

Agenda

Date: Friday 30 January 2015

Time: 11.00 am

Venue: Council Chamber Aylesbury Town
Council 5 Church Street, Aylesbury HP20
2QP



Map and Directions

Please find attached the map to the venue:-

<http://www.aylesburytowncouncil.gov.uk/contact-us/>

Link to car parks:-

http://eplanning.aylesburyvaledc.gov.uk/applications/avdc_car_parks/Aylesbury/aylesbury.htm

There will no webcasting available for this meeting due to the fire at South Oxfordshire District Council and change in venue.

The briefing for Members will be held in the Council Chamber at 10am.

<i>11am</i>	1. Apologies for Absence	
<i>11.02am</i>	2. Declarations of Interest To disclose any Personal or Disclosable Pecuniary Interests	
<i>11.05am</i>	3. Minutes To agree the minutes of the meeting held on 21 November 2014.	3 - 10
<i>11.10am</i>	4. Public Question Time	
<i>11.20am</i>	5. Draft Budget Task and Finish Group Report Chairman – Iain McCracken	11 - 12
<i>11.30am</i>	6. Scrutiny of the Proposed Precept - Questioning of the Police and Crime Commissioner	13 - 76



12.30pm	7.	Report of the Complaints Sub-Committee Report of the Chairman	To Follow
12.40pm	8.	General Issues To consider the responses to questions pre-submitted by Panel Members to the PCC.	77 - 82
12.50pm	9.	Work Programme Chief Constable Recruitment Process – Verbal report from Paul Hammond	83 - 86
1pm	10.	Date and Time of Next Meeting 20 March 2015 at 11am – Wokingham Borough Council	

Committee Members

Councillor Bill Bendyshe-Brown (Wycombe District Council), Councillor Mark Booty (West Oxfordshire District Council), Noel Brown (Chiltern District Council), Councillor Margaret Burke (Milton Keynes Council), Terry Burke (Independent Co-opted Member), Councillor Anita Cranmer (South Buckinghamshire District Council), Councillor Trevor Egleton (Buckinghamshire County Council), Councillor Jesse Grey (Royal Borough of Windsor and Maidenhead), Councillor Bill Jones (Vale of White Horse District Council), Councillor Kieron Mallon (Oxfordshire County Council), Councillor Iain McCracken (Bracknell Forest Council), Councillor Tony Page (Reading Borough Council), Councillor Barrie Patman (Wokingham Borough Council), Councillor Pam Pearce (Aylesbury Vale District Council), Councillor George Reynolds (Cherwell District Council), Councillor Mohammed Sharif (Slough Borough Council), Councillor Dee Sinclair (Oxford City Council), Vacancy, Councillor Quentin Webb (West Berkshire Council) and Councillor Michael Welply (South Oxfordshire District Council)

Minutes

Minutes of the Thames Valley Police and Crime Panel held on Friday 21 November 2014, in The Oculus, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury. Bucks HP19 8FF, commencing at 11.00 am and concluding at 1.40 pm.

Members Present

Bill Bendyshe-Brown (Wycombe District Council), Noel Brown (Chiltern District Council), Councillor Margaret Burke (Milton Keynes Council), Terry Burke (Independent Co-opted Member), Councillor Anita Cranmer (South Buckinghamshire District Council), Trevor Egleton (Buckinghamshire County Council), Councillor Kieron Mallon (Oxfordshire County Council), Councillor Iain McCracken (Bracknell Forest Council), Councillor Tony Page (Reading Borough Council), Councillor Barrie Patman (Wokingham Borough Council), Pam Pearce (Aylesbury Vale District Council), Councillor Mohammed Sharif (Slough Borough Council), Councillor Dee Sinclair (Oxford City Council), Councillor Quentin Webb (West Berkshire Council) and Councillor Michael Welply (South Oxfordshire District Council)

Officers Present

Reece Bowman, Helen Fincher and Clare Gray

Others Present

Christopher Anstey (Country and Landowners Association), Anthony Aston (Chairman of Bucks Local Branch NFU), Alan Baldwin (Thames Valley Police), Anthony Stansfeld (Thames Valley Police and Crime Commissioner), Ian Thompson (CFO and Deputy Chief Executive), Ruth Vigor-Hedderly and Mitchell Phillips Wright (Youth Council)

Apologies

Councillor Mark Booty (West Oxfordshire District Council), Councillor Jesse Grey (Royal Borough of Windsor and Maidenhead), Councillor Bill Jones (Vale of White Horse District Council), Councillor George Reynolds (Cherwell District Council) and Vacancy

1. Declarations of Interest

There were no declarations of interest. Mr Iain McCracken introduced Mr Mitchell Phillips Wright from the Youth Council who was shadowing him.

2. Minutes

The Minutes of the Meeting held on 19 September 2014 were agreed as a correct record.

The Vice-Chairman referred to recommendation 5 relating to Female Genital Mutilation and asked Members if they had put a motion to their Council to raise awareness. He was pleased to report that Cherwell District Council had debated this issue and supports the PCC in his actions.

Reference was made to page 7 of the minutes (bullet point 5) which referred to the Policy Development Manager at the OPCC giving Members a briefing on rehabilitation programmes and that this should be added to the Work Programme.

3. Public Question Time

There were no public questions. The Chairman reported that the procedure for public questions would be highlighted on the Panel's website.

4. Themed Item - Rural Crime

The themed item for this meeting related to rural crime. The Panel had received an update on the steps being taken in respect of rural crime at their meeting held in July 2014.

The Police and Crime Commissioner (PCC) reported that rural crime covered a wide area including serious organised crime and wide scale intimidation including slavery, people trafficking, firearms and metal theft. It was an area he took seriously and was a Strategic Objective.

The Chairman introduced some local subject experts who were attending this meeting to discuss rural crime:-

Christopher Anstey – Buckinghamshire Branch of the Country and Landowners Association

Anthony Aston – Chairman Aylesbury Branch of the National Farmers Union

Ruth Vigor-Hedderly – Green Yard Policy in Chilterns and South Bucks

Anthony Aston made the following comments on rural crime:-

- Thames Valley Police had helped decrease rural crime through their targeted initiatives.
- He referred back to the Hunting Act 2004 which was a time when there were mindless acts being carried out in the countryside. Since then farmers have been threatened and machines stolen, often at night and some farmers live in fear.
- Farmwatch is a network which has been set up to keep an eye on criminal activity in the countryside.
- CCTV has been used in problem areas and there is also an emergency helpline.
- Dogwatch is another organisation which targets criminals who steal dogs to order.
- It was crucial to have close liaison with the Police Community Support Officer and provide them with as much detail as possible.
- Farmers have been informed about the best way to keep their machinery secure with mobile cameras, gates and barriers and there is a trackable assets system.
- A machine can be moved to Europe within 24 hours and some vehicles cost approximately £150,000. Some gangs are highly organised.

Christopher Anstey made the following comments on rural crime:-

- Thames Valley Police have been very supportive to the Country and Landowners Association.
- They have made a huge improvement to rural crime but it was important not to be complacent.
- With reducing budgets in future year's rural crime should remain a priority. The PCSO's provided amazing support to rural areas.
- Phoning 101 or 999 provided immediate police action.
- There were still concerns about hare coursing and deer poaching which was increasing.
- He also referred to machines and trailers being taken abroad to be sold.
- Anything suspicious should be reported to the police.
- Livestock were also stolen.

Ruth Vigor Hedderly, Cabinet Member for Transportation (BCC) had set up the Green Yard Policy with Sergeant Lucy Price from Iver Police Station. The initiative had started with concern about horses stranded on the highway. The Police could spend a long time chasing horses which took them away from other police work. They therefore set up this initiative where abandoned horses were first identified, where there would be a direct dialogue with the owner. If they were not initially identified they had 14 days to come forward and claim the horse and they would have to pay to have the horse returned. If the horse was in a poor condition they would be destroyed otherwise if they were not claimed they would be rehomed. The initiative had been extremely successful in South Buckinghamshire and some constant offenders were paying up to £500-600 per horse and they were looking to roll this scheme out across the Thames Valley. Surrey were also looking at adopting this policy.

Ruth Vigor Hedderly also referred to the amount of horse tack being stolen often worth £1,000 which took years to accumulate. It was good to have a sign on gates saying Rural Crime Police Aware.

During questioning the following points were noted:-

- There was a recent food scare in the national press referring to illegal slaughter and unsafe uninspected food being supplied. The representative from the National Farmers Union reported that he was aware of this being raised but he was not conscious of this being a widescale local problem.
- A question was asked about the base for organised crime and the routes used. Some organised crime could be based in the cities and towns and gangs travel into the countryside or they could be based outside towns or cities. There was a relationship between urban and rural crime but it was not the same in every area.
- The Assistant Chief Constable who was Chairman of the Rural Crime Steering Group reported that there had been significant improvements in rural crime and the different types of crime impacted on the rural community in different ways. The Group had highlighted a number of priority areas.
- In terms of hare coursing gangs can travel from out of the county and obtain a substantial amount of money for dogs to chase hares. Farmers find it difficult to confront the gangs as they are often violent and use firearms. Eradicating hares was not good for biodiversity. They were also difficult to catch in the act of hare coursing and having evidence of a dead animal.
- There were different types of deer, some of which were highly prized for hunting. Weapons used to kill deer included cross bows and centre pin rifles. Use of firearms at night was especially frightening.
- There were livestock thefts with animals being slaughtered and butchered. Up to 200-300 sheep could disappear. The Assistant Chief Constable reported that this was not a significant issue for the Thames Valley but was causing concern in other areas such as North Wales who had an action plan to address this.
- Countryside Watch Notices were a good deterrent and community awareness was key.
- A Member expressed concern about emphasis on smaller crimes in the rural community, which should be prevented by the farmers through proper protection of their property and that other crimes such as slavery and people trafficking should be addressed. In response it was noted that rural crime was a serious issue from a number of aspects including stealing valuable machinery using violence and firearms by organised crimes.
- A question was asked about how crime was analysed. The Assistant Chief Constable referred to a number of initiatives including the Automatic Number Plate Recognition (ANPR) Scheme and working with Surrey in employing an analyst to draw a picture of data intelligence which for example, had led them to track down a gang committing crimes in different Force areas.
- A Member asked about the use of cameras. The Assistant Chief Constable reported that ANPR was a good scheme to use in the countryside but cameras were more difficult as they needed to be moved around frequently and positioned in the right place to catch travelling gangs.
- Reference was made to working with other agencies, particularly animal welfare associations. Ruth Vigor Hedderly reported that they work with the Horse Trust in Speen who have taken in abandoned horses and rehomed them. There was also an organisation called Horse Watch and horses could also be freeze marked so that they could be recognised. Each Force had a Police Wildlife Liaison Officer who liaised with organisations such as RSPB, RSPCA and a site visit could be arranged if required.
- Since 2009 legislation has required that all horses should be micro chipped and have a passport; horses cannot be registered unless this has taken place. If difficult horses were stolen and could not be sold they were often abandoned. The PCC referred to a serious incident where a donkey had smashed through a car windscreen and caused serious damage to a lady in the car.

- Ruth Vigor Hedderly also expressed concern about young children driving horses along the highway which was often extremely dangerous. The police had currently little power to address this because of an antiquated law but she was looking at developing a new policy to stop this taking place.
- The representative from Milton Keynes reported that they had not received enough data from Thames Valley Police on rural crime in order to complete their Annual Report. The Assistant Chief Constable reported that they have a clear definition of rural crime but they had introduced a new crime system which was bedding down currently. He would investigate why the data was not being submitted.
- A Member referred to the international element of organised crime and how Thames Valley Police were working with police abroad. The Assistant Chief Constable reported that they were working with Europol, European Policing Agency and Interpol. There was a new body set up by the Government to look into international and domestic crime.
- In terms of funding the Green Yard Policy, this was run by a company as a private enterprise. It had been difficult to find suitable premises to run Green Yard because of the need for tight security and there was no requirement for extra funding.
- The Deputy PCC asked Ruth Vigor Hedderly how PCSO's contributed to this area of work. Ruth Vigor Hedderly found them extremely valuable as they had time to gather intelligence, communicate at grass roots level and were fundamental to communities providing good value for money. Christopher Anstey also echoed the views regarding PCSO's and their invaluable contribution.
- A question was asked about a new electronic surveillance system which was being piloted. The Assistant Chief Constable reported that there were a number of different technical systems and he was not familiar of one being taken from Devon and Cornwall. He would investigate this further.
- The Assistant Chief Constable reported that the priorities identified by the Rural Crime Steering Group were raves, hare coursing and poaching, theft of quad bikes and organised crime.

The Chairman thanked all the contributors for this item on rural crime, which was an important issue affecting a large proportion of the population. The Panel thanked the PCC for making this one of his strategic objectives and for all the initiatives that were being undertaken. It was important to have a consistent approach across the Thames Valley to rural crime and for the Panel to continue to monitor performance.

5. Frontline Policing Numbers in the Thames Valley

The PCC introduced the item to inform Members on the current plans concerning police officer numbers. The Force has to make savings of £45 million over the next three years against the backdrop of £58m already taken out of the organisation. However, because of new innovative approaches whilst this may mean a reduction in establishment there does not have to be a reduction in the frontline service.

The reduction in establishment is happening nationally across Forces. £45million reduction (£1million equates to approximately 20 police officer posts) was a large amount of savings when huge efficiencies had already been made. Areas such as Automatic Number Plate Recognition, CCTV and forensics were counted as back office services but contributed highly to solving crime so some difficult decisions would have to be taken in the future.

The following points were made during questioning:-

- A Member from Milton Keynes referred to the large population growth in her area and emphasised the need to take this into account when making cuts to police officer numbers. The PCC reported that there was a formula which calculated police numbers however the population was increasing throughout the Thames Valley and there should be an increase of 100 officers per year to account for the increase in population, when in fact they were losing 200 officers.
- Reference was made to the Property Asset Management Plan which had referred to a review of Neighbourhood Policing. A Member commented that it was important to make a decision about the use of property in line with the neighbourhood review to ensure effective use of resources. The PCC reassured Members that he had visited every Police Station across the Thames Valley and he was happy with the decisions being taken on these assets, except for one or two areas where he wanted an adequate replacement in place. The Member welcomed the co-ordination of this and that they had not ruled out use of some police stations where concerns had been raised.
- One innovative change was to outsource training into the wider educational market. A Member asked how this would be monitored to see if performance had been impacted. The PCC reported that taking this

decision would save the Force the equivalent of 94 fte officer posts. It would be more cost effective to co-operate with other Forces on this area to generate savings.

- A Member asked whether the precept had been factored into the calculations including the Community Infrastructure Levy and Section 106 funding. The PCC and Chief Finance Officer confirmed that this had been factored into the budget with 1.5% increase in the tax base.
- There was a further discussion about frontline officers. This could be a grey area and could include civilian staff. However, they linked it to direct contact with the public but back office staff, such as CCTV and data analysis staff etc played a key role in reducing crime.
- The PCC was asked about IT systems and whether there would be one system across all Forces. The PCC reported that the responsibility for this lay with the Home Office who were keen to pass this to the PCC Working Group. The PCC in Essex was taking a lead role on this issue but there were a variety of opinions on this subject. Two systems that were being looked at included Athena and Minerva.
- In terms of workforce modernisation a question was asked to the PCC about the merger of blue light services. The PCC reported that some smaller areas were looking into this but it was incredibly difficult to co-ordinate in bigger areas. Some areas were highly unionised and would only be forced to address this if it was mandated by Government. The Ambulance Service also operated in a different way with its triage system. There would need to be some obvious financial benefits before this was taken forward.
- There was further discussion about the workforce modernisation. The PCC referred again to the savings that he needed to make and the difficult decisions about what services were being cut. The Chief Financial Officer referred to 41.4 police officer posts which were being reduced across the organisation. However there was no reduction in net workforce but they were looking at whether a member of police staff could undertake this role rather than police officers.
- In terms of different ways of working was this being pushed in the Force and were there any barriers to this? The PCC reported that there were no barriers to this and they were moving to technology like ipads etc. so police officers could work effectively without going back to police stations. Work was being undertaken on communications with Hampshire (and SE Police). Security implications and access to systems were an issue which could be solved but did need careful handling. There was a Digital Policing Working Group which was run jointly with Hampshire looking at mobile technology such as body worn videos and digital case files. With digital files information could be uploaded by the police officer which could be used as evidence by the Crown Prosecution Service. There was a two year programme to bring Wi-Fi into courts.
- In terms of body worn video's Thames Valley was one of the first forces to use this technology. They have 340 but there was more funding for this area.
- In terms of Community Safety Partnership funding the PCC spent more money in this area than the average of all other PCCs.
- In terms of the budget the PCC reported that he was glad he had raised the precept by 2%. The PCC in Surrey is considering going for a 25% increase and would have to go to a referendum; the increase may be kept at 1.5%.
- With Community Safety Partnership funding there will be a slight shave on this funding for 2015/16 to pay for a software system.

The Chairman reported that frontline policing was a major issue and they were aware of the complexities regarding the definition of frontline staff. The numbers of frontline staff were uncertain in future years and the Budget Task and Finish Group will look at this and make recommendations.

6. Operation Bullfinch - Six monthly update

An update was given to the Panel on Operation Bullfinch, which is the operational name for the Police/Council investigation that focussed on offences related to the sexual exploitation of a number of vulnerable girls, in Oxford from 2004 onwards. The PCC reported that the response to child sexual exploitation (CSE) remained a complex issue and tactics and responses are developing across the Country. He also expressed concern about Female Genital Mutilation.

