

AVON AND SOMERSET POLICE AND CRIME PANEL

REPORT OF THE POLICE AND CRIME COMMISSIONER

6 FEBRUARY 2013

FORMAL SCRUTINY OF THE BUDGET AND PRECEPT

PURPOSE

The purpose of this report is to provide notification to Police and Crime Panel Members of the proposed precept level and supporting budget for their consideration. The Police and Crime Panel has a formal role in reviewing the proposed precept, as set out in Schedule 5 of the Police Reform and Social Responsibility Act.

PROCESS FOR DECISION MAKING WITH RESPECT TO THE BUDGET AND PRECEPT

The Police and Crime Panel has been briefed on progress in establishing the budget and proposed precept level throughout the process. The Panel received a presentation on assumptions and progress at their meeting on 10 December 2012 and received a report on the Medium Term Financial Plan at their meeting on 16 January 2013.

The attached report and annexes set out the proposed precept level and supporting budget for formal consideration by the Police and Crime Panel. The report will be subject to consideration at the Joint Police and Crime Commissioner (PCC) and Constabulary Finance Meeting on 31 January 2013. The report will be reissued to the Police and Crime Panel for formal consideration at their meeting on 6 February 2013 in accordance with the statutory timetable laid out in regulations (as set out below):

Regulations require:

- The PCC to notify the Panel of the proposed precept **by 1 February 2013**
- The Panel to review and make a report to the PCC on the proposed precept **by 8 February 2013**
- Should the Panel veto the precept, the PCC must have regard to, respond to the Panel's report and publish a response and revised precept **by 15 February 2013**

In order to ensure that stakeholders are kept informed of the budget setting process, the Police and Crime Commissioner will issue to billing Authorities a copy of the final report and recommendations submitted to the Panel on 31 January 2013.

RECOMMENDATIONS

The Panel is invited to consider the proposed precept and supporting budget as set out in the report and annexes attached and formally review the proposed precept as

according to the requirements set out in Schedule 5 of the Police Reform and Social Responsibility Act.

Contact Officer

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AVON & SOMERSET POLICE AND CRIME COMMISSIONER

FINANCE MEETING

31 JANUARY 2013

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REVENUE BUDGET AND CAPITAL PROGRAMME 2013/14

PURPOSE

1. The primary purpose of this report is to enable review of the proposed revenue budget and capital programme for 2013/14. The report therefore brings forward the proposed budget of the PCC, including the decision to freeze our Council Tax precept and accept the grant from central Government which will provide one-off grant funding equivalent to a 1.0% precept increase in 2013/14 and 2014/15.
2. In addition to this the report also sets out our assessment of the financial position beyond 2013/14 into the medium term, however the further into the future our projections go the more uncertain this information becomes.

EXECUTIVE SUMMARY

3. **Revenue Budget:** The table below sets out the proposed balanced revenue budget for 2013/14 and the forecast position beyond this based on our current plans and assumptions.

	CURRENT CSR		NEW CSR	
	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Constabulary	275,809	276,121	283,448	292,689
Office of the PCC	1,450	1,475	1,500	1,530
Community Safety	2,403	2,280	2,223	2,166
Budget Requirement	279,662	279,876	287,171	296,385
Main Grant Funding	(177,348)	(167,126)	(162,948)	(158,770)
Council Tax Funding	(84,678)	(85,948)	(87,237)	(88,546)
Collection Fund Surplus	(552)	-	-	-
Council Tax Support Grant	(11,343)	(11,342)	(11,342)	(11,342)
Council Tax Freeze Grant	(3,338)	(3,338)	-	-
Other Grant Funding	(2,403)	(2,280)	(2,223)	(2,166)
TOTAL Funding	(279,662)	(270,034)	(263,750)	(260,824)
Deficit/(Surplus)	-	9,842	23,421	35,561

- Our proposed revenue budget for 2013/14 is £279.66m;
- The budget reflects a decrease of £2.98m (1.05%) on 2012/13;
- The decrease is greater, at £5.02m (1.78%) if the impact of the community safety funding (newly received in 2013/14) is removed;

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- The budget is balanced against our in-year funding streams, without the need to rely on reserves;
- The proposed council tax precept is frozen for the third year running at £168.03 for an average band D property;
- The balanced position presented is only achieved after £9.6m of additional savings have been introduced in 2013/14 (being £6.6m of new savings as flagged to the Panel last meeting and £3m of savings already identified);
- When added to the £24.9m of savings achieved during 2011/12 and 2012/13, the cumulative CSR savings in 2013/14 are £34.5m;
- Beyond 2013/14 we recognise that there remains a deficit position to balance, and it is the intention of the PCC and the Constabulary to work closely to identify opportunities for closing this budget gap.

4. **Capital Budget:** The table below sets out the proposed capital programme for 2013/14, followed by the indicative plan for the following four years. This includes details of both planned expenditure and funding.

	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Info and Communication Systems	5,843	2,764	818	1,135	2,917
Property	2,750	4,035	2,750	1,000	750
Vehicles	2,541	3,285	3,165	2,241	2,145
Equipment	475	475	475	475	475
TOTAL Expenditure	11,609	11,009	7,208	4,851	6,287
Capital Grant Funding	(2,320)	(2,400)	(2,400)	(2,400)	(2,400)
Revenue Contribution	(740)	(740)	(740)	(740)	(740)
Earmarked Reserve Funding	(3,000)	-	-	-	-
Capital Receipts Funding	(5,549)	(6,740)	(3,250)	(250)	-
Borrowing	-	(1,129)	(818)	(1,461)	(3,147)
TOTAL Funding	(11,609)	(11,009)	(7,208)	(4,851)	(6,287)

- The proposed capital budget for 2013/14 is £11.6m;
- Included within the 2013/14 proposed expenditure is provision for:-
 - i. Introduction of a new crime, intelligence and custody management system;
 - ii. Upgrades to custody facilities at Yeovil to ensure ongoing Health and Safety compliance;
 - iii. Ongoing Fleet replacement programme.
- The plan is only indicative at this stage, with much of the details projects still requiring firm business cases to be completed before expenditure begins to be incurred;
- The funding of the 2013/14 capital programme does not require any additional borrowing at this stage, relying as it does on a combination of capital grant, earmarked reserve funding and capital receipts;

- Borrowing thereafter has been minimised, with other funding streams exhausted before borrowing is undertaken;
- Where borrowing has been required the revenue costs of servicing this debt have been factored into our revenue budget requirement.

BACKGROUND

5. The funding of policing in England and Wales continues to operate to the substantial disadvantage of the communities of Avon and Somerset. The formula which distributes central government funding identifies that our need is greater than the actual amount received. This reduction in funding occurs to ensure that other Police Forces, whose historic funding levels are greater than their assessed needs, do not see a substantial reduction in their grant funding year on year. In the eight years up to the end of 2013/14 funding of policing in Avon & Somerset will have been nearly £110m (7.3%) less than our assessed need, making Avon & Somerset the second worst grant funded policing area in England.
6. The reality of this financial context means that Avon and Somerset has had to undertake a series of transformations, not only designed to improve performance but also to deliver savings. Even before the current economic crisis and the resultant funding reductions announced through the CSR, Avon and Somerset Constabulary with the support of the Police Authority, was transforming its operations – rolling out a programme of workforce modernisation, investing in our protective services, and joining Southwest One in order to transform our back office support functions in collaboration with local authority partners.
7. In applying the funding reductions announced in the CSR, central government did not give any consideration of the relative position of Constabularies throughout the Country. When first announced Avon and Somerset estimated it required annual savings of £40m to be achieved by the end of the CSR. However, these savings would be in addition to those transformational savings that had been previously delivered and on top of the continued application of the damping mechanism in the funding formula.
8. Despite this background Avon and Somerset Constabulary and Police Authority have tackled these challenges head on, but have done so in a considered and iterative manner. In so doing we have recognised that there remain many uncertainties in our future funding streams and forward financial plans, as well as an ongoing need to maintain a policing service that has the confidence of our communities. To date this approach has been effective, delivering the savings required to balance the 2011/12, 2012/13, and (as we shall see in this paper) 2013/14 budgets, and seeing continued improvements in performance.
9. We hope to continue with the same degree of success, however we recognise the ever increasing challenge of finding savings out of a budget which has already delivered significant savings to date. The arrival of a new Chief Constable therefore presents an opportunity to take stock, reflect on where the current set of savings plans, and review the forward structure and plan for the Constabulary and wider community safety initiatives. Until we have had a chance to conclude such work we cannot provide certainty on exactly how the future deficit will be closed.

