

**THE OFFICE OF POLICE AND CRIME COMMISSIONER  
FOR DERBYSHIRE  
DECISION RECORD**

<b>Request for PCC Decision</b>	<b>Received in OPCC Date: 11 February 2014</b>	<b>OPCC Ref:08/14</b>
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**Title: REVENUE BUDGET AND FINAL PRECEPT REPORT 2014/15**

**Executive Summary: To be completed by PCC Specialist lead**

Final details of the revenue budget 2014/15 was set out in the report and detailed at the appendices.

After formal approval of the final revenue budget the billing authorities must be notified of the precept requirement and the relevant council tax band and this was detailed at Appendix G to the report.

The Police and Crime Panel had been notified of the proposed precept and this had been reviewed in accordance with their duty under the Police Reform and Social Responsibility Act 2011. The Panel had approved the proposal and the letter of confirmation was attached as an appendix, together with the Commissioner's response.

	2013/14	2014/15
Gross Expenditure for services	£171,442,913	£169,817,297
Contribution to Reserves	0	0
<b>Gross Expenditure</b>	<b>£171,442,913</b>	<b>£169,817,297</b>
less: Grants		
RSG	-£41,184,875	-£39,261,238
Police Grant	-£68,940,068	-£66,551,093
Council Tax Benefit Grant	-£7,323,041	-£7,345,984
2011/12 CT Freeze Grant	-£1,354,010	-£1,354,010
CT Transition Grant		-£145,000
PFI Grant	-£2,734,800	-£2,734,800
MOJ Grant		-£480,000
Community Safety Fund Grant	-£981,000	0
less: Contributions from Reserves		
PFI	-£266,700	-£298,400
Crime Prevention Reserve	-£250,000	-£250,000
Operational Funding Reserve		-£1,183,226
less: Surplus on Collection Funds	-£30,868	-£258,861
<b>Council Tax Requirement</b>	<b>£48,377,551</b>	<b>£49,938,185</b>
Taxbase	289,772.69	293,374.37
<b>Basic Amount of Council Tax</b>	<b>£166.95</b>	<b>£170.22</b>

**Decision**

**Resolved that**

- i. To approve the final revenue budget, the council tax requirement and the Basic Amount of Council Tax for 2013/2014 as detailed and notify the billing authorities of the precept requirement and the relevant council tax bands as detailed at APPENDIX G to the report

	<b>Precept Increase</b>
Gross Expenditure for services	£169,817,297
Less grants, reserves and CF surplus	-£119,879,112
Council Tax Requirement	£49,938,185
Tax Base	293,374.37
Basic Amount of Council Tax	£170.22
Basic Amount of Council Tax Increase (£)	£3.27
Basic Amount of Council Tax Increase (%)	1.96%

- ii. To publish the report of the Police & Crime Panel on the proposed precept and the response of the Police and Crime Commissioner for Derbyshire as Appendices to this report.

**Declaration**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for the Police and Crime Commissioner for Derbyshire. Any such interests are recorded below.

None

The above request has my approval.

**Signature**

Alan Charles

**Date**

17 February 2014

**PUBLICATION SCHEME CONSIDERATIONS**

**Is the related Section B report to be published**    **Yes**

If no, please indicate relevant exemption

**Is the publication of this approval to be deferred No**

If Yes, provide reasons below

**Date to be deferred to –**

NB Statutory Instrument 2011/3050 (as amended by SI 2012/2479) states that: *all decisions made by a PCC are in the types of information that must “be published as soon as practicable after it becomes available to the elected local policing body”.*

**OFFICER APPROVAL**

**Chief Executive or Nominee:**

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

I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

Name Helen Boffy

Date 17 February 2014

**STRATEGIC GOVERNANCE BOARD**  
**17 FEBRUARY 2014**  
**REPORT OF THE**  
**TREASURER TO THE POLICE AND CRIME COMMISSIONER**

**8B REVENUE BUDGET AND FINAL PRECEPT REPORT 2014/15**

**1. PURPOSE OF THE REPORT**

- 1.1 To approve the final details of the revenue budget for 2014/15
- 1.2 To publish the report of the Police & Crime Panel on the proposed precept and the response of the Police and Crime Commissioner for Derbyshire.
- 1.3 To issue the police precept following its consideration by the Police & Crime Panel.

**2. EXECUTIVE SUMMARY**

- 2.1 This is the second year when the budget for policing Derbyshire will be set by the Police and Crime Commissioner for Derbyshire and the detailed budget proposals for 2014/15 were considered by the Strategic Governance Board at its meeting on 27 January 2014 prior to the Commissioner submitting his proposed precept to the Police and Crime Panel. The budget report is available on the Commissioner's website [here](#).
- 2.2 The financial outlook continues to be uncertain. While it is clear that the level of cuts will continue and austerity will be extended possibly until 2020, the precise impact on the police service is still unclear.
- 2.3 Notwithstanding the continued reductions in police grant which makes up nearly 2/3rds of the resources available to support Derbyshire Police, the Constabulary is in a sound financial position. This is in part due to the level of reserves that have been built up with the specific purpose of helping to manage future budget cuts and austerity. This gives the Commissioner and the Chief Constable the opportunity to plan for and deliver future changes in a controlled and measured way.

