

Grant Settlement for Policing – National Picture

1. In the Autumn Statement on the 23 November 2016 the Chancellor announced that the departmental spending totals outlined in 2015's comprehensive spending review would be honoured. This reiterated that the budget for policing would be protected in real terms and that local force budgets would be protected in cash terms. Both of these statements required each Police and Crime Commissioner (PCC) to set the maximum precept increase allowed in each year of the spending review period.
2. On the 15 December, the Policing Minister announced the draft general grant allocation for each force area for 2017/18. The consultation on this settlement closed on 26 January and we are currently awaiting details of the final settlement. Therefore all of the figures included in this report relating to government funding are still provisional. The highlights of the Minister's announcement, in line with the earlier Spending Review decisions set out by the Chancellor, are as follows:

- In 2017/18, no PCC will face a cash reduction in "direct resource funding" from 2015/16 levels assuming that precept income was maximised in 2016/17 and will be again in 2017/18. 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.
- The Policing Minister announced that each PCC would receive the same reduction of 1.3% to their settlement (formula funding plus grants). Funding for one year only was announced with no details of funding assumptions beyond 2017/18.
- From the total allocation to the Home Office for policing from the Spending Review, the Home Secretary has top sliced £812m 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. This is a 42% increase over the amount top sliced in 2016/17.
- Examples of funding set aside or top-sliced to be subsequently allocated to PCC's in 2017/18 are:

Top-Slice	2017-18
PFI	£73m
Police Technology Programmes (including ESN)	£417m
Arm's length bodies	£54m
Strengthening the Response to Organised Crime	£28m
Police Transformation Fund	£175m
Special Grant	£50m
Pre-Charge Bail	£15m
Total	£812m

- The value of the Transformation Fund has risen to £175m from £131.4m, an increase of 33.2% and now includes the funding for the Innovation fund. Allocations from the Transformation Fund will depend upon successful bids.
- Arm's Length Bodies includes increased funding for HMIC and for the GLAA (Gangmasters and Labour Abuse Authority). The pre-charge bail is a top slice from policing grant to Magistrate's Courts for the increased cost of pre-charge bail, effectively a move from Home Office funds to the Ministry of Justice. The special grant can be claimed by PCC's in times of extreme events usually once costs above 1% of the force's budget have been incurred. This has been doubled to cater for the increased costs of preparing for the policing of the Commonwealth Heads of Government meeting in 2018. The National Crime Agency and Regional Organised Crime Units will receive the same level of funding as they did previously but this involves a further top slice from police grant.

- In respect of capital grants to PCC's, the national total in 2017/18 is £45.9m, a reduction of 29% on the equivalent total for the current year. This is on top of a reduction of 40% the year before.
- The precept increase limit (before referendum is required) is 2%, but the 10 force areas with the lowest precept can raise their precept by £5.00 before a referendum needs to be held.

Grant Settlement for Policing – Kent

3. Locally, as a result of the settlement, in 2017/18 Kent will receive a total of £183.8m in general grants and council tax grants. This is a reduction of £2.4m on the current year's formula grant element.
4. Kent PCC is in the bottom quartile of current police preceptors and is therefore allowed to increase the precept by a maximum of £5.00 (3.3%) before a referendum is required.
5. Kent's capital grant allocation for 2017/18 is £1.1m, a reduction of £0.2m on 2016/17.

Funding Formula Review

6. Early in 2016/17 the Policing Minister announced their intention to develop a new funding formula for the Police Settlement with the intention of implementing it in time for the 2018/19 financial year. The timescales for completing their work is challenging with numerous working groups examining the evidence that will form the building blocks for the new formula.
7. It is anticipated that the proposed new funding formula will be with the Policing Minister for a final decision in early 2017. The Minister will then issue the funding formula for consultation during 2017 for implementation in the Police Settlement for 2018/19 announced in December 2017.
8. The funding formula review increases the uncertainty over future funding levels in policing. It is hard to predict whether Kent will gain or lose funding through this change. Any gains or losses are likely to be phased over a period of time although the mechanism for achieving this is still unclear. This means forecasting the level of government grant that Kent will receive over the medium term is difficult. It means we have to strike the right balance in our financial decisions between spending and saving without jeopardising future service provision once those funding levels are known.
9. The PCC and his team are helping influence the development of the formula through various national organisations (Association of Police and Crime Commissioners, Police And Crime Commissioners Treasurers Society, Association of Police And Crime Commissioners Chief Executives), regional responses and through our own personal formal and informal channels to ensure Kent's voice is heard, highlighting the unique financial pressures and policing challenges we face in trying to ensure we receive a fair share of police funding through the new formula.