FUNDING - GRANTS

10. The PCC for Avon & Somerset receives central government grant funding which provides the majority of the funding for the budget requirement for policing and community safety. In 2013/14 our main grant funding from the Home Office and DCLG will be £177.35m. When the community safety funding (£2.4m) is added to this the total anticipated grant funding will be £179.75m, which represents 64.3% of our total funding.
11. The community safety funding is (substantially) new money to the PCC, however it is not new money in support of community safety. The majority of this funding was previously provided to local authorities and their partners. Providing comparative data for this funding is not possible as the precise detail of what funding streams this has now replaced has not been made available.
12. In order to assess the grant funding position through the CSR to date, and going forward it is necessary to consider all grant funding, both that which has ended and new grants that have been introduced. The following table therefore sets this out:-

	OLD CSR	CURRENT CSR				NEW CSR	
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Home Office Grant	111,385	120,928	112,691	115,804	109,130	106,402	103,674
DCLG Grant/NNDR	74,677	64,344	60,166	61,543	57,996	56,546	55,096
Neighbourhood Policing	7,357	7,356	7,313	-	-	-	-
Crime Fighting Fund	5,686	-	-	-	-	-	-
Additional Rule 2 Grant	4,730 ¹	-	-	-	-	-	-
BCU Grant	1,400	-	-	-	-	-	-
Community Safety Grant	378 ²	375	356	2,403	2,280	2,223	2,166
TOTAL GRANT	198,256	193,003	180,526	179,750	169,406	165,171	160,936
Cumulative Movement (£)		(5,253)	(17,730)	(18,506)	(28,850)	(33,085)	(37,320)
Cumulative Movement (%)		(2.6%)	(8.9%)	(9.3%)	(14.6%)	(16.7%)	(18.8%)

13. As is demonstrated in this table the Government have consolidated a number of specific purpose grants into our main grant funding (being that from the Home Office and DCLG). The addition of the community safety grant funding in 2013/14 offsets the decreases in funding seen elsewhere, and we anticipate that this will be reduced in future years and probably (although not reflected in the table above) this funding will also be consolidated into our main grant funding.
14. The distribution of the main grant funding is driven by a formula which, as identified above, operates to the significant financial disadvantage of the communities of Avon and Somerset. The application of damping in the

¹ This funding was the subject of an in-year reduction in 2010/11 of £2.57m (amended grant value was £2.16m) following review of the new coalition Government who came into office in May 2010.

² This reflects the drug intervention funding previously received by the Police Authority which is now included within the community safety funding

formula was the subject of Home Office consultation during 2012, however the conclusions reached by the Home Office are that rather than address damping they will now conduct a full review the entire formula distribution model. We therefore do not expect the status quo to change anytime soon, and are not relying on any benefit which may accrue to Avon and Somerset as a result of this review.

15. Damping is also an important consideration when the government consolidates other funding streams into our main grant. These specific funding streams (like the community safety funding) are currently distributed in such a way so as that they are not the subject of damping. Through the consolidation process these grants will become part of the overall formula, and (unless ring-fenced within the calculations) will become the subject of damping. If this happens the funding that Avon and Somerset receives will in effect be cut twice – once for austerity measure, and again for damping. This is an unacceptable position for us, and we are working hard to ensure that Government knows of our concerns here.

FUNDING – COUNCIL TAX

16. **Council Tax Precept:** The proposed council tax precept for 2013/14 remains at £168.03 for an average band D property, and is therefore frozen at the same level as for 2011/12 and 2012/13. The decision to freeze reflects the commitment made by the PCC to recognise the tight financial constraints of many of our local council taxpayers.
17. This average band D position places Avon & Somerset about average for all policing areas across England. We do not know the outcome of other precept decisions being taken in advance of the 2013/14 budget, but we know from analysis of the 2012/13 position that the average across all policing areas in England was £162.51³, placing Avon & Somerset at £5.52 (3.4%) above average.
18. The 2012/13 range of average band D precepts across English policing areas is very wide, with £83.68 (Northumbria Police) being the lowest rising to £204.55 (North Yorkshire) as the highest. When compared to our five neighbouring forces in the Southwest we are in the middle, with two that have lower precepts (Wilts - £157.77; Devon & Cornwall - £159.73) and two that have higher precepts (Dorset - £180.00; Gloucestershire - £199.69).
19. Beyond 2013/14, in accordance with the requests made by the panel, we are presenting an assumed increase in the precept of 1%. This is merely a modelling scenario at this stage, and does not reflect the intentions of the PCC. A decision on the future of the precept can only be reached after a full review of the other options available to close the budget deficit, which the PCC plans to embark upon in conjunction with the Constabulary over the coming months in advance of the 2014/15 budget setting process.

³ This average rises to £169.90 when only non-metropolitan policing areas are considered, and therefore Avon & Somerset is £1.87 (1.1%) below the average of these policing areas.

20. **Collection Fund Surplus:** the PCC also has to account for a one-off adjustment in recognition of the deficit or surplus position on the individual collection funds of each of the 9 councils who collect council tax on our behalf. The individual position for each Council is reported in the table below:-

Local Collecting Authority	(Surplus)/Deficit £
Bath & North East Somerset Council	(23,000)
Bristol City Council	82,531
North Somerset Council	(131,800)
South Gloucestershire Council	(159,652)
Mendip District Council	(71,592)
Sedgemoor District Council	(202,795)
South Somerset District Council	(6,861)
Taunton Deane Borough Council	(25,600)
West Somerset District Council	(13,225)
TOTAL (Surplus)/Deficit	(552,173)

21. We have therefore included a total one-off adjustment to our income of £0.55m, which will be paid to us by each of the collecting Authorities in October 2013. Beyond 2013/14 we have made no assumptions about the likely impact of future collection fund deficits or surpluses. This position recognises the uncertainty of these surpluses, particularly in this year of change as we manage the risks associated with the implementation of new local discount schemes (e.g. increase in bad debt, increase in those claiming a “discount” compared to those claiming a “benefit” etc...).
22. **Council Tax Freeze Grants:** As with previous years, the decision to freeze the precept does attract additional, but time limited, grant funding:-
- In 2011/12 we were provided with a grant equivalent to a 2.5% precept increase (£2.37m), which we would receive each year during the four years of the current CSR. We are therefore assuming that this grant funding will be lost from 2015/16;
 - In 2012/13 we were provided with an additional grant equivalent to a 3.0% precept increase (£2.88m), which was only received in that year, and therefore this funding has not been continued into 2013/14; and
 - In 2013/14 the decision to freeze our precept once more will attract a grant equivalent to a 1.0% precept increase (£0.97m)⁴, which we will receive in both 2013/14 and again in 2014/15. We are therefore assuming that this grant funding will be lost from 2015/16.
23. Because of the time limited nature of this funding, the medium and long-term impacts of the decision to freeze will require the PCC and Constabulary to identify further savings. Because of this impact 18 police force areas did not freeze their precept in 2012/13, whereas 19 (including Avon & Somerset) did.