- 2.4 Delivering the savings needed will be challenging and over the coming years the Constabulary will need to ensure resources focus on threat, risk and demand. It is likely that Derbyshire Constabulary will reduce in size as funding diminishes.
- 2.5 The Constabulary has embarked on the next phase of its Moving Forward programme. The main focus will be on conducting Priority Based Budgeting (PBB). The aim of PBB is to understand the services that are currently delivered and how much they cost; to prioritise the services that should be invested in and deliver in the future to meet the Constabulary's priorities and the Police and Crime Plan. The review will look at every aspect of police spending and intends to set out a clear long term plan to close the remaining budget gap over the next five years. Some tough choices will need to be made as the Commissioner and Constabulary tries to balance the need to continue to deliver high quality services during this period of austerity, as well as redirecting resources towards new emerging policing demands.
- 2.6 Any structural change to the Constabulary that might arise as a result of the review will not be considered until all phases of PBB have been conducted towards the end of September 2014.
- 2.7 Throughout this period of austerity the Constabulary has placed great emphasis on maintaining performance even during a time of unprecedented budget cuts. This is becoming more challenging not only in Derbyshire but at a National level.

### **Police Funding 2014/15**

- 2.8 On 26 June 2013 the Chancellor of the Exchequer announced the outcome of the Spending Round 2013 (SR2013), which sets out public spending totals to the financial year 2015/16.
- 2.9 Police funding from central government will reduce from an adjusted baseline of £8.764bn in 2013/14 to £8.479bn in 2014/15, a cash reduction of 3.3% or 5.1% in real terms (based on an inflation rate for 2014/15 of 1.9%). Reductions in 2014/15 are as a result of decisions made to reduce

Departmental Expenditure Limits in Autumn Statements of 2011 and 2012, and Budget 2013.

2.10 The Home Office finally published funding allocations for individual forces on 18<sup>th</sup> December 2013, less than six weeks before Commissioners are expected to set out their spending plans.

2.11 These allocations signalled further cuts in resources for individual forces to help fund a number of national policing initiatives. This meant that the actual reduction subject to damping had increased to 4.8%. This increase is due to 'top-slicing' of the police grant to fund: -

- The transfer of resources to the Independent Police Complaints Commission (IPCC).
- Additional inspection activity by Her Majesty's Inspectorate of Constabulary (HMIC).
- A police innovation fund for forces to bid against.
- Direct entry schemes to inspector and superintendent ranks.
- Capital city grant for policing extra demands in the City of London.

2.12 Derbyshire Police stands to lose out on an additional £1.274m as a result of these changes as set out in the table below:-

Expenditure (funded from 'top-slicing' the Police Main Grant)	Estimated Grant Lost by Derbyshire 2014/15 £m  £m
Police Innovation Fund	0.755
IPCC	0.272
HMIC	0.142
Direct entry schemes	0.045
National Police Co-ordination Centre	0.030
Capital City Grant	0.030
<b>Total</b>	<b>1.274</b>

2.13 The Home Secretary has continued to apply damping in line with the percentage reduction in 2013/14. As the funding formula was not updated this year, we can only assume that our loss of grant is similar to last year's loss of some £2m.

2.14 The community safety grant that is allocated to Police & Crime Commissioners to fund a number of crime prevention initiatives has from 2014/15 been included in the formula grant and so is subject to the reduction of 4.8%.

### **Police Funding 2015/16**

2.15 Police funding will further reduce from £8.479bn in 2014/15 to £8.210bn in 2015/16, a cash reduction of 3.2% or 4.9% in real terms (based on an inflation rate for 2015/16 of 1.8%), as a result of decisions made in the Spending Review. However, details for the 2015/16 financial year have not been published because decisions on the impact of the Chancellor's Autumn Statement will be made at a later date by the Home Office.

2.16 Predicted grant levels for Derbyshire are detailed in the following table (excluding Council Tax Freeze Grant): -

<b>Formula Funding</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 (estimated)</b>
Police Main Grant	73.186	70.155	65.039	68.940	66.551	64.421
Non-Domestic Rates/ Revenue Support Grant	49.096	45.841	43.182	41.185	39.261	38.005
Neighbourhood Policing Grant	3.681	3.681	3.681	0	0	0
Community Safety Fund	0	0	0	0.981	0	0
<b>Total Formula Funding</b>	<b>125.963</b>	<b>119.677</b>	<b>111.902</b>	<b>111.106</b>	<b>105.812</b>	<b>102.426</b>
Reduction in Funding (£)		(6.286)	(7.775)	(0.796)	(5.294)	(3.386)
Reduction in Funding (%)		(5.0)	(6.5)	(0.7)	(4.8)	(3.2)



- 2.17 2011/12 freeze grant has now been built into the funding base and will not be lost, as previously anticipated.

**Final Revenue Budget: Office of the Police and Crime Commissioner**

- 2.18 The table below shows the final budget for the Office of Police and Crime Commissioner, which is set out in more detail at **Annex C**: -

	<b>Revised Budget 2013/14 £m</b>	<b>Budget 2014/15 £m</b>
Commissioner's Office	0.951	1.045
Crime Prevention Fund	0.250	0.250
Community Safety Fund	1.313	1.266
Partnerships	0.570	0.581
Victim and Witness Services	0.376	0.403
<b>Sub-Total</b>	<b>3.460</b>	<b>3.545</b>
Revenue Contributions to Capital	2.904	1.000
Contributions to Reserves	0.400	0.060
Debt Charges	0.954	0.946
Interest Receipts	(0.290)	(0.280)
<b>Sub-total</b>	<b>7.428</b>	<b>5.271</b>
Contribution from Reserves	(0.250)	(0.250)
Grant from Ministry of Justice	(0.376)	(0.480)
<b>Net Budget for the Commissioner's Office</b>	<b>6.802</b>	<b>4.541</b>

- 2.19 The budget signals the value of partnership working with £0.250m set aside for crime prevention initiatives on top of the other sums that the Commissioner will be allocating for Community Safety (£1.266) and for other partnership working (£0.581).

