

AGENDA

Meeting: WILTSHIRE POLICE AND CRIME PANEL
Place: Salisbury Guildhall, Guildhall Square, Salisbury SP1 1JH
Date: Thursday 13 January 2022
Time: 10.00 am

Please direct any enquiries on this Agenda to Kevin Fielding, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01249 706612 EXT 21612 or email kevin.fielding@wiltshire.gov.uk

Membership:

CLlr Junab Ali - Swindon Borough Council – (Chairman)
CLlr Abdul Amin - Swindon Borough Council
Mamie Beasant - Co-Opted Independent Member
CLlr Steve Bucknell - Wiltshire Council
CLlr Daniel Cave – Wiltshire Council
CLlr Caroline Corbin - Wiltshire Council
CLlr Ross Henning - Wiltshire Council
CLlr Jenny Jeffries - Swindon Borough Council
CLlr Vijay Manro - Swindon Borough Council
CLlr Brian Mathew - Wiltshire Council
CLlr Tony Pickernell - Wiltshire Council
Anna Richardson - Co-Opted Independent Member
CLlr Rich Rogers - Wiltshire Council

Recording and Broadcasting Information

Wiltshire Council may record this meeting for live and/or subsequent broadcast. At the start of the meeting, the Chairman will confirm if all or part of the meeting is being recorded. The images and sound recordings may also be used for training purposes within the Council.

By submitting a statement or question for an online meeting you are consenting that you will be recorded presenting this, or this may be presented by an officer during the meeting, and will be available on the public record. The meeting may also be recorded by the press or members of the public.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

Details of the Council's Guidance on the Recording and Webcasting of Meetings is available on request. Our privacy policy can be found [here](#).

Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

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 officer listed on this agenda no later than **5.00 pm** on Friday 7 January 2022. 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 2022/23 and MTFS**

Clive Barker to present the PCC's Draft Budget Settlement for 2022/23, including the Medium Term Financial Strategy and Capital Strategy.

6 **Future meeting dates**

To note the future meeting dates below:

- Thursday 3 February 2022 - Committee Room A&B, Monkton Park, Monkton Hill, Chippenham SN15 1ER
- Thursday 10 March 2022 - Assembly Room, Town Hall, St.John's Street, Devizes SN10 1BN
- Thursday 9 June 2022 - venue to be confirmed
- Thursday 29 September 2022 - venue to be confirmed
- Thursday 15 December 2022 - venue to be confirmed

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



| | |
|---------------------|---|
| Meeting | Police and Crime Panel |
| Date | 13 January 2022 |
| Report Title | Draft Budget Settlement |
| Report presented by | Philip Wilkinson, Police and Crime Commissioner |
| Author | Clive Barker, Chief Finance Officer |

PURPOSE OF REPORT

- 1 This paper provides the panel with information on the draft budget and precept being considered. It also shows the draft Medium Term Financial Strategy (MTFS) which estimates the financial position over the next 4 financial years.

BACKGROUND

- 2 On the 16 December the provisional settlement was announced by the government. Whilst this reported a 5.2% increase in Wiltshire funding this assumed that the PCC would take up the full £10 increase in precept.

CENTRAL GRANT

- 3 The total grant announced was £3.8m more than last year, however this has been provided to finance the 62 new officers requested by the government. When the costs of these officers are excluded and the Special Branch top slicing is taken into account the additional funding available is circa £1.8m which is a 2.3% increase.
- 4 This has to fund the 1.25% Social Care Tax (NI) increase, Pay rises, Inflationary pressures, unavoidable costs (such as Energy increases) and finance critical growth requests surrounding vulnerable people. Hence whilst sounding like a good settlement the funding pressures remain.

COUNCIL TAX SCENARIOS

- 5 The government has set a capping level of a £10 increase on Band D council tax levels for all PCC's. In Wiltshire this would equate to an increase of 4.3% on the 2021-22 Band D level of £231.27. Whilst PCCs have the freedom to decide on the increase it should be noted that the governments communications suggesting a % increase is based on the setting of a precept with a £10 increase.
- 6 In the MTFS the following scenarios have been considered;
 - Option A - £10.00 increase, 4.3%
 - Option B - £4.63 increase, 2.0%

- 7 The impact of a 1% increase in the precept is additional funding of £0.617m
- 8 Information has been provided by Swindon Borough Council and Wiltshire Council, provisionally the tax base has increased by 1.13%. A surplus on the collection fund has been announced by Wiltshire Council of £0.430m, whilst Swindon Borough Council have declared a deficit of £0.135m. The net position is therefore an additional £0.295m of funding.

TOTAL FUNDING SCENARIOS

- 9 The table below shows the estimated funds I have under these 2 options

| | 2021-22 Budget | 2022-23 Option A £10 CT incr. | 2022-23 Option C £4.63 CT incr. |
|---|-------------------|-------------------------------------|---------------------------------------|
| Central Grant | £66.909m | £70.428m | £70.428m |
| Local Precept (CTax) | £61.004m | £64.359m | £62.925m |
| Legacy Council Tax Grant | £5.235m | £5.235m | £5.235m |
| Collection Fund | - | £0.295m | £0.295m |
| Investment Income | £0.079m | £0.079m | £0.079m |
| Standard Funding available to commission services | £133.227m | £140.395m | £138.962m |
| | | | |
| Ringfenced Uplift Grant | £0.800m | £1.112m | £1.112m |
| Standard Funding + Uplift | £134.027m | £141.508m | £140.074m |
| | | | |
| Swindon PFI Specific Grant | £2.068m | £2.068m | £2.068m |
| Police Officer Pensions Grant | £1.000m | £1.000m | £1.000m |
| Special Policing Spec Grant | £1.986m | £1.986m | £1.986m |
| Total Funding | £139.081m | £146.562m | £145.128m |

- 10 In addition to this central funding is allocated to commission victims services and to support restorative justice. No information has been provided on this figure, currently we are working on this remaining stable at £0.892m.
- 11 When proposing council tax increases, the protecting of local policing and the long-term funding position has to be considered. To not increase council tax at this time will impact on the future ability to commission policing and crime services.
- 12 In 2021-22 Wiltshire received central funding of £100.37 per head of population under the current formula. This compares to a national average of £127.47 per head (excludes MOPAC). Being the 4th lowest centrally funded PCC per head of population increases the reliance on council tax.
- 13 A £10 per annum increase in Council Tax will result in Wiltshire's Band D council tax increasing from £231.27 to £241.27 (4.3% increase). The table below shows that even with no increases in the rest of the South West, Wiltshire's policing precept will still be lower than Gloucestershire and Dorset. It is, however, likely that even with a £10 increase Wiltshire will remain the lowest in the region.

| | 2021-22 Act Band D CTax | Wiltshire £10 inc | Wiltshire £4.63 inc (2%) |
|------------------|----------------------------|----------------------|-----------------------------|
| Gloucestershire | £270.08 | | |
| Dorset | £255.58 | | |
| Avon & Somerset | £241.20 | | |
| Devon & Cornwall | £236.56 | | |
| Wiltshire | £231.27 | £241.27 | £235.90 |

FUTURE FUNDING

- 14 In recent years there has been a debate surrounding the policing funding formula. Due to our low funding per head of population, it is reasonable to expect that a change will benefit Wiltshire. It was anticipated that the change would be implemented in 2017-18, however, it was delayed. It was then announced that this would occur in 2018-19 but no progress has been made. The Policing Minister has stated that the formula will be reviewed during this parliament, this had led to the Police Funding Formula Review Senior Sector Group being set up. They are currently looking at the data available to allocate funding. Whilst progress is being made there is not enough certainty to suggest that additional funding will be forthcoming in the short term.
- 15 Considering the delays in a fair funding settlement and the impact council tax income will have on policing in Wiltshire now and in the future, the proposal is to consult the public surrounding an increase to the Band D Council Tax of £10 this year (Option A). In comparison to Option B (a £4.63 increase) this would provide additional funds of £1.434m to keep the people of Wiltshire safe, year on year, for an additional 45p per month per Band D property.
- 16 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.
- 17 There remains an expectation that the police improve efficiency, productivity and effectiveness. Whilst I intend that Wiltshire will continue to improve its efficiency and effectiveness the ring fencing of police officer numbers with the Uplift Grant will make this more difficult.

UNAVOIDABLE COSTS

- 18 The most significant unavoidable cost is the implementation of the Social Care Tax. The additional 1.25% National Insurance cost equates to £0.996m across the organisation.
- 19 Inflation is also a concern this year. Whilst we are looking at ways to reduce costs 2.5% has been included for all areas. For Energy a specific calculation has taken place, this is based on increases in Electricity of 31% and Gas of 95%. These figures are the best estimates available from our procurement advisors but could change.
- 20 The question of pay rises has also been considered. Whilst the public sector pay freeze has been removed there is no certainty of what the pay award will be. For budgeting purposes 2.5% each year, over the 3 years, has been allowed.

21 The cost of employing the 62 additional uplift officers has also been included under unavoidable costs. The budget allows £31,000 per new officer. A further £0.301m is allowed for the infrastructure required (ICT, Uniform and 3 Enabling Staff).

POLICE OFFICER NUMBERS

22 By the end of 2022-23 Wiltshire Police, I will have increased police officer numbers to 1,165 officers (excluding regionally allocated officers), from a low position of 934.

23 It is proposed to allocate the additional 62 officers as below;

| | Officers |
|---|-----------------|
| Starting Position (1 April 2020) | 1,096 |
| In Year 2021-22 Adjustments (Uplift infra, etc.) | 7 |
| VAWG (Violence against Women and Girls) | 5 |
| CIET (Child Internet Exploitation Team) | 4 |
| CAIT (Child Abuse Investigation Team) | 7 |
| Authorised Firearms Teams | 5 |
| Roads Policing and Collision Investigation | 10 |
| Student Officers Assessors | 2 |
| Training Posts | 2 |
| Balance (to be allocated in line with new P&C plan) | 27 |
| Total | 1,165 |

24 The recruitment of 62 extra officers requires planning. It should not be forgotten that officers will also be leaving throughout the year so the target number of new officers required is 146. These intakes have to be spread throughout the full financial year.

25 It should be noted that from intake date it takes 9 months of training before an officer is signed off for independent deployment, therefore some of the new officers will not be available for independent deployment until late 2023.

26 The proposal includes investing 16 officers and staff in Violence against Woman and Girls (VAWG). The new investment in VAWG is £0.760m, £0.198m of this is funded via 5 uplift PC posts. The benefits expected include;

- Improved leadership with a dedicated Chief Inspector lead and 2 Inspectors delivering the national strategy and focusing on rape and sexual offences
- Improved Victim Services with an investment of £0.070m in frontline training focusing on how we support victims
- Improved investigation standards with 2 officers and 2 staff reviewing cases
- Better outcomes as the quality of case files improve
- Better investigations with initially 3 qualified support staff (LCIs) working alongside officers to improve disclosure and achieve better outcomes
- Improved investigations with 5 new Digital media staff investigators working on opportunities existing from the technology footprint.

27 A further investment in protecting the most vulnerable surrounds CIET (Child Internet Exploitation Team) and CAIT (Child Abuse Investigation Team). In addition to the 11 uplift officers requested for these 2 teams there is a need for a CIET researcher (staff post). The demand on CIET continues to grow, this investment would allow for the

backlog to be worked through in a timelier manner, ensuring that investigations are allocated to a detective to be progressed in order to safeguard children as soon as practicable. This would result in more manageable workloads, allowing them to progress their investigations expeditiously, with proactive enquiries.

- 28 Currently four teams deal with CAIT across the force. Demand is growing and is expected to continue in future years. With increased disclosure requirements impacting this team disproportionately there is a need to increase staffing. This investment will result in a fifth team which would increase capacity dramatically and allow CAIT to meet current and projected demand.
- 29 The increase in the Authorised Firearms Teams is year 2 of a 3 year strategy to increase these officers by 10. Due to training requirements it is not possible to grow this team by more than 4 per year.
- 30 In recent years the policing of Wiltshire's roads has changed significantly. The 2 main impacts are the return from the Tri-Force collaboration and the national focus on Collision Investigations. It is no longer possible to have mixed teams to ensure there is no conflict of interest with investigations. The HMICFRS report: 'Better roads policing needed to prevent increase in deaths' has also been reviewed. This identified that whilst there was an expected demand increase of more than 10% the spending on Roads Policing has nationally reduced by 34%. Based on this concern a Roads Policing STRA (Strategic Threat and Risk Assessment) has been completed which showed (as highlighted in the FMS) that there are concerns with the current and future capacity and capability.
- 31 The request is that each of the five Roads Policing teams is provided with an additional resource. This will increase the teams to 6 FTE. With leave, training, etc this should result in 4 resources per shift instead of 3. There is also a request for a Sergeant to focus on Road Safety/Prevention.
- 32 The remaining investment surrounds the Collision Investigations Unit. As this is now a standalone unit more resilience is required to meet the national standard. The request is for an additional 3 officers.
- 33 The funding of officers at PC level comes from the Uplift budget line. Where posts are required at a higher rank i.e. Chief Inspector, Inspector, etc there is a need to finance the increased costs. The budget request includes £0.257m of 'above PC rank uplift growth'.

CAPITAL FINANCING STRATEGY

- 34 With reducing central grant and reducing reserves the financing of essential ICT investment and making our facilities fit for modern day policing has become a concern. This concern has increased in 2022-23 with the removal by the Home Office of the general capital grant, this places even more emphasis on revenue funding (via direct contributions or financing borrowing) to fund capital.
- 35 The strategy has been reviewed and changes made to deliver the following objectives;
 - To finance the revised 2021-22 plan
 - To review cost estimates for reasonableness

- To take into account delays in capital receipts
- To replace central grant allocations with direct revenue contributions
- To, if possible, reduce the revenue consequences in 2022-23

36 All these objectives have been achieved with the planned revenue consequences in 2021-22 reducing from £3.331m to £2.398m, this is a £0.033m reduction however when you consider the £0.109m increase required to fund the loss of capital grant the reduction is £0.142m. The revised strategy is included as part of the MTFs.