⁴ This is calculated against the council tax base prior to the adjustment made as a result of the changes to Council Tax benefit explained in more detail later in the report.

Only time will tell whether there is a similar outcome during the 2013/14 budget setting process.

24. **Council Tax Benefit/Discount Scheme and the Tax base:** As already reported to the panel, from 1st April 2013 the previous council tax benefit scheme is being abolished to be replaced by locally designed council tax discount schemes. As this is a discount scheme, the households anticipated to be in receipt of the discount are removed from the Taxbase, rather than the Taxbase being calculated at 100% regardless of whether benefit would be awarded or not. This has the impact of reducing our Taxbase, and in so doing reducing the value of any future precept increases.
25. With the exception of one council⁵, each of our local authority partners has now approved their local discount schemes, and in so doing set the new tax base on which our precept will be applied. The table below sets out the tax base position across our local authorities.

	2012/13	2013/14		2013/14	
	Tax base	Before discount scheme Tax base	% Change	After discount scheme Tax base	% Change
Bath & North East Somerset	64,440	65,750	2.03%	59,630	(7.88%)
Bristol	137,089	137,633	0.40%	113,099	(17.50%)
North Somerset	78,839	78,977	0.18%	70,871	(10.11%)
South Gloucestershire	91,371	93,378	2.20%	82,868	(9.31%)
TOTAL Avon Area	371,739	375,739	1.08%	326,198	(12.25%)
Mendip	40,818	41,197	0.93%	36,498	(10.58%)
Sedgemoor	40,874	41,545	1.64%	36,244	(11.33%)
South Somerset	61,175	61,518	0.56%	54,871	(10.31%)
Taunton Deane	41,216	42,260	2.53%	37,281	(9.55%)
West Somerset	14,785	14,854	0.46%	12,862	(12.93%)
TOTAL Somerset Area	198,868	201,375	1.26%	177,755	(10.57%)
TOTAL Avon & Somerset	570,607	577,114	1.14%	503,953	(11.68%)

26. As the table above demonstrates the Taxbase in those authorities within the Avon area accounts for approximately 65% of the total Taxbase, with the Somerset area accounting for 35%. Bristol is the single largest Taxbase area, accounting alone for 22% of the total 2013/14 adjusted Taxbase.
27. As can be seen from the above Bristol is the single biggest reduction in Taxbase and as a result this is having a material impact on the overall size of reduction seen. The large reduction seen in Bristol reflects the higher number of overall council tax benefit recipients in this area compared to others, combined with the decision by the Mayor of Bristol to implement a local discount scheme that continued to operate the same entitlement rules for discount as were previously in place for the benefit. We're told that the intention of the Council is to review this decision over the course of the next year, and potentially implement a new scheme from 2014/15.

⁵ Sedgemoor DC are due to approve their scheme and Taxbase on 31st March 2013

28. Beyond Bristol, the size and scale of impact on our Taxbase is relatively consistent, with BANES seeing the smallest decrease (7.88%), and West Somerset (12.93%) the highest after Bristol. The reason for the variation will be dependent on many factors, including the scale of new housing, the base position of benefit claimants and the profile of these between those above state pension age (excluded from this change) and those of working age, the design of the local scheme adopted and the assumptions made around collection rates.
29. **Local Council Tax Support Grant:** At the same time as the abolition of the current council tax benefit arrangements the Government intends to cut its grant funding by c.10%, and to pay this grant directly to individual authorities rather than to the collecting authority. This grant funding, known as the “local council tax support grant”, will be paid directly to the PCC and (in theory at least) represents approximately 90% of the funding that would have been paid to our local collecting authorities. The value of this grant is due to be £11.34m in 2013/14.
30. Beyond 2013/14 there is little clarity as to how this grant will be calculated. We have assumed at this stage that the grant will continue at its current value across the MTFP. However, we recognise the risk in this assumption, and that there are alternative scenarios which include:-
- Grant is subject to the same austerity cuts as other grants;
 - Grant is rolled into our main grant funding, and subject of damping; or
 - Combination of both – leading to double cut to funding as both austerity and damping have an impact.
31. We will continue to monitor the position in relation to this grant, and if necessary we will update our planning assumptions accordingly.
32. **Council Tax – bringing it all together:** In order therefore to assess the council tax funding position both historically to date, and across the MTFP it is necessary to consider a number of different funding streams in order to provide a comparative position.

	OLD CSR	CURRENT CSR				NEW CSR	
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax Precept	(94,230)	(94,776)	(95,879)	(84,678)	(85,948)	(87,237)	(88,546)
Collection Fund Surplus	(425)	(217)	(989)	(552)	-	-	-
2011/12 Freeze Grant	-	(2,369)	(2,369)	(2,369)	(2,369)	-	-
2012/13 Freeze Grant	-	-	(2,876)	-	-	-	-
2013/14 Freeze Grant	-	-	-	(969)	(969)	-	-
Council Tax Support Grant	-	-	-	(11,343)	(11,342)	(11,342)	(11,342)
TOTAL COUNCIL TAX	(94,655)	(97,362)	(102,113)	(99,911)	(100,628)	(98,579)	(99,888)
Cumulative Movement (£)		(2,707)	(7,458)	(5,256)	(5,973)	(3,924)	(5,233)
Cumulative Movement (%)		(2.86%)	(7.88%)	(5.55%)	(6.31%)	(4.15%)	(5.53%)

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33. As the above table demonstrates the total council tax funding in 2013/14 is £99.9m, which represents 35.7% of our total funding. This funding is a reduction of £2.2m (2.6%) on our funding in 2012/13.
34. The reduction is a result of a number of factors as can be seen from the table, which include:-
- Reduction in the council tax precept following the reduction in Taxbase which is the impact of the changes to council tax benefit;
 - Reduction in the council tax surplus from that received in 2012/13, although as the previous three years show this can be quite volatile and therefore difficult to predict;
 - Loss of the 2012/13 council tax freeze grant funding, which was only provided for one-year;
 - Introduction of new freeze grant for 2013/14 which is worth less than the 2012/13 grant lost as a result of this grant being based on value of a 1% increase as opposed to a 3% increase which was used in determining the value of the 2012/13 grant;
 - Introduction of the new council tax support grant which reflects the reduced funding that was previously provided to councils in the form of the council tax benefit grant and which is now paid to us to compensate for the reduction to the council Taxbase.

BUDGET REQUIREMENT

35. There are three distinct elements of the budget requirement, as set out in the table below:-

	CURRENT CSR				NEW CSR	
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000
Constabulary	289,108	281,239	275,809	276,121	283,448	292,689
Office of the PCC	1,259	1,400	1,450	1,475	1,500	1,530
Community Safety	-	-	2,403	2,280	2,223	2,166
Budget Requirement	290,367	282,639	279,662	279,876	287,171	296,385