- 2.20 The revised 2013/14 and 2014/15 budgets include new external grant funding from the Ministry of Justice. This funding is to be invested in preparing for and commissioning victim services and developing restorative justice solutions. Initially, approximately £0.077m will be incurred creating two temporary posts to assist with growing the resources to deliver the commissioning of victim based services.
- 2.21 The Commissioner’s budget also includes a contribution of £1m to the capital programme to make the core programme more sustainable. This will ensure that the key on-going capital commitments can be met from capital grant and the revenue budget without increasing borrowing levels.

**Final Revenue Budget: Chief Constables Budget**

- 2.22 The table below shows the proposed budget for the Commissioner to allocate to the Chief Constable. This is set out in more detail in **Annex D**: -

	<b>Revised Budget 2013/14  £m</b>	<b>Budget 2014/15  £m</b>
Derbyshire Constabulary	154.769	155.014
East Midlands Collaboration	9.508	9.251
BCU Fund	0.615	0.307
Contribution to National Policing	(0.112)	0.024
<b>Sub-Total</b>	<b>164.780</b>	<b>164.596</b>
Contributions from Reserves	(0.511)	(0.315)
<b>Net Budget for the Chief Constable</b>	<b>164.269</b>	<b>164.281</b>

- 2.23 The budget is based on recruiting a total of 64 police officers during the financial year to replace officers as they retire. Due to the uncertainties around retirements as well as a limited number of secondees and career breaks overall police officers numbers will range between 1,853 and 1,883

during the financial year. This will be kept under review as part of the priority based budgeting process, where opportunities to civilianise certain police officer roles may be identified as a means of delivering further long term savings, while maintaining service quality.

2.24 In advance of the wide-ranging force spending review, there have only been minor changes to this year's budget, so current services levels are largely maintained.

2.25 The most significant changes are:-

- The creation of an additional post to co-ordinate the constabulary's response to Wildlife, Rural and Heritage Crime across Derbyshire
- Further savings as a result of regional collaboration and in particular a reduction in rental costs for collaborative units.
- A reduction in funding for joint partnership activity (the BCU fund) as our partners find they also need to scale back their contributions to this activity
- Removal of specific funding for major policing incidents – instead the force will need to rely upon its reserves if it has a major policing incident that cannot be managed within existing staffing levels.

2.26 The Chief Constable's rationale for proposing this budget was set out clearly in the report to the Strategic Governance Board in January, at Appendix 1 to that report.

### **Public Engagement**

2.27 Throughout the year, the Commissioner maintains on going engagement with the public and receives feedback from many sources on the public's views of policing and the level of police precept. In particular a specific budget consultation exercise has been carried out where respondents were asked their views, amongst other things, on the Commissioner's proposal to increase the policing precept by 2% (about 33p an month for a band D property, over 10 months). Nearly half said a 2% increase was about right, but in addition a further 33% said the increase should be higher than 2 %.

## **Consideration by the Police and Crime Panel & impact of Referendum**

### **Principles**

- 2.28 When considering the precept options available to him, the Commissioner has to take into account the referendum principles set by the government which limits the maximum increase in council tax which can be set without consulting the public through a referendum. This figure, normally announced in December, was not made public until 5 February. This late announcement has caused enormous difficulties for Police and Crime Commissioners nationally in carrying out business in a proper and considered manner. And in addition is after the date that Commissioners must advise their Police and Crime Panel of their proposed precept which is by 1 February.
- 2.29 At the Strategic Governance Board meeting on 27 January, the Commissioner determined his proposed precept increase would be 1.96% or up to the maximum allowed under the threshold, and to present this to the Panel for its consideration.
- 2.30 The Derbyshire Panel met on 30 January to receive and consider the Commissioner's proposals which were a proposed 2014/15 precept of £170.22p at band D, an increase of 1.96% or £3.27, even not knowing the threshold that would trigger a referendum.
- 2.31 The Panel has made a report to the Commissioner, supporting this increase and recommending that the Commissioner should not increase the proposed precept in the event that the Referendum Principles permit this. A copy of the Panel report is attached to this document at **Appendix A**
- 2.32 The principles were finally published on 5 February and set a limit of 2% or above to trigger a referendum. Clarification has been sought from the Home Office that provided the Police and Crime Commissioner's precept is at least 1p below the 2% threshold, this is satisfactory. Commissioner Charles proposal is below the threshold and meets the 1p criteria.
- 2.33 The Commissioner is required to respond to the Panel's report and recommendations (if any); a copy of the Commissioner response is attached at **Appendix B**.

## **FINAL BUDGET AND PRECEPT REQUIREMENT**

2.34 The table below shows the budget allocation retained by the Police and Crime Commissioner and that allocated to the Chief Constable as Gross Expenditure for Services. It further shows the funding available to support that expenditure, the use of reserves, the Council Tax Requirement and the Basic Amount of Council Tax.

