



WILTSHIRE AND SWINDON

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

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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% then 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 MTFs. The MTFs 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 MTFs 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 MTFs 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 MTFs now assumes a 1.4% cash reduction in the first 3 years of the MTFs. 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. |
|---|------------|

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 MTF5 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

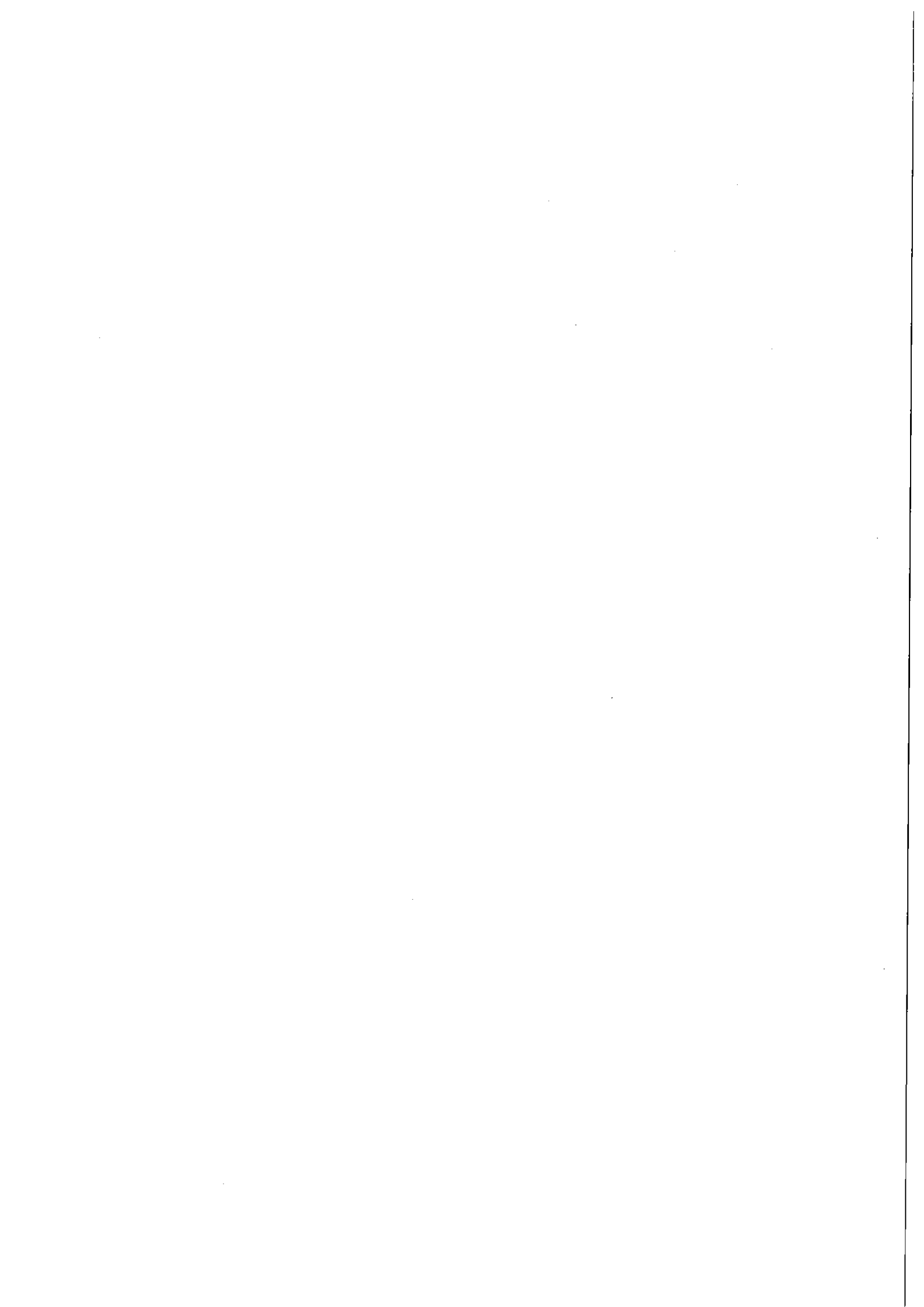
Council Tax Increase **1.90%**

| 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

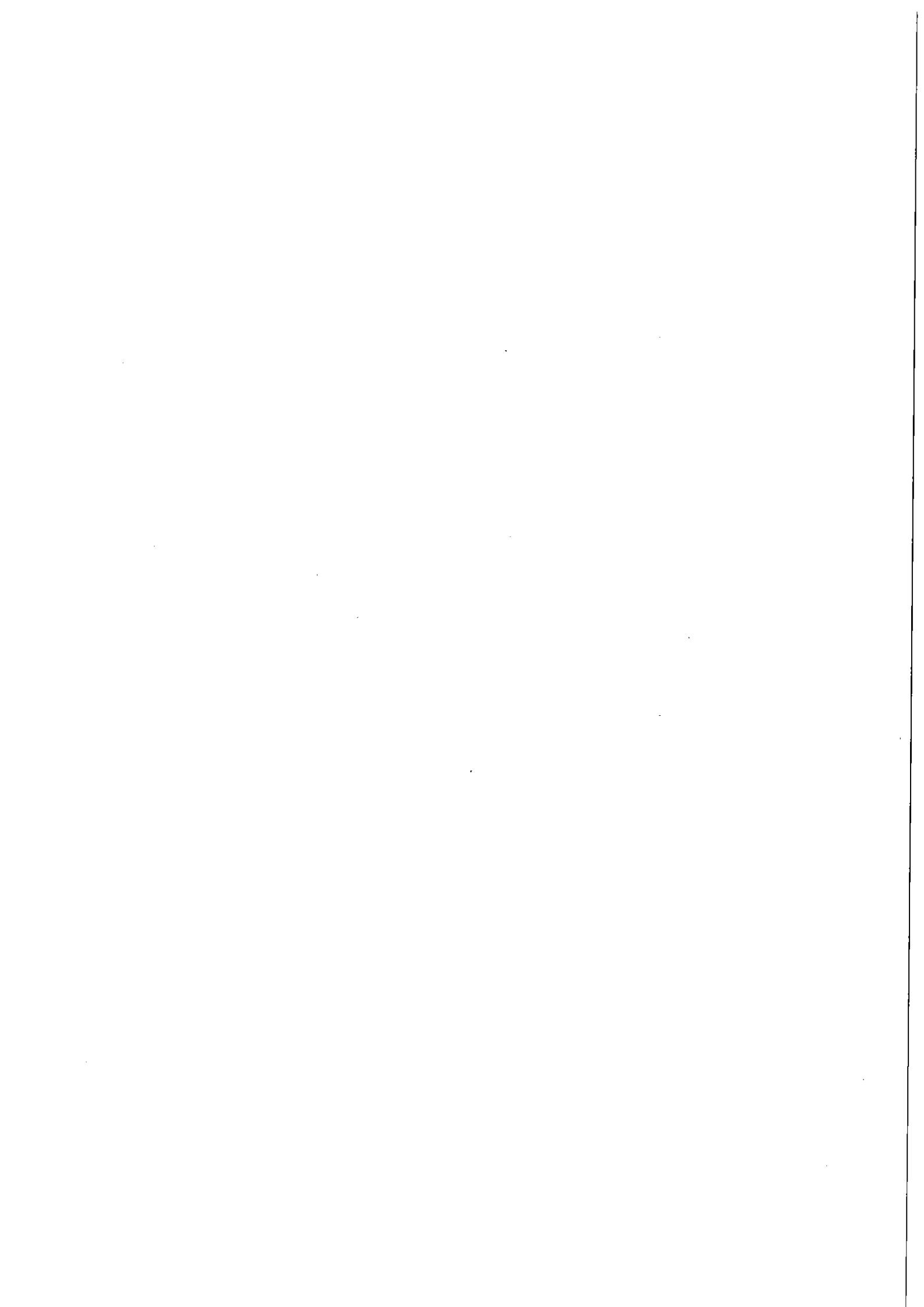
Council Tax Increase 0.00%

| 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 MTF5 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 |

