will have to hold a referendum to obtain approval from local voters and the local voters may veto the rise. This means that major precepting bodies will need to convince local voters, rather than central government of the case for excessive rises in council taxes. For 2014-15 the Secretary of State announced that an increase of 2% or more would be considered excessive and be subject to a referendum. The 2% is likely to remain in 2018-19. The only exception is if the PCC is in the bottom quartile for council tax levels, then there is flexibility to set an increase up to £5. Wiltshire is not in the bottom quartile therefore the 2% level remains.
23. A 1% increase in the police part of the council tax in 2018-19 is worth £0.435m. Any increase in council tax increases the base and secures future funding at a higher level.
24. The Council Tax receipt is dependent on the council tax base (the number of dwellings paying the tax). Information from Swindon Borough and Wiltshire Council suggests that an increase of 2.5% in tax base is likely in 2018-19.
25. The total funding includes the collection fund surplus. The provisional figures from the councils total £0.869m. This is higher than last year. The surplus is not guaranteed and history shows the figure changing significantly each year. For planning a 25% year on year reduction on the surplus is assumed.
26. Whilst the tax base increase has been 2.5% this year the MTFS plans for a more prudent 1.5% increase per year. The table below summarises the assumptions made in the MTFS.

	Additional Dwellings	Est total Dwellings	% Increase	Collection Fund Surplus
2018-19 Provisional	6,326	255,682	2.54%	£869,000
2019-20	3,835	259,517	1.50%	£652,000
2020-21	3,893	263,410	1.50%	£489,000
2021-22	3,951	267,361	1.50%	£367,000

Inflation

27. The consumer price index shows inflation for the 12 months to October 2017 at 3.0%, the highest since April 2011. This is largely due to pay inflation at 2.1%.
28. The MTF5 allows for general inflation at 1% (2% for all future years), ICT at 2.5% and utilities at 1.0% in all 4 years. Pay is allowed for at 2%, this takes into account the breaking of the pay cap this year by the government.
29. In 2017 the bank base rate was increased to 0.5%, this was the first increase in over a decade. With low interest rates the investment income budget of £0.250m was not met last year. With the treasury management strategy limiting investments to only those with high security scores the opportunity to improve returns is limited. Recognising this it is planned to reduce the investment income budget to £0.200m.

Police and Crime Plan 2017-2021

30. As required under law the PCC is producing a Police and Crime Plan. The plan has 4 overarching priorities, these are shown below:

- Prevent crime and keep people safe
- Protect the most vulnerable in society
- Put victims, witnesses and communities at the heart of everything we do
- Secure a quality police service that is trusted and efficient

31. Wiltshire receives £11 less per person from the Government compared to similar police forces and £25 per person less than the England and Wales average. Combined with the lowest policing precept in the south west, Wiltshire Police has the fourth lowest funding per head of population (HMICFRS VFM Profiles 2017). The plan states that the PCC will continue to lobby the Government to revise the way policing is funded.
32. In the absence of a fair funding settlement there is a requirement to unlock resources to invest in priorities or, indeed, continue to provide services at today's level. What this means is a drive to eliminate waste and duplication, being more cost efficient and cost effective. This plan identifies that the police alone will not be able to deliver the priorities. It will mean working in partnership with other organisations, volunteers and communities.
33. With the continuing reduction of funding the PCC has to make difficult decisions. As part of the 2018-19 budget the PCC is contemplating the removal of any revenue contribution to capital outlay (RCCO). The MTF5 includes the transfer of £0.749m of funding to the Chief Constable from RCCO.
34. With a need to reduce costs whilst delivering more the PCC has agreed that investment in technology is required and that the sharing of various services (front line and support) will be necessary to drive costs down as central funding reduces.
35. During 2014 the PCC became responsible for the commissioning of Victims Services. In 2017-18 funds of £0.826m were made available as a special grant for the PCC. In 2018-19 provisional figures suggest that this funding will remain at £0.826m. As these funds are specific grants they are not included in the main funding reported.

36. The 2017 Budget (November 2017) showed clearly that this period of austerity is going to extend beyond the period since the 2010 CSR, and that to maintain staffing levels will be difficult. In response to this the PCC has agreed with the CC that the focus must be on front line staffing who are delivering the priorities. Based on this the CC has reduced the number of officers in areas where it is proven that police staff are able to deliver the same or a better service at lower cost or where sharing services requires fewer police officers without impacting on service.

37. In setting the budget the PCC will be allocating a certain level of resources for the following purposes;

- Commissioning police services from the Chief Constable
- Commissioning services in line with the Police and Crime Plan for specific purposes (for instance from public bodies, charities, the private sector, etc.)
- Financing the running costs of the OPCC

Income Forecasts

38. The 2017-18 budget relies on the following income to finance activity;

Central Funding	Police Grant	£36.961m	
	Council Tax Localisation Grant	£5.235m	
	DCLG Funding	£20.393m	£62.589m
Local Funding	Precept – Council Tax	£42.457m	
	Council Tax Surplus	£0.602m	£43.059m
MTFS Funding		£105.648m	£105.648m

39. The current council tax level of £170.27 is £12.63 below the English average of £182.90. When compared to our most similar force grouping it is £21.73 below the average of £192.00 (from HMICFRS VFM profiles)

40. The table below compares the police part of the Band D council tax against others in the South West. It also shows the impact of a 1.9% increase in council tax p.a. during the MTFS period.

Authority	2017-18 Band D Council Tax	Wiltshire 1.9% increase 2018-19	Wiltshire 1.9% increase 2019-20	Wiltshire 1.9% increase 2020-21
Gloucestershire	£214.49			
Dorset	£194.58			
Avon & Somerset	£181.81			
Devon & Cornwall	£176.28			
Wiltshire	£170.27	£173.51	£176.80	£180.16

Additional cost per Band D Household with a 1.9% increase	£3.24 p.a.
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41. The table shows that even if Wiltshire increased its council tax in all 3 years by 1.9% and all the other PCC's in the region froze their council tax Wiltshire would still have the second lowest council tax in the region.

42. The additional funding available to Wiltshire under various scenarios is shown below when compared against the current precept income;

- a) Funding at the South West Av. (£187.49), Extra income is £4.403m
- b) Funding at Similar Force Av. (£192.00), Extra income is £5.556m
- c) Funding at English Av (£182.90), Extra income is £3.229m
- d) Funding with 1.9% increase (£173.51), Extra income £0.827m

43. It should be noted that today's decision on council tax impacts future years funding. For example Gloucestershire levy of £214.49 was based on a 50% increase in 2003. This shows how future viability is dependent on decisions made today.

44. In 2017-18 Council tax was 40% of the PCC's funding; therefore to fund an expenditure increase of 1% (£1m) requires a 2.5% increase in the police part of the council tax. This is known as the gearing effect.

45. The total income over the next 3 years based on the 2 options is reported under Appendices Ai and Aii, this is summarised below.

1.9% Increase	2018-19	2019-20	2020-21	2021-22
Central Funding	£61.786m	£60.994m	£60.213m	£60.213m
Local Funding	£45.231m	£46.535m	£47.945m	£49.450m
Investment Income	£0.200m	£0.200m	£0.200m	£0.200m
Total Funding	£107.217m	£107.729m	£108.359m	£109.864m
Total inc.	1.2%	0.5%	0.6%	1.4%

0% Increase	2018-19	2019-20	2020-21	2021-22
Central Funding	£61.786m	£60.994m	£60.213m	£60.213m
Local Funding	£44.404m	£44.840m	£45.340m	£45.891m
Investment Income	£0.200m	£0.200m	£0.200m	£0.200m
Total Funding	£106.390m	£106.034m	£105.753m	£106.304m
Total inc.	0.5%	-0.3%	-0.3%	0.5%

46. The tables assume that the new Legacy Council Tax Grant remains throughout the MTFS. This totals £5.235m so if removed would have a significant effect on funding.

