

Essex Police and Crime Panel

14:30	Friday, 29 January 2016	Committee Room 1, County Hall, Chelmsford, Essex
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Quorum: 5

Membership

Councillor Tony Hedley
Councillor Graham Butland
Councillor William Russell
Councillor Godfrey Isaacs
Councillor Bob Shepherd MBE
Councillor Tim Young
Councillor Gary Waller
Councillor John Jowers
Councillor Tony Durcan
Councillor Penny Channer
Councillor Jo McPherson
Councillor Ian Gilbert
Councillor Lynda McWilliams
Councillor Jane Potheary
Councillor Jim Gordon
John Gili-Ross
Kay Odysseos

Representing

Basildon Borough Council
Braintree District Council
Brentwood Borough Council
Castle Point Borough Council
Chelmsford City Council
Colchester Borough Council
Epping Forest District Council
Essex County Council (Chairman)
Harlow District Council
Maldon District Council
Rochford District Council
Southend Borough Council
Tendring District Council
Thurrock Borough Council
Uttlesford District Council
Independent Member
Independent Member

For information about the meeting please ask for:

Colin Ismay, Council and Member Support Manager, ECC, and Secretary to the Panel

Fiona Lancaster, Committee Officer

Telephone: 033301 34573

Email: fiona.lancaster@essex.gov.uk



Essex County Council

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Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

		Pages
1	Apologies for Absence and Notices of Substitution The Secretary to the Panel to report receipt (if any).	
2	Minutes To approve the minutes of the meeting held on 26 November 2015 (attached).	5 - 10
3	Declarations of Interest Members are invited to declare any interest in any item on the agenda. Members may still declare an interest in an item at any time prior to its consideration.	
4	Questions to the Chairman from Members of the Public The Chairman to respond to any questions relevant to the business of the Panel from members of the public.	
5	Actions arising from the last meeting To consider report EPCP/01/16.	11 - 12
6	The proposed Police Precept for 2016/17 To consider report EPCP/02/16 and accompanying appendices.	13 - 36
7	Forward Look To consider report EPCP/03/16.	37 - 38
8	The Police and Crime Commissioner to update the Panel on On-going Issues (if any).	
9	Date of Next Meeting To note that the next meeting will be held at 2.30 pm on Thursday 18 February 2016, in Committee Room 1, County Hall.	
10	Urgent Business To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency.	

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

11 Urgent Exempt Business

To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency.

MINUTES OF A MEETING OF THE ESSEX POLICE AND CRIME PANEL HELD AT COUNTY HALL, CHELMSFORD, ON 26 NOVEMBER 2015

Present:

Councillor

Tony Hedley
Wendy Schmitt
Godfrey Isaacs
Bob Shepherd
Tim Young
Gary Waller
John Jowers
Tony Durcan
Stephen Savage
Jo McPherson
Lynda McWilliams
Gerard Rice
Jim Gordon
John Gili-Ross
Kay Odysseos

Representing

Basildon Borough Council
Braintree District Council
Castle Point Borough Council
Chelmsford City Council
Colchester Borough Council
Epping Forest District Council
Essex County Council (Chairman)
Harlow District Council
Maldon District Council
Rochford District Council
Tendring District Council
Thurrock Borough Council
Uttlesford District Council
Independent Member
Independent Member

Apologies for Absence:

Councillor

Graham Butland with
Wendy Schmitt as
his substitute
William Russell
Penny Channer with
Stephen Savage as
her substitute
Ian Gilbert
Jane Potheary with
Gerard Rice as her
substitute

Representing

Braintree District Council

Brentwood Borough Council
Maldon District Council

Southend Borough Council
Thurrock Borough Council

County Councillors Michael Mackrory and Stephen Robinson were also in attendance.

Councillor Peter Ruffles, the Hertfordshire County Council representative on the Hertfordshire Police and Crime Panel was welcomed as an observer to the meeting.

The following Officers were in attendance throughout the meeting:
Jane Gardner, Head of Commissioning Growing Essex Communities
Colin Ismay, Council and Member Support Manager, Essex County Council,
Secretary to the Panel
Fiona Lancaster, Committee Officer, Essex County Council

Nick Alston, the Essex Police and Crime Commissioner, and Lindsay Whitehouse, Deputy Commissioner, were in attendance throughout and supported by the following officers:
Susannah Hancock, Chief Executive
Charles Garbett, Treasurer

1. Minutes

Subject to the sentence of the seventh bullet of minute 8 (Review of Complaints Procedure) being amended to read “A suggestion by Councillor Shepherd that the Complaints Sub-Committee mediate discussions between the OPCC and the County Council was not agreed.”, the minutes of the meeting held on 29 October 2015 were approved as a correct record and signed by the Chairman.

2. Declarations of Interest

The Chairman reminded Panel members to declare any interests as appropriate throughout the meeting.

3. Questions to the Chairman from Members of the Public

From Councillor Michael Mackrory

Councillor Michael Mackrory asked for comments on whether the deferred negotiations regarding police funding and the Government’s formula grant would lead to a favourable outcome for Essex Police in 2017/18, and on the impact of the Autumn Statement 2015 and the additional funding for trained firearms officers. The Chairman responded that these questions would be addressed as part of item 6(a) on the agenda.

4. Actions arising from the last meeting

The Panel received report EPCP/020/15 by the Secretary to the Panel highlighting the matters raised during the previous meeting that required further action and indicating the action taken.

The Chairman reported that the Revised Complaints Procedure was being finalised, but that extra time was needed in order to consider the implications of proposed revisions. In the light of the request, the Panel agreed that the Revised Complaints Procedure would be considered at the next scheduled meeting.

5. Reports from the Police and Crime Commissioner

(a) Finance Report and Budget Plans

The Panel received report EPCP/022/15 by the Treasurer to the Commissioner’s Office which provided the Panel with:

- i) The 2015/16 month 6 (April to September) revenue and capital payments and receipts compared with budget;

- ii) Progress in allocating PCC community safety funding for the year to date (April to October); and
- iii) Emerging budget issues that will inform early discussions on the 2016/17 budget and precept.

The following points were made during the ensuing discussion.

- As a result of the unexpected news in the Autumn Statement 2015 that police budgets would be protected in line with inflation, the Police and Crime Commissioner and the Chief Constable were reviewing the impact of this on the Essex Police budget.
- The Government would confirm its grant funding for Essex Police on 17 December 2015. Some funding may be “top-sliced” at a national level for specialist functions, such as increasing the number of trained firearms officers in the aftermath of the Paris terrorist attacks. The Commissioner anticipated that Essex Police would still be required to fill a £10-12m funding gap in 2015/16.
- The formal staff consultation with Unison around the proposals to reduce the number of PCSO posts in Essex was continuing. The Chief Constable anticipates that he would need to give affected staff a decision on the proposed cut backs by 7 December. It was not known at this stage whether a reduction in PCSO numbers would still go ahead. The Panel agreed that it would like details of the Chief Constable’s decision as soon as it was known.
- The Commissioner reported that he was disappointed with the lack of progress regarding the Government’s decision to defer its proposal to 2017/18 for changes to the formula grants. The Panel noted that Essex will continue to lobby for a fair and transparent funding formula.
- The Commissioner confirmed that the Estate changes would go ahead as planned.
- The Treasurer undertook to provide an updated table (refer page 14, Table 1) which would show the detailed reasons for the forecast 2015/16 budget overspend.
- The Panel expressed concern regarding the overspend arising out of the renewal of hardware and software licences, including the renewal of the licence agreement with SAP. The Panel was reassured that the situation had now been resolved and there was confidence that it would not reoccur in the future.
- In response to a question from John Gili-Ross regarding whether the Chief Constable employed staff with the appropriate level of skills for operating effectively in the future, the Commissioner explained that the Chief Constable was focused on professionalising Essex police staff.

- It would be helpful if the changing nature of crime and its complexity could be emphasised in future reports.

The Panel agreed that it would like details on the impact of the Autumn Statement and Government's funding grant as soon as the Chief Constable was in a position to outline his recommendations on the allocation of money.

(b) Annual Report

The Panel received report EPCP/023/15 by the Commissioner presenting his draft Annual Report for 2014/15.

The Panel welcomed the report for the clarity of the information and the format.

The following points were made during the ensuing discussion.