2017/18 Budget - Cost Pressures for Kent

10. The draft budget for 2017/18 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 revaluation by the actuary of our pension has led to an increase in the employer's pension contribution of 1.6% an increase of £1m per annum. In discussion with the actuary this change in contribution will be made in stages, building to the additional £1m by 2019/20. The increase for 2017/18 is 0.5% (£0.3m).
 - Estimated net cost £0.5m for the Apprentice Levy, a government initiative that applies to all organisations with annual pay bills over £3m.
 - An estimated cost of £0.5m for pension auto enrolment, a government scheme to ensure that all employees have a personal pension.
 - The estimated latest position on the council taxbase and collection fund. Final figures are due from billing authorities by 31st January.

11. The Chief Constable set out his plan to the PCC on how Kent Police can meet the challenges facing Policing now and in the future. This includes investment in new, and the realignment of existing resources into the following areas; mental health; investigation of domestic abuse, child and adult abuse and sexual offences; vulnerable investigation; community safety units; CID; a missing and child exploitation bureau and a wanted person's bureau. The Chief Constable has confirmed to the PCC that this new model will not be to the detriment of neighbourhood policing. In light of this assurance the PCC is supportive of the changes to the model. Therefore, a new allocation of £6.2m has been included for the new policing model. £4.3m of this allocation is the reinvestment of over-achieved savings in 2015/16, with an additional £1.9m being provided as growth. This reflects the cost of implementing and running the new police model.
12. The Ministry of Justice (MOJ) announcement of the continued specific victims' grant of £2.1m is welcome. This will be allocated as per grant conditions on vital services for victims, including those delivered through Compass House. In total the combined commissioning and victims support budget is £4.2m next year, the same as 2016/17. 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 2017/18

13. The Force have a good track record of delivering savings ahead of schedule and the Chief Constable has delivered £12.0m of savings to meet the gap next year with no impact on front-line policing and this has been removed from the 2017/18 budget figures. Approximately £4m has been achieved from non-pay budgets through reductions in mobile rental, income opportunities and IT consumables amongst others. The remaining £8m of savings were identified from pay budgets through more sophisticated budgeting for posts or the early identification of vacancies.
14. Taken together the reduction in grant, the spending pressures and the already delivered savings leaves a £6.3m funding gap in 2017/18 after a 2% increase in the precept for policing as per previously published assumptions. In order to maintain funding for Kent in line with the government settlement, increasing the precept to £5.00 would generate a further £1.2m.
15. The gap remaining amounts to £5.1m. To deal with this gap the PCC proposes to use £5.1m of reserves in 2017/18. This does not absolve the Force from making those savings but allows the Chief Constable to smooth the impact of the additional savings required over the medium term to avoid any precipitous service decisions ahead of any expected new funding formula in 2018/19.
16. Further to this the PCC has notified the Chief Constable that any revenue underspends will be taken back into reserves in order to fund the capital programme. Any in-year reallocations of underspends will only be considered by the PCC where an exceptional business case is made.
17. Accordingly, the proposed precept for a Band D property would be £157.15 per year, an increase of £5.00 per year or 3.3%, the equivalent of 9.6 pence per week for a Band D property.

Medium Term Financial Plan – 4 years to 2020/21

18. 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 that the current reduction in grant will continue so that Kent loses an additional £2.4m in grant each year from 2018/19 onwards. The employer's pension contribution will continue to be increased in steps until there is an additional £1m contribution in 2019/20 and it is assumed that Kent will maximise the benefit from the Apprenticeship scheme and will therefore 'break even' on the levy in 2018/19. A further contribution from reserves is likely to be required in 2018/19 to continue to smooth the impact of savings over the medium term.

