

Dorset Police

BUDGET 2018/19 AND MEDIUM TERM FINANCIAL STRATEGY

STRATEGIC ISSUES FOR CONSIDERATION

The report provides the final 2018/19 budget requirement, setting out the assumptions used in calculating the budget. The report highlights the anticipated funding gap in future years, and potential mitigating action. This has been agreed by the Joint Executive Board on 22 January.

1. INTRODUCTION

- 1.1. Work in preparing the 2018/19 revenue budget requirement and Medium Term Financial Strategy (MTFS) for Dorset Police is complete, with a final budget requirement now available.
- 1.2. Estimates continue to be applied in respect of anticipated Council Tax surplus and taxbase figures, although these are expected to be finalised before the end of January.
- 1.3. The draft government funding settlement was received on 19th December 2017, setting out revenue grant funding at a higher level than previously anticipated, and a higher referendum limit on Council Tax precept.
- 1.4. This paper presents this final budget requirement and funding information.
- 1.5. Also included is a summary of the capital programme that is proposed for 2018/19 and beyond, and the projected balances on reserves.
- 1.6. The budget projections include information relating to 2018/19, and the three years beyond to give the indicative MTFS. The 2018/19 budget, and 2019/20 budget present a balanced position. The subsequent two years are showing significant pressure.

2. SUMMARY FINANCIAL POSITION

- 2.1. The paper presents a balanced budget for the first two years of the MTFS, following by a projected deficit in the second two years, as set out below.

	NB: 17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's
Funding	121,257	125,515	129,126	131,024	132,979
Budget Requirement	121,257	125,515	129,126	132,781	135,334
Projected Shortfall	0	0	0	1,757	2,355

- 2.2. The budget requirement is fully informed by the operational and organisational requirements of the Force. Key areas included in the budget requirement are:

- Full implementation of the Operational Business Design (OBD) model, which is designed to reduce demand on front line officers by adopting a new approach, including a new deployment allocation system for certain types of activity. OBD improves the workforce allocation and workforce mix to better deliver the required Police and Crime Plan outcomes.
 - Funding for the PRISM change programme, including the roll out of body worn video, a new Command and Control system, and other technological developments such as a common Command Centre platform with Devon and Cornwall Police. PRISM will deliver vital change to improve operational efficiency and effectiveness.
 - Continued delivery of business cases, including cashable savings, under the Strategic Alliance with Devon & Cornwall Police. The Alliance increases operational capacity and capability, while delivering efficiencies in support service delivery.
 - Revenue funding of the capital programme, to ensure a sustainable core capital programme, maintaining Force assets to an appropriate level.
- 2.3. The budget requirement, and future funding position, contain numerous assumptions, which are summarised at Appendix A.

3. FUNDING

Police Grant

- 3.1. The Government's draft funding settlement was announced on 19th December 2017. The settlement set out individual Force funding for 2018/19 only, including revenue and capital grants.
- 3.2. The revenue grant for Dorset Police has been set at the same cash level as was received in 2017/18, with a total grant of £65,667,704. This is slightly higher than had previously been estimated. The settlement also indicated that 2019/20 grant would be 'broadly flat'.
- 3.3. On the basis of this settlement, future year grant funding estimates have been revised to also reflect a future cash standstill position. The current estimate of Police Grant is shown below:

	NB:				
	2017/18	2018/19	2019/20	2020/21	2021/22
	£m's	£m's	£m's	£m's	£m's
Police Grant	65.7	65.7	65.7	65.7	65.7
Change	-	0.00%	0.00%	0.00%	0.00%

- 3.4. Council Tax Precept

- 3.5. A significant element of the Government's draft budget settlement was an increase in the referendum limit for 2018/19 and 2019/20. Police and Crime Commissioners will be able to increase their Council Tax precept by up to £12 per annum for Band D Council Tax. For Dorset Police this is equivalent to a 6.17% increase in precept in 2018/19.
- 3.6. The funding forecasts within the MTFs assume a £12 precept increase in 2018/19 and 2019/20, followed by 2% increases thereafter.
- 3.7. In his Ministerial Statement, the Minister for Policing and the Fire Service set out the commitment to improve productivity and efficiency that he expects to see from PCCs and Chief Constables in recognition of the additional funding available to forces. Three priority areas have been set, which will be monitored during 2018/19, and the achievement of which may have an impact on 2019/20 funding, including the ability to raise precept by a further £12.
- 3.8. The priorities are:
- A. Seek and deliver further cost efficiencies
- 3.9. *"Forces will need to make greater use of national procurement through lead forces to make these savings. We are providing support through the Police Transformation Fund and we will also help establish a force-led National Centre of Excellence to drive down back-office costs, and make best use of estates."*
- 3.10. Dorset Police have an excellent track record in delivering efficiencies, having delivered in excess of £40m savings and efficiencies since 2010. The 2018/19 budget includes a savings target of £0.85m against ICT, estates, and transport to be delivered largely through procurement savings.
- 3.11. The Alliance with Devon and Cornwall Police is delivering efficiencies in back office service provision, with improved resilience and reduced costs. This includes work to converge ICT systems, delivering financial savings.
- 3.12. The Force estates strategy sets out the approach to use of premises in Dorset Police, which enables a fit for purpose estate that is subject to continual review. The MTFs anticipates significant capital receipts, and further investment in the estate to support the strategy.
- B. A modern digitally enabled workforce that allows frontline officers to spend less time dealing with bureaucracy and more time preventing and fighting crime and protecting the public
- 3.13. *"We will work with policing to set up a specialist team to make sure all police forces have access to, and make use of, the best mobile working apps to enable forces to free up extra hours to spend at the frontline."*
- 3.14. Dorset Police have invested significantly in mobile policing over the last few years. This includes the roll out of new smart phones, and creation of new operational mobile applications allowing officers access to systems while on

duty without the need to return to a station. Further opportunities to strengthen mobile capabilities have been funded within the MTFS.

