

THE OFFICE OF POLICE AND CRIME COMMISSIONER FOR DERBYSHIRE

DECISION RECORD

Request for PCC Decision	Received in OPCC Date: 22 January 2019	OPCC Ref: 06/ 2019
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BUDGET 2019/20, PRECEPT REPORT AND MEDIUM TERM FINANCIAL FORECAST 2019/20 – 2022/23

Executive Summary:

The report provided details of the local government finance settlement for 2019/20, summarised the proposed revenue budget and considered the level of precept to be notified to the Police and Crime Panel for 2019/20 as detailed in the report and associated appendices.

Decision

1. In respect of the revenue budget for 2019/20: -
 - a) To note the information and analysis as set out in this report.
 - b) To agree the proposed adjustments to the 2019/20 budget as detailed in both this report and Annexes A through F
 - c) To maintain a revenue contribution to capital of at least £3.1m into the base revenue budget.
 - d) To approve the revenue budget for 2019/20.

2. In respect of the council tax requirement, the associated police precept and provisional contributions to/(from) reserves: -
 - a) Consider the increase to council tax, and having received a final council tax assurance statement from the Chief Finance Officer, to notify the Police and Crime Panel accordingly.
 - b) To authorise the movement of reserves during 2019/20 as shown in paragraph 8.4 and Annex D.

3. In respect of the Medium Term Financial Strategy for 2019/20 - 2022/23 discussed within this report but also shown in more detail at Annex A: -
- a) To note the financial projections up to 2022/23.
 - b) To note the assumptions inherent in those projections as described in paragraph 5.2
 - c) To note that the Medium Term Financial Strategy (paragraph 6.6 and Annex A) indicates reserves will not be sufficient to close a future funding gap.
 - d) To note that the Force will continue to be challenged to identify efficiencies and savings both for reinvestment but also to protect front-line services.
 - e) To repeat your call for a fairer funding settlement for Derbyshire that includes an increase in government funding and does not merely pass the financial burden to local tax-payers through precept increases.

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

Hardyal Dhindsa

Date 22 January 2019

PUBLICATION SCHEME CONSIDERATIONS

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

The report contains commercially sensitive information.

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 Andrew Dale

Date 22 January 2019



STRATEGIC PRIORITIES ASSURANCE BOARD

REPORT TITLE	BUDGET 2019/20, PRECEPT REPORT AND MEDIUM TERM FINANCIAL FORECAST 2019/20 – 2022/23
REPORT BY	JOINT REPORT OF THE CHIEF CONSTABLE, DIRECTOR OF FINANCE AND CHIEF FINANCE OFFICER
DATE	21 JANUARY 2019

PURPOSE OF THE REPORT

This report provides information on: -

1. The Police and Crime Commissioner's (PCC's) Revenue Budget for 2019/20.
2. The Proposed Precept for 2019/20.
3. The Medium Term Financial Forecast 2019/20 – 2022/23.

ATTACHMENTS

List of Annexes

A	Revenue Budget Projections (Medium Term)
B	Budget for the Office of the Police and Crime Commissioner
C	Budget for the Chief Constable
D	Reserves
E	Precept Calculation
F	Summary of movements in the 2019/20 budget

CONTACT FOR ENQUIRIES

Name: Andrew Dale
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Email: pccoffice@derbyshire.pnn.police.uk

RECOMMENDATIONS

1. In respect of the revenue budget for 2019/20: -
 - a) To note the information and analysis as set out in this report.
 - b) To agree the proposed adjustments to the 2019/20 budget as detailed in both this report and **Annexes A through F**
 - c) To maintain a revenue contribution to capital of at least £3.1m into the base revenue budget.
 - d) To approve the revenue budget for 2019/20.

2. In respect of the council tax requirement, the associated police precept and provisional contributions to/(from) reserves: -
 - a) Consider the increase to council tax, and having received a final council tax assurance statement from the Chief Finance Officer, to notify the Police and Crime Panel accordingly.
 - b) To authorise the movement of reserves during 2019/20 as shown in **paragraph 8.4 and Annex D**.

3. In respect of the Medium Term Financial Strategy for 2019/20 - 2022/23 discussed within this report but also shown in more detail at **Annex A**: -
 - a) To note the financial projections up to 2022/23.
 - b) To note the assumptions inherent in those projections as described in **paragraph 5.2**
 - c) To note that the Medium Term Financial Strategy (**paragraph 6.6 and Annex A**) indicates reserves will not be sufficient to close a future funding gap.
 - d) To note that the Force will continue to be challenged to identify efficiencies and savings both for reinvestment but also to protect front-line services.
 - e) To repeat your call for a fairer funding settlement for Derbyshire that includes an increase in government funding and does not merely pass the financial burden to local tax-payers through precept increases.

PREFACE

Since 2010 the Police Service has seen real-term cuts in its Government grant funding of 30% that have led to a reduction of over 20,000 police officers. This means that the number of police officers in England and Wales are at levels that have not been seen since the early 1980s. This continued and systematic underinvestment in policing has led to very difficult decisions being taken and resources being removed from neighbourhoods and allocated to areas of greatest risk. Here in Derbyshire we have seen officer numbers reduce from 2,126 in 2009/10 to 1,702 in 2017/18 – a reduction of 424. The cuts have also decimated the number of police staff supporting the work of Derbyshire Constabulary. Overall the organisation has lost the best part of 800 people in the past eight years.

At the same time as funding has been cut, the face of crime has changed beyond recognition. The development of digital technology has led to new crime types such as cyber and cyber-enabled crime. The abuse of children has increased both in terms of child sexual exploitation (often facilitated by technology allowing children to be 'groomed' online) as well as exploited by organised crime groups as part of so-called 'County Lines' drug distribution networks. Vulnerable adults are also being exploited and we have seen significant rises in cases on modern slavery.

If it were possible to have a typical day in policing Derbyshire would deal with the following:

- **400** 999 emergency calls
- **1,500** calls to the non-emergency 101 number
- **700** incidents
- **150** crimes
- **40** arrests
- **5** Road traffic collisions
- **3** firearms or TASER incidents
- **60** domestic abuse incidents
- **13** missing people
- **12** burglaries
- **117** incidents of ASB

The demands on the Force have also changed as partner agencies cut back on the services they provide because they too have been subjected to harsh cuts to their budgets due to the Government's austerity agenda. In the absence of services historically provided by other agencies, the police have often become the service of first and last resort, dealing with challenges that most people would not traditionally associate with policing.

As Police and Crime Commissioner I have met with people from across the County and the City to understand their concerns. People tell me that their priorities relate to the areas that have suffered most as a result of the cuts, such as police visibility and safety on the County's roads. They want to see people brought to justice for their actions. Most of all, they want to be safe as they go about their daily lives.

In the statement on Police funding for 2019/20 the Government announced that policing would receive an extra £970m in funding. To reach this figure it clearly expects that most of this amount will be delivered through an increase in the policing precept hence it has raised the maximum amount by which PCCs can raise the precept from £12 a year for a Band D property to £24.

Personally, I believe that the majority of any uplift in funding should come from Central Government in the form of grant funding. However, the Government clearly expects local people to plug the gaps in police funding resulting from its funding policy.

Whilst I don't believe that it is fair, or right, to place the burden of fixing the funding problem on to local tax payers, I have a clear responsibility to ensure that the communities of Derbyshire are kept safe and the Force has the resources it needs to meet demand. This localised approach is not the method by which I would have chosen to boost our funding, but it is the only option on the table.

I have repeatedly called for a review of the funding formula. I have made it clear that the price of cuts is an overstretched force trying to do more with less. The fact that crime figures are on the rise is not coincidental. Therefore, I have spoken at length with the Chief Constable and challenged him to come up with plans that will deliver the things that matter most to the people of Derbyshire on the things that matter to them. I have been very clear and direct in my expectations – if people are being asked to pay

more they need, no deserve, to see and feel the impact of that additional funding. The following report outlines the plans the Chief Constable has developed.

Looking to the longer-term future, I was pleased to see that nearly 90% of those people who responded to my consultation supported my view that the best solution reverses this systematic underinvestment in policing in our county is a fairer funding settlement from Government. I will, therefore, continue with my campaign to persuade the Government to increase the Home Office Grant Funding for Derbyshire Constabulary so that the burden does not continue to fall upon the hard-pressed local council tax payer.

A handwritten signature in black ink, appearing to read 'Hardy Dhindsa', with a long horizontal stroke extending to the right.

