

Decision report: PCC 2018 / 004

Title: Revenue Estimates and Council Tax Precept 2018/19

Executive Summary

The net revenue budget for 2018/19 is £305.994 million which represents an increase of £13.363 million or 3.4%

The revenue budget is fully balanced in all 2018/19 with a 7% (£12m for band D) increase in council tax. This is in-line with my Annual Financial Strategy for 2018/19.

On 22nd December the PCC launched a short public consultation on the proposed increase in council tax for 2018/19. The response deadline was 11th January 2018. In order to reach as many people as possible, it was sent to:

- All users of TVP Alert – at least 80,000 residents
- All town and parish councils
- All councillors from county, unitary and district councils
- All media in the TVP area via a press release
- Regular social media updates via Twitter

In total, 5,600 people voted, of which 4723 or 84.3% voted yes

The medium term financial plan is balanced in all three years (2018/19 to 2020/21) It provides for inflationary increases, limited growth to mitigate increasing demand and complexity in priority areas, as well as essential investment in technology to support transforming service delivery to meet future expectations. This supports the delivery of the Police and Crime Plan and the Force Commitment.

The Force continues to prioritise its work on the Productivity Strategy to ensure resources are directed to priority areas and that services are delivered in the most effective and efficient manner. This work focuses the drive for continuous improvement, improved efficiency and alignment of resources with demand. It will continue to release savings in future years in order to address future unquantified demands and provide additional resource to reinvest in priority policing areas.

The medium term financial plan requires revenue savings of at least £14.3m over the next three years. This is over and above the £99m of cash savings already removed from the base budget in the last seven years (i.e. 2011/12 to 2017/18) meaning that, over the ten year period 2011/12 to 2020/21, in excess of £113m will have been taken out of the base revenue budget.

Recommendation:

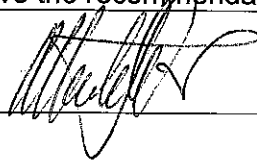
The PCC is asked to APPROVE:

- That the council tax requirement for 2018/19 be set at £162.32m
- The revenue estimates for 2018/19 as set out in Appendix 1
- That the police element of the council tax for 2018/19 be set at £182.28 for properties in Band D, with the charge for other bands as set out in below.

Property Band	Relevant Proportion	PCC element of the Council Tax
A	$\frac{6}{9}$	121.52
B	$\frac{7}{9}$	141.77
C	$\frac{8}{9}$	162.03
D	$\frac{9}{9}$	182.28
E	$\frac{11}{9}$	222.79
F	$\frac{13}{9}$	263.29
G	$\frac{15}{9}$	303.80
H	$\frac{18}{9}$	364.56

Police and Crime Commissioner

I hereby approve the recommendation above.

Signature**Date**

2.2.18

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The PCC is required to notify the Thames Valley Police and Crime Panel of the council tax precept he is proposing to issue for 2018/19.
- 1.2 A report was presented to the Police and Crime Panel on 2nd February 2018 recommending an increase of 7.05% (or £12 for a Band D property) in the police element of council tax for 2018/19. Full details were provided in support of this request and the PCC answered a number of written and oral questions in respect of his draft budget proposals.
- 1.3 The Panel supported the PCC's proposed increase of 7.05% in the police element of council tax.

2 Issues for consideration

- 2.1 The budget for 2018/19 protects and provides some increases, for priority service areas and specialist capabilities in response to the increasing level of complex crime and the current threat levels. It also provides additional investment in the new technologies that will develop the digital police service of the future, as envisaged in the national Policing Vision for 2025. This budget supports the delivery of the Police and Crime Plan and the Force Commitment
- 2.2 The budget requires £2.6m of productivity strategy savings in 2018/19 with a further £11.7m in the following two years. This is over and above the £99m of cash savings already removed from the base budget in the last seven years (i.e. 2011/12 to 2017/18) meaning that, over the ten year period 2011/12 to 2020/21, in excess of £113m will have been taken out of the base revenue budget
- 2.3 The budget is predicated on a recommended 7.05% increase in council tax in 2018/19.

3 Financial comments

- 3.1 The net revenue budget requirement for 2018/19 is £405.994m, which requires an increase in council tax of 7.05%. A copy of the revenue estimates is attached as Appendix 1.
- 3.2 The medium term financial plan, attached at Appendix 2, is currently balanced in all 3 years.

