



## Bedfordshire Police Authority

<b>COMMITTEE AND MEETING DATE</b>	<b>POLICE AUTHORITY</b> <b>18<sup>TH</sup> FEBRUARY 2011</b>
<b>AGENDA ITEM No:</b>	<b>10</b>
<b>TITLE:</b>	<b>REVENUE BUDGET 2011/12</b>
<b>DATE OF REPORT:</b>	<b>9<sup>TH</sup> FEBRUARY 2011</b>
<b>REPORT OF:</b>	<b>CHIEF EXECUTIVE/TREASURER AND CHIEF CONSTABLE</b>
<b>AUTHOR:</b>	<b>ACT. ASSISTANT DIRECTOR – RESOURCES</b>
<b>ACTION REQUIRED:</b>	<b>TO APPROVE THE REVENUE BUDGET FOR 2011/12 AND THE SUBSEQUENT BUDGET REQUIREMENT, PRECEPT AND COUNCIL TAX</b>
<b>APPENDICES:</b>	<b>Appendix A – Draft Budget Appendix B – Schedule of Reductions Appendix C – Current Levels of Reserves</b>

**RECOMMENDATIONS:**

1. As detailed in paragraph 13

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**Date:** 9<sup>th</sup> February 2011

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**BACKGROUND PAPERS:**

Finance Settlement. (contact Janet Wardell ext 2066)  
Finance Committee budget report 27<sup>th</sup> Jan 2011

**ADDITIONAL PAPERS:**

None

## **1. Introduction**

- 1.1 The Police Authority is required by the Local Government Finance Act 1992, to set a Budget Requirement for the following year and issue a Precept prior to 1<sup>st</sup> March in the preceding financial year. In setting a Budget Requirement the Authority must calculate and agree the aggregate of revenue expenditure, contingency provision and level of reserves.
- 1.2 The Precept is the total of the Budget Requirement (including any addition to or subtraction from Reserves) less the sum of revenue support grant, specific police grant and business rates.
- 1.3 At meetings on 1<sup>st</sup> December 2010 and 10<sup>th</sup> December 2010, the Finance Committee and then the Police Authority received information on the Draft Budget for 2011/12 prior to the announcement of the Provisional Finance Settlement for the Police Service.
- 1.4 At this stage it was estimated that the Force faced a funding gap of £6.300M and had several initiatives under consideration in order to close this gap.
- 1.5 At the annual budget seminar on 27<sup>th</sup> January 2011 the provisional finance settlement was confirmed at £73.181M which incorporated the following items that had previously been classed as grants; the Crime Fighting Fund, the Basic Command Unit (BCU) and Rule 2 grant. When these are taken into account it equates to a reduction of £3.970M compared to the previous year. The funding gap was confirmed at £6.170M.
- 1.6 The findings from the budget seminar were further discussed at the Finance Committee, also on 27<sup>th</sup> January 2011, where it was recommended:
  - In determining the budget requirement for 2011/12 the Council Tax level be maintained at the same level as 2010/11.
  - That the level of general reserves be maintained at 2.5% of net revenue expenditure and that reserves will not be used to assist with the funding gap.
- 1.7 This Report now provides all of the relevant information to assist the Police Authority in confirming the Revenue Budget, Budget Requirement, Precept and Council Tax for 2011/12.
- 1.8 Members are reminded that a budget decision complies with the Police and Magistrates Courts Act 1994 if the Members approving it constitute at least half of the Local Authority Members (i.e. 5) at the time of the decision.

## **2. General Considerations**

2.1 In preparing the 2011/12 budget a number of factors have been taken into consideration:

2.1.1 The need to focus on providing a service that is able to fight crime and protect the public, of whom we serve, and ensure that our resources allow us to protect, satisfy and reassure our public, and that we will do this through the following:

- Protection of Life;
- Protection from Disorder;
- Protection from Violence;
- Protection of Property

2.1.2 In addition to these consideration is also given to the fact that during the Comprehensive Spending Review (CSR) period it is expected that overall formula grant funding will be reduced by 20%, therefore in considering the 2011/12 budget it is important that the future years are also considered in making appropriate decisions, this including the change in governance arrangements anticipated in 2012.