Hardyal Dhindsa
Police & Crime Commissioner for Derbyshire
January 2019

1. EXECUTIVE SUMMARY – WHAT THIS MEANS FOR DERBYSHIRE

- 1.1 In reading this report and the supporting documents, it is useful to keep in mind the following key headlines:
- 1.2 The government grant settlement and precept flexibility (up to £24 or £2 a month for a Band D property together with additional grant funding from the Government totalling £463m nationally) was more than expected for the police service. In Derbyshire, it sees our potential funding increase by 7.3% between 2018/19 and 2019/20.
- 1.3 The Commissioner whilst welcoming additional funding regrets the burden having been transferred again to the public of Derbyshire. The Commissioner has consulted with the public of Derbyshire concerning his proposal to increase the precept in 2019/20. This consultation, starting prior to the Government funding announcements, ran until 6 January 2019 and generated 1,660 results. 71.3% of respondents supported a precept increase of £12 or more. The consultation is discussed in more detail within **section 7** of this report. However, the budget is subject to scrutiny and potential veto by a Police and Crime panel consisting of local authority and independent representatives.
- 1.4 This budget settlement with the proposed £24 increase in precept means we are able to invest now and in the future with **£4.892m** (see **Annex F**) of investment across the Force and PCC priorities. The most significant investment proposed in 2019/20 is in communities through our neighbourhood teams, rural crime teams, prevention, response policing and our roads policing team. We will be investing **£3.209m** (of the **£4.892m**) into these priority areas, made up of 58 officers and 62 police staff so our communities will see a visible investment in the areas that need them. This follows on from our investment of 25 new officers during 2018/19 and a further 25 other officers reallocated to areas of increased risk and threat, primarily in the emerging risks and threats including Child Abuse and Exploitation, Domestic Abuse, Sexual Violence, Modern Slavery and Cyber Crime. On the back of the investment, the Force saw significant developments in investigation of rape offences, seven day a week public protection, increased

investigation capacity and safeguarding support to all children at high risk of all types of exploitation.

1.5 Careful financial management over the last few years has also allowed us to continue to invest in our people, IT and Estate despite Derbyshire Police seeing its grant cut by £25m since 2010, £40m in real terms. Derbyshire Police has delivered over £38m of savings in the same period. The additional funding that we will have in 2019/20, the proposed £24 increase in the precept and the use of our reserves will allow us to:

- **Increase our police officer establishment by 58 and police staff by 62** during 2019/20 in response to the historic reductions, particularly in our neighbourhood and roads policing capacity (**£3.209m**)

This is made up of:

- **42 new posts into the Safer Neighbourhood Teams (SNT)** with a further 8 officers transferred to SNTs from Response.
- **22 new Detective Staff Investigators** who will support neighbourhood safeguarding units, focus on the Police and Crime Commissioner priorities of public protection and domestic abuse. This will secure a resilient and vital resource in the Force to help prevent and detect crime.
- **28 new Police Constables in local policing units in the North and South** of the County to rebalance the capacity following cuts to police officer numbers in previous years.
- **5 new Police Constables in the County-wide Rural Crime team** which allows our safer neighbourhood teams to focus on their local communities whilst providing a dedicated team to tackle rural crime across the County.
- **7 new Police Constables and 1 new Sergeant for Roads Policing** to help address the unacceptable number of road deaths in Derbyshire this year with over 50 people losing their life. This investment will allow the Force to cover times of peak demand and build a more resilient and effective roads policing presence.

- **7 new members of staff to develop and support the analytical capability of the Force** to provide risk and community focussed intelligence to enable front line resources to be targeted at the areas of greatest risk and threat. This investment is being funded by the Commissioner directly from his reserve.
 - **Investment into our Prevention and Mental Health support** including **1 new Sergeant** to protect the most vulnerable in Derbyshire, working closely with our partners, in particular the Fire and Rescue and Ambulance Service; and
 - **Investment in new technology including Tasers, Drones and Automatic Number Plate Recognition (ANPR) capability** to support and protect the front line to include **4 new Police Constables and 1 ANPR member of staff**; and
 - **A further 2 temporary criminal justice members of staff** to boost the criminal justice capacity.
- Invest in other priority areas including sustaining our previous investment in 2017/18, reinforcing our information management team to meet new legislative requirements and digitising our custody suites to improve criminal justice processes. These priorities and others amount to **£1.683m**.
 - There are also unavoidable costs we have to cover of **£8.801m**, predominantly pay awards, pension contributions and costs through our regional collaborations in specialist areas policing.
 - Other changes in the year amount to a reduction in the budget requirement of **£1.847m** which are included in **Annex A**.

(Further detail on the cost-pressures and investments the Force will make are included in **section 5** of this report and also **Annexes A & F**).

- 1.6 In addition to the significant investments identified by the Force, the Commissioner has:

- Agreed to fund his Grants scheme (which was previously reliant on the diminishing reserves) from the base revenue budget going forward. This has increased the revenue budget by **£0.250m**.
- Increased his Commissioning budget by **£0.100m** to allow some of the organisations, such as those funded as a result of the Commissioner's City & Town Centre Summits, dealing with Domestic Abuse or ASB, in receipt of temporary grant funding to be sustainably funded in the future. It should be noted that a robust exercise will be conducted by the Commissioner's team to prioritise services based on outcomes and value for money principles.
- Set aside **£0.250m** in the PCC Grants & Commissioning Reserve (see **Annex D**) to support the Mental Health Hub and to work with partners to consider how drug and alcohol support can be integrated within the Hub going forward. This allocation is subject to match-funding arrangements with the NHS and, it is hoped, contributions from EMAS, Police and other partners. The Hub aims to both help people in mental health crisis whilst also relieving the pressure on the front-line services that would otherwise be supporting them.
- Allocated **£0.030m** from the above reserve to fund a partnership arrangement with the Chamber of Commerce aimed at tackling crime that affects businesses in Derbyshire.
- Allocated **£1.000m** (over two years) from the above reserve to support the investment priorities that the Chief Constable has identified. In 2019/20 **£0.296m** will be used to support the Constabulary's investment in analytics.

1.7 The government settlement and precept flexibility are by no means a permanent solution to our funding challenges with significant uncertainty over future funding from the Government. The Force is still having to use £1m of its reserves to fund the budget deficit, despite the proposed £24 increase in Precept and the Force and the PCC will continue to lobby for extra funding as part of the Comprehensive Spending Review (CSR). Had we not received the flexibility on the precept in the last two years, we would be looking at a deficit of nearly **£10m**.

This is approximately equivalent to the salary costs of **200** police officers. Even with the proposed additional investment, the Force is still significantly short of its previous establishment of 3,730 officers and staff in April 2009 with a projected establishment of 3,256 at March 2019. However, the need to identify further savings remains and will continue to challenge the Force in the future.

1.7 We have maintained a significant contribution to our capital programme for 2019/20 (**£3.1m**) in the revenue budget. This is because our reserves are diminishing and we face the need to finance our future capital expenditure, particularly on our police stations, by borrowing. The additional contribution from the revenue budget will help to reduce the amount of borrowing required and will be needed now we increasingly have to pay for much of our new IT equipment and software through our revenue funding.

1.8 Derbyshire continues to be a safe County and the investment last year into priority areas has had an impact. The Force continues to meet the Home Office tests to allow it to increase its precept. Reserves are at around average for Forces nationwide, procurement savings targets set by the Home Office are being met and the Force maintains a low cost per head of population when compared with other Forces. With the proposed additional investment, particularly into our communities, the Force has a great opportunity to continue to make Derbyshire safer.

2. THE NATIONAL PICTURE - PROVISIONAL POLICE FINANCE SETTLEMENT

WHAT'S HAPPENED IN THE PAST?

2.1 Since the Chancellor announced the results of the Coalition Government's Spending Review in 2010 Government support for local policing budgets was reduced, in real-terms, by 34%. Even with annual increases in council tax precept, total funding for local police was reduced by 21% up until 2018.

2.2 The 2015 Spending Review claimed overall police spending would be protected in real terms between 2015/16 to 2019/20. The actual funding to police forces was only protected to a flat cash level, which is not insulated from inflation or

changes in the national pay settlement. Even at this level, Police and Crime Commissioners (PCCs) have been expected to increase their precept by the maximum permissible level.

- 2.3 The Provisional 2019/20 Police Finance Settlement was announced in an oral statement by the Minister for Policing and Fire, Nick Hurd, on Thursday 13th December 2018. This was followed by a written statement shortly afterwards.

WHAT'S HAPPENED THIS YEAR?