THE REVENUE BUDGET PROPOSAL

37 The table below identifies the current Budget Proposal at a high level (more information is included in the MTFs) to meet the funding allocation of £141.508m available with the £10 Council Tax increase.

| | |
|--|-----------|
| Budget Bfwd | £134.027m |
| Unavoidable costs (less cost reductions) | £6.513m |
| Growth Requests | £1.566m |
| Capital Funding | £0.794m |
| Sub Total | £142.900m |
| Savings | -£1.392m |
| Budget Requirement | £141.508m |

38 A number of the Growth requests are funded from the Uplift grant, as previously reported. £0.709m however comes from the Support Staff areas. A large proportion of the growth surrounds improving resilience and making more effective use of our ICT, some of the growth (£0.430m) is listed below;

- ERP Development (enhancing self-serve etc.) £0.061m
- O365 Developer (producing more productivity apps/tools) £0.047m
- Infrastructure and Network Engineers (resilience/NEP compliance) £0.094m
- Niche Staff (stability and improving critical system) £0.146m
- ICT Apprenticeships (2 staff, future resilience planning) £0.082m

39 It should be noted that £0.091m of base budget growth has been allocated to the Environmental Strategy. This strategy will be published early 2022. The funding will allow for 1 post to champion this area, monitoring emissions and driving the government agenda forward to meet net zero by 2050.

40 To balance the budget at the £10 increased precept levels requires £1.392m of savings, this requirement would increase by £1.434m to £2.826m if the precept increase is limited to £4.63 (2%).

41 The following proposals have been suggested to close the £1.392m gap, this would leave a further £0.451m savings to be identified;

| | |
|---|---------|
| Reduce some expenditure inflation from 2.5% to 1.5% | £0.202m |
| Increase Net Mutual Aid Income levels | £0.100m |
| Reduce PCSO establishment by 10 | £0.339m |
| Increase Staff Vacancy levels from 3% to 4% | £0.300m |
| Total | £0.941m |

42 The reduction in PCSO establishment acknowledges that for the last 18 months we have been at least 10 below the current establishment and with a requirement to bring in 146 officers this year there is not the training capacity available.

RESERVES

43 A complete review of reserves has taken place with the outcome disclosed in the MTFS. The value of the general reserve has been considered and the CFO advises that £3.428m (2.5% of the revenue budget) is acceptable.

RISK ASSESSMENT

44 There remain some questions about the funding as the normal settlement letter has not been received, when received changes may be required. It should be noted that this is a provisional settlement which can change.

45 There are some risks in the savings plans, for instance increasing the staff vacancy level, however this has been considered based on the current environment with employment levels high and current staff vacancies running at 70.

46 As with all budgets this is a plan, changes will occur and where necessary some plans may have to be delayed ensuring the budget is not overspent.

ENVIRONMENTAL IMPACT

47 Whilst funding has been set aside for a new post this is only the start of investing in areas to reduce our carbon footprint and impact on the planet. It is hoped that a focus on reducing usage will lead to savings and in the long run moving towards electrical and hybrid vehicles will reduce running costs. All reports produced now consider the impact on the environment of all decisions made.

CONCLUSION

48 This paper shows the panel the MTFS and the current thinking surrounding the 2022-23 precept. It is considered that a £10 Band D increase per household per year is appropriate and it is the intention to consult the public on this.

This page is intentionally left blank



WILTSHIRE AND SWINDON

Medium Term Financial Strategy (MTFS) 2022-23 to 2025-26

| Document Control | |
|------------------|-----------------------|
| Version 1 | CB working version |
| Version 2 | Draft For P&CP 130122 |
| | |
| | |

Contents

Page

| | |
|-------------------------------|----|
| Executive Summary | 3 |
| Introduction | 5 |
| The Financial Environment | 5 |
| Police and Crime Plan | 6 |
| Income Forecasts | 7 |
| Impact of Funding Allocations | 9 |
| OPCC Direct Expenditure | 10 |
| Shared Services | 10 |
| Capital | 11 |
| Risks and Reserves | 13 |
| PCC's Conclusion | 15 |

List of Appendices

| | |
|---------------|---|
| Appendix Ai | PCC Medium Term Funding Plan |
| Appendix Aii | OPCC Financial Plan |
| Appendix Aiii | Shared Services Financial Plan |
| Appendix B | CC's Budget Allocation and Summary of Assumptions |
| Appendix Bi | CC's Financial Plan |
| Appendix C | PCC's Capital Expenditure Plan |
| Appendix D | PCC's Capital Financing Strategy |
| Appendix E | PCC's Reserves and Provisions Policy (Dec 2020) |

Executive Summary

1. The December settlement provided the police service with funding for 8,000 new officers. This means that funding has been provided for the 20,000 new officers promised in the election. With the majority of the 20,000 officers now financed within the central grant it looks like I have received a significant increase, this however must be set aside to fund the 62 Uplift Officers I am recruiting in 2022-23 and the 4 new officers I am required to fund for regional collaborations.
2. The settlement also confirmed that Police and Crime Commissioners can increase their Band D Council Tax precept levels by a maximum of £10. For Wiltshire a £10 increase in equivalent to a 4.3% increase.
3. This MTFS has been drawn up with more certainty than in prior years. The Comprehensive Spending Review (CSR) informed PCCs that they are allowed to increase the Band D Council Tax Level by £10 in all of the next 3 years. The CSR also stated that there will be a minimum increase in Police Funding by 1% and 1.5% in 2023-24 and 2024-25. Whilst this gives some certainty there is no specific figures for individual PCCs and the grant increases are low in a period of uncertainty when inflation is high. With pay awards of at least 2.5% expected these levels of grant increases will require savings to be made.
4. This uncertainty means that future years funding positions are very much an estimate and will change in a years' time when more information is available.
5. Whilst the increases are welcome Wiltshire remain underfunded. It still has the lowest council tax in the South West (significantly below the similar size forces of Gloucestershire and Dorset). It also remains the 3rd lowest funded area in the country even though it has the urban issues that Swindon brings and the rural/sparsity issues caused by Salisbury Plain.
6. By increasing Council Tax by £10 per Band D property, my local income will increase by circa £2.6m. This is needed to fund part year pay awards and unavoidable cost increases. The MTFS also deals with the Capital Financing Strategy, which has revenue consequences in this budget.
7. The Chief Constable's increased expenditure plans surround closing threats identified in the Force Management Statement (FMS) and the risk register. This is an evidence-based approach in line with HMICFRS expectations.
8. I now report Shared Services as a separate budget. This provides more transparency and is more appropriate considering they provide services to the OPCC as well.
9. With a £10 increase in the Band D levy there is a need to save £1.392m. The table below shows the impact per budget and the savings plan being considered;

| | Saving Req | Planned | To Identify |
|-------------------|------------|---------|-------------|
| OPCC | £0.026m | £0.014m | £0.012m |
| Shared Services | £0.216m | £0.114m | £0.102m |
| Chief Constable | £1.149m | £0.812m | £0.337m |
| Total Savings Req | £1.392m | £0.942m | £0.451m |

10. The MTFS includes an updated Capital Plan and a new Capital Financing Strategy. The plan shows how capital expenditure could be financed in future years. The plan shows that by the end of 2025-26 the PCC is expected to have borrowed in excess of £28m. The removal of the Capital Grant in 2022-23 has increased the need to use revenue to fund capital expenditure. With the significant need for capital investment in ICT and Estate there is a need to increase the Revenue Contribution to Capital in a financially viable manner to over £4m by 2025-26. It should be noted that some expenditure, for instance the HQ redevelopment plan, will require approvals in future years. The level of the redevelopment will significantly impact the Capital Plan and Financing Strategy.
11. 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 in 2021-22 Wiltshire's funding per head of population was £184.29 the national average is £204.30. Wiltshire PCC was the 4th lowest centrally funded and 3rd lowest when considering all funding. These figures need to be updated for the 2022-23 settlement however with the same central funding increase being applied to all forces and the majority of PCC's looking towards the £10 council tax increase they will not change significantly.
12. It should be remembered that this years funding decision will impact the funds available for the future. Considering our low funding position I am consulting on a £10 council tax increase to £241.27 for a Band D property.

Introduction

13. 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. It then considers how the Commissioner may use the finances available to him to fulfil his wide ranging remit.
14. 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 with 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

15. This version of the 4 year MTFs has been produced post the 2022 settlement before the PCCs decision on how much to increase the Band D Council Tax by. At this stage the PCC is considering Band D increases of £10 (4.3%) and £4.63 (2%).

Central Finances

16. After 9 years (2011-12 to 2019-20) of funding restrictions which had seen the budget reduce by 34.5% the 2020-21 settlement saw an increase in cash of 7.5%. A significant part of the increase was to finance infrastructure to enable the police service as a whole to deliver 20,000 new officers. In 2021-22 a 4.8% increase was provided, this is entirely to fund officer increases and is the Wiltshire portion of the £415m national announcement.
17. The 2022-23 settlement provided funding for the 3rd year of Uplift. To finance 62 new local officers and 4 regional officers a 5.2% increase has been provided. Whilst this seems significant once the funding of the new officers is taken into account this leaves 2.3% to finance all other costs including inflation and 1.5% increase in National Insurance for the Social Care Tax.
18. The Legacy Council Grant has remained at £5.235m since 2013-14. This grant compensates PCC's and Police Authorities for not raising the precept between 2011 and 2013. The MTFs assumes that this grant will continue in future years with no increase or reduction (i.e. Cash flat).

Precept (Council Tax)

19. 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. The announcement on precept flexibility for 2022-23 was included within November 2021's Comprehensive Spending Review (CSR). This allows PCCs to increase Band D council tax by £10 over the next 3 years.

20. The Council Tax receipt is dependent on the council tax base (the number of dwellings paying the tax). There has been limited bounce back from the pandemic with an increase of 1.13%.
21. A 1% increase in the police part of the Band D council tax in 2022-23 is worth £0.617m. Any increase in council tax secures future funding at a higher level.
22. A net surplus of £0.295m has been reported on the Collection Fund, this is derived at by a £0.430m surplus from Wiltshire Council and a £0.135m deficit from Swindon Borough Council. The pandemic has impacted collection rates and these variances identify that stability does not currently exist.
23. In 2020-21 the government provided funding to assist precepting authorities with deficits (the Local Council Tax Support grant). Wiltshire PCC has been allocated £0.924m. £0.630m remained available at the start of 2020-21. It is intended to keep back £0.295m in a reserve to finance any shortfall in budget in 2023-24 hence reducing risk.
24. The table below shows this along with a forecast on Band D dwelling. These forecast the economy to slowly bounce back.

| | Additional Dwellings | Est total Dwellings | % Increase | Collection Fund Surplus/(Deficit) within MTFS |
|----------------|----------------------|---------------------|------------|---|
| 2021-22 Actual | | 263,777 | | - |
| 2022-23 Est | 2,971 | 266,748 | 1.13% | £295,000 |
| 2023-24 Est | 2,935 | 269,683 | 1.10% | £295,000 |
| 2024-25 Est | 4,045 | 273,728 | 1.50% | £150,000 |
| 2025-26 Est | 3,832 | 277,560 | 1.40% | £150,000 |

Inflation

25. The consumer price index shows inflation for the 12 months to September 2021 at 3.1%. Recent months have since increased inflation. With the recent change in bank rates it is not expected that inflation will continue at this level. The MTFS assumes that inflation will average 2.5% over the 3 years, with pay awards reflecting this.
26. In December 2021 the bank base rate was increase from 0.10% to 0.25%. This is still extremely low and it is not considered that it will have any significant effect on investment returns. Recognising this it is planned to leave the investment income budget at £0.079m.

Police and Crime Plan 2017-2021

27. As required under law the PCC is currently consulting on a new Police and Crime Plan. The plan has 4 overarching priorities, these are shown below:
- Priority 1: A police service that meets the needs of its communities
 - Priority 2: Reduce violence and serious harm
 - Priority 3: Tackle crimes that matter to local communities
 - Priority 4: Improve the experience of victims and deliver justice

28. In 2021-22 Wiltshire received total funding of £184.29 per head of population, this is £20.01 less than the national English average (Excludes the Met and the City of London) of £204.30.
29. Central Funding in 2021-22 for Wiltshire was £100.37 per head of population, £27.10 less than the national English average (Excludes the Met and the City of London).
30. Combined with the lowest policing precept in the South West, this results in Wiltshire Police having the third lowest total funding per head of population. The plan states that the PCC will continue to lobby the Government to revise the way policing is funded. National information suggests that the outcome of the review will be reported in this parliament but there is no guarantee that any change will be implemented by then.
31. In the absence of a fair funding settlement there is a requirement to unlock resources to invest in priorities or continue to provide services at today's level. What this means is a drive to eliminate waste, 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.
32. With a need to reduce costs whilst delivering more, the PCC has agreed that investment in technology is essential.
33. During 2014 the PCC became responsible for the commissioning of Victims Services. In 2021-22 Specific Grant funding was £0.892m, the 2022-23 funding is not expected to change. As these funds are specific grants they are not included in the main funding reported.
34. 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
 - Capital Investment

Income Forecasts

35. The 2021-22 budget relied on the following income to finance activity (excludes £0.800m of earmarked grant for Uplift Year 2);

| | | | |
|-----------------|--------------------------|-----------|-----------|
| Central Funding | Central Grant | £66.909m | |
| | Council Tax Legacy Grant | £5.235m | £72.144m |
| Local Funding | Precept – Council Tax | £61.004m | |
| | Council Tax Surplus | - | £61.004m |
| MTFS Funding | | £133.148m | £133.148m |

36. The 2021-22 council tax level of £231.27 is £5.17 below the national average of £236.44 (excluding the City of London and the Met).

