

# REPORT OF THE POLICE AND CRIME COMMISSIONER FOR BEDFORDSHIRE

<b>Date</b>	6 <sup>th</sup> February 2014	<b>Report No</b>	
-------------	-------------------------------	------------------	--

<b>Title</b>
Revenue Budget 2014/15

<b>Purpose</b>
To approve the revenue budget for 2014/15 and the subsequent budget requirement, precept and council tax.

<b>Executive Summary</b>
<p>The 2014/15 revenue budget has been built around the Commissioners Police and Crime Plan and has been considered by the Commissioner and Chief Constable both in the short and longer term, to ensure that the Commissioner can deliver the level of service the public expect.</p> <p>The Medium Term financial position in relation to funding has not been formalised, however it is expected that reductions to police funding will continue. The Provisional Funding Settlement for 2014/15 was announced on 18<sup>th</sup> December 2013 and for planning purposes it has been assumed that, as previously stated, the Commissioner will increase Council Tax by the maximum amount allowed without invoking a referendum, which is expected to be 2%.</p> <p>In concluding to increase the Council Tax by 2% the Commissioner has reiterated his desire to maintain police officer and PCSO numbers and build up the number of specials and volunteers. He has also given strong regard to the ability for the public to pay, the level of service he expects the public of Bedfordshire to receive from the Police Service and the financial position of Bedfordshire Police in future years.</p> <p>Savings plans are in place for the 2014/15 budget to enable the Police &amp; Crime Commissioner to set a balanced budget. Budget gaps currently exist in future years and further work will be undertaken both in terms of identifying savings but also on longer term funding strategy for the Police &amp; Crime Commissioner.</p> <p>The report also considers the adequacy of the Police &amp; Crime Commissioner's reserves within the Medium Term and highlights that whilst specific reserves are being utilised, the Commissioner is maintaining a good level of police funds to assist with extraordinary events that may arise due to the volatility of policing as well as providing a buffer against future years expected reductions in funding and likely capital spend.</p> <p>Based on current assumptions the Commissioner plans to recommend a revenue budget of £101.691M for 2014/15 which results in an increase in Council Tax of 1.99%.</p>

It should be recognised that at the time of writing this report the Final Funding Settlement and Council Tax Referendum Principles had not been announced and therefore the recommendation of a 1.99% increase in Council Tax is based upon the existing Council Tax Referendum Principles. The Final Settlement and Principles are expected to be announced on the 5 February and therefore any variation in these Principles will be highlighted at the meeting on the 6 February.

## **Recommendations**

As detailed in paragraph 14

## **Background/Supporting papers**

Medium Term Resources Strategy (PCC Exec Board 25<sup>th</sup> Nov 2013)  
Provisional Budget Report (PCC Exec Board 16<sup>th</sup> Dec 2013)  
Provisional Funding Settlement (Home Office 18<sup>th</sup> Dec 2013)  
Budget Precept Options (PCC Exec Board 20<sup>th</sup> Jan 2014)

## **Contribution to the Police and Crime Plan**

The recommendations arising from this report will determine the budget available in which the Commissioner will deliver his Police and Crime Plan for Bedfordshire.

## **Implications**

### **1. Strategic Risk Implications**

The report highlights the strategic risks facing the organisations and how these longer term risks have informed the Commissioner's recommendations.

### **2. Financial Implications**

These are set out in the report itself.

### **3. Equality and Human Rights Implications**

The previous consultation that the Commissioner has relied upon was robust.

### **4. Legal Implications**

The Local Government Act 2003 and the Police Reform & Social Responsibility Act 2011 comprise of a series of duties and powers that give statutory support to important aspects of good financial practice, these have been embedded within this report and the preparatory supporting papers.

### **5. Regional/Collaborative Working Implications**

Continued collaborative working and the financial savings to be derived from collaborative working are assumed within the report.

## Report

### 1. Introduction

- 1.1 The provisional finance settlement was announced on 18<sup>th</sup> December 2013. This enabled the Commissioner and Chief Constable to build on the work already undertaken to provide an estimated budget position for 2014/15 and to provide details of the savings required to balance the budget gap, as the Commissioner and Chief Constable continue to operate in these austere times.