- 2.4 The key headlines for 2019/20 are set out below: -

- **Headline of £970m additional funding for the service – includes: -**
 - £161m additional formula funding.
 - £153m of pension grant.
 - £59m additional funding for Counter Terrorism.
 - £90m additional funding to tackle Serious and Organised Crime.
 - £509m as a result of a £24 council tax increase.
- **Of the £970m approximately £813m is for local policing: -**
 - £509m council tax rise
 - £143m (£153m-£10m for National Crime Agency (NCA) and Counter Terrorism (CT) pension grant
 - £161m additional Funding.
- **Precept flexibility of up to £24** for all PCCs (or equivalents) in 2019-20.
- **£161m additional grant funding** – made up of £146m increase in core grant, £12m additional National & International Capital City (NICC) payments and £2.7m precept grant.
- The settlement, including council tax and pension grant, represents an average cash increase (total funding) of 7.1% between 2018-19 and 2019-20.
- £160m additional Counter Terrorism funding (announced at the 2018 Autumn Budget) equivalent to an annual increase of £59m; an 8% increase on total CT funding.
- **New Requirements** - The minister's letter refers to the requirement to "drive efficiency, productivity and effectiveness", see below.

Core Funding

- 2.5 The Government Core Funding (made up of Police Grant, Rule 1, the Welsh Grants and Ex-CLG funding) has increased by 2.1% in cash terms between the 2018-19 and 2019-20 settlement. This is equivalent to an additional £146m.
- 2.6 This £146m plus an additional £12m for the NICC grants and £2.7m precept grant for the City of London sums to the £161m headline increase in grant funding.
- 2.7 If each PCC raises their precept by up to £24, based on updated tax base assumptions, then there will be an average increase in total income of 7.1% in cash terms. Increase for individual PCCs range from 5.8% in Cleveland to 11.8% in the City of London.

WHAT IS EXPECTED IN RETURN?

- 2.8 The 2019-20 settlement provides more funding than had been previously expected. The letter to the Home Affairs Select Committee (HASC) outlines the Policing Minister's 4 priority areas to "drive efficiency, productivity and effectiveness next year": -
1. Continued efficiency savings in 2019-20 through collective procurement and shared services. There will be an expectation that every force contributes substantially to procurement savings and the Home Office will be working with the police to agree the "right force level objectives for 2019-20 and 2020-21".
 2. Major progress expected to resolve challenges in investigative resource identified by HMICFRS, including recruitment of more detectives to tackle the shortfall.
 3. Continue to improve productivity, including smarter use of data to deliver £50m of productivity gains in 2019-20.
 4. Maintain a SOC response that spans identification and management of local threats as well as support for national priorities.

The Force has performed in all these areas with over £0.590m in equivalent annualised savings through collaborative procurement and shared services, with particular work with the Fire and Rescue Service through shared posts and procurement. This was highlighted in the latest Home Office returns. There is also national recognition for the approach to smarter working through mobile technology and the excellent approach to serious and organised crime.

WHAT ELSE HAS IMPACTED ON US?

Additional Pension Costs

- 2.9 Recent changes to the way in which police pensions are calculated means that the police, as well as other “unfunded” schemes, will see a sharp increase in costs. These costs, nationally for the Police, are now estimated to be approximately £330m (£302m for police officers and a further £28m for Metropolitan Police Service Civil Servants).
- 2.10 In 2019-20 the Treasury are providing forces with an additional £142.5m grant in addition to the £161m additional funding. The result is that in some forces the combined grants cover the full pension costs, in others there is a relatively small remaining figure. Actual costs will depend on local circumstance netted off with the pension grant allocations. In Derbyshire it is estimated there is a shortfall of £0.4m.
- 2.11 The additional funding which is to cover the pensions cost increase makes up 2.6% of the total 7.3% increase in funding compared to 2018/19. This leaves a 4.7% increase to meet other funding priorities.
- 2.12 Prior to 2019-20 the Police Service had been forced to overpay by 2.9% despite headline employer contribution rates falling in the last actuarial valuation, this has now been removed and the service is required to use the valuation report as the basis of future contribution rates, which equates to an increase in employer contribution rates from 24.2% to 31%.

- 2.13 The Home Office have also updated their tax base assumptions to reflect the latest forecasts from the Office for Budget Responsibility, namely a 1.41% increase in England and a 0.8% increase (no change) in Wales.

Reallocations of funding

- 2.14 In 2019-20 the top-slices/reallocations total £1,029m, £84m higher than 2018-19 (£945m).
- 2.15 The settlement announced an additional £90m to tackle Serious and Organised Crime (SOC). This is likely to be made up from the £56m additional reallocation plus the additional £38m under the heading “Strengthening the response to organised crime”. The £56m reallocation for National Crime Agency and Regional Organised Crime Units is split between the two to ensure a flat cash settlement for each. £51m is going to the NCA and £4.8m is going to ROCUs.

Police Funding - National Reallocations	2017/18 £m	2018/19 £m	2019/20 £m
PFI (Private Finance Initiative(s))	73	73	73
Police technology programmes	417	495	495
Arm’s length bodies	54	63	63
Top-ups to NCA and ROCUs	0	0	56
Strengthening the response to Organised Crime	28	42	90
Police transformation fund	175	175	175
Special Grant	50	93	73
Pre-charge bail	15	4	4
Total Reallocations and Adjustments	812	945	1,029

- 2.16 Special grant has decreased from £93m to £73m, the grant total rose last year as the Home Office anticipated additional funding for the Commonwealth Heads of Government Summit. The announcement states that the transformation fund will remain the same, in cash terms, at £175m.

Council Tax Referendum Principles

- 2.17 The Ministry for Housing, Communities and Local Government has published the draft council tax referendum principles. In 2019-20 PCCs will be allowed to

increase band D bills by as much as £24, although in Wales there remains no referendum limits.

2.18 Nationally, the additional £24 precept, combined with assumptions on increasing tax base is worth an additional £509m. In terms of net revenue budgets £509m nationally is equivalent to 4.3%.

2.19 This additional £24 represents increases of between 9.3% (North Wales) and 18.7% (West Midlands). The City of London, who do not levy a police precept, have been allocated £2.7m precept grant in 2019-20. The £24 increase in Derbyshire equates to 12.5%.

Grant Allocation

2.20 The PCC will receive the following grants in 2019/20: -

Derbyshire Reallocations	2018/19 £m	2019/20 £m	Variation £m
Home Office Police Grant	61.2	62.6	1.4
Ex-DCLG ¹ Formula Funding	37.1	37.9	0.8
Sub-total	98.3	100.5	2.2
Legacy Council Tax Grants	8.7	8.7	0
Pension Support Grant	0	1.9	1.9
Total General Grants	107.0	111.1	4.1

2.21 In addition to these general grants the PCC will also receive £1.212m from the Ministry of Justice to fund victim and witness services in 2019/20.

¹ DCLG – Department for Communities & Local Government

WHAT DOES THE FUTURE HOLD?

The Spending Review

- 2.22 The Association of Police and Crime Commissioners (APCC) and the National Police Chiefs Council (NPCC) are working closely with Home Office and wider policing partners to develop a co-ordinated Law Enforcement Spending Review submission for the period 2020/21 through to 2024/25. Unfortunately, the outcome from this submission will not be known until the Chancellor's Autumn Budget 2019.

Funding Formula

- 2.23 The police funding formula is widely considered to be unfit for purpose and needs replacing. Indeed, the current formula has never been fully implemented. Substantial work was undertaken in 2016/17 to bring forward new proposals but this work was suspended in May 2017, following the snap general election. The Minister is expected to announce that this work will recommence as soon as possible once the Spending review submission is complete.

3. IS THE CONSTABULARY DEMONSTRATING PRODUCTIVITY & EFFICIENCY AND DELIVERING VALUE FOR MONEY (VFM)

- 3.1 In order to meet the Minister's conditions in relation to productivity and efficiency, the APCC, NPCC and Home Office have created a National Commercial Board through which to focus efforts to deliver real progress in relation to procurement and shared services. By the end of Q1 2018/19 the national service has already delivered or developed: -

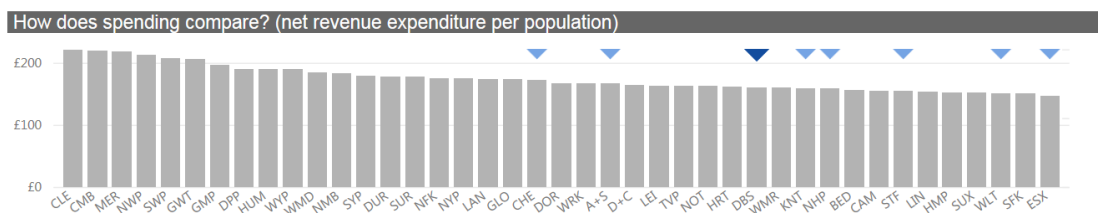
- £322m against the original target to make £350m procurement savings by 2020.
- £23m of the 3 year £100m procurement savings target, with plans in place to achieve the agreed £40m by year-end 2018/19.
- At least £13m against the 3 year back-office savings target of £20m.
- An outline business cases for both a future commercial operating model for policing, and for future shared services in policing using a national Centre of Excellence.