37. 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 £10 (4.3%) increase in council tax in each of the 3 years of the CSR

| Authority | 2021-22 Band D Council Tax | Wiltshire £10 increase 2022-23 | Wiltshire £10 increase 2023-24 | Wiltshire £10 increase 2024-25 |
|------------------|----------------------------------|---|---|---|
| Gloucestershire | £270.08 | | | |
| Dorset | £255.58 | | | |
| Avon & Somerset | £241.20 | | | |
| Devon & Cornwall | £236.56 | | | |
| Wiltshire | £231.27 | £241.27 | £251.27 | £261.27 |

| | |
|---|----------|
| Additional cost per Band D Household with a 4.3% increase | £10 p.a. |
|---|----------|

38. The table shows that even if Wiltshire increased its council tax in all 3 years by these levels and all the other PCC's in the region froze their council tax Wiltshire would still not exceed the levy currently in Gloucestershire.

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

- a) Funding at the South West Av. (£250.85), Extra income is £5.1m
- b) Funding at National Av (£236.44), Extra income is £1.4m

40. It should be noted that today's decision on council tax impacts future years funding. For example, Gloucestershire's levy of £270.08 was based on a 50% increase in 2003. This shows how future viability is dependent on decisions made today.

41. In 2020-21 Council tax was 46% of the PCC's funding; therefore to fund an expenditure increase of 1% (£1m) requires a 2.5% increase in the precepts (the gearing effect). If central grant remains the same.

42. The settlement announced that police funding for the three years will increase by at least £550m in 2022-23, £650m in 2023-24 and £800m in 2024-25. Based on this central funding increases in 2023-24 and 2024-25 have been included at 1% and 1.5%.

43. The MTFS shows income over 4 years based on various assumptions. The tables in Appendix Ai show the following income levels (includes ring fenced Uplift Grant and £0.079m of Investment Income);

| | Funding Est - £10 precept increase (excludes Investment Income) | Funding Est – 2% (£4.63) precept increase (excludes Investment Income) | Difference |
|---------|--|---|------------|
| 2022-23 | £141.508m | £140.074m | £1.434m |
| 2023-24 | £145.618m | £142.743m | £2.875m |
| 2024-25 | £150.294m | £145.955m | £4.338m |
| 2025-26 | £155.153m | £149.341m | £5.812m |

44. It is necessary to consider the impact of different scenarios. The impact on the 2023-24 finances of changes in funding is shown below;

| Scenario | Impact on 2023-24 MTFS Figures |
|--|--------------------------------|
| Standard Central funding changes by 1% | Funding changes by £0.704m |
| Council Tax base changes by 1% | Funding changes by £0.670m |
| Council Tax increase changes by 1% | Funding changes by £0.651m |
| Council Tax increase changes by £1 | Funding changes by £0.270m |

Impact of Funding Allocations

45. The table below shows the allocation with a £10 increase. From 2020-21 the amount spent on Shared Services has been separated out from the Chief Constables (CC) allocation. These departments which include HR, Finance, Estates, Corporate Communications, Business Improvement, ICT etc provide services to both the OPCC and the CC. The 2020-21 allocation includes the Uplift ringfenced grant and investment income.

| | 2021-22 Allocation | 2022-23 Allocation | Increased Allocation |
|----------------------------|--------------------|--------------------|----------------------|
| OPCC Office cost | £2.112m | £2.197m | £0.085m |
| OPCC Commissioning | £1.646m | £1.728m | £0.082m |
| OPCC Capital cont (RCCO) | £2.413m | £3.298m | £0.885m |
| Shared Services Allocation | £29.126m | £31.433m | £2.307m |
| CC Allocation | £98.730m | £102.852m | £4.122m |
| Total | £134.027m | £141.508m | £7.481m |

46. The increase in 2022-23 funds the 62 year 3 Uplift officers (and funds 4 regionally allocated officers not counted within force strength).

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

48. In 2021 the PCC has approved a revised Capital Plan and Capital Financing Strategy, the updated version is attached at Appendix D. This strategy outlines the need to consider the medium term financing of capital. With an intention to invest in the HQ as part of the new Estates Strategy there needs to be an agreed strategy to fund this. Capital costs are also significant in ICT and it is not appropriate to stop investing in this area.

49. To finance the capital spends it has been accepted by the PCC that borrowing will be required for longer term assets. There is also a need to increase direct revenue funding of short term ICT assets.

50. The strategy suggests a steady increase in the revenue budget to fund the borrowing costs and to provide direct funding. If the whole 9 year plan occurs the total cost is in the area of £100m. As capital grant has now been removed and capital receipts are limited the revenue consequences will need to rise to £7m by 2029-30. The plan of

steady growth in the revenue funding and a cut in the specific capital grant sees the 2022-23 contribution rising to £3.020m. In addition to this it is forecast that the cost of borrowing (interest and repayments) will be £0.278m in 2022-23.

OPCC Direct Expenditure

51. In recent years the OPCC budget has been increased as part of ensuring that the 'and crime' part of the PCCs role is delivered. In 2022-23 it is proposed to increase the budget for the OPCC to allow investment in the Legal Services and Commissioning Teams. Over the next 2 years the legal investment is £0.196m, this will fund a specific Head of Legal (acknowledging the retirement of the current Chief Executive) and 2 Legal Executives. In the mid-term it is hoped that these posts will reduce the need for third party services.
52. A review of the Commissioning staff is currently occurring. In 2020 and 2021 this team have been successful in gaining additional grants to help deliver the plan during the pandemic. This is good news but requires additional staff to take on the workload and ensure that service improvements are occurring. The investment of £0.114m over 2 years will see 3 new Service Improvement Officers join the team. In finalising the budget we will ensure that the OPCCs Communications Team are correctly costed to this budget, this may require a transfer of funds from the Shared Service Budget. The Office costs are currently 1.5% of the budget
53. The funding specifically available for direct commissioning will be in the region of £2.6m in 2022-23 plus any other specific grants they are able to obtain. The focus on the expenditure includes Substance Misuse, Youth Offending, Reoffending, Victims Services, Mental Health Triage and Community Messaging.
54. Appendix Aii shows the consolidated OPCC Financial Plan (OPCC office costs, commissioning and capital). With £7.223m being the proposed allocation with a £10 Band D increase this will result in a need to identify savings of £0.026m. £0.014m has been identified therefore there remains a need to save a further £0.012m in year.

Shared Services

55. From 2020-21 Shared Services costs have been extracted from the Chief Constables allocation and is now reported separately. Shared Services includes HR, OHU, Health and Safety, Learning and Development, Business Improvement, ICT, Information Management, Finance and Facilities.
56. Appendix Aiii shows the financial plans for Shared Services. There are several cost pressures in the area which have been identified. £0.186m has been allocated for the ICT and Uniform costs surrounding the 62 new officers, whilst 3 support staff are also required. The appendix also shows the need to increase the Energy budget by £0.212m above standard inflation. Whilst a new procurement is currently being instigated this funding allows for increases in Electricity of 31% and Gas of 95%. These figures are the best estimates available from our procurement advisors but could change. Funding of £0.050m has also been allowed for ongoing costs resulting from working from home and a more agile workforce. It is expected that in the long term, when determining requirements for new offices, this will lead to a reduced space requirement reducing cost.

57. The most significant cost pressure in Shared Services is ICT. A large proportion of the growth surrounds improving resilience and making more effective use of our ICT, some of the growth (£0.430m) is listed below;

- ERP Development (enhancing self-serve etc.) £0.061m
- O365 Developer (producing more productivity apps/tools) £0.047m
- Infrastructure and Network Engineers (resilience/NEP compliance) £0.094m
- Niche Staff (stability and improving critical system) £0.146m
- ICT Apprenticeships (2 staff, future resilience planning) £0.082m

58. The revenue cost increase from two applications are also included. Pronto is the new mobile solution which will improve the tools available to officers when out of the office. It is expected that this will improve effectiveness and efficiency reducing the need for paperwork in the station to be completed post shift. Revenue funding is also provided for the Insider Threat Protection tool. This monitors internal use of systems and proactively looks for inappropriate internal behaviour.

59. With the increase in data more staff are required in the Information Management Area. An assistant DPO (Data Protection Officer) and 2 RRD (Record Review & Deletion Decision Maker). All 3 posts are needed with data increasing and compliance required to meet GDPR regulations.

60. It should be noted that £0.091m of base budget growth has been allocated to the Environmental Strategy. This strategy will be published early 2022. The funding will allow for 1 post to champion this area, monitoring emissions and driving the government agenda forward to meet net zero by 2050.

61. With an allocation of £31.433m proposed in 2022-23 and costs of £31.643m savings of £0.216m are required. Plans exist to reduce costs by £0.114m leaving £0.102m still to be resolved in year.

Capital

62. The Capital Plan (Appendix C) has been revised this year to compliment the longer term Capital Financing Strategy. The plan shows the capital expenditure forecast over the 4 years. It then shows how these costs will be funded. This plan is then taken forward in the Strategy (Appendix D)

63. The increase in revenue costs (both revenue contributions to capital and the consequences of debt) is planned to finance capital expenditure in a manner that is affordable over a period of time. The plan is more dynamic (it will change regularly throughout the year) than the strategy hence there will be variances occurring which will need reconciliation in each MTFS.

64. It should be noted that the need to borrow and increase revenue costs is not just to finance the Estates Strategy. The ICT spend in years ranges from £2.2m to £5.1m. With the removal of grant the reliance on revenue is now critical and an increase in revenue costs to finance capital is unavoidable. In addition to this £1m of spending on Vehicles and Equipment must be financed each year.

65. The financing of capital spends is dependent on the asset;

- ICT assets with a predicted life of 7 years or more will be financed by borrowing over 7 years
- Significant investment (over £1m) in Estates will be financed by borrowing over 30 years, or capital receipts.
- Specific Grants will be used in line with the specific grant rules
- All other capital expenditure will be funded by a mixture of general grant, revenue contribution to capital and capital receipts.

66. It is important to note that once borrowing is entered into this will be a liability on the revenue account for years to come.

67. The Capital grant available to each force has significantly reduced in recent years. For instance in 2013-14 it was £0.939m and fell to £0.407m by 2017-18. 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 was not expected that this trend would reverse. The 2019-20 settlement saw the grant reduced to £0.109m, it has now been decided centrally that there will no general capital grant with PCCs expected to utilise revenue from now on to finance capital.

68. The table below summarises the Capital Plan;

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | Cumul. |
|-------------------|---------|---------|----------|----------|----------|----------|
| Signif. Estates | £0.275m | £2.650m | £4.103m | £9.600m | £8.700m | £25.328m |
| Refurb. Estates | £0.572m | £0.658m | £5.313m | £1.620m | £0.100m | £8.263m |
| Equip/Fleet | £1.099m | £1.175m | £1.312m | £1.218m | £1.241m | £6.045m |
| Long Term ICT | | £1.235m | £2.000m | | | £3.235m |
| Short Term ICT | £3.704m | £3.853m | £2.431m | £2.788m | £2.838m | £15.614m |
| Total Expenditure | £5.650m | £9.571m | £15.159m | £15.226m | £12.879m | £58.485m |
| | | | | | | |
| Financed by: | | | | | | |
| Capital Grant | £0.109m | | | | | £0.109m |
| Specific Grant | £0.200m | £0.515m | | | | £0.715m |
| Capital Dev Res | £2.260m | | | | | £2.260m |
| Capital Receipts | £0.020m | £2.151m | £5.687m | £1.907m | £0.109m | £9.874m |
| Borrowing | £0.250m | £3.885m | £6.103m | £9.600m | £8.700m | £28.538m |
| Revenue Cont. | £2.811m | £3.020m | £3.369m | £3.719m | £4.070m | £16.989m |
| Total Financing | £5.650m | £9.571m | £15.159m | £15.226m | £12.879m | £58.485m |

69. A review of the capital receipts expected has occurred with the revised strategy. This is based on a reduced portfolio as determined by the PCCs 2018 Estates Strategy. This will need review in 2022 in line with the new PCCs revised Estates Strategy. There is a large amount of risk in the forecast. The new plan includes only 80% of the original valuation/market offer and that receipts are received 6 months later than forecast. This will mitigate some of the risk. The PCCs Acquisitions and Disposals Board monitor and approve decisions with the delivery of best value the primary purpose.

70. All new capital projects are approved by the PCC via the Commissioners Monitoring Board. Funding of £4m has been allowed for a new Salisbury Hub, this however is just an allocation until suitable premises are identified it is not possible to estimate the cost to make it for for policing purposes. Funding is set aside for a refurbished Melksham Custody unit, this is currently being reviewed to ensure that it meets the requirement of the new Estates Strategy. Development costs for HQ are being programmed into the

plan alongside the current work on the recreational areas. All estimates are subject to risk as inflation increases.

71. The plan continues to have funding allocated for ESMCP (Emergency Services Mobile Communications Project). 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.
72. The ICT capital expenditure plan is now produced as part of the Digital, Data and Technology (DDaT) strategy. ICT managers have looked ahead to forecast costs up to 2024-25, this has been utilised for the whole period of this strategy. Some costs continue to be smoothed over a number of years (i.e. Laptops) to allow flexibility in replacement whilst acknowledging the need. This is the first year that this has occurred and as such there are still a number of unknowns due to the return to in-sourcing the service from April 2021. To acknowledge that £0.750m has been included in each year for Systems Upgrades. Detailed plans will need to be submitted before projects utilising these funds are approved.
73. 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. Minor costs will be funded by revenue. The plan allows £0.100m per year for general works. For the first time significant known improvement projects on the Estate have been included in the strategy. Examples of this are £1.093m for Environmental Projects and £2.016m for the Fire Safety Bill. Detailed plans of expenditure and their benefits will be produced before these capital projects are approved.
74. 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 is on-going with the National buying groups expected to deliver better value for money and improve standardisation.
75. A budget for operational equipment is in place. This is intended to fund small capital items such as firearms, tasers, drones, etc. The exact budget required for this area will need to be determined each year.

Risks and Reserves

76. The assessment of risks and the setting of appropriate levels of reserves is an essential element of medium term financial planning.
77. 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.
78. 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.