4 Legal comments

- 4.1 The PCC is required to set a net revenue budget that is fully financed by government grants and income from local council taxpayers.
- 4.2 The Police and Crime Panel has approved the proposed increase in council tax precept.

5 Equality comments

- 5.1 No specific implications arising from this report

6 Background papers

Provisional local authority finance settlement 2017/18

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? No


Is there a Part 2 form? No

Name & Role	Officer
Head of Unit The proposed budget for 2018/19 supports the delivery of both the Police and Crime Plan and the Force Commitment. Financially, this is achieved by a 7% increase in council tax and through the identification of £2.6m of Productivity Strategy savings to help balance the budget.	Director of Finance
Legal Advice Under the Police Reform and Social Responsibility Act 2011 the PCC is required to notify the Thames Valley Police and Crime Panel of his proposed precept for 2018/19 by 1 st February 2017. The council tax requirement, precept and council tax levels are to be finally determined by the end of February.	Chief Executive
Financial Advice The revenue budget for 2018/19 requires an increase in council tax of 7.05%. This is below the Government's council tax referendum threshold of no more than £12 for a Band D property. The medium term financial plan is fully funded in all three years	PCC Chief Finance Officer
Equalities & Diversity No specific implications arising from this report	Chief Executive

OFFICER'S APPROVAL

We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.



PCC Chief Finance Officer

Date: 2 February 2018



Director of Finance

Date: 2 February 2018

Thames Valley Police

Medium Term Financial Plan 2018/19 - 2020/21

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Annual Base Budget	392,630,749	405,994,134	419,570,602
In Year Virements (Contra Entry in Funding)	1,590,133	0	0
<u>Inflation</u>			
General	1,433,416	1,167,525	1,183,003
Police Pay	3,193,513	4,024,779	4,094,775
Police Staff Pay	1,971,214	2,369,120	2,433,731
Specific	1,299,480	1,189,786	702,787
Inflation	7,897,623	8,751,210	8,414,296
<u>Productivity Plan</u>			
Collaborative Units	-325,888	-2,592,000	-4,159,000
Structure & Process Reviews	-720,984	0	-2,467,348
Value for Money Reviews	-1,372,370	-862,693	-25,000
Priority Based Budget Review	-141,793	-100,104	-1,459,397
Total Productivity Plan Savings	-2,561,035	-3,554,797	-8,110,745
<u>Committed Expenditure</u>			
<i>Police Officer - Pay Allowances</i>			
9 Compensatory Grant	-27,000	-29,000	0
58 Restructure of Police Housing & Rent Allowance	-171,343	-171,386	-200,000
252 Police Officer Increments Payable	2,115,484	1,715,746	1,705,008
253 Police Officer - Turnover Pay Changes	-3,007,656	-2,284,264	-2,080,204
345 Reserve Funding for Additional Bank Holidays	-370,000	185,000	0
420 Police Officer Non-Consolidated Pay Award	650,000	-650,000	0
422 Vacancy Factor Due to Recruitment Lag	-3,504,960	320,000	448,000
<i>Police Officer - Pay Allowances</i>	<i>-4,315,475</i>	<i>-913,904</i>	<i>-127,196</i>
<i>Police Staff - Pay Allowances</i>			
7 Committed Police Staff Pay Performance Award	320,000	460,000	425,000
8 Police Staff Performance Award from July	1,380,000	1,240,000	1,275,000
265 Police Staff - Turnover Pay Changes	-350,000	-350,000	0
346 Reserve Funding for Additional Bank Holidays	-60,000	30,000	0
372 Apprentice Scheme Levy Income	-500,000	-250,000	0
<i>Police Staff - Pay Allowances</i>	<i>790,000</i>	<i>1,130,000</i>	<i>1,700,000</i>

Legal & Compliance				
416	NPAS Increase in Charges	112,012	0	0
430	Review of External Audit Fees	-15,978	0	0
Legal & Compliance		96,034	0	0
Committed Expenditure		-3,429,441	216,096	1,572,804