36. **Office of the PCC:** This budget supports the direct costs of the PCC and her team including corporate costs which have historically been accounted for within the Police Authority budget (e.g. audit fees, treasury management, custody visiting, subscriptions to ACPO/APCC/PATS etc).
37. The PCC plans to operate her office with a £1.45m budget inherited from the transition arrangements set in place by the former Police Authority ("PA"). The 2012/13 budget was £1.42m. The Police Authority had, via their successful transition program, reconfigured and strengthened the office team during 12/13 to support an incoming PCC and had invested in additional capacity to cover a different workload and the loss of coverage from PA Members.
38. The PCC will review her team during 2013 as the demand on the office becomes clearer and the initial peak of work is completed. It is already clear that the workload has increased significantly in the areas of public contact, media interest, communications, community safety funding and commissioning. The PCC will seek the most efficient ways of working with the Force and partners to manage the demands.
39. Savings from 8 months Members costs (£180k) that were in the 2012/13 spend and are no longer required in 2013/14 have been reinvested to support the cost of the PCC (more than ½ of this) and provide some additional staff, capacity and resources to address the increased workload in communications, media, engagement and public contact to support the PCC and her objectives.
40. The PCC will assess during 2013 the need for a Deputy and how best to manage the requirements for increased media/communications, increased contact from/to the public and establishing a commissioning process.
41. **Community Safety Commissioning:** The new community safety grant for 2013/14 for Avon & Somerset PCC has been confirmed as £2.4 million and is an amalgamation of ***various different funding streams*** from the Home Office previously allocated on a series of ***different funding formulas*** to Local Authorities for Community Safety, Youth Offending Teams, Positive Futures and Drugs and Alcohol Teams.
42. This new fund appears to be circa 11% less than the sum of the various Home Office funding streams given to the equivalent crime/drugs/community partners/projects in 2012/13. However, the Home Office is being rather opaque about which previous funding streams have stopped and is not providing reconciliation from one year to the next.
43. The PCC has developed a model to enable fair and transparent distribution of these funds and also to prioritise key priority areas from the manifesto and has met with BCU commanders and is meeting Community Safety Partnership (CSP) representatives to discuss these plans.
44. Final allocations will be agreed later in February, following consideration of all the feedback from CSPs, but in principle the PCC has said that the community safety fund will:

Community Safety Fund – Principles:

- Fund projects and outcomes, not posts;
 - Provide consistency in this transition year where possible;
 - Be issued against defined and measurable outcomes set out clearly in business cases;
 - Be distributed equitably and fairly across the force area; and
 - Be tracked during the year, with evidence of outcomes measured.
45. The summary allocations of this budget in 2013/14 are subject to final review of business cases hence still show a range of outcomes. The current indicative position is as follows:-
- Centrally commissioned and transitional items:-
 - i. DIP test on arrest (force wide) – circa £350k
 - ii. YOT funding (force wide) - £200k - £250k
 - iii. ISVA funding (force wide) - £100k
 - iv. Positive Futures (continuity of existing projects) – up to £200k still under review and short term extensions being considered
 - v. CJ board (additional funding in addition to funded post) - £0 - £35k
 - vi. Drugs treatment for arrest referrals (funding DAAT) – focus on criminal justice intervention teams (force wide) - £750k - £850k
 - PCC's Community Safety Fund (allocate force wide per PCC funding formula) – circa £700k - £850k
46. The PCC's Community Safety Fund will be issued to the Community Safety Partnerships in the Force area according to a weighted formula based on:
- Crime (Home office 2011/12 total recorded crime in area) - 33%;
 - Population (ONS census 2011) - 50%;
 - Deprivation (DCLG 2010 English indices of deprivation) - 17%
47. This formula was (with one exception) widely accepted by CSPs at the consultation meetings and creates the following distribution of the PCC Community Safety Fund:-
- Bristol - 37%
 - Somerset (E&W) - 29.7%
 - South Glos - 12.7%
 - North Somerset - 11.6%
 - B&NES - 9%
48. **Constabulary:** This remains the largest part of the overall budget requirement, supporting the continued operations of the Constabulary in providing a policing service to the communities of Avon & Somerset.
49. The total budget for the Constabulary in 2013/14 is £275.8m, a net reduction of £5.4m (1.9%) when compared to 2012/13. In order to balance in 2013/14 the Constabulary has identified savings of £9.4m which, when added to

previously delivered savings, takes our total savings since the beginning of the CSR to £34.3m.

50. Subjective analysis (i.e. type of spend) - This provided within the detailed MTFP shown at Annex A. This shows that there have been net reductions in a number of our areas of spend, including Employee costs, Transport related costs, Supplies and Services, Third party payments (partnerships), as well as an increase in our income budgets.
51. Management Structure analysis - The table below provides an alternative look at the 2013/14 budget across our summary management structure, further detail is provided at Annex B.

	2012/13 £'000	2013/14 £'000	Difference £'000	Difference %
Operational Districts	136,635	118,103	(18,532)	(13.56%)
Operational Support Departments	65,482	79,454	13,972	21.34%
Organisational Support Departments	21,365	21,488	125	0.58%
Client Services	33,581	35,065	1,484	4.42%
Central Pay & Allowances	15,161	13,609	(1,552)	(10.24%)
Miscellaneous & Contingency	7,270	8,090	997	13.91%
Unallocated Growth	1,745	0	(1,845)	(100.00%)
Net Expenditure	281,239	275,809	(5,352)	(1.90%)

52. The picture painted by the above table may at first look confusing, but the reality is that the degree of centralised functions away from District into specialist HQ departments has resulted in a reduction of budgets within our Operational Districts:-
- Operational Districts – The reduction in budgets here is a reflection of the numerous functions which have been centralised under the control of another department. Functions which have now been centralised include, Crime Scene Investigation Teams, Public Protection Units, Prisoner Handling, Criminal Justice Teams, and Detained Property Clerks. In addition to these operational teams being moved, we have also centralised our utilities budgets to sit within our Estates department, and this has further reduced the budgets from District to the centre;
 - Operational Support Departments – The picture here is less simply explained:-
 - i. Communications – the ongoing savings within this department have been offset by an increase in costs for Airwave (radio) licences resulting in the year-on-year increase with this budget;
 - ii. Criminal Justice – the centralisation of criminal justice teams from District into the Criminal Justice department is the reason for the increase in this budget;
 - iii. HQ CID – the centralisation of PPU, CSI and some other functions into this department is the reason for this increase in budget;
 - iv. Scientific Investigations – The reduction here continues our squeeze on our external forensic costs, which have been

- achieved through improved contracts in this area, in addition to tighter forensic submission procedures;
- v. Intelligence Directorate – The increase in budget here reflects a few posts which have been restructured into this directorate from HQ CID;
 - vi. HQ Operations – the reduction in budget here reflects the savings made within the Road Policing Unit, offset by the income in relation to the 2013 Glastonbury festival (there was no income in 2012 as there was no festival in that year);
- Organisation Support Departments – The majority of these budgets have reduced, reflecting the savings achieved in this year. However, there are a few highlights which it is worth pulling out and explaining further:-
 - i. Financial Services – The increase in budget here is a consequence of the status of the PFI project. This project has now achieved financial close, however, prior to this achievement we seconded the Deputy Director of Finance, and a Senior Procurement Officer into the project team and, with the agreement of our external auditors, have been treating their salary costs as capital. Now the PFI contract is nearing completion we have brought back the revenue budget in support of their ongoing costs;
 - ii. Admin & Facilities – The increase in budget here reflects the centralisation of the Detained Property Clerks from Districts;
 - iii. Training – The increase in budget here reflects the cost of the 48 new police officer recruits we anticipate joining the Constabulary during 2013/14 (see below);
 - Client Services – The key highlights from this part of the budget include:-
 - i. Estates – The increase in budget here reflects the centralisation of our utilities costs from Districts to place them under central control;
 - ii. Technology Services – The decrease in budget here is the result of the review of our supplies and services budget for IT, and the savings which were identified;
 - iii. Client Services – The main reason for growth in this budget is the same as that for Financial Services (See above). In this instance it is a Senior Estates Projects officer who was seconded to the PFI project, and whose costs we are now returning to revenue;
 - iv. Procurement Savings and Misc – The increase in budget here reflects the reduction in the central target for the achievement of Southwest One procurement savings. Across the ten-year life of our Southwest One contract we are assured both revenue and capital savings of £15m. Initially we included large targets in our budget for the incremental delivery of these savings (targets that would be adjusted as and when the savings were achieved). As

time has progressed we have become better at identifying the forward year effect of the saving and building this into the base budget, rather than setting a central target for the saving to be achieved. This increase is therefore offset by reductions elsewhere in the budget;

