

**PART ONE**

**To: Surrey Police Authority**

**Date: 6<sup>th</sup> February 2012**

**By: Ian Perkin, Treasurer**

**Title: Budget and Precept 2012/13**

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**Purpose of Report:**

This report sets out the financial background to the proposed budget, summarises the budget issues and sets out the formal recommendations needed to enable the Authority to agree the budget and set the precept for the financial year 2012/13.

The budget for 2012/13 has been built upon a risk-based assessment that takes account of the stated objectives of Surrey Public First, the need to keep Surrey safe through the maintenance of the uplift of front line policing capacity and the continued development of Neighbourhood Policing. This is balanced against the need to make significant savings during this spending review period. Members have been particularly conscious of the impact that the precept proposals will have on Surrey taxpayers.

This year, the Authority is presented with two alternative options for funding the proposed 2012-13 revenue budget. The detailed recommendations are set out on page 11 of this report, but can be summarised as follows:

For both Options, the revenue budget for 2012/13 is set at £208.8 million.

**Option 1** requires the Authority to reject the Government's 2012/13 Council Tax Freeze Grant, utilise £1,000,000 from the General Reserve and set a Band D Council Tax precept of £203.49p an increase of 2.5%, giving rise to a Council Tax Precept requirement of £101,733,775.

**Option 2** requires the Authority to accept the 3% Council Tax Freeze Grant, freeze the council tax precept and utilise £500,000 from the General Reserve. This will maintain Band D Council Tax at £198.54, giving rise to a Council Tax Precept requirement of £99,259,048.

Both options have been discussed at a recent series of member workshops and budget sub-group meetings. The majority recommendation of the Finance & Performance Panel is that the Authority should approve Option 1.

## **Introduction**

1. Police Authorities are financed by general and specific grants from the Government and by a precept on borough and district councils. This precept, which is set at the discretion of the Authority, determines the amount of council tax that councils collect on behalf of the Authority.
2. In the wake of the Government's Comprehensive Spending Review (CSR) 2010, the amount the Authority will receive from the Government under the national police funding formula for 2012/13 has been reduced by 6.7%. This is the second year of reductions, the funding formula grant having been reduced by 4.8% in 2011/12.
3. For the first time, this year the Authority is subject to the provisions of the Localism Act 2011. In place of the previous 'capping limits', the Secretary of State for Communities and Local Government has set a Council Tax Lock of 4% for precept increases in 2012/13. Any police authority that sets a precept increase in excess of the 4% lock must then hold a public referendum to determine, on the basis of a simple majority, if the proposed increase can be imposed. The cost of holding a referendum would fall to the Authority and it is estimated that this would cost in the region of £1.5 million.

4. To further encourage authorities to keep 2012/13 precept increases as low as possible, police authorities who freeze precept in 2012/13 will receive a Council Tax Freeze Grant from the Government equivalent to the amount that would be raised from increasing the precept by 3.0%. Unlike the Council Tax Compensation Grant received in 2011/12, which is payable for the entire CSR period, the Secretary of State has indicated that the Council Tax Freeze Grant is a 'one off', payable for 2012/13 only. For Surrey, this grant equates to £3m.
5. Whilst the freezing of Council Tax precept would undoubtedly be welcomed by Surrey residents, acceptance of the Council Tax Freeze Grant poses problems of sustainability for the Authority's financial planning. In effect, by accepting the Council Tax Freeze Grant, the Authority would be forgoing permanently an annual income stream of £2.5 million. This is because, whilst any increase in precept would permanently increase the Authority's recurring income, the £3m grant will not be available to the Authority in subsequent years.
6. If the Council Tax Freeze Grant is accepted, to maintain the status quo, without requiring the Force to find further cost savings, the required precept increase would need to be doubled the following year to 5%, an increase which exceeds the Council Tax Lock limit of 4% set by the Secretary of State.
7. In the discussions to date, members' views on whether or not to accept the Council Tax Freeze Grant have been divided. Members have recognised that acceptance of the grant has a detrimental financial impact on the Force in the longer-term. However, they have also recognised the short-term benefits to Surrey residents in freezing council tax. This has given rise to the two options set out in this report.
8. The view of Surrey Police Force is that Option 1 (refusal of the grant) is the correct one. The Force has noted that the Authority's financial plan carries with it significant risks and that the extra long term income generated by increasing the precept would assist with managing these risks and ensuring that any slippage in future years does not impact on operational capability. In addition the extra funding may also offer the opportunity in future years to consider service