- With reference to Page 48, and the Targeting of Class A drug suppliers, the Panel indicated that with the perceived increase of crime gangs in Essex, consideration should be given to targeting all drug users.
- With reference to Page 53, the total number of crimes recorded in 2014/15 would be amended to read as 99,740 offences.
- With reference to Page 53, Public Satisfaction, the Panel suggested that more detail was required on who and how the statistical data was captured.
- A glossary of acronyms would be helpful.
- The Panel suggested that all information relating to 'hot' topics ie speeding, could be combined in one place to make the Report more accessible.

The Commissioner thanked the Panel Members for their comments and indicated that the Annual Report would be published online in December.

(c) Ethics and Integrity

The Panel received report EPCP/018/15 from the Assistant Director of Performance and Scrutiny providing an update on the work around ethics and integrity within Essex Police and the Crime Commissioner's Office.

The Members noted the report and the work currently underway in relation to the Police Code of Ethics.

The Panel indicated that it would welcome a copy of the results of the PEEL annual assessment once available.

6. Leadership, ethics and accountability: The Panel's draft response to the inquiry by the Committee on Standards in Public Life

The Panel considered report EPCP/021/15 from the Secretary to the Panel providing a draft response to be sent on behalf of the Panel by 29 November 2015.

The Panel agreed the proposed recommendations and draft response. The Secretary to the Panel confirmed that he would submit the Panel's response by the deadline.

7. Part-Night Lighting review

The Panel welcomed a briefing paper from Essex Police concerning part-night lighting which included comparative police data pre and post implementation relating to crime, and an overview of the national LANTERNS project.

The Commissioner highlighted the outcome from the LANTERNS project that there was no discernible evidence to suggest that reducing night-time street lighting had a negative impact on road accidents and crime. He also confirmed that the impact of part-night lighting would continue to be monitored.

Panel Members noted the briefing paper and indicated that this information would be helpful for them in their local district decision-making roles.

8. Forward Look

The Panel considered report EPCP/019/15 by the Secretary to the Panel concerning the planning of the Panel's business.

The Panel agreed to the suggestion that it would be helpful to receive quarterly updates on the Transformation Programme, which would include details of the public contact programme, technology, and estates. A separate update would be provided on the Athena project.

The Commissioner acknowledged that the Members wished to receive his End of Term report at the scheduled Panel meeting on 18 February 2016.

9. Update on On-going Issues

The Commissioner provided the Panel with a brief update on the following:

- Further regional collaboration was underway to explore how Essex Police would cope in response to a major terrorist attack.
- The appointment of Matthew Horne as the new Deputy Chief Constable, Essex Police.
- The continuing search to acquire a new Essex Police Headquarters site.

- The awaited report and anticipated outcomes from HMIC on Essex Police performance in relation to safeguarding.
- The IPCC investigation into the way Essex Police handled a suspected rape inquiry against Lewis Daynes. Essex Police had been exonerated in how it had proceeded at the time.
- Essex having the highest murder rate in the UK since April 2015, and the surge over the past three years in crime associated with drugs and gangs.

The Panel agreed that it would be useful to receive 'heat' maps showing the spread of crime across the County.

10. Date of Next Meeting

The Panel noted that the next formal meeting would take place at 2.30 pm on Friday 29 January 2016, in Committee Room 1, County Hall, and that this would be preceded by a private pre-meeting starting at 1.45 pm.

Chairman
29 January 2016

AGENDA ITEM 5

Essex Police and Crime Panel	EPCP/01/16
Date: 29 January 2016	

Actions arising from the last meeting

Report by the Secretary to the Panel

Enquiries to: Colin Ismay: 033301 34571 colin.ismay@essex.gov.uk

Purpose of report

To highlight matters raised at the last meeting requiring further action and to indicate the action taken.

Minute No	Action required	Action taken
5(a) Finance Report and Budget Plans	Panel to receive information on Chief Constables plans for the number of PSCO posts as soon as possible	This is covered in the January Precept paper
5(a) Finance Report and Budget Plans	The Treasurer to provide an updated table (page 14 table 1) showing details of the forecast budget overspend	This will be circulated by the Treasurer
5(a) Finance Report and Budget Plans	Panel to receive information on the impact of the Autumn statement as soon as possible	This is covered in the January Precept paper
5(c) Ethics and Integrity	Panel to receive a copy of the PEEL annual assessment once available	Circulated once available
9 Update on Ongoing Issues	Panel to receive "heat maps" showing the spread of crime across the County	This is being considered for future reports

Meeting: Police and Crime Panel for Essex
Date: 2.30pm: 29th January 2016
Venue: County Hall, Chelmsford

Proposed Precept for 2016/17

Contacts: Nick Alston, Essex Police and Crime Commissioner
Charles Garbett, Treasurer

1. Purpose of Report

- 1.1 To present the Police and Crime Commissioner's (PCC) proposed precept for 2016/17.
- 1.2 In support of this proposal, the PCC highlights unavoidable cost pressures of £12.4m and the need to continue the transformation of policing services across Essex in order to meet the challenges of 2020 and beyond.
- 1.3 In addition to this cover paper, the report also contains the following attachments:
 - Annex 1: Detail of proposed revenue and capital budgets and precept proposal
 - Appendix A: Budget summary,
 - Appendix B: Revenue budget summary
 - Appendix C: Police Objective Analysis
 - Appendix D: 5 Year Capital Programme
 - Appendix E: Capital resource and expenditure forecast
 - Appendix F: Reserves
- 1.4 The Police and Crime Panel is invited to review the report and comment on the precept proposal.

2. Funding Overview

- 2.1 The provisional police grant settlement announced by the Government in December 2015 contained largely good news for Essex Police because overall funding for the county has been stabilised for 2016-17 and future planning can now be undertaken with more confidence and clarity. An ambitious programme of transformation involving police estates, public contact, technology, and the police operating model that underpins it, has commenced, to help prepare Essex Police to meet the demands of today and the future.
- 2.2 A summary of the overall funding situation is as follows:

- The overall base budget for Essex Police in 2015/16 was £262.5m
- If there was no change to local funding through council tax, this would rise by £0.8m to £263.3m in 2016/17
- However, Essex Police faces new and unavoidable cost pressures of £12.4m in 2016/17. These are explained in detail in Annex 1.

3. Challenges

- 3.1 Essex Police has been historically underfunded, both in comparison with other forces and to meet the increasing levels of demand across the county. Essex has the second lowest policing precept across shire counties, with recent HMIC analysis for 2015-16 showing that for Band D properties, Essex received £27.90 less than the national average of £175.10. This means that Essex would have gained an additional £16.7m for the financial year 2016-17 if set at the national average.
- 3.2 The Home Office is continuing with its review of the national Police Funding formula. This work was due to report last year, but owing to a technical error the proposals that had been presented in draft were dropped and work is due to start again this year. Under this draft formula, Essex looked set to gain in the region of £10m. As there will be police forces that are potentially significant gainers and losers, it is not wise to anticipate an increase in grant at this stage but it is hoped that the initial work demonstrating that Essex is underfunded may be reflected in the new formula grant.
- 3.3 HMIC VFM profiles¹ have consistently shown Essex Police to be one of the most efficient forces across the country. In their 2015/16 profile, HMIC highlighted the fact that Essex Police has the lowest cost of policing to the tax payer per head of population. Essex is already made significant efficiencies. It has a deep programme of collaboration with Kent Police, including sharing of back office functions, and is collaborating ever more closely with other forces in the eastern region and with wider public sector partners.
- 3.4 In comparison with other forces PCC has the lowest revenue reserves. With a low funding base and the fact that Essex Police has already delivered considerable efficiencies, this presents a considerable challenge.
- 3.4.1 The low funding base, coupled with the fact that Essex Police has already delivered considerable efficiencies, presents challenges. This is particularly so in the light of the new and unavoidable cost pressures of £12.4m that Essex Police faces in 2016/17. (See Annex 1 for detail) and the fact that Essex Police has the lowest levels of reserves in the country

¹ <https://www.justiceinspectorates.gov.uk/hmic/publications/essex-2015-value-for-money-profile/>