Results of VFM Profiles

3.2 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) publish value for money dashboards, which provide comparative data on a wide range of policing activities from 2011 up to the most recent data release.

3.3 The overall picture: Derbyshire Constabulary is still a VFM Force (low cost, high performance). We know this because: -

- Derbyshire is below average net spend per head of population against all forces (£161.29 vs. £174.50), but slightly higher than Most Similar Group and the same as the region, as shown in the table below: -

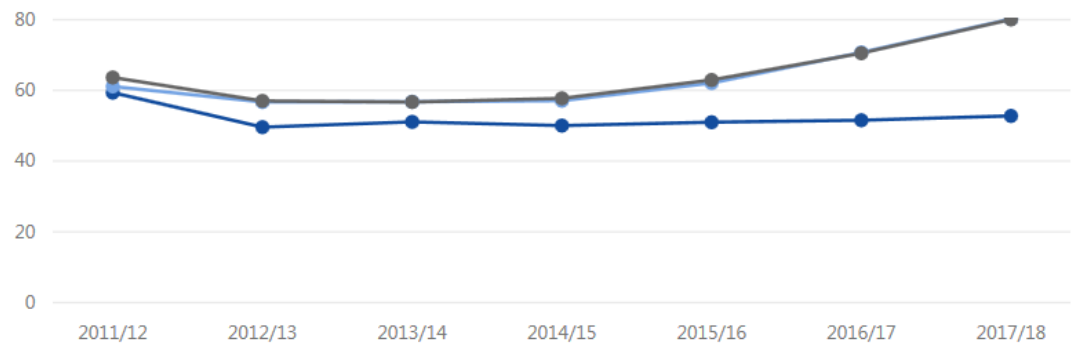


- Crime per 1,000 population is below average (52.80 v 80 MSG² v 68.96 Region³) and in all categories of crime except for drug offences, as shown in the table below:

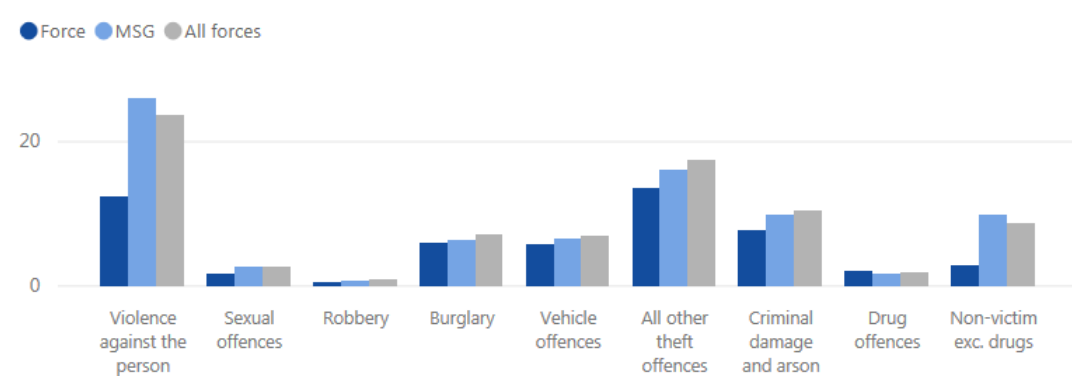
² MSG – Most Similar Group (of forces)

³ East Midlands Region – Derbyshire, Leicestershire (& Rutland), Lincolnshire, Northamptonshire & Nottinghamshire

How have crime levels changed, compared to MSG/all (crimes per 1,000 population)

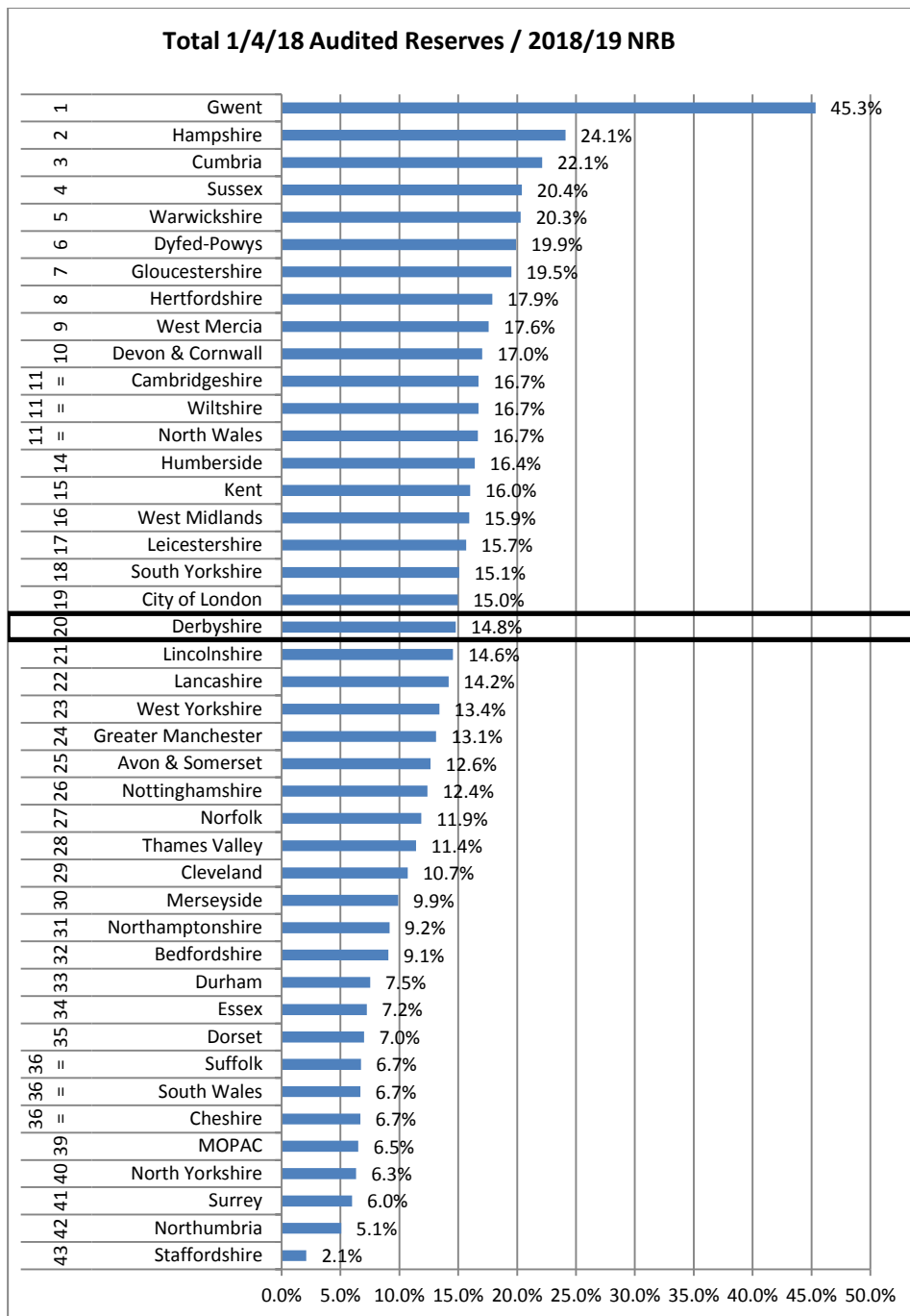


Are crime levels high/low (crime per 1,000 population)



Reserve Position

3.4 Derbyshire’s reserves have been falling faster than the national average over the past six years. The updated Reserves Strategy is also on the agenda and from being substantially above average in 2012, the level of reserves is now only marginally above the national average and reserves are now being used to meet certain cost pressures rather than holding a contingency in the budget. This as illustrated in the graph below: -



4. WHAT ARE THE CHALLENGES FOR POLICING?

4.1 Chief Constables still believe the service is financially stretched. A reduction in real terms funding of police budgets of 21% (range 11% to 29%) up until 2018 came at a time when the policing mission had been expanded and demand has grown.