## **3. Finance Settlement – 2011/2012 for Bedfordshire**

3.1 The total government funding for policing for 2011/12 is £9.341BN and is 4% less than 2010/11. For Bedfordshire, and all other Police Authorities the settlement for Formula Grant, now incorporates the previous specific grants: Crime Fighting Fund, BCU grant and Rule 2 grant, and is 5.1% less than was received by the Authority for all four grants in 2010/11, this equating to a £3.970M reduction, and provides a Formula Grant of £73.181M.

3.2 The table below provides a breakdown of this settlement. The damping mechanism, previously known as floors and ceilings, continued to be utilised which has resulted in Bedfordshire losing approximately £1M compared to the amount it should have received through the funding formula.

	<b>2011/12</b>	<b>2010/11</b>
	<b>£M</b>	<b>£M</b>
<b>Total Formula Grant</b>	<b>73.181</b>	<b>77.151</b>
Funded by:		
Business Rates	22.357	26.580
Revenue Support Grant	6.910	3.860
Police Grant	43.914	46.711
<b>Total</b>	<b>73.181</b>	<b>77.151</b>

3.3 In addition to this, the announcement also confirmed that the Neighbourhood Policing Fund, which contributes towards 75% of the pay costs for the 128 PCSOs within the Force, would continue to be ring-fenced.

- 3.4 The announcement also confirmed that Capital Grant would be reduced by 60% in 2011/12 to £0.800M, but increased up to £1.100M for the remainder of the Comprehensive Spending Review (CSR) period.
- 3.5 For 2012/13 all Police Authorities will receive a cash reduction in Formula Grant in 2012/13 of 6.7%, with overall core funding, including specific grants, reducing by 5%. These reductions are slightly higher than had been forecast, and at this early stage increase the predicted funding gap in 2012/13 from £5.3M to £5.6M.
- 3.6 The level of Grant for 2012/13 will therefore equate to £68.276M (a 6.7% reduction on the 2011/12 level of £73.181M, as shown above). The Neighbourhood Policing will continue to remain as a ringfenced grant and is likely to be reduced by approximately £0.100M (current levels being £2.764M). In addition a Specific Grant has been included within the Settlement of £50M to provide funding for the election of Crime Commissioners, details of how this will be allocated is not fully known but is likely to be paid direct to the relevant Local Authority.
- 3.7 The details of 2013/14 and 2014/15 Settlements are not yet known but are likely to be in accordance with the CSR announcement.

**4. Draft Budget 2011/2012**

**Draft Budget**

- 4.1 The Draft Budget of £110.036M can be summarised as:

	<b>£000</b>
Draft Budget (November 2010 prices):	
Force	108,949
Authority	903
Contingency	184
<b>Draft Budget (November 2010 prices)</b>	<b>110,036</b>

- 4.2 The draft budget is shown in more detail in Appendix A to A (ii) which provides a line by line breakdown of the figures from the table above.
- 4.3 There is a need to make an allowance, by way of a contingency provision for pay/price increases that will arise between November 2010 and March 2012. It has been assumed that there will be no pay award for either officers or staff and a 1% provision has been made on general prices equating to £0.184M.

## Staffing

- 4.4 The Draft Budget would provide for the following strength at 1<sup>st</sup> April 2011:

Police Officers	1,243
Police Staff	990
	<b>2,233</b>

- 4.5 These numbers take account of changes to the 2010/11 approved budget as a result of grant reductions and the medium term plan assumptions.

## 5. Capping Criteria

- 5.1 Capping principles will be announced at the time the Local Government Finance Settlement is debated in Parliament and confirmed on 9<sup>th</sup> February. However, it has been made clear that the two Police Authorities that were designated last year would be capped if they increased Council Tax above 2.5%.

- 5.2 It was also stated that a Specific Grant, equivalent to a 2.5% increase on the 2010/11 Council Tax level, would be allocated to those Authorities that maintained the 2011/12 Council Tax at the 2010/11 level. This grant would continue for the remainder of the CSR period to ensure that the ongoing effects of a one-off grant were not realised during the CSR period.