During discussion the following points were noted:-

- A Member referred to the work of Oxfordshire County Council in addressing child sexual exploitation. There was a joint team called 'Kingfisher' which was based at Cowley Police Station whose aim was to safeguard children who were being sexually exploited or are at risk of sexual exploitation.

- There were currently 16 cases under review and the Panel welcomed the transparent way that the Police Force are dealing with this issue.
- Reference was made to a Government video on this area and the different types of female genital mutilation. The PCC reported that levels 2 and 3 are against the law but level 1 was more difficult to define. The whole area of FGM was a matter of education.
- In terms of item 5 of the Child Sexual Exploitation Action Plan and ensuring police officers are trained to a minimum standard on safeguarding so that they can recognise children at risk of CSE a Member expressed concern that they were not trained to a reasonable standard. The PCC reported that the key word was that they could recognise children at risk so that they could refer this issue to people who were qualified. Often junior officers were not experts in particular areas but if they were able to recognise issues then they could be referred to specialist units such as the Multi Agency Safeguarding Hubs. The Buckinghamshire, Oxfordshire and Milton Keynes MASHs were launched in September 2014, with Reading and Slough following next year. A Member reported that there were a large number of children at risk, who were not all in care and that standards of training were important to identify this at an early stage. The PCC reported that he did recognise the risks and that some children were difficult to control. For example one child in care went missing 100 times. The MASH were vital in identifying any concerns at an early stage through good partnership working.
- The Chairman suggested that there should be a site visit for Panel Members to the MASH in the Thames Valley and in addition it would be helpful to have an officer speak at a Panel meeting about their work.
- A Member expressed concern that the action plan performance indicators were all green and therefore they may not be stretching targets. The PCC reported that there had been a huge amount of effort to set up the MASH and therefore the green indicators showed the actions taken. However, he did have concerns that some areas of the Thames Valley were not reporting child sexual exploitation which was difficult to address.
- Reference was made to the Female Genital Mutilation recommendations made by the Panel and a Member asked that a brief update be given at the next meeting of the Panel on how Councils have responded to the FGM issue and what actions are being taken to address this across the Thames Valley.

The PCC was thanked for his update report.

7. Complaints, Integrity and Ethics Panel Update

The Chairman reported that the PCC was one of the first to establish a Complaints, Integrity and Ethics Panel. There are currently eight independent Members on the Panel with one vacancy and the Panel meets every two months. The Deputy Chairman is an Independent Member and the PCC receives a report on the Panel's work after each meeting. The area of complaints was difficult with some people voicing concern about the performance of the IPCC, which was taking money from Forces to fund itself. The PCC commented that the IPCC was supposed to reduce the work of the Professional Standards Department but this was not the case. The Shadow Police Minister did not want the IPCC to continue. Complaints were not dealt with in a satisfactory manner on a national basis but the PCC was pleased with the work of the Panel.

The Deputy PCC who chaired the Panel reported that the Panel was promoting transparency and independence and the independent Members selected their own Deputy Chairman. After each meeting a summary and action plan was fed back to the PCC, Chief Constable and Audit Committee. The Panel was being used as an example of good practice.

During discussion the following points were raised:-

- A Member asked how many complaints were handled at each meeting. The Deputy PCC reported that there were approximately ten complaints and the complaint files were scrutinised by Members. Following discussion there may be recommendations and actions arising from the meeting.
- A Member asked what recommendations were being made at the Panel. The Panel is different from the Police Authority Complaints Panel as it looks at the wider ethics/integrity issues. The PCC reported that they were unable to make them public because the complaints were confidential but if there were any wider issues coming out of the discussion they would be reported to the Panel.
- The Deputy Chairman invited one of the Panel Member's to observe the meeting. However, it was not a public meeting as it looked at individual complaints

The Chairman thanked the PCC and Deputy PCC for their report.

8. General Issues

The following general issues were raised by Members:-

- The PCC would like to see GPS tagging being used on people who came out of prison and suggested that it should be a condition of bail.
- A Member expressed concern about the transparency regarding the closure of neighbourhood police stations. The PCC reported that if she was aware of any specific issues she should discuss this with him. With closing police stations there was the operational need to do so weighing against public perception; the public were usually protective about their own local police stations.
- Reference was made to the headlines regarding terrorism issues in High Wycombe. The PCC reported that this was concerning. There was a large Muslim population in High Wycombe. Some people could be taken in by fundamentalist/radical preaching. If people become radicalised they could be dangerous. This emphasised the importance of neighbourhood policing and having local intelligence. A Member asked about preventing radicalisation and the PCC reported that the law was weak in this area and it was difficult to provide evidence and go against freedom of speech. The Member from Slough reported that work was being undertaken by the Community Cohesion Group who were liaising with Community Leaders. The PCC reported that preventative work was also being undertaken in High Wycombe and other areas.
- A Member referred to crime reporting and particularly expressed concern that sex crimes were not reported. The PCC reported that Thames Valley was in the top quartile in terms of integrity of data. However it was a subjective area particularly with issues such as domestic violence and rape. Cases have been withdrawn because of bringing evidence to court.
- The PCC was asked if he had been out in a police car at night. The PCC reported that he had recently been in Reading, Windsor and Maidenhead late at night and also Oxford. There were a lot of alcohol issues.
- Following on from this question a Member referred to the difficulties in deciding if a crime had been committed and whether this led to complaints. The PCC commented that very few of them resulted in complaints; some of them however could be justified. He referred to a report which stated that the Thames Valley Police Chief Officer's Team provides ethical working practices including crime reporting which is understood at senior levels but not with frontline officers. This needs to be addressed and action was being taken. However, they were not in the bottom quartile like Hampshire Constabulary.
- A Member who had experience in security referred to dealing with crime in cities. Some police officers need to make judgemental decisions very quickly in dangerous situations. This requires attention to detail and supervision. This is one area that the Panel could look at in detail to see if the PCC was achieving his aims. The PCC provided brief information on one investigation he knew about which supported the Members experience and concerns. The PCC emphasised the need to look at these cases in a timely fashion.

9. Work Programme

The Work Programme was noted.

The Chairman of the Partnership Task and Finish Group, Iain McCracken reported that the Group had met and would be undertaking a survey of partner organisations to look at partnership working with the PCC.

Terry Burke, Chairman of the Complaints Panel reported that this was his last meeting as he was moving out of the Thames Valley area. The Panel thanked him for his invaluable contribution as an independent Member and for his work with the Complaints Panel. Rajinder Sohpal had also resigned so the Panel would need to recruit two new Independent Members. Panel Members were asked if they would be interested to sit on the interview panel for recruiting new Members or to sit on the Complaints Panel.

10. Date and Time of Next Meeting

30 January 2015 – 11am at South Oxfordshire District Council

CHAIRMAN

Report to the Thames Valley Police & Crime Panel

Title: Report of the Thames Valley Police & Crime Panel Budget Task & Finish Group

Date: 30 January 2015

Author: Reece Bowman, Policy Officer, Thames Valley Police & Crime Panel



Background

1. As in previous years, the Thames Valley Police & Crime Panel formed a Budget Task & Finish Group to assist in discharging its statutory duty to scrutinise the Police & Crime Commissioner (PCC) for Thames Valley's proposed council tax precept for 2015/16. The process will be formally undertaken at the 30 January 2015 meeting of the Panel where a decision will be made by the Panel on whether to accept or veto the PCC's proposed precept.
2. To strengthen the process, it was considered by Panel members to be important to evaluate the budget that the precept partially funds, allowing the Panel to make an informed decision on the adequacy of the precept when it met on 30th January. This was the work undertaken by the Budget Task & Finish Group.
3. The relevant papers were published into the public domain in draft form for consideration at the PCC's Policy, Planning & Performance meeting on Thursday 13th November 2014. They included:
 - i. Three Year Medium Term Financial Plan
 - ii. Draft Capital Programme 2015/16 – 2018/19
 - iii. Reserves, Balances and Provisions
4. The Budget Task & Finish Group met on 21st November and again on 14th January to consider the budget proposals, which include a proposed increase to the police element of the council tax of 1.99%. The Task & Finish Group formulated its view on the adequacy of the precept and agreed the recommendation to the Panel at paragraph 5, subject to satisfactory responses to the questions raised at Appendix A and any other supplementary questions asked at the Panel meeting on 30 January.

5. RECOMMENDATION

It is recommended that the Thames Valley Police & Crime Panel endorse the Police & Crime Commissioner for Thames Valley's proposed precept for 2015/16, subject to satisfactory responses to the questions raised at Appendix A and any other supplementary questions asked at the Panel meeting on 30 January.

Appendix A- Task and Finish Group Questions to the Commissioner

Police and Crime Plan

1. Are you assured that the pledges outlined in the Police and Crime Plan are fully funded by the proposed budget?
2. Has there been any divergence from the Police & Crime Plan in response to budgetary challenges? Has any aspect of it become compromised or undeliverable?

Revenue & capital

3. Is the assumption of a 2% growth in the council tax base overoptimistic? What rates are similar areas assuming?
4. How confident are you of the ability of the productivity strategy to keep on delivering the savings you need [£12.8m savings (3.3%) expected in 2015/16]?
5. How are you planning to mitigate the budget cumulative shortfall of £21.86m in 2016/17 and 2017/18? How far are these plans from implementation?
6. How do you intend to fund the costs of any major incident that may occur that involves a TVP response? Is anything set aside to cover this?
7. How does the budget impact upon your pledge to maintain the level of frontline staff?
8. How are you addressing the risk that a newly elected government further reduces funding? Your budgets are currently based on a 5% cut, but what if this increases? Where would the extra burden fall?
9. All capital reserves are to be utilised – what are the implications of this?

Partnership Working

10. Community Safety Partnership Funding- could you provide further clarification and detail about the future funding for Community Safety Partnerships across the Thames Valley?
11. Is grant-giving affected in any way by the 2015/16 budget proposals? How have any identified impacts been assessed?
12. How is your programme of commissioning [services for victims, etc.] impacted by the budget proposals for 2015/16?



Report to the Police and Crime Panel

30th January 2015

Council Tax Precept 2015/16

Purpose of Report

1. To notify the Police and Crime Panel of my proposed council tax precept for 2015/16.
2. Full supporting documentation is provided in the attached Revenue Estimates report which was presented to and agreed at my Policy, Planning and Performance meeting with the Chief Constable on 20th January 2015.

Decisions Required

3. The Panel is asked to receive my proposed precept for 2015/16 and note:
 - That, subject to final taxbase notifications, the council tax requirement for 2015/16 be set at £138.13m
 - That the police element of the council tax for 2015/16 be set at £163.70 for properties in Band D, with the charge for other bands as set out below. This represents an annual increase of 1.99%

Council tax 2015/16

Property Band	Relevant Proportion	PCC Element of the Council Tax £
A	$\frac{6}{9}$	109.13
B	$\frac{7}{9}$	127.32
C	$\frac{8}{9}$	145.51
D	$\frac{9}{9}$	163.70
E	$\frac{11}{9}$	200.08
F	$\frac{13}{9}$	236.46
G	$\frac{15}{9}$	272.83
H	$\frac{18}{9}$	327.40

Conclusions

4. The funding I have received from central government for 2015/16 has been cut by £11.65m or 4.8%. Despite this I have managed to produce a balanced budget in 2015/16, based on a 1.99% increase in council tax.
5. The 1.99% increase is in line with the annual financial strategy which I approved at my level 1 Policy, Planning and Performance meeting on 13th November 2014. It also accords with pre-election manifesto commitment in which I pledged to increase council tax by 2% per annum in order to protect frontline operational policing.
6. The key headlines from the proposed budget package for 2015/16 are:
 - It protects frontline policing and supports delivery of my Police and Crime Plan
 - It provides additional funding for the introduction of the Berkshire Multi-Agency Service Hub (MASH) and additional resources within the Protecting Vulnerable People units
 - It extends the temporary funding for the specific burglary teams at Slough and Reading for a further 12 months
 - It includes cash savings of £12.8m through the Force's Productivity Strategy
 - It supports an appropriate level of capital investment over the next four years
 - The medium term financial plan requires cash savings of at least £46m of which £24m has already been identified leaving a budget shortfall of at least £22m still to be addressed in 2016/17 and 2017/18

Anthony Stansfeld
Police and Crime Commissioner for Thames Valley



Report for Information to the 'Policy, Planning & Performance' (Level 1) Meeting on 20 January 2015

Title: Revenue Estimates 2015/16

Executive Summary

This report provides information on the provisional police funding settlement for 2015/16 and then recommends a revenue budget and council tax for the Police and Crime Commissioner (PCC) to approve.

The recommended net revenue budget for 2014/15 is £382.607m, which represents a year-on-year reduction in the net budget requirement of £6.876m or 1.77%. This is due to the fact that Government grants have been cut by £11.650m or 4.8%. Further significant reductions in government funding are expected in 2016/17 and later years

In order to protect frontline policing and the PCC's commissioned services as far as possible, it is recommended that council tax be increased by 1.99% in 2015/16 in accordance with the previously approved medium-term financial strategy. For a band D property this equates to annual increase of £3.19 or 6 pence per week.

The medium term financial plan is balanced in 2015/16 but there is an identified shortfall of at least £21.86m still to be addressed in 2016/17 and 2017/18. The Force will continue working on its Productivity Strategy to identify the necessary level of savings in order to balance the budget in these two years but it has to be recognised that this task is becoming increasingly more challenging and complex than in the past and will inevitably mean a significant reduction in police officer and police staff posts

Recommendation:

The PCC is asked to RECOMMEND to the Police and Crime Panel:

- That, subject to final taxbase notifications, the council tax requirement for 2015/16 be set at £138,128,751
- The revenue estimates for 2015/16 as set out in Appendix 2
- That the police element of the council tax for 2015/16 be set at £163.70 for properties in Band D, with the charge for other bands as set out in below.

Property Band	Relevant Proportion	PCC element of the Council Tax
A	$\frac{6}{9}$	109.13
B	$\frac{7}{9}$	127.32
C	$\frac{8}{9}$	145.51
D	$\frac{9}{9}$	163.70
E	$\frac{11}{9}$	200.08
F	$\frac{13}{9}$	236.46
G	$\frac{15}{9}$	272.83
H	$\frac{18}{9}$	327.40

Police and Crime Commissioner	
I hereby approve the recommendation above.	
Signature	Date

PART 1 – NON-CONFIDENTIAL

1 Introduction and background

- 1.1 The 2015/16 draft budget and proposed precept provides the necessary resources for the PCC to continue to deliver his five year Police and Crime Plan.
- 1.2 Full details regarding the provisional police funding settlement for 2015/16, the draft revenue budget proposals for 2015/16 and the medium term financial plan for the period 2015/16 to 2017/18 are provided in the Annex 1.
- 1.3 The PCC is required to notify the Thames Valley Police and Crime Panel of the council tax precept he is proposing to issue for 2015/16 financial year. The Police and Crime Panel is due to review the proposed precept at its meeting on 30th January 2015.

2 Issues for consideration

- 2.1 The draft budget for 2015/16 is designed to protect frontline and local visible policing and those areas that support the delivery of key strategic objectives, or are necessary for the effective management of policing risk. The 2015/16 budget includes £12.8m of Productivity Strategy savings (3.3%). Over the 6 year period 2011/12 to 2017/18 at least £104m of cash savings will have been identified and removed from the base revenue budget.
- 2.2 The draft budget is predicated on a recommended 1.99% increase in council tax in 2015/16.
- 2.3 Although the budget is balanced in 2015/16 there is still an identified cumulative shortfall of at least £21.86m still to be addressed in 2016/17 and 2017/18.
- 2.4 Confirmation of the final taxbase and surplus on collection fund is still awaited from the 16 billing authorities. In accordance with the recommendation approved at the previous level 1 meeting on 13th November, any last minute adjustments will be made via an appropriation to/from general balances.

3 Financial comments

- 3.1 The draft net revenue budget requirement for 2015/16 is £382.607m, which requires an increase in council tax of 1.99%. The medium term financial plan is currently balanced in 2015/16 but there is still a shortfall of at least £21.86m in 2016/17 and 2017/18 which will need to be addressed through further Productivity Plan savings.

4 Legal comments

- 4.1 The PCC is required to set a net revenue budget that is fully financed by government grants and income from local council taxpayers.
- 4.2 The PCC has to notify the Police and Crime Panel of his proposed council tax precept for its review as set out in paragraphs 3 to 5 of Annex 1.

5 Equality comments

- 5.1 No specific implications arising from this report

6 Background papers

Provisional local authority finance settlement 2013/14

Public access to information Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.
Is the publication of this form to be deferred? No
Is there a Part 2 form? No

Name & Role	Officer
Head of Unit The proposed budget for 2015/16 supports the delivery of the Chief Constables strategic objectives as outlined in her annual delivery plan. Financially, this is achieved through the identification of £12.8m of Productivity Strategy savings to mitigate the cuts in government grants.	Director of Finance
Legal Advice Under the Police Reform and Social Responsibility Act 2011 the PCC is required to notify the Thames Valley Police and Crime Panel of his proposed precept for 2015/16 by 1 st February 2015. The council tax requirement, precept and council tax levels are to be finally determined by the end of February.	Chief Executive
Financial Advice The draft budget for 2015/16 requires an increase in council tax of 1.99%. This is below the Government's council tax referendum threshold of 2%. The medium term financial plan is funded in 2015/16 but an identified shortfall of at least £21.86m still needs to be addressed in 2016/17 and 2017/18 and this will not be easy to achieve.	PCC Chief Finance Officer
Equalities & Diversity No specific implications arising from this report	Chief Executive

OFFICER'S APPROVAL

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

We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

PCC Chief Finance Officer

Date: 8 January 2015

Director of Finance

Date: 8 January 2015

20th January 2015**Purpose of this Report**

1. This report provides information on the provisional police funding settlement for 2015/16 and then recommends a draft revenue budget and council tax for the Police and Crime Commissioner (PCC) to approve, subject to final notifications on the council tax base from local authorities.