improvements, for example, the development of a pro-active capability to tackle cross-border threats and/or revisiting community safety funding with partners to address key priorities such as domestic abuse and alcohol-related crime.

### Financial Background

9. Regardless of whether Members approve Option 1 or Option 2, Surrey Police will receive a reduction in its total formula grant [National Non Domestic Rates (NNDR), Revenue Support Grant (RSG) and Police Grant] of 6.7% for 2012/13. This follows a reduction of 4.8% for 2011/12. Both options rely on cost improvement and efficiency savings of £7.2 million being achieved during the financial year; a substantial management and operational challenge for Surrey Police.
10. Savings will stem primarily from the continued implementation of the Estates Strategy, the development of collaboration with other police forces, the restructure of support services and planned savings in non-pay costs. Whilst Members will be aware of the possibility of significant savings arising from the Business Partnering in Policing project, these cannot be expected to materialise in the coming financial year. Indeed, allowance has been made in the budget for the cost of setting it up. In addition to finding savings to address the gap between the budget and available funding, the planned savings are expected to provide the ability to maintain frontline resources.
11. The following table shows how Option 1 (refusal of the grant) would be funded:

	£	£
Gross Revenue Budget	208,781,256.49	
Less: Specific Grants & Reserves	7,880,163.00	
Plus Precept Rounding Adjustments	<u>0.00</u>	
Net Budget Requirement		200,901,093.49
NNDR Income	32,533,402.00	

NOT PROTECTIVELY MARKED

Revenue Support Grant	678,355.00	
Police grant	<u>65,022,491.00</u>	<u>98,234,248.00</u>

Gross precept		102,666,845.49
Less Collection Fund surpluses		<u>933,070.00</u>
Council Tax Requirement		<u>101,733,775.49</u>

Council tax is expressed as an amount per band D property. The number of band D equivalent properties in Surrey notified by borough and district councils for 2012/13 is 499,944.84. This produces a council tax per band D property of £203.49 a 2.5% increase compared with 2011/12.

12. The following table shows how Option 2 (acceptance of the grant) would be funded:

	£	£
Gross Revenue Budget	208,771,504.53	
Less: Specific Grants & Reserves	10,345,138.00	
Plus Precept Rounding Adjustments	<u>0.00</u>	
Net Budget Requirement		198,426,366.53
NNDR Income	32,533,402.00	
Revenue Support Grant	678,355.00	
Police grant	<u>65,022,491.00</u>	<u>98,234,248.00</u>
Gross precept		100,192,118.53
Less Collection Fund surpluses		<u>933,070.00</u>
Council Tax Requirement		<u>99,259,048.53</u>

Council tax is expressed as an amount per band D property. The number of band D equivalent properties in Surrey notified by borough and district councils for 2012/13 is 499,944.84. This produces a council tax per band D property of

£198.54 resulting in no change compared to 2011/12, which is as a result of the Police Authority accepting the precept compensation grant for one year.