- 4.2 The public and political expectation that policing should address crimes against the most vulnerable, (domestic abuse, child sexual exploitation, modern slavery, human trafficking, county lines, forced marriage and modern slavery) is resource intensive. Victims require safeguarding. Investigations are often complex and partnership case management is intense. The ability to create significant efficiencies is limited in an area concerned with protecting very vulnerable people.
- 4.3 The threat from terrorism has increased and significant investment in counter terrorism policing has been provided to National Counter Terrorism Policing. Whilst the funding in some counter terrorism capabilities has grown it is worth reflecting that the majority of the police response to the London Bridge and Manchester attacks came from core policing resources. Even uplifts in areas such as armed policing with additional funds have required support from host force budgets.
- 4.4 The demand on policing is growing. This is reflected in additional demand through reports and call volumes but it is also apparent in the evidence being provided to police. The digital footprint in most investigations requires more time to process the work. There is also recognition of the reductions over many years in the capacity of neighbourhood policing and the importance of the neighbourhood teams to our local communities.
- 4.5 The service needs to respond to an increasingly digitally capable criminal requiring new technology capabilities and organisation and serious and organised crime is a threat, more widely regarded as a national security issue.
- 4.6 Finally, the stretch on the police workforce is extensive with a sharp focus now on the level of community and neighbourhood resources and the need to reinvest back into our communities.

**5. WHAT ASSUMPTIONS HAVE WE MADE?
WHAT COSTS DO WE NEED TO COVER?
WHAT INVESTMENT DO WE NEED TO MAKE?**

Assumptions

- 5.1 The proposals developed for the draft budget ensure that resources are targeted towards priority service areas, the delivery of the strategic objectives contained in the Police and Crime Plan and meeting our Strategic Policing Requirement.
- 5.2 In developing and refining the budget and the MTFS⁴ the following underlying assumptions have been made: -
- Pay inflation has been allowed for at 3.0% per annum in each of the four years to reflect the increase in inflation and removal of the central government capping on pay increases.
 - Council tax precept to increase by £24 per annum in 2019/20, with an increase of £6 per annum thereafter.
 - Council tax billing base to increase by 1.3% in 2019/20 and by 1.5% in each of the next three years.
 - Police grants (Main Grant & Pensions Grant) have been assumed to remain at the cash levels as notified in the provisional settlement for 2019/20.
 - No provision has been made at this stage for the introduction of the new National Police Funding Formula due to the unknown impact this will have on Derbyshire's share of the national policing funds.
 - The future investment in technology, whether direct capital purchase or revenue service contracts, will need to be funded by revenue given the diminishing reserves and the minimal level of annual capital grant.

Inflation

- 5.3 This additional cost does not relate to any increase in service but is required just to maintain the existing base level of service and pay commitments. Overall inflation would add approximately £0.9m to the annual budget assuming an annual rate of 2.5% across all non-pay budgets. The 2019/20 budget assumes

⁴ MTFS – Medium Term Financial Strategy

that all such increases can be contained within existing estimates, i.e. they will be offset by procurement / other savings

Costs We Have to Cover

- 5.4 These are items within the budget which are committed to by means of previous decisions taken, national agreements or statutory payments. The main significant changes that have occurred in this section for 2019/20 include: -

Description	£m
Pay Awards	2.105
Pay increments/ Specific Price Inflation	1.475
Pension Contributions	4.384
NPAS ⁵ - Potential Changes to Funding Model	0.168
Other contributions to national Policing Services	0.212
EMSOU ⁶ / Other regional collaboration	0.458
Total unavoidable costs	8.801
Other approved or anticipated changes	(1.847)

⁵ NPAS – National Police Air Service

⁶ EMSOU – East Midlands Serious & Organised crime Unit

Priority Areas for Investment

- 5.5 These items of growth are required to improve performance, meet the Commissioner's and Constabulary's priorities and the growing demands on the Constabulary. These were developed in consultation with employees across the Constabulary and Office of the Police and Crime Commissioner, taking into account the priorities of our communities. The main significant proposed areas for investment for 2019/20 include: -

Description	£m
<i>Reinvestment into the Community</i>	
Safer Neighbourhood Team (SNT) Review	1.063
Detective Staff Investigators	0.730
North & South Division – Local Policing Units	0.381
Rural Crime Team	0.127
Roads Policing	0.221
Analytics	0.296
Prevention portfolio	0.043
Extended Roll out of Tasers	0.157
Drones – running costs *	0.112
ANPR Manager	0.035
Criminal Justice Case File Management	0.044
Total for reinvestment into the community	3.209

Description	£m
<i>Other areas of investment</i>	
Reshaping for the Future (18/19) ongoing effect	0.649
Open Source Capability	0.042
New Child & Adult Safeguarding arrangements	0.084
Information Management Legislative requirements	0.118
Domestic Abuse Training	0.063
Temporary HR Staff and Trainers	0.065
OPCC Commissioning Budget	0.100
Securing Long term funding of Grants Scheme	0.250
Business Crime Initiatives	0.030
Apprenticeship Scheme	0.046
Safe Space - City Centre Initiative	0.015
Positive Action Budget	0.030
Contribution to Police Treatment Centres	0.010
Digitisation of Custody Suites	0.181
Cost of other investment	1.683

*£100k purchase cost of 4 new drones will be met from existing capital provisions

These investments and cost-pressures are also shown in both **Annex A** & **Annex F**.

The Workforce Strength

- 5.6 The table below provides a summary of the changes to the funded establishment built into the 2019/20 revenue budget which shows the uplift from the proposed investment of through the precept of 58 Police Officers and 62 staff as well as savings in support roles to help offset the cost of the investment: -

FTE's	Police Officers	PCSO'S	Police Staff	Total Staff	Total
2018/19 Funded Posts – Precept Report	1700	164	1306	1470	3170
SNT Review (12 uplift + 8 PCs reallocated from Response)	12	14	16	30	42
DSIs – 22 Additional Posts			22	22	22
North and South Division – 28 Additional PCs – LPU's	28				28
Rural Crime Team – 5 Additional PCs	5				5
Roads Policing Unit – 7 PCs & 1 Sgt	8				8
Analytics Posts			7	7	7
Prevention Portfolio – Additional Sgt	1				1
Taser Trainers – 2 Additional PCs	2				2
Drones Officers – 2 PCs	2				2
ANPR Manager			1	1	1
CJ– Case File Management Posts			2	2	2
Sub Total	58	14	48	62	120
Other Agreed resource/increases/decreases			4	4	4
2019/20 Funded Posts – Precept Report	1758	178	1358	1536	3294

6. WHAT'S THE RESULT?

2019/20 BUDGET SUMMARY

- 6.1 The tables below provide a summary of the 2019/20 revenue budget showing a high-level split of the overall budget between those elements that the PCC is directly responsible for and those under the direction and control of the Chief Constable to manage and operate.

6.2 The proposed budget for 2019/20 for the **Office of the Police and Crime Commissioner** is summarised in the table below: -

Office of the Police and Crime Commissioner	Approved Budget 2018/19 £m	Proposed Budget 2019/20 £m
Commissioner's Office	1.176	1.220
Crime Prevention Fund	0.250	0.275
Community Safety Fund	1.309	1.366
Victim and Witness Services	1.090	1.133
Sub-Total	3.825	3.994
Revenue Contributions to Capital	3.092	3.092
Debt Charges	0.597	0.701
Interest Receipts	(0.095)	(0.160)
Sub-total	7.419	7.627
Contribution from Reserves	(0.250)	-
Contribution to Reserves	0.022	0.024
Grant from the Ministry of Justice (estimate)	(1.215)	(1.212)
Net Budget Requirement	5.976	6.439

6.1 The proposed budget for the **Chief Constable** is set out in the table below: -

Chief Constable	Approved Budget 2018/19 £m	Proposed Budget 2019/20 £m
Derbyshire Constabulary	152.356	162.768
East Midlands Collaboration	10.311	11.310
BCU Fund	0.318	0.318
Partnerships	0.561	0.576
Contribution to National Policing	0.400	0.215

Sub-total	163.946	175.187
Contributions from Reserves	(0.752)	(0.610)
Net Budget Requirement	152.356	174.577

- 6.2 The budget for the share of specialist policing within Derbyshire that is being delivered collaboratively with other police forces within the **East Midlands** is summarised in the table below: -

East Midlands Collaboration	Approved Budget 2018/19 £m	Proposed Budget 2019/20 £m
EMSOU Serious and Organised Crime	3.813	4.405
Technical Support Unit	0.466	0.481
Major Crime	0.208	0.188
Forensics	1.802	1.875
HR Service Centre	0.732	0.745
Learning and Development / Occupational Health	1.000	1.039
Legal	0.344	0.357
Contribution to Regional Teams	0.000	0.302
Major Crime (budget retained within Derbyshire's base)	1.940	1.911
CrimeStoppers Regional Manager	0.006	0.007
Total Collaboration	10.311	11.310

Council Tax base

- 6.3 The tax base is calculated by the billing authorities by converting all properties to band D equivalents and making assumptions about the levels of discounts to be offered and the amount of tax to be collected. Billing authorities are not required to finalise their tax bases until the end of January. Based on current information the total tax base for the PCC for 2019/20 is expected to be 315,940.14 and is broken down by authority in **Annex E**.