- 5.3 Whilst the Settlement provides for the Council Tax grant to be included in each of the four years covered by the CSR period. Members should be mindful of the fact, the actual Settlement has only confirmed funding for 2011/12 and 2012/13 and therefore there is a risk that this grant does not continue beyond 2012/13.

- 5.4 The inclusion of this grant will reduce the budget requirement by £0.751M.

## 6.0 Budget Reductions 2011/12

- 6.1 The Budget reductions shown at Appendix B are those that have been derived through the series of change initiatives the Force and Authority have been considering over the past year, these consist of:

- Revisit of Medium Term Financial Assumptions / Budget Challenge;
- Reductions to Overtime;
- Collaboration;
  - Existing
  - Extended – Strategic Alliance / PAN
  - Regional
- Non Collaborated Support Services; and
- Programme 2011

- 6.2 The first two bullets have required a significant amount of focus by the Force recognising that any savings realised through these initiatives have limited, if any impact on the overall staffing numbers of the Force.

- 6.3 The full Police Authority and Strategic Planning Working Group have received regular updates with regards to the remaining workstreams as these impact upon the structure of the Force. In addition to keeping the Authority updated in relation to these initiatives, Partners and the Public have also been kept regularly informed and indeed a partner day was held earlier this month to ensure that views are taken on board in terms of final design.
- 6.4 As Appendix B highlights, the overall reductions result in a reduction in the police officer establishment of 56 officers, reducing the overall establishment to 1,187 by 30<sup>th</sup> September 2011. To achieve this reduction the Force will need to utilise A19 (a method of releasing officers who have over 30 years service). In addition the support staff establishment will reduce by 29, with the potential of some 35 redundancies, although all efforts will be taken to redeploy these staff into other areas of the organisation where vacant posts exist.

## **7. Medium Term Financial Strategy**

- 7.1 Based upon the Settlement information provided above as well as predictions for future years funding, the forecasted standstill pressures, and anticipated Precept increases, the forecast position over the period 2012/13 to 2014/15 is shown in the table below:

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Standstill Funding Gap	1.7	2.1	2.1
2.5% Increase in Council Tax	-1.0	-1.0	-1.0
Grant Reduction	4.9	2.5	2.5
<b>Predicted Funding Gap</b>	<b>5.6</b>	<b>3.6</b>	<b>3.6</b>
<b>Reduction Initiatives</b>			
Budget Challenge / MTFS (G)	1.2	0	0
Existing Collaboration (G)	0.4	0.4	1.1
Programme 2011 (A)	2.1	0	0
Overtime (A)	0.3	0	0
Support Services (R)	0.7	0	0
New Collaboration (R)	0.9	0	0
Operational Activity	-	3.2	2.5
<b>Total Reduction Initiatives</b>	<b>5.6</b>	<b>3.6</b>	<b>3.6</b>

7.2 As the table on the previous page shows, the reduction initiatives will continue to be RAG (Red, Amber, Green) assessed and continually monitored by the Force Senior Leadership Team and the Finance Committee, with the intention to move those reduction initiatives from red and amber to green. The interpretation of the RAG assessment is shown below:

- Green (G) – these are reductions whereby we have confidence that they could be taken out of the budget in the appropriate financial year without much further work.
- Amber (A) – those reductions for where a programme of work is in place and the actual detail of the savings and their impact is being assessed.
- Red (R) – reductions for where a workstream has been highlighted but at this stage a programme of work has not yet commenced.
- Operational Activity – areas of reduction that could be achieved via any of the amber or red workstreams above but at this stage no sufficient detail is available.

7.3 The table shows that although the grant reductions are front-loaded there is still a need to make budget reductions in the latter two years of the CSR period, and it should be recognised that as more reductions are taken out of the budget in 2011/12 and 2012/13, it becomes more difficult to realise further savings in the latter years.