4. Transformation Programme

- 4.1 Essex Police must also respond to the new and emerging crime patterns across the county. Whilst police continue to respond to acquisitive crime, they are now dealing with significant increases in cases of ‘hidden harms’ such as child sexual exploitation, domestic abuse, sexual violence and other kinds of hidden, serious crime. In addition, there is a growing increase in on-line abuse and cyber enabled crime such as fraud and data theft as examples, as perpetrators move on-line to commit offences. This necessitates a significant shift in resource and focus into these areas where the risk of harm is greatest, and which are complex in nature, officer and staff intensive and quite rightly subject to high levels of personal accountability and public scrutiny. Essex Police must be properly equipped, resourced and trained to respond to these crimes.
- 4.2 Serious and organised crime generates additional threats such as modern slavery, gang related violence and human trafficking. Terrorism has also become much more fragmented and complex in nature. This requires an aggregated response across police forces where specialist resources are brought together to ensure such threats are tackled effectively.
- 4.3 The Essex Police Transformation Programme is seeking to transform its people, estates, technology and public contact to ensure it can respond to these new and emerging crime patterns and continue to keep the public of Essex safe. This requires further investment in public protection services including more specialist police officers and staff to tackle horrific crimes such as child abuse, domestic violence and child sexual exploitation; investment in the transformation of the police estate involving the sale of old, costly and inefficient police buildings and movement into more agile and efficient ways of working; investment in mobile policing technology to reduce bureaucracy and free up officer time. This £100m investment programme will help to re-shape policing services to meet the challenges of 2020 and beyond.
- 4.4 Half of these funds can be found from efficiencies and if agreed through increased precept. However, regrettably it is local policing that has to be reduced by around £7.44m to meet these competing and serious demands. However, it is clear that it is the subject of genuine public concern. Having listened carefully to the concerns raised by the public, it is proposed to keep more PCSOs than previously announced with the number now at 90 posts in total, in addition to those funded directly by local authorities. The new Community Policing teams will work closely with response officers to continue to address local concerns and stay connected with their local communities.
- 4.5 In conclusion, despite the government’s police grant settlement, the financial position for Essex Police remains challenging. As well as the cost pressures of £12.4m for 2016/17, Essex Police will be required to make savings of £23.4m over the next 5 years. It is essential that Essex Police continues to be as efficient as it can be, and to this end the Chief Constable has committed to deliver further efficiencies through better use of technology, improvements to absence management, collaboration with other forces alongside a range of other initiatives.

5. Budget Overview

- 5.1 The attached Annex 1 and Appendices provide details on both the revenue and capital budget for 2016/17.
- 5.2 In order to respond to the challenges set out in sections 4 and 5, it is right to consider options to raise the police precept levels. The government has stated that in areas of historically low precept levels such as Essex, Police Crime Commissioners can increase the policing part of council tax by 3.36% which is just under 10p a week, or £4.95 a year in 2016/17. Such an increase would lead to an increase in the Essex Police budget of £3.8m, to £266.3m, from which the £12.4m cost pressures need to be absorbed.
- 5.3 Other options could be a 0% increase, or a 2% increase which is the maximum level that PCCs who are not in low precept levels can increase to. Neither the 0% nor 2% option would enable Essex Police to meet the cost pressures of 2016/17 let alone deliver on improvements needed to meet the new demands of policing.

6. Recommendation

- 6.1 The PCC proposes to increase the precept (the policing part of the council tax) in 2016/17 to the maximum permitted by the Government before a referendum is triggered.
- 6.2 The PCC therefore recommends a precept increase of 3.36%, equivalent to an increase of £4.95 a year from £147.15 to £152.10 for a Band D property, thus raising £3m of additional council tax receipts.
- 6.3 The Police and Crime Panel is invited to review and report on this proposed precept.

ANNEX 1

Preparing for the 2016-17 Proposed Precept

1. HMIC Value for Money Profile

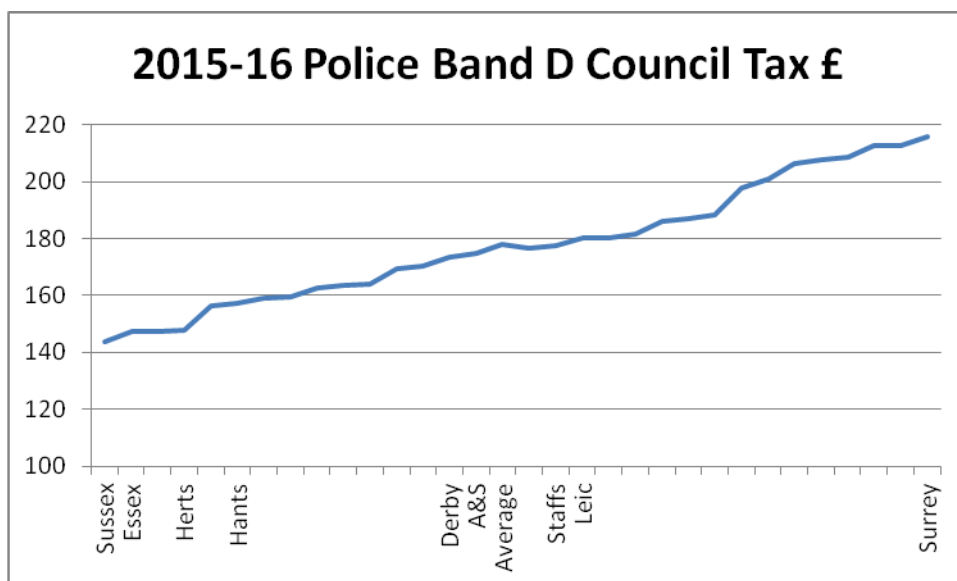
1.1 HMIC's Value for Money Profile 2015¹ highlights how the Essex Police compares with all forces in England and Wales and also the most similar group (MSG) of forces to Essex². They highlight the following features that demonstrate that Essex is a lean Force:

- Lowest total cost of policing to the taxpayer per head of population
- Below average number and cost of police officers, PCSOs and staff
- Above average spending on the operational front line
- Second lowest non staff costs as a proportion of workforce costs
- Support service costs in the lowest quartile

1.2 Some comparisons, however, indicate that there is scope for improvement and these are also worth highlighting:

- Police overtime is above average
- Local policing costs are below average and this is referred to within this paper
- Local policing command team are above average

1.3 HMIC shows that the 2015-16 Band D Council Tax of £147.15 for policing services for Essex is £27.90 less than the all force average of £175.10 and £15.60 less than that of the MSG average of £162.77. A comparison with thirty other English forces is shown in the graph below:



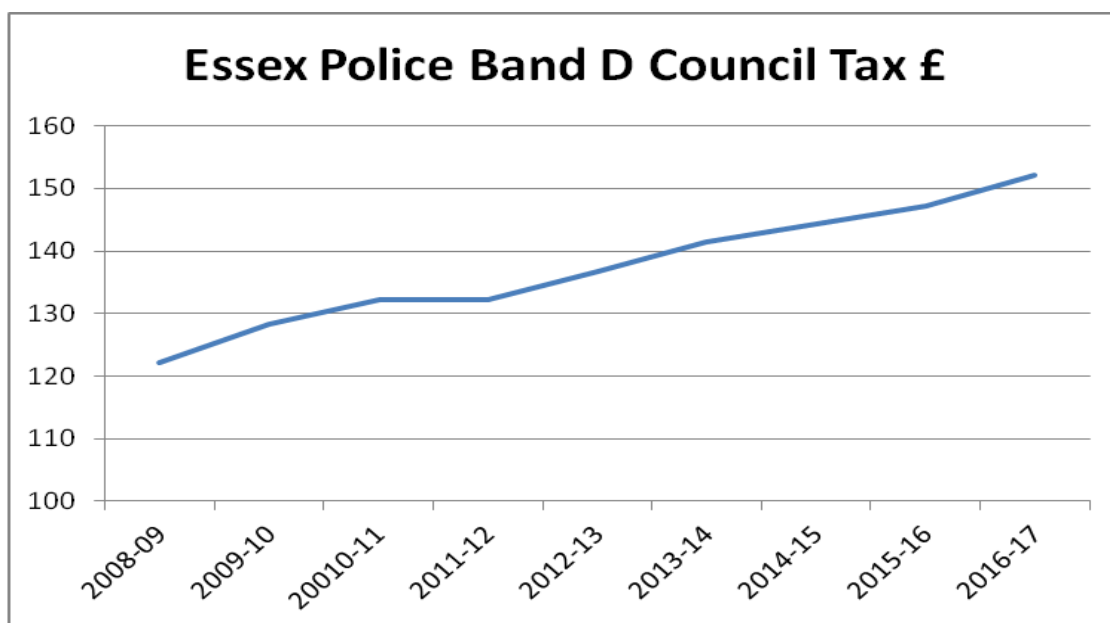
¹ <https://www.justiceinspectors.gov.uk/hmic/publications/essex-2015-value-for-money-profile/>

² The most similar group of forces to Essex are Derbyshire, Sussex, Leicestershire, Staffordshire, Hampshire, Avon & Somerset and Hertfordshire.