47. It is necessary to consider the impact of different scenarios. The impact on the 2018-19 finances of changes in central funding is shown below;

Scenario	Impact on 2018-19 MTFS Figures
The Central funding cash cut is 1.9% rather than 1.4%	Funding reduces by £0.287m
Central funding remains cash flat rather than a 1.4% cash cut	Funding increases by £0.803m

Impact of Funding Allocations

48. The MTFs assumes that the reductions in finances are split equally across current funding allocations. Appendices Ai and Aii report the funding splits over the 4 years. The table below shows the impact under the two council tax options;

	2017-18 Revised Allocation	2018-19 Allocation 1.9% Ctax	Increased Allocation 1.9% Ctax	2018-19 Allocation 0% Ctax	Increased Allocation 0% Ctax
OPCC Office cost	£0.713m	£0.722m	£0.009m	£0.716m	£0.003m
OPCC Capital cont (RCCO)	£0.742m	£0.000m	-£0.742m	£0.000m	-£0.742m
OPCC Ext. Commissioning	£1.229m	£1.244m	£0.015m	£1.235m	£0.006m
CC Allocation	£103.215m	£105.251m	£2.036m	£104.439m	£1.224m
Total	£105.899m	£107.217m	£1.318m	£106.390m	£0.491m

49. The specific Victims grant mentioned in paragraph 35 is in addition to the funding available for external commissioning.

50. When considering inflationary pressures and other unavoidable costs savings will be required by the CC. Appendix B reports the budget requirement for the CC. Depending on the council tax levy it identifies an initial savings requirement for the CC of £2.714m or £3.526m in 2018-19. The plan (further detailed in the reserves section) proposes to utilise £1.393m of reserves to reduce the impact. Taking the £1.393m into account the savings requirement with a 1.9% council tax increase reduces to £1.321m or £2.133m with no council tax increase.

51. The savings required to be delivered by the CC are significant. These savings requirements are in addition to the £19.804m saved in the 6 year period from 2010-11.

52. The CC efficiency/savings strategy surrounds collaboration and remodelling delivery. More detail on savings plans is included in the CCs Budget Requirement (Appendix B).

Use of Finances

53. The PCC expects locally collected funds to be spent on maintaining local policing. Whilst it can be difficult to identify what exactly is 'local policing' the 2017-18 budget has been reviewed to identify the relationship between spend and funding.

54. The table below shows that 46% of the funding is collected locally whilst 50% of the budget is used for Local Policing;

	Local Policing	Other Policing	Total
CC Spend per area	£39.237m	£39.500m	£78.737m
Support Services	£12.521m	£12.520m	£25.041m
OPCC	£1.060m	£1.060m	£2.120m
Total	£52.818m	£53.080m	£105.898m
	50%	50%	100%

Staffing (FTE)	1008	995	2003
	50%	50%	100%
Income	£48.294m	£57.354m	£105.648m
Interest	£0.125m	£0.125m	£0.250m
Total	£48.419m	£57.479m	£105.898m
	46%	54%	100%

Capital

55. The Capital Plan is funded from capital balances brought forward, transfers from reserves, annual grant, capital receipts and revenue contributions to capital. The opportunity to borrow funds under the Prudential Code does exist. However to date this has not been necessary.

56. As highlighted in paragraph 33 the PCC is planning on removing his revenue contribution to capital outlay (RCCO) due to pressures on revenue budgets. Depending on future capital receipts and grants it is likely that within 2 to 3 years the PCC will need to borrow to fund capital. The revenue consequences of paying back the borrowing along with associated interest have been considered in this decision.

57. The Capital grant available to each force has significantly reduced in recent years. For instance in 2013-14 it was £0.939m and is 2017-18 in £0.407m. One of the reasons for this is the top slicing for national projects (such as ESMCP) with the amount available to forces falling. With these projects still in the early stage it is not expected that this trend will reverse. Whilst the 2018-19 grant settlement is not known the MTFs is based on the grant remaining at £0.407m for the whole of the MTFs period.

58. Appendix C shows the Capital Plan for the next 3 years. This is the plan approved at the Commissioners Monitoring Board in October 2017, this has the RCCO removed.

59. Based on this level of funding and the approved capital expenditure programme the plan identifies cumulative balances at the end of each year as below. Whilst a deficit currently exists at the end of the 2019-20 this will change (go up or down) during this period as both income (capital receipts) and costs change.

	2018-19	2019-20	2020-21	2021-22
Balance available	£0.427m	-£9.072m	-£11.669m	-£14.473m

60. There currently is a large amount of uncertainty surrounding capital receipts. The estates strategy is expected to release significant land and property for sale. In order to optimise the sale a property consultant has been engaged to advise the PCC. His report is expected within months. When this has been received and considered it is anticipated that significant levels of capital receipts can be added to the plan reducing the deficit levels reported in the table above.

61. Within the plan is £7.761m for the Hub Projects and Central Estates Projects. This figure will change when plans are agreed and decisions made on whether we will lead or be a partner on a number of collaboration projects.

62. An allocation of £3.282m has been allowed for ESMCP (Emergency Services Mobile Communications Project) however these costs are very much an estimate. The delay and uncertainty surrounding this national project remains and it is expected that unit costs will change from those included in the current estimates. With time delays comes an increase in project costs, at the moment central funding for slippage and cost increases has not been forthcoming.
63. The plan does allow for the refresh of laptops and mobile phones. With the reliance on ICT in policing growing every year the need for investment increases. Whilst £0.500m has been allowed in each year for ICT investment and compliance work this may not be sufficient. National work on ANPR, the Police Database, etc. may lead to additional funding requirements, it is expected that much of this cost will be funded by national top slicing (as discussed in paragraph 57) however historically some costs have fallen to individual PCCs.
64. Each year the PCC undertakes a number of planned maintenance programmes to increase the life of assets. This can be upgrading assets such as lifts or undertaking substantial works. It is proposed to fund substantial estates programmes via the capital plan. Below this value will be funded by revenue. The plan allows £0.100m per year for these substantial programmes.
65. Included within the plan is £1.743m for an ERP system. This is very much an estimate and will change as more information is received and decisions made.
66. The Fleet strategy is based on the Policing Model. The strategy includes the use of framework vehicles to reduce cost. This is now in place for our high volume vehicles. Further work on the remainder of the fleet remains on-going with the National buying groups expected to deliver better value for money and improve standardisation across the region.

Risks and Reserves

67. The assessment of risks and the setting of appropriate levels of reserves is an essential element of medium term financial planning.
68. When setting budgets and future plans it is essential to ensure that they are both affordable and sustainable. Reserves are held to manage risk and for investment.
69. The risks may be categorised in three ways:
- Local small level risks, where they would be accommodated within devolved budgets
 - Significant risks which can be covered by insurance cover
 - Larger risks which, if they occurred, would need to be funded from reserves in the knowledge that they would have a significant impact upon the next year's budget setting process.
70. With Policing being an emergency service there is always the risk that one incident could result in costs of £1m or more. The Home Office do provide some cover for large incidents agreeing to provide special grant for costs over 1% of budget. This does alleviate some of the need for the PCC and CC to hold a high level of reserves.