7.4 At this stage, with further work being undertaken around Programme 2011 and new streams of collaboration, it is envisaged that the reduction initiatives in place should allow both the Force and Authority to realise the reductions required over the CSR period, but obviously will be kept under continuous review to ensure that additional work-streams are considered where required. Some of the savings shown as part of Programme 2011 are subject to detailed design, therefore, the detail of these may change. It should also be noted that the funding gaps for 2013/14 and 2014/15 continue to be estimates.

## **8 Reserves**

8.1 The forecasts at table 7.1 do not consider the use of reserves in assisting with the funding gap, mainly to ensure that as the Authority enters a transition period with the introduction of Policing Crime Commissioners, a prudent level of reserves remains to cope with extraordinary demand and future years budgetary reductions.

8.2 Appendix C shows the level of reserves held by the Authority at 31 March 2010 and the predicted levels of reserves over the four year period, considered by the CSR.

- 8.3 As Members will be aware, the level of earmarked reserves are mostly associated with the capital programme and the need to invest in accordance with the Estates & IS/IT Strategies. However as these continue to be revenue reserves, their consideration will feature heavily in future years budgets. To this end the capital programme continues to provide for a level of borrowing over the four-year period to preserve, where possible the capital expenditure reserve, but with little ability to generate capital receipts or fund capital expenditure through the revenue budget, the capital expenditure reserve, as shown reduces over the four year period.
- 8.4 The Authority must hold a minimum level of general reserves, although neither the Audit Commission, or CIPFA feel it is appropriate to stipulate what a minimum level should be, and therefore it is for the Chief Finance Officer to advise. The level of general reserves should be based on the level of anticipated risk (i.e. the likelihood of a Soham type incident, flooding, terrorist activity etc.). In approving the policy on general reserves in June 2010, the Finance Committee stated that general reserves should not be lower than 2.5% of Net Revenue Expenditure, due to the economic climate. It is felt that the level of general reserves at the end of 2011/12 will be at this level, however, further consideration will need to be given to this as part of setting the 2012/13 revenue budget.

## **9. Public Consultation**

- 9.1 As Members are aware the Authority has been listening to the public through focus groups, consultation stalls and an online survey. The multi-methodology provides Members with robust findings to support their decision making.
- 9.2 The online budget survey was undertaken by 1,445 people including 76 businesses. The survey reflected gender, disability, all council tax bands and postcode areas and included 260 victims of crime. Whilst representation improved from last year's survey, the sample underrepresented ages 16-24 and BME residents when compared to Office for National Statistics 2008 population estimates. Consultation stalls in Luton, at a parent and toddler group and at the Students' Union were more representative by age and ethnicity.
- 9.3 Almost two-thirds of respondents rated Bedfordshire Police as good value for money, one sixth poor value and almost a quarter had no opinion. The public also split police resources between the four outcomes developed by Strategic Planning Working Group, with the starting assumption that all were equal. All were important to them, with protection from life receiving a slightly higher than equal proportion of spending and protection from disorder receiving a slightly less than equal share. This supports the balanced approach being taken by the SPWG in the development of a rounded performance framework.
- 9.4 The public were also asked to comment on service changes, such as those organised under Programme 2011. 91% agreed that if police kept crime down and were there when needed, they were not concerned about how the police were structured. 83% agreed resources should focus more on places where crime and ASB are worse and 87% said they would be comfortable for any part of the workforce mix to deal with their policing need.

- 9.5 Overall, consultation provided broad support for measures being taken to meet the financial challenge. The findings highlighted the importance of communication, particularly with regard to restorative justice, engagement and minor crime service changes. Many qualitative responses indicated that the role of the police had become too broad, suggesting a 'back to basics' approach and more communication of the police responsibilities and what services are provided by other agencies.

## **10. Robustness of Estimates**

- 10.1 Under Section 25 of the Local Government Act 2003 the Chief Financial Officer (Treasurer) of the Authority is required to report on the robustness of the estimates included within the proposals above.

### **Reliability and Accuracy**

- 10.2 The estimates included within this report have been compiled by qualified financial staff in consultation with the BCU staff and have been reviewed by the Chief Executive/Treasurer.
- 10.3 The work on the 2011/12 budget began in June 2010 and has been informed by settlement and grant announcements earlier in the report. The Finance Committee have been regularly briefed and updated, informing the Police Authority through reports and seminars. The Audit and Business Assurance Committee have received internal audit reports on numerous aspects of financial management which have provided the Authority with assurances that the necessary controls in place. The findings of the external auditors also support the assurances provided by the internal auditors.