- 1.4 The amount of council tax yielded by Essex would have been approximately £16.7m more if set at the average level for all forces and £9.3m at the average level for the MSG.
- 1.5 The anticipated yield from council tax position of Essex in 2016-17 is unlikely to change in comparison with other forces. Early indications are that the majority of PCCs are likely to set a maximum council tax of 1.9% and of the 10 forces in the lowest precept quartile most will be proposing the maximum £5 increase.

2. Council Tax Options 2016-17

- 2.1 The Government has officially recognised the PCC for Essex as a low precepting authority. Locally, the recognition of this status goes back many years and the more recent precept increases have reflected an attempt to address this position.



- 2.2 There are many council tax increase options that could be highlighted and the obvious ones are 0%, 2% and 3.36%. The 2% increase being the level that the Government has determined is the maximum increase in council tax that the majority of PCCs can set before the increase becomes 'excessive'. For low precepting PCCs, including Essex, the £5 per year applies. A £4.95 increase on the Band D council tax for police results in a 2016-17 level of £152.10, which for administrative convenience for the billing authorities is divisible by 9.
- 2.3 The additional cash yield from the three council tax options is shown below. The additional £1.5m arising from a 0% increase in council tax arises from the increased taxbase of 10,521 (1.75%) properties from 598,581 to 609,102 in the last year.

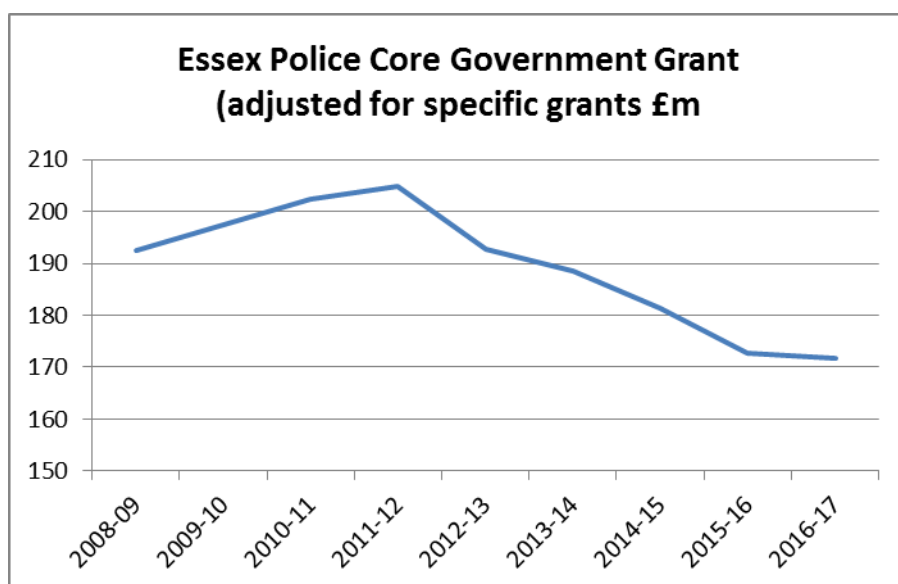
2016/17 Band D Police Council Tax Options

2015/16 Police Council Tax	2016/17 Increase	2016/17 Increase	2016/17 Police Council Tax	Additional Cash
£/pa	%	£/pa	£/pa	£m/pa
£147.15	nil	nil	£147.15	£1.5
£147.15	2.0	£2.88	£150.03	£3.3
£147.15	3.36	£4.95	£152.10	£4.5

- 2.4 The additional £4.5m cash yielded from a 3.36% council tax increase plus the additional £0.2m surplus on the collection fund offsets the £0.9m loss of grant to enable the total base budget to increase by £3.8m. With a one-off cost amounting to £1m in 2015-16 that is not needed in 2016-17 the affordable base budget increase is £4.8m.

3. Government Grant

- 3.1 The PCC has received a provisional Government grant allocation for 2016-17 of £171.8m, a £0.9m reduction from 2015-16. The headline from the Home Office is that no PCC will face a cash reduction in formula funding³ plus legacy council tax grants plus precept income (as long as they maximise their precept)⁴.
- 3.2 The downward trend for Government grant support started in 2011-12 in order to achieve the Government's target of a small surplus of tax receipts over public service spending by 2019/20, ideally earlier. The Government's core grant (consisting of Police Grant + DCLG Grant + Legacy Grants⁴) for Essex Police is shown below adjusted for specific grants to provide a meaningful year on year comparison.



³ Police Grant plus DCLG Grant is referred to as 'formula' funding

⁴ Legacy Grants consist of Council Tax Freeze Grant and Council Tax Support Grant)

- 3.3 Government grant in 2013-14 was subject to two significant changes; neighbourhood policing and community safety grants were no longer provided as a specific grant and included in the core grant whilst the council tax benefit support grant was paid directly to precepting bodies and the tax base reduced in compensation.

Review of Government Grant Formula

- 3.4 'Formula grant' is determined by a formula based on the local authority 4 block model, itself consisting of sub-formula based on the policing needs of the area, the council tax resources available, a standard amount and 'damping'. The formula has, in effect, being frozen since 2013-14 with the base formula amount overridden by use of the 'damping' mechanism to ensure that all PCCs receive approximately the same percentage reduction in formula grant.
- 3.5 The Government intend to replace the formula with effect from 2017-18 after the problematic attempt for 2016-17. At the time of writing the approach to be taken by the Government to ensure delivery of an agreed formula had not been established.
- 3.6 During 2015 the work undertaken by the Home Office showed that Essex would gain additional grant with the introduction of a new formula and this has some resonance with earlier extrapolations which indicated that 'damping' cost Essex several million pounds. Nevertheless, there is much work to be undertaken during 2016 on the new formula and it is wise at this stage not to assume any gain in forward MTFS projections.

Gearing

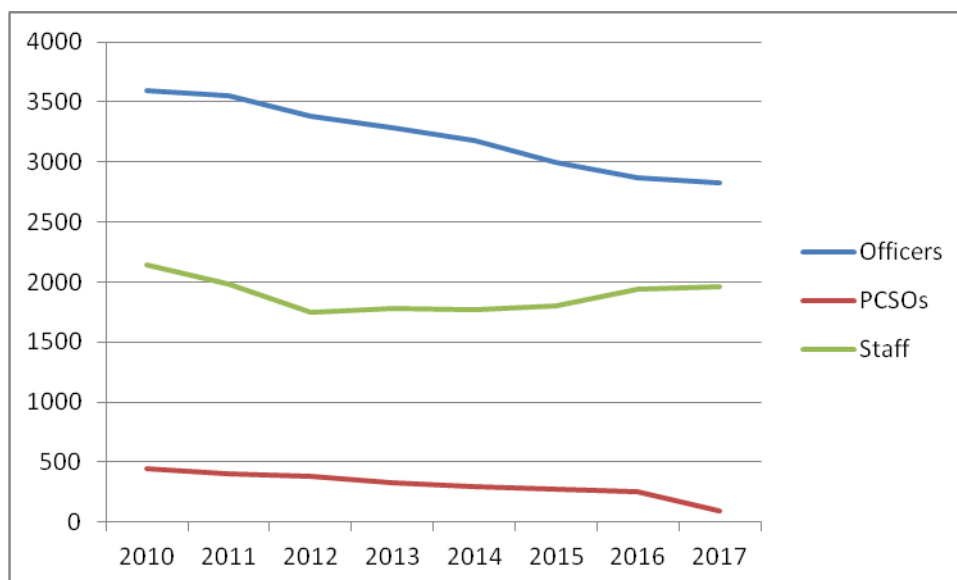
- 3.7 Gearing refers to the proportion of total income received from Government grant and council tax. The implications are that if Government grant represents a major proportion of total income, this highly geared position results in a small change in Government grant having a significantly higher impact on council tax.
- 3.8 The most highly geared Force is Northumbria with Government grant accounting for 85% of its income whereas Surrey has the lowest proportion at 46%. The Essex proportion is 62%, around two thirds of total income with council tax being one third.
- 3.9 For 2016-17 a loss of £0.9m Government grant represents a 0.5% reduction on a total grant of £172.7m but a 1% increase in council tax is needed. Essex is therefore fairly highly geared and it's financing sensitive to changes in Government grant.