19. If these grants (and special levy) assumptions are combined with a roll forward of normal wage and price assumptions, the savings gap to 2020/21 is £37.9m. As has been noted above, Kent Police have delivered savings ahead of time and £12m savings for 2017/18 have already been delivered. Therefore a further £25.9m of savings is required by 2020/21.
20. This figure is based upon modest assumptions based on previous trends and scanning the financial horizon. Further top slicing of grant and/or increased cost pressures would add to this gap. Furthermore, as previously mentioned, this gap does not take into account the possible impact of the Funding Formula Review.
21. 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 2018/19:

Savings	2017/18	2018/19	2019/20	2020/201	Total
Delivered	£12.0m	-	-	-	£12.0m
Required	-	£9.8m	£9.9m	£6.2m	£25.9m
Total	£12.0m	£9.8m	£8.2m	£4.5m	£37.9m

22. The reality is that savings of £37.9m means the Force having to consume its own inflation and cost pressures. This reflects a 13% real cut on the net budget over the period that has to be managed.
23. In December the Policing Minister citing the HMIC stated clearly that there is still considerable scope for forces to continue to 'improve the efficiency of their organisations' and 'some forces have reduced the pace and ambition of their plans'. The government expects PCC's and Chief Constables to do everything in their power to drive efficiencies and the settlement received reflects that view.
24. These are themes well known to the PCC and Chief Constable, and are at the heart of the new Safer in Kent: The Community Safety and Criminal Justice Plan and the policing model to manage the challenge over the medium term. Key strategies and initiatives currently being planned in the short to medium term include:
- The implementation of a new policing model
 - Continued investment in our culture and our people
 - Continued investment in mobile technology
 - Investment in new business systems in collaboration with seven other forces
 - Investment in demand management initiatives
 - The development and delivery of estates transformation
 - Maximising collaborative and efficiency opportunities

Reserve Strategy and Planning

25. The PCC'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 issues 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.

26. The Panel will be aware of these key strategy elements from annual budget reports presented in the past. 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.
27. The total non-earmarked and earmarked reserves as at 1 April 2016 were £62.5m. 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 noted that £31.6m 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.
28. It is worth putting police reserves into context. The risks facing police are around operational risks such as a murder, or public order/safety incidents, which can consume major cost unexpectedly and future funding risks with the uncertainty over the funding formula. Using reserves as a proportion of net budget as an indicator, Kent are towards the upper end of PCC's across the country; however this reflects the prudent financial management over the years and the policy to avoid borrowing on capital expenditure for which substantial reserves are required.

Use of Reserves

29. As at 31 March 2017, due to normal movements and adjustments during the year, total earmarked and non-earmarked reserves are expected to fall to £52.2m. The non-earmarked provision will be kept at 2% of the net budget. As stated previously, the PCC will be releasing £5.1m in 2017/18 to help the Force avoid any precipitous service saving decisions ahead of the new funding formula. The reserves position in 2017/18 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	0.5	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)	1.4	To assist future savings, for use by CC
Redundancy etc.	4.0	For use by CC with PCC agreement
<i>Policy Opportunity and Investment</i>		
Policy Opportunities (PCC)	5.9	To help smooth Force savings plans
Investment Reserve	24.8	To support capital and innovation investment
Proceeds of Crime Act (POCA)	0.6	Proceeds of Crime (CC)
Other	0.3	Miscellaneous
Total Earmarked	46.6	
Grand Total	52.2	

30. Over the medium term, after consultation with the Chief Constable, the PCC will be releasing £46.7m in the four years to 2020/21 for major transformational investment in IT 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 and from the investment reserve.

31. In light of the formula funding review, a £4m grant volatility reserve is being retained for the purpose of potential grant reductions from formula changes in 2018/19 onwards and it is assumed it will be used for that over the period. This will be reviewed once the result of the new formula is known.
32. Taking all these plans and provisions into account results in total earmarked reserves falling to £20.1m or 32% of the current level by 2020/21. The investment reserve will be reduced to £7.1m by March 2019 increasing the likelihood that that the Force will need to borrow externally for significant capital investment from 2020 onwards. As has already been stated the PCC has notified the Chief Constable that any revenue underspends will be taken back into reserves in order to boost the investment reserve to fund future capital programmes. The forecast use of reserves over the medium term is set out in Annex 3.