### Principal grants

13. As part of the Comprehensive Spending Review 2010 and subsequent settlement announced by the Government, a number of specific grants have now been incorporated into the main police grant. The amount of grant, under the various headings, compared with previous years, is as follows:

	2010/11	2011/12	2012/13
	£m	£m	£m
Police grant (inc. special grants)	67.964	70.029	65.023
NNDR Income/Revenue Support Grant	36.390	35.263	33.211
	<b>104.354</b>	<b>105.292</b>	<b>98.234</b>

### Special grants

14. In addition to these main grants, there is one special grant, the Neighbourhood Policing Fund grant. Also, as a result of setting zero precept increase last year, the Authority is entitled to receive the 2010/11 Council Tax Freeze Grant, which is payable for each year of the CSR settlement period. Details of the amounts of the main grants are shown in the table below.

<b>Specific Grants</b>	2010/11	2011/12	2012/13
	£m	£m	£m
Neighbourhood Policing Fund	4.446	4.446	4.419
2010/11 Council Tax Freeze Grant	-	2.461	2.461
2011/12 Council Tax Freeze Grant (Only payable if the Authority approve acceptance)			2.965
	4.446	6.907	9.845

## Budget Tables

15. The proposed budget for Option 1 is set out in Appendices A, B and C and for Option 2 in Appendices D, E and F. For both options, the budget has been broken down in a number of ways:

- Appendices A & D show the proposed budgets split by operational strands and departments.
- Appendices B & E show the proposed budgets split by staff costs and non-staff related costs.
- Appendices C & F show the changes for the proposed budgets from last year analysed by committed costs, service improvements and efficiency savings.

## Reserves and balances

16. If the Authority approves Option 1 (rejection of the precept grant), the projected level of reserves at 31st March 2012 that would be carried forward to 2012/13 is shown below together with the previous year's balances:

	31/03/2010	31/03/2011	31/03/2012	31/03/2013
	£m	£m	£m*	£m*
General balances	6.5	7.5	7.5	7.5
<u>Earmarked reserves</u>				
Local reserves	1.1	0.4	0.0	0.0
Insurance reserve	2.1	2.1	2.1	2.1
Police pension reserve	0.8	1.0	1.0	1.0
Health Care reserve	0.3	0.3	0.3	0.3
Olympics reserve	0.3	0.3	0.3	0.0
OPR reserve	0.8	0.8	0.0	0.0
Employee Retention Reserve			0.9	0.9
Enterprise/SIREN Reserve			0.5	0.0
*estimated	11.9	12.4	12.6	11.8

17. The projected level of reserves at 31st March 2012 that would be carried forward to 2012/13 under Option 2 is shown below, together with the previous year's balances:

	31/03/2010	31/03/2011	31/03/2012	31/03/2013
	£m	£m	£m*	£m*
General balances	6.5	7.5	8.0	8.0
<u>Earmarked reserves</u>				
Local reserves	1.1	0.4	0.0	0.0
Insurance reserve	2.1	2.1	2.1	2.1
Police pension reserve	0.8	1.0	1.0	1.0
Health Care reserve	0.3	0.3	0.3	0.3
Olympics reserve	0.3	0.3	0.3	0.0
OPR reserve	0.8	0.8	0.0	0.0
Employee Retention Reserve			0.9	0.9
Enterprise/SIREN Reserve			0.5	0.0
*estimated	11.9	12.4	13.1	12.3

18. The Authority's current strategy is for general reserves to be maintained at 3% of Gross Budget for the four year planning period with the ability to vary by 0.5% for a set period supported by a plan to return to the 3% level within the planning period. Both Options meet the requirement of maintaining general reserves at or above the 3% target.

### Creation of New Reserves

19. Under either of the Options, the Finance & Performance Panel has made a recommendation that the Authority approve the creation of two new reserves. These are created in response to an identified risk and a one-off increase in costs.

- (i) With the current pay freeze and changes to employee conditions, plus the Winsor & Hutton reports, there is a risk that employee retention will become an issue. This could be further exacerbated as the private sector begins to recover and the Metropolitan Police increases its police officer numbers or becomes more attractive to Surrey officers due to more generous allowances. Utilising existing balance sheet funds which no longer need to be retained (interest earned on seized cash, unused partnership grant income, income



generation funds) it is proposed that a £0.9m Employee Retention Reserve be created to provide the Force with some flexibility to deal with retention issues.