'Double Whammy'

- 3.10 A colloquial term but fairly reflects the combined impact of 'damping' and 'gearing'. With the uncertainty of future grant and the consequential impact on council tax an increase in council tax up to the permissible level of £5 per year would, particularly with the buoyancy of the taxbase, provide a more secure funding base.

4. Police Officers/PCSOs/Staff

- 4.1 Since 2010 and up to 31 March 2017 the number of Police Officers will reduced by 750 (20%), PCSOs by 355 (80%) and staff by 182 (8%).



- 4.2 The changes proposed by Essex Police in 2016-17, and in the longer term, rebalance available resources shifting people and money towards those areas posing the greatest level of harm to communities. The Police Objective Analysis (POA) shows the 2016-17 budgets based on the three potential council tax options in Appendix C.
- 4.3 The following table sets out the impact of the 2016-17 budget proposals on budgeted FTE during the year. The reason for the overall increase in police staff posts is largely down to a significant investment in public protection.

	Police Officers	PCSOs	Staff
1 st April 2016	2,865	250	1,941
Net reduction	(42)	(160)	22
31 st March 2017	2,823	90	1,963

Future Officer/PCSO/Staff numbers

- 4.4 Beyond the 2016-17 civilianisation plans already identified there are no further plans envisaged. Attention is then drawn to the number of Police Officers and the intention of both the PCC and Chief Constable is that Police Officer numbers should not fall below 2,800.

5. 2016-17 Budget Variations

- 5.1 The 2016-17 variations are shown in Appendix A and consist of:
- i) Unavoidable cost pressures
 - ii) Service changes needed to address the challenges
 - iii) Changes required to release savings
 - iv) Costs of change

Unavoidable Cost Pressures

- 5.2 The 2016/17 Budget Summary, Appendix A, shows that a budget £12.4m has been set aside to cover unavoidable cost pressures including contractual and pay inflation, increments, pension changes and national insurance (NI) provision.

Service changes needed to address the challenges

- 5.3 The further investment of 100 FTE officers and staff in the Public Protection Unit provides additional strength to the police service facing a new crime challenge. Police have continued to respond to acquisitive crime but are now dealing with significant increases in cases of child and adult safeguarding and domestic abuse as two examples of the complexity that the service must respond to. Hidden harm and associated crimes are complex in nature, staff intensive and police officers dealing with them are rightly subject to high levels of personal accountability and public scrutiny.

- 5.4 As the public carries out more and more daily business online, the threat from cybercrime grows. Whether this is fraud, data theft, grooming and exploitation of children or stalking and harassment. While more traditional or recognisable crimes continue to require a police response, policing has to focus on protecting people from serious harm through the development of new tactics and capabilities. The investment of 20 staff in digital crime investigation will allow Essex Police to better deal with the significant increase in demand and provide a better, faster and more informed response to on-line crime.

- 5.5 The 2016-17 budget includes £4.5m to address the above challenges.

Changes required to release savings

- 5.6 Changes to neighbourhood policing will be required and will save £7.44m. This change involves a reduction of 160 PCSO posts and is made in the recognition of emerging crime and harm patterns that necessitate other skills in Essex Police. There will also be a reduction in front counter provision across Essex, which will be supported by better online access and will save £1.87m.
- 5.7 There will be a review of structures, supervision, working arrangements and partnership funding which will save £1.9m. The review will maintain the current levels of firearms capability in line with the renewed focus following the recent Paris attacks.

- 5.8 There will be other savings arising from costs such as fuel and forensic analysis, and the national police air service which come to £2.9m, as well as back office efficiencies in the Support Services Directorate at £1.13m. A restructure in the Serious Crime Directorate will save £500k, and savings from a restructure within the Criminal Justice function will come to £1.3m. Finally, there will be other operational reviews and in-year savings of £56k.
- 5.9 The savings released by these changes will total £17.6m.

Costs of change

- 5.10 Redundancy costs along with excess mileage payable to staff following departmental restructures are estimated to cost £1.9m.
- 5.11 There are a series of one-off costs associated with the unavoidable cost pressures and service improvements amounting to £3.6m.

6. Community Safety Grants

- 6.1 The PCC proposes to maintain the 2016-17 budgets for community safety grants at the same level as 2015-16.

Community safety funds	2015/16 Budget £k	2016/17 Budget £k
Community Safety Fund	2,199	2,199
Community Safety Development Fund	300	300
Victims/restorative commissioning	1,871	Awaiting Figure from MoJ
Total	4,370	TBD
Specific Government Grant	-1,871	TBD
Net PCC Grant Budget	2,499	TBD

- 6.2 The Victims/restorative Commissioning grant from the Ministry of Justice has not yet been received.
- 6.3 Community safety grants are included in Appendix C as part of the £4.65m budget shown for the PCC consisting of £1.3m for the OPCC, £0.6m for the council tax sharing agreement with local authorities in Essex and community safety grants of £2.75m.

7. Transformation Programme

- 7.1 By 2020 The Essex Police Transformation Programme recognises the need for long term investment in estate, IT and public contact to continue to provide effective policing for communities in the modern world. The core components of the programme are:

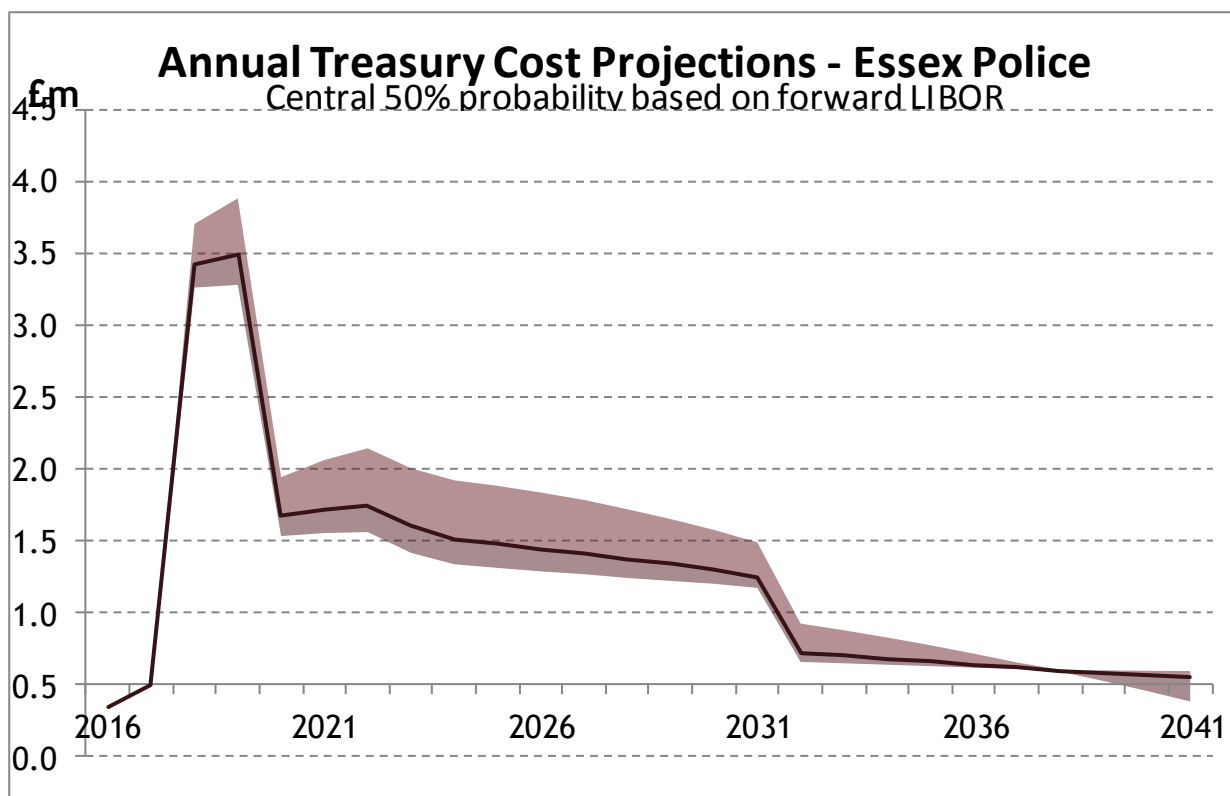
- i) **Estates** – the force plans to rationalise the number of buildings reducing from 80 to nearer 30. This ambition includes a desire to build a new efficient HQ enabling the rationalisation of a significant number of outdated and expensive buildings. Although the overall estate investment requires a significant amount of capital borrowing over the next 3 to 5 years the subsequent sale of assets allows much of the debt to be repaid toward the end of that period.
- ii) **IT and mobile policing** – the force needs to make significant investment in mobile technology and the wider IT infrastructure to allow officers and staff the freedom and agility to provide services to the public at the point of contact. The current model of officers returning to the police station to update systems and submit paperwork is slow and highly inefficient. The force is behind a number of other forces and most private sector service providers in adopting this technology. A detailed business case will be presented to the PCC in 2016 setting out the case for this investment.
- iii) **Public contact** – In April 2016 the force will introduce on-line crime reporting and develop a range of other virtual services. This will provide greater choice to the public, offer faster and more professional services and enable significant efficiencies and opportunities for collaboration with other forces and service providers across a range of functions including control room and non-emergency call handling functions.