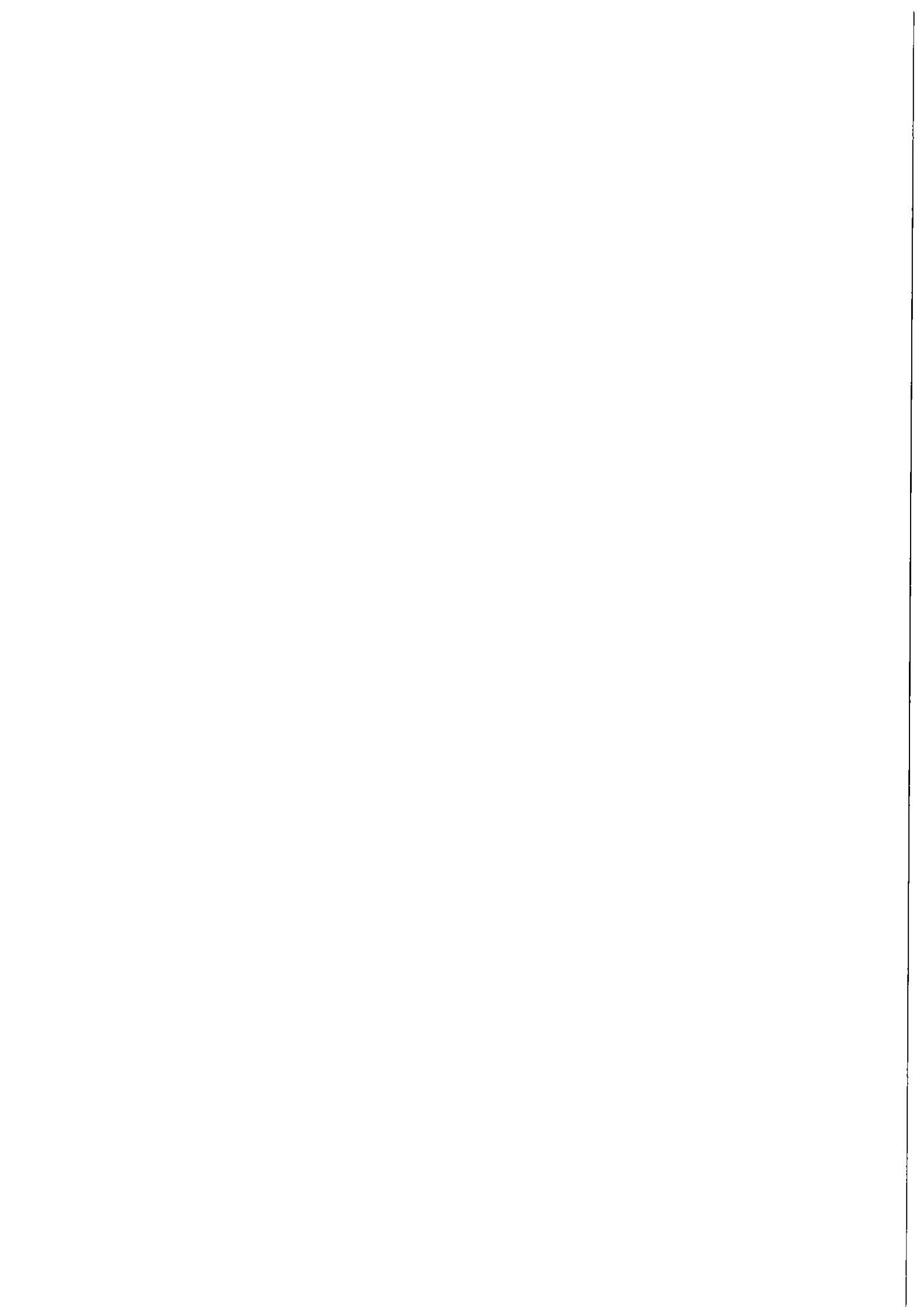
36. With the use of reserves reducing the savings required in 2018-19 it is important to look at the position for 2019-20. The current position of a £3.952m shortfall needs to be considered. There are some plans in place (FIM, Estates and Channel Shift) which will help close the gap however the largest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