	2013/14	2014/15
Gross Expenditure for services	£171,442,913	£169,817,297
Contribution to Reserves	0	0
<b>Gross Expenditure</b>	<b>£171,442,913</b>	<b>£169,817,297</b>
less: Grants		
RSG	-£41,184,875	-£39,261,238
Police Grant	-£68,940,068	-£66,551,093
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PFI Grant	-£2,734,800	-£2,734,800
MOJ Grant		-£480,000
Community Safety Fund Grant	-£981,000	0
less: Contributions from Reserves		
PFI	-£266,700	-£298,400
Crime Prevention Reserve	-£250,000	-£250,000
Operational Funding Reserve		-£1,183,226
less: Surplus on Collection Funds	-£30,868	-£258,861
<b>Council Tax Requirement</b>	<b>£48,377,551</b>	<b>£49,938,185</b>
Taxbase	289,772.69	293,374.37
<b>Basic Amount of Council Tax</b>	<b>£166.95</b>	<b>£170.22</b>

2.35 The overall budget includes the limited use of reserves to balance the budget. This is almost equivalent to the additional loss of grant through the top slice

for HMIC, IPCC and the Innovation Fund announced in late December. This amounted in total to £1.27m.

- 2.36 The provisional precept is based on the final notified Council Tax base figures.
- 2.37 It is also worth pointing out that there is still uncertainty around the impact on collection levels of the localisation of council tax benefit schemes.

### **Longer Term Projections**

As stated previously, while considerable uncertainty remains it is clear that further substantial funding cuts are on the way. In the short term reserves are healthy and can manage the projected deficits up to 2016/17 as shown in the table below.

Surplus/(Deficit)	2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m
Operational Funding Reserve at Start of Year	19.282	19.643	18.460	12.626
Projected surplus/(deficit)	0.361	(1.183)	(5.834)	(12.425)
Operational Funding Reserve at End of Year	19.643	18.460	12.626	0.201

- 2.38 The table below shows that while reserves are sufficient to cover the shortfall for at least 3 years, the position in 2016/17 gives cause for concern. Further detail on the use of reserves over this period is shown in **Annex D**.

### **FINANCIAL RISKS**

- 2.39 The detailed key financial risks were set out in the report to the Strategic Governance Board in January, but in summary, these are around future pay awards, complex and unforeseen policing operations, additional grant reductions and even potential over-spending. Taken together these risks could add as much as £6m to costs in any one year. Without reserves, this would place an unsustainable burden on the budget. It is therefore appropriate that reserves are held to manage these potential risks.

### **TREASURER'S ASSURANCE STATEMENT**

- 2.40 The Treasurer's Assurance Statement as presented in the Revenue Report of 27 January 2014 is confirmed as applicable, now that the Referendum Principles have been announced at a 2% threshold.

### **3. RECOMMENDATIONS**

- i. To approve the final revenue budget, the council tax requirement and the Basic Amount of Council Tax for 2013/2014 as detailed and notify the billing authorities of the precept requirement and the relevant council tax bands as detailed at **APPENDIX G** to the report

	<b>Precept Increase</b>
Gross Expenditure for services	£
Less grants	-£
Council Tax Requirement	£49,938,185
Tax Base	293,374.37
Basic Amount of Council Tax	£170.22
Basic Amount of Council Tax Increase(£)	£3.27
Basic Amount of Council Tax Increase (%)	1.96%

- ii. To publish the report of the Police & Crime Panel on the proposed precept and the response of the Police and Crime Commissioner for Derbyshire as Appendices to this report.

#### 4. **IMPLICATIONS**

	LOW	MEDIUM	HIGH
Crime & Disorder			X
Environmental	X		
Equality & Diversity	X		
Financial			X
Health & Safety	X		
Human Rights	X		
Legal		X	
Personnel		X	

<b>Contact details in the event of enquiries</b>	<b>Name: Helen Boffy</b> <b>External telephone number: 0300 122 6005</b> <b>Email address: <a href="mailto:helen.boffy.4808@derbyshire.pnn.police.uk">helen.boffy.4808@derbyshire.pnn.police.uk</a></b>
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#### **BACKGROUND PAPERS**

1. Police Grant Report 2014-2015, Home Office, 5 February 2014

#### **ATTACHMENTS**

##### **List of Appendices**

<b>A</b>	Report of the Police and Crime Panel 30 January 2014
<b>B</b>	Report of the Police and Crime Commissioner in response to the Panel report of 30 January 2014
<b>C</b>	Budget for the Office of the Police and Crime Commissioner
<b>D</b>	Budget for the Chief Constable
<b>E</b>	Reserves
<b>F</b>	Revenue Budget Projections Council Tax increase of 1.96%
<b>G</b>	Police Precept 2014/15



**John McElvaney**  
Solicitor  
Director of Legal Services  
County Hall  
Matlock  
Derbyshire  
DE4 3AG

Alan Charles  
Police and Crime Commissioner for Derbyshire  
Butterley Hall  
Ripley  
Derbyshire  
DE5 3RS

Telephone: 01629 538303  
Ask for: John McElvaney  
Our Ref: JMcE/AS/54027  
Your Ref:  
30 January 2014

**BY E-MAIL ONLY**

Dear Commissioner,

**Re : Proposed Precept for 2014/15**

I am writing to report the outcome of the meeting of the Police and Crime Panel held at County Hall in Matlock today, 30<sup>th</sup> January 2014 at which you were in attendance.