Decisions Required

2. The PCC is asked to notify the Police and Crime Panel:
 - That, subject to final taxbase notifications, the council tax requirement for 2015/16 be set at £138,128,751
 - The revenue estimates for 2015/16 as set out in Appendix 2
 - That the police element of the council tax for 2015/16 be set at £163.70 for properties in Band D, with the charge for other bands as set out in Table 1.

Table 1 – Council tax 2015/16

Property Band	Relevant Proportion	PCC Element of the Council Tax £
A	6/9	109.13
B	7/9	127.32
C	8/9	145.51
D	9/9	163.70
E	11/9	200.08
F	13/9	236.46
G	15/9	272.83
H	18/9	327.40

Background

3. The PCC is required to notify the Thames Valley Police and Crime Panel of his proposed council tax precept by 1st February 2015.
4. Having considered the PCC's proposals the Panel must make a report to the PCC on the proposed council tax precept. A decision to veto the precept has to be agreed by at least two-thirds of the Panel members, i.e. at least 14 of the 20 members. The PCC has to have regard to the report made by the Panel. Should it be necessary, a second Panel meeting will be held on 13 February 2015 to consider the PCC's revised precept proposals for 2015/16
5. Legislation provides that the council tax requirement, precept and council tax levels are to be finally determined by the end of February prior to the start of the relevant financial year.

AUTUMN STATEMENT 2014

6. On 3 December the Chancellor of the Exchequer, George Osborne, made his 2014 Autumn Statement in the House of Commons. The final Autumn Statement before next year's general election outlined the Government's spending and tax plans, based on the latest forecasts from the Office for Budget Responsibility (OBR). Alongside the Autumn Statement the OBR published its Economic and Fiscal Outlook (EFO), containing its forecasts for the economy and the public finances, and an

assessment of whether the Government is likely to achieve its fiscal mandate and supplementary target.

7. The Chancellor said the announcements he made in the Autumn Statement were 'not a giveaway', and warned 'substantial savings' in public spending would be needed.

Public Spending

8. No further reductions to Departmental Expenditure Limits (DELs) were announced for 2014/15 and 2015/16. However, Total Managed Expenditure, which includes DELs and Annually Managed Expenditure (AME) is forecast to decrease from 39.5% of GDP in 2015/16 to 35.2% by 2019/20.

Table 2 – Total Managed Expenditure

	£ billion						
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2018/19
CURRENT EXPENDITURE							
Resource AME	319.6	334.3	341.4	358.9	373.5	389.7	404.5
Resource DEL (excl depreciation)	316.9	316.8	316.8				
Ring-fenced depreciation	22.1	20.6	22.3				
<i>Implied Resource DEL (incl depreciation)</i>				321.8	310.6	305.6	302.5
Public Sector Current Expenditure	658.5	671.7	680.4	680.6	684.1	695.3	707.0
CAPITAL EXPENDITURE							
Capital AME	19.3	19.1	17.9	19	20	18.2	17.9
Capital DEL	42.0	46.3	47.9				
<i>Implied Capital DEL</i>				47.0	47.2	51.8	55
Public Sector Gross Investment	61.4	65.4	65.8	66.0	67.2	70.0	72.9
TOTAL MANAGED EXPENDITURE	719.9	737.1	746.2	746.7	751.3	765.3	779.9
<i>Total Managed Expenditure (%GDP)</i>	<i>41.5%</i>	<i>40.5%</i>	<i>39.5%</i>	<i>38.2%</i>	<i>36.9%</i>	<i>36.0%</i>	<i>35.2%</i>

Source: Table 2.3 from Autumn Statement 2014

9. Within TME, the reductions in public spending will fall most heavily on DELs (from which Police Grant is funded), as there is upward pressure on AME, particularly from debt interest and state pensions. According to the OBR, the Treasury's figures imply that 'roughly 40% of the total implied cut in day-to-day public services spending between 2009/10 and 2019/20 will have taken place over this Parliament, with roughly 60 per cent to come in the next'. [EFO Box 4.6, p148].
10. It is not possible to say how this will affect the police, as individual departments' DELs have not been set beyond 2015/16. However, if existing protections were to continue for the NHS, schools and international development, by 2019/20 spending on other Government departments, such as the Home Office, would be 43.4% lower in real per capita terms than 2014/15. This equates to a cash reduction of approx 33% or 7.8% per annum until 2019/20.

PROVISIONAL POLICE FINANCE SETTLEMENT

11. The Provisional Police Finance Settlement was announced in a [written ministerial statement](#) by the Minister for Policing, Criminal Justice and Victims Mike Penning on Wednesday 17 December. This is attached at Appendix 1.
12. As expected, this provisional settlement covers just one year. It is widely anticipated that there will be a spending review following shortly after next year's general election on 7 May 2015.

13. The publication of the Draft 2015/16 Police Grant Report marks the start of the formal consultation period which ends on 23 January 2015.

Further Cuts to Police

14. In the 2013 Budget the Chancellor announced a further cut of 1.1% to the Home Office's Departmental Expenditure Limit (DEL) in 2015/16. The Home Office were considering whether they would be able to absorb that cut within the department rather than pass the cut on to the police service. Because of this, the police service did not receive a provisional 2015/16 settlement last year.
15. At the time of the 2013 Spending Round the police were expecting cuts of 3.2% in 2015/16 in cash terms; which at the time equated to 4.9% in real terms. The Home Office have updated the deflators used so; whilst the real-terms cut is the same at 4.9%, the cash cut is now 3.4%. This means that the Home Office have passed on some of the 1.1% DEL cut but not all of it.
16. Home Office Police Grant has been cut 6% in total; for individual PCCs, excluding the Metropolitan Police and Welsh forces, the cut is 6.12% compared to 2014/15 allocations. As in recent years the Home Office has applied a flat rate reduction to all PCCs.
17. Formula funding for English forces (formerly Formula Grant from DCLG) has been cut by an average of 3.56%. However, the reduction for individual PCCs varies from -2.62% to -4.55%.
18. The combined effect of these two grant reductions is a cut in police funding of 5.06%.
19. The funding for Police from the Welsh Assembly has been cut from £140m in 2014/15 to £135m in 2015/16. This represents a cut of 3.6%. £12.5m has been provided for the Welsh Top-Up, to ensure no Welsh force receives a decrease of more than 5.1%.

Topslices

20. The settlement shows provisional topslices in 2015/16 totalling £176.8m (excluding PFI and Ordnance Survey). In 2014/15 the figure was just £90m.
21. There are three new top-slices in 2015/16:
 - **Police Knowledge Fund (£5m)** - Further details to be provided in due course, but Home Office state it is linked to driving improvements in the same way as the Innovation Fund.
 - **Major Projects Fund (£40m)** - The topslice will support development of the National Police Data Programme, Home Office Biometrics and the Emergency Services Mobile Communications Programme.
 - **Police Special Grant (£15m)** - A contingency fund which will support forces facing unplanned or unexpected additional pressures which place them at financial risk. In previous year's this was funded from other Home Office budgets.
22. As indicated earlier in the year, there has been a significant increase in the **IPCC** top-slice – up 67% from £18m to **£30m** in 2015/16. The Home Office states this is to enable the IPCC to deliver significantly more independent investigations as investigations staff are recruited.
23. As expected the **Innovation Fund** is confirmed as being worth **£70m** in 2015/16. £20m has already been allocated under previous multi-year bids, leaving the remaining £50m available. Bidding closed on 2 January 2015 with announcements of successful bids in mid-March.

24. The previous topslice for the National Police Coordination Centre (£2,3m) has been removed. In addition, the proposed National ICT topslice of £69m has not been implemented. The Home Office will instead be charging police forces to recover this funding, as the Home Secretary feels it is more transparent than top-slicing.

Other Special Grants

25. Allocations of **Counter Terrorism** will be announced in the New Year but, as before, will not be made public. Funding will be maintained at **£564m**.
26. The funding of **Legacy Council Tax Freeze Grants** in respect of the 2011/12, 2013/14 and 2014/15 council tax freeze schemes will be paid to eligible authorities in 2015/16.
27. At last year's settlement the Minister for Communities and Local Government (CLG), Brandon Lewis, announced that funding for the 2015/16 council tax freeze grant will be built into spending review baselines.

Council Tax Referendum Principles

28. On 18th December 2014 the Minister for CLG announced the referendum principles for 2015/16. Police and Crime Commissioners who increase their council tax by 2% or above will need to go to a referendum.

Formula Review

29. As expected, there are no developments with regard to the Police Formula Review.

Capital Funding

30. Police capital funding in 2015/16 is £120.9m in total, of which £10.4m will be top-sliced for the National Police Air Service (NPAS) and £1m held as contingency, with the remaining £109.5m distributed to PCCs. As with last year each PCC has received a uniform cut in capital grant.
31. The Home Office have indicated that Ministers are still considering an additional top-slice to support the Communications Capabilities Development (CCD) Programme and Emergency Services Mobile Communications Programme (ESMCP) and will announce a final decision in the Final Police Grant Report in early February 2015.

THAMES VALLEY ALLOCATIONS

32. As shown in Appendix 1 the PCC will receive the following grants in 2015/16.

Table 3: TVP grant allocations 2015/16

	2014/15 £m	2015/16 £m	Variation £m	Variation %
Home Office Police Grant	151.291	142.032	- 9.259	- 6.12
Ex DCLG Formula Funding	76.705	74.314	- 2.391	- 3.12
Sub-total	227.996	216.346	11.650	- 5.1
Legacy council tax grants				
- Council tax support funding	11.906	11.906	0	0.00
- 2011/12 council tax freeze grant	3.372	3.372	0	0.00
Total General Grants	243.274	231.624	- 11.650	- 4.79

33. In addition to these general grants the PCC will also receive £2.467m from the Ministry of Justice to fund victim and witness services in 2015/16.

OVERVIEW OF THE MEDIUM TERM FINANCIAL PLAN (MTFP)

34. The review and development of the revenue budget is an annual exercise with each year's budget and associated council tax precept considered and approved in isolation. However, decisions taken in the course of approving the revenue budget will often have longer term consequences, as will those in approving the capital programme. The three year MTFP brings together these medium term consequences and allows a more comprehensive view to be taken of the PCC's overall financial position. It is imperative that the PCC knows the full extent of the financial consequences he will be committing to in future years when he considers and determines the annual budget.
35. As explained later in this report the revenue budget is balanced for 2015/16 but there is an identified, minimum shortfall of £21.86m in 2016/17 and 2017/18. Unfortunately the exact amount of the shortfall cannot be quantified until the Home Office provides indicative information in respect of future year grant allocations and the 16 billing authorities in the Thames Valley area confirm their taxbase and surplus on collection funds for 2015/16.
36. There is also the potential for a significant increase in demand on our service over the next three years, for example: from the forecast population increase, the impact of the economic climate, the expectations of our communities, new and emerging criminal activities and also legislative changes. The impact of this potential additional spending growth has not been factored into the MTFP as its speculative inclusion at this time would only require further cuts to be made to budgets elsewhere in the service.

Budget preparation

37. Work on preparing the draft budget began shortly after the 2014/15 revenue budget was approved by the PCC in January 2014. This early start was necessary in order to identify issues and funding shortfalls in time to develop and enhance the productivity strategy to meet the challenges ahead.
38. Throughout the budget preparation process the following key principles have been adopted:
 - To protect frontline services;
 - To protect our ability to manage risk;
 - To maintain our capability in protective services and back office functions through collaboration;
 - To maintain and improve performance in key areas, including the strategic policing requirement;
 - To reduce "discretionary spending";
 - To streamline business processes and to eliminate unnecessary bureaucracy and waste through increased use of technology;
 - To invest in areas where future savings can be attained from that early investment;
 - All change to be risk assessed.
39. There is a close relationship between preparation of the annual budget, medium term financial plan and the annual service objective setting process. All three support and complement the Police and Crime Plan.
40. The proposals developed for the draft budget ensure that resources are targeted towards priority business areas. There will be no reduction in local visible policing in

2015/16, whilst those areas that support the delivery of key strategic objectives, or are necessary for the effective management of policing risk, will receive the greatest protection.

Planning assumptions

41. In developing and refining the budget and the MTFP the following underlying assumptions have been made:
- General inflation will remain at 1.2% for 2015/16 and 2.0% thereafter;
 - Specific inflation rates are based on sector led rates, e.g. Premises at 3.0% and Utilities at 5%;
 - Pay inflation has been capped by the government at 1% for the September 2015 annual award. Thereafter, awards have been aligned to inflation at 2.0% per annum
 - Council tax precept increases have been set at 1.99% per annum for each of the next three years
 - Council tax billing base has been assumed to grow by 2.0% per annum
 - Police grants (Main Grant & Formula Grant) have now been reduced by 3.91% in 2016/17 and 3.93% in 2017/18. These cash cuts equate to an estimated 5% real terms reduction in police funding at national level
 - At this stage no provision has been made for additional top-slicing for national initiatives in future years, should this continue at the average of the last few years (extra £75m per annum) then the grants for TVP could reduce by a further £2.3m per annum.
 - The use of reserves for supporting specific revenue funded projects will continue throughout the MTFP period.

Base Budget

42. The starting point for the preparation of the 2015/16 estimates is the 2014/15 budget approved by the PCC in January 2014. The Full MTFP is contained at Appendix 3.

Inflation

43. This additional cost does not relate to any increase in service but is required just to maintain the existing base level of service.
44. The major changes to inflation are in relation to fuel. Previously this has been inflated at specific rates of 7% per annum. However with prices at the pump actually decreasing, we have reassessed the inflation to 0.0% for 2015/16 and to general inflation thereafter. This has reduced the budgeted inflation bill by £0.378m; £0.194m; and £0.212m respectively in each of the 3 years of the plan.
45. Overall inflation for 2015/16 adds £3.90m (average rate of 1.00%) to the annual budget, a further £6.25m in 2016/17 (average rate of 1.63%) and £7.72m in 2017/18 (average rate of 1.98%). These increases are based on a realistic assessment of the impact of inflationary pressures over the next three years.

Committed Growth

46. This section deals with those items within the budget which the PCC is committed to by means of previous decisions taken, national agreements or statutory payments.
47. The main significant changes that have occurred in this section for 2015/16 include:

- A planned reduction in the Protection Group costs matched by a reduction in the Dedicated Security Posts (DSP) Grant in each of the next two years.
- An increase in NI contributions in 2016/17 due to the Government removing the lower “contracted out” national insurance contribution bands for employers and employees, increasing the tax charge for TVP by £6.4m from April 2016.
- Temporary additional funding from reserves for the additional Bank Holidays which become payable due to Christmas and New Year falling on a weekend.
- A realignment of the base pay budgets for staff and officers allowing for increments and turnover.

48. Further details are provided at Appendix 4.

Current Service

49. This element of the budget contains growth for those items which are deemed to be necessary to maintain the current levels of service within Thames Valley. The main significant changes that have occurred in this section for 2015/16 include:

- An increase in insurance premium charges for motor; liability and premises policies which reflect current market conditions. These are offset by a reduction in the insurance fund provisions required to deal with on-going and historic claims.
- Commissioning of victims services, which is fully funded by additional MoJ grant
- One-off funding for back-indexing of evidential material being transferred to the Records and Evidence Centre (REC)
- Debt charges and financing repayments (e.g. removal of DRF for police vehicles)
- Revenue consequences of capital expenditure, e.g. Property Maintenance
- Rental income from Hampshire Constabulary for sharing our Records & Evidence Centre (REC).
- An increase in income from the seizure of assets under the Proceeds of Crime Act (POCA).

50. Further details are provided at Appendix 4.

Improved Service

51. These items of growth are seen to be required in order to improve performance and meet the growing demands on the service by means of legislative changes and adherence to codes of practice or to comply with regulations. The main significant changes that have occurred in this section for 2015/16 include:

- Additional funding for the introduction of the Berkshire Multi-Agency Service Hub (MASH), and additional resources within the Protecting Vulnerable People units.
- Extension of temporary funding for the specific burglary teams at Slough and Reading for a further 12 months.
- Additional funding for the implementation and service costs associated with the ICT capital schemes programme.
- Specific reserve funding for one-off property schemes

52. The remainder of growth within this section is made up of specific initiatives which are short term one-off initiatives affecting, in the main, property maintenance and enhancements. These initiatives are set out individually in more detail at Appendix 4.

Appropriation from Reserves

53. The financial strategy includes the utilisation of general reserves and/or the Improvement and Performance Reserve to fund one-off expenditure items to improve performance or achieve future efficiency savings, or to address timing issues where

expenditure falls in a different year to the budget provision. Table 4 shows how reserves are being applied in the revenue budget in 2015/16 and the change to those applied in 2014/15.