71. A Reserves and Provisions Policy has been produced by the PCC in association with the CC. This policy states the purpose of reserves and the principles in how they are used. The policy is in line with CIPFA (Chartered Institute of Public Finance and Accountancy) best practice. This is included under Appendix D.
72. During 2017 there has been a focus on the level of reserves held by PCCs. With austerity there is central concern that funds are not being used appropriately. Based on this the policing minister wishes to improve the transparency of reserves. The policy has therefore been amended to include estimated levels for the next 3 years and whether there is a legal or contractual commitment for each reserve.
73. A review of reserves has taken place considering the budget strategy. It is proposed that £1.393m be moved to the Contribution to Revenue Budget reserve. £1.100m of this is funded by the expected grant to be received surrounding Operation Conifer. The remaining £0.393m is expected to come from underspend in 2017-18. The 6 monthly budget monitoring paper reported a £0.555m forecast underspend. It is planned to set aside £0.279m of this in an earmarked reserve to fund the consequences of the one off bonus payment approved by the government. This will leave £0.276m, this is expected to increase to £0.293m by year end (£0.293m and £1.100m together provide the planned £1.393m contribution to balancing the 2018-19 revenue budget).
74. The general reserve has been reviewed. Considering the total reserves available and the emergency funding available for significant costs the level of 2.5% (£2.6m) remains reasonable.
75. The PCC holds other specific earmarked reserves for specific risks and investments e.g. Insurance. The estimated level of reserves for these is reported in Appendix D.
76. The largest reserve is the capital development reserve. This is required to finance the capital plan and is £9.864m at 31 March 2017.
77. All reserves are 'one-off' funds and can only be used for investments which do not have on-going revenue consequences, hence the need to identify medium term strategies when reserves are used to assist balancing the revenue budget.

PCC's Conclusion

78. The MTFS is a living document. It changes as information is received concerning costs, funding and service delivery requirements. The MTFS will be reviewed annually and is the cornerstone of the budget planning cycle.

PCC for Wiltshire Medium Term Financial Plan

Council Tax Increase 1.90%

Financial Year >>>>>>	18/19 £million	19/20 £million	20/21 £million	21/22 £million
Estimated Funding Available to the PCC				
Main Police Grant	36.444	35.933	35.430	35.430
DCLG Funding	20.107	19.826	19.548	19.548
Localisation Grant	5.235	5.235	5.235	5.235
Total Central Funding	61.786	60.994	60.214	60.214
CT Surplus	0.869	0.652	0.489	0.367
Precept	44.362	45.883	47.456	49.083
Movement in Reserves	0.000	0.000	0.000	0.000
Total Grant and Precept Funding	107.017	107.529	108.159	109.664
Investment Income	0.200	0.200	0.200	0.200
Total Income available to PCC	107.217	107.729	108.359	109.864
Reduction in Total Funds Available	1.2%	0.5%	0.6%	1.4%
<i>Central Funding Reduction</i>	<i>-1.3%</i>	<i>-1.3%</i>	<i>-1.3%</i>	<i>0.0%</i>
Band D Council Tax	173.51	176.80	180.16	183.58
Increase per Band D household	3.24	3.30	3.36	3.42

Allocation of Funding

Assuming that funding reduction is split equally across all current allocations

OPCC - Office costs (less inv inc)	0.722	0.725	0.730	0.740
OPCC - Capital Contribution	0.000	0.000	0.000	0.000
OPCC - External Funding allocations	1.244	1.250	1.258	1.275
OPCC - Chief Constable allocation	105.251	105.754	106.372	107.849
Total Allocation	107.217	107.730	108.359	109.864

PCC for Wiltshire Medium Term Financial Plan

Council Tax Increase 0.00%

Financial Year >>>>>>	18/19 £million	19/20 £million	20/21 £million	21/22 £million
Estimated Funding Available to the PCC				
Main Police Grant	36.444	35.933	35.430	35.430
DCLG Funding	20.107	19.826	19.548	19.548
Localisation Grant	5.235	5.235	5.235	5.235
Total Central Funding	61.786	60.994	60.214	60.214
CT Surplus	0.869	0.652	0.489	0.367
Precept	43.535	44.188	44.851	45.524
Movement in Reserves	0.000	0.000	0.000	0.000
Total Grant and Precept Funding	106.190	105.834	105.553	106.104
Investment Income	0.200	0.200	0.200	0.200
Total Income available to PCC	106.390	106.034	105.753	106.304
Reduction in Total Funds Available	0.5%	-0.3%	-0.3%	0.5%
<i>Central Funding Reduction</i>	<i>-1.3%</i>	<i>-1.3%</i>	<i>-1.3%</i>	<i>0.0%</i>
Band D Council Tax	170.27	170.27	170.27	170.27
Increase per Band D household	0.00	0.00	0.00	0.00

Allocation of Funding

Assuming that funding reduction is split equally across all current allocations

OPCC - Office costs (less inv inc)	0.716	0.714	0.712	0.715
OPCC - Capital Contribution	0.000	0.000	0.000	0.000
OPCC - External Funding allocations	1.235	1.231	1.227	1.231
OPCC - Chief Constable allocation	104.439	104.089	103.815	104.358
Total Allocation	106.390	106.034	105.753	106.304

The Chief Constable's Allocated Budget

Introduction

1. In 2017-18 the PCC allocated the CC £103.214m to police the county. This funded staffing of 961 Police Officers, 131 Police Community Support Officers (PCSO's) and 911 Police Staff. In the early months of 2017-18 vacancies exist in Support Staff and PCSO's, this is the main reason an underspend of £0.555m is forecast (includes OPCC variance and shortfall in investment income),

Funding

2. The CC's plans directly relate to the funding provided by the PCC. Whilst the PCC has yet to agree the exact funding allocated, the CC's plans will assume the funding available is that reported in the PCC's MTFS. This is reported in the table below;

	2018-19	2019-20	2020-21	2021-22
CC Funding at 1.9% Council tax Increase	£105.251m	£105.754m	£106.372m	£107.849m
CC Funding at 0% Council tax Increase	£104.439m	£104.089m	£103.815m	£104.358m
Variance	£0.812m	£1.665m	£2.557m	£3.491

3. In 2018-19 the CC expects to benefit from 2 specific grants, Swindon PFI and the Security Grant. These grants total £3m per annum.

Expenditure

4. In 2017-18 the PCC gave the CC a budget of £103.215m. The table below shows how the CC used this when allocated according to the Police Objective Analysis (POA), the variance of £0.313m is due to national classification guidelines;

	Officer FTE	Staff FTE	Total FTE	% of Staff	£m	% of Budget
Local Policing	512	164	676	34%	30.242	29%
Dealing with the Public	8	190	198	10%	7.037	7%
Criminal Justice	24	154	178	9%	7.585	7%
Ops Support (inc RPU)	101	11	115	6%	6.244	6%
Intelligence	25	52	77	4%	4.081	4%
Investigations	170	142	312	16%	15.795	15%
Public Protection	58	76	134	7%	5.440	5%
National Policing	23	12	35	2%	0.685	1%
Support Functions	40	228	268	13%	25.041	24%
Cap Finance/Pensions	0	0	0	0	2.817	3%
Reserves/Commis.	0	0	0	0	-1.439	-1%
	961	1029	1993	100%	103.528	100%

5. Each year the Force reviews its spending levels against other forces using HMICFRS's Value for Money profiles. These profiles show our level of investment in policing and compares these against a national average and the average of similar forces. In 2017-18 the profiles show Wiltshire as low cost, this is mainly due to a low level of funding. The headlines from the profiles include:
- Wiltshire's spend per head of population excluding National and Central Policing is £156. The national average is £180 and £176 for similar forces. Wiltshire's spend is the 5th lowest in the country.
 - Wiltshire's central funding per head of population is £94.5. £120 is the national average, £105.7 for similar forces. Wiltshire's central funding is the 5th lowest in the country.
 - Wiltshire's spend per head of population on all policing activities is below the national and most similar force average. This is related to the low level of funding received.
 - Wiltshire's Support Function spend per head of population is £38.40. Similar forces average is £39.40, £1.00 more than Wiltshire. The national average is £37.60, £0.80 less than Wiltshire.
 - Wiltshire's spend on officers per head of population is £69.7 this is the lowest in the country. However Wiltshire's spend on staff of £44.2 per head of population is above the average of £40.1. This points to Wiltshire utilising the cost efficiencies available with Work Force Modernisation.
 - Wiltshire's percentage of officers in an operational frontline role is 66.5%. This compares to a national average of 69.9% and 68.6% for similar forces.
6. Whilst the POA table shows how the funding was allocated per area of policing the table below shows the breakdown of cost between salaries and other costs.