As you are aware, the Panel reviewed your proposed precept for 2014/15 in accordance with its duty under the Police Reform and Social Responsibility Act 2011. I am writing to confirm that the Panel approved of your proposed precept subject to recommending to you that you should not increase the proposed precept in the event that the Referendum Principles permit this.

As is required by the legislation, this letter, confirming the Panel's decision and recommendation, will be published by placing it on the Council's website. I look forward to receiving your response to the Panel's recommendation and I would suggest that we follow previous practice in placing the Panel's report and your response on our respective websites at the same time.

I am providing a copy of this letter to your Chief Executive, David Peet, and to the Chair of the Derbyshire Police and Crime Panel, Councillor Paul Smith.

Yours sincerely



**John McElvaney**  
Director of Legal Services

**CC: David Peet, Chief Executive**  
**For the Office of the Police and Crime Commissioner**



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INVESTOR IN PEOPLE



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Your Reference JMcE/AS/54027

Date 6 February 2014

E-MAIL ONLY

Mr John McElvaney  
Solicitor  
Director of Legal Services  
County Hall  
Matlock  
Derbyshire  
DE4 3AG

Dear John,

**Re: Report on the Proposed Precept for 2014/2015**

Thank you for your letter of the 30 January 2014 in which you report the outcome of the Police and Crime Panel's review on 30 January 2014 of my proposed precept for the next financial year, 2014/2015.

In accordance with Schedule 5 paragraph 5 (2), this letter is my response to the report of the Police and Crime Panel for Derbyshire.

In respect of my proposed precept, I have taken regard to the report of the Panel and its recommendation that I do not increase the proposed precept in the event that the Referendum Principles permit this.

The Panel will see from the published Final Budget and Precept Report for 2014/15 that I intend to issue a precept of £170.22 for a band D property, following the publication of the Referendum Principles on 5 February at a 2% threshold.

To assist with the requirement in legislation to publish the Panel's recommendation and my own response I would ask that this is done together on Friday 14 February, when it will form part of my published papers to the next Strategic Governance Board.

Thank you for your attention in this matter.

Yours sincerely,

Police and Crime Commissioner for Derbyshire

**Subjective Analysis - 2014/15 Commissioners Office Budget**

Account	Account(T)	2013/14 Base Budget	Full Year Inflation	Increments	Other Changes	2014/15 PROPOSED BUDGET
1100	Police Staff Pay	553,900	5,600	3,700	45,900	609,100
1120	Police Staff Overtime - Plain Time	1,000				1,000
1140	Police Staff National Insurance	38,800	400	300	14,600	54,100
1160	Police Staff Superannuation	89,100	900	400	(7,900)	82,500
1600	NHS Re-Imbursement	200				200
1603	Interview Expenses	9,000			(5,000)	4,000
2210	Hire of Rooms	5,000			5,000	10,000
3400	Other Mileage (PSV)	17,500			(4,500)	13,000
3401	Casual Mileage	2,400				2,400
3403	Rail Travel	0			9,000	9,000
3408	Car Parking, Taxis, etc	7,000			(4,500)	2,500
4000	Equipment - General	500			1,500	2,000
4003	Photocopiers	1,000			(500)	500
4040	Furniture	500				500
4100	Accommodation / Hotel Expenses	2,000			(1,000)	1,000
4101	Subsistence Expenses	300				300
4291	Catering Contract Subsistence	1,500			1,000	2,500
4400	Printing and Stationery - General	2,000			1,500	3,500
4401	Publications	500				500
4505	Financial Contracts	61,500			20,000	81,500
4520	Professional Fees	10,000			10,000	20,000
4543	Professional Fees - Legal	15,000				15,000
4575	Media Relations	40,000				40,000
4610	Telephones	2,500			(2,500)	0
4612	Circuits	1,000			(1,000)	0
4630	Hardware - Purchase	1,000			1,000	2,000
4635	Software Purchase	0			300	300
4740	JARAC Attendance	0			7,000	7,000
4741	JARAC Mileage	0			1,000	1,000
4807	Conference Expenses	2,500			(1,000)	1,500
4888	Bank Charges	5,500			500	6,000
4890	Misc Expenditure	45,000			(9,800)	35,200
4895	Subscriptions General	35,000			2,000	37,000
<b>Office of the PCC - Total Budget</b>		<b>951,200</b>	<b>6,900</b>	<b>4,400</b>	<b>82,600</b>	<b>1,045,100</b>

**2014/15 BUDGET REQUIREMENT**  
**Services Commissioned via the Chief Constable**

	2013/14 Approved £m	2013/14 Revised £m	2014/15 Proposed £m
Police Officers	94.292	92.929	92.251
Community Support Officers	5.253	5.148	5.347
Other Police Staff	29.917	30.604	31.321
Police Pensions	2.194	2.953	2.375
Other Employee Expenses	0.534	0.534	0.534
Premises	8.757	8.715	8.512
Transport	3.779	3.765	3.761
Supplies & Services	11.936	11.769	12.270
Agency & Contracted Services	1.245	1.245	1.245
Pay & Price Contingency	0.776	0.000	0.300
General Income	( 3.009)	( 2.893)	( 2.902)
BCU Funding	0.615	0.615	0.307
Contribution to East Midlands Collaboration	10.432	9.508	9.251
Contribution to National Policing	0.024	( .112)	0.024
<b>PROPOSED GROSS SPENDING</b>	<b>166.745</b>	<b>164.780</b>	<b>164.596</b>
<b>Contribution from reserves</b>			
- PFI	( .266)	( .279)	( .298)
- Devolved Carry-Forwards		( .232)	
- Other Reserves			( .017)
	<b>( .266)</b>	<b>( .511)</b>	<b>( .315)</b>
<b>PROPOSED NET SPENDING</b>	<b>166.479</b>	<b>164.269</b>	<b>164.281</b>