Table 4

	2014/15 £m	2015/16 £m	Change £m
<i>Appropriations from general balances</i>			
- Property fees	0.139	0.139	0.000
- Surplus on Collection of Council Tax	- 0.421	0.000	0.421
- Offset under recovery in interest receipts budget	0.400	0.450	0.050
- Smooth reduction in CSF grant allocations	0.228	0.000	- 0.228
- Additional Bank Holidays	0.000	0.570	0.570
	0.346	1.159	0.813
<i>Appropriations from the Improvement & Performance Reserve</i>			
- MK ventilation plant work	0.250	0.000	- 0.250
- Banbury custody ventilation	0.000	0.155	0.155
- Data centre resilience	0.250	0.000	- 0.250
- MK electrical distribution	0.425	0.000	- 0.425
- Data centre air conditioning	0.100	0.000	- 0.100
- Maidenhead PS heating	0.300	0.000	- 0.300
- Amersham lighting	0.000	0.175	0.175
- Lodden Valley rationalisation	0.375	0.350	- 0.025
- Maidenhead basic refurbishment	0.160	0.000	0.160
- Bicester traffic fuel tanks	0.000	0.150	0.150
- Force stores move to REC	0.000	0.420	0.420
- Optima - help staff return to work	0.100	0.100	0.000
- Burglary team extension	0.370	0.370	0.000
- Attendance at child protection conferences	0.000	0.123	0.123
- REC legacy cataloguing	0.000	0.281	0.281
- CSE intelligence posts in FISO	0.000	0.095	0.095
	2.330	2.219	- 0.111
Total	2.676	3.378	0.702

Force Productivity Strategy Savings

54. The PCC and Force have a long history of delivering productivity savings and using these to balance annual budgets or reinvesting them in frontline policing; a strategy that has been widely scrutinised and praised by HMIC during various inspections and reports.
55. In the four year CSR period 2011/12 to 2014/15 over £58m of cash savings have already been delivered.
56. The overall productivity plan has been reviewed against the requirements of the MTFP and the strategy has been updated with new and changed initiatives.
57. Initiatives that have changed significantly or have been added include:
 - Force Crime & Force Intelligence and Specialist Operations have reviewed all of their old savings plans and replaced them with updated initiatives.
 - The savings from non-collaborative operations units have been re-phased, with all the savings now being taken in the first year of the plan rather than over two years.
 - The office of the PCC has offered new, additional savings from non-pay budgets of £120k.
 - Police Officer and Police Staff overtime savings have been reviewed with part of the original savings now having been re-categorised as Amber savings.

- An external review of procurement through Capita has added additional savings of £400k from non-pay contracts.
 - A review of the use of Agency staff has been instigated which is expected to reduce costs by £700k over two years.
 - An analysis of fuel expenditure and usage has allowed for an additional saving of £350k.
 - The cessation of the contract for routine Drugs Testing in Custody has allowed a savings of £400k to be released from the budget.
 - The tender for the Detention Officers contract is currently being evaluated but savings are expected to increase by a further £250k
 - Re-phasing of the Business Support, Student Officer Training, and Contact Management Programme initiatives has moved an additional £400k into year one of the plan from year two.
58. The savings relating to the first year of the productivity strategy are all related to specific initiatives that have been scrutinised by the Force to ensure that the risks of implementation are acceptable and that appropriate equality impact assessments are being completed prior to implementation. These savings should all be attained subject to the current demands and profile of policing.
59. Savings linked to the later years of the strategy are also linked to specific initiatives; however, a number of these still require further scoping work and assessment of the impacts and risks, which will be carried out over the next financial year. The direction of this work will partly be determined by any further information that may become available in relation to potential cuts and funding levels in years two and three of the current MTFP.
60. A copy of the full Productivity Strategy is attached at Appendix 5.

2015/16 Budget Summary

61. Table 5 provides a summary of the draft 2015/16 revenue budget. Further information is provided in Appendix 2 which shows 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. All government funding, including all special grants, are shown as external funding, illustrating the full cost and funding of the TVP PCC and Chief Constable.
62. A table showing the impact on police officer and staff numbers is attached as Appendix 6.

Table 5 - Draft revenue estimates for 2015/16

	£m
Base budget 2014/15	389.483
In-year virements	-2.239
Adjusted base budget	387.244
Inflation	3.904
Committed expenditure	3.075
Current service	0.863
Improved service	1.024
Productivity Strategy savings	- 12.800
Appropriation from reserves	- 0.703
Draft budget 2015/16	382.607

Medium Term Financial Plan (2015/16 – 2017/18)

63. One of the key requirements of the Prudential Code for Capital Finance is that the PCC takes a longer-term view of the spending pressures facing the organisation, in setting and approving the budget and council tax for the ensuing financial year. Given the significant and ongoing funding reductions which we are having to deal with this forward planning is more important than ever. Table 6 provides a summary of the medium term financial plan; full details are provided in Appendix 3.

Table 6

	2015/16 £m	2016/17 £m	2017/18 £m
B/Fwd Opening Balance	387.244	382.607	389.798
Inflation	3.904	6.250	7.724
Productivity savings	-12.800	-8.279	-2.996
Committed expenditure	3.075	7.969	2.972
Current services	0.863	-0.827	-0.125
Improved service	1.024	-0.801	3.076
Budget Requirement	383.310	386.918	400.449
Movement in Appropriations from reserves	-0.703	2.879	-2.890
Net Budget Requirement	382.607	389.798	397.559
External funding	382.607	378.123	375.697
Estimated annual funding shortfall	0	11.675	10.187
Estimated cumulative funding shortfall	0	11.675	21.862

64. Although the draft budget is balanced in 2015/16, there is an estimated shortfall of at least £21.86m in 2016/17 and 2017/18 to be addressed through additional productivity strategy savings.

Budget Risk & Uncertainties

2016/17 & 2017/18 Forecasts

65. The final years of the MTFP carry some significant risks which could alter the currently identified shortfalls in the plan either upwards or downwards. These include:

- The current forecast is based on the assumption that Home Office grants will be cut by a further 5% per annum in real terms, which equates to a cash reduction of 3.4% per annum. This was the basis upon which we initially planned for 2015/16 but the reality was that the annual reduction in grant support was a 5% cash reduction due, in the main, to additional top slicing for national initiatives. Should future grants be top-sliced further, a cash cut of 5% could be realistic which would require additional cash savings of nearly £4.6m over the two year period (i.e. £2.3m in 2016/17 and £2.3m in 2017/18). This is over and above the current level of savings required as shown in Table 5 above

These additional cuts could be mitigated by the Government lifting the current 2.0% cap on increasing the Council Tax precept to reduce the impact on service delivery but, in the current environment, this seems unlikely. A 1% increase in precept equates to approximately £1.3m per annum.

- The MTFP does not include any mitigation in the cuts to government grant to reflect the increase in tax as a result of the national insurance reforms in 2016/17. The Home Secretary, when challenged about the increase in the tax burden on police forces, stated:

“The Government has not set a fixed spending envelope, nor individual departmental budgets beyond 2015/16. Contracting out (national insurance) is planned to be abolished in 2016/17; any spending review in the next parliament will therefore take the impact of the abolition of contracting out into account when setting budgets”.

- As highlighted at paragraph 40 the current assumption on council tax increases is at 1.99% per annum. This may be optimistic if the capping threshold is reduced, or it could be that future capping is removed completely – a 1.0% change in council tax equates to approximately £1.3m.
- The MTFP assumes annual growth in the taxbase of 2% and a council tax surplus of £1.2m per annum. The increase in taxbase reflects the higher increase received in 2015/16 and also recognises the fact that house building continues to expand in some parts of the Thames Valley. The actual surplus in 2015/16 appears to be in the region of £2.4m, almost double the amount received in 2014/15 (circa £1.3m) and allowed for in future years (£1.2m). Billing authorities have been contacted to see what allowance they are currently making in their own MTFPs for increases in taxbase and surplus on collections funds.
- In 2015 there will be a general election, and hence a new government will be formed. This may or may not change the political landscape and priorities of spending, and consequentially may or may not have an impact on the way policing is delivered and the funding available to deliver it.
- In 2016 the PCC elections are due to be held for the second time so TVP could have a new PCC. A new PCC may have a different view on council tax precept increases and hence the funding available.
- The MTFP has allowed for the cessation of pay restraints beyond September 2015, with a move back to inflation-aligned pay awards. This carries risk and opportunity, in that should the pay restraint be continued then savings within the MTFP will be made. However, if pay restraint is lifted as expected, and inflation increases, then we could be under-budgeting against a significant part of the overall force budget.
- Currently there is a technological move away from the traditional methods of buying and owning IT storage, systems and hardware, to the new cloud based “leasing” of storage, systems and hardware. Whilst this may be more cost effective in the long term, and offers more resilience and opportunity to take new technology, it does change expenditure profiles away from one-off capital purchases every few years, to higher annual revenue costs. Given the relatively high levels of expenditure on ICT hardware and systems, this does potentially give rise to a risk of further pressures on the annual revenue budget, and hence the need for further savings.
- Nationally a replacement for the Airwave contract, Emergency Services Mobile Communications Programme (ESMCP), is being negotiated and is likely to be in place for TVP in 2017/18. At this stage it is unknown what the financial implications of this contract will be to forces, or how it will be funded.

Mitigation of Future Budget Cuts

66. As can be seen from the above, there are significant gaps in information available around key factors that could influence the funding and costs to the PCC in 2016/17 and beyond and hence the identified shortfalls. However work has already started to mitigate some of the risks highlighted above and to address the potential funding shortfalls by reducing the underlying cost of our organisation whilst doing our best to protect our service. This work includes:
- Focussing on non-staff costs. Over the last four years we have taken £58m out of the organisation; in excess of 30% (£20m) of these savings were from non-staff budget heads. Given that 80% of our budget is in relation to staff this is a considerable achievement and has assisted in the maintenance/improvement of our service levels. The work to reduce non-staff costs is continuing with vigour to ensure we maximise savings from our existing Productivity schemes and also to introduce new initiatives. One such new initiative is the restructuring of the Procurement department to ensure we identify the most cost effective solution and continue to achieve maximum value for money throughout all contracts.
 - Priority Based Budgeting (PBB) - A new programme of work to be included in the Productivity strategy. PBB is a methodology for reviewing how you utilise your resources. The focus is very strongly on directing resources to priority areas which, in turn, highlights non-priority areas which can be reduced with hopefully minimal impact on our service delivery. The review will initially concentrate on those areas of the business which have not recently been reviewed or are not part of an existing programme or collaborative review, for example, CRED and the Contact Management Programme. The Deputy Chief Constable (DCC) is the lead on this piece of work.
67. In addition to the above, work will continue to review the way we work and the terms and conditions we work under, to ensure that we are being as efficient as possible and maximising value for money from all of our assets.

LOCAL GOVERNMENT ACT 2003

Robustness of estimates and adequacy of reserves

68. The Local Government Act 2003 places a duty on the Chief Finance Officer (CFO) to make a report to the PCC on the robustness of the estimates and the adequacy of the reserves.

Reserves and balances

69. A separate agenda item shows the latest position on reserves, balances and provisions.
70. Based on current planning assumptions general revenue balances should stay close to the approved 3% target level throughout the next 3 years.
71. Earmarked reserves are forecast to reduce from £32.657m on 1st April 2014 to just £9.5m by 31st March 2018, including £3.832m in the Conditional Funding Reserve which is not available to support general operational policing.
72. Accumulated capital grants and reserves will be fully utilised by the end of 2017/18

Reliability / accuracy of budget estimates

73. The estimates have been put together by qualified finance staff in the Force's Finance Department and reviewed by qualified staff within the Office of the PCC.
74. There are a significant number of risks regarding the draft budget proposals and these are clearly set out in paragraph 64 above.
75. One of the biggest unknown areas of obvious concern is around the assumption being made regarding future cuts in government grant allocation, since this is an area that has proven difficult to estimate in recent years due to the level and impact of grant top slices that have been applied by the Home Office. The current working assumption, legitimately based on information that has been shared around the police finance community, is that Government grants will continue to be reduced by 5% per annum in real terms, which equates to 3.4%. This is similar to the advice that we received for planning purposes for 2015/16 but the actual cut in government grant was 5.1% in cash due to the additional top slicing applied by the Home Office.
76. Should future grant reductions turn out to be a 5% cut in cash allocations, due to topslicing, rather than real terms, then additional budget and service reductions of approximately £4.5m will be required which, put in context, equates to approximately 100 police officer and/or staff posts. In this scenario the unidentified budget shortfall would increase from £21.8m to £26.3m as a result.
77. As set out in paragraph 10 above, the Chancellor's Autumn Statement 2014 implies that non-protected Government departments such as the Home Office could face annual cash reductions of 7.8% through to 2019/20. If implemented this would have a serious and detrimental impact on operational policing at both local and national level, and would call in to question the sustainability of the current 43 police force model.

Scrutiny

78. The draft budget proposals were presented to and scrutinised by the PCC and Deputy PCC at the Level 1 public meeting on 13th November. The Police and Crime Panel has established a 'Budget Task and Finish Group' to review the draft budget proposals. This Group met to consider the draft budget proposals on 21st November. They are next due to meet on 14th January.

Achievability and risks

79. Attached at Appendix 7 is a budget risk and sensitivity analysis for 2015/16. In producing this analysis the CFO has followed the Force Risk Assessment Model. The first main column explains the risk to the PCC's budget. The level of risk is then assessed in terms of both likelihood and impact (each factor scored out of 5, with 1 being low likelihood / impact) on the PCC's budget. The final column provides a sensitivity analysis, where appropriate.
80. These identified risks are mitigated, to a certain extent, because the PCC:
- maintains an appropriate level of reserves and balances;
 - takes a prudent approach to achievability of income and the recovery of debts due, making appropriate provisions for bad debts; and
 - will proactively manage and monitor all aspects of budget performance during the year.
81. In addition, the Force continues to identify future budget savings through its ongoing Productivity Strategy, as referred to in paragraphs 53 to 59 above

82. Accordingly, the assessment of budget risks presented at Appendix 7 takes into account the mitigating factors identified above.
83. Similarly, Appendix 7A shows the risks to the medium term financial plan (2016/17 to 2017/18).
84. The Government has yet to publish national spending totals for the police for 2016/17 and 2017/18 which means that we are budgeting for these years without any informed knowledge as to what our Government grant allocations might be. The main risk, as identified above, is that future years grant reductions are closer to a 5% cash cut (or higher) rather than a 5% real terms cut.
85. The PCC's cash flow requirements are forecast and monitored on a regular basis to ensure stable and predictable treasury management, avoiding unexpected financing requirements.
86. The PCC needs to be satisfied that the revenue commitments in future years are affordable, sustainable and deliverable. Furthermore, the PCC has a responsibility to local people to ensure that the approved budget and detailed spending plans will deliver the aims, priorities and performance targets as set out in his Police and Crime Plan 2012-2017.
87. The risk inherent in the timely delivery of large capital schemes within budget is considered relatively low. The Force uses recognised project management techniques (PRINCE 2) including programme and project boards to manage all major schemes. In addition, the Corporate Development Unit ensures the co-ordination of all major projects as part of the Force Change programme and reports progress to the Chief Constable's Directions Group.
88. All capital schemes are managed by:
 - rigorous monitoring of projects.
 - close liaison with project partners
 - closely monitoring staff vacancies and using contractors where appropriate.
89. Recent history suggests that there is a higher chance of slippage of expenditure and scheme underspends than significant in-year overspends against approved capital budgets. However, the Force has recently appointed a business partner to help mitigate timeliness of delivery of future technology projects.

Council Tax Capping

90. The Localism Act 2011 abolished the capping regime in England. However, Schedule 5 of the Act made provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State [for CLG) and agreed by the House of Commons.
91. The Minister for Communities and Local Government has announced that any PCC proposing an increase in council tax of 2% or more in 2015/16 will need to allow local people the opportunity approve or veto the increase in a referendum.
92. The proposed increase of 1.99% is marginally below the referenda threshold. The medium term financial plan assumes annual increases of 1.99% in both 2016/17 and 2017/18 as well. These proposed increases will be reviewed annually in light of Government pronouncements on referenda limits at the time.

Prudential Code for Capital Finance

93. The Prudential Code for Capital Finance has introduced a rigorous system of prudential indicators which explicitly require regard to longer-term affordability, prudence, value for money, stewardship, service objectives and practicality of investment decisions. This is backed up by a specific requirement to monitor performance against forward-looking indicators and report and act on significant deviations.

Conclusion

94. The 2015/16 budget has been prepared in a properly controlled and professionally supported process. It has been subject to due consideration within the Force and by the PCC. The identifiable risks should be capable of management.
95. Assumed grant allocations in later years (i.e. 2016/17 and beyond) are significantly less certain due to the absence of key Government information in this critical area.
96. The medium term financial plan currently shows a budget shortfall of £21.86m in 2016/17 and 2017/18. This could increase to £26.36m if Government Grants are top-sliced further; based on an average rate over the last few years of an extra £75m per annum.
97. Whilst the Chief Constable has proven systems in place to identify and then implement budget savings, this process is obviously becoming more challenging and complex as time progresses with the inevitable consequence that a significant number of police officer and police staff posts will be lost in coming years. This task is made even more difficult by the fact that police officers cannot be made redundant, so effective workforce planning will be critical to delivering the necessary level of budget cuts.
98. The PCC is reminded that his responsibility for setting the annual budget and council tax precept for 2015/16 should also take into account whether the budget and service plans are relevant, affordable and sustainable in the longer-term. In doing so, he will need to satisfy himself that services and resource allocation have been appropriately prioritised and that financial risks have been adequately addressed and covered by, for example, reserves, contingencies and risk mitigation plans.

IMPLICATIONS FOR COUNCIL TAX

99. The PCC will receive police grant of £142.0m, ex-DCLG formula grant of £74.3m and legacy council tax grants of £15.3m in 2015/16. These levels of grant income are determined independent of the PCC's planned spending budget for the year.

