

Current & Forecast Reserves

	Actual @ 31/3/13 (£m)	2013/14		2014/15		2015/16		2016/17	
		Forecast Movements (£m)	Forecast @ 31/3/14 (£m)	Forecast Movements (£m)	Forecast @ 31/3/15 (£m)	Forecast Movements (£m)	Forecast @ 31/3/15 (£m)	Forecast Movements (£m)	Forecast @ 31/3/16 (£m)
Specific Revenue Reserves									
Leased Property Dilapidations Reserve Original	0.2	-	0.2	-	0.2	-	0.2	-	0.2
Leased Property Dilapidation & Maintenance Reserve	0.4	-	0.4	-	0.4	-	0.4	-	0.4
Estates Plan	-	2.5	2.5	(2.5)	-	-	-	-	-
Support Services Project Team	0.3	(0.3)	-	-	-	-	-	-	-
Athena	-	1.4	1.4	(1.4)	-	1.0	1.0	1.0	2.0
POCA income	0.6	(0.1)	0.5	-	0.5	-	0.5	-	0.5
Specific Revenue Reserves	1.5	3.5	5.0	(3.9)	1.1	1.0	2.1	1.0	3.1
Carry Forwards Reserve	1.1	(0.6)	0.5	(0.5)	-	-	-	-	-
General Reserve <i>GR as % of net revenue expenditure</i>	19.1 7.2%	1.0	20.1 7.6%	-	20.1	(1.5)	18.6	(5.2)	13.4
Total Revenue Reserves	21.7	3.9	25.6	(4.4)	21.2	(0.5)	20.7	(4.2)	16.5
Specific Capital Reserves									
Usable Capital Receipts	7.4	(0.1)	7.3	(3.5)	3.8	(3.8)	-	(3.1)	(3.1)
Unapplied grants & other contributions	7.1	(3.1)	4.0	(2.1)	1.9	(1.7)	0.2	(1.2)	(1.0)
Long term liabilities									
Capital Grants - receipts in advance	0.8	(0.1)	0.7	(0.7)	-	-	-	-	-
Total Capital Reserves	15.3	(3.3)	12.0	(6.3)	5.7	(5.5)	0.2	(4.3)	(4.1)
Usable Provisions									
Insurance (for known outstanding claims)	1.2	(0.7)	0.5	(0.5)	-	(0.8)	(0.8)	(0.8)	(1.6)
Total Usable Provisions	1.2	(0.7)	0.5	(0.5)	-	(0.8)	(0.8)	(0.8)	(1.6)
Grand Total	38.2	(0.1)	38.1	(11.2)	26.9	(6.8)	20.1	(9.3)	10.8
Internal Borrowing on past capital projects	(9.6)	0.5	(9.1)	1.0	(8.1)	1.0	(7.1)	1.0	(6.1)
Reserves Financed by Cash	28.6	0.4	29.0	(10.2)	18.8	(5.8)	13.0	(8.3)	4.7

2014/15 Budget Summary		
	£000	
2013/14 Original Budget - Budget Book Net Expenditure	271,573	includes one-off expenditure and funding from reserves
Adjustment for use of reserves and one-off items in 13/14	176	
2014/15 Base Budget	271,749	
Pre 2014/15 Activity		
Pay	(3,933)	
Lost income from lower interest rates	51	Based on average interest rate of 0.5%
Adjustment to historic CCP's and capital (revenue impact)	(54)	
Reform Savings	(2,814)	Reform
Evolve - Non Pay savings	(1,156)	Evolve
2014/15 Revised Base Budget after adjustment to 14/15 base for pre 2014/15 activity	263,843	Reduction for pre 14/15 activity is £7.9m
Inflation (non-pay including fuel)	631	Contractual and fuel inflation only
Pay inflation	2,131	based on part year from 1% rise in Sept 2013 and an additional 1% from Sept 2014.
2014/15 Adjusted Baseline	266,605	
Identified MTFS Pressures / adjustments		
Pay (not inflation) e.g. increments/pension/NI changes	1,642	Includes increments of £2m, £250k for additional overtime now pensionable and reduction of £500k for NI thresholds levels
Police Staff pension - 2013 valuation	631	The revaluation has resulted in an increase in employers contribution rate from 10.2% to 13.1% and a reduction in deficit payments
Police Staff pension - deficit payment	420	The payment period of the pension deficit is reduced from 27 years to 20 years
Cost pressures-Contractual/Legal & Unavoidable	443	Includes increases in Home Office services and Premises costs
Contribution for the repayment of internal debt	479	For historic capital expenditure. 2014/15 base budget increased to £1m. Repayment now over 9 years instead of 18 years
Police Officer III Health/Injury Pension	230	Inflation and increasing number of officers qualifying for injury pension
PCC's Whole Essex Community Budget	290	One-off funding in 2013/14 to be permanent in 2014/15
PCC's Community Safety Fund grant expenditure	(200)	Reduction in New Initiative Funds
Total Identified MTFS Pressures	3,935	
Evolve and Reform activity		
Reform Savings excluding pre 14/15 activity	(986)	Total Reform savings = (£3.8m) - see pre 14/15 activity above
Evolve Savings excluding pre 14/15 activity	(3,732)	Total Evolve savings = (£4.9m) - see pre 14/15 activity above
Evolve - One off investment	2,430	Investment to include additional officers in 2014/15
Evolve in-year activity	(3,666)	
Total Evolve and Reform activity	(5,954)	
One-Off Spending		
Cost pressures - Contractual / Legal (one-off)	969	Includes one-off funding for Force Control room, IT, Evolve project team and Community team
Excess Mileage costs from restructures	421	Evolve and Reform restructures
Redundancy from restructures	1,750	Estimate for 2014/15 and 2015/16 restructuring activity - accounted for in 2014/15
Estate and IT Commissioning	250	
Total One-Off Spending	3,390	
2014/15 Final Budget requirement	267,976	
Source of Funding		
HO Core Police Grant	110,111	2013/14 £114.441m. Now includes Community Safety Grant (13/14 £1.246m) - 13/14 total £115.687m
HO formula Grant - <i>previously DCLG grant</i>	58,110	2013/14 £60.950m
Council Tax Freeze grant (2011/12)	2,133	2013/14 £2.133m
Council Tax Support Grant	10,992	2013/14 £10.957m - for reduction in taxbase from 13/14
Council Tax precept	85,809	2013/14 £81.440m (2012/13 £88.725m). Based on estimated taxbase growth & 3.5% precept increase. For every 0.5% increase, approx £400k additional CTAX. Taxbase still to be confirmed
Collection Fund surplus	821	Still to be confirmed - 2013/14 £0.406m (2012/13 £0.101m).
2014/15 Total Funding	267,976	2013/14 £271.573m.
Surplus / (deficit)		0
Council Tax Band D (2012/13 = £136.71 & 2013/14 = £141.48)	£146.43	
CT Increase % (3.47% in 2012/13 & 3.49% in 2013/14)	3.50%	
Increased cost to Band D property / pa (£4.77 in 2013/14)	£4.95	
Additional Weekly Cost (9 pence in 2013/14)	£0.10	
Tax base - number of properties (575.628m in 2013/14)	575,628	