**POLICE & CRIME COMMISSIONER FOR DERBYSHIRE  
STATEMENT OF LEVEL OF RESERVES AT 31 MARCH 2013 AND FORECAST LEVELS TO 31 MARCH 2017**

	Actual Balances at 31/03/13	Movements In 2013/14	Transfers Between Reserves in 2013/14	Contributions to Capital in 2013/14	Estimated Balances at 31/03/14	Projected Movements In 2014/15	Projected Contributions to Capital in 2014/15	Estimated Balances at 31/03/15	Projected Movements In 2015/16	Projected Contributions to Capital in 2015/16	Estimated Balances at 31/03/16	Movements In 2016/17	Projected Contributions to Capital in 2016/17	Estimated Balances at 31/03/17
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>GENERAL RESERVES</b>	<b>3,300,000</b>				<b>3,300,000</b>			<b>3,300,000</b>			<b>3,300,000</b>			<b>3,300,000</b>
<b>EARMARKED RESERVES</b>														
<b>Useable:-</b>														
Operational Priorities	1,324,693				1,324,693			1,324,693			1,324,693			1,324,693
Operational Funding	19,282,319	360,866			19,643,185	(1,183,226)		18,459,959	(5,834,000)		12,625,959	(12,425,000)		200,959
Contribution to Capital *	5,818,927			(1,694,497)	4,124,430		(2,439,430)	1,685,000		(1,685,000)	0			0
Central Contact Management Centre *	-				-			-			-			-
Helicopter	49,645				49,645			49,645			49,645			49,645
Carry-forwards	3,608,455	(439,100)			3,169,355			3,169,355			3,169,355			3,169,355
Police & Crime Commissioner	1,000,000	(250,000)			750,000	(250,000)		500,000	(250,000)		250,000	(250,000)		0
Pensions	500,000				500,000			500,000			500,000			500,000
Invest To Save *	923,522			(923,522)	-			-			-			-
	<b>32,507,561</b>	<b>(328,234)</b>	<b>0</b>	<b>(2,618,019)</b>	<b>29,561,308</b>	<b>(1,433,226)</b>	<b>(2,439,430)</b>	<b>25,688,652</b>	<b>(6,084,000)</b>	<b>(1,685,000)</b>	<b>17,919,652</b>	<b>(12,675,000)</b>	<b>0</b>	<b>5,244,652</b>
<b>Non-useable:-</b>														
PFI - Ilkeston	1,281,657	(37,339)			1,244,318	(34,146)		1,210,172	(31,069)		1,179,103	(29,294)		1,149,809
PFI - Derby	4,252,687	(215,147)			4,037,540	(214,471)		3,823,069	(211,749)		3,611,320	(215,247)		3,396,073
Helicopter Debt Charges	267,020	(267,020)			0			0			0			0
Insurance	1,175,740	10,000			1,185,740	10,000		1,195,740	20,164		1,215,904	30,851		1,246,755
	<b>6,977,104</b>	<b>(509,506)</b>	<b>0</b>	<b>0</b>	<b>6,467,598</b>	<b>(238,617)</b>	<b>0</b>	<b>6,228,981</b>	<b>(222,654)</b>	<b>0</b>	<b>6,006,327</b>	<b>(213,690)</b>	<b>0</b>	<b>5,792,637</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>39,484,665</b>	<b>(837,740)</b>	<b>0</b>	<b>(2,618,019)</b>	<b>36,028,906</b>	<b>(1,671,843)</b>	<b>(2,439,430)</b>	<b>31,917,633</b>	<b>(6,306,654)</b>	<b>(1,685,000)</b>	<b>23,925,979</b>	<b>(12,888,690)</b>	<b>0</b>	<b>11,037,289</b>
<b>TOTAL RESERVES</b>	<b>42,784,665</b>	<b>(837,740)</b>	<b>0</b>	<b>(2,618,019)</b>	<b>39,328,906</b>	<b>(1,671,843)</b>	<b>(2,439,430)</b>	<b>35,217,633</b>	<b>(6,306,654)</b>	<b>(1,685,000)</b>	<b>27,225,979</b>	<b>(12,888,690)</b>	<b>0</b>	<b>14,337,289</b>

**Note**

Reserves marked with a \* have been created from revenue resources but are earmarked to fund items within the Capital Programme

**POLICE & CRIME COMMISSIONER FOR DERBYSHIRE**  
**Revenue Budget Projections to FY 2019/20 as January 2014 (detail)**  
**Council Tax is increased by 1.96% in 2014/15**