### **Consultation and Scrutiny**

- 10.3 The budgetary process is such that it starts in July of the current financial year with the Medium Term Plan. The budget holders are fully consulted at regular meetings throughout the process to ensure proposals are linked to local need. The Force Executive also ensure that both local and strategic objectives are being met through the budget proposals and throughout the process the Finance Committee and the Police Authority receive reports to specifically consider the budgetary proposals.
- 10.4 The consultation with budget holders this year has been continuous with the need to implement interventions from Programme 2011, the support service review and collaboration initiatives. These reviews are undertaken whilst continuing to balance the requirement to maintain Council Tax levels at a minimum with the need to improve performance and provide the resilience to sustain this performance over the mid to long term. Medium term plan assumptions have constantly been reviewed and reappraised in this process.
- 10.5 As previously mentioned the Authority also undertakes consultation with both the local Council Taxpayers and local Business Ratepayers.

## **Achievability and Risks**

- 10.6 Members will be aware, as mentioned above, whilst the reserve position for the forthcoming year is prudent and in line with the recommendations of the Finance Committee, the capital expenditure reserve will reduce substantially over the life of the capital programme even though borrowing is planned. Therefore a general review of reserves and priorities will need to be undertaken on an ongoing basis.

### **11. Budget Variations**

- 11.1 The draft budget of £110.036M needs to be adjusted down by £0.751M, the level of council tax grant mentioned at paragraph 5 giving a revised figure of £109.285M. To maintain Council Tax at 2010/11 levels this needs to be reduced to £103.115M, a reduction of £6.170M.
- 11.2 The reduction of £6.170M is analysed as follows with further details at Appendix B.

	<b>£000</b>
Officers	(2,729)
Staff	(660)
Other Costs	(2,781)
<b>Total Reductions</b>	<b>(6,170)</b>

- 11.3 Included in the figure for officer costs are a reduction in overtime payments and other allowances, there are also additional staff posts created that would have formally been occupied by officers. Previous year's budgets have made significant reductions in staff costs limiting the ability to further reduce costs in this area at this time.

- 11.4 Overall staffing levels will decrease, as a result of the above reductions and grant reductions to the following levels:

	<b>2011/12</b>	<b>2010/11</b>
Police Officers	1,187	1,264
Police Staff	961	992
	<b>2,148</b>	<b>2,256</b>

- 11.5 It should be noted that these numbers include 166 posts (20 police officers, 128 PCSOs and 18 police staff) that are funded by specific Government Grants or other external funding.
- 11.6 When an adjustment is made for the way some grants are now treated (see paragraph 3.1) this Budget represents a 3.50% cash reduction on the 2010/11 Net Revenue Budget.

## **12. Taxbase, Precept and Council Tax**

### **Taxbase**

- 12.1 The Council Tax is primarily a tax on the relative market value of property in an area based on eight valuation bands (A to H). The Council Tax base is defined in terms of the number of Band D equivalents (the “average” Band). The Unitary Councils have notified the Authority that the number of Band D equivalents for 2011/12 is:

#### Taxbase – Band D Equivalents

Borough/District/Unitary Councils	Band D Equivalents
Bedford Borough	55,807.87
Luton Borough	55,028.00
Central Bedfordshire	96,649.00
<b>Total</b>	<b>207,484.87</b>

This represents an increase in Band D equivalents of just under 1% compared to 2010/11.

## Precept

- 12.2 The arrangements for financing the Police Service provide for the Authority to receive specific police grant, revenue support grant and business rates. The amounts are fixed and do not vary with expenditure. The following table shows the level of the Precept based on a Budget Requirement of £103.115M. The apportionment to each of the Unitary Councils is also shown.