C. Greater transparency in how public money is used locally. It is necessary for police to hold financial reserves, including primarily for contingencies, emergencies and major change costs.

- 3.15. "...we will be improving transparency around reserves in the new year through enhanced guidance and through national publication of comparable reserves data. HMICFRS are also consulting on plans for Force Management Statements, which could make more information on police forces available to the public"
- 3.16. Dorset Police regularly publish reserves information, including as part of the MTFS, and in quarterly updates to the Police & Crime Panel. The Force, working with the Office of the Police and Crime Commissioner, will ensure compliance with the new guidance when available, and seek ways to improve transparency where possible.
- 3.17. Final taxbase and Council Tax collection fund surplus figures have been received, and are included within the MTFS. The figures show that the taxbase increase will be 1.39%, and the surplus will be £0.8m. The current year projections have been amended to reflect this latest information, but future years estimates remain at 1% taxbase increase and £400k surplus.
- 3.18. Future estimated precept income is therefore as follows:

Funding	NB:				
	17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's
Council tax increase at £12 18/19 & 19/20 & 2% thereafter	54,819	59,006	63,058	64,956	66,912
Estimated surplus on Council Tax Collection	770	841	400	400	400
Total Precept Funding	55,589	59,848	63,458	65,356	67,312

Funding Summary

- 3.19. The total anticipated funding available that will create the net budget requirement for 2018/19 and beyond is shown below:

	NB:				
	2017/18 £m's	2018/19 £m's	2019/20 £m's	2020/21 £m's	2021/22 £m's
Police Grant	65.7	65.7	65.7	65.7	65.7
Council Tax	55.6	59.8	63.4	65.3	67.3
Total Funding	121.3	125.5	129.1	131.0	133.0

4. BUDGET REQUIREMENT

- 4.1. The budget requirement for 2018/19 has now been finalised. The budget is business led, having been constructed to reflect operational and organisational requirements, including OBD, Strategic Alliance and PRISM.
- 4.2. Each budget line has been recalculated based on need, being informed by historical spend and future known or expected changes. Savings, where possible and not subject to policy decisions, have been removed as part of the budget calculation process.
- 4.3. The budget requirement calculations presented here have been fully recalculated since the 2017/18 MTFS. A high level summary of the budget requirement is shown at Appendix B, and key aspects are detailed in the following paragraphs.

Police Officer Pay

- 4.4. The budgets for police officer pay, on costs, and allowances have been drawn up based on an approved design, which takes full account of OBD, and realised savings achieved under the Alliance. The number of officers consists of officers paid for directly by Dorset Police (ie as 'employees'), less those recharged to Devon & Cornwall Police as part of the Strategic Alliance. The number currently recharged is 9.7 FTE.
- 4.5. The number of police officers on which the budget is based is shown below, identifying those posts which are charged out under the Strategic Alliance arrangements:

	2018/19 FTE	2019/20 FTE	2020/21 FTE	2021/22 FTE
Total Employed Officers	1,211	1,202	1,196	1,194

- 4.6. As shown above, the budget has been reduced to remove Strategic Alliance police officer savings, and increased for the additional requirements of OBD.
- 4.7. The anticipated Alliance police officer savings, in full time equivalent officer numbers and in financial savings, are shown overleaf.

	2018/19		2019/20		2020/21		2021/22	
	FTE	£000's	FTE	£000's	FTE	£000's	FTE	£000's
Delivered	(12.3)	(659)	(15.7)	(836)	(17.6)	(937)	(18.2)	(968)
Locked Down	(3.6)	(216)	(4.2)	(253)	(4.8)	(290)	(5.4)	(328)
Approved DBC	(0.6)	(33)	(1.0)	(73)	(1.2)	(87)	(1.4)	(102)
Remaining DBCs	0.0	0	(3.8)	(189)	(7.6)	(378)	(7.6)	(378)
	(16.5)	(907)	(24.7)	(1,351)	(31.2)	(1,692)	(32.6)	(1,775)

- 4.8. The Intelligence and Major Crime business cases are excluded from the above, and staff costs of those business cases have also been excluded from the budget requirement.

4.9. A full schedule of business cases to which the above table relates is shown at Appendix C.

4.10. The estimated leavers included within the budget for each year are shown below. These assume that the majority of officers will leave at the earliest of their age / service eligibility, although does assume that some will leave earlier.