Surplus on Collection Funds

100. It is currently estimated that the PCC will receive £2.4m in 2015/16 as its share of the net surplus on the billing authorities' Collection Funds, details of which are provided in Appendix 8.

Funding the 2015/16 revenue budget

101. Table 7 shows how the 2015/16 revenue budget will be financed.

Table 7

	£m	%
Police grant	142.032	37%
Ex-DCLG formula grant	74.314	19%
Total formula grant	216.346	56%
Council tax precept (estimate)	138.129	
Council Tax surplus on collection funds (estimate)	2.395	
Total council tax	140.524	37%
Legacy council tax grants	15.278	4%
Other specific grants	10.459	3%
Total specific grants	25.737	7%
Total Financing	382.607	100%

Council Taxbase

102. The taxbase 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.
103. In total, the provisional estimate of the 2015/16 taxbase for the PCC is 843,792 Band D equivalent properties, as Appendix 8 illustrates. This represents an annual increase of 17,205 properties or 2.08%.

Band D Council Tax

104. The band D council tax proposed for 2015/16 is £163.70, an increase of £3.19 or 1.99% on the comparable figure for 2014/15.
105. As shown in Appendix 9 our current 2014/15 band D council tax of £160.51 is below the national average of £169.02. The appendix also shows that TVP is significantly below average in terms of net expenditure per 1000 population when compared to other forces (£159,073 compared to £178,823). The final three columns show the proportion of each PCC's net budget requirement raised through council tax and government grant. TVP receives a higher proportion of its income from local council taxpayers than in most other force areas.

CONCLUSIONS

106. The revenue budget is fully balanced in 2015/16 with a 1.99% increase in council tax.
107. The budget for 2015/16 protects frontline policing and supports the delivery of the Police and Crime Plan including the Chief Constable's annual delivery plan objectives.
108. The medium term financial plan requires budget cuts of at £45.94m, of which £24.08m has already been identified leaving a budget shortfall of at least £21.86m still be addressed in 2016/17 and 2017/18.
109. The Force will therefore continue working on its Productivity Strategy to identify the necessary level of savings in order to balance the budget in these latter years but, it has to be recognised, this task is becoming increasingly more challenging and complex than in the past and will inevitably mean a significant reduction in police officer and police staff posts.

110. As shown above the current MTFP requires revenue savings of at least £45.94m over the next three years, with £12.80m in 2015/16. This is over and above the £58m of cash savings already removed from the base budget in the last four years (i.e. 2011/12 to 2014/15) meaning that, over the seven year period 2011/12 to 2017/18, in excess of £104m will have been taken out of the base revenue budget.
111. The impact on police officer and staff numbers next year (2015/16) is a net reduction of 186 police officer posts (which includes 94 training posts and 54 civilianisations through workforce modernisation) and a reduction of 31 police staff posts.

Appendix 1**POLICE GRANT REPORT ENGLAND AND WALES 2015/16****The Minister for Policing, Criminal Justice and Victims (Mike Penning):**

I have today placed in the Library my proposals for the aggregate amount of grant to Local Policing Bodies in England and Wales for 2015/16, for the approval of the House. Copies are also available in the Vote Office.

The Department for Communities and Local Government (DCLG) will in due course publish proposals for the distribution of funding to English local authorities for 2015/16. A further £3m of Council Tax Freeze Grant funding, previously paid to Local Policing Bodies by DCLG, will be paid by the Home Office in 2015/16. This follows the permanent transfer of £500m of other Legacy Council Tax Grants and £3bn 'formula funding' from DCLG to the Home Office in previous years, reflecting our ambition to simplify police funding arrangements over this Parliament. The Welsh Government will shortly set out its proposals for the allocation of funding in 2015/16 for Local Policing Bodies in Wales.

Since 2010 we have seen some of the biggest changes to policing in decades. Crime is down by over a fifth. There is significantly greater local accountability and transparency and police leaders have taken the opportunity to radically reform the way they deliver services to the public. Police officers have been taken out of back office roles and resources focused on front line delivery, putting officers back on the streets where the public expect them to be. Police forces are working more closely than ever before to reduce costs and duplication, and have started to work more closely with other emergency services through co-location and collaboration in areas such as mental health. The police are making their contribution to reducing the deficit and Her Majesty's Inspectorate of Constabulary have found that the police are successfully meeting the challenge of balancing their books while protecting the frontline and delivering reductions in crime.

After careful consideration of all Home Office budgets and the impact of the Chancellor's 2013 Autumn Statement, I have decided to maintain the 4.9 per cent real terms headline reduction to overall central government funding to the police announced at Spending Round 2013. Taking account of the latest inflationary forecast from HM Treasury published alongside the Chancellor's 2014 Autumn Statement, this means a total cash reduction of £299m in the overall police funding envelope compared to 2014/15.

I have also decided that the Government's approach to funding arrangements will continue in 2015/16. This means that every police force area will face the same percentage reduction in core central Government funding. This amounts to a cash reduction in this funding of 5.1 per cent (in cash terms) compared to 2014/15.

I have also decided to allocate funding to specific areas where I consider there to be a national policing interest. This includes maintaining police spending on counter terrorism, improving police integrity, transparency and leadership, and enabling the investment required so the police can innovate to meet new challenges and access critical modern infrastructure by:

- maintaining funding for counter-terrorism policing of at least £564m;
- providing a further £30m for the Independent Police Complaints Commission;
- supporting HMIC's PEEL inspection programme with £9.4m;
- offering £4.6m for the College of Policing's direct entry schemes;
- allocating £70m of funding to the Police Innovation Fund; and
- providing £40m of funding for Major Programmes.

I am also considering whether a limited amount of Police Capital Grant will be reallocated to support the Communications Capabilities Development and Emergency Services Mobile Communications (ESMCP) programmes. I will confirm my decision in the Written Ministerial Statement that will accompany the Final Police Grant Report in February.

The police in England and Wales are facing many challenges, including new and emerging threats and a growing number of historic investigations. This Government has always been clear that the police will have the resources they need for their important work, and this will continue to be the case in 2015/16.

I have set out below how we propose to allocate the police funding settlement between the different funding streams and between police force areas for 2015/16.

The Police Grant Settlement 2015/16

Table 1: Police revenue funding 2015/16

	2015-16 £m
Total General Funding: <i>Comprising....</i>	
<i>Police Core Settlement</i>	4309*
<i>of which Home Office Police Main Grant</i>	4136
<i>of which National and International Capital City Grant (MOPAC)</i>	174
Former DCLG funding	2851
<i>of which formula funding</i>	2818
<i>of which Ordnance Survey</i>	2
<i>of which Legacy Council Tax Freeze</i>	31
Welsh Government	135
Total Home Office Specific Grants: <i>Comprising....</i>	822**
Welsh Top-up	13
Counter Terrorism Police Grant	564
Police Innovation Fund	70
Police Knowledge Fund	5
Independent Police Complaints Commission (for the transfer of integrity functions)	30
College of Policing (for direct entry schemes)	5
City of London National and International Capital City Grant	3
HMIC (for PEEL inspection regime)	9
Police Special Grant	15
Major Programmes	40
Legacy Council Tax Freeze Grants	
<i>of which 2011/12 council tax freeze grant</i>	59
<i>of which 2013/14 council tax freeze grant</i>	7
<i>of which 2014/15 council tax freeze grant</i>	3
Police Private Finance Initiatives	73
Total Government Funding***	8190
% cash change in Total Government Funding****	-3.5%
% real change in Total Government Funding	-4.9%

* **Rounded to the nearest £m

***The police will also separately receive £434.4m in Local Council Tax Support Grant. This will be paid by the Home Office.

**** This is the difference in total central Government funding to the police compared to 2014/15. The reduction in core Government funding (i.e. funding that is damped) is 5.1%.

Provisional allocations of these grants (excluding Counter Terrorism Police Grant) for each force area in England and Wales for 2015/16 are set out in Table 3.

Counter-terrorism

I will continue to allocate specific funding for Counter Terrorism Policing and have provided ring-fenced funding for this throughout the 2010 Spending Review period to ensure that critical national counter terrorism capabilities are maintained. We have allocated at least £564m to support counter-terrorism policing in 2015/16.

Police and Crime Commissioners will receive full counter-terrorism funding allocations in the New Year. For security reasons these allocations will not be available in the public domain.

Pre-existing funding streams

Police Innovation Fund

I will continue to promote innovation, collaboration and improved efficiency by allocating £70m to the Police Innovation Fund for 2015/16. In its first two years, this Fund has supported a broad spectrum of activity, including projects to enhance collaboration across the emergency services and with other public services; improve digital working within and between forces; and introduce new means by which the public can make contact with their forces. We have also decided to allocate £5m to the establishment of a Police Knowledge Fund. Further details will be provided in due course.

Independent Police Complaints Commission (IPCC)

This is the second year of funding for the expansion of the IPCC to investigate all serious and sensitive allegations involving the police. In 2014/15 the IPCC has expanded its infrastructure, including doubling its numbers of investigations staff, and is on course to start almost twice the number of cases compared to last year. In 2015/16 I am providing £30m from the police settlement which will allow the IPCC to focus on delivering significantly more independent investigations as the new investigations staff take up post. I will also provide £4.5m from the wider Home Office budget to cover capital investment costs.

Her Majesty's Inspectorate of Constabulary (HMIC)

We will provide £9.4m to HMIC to continue its programme of thematic inspections and more wide-ranging PEEL inspections. The PEEL assessments represent a radical shift in how police forces are held to account by enabling the public to see for the first time how well their force is performing when it comes to cutting crime, providing a service that is fair and providing value for money. They give the public a clear, independent view of the quality of policing in their local area.

College of Policing

£4.6m will be given to the College of Policing to attract, select and train exceptional people who have the potential to become senior leaders in policing. This will widen the talent pool from which police leaders can be drawn, open up police culture to

new influences and foster an environment where challenge and innovation are welcome.

National and International Capital City Grant

This year, we will provide £2.8m of funding to the City of London Police in respect of their responsibilities for policing the Capital. This follows an HMIC review of their detailed business case.

New funding streams

Major Programmes

After consideration, we have decided to provide £40m from the police settlement to support the continuing development of the Emergency Services Mobile Communications Programme, Home Office Biometrics and the National Police Data Programme. These major programmes are critical for the police as they will ensure future communications and data capability, and are designed to deliver significant savings in the future.

Police Special Grant

We have decided to provide £15m from the police settlement for the Police Special Grant contingency fund, which supports police forces facing unplanned or unexpected additional pressures which might otherwise place them at financial risk.

Other funding

Council Tax referendum principles

The Communities Secretary, in consultation with the Home Secretary, will in due course give an indication of the council tax referendum principles he is minded to propose for local authorities in England in 2015/16. After considering any representations, he will set out the final principles in a Report to the House and seek approval for these in parallel with the Final Local Government Finance Report. Council tax in Wales is the responsibility of Welsh Ministers.

Legacy Council Tax Grants

In 2015/16 we will provide Council Tax Freeze Grant to Police and Crime Commissioners in England relating to the 2014/15 council tax freeze scheme. We will continue to provide Council Tax Freeze Grant relating to the 2011/12 and 2013/14 schemes and Local Council Tax Support (LCTS) funding previously paid to Police and Crime Commissioners in England by DCLG. This will total £503m in 2015/16. The Common Council of the City of London and the Greater London Authority (on behalf of the Mayor's Office for Policing and Crime) will also receive Council Tax Freeze Grant relating to the 2011/12 freeze grant scheme. The Greater London Authority will also receive an amount for the 2013/14 and 2014/15 schemes. These sums will continue to be paid from outside of the police funding settlement by DCLG. This will also be the case for any future Council Tax Freeze Grants.

Police Capital

As in previous years, a portion of capital will be reallocated in 2015/16 to fund the National Police Air Service. I will consider whether a further reallocation is required to support the Communications Capabilities Development (CCD) and Emergency Services Mobile Communications (ESMCP) programmes. Indicative figures, excluding a reallocation for CCD, are set out in Table 2.

I still intend to allocate the majority of capital funding directly to Local Policing Bodies. Like last year all Local Policing Bodies will receive the same percentage change in Capital Grant. I will also continue to maintain a capital contingency.

Table 2: Division of police capital between funding streams

2015/16 Police Capital	£m
Police Capital Grant	109.5
Police Special Capital	1
NPAS	10.4
Total	120.9

Table 3: Provisional revenue allocations for England and Wales 2015/16

Local Policing Body	2015/16				
	HO Core (incl Rule 1)	Welsh Top-up	Welsh Government	Ex-DCLG Formula Funding	Legacy Council Tax Grants (total from HO)
	£m				
Avon & Somerset	105.6	-	-	56.8	14.7
Bedfordshire	40.6	-	-	23.5	4.6
Cambridgeshire	48.8	-	-	24.5	6.0
Cheshire	61.8	-	-	45.0	8.3
City of London	18.5	-	-	33.8	0.1
Cleveland	46.4	-	-	38.8	7.7
Cumbria	28.9	-	-	31.0	4.8
Derbyshire	62.5	-	-	37.9	8.7
Devon & Cornwall	103.3	-	-	63.5	15.5
Dorset	41.5	-	-	17.4	7.3
Durham	43.0	-	-	37.2	6.1
Dyfed-Powys	31.4	6.1	12.8	0.0	-
Essex	103.4	-	-	56.3	13.1
Gloucestershire	34.6	-	-	19.6	5.6
Greater London Authority	1040.1	-	-	754.1	119.7
Greater Manchester	227.9	-	-	182.4	24.5
Gwent	43.2	-	29.7	0.0	-
Hampshire	120.7	-	-	63.5	12.9
Hertfordshire	71.8	-	-	36.6	9.5
Humberside	67.6	-	-	46.8	10.0
Kent	106.9	-	-	67.0	13.3
Lancashire	101.1	-	-	79.6	12.8
Leicestershire	65.7	-	-	39.9	8.9
Lincolnshire	38.6	-	-	20.4	6.8
Merseyside	123.2	-	-	113.5	15.6
Norfolk	50.5	-	-	28.9	9.3
North Wales	45.4	6.5	21.3	0.0	-
North Yorkshire	41.9	-	-	27.2	7.9
Northamptonshire	43.4	-	-	24.3	6.6
Northumbria	110.8	-	-	108.0	8.2
Nottinghamshire	78.4	-	-	48.4	9.7
South Wales	89.3	-	71.2	0.0	-
South Yorkshire	101.2	-	-	77.9	10.9
Staffordshire	66.9	-	-	40.2	11.3
Suffolk	41.0	-	-	23.0	6.8
Surrey	62.5	-	-	29.4	9.2
Sussex	98.4	-	-	54.2	13.2
Thames Valley	142.0	-	-	74.3	15.3
Warwickshire	31.2	-	-	17.5	5.2
West Mercia	66.7	-	-	43.6	12.0
West Midlands	252.3	-	-	181.3	19.0
West Yorkshire	172.5	-	-	130.1	16.7
Wiltshire	37.7	-	-	20.8	5.2
Total England & Wales	4309.2	12.5	135.0	2818.3	503.2

Appendix 2

Revenue Budget Summary 2015/16

	2014/15 Budget	Inflation	Savings	Virements	Growth	2015/16 Budget
<i>PCC Controlled Expenditure</i>						
Office of the PCC	£889,090	£1,767	0	8,337	0	£899,194
Democratic Representation	£187,415	£64	-20,000	0	0	£167,479
Other Costs	£342,198	£2,618	-100,000	0	-14,637	£230,179
Commissioning Services	£4,490,427	£0	-401,672	0	1,499,000	£5,587,755
	£5,909,130	£4,449	-521,672	8,337	1,484,363	£6,884,607
<i>TVP Operational Budget - Direction and Control of Chief Constable:</i>						
Employees	£326,095,601	£3,056,687	-8,358,663	-1,387,024	2,321,215	£321,727,816
Premises	£20,692,671	£520,097	-933,743	75,769	-548,329	£19,806,465
Transport	£10,182,493	-£138,360	-1,177,000	-130,315	415,462	£9,152,280
Supplies & Services	£42,789,232	£395,759	-1,704,139	52,681	1,934,385	£43,467,918
Third Party Payments	£9,470,449	£65,605	155,007	-17,175	82,570	£9,756,456
Force Income	-£25,846,613	£0	-260,000	-841,318	-281,388	-£27,229,319
	£383,383,833	£3,899,788	-12,278,538	-2,247,382	3,923,915	£376,681,616
<i>Net Capital Financing Costs:</i>						
Capital Financing	£3,768,718	£0	0	0	-621,232	£3,147,486
Interest on Balance	-£825,000	£0	0	0	175,000	-£650,000
	£2,943,718	£0	0	0	-446,232	£2,497,486
<i>Appropriations to/from Balances:</i>						
Appropriations	-£2,753,285	£0	0	0	-703,035	-£3,456,320
	-£2,753,285	£0	0	0	-703,035	-£3,456,320
Cost of Services	£389,483,396	£3,904,237	-12,800,210	-2,239,045	4,259,011	£382,607,389
<i>Funded By:</i>						
Council Tax - Surplus on Collection	-£2,045,455	£0	0	0	-349,971	-£2,395,426
Council Tax Precept Income	-£132,675,403	£0	0	0	-5,453,348	-£138,128,751
Formula Grant	-£76,704,707	£0	0	0	2,390,365	-£74,314,342
Legacy Council Tax Grants	-£15,278,329	£0	0	0	0	-£15,278,329
Police Current Grant	-£151,290,943	£0	0	0	9,259,250	-£142,031,693
Specific Grant	-£11,488,559	£0	0	2,239,045	-1,209,334	-£10,458,848
	-£389,483,396	£0	0	2,239,045	4,636,962	-£382,607,389
Total Funding	-£389,483,396	£0	0	2,239,045	4,636,962	-£382,607,389