### 2. General Considerations

- 2.1. In preparing the 2014/15 budget a number of factors have been taken into consideration. These are highlighted in the following paragraphs.
- 2.2. The Commissioner has worked with the Chief Constable and the public to develop his Police and Crime Plan. The key strategic direction outlined in the Plan is based on three key themes, as shown below:
- Protecting the Public - cutting crime and anti-social behaviour to reduce harm and improve quality of life.
  - Partnership Working – working together to provide quality services and develop confident communities who trust and value their police
  - Preventing Crime - tackling the underlying cases of crime to reduce the number of victims and break the cycle of re-offending
- 2.3 These three priorities focus on law enforcement, victim satisfaction and preventing criminal activity occurring in the first place, which together will allow the Commissioner to deliver what it is residents of Bedfordshire told him they expected from him when elected.
- 2.4 One of the Commissioner's challenges in the delivery of the Police and Crime Plan is the ever-decreasing level of resources policing and in particular Bedfordshire finds itself in these times of austerity. To assist with this dilemma, the Commissioner will be considering a long term funding strategy and will ensure that effective consultation takes place with residents to help inform decisions within this area.
- 2.5 In addition to delivering the Police & Crime Plan the Commissioner has also considered the likely further reductions in Government funding in future years, and what it is reasonable to ask the local Council Tax payers to pay.

### 3. Financial Settlement – 2014/15 for Bedfordshire

- 3.1 The financial settlement for Bedfordshire was disappointing leaving the Force with £1.0M less funding, in 2014/15, than originally planned for when the Spending Review was announced in June 2013. A reduction of 3.3% on the Police Grant was widely anticipated but as can be seen from the table below the final reduction was 4.8%. This additional reduction came about as a result of a number of top-slices from the Police Service funding pot. Some of these were known post the Spending Review announcement, such as the Innovation Fund and the new Independent Police Complaints Commission, although the amounts had not been confirmed. But in addition there were top-slices for the HMIC, College of Policing and the National Police Co-ordination Centre, to name a few.
- 3.2 In addition, by ring-fencing and protecting Counter Terrorism grants from funding reductions this has the same effect as top-slicing for specific projects and reduces the amount of Police Grant payable to Bedfordshire. The net effect of these reduction was £1.025M, some £0.5M more than expected, meaning Bedfordshire was unable to protect itself from future reductions by making contributions to reserves and as a result the budget gap for 2015/16 and 2016/17 has increased. The table below details the grant receivable compared to last year and the percentage reduction:

<b>2013/14</b>		<b>2014/15</b>	<b>Change</b>
<b>£'M</b>		<b>£'M</b>	<b>%</b>
70.9	Police Grant & DCLG formula funding (inc. community safety fund)	67.5	-4.8
3.8	Council Tax Benefit Subsidy Grant	3.8	0.0
0.8	2011/12 Council Tax Freeze Grant	0.8	0.0
75.5		72.2	-4.4

\*Community Safety Fund will form part of the Police Grant, previously paid as a specific grant in 2013/14

- 3.3 Other points of note from the settlement include confirmation that the formula damping has been applied along similar lines to last year, meaning all police force areas received the same decrease in central funding. The cost to Bedfordshire Police of formula damping in 2013/14 was £3.0M and it is assumed that similar levels have been applied this year. The Commissioner will continue to make representations to the Home Secretary about the unfairness and inequality of the damping arrangements and will continue to seek support for his fairer funding campaign.
- 3.4 The Community Safety Fund (CSF) grant which is available to the PCC to distribute as appropriate was a transitional grant introduced last year and will now form part of the main Police Grant. In addition to the CSF the Commissioner will receive a specific grant for 2014/15 for the specific commissioning of victim's services. As this is a specific grant, it is not included in the above figures.