	£m	
Staff and Employee Costs	87.250	85%
Premises	6.502	6%
Transport	2.523	2%
ICT	2.840	2%
Surgeons and Forensics	1.698	2%
Other Costs	9.197	9%
Pensions	0.753	1%
Gross Cost	110.763	107%
Income	-7.549	-7%
Net Cost	103.214	100%

7. Appendix Bi show the cost increases and cost reductions expected to be faced by the CC over the next 3 years. These financial plans are based on pay inflation of 2%, general inflation increases of 1% (2% from 2019-20), ICT inflation of 2.5% and utilities inflation of 1%.

8. The plan includes additional funding for Diversity and Inclusion. This new team was created a year ago when initial funding was granted. Since this time the service that the business requires has been scoped and better understood. An additional £0.086m has been requested to continue the work in this area for the next year.
9. A new website is being implemented for the Police and Crime Commissioner and the Chief Constable. The website will include live web chat, online forms creator (to allow more self-service), integration into crimemappers for CPT information and an on-line payment provision initially for firearms licensing. In the future this will facilitate on line crime reporting. The running cost for this will be £0.046m.
10. The business has been informed by our insurance providers that they will be passing on an increase in Discount Rate Levy. The Lord Chancellor has announced a change in this discount rate, which is a figure used to help set compensation pay-outs when people suffer serious injuries, for example following a car crash or medical negligence. It has been reduced from 2.5% to -0.75, effective from 20 March 2017. This levy will see a 15% increase in our Employee and public liability, £0.017m and a 30% increase in our Motor premiums, £0.028m.
11. The Apprenticeship levy was brought in by the Government from April 2017. The business now contributes 0.5% of our basic pay to this levy on a monthly basis. If this levy is not utilised within two years of a contribution the business will forfeit this money. At present plans are to instigate a Police Officer apprenticeship from 2020 and various support staff apprenticeships in the eighteen months until then. To ensure that the greatest advantage is made of this levy fund an administrator (£0.034m) is required to coordinate apprentice activity across the business.
12. Missing people is a complex area of the business that has many overlaps with other external agencies. Work to prevent the problems that lead to individuals going missing will reduce demand on the CPT, Control Room, inspectors etc. One such area is Care home/foster placement engagement which will now have two people dedicated to it. An administrative support post will also receive permanent funding. This post is seen as crucial to this work. A total investment of £0.080m is required.
13. The Predictive Analytics Strategy aims to reduce harm in communities, reduce demand for service across Police and Partners and manage our resources in response to demand more effectively. This is a specialised and complex area of the business and therefore, requires dedicated analysts to work in this area. Two roles at a cost of £0.069m will be created who will receive specialist training.
14. The Business Improvement Department have been restructured to increase their strategic contribution to the business, further develop the analytical tool Qlikview and service an increased work demand. To facilitate this a number of roles will be altered and an additional W6 resource will be added to the team at a net cost of £0.026m.
15. The Intelligence Department Evolution Strategy has been designed to deliver an intelligence hub, a specialist crime and intelligence unit and a proactive intelligence unit. To be able to achieve this a restructure of the Intelligence Department has been agreed at a net cost of £0.013m.
16. For a number of years the business has paid ad hoc bonus payments for a number of tutor activities. With a greater need for tutors on the frontline (Officers and PCSO's) it

is necessary to formalise the arrangement to ensure equality and fairness. £0.042m is the forecast cost per annum.

17. The Liberating Leaders programme is a set of training days delivered to Sergeants and Support Staff equivalents to enhance the on-going work with regard to the cultural journey of the business. To deliver this large training programme an External training provision at a cost of £0.012m is required.
18. The Crime and Communication Centre has been the focus this year of work surrounding demand and the response to that demand. One of the big issues is the abandonment rate (this was also picked up by HMICFRS). An investment of £0.250m has been identified as a requirement to improve the service level. This will allow resource to be aligned to peaks of demand to ensure average response times and abandonment rates are reduced.
19. Currently the business pay SAFF (staff allowance for flexibility) for employees who work unsociable hours. This is not in line with the National Police Support Staff handbook. It is the desire of the business to now align payments in accordance with these regulations to ensure equality and fairness. The change is estimated to cost £0.600m.
20. Each year officers retire; these are paid at the top of their grade. These officers are then replaced in the organisation by new recruits who are paid at a much lower rate. Winsor reforms increase the variance between the top and bottom grades. This year, with the high turnover of officers, £0.500m of savings are expected.
21. The Crime and Communication Centre utilises the Storm system. This year the contract for this system has been renegotiated with regard to time scales and cost. This has resulted in a £0.161m saving for the business.

Funding Shortfalls

22. When comparing these estimated budget requirements against the finances expected to be available from the PCC a savings requirement is identified (Appendices Bi and Bii). To reduce this a plan is being considered which utilises the revenue underspend and a portion of reserves to finance £1.393m of revenue costs in 2018-19. This would require real savings to be delivered in 2019-20. The tables below show this and the impact;

No Increase	2018-19	2019-20	2020-21	2021-22	Total
Est. Expenditure	£107.965m	£107.485m	£106.775m	£106.598m	
Est. Funding	£104.439m	£104.090m	£103.814m	£104.354m	
Reserves	-£1.393m	£1.393m			
Shortfall	£2.133m	£4.788m	£2.961m	£2.244m	£12.126m

1.9% Increase	2017-18	2018-19	2019-20	2020-21	Total
Est. Expenditure	£107.965m	£108.313m	£108.473m	£109.208m	
Est. Funding	£105.251m	£105.754m	£106.372m	£107.849m	
Reserves	-£1.393m	£1.393m			
Shortfall	£1.321m	£3.952m	£2.101m	£1.359m	£8.733m

23. The estimated savings requirement of £12.126m or £8.733m is on top of the savings of £19.8m delivered in the last 7 years. These savings have been produced by the

2010 Vision Plan, Management Structure review, etc. They have broadly required all middle and support services to reduce by 15%-20%. Whilst the force can continue to reduce in this manner it is not considered appropriate and would likely lead to an ineffective service to the public.

Efficiency Strategy

24. To deliver the savings required requires the force to realign resources and work in partnership with other forces. This section identifies current proposals on how to close the financial gap in 2018-19
25. With 85% of our budget spent on staff it is clear that to save significant sums these staff must reduce or be shared with other partners. The 2017-18 budget finances;
 - 961 Police Officers
 - 131 PCSO's
 - 911 Police Staff
26. The Government remain keen for Forces to police in collaboration with others. In keeping with this thinking the business will look to continue existing collaborations and are anticipating £0.187m of cost reduction can be made. Whilst savings from new partnerships are not included in the plan there is a focus across our police partners to reduce costs. The Wiltshire spend on Brunel and Tri Force Special Ops totals £8.172m, a 1% reduction in costs would save £0.082m..
27. During this year a comprehensive estates strategy has been written and it is anticipated that this will deliver £0.050m of savings next year through rationalisation of the estate. Further savings are expected throughout the MTFS period.
28. After an SLT planning day earlier in the year it was identified that some savings could be achieved through changes to the CPT model. Therefore, 5 sergeants have been removed from the Swindon CPT model. Swindon has also been moved from a three hub model to a two hub model. These create savings of £0.275m and £0.150m respectively.
29. Inspector numbers have been reviewed in the year against our current operating model and it is considered that 3 Inspectors can be reduced saving £0.210m.
30. Work on the Financial Investigation Model (FIM) has been progressing throughout 2017. The current expectation is that it will see a move from warranted officers to police staff investigators in line with the Major Crime model. This plan assumes 10 modernisations in both 2018-19 and 2019-20 reducing costs by £0.150m in each year.
31. With the new website it is envisaged that we can reduce staff via Channel shift saving £0.300m. As this is only a concept at the moment the plan only allows for 50% of the saving to be delivered in 2018-19 (£0.150m).
32. The following summarises the savings plan discussed above (for 2018-19) and compares it to the funding gap with a 1.9% Council Tax increase;

	2018-19
Police Operational Collaborations	£0.187m
Estates Strategy	£0.050m
ICT Maintenance/Licences	£0.068m
CPT Swindon Sergeants (5 reduction)	£0.275m
3 to 2 Swindon CPT (3 reduction)	£0.150m
Inspector Cover (3 reduction)	£0.210m
FIM (10 officers)	£0.150m
Channel Shift (50% of full year savings)	£0.150m
Additional non CPT modernisation (10 officers)	£0.100m
Total Proposed Savings	£1.340m
Savings required with a 1.9% CTax Increase	£1.321m
Variance	£0.019m

33. If no council tax increase was agreed another £0.812m of savings would need to be delivered.
34. This plan continues to reduce officers. As mentioned previously in the MTFs Wiltshire already has the lowest number of officers per head of population. During the year the Senior Command Team has agreed 8 civilianisation's so the following would be the position if this plan is implemented.