Band D Council Tax

- 6.4 The Band D council tax proposed for 2019/20 is £216.60, an increase of £24 or 12.46% on the comparable figure for 2018/19.

	Precept Increase £24
Net Revenue Budget	£179,917,656
Budget Increase (%)	7.3%
Proposed Council Tax Requirement	£68,432,634
Police Council Tax (Band D)	£216.60
Police Council Tax Increase (£)	£24.00
Police Council Tax Increase (%)	12.46%
Proposed Contribution from reserves	£1,098,409

MEDIUM-TERM PROJECTIONS 2019/23

- 6.5 The impact of the budget proposals for 2019/20 and key assumptions for costs and income streams over the next 4 years is summarised in the table below. All government funding, including all special grants, are shown as external funding, illustrating the full cost and funding of the Derbyshire PCC and Chief Constable. This shows the deficit of £1.098m for 2019/20, rising to £6.328m in 2022/23, based on the current assumptions. These projections are set out in more detail at Annex A. Given the uncertainties surrounding future funding for the police service the projected deficits can only be highly provisional at this stage.

6.6

Medium-Term Forecasts 2019/23	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Previous Year's Gross Expenditure	169.170	181.016	185.804	190.728
Inflation (including pay awards and increments)	3.579	6.110	6.338	6.546
Other spending pressures/reductions	8.267	(1.322)	(1.414)	(1.955)
Net Revenue Budget	181.016	185.804	190.728	195.319
Projected Funding	179.818	182.869	185.892	188.991
Annual Budget Base (Surplus)/Deficit	1.098	2.935	4.836	6.328
Contribution (to) / from Reserves	(1.098)	(2.935)	(2.591)	-
Remaining (Surplus)/Deficit	-	-	2.245	6.328

6.7 We continue to model a range of scenarios for the future and the Statement from the Chief Finance Officer for the Chief Constable highlights some of the risks that need to be managed. It is important that Derbyshire Police continue to explore opportunities to deliver savings to fund future investment as Reserves will only cover any deficit until 2021/22 based on the current projections, without further savings or funding.

7. PUBLIC CONSULTATION AND ENGAGEMENT

7.1 The Commissioner conducted a public consultation through both digital (the Commissioner's website) and face-to-face contact (at engagement events).

7.2 The consultation described the Commissioner and Chief Constable's aspiration to invest in visible community policing and was well received.

7.3 The consultation commenced prior to the Government announcing that precept flexibility would be 'up to £24' in 2019/20. It should be noted that prior to this announcement, Government had advised Commissioners to work on the assumption of 'up to £12' precept flexibility.

7.4 The consultation achieved 1,660 responses, 1,314 online and 346 face-to-face. All districts (and the City) were represented in the consultation responses.

7.5 The consultation results showed that 40.7% of respondents supported a precept increase of £12 whilst a further 30.6% of respondents supported an increase of over £12. Therefore, in total, 71.3% of respondents supported a precept increase of £12 or more.

7.6 Furthermore, 86.7% of respondents agreed with the Commissioner and Chief Constable that additional investment should be made into neighbourhood policing and visibility next year.

7.7 Finally, 89.4% of respondents support the Commissioner and Chief Constable in their call to Government for an increase to the Police Grant for Derbyshire.

8. RESERVES AND BALANCES

8.1 There is an increasing focus on the amount of reserves held by the police. A report was presented to the Policing Minister in October 2018 which showed that total revenue reserves at 31st March 2018 amounted to £1.40bn; a reduction of 14% on comparable figures twelve months ago. Current forecasts indicate that

revenue reserves will fall by a further 47% between now and March 2021 to a figure of £747m.

8.2 Capital grants and reserves have fallen from £534m in March 2017 to £168m by March 2018 and expected to fall still further to just £29m by March 2021.

Reserves Position for Derbyshire

8.3 The budget plans accommodate all the known immediate financial risks facing Derbyshire Police. Nevertheless, risks continue to remain over future finance settlements, inflation and the impact of future pay awards, but also: -

- Contributions to Regional Organised Crime Units (ROCU) and East Midlands Serious and Organised Crime Unit.
- Employer Pension rates.
- Changes to the funding model for the National Police Air Service (NPAS).
- Forensics (investment in digital technology and supplier pressure).
- Introduction of the Emergency Services Network (ESN).
- Impact of Brexit.

8.4 Equally, major and unpredictable new policing operations can also impact heavily on the budget. As it stands reserves are sufficient to provide a cushion against these risks. More detail on the assessment of the adequacy of reserves and the management of reserves can be found in the Reserves Strategy. The table below shows the projected level of reserves up to 2023: -

	Balances at 31/03/18	Estimated Balances at 31/03/19	Estimated Balances at 31/03/20	Estimated Balances at 31/03/21	Estimated Balances at 31/03/22
	£000	£000	£000	£000	£000
GENERAL RESERVES	4,000	5,500	5,500	5,500	5,500
EARMARKED RESERVES					
Useable: -					
Operational Priorities	1,325	0	0	0	0
Operational Funding & Investment	6,776	5,624	4,822	2,591	0
Contribution to Capital	1,464	0	0	0	0
Carry-forwards	1,400	578	624	578	578
PCC Grants & Commissioning Reserve	2,406	2,056	1,761	1,056	1,056
Pensions	500	0	0	0	0
Sub-Total	13,871	8,258	7,207	4,225	1,634
Non-useable: -					
PFI – Ilkeston	1,115	1,048	983	910	829
PFI – Derby	3,091	2,792	2,452	2,080	1,673
Insurance	992	997	1,003	1,010	1,020
Carry-forwards non Force	658	232	47	0	0
Sub-Total	5,856	5,069	4,485	4,000	3,522
TOTAL EARMARKED RESERVES	19,727	13,327	11,645	8,225	5,156
TOTAL RESERVES	23,727	18,827	17,144	13,725	10,656

8.5 Further detail on the level of reserves is set out in **Annex D**.

9. IS OUR BORROWING AFFORDABLE?

8.1 Whilst the Prudential Code relates to new capital controls, it does impact on the revenue budget. Any agree long term borrowing meeting all the Prudential Code guidelines will have on-going revenue implications over a long period. Separate reports deal with the Capital Programme and also the Prudential Indicators for the Constabulary and are also included on the agenda.

10. ASSURANCE STATEMENT FROM THE S151 OFFICERS' CONSIDERATIONS

9.1 When setting the Budget and Capital Programme for the forthcoming year the Police & Crime Commissioner must be satisfied that adequate consideration has been given to the following: –

- Government policy on police spending, as applied to the Police & Crime Commissioner.
- The CIPFA Prudential Code and the CIPFA Treasury Management Code.
- The impact on the Council Tax and the threat or risk of exceeding the excessiveness principle (previously capping).
- Whether the proposals represent a balanced budget for the year.
- The robustness of estimates and the size and adequacy of general and specific earmarked reserves.
- The medium-term implications of the Budget and Capital Programme (MTFS).

9.2 Section 25 of the Local Government Act 2003 requires the Commissioner's Chief Financial Officer to provide the Commissioner with assurance on the robustness of estimates made for the purposes of the budget calculations and the adequacy of reserves.

9.3 The Act requires that the Commissioner has regard to the report of the Chief Finance Officer in making their budget decision. Where this advice is not accepted, this needs to be formally recorded in the minutes of the Strategic Priorities Assurance Board.

ASSURANCE OF THE CHIEF CONSTABLE'S CHIEF FINANCIAL OFFICER

9.4 As the Chief Constable's Chief Financial Officer, I can provide the following assurances: -

- The main assumptions for compiling the budget are set out within the report and the figures for the 2019/20 budget have been based on these assumptions.
- The recommendations are consistent with the budget strategy also set out within the report and do not impact on the financial stability of the Constabulary. However, as highlighted in the report, the Constabulary has

changed its approach with an increasing emphasis on managing risk through reserves rather than building contingency into the budget.

- Future financial implications up to 2023 have been analysed but can only provide an indication of the potential financial position that the Constabulary and Commissioner will face. This reflects all known factors that could have an impact on these financial plans up to 2023 and we are assuming that funding for the increased pensions contributions will continue in the medium-term financial forecast which is a risk that we will have to monitor closely.
- The figures within the Medium Term Financial Strategy are based on a number of key assumptions set out within the MTFFS and can only provide an indication of the scale of the challenge that we face at this time. In particular the figures are heavily dependent on future government funding decisions.
- Medium Term implications –the proposals are sustainable and allow the Constabulary to be agile enough to respond to any changes arising from the next Spending Review. There are a number of scenarios that the Constabulary will need to model with the current MTFFS based on the most prudent forecast around funding and precept increases.