Capital Investment Programme

- 7.2 The individual projects that constitute the capital programme and funding is shown in Appendix D and E, summarised below:

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	Total £m
Capital Expenditure	35.2	29.2	18.9	15.5	6.7	105.5
Funded from capital grant and capital receipts	9.2	6.2	37.5	14.3	3.6	70.8
Forecast borrowing/(repayment) each year	26	23	(18.6)	1.2	3.1	34.7

- 7.3 The forecast cost of borrowing over the next twenty five years is shown below. The Transformation Board have plans in place to meet the cost of borrowing from revenue savings generated through a streamlined estate.



8. Medium Term Financial Strategy (MTFS)

- 8.1 The updated MTFS based on a £5 per year maximum council tax increase for the current parliament to 2019-20 is as follows:

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Annual growth/(savings) target	(17.6)	(6.2)	1.6	1.3	(2.5)
Cumulative	(17.6)	(23.8)	22.2	20.9	(23.4)

- 8.2 The financial benefit of delivering savings in the earlier years reduces the forecast need for savings in later years.

9. Use of Reserves

- 9.1 At 9% of net revenue expenditure Essex had the lowest reported revenue reserves (general plus earmarked) of all forces in England & Wales in 2013-14. This was highlighted by the National Audit Office in June 2015.
- 9.2 Appendix F shows that total revenue reserves at the end of 2016-17 are forecast to be £14.4m, equivalent to 5.4% of net revenue expenditure. This level of reserves must be maintained in future years in order to ensure that working capital requirements are met and a minimal contingency is available for unforeseen events.

10. Robustness of Estimates

- 10.1 Section 25 of the Local Government Act 2003 requires that the Treasurer reports to the PCC when he is considering his budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so that the PCC will have authoritative advice available to him when he makes his decision. Section 25 also requires the PCC to have regard to the report in making his decisions.
- 10.2 The decision on the level of the council tax precept is taken before the year begins and cannot be changed during the year, so allowance for risks and uncertainties that might increase spending above that planned, must be made by:
- i) Making prudent allowance in the estimates for each area of spend
 - ii) Ensuring that there are adequate reserves to draw on if the estimates turn out to be insufficient
- 10.3 These matters are more critical each year as the scale of transformation and budget reductions present a challenge.
- 10.4 The following matters are taken into account when assessing the adequacy of reserves:
- Assumptions about inflation / deflation
 - Estimates of the level and timing of capital receipts
 - Treatment of demand led pressures and savings
 - Financial risks inherent in any significant new development
 - Financial standing (level of borrowing and debt)
 - Track record on budget management
 - Capacity to manage in-year budget pressures
 - Year-end procedures in relation to over and underspends
 - Strength of financial information and reporting arrangements
 - Adequacy of insurance arrangements
- 10.5 The level of general reserve as at 31 March 2017 will represent 4.9% of net revenue expenditure. This level of reserves is at the absolute minimum. As a consequence any authorised overspending of the total budget during the financial year will require additional savings to be generated in subsequent years in order to ensure an adequate level of general reserves is maintained. The PCC's Treasury Management Strategy 2016-17, to be published before 1st April 2016, will address this matter in detail.
-

2016/17 Budget Summary		
2015/16 Original Budget - Budget Book Net Expenditure	£000 262,512	Includes one-off expenditure and funding from reserves
Adjustment for use of reserves and one-off items in 2015/16	(1,029)	From 2015/16 budget setting
2016/17 Base Budget	261,483	As per MTFS
0. Pre 2016/17 Activity		
Pay	(102)	Includes Sept 2015 payrise, reduction in pension costs & turnover changes
National Employment Appeal Tribunal Case on the calculation of holiday pay (Bear Scotland)	660	
Income increase	(100)	Increase in Private Hire income budgets
Growth from previous budget settings no longer required	(33)	
Transform - Pay Savings	(4,987)	Savings from 2016/17 structure changes changed in 2015/16 - includes Neighbourhood Policing and Support Services
Transform - Non Pay savings	(2,074)	Includes £655k for fuel and £436k for Forensic Analysis
Total 0. Pre 2016/17 Activity	(6,636)	
2016/17 Base Budget after adjustment to 15/16 base for pre 2016/17 activity	254,847	A reduction of (£7.7m) to the 2015/16 baseline budget
1. Unavoidable Cost Pressures		
Pay inflation	1,203	Based on 1%
Pay (not inflation) e.g. increments/pension changes	2,165	Includes increments of £2.4m
Pay national NI changes for Contracted Out	4,524	
Contractual Inflation	497	
Insurance Claims expenditure & contribution to provision	1,100	
Green Capital Programme - Revenue Consequences	366	
Amber Capital Programme - Revenue Consequences	76	
Historic Minimum Revenue Provision (internal debt)	(500)	
SCD, IT and Support costs	2,576	Includes £650k increase for SCD and £1.7m IT
Total 1. Unavoidable Cost Pressures	12,007	
2. Service changes needed to address challenges		
Public Protection Unit	1,900	Includes investment of 100 fte's
Cyber Crime	103	
Digital team and Local Policing	2,000	Includes investment of 40 fte's
Learning & Development and Data Analysts	508	
Total 2. Service changes needed to address challenges	4,511	
3. Cost of change needed to fund 2 above		
Severance & Excess Mileage costs from restructures	1,928	Service reduction across a range of departments
Total 3. Cost of change needed to fund 2 above	1,928	
4. Short term one off costs		
Public Protection Unit - One-off	406	Transition costs of implementing the new structure
In-year savings shortfall - one off	472	Based on delayed decisions - PCSO's
Green Capital Programme - One-off revenue costs	232	
Amber Capital Programme - One-off revenue costs	1,223	Based on 75% of bids
Cost of Borrowing	253	Investment income offset with Interest charges
Revenue Cost Pressures	1,122	Includes £926k investment in Information Technology
Fuel - deflation	(100)	
Total 4. Short term one off costs	3,608	
Additional Savings in 2016/17		
Transformation Programme	(10,281)	Includes PCSO's and Front Counter changes. Total Transform savings in 2016/17 = (£17.3m) - see Transform savings in pre 16/17 activity above
One-off savings required	(341)	
Total Additional Savings in 2016/17	(10,622)	
2016/17 Final Budget requirement	266,279	
Source of Funding		
HO Core Police Grant - a reduction of £0.588m - 0.57%	102,784	2015/16 £103.372m (2014/15 £110.111m)
HO formula Grant (ex DCLG grant) a reduction of £0.321m - 0.57%	55,932	2015/16 £56.253m (2014/15 £58.110m)
Council Tax Freeze grant (2011/12)	2,133	2015/16 £2.133m (2014/15 £2.133m)
Council Tax Support Grant	10,992	2015/16 £10.992m (2014/15 £10.992m) - for reduction in taxbase from 13/14
Council Tax precept	92,644	2015/16 £88.081m (2014/15 £84.545m). Based on taxbase growth of 1.76% & 3.36% precept increase.
Collection Fund surplus	1,794	2015/16 £1.680m (2014/15 £1.064m, 2013/14 £0.406m & 2012/13 £0.101m).
2016/17 Total Funding	266,279	2015/16 £262.511m (2014/15 £266.955m).
Surplus / (deficit)	0	
Council Tax Band D (£147.15 2015/16, £144.27 2014/15)	£152.10	
CT Increase % (1.996% 2015/16, 1.97% 2014/15 & 2013/2014)	2.76%	
Increased cost to Band D property / pa (£2.88 in 2015/16)	£4.95	
Additional Weekly Cost (6 pence in 2015/16)	£0.10	
Tax base - number of properties (598.581m in 2015/16)	609,102	