Start of Year	961fte
In Year Civilianisation's	-8fte
Efficiency plan (table 22)	-31fte

2018-19 Budget	922fte

35. When compared to the HMICFRS Profiles Wiltshire's position as an outlier would increase under the proposal (1.31 officers per 1,000 population versus a national average of 1.75 officer per 1,000 population). This is detailed below

	Existing fte	fte/1000 pop	Average of all forces	Wiltshire's MSG	Planned fte	planned fte/1000
Police Officers	961	1.33	1.75	1.66	922	1.31

36. With the use of reserves reducing the savings required in 2018-19 it is important to look at the position for 2019-20. The current position of a £3.952m shortfall needs to be considered. There are some plans in place (FIM, Estates and Channel Shift) which will help close the gap however the largest opportunities surround collaboration.

Conclusion

37. This paper identifies a strategy to close the funding gap in 2018-19 if a 1.9% increase in the police part of the Council Tax is agreed. There are risks that the savings will not be achieved.
38. A 0% increase in the police part of the council tax would increase the savings target which is a concern. One of the risks with this strategy surrounds future savings

requirements; by not increasing the council tax base larger savings will be required, £12.126m rather than £8.733m over the 4 years.

39. It should be noted that this strategy does not deal with the increasing demands put on Wiltshire Police. Additional demand in cyber, public protection, firearms etc. requires the Chief Constable to adjust and realign resources in a dynamic manner. It would always be preferable that additional resources were made available to finance this demand however it is acknowledged that in today's financial climate this is unlikely.
40. Considering the risks and the continuing reduction in central funding the Chief Constable is advising that any return available from the Council Tax be maximised to assist in the maintaining of local policing in Wiltshire.

Chief Constables Financial Plan

Based on Council Tax Increase 1.90%

	18/19 £million	19/20 £million	20/21 £million	21/22 £million
Expenditure BFWD	103.214	105.251	105.754	106.372
Local partnership funding to OPCC	1.439	1.393	0.000	0.000
Revised Expenditure Carried Forward	104.653	106.644	105.754	106.372
Cost Increases				
Inflation estimate	1.585	2.190	2.201	2.215
Fixing of specific grants	0.048	0.064	0.064	0.064
Spinal Point Increases	0.700	0.700	0.700	0.700
Increase in Bank Holidays	0.000	0.091	0.091	0.183
Increase in Specials	0.000	0.050	0.000	0.000
Diversity and Inclusion Team	0.086	0.050	0.000	0.000
Local Government Pension Increase	0.190	0.293	0.000	0.000
ERP	0.000	0.100	0.000	0.000
Web Site	0.046	0.000	0.000	0.000
Insurance (change in discount factor)	0.045	0.000	0.000	0.000
Apprenticeship Levy Administrator	0.034	0.000	0.000	0.000
Missing Persons 2 staff	0.080	0.000	0.000	0.000
Drones Running Costs (Specials)	0.005	0.000	0.000	0.000
Predictive Analytics 2 staff	0.069	0.000	0.000	0.000
Business Improvement Restructure	0.026	0.000	0.000	0.000
Intelligence Dept Evolution Strategy (ANPR)	0.013	0.000	0.000	0.000
Tutorship - Bonus Payment	0.042	0.000	0.000	0.000
Liberating Leadership Training	0.012	0.000	0.000	0.000
Call Handling Investment	0.250	0.000	0.000	0.000
On Call (PIM Officers)	0.010	0.000	0.000	0.000
Shift Allowance Changes (SAFF to support staff handbook)	0.600	0.000	0.000	0.000
PCC reduction in income	0.315	0.000	0.000	0.000
Unidentified Policing Pressures	0.100	0.250	0.250	0.250
Total increases in Expenditure	4.256	3.788	3.306	3.412
Cost Reduction				
Decrease in Comp Grant	0.000	0.000	0.000	0.000
Decrease in Rent Allowance	-0.100	-0.052	-0.087	-0.076
Reduction in Bank Holidays	-0.183	-0.174	0.000	0.000
Spinal Impact of New Recruits	-0.500	-0.500	-0.500	-0.500
Storm cost reduction	-0.161	0.000	0.000	0.000
Total reductions in Expenditure	-0.944	-0.726	-0.587	-0.576
Contributions to or from Reserves	-1.393	0.000	0.000	0.000
Savings Required = '1' / Growth Available	-1.321	-3.952	-2.101	-1.359
New Requirement	105.251	105.754	106.372	107.849
Inflation Assumptions				
Employees	1.58%	2.00%	2.00%	2.00%
Income	1.00%	1.00%	1.00%	1.00%
Other	1.00%	2.00%	2.00%	2.00%
IT	2.50%	2.50%	2.50%	2.50%
Utilities	1.00%	1.00%	1.00%	1.00%

Chief Constables Financial Plan

Based on Council Tax Increase

0.00%

Financial Year >>>>>	18/19 £million	19/20 £million	20/21 £million	21/22 £million
Expenditure BFWD	103.214	104.439	104.089	103.815
Local partnership funding to OPCC	1.439	1.393	0.000	0.000
Revised Expenditure Carried Forward	104.653	105.832	104.089	103.815
Cost Increases				
Inflation estimate	1.585	2.174	2.168	2.162
Fixing of specific grants	0.048	0.064	0.064	0.064
Spinal Point Increases	0.700	0.700	0.700	0.700
Increase in Bank Holidays	0.000	0.091	0.091	0.183
Increase in Specials	0.000	0.050	0.000	0.000
Diversity and Inclusion Team	0.086	0.050	0.000	0.000
Local Government Pension Increase	0.190	0.293	0.000	0.000
ERP	0.000	0.100	0.000	0.000
Web Site	0.046	0.000	0.000	0.000
Insurance (change in discount factor)	0.045	0.000	0.000	0.000
Apprentiship Levy Administrator	0.034	0.000	0.000	0.000
Missing Persons 2 staff	0.080	0.000	0.000	0.000
Drones Running Costs (Specials)	0.005	0.000	0.000	0.000
Predictive Analytics 2 staff	0.069	0.000	0.000	0.000
Business Improvement Restructure	0.026	0.000	0.000	0.000
Intelligence Dept Evolution Strategy (ANPR)	0.013	0.000	0.000	0.000
Tutorship - Bonus Payment	0.042	0.000	0.000	0.000
Liberating Leadership Training	0.012	0.000	0.000	0.000
Call Handling Investment	0.250	0.000	0.000	0.000
On Call (PIM Officers)	0.010	0.000	0.000	0.000
Shift Allowance Changes (SAFF to support staff handbook)	0.600	0.000	0.000	0.000
PCC reduction in income	0.315	0.000	0.000	0.000
Unidentified Policing Pressures	0.100	0.250	0.250	0.250
Total increases in Expenditure	4.256	3.772	3.273	3.359
Cost Reduction				
Decrease in Comp Grant	0.000	0.000	0.000	0.000
Decrease in Rent Allowance	-0.100	-0.052	-0.087	-0.076
Reduction in Bank Holidays	-0.183	-0.174	0.000	0.000
Spinal Impact of New Recruits	-0.500	-0.500	-0.500	-0.500
Storm cost reduction	-0.161	0.000	0.000	0.000
Total reductions in Expenditure	-0.944	-0.726	-0.587	-0.576
Contributions to or from Reserves	-1.393	0.000	0.000	0.000
Savings Required = '-' / Growth Available	-2.133	-4.789	-2.961	-2.240
New Requirement	104.439	104.089	103.815	104.358

