

Overview of the Current Budget

1. The adjusted gross budget for 2015/16 is £306.0m, net of specific grants (including £12.2m for counter-terrorism) and local income of £17.5m; the net budget for the current year is £274.4m. Broadly 70% of the net budget is met from general grant and 30% is met from the policing precept. The current policing precept for a Band D property is £147.15, the joint third lowest for a shire area.

Grant Settlement for Policing

2. In the Spending Review on the 25 November 2015 the Chancellor announced that the total budget for policing would be protected in real terms and that local force budgets would be protected in cash terms. Both assertions require each Police and Crime Commissioner (PCC) to set the maximum precept increase allowed in each of the next four years.
3. On the 17 December, the Policing Minister announced the general grant allocation for each force area for 2016/17. Certain details still remain to be published but the key highlights of the Minister's announcement, in line with the earlier Spending Review decisions set out by the Chancellor, are as follows:
 - In 2016/17, no PCC will face a cash reduction in "direct resource funding" assuming precept income is increased to the maximum available. For policing, direct resource funding is deemed by Government to be the sum of formula funding plus legacy council tax grants plus precept. The assumption of maximum precept increase is crucial to the Government's promise of a flat cash settlement next year.
 - Accordingly, the actual cash cut to formula grant funding is 0.6% for each PCC.
 - From the total allocation to the Home Office for policing from the Spending Review, the Home Secretary is setting aside £295m for schemes or initiatives to be managed centrally by the Home Office or for related national organisations such as the Independent Police Complaints Commission and College of Policing or to be decided centrally but with monies subsequently allocated to forces.
 - The key example of an item to be held and managed centrally is in respect of the new (and necessary) replacement Emergency Services Network. £80m has been set aside for this by the Home Secretary in 2016/17.
 - Examples of funding set aside or top-sliced to be subsequently allocated to PCCs in 2016/17 are:
 - £55m for the Innovation Fund;
 - £38m to be allocated to improve cross-force specialist capabilities;
 - £34m to enable a national uplift in armed policing capacity; and
 - £4.6m for digital transformation.

The actual allocations to each force are not yet known. However, the Innovation Fund will depend upon successful bids. The uplift to firearm capability will apparently be allocated to PCCs in accordance with the current counter-terrorism funding formula. The detail in relation to other funds is not yet known.

- In respect of capital grants to PCCs, the national total in 2016/17 is £64.5m, a cut of 41% on the equivalent total for the current year.

- The precept increase limit (before referendum is required) is 2% for the majority, but the 10 force areas in the bottom quartile of current precepts can raise their precept by £5.00 (typically around 3.4%) before referenda each year.
4. The Minister also announced his intention to re-start the Formula Review for implementation in 2017/18. Beyond that there are no further details as yet, but clearly there is the real prospect of significant grant turbulence for winners and losers in 2017/18 onwards, including Kent.
 5. Locally, as a result of the settlement, in 2017/18 Kent will receive a total of £186.2m in general grants and council tax grants. This is a reduction of £1m on the current year's formula grant element. In addition, in the absence of published detail, the assumed new grant allocation for firearms capacity is £0.7m for Kent in 2016/17.
 6. The current capital grant allocation is £2.1m but based upon a national reduction of 41% and a contingency for possible Home Office top slicing, the new capital grant for Kent in 2017/18 is assumed to be £1m.