POLICE & CRIME COMMISSIONER FOR ESSEX
REVENUE BUDGET SUMMARY 2016/17
Subjective Analysis

Council Tax Precept Increase			3.36%	2.00%	0.00%
	2014/15 Actuals	2015/16 Original Budget	2016/17 Estimate	2016/17 Estimate	2016/17 Estimate
	£000	£000	£000	£000	£000
Employees					
Police Officer Pay and Allowances	170,454	164,939	163,656	162,840	162,255
PCSO Pay and Allowances	8,050	7,328	3,449	3,449	2,378
Police Staff Pay and Allowances	65,178	67,655	68,340	67,896	67,812
Training	859	896	804	804	804
Other Employee Expenses	910	433	2,003	2,003	2,003
Police Officer Pensions (Ill Health & Medical)	4,686	4,561	4,561	4,561	4,561
Premises	11,098	10,303	10,113	10,113	10,113
Transport	5,344	5,693	4,605	4,605	4,605
Supplies and Services	24,327	20,726	24,138	24,138	24,138
Third Party Payments	6,426	5,164	5,416	5,416	5,416
Transform savings to be identified	0	(2,495)	0	0	0
Gross Operating Expenditure	297,332	285,203	287,085	285,825	284,085
Total Income	(29,602)	(22,591)	(23,179)	(23,179)	(23,179)
Net Cost of Services	267,730	262,612	263,906	262,646	260,906
Interest Receivable / Payable	(200)	(243)	2	2	2
Net loss/(surplus) on the disposal of fixed asset	38	32	32	32	32
Net Operating Expenditure	267,568	262,401	263,940	262,680	260,940
Capital & Other Adjustments	3,112	1,000	2,339	2,339	2,339
Net Expenditure	270,680	263,401	266,279	265,019	263,279
Contribution to/(from) Earmarked Reserve	(1,622)	1,180	0	0	0
Contribution to/(from) General Reserve	(2,103)	(2,070)	0	0	0
BUDGET REQUIREMENT	266,955	262,511	266,279	265,019	263,279
Finance by:					
Police Grant	(110,111)	(103,372)	(102,784)	(102,784)	(102,784)
Home Office Formula Grant (previously DCLG)	(58,110)	(56,253)	(55,932)	(55,932)	(55,932)
Council Tax Freeze Grant	(2,133)	(2,133)	(2,133)	(2,133)	(2,133)
Council Tax Support Grant	(10,992)	(10,992)	(10,992)	(10,992)	(10,992)
Council Tax Precept	(84,545)	(88,081)	(92,644)	(91,384)	(89,644)
Collection Fund Surplus	(1,064)	(1,680)	(1,794)	(1,794)	(1,794)
Sources of Finance	(266,955)	(262,511)	(266,279)	(265,019)	(263,279)

REVENUE BUDGET SUMMARY 2016/17

Objective analysis

Police Objective Analysis**Council Tax Precept Increase****3.36%****2.00%****0.00%**

Function	2014/15	2015/16	2016/17	2016/17	2016/17
	Actuals	Original	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Local Policing	79,027	77,908	72,829	72,329	70,757
Dealing with the Public	14,020	17,405	15,264	15,264	15,264
Criminal Justice Arrangements	16,805	18,043	17,328	17,328	17,328
Road Policing	12,615	7,036	6,062	6,062	6,062
Operational Support	16,492	12,437	11,257	11,257	11,257
Intelligence	11,981	13,161	13,135	13,135	13,135
Investigations	44,731	46,269	51,564	51,564	51,414
Investigative Support	7,444	7,417	7,493	7,493	7,493
National Policing	1,302	1,512	1,560	1,560	1,560
Sub total	204,417	201,188	196,492	195,992	194,270
Support Functions	51,777	51,978	52,546	51,786	51,768
Police & Crime Commissioner - Office	1,171	1,275	1,260	1,260	1,260
Police & Crime Commissioner - Grants	3,102	3,369	3,370	3,370	3,370
Central Costs	10,213	5,591	12,611	12,611	12,611
Sub total	66,263	62,213	69,787	69,027	69,009
Net Expenditure	270,680	263,401	266,279	265,019	263,279
Net Transfer from Earmarked Reserves	(1,622)	1,180	0	0	0
Contribution from General Reserve	(2,103)	(2,070)	0	0	0
Budget Requirement	266,955	262,511	266,279	265,019	263,279

CAPITAL PROGRAMME 2016/17 TO 2020/21

2016/17	joint with Kent	Capital Cost £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<i>ANPR</i>								
Fixed site expansion		106.0	106.0					106.0
Equipment replacement		114.0	114.0					114.0
<i>Estates</i>								
CCTV Custody Suites		380.0	190.0	190.0				380.0
ESMCP Project - ICCS Replacement	Y	1,863.0	1,863.0					1,863.0
Evolve/Strategic Change building works		250.0	250.0					250.0
Chemical Enhancement Laboratory 2	Y	625.0	625.0					625.0
Environmental Projects 2		250.0	150.0	100.0				250.0
Estates Strategy		39,075.0	14,625.0	18,650.0	4,350.0	1,450.0		39,075.0
<i>IT</i>								
Digital Forensics - Digital Analysis	Y	164.3	37.1	63.6	63.6			164.3
Digital Forensics Gateway	Y	127.0	127.0					127.0
Business Objects Upgrade		125.0	125.0					125.0
Digital Asset Management (Home Office Innovation Fund)	Y	800.0	700.0	50.0	50.0			800.0
ANPR Back Office Convergence / National Project	Y	30.0	30.0					30.0
Mobile policing	Y	3,311.0	1,709.0	548.0	29.0	995.0	30.0	3,311.0
Public Contact Programme (Channel Shift)	Y	1,200.0	1,100.0	100.0				1,200.0
Public Contact Programme (Contact Points)		1,200.0	1,200.0					1,200.0
COSMOS Replacement	Y	268.0	268.0					268.0
SAP Programme	Y	250.0	175.0	75.0				250.0
Learning & Development - Learning Portal	Y	100.0	100.0					100.0
Athena Essex BRC		1,300.0	1,300.0					1,300.0
Big Data Analytics		125.0	125.0					125.0
<i>Other</i>								
Body armour 2016/17		71.0	56.0	15.0				71.0
SCD : CCDC Platform Equipment	Y	145.0	122.5		22.5			145.0
<i>Transport</i>								
Fleet replacement programme		1,800.0	1,800.0					1,800.0
Transport - Telematics	Y	114.0	114.0					114.0
		53,793.3	27,011.6	19,791.6	4,515.1	2,445.0	30.0	53,793.3

2017/18	joint with Kent	Capital Cost £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<i>ANPR</i>								
Fixed site expansion		106.0		106.0				106.0
Equipment replacement		114.0		114.0				114.0
<i>Estates</i>								
Environmental Projects 3		550.0		150.0	200.0	200.0		550.0
Estates Strategy		2,900.0		1,650.0	750.0	500.0		2,900.0
<i>IT</i>								
ESMPC Project - Transition to Emergency Services Network and Devices	Y	4,680.0		3,855.0	825.0			4,680.0
Case Management (Business Services)	Y	80.0		80.0				80.0
Socrates as a Service	Y	11.0		11.0				11.0
<i>Other</i>								
Body armour 2017/18		71.0		56.0	15.0			71.0
<i>Transport</i>								
Fleet replacement programme		1,900.0		1,900.0				1,900.0
		10,412.0	0.0	7,922.0	1,790.0	700.0	0.0	10,412.0