Inflation Assumptions

Employees	1.58%	2.00%	2.00%	2.00%
Income	1.00%	1.00%	1.00%	1.00%
Other	1.00%	2.00%	2.00%	2.00%
IT	2.50%	2.50%	2.50%	2.50%
Utilities	1.00%	1.00%	1.00%	1.00%

Wiltshire Police and Crime Commissioner

Capital Expenditure Plan (MTFS)

Financial Year >>>>>>	<i>bfwd</i> <i>£million</i>	<i>17/18</i> <i>£million</i>	<i>18/19</i> <i>£million</i>	<i>19/20</i> <i>£million</i>	<i>20/21</i> <i>£million</i>	<i>21/22</i> <i>£million</i>	<i>Cum</i>
Capital Financing							
Government Grant	0.000	0.407	0.407	0.407	0.407	0.407	2.035
ESN Grant	0.478						0.478
Capital Reserve (post cap fin tfr)	9.864						9.864
Contribution from Reserves	0.000						0.000
Capital Receipts	0.000	0.000					0.000
Revenue Cont. to Capital (1.9% CT)	0.000	0.742					0.742
	10.342	1.149	0.407	0.407	0.407	0.407	13.119
Capital Expenditure (on a cashflow basis)							
Part A - Equipment and Fleet Repl. Prog.							
Vehicle Fleet	0.056	0.913	0.913	0.913	0.913	0.913	4.621
Operational Equipment (Taser)	0.015	0.000	0.050	0.000	0.050	0.000	0.115
Total Equipment and Fleet Prog.	0.071	0.913	0.963	0.913	0.963	0.913	4.736
Part B - Estates Projects							
Minor Works - Building Improvements	0.000	0.075	0.075	0.075	0.075	0.075	0.375
Programmed Maintenance - Buildings	0.000	0.100	0.100	0.100	0.100	0.100	0.500
Hub Projects	0.000		1.725	2.875			4.600
Central Estates Projects *	0.000	0.000	0.500	2.661	0.000	0.000	3.161
Total Estates Projects	0.000	0.175	2.400	5.711	0.175	0.175	8.636
Part C - ICT Programme							
ICT Remediation Work Phase 2	0.099						0.099
Computer Laptops, Tablets, Desktops, etc.	0.164	0.154	1.406	0.245	0.245	1.310	3.524
ICT Investment (incl servers, storage)	0.000	0.450	0.500	0.500	0.500	0.500	2.450
Systems Development	0.050						0.050
SmartPhone Replacement Programme	0.000			0.640			0.640
DEMS est (incl; DIR/BWVC)	0.524						0.524
ESMCP	0.000	0.000	0.544	1.354	1.101	0.283	3.282
ESN Connections (Grant funded)	0.000	0.033	0.445				0.478
ANPR	0.094						0.094
Website Project	0.000	0.086					0.086
ERP	0.000	0.200	1.000	0.543			1.743
HR systems	0.027						0.027
Hi-tech crime unit computers	0.073	0.000	0.050	0.000	0.050	0.000	0.173
Mobile Working	0.703	0.347					1.050
Total ICT Programme	1.734	1.270	3.945	3.282	1.896	2.093	14.220
Total for Parts A, B and C	1.805	2.358	7.308	9.906	3.034	3.181	27.592
Surplus / Deficit (-) for Year	8.537	-1.209	-6.901	-9.499	-2.627	-2.774	-14.473
Cumulative Surplus / Deficit	8.537	7.328	0.427	-9.072	-11.699	-14.473	-14.473

RESERVES AND PROVISIONS POLICY (updated Nov 2017)

Purpose

1. This policy sets out how the Police and Crime Commissioner (PCC), in association with the Chief Constable (CC), will determine and review the level of usable and unusable Reserves and Provisions.
2. The PCC is required to maintain adequate financial reserves to meet the needs of the organisation. The PCC's Chief Financial Officer (here on known as the Treasurer) has a legal duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.
3. The optimisation of reserves is an important part of medium term planning. Reserves are a potential source of funding for pump priming initiatives and also can cover the consequences of risks which may materialise. The Treasurer has to take account of the strategic, operational and financial risks facing Wiltshire Police in assessing the adequacy of reserves when setting the budget.
4. Reserves may either be earmarked for particular purposes or held as a general sum as a matter of prudence to cover unforeseen expenditure. Reserves are defined by CIPFA as:

“Amounts set aside for purposes falling outside the definition of provisions should be considered as reserves, and transfers to and from them should be distinguished from service expenditure disclosed in the Statement of Accounts. Expenditure should not be charged direct to any reserve. For each reserve established, the purpose, usage and the basis of transactions should be clearly identified. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management.”

5. This policy will take into account the latest guidance and regulation on the use and management of reserves and balances. CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code', states that, for each reserve established, the purpose, nature and basis of transactions should be identified. The policy will also take into account comments from central government surrounding improving transparency surrounding reserves.
6. CIPFA's Prudential Code requires Chief Financial Officers in PCC's to have full regard to affordability when making recommendations about the local authority's future capital programme. The requirement for three year revenue forecasts across local authorities, coupled with three year grant settlements ensures there is a focus on the levels and application of local balances and reserves.

Managing Reserves – Principles

7. Reserves held are either usable or unusable.
8. When reviewing their medium term financial plans and preparing their annual budgets PCC's should consider the establishment and maintenance of the General Reserve, this assists in providing;
 - ❖ a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - ❖ a contingency to cushion the impact of unexpected events or emergencies;
9. Other reserves classified as 'usable' exist for specific 'earmarked' purposes.
10. Unusable reserves may also be held. These arise out of the interaction of legislation and proper accounting practice. These 'unusable' reserves are not resource-backed and cannot be used for any other purpose.
11. Transfers to and from reserves will be made in accordance with financial regulations.
12. The Treasurer will comment on the adequacy and use of Reserves as part of the annual budget setting process.

Types of Reserves

13. In addition to the PCC's **General Reserve** and the Chief Constable's **Operational Reserve** Wiltshire Police will hold usable reserves for the following purposes:
 - **Risk** - reserves held to provide a level of cover for unexpected or one off events or emergencies or predictable liabilities or costs.
 - **Change Programmes** - reserves held to fund investments in programmes in line with the Police and Crime Plan. This will include the Capital Development Reserve which is critical in the funding of the on-going capital plan
 - **Investment** - reserves held to fund future time limited capital or revenue expenditure requirements in line with the Police and Crime Plan
 - **Partnership** - specific reserves held for partnership purposes which may include funding provided by partners to help achieve a specific purpose
14. Unusable reserves, which are not resource-backed and cannot be used for any other purpose, are described below:
 - **Asset Adjustment** - reserves to account for the losses or gains on assets through revaluation or timing differences

- **Pensions** - carries the future liability for post employment benefits in accordance with statutory provisions.
- **Statutory adjustments** - reserves to adjust between costs recognised in the general fund balance and statutory arrangements.

15. For each reserve there should be a clear protocol setting out the reason for/purpose of the reserve. When establishing reserves PCC's need to ensure that they are complying with the CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code' and in particular the need to distinguish between reserves and provisions. Annex A identifies the reason for each reserve, how the level of the reserve has been set and whether there is a contractual obligation. Annex B shows the current level of funding set aside for each reserve and the plan for use over 3 years.