Thames Valley Police

Medium Term Financial Plan 2015/16 - 2017/18

	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Annual Base Budget	389,483,396	382,607,389	389,798,184
In Year Virements (Contra Entry in Funding)	-2,239,045	0	0
<u>Inflation</u>			
General	639,401	1,076,545	1,092,483
Police Pay	1,970,508	3,159,087	4,147,039
Police Staff Pay	1,003,243	1,561,350	2,002,911
Specific	291,085	453,148	481,989
<u>Inflation</u>	3,904,237	6,250,130	7,724,422
<u>Productivity Plan</u>			
Committed Full Year Effect Savings	692,228	0	0
Collaborative Units	-65,161	0	0
Structure & Process Reviews	-3,168,526	-812,584	0
Value for Money Reviews	-6,103,258	-2,677,731	-905,091
Review of Remuneration and Conditions	-546,480	-402,101	0
Future Productivity Strategy Programmes	-3,609,013	-4,386,200	-2,090,892
<u>Total Productivity Plan Savings</u>	-12,800,210	-8,278,616	-2,995,983
<u>Committed Expenditure</u>			
<i>Police Officer - Pay Allowances</i>			
9 Compensatory Grant	-68,968	-57,404	-124,495
10 South East Regional Allowance	277,622	350,000	350,000
58 Restructure of Police Housing & Rent Allowance	-416,132	-412,199	-450,000
252 Police Officer Increments Payable	3,526,518	3,251,000	3,251,000
253 Police Officer - Turnover Pay Changes	-1,658,439	-1,900,000	-2,160,000
276 Implementation of Auto Enrolment to Police Pension	0	0	251,000
313 Police On-Call Allowance	-100,000	0	0
345 Reserve Funding for Additional Bank Holidays	480,000	-480,000	160,000
<i>Police Officer - Pay Allowances</i>	<i>2,040,601</i>	<i>751,397</i>	<i>1,277,505</i>
<i>Police Staff - Pay Allowances</i>			
7 Committed Police Staff Pay Performance Award	700,000	700,000	700,000
8 Police Staff Performance Award from September	1,000,000	1,000,000	1,000,000
265 Police Staff - Turnover Pay Changes	-565,000	-350,000	-350,000
277 Implementation of Auto Enrolment to Staff Pension	0	0	314,000

346	Reserve Funding for Additional Bank Holidays	90,000	-90,000	30,000
	<i>Police Staff - Pay Allowances</i>	<i>1,225,000</i>	<i>1,260,000</i>	<i>1,694,000</i>
	<i>Legal & Compliance</i>			
310	Changes to Employers NI Contributions	0	6,359,237	0
364	Increase in Carbon Trading Fees	50,000	0	0
365	Increase in Charges for National ICT Systems	268,048	0	0
	<i>Legal & Compliance</i>	<i>318,048</i>	<i>6,359,237</i>	<i>0</i>
	<i>Specific Grants</i>			
319	Reduction in Protection Group Costs	-508,233	-401,569	0
	<i>Specific Grants</i>	<i>-508,233</i>	<i>-401,569</i>	<i>0</i>
	Committed Expenditure	3,075,416	7,969,065	2,971,505
	Current Service			
	<i>Support Services</i>			
22	Revenue Consequences of Capital - Premises	87,000	0	0
48	Changes in Debt Charges	8,768	-77,928	-38,382
299	Community Safety Fund - Expenditure	0	-124,000	-119,000
308	SEPSNSA Contract Financing Income	125,000	100,000	0
311	Smoothing of Reductions in CSF Expenditure	-228,000	0	0
320	Temporary Funding for Cold Case Review	-100,000	0	0
327	MoJ - Commissioning of Victims Services	1,727,000	0	0
331	Removal of DRF for Vehicle Purchases	-630,000	0	0
339	Insurance Premiums & Fund Contribution Reviews	-155,408	0	0
363	Reduction in Audit Fees	-21,230	0	0
	<i>Support Services</i>	<i>813,130</i>	<i>-101,928</i>	<i>-157,382</i>
	<i>Income</i>			
232	Changes to Firearms Licensing Income	-21,388	5,144	32,382
322	Income from REC sharing with Hampshire	-110,000	0	0
332	Interest Receipt Smoothing from General Reserves	50,000	-450,000	0
349	POCA Income from Financial Investigations	-150,000	0	0
	<i>Income</i>	<i>-231,388</i>	<i>-444,856</i>	<i>32,382</i>
	<i>Legal & Compliance</i>			
343	Indexing and Cataloguing of PVP Legacy Materials	281,000	-281,000	0
	<i>Legal & Compliance</i>	<i>281,000</i>	<i>-281,000</i>	<i>0</i>
	Current Service	862,742	-827,784	-125,000
	Improved Service			

<i>Support Services</i>				
329	Additional Temporary Burglary Resources 2015/16	0	-369,504	0
336	Implement Berkshire MASH Proposal	153,916	0	0
337	Police Attendance at Child Protection Conferences	123,168	-123,168	0
342	ICT - Significant Revenue Commitments	1,429,500	777,000	376,000
<i>Support Services</i>		<i>1,706,584</i>	<i>284,328</i>	<i>376,000</i>
<i>Legal & Compliance</i>				
318	PVP Resources Growth	-356,860	0	0
338	Domestic Violence Prevention Notices & Orders	58,000	0	0
340	Make Temporary PVP Posts Permanent	226,164	-95,468	0
<i>Legal & Compliance</i>		<i>-72,696</i>	<i>-95,468</i>	<i>0</i>
<i>Specific Revenue Funded Projects</i>				
236	MK - Ventilation Plant Work	-250,000	0	0
254	Data Centre Resilience	-250,000	0	520,000
255	MK Electrical Distribution	-425,000	0	0
256	HQ (s) Data Centre Air Conditioning	-100,000	0	465,000
258	Maidenhead Police Station Heating	-300,000	0	0
280	Banbury Custody Ventilation Plant	155,000	-155,000	0
282	Amersham Lighting & Asbestos	175,000	-175,000	0
294	Return to work initiatives	0	0	-100,000
323	Lodden Valley Estates Rationalisation	-25,000	-350,000	0
324	Maidenhead Police Station Basic Refurbishment	-160,000	0	0
325	Langford Locks A/C Replacement	0	260,000	-260,000
352	Bicester Traffic Base - Fuel Tanks	150,000	-150,000	0
353	Movement of Force Stores to the REC	420,000	-420,000	0
354	KFC - Ground Floor Electrical Works	0	0	225,000
355	Lodden Valley - Custody Ventilation	0	0	390,000
356	Lodden Valley - CCTV & Panic Alarms	0	0	230,000
357	Maidenhead - Custody Ventilation	0	0	170,000
358	Maidenhead - CCTV & Panic Alarms	0	0	230,000
359	Newbury - Custody Ventilation	0	0	170,000
360	Newbury - CCTV & Panic Alarms	0	0	230,000
361	Pangbourne Station - Electrical Rewire	0	0	170,000
362	Riverside House - Air Conditioning Replacement	0	0	260,000
<i>Specific Revenue Funded Projects</i>		<i>-610,000</i>	<i>-990,000</i>	<i>2,700,000</i>
Improved Service		1,023,888	-801,140	3,076,000

In Year Appropriations From Reserves

Appropriations from Performance Reserve

185	Appropriation from Improvement Performance Reserve	110,364	1,859,140	-2,700,000
	<i>Appropriations from Performance Rese</i>	<i>110,364</i>	<i>1,859,140</i>	<i>-2,700,000</i>
	<i>Appropriations from General Balances</i>			
316	Appropriation for Smoothing of CSF Reductions	228,000	0	0
333	Smoothing of Interest Receipts from Gen. Reserve	-50,000	450,000	0
334	Appropriation to General Reserves	-421,399	0	0
347	Reserve Funding for Additional Bank Holidays	-570,000	570,000	-190,000
	<i>Appropriations from General Balances</i>	<i>-813,399</i>	<i>1,020,000</i>	<i>-190,000</i>
	In Year Appropriations From Reserves	-703,035	2,879,140	-2,890,000

Net Budget Requirement	382,607,389	389,798,184	397,559,128
Percentage Budget Increase	-1.77%	1.88%	1.99%
Cash Budget Increase	-6,876,007	7,190,795	7,760,944

Funded By:

Opening Budget	-389,483,396	-382,607,389	-378,123,153
In Year Funding Virements	2,239,045	0	0

Funding Changes

<i>Home Office Police Grant</i>			
274 External Funding Changes	9,259,250	5,550,017	5,361,317
<i>Home Office Police Grant</i>			
	9,259,250	5,550,017	5,361,317
<i>Formula Grant</i>			
304 Formula Grant Allocation Changes	2,390,365	2,903,900	2,805,168
<i>Formula Grant</i>			
	2,390,365	2,903,900	2,805,168
<i>Specific Grants</i>			
230 Changes to DSP Grant Funding	508,233	401,569	0
303 Changes to Loan Charges Grant	9,433	10,283	56,786
326 MoJ - Commissioning of Victims Services Grant	-1,727,000	0	0
<i>Specific Grants</i>			
	-1,209,334	411,852	56,786
<i>Council Tax Requirement</i>			
305 Council Tax Precept Requirement	-5,453,348	-5,576,959	-5,797,459
307 Council Tax - Surplus on Collections	-349,971	1,195,426	0
<i>Council Tax Requirement</i>			
	-5,803,319	-4,381,533	-5,797,459
Funding Changes	4,636,962	4,484,236	2,425,812
Total External Funding	-382,607,389	-378,123,153	-375,697,341

<i>Cumulative Shortfall / (Surplus)</i>	0	11,675,031	21,861,787
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<i>Annual Shortfall / (Surplus)</i>	0	11,675,031	10,186,756
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Analysis Of Growth Items

Appendix 4

Ref Details

2015/16 2016/17 2017/18

Committed Expenditure

Police Officer - Pay Allowances

9 Compensatory Grant

Calculation of requirements based on predicted Officer numbers shows an annual cash reduction year on year. This is excluding inflationary increases which have been set at zero and reflect the decreasing number of officers receiving rent allowance.

-68,968 -57,404 -124,495

10 South East Regional Allowance

Increase in entitlement to the South East allowance based on estimated numbers of new recruits to the force.

277,622 350,000 350,000

58 Restructure of Police Housing & Rent Allowance

Recalculation of the requirements based on estimated numbers of officers likely to be eligible to claim.

-416,132 -412,199 -450,000

252 Police Officer Increments Payable

Separation out of police increments due based on annual pay progression.

3,526,518 3,251,000 3,251,000

253 Police Officer - Turnover Pay Changes

Reduction in police officer pay bill based on annual leavers being removed at a higher salary rate than those new starters coming into the organisation.

-1,658,439 -1,900,000 -2,160,000

276 Implementation of Auto Enrolment to Police Pension

All Officers to be automatically enrolled in the police pension scheme with the option to opt out post enrolment. Assumed that 50% of currently not enrolled will stay in scheme, with a staging date expected of May 2017

0 0 251,000

313 Police On-Call Allowance

Review of budgets required against profiled expenditure patterns

-100,000 0 0

345 Reserve Funding for Additional Bank Holidays

Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base level of 8.

480,000 -480,000 160,000

2015/16: Total 11 days - 3 Additional Days @ £160k

2016/17: Total 08 days - 3 less days @ £160k

2017/18: Total 09 days - 1 Additional Day @ £160k

<i>Ref</i>	<i>Details</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
Total	Police Officer - Pay Allowances	2,040,601	751,397	1,277,505
Police Staff - Pay Allowances				
7	Committed Police Staff Pay Performance Award The growth element of the award relating to the committed 5 months from the previous years pay award.	700,000	700,000	700,000
8	Police Staff Performance Award from September The increment equivalent pay uplift used to underwrite the performance related pay element from September annually.	1,000,000	1,000,000	1,000,000
265	Police Staff - Turnover Pay Changes Reduction in police staff pay bill based on annual leavers being removed at a higher salary rate than those new starters coming into the organisation.	-565,000	-350,000	-350,000
277	Implementation of Auto Enrolment to Staff Pension All Staff to be automatically enrolled in the local government pension scheme with the option to opt out post enrolment. Assumed that 50% of currently not enrolled will stay in scheme.	0	0	314,000
346	Reserve Funding for Additional Bank Holidays Funding from general reserves for additional Bank Holiday overtime due to the fluctuation in the number of Bank Holidays per financial year from the base level of 8. 2015/16: Total 11 days - 3 Additional Days @ £30k 2016/17: Total 08 days - 3 less days @ £30k 2017/18: Total 09 days - 1 Additional Day @ £30k	90,000	-90,000	30,000
Total	Police Staff - Pay Allowances	1,225,000	1,260,000	1,694,000
Legal & Compliance				
310	Changes to Employers NI Contributions The end of the contracted out schemes for employers NI contributions will mean an increase in NI charges	0	6,359,237	0
364	Increase in Carbon Trading Fees Increase in Carbon Trading Fees	50,000	0	0

Ref	Details	2015/16	2016/17	2017/18
365	Increase in Charges for National ICT Systems			
	Increase in Charges for National ICT Systems	268,048	0	0
Total	Legal & Compliance	318,048	6,359,237	0
Specific Grants				
319	Reduction in Protection Group Costs			
	Reduction in Protection Group costs due to the corresponding reduction in the central DSP grant.	-508,233	-401,569	0
Total	Specific Grants	-508,233	-401,569	0
Total Committed Expenditure		3,075,416	7,969,065	2,971,505

Current Service

Support Services

22	Revenue Consequences of Capital - Premises			
	Knock on revenue consequences of property purchases through Capital Programme e.g. maintenance contracts	87,000	0	0
48	Changes in Debt Charges			
	Anticipated revenue changes associated with changes to borrowing requirements as the capital programme funding is reviewed.	8,768	-77,928	-38,382
299	Community Safety Fund - Expenditure			
	Community Safety Fund - Expenditure Reduction from Home Office Grant Reduction	0	-124,000	-119,000
308	SEPSNSA Contract Financing Income			
	Income received via the implementation of the SEPSNSA contract and the financial option taken by Thames Valley Police	125,000	100,000	0
311	Smoothing of Reductions in CSF Expenditure			
	Removal of temporary reserve funding to support the CSF grant.	-228,000	0	0

Ref	Details	2015/16	2016/17	2017/18
320	Temporary Funding for Cold Case Review Removal of temporary funding for 12 months to support cold case forensic reviews	-100,000	0	0
327	MoJ - Commissioning of Victims Services New grant from the MoJ for Commissioning of Victims Services through the PCC	1,727,000	0	0
331	Removal of DRF for Vehicle Purchases Removal of residual direct revenue funding for the purchase of vehicles.	-630,000	0	0
339	Insurance Premiums & Fund Contribution Reviews A review of the Motor/Premises and Employees insurance policies has lead to an increase in premiums for the policies. Additionally an Audit review of the insurance funds has lead to a reduction of £595k to the overall funds.	-155,408	0	0
363	Reduction in Audit Fees Reduction in Audit Commission scale fee charges of 25%	-21,230	0	0
Total Support Services		813,130	-101,928	-157,382
Income				
232	Changes to Firearms Licensing Income Profile of income to reflect expected requests and income	-21,388	5,144	32,382
322	Income from REC sharing with Hampshire Income received from sharing the Records and Evidence Centre facilities with Hampshire Constabulary.	-110,000	0	0
332	Interest Receipt Smoothing from General Reserves Due to fluctuations in interest receipts and the market rates, a prudent smoothing of the interest received budget will be undertaken form general reserves.	50,000	-450,000	0
349	POCA Income from Financial Investigations Over recent years the level of POCA income has steadily increased and the number of potential prosecutions remains high. The budgeted income is therefore increase to reflect this current position.	-150,000	0	0
Total Income		-231,388	-444,856	32,382

<i>Ref</i> <i>Details</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
Legal & Compliance			
343 Indexing and Cataloguing of PVP Legacy Materials	281,000	-281,000	0
Temporary 12 month funding for back indexing and cataloguing of PVP legacy materials as they move to the new REC.			
Total Legal & Compliance	281,000	-281,000	0
Total Current Service	862,742	-827,784	-125,000

Improved Service

Support Services

329 Additional Temporary Burglary Resources 2015/16	0	-369,504	0
Additional Temporary Burglary Resources for Slough & Reading - 12 months: 4.00 x Scene Managers BB3G 1.00 x Analyst BB3G			
336 Implement Berkshire MASH Proposal	153,916	0	0
To implement the Berkshire MASH proposal will require: 4.00 FTE Police Staff at BB2E 1.50 FTE Police Staff upgraded from BB2D to BB2E 1.00 FTE Police Sgt			
337 Police Attendance at Child Protection Conferences	123,168	-123,168	0
Temporary growth has been agreed for 12mths to support this initiative and to allow Force CID time to review their structure to find additional vacancies. Temporary 12 month funding for 4.00 FTE Staff Case Investigators @ BB3G			
342 ICT - Significant Revenue Commitments	1,429,500	777,000	376,000
ICT revenue growth required to cover the ongoing impact and associated costs of the ICT capital programme.			