ASSURANCE OF THE POLICE AND CRIME COMMISSIONER'S CHIEF FINANCIAL OFFICER

9.5 As the Commissioner's Chief Financial Officer, I can provide the following assurances: -

- Government Policy – The MTFFS is produced in line with the latest government policy as applied to Police & Crime Commissioners.
- CIPFA Code – the MTFFS is produced in line with the Prudential Code and the CIPFA Treasury Management Code. Details are outlined in the Treasury Management and Capital Programme reports.
- Council Tax – The Government confirmed that legislation through the Localism Act provides communities with the power to veto, through a referendum, council tax increases deemed by the government to be excessive. The level at which council tax is deemed excessive is decided in accordance with a set of principles determined by the Secretary of State for Communities. For 2019/20 the Referendum Principle is £24 for Police &

Crime Commissioners. This report presents the precept option for the Commissioner to consider, which is for an increase in the Police element of Council Tax at Band D by £24. Increases in council tax secure year on year funding, as being a part of the base revenue budget.

- **Balanced budget** – a balanced budget is presented.
- **Robustness of Estimates** – I have reviewed the matters that have been considered in drafting the proposed budget and the consequential budget requirement, and the required level of the police precept. I am satisfied that the procedures adopted by the Director of Finance and his team are sufficiently robust to ensure the financial data is accurate and forms a sound basis for the preparation of the estimates for 2019/20.
- **Adequacy of reserves** – I consider the level of general reserves (increased to £5.5m) to be adequate for meeting estimated future risks. Specific reserves are at appropriate levels to support future expenditure in the medium term. I fully endorse the move to managing risk through our reserves as opposed to holding contingencies within the revenue budget.
- **Medium Term implications** – I consider that the MTFS presents a best estimate of the future financial pressures that the Commissioner will face. It should be noted that inherent within the MTFS are key assumptions that (a) the pensions grant for 2019/20 continues in future years in flat terms, (b) the precept is increased by £6 each year and (c) that 3% pay inflation will apply in the future. Movement in any of those key assumptions would have significant impact on the available resources to support policing. The Director of Finance and I will continue to monitor national developments carefully to ensure the Commissioner and Chief Constable are sighted on any emerging risks for Derbyshire.

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
Revenue Budget Projections to FY 2022/23

	notes	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Previous Year's Budget Requirement		169.170	181.016	185.804	190.728
Pay & Price Increases					
Full Year Effect of Previous Year's Pay Award:-					
Police Officers		(.158)	1.209	1.222	1.252
Police Staff		(.073)	0.554	0.553	0.575
Provision for Current Year's Pay Award & Inflation:-					
Police Officers pay award		1.608	1.710	1.753	1.800
Police Staff pay award		0.728	0.774	0.805	0.839
Police Officer Increments		1.236	1.345	1.483	1.550
Police Staff Increments		0.557	0.518	0.523	0.530
Specific Price Inflation		0.505			
General Inflation Contingency		(.823)			
Total - Pay & Price Increases		3.579	6.110	6.338	6.546
Previous Year's Budget plus Pay & Price increases		172.749	187.126	192.142	197.274
Other Approved or Anticipated Changes to Base Budgets					
2018/19 Business Cases - ongoing effect		(.747)			
2018/19 Re-shaping For The Future - ongoing effect		0.649			
Police Officers - Turnover (recruitment less wastage)		(1.966)	(1.991)	(1.826)	(1.881)
Police Officers - Funded strength increase in 2018/19		0.307			
Police Officers - Funding of pension schemes		4.384			
Police Officers - Costs of Ill-health retirements		0.308			
Police Officers - Overtime (Special Services)		0.112			
Police Officers - Overtime (no of Bank Holidays)		0.117			
Police Officers - Rent / Housing Allowance eligibility		(.239)	(.295)	(.153)	(.079)
Additional Officer recruitment via Police Now		0.112	(.112)		
Police Staff - Workforce modernisations		0.066			
Police Staff - Additional posts approved in 2018/19		0.101			
Police Staff - Other changes		(.141)			
Rents - LLP		0.485			
Other property related costs		(.016)			
Other Revenue Consequences of Capital Expenditure		(.047)			
Photocopying Contract		(.060)			
Vehicle Recovery Contract - net costs		(.061)			
Professional Fees		(.050)			
Contributions to Regional collaboration		0.458			
Maintenance costs associated with existing IT		(.116)			
Open Source Capability		0.042			
Single On-line Home costs		0.131	(.031)	(.029)	
Other subscriptions to national policing services		0.249	0.184		
Derbyshire Child & Adult Safeguarding - uplift in contributions		0.084			
Debt Charges - current and new borrowing		0.104	0.375	0.788	0.045
Football Income		0.146			
Other Special Services Income		(.131)			
Investment Income		(.065)			
Other miscellaneous income		0.015			
OPCC - Additional Requirement		0.037			
Reserve contributions - PCC Community Safety grants		0.250			
Reserve contributions - Other		(.040)	(.038)	(.039)	(.040)
Other Changes		0.098			
Total - Other Approved or Anticipated Changes		4.576	(1.908)	(1.259)	(1.955)

	notes	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
2019/20 Business Cases / Funding Priorities					
Safer Neighbourhood Team review		1.424	0.554	0.039	0.000
Police Officer Overtime provision		0.200	(.050)	(.150)	
Digitisation in Custody Suites		0.181			
Information Management - meeting new legislation		0.118	(.048)		
Other miscellaneous priorities		0.047			
Drones		0.112	(.017)		
Rural Crime Team		0.127	0.042		
LPU - North & South		0.381	0.127		
CJ - Case File Management		0.044		(.044)	
Prevent		0.043	0.015		
Roads Policing		0.221	0.074		
Analytics		0.296			
Detective Staff Investigators		0.369			
Tasers		0.157	0.017		
Domestic Abuse Training		0.063	(.063)		
ANPR Manager		0.035			
Temp HR Staff & Trainers for Resourcing Uplift Plan 19/20		0.065	(.065)		
less: Reduction in CCMC staff		(.192)			
Total - 2019/20 Business Cases / Funding Priorities		3.691	0.586	(.155)	0.000
BASE BUDGET REQUIREMENT FOR YEAR		181.016	185.804	190.728	195.319

	notes	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
FUNDING FOR BUDGET REQUIREMENT					
Central Government Funding					
Formula grant		100.504	100.504	100.504	100.504
Council Tax grants		8.700	8.700	8.700	8.700
Pension Support grants		1.856	1.856	1.856	1.856
Total - Central Government Funding		111.060	111.060	111.060	111.060
Precept Funding					
Previous year Council Tax Funding		60.519	68.858	71.808	74.832
Change in tax base - annual growth		0.757	1.026	1.071	1.116
Change in Band D Council Tax		7.582	1.924	1.953	1.982
Change in Collection A/c Surplus / (Deficit)		0.000	0.000	0.000	0.000
Total - Precept Funding		68.858	71.808	74.832	77.930
TOTAL PROJECTED FUNDING		179.918	182.869	185.892	188.991

BUDGET (SURPLUS) / DEFICIT	1.098	2.935	4.836	6.328
Contribution from Reserves	(1.098)	(2.935)	(2.591)	0.000
REMAINING (SURPLUS) / DEFICIT NOT FUNDED	0.000	0.000	2.245	6.328

Office of the PCC - 2019/20 Budget (detail)