Building Reserves

16. The General Reserve will change each year with the transfer of year end surpluses or deficits to this reserve. This reserve will be set in line with the Treasurers view which will take into account issues such as the current and future financial climate. The Treasurers current view is that the target for this reserve should equate to 2.5% of the budget. It is expected that variations in year will be dealt with by a transfer to or from an investment reserve. This transfer will be recommended at year end as part of the closure of accounts process and will need to be approved by the PCC.

17. Earmarked reserves and other specific reserves will be established or removed on a 'needs basis', in line with planned or anticipated requirements set out in the Police and Crime Plan, Medium Term Financial Strategy and Financial Regulations.

18. The current financial landscape demands that significant savings need to be made in order to deliver a sustainable budget. It is prudent to have reserve levels to provide a buffer or a safeguard during uncertain times. It is also important to maintain sufficient reserves to provide additional capacity for discretionary use to smooth the introduction of savings. For redundancy and other small change costs the Restructuring Reserve will be used by the Chief Constable.

19. In line with the PCC's Police and Crime Plan a Community Safety Innovation Reserve has been introduced. Use of this fund will be determined by the PCC with decisions documented at the internal Corporate Management Board.

Quantifying the Reserves Requirement

20. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

21. This means that the minimum prudent level of reserves is a matter of judgement rather than prescription. Neither CIPFA nor statute sets a minimum level of reserves. In determining the level and type of reserves, the PCC has to take into account relevant local circumstances and the advice of the CC and CC's Chief

Financial Officer to make a reasoned judgement on the appropriate level of its reserves.

22. The Treasurer, with input from the CC's Chief Financial Officer, will adopt a risk based approach in determining the appropriate level of reserves and balances in order to support strategic priorities over the short, medium and long term and the need to maintain financial sustainability.
23. The Local Government Act 2003 requires the Treasurer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides as part of the annual budget setting process.
24. For the purposes of this Policy, it is the responsibility of the Treasurer, to advise the PCC on the type and level of Reserves to be held.
25. The Treasurer should consider most if not all of the factors shown in the table below when determining the level of Reserves as part of budget setting.

Budget assumptions	Financial standing and Management
The outlook for inflation and interest rates.	The overall financial standing of Wiltshire Police (level of borrowing, debt, etc.)
The availability of other funds to deal with major contingencies and the adequacy of provisions.	Wiltshire Police's track record in budget and financial management including the robustness of its medium-term plans
Estimates of the level and timing of capital receipts.	Wiltshire Police's capacity to manage in-year or temporary budget pressures.
The potential range of costs of demand-led services.	The strength of the financial information and reporting arrangements.
Planned efficiency savings/ productivity gains.	Wiltshire Police's end of year procedures in relation to budget under/overspends.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments.	The adequacy of Wiltshire Police's insurance arrangements to cover major unforeseen risks.

26. The proposed use of reserves and balances to deliver a sustainable budget will form part of the budget process.

Application of Reserves

27. Use of the General Reserve is limited to the following purposes:
 - ❖ to protect Wiltshire Police from financial risks and
 - ❖ provide a working balance to help cushion the impact of uneven cash flows e.g. Precepts;
 - ❖ planned non-recurrent funding to ensure a balanced budget is set, with the expectation that a plan will be produced to resolve the deficit and build the reserve up to its recommended level.

28. **Earmarked Reserves** should be available to meet or support a range of specific requirements, including:

- ❖ capital or asset purchases
- ❖ major change management initiatives
- ❖ fixed term projects and other one-off spend
- ❖ exceptional operational expenditure
- ❖ 'Spend to save' and 'pump priming' initiatives
- ❖ managing cross-financial year flexibility

Monitoring and reporting Reserves

29. The forecast level and usage of reserves will be formally approved by the PCC, as part of the Financial Strategy, advised by the Chief Financial Officers and Chief Constable.

30. The proposed use of reserves and balances to deliver a sustainable budget must be included as part of the budget process to the PCC.

31. Unusable reserves are managed as part of accounting policies, specified in the Statement of Accounts which is approved by the PCC.

32. The PCC is the owner of all reserves. All reserves will sit on the PCC's Balance Sheet.

Provisions

33. A provision is recognised in the accounts when a liability has been identified that is of uncertain timing or amount which is to be settled by the transfer of economic benefits.

34. Accounting arrangements for provisions are included in IAS 37 – Provisions, Contingent liabilities and Contingent assets. Further guidance is included in IPAS 19 - Provisions, Contingent liabilities and Contingent assets.

35. A provision should be created when there is a present obligation (legal or constructive) as a result of a past event. Or it is probable that a transfer of economic benefits will be required to settle an obligation and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision shall be recognised.

36. Provisions may be required for some civil and motor claims. There is a need to split the claims between a provision on the balance sheet for the cost of claims received and outstanding; and funds held in the reserve to cover claims incurred but not received or quantified. Costs surrounding claims that have been reported and assessed will be carried as a financial provision whilst incidents where no claim has yet been made, would be covered by the insurance reserve. The level of the provision will be determined annually at year end with assistance from solicitors on the valuation of claims.

Wiltshire Police Reserves

Usable Reserves

Reserve	Justification	Funding level	Obligations
General and Operational Reserve			
General Reserve	Funding set aside to cover the major risks involved with running a £100m Policing business	Based on 2.5% of Budget Requ.	None
Chief Constables Operational Reserve	In line with the financial code of practice CC should have a contingency available for operational activities without the need for additional approvals	1.0% of Budget Requirement	None
Budget Risk			
Insurance Reserve	Provides cover for a one-off increase in claims in the knowledge that significant excess levels exist with current insurances	Maintained at £0.400m in line with current claims history	No actuary funding so covers risk space
Seized Asset Reserve (Incentivisation)	The budget requires £160,000 of income per year to finance financial investigators undertaking this work. This reserve 'smooths' out variances across years on returns.	Excess returns above budget, to a maximum of 1 yrs budget	None, covers budget risk in dynamic area
Ill Health Reserve	For each Ill Health retirement agreed a payment of approximately £70,000 has to be made to the Home Office. The annual budget allows for 3 per year, this reserve 'smooths' out variances across yrs	Depends on HR data on planned retirements at year end	None, covers budget risk in dynamic area (£70k+ per individual)
Contribution to Revenue Budget	Funding set aside to finance short term revenue funding issues	£1.393m target for 31 March 2018	Requ.to balance the 18-19 budget
2017 Bonus Pay Award	Funding set aside for the part year impact of the 1% bonus awarded in the Sept 17 pay award	Calculated one off cost to include officers and staff	Yes
Officer Intake Strategy	Finances to allow for short term excess officer numbers or variances in the vacancy factor.	£0.500m target for 31 Match 2018	2017 plans will see higher no. of officers than funding will allow for in the short term

Change Programmes			
Capital Development Reserve	Funding set aside to assist in the funding of capital to reduce the organisations need to borrow.	£7.328m forecast at March 2018	No contracts are signed at this date on estates but finances are allocated to fund capital plan
Restructuring Reserve	This funds one off costs such as redundancy and minor office changes required to restructure the business to meet reduced funding levels.	£0.050m forecast at March 2018	None, covers risk in changing environment
Budget Smoothing Reserve	Funds any unplanned shortfalls in savings resulting from timing issues in delivering savings	£0.200m forecast at March 2018	No contracts exist but with savings of over £1m requ this is a necessity.
Held Property Project	This will fund a 3yr project to consolidate, review and where appropriate dispose of held property across the Force	£0.100m forecast at March 2018	Yes, Funds lease and temporary contracts
Estates Transformation Reserve	Work has been requested from property advisors to help maximise returns from estates changes	£0.050m forecast at March 2018	Yes
Investment			
Community Safety Innovation Reserve	In line with the PCC's Policing and Crime Plan this reserve enables the PCC to allocate finances to 'pump prime' initiatives in line with priorities	£0.100m forecast at March 2018	Formal agreements in place
Specials Intake Strategy	This reserve is intended to finance a plan to increase the number of Specials assisting the force to 500 with a specific recruitment and training strategy.	£0.408m forecast at March 2018	Some of the funding is allocated for contracts
Diversity Reserve	Funding set aside to finance projects which will lead to a more diverse workforce and benefits that provides.	£0.020m forecast at March 2018	No
Single view of the Customer Reserve	Funds remaining from a joint project with Public Sector partners to improve joined up working	£0.020m forecast at March 2018	Yes
Predictive Analytics Reserve	Funds remaining from a project to improve technology to assist in the fight against crime	£0.030m forecast at March 2018	Yes
Deployability Reserve	A reserve created to reduce the volume of staff	£0.050m forecast at March 2018	No