Assumed Cost Pressures for Kent

7. The draft budget for 2016/17 is based upon the following key spending assumptions:
 - General pay award of 1% (plus 1% for increments).
 - Average 2.5% for general price inflation.
 - A provision of £4.6m for the impact on Kent Police of the national changes to employer's national insurance costs from 2016/17 onwards.
 - Estimated increases in IT costs in line with expanded capabilities (0.5m), changes in Serious Crime Directorate systems to comply with changing regional requirements (0.4m), increased training and HR support costs (0.2m), other various risk adjustments (0.5m).
 - Impact of a national legal ruling on the calculation of holiday pay (£0.6m).
8. In addition, a new net provision of £1.2m has been included. This reflects the estimated net cost of meeting the new operational expectation on the Force to increase its armed response capability. The new provision of £1.2m would allow for 24 extra officers to be recruited. An assumed grant allocation of £0.7m from the new Firearms Grant would allow for a further 13 new officers, making 37 and meeting the total number the Chief Constable (CC) advises he needs to protect Kent. However, the increasing threat, risk and harm to public safety, and hence demand on Kent Police, also flows from child sexual exploitation (CSE), other historic and current sexual abuse, cyber-crime, organised crime groups and domestic violence. These additional pressures are challenging and are being currently managed by the Chief Constable within existing resources supplemented by use of one off funding.
9. The Ministry of Justices (MOJ) announcement of an increase in the specific victims grant to £2.1m is welcome. This will be allocated as per grant conditions on vital services for victims, not least from Compass House. In addition, the better than feared general grant outcome from the Home Office, and use of Office of the Police and Crime Commissioner (OPCC) underspends, will enable the commissioning grants to partners in 2016 /17 to be retained at the same cash level as the current year. (These awards will be subject to partners continuing to play an active role in various respective partnerships). In total the combined commissioning and victims support budget of £4.2m is fully funded for next year. However, the position over the medium term will need to be adjusted in light of future MOJ and Home Office grant decisions.

Budget and Precept Strategy for 2016/17

10. Taken together these spending pressures amount to £13.4m in 2016/17 after a 2% increase in the precept for policing as per previously published assumptions. To deal with this gap the Commissioner proposes to use £3.5m of reserves in 2016/17 to allow the Chief Constable to smooth the impact of the national insurance hike in 2016/17. Again this is in line with previously published assumptions.

11. The gap then remaining amounts to £9.9m. To match the cost of £1.2m to recruit 24 extra firearms officers, the Commissioner is minded to increase the precept in 2016/17 by the maximum allowed of £5 or 3.4% per annum on an average band D property. In effect this is £2.06 or 1.4% more precept than previously planned for and amounts to £1.2m extra income. If confirmed the Commissioner expects the Chief Constable to appoint 24 of the 37 additional firearms officers he has advised are required for public safety; as per the Home Secretary's expectations and thus, avoiding the front-line being otherwise denuded. If capacity allows, other public safety pressures include CSE, organised crime and cybercrime.
12. Accordingly, the proposed precept for a Band D property would be £152.15 per year, an increase of £5 per year or 9.6 pence per week for a Band D property.
13. The combination of precept increase and use of reserves means a saving gap in 2016/17 of £8.7m. A summary of the proposed 2016/17 budget is set out in Annex 1.
14. The Chief Constable has identified and will have fully implemented appropriate savings to meet the gap next year with no impact on front-line policing. In summary this will be achieved as follows:
 - Non Pay (£1m)
 - Corporate Services (£0.2m)
 - Local policing (restructuring) (£1.3m)
 - Serious Crime Directorate – reconfiguration (£1.3m)
 - Strategic Criminal Justice – reconfiguration (£0.6m)
 - Support Service (£1.6m)
 - Staff Turnover (£2.5m)
 - Miscellaneous (£0.2m)

Medium Term Financial Plan – 4 years to 2019/20

15. As previously indicated, the Home Office has yet to issue specific local allocations for future years. For the purpose of current planning, it is assumed Kent loses an additional £1m in grant each year from 2017/18 onwards. In addition, it is assumed the cost of the new "Apprenticeship Levy" will be £1.3m for Kent Police.
16. If these grants (and special levy) assumptions are combined with a roll forward of normal wage and price assumptions, the savings gap over the 4 years to 2019/20 is £30m. This is based upon modest assumptions, indeed nearer the best case rather than the worst case scenario. Further top slicing of grant and/or increased cost pressures would add to the £30m gap. For that reason a 10% contingency has been added, in the latter two years, to make a total savings challenge of £33m over the four years to 2019/20. Furthermore, as previously mentioned, this gap does not take into account the possible impact of the Formula Review.
17. A summary of the medium term plan is set out in Annex 2. On the basis of these assumptions the savings profile would be as follows before any change caused by the Formula Review in 2017/18:

2016/17	2017/18	2018/19	2019/20	Total
£8.7m	£8.3m	£8.4m	£7.9m	£33.3m

18. The reality is that the savings gap of £33m reflects very largely the Force having to consume its own inflation and cost pressures with the assumption of only modest further grant cuts. This clearly is considerably better than feared when the assumed savings gap over the next 4 years was expected to be over £60m. The difference is almost completely explained by only suffering a grant reduction of less than 1% per annum against a previous planning assumption of 5% per annum.
19. The position for policing has to be taken in perspective particularly in comparison with other parts of the public sector in Kent, and local government partners who appear to have been badly affected. However, while considerably better than feared, a minimum of £33m over the next 4 years is a 12% real cut on the net budget over the period that has to be managed.

20. In December the Home Secretary made it clear in person to PCCs and Chief Constables that she knows savings are required and that she expects enhancements in efficiency through collaboration and partnership and step changes in the use of innovation and new technology to transform, manage and meet demand better within available resources.
21. These are themes well known to the Commissioner and Chief Constable, and are at the heart of other strategies that the Chief Constable has instigated to manage the challenge over the medium term. Key strategies and initiatives currently being planned in the short to medium term include:
 - Investment in mobile and body worn video technology.
 - Investment in a major new police business system in collaboration with seven other forces (i.e. Athena).
 - Investment in channel shift and other demand management initiatives.
 - Maximising collaborative and efficiency opportunities.
 - Investing in culture and people.

Reserve Strategy and Planning

22. The Commissioner's reserve strategy has the following key elements:
 - Earmarked reserves, those set aside for specific purposes, are grouped into three categories, namely risk, change and policy/investment opportunities.
 - A general non-earmarked reserve of 2% of the net budget will be maintained for unknown and/or unforeseeable events.
 - A prudent approach to risk management will be maintained and accordingly earmarked reserves will be created to cover for possible significant risks.
 - A prudent reserve to provide for the costs of change, especially in respect of redundancy and related will be maintained.
 - In the interest of the council tax payer, the PCC will seek as far as possible to protect its 'non-debt' status and instead of borrowing for investment, build up and rely on reserves for that purpose over the long term.
 - The PCC will take a long term approach to protecting, maintaining and investing in all its assets supporting policing for the long term as well as short term.
 - Reserves not required for the above purposes will be clearly identified as available for other discretionary policy opportunities.
23. The Panel will be aware of these key strategy elements from annual budget reports presented in the past. Furthermore, and most significantly, the policy of building up reserves for short and long term capital investment, to avoid borrowing costs, is a long established policy inherited from the previous Police Authority. They are to be commended for that.
24. The total non-earmarked and earmarked reserves as at the 1 April 2015 was £60.1m. Of this, non-earmarked reserves amounted to £5.6m or broadly 2% of the net budget in line with normal practice. The remaining reserves were all earmarked. It should be remembered that £27.6m or nearly half of those total earmarked reserves, were there to support investment and capital spending over the medium to long term as opposed to more costly borrowing. This capital reserve has been built up from accumulated underspends, capital grants and capital receipts over the years.
25. As the Panel will be aware, the total of the capital reserve at 31 March 2015 is after setting aside a cumulative amount of £9.8m in closing the 2014/15 accounts. This was due to a coding error that resulted in Pension Top up grant being incorrectly claimed from the Government in each year since the 2006 pension reforms. This over-claim had the effect of incorrectly adding to the general account each year and in line with established policy formed part of the underspends added to the capital reserve over that period. Once this came to light it was dealt with promptly, in conjunction with the external auditor, enabling the appropriate amount to be set aside to repay the Home Office and ensure an unqualified opinion on the 2014/15 accounts. Undoubtedly, this set aside has reduced the longer term available investment capacity to the extent that the PCC will probably

need to start borrowing for significant investment during the next Spending Review cycle (i.e. 2020/21 to 2023/24). However, the policy of maintaining prudent reserves for investment, rather than borrowing, has enabled the sum that needs to be repaid to the Home office to be set aside without harming medium term investment plans.