	2018/19	2019/20	2020/21	2021/22
	FTE	FTE	FTE	FTE
Normal Retirements	46.4	46.5	34.2	36.1
Ill Health Retirements	7.0	7.0	7.0	7.0
Resignations / transfers out	23.0	23.0	23.0	23.0
	76.4	76.5	64.2	66.1

4.11. The following number of new officers are expected to be recruited during 2018/19:

	Number to be Recruited
Probationers	36
Transferees / direct entry	7
Police Now	8
Total Recruitment	51

4.12. Finance are working with Resourcing in respect of the above recruitment schedule to ensure the necessary officers are recruited within budget.

Police Officer Overtime

4.13. The police overtime budgets are under significant pressure in 2017/18, with an anticipated overspend in excess of £0.5m. Overtime is a vital resource, allowing much needed flexibility of operational deployment. It is anticipated that OBD, along with continued focus on this area by Commanders and the Resourcing Team, will enable spend in this area to reduce. However, there is clearly an underlying resourcing issue to resolve, and therefore an additional allocation of £0.25m will be made available for overtime with effect from 2018/19.

Police Staff

4.14. The police staff budget takes account of known and anticipated movements under the Alliance, and the associated recharging requirements. It also includes the effect of OBD, including Police Community Support Investigators.

4.15. The schedule at Appendix D shows the forecast future Strategic Alliance staff savings that have been included within the budget.

4.16. The Alliance business cases that would incur significant growth in police staff numbers have been excluded from the budget at this stage. These business cases are Intelligence and Major Crime.

- 4.17. The allocation of workforce resources in the 2018/19 budget is shown below. This includes officers and staff, and reflects the net effect of posts charged to and from Devon & Cornwall Police under the Strategic Alliance.

Operational	57%
Operational Support	34%
Organisational Support	9%
	100%

Pay Award

- 4.18. The budget requirement has been constructed on the basis of a 2.0% pay award annually from 2018/19. This pay award estimate was based on current and future inflation actuals and projections, and is in line with national view of PCC Treasurers.
- 4.19. The Autumn Budget provided some indication that public sector pay awards may be expected to exceed 1% next year, with a reiteration that the government has moved away from the 1% basic public sector pay award policy. The Budget documents state that the Secretary of State will make the final decision on pay award, following the pay review body's recommendations, *taking into account their affordability*.
- 4.20. The assumption of 2% takes account of the Autumn Budget information, considering a potential assessment of affordability, and the funding available through the settlement and potential precept increase. The 2% also includes consideration of current and projected inflation, including future pay inflation.
- 4.21. The 2017/18 pay award for police officers included a 12 month 1% non-consolidated element. It is currently anticipated that the police staff pay award may be the same, based on the employers side offer, although negotiations have not concluded in this respect.
- 4.22. It is assumed that the 2018/19 effect of this non-consolidated element will be funded from general balances.

Income Generation

- 4.23. Considerable effort has been focussed over the last three years on maximising income generation opportunities. This has included consideration of further sponsorship.
- 4.24. Opportunities for 'discretionary' income generation are severely limited. However, Dorset Police is in the top quartile nationally for income from sales, fees, charges and rents. A schedule of this income is attached at Appendix E.
- 4.25. Dorset has historically received comparatively low income from 'reimbursed services', including provision of police officers to events, mutual aid income, and secondments to other forces. This income will increase into the future as

the Alliance and regional collaboration develop, although clearly linked to additional expenditure in these areas.

Budget Challenge

- 4.26. The Force is committed to ensuring it continues to drive efficiencies from the budget. In previous years, the Force has applied a 'risk line' of £0.5m to the revenue budget, to be funded from in year savings. For 2018/19, this risk line will be replaced by more targeted reviews, with the aim of achieving £850k, focussing on the following areas:

	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's
<u>ICT – Cost of change</u>				
Reduction in external charges relating to cost of change, with a move to using more existing internal resources	(250)	(250)	(250)	(250)
<u>ICT – Licences</u>				
To review and reduce / renegotiate of licences held	(100)	(100)	(100)	(100)
<u>Estates</u>				
To review and reduce maintenance and utility costs	(200)	(200)	(200)	(200)
<u>Transport</u>				
To realise further savings from the use of telematics	(100)	(100)	(100)	(100)
<u>Furniture and Equipment</u>				
To reduce the cost and volume of new purchases, including procurement savings	(200)	(200)	(200)	(200)
	(850)	(850)	(850)	(850)

- 4.27. Each of the above areas clearly contains an element of risk, and will require careful monitoring. However, an assessment of the budgets for each suggests that reductions in the order of those shown above are likely to be achievable.

5. CAPITAL PROGRAMME

- 5.1. A summary of the proposed capital programme and associated funding is set out overleaf, with funding also shown. The table shows that the current programme can be fully funded up to 2022/23.