Annex F to  
 AGENDA ITEM 8B  
 STRATEGIC GOVERNANCE BOARD  
 17 FEBRUARY 2014

		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
<b>BUDGET REQUIREMENT</b>		notes	£m	£m	£m	£m	£m	£m	
<b>Previous Year's Budget Requirement</b>			163.495	167.210	165.892	168.153	172.344	174.662	175.429
<b>Pay &amp; Price Increases</b>									
1) Full Year Effect of Previous Year's Pay Award:-									
Police Officers	(1)	0.000	0.399	0.386	0.379	0.388	0.390	0.389	
Police Staff	(1)	0.000	0.150	0.150	0.156	0.159	0.163	0.166	
2) Provision for Current Year's Pay Award & Inflation:-									
Police Officers pay award	(1)	0.544	0.561	0.531	0.544	0.546	0.545	0.542	
Police Staff pay award	(1)	0.205	0.210	0.218	0.223	0.228	0.233	0.237	
Officer & Staff Increments	(2)	(.083)	1.854	1.450	1.450	1.450	1.450	1.450	
LGPS Revaluation			0.170	0.044	0.045				
Ending of NI rebate on Occupational Pension Schemes					3.367				
Specific Price Inflation			0.278						
General Inflation Contingency	(3)	0.053	(.476)	0.783	0.805	0.829	0.853	0.878	
<b>Previous Year plus Pay &amp; Price increases</b>			<b>164.214</b>	<b>170.356</b>	<b>169.454</b>	<b>175.122</b>	<b>175.944</b>	<b>178.296</b>	<b>179.091</b>
<b>Other Items within previous MTFP position</b>									
Police Commissioner			0.229	0.015					
2012/13 Moving Forward 3 savings			(.154)						
Police Officers - Savings from wastage	(4)		(3.583)	(5.513)	(3.661)	(4.451)	(5.394)	(5.759)	
Police Officers - Cost of recruitment	(4)		2.156	2.044	2.412	2.595	2.861	3.361	
Police Officers - Winsor costs (10% shift and callout)			1.290						
Police Officers - Winsor savings (CRTP's / BH Overtime)			(.159)	(.386)	(.255)	(.260)			
Police Officers - Number of Bank Holidays			(.377)	0.127	0.342	(.342)	0.114	(.228)	
Police Officers - Rent / Housing Allowance eligibility			(.192)	(.385)	(.188)	(.274)	(.315)	(.384)	
Police Officers - Secondments to NPAS			(.103)	(.151)					
Police Officers - Removal of operational Overtime Contgy				(.244)					
Police Officers/Staff - net saving from Workforce Mod				(.157)					
Police Staff - 2012/13 Precept posts (full year effect)			0.183						
Police Staff - Crime Support Strategic Business Review			0.145						
Police Staff - Apprenticeship Scheme			0.058	0.042					
Police Staff - Increased Vacancy Allowance			(.715)						
Police Staff - Enquiry Office Review			(.453)						
Police Staff - Contact Management savings			(.210)						
4 additional PCSO's			0.105						
Officer / Staff reductions - outside other savings			0.011	(.384)					
Police Officer/Staff pensions			0.057	0.085		1.009			
Maintenance work at force HQ			0.220	(.220)					
Property Rent and Rates			(.102)	(.068)					
Cleaning Contract			(.027)	(.016)					
Non-implementation of EM HR Service Centre				0.018					
Other changes in EM Collaboration			(.157)	(.087)					
Contribution to Criminal Justice Board				0.050					
NPJA / CoP - migration of central project costs			0.081	(.003)					
Other subscriptions to national policing				(.035)					
NPAS - Non-staff savings				(.035)					
Asset Revaluation				0.050	(.050)			0.060	
Microsoft Software Licences			0.202						
Ordnance Survey maps			(.060)						
Debt Charges			(.048)	(.038)	(.046)	(.046)	(.046)	(.046)	
Revenue Contribution to Capital / Repairs & Mtce			1.000						
Revenue Consequences of Capital Expenditure			(.060)	0.132					
Specific Grants merged with Formula Funding	(5)		3.681	0.981					
Council Tax Transition Grant				(.145)	0.145				
HO Grant re Biomass boiler				(.050)					
Football and Other Cost Recovery Income			0.065	0.119					
Treasury Management income			0.010	0.120					
Contributions to Reserves - PFI / Helicopter / Insurance			(.009)	(.035)					
Review of formation budgets / BCU Fund Reduction			(.081)	(.308)					
Other Net Increases (Reductions)			(.007)	0.013					
<b>GROSS EXPENDITURE</b>			<b>167.210</b>	<b>165.892</b>	<b>168.153</b>	<b>172.344</b>	<b>174.662</b>	<b>175.429</b>	<b>176.437</b>
<b>FUNDING POSITION</b>									
Settlement funding	(5)		110.125	105.812	102.426	98.739	95.283	91.948	89.190
2011/12 Freeze Grant			1.354	1.354	1.354	1.354	1.354	1.354	1.354
Council Tax Benefit Grant	(6)		7.323	7.346	7.346	7.346	7.346	7.346	7.346
<b>Central Funding</b>			<b>118.802</b>	<b>114.512</b>	<b>111.126</b>	<b>107.439</b>	<b>103.983</b>	<b>100.648</b>	<b>97.890</b>
<b>Projected precept funding</b>									
Previous year Council Tax Funding			54.533	48.408	50.197	51.193	52.480	53.799	55.151
Change in tax base - annual growth	(6)			0.602	0.250	0.256	0.262	0.269	0.276
Change in tax base - localisation of Council Tax Benefit	(6)		(6.994)						
Change in Collection A/c Surplus / (Deficit)			(.061)	0.228	(.259)	0.000	0.000	0.000	0.000
Increase in Council Tax	(7)		0.930	0.959	1.005	1.031	1.057	1.083	1.110
<b>Precept Funding</b>			<b>48.408</b>	<b>50.197</b>	<b>51.193</b>	<b>52.480</b>	<b>53.799</b>	<b>55.151</b>	<b>56.537</b>
<b>TOTAL PROJECTED FUNDING</b>			<b>167.210</b>	<b>164.709</b>	<b>162.319</b>	<b>159.919</b>	<b>157.782</b>	<b>155.799</b>	<b>154.427</b>
<b>Budget Deficit</b>			<b>(.000)</b>	<b>1.183</b>	<b>5.834</b>	<b>12.425</b>	<b>16.880</b>	<b>19.630</b>	<b>22.010</b>
<b>Cumulative</b>			<b>0.000</b>	<b>1.183</b>	<b>7.017</b>	<b>19.442</b>	<b>36.322</b>	<b>55.952</b>	<b>77.962</b>
<b>Useable Reserves at start of year</b>			<b>19.282</b>	<b>19.643</b>	<b>18.460</b>	<b>12.626</b>	<b>0.201</b>	<b>(16.679)</b>	<b>(36.309)</b>
Revenue surplus / (deficits) per above			0.000	(1.183)	(5.834)	(12.425)	(16.880)	(19.630)	(22.010)
2013/14 Revenue Underspend			0.361						
Transfer from Capital Reserve									
<b>Useable Reserves at end of year</b>			<b>19.643</b>	<b>18.460</b>	<b>12.626</b>	<b>0.201</b>	<b>(16.679)</b>	<b>(36.309)</b>	<b>(58.318)</b>