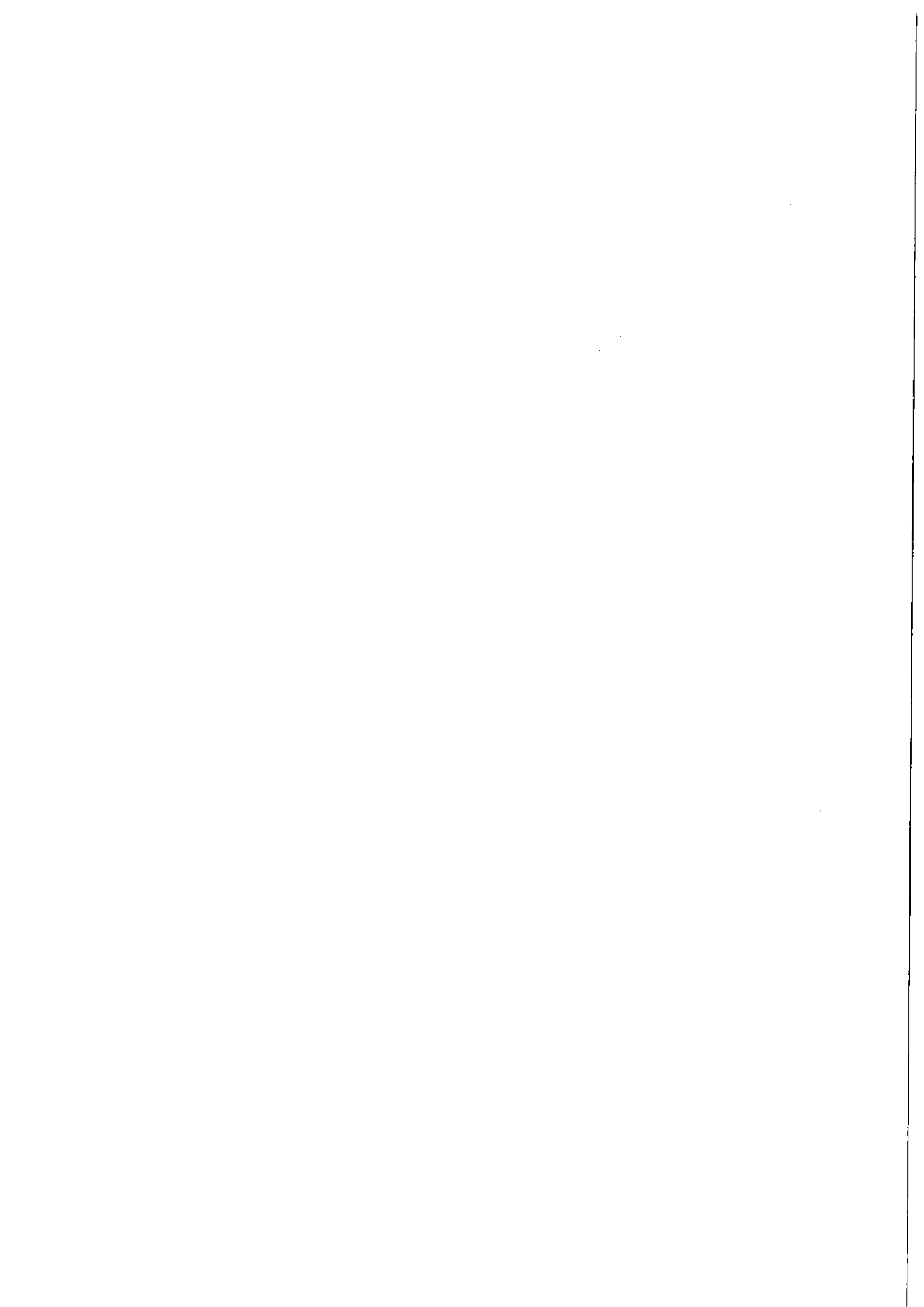
39. It should be noted that this strategy does not deal with the increasing demands put on Wiltshire Police. Additional demand in cyber, public protection, firearms etc. requires the Chief Constable to adjust and realign resources in a dynamic manner. It would always be preferable that additional resources 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

