

Annwyl Syr / Fadam,

Atodir agenda a dogfennau eraill isod ar gyfer cyfarfod o'r **PANEL HEDDLU A THROSEDD GOGLEDD CYMRU**.

Yr eiddoch yn gywir,

Gary Williams

Pennaeth Gwasanaethau Cyfreithiol a Democrataidd

Dear Sir / Madam,

An agenda and other documents for a meeting of the **NORTH WALES POLICE AND CRIME PANEL** are attached below.

Yours faithfully,

Gary Williams

Head of Legal and Democratic Services

AGENDA

1 AGENDA PACK

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POLICE AND CRIME PANEL PANEL HEDDLU A THROSEDD



North Wales Police and Crime Panel

Tuesday, 31 January 2017 at 2.00 pm
Bodlondeb, Conwy

AGENDA

1. **Apologies for absence**
2. **Declarations of Interest: Code of Local Government Conduct**
Members are reminded that they must declare the **existence** and **nature** of their declared personal interests.
3. **Urgent matters**
Notice of items which, in the opinion of the Chairman, should be considered at the meeting as a matter of urgency.
4. **Announcements by the Chair**
5. **To consider reports by the North Wales Police and Crime Commissioner:**
 - a) Draft North Wales Police and Crime Plan (*to follow*)
 - b) Precept and Council Tax 2017/18 (Pages 1 - 17)
 - c) Police and Crime Commissioner and Chief Constable for North Wales Police Force: Medium Term Financial Plan 2017-18 to 2021-22 (Pages 18 - 44)
6. **Date of Next Meeting:**
Monday, 13 March 2017 @ 2.00 pm

Membership of Panel

Cllr Brian Blakeley
Cllr Glenys Diskin
Cllr Philip C. Evans J.P.
Cllr David Griffiths
Cllr Julie Fallon (Chair)
Cllr William T. Hughes
Cllr Bernie McCann
Cllr Dilwyn Morgan
Cllr Neville Phillips OBE JP
Cllr Gethin Williams

Denbighshire County Council
Flintshire County Council
Conwy County Borough Council
Wrexham County Borough Council
Conwy County Borough Council
Isle of Anglesey County Council
Wrexham County Borough Council
Gwynedd Council
Flintshire County Council
Gwynedd Council

Pat Astbury (Vice-Chair)
Matthew Forbes
William John Williams

Co-opted Independent Member
Co-opted Independent Member
Co-opted Independent Member

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AGENDA ITEM 5b

Proposed Policing Precept Level

Introduction by Police and Crime Commissioner Arfon Jones

One of my main responsibilities is to set the annual precept which is that part of the police budget which is raised from local taxes. This has then to be presented to the police and crime panel for its approval. The level of the precept will determine the total budget available to North Wales Police for policing north Wales. Its importance to the quality, effectiveness and efficiency of policing north Wales is vital as it is to the ability of the Force to keep north Wales a safe place to live work and visit.

That last objective is more challenging now than at any other time. Keeping the people safe has become the policing imperative.

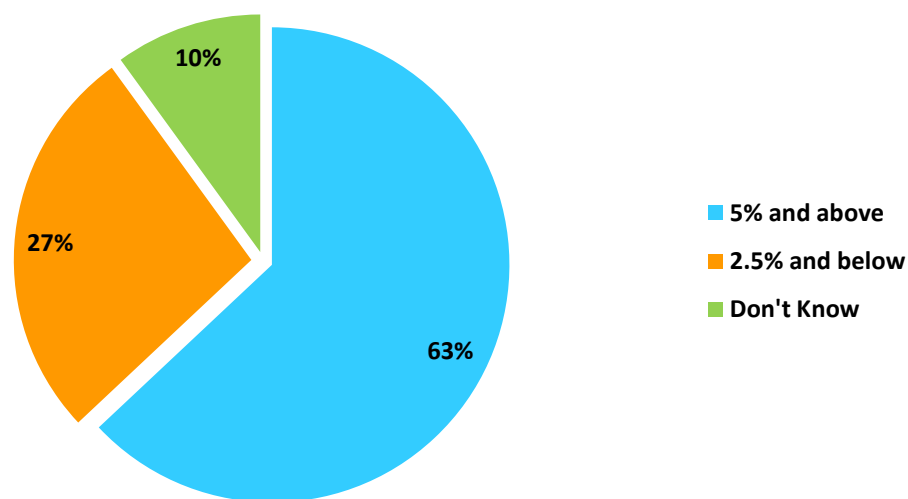
To enable the chief constable to work effectively towards these objectives, I propose to increase council tax by 3.79% in 2017/18, an increase of £9.09 per annum, or 17p per week for a band D property.