- Central Pay – The position here reflects the savings taken out of pay as a result of it being brought under control, offset by the centralisation of the topslice factor applied to all our pay budgets (this was previously distributed across all areas of the budget). In addition to pay there is an increase in pensions costs, and this is a consequence of the inflationary increase to those payments we make to police officers who retired on medical grounds with an additional payment relating to the fact that they retired with an injury incurred whilst on duty;
 - Miscellaneous and Contingency – The increase in contingency reflects the provision made on the assumption that there will be a pay award of 1% for all officers and staff with effect from 1st September 2013. This is held centrally until such time as the pay award is confirmed, at which point we will distribute these funds across individual budget areas.
 - Unallocated Prior Years Growth – This budget line almost entirely is made up of the contingency which we set aside against non-achievement of savings in 2012/13, which has been released and is no longer needed in 2013/14 (see savings below).
53. Savings - The £9.6m of new savings which have been built into the Constabulary's budget in 2013/14, are made up of savings which have been previously planned for (£3.0m) and savings which have been newly identified during the process of producing this budget (£6.6m).
54. The following items make up those savings which have been previously identified:-
- Public Protection Unit (PPU) – During 2011/12 and 2012/13 we have centralised and restructured the PPU, including workforce modernisation of police officer posts into police staff posts. Through this process we have been able to increase our resilience in this vital area of our operations, at the same time as delivering a saving of £0.4m;
 - Operational Districts – Building on the savings within our operational districts delivered in 2012/13, there is an additional saving phased into our 2013/14 of £0.4m. These savings have been delivered at the discretion of our District Commanders so that the achievement delivers minimal disruption to the services offered to our communities;
 - Crime Management - Building on the work to transform our communications department, we have identified savings in the area of crime screening and allocation which enable us to deliver savings totalling £0.8m;
 - Contingency – In setting the 2012/13 budget it was recognised that the delivery of £12.4m of savings identified was going to take time, particularly to ensure that we worked through the correct HR processes where staff were affected by the changes planned. We therefore set aside £1.7m as a contingency to protect ourselves against delays in

the delivery of savings. We are now able to release all of this contingency as the full-year effect of these savings are in place for 2013/14;

- Delay in Student Officer Recruitment - Against all of the above additional savings is a reduction of £0.4m in the saving we previously recognised from delaying the recruitment of student police officers. We plan to recruit 48 new police officers during 2013/14, and as such we have to provide for the costs of these posts whilst they undergo their initial training period. This decision therefore partly undoes the saving previously recognised when recruitment was frozen.

55. In addition to those savings previously identified and planned for, we have identified new savings which have enabled us to balance the 2013/14 revenue budget. The exercise to identify these savings did not seek to build upon the previous transformation work, but rather to apply a greater degree of scrutiny to our base budgets and accounting practices. In so doing we have identified £6.5m of savings which we believe can be taken from the budget with minimal further implementation or impact on service delivery. Areas where these savings have come from include:-

- Centralisation of Pay – During 2011/12 the Constabulary centralised all of its pay budgets, bringing these back under central control rather than under the control of devolved managers. Whilst this action has removed some of the flexibility previously enjoyed by our devolved managers, it has enabled a more strategic approach to the management of risk within our pay budgeting. Under devolved management individual budget holders built up pay reserves enabling them to manage the risk of having to deliver a vacancy topslice as well as providing funds to manage the risk of back-filling long-term absences. Centralising these budgets has enabled these risks to be pooled and managed across the entire Constabulary, and through this process we have been able to remove £3m from our pay budgets, without a single additional post being deleted from the organisation;
- Devolved Budgets – During the detailed budget build process we identified savings from areas of our non-pay devolved budgets. These included:-
 - i. Premises Budgets - £0.33m. The majority of these savings have come from a review of our utilities budgets, utilising the data we're now able to obtain from our automatic meter readings to better inform our budgeting in this area;
 - ii. Travel and Transport Budgets - £0.66m. Following ongoing reviews of the fleet, and increased use of pooled cars (as opposed to employees own vehicles), as well as review of those entitled to receive travel allowances, we have been able to reduce these budgets across the board;
 - iii. Supplies and Services Budgets - £1.81m. Following detailed review and challenge of all devolved budgets we have identified savings across a large range of areas of supplies and services. Savings here include stationery, reprographics, IT expenditure, furniture and equipment;

- iv. Third Party Payments Budgets - £0.28m. The biggest area of saving here is the funding which was provided to our District Commanders based upon the number of second homes in each of our Districts. This funding, which totalled £0.22m, was intended to support ad hoc partnership working initiatives. The removal of this budget will be supplemented by closer working with the PCC around the wider third party commissioning.
 - v. Income Budgets – Net increase of £0.21m. Budgeting for income is something we have sought to improve during the budget setting process. We have therefore grossed out income and expenditure which was previously netted off, and in addition we have pushed devolved managers harder to recognise other income streams into their base budgets. This has, understandably led to a degree of nervousness, but we feel confident that the ability to continue to generate income from multiple areas which can help contribute towards both incremental and overhead costs.
56. The work through which these new savings have been identified does not stop once the budget has been approved. We intend to continue this work, challenging budgets and improving our practices to ensure that every opportunity is taken to identify and deliver further savings here. We feel that this process should be fruitful in identifying further savings in future, but recognise that this alone will not be enough to close the forecast deficit beyond 2013/14.

BALANCING THE REVENUE BUDGET BEYOND 2013/14

57. In the first three years of the CSR the Constabulary has identified and delivered (or is on course to deliver) savings totalling £34.4m. During this same period the Constabulary has not only delivered these savings, but continued to stabilise and improve its performance across many key measures.
58. Further savings are already planned for delivery in 2014/15, which include £4.4m of reductions to our frontline capability. This is the first time that the Constabulary will have reduced its front line policing capability in delivery of these savings.
59. Even after these additional savings have been accounted for, we continue to forecast a deficit beyond 2013/14 which will need to be closed. However, as is the nature of forecasts, there is a large degree of uncertainty which can affect the size of the deficit. These uncertainties are too numerous to fully list, but include:-
- Future decisions about pay awards - employee costs account for 83% of the Constabulary's budget and as such the assumptions around pay increases can materially impact the size of future deficits, particularly when compounded over several years. As a guide a 1% pay award is approximately £2.2m in additional costs;
 - Inflation – The change in Bank of England Governor could herald a new perspective on inflation, one which seeks higher inflation as a means of stimulating growth within the economy. This change in policy

brings with it an inflation risk for the Constabulary (and our wider partners) as it would place pressure on our non-pay budgets. As an example one of the most volatile non-pay budgets we have is fuel costs. In order to operate a fleet of nearly 1,000 vehicles across the Force area we are budgeting fuel costs of £2.7m in 2013/14. An annual increase of 5% p.a. in each of the four year MTFP period (assuming a fleet of the size it is currently) would see this budget having to grow by £0.4m to the end of 2016/17;