<i>Ref</i>	<i>Details</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
Total	Support Services	1,706,584	284,328	376,000
Legal & Compliance				
318	PVP Resources Growth	-356,860	0	0
	Removal of temporary transition funding for 12 months for 11 Agency staff			
338	Domestic Violence Prevention Notices & Orders	58,000	0	0
	Implementation of new legislation for Domestic Violence Prevention Notices & Orders.			
340	Make Temporary PVP Posts Permanent	226,164	-95,468	0
	2014/15 Allowed for temporary 12 mth funding of 8 FTE Case Investigators in PVP, of which 4 FTE have been permanently moved into existing vacancies, and growth is requested for the remaining 4 FTE.			
	In addition, 3 temporary Intell based PVP positions have been extended for a further 12 months.			
Total	Legal & Compliance	-72,696	-95,468	0
Specific Revenue Funded Projects				
236	MK - Ventilation Plant Work	-250,000	0	0
	This work has now moved to a capital scheme, hence revenue funding is no longer required.			
254	Data Centre Resilience	-250,000	0	520,000
	Review and update of electrical issues to increase resilience at the data centres.			
255	MK Electrical Distribution	-425,000	0	0
	This work has now moved to a capital scheme, hence revenue funding is no longer required.			
256	HQ (s) Data Centre Air Conditioning	-100,000	0	465,000
	Future funding to replace the air conditioning units with the data centre.			
258	Maidenhead Police Station Heating	-300,000	0	0
	Removal of one-off funding to replace the heating system at Maidenhead police station.			
280	Banbury Custody Ventilation Plant	155,000	-155,000	0
	Funding for future works on Banbury Custody Ventilation Plant.			

Ref	Details	2015/16	2016/17	2017/18
282	Amersham Lighting & Asbestos Future funding for works to be carried out on Amersham Lighting & Asbestos	175,000	-175,000	0
294	Return to work initiatives Ongoing annual funding of the Optima medical scheme to facilitate quicker returns to work after injury or serious illness.	0	0	-100,000
323	Loddon Valley Estates Rationalisation Reduction in funding for minor alterations works to make better utilisation of Loddon Valley station.	-25,000	-350,000	0
324	Maidenhead Police Station Basic Refurbishment Removal of one-off funding for minor works to apply a basic refurbishment to the station.	-160,000	0	0
325	Langford Locks A/C Replacement To replace the air conditioning units at Langford Locks as they will be unusable in a couple of years time.	0	260,000	-260,000
352	Bicester Traffic Base - Fuel Tanks Replacement of the current fuel tanks which are nearing the end of their useful lives.	150,000	-150,000	0
353	Movement of Force Stores to the REC Relocation of the force stores function to the new REC to release the old stores premises.	420,000	-420,000	0
354	KFC - Ground Floor Electrical Works Electrical upgrade to ensure sustainability of the building and new CRED/PEC working	0	0	225,000
355	Lodden Valley - Custody Ventilation Replacement on a like for like basis of end of life equipment.	0	0	390,000
356	Lodden Valley - CCTV & Panic Alarms Replacement on a like for like basis of end of life equipment.	0	0	230,000
357	Maidenhead - Custody Ventilation Replacement on a like for like basis of end of life equipment.	0	0	170,000
358	Maidenhead - CCTV & Panic Alarms Replacement on a like for like basis of end of life equipment.	0	0	230,000
359	Newbury - Custody Ventilation Replacement on a like for like basis of end of life equipment.	0	0	170,000

Ref	Details	2015/16	2016/17	2017/18
360	Newbury - CCTV & Panic Alarms Replacement on a like for like basis of end of life equipment.	0	0	230,000
361	Pangbourne Station - Electrical Rewire Replace end of life electrical equipment and distribution circuits	0	0	170,000
362	Riverside House - Air Conditioning Replacement Replace end of life equipment.	0	0	260,000
Total	Specific Revenue Funded Projects	-610,000	-990,000	2,700,000
Total Improved Service		1,023,888	-801,140	3,076,000

In Year Appropriations From Reserves

Appropriations from Performance Reserve

185	Appropriation from Improvement Performance Reserve Appropriation of funding to support specific revenue projects from the Improvement and Performance reserve.	110,364	1,859,140	-2,700,000
Total	Appropriations from Performance Reserve	110,364	1,859,140	-2,700,000

Appropriations from General Balances

316	Appropriation for Smoothing of CSF Reductions Appropriation for Smoothing of CSF Reductions	228,000	0	0
333	Smoothing of Interest Receipts from Gen. Reserve Contra entry for growth item Ref:332	-50,000	450,000	0
334	Appropriation to General Reserves Appropriation to General Reserves	-421,399	0	0
347	Reserve Funding for Additional Bank Holidays Reserve funding for Police and Staff additional Bank Holidays - Ref: 346 & 345	-570,000	570,000	-190,000

<i>Ref</i> <i>Details</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
Total Appropriations from General Balances	-813,399	1,020,000	-190,000
Total In Year Appropriations From Reserves	-703,035	2,879,140	-2,890,000

Funding Changes

Home Office Police Grant

274 External Funding Changes			
Reduction in funding received through the main government police grant.	9,259,250	5,550,017	5,361,317
Total Home Office Police Grant	9,259,250	5,550,017	5,361,317

Formula Grant

304 Formula Grant Allocation Changes			
Reduction in funding received through the DCLG Grant Allocation.	2,390,365	2,903,900	2,805,168
Total Formula Grant	2,390,365	2,903,900	2,805,168

Specific Grants

230 Changes to DSP Grant Funding			
Reduction in funding for DSP Posts through Specific grant following a ZBB review of protection commitments.	508,233	401,569	0
303 Changes to Loan Charges Grant			
Changes to Loan Charges Grant	9,433	10,283	56,786
326 MoJ - Commissioning of Victims Services Grant			
MoJ - Commissioning of Victims Services Grant	-1,727,000	0	0
Total Specific Grants	-1,209,334	411,852	56,786

<i>Ref</i> <i>Details</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>
Council Tax Requirement			
305 Council Tax Precept Requirement			
Council Tax Requirement Changes for Precept Billing	-5,453,348	-5,576,959	-5,797,459
307 Council Tax - Surplus on Collections			
Council Tax - Surplus on Collections	-349,971	1,195,426	0
Total Council Tax Requirement	-5,803,319	-4,381,533	-5,797,459
Total Funding Changes	4,636,962	4,484,236	2,425,812

	2015/16			2016/17			2017/18			TOTAL		
	Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£
Committed Full Year Effect Savings												
369 Redeployment of Officers to Front Line Policing	0.00	0.00	-800,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	-800,000
390 Local CID	0.00	0.00	107,772	0.00	0.00	0	0.00	0.00	0	0.00	0.00	107,772
	0.00	0.00	-692,228	0.00	0.00	0	0.00	0.00	0	0.00	0.00	-692,228
Collaborative Units												
303 Joint ICT Unit	0.00	0.00	18,776	0.00	0.00	0	0.00	0.00	0	0.00	0.00	18,776
305 Joint Operations Unit	4.00	0.00	46,385	0.00	0.00	0	0.00	0.00	0	4.00	0.00	46,385
	4.00	0.00	65,161	0.00	0.00	0	0.00	0.00	0	4.00	0.00	65,161
Structure & Process Reviews												
395 Review of Non-Collaborative JOU Units	14.00	5.00	1,026,186	0.00	0.00	0	0.00	0.00	0	14.00	5.00	1,026,186
404 TVP Special Branch Review	1.00	3.00	156,940	0.00	0.00	0	0.00	0.00	0	1.00	3.00	156,940
410 Review of the Budgets Held by the OPCC	0.00	0.00	120,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	120,000
416 Review of Front Counters	0.00	1.18	30,000	0.00	0.96	30,000	0.00	0.00	0	0.00	2.14	60,000
417 NP&P Staff Review	0.00	1.00	32,655	0.00	0.00	0	0.00	0.00	0	0.00	1.00	32,655
421 Review of Functions and Structures within FISO	19.00	-4.00	774,491	2.00	0.00	101,444	0.00	0.00	0	21.00	-4.00	875,935
422 Review of Functions and Structures in Force Crime	0.00	18.00	451,587	0.00	4.00	331,140	0.00	0.00	0	0.00	22.00	782,727
424 Review of Learning & Development	1.00	2.00	201,708	0.00	0.00	0	0.00	0.00	0	1.00	2.00	201,708
428 Review of Federation Costs and Staffing	4.00	0.00	200,000	0.00	0.00	0	0.00	0.00	0	4.00	0.00	200,000
430 Review of Functions and Structures in CJ	0.00	5.00	174,959	0.00	0.00	350,000	0.00	0.00	0	0.00	5.00	524,959
	39.00	31.18	3,168,526	2.00	4.96	812,584	0.00	0.00	0	41.00	36.14	3,981,110

	2015/16			2016/17			2017/18			TOTAL		
	Police	Staff	£	Police	Staff	£	Police	Staff	£	Police	Staff	£
<u>Value for Money Reviews</u>												
306	0.00	0.00	330,000	0.00	0.00	70,000	0.00	0.00	0	0.00	0.00	400,000
336	0.00	15.00	711,613	0.00	21.00	346,500	0.00	21.00	346,500	0.00	57.00	1,404,613
368	0.00	0.00	100,000	0.00	0.00	100,000	0.00	0.00	100,000	0.00	0.00	300,000
373	0.00	0.00	714,250	0.00	0.00	100,000	0.00	0.00	0	0.00	0.00	814,250
375	0.00	0.00	18,543	0.00	0.00	187,731	0.00	0.00	3,591	0.00	0.00	209,865
413	0.00	0.00	750,000	0.00	0.00	400,000	0.00	0.00	0	0.00	0.00	1,150,000
414	0.00	0.00	500,000	0.00	0.00	761,000	0.00	0.00	405,000	0.00	0.00	1,666,000
415	0.00	0.00	929,980	0.00	0.00	362,500	0.00	0.00	50,000	0.00	0.00	1,342,480
418	0.00	0.00	500,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	500,000
419	0.00	0.00	350,000	0.00	0.00	350,000	0.00	0.00	0	0.00	0.00	700,000
425	0.00	0.00	375,200	0.00	0.00	0	0.00	0.00	0	0.00	0.00	375,200
426	0.00	0.00	422,000	0.00	0.00	0	0.00	0.00	0	0.00	0.00	422,000
429	0.00	0.00	401,672	0.00	0.00	0	0.00	0.00	0	0.00	0.00	401,672
	0.00	15.00	6,103,258	0.00	21.00	2,677,731	0.00	21.00	905,091	0.00	57.00	9,686,080
<u>Review of Remuneration and Conditions</u>												
372	0.00	0.00	546,480	0.00	0.00	402,101	0.00	0.00	0	0.00	0.00	948,581
	0.00	0.00	546,480	0.00	0.00	402,101	0.00	0.00	0	0.00	0.00	948,581
<u>Future Productivity Strategy Programmes</u>												
382	0.00	30.00	300,000	0.00	30.00	1,970,700	0.00	40.00	990,000	0.00	100.00	3,260,700
387	0.00	0.00	0	0.00	0.00	100,000	0.00	0.00	100,000	0.00	0.00	200,000
394	41.40	-41.40	470,613	27.00	-27.00	365,500	0.00	0.00	200,892	68.40	-68.40	1,037,005
397	0.00	0.00	0	0.00	0.00	500,000	0.00	0.00	500,000	0.00	0.00	1,000,000

	2015/16			2016/17			2017/18			TOTAL		
	Police	Year 1 Staff	£	Police	Year 2 Staff	£	Police	Year 3 Staff	£	Police	Staff	£
398 Expansion of Collaboration Opportunities	0.00	0.00	0	0.00	0.00	750,000	0.00	0.00	0	0.00	0.00	750,000
409 Reduce Student Officers from Foundation Training	94.00	0.00	2,838,400	0.00	0.00	0	0.00	0.00	0	94.00	0.00	2,838,400
411 Implementation of RMS	0.00	0.00	0	0.00	0.00	200,000	0.00	0.00	300,000	0.00	0.00	500,000
412 Review of Sickness Levels	0.00	0.00	0	6.50	8.00	500,000	0.00	0.00	0	6.50	8.00	500,000
	135.40	-11.40	3,609,013	33.50	11.00	4,386,200	0.00	40.00	2,090,892	168.90	39.60	10,086,105
Force Totals	178.40	34.78	12,800,210	35.50	36.96	8,278,616	0.00	61.00	2,995,983	213.90	132.74	24,074,809

Appendix 6

POLICE OFFICER AND STAFF ESTABLISHMENTS 2015/16

		Police	Staff	PCSO	Total
Opening Target Establishments		4,177.60	2,681.74	490.00	7,349.34
Training Restructure:					
PP 409	Reduce Student Officers from Foundation Training	-94.00	0.00	0.00	-94.00
		-94.00	0.00	0.00	-94.00
Workforce Modernisation:					
PP 305	Joint Operations Unit	-4.00	0.00	0.00	-4.00
PP 394	Review of Roles Not Requiring Police Powers	-41.40	41.40	0.00	0.00
PP 422	Review of Functions and Structures within FISO	-8.00	8.00	0.00	0.00
		-53.40	49.40	0.00	-4.00
Other Establishment Changes					
PP 336	PCSOs Review	0.00	0.00	-15.00	-15.00
PP 382	Review of Contact Management Function	0.00	-30.00	0.00	-30.00
PP 395	Review of Non-Collaborative Operations Units	-14.00	-5.00	0.00	-19.00
PP 404	TVP Special Branch Review	-1.00	-3.00	0.00	-4.00
PP 416	Review of Front Counters	0.00	-1.18	0.00	-1.18
PP 417	NP&P Analyst	0.00	-1.00	0.00	-1.00
PP 421	Review of Functions and Structures within FISO	-11.00	-4.00	0.00	-15.00
PP 422	Review of Functions and Structures in Force Crime	0.00	-18.00	0.00	-18.00
PP 424	Review of Learning & Development	-1.00	-2.00	0.00	-3.00
PP 428	Review of Federation Costs	-4.00	0.00	0.00	-4.00
PP 430	Review of Functions and Structures in CJ	0.00	-5.00	0.00	-5.00
		0.00	0.00	0.00	0.00
G 318	PVP Temporary Funding	0.00	-11.00	0.00	-11.00
G 319	Close Protection	-9.00	0.00	0.00	-9.00
G 336	Berkshire MASH	1.00	4.00	0.00	5.00
G 337	PVP - Case Investigators (Temporary)	0.00	4.00	0.00	4.00
G 340	PVP - Permanent Growth	0.00	7.00	0.00	7.00
		-39.00	-65.18	-15.00	-119.18
TVP Target Operational Establishment 2015/16		3,991.20	2,665.96	475.00	7,132.16
Net Change to Operational Establishment		-186.40	-15.78	-15.00	-217.18
Regional Hosted Units					
	SECTU	105.00	133.18	0.00	238.18
	SEROCU	102.75	96.64	0.00	199.39
TVP Hosted Regional Units Target Operational Establishment 2015/16		207.75	229.82	0.00	437.57
Total TVP Target Establishment 2015/16		4,198.95	2,895.78	475.00	7,569.73

Risk Analysis - 2015/16 Annual Revenue Budget

	RISK DESCRIPTION	RISK ASSESSMENT			SENSITIVITY
		Likelihood	Impact	Total	
1	The Force is unable to deliver, in full, the £12.8m of cash savings removed from the base budget by the year-end.	3	4	12	The residual risk is that we won't deliver the full £12.8m, e.g. a couple of £m shortfall or slippage. Although the Force has an excellent track record of managing expenditure within reduced budgets, this process is obviously becoming more challenging and complex, particularly as demands (e.g. child abuse, threat of terrorism etc.) are increasing.
2	That specific grant income, when confirmed, is lower than currently assumed in the draft budget	2	4	8	We are still waiting for confirmation of specific grants estimated £10.46m in 2015/16
3	That inflation exceeds the levels currently provided for in the draft budget	2	2	6	In total inflation is estimated to add £3.9m to the base budget in 2015/16, which equates to 1%. A 1% increase in general inflation (up from the 1.2% currently provided for) will add £.0.532m
4	That the Police & Crime Panel vetoes the PCC's proposed 1.99% increase in the council tax precept	1	3	3	Each 1% increase in council tax generates £1.35m. The maximum reduction would be 1% since this is the threshold for the Government's council tax freeze grant (i.e. the freeze grant is equivalent to a 1% increase in council tax)

Risk Analysis - Medium Term Financial Forecast 2016/17 to 2017/18

	RISK DESCRIPTION	RISK ASSESSMENT			SENSITIVITY
		Likelihood	Impact	Total	
1	That future Government Grant Allocations are lower than expected, therefore requiring a greater level of revenue savings than currently planned for	4	4	16	The MTFP is based on a 5% real terms reduction in Home Office. Assuming that specific grants are frozen at their current [2015/16] level this produces a cash reduction in police grant of 3.4%. However, should police grant be reduced by 5% in cash as happened in 2015/16 this would require additional budget cuts of approx £4.6m
2	That the Force is unable to identify ways of meeting the currently identified budget shortfall of £22m in 2016/17 and 2017/18, without having a serious and detrimental impact on service delivery	3	4	12	Although the Force has always managed to identify the necessary level of budget savings in the past required to balance the budget the process is obviously becoming more challenging and complex
3 70	That the Force is unable to deliver the full £24m of identified budget cuts over the two year period 2016/17 to 2017/18 without having a serious and detrimental impact on service delivery	3	4	12	<p>The Chief Constable has produced a number of mitigating factors which could be implemented should savings prove difficult to achieve, including taking 'amber' efficiency savings or the loss of redeployed officers.</p> <p>Although the Force has an excellent track record of managing expenditure within reduced budgets, this process is obviously becoming more challenging and complex, particularly as demands (e.g. child abuse, threat of terrorism etc.) are increasing.</p>
4	That future pay settlements for police officers and police staff are at a higher level than currently assumed in the MTFP	2	4	8	Pay increases are currently assumed at 1% in Sept 2015 and 2% per annum thereafter. Each 1% increase in police officer and staff pay adds £3m
5	Inadequate money in revenue reserves and balances to fund one-off expenditure items required by the Force	2	4	8	<p>General revenue balances are currently above the agreed 3% guideline level and forecast to remain above this level throughout 2015/16.</p> <p>In addition the PCC has earmarked revenue reserves of around £9.5m (estimated level at 31.3.18) which could be called upon in an emergency</p>