In arriving at 3.79%, I took the following matters into account:

Public opinion:

Between October 2016 and 3 January 2017 I conducted a public survey to consult with the people of North Wales on their policing priorities. Within the survey was a question asking what percentage increase in council tax they would be willing to pay, in order to invest in policing priorities. Of the 984 respondents to the survey 970 were council tax payers and, of those, 873 answered the question that focused on the precept. The pie chart below demonstrates that the majority of respondents were of the opinion that council tax should increase by 5% or more.

Views of the North Wales public on how much the PCC should increase the council tax in 2017/18



The views of the Chief Constable:

I met with the Chief Constable in December in order to discuss his plans for the police force, and the budget that he would need to deliver those plans. Additional areas for savings had been identified, meaning that we assessed at that time that a council tax increase of 3.9% would be needed if the planning assumptions relating to government grant and tax base were correct.

Government grant and tax base:

The provisional grant announcement was made on 15 December 2016, and this resulted in a cut of government grant of 1.4%. However, this was offset by an increase in the tax base of 0.82%. Taken together, this means that a council tax of 3.79% is needed to provide sufficient budget in 2017/18.

Long term sustainability:

There is considerable uncertainty over what North Wales will receive from the police funding formula in 2018/19 and beyond. In times of austerity, the prudent course for a public body would be to increase council tax and increase reserves. However, this needs to be balanced with the recognition that although many in North Wales support increasing council tax by 5% or more, there are others who may find it difficult to find even a small amount of additional money. My reserves are in a stable and healthy position, and therefore I have decided to increase council tax only in order to fund 2017/18 expenditure, and to deal with the effect of reductions in government grant if and when this should occur.

Arfon Jones

January 2017.

Report from the Office of the Police and Crime Commissioner

Title:	Precept and Council Tax 2017/18
Meeting:	North Wales Police and Crime Panel, 23 January 2017
Author:	Kate Jackson, Chief Finance Officer

1. Introduction

1.1 The purpose of this report is to review the financial situation of the Police and Crime Commissioner for North Wales and to make recommendations for the 2017/18 precept and council tax.

2. Recommendations

2.1 To increase the precept to £71,489,111.

- This will increase council tax by 3.79% - this is equivalent to £249.21 per annum, an increase of £9.09 per annum, or 17p per week for a band D property.
- This is an increase in precept of 4.64% from 2016/17

2.2 To note that £2.686m of cuts have been identified for 2017/18.

2.3 To note that £1.277m of the cuts will be reinvested in front line activities.

2.4 To note that a further £1.001m will be invested in front line posts from the additional increase in precept.

2.5 To note the Medium Term Financial Plan, which includes the following assumptions:

- That Council Tax will increase by 3.79% in 2017/18, and 2.5% in 2018/19 to 2021/22.
- That policing grants will reduce by 1.4% in 2017/18 and 1% each year from 2018/19.
- That charges in relation to the Apprenticeship Levy from 2017/18 will add £0.431m cost, which is equivalent to a further 0.59% cut in grant.

3. Summary Budget 2017/18

	£m	
Budget 2016/17	<u>141.067</u>	
Inflation and additional requirements	4.836	+3.43%
Budget requirement 2017/18	<u>145.903</u>	
Estimated total funding 2017/18		
Government Grants (funding proportion 50.1%)	71.727	-1.40%
Council Tax	£249.21	+3.79%
Multiplied by tax base	286,863	+0.82%
Precept (funding proportion 49.9%)	71.489	+4.64%
Total funding available	<u>143.217</u> +1.52%	
Cuts required	2.686	

4. Statutory Items

4.1 Quality of Information

4.1.1 The Chief Finance Officer is required under the Local Government Act 2003 (s5) to comment on the suitability of the information to be used as the basis for budgetary decisions. The Chief Finance Officer confirms that the figures in the various reports are the products of procedures that continue to be operated to the highest professional standards. These systems are audited both internally and externally, and external audit has never issued a qualified audit report. Therefore, in the opinion of the Chief Finance Officer this information is fit for purpose.

4.1.2 The same Act also requires the Chief Finance Officer to comment on the adequacy of reserves to be provided in the budget. In the opinion of the Chief Finance Officer the general reserve will continue to be adequate for the day to day operational needs of the Force. The reserves have been reviewed, and further details are provided in paragraph 10.

5. Background

5.1 Cuts of £26.939m will have been achieved over the 6 years of Government austerity initiatives. Grant funding has reduced by 21.5% over the six year period, and total precept income has increased by 22% over the same period; this has resulted in a 17.4% real-terms reduction in the total budget. The table below details the cuts made to date:

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Cuts Made	£4.678m	£6.016m	£4.634m	£4.325m	£4.448m	£2.838m	£26.939m

5.2 The Government conducted two major reviews over the summer of 2015 that would determine the level of Government grants for policing for future years. The Spending Review (SR2015) reviewed the budget allocation to all Government Departments including the total available for policing. The outcome of the spending review resulted in the 0.6% cut to Police Forces grant allocation in 2016/17 with a commitment for future funding to be set so that Police Forces do not face a cash reduction "if Police and Crime Commissioners maximise their precept".