- (ii) Successful implementation of the Enterprise project will require one-off additional funding in 2012/13. To offset this expenditure, it is proposed that a small reserve of £0.5 million be set aside from this year's Strategic Change budget.

- 20. Under Section 25 of the Local Government Act 2003, the Chief Financial Officer has to report on the adequacy of the financial reserves, taking account of such factors as the Authority's track record in budget and financial management and the adequate arrangement of insurance provisions to meet unplanned expenditure. In my opinion, the balance in reserves under both Options can be considered to be adequate given the longer term financial uncertainties that the Authority faces.

### **Future Prospects**

- 21. In considering the budget for 2012/13, together with the successor arrangements post November 2012, it is important to have regard to the longer-term financial position of the Authority. Careful consideration should be given to the known or predictable commitments arising in the future and to the resources likely to be available to meet those eventualities. The current economic conditions and further proposed grant reductions outlined in the CSR mean that the Authority and the Police & Crime Commissioner will continue to face an increasingly difficult financial landscape in the foreseeable future.
- 22. Nevertheless, the Force's Medium Term Financial Plan, which covers the whole CSR review period, makes sensible assumptions about future changes in both funding and economic conditions, and sets out an imaginative and effective strategy to deliver financial savings. This strategy should deliver the major cost improvements and efficiencies needed to balance the gap between the cost of maintaining and indeed enhancing Surrey's policing service, and the funding streams that result from council tax precept and central government funding.

23. Members should note that, at the end of the CSR period, the Government has given no undertaking that the 2011/12 Council Tax Grant will be continued and has also indicated that, at this time there will be a full review of the way in which the Police Grant funding formula is calculated and distributed, which could have adverse consequences for future funding.

### **Robustness of the Budget**

24. Under section 25 of the Local Government Act 2003, chief financial officers of authorities are required to report on the robustness of the estimates made for the purpose of the budget calculations.
25. The budget for 2012/13 has been prepared in accordance with the methodology used previously. The robustness of this methodology has been demonstrated prima facie by the success that the Authority has had in previous years in not exceeding the planned budgets. Where under-spending has been achieved, these have been on a planned basis. Proposals for both growth and savings have been discussed in depth by Members in Authority workshops, as well as by Authority and Police Force officers and staff. In the light of this, I consider the budget to be robust and compliant with the requirements of section 25.

### **Conclusion**

- 26 The Finance & Performance Panel recommended that Options 1 and 2 be put to the Authority. However, by a majority decision of the Panel, it recommended that the Police Authority approves the Revenue Budget and precept proposals set out in Option 1.

### Recommendations For Option 1 (Refusal to accept the Council Tax Freeze Grant)

1. That the Gross Budget for 2012/13 is set at £208.8 million and that the budget set out in Appendix A is approved by the Authority.
2. That the Police Authority be recommended to make and levy a precept based on the following budget requirement:

Gross Budget	£208,781,256.49
Less: Specific Grants	£4,419,337.00
Less: Council Tax Grant 1	£2,460,826.00
Less: Reserves	<u>£1,000,000.00</u>
	<u>£7,880,163.00</u>

Budgeted Net Expenditure	£200,901,093.49
Precept Rounding Adjustment to Balances	<u>£0.00</u>
Net Budget Requirement	<u>£200,901,093.49</u>

Net Budget Requirement	£ 200,901,093.49
Less: Total of NNDR, RSG and Police Grant Income	£ 98,234,248.00
Less: Collection Fund Surpluses	<u>£ 933,070.00</u>
Precept Income Required	<u>£ 101,733,755.49</u>

3. That the Authority agrees the number of Band D equivalent properties for precepting purposes, referred to as the tax base, to be as follows:

Elmbridge	63,895.00
Epsom and Ewell	32,166.34
Guildford	57,644.39
Mole Valley	40,801.70
Reigate and Banstead	59,403.00
Runnymede	33,893.97
Spelthorne	40,667.30
Surrey Heath	37,476.90
Tandridge	38,001.50
Waverley	54,846.80
Woking	41,147.94
	<u>499,944.84</u>

4. That the Authority agrees to set the Council Tax for each category of dwelling as follows:

Tax Bands	
A	£135.66
B	£158.27
C	£180.88
D	<b>£203.49</b>
E	£248.71
F	£293.93
G	£339.15
H	£406.98

5. That the payment by each billing authority for its area be as follows:

Elmbridge	£13,001,993.54
Epsom & Ewell	£6,545,528.53
Guildford	£11,730,056.92
Mole Valley	£8,302,737.93
Reigate and Banstead	£12,087,916.47
Runnymede	£6,897,083.96
Spelthorne	£8,275,388.88
Surrey Heath	£7,626,174.38
Tandridge	£7,732,925.24
Waverley	£11,160,775.33
Woking	£8,373,194.31
	£101,733,775.49

6. Such payment be made on the following dates already agreed with the billing authorities:

20 April 2012
25 May 2012
29 June 2012
06 August 2012
10 September 2012
15 October 2012
19 November 2012
03 January 2013
08 February 2013
12 March 2013

**Recommendations For Option 2 (Acceptance of the Council Tax Freeze Grant)**

- 1 That the Gross Budget for 2012/13 is set at £208.8 million and that the budget set out in Appendix D is approved.
2. That the Authority make and levy a precept based on the following budget requirement:

Gross Budget		£208,771,504.53
Less: Specific Grants	£4,419,337.00	
Less: Council Tax Grant 1	£2,460,826.00	
Less: Council Tax Grant 2	£2,964,975.00	
Less: Reserves	<u>£500,000.00</u>	
	<u>£10,345,138.00</u>	

Budgeted Net Expenditure		£198,426,366.53
Precept Rounding Adjustment to Balances		<u>£0.00</u>
Net Budget Requirement		<u>£198,426,366.53</u>

Net Budget Requirement		£ 198,426,366.53
Less: Total of NNDR, RSG and Police Grant Income	£ 98,234,248.00	
Less: Collection Fund Surpluses	<u>£ 933,070.00</u>	
Precept Income Required		<u>£ 99,259,048.53</u>

3. That the Authority agree the number of Band D equivalent properties for precepting purposes, referred to as the tax base, to be as follows:

Elmbridge	63,895.00
Epsom and Ewell	32,166.34
Guildford	57,644.39
Mole Valley	40,801.70
Reigate and Banstead	59,403.00
Runnymede	33,893.97
Spelthorne	40,667.30
Surrey Heath	37,476.90
Tandridge	38,001.50
Waverley	54,846.80
Woking	41,147.94
	<u>499,944.84</u>

4. That the Authority set a level of Council Tax for each category of dwelling as follows:

Tax Bands	
A	£132.36
B	£154.42
C	£176.48
D	<b>£198.54</b>
E	£242.66
F	£286.78
G	£330.90
H	£397.08

5. That the payment by each billing authority for its area be as follows:

Elmbridge	£12,685,713.30
Epsom & Ewell	£6,386,305.14
Guildford	£11,444,717.19
Mole Valley	£8,100,769.52
Reigate and Banstead	£11,793,871.62
Runnymede	£6,729,308.80
Spelthorne	£8,074,085.74
Surrey Heath	£7,440,633.73
Tandridge	£7,544,817.81
Waverley	£10,889,283.67
Woking	£8,169,512.01
	<b>£99,259,048.53</b>

6. Such payment be made on the following dates already agreed with the billing authorities:

20 April 2012
25 May 2012
29 June 2012
06 August 2012
10 September 2012
15 October 2012
19 November 2012
03 January 2013
08 February 2013
12 March 2013

**Recommendations to be approved for both Options 1 and 2:**

That the Authority agrees that two new reserves be created:

- i). An Employment Retention Reserve in the sum of £900,000
- ii). A Project Enterprise Reserve in the sum of £500,000.