POLICE & CRIME COMMISSIONER FOR ESSEX
REVENUE BUDGET SUMMARY 2014/15
Based on 3.5% Precept increase in 2014/15

	<i>2012/13</i> <i>Actuals</i>	<i>2013/14</i> <i>Original</i> <i>Budget</i>	<i>2014/15</i> <i>Estimate</i>
	£000	£000	£000
Employees			
Police Officer Pay and Allowances	180,687	178,146	171,676
Police Staff Pay and Allowances	73,292	70,630	68,936
Training	552	534	61
Other Employee Expenses	896	352	2,297
Police Officer Ill Health & Injury Awards	4,080	4,029	4,259
Premises	11,338	11,044	10,889
Transport	8,900	9,138	8,992
Supplies and Services	27,268	28,954	28,736
Agency Services	3,098	176	0
Support Services	1,115	989	702
Gross Operating Expenditure	311,227	303,992	296,548
Total Income	(38,680)	(23,261)	(22,649)
Net Cost of Services	272,547	280,731	273,899
Interest Receivable / Payable	(423)	(294)	(243)
Net loss/(surplus) on the disposal of fixed assets	0	32	32
Net Operating Expenditure	272,123	280,469	273,688
Appropriations	(5,241)	(6,191)	(5,712)
Net Expenditure	266,883	274,278	267,976
Contribution to/(from) Earmarked Reserve	491	0	0
Contribution to/(from) General Reserve	(4,907)	(2,705)	0
BUDGET REQUIREMENT	261,975	271,573	267,976
Finance by:			
Police Grant	(109,534)	(114,441)	(110,111)
DCLG Grant	(63,614)	(60,950)	0
Home Office Formula Grant	0	0	(58,110)
Community Safety Grant	0	(1,246)	0
Council Tax Freeze Grant	(2,133)	(2,133)	(2,133)
Council Tax Support Grant	0	(10,957)	(10,992)
Council Tax Precept	(86,592)	(81,440)	(85,809)
Collection Fund Surplus	(102)	(406)	(821)
Sources of Finance	(261,975)	(271,573)	(267,976)

**POLICE AND CRIME COMMISSIONER FOR ESSEX
MEDIUM TERM FINANCE STRATEGY**

Summary Forecast Revenue Movements from 2014/15 to 2016/17

MTFS item	2014/15 £m	2015/16 £m	2016/17 £m	3 Year Total £m
Reduction in Sources of Funding	3.6	9.1	1.4	14.1
Total additional Spending - recurring	6.7	3.1	13.0	22.8
Prior year commitments / shortfalls	0.2	(5.7)	0.1	(5.4)
Prior year activity	(7.9)	(2.3)	1.4	(8.8)
Savings to be found during the year	(6.0)	(4.2)	(12.2)	(22.4)
One-Off Spending	3.4	1.5	1.5	6.4
Reserves funding - General & earmarked	0.0	(1.5)	(5.2)	(6.7)
Budget shortfall/(surplus) - after reserve funding	0.0	(0.0)	0.0	0.0
Annual Savings - included in above				
Reform Savings	(3.8)	0.0	0.0	(3.8)
Evolve Savings	(4.9)	(7.9)	(12.2)	(25.0)
Total Annual Savings	(8.7)	(7.9)	(12.2)	(28.8)
Based on % reduction/increases of:				
Grants	(4.80%)	(4.00%)	(2.00%)	(10.80%)
Council Tax	3.50%	2.00%	2.00%	7.50%
Pay inflation	1.00%	1.00%	2.00%	4.00%