5.3 A review of the Police Funding Formula was conducted by the Home Office, the formula sets out how the Home Office distributes the total funding available to policing between the policing areas. The review of the Police Funding Formula was suspended following issues raised by Forces on the accuracy of the proposed formula. The review has now recommenced with the intention to implement a new formula in 2018/19. Until the results of this review are published, it is not possible to assess the effect for North Wales. However, if this review results in a significant reduction in government grant, this will necessitate additional cuts and higher increases in council tax.

6. The Planning Environment

- 6.1 The attached Medium Term Financial Plan (MTFP) sets out the planning environment. It includes previous years' figures, together with projections for revenue income and expenditure, and plans for capital and reserves.
- 6.2 No provisional Government Funding Allocations for 2017/18 were given at the time of the 2016/17 settlement. However, it was apparent that cuts would continue over the period of the current Parliament at least. The process for identifying and delivering savings is well established under the governance of the Strategic Planning Board, which is chaired by the Chief Constable.
- 6.3 A process was implemented for the 2017/18 budgets round to identify new requirements or any gaps in resourcing resulting from the reduced resources available. The bids were scrutinised by a peer group, Chief Officers and the Police and Crime Commissioner.
- 6.4 In addition to identifying the savings required, the normal process to determine future budget requirements was undertaken, which is explained in more detail in the MTFP. The following were taken into account in developing the MTFP:
- Local and national priorities as set out in the Police and Crime Plan, the Strategic Policing Requirement and the Force's Action Plan 2017/18
 - New and developing pressures
 - The strategic planning process
 - Other force strategies
 - Current economic climate
 - The current financial position
 - Estimates of resources available
 - Budget forecasts for the period, including pay awards
 - The capital programme, the Prudential Code and the effect on the revenue budget
 - Reserves and balances
 - Income generation, trading activities and grants
 - Collaboration
- 6.5 A total of £2.838m was cut from the 2016/17 budget compared to the previous financial year; this is on target to be delivered. A review of reserves was conducted based on projections for revenue and capital for the next 5 years.
- 6.6 The HMIC and the Wales Audit Office review annually the Force and its overall financial position, planning process and annual savings; further details are included in the MTFP. It has been noted that, to date, the Force has been able to protect front-line services and officers numbers to a large extent, and that a greater proportion of non-staff saving has been made compared to the national position, but that this is becoming increasingly difficult.

7. Funding Allocations

7.1 No provisional Government Funding Allocations for 2017/18 were announced alongside the 2016/17 settlement. However, in a letter to PCCs and Chief Constables the Home Secretary and Policing Minister announced that *“taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole.”* Based on this an estimated 1% annual grant cut was included in the January 2016 MTFP.

7.2 The announcement of 2017/18 funding was made on 15 December 2016. Grant funding for each Force area was cut by 1.4%, the Government was able to keep its promise of an overall flat cash increase due to higher than expected tax base increases, as explained in the extract below from the announcement,

‘Following the principles set out on the 4 February 2016 when publishing the final police funding settlement for 2016/17 [HCWS510] direct resource funding for each PCC, including precept, will be protected at flat cash levels compared to 2015/16, assuming that precept income is increased to the maximum amount available in both 2016/17 and 2017/18. No PCC who chooses to maximise precept in both years will face a reduction in cash funding next year compared to 2015/16. We have updated our precept forecasts for 2017/18 since February to reflect actual tax base increases in 2016/17.’

7.3 Total Police funding increased by 1.69%, however, due to an increase in central allocations (top-slicing) of 42%, and some elements of direct funding being protected in cash terms, the amount available to allocate to Force areas reduced by 1.4%. Details of total national Police funding are shown in the table below.

	2016/17	2017/18	Var	Var
	£m	£m	£m	%
Central Government Funding	8,356	8,497	141	1.69%
Transformation Fund and other Reallocations	572	812	240	41.96%
Direct Funding	7,784	7,685	-99	-1.27%
of which NICC (Capital city funding)	178	178	0	0.00%
of which Formula Funding	7,061	6,962	-99	-1.40%
of which Legacy Council Tax Grants	545	545	0	0.00%
Total Central Funding	8,356	8,497	141	1.69%
HO Precept assumption	3,194	3,307	113	3.54%
TOTAL (Direct Funding plus Precept)	10,978	10,992	14	0.13%