- 3.5 The Council Tax freeze grant taken in 2011/12 which had previously been administered by the Department of Communities and Local Government and paid as a specific grant in 2014/15 has been extended to 2015/16 and is likely to be included in the overall grant settlement beyond 2015/16 following the governance arrangements being passed to the Home Office.

#### 4. Draft Budget 2014/15

- 4.1. The Draft Budget of £106.541M can be summarised as:

	<b>£000</b>
Draft Budget (November 2013 prices):	
Force	104,192
PCC (inc. CSF)	1,784
Contingency	565
<b>Draft Budget (November 2013 prices)</b>	<b>106,541</b>

- 4.2 There is a need to make an allowance, by way of a contingency provision for pay/price increases that will arise between November 2013 and March 2015. It has been assumed that there will be a 1% pay award for officers and staff in September 2014 and a 1% provision has been made on the majority of general prices equating to £0.565M.
- 4.3 The draft budget was built on a roll forward basis providing for the following establishment as at 1<sup>st</sup> April 2014, including assumptions around grant funded posts.

Police Officers	1,087
PCSO's	108
Police Staff	817
	<b>2,012</b>

- 4.4 Also included in the draft budget are standstill pressures such as the increase in superannuation rates and pay increases resulting from incremental drift. In addition additional costs totalling £0.180M have been included to assist with the increase in the Special Constabulary numbers, to assist in the confident communities agenda and commitment Integrated Offender Management project which has proved to be a significant partnership delivering effective outcomes for the public of Bedfordshire

#### 5. Collaboration

- 5.1 Approximately 20% of the Force budget covers area that have been collaborated with either Hertfordshire or Cambridgeshire, the majority of this is Protective Services although other areas such as Professional Standards, ICT and Procurement are also provided by collaborated units.
- 5.2 Since the first collaboration with Hertfordshire in 2009/10 in excess of £6M has been saved from Bedfordshire's budget and we are looking to further increase these savings by collaborating with Hertfordshire and Cambridgeshire in the areas of Organisational and Operational Support. The three PCC's agreed to support collaboration in these areas with the aim of both improving resilience across the three Forces and providing essential savings during 2014/15 and beyond for Bedfordshire, Cambridgeshire and Hertfordshire.

- 5.3 As part of this process systems and processes will be reviewed taking advantage of the Lean philosophy, that looks to strip out any waste in the organisation and the Metis programme (an ICT enablement programme) that will enable transformation across the three Forces.
- 5.4 Savings of £1.2M have been delivered in the 2014/15 budget via collaboration the majority of these are the continuing drive for efficiencies from Protective Services and are detailed in section six.
- 5.5 Whilst we expect significant savings during 2014/15 by collaborating across the areas of Organisational and Operational support at the time of writing this report the business cases had not been presented to the Commissioners and therefore for the sake of prudence savings have not been incorporated into the savings plan. However, as plans develop and business cases are agreed we expect savings to emerge and these will be shown as in year savings during 2014/15 and formalised into budget reductions in 2015/16.

## **6.0 Budget Reductions 2014/15**

- 6.1 The Budget reductions shown at Appendix A, totalling £4.850M, are those that have been derived through the series of change initiatives the Force and Commissioner have been considering over the past year as well as £0.971M of savings that have been carried forward from the previous year.
- 6.2 The majority of budget reductions planned for 2014/15 are the full year effect of the Operational Policing Review that was developed and reviewed by the Force Continuous Improvement team over the past 18 months. This new policing model has enabled the Force to reduce its officer numbers down to 1,067 The officer strength reduced during 2013/14 down to below the level prescribed by the policing model allowing the Force to start recruiting again to service the agreed model. The new policing model, which has been in place since October 2012, is continuing to provide good levels of performance whilst delivering savings of some £4.1M during 2013/14 & 2014/15.
- 6.3 Savings have been built into the budget from units that are currently collaborated. The Commissioner and Chief Constable are able to make savings of £0.9M in 2014/15 by reviewing the working practices and exploring further efficiencies of those units within Protective Services & ICT. Additionally, an adjustment to the way costs of the eastern region serious and organised unit are shared amongst the region has benefited Bedfordshire by a further £0.190M.
- 6.4 A further £0.150M has been taken out of the budget following the disbandment of the central collaboration team. However, it is possible a similar team will be required to deal with the forthcoming organisational & operational support collaboration with Herts & Cambs during 2014/15 so funding of this resource needs to be considered. It will either be funded from in-year savings achieved through the collaboration of organisational and operational support or from the Commissioner's Performance and Change Reserve, which was set up initially for this type of one-off expenditure.
- 6.5 A budget challenge process has taken place during the year and savings have been taken out wherever possible. This includes some posts that have been held vacant during the year, non staff costs and recognition of the increased level of mutual aid income we receive during the year.