- Grant Funding – The size and nature of our future grant funding position remains far from clear. The only certainty we have is that funding will continue to reduce through the entirety of the period covered by this MTFP. The exact size and scale of reductions will not be known until much closer to the individual years in question, and as such we are left having to make informed guesses as to that this looks like. The position is further complicated by the consolidation of specific grants into our main grant funding, and uncertainty therefore over whether the value of this funding is impacted by the application of the formula and damping;
 - Council Tax Funding – The changes to council tax benefit from 2013/14 have already affected our council tax funding position, and could affect this further as the new system has time to embed. Of particular concern will be the impact of bad debts (as those who have never previously paid council tax are now asked to make payment) and the potential increase in those claiming a discount compared to those historically put off from claiming a “benefit”.
60. Such uncertainties do not absolve us of the need to identify and deliver further savings, but they make the process of scoping the size and scale of the savings required harder to define.
61. Savings to date have not been without pain. The success in their delivery combined with the ongoing performance picture reflects our transformation activity undertaken to date, combined with an increased appetite for risk within our budgeting, while resisting any significant reduction in service.
62. In order, to deliver the size and scale for further savings needed we will consider some or all of the below:-
- Restructuring – Some restructuring has already occurred, particularly through the centralisation of some of our more specialist functions (e.g. PPU) away from District command into our HQ departments. We have to date resisted pushing too far and too fast in the extent of our restructures and instead focussed savings on processes and functions. This has been kept under constant review and, depending on the financial challenge, can be revisited to ensure that the configuration of services on Districts (currently 6 matching local authority areas) remains appropriate, as well as our HQ department structure;
 - Delaying of Management – We have also looked at our managerial and supervision costs and although we have made savings from these we can re-visit them again. Getting the balance in this will be critical, pushing too far could lead to poor supervision of staff which in turn can lead to inefficiencies and increased risks, but we now have better

benchmarking data which will help us to look at the experience of other Constabularies;

- Demand Management and Resource allocation – Linking our demand, and better understanding the levers we have to both reduce and respond to demand, will be critical in identifying further options for savings. We have improved our analysis in this area immensely over recent years, and more can be done to link this to resource allocation;
- Leverage the opportunity of the PFI – Our new centralised custody and operational bases, combined with the new firearms training facility, will provide us with the opportunity to rationalise our estate, and improve our processes further (particularly in relation to custody). While we have always planned to do this, the extent of our savings could be widened. Seeking more savings in this area would lead to some trade-offs (for example more tasks falling on specific groups of staff) but this will be considered if necessary.

63. In summary therefore the plan to address the savings will have to be multi-faceted. Savings will bridge much of the financial gap, but these will need to be combined with a review of forward planning assumptions and a clear forward precept strategy which seeks appropriate adjustments to the police part of the council tax bill co-terminus with the desired policing service across Avon & Somerset.
64. The delivery of any new savings is likely to take some time to implement given the size of savings already delivered. The risk of a phased delivery is recognised by the Chief Financial Officers of both the PCC and the Chief Constable. They have reviewed reserve levels, and plan to increase these at the end of 2012/13 utilising forecast underspend in that year, providing a fund which can be drawn on to smooth the transformation as appropriate.

CAPITAL PROGRAMME – 2013/14 – 2017/18

65. The following table summarises the proposed capital programme (full detail is provided at Annex C):

	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000
Info and Communication Systems	5,843	2,764	818	1,135	2,917
Property	2,750	4,035	2,750	1,000	750
Vehicles	2,541	3,285	3,165	2,241	2,145
Equipment	475	475	475	475	475
TOTAL Expenditure	11,609	11,009	7,208	4,851	6,287

66. This capital programme has been prepared to ensure that it is a realistic, achievable and affordable programme. Within this programme there remain a number of individual projects for which detailed business cases will be prepared and brought before the PCC for approval, prior to their commencement. Therefore the programme outlined above only sets out the high level operational boundary for capital spend. Actual spend will not be incurred against those projects which require a business case, until approval of the business case has been given.

67. Of the programme key highlights include:-
- Funding for new Airwave (Radio) terminals to replace those that have reached the end of their lives – 2013/14 £0.58m;
 - Final contribution to Somerset County Council for Enterprise Resource Planning (SAP) system – 2013/14 £0.83m;
 - Introduction of new telephony system through which ongoing revenue savings can be generated – 2013/14 £0.75m;
 - Introduction of new, combined crime, intelligence and custody management system, thereby enabling the long-term deliver of savings within our policing operations – 2013/14 £2.1m;
 - Provision for new public protection unit (PPU) suite within Bristol to enable safe and covert interview of vulnerable victims/witnesses – 2013/14 £0.5m;
 - Upgrading of custody facilities at Yeovil to ensure ongoing standard is compliant with latest Home Office guidance – 2013/14 £0.5m;
 - Ongoing replacement of marked and unmarked police vehicles, including specialist vehicles – 2013/14 £2.24m.
68. At the same time as the announcements made on our revenue grant funding, the Government also confirmed the position in relation to our capital grant funding. It was confirmed that our funding would decrease in 2013/14 to £2.32m (2012/13 - £2.55m). The indicative position thereafter is £2.4m p.a.
69. Within the life of this capital programme we are anticipating the release and sale of a number of surplus properties, which will generate capital receipts. These anticipated receipts have been fully utilised to fund the planned expenditure across this capital programme and in so doing we have been able to minimise our forward borrowing requirements.
70. In addition to our capital receipts, we are also seeking to utilise revenue funding, including the ongoing revenue funding of capital (£0.74m p.a.) and a one-off contribution from revenue reserves of £3m planned in 2013/14.
71. The capital programme has an impact on the revenue budget. Revenue costs generally fall into three categories:-
- Direct running/support costs - With all assets purchased or leased there will be ongoing revenue costs associated with ensuring the asset remains operational. For a building, these might include utility costs, cleaning, maintenance etc...
 - Borrowing interest payments - Where borrowing is used to fund the capital programme this attracts an interest payment which needs to be funded from revenue;
 - Minimum Revenue Provision (MRP) - Where borrowing is used to fund the capital programme we are required under accounting conventions to make provision for the re-payment of this borrowing.
72. All running and support costs for projects within the capital programme have been included within the MTFP.

73. Because of the ongoing revenue implications of borrowing we have sought to keep our borrowing requirements at a minimum. We will continue to drive down wherever possible our reliance on borrowing through reductions in the programme, or utilisation of other options for funding.

DIVERSITY IMPLICATIONS

74. Diversity considerations are an integral part of the budget setting process. As the process to identify savings through phases 1, 2 and 3 has been undertaken, each proposal has been the subject of an equality impact assessment, and remains subject to ongoing equality considerations. The output from these has been and continues to be fed back into the Chief Officer Group (COG) as part of the information on which they will make decisions about balancing the budget.

SUSTAINABILITY

75. Sustainability is an important consideration for the Constabulary and the PCC in setting the budget. Financial sustainability will be essential over MTFP period and beyond.
76. The budget presented in this paper achieves a balanced budget in 2013/14 without the need to draw down on reserves. As has been seen there remains a deficit beyond 2013/14, the size and scale of which is subject to many factors.
77. In addressing this future deficit sustainably, the PCC and Constabulary will work closely together to identify options for further savings, and put together a plan which appropriately seeks to balance in the medium and long-term through a combination of new savings, utilisation of reserves to enable a sustainable delivery of savings, supported by appropriate increases in the council tax precept.
78. The budget, and capital programme, includes a number of transformation programmes, which will not only support the Authority in maintaining future financial sustainability through savings yet to be realised, but also will enable the Authority to improve in its sustainable use of natural resources. Examples of these are provided below:
- Accommodation Project – This review into the estate of the Authority is progressing a number of solutions which will deliver newer, better designed accommodation solutions which not only reduce our physical footprint, but also our carbon footprint;
 - Mobile Information Project – Investment has been made in providing frontline officers with hand held electronic devices which ensure they have access to key information when out on patrol, without the need to make an otherwise unnecessary return to base;
 - Category Management Plans (Procurement Savings) – The Southwest One assured procurement savings are being delivered through a programme of category plans. These plans categorise areas of spend and consider ways in which better demand management or improved procurement solutions can help achieve the savings. Many of these initiatives will not only provide savings, but also enable the Constabulary to make a more sustainable use of resources (e.g. increased use of teleconferencing to replace travel to meetings).