26. It is worth putting police reserves into context. The risks facing police are in parts similar to local government but in other respects quite different. The areas of difference are felt particularly in key operational events such as a murder, or public order/safety incidents, which can consume major cost suddenly and unexpectedly. Furthermore, such events in the past can generate very significant and unexpected liabilities in the future. The deeply sad events and regrettable aftermath of the Hillsborough disaster is a dramatic example. For Kent, the Chilham murders and Tonbridge robbery also put major strains on Kent finances at the time.
27. However, while there are understandable differences with the risk profile facing local authorities, the comparison with other forces is an important point of reference. In that regard, as per a recent National Audit Office study, Kent is in the middle of the pack.

Use of Reserves

28. As at 31 March 2016, due to normal movements and adjustments during the year, total earmarked and non-earmarked reserves are expected to fall to £56.8m. The non-earmarked provision will be kept at 2% of the net budget. As per previously published planning assumptions, the Commissioner will be releasing £3.5m in 2016/17 (rising to £5.5m over the next 4 years) to help the Force smooth the impact of the hike in national insurance contributions. In addition, in 2016/17 the Commissioner will continue the policy of supporting CSE capacity (£200,000 per annum for three years), supporting billing authorities for council tax base support in concert with other preceptors (£150,000) and supporting redundancy costs over the medium term (£6m). For completeness, the planned use of all reserves in 2016/17 is set out below:

Summary of Reserves

	£m	
Non Earmarked:		
General Fund	5.6	Set at 2% of net budget (PCC decides)
Earmarked:		
<i>Risk</i>		
Council Tax Benefit support	0.7	Incentive scheme in concert with other preceptors
Public Order provision	2.0	For use by CC with PCC agreement
Budget and Grant volatility	4.0	Risk of grant volatility (PCC decides to use)
Insurance fund	3.1	In line with actuarial guidelines for self-insured risks
<i>Change</i>		
Invest to Save (CC and PCC)	0.9	To assist future savings, for use by CC
Redundancy etc.	6.0	For use by CC with PCC agreement
<i>Policy Opportunity and Investment</i>		
Policy Opportunities (PCC)	5.9	To help smooth Force savings plans
Capital Reserve	27.6	To support capital and innovation investment
Proceeds of Crime Act (POCA)	0.6	Proceeds of Crime (CC)
Other	0.4	Miscellaneous
Total Earmarked	51.2	
Grand Total	56.8	

29. Over the medium term, after consultation with the Chief Constable, the Commissioner will be releasing £44m over the four years to 2019/20 for major transformational investment in mobile and other innovations as well as ensuring proper facilities and equipment for the Force. In part this

will be funded from targeted capital receipts over the period but also from a significant reduction in the capital reserve. For information, the cumulative annual debt charges to revenue for this programme would have been at least £2m per annum by March 2020, equivalent to 40 officer posts, if this investment relied on borrowing rather than reserves.

30. Given the overall Spending Review outcome, a £4m grant volatility reserve is being retained for the purpose of potential grant reductions from formula changes in 2017/18 onwards and it is assumed it will be used for that over the period. A new specific reserve of £200,000 has been established as a sinking fund for major repairs or adaptation to Compass House. This has been funded by accumulated underspends in the OPCC budget, and will ensure the facility is entirely sustainable and fit for purpose without imposing any strain on future investment funding intended for the Force in the long term.
31. Taking all these plans and provisions into account, results in total earmarked reserves falling to £19m or 41% of the current level. Excluding the on-going requirement to provide for self-insurance and redundancy, the capital reserve will be reduced to £11.6m by March 2020. This makes it highly likely that the Force will need to borrow externally for significant capital investment by 2021/22. The forecast use of reserves over the medium term is set out in Annex 3.

Capital Planning

32. The key themes driving investment can be summarised as follows:
 - Policy led with clear linkages to operational requirements and the Police and Crime Plan.
 - Using technology and innovation to reduce demand and increase the time and focus officers can devote to core policing.
 - Putting victims at the heart of the service.
 - Ensuring sound and reliable equipment and facilities for officers.
 - Exploiting tangible efficiency and effectiveness opportunities in partnership with others.
33. The planned schemes and projects for 2016/17 are set out in Annex 4. The indicative investment themes for future years are also set out in this Annex. As per normal practice, actual release of funding next year and in future years will depend on the completion of sound business cases.