	17/18 Base £000's	B/fwd from 16/17 £000's	Released back to reserve £000's	Slippage into 2018/19 £000's	NB: 17/18 £000's	18/19 (inc b/fwd) £000's	19/20 £000's	20/21 £000's	21/22 £000's	22/23 £000's
<u>Capital Programme</u>										
ICT	1,720	4,189	0	(3,924)	1,985	4,034	680	700	1,120	730
Body Worn Video	0	0	0	0	0	897	209	235	262	194
Estates	870	879	(700)	(381)	668	731	1,110	370	380	390
Vehicles Replacements	1,260	750	(400)	(335)	1,275	1,516	961	991	921	951
Other Capital	270	1,045	(210)	(480)	625	720	220	200	200	200
Total Capital Programme	4,120	6,863	(1,310)	(5,120)	4,553	7,898	3,180	2,496	2,883	2,465

<u>Funding</u>										
Grant	474	0	0	(62)	412	412	412	412	412	412
Revenue Funding	0	0	0	0	0	709	1,109	1,619	1,619	1,619
Capital Financing Reserve	0	1,826	0	(1,624)	202	4	0	0	0	0
Capital Receipts Reserve	3,645	5,037	(1,310)	(3,434)	3,939	6,773	1,659	466	852	434
Total Funding	4,120	6,863	(1,310)	(5,120)	4,553	7,898	3,180	2,496	2,883	2,465

5.2. Excluded from the above programme is existing funding for Emergency Services Network (ESN), which has been treated as an additional requirement, due to the need to identify additional funding. Further work will be required over the coming year on a funding strategy for ESN.

5.3. The schedule below identifies potential capital growth requirements, which are currently unfunded within the MTFS and therefore excluded.

	17/18	18/19	19/20	20/21	21/22	22/23
	£000's	£000's	£000's	£000's	£000's	£000's
Emergency Services Network (ESN)	0	1,726	1,971	1,707	992	0
Customer Relationship Management System	0	114	333	61	61	61
Tasking System	0	158	28	28	28	28
Digital Evidence Management	0	130	22	22	22	22
Training	0	54	36	0	0	0
ICT Convergence Activity	0	799	1,435	600	450	450
National Projects	0	126	200	207	23	0
Digital /Average Speed Cameras	0	1,000	0	0	0	0
Total Potential Growth Requirements	0	4,107	4,025	2,625	1,576	561

5.4. The key issue in considering the above growth requirements is how each will be financed, and in particular whether to borrow or use reserves to fund specific schemes. This is subject to ongoing work, but the financing of any additional capital schemes will inevitably have a revenue implication – whether servicing debt repayments or replenishing reserves that have been earmarked for existing schemes. The financing of the Capital programme is considered in more detail in the Treasury Management Strategy. The Prudential Code requires that all capital expenditure and financing should be prudent, affordable and sustainable. Capital Strategies will also be a requirement from 2018/19.

5.5. The unfunded capital programme is subject to review, and will be subject to individual business cases and assessment need and of funding requirements on a scheme by scheme basis.

5.6. For clarity, the above financing requirement is excluded from the MTFS. None of the potential growth requirements are shown as funded.

5.7. The full funded capital programme is shown at Appendix F.

6. RESERVES

6.1. The current projection of reserves over the next five years is summarised below and shown in more detail at Appendix G:

	31/03/17 £m's	31/03/18 £m's	31/03/19 £m's	31/03/20 £m's	31/03/21 £m's
Capital Financing Reserve	1.8	0.0	0.0	0.0	0.0
<i>Earmarked Reserves held for Revenue Purposes</i>					
Workforce Change Reserve	2.7	1.8	0.9	0.5	0.0
Major Operations Reserve	1.2	0.8	0.8	0.8	0.8
Budget Management Fund	0.0	0.0	0.0	0.0	0.0
Revenue Support Reserve *	0.0	0.0	(1.0)	(0.9)	0.0
General Balances	7.4	5.8	5.4	5.4	5.4
Total Useable Revenue Reserves	13.1	8.4	6.1	5.8	6.2
Capital Receipts Reserve	3.9	1.1	2.3	0.9	0.9
Total Useable Reserves	17.0	9.5	8.3	6.7	7.1

* This will be offset against General Balances as opposed to carrying a negative reserve in these years.

6.2. The above schedule and appendix have been adjusted to reflect the current capital financing arrangements.

7. MTFS SUMMARY

7.1. The final 2018/19 MTFS, based on current funding assumptions and budget requirement, is shown below:

	NB: 17/18 £000's	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's
Funding	121,257	125,515	129,126	131,024	132,979
Budget Requirement	121,257	125,515	129,126	132,781	135,334
Projected Shortfall	0	0	0	1,757	2,355

7.2. The above schedule clearly shows that the 2018/19 budget can be balanced, as can the 2019/20 budget, both on the assumption that a £12 precept increase is approved. However, significant pressure remains on the last two years of the MTFS.

8. MITIGATION FOR FUTURE YEARS MTFS DEFICIT

8.1. Although the first two years of the MTFS period can be balanced, there remains a projected shortfall in the following two years. There have clearly been numerous estimates applied to arrive at these figures, which will be subject to change. Significant estimates applied, which could materially affect the future year projections are:

- The approval of merger plans with Devon & Cornwall Police, or the further development of Alliance arrangements
- The achievement of Alliance savings earlier, or later, than currently anticipated

- The potential for pay awards to be agreed at levels below or in excess of 2% in future years
 - The potential for the Police Grant settlement to be above or below the level estimated
 - The potential for the Council Tax referendum limit to be reduced or increased in future years
 - The potential for further surplus / taxbase changes
- 8.2. Although the above issues could improve – or worsen – the projected deficit position, it is necessary at this stage to consider mitigating action required to address it on the basis of current estimates.
- 8.3. The key contingency is workforce reductions. In the event that current future year deficit projections are realised, it would be possible to balance 2020/21 and 2021/22 financial gap by around 90 posts.
- 8.4. The organisation will be subject to continued targeted review, whether through the Alliance or otherwise, which is expected to drive out further efficiencies. In the event that the future year deficit remains, such efficiencies may need to be converted to cashable savings if required to meet the financial gap, rather than enhance operational effectiveness.
- 8.5. The resultant MTFS would then balance across the four years, although would require some use of balances to smooth the timing of change, as shown below:

	NB:				
	17/18	18/19	19/20	20/21	21/22
	£000's	£000's	£000's	£000's	£000's
Total Projected Shortfall	0	0	0	1,757	2,355
Less Reduction in workforce	0	0	0	(1,370)	(2,742)
Smoothing through use of balances	0	0	0	(387)	387
Total Funding	0	0	0	0	0

- 8.6. For the purposes of this MTFS, it is not currently proposed that future year workforce reductions are part of the formal plan, but remain a contingency measure pending further clarity on future year funding and budget requirements. Any further reductions, such as indicated here would clearly have organisational and operational consequences, and alternative models may be possible that achieve the same financial outcome.

9. RISKS

- 9.1. There are clearly numerous risks relating to the 2018/19 budget estimate and future MTFS calculations. The assumptions used in the calculations are based on the latest information available, but all assumptions remain subject to change and challenge.
- 9.2. There are also potential risks in the realisation of savings, from the Strategic Alliance and other areas, and changes to the police officer workforce. Workforce risks include changes in numbers of police officer leavers, delivery of recruitment targets, and numbers of officers on secondment.

- 9.3. Continued monitoring of the financial position, and regular updates of the MTFS to reflect emerging information will be essential in managing the financial position over the next few years.

10. CONCLUSION

- 10.1. This paper sets out the draft 2018/19 budget position and Medium Term Financial Strategy for Dorset Police. It presents a balanced budget position for 2018/19 and for 2019/20, with financial pressure showing in the subsequent two years.
- 10.2. The key assumptions in achieving this position are a £12 increase in precept in 2018/19 and 2019/20, realisation of Alliance savings, and a 2% annual pay award.
- 10.3. The Force also has capital growth ambitions which are not funded within the projected shortfall, most significantly ESN. This growth, if agreed, will require financing or reallocation of existing resources.
- 10.4. There are a number of issues that will affect the projected deficit in future years, either positively or adversely. In the event that the deficit in future years is realised, workforce reductions may need to be considered at the appropriate time.

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APPENDIX A

SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2018/19 budget. Where possible, information relating to the assumptions currently used in Dorset budget preparation have also been shown for information. Changes to previous assumptions have been highlighted.

- Government Police Grant funding will remain static in cash terms in 18/19 and thereafter (*D&C - same assumption*)
- Council Tax will increase by £12 in 2018/19 and 2019/20, and 1.99% for each year thereafter (*D&C - same assumption*)
- Counter Terrorism specific grant will remain at the same level as received in 2017/18 in future years (*D&C - same assumption*)
- A 1.4% increase in taxbase is assumed for 2018/19, followed by annual 1.0% increases annually (*D&C – 2.0%*)
- A £0.8m surplus on collection funds is assumed in 2018/19, followed by annual surpluses of £0.4m (*D&C £2.0m*)
- Capital Grant funding will remain fixed at the 2017/18 amount of £0.417m (*D&C £1.104m*)
- Proposed savings from the Strategic Alliance will be achieved in line with the figures presented to the Programme Direction Group in September 2017. (*D&C - same assumption*)
- Turnover on police officers takes into account officers leaving at their 30 year service date, plus an estimate for ill health retirements, transfers out and resignation (*D&C - same assumption*)
- The base budget requirement assumes that a 2.0% pay award will be applied on 01 September 2018 and in each subsequent year for police officers and police staff. (*D&C - same assumption*).
- The employer's current contribution to the police staff pension scheme will be 12.4% plus agreed contributions to deficit, as below

	Dorset			
	17/18	18/19	19/20	20/21
LGPS Base Contribution	12.40%	12.40%	12.40%	12.40%
Plus Repayment of LGPS Deficit (approximate cash contribution £000's)	399	916	1,480	1,728

NB: D&C			
17/18	18/19	19/20	20/21
14.10%	14.10%	14.10%	14.10%
2,016	2,064	2,113	2,163

- Police Officer pension contributions have been assumed to remain at 24.2% throughout the period of the MTFS (*D&C - same assumption*)
- Inflation has been applied only to budgets that are subject to inflationary pressures at a notional rate of 1.0%, except where individual rates are known, or can be separately estimated due to particular inflationary pressures. Actual CPI for December 2017, published on 16 January 2018, was 2.7% (*D&C - same assumption*)
- Future investment income assumes an interest rate achieved of 0.90%. The current actual bank base rate is 0.50% (*D&C - same assumption*)
- The capital programme will be financed by capital grant, capital receipts and revenue financing through direct contributions, and use of reserves (*D&C - same assumption*)