79. 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 (for instance the incidents in Salisbury and Amesbury in 2018 where all costs are being recovered from special grant). This does alleviate some of the need for the PCC and CC to hold a high level of reserves however there are 2 incidents currently being managed which could result in significant costs for the PCC. To mitigate the risk a Major Incident Reserve has been established to help fund the first 1%.

80. The PCC has requested the establishment of a PCC Transformation Reserve. Part of the projected underspend in 2021-22 has been allocated to this reserve giving the PCC £1m to pump prime projects which will help deliver his new plan.

81. The 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 E.

82. There continues to be a focus on the level of reserves held by PCCs. With austerity there was central concern that funds were not being used appropriately. Based on this the policing minister wished to improve the transparency of reserves. The policy now includes estimated levels for the next 3 years and whether there is a legal or contractual commitment for each reserve. The table below shows the history on reserves and current forecasts. The Capital Development Reserve is shown separately due to its size and impact on the total reserves (this is in the total reserves amount);

| Year End | Total Reserves | Capital Dev. Reserve |
|---------------|----------------|----------------------|
| March 13 | £19.332m | £12.879m |
| March 14 | £21.536m | £13.192m |
| March 15 | £20.677m | £12.626m |
| March 16 | £19.594m | £11.895m |
| March 17 | £20.194m | £9.864m |
| March 18 | £18.375m | £9.475m |
| March 19 | £15.328m | £8.111m |
| March 20 | £12.247m | £4.811m |
| March 21 | £12.850m | £2.260m |
| March 22 Est. | £11.932m | - |
| March 23 Est. | £8.367m | - |
| March 24 Est. | £6.486m | - |

83. A review of reserves has taken place considering the budget strategy. This includes the general reserve. Considering the total reserves available and the emergency funding available for significant costs the level of 2.5% remains reasonable.

84. 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 F.

85. The largest reserve is the Capital Development Reserve. This is required to finance the capital plan and is £2.260m on 31 March 2021. The table above shows this is forecasted to be completely used by the end of March 2022. The need for this reserve is important to fund short life assets (such as ICT) as the capital strategy does not promote borrowing for short life assets. From 2022-23 these costs will be funded from revenue contributions to capital.

86. 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

87. 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.

88. It is expected that the Chief Constable will improve the efficiency in how he delivers policing. Depending on the funding provided there is likely to be a budgetary gap, it is expected that the Chief Constable will continue to identify ways in which he can close these gaps.

PCC for Wiltshire Medium Term Financial Plan

Scenario A

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%

£10 Precept Increase per Year

Estimated Funding Available to the PCC

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|----------------|----------------|----------------|----------------|
| | £million | £million | £million | £million |
| Police Grant/DCLG | 70.428 | 71.133 | 72.200 | 73.283 |
| Uplift Grant | 1.112 | 1.112 | 1.112 | 1.112 |
| Legacy Council Tax Grant | 5.235 | 5.235 | 5.235 | 5.235 |
| Total Central Funding | 76.775 | 77.480 | 78.547 | 79.630 |
| Council Tax Surplus | 0.295 | 0.295 | 0.150 | 0.150 |
| Precept | 64.359 | 67.764 | 71.518 | 75.294 |
| Reserve Contribution | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Grant and Precept Funding | 141.429 | 145.539 | 150.215 | 155.074 |
| Investment Income | 0.079 | 0.079 | 0.079 | 0.079 |
| Total Income Available to PCC | 141.508 | 145.618 | 150.294 | 155.153 |
| Funding Increase | 5.58% | 2.90% | 3.21% | 3.23% |
| Central Funding Increase | 5.25% | 0.92% | 1.38% | 1.38% |
| Band D Council Tax | 241.27 | 251.27 | 261.27 | 271.27 |
| Increase per Band D household | 10.00 | 10.00 | 10.00 | 10.00 |

Allocation of Funding

| | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|
| OPCC - Office Costs (Less inv inc) | 2.197 | 2.250 | 2.316 | 2.381 |
| OPCC - Capital Contribution | 3.298 | 4.047 | 4.580 | 5.358 |
| OPCC - Commissioning | 1.728 | 1.771 | 1.822 | 1.873 |
| OPCC - Shared Service allocation | 31.433 | 32.197 | 33.139 | 34.067 |
| OPCC - Chief Constable allocation | 102.852 | 105.353 | 108.436 | 111.473 |
| | 141.508 | 145.618 | 150.294 | 155.153 |

PCC for Wiltshire Medium Term Financial Plan**Scenario B**

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%

2% Precept Increase per Year

Estimated Funding Available to the PCC

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|----------------|----------------|----------------|----------------|
| | £million | £million | £million | £million |
| Police Grant/DCLG | 70.428 | 71.133 | 72.200 | 73.283 |
| Uplift Grant | 1.112 | 1.112 | 1.112 | 1.112 |
| Legacy Council Tax Grant | 5.235 | 5.235 | 5.235 | 5.235 |
| Total Central Funding | 76.775 | 77.480 | 78.547 | 79.630 |
| Council Tax Surplus | 0.295 | 0.295 | 0.150 | 0.150 |
| Precept | 62.925 | 64.889 | 67.180 | 69.483 |
| Reserve Contribution | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Grant and Precept Funding | 139.995 | 142.664 | 145.876 | 149.262 |
| Investment Income | 0.079 | 0.079 | 0.079 | 0.079 |
| Total Income Available to PCC | 140.074 | 142.743 | 145.955 | 149.341 |
| Funding Increase | 4.51% | 1.91% | 2.25% | 2.32% |
| Central Funding Increase | 5.25% | 0.92% | 1.38% | 1.38% |
| Band D Council Tax | 235.90 | 240.61 | 245.43 | 250.33 |
| Increase per Band D household | 4.63 | 4.72 | 4.81 | 4.91 |

Allocation of Funding

| | | | | |
|------------------------------------|---------|---------|---------|---------|
| OPCC - Office Costs (Less inv inc) | 2.175 | 2.205 | 2.248 | 2.289 |
| OPCC - Capital Contribution | 3.298 | 4.047 | 4.580 | 5.358 |
| OPCC - Commissioning | 1.711 | 1.735 | 1.768 | 1.801 |
| OPCC - Shared Service allocation | 31.105 | 31.542 | 32.151 | 32.744 |
| OPCC - Chief Constable allocation | 101.785 | 103.214 | 105.208 | 107.149 |
| | 140.074 | 142.743 | 145.955 | 149.341 |

OPCC Financial Plan**Scenario A**

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%

£10 Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|------------|------------|------------|------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 6.171 | 7.223 | 8.068 | 8.718 |
| Reserve Funding from Previous Year | | | | |
| | 6.171 | 7.223 | 8.068 | 8.718 |
| <u>Unavoidable Cost Increases</u> | | | | |
| Inflation | 0.076 | 0.098 | 0.100 | 0.103 |
| Loss of Capital Grant | 0.109 | 0.000 | 0.000 | 0.000 |
| Spinepoint increases | 0.008 | 0.008 | 0.008 | 0.008 |
| Social Care Tax - NI | 0.020 | 0.000 | 0.000 | 0.000 |
| <u>Growth Requirements</u> | | | | |
| Capital Increases | 0.685 | 0.749 | 0.533 | 0.778 |
| Legal Services | 0.147 | 0.049 | 0.000 | 0.000 |
| Commissioning Staff | 0.034 | 0.110 | 0.000 | 0.000 |
| <u>Cost Reductions</u> | | | | |
| - | | | | |
| Total increases in Expenditure | 1.079 | 1.014 | 0.641 | 0.889 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -0.026 | -0.170 | 0.009 | 0.005 |
| New Requirement | 7.223 | 8.068 | 8.718 | 9.612 |
| <u>Inflation Assumptions</u> | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

OPCC Financial Plan**Scenario B**

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%

2% Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|------------|------------|------------|------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 6.171 | 7.183 | 7.987 | 8.596 |
| Reserve Funding from Previous Year | | | | |
| | 6.171 | 7.183 | 7.987 | 8.596 |
| <u>Unavoidable Cost Increases</u> | | | | |
| Inflation | 0.076 | 0.098 | 0.100 | 0.103 |
| Loss of Capital Grant | 0.109 | 0.000 | 0.000 | 0.000 |
| Spinepoint increases | 0.008 | 0.008 | 0.008 | 0.008 |
| Social Care Tax - NI | 0.020 | 0.000 | 0.000 | 0.000 |
| <u>Growth Requirements</u> | | | | |
| Capital Increases | 0.685 | 0.749 | 0.533 | 0.778 |
| Legal Services | 0.147 | 0.049 | 0.000 | 0.000 |
| Commissioning Staff | 0.034 | 0.110 | 0.000 | 0.000 |
| <u>Cost Reductions</u> | | | | |
| - | | | | |
| Total increases in Expenditure | 1.079 | 1.014 | 0.641 | 0.889 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -0.066 | -0.210 | -0.032 | -0.037 |
| New Requirement | 7.183 | 7.987 | 8.596 | 9.448 |
| <u>Inflation Assumptions</u> | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

Shared Service Financial Plan

Appendix Aiii

05/01/2022

Scenario A

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%
£10 Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|---------------|---------------|---------------|---------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 29.126 | 31.433 | 32.197 | 33.139 |
| Reserve Funding from Previous Year | | | | |
| | 29.126 | 31.433 | 32.197 | 33.139 |
| Unavoidable Cost Increases | | | | |
| Inflation | 0.578 | 0.790 | 0.809 | 0.832 |
| Spinepoint increases | 0.152 | 0.152 | 0.152 | 0.152 |
| Social Care Tax - NI | 0.354 | 0.000 | 0.000 | 0.000 |
| Uplift 3 - Infrastructure | 0.301 | 0.000 | 0.000 | 0.000 |
| Energy Uplift | 0.212 | 0.000 | 0.000 | 0.000 |
| Agile Working Furniture | 0.050 | 0.000 | 0.000 | 0.000 |
| Insider Threat Protection | 0.010 | 0.000 | 0.000 | 0.000 |
| Pronto Licences | 0.128 | 0.000 | 0.000 | 0.000 |
| Unidentified Policing Pressures | 0.050 | 0.050 | 0.050 | 0.050 |
| Growth Requirements | | | | |
| Above PC rank uplift growth | 0.022 | 0.000 | 0.000 | 0.000 |
| ERP Development 0.5 x W7 | 0.061 | 0.016 | 0.000 | 0.000 |
| ICT Apprentice 2 x W9 | 0.082 | 0.000 | 0.000 | 0.000 |
| O365 Developer W9 | 0.047 | 0.000 | 0.000 | 0.000 |
| Applications Infra. and Network Eng. | 0.094 | 0.094 | 0.000 | 0.000 |
| Applications Analyst - Niche Lead regrade | 0.011 | 0.000 | 0.000 | 0.000 |
| Applications Analyst - Niche 2 x W9 | 0.094 | 0.000 | 0.000 | 0.000 |
| Niche Project Manager W9 | 0.041 | 0.000 | 0.000 | 0.000 |
| RRD Decision Maker 2 x W7 | 0.066 | 0.000 | 0.000 | 0.000 |
| Assistant DPO W8 | 0.037 | 0.000 | 0.000 | 0.000 |
| Environmental Strategy inc W9 | 0.091 | 0.000 | 0.000 | 0.000 |
| Leased Training Facility | 0.000 | 0.200 | 0.000 | 0.000 |
| Airbox Licences | 0.013 | 0.000 | 0.000 | 0.000 |
| Leadership Training | 0.050 | 0.000 | 0.000 | 0.000 |
| Cost Reductions | | | | |
| Reduction in Rent Allowance | -0.021 | -0.004 | 0.000 | 0.000 |
| Total increases in Expenditure | 2.523 | 1.298 | 1.011 | 1.034 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -0.216 | -0.533 | -0.069 | -0.106 |
| New Requirement | 31.433 | 32.197 | 33.139 | 34.067 |
| Inflation Assumptions | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

Shared Service Financial Plan

Appendix Aiii

05/01/2022

Scenario B

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%
2% Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|---------------|---------------|---------------|---------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 29.126 | 31.105 | 31.542 | 32.151 |
| Reserve Funding from Previous Year | | | | |
| | 29.126 | 31.105 | 31.542 | 32.151 |
| Unavoidable Cost Increases | | | | |
| Inflation | 0.578 | 0.790 | 0.809 | 0.832 |
| Spinepoint increases | 0.152 | 0.152 | 0.152 | 0.152 |
| Social Care Tax - NI | 0.354 | 0.000 | 0.000 | 0.000 |
| Uplift 3 - Infrastructure | 0.301 | 0.000 | 0.000 | 0.000 |
| Energy Uplift | 0.212 | 0.000 | 0.000 | 0.000 |
| Agile Working Furniture | 0.050 | 0.000 | 0.000 | 0.000 |
| Insider Threat Protection | 0.010 | 0.000 | 0.000 | 0.000 |
| Pronto Licences | 0.128 | 0.000 | 0.000 | 0.000 |
| Unidentified Policing Pressures | 0.050 | 0.050 | 0.050 | 0.050 |
| Growth Requirements | | | | |
| Above PC rank uplift growth | 0.022 | 0.000 | 0.000 | 0.000 |
| ERP Development 0.5 x W7 | 0.061 | 0.016 | 0.000 | 0.000 |
| ICT Apprentice 2 x W9 | 0.082 | 0.000 | 0.000 | 0.000 |
| O365 Developer W9 | 0.047 | 0.000 | 0.000 | 0.000 |
| Applications Infra. and Network Eng. | 0.094 | 0.094 | 0.000 | 0.000 |
| Applications Analyst - Niche Lead regrade | 0.011 | 0.000 | 0.000 | 0.000 |
| Applications Analyst - Niche 2 x W9 | 0.094 | 0.000 | 0.000 | 0.000 |
| Niche Project Manager W9 | 0.041 | 0.000 | 0.000 | 0.000 |
| RRD Decision Maker 2 x W7 | 0.066 | 0.000 | 0.000 | 0.000 |
| Assistant DPO W8 | 0.037 | 0.000 | 0.000 | 0.000 |
| Environmental Strategy inc W9 | 0.091 | 0.000 | 0.000 | 0.000 |
| Leased Training Facility | 0.000 | 0.200 | 0.000 | 0.000 |
| Airbox Licences | 0.013 | 0.000 | 0.000 | 0.000 |
| Leadership Training | 0.050 | 0.000 | 0.000 | 0.000 |
| Cost Reductions | | | | |
| Reduction in Rent Allowance | -0.021 | -0.004 | 0.000 | 0.000 |
| Total increases in Expenditure | 2.523 | 1.298 | 1.011 | 1.034 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -0.543 | -0.861 | -0.401 | -0.441 |
| New Requirement | 31.105 | 31.542 | 32.151 | 32.744 |
| Inflation Assumptions | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

The Chief Constable's Allocated Budget

Introduction

1. The 2022-23 budget is the third and final year where the government has provided additional funding for 20,000 new officers. This has resulted in another 62 posts being built into the budget, bringing the local uplift to 157 (49 year 1, 46 year 2). This is excellent news and allows for me to direct officers and staff to local policing and protecting the vulnerable.
2. There does remain a concern in the recruitment and training of these officers with it taking 9 months for an officer to be trained to a level which is suitable for independent deployment. This concern increases in the knowledge that it is predicted that 84 officers will leave the Force thus increasing the new officer target to 146. Due to this the benefit of the new officers will be mostly be in 2023.
3. The FMS (Force Management Statement) and risk register have been key tools in identifying where the highest risks exist and need investment.
4. Whilst funding has provided for the new posts it seems little funding has provided for unavoidable cost pressures. The increase in National Insurance rates to fund the Social Care Tax, pay increases and general inflation all need financing and will result in a need for me to identify savings.