	unavailable for front line deployability		
Regional Projects Reserve	In line with Government guidelines Wiltshire have worked with other Forces on collaboration projects to increase efficiency and effectiveness. This fund finances reviews and start up costs	£0.313m forecast at March 2018	Part of the finances are contracted
Uniform Reserve	Funding set aside to replace the entire Body Armour provision during 2016-17.	£0.100m forecast at March 2018	No
Partnership Reserves			
MAPPA Reserve	This receives funds from the partners in the Multi Agency Public Protection arena and is spent in line with Board decisions.	£0.042m forecast at March 2018	Any spend needs partnership agreement
Switch Reserve	This receives funds from partners and is spent on the Integrated Offender Management programme	£0.035m forecast at March 2018	Any spend needs partnership agreement
Local Resilience Forum	This receives funds from the partners in the Local Resilience Forum and is spent in line with Board decisions.	£0.011m forecast at March 2018	Any spend needs partnership agreement
Provisions			
Insurance	The estimated cost of finalising claims currently being progressed by the Police		Assessed as part of the year end process

Wiltshire Police - Forecast Reserve Levels

29/11/2017

Annex B

All Figures in £000's

		BFWD	In yr	Yr End	In yr	Yr End	In yr	Yr End
Cat	Type	01/03/2017	Tfr	01/03/2018	Tfr	01/03/2019	Tfr	01/03/2020
BR	Insurance Reserve	400		400		400		400
BR	Pension Ill Hlth	540	-540	0		0		0
BR	Incentivisation	202	-50	152	-60	92	-50	42
BR	Cont to Revenue Budget	1,439	-46	1,393	-1,393	0		0
BR	2017 Bonus Pay Award	0	279	279	-279	0		0
BR	Officer Intake Strategy Reserve	500		500	-300	200	-200	0
CP	Held Property Project	254	-154	100	-100	0		0
CP	Estates Transformation Reserve	50	0	50	-50	0		0
CP	Budget Smoothing Reserve	200		200	-100	100	-100	0
CP	Restructuring	200	-150	50	-50	0	0	0
CP	Capital Development Reserve	9,864	-2,536	7,328	-6,901	427	-427	0
CP	Capital Receipts Reserve	478	-478	0		0		0
I	Community Safety Innovation Res.	260	-160	100	-100	0	0	0
I	Regional Projects	518	-205	313	-200	113	-113	0
I	Specials Recruitment	808	-400	408	-408	0		0
I	Corporate Communications	64	-64	0		0		0
I	Diversity	120	-100	20	-20	0		0
I	Deployability	100	-50	50	-50	0		0
I	Single View of Customer	83	-63	20	-20	0		0
I	Predictive Analytics	69	-39	30	-30	0		0
I	Uniform	210	-110	100	-100	0		0
I	Training Reserve	50	-50	0		0		0
P	MAPPA	42		42		42		42
P	LRF Reserve	11		11		11		11
P	Switch IOM	35		35		35		35
GR	Chief Const Operational Res (1%)	1,056		1,056		1,056		1,056
GR	General Res (2.5% of budget)	2,641		2,641		2,641		2,641
	Grand Total	20,194	-4,916	15,278	-10,161	5,117	-890	4,227

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Member	Question	Date received	Date to OPCC	Response
Mr Chris Henwood	At the recent meeting you reiterated your desire to see the regular police force supplemented by up to 500 Special Constables. You pointed out the burden of training falls largely on the regular officers to develop the Special Constables to the point theSpecial can act independently. I understood that the training can only be provided by regular officers. Your vision of 500 Specials means the whole force ratio of regular to Special officers would be approximately 2:1. There must be a realistic maximum training burden that can be placed on regular officers that governs the rate at which Special officers can be trained. Knowing this and the rate at which Special officers leave the force should allow a realistic estimate as to when the figure of 500 might be reached. Are you able to provide this figure and the estimated cost viz-a-viz the £1m budget you have set aside, please?	07/12/17	19/12/17	
Cllr Jonathon Seed	<p>What is the total number of warranted officers and (separately) PCSOs in Wiltshire and Swindon Police Area for the past five years ? Please list Special Constables separately and give figures for in post and not establishments.</p> <p>What is the current Wiltshire capitation cost for a. A four year qualified police Constable. b. A similarly qualified PCSO.</p> <p>What is the percentage of police warranted officers in staff and administrative posts and front line</p>	02/01/18	02/01/18	

	<p>policing roles in Wiltshire and Swindon. Please list Special Constables separately and give figures for in post and not establishments.</p> <p>What is the number of warranted police roles in staff and administration that have been replaced by civilian alternatives in the past five years?</p>			
Cllr Richard Britton	<p>You have made a significant investment in new technology with the aim of making it possible for officers to perform their admin functions whilst 'out and about' with the aim of increasing the visibility of officers – especially those in the Community Policing Teams.</p> <p>Yet residents continue to express their concerns about police visibility – or lack of it.</p> <p>What statistics are available to you to enable you to judge the effectiveness of this policy of using technology to keep officers out of the office and visible to the public? Can you, for example, tell us, on average, what percentage of police officer time is spent at their desk as distinct from being 'out and about'?</p>	02/01/18	02/01/18	

Police and Crime Panel Forward Work Plan

Please note: this is a working document which is subject to change

Date	Location	Provisional Agenda Items
18 th January 2018 10:30am-1pm	Salisbury, City Hall	<ul style="list-style-type: none"> • PCC Budget 2018/19 and MTFS • Member Questions
1 st February 2018 10:00am- 12pm	Monkton Park, Chippenham	<ul style="list-style-type: none"> • Formal consideration of PCC Precept proposal
22 nd March, 2018 10:30am-1pm	Devizes, Corn Exchange	<ul style="list-style-type: none"> • Quarterly data (Q3)– Risk / Performance / Finance / Complaints • Victim Support Service (Horizon) update • Member questions

<p>14th June 2018 10:30am-1pm</p>	<p>Devizes, Corn Exchange</p>	<ul style="list-style-type: none"> • Election of Panel Chair and Vice Chair • PCC Annual Report • Quarterly data (Q4)– Risk / Performance / Finance / Complaints • Member questions
<p>27th September 2018 10:30am-1pm</p>	<p>County Hall, Trowbridge</p>	<ul style="list-style-type: none"> • Update from the Chief Constable • Quarterly data (Q1)– Risk / Performance / Finance / Complaints • Member questions •
<p>6th December 2018 10:30am-1pm</p>	<p>Civic Office, Swindon</p>	<ul style="list-style-type: none"> • Quarterly data (Q2)– Risk / Performance / Finance / Complaints • Member questions •
<p>17th January 2019 10:30am-1pm</p>	<p>City Hall, Salisbury</p>	<ul style="list-style-type: none"> • PCC Budget 2019/20 and MTFS • Member questions •

<p>7th February 2019 10:30am-1pm</p>	<p>TBC</p>	<ul style="list-style-type: none"> • Formal consideration of the PCC precept proposal
<p>28th March 2019 10:30-1pm</p>	<p>Devizes Corn Exchange</p>	<ul style="list-style-type: none"> • Quarterly data (Q3)– Risk / Performance / Finance / Complaints • Victim Support Service (Horizon) update • Member questions •
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