Statutory Statements

34. It is a statutory requirement that the designated Chief Finance Officer must issue a professional statement on the adequacy of reserves, robustness of estimates and overall effectiveness of the systems of financial control and risk management generally. The following fulfils that requirement.
35. For Kent, Government grant makes up 67% of net funding excluding specific grants. Consequently, reductions in grant will inevitably have an impact on policing operations. Thankfully, the level of grant cut over the next Spending Review cycle is much less than feared. However the consequence of handling inflation, other known cost pressures, a £3m contingency for unknown pressures - coupled with even a modest cut in grants - will still require the Force to find £33m of savings or 12% of its net budget over the next 4 years. Effective financial management and planning, commended by Her Majesty's Inspectorate of Constabulary, has already enabled the Force to deliver approximately £62m of savings as part of Spending Reviews since 2011/12.
36. On top of this, the government's planned review of the formula for distributing the national pot of general police grants between forces may have a significant positive or negative impact. There is a need to have some risk protection against any negative impact on Kent from 2017/18 onwards.
37. The Force and the OPCC maintain active risk registers and associated risk management processes for operational and management risks which are monitored by the Independent Joint Audit Committee. As well as the financial challenges described above, many of the key risks inevitably fall on the Force, rather than the OPCC, from both existing and newer threats. Examples of the latter include the local response to counter terrorism threats, CSE, organised crime and cybercrime. Within the OPCC, on-going strategic risks relate to ensuring the core statutory

functions of the Commissioner are met; this includes overall financial governance and value for money.

38. I am satisfied that the estimates have been drawn up in a robust way, recognising that medium term forecasts beyond 2016/17 will inevitably carry more uncertainty. At the time of the budget we have assumed pay awards are capped at 1% for the four years 2016/17 to 2019/20 and an average 1% for increments. Given recent market movements the impact of the upcoming Local Government Pension Scheme valuation in 2017/18 is a risk, but it's too soon to provide an informed figure. Any changes beyond that can be dealt with from reserves in the short term pending a necessary re-set of the savings targets. For non-pay we are assuming general inflation at 2.5% for all four years but with a major hike of £4.6m per year in employer national insurance in 2016/17 and £1.3m for the new "Apprenticeship Levy" in 2017/18. Beyond that, a 10% contingency for further grant top slicing has been included. The key assumption on grant resources is the provisionally announced cash cut of 0.6% in general grant for 2016/17 and a presumed repeat of this cash cut in each of 2017/18 through to 2019/20. The precept increase in 2016/17 is assumed to be £5.00 or 3.4% on a Band D property and 2% (rounded) thereafter, up to and including 2019/20.
39. As already mentioned, ear-marked reserves have been designated into three categories; necessary risk management, costs of change and support for policy opportunities. A significant element of total reserves is the capital reserve built up from accumulated underspends and accumulated capital receipts. This reserve, in conjunction with targeted capital receipts, is vital to help finance the major planned capital spend by the Chief Constable of £44m over the next 4 years, without recourse to the comparatively expensive cost of debt charges otherwise falling on the revenue account and having to be financed from further operational savings.
40. Overall, I have considered the level and need of reserves against the strategic risk registers of the Force and the OPCC. For example, I am retaining a grant volatility reserve to provide some cover for the risk of negative formula change in 2017/18. On the whole, existing reserves are sound and in each case I am satisfied that they are prudent and appropriate after consideration of the latest key risk assessments. However, the level of investment and consequent release from the capital reserve means the organisation will probably need to start borrowing for significant investment in the next Spending Review cycle (i.e. 2020 onwards). I am also satisfied that the operation of internal and external audit and the operation of financial controls are sound. While the Spending Review for policing is much better than the sector feared, the consequent level of savings required for Kent are still significant at £33m to 2019/20. This means that regular monitoring and review of delivery plans and active risk management, including via the Independent Joint Audit Committee, remain vital parts of the local governance arrangements.