- 6.6 The budget reductions that are being taken out of the budget in 2014/15 enable a balanced budget to be delivered. This is highlighted in the medium term plan summary table at paragraph 9.2. Prior to the provisional settlement it was expected that these savings would exceed our requirements and provide a buffer for future years. However, the poor settlement has meant budget gaps appear from 2015/16.

## **7. Capital**

- 7.1 The capital programme for 2014/15 onwards has been developed alongside the revenue budget and in conjunction with both the ICT & Estates strategies. The revenue budget incorporates funds to finance the revenue effects of the capital programme including servicing the planned borrowing.
- 7.2 A significant bid to the Innovation Fund on behalf of Bedfordshire, Cambridgeshire and Hertfordshire has been submitted which has been successful and will provide valuable assistance in funding some of the one-off capital spend associated with the drive for Bedfordshire to maximise the use of mobile data. The successful innovation fund bid will also assist in the longer term funding of the Commissioners capital programme in that it should require less borrowing than anticipated in the replacement of Greyfriars Police Station.

## **8. Council Tax**

- 8.1 Whilst the provisional settlement was silent on Council Tax principles, it is expected that as a general rule a 2% referendum principle would apply to all Commissioners, meaning that a positive local referendum result for a council tax increase above 2% would be needed. It is also expected that those Commissioners that wish to freeze the level of council tax would receive a grant equivalent of a 1% increase in Council Tax for financial years 2014/15 and 2015/16. This option would have a significant impact in 2016/17 if the grant is ceased.
- 8.2 The Commissioner's desire to protect the number of officers and PCSO's currently employed within the Force as well as increasing the number of specials and volunteers combined with forward planning to keep future budget gaps to a minimum has meant the Commissioner will discard the option to freeze council tax and increase the Council Tax by the maximum of 2%, unless any greater flexibility is provided to him, thus increasing the Band D Council Tax for Police from £153.49 to £156.55, an increase of £3.06 per annum.

## **9. Medium Term Financial Strategy: Budget Reductions 2015/16 to 2017/18**

- 9.1 The Final Settlement is expected to be announced on 5th February 2014. Following the experience gained this year assumptions have been made around further top-slicing of the Police grant in 2015/16. No information has been given about grant reductions in 2016/17 and 2017/18 and therefore an assumption of 3% grant reductions has been used for 2016/17 and 2017/18.
- 9.2 The estimated position for 2014/15 to 2017/18 will be developed as more information becomes available. This shows a shortfall of circa £1.0M in 2015/16 and further budget gaps of £1.1M in 2016/17 and £1.6M in 2017/18.

	2014/15 Indicative	2015/16 Indicative	2016/17 Estimated	2017/18 Estimated
	£'000	£'000	£'000	£'000
Projected Budget (a)	106,541	103,781	104,082	100,570
Estimated Funding (b)	101,691	99,868	97,904	96,871
Shortfall (a-b)	4,850	3,913	6,178	3,699
Savings	(3,879)	(2,950)	(5,100)	(2,100)
Savings b/f	(971)			
(Surplus)/Deficit	<b>0</b>	<b>963</b>	<b>1,078</b>	<b>1,599</b>

9.3 Approval of the three-force, Strategic Alliance, in December 2013 has enabled the work of Bedfordshire, Hertfordshire and Cambridgeshire to start to develop collaborative approaches in the broad areas of:

- Protective Services;
- Operational Support Services;
- Organisational Support Services.