Current Service

Support Services				
48	Changes in Debt Charges	65,499	64,598	126,620
299	Community Safety Fund - Expenditure	100,000	0	-100,000
405	Abingdon PFI Contract Renegotiation	0	-250,000	0
429	Case Investigators to Offset Officer Shortage	3,040,000	-320,000	-320,000
433	Increase in Police Staff Overtime for FISO	250,000	0	0
Support Services		3,455,499	-505,402	-293,380
Income				
232	Changes to Firearms Licensing Income	86,658	-92,346	0
Income		86,658	-92,346	0
Current Service		3,542,157	-597,748	-293,380

Improved Service

<i>Support Services</i>				
373	Technology & Infrastructure Investment	2,200,000	6,300,000	5,000,000
376	Police Officer Redeployment	393,750	0	0
402	CMP Programme Additional Growth	791,932	0	0
423	ESN Implementation Costs	0	381,600	381,600
425	Growth for CSE Researchers	59,000	0	0
426	CSE/PVP Review and Uplift	517,873	0	0
427	MASH Review and Restructure	105,000	0	0
431	Contribution to SERIP	320,000	0	0
432	Increase in Major Operations Team	146,000	0	-146,000
<i>Support Services</i>		<i>4,533,555</i>	<i>6,681,600</i>	<i>5,235,600</i>
<i>Legal & Compliance</i>				
418	HVM Works for Windsor Security	250,000	-250,000	0
<i>Legal & Compliance</i>		<i>250,000</i>	<i>-250,000</i>	<i>0</i>
<i>Specific Revenue Funded Projects</i>				
254	Data Centre Resilience	-520,000	0	0
325	Langford Locks A/C Replacement	-250,000	0	0
354	KFC - Ground Floor Electrical Works	175,000	-200,000	0
355	Lodden Valley - Custody Ventilation	-190,000	0	0
381	ICT - Investment for Rationalisation	0	-822,000	-164,400
395	Maintenance Fountain Court	-180,000	0	0

398	Temporary Growth for CRED Staff	-770,000	0	0
410	UCPI - IICSA Public Enquiries	0	-197,000	0
411	Lodden Valley - Lighting and Asbestos	165,000	-165,000	0
412	Maidenhead Lighting & Asbestos	415,000	-415,000	0
413	Newbury Heating	0	130,000	-130,000
414	Meadow House Air Conditioning	0	440,000	-440,000
415	ICT 2020 Programme Resources	-309,253	0	0
<i>Specific Revenue Funded Projects</i>		<i>-1,464,253</i>	<i>-1,229,000</i>	<i>-734,400</i>
<i>Ring Fenced Specific Grant</i>				
384	CTSFO Expenditure Uplift	-339,000	0	0
<i>Ring Fenced Specific Grant</i>		<i>-339,000</i>	<i>0</i>	<i>0</i>
<i>ICT Projects</i>				
391	Application, Infrastructure Monitoring	9,500	0	0
393	Portfolio/Programme Management Tool	19,500	0	0
394	Service Desk Co-Sourcing	68,500	0	0
396	Corporate Wi-Fi	166,000	0	0
424	ICT Roadmap Critical Items - Revenue Consequence	1,639,000	2,042,000	154,000
<i>ICT Projects</i>		<i>1,902,500</i>	<i>2,042,000</i>	<i>154,000</i>
Improved Service		4,882,802	7,244,600	4,655,200

In Year Appropriations From Reserves

<i>Appropriations from Performance Reserve</i>				
185	Appropriation from Improvement Performance Reserve	1,614,253	1,229,000	734,400
<i>Appropriations from Performance Res</i>		<i>1,614,253</i>	<i>1,229,000</i>	<i>734,400</i>
<i>Appropriations from General Balances</i>				
334	Appropriation to General Reserves	146,893	-146,893	0
347	Reserve Funding for Additional Bank Holidays	430,000	-215,000	0
421	Police Officer Non-Consolidated Pay Award	-650,000	650,000	0
434	Community Safety Funding From Earmarked Reserve	-100,000	0	100,000
<i>Appropriations from General Balances</i>		<i>-173,107</i>	<i>288,107</i>	<i>100,000</i>
In Year Appropriations From Reserves		1,441,146	1,517,107	834,400

Net Budget Requirement	405,994,134	419,570,602	426,643,177
Percentage Budget Increase	3.40%	3.34%	1.69%
Cash Budget Increase	13,363,385	13,576,468	7,072,575