Capital Planning

33. The key themes driving investment can be summarised as follows:
 - Policy led with clear linkages to operational requirements and the Safer in Kent: The Community Safety and Criminal Justice 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.
34. A summary of the planned schemes and projects for 2017/18 to 2020/21 is set out in Annex 4. As per normal practice, actual release of funding next year and in future years will depend on the completion of sound business cases.
35. The planned capital programme for 2017/18 is ambitious. It is dominated by IT projects, which include national obligations (i.e. ESN), joint projects with Essex (e.g. SAP) and Kent only projects. The implementation of these IT projects is key to modernising the Force and the way it works and help drive savings from the organisation. The PCC appreciates the ambitious nature of the programme and has sought assurances from the Chief Constable that the Force can deliver this programme where full control resides with the Chief Constable. This recognises the fact that certain capital projects are reliant on national projects and may be outside of the Chief Constable's control. The Chief Constable has given the PCC this assurance. The PCC will be holding the Chief Constable to account for the delivery of the capital programme and in particular the IT projects on a regular basis throughout the year.
36. The Force is currently developing an Estates Transformation Strategy for consideration by the PCC. Any agreement of the strategy is reliant upon it meeting the objectives laid out in the PCC's Safer in Kent: The Community Safety and Criminal Justice Plan and subject to future financial requirements. Once approved this will impact on the figures shown in Annex 4.

Professional Statement

37. It is a statutory requirement that the designated Chief Finance Officer must issue a professional statement on the adequacy of reserves, the robustness of estimates and the overall effectiveness of the systems of financial control and risk management.
38. For Kent, Government grant makes up 63% of net funding excluding specific grants. Consequently, reductions in grant will inevitably have an impact on policing operations. Although the level of grant reductions are not as severe as was originally feared before the CSR they are still substantial with the consequence of handling inflation and other known cost pressures requiring the Force to find £37.9m of savings or 13% of its net budget over the next 4 years. The Force have a good track record of delivering savings early through effective financial management and planning but this still leaves a pressure of £25.9m of savings to be found by 2020/21.

39. The government's planned review of the formula for distributing the national pot of general police grants between forces is a significant risk on the funding received by Kent. There is a need to have some protection against this risk and the use of £5.1m reserves in 2017/18 with further support from reserves in 2018/19 ensures that spending decisions taken now can be made with a medium term view and a stable financial position and avoids any potential disruptive service changes that may or may not be required once the settlement is known.
40. I am satisfied that the estimates have been drawn up in a robust way, recognising that medium term forecasts beyond 2017/18 will inevitably carry more uncertainty. At the time of the budget we have assumed pay awards are capped at 1% for the four years 2017/18 to 2020/21 and an average 1% for increments. We now have certainty over the Local Government Pension Scheme valuation which has led to an additional £1m pressure on the budget. The fact that we have a fully funded pension scheme enables the increase in contributions to be staged over the next 3 years smoothing the impact over the medium term.
41. For non-pay we are assuming general inflation at 2.5% for all four years but with additional pressures for the new "Apprenticeship Levy" and auto enrolment into the pension scheme. Both of these are central government initiatives and are dependent on a number of factors. We have been prudent on our assumptions. The key assumption on grant resources is the provisionally announced cash cut of 1.4% in general grant for 2017/18 and a presumed repeat of this cash cut in each of 2018/19 through to 2020/21. The key factor for future grant levels is the impending funding formula review and we have £4m set aside in reserves to help reduce any negative impact. The precept increase in 2017/18 is proposed to be £5.00 or 3.3% on a Band D property, future assumptions are included at 2% (rounded) thereafter, up to and including 2020/21. The original CSR announcement stated that the £5.00 referendum limit for the lowest 10 precepting PCC's will be in place for the entire CSR period. However, in light of potential funding changes and any transitional arrangements that may feature alongside this, future assumptions are included at the more prudent 2% limit.
42. As already mentioned, ear-marked reserves have been designated into three categories; risk management, costs of change and support for policy opportunities. A significant element of total reserves is the investment 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 £46.7m over the next 4 years, even with this it is likely that the PCC will have to borrow to fund the capital programme from 2020 onwards leading to debt charges falling on the revenue account and having to be financed from further operational savings.
43. The size of the capital programme in 2017/18 is a bold statement by the Force, showing its desire to modernise the way the Force works and unlock potential service benefits and savings. Any slippage or non-delivery of this programme could have a significant impact on the future financial plans of the PCC including the timing of any potential need to borrow. The PCC has received assurance from the Chief Constable that the programme is deliverable during 2017/18 and I have put plans in place to provide substantial scrutiny on the programme during the year.
44. 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, child sexual exploitation, organised crime and cybercrime. Within the OPCC, on-going strategic risks relate to ensuring the core statutory functions of the PCC are met; this includes overall financial governance and value for money.