	£000
Budget Requirement	103,115
Police Grant	(43,914)
Revenue Support Grant	(6,910)
Business Rates	(22,357)
	29,934
Deficit on 2010/2011 Council Tax Collection Funds	104
Precept	30,038
Apportionment Between Unitary Councils	
Bedford Borough	8,079
Luton Borough	7,967
Central Bedfordshire	13,992
Precept	30,038

## Council Tax

- 12.3 Using the Tax Base data supplied by the Unitary Councils, a Budget Requirement of £103.115M would result in an average Council Tax at Band D of £144.77. This is the same as 2010/11 levels.
- 12.4 The following Table shows the Council Tax for all Bands based on a Budget Requirement of £103.115M

<b>Valuation Bands and Council Tax</b>		
<b>Valuation Band</b>	<b>Tax Payable Compared to Band D (Expressed in fractions)</b>	<b>Council Tax £</b>
A	2/3	96.51
B	7/9	112.60
C	8/9	128.68
D	1	144.77
E	1 2/9	176.94
F	1 4/9	209.11
G	1 2/3	241.28
H	2	289.54

**13. Recommendation**

13.1 The Authority is requested to consider the Report having regard to the recommendations of the Finance Committee of 27<sup>th</sup> January 2011 and subject to any amendment, approve that:

- a) The Estimated Revenue Expenditure be set at **£103.115M**, including a Contingency Provision for pay and price inflation of **£0.184M**.
- b) The Budget Requirement of **£103.115M** be met through:

Specific Police Grant	<b>£43.914M</b>
Revenue Support Grant	<b>£6.910M</b>
Business Rate Income	<b>£22.357M</b>

and that, subject to adjustments at c) below the Police Authority Precept Requirement be determined at **£29.934M**.

- c) The Precept in b) be increased by **£0.104M**, being the Police Authority's share of the estimated deficits on Council Tax Collection Funds for 2010/11 for each of the Unitary Councils, to **£30.038M**.
- d) That pursuant to the provisions of the Local Government Finance Acts 1992 and 1999 and all other relevant statutory powers, the Clerk of the Authority issue Precepts in the necessary form to each of the Unitary Councils indicated in Column 1, requiring those Authorities to make payments of the sum indicated in Column 2 in 11 equal instalments and payments for the Authority's share of the estimated deficits on the Council Tax Collection Funds for 2010/2011, in ten equal instalments on the agreed dates, of the sum indicated in Column 3.

<b>Unitary Councils (1)</b>	<b>£000 (2)</b>	<b>£000 (3)</b>
Bedford Borough	8,079	140
Luton Borough	7,967	(182)
Central Bedfordshire	13,992	(62)
<b>Total</b>	<b>30,038</b>	<b>(104)</b>

- e) That the amount of Council Tax calculated, in accordance with the Local Government Finance Act 1992, to be payable in respect of each category of dwelling be confirmed as follows:

<b>Valuation Band</b>	<b>Council Tax for Band £</b>
A	96.51
B	112.60
C	128.68
D	144.77
E	176.94
F	209.11
G	241.28
H	289.54

**Stephanie McMenemy**

**Chief Executive/Treasurer**

**Alfred Hitchcock**

**Chief Constable**



**BEDFORDSHIRE POLICE AUTHORITY  
DRAFT BUDGET SUMMARY - 2011/12**

2010-2011 Budget £000	<b>SUMMARY</b>	2011-2012 Budget £000
881	Authority Budget	903
101,303	Force Budget	108,949
<b>102,184</b>	<b>Net Expenditure at November Prices</b>	<b>109,852</b>
1,572	Contingency for Pay/Prices	184
<hr/> <b>103,756</b>	<b>NET EXPENDITURE AT OUTTURN PRICES</b>	<hr/> <b>110,036</b>