APPENDIX B

REVENUE BUDGET

		18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's
Pay & Employment Costs	Police Officer Pay	66,130	65,310	66,156	67,405
	Police Officer Overtime	2,599	2,691	2,784	2,967
	Police Staff Pay	36,070	37,294	38,578	39,164
	Police Staff Overtime	598	602	606	610
	Restructure, Training & Conference Fees	851	866	879	893
	Police Officer Injury/Ill Health/Death Pensions	1,522	1,612	1,705	1,799
	Other Employee Expenses	1,374	1,587	1,895	2,203
	Pay & Employment Costs Total	109,143	109,962	112,603	115,042
Overheads	Premises Related Expenditure	12,683	12,911	13,141	13,378
	Transport Related Expenditure	2,180	2,224	2,269	2,315
	Supplies and Services	9,957	10,069	10,093	10,216
	Third Party Payments	4,559	4,584	4,614	4,614
Overheads Total	29,379	29,789	30,117	30,522	
Grant, Trading & Reimbursement Income	Government & Overseas Funding	(6,574)	(6,574)	(6,576)	(6,579)
	Interest/ Investment Income	(160)	(160)	(160)	(160)
	Local Government Specific/Partnership Funding	(456)	(456)	(458)	(461)
	Reimbursed Services - Other	(71)	(71)	(71)	(71)
	Reimbursed Services - Other Police Forces	(495)	(509)	(519)	(532)
	Reimbursed Services - Other Public Bodies	(2,415)	(2,412)	(2,415)	(2,226)
	Sales, Fees, Charges and Rents	(3,841)	(3,867)	(3,932)	(3,937)
Special Police Services	(292)	(294)	(297)	(300)	
Grant, Trading & Reimbursement Income Total	(14,304)	(14,344)	(14,429)	(14,266)	
Capital Financing and Contributions	Loan Charges	123	123	123	123
	Minimum Revenue Provision	527	527	17	17
	Revenue Contribution to Capital	709	1,109	1,619	1,619
Capital Financing and Contributions Total	1,359	1,759	1,759	1,759	
Transfers to / (from) Reserves	(2,339)	(317)	454	0	
Transfers to / (from) Reserves Total	(2,339)	(317)	454	0	
Total Force	123,238	126,849	130,505	133,057	
Office of the PCC	1,278	1,278	1,278	1,278	
PCC Commissioning	999	999	999	999	
Total OPCC	2,277	2,277	2,277	2,277	
Grand Total	125,515	129,126	132,781	135,334	

APPENDIX C

SCHEDULE OF POLICE OFFICER ALLIANCE SAVINGS

	2018/19		2019/20		2020/21		2021/22	
	FTE	£000's	FTE	£000's	FTE	£000's	FTE	£000's
DELIVERED								
Operations Command	(0.74)	(64.4)	(0.83)	(72.5)	(0.83)	(72.5)	(0.83)	(72.5)
ANPR	(0.31)	(17.8)	(0.36)	(20.5)	(0.41)	(23.2)	(0.41)	(23.2)
Audit, Insurance and Risk								
Dogs	(1.08)	(50.6)	(1.20)	(56.6)	(1.33)	(62.7)	(1.33)	(62.7)
Turnaround IOM	(0.45)	(20.2)	(0.50)	(22.4)	(0.55)	(24.7)	(0.55)	(24.7)
Administration								
Finance								
Information Assurance								
Prevention	(1.14)	(78.8)	(1.30)	(90.1)	(1.46)	(101.4)	(1.46)	(101.4)
Transport								
Roads Policing	(5.75)	(276.3)	(6.46)	(310.2)	(7.17)	(344.7)	(7.17)	(344.7)
Operation Planning	(0.54)	(30.9)	(0.61)	(35.2)	(0.68)	(39.5)	(0.68)	(39.5)
ICT								
Business Support Services								
People services	(2.30)	(117.3)	(4.41)	(225.6)	(5.16)	(263.7)	(5.75)	(293.7)
Firearms ARV	(0.00)	(2.1)	(0.00)	(3.1)	(0.00)	(4.2)	(0.01)	(5.3)
Information Management Phase 2								
	(12.30)	(658.6)	(15.68)	(836.2)	(17.61)	(936.6)	(18.20)	(967.6)
LOCKED DOWN								
Professional Standards	(1.35)	(84.0)	(1.62)	(100.8)	(1.89)	(117.6)	(2.16)	(134.5)
Firearms Licensing								
Business Change	(2.23)	(131.7)	(2.58)	(152.3)	(2.93)	(172.8)	(3.27)	(193.4)
	(3.58)	(215.7)	(4.20)	(253.1)	(4.82)	(290.4)	(5.44)	(327.9)
APPROVED DBC								
Corporate development	(0.49)	(29.6)	(0.88)	(53.3)	(1.03)	(62.2)	(1.18)	(71.1)
Resource Management	(0.24)	(14.6)	(1.18)	(70.9)	(1.39)	(83.1)	(1.59)	(95.4)
EPT / FSG / Marine	(0.50)	(26.9)	(0.66)	(35.1)	(0.76)	(40.8)	(0.87)	(46.6)
SFO	1.07	50.4	2.13	99.9	2.42	113.7	2.71	127.2
Alcohol Licensing	(0.40)	(12.5)	(0.43)	(13.5)	(0.47)	(14.6)	(0.50)	(15.6)
	(0.57)	(33.1)	(1.03)	(72.8)	(1.24)	(87.0)	(1.44)	(101.6)
REMAINING DBC'S (not yet approved at AEB)								
CMCU	0.00	0.0	(3.78)	(189.1)	(7.56)	(378.2)	(7.56)	(378.2)
	0.00	0.0	(3.78)	(189.1)	(7.56)	(378.2)	(7.56)	(378.2)
TOTAL	(16.45)	(907.4)	(24.69)	(1,351.2)	(31.23)	(1,692.2)	(32.64)	(1,775.3)
NB: Excluded as staff effect also excluded								
Intelligence	(10.51)	(535.5)	(13.45)	(685.1)	(15.45)	(786.8)	(17.42)	(887.7)
Major crime	(2.65)	(134.5)	(3.74)	(189.8)	(4.31)	(218.4)	(4.87)	(246.8)