Funding

5. The table below shows the funding the PCC is considering provided me in 2022-23 (based on a £10 Band D increase) and those possible in future years (these will be dependent on the settlements and how much the PCC wants to allocate to me). Assuming the proportion of funds allocated to me does not change the savings I would need to deliver are also shown (as detailed in Appendix Bi);

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|-----------------------|-----------|-----------|-----------|-----------|
| CC allocation | £102.852m | £105.353m | £108.436m | £111.473m |
| Funding (gap)/surplus | (£1.149m) | (£0.717m) | £0.237m | (£0.216m) |

Expenditure

6. In 2021-22 the PCC gave the CC a budget of £127.856m (including shared services). The table below shows how expenditure was planned when allocated according to the Police Objective Analysis (POA), the total includes capital of £2.504m as per the national classification guidelines;

| | Officer FTE | Staff FTE | Total FTE | % of Staff | £m | % of Budget |
|-------------------------|-------------|-----------|-----------|------------|---------|-------------|
| Local Policing | 591 | 172 | 763 | 33.5% | 38.341 | 29.4% |
| Dealing with the Public | 10 | 186 | 196 | 8.6% | 8.361 | 6.4% |
| Criminal Justice | 23 | 149 | 172 | 7.5% | 7.955 | 6.1% |
| Ops Support (inc RPU) | 106 | 13 | 119 | 5.2% | 8.291 | 6.4% |
| Intelligence | 28 | 65 | 93 | 4.1% | 5.091 | 3.9% |
| Investigations | 180 | 160 | 340 | 14.9% | 19.077 | 14.6% |
| Public Protection | 87 | 89 | 176 | 7.7% | 7.536 | 5.8% |
| National Policing | 33 | 11 | 44 | 1.9% | 0.743 | 0.6% |
| Support Functions | 47 | 331 | 378 | 16.6% | 31.093 | 23.9% |
| Cap Finance/Pensions | | | | | 3.873 | 3.0% |
| Reserves/Commis. | | | | | | |
| | 1105 | 1176 | 2281 | 100.0% | 130.360 | 100.0% |

7. Each year the PCC and the Force review spending levels against other forces using national data and 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 2021-22 profiles show the following;
- Wiltshire's spend per head of population is £174. The national average is £197 and £193 for similar forces. Wiltshire's spend is the 4th lowest in the country.
 - Wiltshire's central funding per head of population is £100. £127 is the national average. Wiltshire's central funding is the 4th 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 Business Support spend per head of population is £40.18. Similar forces average is £42.63, £2.45 more than Wiltshire.
 - Wiltshire's spend on officers per head of population is £78.24 this is the lowest in the country (£20.55 lower than our similar forces). Wiltshire's spend on staff of £49.86 per head of population close to the similar forces average of £49.82.
8. Appendix Bi shows the cost increases and cost reductions expected to be faced by the CC over the next 4 years. These financial plans are based on inflation and pay increase of 2.5% in all years. This is above the Grant increase expected (1%-1.5% based on Home Office figures).
9. There are several unavoidable costs in the financial plan. These include the National Insurance Increase for the Social Care Tax, the extra officers recruitment (funding will be reduced if targets are not met) and Forensic Market Increases.
10. The budget requirement should be driven by the Force Management Statement (FMS), risk and unavoidable costs.

11. In this years FMS each Area's Manager has scored their understanding of demand and capacity (current and future) out of 5 based on the following grading rules;

| Score | Grading | Description |
|-------|--------------------------|---|
| 1 | Very Good | The Force has a very good and consistent approach to understanding current and/or future demand. There are no gaps in meeting current demand and substantive plans are in place to deal with future demand. |
| 2 | Good | The Force has a good approach to understanding both current and/or future demand. There are limited gaps in meeting current demand but plans are in place to address them, which are having a some positive impacts. Plans are in place to deal with future demand. |
| 3 | Acceptable | The Force has a reasonable approach to understanding current and/or future demand. There are some gaps in meeting current demand and some plans are in place to address them. Plans are being considered to address potential future demands. |
| 4 | Concerning | The Force has a limited approach to understanding current and/or future demand. There are considerable gaps in meeting current demand and limited plans are in place to address them. Limited consideration given to plans to address future demand. |
| 5 | Significantly Concerning | The Force has a deficient understanding of current and/or future demand. The Force is unable to meet current demand and has no suitable plans to address them. No consideration has been given to dealing with future demand. |

12. The table below reports areas where the current or future capability and capacity is 4 or above in the 2021-22 FMS;

| FMS Area | Agreed Outcome/Action |
|---------------------------|---|
| CID | Investment in a VAWG Inspector and Analyst to close identified gaps is proposed |
| Criminal Justice | Funding has been allocated in reserves to review and help resolve issues surrounding Special Property |
| Custody | The issue of Voluntary Attendees needs resolution, the Niche upgrade in 2022 will enable a new process to be designed this may need investment in 2023-24. |
| Intelligence | An additional post in the Covert Authorities Bureau (CAB) has been proposed and will help mitigate the risk |
| Forensics | Whilst investment has been made in Data Forensics there is a concern surrounding capacity which will be monitored in 2022-23 alongside future national ISO requirements |
| Protecting Vulnerable | Significant Investment (16 Officers) in VAWG (Violence against Women and Girls) and in protecting children is proposed. |
| Major Events (incl Roads) | 15 Officer increase in Firearms and Roads Policing (incl Collision Investigation) is proposed |
| ICT | Investment in staff to meet national standards and provide future resilience is proposed |

| | |
|------------------------|---|
| People Services | Issues in attracting and retaining staff currently exist, in 2022-23 options will need to be considered on how to resolve this. |
| Occupational Health | The risk surrounds future leadership, a plan to provide resilience is being produced |
| People Development | 4 new officer roles and 2 police staff roles are proposed to support the Uplift increase |
| Professional Standards | To monitor demand concerns from the new complaint regime introduced to understand whether the 2020-21 investment will suffice |

13. The Risk Register taken to the Joint Independent Risk, Audit and Governance Committee in November 2021 has been reviewed and where appropriate investment recommended. Some areas have been resolved. As at 29 December 2021 the register shows 7 risks with a residual risk score of 48 or more. There is, as would be expected, a crossover between the FMS and Risk Register. Hence some of the investment requests are duplications. The outcome is shown below;

| Risk Area | Issue/Activity |
|--|--|
| CPT Deployment is too low | Year 1 and 2 Uplift officers are currently in training, when deployed this will help mitigate the risk |
| Safeguarding of Children | Increased investment is proposed (CAIT and CIET) |
| CID Deployability (lack of Detectives) | In force a Detective Resilience plan has been produced and is overseen by the Detective Academy Manager, this draws on national best practice to attract and retain qualified investigators. |
| Melksham Custody Refurbishment | Work is currently occurring to mitigate the most significant risks whilst the long term estates strategy is agreed. |
| PPD Deployability | This surrounds current vacancy levels and will be revisited with the proposed increase in officers |
| IL4 Environment | Mitigation is now in place to reduce risk if the main system fails |
| Intelligence Capability | An additional post has been recommended in the budget build |
| Senior Investigating Officers (SIO) capacity | There is a plan now to train up more SIO's during 2022 to cover gaps |
| Fairline/Fortis Inquest | The inquest will require significant resources, reserve funding has been identified and recruitment is progressing |

14. The next paragraphs within the MTFs explain the reasons behind the cost increases proposed in 2022-23, some of which close the gaps identified above and are influenced heavily by the availability of 62 new officers within year 3 of the Uplift. The table below shows 27 officers unallocated. In conjunction with the new Police and Crime Plan these may be utilised to close risk and FMS gaps already identified.

| | Officers |
|---|-----------------|
| Starting Position (1 April 2021) | 1,096 |
| In Year 2021-22 Adjustments (Uplift infra, etc.) | 7 |
| VAWG (Violence against Women and Girls) | 5 |
| CIET (Child Internet Exploitation Team) | 4 |
| CAIT (Child Abuse Investigation Team) | 7 |
| Authorised Firearms Teams | 5 |
| Roads Policing and Collision Investigation | 10 |
| Student Officers Assessors | 2 |
| Training Posts | 2 |
| Balance (to be allocated in line with new P&C plan) | 27 |
| Total | 1,165 |

15. The recruitment of 62 extra officers requires planning. It should not be forgotten that officers will also be leaving throughout the year so the target number of new officers required is 146. These intakes have to be spread throughout the full financial year.
16. It should be noted that from intake date it takes 9 months of training before an officer is signed off for independent deployment, therefore some of the new officers will not be available for independent deployment until late 2023.
17. The proposal includes investing 16 officers and staff in Violence against Woman and Girls (VAWG). The new investment in VAWG is £0.760m, £0.198m of this is funded via 5 uplift PC posts. The benefits expected include;
 - Improved leadership with a dedicated Chief Inspector lead and 2 Inspectors delivering the national strategy and focusing on rape and sexual offences
 - Improved Victim Services with an investment of £0.070m in frontline training focusing on how we support victims
 - Improved investigation standards with 2 officers and 2 staff reviewing cases
 - Better outcomes as the quality of case files improve
 - Better investigations with initially 3 qualified support staff (LCIs) working alongside officers to improve disclosure and achieve better outcomes
 - Improved investigations with 5 new Digital media staff investigators working on opportunities existing from the technology footprint.
18. A further investment in protecting the most vulnerable surrounds CIET (Child Internet Exploitation Team) and CAIT (Child Abuse Investigation Team). In addition to the 11 uplift officers requested for these 2 teams there is a need for a CIET researcher (staff post). The demand on CIET continues to grow, this investment would allow for the backlog to be worked through in a timelier manner, ensuring that investigations are allocated to a detective to be progressed in order to safeguard children as soon as practicable. This would result in more manageable workloads, allowing them to progress their investigations expeditiously, with proactive enquiries.
19. Currently four teams deal with CAIT across the force. Demand is growing and is expected to continue in future years. With increased disclosure requirements impacting this team disproportionately there is a need to increase staffing. This investment will result in a fifth team which would increase capacity dramatically and allow CAIT to meet current and projected demand.

20. The increase in the Authorised Firearms Teams is year 2 of a 3 year strategy to increase these officers by 10. Due to training requirements it is not possible to grow this team by more than 4 per year.
21. In recent years the policing of Wiltshire's roads has changed significantly. The 2 main impacts are the return from the Tri-Force collaboration and the national focus on Collision Investigations. It is no longer possible to have mixed teams to ensure there is no conflict of interest with investigations. The HMICFRS report: 'Better roads policing needed to prevent increase in deaths' has also been reviewed. This identified that whilst there was an expected demand increase of more than 10% the spending on Roads Policing has nationally reduced by 34%. Based on this concern a Roads Policing STRA (Strategic Threat and Risk Assessment) has been completed which showed (as highlighted in the FMS) that there are concerns with the current and future capacity and capability.
22. The request is that each of the five Roads Policing teams is provided with an additional resource. This will increase the teams to 6 FTE. With leave, training, etc this should result in 4 resources per shift instead of 3. There is also a request for a Sergeant to focus on Road Safety/Prevention.
23. The remaining investment surrounds the Collision Investigations Unit. As this is now a standalone unit more resilience is required to meet the national standard. The request is for an additional 3 officers.
24. The funding of officers at PC level comes from the Uplift budget line. Where posts are required at a higher rank i.e. Chief Inspector, Inspector, etc there is a need to finance the increased costs. The budget request includes £0.257m of 'above PC rank uplift growth'.
25. The 1,165 officer number excludes 6 posts ringfenced for South West Collaborations, finances have been set aside to fund these posts and the infrastructure they require (£0.376m). £1.112m has been provided as a ring-fenced grant, it is assumed that this will only be received if we can confirm that a headcount (not FTE) target (including secondments) of 1204 is achieved as at 31 March 2023.

Funding Shortfalls

26. When comparing estimated budget requirements against the finances expected to be available from the PCC (with a £10 Band D increase, 2.5% inflation and variable central grants across the MTFS period) a savings requirement is identified (Appendix Bi).