Funded By:

Opening Budget	-392,630,749	-405,994,134	-419,570,602
In Year Funding Virements	-1,590,133	0	0

Funding Changes

<i>Formula Grant</i>			
274 Police Grant Funding Changes	0	0	0
304 Formula Grant Allocation Changes	0	0	0
<i>Formula Grant</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Specific Grants</i>			
303 Changes to Loan Charges Grant	101,679	37,554	5,250
<i>Specific Grants</i>	<i>101,679</i>	<i>37,554</i>	<i>5,250</i>
<i>Council Tax Requirement</i>			
305 Council Tax Precept Requirement	-12,820,450	-13,614,022	-7,077,825
307 Council Tax - Surplus on Collections	606,519	0	0
<i>Council Tax Requirement</i>	<i>-12,213,931</i>	<i>-13,614,022</i>	<i>-7,077,825</i>
<i>Ring Fenced Specific Grant</i>			
383 CTSFO Uplift	339,000	0	0
<i>Ring Fenced Specific Grant</i>	<i>339,000</i>	<i>0</i>	<i>0</i>
Funding Changes	-11,773,252	-13,576,468	-7,072,575
Total External Funding	-405,994,134	-419,570,602	-426,643,177

<i>Cumulative Shortfall / (Surplus)</i>	0	0	0
--	----------	----------	----------

<i>Annual Shortfall / (Surplus)</i>	0	0	0
--	----------	----------	----------

Revenue Budget Summary 2018/19

	2017/18 Budget	Inflation	Savings	Virements	Growth	2018/19 Budget
PCC Controlled Expenditure						
Office of the PCC	£1,012,920	£17,873	-30,000	21,166	17,708	£1,039,667
Democratic Representation	£201,461	£3,470	-9,171	11,910	0	£207,670
Other Costs	£213,039	£3,818	-12,779	0	-9,977	£194,101
Commissioned Services	£5,814,579	£62	0	3,537	100,000	£5,918,178
	£7,241,999	£25,223	-51,950	36,613	107,731	£7,359,616
TVP Operational Budget - Direction and Control of Chief Constable:						
Employees	£329,586,338	£5,329,066	-1,149,293	-524,617	396,990	£333,638,484
Premises	£17,491,085	£615,626	-623,904	-3,835	-385,000	£17,093,972
Transport	£8,637,669	£270,791	-260,000	-250,218	0	£8,398,242
Supplies & Services	£51,183,821	£1,457,328	-1,156,965	746,897	3,222,301	£55,453,382
Third Party Payments	£11,821,129	£199,589	0	-2,877,611	279,462	£9,422,569
Force Income	-£31,250,974	£0	681,077	3,990,503	-891,465	-£27,470,859
	£387,469,068	£7,872,400	-2,509,085	1,081,119	2,622,288	£396,535,790
Net Capital Financing Costs:						
Capital Financing	£2,483,962	£0	0	254,485	2,265,499	£5,003,946
Interest on Balance	-£500,000	£0	0	0	0	-£500,000
	£1,983,962	£0	0	254,485	2,265,499	£4,503,946
Appropriations to/from Balances:						
Appropriations	-£4,064,280	£0	0	217,916	1,441,146	-£2,405,218
	-£4,064,280	£0	0	217,916	1,441,146	-£2,405,218
Cost of Services	£392,630,749	£7,897,623	-2,561,035	1,590,133	6,436,664	£405,994,134
Funded By:						
Council Tax - Surplus on Collection	-£2,374,977	£0	0	0	606,519	-£1,768,458
Council Tax Precept Income	-£149,500,377	£0	0	0	-12,820,450	-£162,320,827
Formula Grant	-£72,854,799	£0	0	0	0	-£72,854,799
Legacy Council Tax Grants	-£15,278,329	£0	0	0	0	-£15,278,329
Police Current Grant	-£139,248,551	£0	0	0	0	-£139,248,551
Specific Grant	-£13,373,716	£0	0	-1,590,133	440,679	-£14,523,170
	-£392,630,749	£0	0	-1,590,133	-11,773,252	-£405,994,134
Total Funding	-£392,630,749	£0	0	-1,590,133	-11,773,252	-£405,994,134