ANNEX A

	OLD CSR	CURRENT CSR				NEW CSR		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
EXPENDITURE								
PCC Office Budget	1,279	1,259	1,400	1,450	1,475	1,500	1,530	
Commissioning Budget	0	0	0	2,403	2,280	2,223	2,166	
Constabulary								
Employee Related Costs	250,858	242,980	229,850	228,623	225,040	231,652	239,391	
Premises Related Costs	8,940	9,368	10,120	10,169	10,548	10,173	10,313	
Transport Related Costs	6,577	6,299	7,053	5,991	6,131	6,293	6,464	
Supplies & Services Related Co	20,479	17,664	19,725	19,433	19,358	19,997	20,794	
Third Party Payments	20,240	21,633	23,137	22,584	24,008	24,236	24,382	
Capital Financing	5,316	4,941	4,731	4,739	6,046	6,107	6,355	
Income Specific Grants	(9,613)	(9,175)	(8,672)	(8,508)	(7,480)	(7,480)	(7,480)	
Income Other	(4,308)	(4,603)	(4,705)	(7,222)	(7,530)	(7,530)	(7,530)	
Contribution to/(from) Reserves	500	0	0	0	0	0	0	
Constabulary TOTAL	298,989	289,108	281,239	275,809	276,121	283,448	292,689	
TOTAL BUDGET	300,268	290,367	282,639	279,662	279,876	287,171	296,385	
FUNDING								
GRANT FUNDING	Home Office Police Grant	(111,385)	(120,928)	(112,691)	(115,805)	(109,130)	(106,402)	(103,674)
	DCLG Grant Funding (NNDR + RSG)	(74,677)	(64,345)	(60,166)	(61,543)	(57,996)	(56,546)	(55,096)
	Neighbourhood Policing Grant	(7,357)	(7,357)	(7,313)	0	0	0	0
	Crime Fighting Fund	(5,686)	0	0	0	0	0	0
	Additional Rule 2	(4,730)	0	0	0	0	0	0
	BCU Grant Funding	(1,400)	0	0	0	0	0	0
	Community Safety Grant Funding	(378)	(375)	(356)	(2,403)	(2,280)	(2,223)	(2,166)
	TOTAL GRANT FUNDING	(205,613)	(193,005)	(180,526)	(179,751)	(169,406)	(165,171)	(160,936)
COUNCIL TAX FUNDING	Bath and North East Somerset	(10,734)	(10,825)	(10,828)	(9,974)	(10,124)	(10,275)	(10,430)
	Bristol City Council	(22,512)	(22,581)	(23,035)	(19,004)	(19,289)	(19,578)	(19,872)
	North Somerset Council	(13,037)	(13,172)	(13,247)	(11,908)	(12,087)	(12,268)	(12,452)
	South Gloucestershire Council	(15,211)	(15,252)	(15,353)	(13,924)	(14,133)	(14,345)	(14,560)
	Mendip DC	(6,747)	(6,795)	(6,859)	(6,133)	(6,225)	(6,318)	(6,413)
	Sedgemoor DC	(6,648)	(6,725)	(6,868)	(6,090)	(6,181)	(6,274)	(6,368)
	South Somerset DC	(10,087)	(10,161)	(10,279)	(9,220)	(9,358)	(9,499)	(9,641)
	Taunton BC	(6,786)	(6,787)	(6,926)	(6,264)	(6,358)	(6,453)	(6,550)
	West Somerset DC	(2,468)	(2,478)	(2,484)	(2,161)	(2,193)	(2,226)	(2,260)
	TOTAL COUNCIL TAX PRECEPT	(94,230)	(94,776)	(95,879)	(84,678)	(85,948)	(87,237)	(88,546)
	Council Tax Surplus	(425)	(217)	(989)	(552)	0	0	0
	Council Tax Freeze Grant - 2011/12	0	(2,369)	(2,369)	(2,369)	(2,369)	0	0
	Council Tax Freeze Grant - 2012/13	0	0	(2,876)	0	0	0	0
Council Tax Freeze Grant - 2013/14	0	0	0	(969)	(969)	0	0	
Local Council Tax Support Grant	0	0	0	(11,343)	(11,342)	(11,342)	(11,342)	
TOTAL OTHER COUNCIL TAX FUNDING	(425)	(2,586)	(6,234)	(15,233)	(14,680)	(11,342)	(11,342)	
TOTAL FUNDING	(300,268)	(290,367)	(282,639)	(279,662)	(270,034)	(263,750)	(260,824)	
DEFICIT/(SURPLUS)	-	-	-	-	9,842	23,421	35,561	

ANNEX B - 2013/14 Constabulary Budget - Management Structure

EXPENDITURE AREA	2012/13 £'000	2013/14 £'000	Difference £'000	Difference %
Bristol	54,031	46,186	(7,845)	(14.52%)
South Gloucestershire	16,617	14,387	(2,230)	(13.42%)
BANES	13,986	12,250	(1,737)	(12.42%)
Somerset East	17,113	15,305	(1,808)	(10.57%)
Somerset West	18,668	16,241	(2,427)	(13.00%)
Somerset United	1,873	1,635	(239)	(12.73%)
North Somerset	14,127	12,100	(2,027)	(14.35%)
Local Partnership Working	220	0	(220)	(100.00%)
TOTAL DISTRICTS	136,635	118,103	(18,532)	(13.56%)
Communications	14,466	14,759	293	2.02%
Criminal Justice	5,193	8,824	3,631	69.91%
HQ CID	19,133	29,790	10,657	55.70%
Scientific Investigations	2,444	2,324	(120)	(4.92%)
Intelligence Directorate	3,775	4,145	370	9.80%
HQ Operations	19,670	18,808	(862)	(4.38%)
Major Incidents	801	804	4	0.46%
TOTAL OPERATIONAL SUPPORT	65,482	79,454	13,972	21.34%
Financial Services	230	359	129	56.06%
Admin & Facilities	566	968	402	70.93%
Business Liaison	88	86	(2)	(2.72%)
Transport Services	5,241	4,973	(268)	(5.11%)
Professional Standards	1,065	1,013	(53)	(4.95%)
Organisational Development	1,675	1,860	184	11.00%
Corporate Information	1,059	1,030	(29)	(2.70%)
Citizen Focus Policing	551	481	(70)	(12.65%)
Corporate Communications	927	872	(56)	(5.99%)
Exec Services	2,578	2,515	(63)	(2.46%)
Personnel	1,794	1,551	(243)	(13.56%)
Training	5,589	5,781	192	3.43%
TOTAL ORGANISATIONAL SUPPORT	21,365	21,488	125	0.58%
SW1 Unitary Charge	19,495	19,265	(230)	(1.18%)
Estates	8,005	9,437	1,432	17.88%
Purchasing & Supply	1,550	1,506	(44)	(2.81%)
Technology Services	4,637	4,177	(460)	(9.93%)
Client Services	536	622	87	16.15%
Procurement Savings and Misc	(642)	58	700	(109.03%)
TOTAL CLIENT SERVICES	33,581	35,065	1,484	4.42%
Central Pay	8,341	6,538	(1,803)	(21.62%)
Pensions	6,329	6,601	272	4.29%
Staff Associations	491	470	(21)	(4.24%)
TOTAL CENTRAL PAY AND ALLOWANCES	15,161	13,609	(1,552)	(10.24%)
Corporate Costs	6,378	6,301	(77)	(1.21%)
Contingency for inflation	592	1,489	897	151.69%
Emerging Issues	300	300	0	0.00%
TOTAL MISCELLANEOUS & CONTINGENCY	7,270	8,090	897	12.34%
Unallocated Previous Years Growth	1,745	0	(1,745)	(100.00%)
TOTAL NET REVENUE EXPENDITURE	281,239	275,809	(5,352)	(1.90%)