**Main assumptions**

- 1) Pay awards for both officers and staff are 1% in all years, implemented in September of each year
- 2) Full 'scale progression' increments for police officers re-commence from April 2014 and continue throughout the period.. Increments for Police Staff continue as normal throughout the period. This is pending details on the abolition of 'automatic pay progression'
- 3) Non-pay inflation of 2.5% per annum is assumed throughout the period, except for premises utilities and vehicle fuel for which a rate of 5% per annum is assumed.

For 2014/15 it is assumed that approximately half of this inflation will be contained within existing budgets

- 4) Police Officer wastage in each year is matched by an equivalent number of new recruits. There is a built-in 'understrength' from 2014/15 of 24 posts, typical level of abstractions arising from maternity/paternity leave and career breaks and the lag of recruitment behind wastage. Wastage is primarily estimated according to the number of officers reaching 30 years' service in each year, assuming a constant proportion of those who choose to remain in post
- 5) Formula grant in 2014/15 reduces by 4.8% compared to 2013/14, followed by a further reduction of 3.2% in 2015/16 - per the 2014/15 Provisional Settlement and indicative figures provided by the Home Office for 2015/16. Funding reductions in future years have been projected to that the overall reduction in the 4 year period 2015/19 is 16%, a similar reduction to that in the previous 4-year period (14.7%). It is assumed that the 2011/12 and 2014/15 Freeze Grant funding will be made permanent
- 6) The taxbase increases by 1.2% in 2014/15 and 0.5% per annum in all years thereafter
- 7) The PCC opts to increase the Council Tax by 1.96% in 2014/15 and by 2.0% in each year thereafter

**2014/15 PRECEPT: 1.96% COUNCIL TAX INCREASE**

Annex G to  
Agenda Item 8B  
Strategic Governance  
Board  
17 February 2014

Band D  £170.22	Council Tax Base	Total Funding	Collection Fund		Council Tax
			Surplus	Deficit	
	293,374.37	50,197,046	264,635	- 5,774	49,938,185
<b>Amber Valley Borough Council</b>	36,678.90	6,353,674	110,192	-	6,243,482
<b>Bolsover District Council</b>	19,848.70	3,378,646	-	-	3,378,646
<b>Chesterfield Borough Council</b>	27,463.85	4,701,590	26,693	-	4,674,897
<b>Derby City Council</b>	62,419.06	10,624,972	-	-	10,624,972
<b>Derbyshire Dales District Council</b>	27,864.41	4,737,306	-	- 5,774	4,743,080
<b>Erewash Borough Council</b>	31,368.30	5,379,309	39,797	-	5,339,512
<b>High Peak Borough Council</b>	28,988.00	4,983,607	49,270	-	4,934,337
<b>North East Derbyshire District Council</b>	29,020.15	4,959,493	19,683	-	4,939,810
<b>South Derbyshire District Council</b>	29,723.00	5,078,449	19,000	-	5,059,449

**Gross Expenditure**

	£
2013/14 Approved	171,442,913
2014/15 Proposed	169,817,297
Budget Decrease	-1%

**Council Tax Requirement**

	£
2013/14 Approved	48,377,551
2014/15 Proposed	49,938,185
Council Tax Increase	1.96%

BAND	<b><u>Council Tax</u></b>	
	<u>2013/14</u>	<u>2014/15</u>
	£	£
A	109.16	113.48
B	127.35	132.39
C	145.55	151.31
D	166.95	170.22
E	200.13	208.05
F	236.51	245.87
G	272.90	283.70
H	327.48	340.44