		Likelihood	Impact	Total	
6	That the Government reduces the threshold at which a council tax referendum is required and/or the Police and Crime Panel does not support a council tax increase of 2% per annum	2	3	6	A 1% increase in council tax is equivalent to additional income, or reduced budget reductions, of around £1.35m.
7	That the taxbase will not grow at the assumed annual rate of 2.0% per annum	3	2	6	Although the taxbase increased by 2.0% in 2015/16 this is the highest ever annual increase. Each 1% increase in taxbase generates additional council tax income of around £1.35m
8	That the Government reduces the level of security grant paid to the PCC in future years beyond current estimates.	2	2	4	The budgeted amount for 2015/16 is £5m. Future cuts in grant will be matched by a reduction in the resources provided to this area of business as in 2015/16
9	That the surplus on collection funds is less than the £1.2m per annum currently budgeted for	2	2	4	Although the surplus has exceeded £1.2m in each of the last 3 years, the average annual surplus in the 5 years preceding that was just £0.523m

APPENDIX 8

Latest position (12-1-15) on Taxbase and Surplus/Deficit on collection funds

	Provisional Taxbase	Surplus / Deficit (-) on collection funds £	Annual Precept £
Aylesbury Vale	67,901.98	250,000.00	
Bracknell Forest	42,695.00	57,079.00	
Cherwell	48,085.00	160,000.00	
Chiltern	43,143.55	73,226.94	
Milton Keynes	78,492.99	373,000.00	
Oxford City	42,658.70	185,721.00	
Reading	50,750.00	231,561.00	
Slough	38,430.00	28,640.00	
South Bucks	31,752.00	51,587.40	
South Oxfordshire	54,233.60	272,271.00	
Vale of White Horse	47,399.30	225,619.00	
West Berkshire	62,083.05	0.00	
West Oxfordshire	41,175.81	105,000.00	
Windsor & Maidenhead	64,107.26	168,221.00	
Wokingham	65,157.20		
Wycombe	65,726.80	213,500.00	
Totals	825,937.50	1,915,810.80	

Note: Those cells that have been shaded light blue are confirmed figures; the rest are still provisional estimates and subject to change

	Average Band D Equivalent Council Tax		Net Cost per 1,000 Population		Proportion of income raised from council tax	Proportion of income raised from HO grants
	£ p		£'000s			
Metropolitan Police	214.52	Metropolitan Police	304,337	Surrey	48.81%	51.19%
Surrey	211.68	Merseyside	234,603	Essex	46.16%	53.84%
Cumbria	208.62	Cleveland	228,918	Dorset	42.98%	57.02%
North Yorkshire	208.62	Greater Manchester	210,409	North Yorkshire	41.95%	58.05%
Gloucestershire	207.73	City ¹	204,275	Gloucestershire	41.08%	58.92%
Norfolk	204.75	West Midlands	201,495	Cambridgeshire	37.92%	62.08%
Cleveland	202.24	Cumbria	197,898	Warwickshire	37.54%	62.46%
Northamptonshire	197.04	Humberside	191,804	Lincolnshire	37.34%	62.66%
Lincolnshire	193.86	Northumbria	190,353	Norfolk	37.15%	62.85%
Dorset	187.11	South Yorkshire	186,273	Wiltshire	36.60%	63.40%
Warwickshire	184.56	West Yorkshire	183,340	West Mercia	36.57%	63.43%
West Mercia	182.28	Surrey	182,386	Northamptonshire	36.06%	63.94%
Cambridgeshire	181.35	Durham	181,763	Thames Valley	35.64%	64.36%
Staffordshire	177.61	Nottinghamshire	179,507	Suffolk	34.45%	65.55%
Humberside	176.57	Lancashire	176,525	Hertfordshire	33.39%	66.61%
Leicestershire	176.48	Norfolk	173,104	Cumbria	33.09%	66.91%
Nottinghamshire	172.98	Gloucestershire	170,518	Devon & Cornwall	32.78%	67.22%
Avon & Somerset	171.37	Leicestershire	169,209	Avon & Somerset	32.69%	67.31%
Derbyshire	170.22	Staffordshire	168,227	Hampshire	32.50%	67.50%
Suffolk	166.77	North Yorkshire	166,361	Cheshire	31.89%	68.11%
Devon & Cornwall	166.16	Cheshire	165,661	Sussex	31.86%	68.14%
Wiltshire	160.92	Bedfordshire	164,603	Staffordshire	31.56%	68.44%
Thames Valley	160.51	Warwickshire	164,544	Derbyshire	30.73%	69.27%
Durham	159.57	Northamptonshire	164,057	Leicestershire	30.13%	69.87%
Merseyside	156.63	West Mercia	163,414	Kent	29.56%	70.44%
Bedfordshire	156.55	Avon & Somerset	162,527	Bedfordshire	29.09%	70.91%
Lancashire	155.96	Devon & Cornwall	162,259	Durham	27.19%	72.81%
Hampshire	154.26	Kent	161,287	Nottinghamshire	26.06%	73.94%
Cheshire	153.21	Hertfordshire	161,053	Humberside	25.13%	74.87%
Greater Manchester	152.30	Thames Valley	169,073	Lancashire	23.74%	76.26%
Hertfordshire	147.82	Sussex	158,194	Cleveland	22.81%	77.19%
South Yorkshire	145.33	Hampshire	155,288	Metropolitan Police	21.97%	78.03%
Kent	144.28	Wiltshire	154,921	West Yorkshire	19.86%	80.14%
Essex	144.27	Derbyshire	154,802	South Yorkshire	19.39%	80.61%
Sussex	141.12	Cambridgeshire	154,357	Greater Mancheste	18.68%	81.32%
West Yorkshire	138.20	Dorset	152,348	Merseyside	16.50%	83.50%
West Midlands	104.47	Essex	148,995	West Midlands	15.94%	84.06%
Northumbria	86.61	Suffolk	148,166	Northumbria	11.72%	88.28%
City ¹	-	Lincolnshire	145,753			
WALES		WALES		WALES		
North Wales	227.61	Gwent	206,386	Dyfed-Powys	45.85%	54.15%
Dyfed-Powys	210.60	North Wales	204,082	North Wales	45.40%	54.60%
Gwent	203.50	South Wales	199,617	Gwent	35.71%	64.29%
South Wales	190.34	Dyfed-Powys	189,460	South Wales	34.53%	65.47%
England Average	169.07		177,811.89		33.81%	66.19%

Report to the Thames Valley Police & Crime Panel

Title: General Issues: National Publications Relevant to the Work of the Police and Crime Panel

Date: 30 January 2015

Author: Reece Bowman, Scrutiny Officer,
Thames Valley Police & Crime Panel



HMIC Police effectiveness, efficiency and legitimacy (PEEL) programme findings

The PEEL programme involves HMIC drawing together evidence from its annual all-force inspections. This is then used to assess the effectiveness, efficiency and legitimacy of the police. The assessments were introduced so that the public will be able to judge the performance of their local force and that of policing as a whole. The first assessments were published on 27th November 2014.

Thames Valley Police received the following overview:

- ‘in terms of its effectiveness, in general, the force is good at reducing crime and preventing offending, is good at investigating crime and good at tackling anti-social behaviour;
- the efficiency with which the force carries out its responsibilities is good; and
- the force is acting to achieve fairness and legitimacy in most of the practices that were examined this year.’

For more detailed analysis see the HMIC website.¹

HMIC inspection of South Yorkshire Police

Her Majesty’s Inspectorate of Constabulary (HMIC) published the report of its inspection (as part of a national programme) of the child protection work of South Yorkshire Police at the end of September 2014. This followed an inspection of the force’s response to Child Sexual Exploitation, which had been commissioned by the (then) Police and Crime Commissioner for South Yorkshire, the findings of which were published in November 2013.

Positive findings of the inspection included:

- The force had a clear set of priorities to protect children and had made progress in service improvements;

¹ <https://www.justiceinspectorates.gov.uk/hmic/thames-valley/>

- there had been a large increases in the capacity of child protection teams and extra training for staff in specialist roles;
- most staff were well trained and committed to protecting children; briefings had been delivered to a wide range of personnel to raise awareness; and
- the force had good relationships with partner agencies and local safeguarding children's boards. Different agencies were working together in co-located teams and this was working well.

Concerns arising from the inspection:

- for the most part, the force responded well when the case clearly identified a child in need of protection, but the response was weak in difficult or complex cases;
- there were shortcomings in performance in Doncaster in the protection of children in care homes with shortcomings in understanding of the risk posed by offenders who target vulnerable children;
- there were inconsistencies in the police response to child sexual exploitation across the force area. There was some good practice, but the police response needed improvement in Barnsley and Doncaster. Inspectors found some individual cases of concern; and
- children were being unnecessarily detained in custody overnight.

Serious Crime Bill

The Serious Crime Bill, which is currently before Parliament, contains a number of wide-ranging provisions to pursue, disrupt and bring to justice, serious and organised criminals and gangs. The .gov website provides the following information on the Serious Crime Bill, which was introduced in the House of Lords on 5th June 2014; it will:

- improve the ability to recover criminal assets by amending the Proceeds of Crime Act 2002
- amend the Computer Misuse Act 1990 to ensure sentences for attacks on computer systems fully reflect the damage they cause
- create a new offence targeting people who knowingly participate in an organised crime group
- extend the scope of serious crime prevention orders and gang injunctions
- create new powers to seize, detain and destroy chemical substances suspected of being used as cutting agents for illegal drugs
- clarify the offence of child cruelty, in section 1 of the Children and Young Persons Act 1933, in particular, to make it explicit that the offence covers cruelty which causes psychological suffering or injury as well as physical harm
- create a new offence making it illegal to possess paedophile manuals
- bring in new provisions to tackle FGM by:
 - extending the extra-territorial reach of the offences in the Female Genital Mutilation Act 2003 so that they apply to habitual as well as permanent UK residents
 - introducing a new offence of failing to protect a girl from risk of FGM
 - granting lifelong anonymity to victims
 - bringing in a civil order ('FGM protection orders') to protect potential victims
- create a new offence of unauthorised possession of a knife or other offensive weapon in prison
- allow people suspected of committing an offence overseas under sections 5 (preparation of terrorism acts) or 6 (training for terrorism) of the Terrorism Act 2006 to be prosecuted in the UK.

Source: <https://www.gov.uk/government/collections/serious-crime-bill>

NFU Mutual Rural Crime Survey 2014

Thames Valley has seen a drop in rural crime compared to national figures. Rural crime fell last year by 19 per cent across Buckinghamshire, Oxfordshire and Berkshire, according to NFU Mutual's Rural Crime Survey.

Thames Valley Police is one of the few forces across the country to have seen a decrease, while national figures show a 5.2 per cent increase. Nationally, high-value tractors stolen for export, a substantial rise in sheep rustling and opportunist thefts of garden tools and ornaments helped push up the cost of rural crime to near record levels.

In Buckinghamshire, rural crime claims cost £590,000 in 2013, compared with £820,000 in 2012. In Oxfordshire, the figure was down to £680,000, from £1 million the previous year.

Domestic abuse fast track trials initiative rolls out across Thames Valley from December 2014

Following the success of a pilot in Buckinghamshire a new process for the fast tracking of Domestic Abuse cases through the Criminal Justice System will be rolled out across the whole of Thames Valley from December 2014.

Since December 2013 the Thames Valley Local Criminal Justice Board has supported a Domestic Abuse initiative in Buckinghamshire. The pilot started in Aylesbury, High Wycombe and Chiltern & South Bucks LPA's with support from all Criminal Justice partners including Defence firms.

Irrespective of plea anticipation, officers have been producing a full file in readiness for the first hearing for all Domestic Abuse cases. The Police provide initial disclosure in all cases and CPS review the files in advance of the first hearing. This is not additional work for officers rather it requires greater effort at an earlier stage in the process. Once the file is submitted there are no requests for further upgrades as everything has been done.

An increase in guilty pleas at first hearing has been evident largely due to the fact that the defence are now aware at this earlier stage in the process of exactly what the prosecution case relies on. For those cases that are adjourned for trial the Magistrates adopt a firm approach to case management and the Courts endeavour to list these cases for trial within two to three weeks of the first hearing date. Before the pilot commenced this often took eight to ten weeks.

Since June 2014 the pilot has also been operating across Milton Keynes LPA. The initiative has delivered excellent initial performance in Milton Keynes. The recent guilty pleas at first hearing are recorded at an average of 38% and the total percentage of cases pleading guilty or convicted after trial is 46% (HMCTS data – June – Sept 14). In the other Bucks LPA's, who have been running the Pilot longer, this has risen to 46% and 68% respectively (HMCTS data – Jan – Sept 14).

One considerable benefit to this new approach is the positive impact on victims and witnesses. More early guilty pleas mean fewer victims having to face a trial. A reduced number of Court adjournments means that those witnesses who are required to give evidence stay engaged in the process and have the confidence to attend Court.

Chief Inspector Emma Garside said "officers were initially apprehensive of this new way of working, however, Bucks staff have risen to the challenge and the results now speak for themselves. The role of supervisors in ensuring that these files are completed and submitted to the ERO's within 24 hrs of charge is crucial. Getting these cases right, first time and every time is what we must strive for."

Superintendent Rory Freeman, Head of TVP Criminal Justice, said: "The evaluation of the pilot in Buckinghamshire, which launched last year, has proven to be very successful. The enhanced file at the first hearing ensures that more guilty pleas are secured, meaning less cases adjourned for trial. If we are processing cases more quickly, we do not risk victim disengagement and are able to bring more offenders to justice. It is anticipated that we will also see positive results across Oxfordshire and Berkshire. It is important to remember that everything we do is about supporting the victim and achieving the desired outcome for the victim. This scheme provides an improved service to victims of this insidious and often violent crime."

HMCTS spokesperson said: "Specialist Domestic Violence Courts represent both a partnership and a problem solving approach to domestic violence taken by the police, prosecutors, magistrates, court staff, the probation service and specialist support services for victims. HMCTS fully supports this co-operative approach to identify, track and risk assess domestic violence cases, support victims of domestic violence, share information better and especially with regard to this pilot allocate court time to ensure cases can be heard much quicker than in the past."

Across Buckinghamshire, officers and staff were initially apprehensive of this new way of working however results clearly showed significant improvements in the outcomes for victims. The role of supervisors in ensuring that these files are completed and submitted to the EROs within twenty four hours of charge is crucial. Getting these cases right, first time and every time, is what we must strive for.

The domestic abuse initiative is closely linked to Smarter Justice which sees a change in the way files are prepared for summary only cases. Smarter Justice training is currently being undertaken across the Force in anticipation of a Force-wide roll out of the Scheme on 1st March 2015.

David Colchester

TV Local Criminal Justice Board.

Thames Valley Police & Crime Panel Work Programme 2014

Date	Main Agenda Focus	Other agenda items
19/9/14	<u>Themed item:</u> Female Genital Mutilation (FGM)	<ul style="list-style-type: none"> • Scrutiny of PCC Annual Report • Asset Management Plan • Office of the Police & Crime Commissioner Organisational Structure • Public Question Time • General Issues • Work Programme <ul style="list-style-type: none"> - Appointment of Budget Precept Task and Finish Group - Revised work programme 2014/15 <p>For information-</p> <ul style="list-style-type: none"> • Public question time scheme • Updated rules of procedure • Letter from PCP Chairman to PCC- Proposed Extension to Deputy PCC Contract • Letter from PCC to Chairman of PCP- Proposed Extension to Deputy PCC Contract
19/11/14	<u>Themed Item:</u> Rural Crime	<ul style="list-style-type: none"> • Public Question Time • Bullfinch Update

Date	Main Agenda Focus	Other agenda items
		<ul style="list-style-type: none"> • Complaints, Integrity and Ethics Panel Update • General Issues • Work Programme
30/01/15	Scrutiny of the Police and Crime Commissioner for the Thames Valley's Proposed Council Tax Precept	<ul style="list-style-type: none"> • Budget Task and Finish Group Report • Public Question Time • General Issues • Work Programme
20/03/15	<u>Themed item:</u> Child Sexual Exploitation	<ul style="list-style-type: none"> • Public Question Time • General Issues • Cyber Crime • Work Programme

Date	Main Agenda Focus	Other agenda items
05/05/15	<u>Themed item:</u> Victim Support and Restorative Justice	<ul style="list-style-type: none"> • Complaints, Integrity and Ethics Panel Update • Public Question Time • General Issues • Work Programme
17/07/15	<u>Themed item:</u> TBC	<ul style="list-style-type: none"> • Police and Crime Panel Draft Annual Report • Thames Valley Police and Crime Commissioner Draft Annual Report • Thames Valley Police and Crime Commissioner Review of the Police and Crime Plan 2014/15 • Public Question Time • General Issues • Work Programme