45. Overall, I have considered the level and need for reserves against the strategic risk registers of the Force and the OPCC. 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.
46. I am also satisfied that the operation of internal and external audit and the operation of financial controls are sound. 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.

Rob Phillips
Chief Finance Officer
Office of the Kent Police and Crime Commissioner
February 2017

Supporting information:

Annex 1 – Proposed 2017/18 budget.

Annex 2 – Summary of Medium Term Plan, 2017/18 to 2020/21.

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

Annex 4 – Summary of Capital Programme to 2020/21.

Proposed 2017/18 budget

	Proposed Budget 2016/17	Inflation or Growth		Savings	Proposed Budget 2017/18
	£m	£m	£m	£m	£m
Pay	240.4	10.3			250.7
Overtime	4.7	0.6			5.3
Premises Related	20.5	0.4			20.9
Transport	6.1	0.4			6.5
Other non pay costs including IT, supplies etc.	32.5			-3.6	28.9
Cost of the OPCC	1.5	0.0			1.5
Commissioning and Victim Services	4.2	0.0			4.2
Savings Required *					0.0
Total Gross Spending on Police and Commissioning	309.9		11.7	-3.6	318.0
less:					
Specific Grant - Victims Funding	2.1			0.0	2.1
Specific Grants - Counter Terrorism (see note)	12.2			0.0	12.2
Locally Generated Income	17.2			0.4	17.6
Contribution from Reserves - new policies	0.0	5.1		0.0	5.1
Total Net Spending	278.4		6.6	-4.0	281.0
General Policy and Legacy Council Tax Grants	186.2	-2.3		0.0	183.8
Estimated Council Tax Surplus	1.6	0.0		0.0	1.6
Council Tax Precept	90.7	4.9		0.0	95.6
Total Net Financing	278.4		2.6	0.0	281.0
Council Tax Base	596087				608010
Band D Precept	152.15				157.15
£ Increase in Precept	5.00				5.00
% Increase in Precept	3.4%				3.3%
% Growth in Tax Base	1.9%				2.0%

* Savings of £12m have already been identified for 2017/18 and removed from the budget headings