Sean J Nolan
Chief Finance Officer
Kent Office of the Police and Crime Commissioner
February 2016

Supporting information:

Annex 1 – Proposed 2016/17 budget.

Annex 2 – Summary of Medium Term Plan, 2016/17 to 2019/20.

Annex 3 – Planned use of Reserves over the Medium Term.

Annex 4 – Summary of Capital Programme to 2019/20.

Proposed 2016/17 budget

	Adjusted Base Budget 2015/16	Inflation or Growth	Savings	Proposed Budget 2016/17
	£m	£m	£m	£m
Pay and Overtime	244.0	14.7		258.7
Premises Related	20.7	0.6		21.3
Transport	7.4	0.2		7.6
Other non pay costs including IT, supplies etc.	27.9	0.7		28.6
Cost of the OPCC	1.5	0.0		1.5
Commissioning and Victim Services	4.3	-0.1		4.2
Contribution to Local Council Tax Scheme	0.2	0.2	-0.2	0.2
Savings Required			-8.7	-8.7
Total Gross Spending on Police and Commissioning	306.0	16.0	-8.9	313.3
less:				
Specific Grant - Victims Funding	1.9			2.1
Specific Grants - Counter Terrorism (see note)	12.2			12.2
Locally Generated Income	17.1	-0.1		17.0
Contribution from Reserves - existing policies	0.4	0.4	-0.4	0.4
Contribution from Reserves - new policies	0.0	3.5	0.0	3.5
Total Net Spending	274.4	12.1	-8.5	278.1
General Policy and Legacy Council Tax Grants	187.2	-1.0	0.0	186.2
Estimated Council Tax Surplus	1.3	0.0	0.0	1.3
Council Tax Precept	85.9	4.5	0.0	90.6
Total Net Financing	274.4	3.5	0.0	278.1
Council Tax Base	583918			595071
Band D Precept	147.15			152.15
£ Increase in Precept	2.87			5.00
% Increase in Precept	2.0%			3.4%
% Growth in Tax Base	1.7%			1.9%

Note: For specific grants, further detail is awaited.

Summary of Medium Term Plan, 2016/17 to 2019/20

	Proposed Budget 2016/17	Inflation or Growth	Savings	Forecast 2017/18	Inflation or Growth	Savings	Forecast 2018/19	Inflation or Growth	Savings	Forecast 2019/20
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Pay and Overtime	258.7	6.5	0.0	265.2	6.8	-0.2	271.8	7.0	0.0	278.9
Premises Related	21.2	0.5	0.0	21.7	0.5	0.0	22.3	0.6	0.0	22.8
Transport	7.6	0.2	0.0	7.8	0.2	0.0	8.0	0.2	0.0	8.2
Other non pay costs including IT, supplies etc.	28.6	0.7	0.0	29.3	0.7	0.0	30.0	0.8	0.0	30.8
Cost of the OPCC	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5
Commissioning and Victim Services	4.2	0.0	0.0	4.2	0.0	0.0	4.2	0.0	0.0	4.2
Contribution to Local Council Tax Scheme	0.2	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.2
Savings Required	-8.7		-8.3	-17.0		-8.4	-25.4		-7.9	-33.3
Total Gross Spending on Police and Commissioning	313.3	7.9	-8.3	312.9	8.3	-8.6	312.6	8.5	-7.9	313.2
less:										
Specific Grant - Victims Funding	2.1	0.0	0.0	2.1	0.0	0.0	2.1	0.0	0.0	2.1
Specific Grants - Counter Terrorism	12.2	0.0	0.0	12.2	0.0	0.0	12.2	0.0	0.0	12.2
Locally Generated Income	17.0	0.0	0.0	17.0	-0.4	0.0	16.6	-0.4	0.0	16.2
Contribution from Reserves - existing policies	0.4	0.4	-0.4	0.4	0.2	-0.4	0.2	0.0	0.0	0.2
Contribution from Reserves - new policies	3.5	1.5	-3.5	1.5	0.5	-1.5	0.5	0.0	-0.5	0.0
Total Net Spending	278.1	6.0	-4.4	279.7	8.0	-6.7	281.0	8.9	-7.4	282.5
General Policy and Legacy Council Tax grants	186.2	-1.2	0.0	185.0	-1.2	0.0	183.9	-1.2	0.0	182.7
Estimated Council Tax Surplus	1.3	0.0	0.0	1.3	-0.4	0.0	0.9	-0.2	0.0	0.7
Council Tax Precept	90.6	2.8	0.0	93.4	2.8	0.0	96.2	2.9	0.0	99.1
Total Net Financing	278.1	1.6	0.0	279.7	1.3	0.0	281.0	1.5	0.0	282.5
Council Tax Base	595071			691260			607273			613345
Band D Precept	152.15			155.19			158.30			161.46
£ Increase in Precept	5.00			3.04			3.10			3.16
% Increase in Precept	3.4%			2.0%			2.0%			2.0%
% Growth in Tax Base	1.9%			1.0%			1.0%			1.0%