Account	Account(T)	2018/19 Base Budget	Adjustments to Base	Full Year Inflation	Increments	Other Changes	2019/20 PROPOSED BUDGET
1100	Police Staff Pay	712,200		18,400	11,500	(8,000)	734,100
1120	Police Staff Overtime - Plain Time	1,100					1,100
1140	Police Staff National Insurance	74,700		1,900	1,200	1,500	79,300
1160	Police Staff Superannuation	89,900		2,400	1,500	900	94,700
1501	Training Courses	0	5,000				5,000
1600	NHS Re-Imbursement	200	(200)				0
1602	Recruitment Advertising	0	1,000				1,000
1603	Interview Expenses	2,000	(1,500)				500
2210	Hire of Rooms	1,200					1,200
3200	Police Vehicle Fuel	0	400				400
3300	Hire of Vehicles	0	1,200				1,200
3400	Other Mileage (PSV)	11,400	(400)				11,000
3403	Rail Travel	8,000					8,000
3408	Car Parking, Taxis, etc	1,000					1,000
4000	Equipment - General	3,000					3,000
4040	Furniture	500	2,000				2,500
4100	Accommodation / Hotel Expenses	1,000	800				1,800
4101	Subsistence Expenses	300	100				400
4291	Meals / Refreshments	800	900				1,700
4400	Printing and Stationery - General	3,800	1,200				5,000
4401	Publications	500					500
4505	Financial Contracts	51,000	(3,000)				48,000
4520	Professional Fees	22,400					22,400
4543	Professional Fees - Legal	17,600					17,600
4575	Media Relations	45,000	1,500				46,500
4630	Hardware - Purchase	800	(800)				0
4635	Software Purchase	8,500	9,000				17,500
4740	JARAC Attendance	7,000					7,000
4741	JARAC Mileage	1,000					1,000
4805	Non-Recruitment Advertising	0	4,900				4,900
4807	Conference Expenses	2,500					2,500
4888	Bank Charges	7,000					7,000
4890	Misc Expenditure	34,400	(22,100)			12,700	25,000
4895	Subscriptions General	67,000					67,000
Office of the PCC - Total Budget		1,175,800	0	22,700	14,200	7,100	1,219,800

2019/20 PROPOSED BUDGET		
<u>Services Commissioned via the Chief Constable</u>		
	2018/19 Approved £m	2019/20 Proposed £m
Police Officers	87.032	94.114
Community Support Officers	4.795	5.186
Other Police Staff	35.860	37.794
Police Pensions	2.530	2.912
Other Employee Expenses	0.690	0.834
Premises	8.644	9.212
Transport	3.737	3.760
Supplies & Services	13.865	14.629
Agency & Contracted Services	0.088	0.172
Pay & Price Contingency	0.823	0.000
Specific Grants	(2.989)	(2.759)
General Income	(2.719)	(3.087)
Derbyshire Constabulary	152.356	162.767
Contribution to East Midlands Collaboration	10.311	11.310
BCU Funding	0.318	0.318
Partnerships	0.561	0.576
Contribution to National Policing	0.400	0.215
PROPOSED GROSS SPENDING	163.946	175.186
Contribution from reserves		
- PFI	(.382)	(.425)
- Devolved Carry-Forwards	(.370)	(.185)
- Other Reserves	-	-
	(.752)	(.610)
PROPOSED NET SPENDING	163.194	174.576

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
STATEMENT OF LEVEL OF RESERVES AT 31 MARCH 2018 AND FORECAST LEVELS TO 31 MARCH 2021

	2018 / 19				2019 / 20			2020 / 21			2021 / 22			
	Balances at 31/03/18	Movements (to) / from Revenue	Transfers Between Reserves	Contributions to Capital	Balances at 31/03/19	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/20	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/21	Projected Movements (to) / from Revenue	Projected Contributions to Capital	Estimated Balances at 31/03/22
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
GENERAL RESERVES	4,000,000	-	1,500,000	-	5,500,000	-	-	5,500,000	-	-	5,500,000	-	-	5,500,000
EARMARKED RESERVES														
Useable:-														
Operational Priorities	1,324,693	(38,000)	(1,286,693)		0		0			0				0
Operational Funding and Investment Reserve	6,775,866	(1,514,418)	362,693		5,624,141	(802,409)	4,821,732	(2,231,000)		2,590,732	(2,590,732)			0
Contribution to Capital	1,464,100			(1,464,100)	0	0	0			0				0
Carry-forwards	2,057,551	(1,248,100)			809,451	(185,000)	624,451	(47,000)		577,451				577,451
PCC Grants & Commissioning	2,406,474	(350,000)			2,056,474	(296,000)	1,760,474	(704,000)		1,056,474				1,056,474
Pensions	500,000		(500,000)		-		-			-				-
Total Useable:-	14,528,684	(3,150,518)	(1,424,000)	(1,464,100)	8,490,066	(1,283,409)	7,206,657	(2,982,000)	0	4,224,657	(2,590,732)	0		1,633,925
Non-useable:-														
PFI - Ilkeston	1,115,395	(66,941)			1,048,454	(64,991)	983,463	(72,978)		910,485	(81,542)			828,943
PFI - Derby	3,091,382	(299,639)			2,791,743	(339,988)	2,451,755	(372,043)		2,079,712	(406,602)			1,673,110
Insurance	991,879	5,455			997,334	5,485	1,002,819	7,521		1,010,340	10,103			1,020,443
Total Non-useable:-	5,198,656	(361,125)		0	4,837,531	(399,494)	4,438,037	(437,500)	0	4,000,537	(478,041)	0		3,522,496
TOTAL EARMARKED RESERVES	19,727,340	(3,511,643)	(1,424,000)	(1,464,100)	13,327,597	(1,682,903)	11,644,694	(3,419,500)	0	8,225,194	(3,068,773)	0		5,156,421
TOTAL RESERVES	23,727,340	(3,511,643)	76,000	(1,464,100)	18,827,597	(1,682,903)	17,144,694	(3,419,500)	0	13,725,194	(3,068,773)	0		10,656,421

2019/20 PRECEPT PROPOSAL: A £24 COUNCIL TAX INCREASE

Band D £216.60	Council Tax Base	Total Funding	Collection Fund		Council Tax
			Surplus	Deficit	
	315,940.14	68,858,063	428,476	- 3,047	68,432,634
Amber Valley Borough Council	39,539.86	8,613,851	49,517		8,564,334
Bolsover District Council	21,982.87	4,761,490			4,761,490
Chesterfield Borough Council	29,000.63	6,278,489		- 3,047	6,281,536
Derby City Council	68,679.00	14,958,144	82,273	-	14,875,871
Derbyshire Dales District Council	28,914.13	6,271,269	8,468		6,262,801
Erewash Borough Council	32,988.80	7,147,600	2,226		7,145,374
High Peak Borough Council	30,575.00	6,696,755	74,210		6,622,545
North East Derbyshire District Council	30,957.85	6,805,752	100,282		6,705,470
South Derbyshire District Council	33,302.00	7,324,713	111,500		7,213,213

Gross Revenue Expenditure	
2018/19 Approved	167,655,879
2019/20 Proposed	179,917,656
Increase in GRE	7.31%

Council Tax Requirement	
2018/19 Approved	60,092,870
2019/20 Proposed	68,432,634
Increase in CTR	13.88%

Council Tax per Banding		
BAND	2018/19	2019/20
	£	£
A	128.40	144.40
B	149.80	168.47
C	171.20	192.53
D	192.60	216.60
E	235.40	264.73
F	278.20	312.87
G	321.00	361.00
H	385.20	433.20

POLICE & CRIME COMMISSIONER FOR DERBYSHIRE
Summary of Movements in the 2019/20 Budget

	2019/20 £m	
Previous Year's Budget Requirement	169.170	
<u>Costs - Resourcing Uplift Plan</u>		
Safer Neighbourhood Team review	1.063	
Detective Staff Investigators	0.730	
North & South Division - Local Policing Units	0.381	
Rural Crime Team	0.127	
Roads Policing	0.221	
Analytics	0.296	
Prevention Portfolio	0.043	
Extended Roll out of Tasers	0.157	
Drones	0.112	
ANPR Manager	0.035	
CJ - Case File Management Posts	0.044	
Total - Resourcing Uplift Plan	3.209	
<u>Other Priority Areas of Investment</u>		
Reshaping for The Future Budget Requirements	0.649	
Open Source Capability	0.042	
New Child & Adult Safeguarding arrangements	0.084	
Information Management - Meeting new Legislation	0.118	
Domestic Abuse Training	0.063	
Temp HR Staff & Trainers for Resourcing Uplift Plan 19/20	0.065	
OPCC - Commissioning Budget	0.100	
Securing Long Term Funding of PCC Grants Scheme	0.250	
Business Crime Initiatives	0.030	
Apprenticeship Scheme	0.046	
Safe Space - City Centre Initiative	0.015	
Positive Action Budget	0.030	
Contribution to Police Treatment Centres	0.010	
Digilisation in Custody Suites	0.181	
Total - Other Areas of Investment	1.683	4.892
<u>Costs we have to cover</u>		
Pay Awards	2.104	
Pay Increments / Specific Price Inflation	1.475	
Funding of Pension Contributions	4.384	
NPAS - Potential Changes to Funding Model	0.168	
Other contributions to National Policing Services	0.212	
EMSOU / Other Regional Collaboration	0.458	
Total Unavoidable Costs	8.801	
Other Approved or Anticipated Changes	(1.847)	
Base Budget Requirement for Year	181.016	