Summary of Medium Term Plan, 2017/18 to 2020/21

	Proposed Budget 2017/18	Inflation or Growth	Savings	Forecast 2018/19	Inflation or Growth	Savings	Forecast 2019/20	Inflation or Growth	Savings	Forecast 2020/21
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Pay	250.7	6.4	0.0	257.1	5.5	0.0	262.6	5.2	0.0	267.8
Overtime	5.3	-0.4	0.0	4.9	0.2	0.0	5.1	0.2	0.0	5.3
Premises Related	20.9	0.5	0.0	21.4	0.5	0.0	21.9	0.5	0.0	22.4
Transport	6.5	0.2	0.0	6.7	0.2	0.0	6.9	0.2	0.0	7.1
Other non pay costs including IT, supplies etc.	28.9	1.9	0.0	30.8	0.5	0.0	31.3	0.6	0.0	31.9
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
Savings Required *	0.0	0.0	-9.8	-9.8	0.0	-9.9	-19.7	0.0	-6.2	-25.9
Total Gross Spending on Police and Commissioning	318.0	8.6	-9.8	316.8	6.9	-9.9	313.8	6.7	-6.2	314.3
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	17.6	0.4	0.0	18.0	0.0	0.0	18.0	0.0	0.0	18.0
Contribution from Reserves - new policies	5.1	3.5	-5.1	3.5	0.0	-3.5	0.0	0.0	0.0	0.0
Total Net Spending	281.0	4.7	-4.7	281.0	6.9	-6.4	281.5	6.7	-6.2	282.0
General Policy and Legacy Council Tax grants	183.8	-2.4	0.0	181.4	-2.4	0.0	179.0	-2.4	0.0	176.6
Estimated Council Tax Surplus	1.6	-0.4	0.0	1.2	-0.1	0.0	1.1	-0.1	0.0	1.0
Council Tax Precept	95.6	2.8	0.0	98.4	3.0	0.0	101.4	3.0	0.0	104.4
Total Net Financing	281.0	0.0	0.0	281.0	0.5	0.0	281.5	0.5	0.0	282.0
Council Tax Base	608010			614093			620234			626437
Band D Precept	157.15			160.29			163.48			166.74
£ Increase in Precept	5.00			3.14			3.19			3.26
% Increase in Precept	3.3%			2.0%			2.0%			2.0%
% Growth in Tax Base	2.0%			1.0%			1.0%			1.0%

* Savings of £12m have already been identified for 2017/18 and removed from the budget headings

Planned use of Reserves over the Medium Term

	01/04/2016	01/04/2017	01/04/2018	01/04/2019	01/04/2020	01/04/2021
	£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	0.7	0.5	0.3	0.1	0.0	0.0
Public Order provision	2.0	2.0	1.0	1.0	1.0	1.0
Budget and Grant Volatility	4.6	4.0	2.0	0.0	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	1.4	0.4	0.0	0.0	0.0
Redundancy etc.	6.0	4.0	4.0	3.5	3.0	3.0
<i>Policy Opportunity and Investment</i>						
Policy Opportunities (PCC)	5.9	5.9	4.3	0.8	0.0	0.0
Investment Reserve	31.6	24.8	7.1	8.2	9.7	7.1
POCA	0.8	0.6	0.6	0.6	0.2	0.2
Other	0.3	0.3	0.3	0.3	0.1	0.1
Total Earmarked	56.9	46.6	23.1	17.6	17.1	14.5
Grand Total	62.5	52.2	28.7	23.2	22.7	20.1
	100.0%	83.5%	46.0%	37.1%	36.4%	32.2%

Summary of Capital Programme to 2020/21

	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
IT Related					
Athena	3.2	0.4	0.0	0.0	3.6
Emergency Service Network - local costs	0.9	4.6	0.1	0.0	5.6
Channel Shift Programme	0.7	0.1	0.1	0.0	0.8
Infrastructure Modernisation	5.5	1.0	0.7	0.4	7.6
Mobile Working	1.2	0.4	1.6	0.4	3.6
SAP and Business Objects development	1.4	0.8	0.1	0.1	2.4
Specialist Business Systems	1.6	0.4	0.1	0.1	2.2
Multi-media evidence and capture	0.5	0.0	0.0	0.0	0.5
Total IT Related	15.0	7.7	2.7	1.0	26.3
Estates					
Force HQ Renewal Works	0.5	0.0	0.0	0.0	0.5
Site Upgrades incl. DDA	0.5	0.0	0.0	0.0	0.5
Major Build Schemes	1.2	0.4	0.4	0.5	2.5
Security Upgrades incl. CCTV on sites	0.6	0.4	0.0	0.0	1.0
Environmental Works	0.5	0.3	0.2	0.0	1.0
Structural Maintenance - emergency provision	0.2	0.2	0.2	0.0	0.6
Total Estates Related	3.5	1.3	0.8	0.5	6.1
Total Vehicle Replacement Programme	2.2	1.6	1.6	1.6	7.0
Total ANPR related*	0.4	0.4	0.5	0.4	1.7
Total Other	2.8	0.9	0.9	1.0	5.6
Grand Total - New Approvals	23.9	11.9	6.5	4.5	46.7

* Automatic Number Plate Recognition