APPENDIX D

**SCHEDULE OF FUTURE ALLIANCE SAVINGS INCLUDED
WITHIN THE POLICE STAFF PAY BUDGET**

	2018/19		2019/20		2020/21		2021/22	
	FTE	£000's	FTE	£000's	FTE	£000's	FTE	£000's
LOCKED DOWN								
Professional Standards	2.49	74.8	2.49	74.8	2.49	74.8	2.49	74.8
Firearms Licensing	(1.91)	(37.8)	(1.91)	(37.8)	(1.91)	(37.8)	(1.91)	(37.8)
Business Change	(0.37)	6.9	(0.37)	6.9	(0.37)	6.9	(0.37)	6.9
	0.21	43.9	0.21	43.9	0.21	43.9	0.21	43.9
APPROVED DBC								
Corporate development	0.45	8.1	0.45	8.1	0.45	8.1	0.45	8.1
Resource Management	3.54	8.1	3.54	8.1	3.54	8.1	3.54	8.1
EPT / FSG / Marine SFO								
Alcohol Licensing	0.11	2.0	0.11	2.0	0.11	2.0	0.11	2.0
	4.10	18.2	4.10	18.2	4.10	18.2	4.10	18.2
REMAINING DBC'S (not yet approved at AEB)								
Corporate Communications	(1.45)	(50.7)	(1.45)	(50.7)	(1.45)	(50.7)	(1.45)	(50.7)
Criminal Justice	(6.73)	(235.7)	(6.73)	(235.7)	(6.73)	(235.7)	(6.73)	(235.7)
Victims/witnesses	(1.18)	(41.3)	(1.18)	(41.3)	(1.18)	(41.3)	(1.18)	(41.3)
Estates	(2.64)	(92.3)	(2.64)	(92.3)	(2.64)	(92.3)	(2.64)	(92.3)
CMCU	0.00	0.0	(14.61)	(511.3)	(14.61)	(511.3)	(29.21)	(1,022.5)
Information management Phase 3 Custody	(0.86)	(29.9)	(0.86)	(29.9)	(0.86)	(29.9)	(0.86)	(29.9)
Evidential Property	(0.03)	(1.2)	(0.03)	(1.2)	(0.03)	(1.2)	(0.03)	(1.2)
	(12.89)	(451.0)	(27.49)	(962.3)	(27.49)	(962.3)	(42.10)	(1,473.5)
	(8.57)	(389)	(23.18)	(900)	(23.18)	(900)	(37.79)	(1,411)

APPENDIX E

SCHEDULE OF BUDGETED INCOME – SALES, FEES, CHARGES AND RENTS

	2017/18 Budget £000's	2018/19 Budget £000's
Accident Reports	80	80
Childcare Voucher Scheme	330	330
Driver Awareness Scheme	3,000	3,000
Firearms Certificates	167	86
Foreign Nationals Registration / Pedlars	32	30
Administration Charges	3	3
Alarm System Charges	30	30
Boarding Up	1	0
Disclosure of information	60	10
Fingerprinting Fees	3	0
Premises Service Charge	77	40
Miscellaneous Income / Sales	13	1
Radio Masts and Equipment Hire	50	51
Rents & Lettings	47	49
Sale of Vehicles	50	50
Stores External Income	1	0
Subject Access Requests Income	5	3
Training Course Income	44	1
Vehicle Recovery	77	77
Total Income from Sales, Fees, Charges and Rents	4,071	3,841

NB: Sales, Fees, Charges and Rents Per HMIC Value for Money Profiles 2017/18

Dorset Police Actual Budget £m	Average £ per head of population			Difference	
	Dorset Police £'s	All Forces £'s	Most Similar Group £'s	All Forces £m's	Most Similar Group £m's
4.0	5.2	2.9	2.6	1.8	2.0