9.4 At the time of writing this report work is being undertaken on the assessment of savings and sequencing of collaboration and transformation, through METIS and LEAN, and this will be used to update the medium term plan going forward.

9.5 From 2015/16 there are budget gaps indicating that firm plans are not yet completed to enable the Commissioner and Chief Constable to ensure a balanced budget is achieved in these financial years whilst trying to minimise the impact on performance and the delivery of the Commissioners Police and Crime Plan.

## 10. Reserves

10.1 It has previously been acknowledged that the use of reserves to fill the funding gap is unsustainable, but can be used to smooth the reductions over a longer period or to provide a buffer in a particular financial year.

10.2 The Commissioner must hold a minimum level of general reserves, although neither the Audit Commission nor CIPFA feel it appropriate to stipulate what a minimum level should be, and therefore it is for the Chief Finance Officer to advise. It is advised that the level of general reserves should reflect the level of anticipated risk for exceptional expenditure arising from exceptional circumstances (i.e. the likelihood of a Soham type incident, terrorist type activity, disturbances etc.) that cannot be funded from within the Commissioners and Force's agreed revenue budgets and capital programme, the Commissioner has been advised to hold a general reserve of at least 3.0% of the net revenue budget. However, due to the shortfalls the Commissioner faces in future years the Chief Finance Officer has advised that it would be prudent to hold higher levels, up to 3.5%, of reserves to assist with the smoothing of budget reductions in these years.

10.3 An estimated reserves position from 31<sup>st</sup> March 2013 to 31<sup>st</sup> March 2017 is shown at Appendix B. The estimated position takes account of expected contributions to the Police Fund and Capital Reserve from revenue under spends in 2013/14. As the appendix shows the Commissioner has the flexibility of reducing the Police Fund, which currently stands at approximately 4.3%, which may assist in smoothing savings expected from Collaboration and ICT transformation over the Medium Term or to provide further assistance to the capital expenditure that is required, particularly on the Force's estate.

## 11. Robustness of Estimates

- 11.1 Under Section 25 of the Local Government Act 2003 the Chief Financial Officer of the Police & Crime Commissioner is required to report on the robustness of the estimates included in the proposals above.
- 11.2 The estimates included within this report have been compiled by qualified financial staff in consultation with budget managers, the Force Executive, the Force Resources Board the Continuous Improvement Team and have been overseen by the Chief Finance Officer.
- 11.3 The work on the 2014/15 budget began in August 2013 and has been informed by settlement and grant announcements detailed earlier in this report. The Force Resources Board had input and been regularly briefed and updated on the budget preparation and medium term plan as has the Police & Crime Commissioner via his regular one to ones with the Chief Finance officer and more formally via reports to the Police & Crime Commissioner's Executive Board. The Joint Audit Committee has received internal audit reports on numerous aspects of financial management which have provided the Police & Crime Commissioner with assurances that the necessary controls are in place. The findings of the external auditors also support the assurances provided by the internal auditors.

## 12. Budget Variations

- 12.1 The draft budget of £106.541M has been reduced by £4.850M in order to give a final budget of £101.691M. The adjustments are shown in the table below and detailed in the following paragraphs.

	<b>Force £'000</b>	<b>PCC £'000</b>	<b>CSF £'000</b>	<b>Total £'000</b>
Draft Budget	104,741	900	900	106,541
Reductions	(4,800)	(50)	-	(4,850)
<b>Proposed Budget</b>	<b>99,941</b>	<b>850</b>	<b>900</b>	<b>101,691</b>

- 12.2 The budget reductions shown at Appendix A and detailed in section 6 provides for a net budget of £101.691M.
- 12.3 Overall staffing levels will decrease, although not in the area of Local Policing which is the area that the Commissioner is looking to protect over the Medium Term, as a result of the above reductions and assumed changes to grant arrangements to the estimated following levels:

	2013/14	2014/15
Police Officers	1,087	1,067
PCSO's	108	108
Police Staff	817	814
	<b>2,012</b>	<b>1,989</b>

- 12.4 The officer numbers quoted are based on the new policing model, the Bedfordshire share of collaborated units and externally funded posts and while actual strength will vary during the year the budgeted establishment is expected to remain constant.