Planned use of Reserves over the Medium Term

	01/04/2015	01/04/2016	01/04/2017	01/04/2018	01/04/2019	01/04/2020
	£m	£m	£m	£m	£m	£m
Non Earmarked:						
General Fund	5.6	5.6	5.6	5.6	5.6	5.6
Earmarked:						
<i>Risk</i>						
Council Tax Benefit Support	0.9	0.7	0.5	0.3	0.1	0.0
Public Order provision	2.0	2.0	2.0	1.0	1.0	1.0
Budget and Grant Volatility	7.0	4.0	4.0	2.0	0.0	0.0
Insurance fund	3.1	3.1	3.1	3.1	3.1	3.1
<i>Change</i>						
Invest to save (CC and PCC)	1.9	0.9	0.9	0.4	0.0	0.0
Redundancy etc.	6.0	6.0	4.5	4.0	3.5	3.0
<i>Policy Opportunity and Investment</i>						
Policy Opportunities (PCC)	5.1	5.9	2.2	0.5	0.0	0.0
Capital Reserve (Inc. custody)	27.6	27.6	22.3	16.9	16.4	11.6
POCA	0.6	0.6	0.4	0.3	0.3	0.2
Other	0.4	0.4	0.3	0.2	0.1	0.1
Total Earmarked	54.5	51.1	40.2	28.7	24.4	19.0
Grand Total	60.1	56.8	45.8	34.3	30.1	24.6
	100.0%	94.4%	76.2%	57.0%	50.0%	41.0%

Summary of Capital Programme to 2019/20 - New Approvals

	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m
IT Related					
Athena	0.8				0.8
Emergency Service Network - local costs	1.9	4.1	1.5	0.3	7.8
Website	0.4	0.1	0.1	0.1	0.6
Infrastructure Modernisation	1.3	1.7	0.7	0.8	4.5
Mobile Tablets and Related	3.5	1.7	1.2	2.2	8.6
SAP and Business Objects development	0.4	0.2	0.1	0.1	0.8
Custody Systems	0.6				0.6
Specialist Business Systems	0.7	0.2	0.2	0.1	1.2
Estates					
Force HQ Renewal Works	0.1	0.1			0.2
Site Upgrades incl. air conditioning and DDA	0.6	0.7	0.4	0.4	2.1
Custody Works	0.2	0.5	1.7	1.5	3.9
Security Upgrades incl. CCTV on sites	0.1	0.1	0.1	0.1	0.3
Environmental Works	0.2	0.1		0.0	0.3
Structural Maintenance - emergency provision	0.0	0.1		0.0	0.1
Major Renewal Provisions	1.3	0.9	0.1		2.3
Total Vehicle Replacement Programme	1.4	1.5	1.4	1.5	5.8
Total ANPR related*	0.6	0.3	0.3	0.1	1.3
Total Other	1.3	0.7	0.7	0.5	3.2
Grand Total - New Approvals	15.4	13.0	8.4	7.6	44.4

* Automatic Number Plate Recognition