ANNEX C - CAPITAL PROGRAMME - 2013/14 - 2017/18

Project name	Description	PA/PCC Business Case?	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
INFORMATION AND COMMUNICATIONS SYSTEMS							
I&CS - ROLLING REPLACEMENT AND RENEWAL PROGRAMME							
IT Asset Renewal Programme	Rolling replacement programme PC's and printers that have reached the end of their useful lives. PC replacement is on a 4 year cycle and Printers 3 years	N	117	54	508	575	1,857
Mobile Information	Planned replacement for in-vehicle devices at the end of the useful lives.	Y				300	300
Replacement Uninterruptible Power	Replacement of IT Infrastructure that protects from power outages, unstable supplies and spikes, as well as providing remote rebooting capabilities.	N			50		
On-line services	This includes Web V4, Track my crime, Police key reg, ESIBS renewal of hardware purchased in 12/13	Y					500
Airwave	Terminal purchased in 2008 are at the end of the 5 year warranty in May 2013, and therefore require replacement.	Y	580				
I&CS - Rolling Replacement and Renewal Programme SUB-TOTAL			697	54	558	875	2,657
I&CS - PROVISION AND CONTINGENCY							
Unscheduled IT Security expenditure	This budget line is a contingency for unscheduled security expenditure such as firewalls and Government mandated projects. There is no planned expenditure against this budget, but costs may arise in-yea	N	60	60	60	60	60
Unscheduled Crime Systems	Ongoing addition of functionality to our crime, intelligence, case and custody systems to meet operational needs.	N	100	100	100	100	100
Unscheduled ERP Systems	Ongoing addition of functionality to Enterprise Resource Planning (ERP) systems to meet operational needs.	N	100	100	100	100	100
I&CS - Provision and Contingency SUB-TOTAL			260	260	260	260	260
I&CS - PROJECTS							
SCC SAP Contribution	Contribution towards Somerset County Council Infrastructure costs in accordance with agreement.	N	830				
E-commerce	Regional Collaboration for e-commerce platform, through which the public will be able to access and pay for a number of police transactional services online.	N	76				
Setting up of equipment in PFI buildings	Estimate of firewalls, migration and storage in the PFI Buildings. Installation of equipment in PFI buildings	Y	100	250			
New telephony system	Replace our current telephony system, and introduce Voice Over Internet Telephony (VOIP) ensure forcewide standard same as that in our PFI buildings	Y	750	250			
LAN Infrastructure	Possible upgrade of LAN infrastructure to support the introduction of VOIP telephony.	Y	500	1,500			
Project Atlas	Replacement of our Crime Management and Custody and Case Management Systems.	Y	2,130				
Business Planning Reporting Tool	New reporting and planning software enabling improvements to both reporting and forward strategic planning.	N	100				
ADAPT - Technology	CCTV, footwear scanners & Viper image capture at PFI buildings, Yeovil etc. Video conferencing equipment at Districts. Laptops to enable Electronic Witness Statements	Y	400				
HOLMES 3	Replacement for HOLMES 2 which will be unsupported from September 2014	Y		450			
I&CS - Projects SUB-TOTAL			4,886	2,450	0	0	0
INFORMATION & COMMUNICATION SYSTEMS TOTAL			5,843	2,764	818	1,135	2,917
ESTATES							
ESTATES - ROLLING REPLACEMENT AND RENEWAL PROGRAMME							
Electrical systems	Electrical installations are dated at a number of locations. This forms part of a rolling programme for rewiring and upgrading old switchgear.	N	150	150	150	150	150
Fire precautions and security	Rolling programme to replace fire alarm systems and to improve building compartmentation.	N	150	150	150	150	150
Central Heating	A number of our sites have boiler equipment plant in excess of 25 years old and is now becoming unreliable and unable to cope with the demand.	N	150	150	150	150	150
ESTATES - Rolling replacement and Renewal Programme SUB-TOTAL			450	450	450	450	450
ESTATES - PROJECTS							
Front Reception Refurbishments	Continuation of programme of station reception improvements (inc accessibility reconfigurations and implement new corporate design).	Y	300	300	300	300	300
Refurbish training units	Refurbish to include ensembles and larger units.	Y	250	250	250	250	
Replacement police stations	Replacement of police stations (e.g. Frome)	Y		1,150			
PPU Soft Suite re-provision	Lockleaze site is soon to be vacated and investment is needed to re-provide PPU Soft Interview Facilities elsewhere to serve the Bristol area	Y	500				
Maintaining Custody Suites	The aged custody estate is needing to be kept compliant with Safer Custody legislation until the new PFI centralised solution is commissioned in 2014.	N	50				
Upgrading Custody	Re-configuration of Yeovil and Minehead Custody to ensure standard is consistent with expected standard to be provided by new PFI sites.	Y	500	1,750	1,750		
HQ Building Management System Upgrade	Upgrade to existing BMS at HQ has been recommended in a recent energy audit as a way by which significant revenue savings can be achieved (c. £65k p.a.)	Y	300				
Wind Turbine Project	Installation of wind turbine(s) at Portishead Police HQ to provide renewable energy to reduce the consumption and cost of grid electricity.	Y		400			
Clevedon Police Station	Relocation of Clevedon Police Station to shared accommodation with North Somerset council	Y	200				
Keynsham Police Station	Relocation of Keynsham Police Station to shared accommodation with BANES council	Y	200				
VIPER Relocation	Relocation of VIPER viewing suite to Southmead Police Station (post central custody) from Newfoundland Road	Y		150			
CCTV Relocation	Relocation of CCTV control room to alternative site from Newfoundland Road	N		35			
ESTATES - Projects SUB-TOTAL			2,300	4,035	2,300	550	300
ESTATES TOTAL			2,750	4,485	2,750	1,000	750
TRANSPORT SERVICES							
Non Specialist Fleet	999 Vehicles (i.e. vehicles with Blues and Two's)	N	1,936	2,000	1,900	1,996	2,000
	Marked and unmarked vehicles not fitted with blues and twos	N	245	445	545	245	145
Specialist Fleet	Vehicles with a replacement cost of £50k or more -such as police support units, horseboxes and prison vans. There are peaks and troughs in demand.	N	60	840	720		
In vehicle tracking devices	Installation of tracking devices into most vehicles. Continuation budget for project started in 2012-13	N	300				
TRANSPORT SERVICES TOTAL			2,541	3,285	3,165	2,241	2,145
PLANT, MACHINERY AND EQUIPMENT							
Unscheduled Spend	Unplanned plant, machinery & equipment replacement & acquisition	N	300	300	300	300	300
ANPR equipment	Purchase and installation of 25 cameras a year throughout the force area.	N	125	125	125	125	125
Sustainability projects	These projects will reduce our carbon emissions and therefore reduce the annual carbon tax payable from the revenue budget	N	50	50	50	50	50
SUB TOTAL (Plant, Machinery, Equipment)			475	475	475	475	475
TOTAL CAPITAL PROGRAMME			11,609	11,009	7,208	4,851	6,287
FUNDING							
Home Office Capital Grant	To be fully utilised		(2,320)	(2,400)	(2,400)	(2,400)	(2,400)
Revenue Contributions	To be fully utilised		(740)	(740)	(740)	(740)	(740)
Earmarked Reserves	To be fully utilised		(3,000)				
Borrowing	To be utilised as required against long-life assets (ideally against Estates projects)			(1,129)	(818)	(1,461)	(3,147)
Capital Receipts	To be utilised as required against shorter-life assets		(5,549)	(6,740)	(3,250)	(250)	
TOTAL FUNDING (inc Utilisation of Receipts)			(11,609)	(11,009)	(7,208)	(4,851)	(6,287)