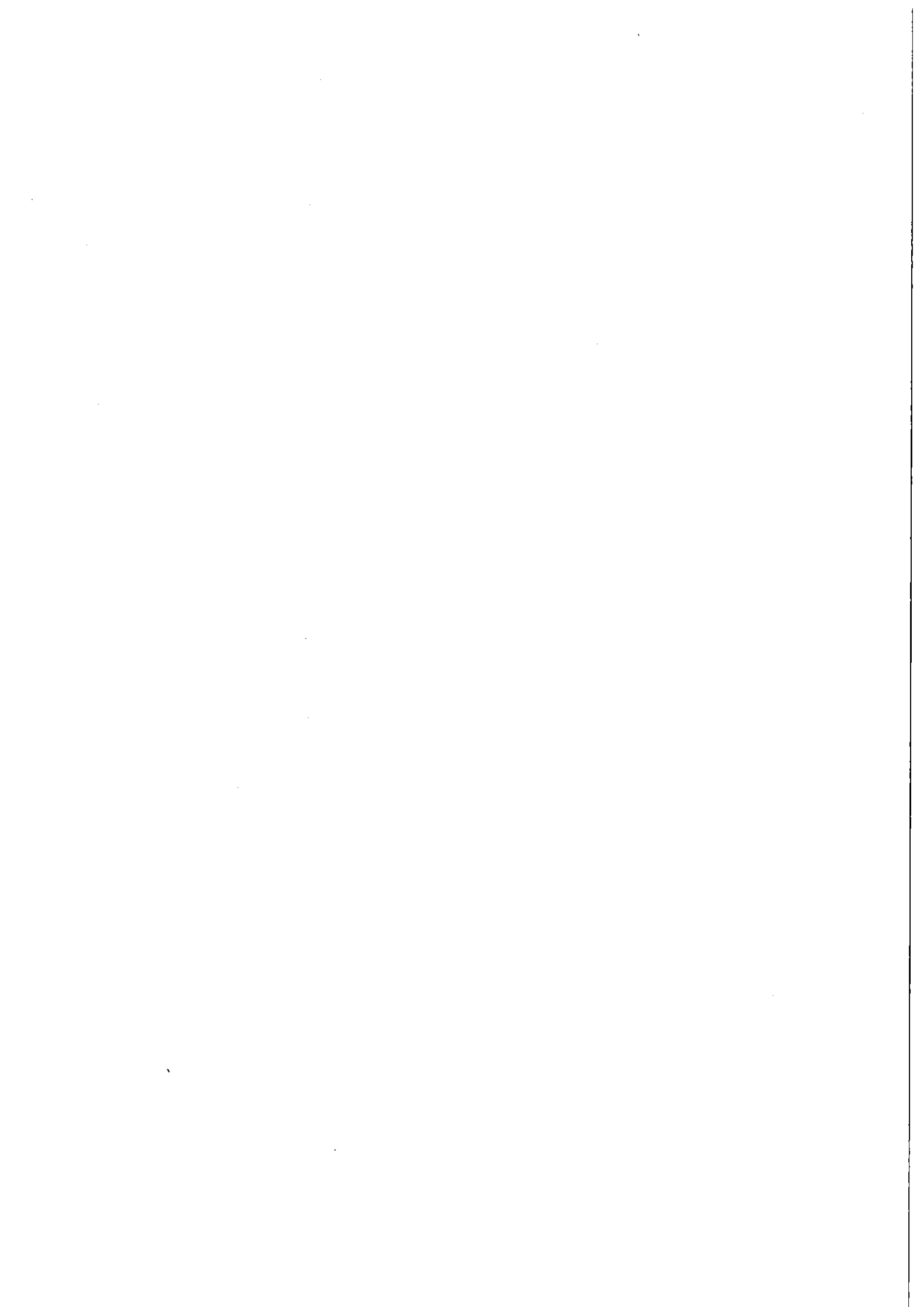
Based on Council Tax Increase

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 |
| 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 | 3.772 | 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 |