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**Equalities Implications** – There are no equality implications arising from this report.

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**Risks**

If the budget and consequent precept to be levied are not agreed Surrey Police Authority will not have complied with the Local Government Act 1992.

There is a risk that, if the budget agreed is not robust, Surrey Police Authority will not have complied with the Local Government Act 2003

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**Attachments** – Appendices A, B, C, D, E & F

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**REVENUE BUDGET 2012/13**

	2011/12	2012/13	Variation	
	Revised £m	DRAFT £m	£m	%
Investigation	54.2	54.6	0.4	1%
Joint Command	9.3	8.7	(0.6)	(6%)
Neighbourhoods	26.7	27.3	0.6	2%
Response	49.8	49.5	(0.3)	(1%)
Tasking & Co-Ordinating	18.9	19.2	0.3	2%
sub total	<b>158.9</b>	<b>159.3</b>	<b>0.4</b>	<b>0%</b>
ACPO	3.7	4.5	0.8	22%
PSD	2.4	2.4	0.0	0%
Force Improvement	2.4	0.1	(2.3)	(96%)
Strategic Planning	0.2	0.2	0.0	0%
Diversity	0.3	0.2	(0.1)	(33%)
F&S	12.1	11.3	(0.8)	(7%)
HR	15.5	15.2	(0.3)	(2%)
Shared Services	2.1	2.0	(0.1)	(5%)
ICT	10.3	9.7	(0.6)	(6%)
sub total	<b>49.0</b>	<b>45.6</b>	<b>(3.4)</b>	<b>(7%)</b>
Corporate	3.0	2.6	(0.4)	(13%)
sub total	<b>3.0</b>	<b>2.6</b>	<b>(0.4)</b>	<b>(13%)</b>
<b>Sub-Total Force</b>	<b>210.9</b>	<b>207.5</b>	<b>(3.4)</b>	<b>(2%)</b>
Police Authority	1.4	1.3	(0.1)	(7%)
<b>GROSS BUDGET</b>	<b>212.3</b>	<b>208.8</b>	<b>(3.5)</b>	<b>(2%)</b>
<b>Special Grants</b>				
Community Support Officers	(4.4)	(4.4)	0.0	0%
Precept Compensation Grant	(2.5)	(2.5)	0.0	0%
<b>Total Special Grants</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>0.0</b>	<b>0%</b>
<b>Use of Reserves</b>	<b>(1.2)</b>	<b>(1.0)</b>	<b>0.2</b>	<b>(17%)</b>
<b>NET BUDGET REQUIREMENT</b>	<b>204.2</b>	<b>200.9</b>	<b>(3.3)</b>	<b>(2%)</b>



**REVENUE BUDGET 2012/13**

	2011/12 Revised £m	2012/13 DRAFT £m	Variation	
			£m	%
<b>EMPLOYEE COSTS</b>				
Police Officer Sals/Pension/NI/Allowances	101.3	102.1	0.8	1%
Police Staff Sals/Pension/NI/Allowances	74.6	72.9	(1.7)	(2%)
Training & other employee costs	7.5	7.7	0.2	3%
<b>Sub - Total</b>	<b>183.4</b>	<b>182.7</b>	<b>(0.7)</b>	<b>(0%)</b>
<b>PREMISES RELATED COSTS</b>	8.9	8.5	(0.4)	(4%)
<b>SUPPLIES &amp; SERVICES</b>	26.8	24.9	(1.9)	(7%)
<b>TRANSPORT &amp; TRAVEL COSTS</b>	4.6	4.8	0.2	4%
<b>INCOME</b>	(11.4)	(12.1)	(0.7)	6%
<b>GROSS BUDGET</b>	<b>212.3</b>	<b>208.8</b>	<b>(3.5)</b>	<b>(2%)</b>
<b>Special Grants</b>				
Community Support Officers	(4.4)	(4.4)	0.0	0%
Precept Compensation Grant	(2.5)	(2.5)	0.0	0%
<b>Total Special Grants</b>	<b>(6.9)</b>	<b>(6.9)</b>	<b>0.0</b>	<b>0%</b>
<b>Use of Reserves</b>	(1.2)	(1.0)	0.2	(17%)
<b>NET BUDGET REQUIREMENT</b>	<b>204.2</b>	<b>200.9</b>	<b>(3.3)</b>	<b>(2%)</b>