## BEDFORDSHIRE POLICE AUTHORITY AUTHORITY DRAFT BUDGET - 2011/12

2010-2011 Budget £000		2011-2012 Budget £000
	<b>EXPENDITURE</b>	
327	<b>Employees</b>	358
11	<b>Premises</b>	11
12	<b>Transport</b>	12
	<b>Supplies and Services</b>	
240	Members Expenses	231
14	Office Expenses	40
25	Advertising	11
84	Consultation & Publicity	88
35	Grants & Subscriptions	31
12	Youth Action Initiatives	24
8	Other	6
	<b>Agency and Contracted Services</b>	
41	Contracted Services	32
72	External Audit	59
<hr style="width: 100%; border: 0.5px solid black;"/>	<b>NET EXPENDITURE AT NOVEMBER PRICES</b>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>881</b>		<b>903</b>
17	Contingency for Pay/Prices	1
<hr style="width: 100%; border: 0.5px solid black;"/>	<b>NET EXPENDITURE AT OUTTURN PRICES</b>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>898</b>		<b>904</b>

## BEDFORDSHIRE POLICE AUTHORITY FORCE DRAFT BUDGET - 2011/12

2010-2011 Force Budget £000	<b>EXPENDITURE</b>	2011-2012 Force Budget £000
	<b>Employees</b>	
	Regular Officers	
49,442	Pay and NI	50,030
1,971	Overtime	2,713
2,120	Allowances	1,951
11,416	Police Pension Scheme	11,166
31,317	Staff Pay, NI & Superannuation	31,586
708	Training	700
366	Employee Liability Insurances	166
756	Other Employee Expenses	875
<b>98,096</b>		<b>99,187</b>
	<b>Premises</b>	
640	Energy and Water Costs	590
1,442	Rent and Rates	1,199
677	Repair and Maintenance	614
196	Other	192
	<b>Transport</b>	
2,231	Vehicle Fleet	2,270
401	Car User Allowances	347
	<b>Supplies and Services</b>	
1,753	Equipment and Uniforms	1,770
286	Printing and Stationery	353
3,615	Information Technology/Communications	3,718
2,652	General Services	2,398
	<b>Agency and Contracted Services</b>	
799	Legal & Financial Services	815
1,465	Forensic Services	1,345
704	Other	1,458
945	<b>Capital Financing</b>	1,365
<b>17,806</b>		<b>18,434</b>
	<b>INCOME</b>	
(2,713)	Special Grant - Crime Fighting Fund	
(1,863)	Special Grant - Dedicated Security Grant	(1,780)
(2,764)	Special Grant - PCSO's	(2,764)
(4,169)	Other Grants	(1,091)
(300)	Interest on Investments	(225)
(2,790)	Other Income	(2,812)
<b>(14,599)</b>		<b>(8,672)</b>
<b>101,303</b>	<b>NET EXPENDITURE AT NOVEMBER PRICES</b>	<b>108,949</b>
1,555	Contingency for Pay/Prices	183
<b>102,858</b>	<b>NET EXPENDITURE AT OUTTURN PRICES</b>	<b>109,132</b>

	Officers (fte)	Staff (fte)	Officer (£'000)	Staff (£'000)	Other (£'000)	Total 2011/12 (£)	Full Year (£'000)	Service Delivery Implications
<b>Budget Challenge - Medium Term Financial Assumption</b>								
Reduction in level of capital financing costs					-830	-830	-830	Capital expenditure will be reduced on maintaining assets with minimum investment into ICT
Reduction in Pension Scheme Funding					-270	-270	-270	None
<b>Challenge - Non Staff Costs</b>								
Supplies & Services					-300	-300	-300	Reduced flexibility within the overall budget to deal with extraordinary demand or pro active operations
Repairs & Maintenance & Energy Costs					-110	-110	-110	As above
Consultancy					-150	-150	-150	Benefits derived through reduced usage of external consultancy and therefore developing own staff
<b>Challenge Pay Related Costs</b>								
Reduce SPP Scheme			-250			-250	-250	Limited impact as overall cost of force SPP still above regulated levels
<b>Challenge Overtime</b>			-200			-200	-200	Limited impact on performance but greater emphasis required on business thinking to ensure reductions are maintained