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---------------------|-----------|-----------|-----------|-----------|
| Est. Expenditure | £104.001m | £106.070m | £108.199m | £111.689m |
| Est. Funding | £102.852m | £105.353m | £108.436m | £111.473m |
| Shortfall/Growth(-) | £1.149m | £0.717m | -£0.237m | £0.216m |

27. Opportunities to reduce the shortfall in 2022-23 by £0.812m have been identified leaving £0.337m of savings to be delivered in year.

Conclusion

28. This paper identifies a plan to increase police officer strength whilst also financing a number of unavoidable costs. It also looks at gaps identified in the FMS and proposes some investment in these areas. With a £10 council tax increase savings of £1.149m are required which I believe I can deliver.
29. It should be noted that the pay issue reported in the previous year's MTFS is now starting to surface. With high employment across the region the organisation is starting to struggle to recruit and retain quality staff. Whilst 2.5% pay awards are allowed in all years of the MTFS this may not be enough to attract staff, this may lead to recruitment issues which could increase the threat and harm risk level. If higher salaries are required than higher levels of savings are likely to be needed to fund them.
30. Considering the risks, as Chief Constable, I am advising the PCC that any return available from the Council Tax be maximised to assist in the maintaining of local policing in Wiltshire in the future. This advice is in the knowledge that we are the 3rd lowest funded force in the country. Increasing the base funding each year is essential when considering future delivery plans.

Summary of Assumptions

- i. There will be no change in legacy Council Tax Grant (cash flat) over the period of the MTFS
- ii. General Central Grant funding increases are 1% in 2023-24 and 1.5% in future years.
- iii. Council Tax increases will be either £10 or 2% from 2022-23
- iv. A small Council Tax Surplus will occur with risk cover from reserves in 2023-24.
- v. The Council Tax Base will increase by 1.1% p.a. in 2023-24 1.5% in 2024-25 and 1.4% in 2025-26 in line with national assumptions
- vi. General inflation will be 2.5% p.a. for the 4 years
- vii. 2.5% pay inflation is allowed in each year from September 2022.
- viii. Investment income will be low at £0.079m p.a. over the period of the MTFS
- ix. A General Reserve level of 2.5% of budget and an Operational Reserve of 1% will remain appropriate across the period of the MTFS.

Chief Constables Financial Plan

Appendix Bi

05/01/2022

Scenario A

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%
£10 Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|----------------|----------------|----------------|----------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 98.730 | 102.852 | 105.353 | 108.436 |
| Reserve Funding from Previous Year | | | | |
| | 98.730 | 102.852 | 105.353 | 108.436 |
| Unavoidable Cost Increases | | | | |
| Inflation | 1.483 | 2.568 | 2.630 | 2.707 |
| Fixing of Specific Grants | 0.032 | 0.064 | 0.064 | 0.064 |
| Spinepoint Increases | 0.540 | 0.590 | 0.640 | 0.690 |
| Social Care Tax - NI | 0.622 | 0.000 | 0.000 | 0.000 |
| Increase in Bank Holidays | 0.000 | 0.000 | 0.000 | 0.092 |
| Microsoft Costs | 0.051 | 0.105 | 0.000 | 0.000 |
| Uplift 3 - Officer Costs | 2.106 | 0.000 | 0.000 | 0.000 |
| AFO Kit | 0.018 | 0.000 | 0.000 | 0.000 |
| Forensic Market Increases | 0.125 | 0.000 | 0.000 | 0.000 |
| Unidentified Policing Pressures | 0.050 | 0.195 | 0.195 | 0.200 |
| Growth Requirements | | | | |
| Above PC rank uplift growth | 0.235 | 0.000 | 0.000 | 0.000 |
| VAWG (Rasso) Analyst W8 | 0.037 | 0.000 | 0.000 | 0.000 |
| VAWG Digital Media Inv. 5 x W8 | 0.185 | 0.000 | 0.000 | 0.000 |
| VAWG LCI (3 with 9 in future years) | 0.064 | 0.318 | 0.000 | 0.000 |
| VAWG Victim Focused Frontline Training | 0.070 | 0.000 | 0.000 | 0.000 |
| VAWG Inspection Standards 2 x W9 | 0.082 | 0.000 | 0.000 | 0.000 |
| CAB Data Assurance Info. Guardian W7 | 0.033 | 0.000 | 0.000 | 0.000 |
| 1000 x DA Matter Training | 0.087 | 0.000 | 0.000 | 0.000 |
| CIET Researcher W7 | 0.033 | 0.000 | 0.000 | 0.000 |
| Coroner Officers W7 | 0.066 | 0.000 | 0.000 | 0.000 |
| Clinical Governance 0.5 x W8 | 0.019 | 0.000 | 0.000 | 0.000 |
| Cost Reductions | | | | |
| Reduction in Bank Holidays | -0.092 | -0.092 | -0.183 | 0.000 |
| Spinal Impact of New Recruits | -0.500 | -0.500 | -0.500 | -0.500 |
| Reduction in Rent Allowance | -0.075 | -0.030 | 0.000 | 0.000 |
| Total increases in Expenditure | 5.271 | 3.218 | 2.846 | 3.253 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -1.149 | -0.717 | 0.237 | -0.216 |
| New Requirement | 102.852 | 105.353 | 108.436 | 111.473 |
| Inflation Assumptions | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

Chief Constables Financial Plan

Appendix Bi

05/01/2022

Scenario B

5.3% Grant Increase 2022-23, then 1%, 1.5%. 1.5%

2% Precept Increase per Year

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|----------------|----------------|----------------|----------------|
| | £ millions | £ millions | £ millions | £ millions |
| Expenditure BFWD | 98.730 | 101.785 | 103.214 | 105.208 |
| Reserve Funding from Previous Year | | | | |
| | 98.730 | 101.785 | 103.214 | 105.208 |
| Unavoidable Cost Increases | | | | |
| Inflation | 1.483 | 2.568 | 2.630 | 2.707 |
| Fixing of Specific Grants | 0.032 | 0.064 | 0.064 | 0.064 |
| Spinepoint Increases | 0.540 | 0.590 | 0.640 | 0.690 |
| Social Care Tax - NI | 0.622 | 0.000 | 0.000 | 0.000 |
| Increase in Bank Holidays | 0.000 | 0.000 | 0.000 | 0.092 |
| Microsoft Costs | 0.051 | 0.105 | 0.000 | 0.000 |
| Uplift 3 - Officer Costs | 2.106 | 0.000 | 0.000 | 0.000 |
| AFO Kit | 0.018 | 0.000 | 0.000 | 0.000 |
| Forensic Market Increases | 0.125 | 0.000 | 0.000 | 0.000 |
| Unidentified Policing Pressures | 0.050 | 0.195 | 0.195 | 0.200 |
| Growth Requirements | | | | |
| Above PC rank uplift growth | 0.235 | 0.000 | 0.000 | 0.000 |
| VAWG (Rasso) Analyst W8 | 0.037 | 0.000 | 0.000 | 0.000 |
| VAWG Digital Media Inv. 5 x W8 | 0.185 | 0.000 | 0.000 | 0.000 |
| VAWG LCI (3 with 9 in future years) | 0.064 | 0.318 | 0.000 | 0.000 |
| VAWG Victim Focused Frontline Training | 0.070 | 0.000 | 0.000 | 0.000 |
| VAWG Inspection Standards 2 x W9 | 0.082 | 0.000 | 0.000 | 0.000 |
| CAB Data Assurance Info. Guardian W7 | 0.033 | 0.000 | 0.000 | 0.000 |
| 1000 x DA Matter Training | 0.087 | 0.000 | 0.000 | 0.000 |
| CIET Researcher W7 | 0.033 | 0.000 | 0.000 | 0.000 |
| Coroner Officers W7 | 0.066 | 0.000 | 0.000 | 0.000 |
| Clinical Governance 0.5 x W8 | 0.019 | 0.000 | 0.000 | 0.000 |
| Cost Reductions | | | | |
| Reduction in Bank Holidays | -0.092 | -0.092 | -0.183 | 0.000 |
| Spinal Impact of New Recruits | -0.500 | -0.500 | -0.500 | -0.500 |
| Reduction in Rent Allowance | -0.075 | -0.030 | 0.000 | 0.000 |
| Total increases in Expenditure | 5.271 | 3.218 | 2.846 | 3.253 |
| Contributions to or from reserves | | | | |
| Savings Required (-)/Growth Available | -2.216 | -1.789 | -0.852 | -1.312 |
| New Requirement | 101.785 | 103.214 | 105.208 | 107.149 |
| Inflation Assumptions | | | | |
| Employees | 1.46% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% |
| ICT | 2.50% | 2.50% | 2.50% | 2.50% |
| Other | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest | 2.50% | 2.50% | 2.50% | 2.50% |
| Income | 2.50% | 2.50% | 2.50% | 2.50% |

Wiltshire Police and Crime Commissioner

Capital Expenditure Plan

| Financial Year >>>>>> | bfwd £million | 21/22 £million | 22/23 £million | 23/24 £million | 24/25 £million | 25/26 £million | Cum |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| Capital Financing Plan | | | | | | | |
| Government Grant | | 0.109 | | | | | 0.109 |
| ESN Grant | 0.455 | 0.200 | 0.515 | | | | 0.715 |
| Capital Development Reserve Used | | 2.260 | | | | | 2.260 |
| Capital Receipts Used | | 0.020 | 2.151 | 5.687 | 1.907 | 0.109 | 9.874 |
| Borrowing | 0.705 | 0.250 | 3.885 | 6.103 | 9.600 | 8.700 | 28.538 |
| Additional Revenue Contribution | | 0.398 | | | | | 0.398 |
| Revenue Cont. to Capital | | 2.413 | 3.020 | 3.369 | 3.719 | 4.070 | 16.591 |
| Financing Plan | | 5.650 | 9.571 | 15.159 | 15.226 | 12.879 | 58.485 |
| Capital Funding Balances | | | | | | | |
| Cap Development Reserve BFWD | 2.260 | 2.260 | 0.000 | 0.000 | 0.000 | | |
| Cont to Capital Development Reserve | | 0.000 | | | | | |
| Cap Development Reserve Used | | -2.260 | 0.000 | 0.000 | 0.000 | | -2.260 |
| Cap Development Reserve CFWD | 2.260 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| Cap Receipts BFWD | 0.000 | 0.000 | 0.210 | 1.469 | 1.480 | 0.337 | |
| Cap Receipts Received | | 0.230 | 3.410 | 5.698 | 0.764 | 0.632 | |
| Cap Receipts Used | | -0.020 | -2.151 | -5.687 | -1.907 | -0.109 | -9.874 |
| Cap Receipts CFWD | 0.000 | 0.210 | 1.469 | 1.480 | 0.337 | 0.860 | |
| Capital Expenditure (on a cashflow basis) <i>* in principle only, projects at this stage</i> | | | | | | | |
| Part A - Significant Estates Projects (Borrowing) | | | | | | | |
| Warminster Replacement | 0.025 | | | | | | 0.025 |
| Devizes HQ Phase 1 Ops and L&D | * | 0.000 | 0.400 | 0.600 | 8.600 | 8.700 | 18.300 |
| Tidworth/Amesbury Hub | | 0.250 | 1.250 | 1.503 | | | 3.003 |
| Salisbury Hub | * | | 1.000 | 2.000 | 1.000 | | 4.000 |
| Total Significant Estates Projects | 0.025 | 0.250 | 2.650 | 4.103 | 9.600 | 8.700 | 25.328 |
| Part B - Estates Refurbishment Projects | | | | | | | |
| Minor Works - Building Improvements | | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.250 |
| Programmed Maintenance - Buildings | | 0.050 | 0.050 | 0.050 | 0.050 | 0.050 | 0.250 |
| CCC M&E Works | * | | | 0.520 | | | 0.520 |
| CCTV HQ | * | | 0.026 | 0.097 | 0.098 | | 0.221 |
| Environmental Projects (Boiler etc.) | * | | 0.052 | 0.521 | 0.521 | | 1.094 |
| Fire Safety Bill Related works | * | | 0.215 | 0.901 | 0.901 | | 2.017 |
| Boundary Maintenance Works | * | | 0.065 | 0.280 | | | 0.345 |
| Trowbridge Roof Maintenance | | 0.272 | | | | | 0.272 |
| Melksham Custody and Office Refurb | | 0.200 | 0.200 | 2.894 | | | 3.294 |
| Total Estates Refurbishment Projects | 0.000 | 0.572 | 0.658 | 5.313 | 1.620 | 0.100 | 8.263 |
| Part C - Equipment and Fleet Repl. Prog. | | | | | | | |
| Vehicle Fleet | 0.032 | 0.940 | 1.075 | 1.096 | 1.118 | 1.141 | 5.402 |
| Operational Equipment (Taser etc.) | 0.077 | 0.050 | 0.100 | 0.216 | 0.100 | 0.100 | 0.643 |
| Total Equipment and Fleet Prog. | 0.109 | 0.990 | 1.175 | 1.312 | 1.218 | 1.241 | 6.045 |
| Part D - Long Term ICT Projects (Borrowing) | | | | | | | |
| ESMCP | | | 1.235 | 2.000 | | | 3.235 |
| Total Long Term ICT Projects | 0.000 | 0.000 | 1.235 | 2.000 | 0.000 | 0.000 | 3.235 |
| Part E - Short Term ICT Projects | | | | | | | |
| Computer Laptops, Tablets | 0.004 | 0.209 | 0.826 | 0.526 | 0.526 | 0.526 | 2.617 |
| Systems Development | | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 1.500 |
| Systems Upgrades | * | 0.097 | 0.750 | 0.750 | 0.750 | 0.750 | 3.097 |
| Avaya 999/101 upgrade | 0.387 | | 0.300 | | | | 0.687 |
| Desktops (5 yr prog) | -0.121 | 0.167 | 0.046 | 0.046 | 0.046 | 0.046 | 0.230 |
| Monitors | | 0.062 | 0.041 | 0.041 | 0.041 | 0.041 | 0.226 |
| Storage Update | | 0.075 | | | | | 0.075 |
| Network Upgrades | * | 0.220 | 0.900 | | 0.300 | 0.300 | 1.720 |
| Telephony | | | | 0.100 | | | 0.100 |
| ANPR Cameras | | | 0.125 | 0.125 | 0.125 | 0.125 | 0.500 |
| NEP infrastructure | 0.283 | 0.300 | | | | | 0.583 |
| Smartphone Replacement Programme | 0.110 | 0.410 | | | 0.350 | 0.350 | 1.220 |
| Qlik Sense | 0.018 | | | | | | 0.018 |
| Business Intel. Tools | * | | | 0.250 | | | 0.250 |
| DEMS (incl; DIR/BWVC) | * | | | 0.120 | 0.300 | | 0.420 |
| Radio Refresh | 0.177 | | | 0.123 | | 0.400 | 0.700 |
| ESN Grant funded - Cortex 8 + 171k | | 0.200 | 0.255 | | | | 0.455 |
| ESN Grant 2021 | | | 0.260 | | | | 0.260 |
| ERP | 0.485 | | | | | | 0.485 |
| Hi-tech crime unit computers | 0.057 | 0.104 | 0.050 | 0.050 | 0.050 | | 0.311 |
| Alarms | 0.094 | | | | | | 0.094 |
| Mobile Application | 0.000 | 0.066 | | | | | 0.066 |
| Total Short Term ICT Programme | 1.494 | 2.210 | 3.853 | 2.431 | 2.788 | 2.838 | 15.614 |
| Total Exp (Parts A, B, C, D and E) | 1.628 | 4.022 | 9.571 | 15.159 | 15.226 | 12.879 | 58.485 |
| Financing Plan | | -5.650 | -9.571 | -15.159 | -15.226 | -12.879 | -58.485 |
| Balance | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |



The Police and Crime Commissioners Capital Financing Strategy (December 2021 v2)

Purpose

1. This document reviews the current way that the Police and Crime Commissioner (PCC) has financed capital expenditure and then looks forward to how future capital spends can be financed.
2. The document relies on high level estimates for capital spending over the next 9 years and considers the PCC's and Chief Constables desire to provide staff with fit for purpose technology and modern estate to improve productivity.
3. CIPFA's Prudential Code sets the boundaries for capital financing. Legal duties exist and have been considered in this document.
4. The Capital Financing Strategy must consider the Medium Term Financial Strategy (MTFS). The availability of revenue finances to fund capital costs now and in the future is critical.
5. The proposals from this report will impact the Treasury Management Strategy, this will be revised in light of this document.

Background

6. Over the last 7 years the PCC has funded capital expenditure of £33m (£4.7m p.a.). In recent years the reason for the expenditure has shifted towards ICT from Estates. These are short life assets (less than 5 years predicted life) such as laptops and body worn video cameras. To ensure efficiency and effectiveness these assets need a clear life cycle replacement programme with associated financial planning.
7. The Capital Development Reserve has been used to supplement reducing general capital grant and low revenue contributions. However this reserve is reducing and cannot be relied on in the medium to long term. The removal of general capital grant in 2022-23 increases the problem.
8. The proposals included in the expenditure plans are in line with the previous PCC's 2018 Estates Strategy. It is noted that a new Estates Strategy will be produced in 2022 and is likely to impact the capital financing strategy (different levels of expenditure and changes to the capital receipts received). The inclusion of £4m in this strategy for a Salisbury Hub is an example of the change expected.

9. Receipts from surplus estate will be used to contribute to the capital plan. However this will not cover the full costs of replacement facilities and the proposed developments to deliver the Estates strategy.
10. The PCC's long term contract surrounding the provision of Estate in Swindon is a PFI. The capital element of Private Finance Initiatives (PFI's) need to be considered within the capital strategy. In accounting terms, this constitutes a long term liability which is essentially a form of borrowing.

Police and Crime Plan

11. A new Police and Crime Plan is currently being drawn up. The publishing of the new plan will be post the completion of the MTFs so this strategy will consider the previous plan and consider any known changes in direction the new PCC has made clear.
12. In addition to the Police and Crime Plan, the Force Management Statement provides detailed analysis of anticipated demands on policing and estates requirements.

Future Capital Plan

13. High level capital expenditure plans have been produced. The most significant area of spend and uncertainty surrounds Estates. In line with the Estates Strategy all facilities have been reviewed. To make the estate compliant to the strategy costs of £59.989m are forecast (Appendix A) with capital receipts of £11.775m estimated.
14. A sizable amount of the expenditure (£44.3m) is for the redevelopment of Police HQ in Devizes. This contains a number of specialist and support facilities which are approaching the end of their serviceable life. This is a long term programme split into 4 phases which prioritises organisational need and ensures service disruption is minimised. The masterplan has been developed flexibly to allow phasing to be independent yet complimentary. Ultimately providing an efficient and modern HQ facility by the end of the programme. This investment was included in the previous strategy however with the change of PCC and delays due to the pandemic progress has been limited. Initial conversations with the PCC suggest that this investment still remains valid.
15. It is possible to deliver phase 1 (£17.8m) and not proceed with the rest of the redevelopment. Phase 1 provides a fit for purpose training facility and an operations building. This would enable Devizes Operations to move from Devizes Borough providing a possible capital receipt whilst prioritising the facilities in greatest need of improvement. This would not be live until 2025-26. Due to the delay in provision of an improved training facility the PCC and CC has requested that a short to mid term lease provision be investigated. The funding of this will be via a separate revenue reserve.
16. The new PCC has also announced that the current shared facility in Salisbury is not fit for purpose. Work is underway to see what options there are in the Salisbury area to provide a new facility. The sites available in Salisbury are limited therefore the plan will have to adapt around the options. The costs of a new facility could range from £2m to £8m, acknowledging the desire £4m has been included in the strategy.
17. For the first time significant known improvement projects on the Estate have been included in the strategy. Examples of this are £1.093m for Environmental Projects and

£2.016m for the Fire Safety Bill. Detailed plans of expenditure and their benefits will be produced before these capital projects are approved.

18. The ICT capital expenditure plan is now produced as part of the Digital, Data and Technology (DDaT) strategy. ICT managers have looked ahead to forecast costs up to 2024-25, this has been utilised for the whole period of this strategy. Some costs continue to be smoothed over a number of years (i.e. Laptops) to allow flexibility in replacement whilst acknowledging the need. This is the first year that this has occurred and as such there are still a number of unknowns due to the return to in-sourcing the service from April 2021. To acknowledge that £0.750m has been included in each year for Systems Upgrades. Detailed plans will need to be submitted before projects utilising these funds are approved. The total cost over the 9 years is £28.971m (reported in Appendix B).
19. Within Appendix B is also the Vehicles and Operational Equipment plan, this is forecast at a cost of £11.244m over the 9 years.
20. A summary of the full requirement (in millions) is shown below;

| | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | Total |
|-------------|-------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Estates | 0.497 | 0.200 | 2.894 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 3.591 |
| Est Sig Inv | 0.250 | 2.650 | 4.103 | 9.600 | 8.700 | 7.500 | 11.500 | 6.800 | 0.200 | 51.303 |
| Minor W | 0.100 | 0.458 | 2.418 | 1.619 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 5.095 |
| ICT | 3.704 | 5.088 | 4.431 | 2.788 | 2.838 | 2.888 | 2.338 | 2.638 | 2.258 | 28.971 |
| V&E | 1.099 | 1.175 | 1.313 | 1.219 | 1.241 | 1.264 | 1.287 | 1.311 | 1.335 | 11.244 |
| Total | 5.650 | 9.571 | 15.159 | 15.226 | 12.879 | 11.752 | 15.225 | 10.849 | 3.893 | 100.204 |
| Cumul. | 5.650 | 15.221 | 30.380 | 45.606 | 58.485 | 70.237 | 85.462 | 96.311 | 100.204 | |

Capital Funding Strategy

21. The PCC has adopted the Prudential Code for Capital Finance in Local Authorities. The Code states that the PCC will make reasonable estimates of the total capital financing requirement at the end of each year. The objective of the Code is to *'ensure within a clear framework, that the capital expenditure plans of local authorities (including PCCs) are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation'*.
22. In considering the affordability of the capital plans the PCC is required to consider all of the resources currently available and estimated for the future, together with the totality of the capital plans and income and expenditure forecasts. This is considered in the annual Treasury Management strategy (TMS). The TMS will also include details surrounding authorised and operational borrowing limits and controls surrounding investment decisions. It will also include information on the expert advice received to ensure effective but prudent management of resources.
23. The sources of funding available to the PCC to finance capital expenditure are:
- Capital Grant
An annual capital grant has been received from the Home Office in prior years however from 2022-23 this is being removed with PCCs expected to allocate funds for capital expenditure from general revenue grant.

- Revenue Budget
A contribution is made each year from the revenue budget to fund capital expenditure. For 2021-22 the contribution is £2.413m. In addition the PFI unitary payment is financed via revenue. The unitary payment will include an amount for interest and capital repayment.
- The Capital Development Reserve
Reserves have been set aside to fund capital costs, the level of this reserve is shown in the PCC's Reserves Strategy.
- Capital Receipts
Funds from the sale of assets. Achieved post Acquisition and Disposal Board review to ensure appropriate community consultation and VFM.
- Borrowing
The PCC has the ability to borrow to fund capital expenditure, provided controls on affordability, sustainability and prudence are met. Borrowing can only be for capital purposes, and must be within the limits agreed in the Treasury Management Strategy. Borrowing will usually be applied to long term capital expenditure. In 2019-20 and 2020-21 the PCC has borrowed £1.930m, taking a 30 year loan towards financing the replacement station at Warminster. At the 31 March 2021 £0.705m of this remained unallocated.

24. The Estates strategy and increased ICT demands require a plan to be produced to finance this increased capital requirement. This plan is based on the following assumptions;

- ICT assets with a life of over 7 years will be funded by borrowing over 7 years
- Significant Investments (new sites or major redevelopments) in Estates will be funded by borrowing over 30 years, or capital receipts if the plan allows
- Specific Grants will be used for funding capital in line with the grant
- All other capital expenditure will be funded by a mixture of general grant, revenue contributions to capital and capital receipts.

25. The 2019-20 and 2020-21 Capital Financing Strategy identified a plan for the extended period and proposed an increase in both revenue contributions and the use of borrowing. This requirement continues in this strategy.

26. With every pound of borrowing a liability arises. In line with the Prudential Code and good financial practice revenue funds needs to be set aside over the life of the asset to finance the capital and interest. The plan smooths the increased revenue costs over the period with a small contingency of £2.521m for additional expenditure in later years (increased to £3.592m with £1.071m of capital receipts expected in 2028-29).

27. Due to a number of factors, including the election of a new PCC, the sale of property has been delayed. This means that £4m of planned capital receipts in 2021-22 is not available to finance capital expenditure. Whilst not all of this was required to finance 2021-22 capital expenditure it has left a negative funding position. To resolve this it is planned to transfer £0.398m of the 2021-22 underspend to capital.

| | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 | Total |
|-----------------------|-------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Current RCCO | 2.413 | 2.461 | 2.510 | 2.560 | 2.611 | 2.663 | 2.716 | 2.770 | 2.825 | 23.529 |
| 21-22 Additional RCCO | 0.398 | | | | | | | | | 0.398 |
| New RCCO | | 0.450 | 0.750 | 1.050 | 1.350 | 1.500 | 1.500 | 1.500 | 1.500 | 9.600 |
| RCCO rep Grant | | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.872 |
| Gen Gr. | 0.109 | | | | | | | | | 0.109 |
| Sp Grant | 0.200 | 0.515 | | | | | | | | 0.715 |
| Borrow | 0.250 | 3.885 | 6.103 | 9.600 | 8.700 | 7.500 | 11.500 | 6.800 | 0.200 | 54.538 |
| Cap Rec Used | 0.020 | 2.151 | 5.687 | 1.907 | 0.109 | 0.830 | | | | 10.704 |
| Cap Dev Reserve | 2.260 | | | | | | | | | 2.260 |
| Total Inc | 5.650 | 9.571 | 15.159 | 15.226 | 12.879 | 12.602 | 15.825 | 11.179 | 4.634 | 102.725 |
| Cum Inc | | 15.221 | 30.380 | 45.606 | 58.485 | 71.087 | 86.912 | 98.091 | 102.725 | |
| Cum Exp | 5.650 | 15.221 | 30.380 | 45.606 | 58.485 | 70.237 | 85.462 | 96.311 | 100.204 | |
| Balance | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.850 | 1.450 | 1.780 | 2.521 | |

Revenue Implications of Capital Investment

28. To implement this plan additional revenue costs will be required over the 9 years (for both RCCO and to pay back borrowing costs). The table below shows the increase required per annum in the MTFs. The one off 2021-22 underspend transfer is excluded from this table.

| | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Current RCCO | 2.413 | 2.461 | 2.510 | 2.560 | 2.611 | 2.663 | 2.716 | 2.770 | 2.825 |
| Additional RCCO | | 0.450 | 0.750 | 1.050 | 1.350 | 1.500 | 1.500 | 1.500 | 1.500 |
| RCCO to rep Grant | | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 | 0.109 |
| Cost of Borrowing | 0.091 | 0.278 | 0.678 | 0.860 | 1.288 | 1.675 | 2.009 | 2.521 | 2.637 |
| Total | 2.504 | 3.298 | 4.047 | 4.579 | 5.358 | 5.947 | 6.334 | 6.900 | 7.071 |
| Inc P.A. | | 0.794 | 0.749 | 0.533 | 0.778 | 0.589 | 0.387 | 0.566 | 0.171 |

29. The table above is based on borrowing advice provided by Link, our Treasury Management Experts. The interest rates used are those currently available (1.98% for borrowing over 30 years and 1.74% for borrowing over 7 years). These will change and will only be finalised when the borrowing is taken out.

30. The Estates strategy and capital financing strategy are flexible. As an example, if the PCC did not wish to proceed with phases 2 to 4 of the HQ redevelopment plan (£26.5m) the cost of borrowing would drop by £1.117m per annum (i.e. in 2029-30 total cost would be £5.791m rather than £6.962).