**Budget 2012/13 - Summary Causal Track**

	£
<b>2011/12 Budget</b>	<b>212.3</b>
<b>Committed Costs</b>	
Inflation	1.0
Commitments	0.6
Minimum Revenue Provision	(0.1)
Sub Total	<b>1.5</b>
<b>Service Improvements</b>	
Front Line Policing Uplift	1.6
Change Capability	(0.4)
IT Project - Enterprise	0.8
Neighbourhoods Policing Improvements	0.6
Sub Total	<b>2.6</b>
<b>Efficiency Savings</b>	
Estates Strategy	(1.5)
Collaboration	(0.6)
Support Services Restructures	(1.1)
Non Staff Savings	(2.2)
Operational Services Restructure	(1.6)
Procurement and Other Saves	(0.5)
SPA	(0.1)
Sub Total	<b>(7.6)</b>
<b>Total Changes</b>	<b>(3.5)</b>
<b>GROSS BUDGET</b>	<b>208.8</b>
<b>Special Grants</b>	
Community Support Officers	(4.4)
Precept Compensation Grant	(2.5)
<b>Total Special Grants</b>	<b>(6.9)</b>
<b>Use of Reserves</b>	<b>(1.0)</b>
<b>NET BUDGET REQUIREMENT</b>	<b>200.9</b>

## Appendix D

**REVENUE BUDGET 2012/13**

	2011/12 Revised £m	2012/13 DRAFT £m	Variation	
			£m	%
Investigation	54.2	54.6	0.4	1%
Joint Command	9.3	8.7	(0.6)	(6%)
Neighbourhoods	26.7	27.3	0.6	2%
Response	49.8	49.5	(0.3)	(1%)
Tasking & Co-Ordinating	18.9	19.2	0.3	2%
sub total	<b>158.9</b>	<b>159.3</b>	<b>0.4</b>	<b>0%</b>
ACPO	3.7	4.5	0.8	22%
PSD	2.4	2.4	0.0	0%
Force Improvement	2.4	0.1	(2.3)	(96%)
Strategic Planning	0.2	0.2	0.0	0%
Diversity	0.3	0.2	(0.1)	(33%)
F&S	12.1	11.3	(0.8)	(7%)
HR	15.5	15.2	(0.3)	(2%)
Shared Services	2.1	2.0	(0.1)	(5%)
ICT	10.3	9.7	(0.6)	(6%)
sub total	<b>49.0</b>	<b>45.6</b>	<b>(3.4)</b>	<b>(7%)</b>
Corporate	3.0	2.6	(0.4)	(13%)
sub total	<b>3.0</b>	<b>2.6</b>	<b>(0.4)</b>	<b>(13%)</b>
<b>Sub-Total Force</b>	<b>210.9</b>	<b>207.5</b>	<b>(3.4)</b>	<b>(2%)</b>
Police Authority	1.4	1.3	(0.1)	(7%)
<b>GROSS BUDGET</b>	<b>212.3</b>	<b>208.8</b>	<b>(3.5)</b>	<b>(2%)</b>
<b>Special Grants</b>				
Community Support Officers	(4.4)	(4.4)	0.0	0%
Precept Compensation Grant 1	(2.5)	(2.5)	0.0	0%
Precept Compensation Grant 2		(3.0)	(3.0)	
<b>Total Special Grants</b>	<b>(6.9)</b>	<b>(9.9)</b>	<b>0.0</b>	<b>0%</b>
<b>Use of Reserves</b>	<b>(1.2)</b>	<b>(0.5)</b>	<b>0.7</b>	<b>(58%)</b>
<b>NET BUDGET REQUIREMENT</b>	<b>204.2</b>	<b>198.4</b>	<b>(5.8)</b>	<b>(3%)</b>