12.5 These workings are based upon the provisional settlement and therefore minor changes are possible as a result of refinements to the savings plans if there is any variation to the Funding or Council Tax Principles when the Final Settlement is announced.

### 13. Tax Base, Precept and Council Tax

13.1 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 Commissioner that the number of Band D equivalents for 2014/15 is:

<b>Unitary Council</b>	<b>Band D Equivalents</b>
Bedford Borough	51,858
Luton Borough	44,455
Central Bedfordshire	91,405
	<b>187,718</b>

13.2 This represents an increase in the tax base of 1,896 band D equivalent homes (1%) compared to the previous year.

13.3 The arrangements for financing the Police Service provide for the Commissioner to receive specific police grant and formula funding via the Home office, legacy council tax grants are also received. 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 £101.691M and a Council Tax increase of 1.99%. The apportionment to each of the Unitary Councils is also shown.

	<b>£'M</b>
<b>Budget Requirement</b>	<b>101.691</b>
Police Grant	(43.211)
Formula Funding	(24.264)
Legacy Council Tax Grants	(4.637)
	<b>29.579</b>
Surplus on the 2013/14 Council	(0.192)
Tax collection fund	
<b>Precept</b>	<b>29.387</b>
Apportionment between Unitary Councils	
Bedford Borough	8.118
Luton Borough	6.960
Central Bedfordshire	14.309
<b>Precept</b>	<b>29.387</b>

13.4 Using the tax base data supplied by the Unitary Councils, a budget requirement of £101.691M would result in an average Council Tax at band D of £156.55. This compares to a Council Tax at band D of £153.49 in 2013/14, as rise of £3.06 per annum (26p per month/6 p per week) or 1.99%.

13.5 The following table shows the Council Tax for all bands based on a budget requirement of £101.691M.

Valuation Band	Tax payable compared to band D (expressed in fractions)	Council tax for Band £
A	6/9	104.37
B	7/9	121.76
C	8/9	139.16
D	1	156.55
E	1 & 2/9	191.34
F	1 & 4/9	226.13
G	1 & 6/9	260.92
H	2	313.10

#### 14. Recommendations

14.1 In compliance with the duty under paragraph 3 of schedule 5 of the Police Reform and Social Responsibility Act 2011 the Commissioner formally notify the Bedfordshire Police & Crime Panel to approve that;

##### Recommendation:

- a) The estimated revenue expenditure be set at **£101.691M**, including a contingency provision for pay and price inflation of **£0.565M**.
- b) The budget requirement of **£101.691M** be met through:

	£'M
Police Core Settlement	43.211
DCLG Funding Formula	24.264
Legacy Council Tax Grants	4.637

and that subject to adjustments at c) the Commissioner's precept requirement be determined at **£29.579M**.

- c) The precept in b) be reduced by **£0.192M**, being the Commissioner's share of the estimated surplus on Council Tax Collection Funds for 2013/14 for each of the Unitary Councils to **£29.387M**.
- d) That pursuant to the provisions of the Local Government Finance Acts 1992 and 1999 and all other relevant statutory powers, the Commissioner's Monitoring Officer 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 eleven equal instalments and payments for the Commissioner's share of the estimated surplus on the Council Tax Collection funds for 2013/14, in ten equal instalments on the agreed dates, of the sum indicated in Column 3.

e)

(1)	(2)	(3)
<b>Unitary Councils</b>	<b>£'000</b>	<b>£'000</b>
Bedford Borough	8,118	100
Luton Borough	6,960	87
Central Bedfordshire	14,309	5
<b>Total</b>	<b>29,387</b>	<b>192</b>

f) That the amount of Council tax calculated at 1.99%, in accordance with the Local Government Finance Act 1992, to be payable in respect of each category of dwelling be confirmed as follows:

Valuation Band	Council tax for Band £
A	104.37
B	121.76
C	139.16
D	156.55
E	191.34
F	226.13
G	260.92
H	313.10

## APPENDICES

Appendix A – Schedule of Reductions

Appendix B – Projected Reserve levels – year end 31 March 2013 to 2017

### **Public Access to Information**

Information in this report is subject to publication under the Freedom of Information Act 2000 and other legislation. Any information that should not be made publically available should be included in an appendix to this report and the reason for restriction given.