2018/19	joint with Kent	Capital Cost £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<i>ANPR</i>								
Fixed site expansion		106.0			106.0			106.0
Equipment replacement		107.0			107.0			107.0
<i>Estates</i>								
Custody suite enhancements		1,000.0			500.0	500.0		1,000.0
Estates Strategy		17,250.0			8,750.0	7,650.0	850.0	17,250.0
<i>IT</i>								
End User Device Replacement		1,159.0			397.0	331.0	431.0	1,159.0
Network Replacement		900.0			300.0	300.0	300.0	900.0
Server Replacement		900.0			300.0	300.0	300.0	900.0
<i>Other</i>								
Body armour 2018/19		71.0			56.0	15.0		71.0
<i>Transport</i>								
Fleet replacement programme		2,000.0			2,000.0			2,000.0
		23,493.0	0.0	0.0	12,516.0	9,096.0	1,881.0	23,493.0

2019/20	joint with Kent	Capital Cost £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<i>ANPR</i>								
Fixed site expansion		106.0				106.0		106.0
Equipment replacement		109.0				109.0		109.0
<i>Estates</i>								
Estates Strategy		3,500.0				969.8	2,530.2	3,500.0
<i>Other</i>								
Body armour 2018/19		71.0				56.0	15.0	71.0
<i>Transport</i>								
Fleet replacement programme		2,000.0				2,000.0		2,000.0
		5,786.0	0.0	0.0	0.0	3,240.8	2,545.2	5,786.0

2020/21	joint with Kent	Capital Cost £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<i>ANPR</i>								
Equipment replacement		110.0					110.0	110.0
<i>IT</i>								
IT System - Support Works	Y	66.0					66.0	66.0
<i>Other</i>								
Body armour replacement		71.0					71.0	71.0
<i>Transport</i>								
Fleet replacement programme		2,000.0					2,000.0	2,000.0
		2,247.0	0.0	0.0	0.0	0.0	2,247.0	2,247.0

SUMMARY		Capital Cost £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
2016/17 proposals		53,793.3	27,011.6	19,791.6	4,515.1	2,445.0	30.0	53,793.3
2017/18 proposals		10,412.0	0.0	7,922.0	1,790.0	700.0	0.0	10,412.0
2018/19 proposals		23,493.0	0.0	0.0	12,516.0	9,096.0	1,881.0	23,493.0
2019/20 proposals		5,786.0	0.0	0.0	0.0	3,240.8	2,545.2	5,786.0
2020/21 proposals		2,247.0	0.0	0.0	0.0	0.0	2,247.0	2,247.0
		95,731.3	27,011.6	27,713.6	18,821.1	15,481.8	6,703.2	95,731.3

CAPITAL RESOURCES AND EXPENDITURE FORECAST

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Opening balance	4,699	(26,055)	(49,032)	(30,343)	(31,475)
Estimated resources to be generated in year -					
Home Office - capital settlement	1,100	1,100	1,100	1,100	1,100
Other capital contributions	-	-	-	-	-
Capital receipts from existing plan and Estates Strategy	3,373	5,150	36,450	13,250	2,500
	4,473	6,250	37,550	14,350	3,600
Less, estimated capital payments in year					
2015/16 and earlier years projects	(8,215)	(1,513)	(40)	-	-
Capital bids					
2016/17	(27,012)	(19,792)	(4,515)	(2,445)	(30)
2017/18	-	(7,922)	(1,790)	(700)	-
2018/19	-	-	(12,516)	(9,096)	(1,881)
2019/20	-	-	-	(3,241)	(2,545)
2020/21	-	-	-	-	(2,247)
	(35,227)	(29,227)	(18,861)	(15,482)	(6,703)
Closing balance	(26,055)	(49,032)	(30,343)	(31,475)	(34,578)
In year surplus/(shortfall) from resources/ payments	(30,754)	(22,977)	18,689	(1,132)	(3,103)

Notes

- 1 Awaiting notification of 2016/17 capital grant announcement.
- 2 The capital programmes from 2017/18 are subject to ongoing update and review.
- 3 Opening balance of £4.699m includes sale proceeds for Hadleigh of £300k expected 2015/16.

Current & Forecast Reserves

	2015/16		2016/17		2017/18		2018/19		2019/20		202/21	
	Forecast Movements (£m)	Forecast @ 31/3/16 (£m)	Forecast Movements (£m)	Forecast @ 31/3/17 (£m)	Forecast Movements (£m)	Forecast @ 31/3/18 (£m)	Forecast Movements (£m)	Forecast @ 31/3/19 (£m)	Forecast Movements (£m)	Forecast @ 31/3/20 (£m)	Forecast Movements (£m)	Forecast @ 31/3/20 (£m)
Specific Revenue Reserves												
Future Capital Funding	(0.3)	-	-	-	-	-	-	-	-	-	-	-
Leased Property Dilapidations Reserve Original	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2
Leased Property Dilapidation & Maintenance Reserve	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5	-	0.5
Forfeiture Monies Reserve	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1
Estates Plan	(1.3)	-	-	-	-	-	-	-	-	-	-	-
Athena	(0.7)	-	-	-	-	-	-	-	-	-	-	-
Restructuring Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Investment for Estates & IT Strategies	(0.3)	-	-	-	-	-	-	-	-	-	-	-
Pay Equalisation Reserve	(0.3)	-	-	-	-	-	-	-	-	-	-	-
POCA income	-	0.6	-	0.6	-	0.6	-	0.6	-	0.6	-	0.6
Specific Revenue Reserves	(2.9)	1.4	-	1.4	-	1.4	-	1.4	-	1.4	-	1.4
Carry Forwards Reserve	(1.2)	-	-	-	-	-	-	-	-	-	-	-
General Reserve GR as % of net revenue expenditure	(2.2)	13.0 4.9%	-	13.0 4.9%	-	13.0 4.8%	-	13.0 4.8%	-	13.0 4.7%	-	13.0 4.7%
Total Revenue Reserves	(6.0)	14.4	-	14.4	-	14.4	-	14.4	-	14.4	-	14.4
Specific Capital Reserves												
Usable Capital Receipts	(5.0)	3.5	(3.5)	-	-	-	-	-	-	-	-	-
Unapplied grants & other contributions	(0.9)	0.8	(0.8)	-	-	-	-	-	-	-	-	-
Long term liabilities												
Capital Grants - receipts in advance	-	0.5	(0.5)	-	-	-	-	-	-	-	-	-
Total Capital Reserves (note 1)	(5.9)	4.8	(4.8)	-	-	-	-	-	-	-	-	-
Usable Provisions												
Insurance (for known outstanding claims)	(0.1)	2.6	0.1	2.7	0.1	2.8	-	2.8	0.1	2.9	0.1	3.0
Restructuring (for known redundancies @ 31.03)	(1.5)	-	-	-	-	-	-	-	-	-	-	-
Total Usable Provisions	(1.6)	2.6	0.1	2.7	0.1	2.8	-	2.8	0.1	2.9	0.1	3.0
Grand Total	(13.8)	21.8	(4.7)	17.1	0.1	17.2	-	17.2	0.1	17.3	0.1	17.4
Internal Borrowing on past capital projects (note 4)	1.0	(8.1)	0.5	(7.6)	0.5	(7.1)	0.5	(6.6)	0.5	(6.1)	0.5	(5.6)
Reserves Financed by Cash	(12.8)	13.7	(4.2)	9.5	0.6	10.1	0.5	10.6	0.6	11.2	0.6	11.8

note 1: From 2016/17 the implementation of the Estates Strategy will reduce the Capital Reserves to zero

AGENDA ITEM 7

Essex Police and Crime Panel	EPCP/03/16
Date: 29 January 2016	

Forward Look

Report by the Secretary to the Panel

Enquiries to: Colin Ismay: 033301 34571 colin.ismay@essex.gov.uk

Purpose of report and background

To plan the business of the Panel.

The next Meeting of the Panel is scheduled for 18 February.

Business proposed to be taken to the meetings is as follows:

Date	Performance for period up to	Other business
18 February		<ul style="list-style-type: none"> • To receive revised budget proposals if needed • Complaints process • End of term report by Commissioner
26 May		<ul style="list-style-type: none"> • New Commissioner to set out their stall
27 October	End June Q1	<ul style="list-style-type: none"> •
1 December	End September Q2	<ul style="list-style-type: none"> •

The Panel is asked to indicate any other business it would like to consider and approve the schedule of meetings.

Potential Future items:

- Quarterly Updates on the Transformation Programme and Athena
- "Airwave"
- The impact of Transforming Rehabilitation and the changes to the Probation Service