Risk and Risk Appetite

31. This capital strategy is for a 9 year period. This extended length of time is necessary to understand the long term implications of current decisions. This is to enable the PCC and Chief Constable to consider the long term position, the 'going concern' concept and allow advice from the CFO to meet the prudential code.
32. Over the 9 year period there are factors, both internal and external, that will significantly affect the capital programme and the ability of the PCC to finance the programme. The main risks identified are:
- Costs and timelines for significant projects may change
 - Government spending review may impact finances available
 - The Estates Strategy may change reducing the premises available for sale
 - The market for excess estate may drop reducing sale values
 - The changing demand for police services may lead to more or less projects
 - Pace of technological change may require further ICT costs
 - Replacement of technology, items become obsolete quicker
 - Uncertainty relating to external borrowing costs
 - Change in PCC priorities impacting the capital plan
33. The risks above are being managed with mitigation in place. There are currently no significant risks relating to the Capital Strategy on the Corporate Risk Register. These risks are reviewed as part of the audit programme and the Annual Governance Statement.
34. The capital receipt sale value risk is partly mitigated by only including 80% of the valuation in the plan. The receipt of the sale value has also been delayed by 6 months in the plan. With this risk occurring in 2020-21 the need for sales receipts has been highlighted.
35. This approach provides flexibility and considers decision points for PCCs, linked to the election cycle. This will enable robust planning and estates risks to be managed to a sustainable plan, but recognises the long term nature of delivering this plan. It allows flexibility for future PCCs and Chief Constables as direction and requirement develop.
36. As the most significant project in the estates strategy, the Devizes HQ redevelopment significantly affects this strategy. A high level masterplan has been produced based on estates strategy parameters.

Recommendation

37. The PCC is recommended to agree the high level strategy and include the increased revenue costs in the MTFS.

Clive Barker

Chief Finance Officer to the Police and Crime Commissioner

23 December 2021

Estates Review - Nov 2021

Appendix A

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | Total |
|--------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Devizes HQ - P1 T&Ops | 0.000 | 0.400 | 0.600 | 8.600 | 8.200 | | | | | 17.800 |
| Devizes HQ - P2 Admin | | | | | 0.500 | 7.500 | 1.500 | | | 9.500 |
| Devizes HQ - P3 F&S | | | | | | | 10.000 | 2.800 | | 12.800 |
| Devizes HQ - P4/5 CP&D | | | | | | | 4.000 | 0.200 | | 4.200 |
| Melksham Custody and Off | 0.200 | 0.200 | 2.894 | | | | | | | 3.294 |
| Trowbridge | 0.272 | | | | | | | | | 0.272 |
| Westbury | | | | | | | | | | 0.000 |
| Warminster | 0.025 | | | | | | | | | 0.025 |
| Tidworth Campus | 0.250 | 1.250 | 1.503 | | | | | | | 3.003 |
| New Salisbury (**) | | 1.000 | 2.000 | 1.000 | | | | | | 4.000 |
| Estates Investments | 0.747 | 2.850 | 6.997 | 9.600 | 8.700 | 7.500 | 11.500 | 6.800 | 0.200 | 54.894 |
| Minor Works/Prog Maint | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.900 |
| CCC M&E Work | | | 0.520 | | | | | | | 0.520 |
| CCTV HQ | | 0.026 | 0.097 | 0.098 | | | | | | 0.221 |
| Environmental Projects | | 0.052 | 0.521 | 0.521 | | | | | | 1.093 |
| Fire Safety Bill Related Works | | 0.215 | 0.901 | 0.901 | | | | | | 2.016 |
| Boundary Maint Works | | 0.065 | 0.280 | | | | | | | 0.345 |
| Estates Improvements | 0.100 | 0.458 | 2.418 | 1.619 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 5.095 |
| | | | | | | | | | | |
| Total | 0.847 | 3.308 | 9.415 | 11.219 | 8.800 | 7.600 | 11.600 | 6.900 | 0.300 | 59.989 |

ICT Review - Nov 2021

DDAT strategy based

Appendix B

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | Total |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Computer Laptops, etc. | 0.213 | 0.826 | 0.526 | 0.526 | 0.526 | 0.526 | 0.526 | 0.526 | 0.526 | 4.721 |
| Monitors | 0.062 | 0.041 | 0.041 | 0.041 | 0.041 | 0.041 | 0.041 | 0.041 | 0.041 | 0.390 |
| Systems Development | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 2.700 |
| NEP infrastructure | 0.583 | | | | | | | | | 0.583 |
| Storage | 0.075 | | | | | 0.500 | | | | 0.575 |
| Networks | 0.220 | 0.900 | | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 0.300 | 2.920 |
| Radio Refresh | 0.177 | | 0.123 | | 0.400 | | | 0.400 | | 1.100 |
| SmartPhone Replacement Prog | 0.520 | | | 0.350 | 0.350 | | | | | 1.220 |
| QlikSense | 0.018 | | | | | | | | | 0.018 |
| Business Intel Tools | | | 0.250 | | | | | | | 0.250 |
| DEMS est (incl; DIR/BWVC) | | | 0.120 | 0.300 | | | | | 0.120 | 0.540 |
| Hi-tech crime unit | 0.161 | 0.050 | 0.050 | 0.050 | | | 0.050 | 0.050 | 0.050 | 0.461 |
| Mobile Working | 0.066 | | | | | 0.300 | 0.200 | | | 0.566 |
| Avaya 999 upgrade | 0.387 | 0.300 | | | | | | | | 0.687 |
| Telephony | | | 0.100 | | | | | 0.100 | | 0.200 |
| Desktops 5 yr repl | 0.046 | 0.046 | 0.046 | 0.046 | 0.046 | 0.046 | 0.046 | 0.046 | 0.046 | 0.414 |
| Alarms | 0.094 | | | | | | | | | 0.094 |
| ANPR Cameras | | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 1.000 |
| Systems Upgrades | 0.097 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 0.750 | 6.097 |
| Replacement ICT costs | 3.019 | 3.338 | 2.431 | 2.788 | 2.838 | 2.888 | 2.338 | 2.638 | 2.258 | 24.536 |
| ESN (Grant funded) 2021 | | 0.260 | | | | | | | | 0.260 |
| ESN (Grant funded) cortex etc | 0.200 | 0.255 | | | | | | | | 0.455 |
| ICT Grant Funded | 0.200 | 0.515 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.715 |
| ERP | 0.485 | | | | | | | | | 0.485 |
| ESMCP | | 1.235 | 2.000 | | | | | | | 3.235 |
| Systems >£500k | 0.485 | 1.235 | 2.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 3.720 |
| Total | 3.704 | 5.088 | 4.431 | 2.788 | 2.838 | 2.888 | 2.338 | 2.638 | 2.258 | 28.971 |

Page 52

Vehicles and Equip Review - 2021

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | Total |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Vehicles | 0.972 | 1.075 | 1.097 | 1.119 | 1.141 | 1.164 | 1.187 | 1.211 | 1.235 | 10.201 |
| Op Equipment | 0.127 | 0.100 | 0.216 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 0.100 | 1.043 |
| Total Replacement | 1.099 | 1.175 | 1.313 | 1.219 | 1.241 | 1.264 | 1.287 | 1.311 | 1.335 | 11.244 |

RESERVES AND PROVISIONS POLICY (updated Dec 2021)

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. This version provides further information in line with recent Home Office guidelines.
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:
 - **General Contingency** - reserves required to meet other expenditure needs held in accordance with sound principals of good financial management. This will include specific reserves held for partnership purposes which may include funding provided by partners to help achieve a specific purpose.
 - **Projects and 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. These are all required during the life of the MTFS. This will include 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 CC 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.

Quantifying the Reserves Requirement

19. 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.

20. 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.

21. 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.
22. 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.
23. 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.
24. 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. |

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

Application of Reserves

26. 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.
27. **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

28. 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.
29. The proposed use of reserves and balances to deliver a sustainable budget must be included as part of the budget process to the PCC.
30. Unusable reserves are managed as part of accounting policies, specified in the Statement of Accounts which is approved by the PCC.
31. The PCC is the owner of all reserves. All reserves will sit on the PCC's Balance Sheet.

Provisions

32. 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.
33. 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.
34. 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.
35. 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 |
|--|--|
| HO Heading – General Contingency, held in accordance with sound principles of good financial management | |
| General Reserve | Funding set aside to cover the major risks involved with running a £125m Policing business. Currently set at 2.5% of the CC Budget Requirement. |
| Chief Constables (CC) 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. Set at 1.0% of the CC Budget Requirement |
| 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 |
| Seized Asset Reserve (Incentivisation) | The budget requires £192,000 of income per year to finance financial investigators undertaking this work. This reserve 'smooths' out variances across years on returns reducing risk. The level of the reserve is to a maximum of 1 yrs budget |
| Ill Health Reserve | For each Ill Health retirement agreed a payment of approximately £77,000 has to be made to the Home Office. The annual budget allows for 3 per year, this reserve 'smooths' out variances across yrs. The level of the reserve depends on HR data on planned retirements at year end |
| Major Incident Reserve | The Home Office will fund costs in excess of 1% of the budget leaving the first 1% requiring local funding. 2 incidents are currently being managed which are likely to need local funding. |
| Council Tax Support Grant | Revenue Funding has been provided to precepting authorities to smooth the implications of lower receipts due to the pandemic. |
| Officer Intake Strategy | Finances to allow for short term excess officer numbers or variances in the vacancy factor. This will be reviewed each year depending on funding and recruitment profile. |
| HO Heading – Projects and Programmes (to be used over the life of the Medium Term Financial Strategy) | |
| Capital Development Reserve | Funding set aside to assist in the financing of capital to reduce the organisations need to borrow. |
| Restructuring Reserve | This funds one off costs such as redundancy and minor office changes required to restructure the business to meet reduced funding levels or improve efficiency |
| Budget Smoothing Reserve | Funds any unplanned shortfalls in savings resulting from timing issues in delivering savings. |
| Commissioning Reserve | Funds carried forward from previous years to be used for commissioning work in line with the Police and Crime Plan. |

| | |
|--------------------------------|--|
| Estates Transformation Reserve | Work has been requested from property advisors to help maximise returns from estates changes. This pump primes the initiative. |
| Training Facility Reserve | The national Uplift programme and the poor standard of current facilities has led to a need for a leased property to deliver training, this reserve is intended to pay start up costs. |
| PCC Transformation Reserve | To deliver the new Police and Crime Plan will require a certain amount of pump priming this reserve gives the PCC the flexibility to invest in various areas. |
| SPR Project | Issues exist with the retention and disposal of evidence, this fund will pay for a 3 year project to improve the management of assets and reduce the current holding. |
| IOM Reserve | Partnership funding provided to specifically improve Offender Management in a collaborative setting. |
| Equipment Reserve | Funding set aside for operational equipment. |
| 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 change costs |
| MAPPA Reserve | This receives funds from the partners in the Multi Agency Public Protection arena and is spent in line with Board decisions. |
| Local Resilience Forum | This receives funds from the partners in the Local Resilience Forum and is spent in line with Board decisions. |

Wiltshire Police Reserves

Usable Reserves

| Reserve | Actual March 2021 | Forecast March 2022 | Forecast March 2023 | Forecast March 2024 |
|--|-------------------------|---------------------------|---------------------------|---------------------------|
| HO Heading – General Contingency, held in accordance with sound principles of good financial management | | | | |
| General Reserve | £3.328m | £3.428m | £3.428m | £3.428m |
| Chief Constables Operational Reserve | £1.287m | £1.317m | £1.317m | £1.317m |
| Insurance Reserve | £0.400m | £0.400m | £0.400m | £0.400m |
| Seized Asset Reserve (Incentivisation) | £0.192m | £0.192m | £0.142m | £0.092m |
| Ill Health Reserve | £0.385m | £0.240m | £0.160m | £0.080m |
| Major Incident Reserve | £1.277m | £1.341m | £0.841m | £0.341m |
| Council Tax Support Grant | | £0.295m | £0.295m | |
| Officer Intake Strategy | £0.280m | £0.280m | £0.280m | £0.280m |
| HO Heading – Projects and Programmes (to be used over the life of the Medium Term Financial Strategy) | | | | |
| Capital Development Reserve | £2.260m | | | |
| Restructuring Reserve | £0.267m | £0.267m | £0.167m | £0.067m |
| Budget Smoothing Reserve | £0.200m | £0.200m | £0.200m | £0.200m |
| Commissioning Reserve | £0.205m | | | |
| ICT Start Up Reserve | £0.077m | | | |
| Estates Transformation Reserve | £0.100m | £0.050m | | |
| HR Capacity Reserve | £0.072m | | | |
| SCD Vehicles Reserve | £0.073m | | | |
| Equipment Reserve | £0.035m | | | |
| Regional Projects Reserve | £0.383m | £0.133m | | |
| Case Quality Management Res. | £0.030m | | | |
| Coroner Reserve | £0.033m | | | |
| NEP Transition Reserve | £0.101m | | | |
| Training Facility Reserve | | £1.200m | | |
| PCC Transformation Reserve | | £1.000m | £0.500m | |
| SPR Project Reserve | | £0.750m | £0.450m | £0.150m |
| Uniform Reserve | £0.291m | | | |
| PCC Covid Fund | £0.100m | | | |
| Environmental Projects | £0.150m | £0.050m | | |
| Summer Campaign | £0.314m | | | |
| Surge (post lockdown) Fund | £0.048m | | | |
| CIU ISO Project Reserve | £0.149m | | | |

| | | | | |
|------------------------|----------|----------|---------|---------|
| IOM Reserve | £0.031m | £0.031m | | |
| MAPPA Reserve | £0.048m | £0.048m | £0.038m | £0.028m |
| Local Resilience Forum | £0.281m | £0.195m | £0.149m | £0.103m |
| Total | £12.397m | £11.417m | £8.367m | £6.486m |

This page is intentionally left blank