	Officers (fte)	Staff (fte)	Officer (£'000)	Staff (£'000)	Other (£'000)	Total 2011/12 (£)	Full Year (£'000)	Service Delivery Implications
<b>Programme 2011</b>								
Resource management	1.0	-3.0	68	-88		-20	-20	Aligns Resource Management with functional model and will ensure consistency and the ability to control overtime across the force
Criminal Justice & Interpreters		-17.0		-300	-200	-500	-500	Aligns Resource Management with functional model and more consistent use of interpreters
Community Safety	-1.0	-1.0	-33	-27		-60	-60	Community safety functions will be passed to local policing teams with central coordination. The design of local policing will incorporate this work to minimize impact on local delivery
Crime		-3.0		-90		-90	-90	Centralisation will ensure high standards of recording, initial investigation, allocation and administration
Intelligence	-12.0	1.0	-582	22		-560	-560	Better use of resources to meet demand through one forcewide tactical assessment / daily management meeting process and improved briefing/debriefing and tasking tools
Contact Management	-7.0	7.0	-320	200		-120	-120	Limited impact on delivery and will utilise skills more effectively
Public Protection	-14.0	9.0	-315	115		-200	-400	Limited impact as the force has proved over the last 12 months that warranted powers are not required in certain investigation roles associated with Child Abuse and Sexual Offender Management
Information Management		-8.5		-60		-60	-130	Greater efficiency in the control of information management will provide for greater levels of data quality and accuracy thus improving the quality of information for officers and staff on the frontline
Response Policing	-3.0		-100			-100	-200	Removing the existence of response boundaries therefore allowing the more effective deployment of resources, minimising risk by focusing on immediate and prompt incidents

	Officers (fte)	Staff (fte)	Officer (£'000)	Staff (£'000)	Other (£'000)	Total 2011/12 (£)	Full Year (£'000)	Service Delivery Implications
<b>New Collaboration</b>								
Procurement					-20	-20	-20	Provide efficiency savings and improved service delivery and resilience
Counter Terrorism & DE	-2.0	0.5	-90	20		-70	-70	"" "" ""
Roads Policing	-6.4	2.0	-290	40		-250	-250	"" "" ""
ICT		-5.0		-130		-130	-130	"" "" ""
ACC Protective Services	-0.7	-1.0	-70	-30		-100	-100	"" "" ""
<b>Existing Collaboration</b>								
Scientific Services		-3.0		-146	-110	-256	-256	Limited impact of service delivery however reduced resilience within times of extraordinary demand
Uniformed Protective Services			-16		-48	-64	-64	"" "" ""
Major Crime Unit	-1.0	-1.0	-90	-30	-110	-230	-230	"" "" ""
Professional Standards	-2.0	1.0	-90	20		-70	-70	"" "" ""
<b>Support Service Reviews</b>								
Fleet Management					-100	-100	-100	Limited impact on core service delivery however reduced resilience if demand levels change significantly
Finance		-6.0		-150	-50	-200	-200	"" "" ""
People Services	-7.0	-1.0	-305	-26	-90	-421	-421	"" "" ""
Corporate Communications					-34	-34	-34	"" "" ""
Corporate Development	-1.0		-46		-94	-140	-140	"" "" ""
Estates					-265	-265	-265	"" "" ""
	<b>-56.0</b>	<b>-29.0</b>	<b>-2,729</b>	<b>-660</b>	<b>-2,781</b>	<b>-6,170</b>	<b>-6,540</b>	

**Reserves as at 31st March 2010 & estimated reserves for the  
CSR period to 31st March 2015**

	<b>March 2010 £'M</b>	<b>March 2011 £'M</b>	<b>March 2012 £'M</b>	<b>March 2013 £'M</b>	<b>March 2014 £'M</b>
<b>General Reserves</b>					
Police Fund	2.9	2.6	2.6	2.6	2.6
<b>Earmarked Reserves</b>					
Earmarked Revenue Reserves	0.3	0.0	0.0	0.0	0.0
Pensions Reserve	0.3	0.3	0.0	0.0	0.0
Collaboration Reserve	0.5	0.4	0.2	0.2	0.0
Insurance Reserve	1.5	1.3	1.1	0.9	0.9
Capital Expenditure Reserve	5.4	3.9	1.5	0.8	0.8
<b>Total</b>	<b>10.9</b>	<b>8.5</b>	<b>5.4</b>	<b>4.5</b>	<b>4.3</b>