Is any 'restricted' information appended to this report?

No

If 'yes' please advise reason for restriction.

<b>Report Author</b>	Philip Wells, Chief Finance Officer to the Commissioner
<b>Date of report</b>	27th January 2014



## 2014/15 Budget - Savings Plan

	2014/15 £000	Detail	Ownership	RAG
<b>Savings carried forward from Previous Year</b>	971	Savings that exceeded the required level in 2013/14 and were contributed to reserves		
<b>Operating Policing Model</b>				
Police Officers	1,140	Full Year Effect of Savings made in 2013/14 and adjustment for allowances	Corporate - Continuous Improvement (Neil Wilson)	
Police Officers	173	Loss of 3 Inspector Posts following review (Sept 13)	Corporate - Continuous Improvement (Neil Wilson)	
Police Pensions	250	Reduction in officer numbers in pension scheme	Corporate - Continuous Improvement (Phil Wells)	
Fleet	200	Change in vehicle mix reducing overall lease charges plus fuel savings and reduced spend on hire vehicles	Corporate - Continuous Improvement (Phil Wells)	
<b>Collaboration</b>				
Protective Services Phase 2	700	Further savings totalling 5% in the collaborated area of Protective Services resulting from refining processes through the use of Lean and improved ways of working.	Force Executive (John Fletcher)	
ICT	175	Reductions in ICT maintenance budgets following successful contract renegotiation processes	Finance & Resources (Phil Wells)	
Collaboration Team	150	Disbandment of a dedicated Collaboration Team during 2013/14.	Finance & Resources (Phil Wells)	
ERSOU	190	Revised allocation of percentage share of costs. Now based upon Net Revenue Expenditure for 2014/15	Force Executive (John Fletcher)	
<b>Budget Challenge</b>				
Estates	100	Contractual savings and greater energy efficiency within the overall estate	Finance & Resources (Phil Wells)	
National Police Air Service	168	Savings arising from the move to a national Air Support Service contract for Policing.	Finance & Resources (Stuart Goodwin)	
Other Contractual and Supplies & Services Savings	123	Various savings relating to medical services contracts and overall reductions to supplies and services budgets resulting from budget challenge exercises and historical spend patterns.	Finance & Resources (Stuart Goodwin)	
Police Staff Vacancies	285	Removal of long term vacancies across the Force budget	Finance & Resources (Phil Wells/Stuart Goodwin)	
Mutual Aid Income & Other Income	175	Reimbursements as a result of mutual aid provided to other Force areas, based on historic trends, will exceed existing budgeted levels.	Finance & Resources (Phil Wells/Stuart Goodwin)	
<b>PCC</b>				
Staff Savings	50	Restructuring of the Office of the Police and Crime Commissioner.	Finance & Resources (Phil Wells)	
<b>Savings</b>	<b>4,850</b>			



## Reserve Position at at 31st March 2013 and estimated movements

	Year end 31st March 2013	Year end 31st March 2014 (forecast)	Year end 31st March 2015 (forecast)	Year end 31st March 2016 (forecast)	Year end 31st March 2017 (forecast)
	£'000	£'000	£'000	£'000	£'000
<b>General Reserves</b>					
Police Fund	3,360	4,330	4,330	4,330	4,330
Performance & Change Reserve	2,549	3,149	2,474	2,074	1,774
<b>Earmarked Reserves</b>					
Insurance Reserve	979	979	979	979	979
Capital Expenditure Reserve	5,669	7,414	4,020	1,257	181
<b>Total</b>	<b>12,557</b>	<b>15,872</b>	<b>11,803</b>	<b>8,640</b>	<b>7,264</b>