APPENDIX F

CAPITAL PROGRAMME - DETAIL

Funded Capital Programme	NB: 2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Vehicles						
Vehicle Replacement Programme	1,275	1,516	961	991	921	951
Minor Building Works						
General Building Adaptations	340	350	360	370	380	390
Electricity Supply Work	65	215	0	0	0	0
Costs of Premises Disposal / Relocation	263	166	0	0	0	0
Total Minor Building Works	668	731	360	370	380	390
Major Building Works	0	0	750	0	0	0
ICT						
IS Peripheral Replacement	162	270	280	290	300	300
Server Replacements	100	110	120	130	140	150
Networks	100	100	100	100	100	100
Other ICT Convergence	61	239	0	0	0	0
Broadband Expansion	30	0	0	0	0	0
Data Storage	40	0	0	0	0	0
Camera Offence Processing Software	0	199	0	0	0	0
Mobile Phone Examination	0	20	0	0	0	0
Voluntary Tagging	0	30	0	0	0	0
Premises Entry System	44	44	0	0	0	0
PSN compliance work	26	0	0	0	0	0
ANPR Network	40	85	0	0	0	0
Operating system upgrade	0	80	0	0	0	0
Mobile Policing (inc tablet computers)	182	180	180	180	180	180
PRISM / Smarter Systems Investment	1,200	3,574	209	235	662	194
Total ICT	1,985	4,931	889	935	1,382	924
Equipment						
General equipment	112	(13)	50	50	50	50
Gym Equipment	28	17	20	0	0	0
TSU Equipment	67	63	50	50	50	50
CCTV	0	213	0	0	0	0
Digital Camera Upgrades/Average Speed	0	340	0	0	0	0
Taser replacement Programme	348	100	100	100	100	100
Drones	70	0	0	0	0	0
Total Equipment	625	720	220	200	200	200
Total Funded Capital Programme	4,553	7,898	3,180	2,496	2,883	2,465

APPENDIX G

RESERVES AND BALANCES

	Earmarked Revenue Reserves						Capital Reserves		General Balances £m's	Total Reserves & Balances £m's
	Capital Financing Reserve £m's	Workforce Change Reserve £m's	Major Operations Reserve £m's	Budget Management Fund £m's	Revenue Support Reserve £m's	Total Revenue Reserves £m's	Capital Grant £m's	Capital Receipts Reserve £m's		
Balance as at 31/03/17	1.83	2.67	1.20	0.00	0.00	5.69	0.00	3.88	7.42	16.98
2017/18										
Budgeted Applications	(0.36)	(0.88)	0.00	0.00	0.00	(1.24)	0.00	0.00	0.00	(1.24)
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.12	0.00	1.12
Financing Capital programme	(0.20)	0.00	0.00	0.00	0.00	(0.20)	(0.42)	(3.94)	0.00	(4.56)
Transfers	0.00	0.00	0.00	0.47	0.00	0.47	0.00	0.00	(0.47)	0.00
Support to revenue budget	(1.26)	0.00	(0.40)	(0.47)	0.00	(2.12)	0.00	0.00	(1.12)	(3.24)
Balance as at 31/03/18	0.00	1.79	0.80	0.00	0.00	2.59	0.00	1.06	5.83	9.48
2018/19				0.00						
Budgeted Applications	0.00	(0.88)	0.00	0.00	0.00	(0.88)	0.00	0.00	(0.42)	(1.30)
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.98	0.00	7.98
Financing Capital programme	(0.00)	0.00	0.00	0.00	0.00	(0.00)	(0.42)	(6.77)	0.00	(7.19)
Support to revenue budget	0.00	0.00	0.00	0.00	(1.04)	(1.04)	0.00	0.00	0.00	(1.04)
Balance as at 31/03/19	0.00	0.91	0.80	0.00	(1.04)	0.66	0.00	2.27	5.41	8.34
2019/20										
Budgeted Applications	0.00	(0.46)	0.00	0.00	0.00	(0.46)	0.00	0.00	0.00	(0.46)
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.00	0.36
Financing Capital programme	0.00	0.00	0.00	0.00	0.00	0.00	(0.42)	(1.66)	0.00	(2.08)
Support to revenue budget	0.00	0.00	0.00	0.00	0.14	0.14	0.00	0.00	0.00	0.14
Balance as at 31/03/20	0.00	0.45	0.80	0.00	(0.90)	0.35	0.00	0.97	5.41	6.73

APPENDIX G (Cont.)

	Earmarked Revenue Reserves					Total Revenue Reserves £m's	Capital Reserves		General Balances £m's	Total Reserves & Balances £m's
	Capital Financing Reserve £m's	Workforce Change Reserve £m's	Major Operations Reserve £m's	Budget Management Fund £m's	Revenue Support Reserve £m's		Capital Grant £m's	Capital Receipts Reserve £m's		
Balance as at 31/03/20	0.00	0.45	0.80	0.00	(0.90)	0.35	0.00	0.97	5.41	6.73
2020/21										
Budgeted Applications	0.00	(0.45)	0.00	0.00	0.00	(0.45)	0.00	0.00	0.00	(0.45)
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.35
Financing Capital programme	0.00	0.00	0.00	0.00	0.00	0.00	(0.42)	(0.47)	0.00	(0.88)
Support to revenue budget	0.00	0.00	0.00	0.00	0.90	0.90	0.00	0.00	0.00	0.90
Balance as at 31/03/21	0.00	0.00	0.80	0.00	0.00	0.80	0.00	0.85	5.41	7.06
2021/22										
Budgeted Applications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	0.85
Financing Capital programme	0.00	0.00	0.00	0.00	0.00	0.00	(0.42)	(0.85)	0.00	(1.27)
Support to revenue budget	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31/03/22	0.00	0.00	0.80	0.00	0.00	0.80	0.00	0.85	5.41	7.06
2022/23										
Budgeted Applications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants and contributions received	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.42
Capital receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Capital programme	0.00	0.00	0.00	0.00	0.00	0.00	(0.42)	(0.43)	0.00	(0.85)
Support to revenue budget	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance as at 31/03/23	0.00	0.00	0.80	0.00	0.00	0.80	0.00	0.41	5.41	6.63