**REVENUE BUDGET 2012/13**

	2011/12 Revised £m	2012/13 DRAFT £m	Variation	
			£m	%
<b>EMPLOYEE COSTS</b>				
Police Officer Sals/Pension/NI/Allowances	101.3	102.1	0.8	1%
Police Staff Sals/Pension/NI/Allowances	74.6	72.9	(1.7)	(2%)
Training & other employee costs	7.5	7.7	0.2	3%
<b>Sub - Total</b>	<b>183.4</b>	<b>182.7</b>	<b>(0.7)</b>	<b>(0%)</b>
<b>PREMISES RELATED COSTS</b>	8.9	8.5	(0.4)	(4%)
<b>SUPPLIES &amp; SERVICES</b>	26.8	24.9	(1.9)	(7%)
<b>TRANSPORT &amp; TRAVEL COSTS</b>	4.6	4.8	0.2	4%
<b>INCOME</b>	(11.4)	(12.1)	(0.7)	6%
<b>GROSS BUDGET</b>	<b>212.3</b>	<b>208.8</b>	<b>(3.5)</b>	<b>(2%)</b>
<b>Special Grants</b>				
Community Support Officers	(4.4)	(4.4)	0.0	0%
Precept Compensation Grant 1	(2.5)	(2.5)	0.0	0%
Precept Compensation Grant 2	0.0	(3.0)	(3.0)	
<b>Total Special Grants</b>	<b>(6.9)</b>	<b>(9.9)</b>	<b>(3.0)</b>	<b>43%</b>
<b>Use of Reserves</b>	<b>(1.2)</b>	<b>(0.5)</b>	<b>0.7</b>	<b>(58%)</b>
<b>NET BUDGET REQUIREMENT</b>	<b>204.2</b>	<b>198.4</b>	<b>(5.8)</b>	<b>(3%)</b>

**Budget 2012/13 - Summary Causal Track**

	£
<b>2011/12 Budget</b>	<b>212.3</b>
<b>Committed Costs</b>	
Inflation	1.0
Commitments	0.6
Minimum Revenue Provision	(0.1)
Sub Total	<b>1.5</b>
<b>Service Improvements</b>	
Front Line Policing Uplift	1.6
Change Capability	(0.4)
IT Project - Enterprise	0.8
Neighbourhoods Policing Improvements	0.6
Sub Total	<b>2.6</b>
<b>Efficiency Savings</b>	
Estates Strategy	(1.5)
Collaboration	(0.6)
Support Services Restructures	(1.1)
Non Staff Savings	(2.2)
Operational Services Restructure	(1.6)
Procurement and Other Saves	(0.5)
SPA	(0.1)
Sub Total	<b>(7.6)</b>
<b>Total Changes</b>	<b>(3.5)</b>
<b>GROSS BUDGET</b>	<b>208.8</b>
<b>Special Grants</b>	
Community Support Officers	(4.4)
Precept Compensation Grant 1	(2.5)
Precept Compensation Grant 2	(3.0)
<b>Total Special Grants</b>	<b>(9.9)</b>
<b>Use of Reserves</b>	<b>(0.5)</b>
<b>NET BUDGET REQUIREMENT</b>	<b>198.4</b>