7.4 The breakdown of the amount top sliced is shown below

Top-Slice	2017/18
PFI	£73m
Police Technology Programmes (including ESN)	£417m
Arm's length Bodies (HMIC, IPCC)	£54m
Strengthening the Response to Organised Crime	£28m
Police transformation fund	£175m
Special Grant	£50m
Pre-Charge Bail	£15m
Total	£812m

7.5 The outcome of the funding announcement and its effect for North Wales Police is detailed below:

- A flat rate reduction of 1.4% for all policing areas. This means a grant reduction of £1.017m to North Wales.
- In addition to the above the Apprenticeship Levy will add a cost of £0.431m and increases in business rates will result in an increase of £0.121m.
- Overall 'top slicing' has increased from £572m to £812m, and now includes amounts towards the national upgrade of the police communication system. This reduces the amount of grant received in North Wales by over £8m. However, the effect of this is less than it first appears, as some costs will be met centrally, rather than from individual force budgets (e.g. ESN).
- Capital Grant was cut from £0.541m to £0.462m, a reduction of £0.079m, which follows on from a reduction of £0.360m in the previous year.
- English forces to continue to receive legacy council tax funding of £545m
- There were no announcements on future funding or on the funding formula. Therefore, it is impossible to predict with any certainty the financial position for 2018/19 and beyond.

7.6 Based on the totals provided and this year's announcement it has been estimated that there will be a further cut of 1% to grants in each on the following four years.

7.7 The Police Funding Formula is being reviewed with a view of implementing a new formula in 2018/19. The exercise carried out in 2015/16 initially changed the proportion of funding allocated to North Wales from 1.03% to 1.06%, this is a small % change but based on the 2015/16 funding would have given an additional £2m funding to the North Wales Police and Crime Commissioner. However, it transpired that the Home Office had substituted one set of data for another and, once the correct data had been incorporated in the formula, this created large differences from the figures originally published, which would have resulted in a £14.5m grant reduction for North Wales. As a result the Policing Minister at the time announced that the process would be suspended and that the allocations for 2016/17, and now 2017/18, be made in a similar way as previous years. This would mean the same percentage cut for all force areas.

7.8 Further work and consultation is underway on the funding formula proposals. This will mean continued uncertainty in terms of level of funding for North Wales Police until a final decision is made on a revised funding formula. The proposal will need to include proposals

for the transition from the current allocation to a revised one. This is currently the biggest risk to the budget; for example, if the current formula were imposed it would mean a reduction of £10m in grant which is currently received as a 'floor grant'. No details have been provided to date, it is expected that some details will be provided in February 2017. In the event that the funding formula review results in a significant grant reduction for North Wales further savings and additional council tax increases would be needed to protect future service provision.

8. Budget 2017/18 to 2021/22

8.1 A summary of the Budget Forecast and changes for 2017/18 and future years are shown in Appendix A.

8.2 The main assumptions within the MTFP are:

- Annual pay inflation 1% applied from September
- General Inflation 2%, specific inflation applied where known
- Council Tax increase of 3.79% in 2017/18 and 2.5% 2018/19 to 2021/22
- Further grant reductions from the funding formula review would lead to additional increases in council tax from 2018/19
- Grant reductions of 1.4% 2017/18, and a reduction of 1% for the following years
- A 0.25% increase in tax base from 2018-19 onwards

8.3 **Savings** –The 2016/17 MTFP included savings for 2017/18 of £2.077m. These plans were further developed during the year, with a zero based budgeting exercise being carried out in IT, Estates, Fleet and elements of Supplies and Services. The overall effect of this is a net increase in savings of £0.609m to £2.686m. The detailed work streams are:

Saving plan change between original and final 2017/18	January 2016	January 2017
IT Budget	210	550
Finance and Resources	726	534
Corporate Service Review	26	26
Operational Futures LPS	81	81
Operational Futures PCSO's	517	546
Estates	68	78
Vehicles and Transport	228	240
National Police Air Service	196	196
Communication Futures	25	25
Procurement	0	25
School Liaison Officers (Grant reduction)	0	68
Additional savings from 2015-16 voluntary redundancies exercise	0	317
Total	2,077	2,686

8.4 **Growth** - Addressing the local and national priorities necessitates additional resources in certain areas of work. In recent years this has been addressed by re-prioritising within services. At the same time, it is important to be aware that this will not necessarily be sufficient, and therefore bids for growth were considered during the budget process. Bids

totalling £3.1m were received and scrutinised. With a council tax increase of 2.5% (as per the 2016/17 MTFP) and taking into account the additional savings identified above, and also allocation of existing resource, growth of £1.277m can be funded. The following items were prioritised:

Description	Officer	Staff	Cost £'000
Wrexham Prison	3		185
Training Department	1	3	138
Management Information Development Manger		1	50
Body Worn Video maintenance			40
Investigation Costs			148
Road side drug testing			157
Detention Officers		2	81
Re structure of PSD		3	64
Control Room staff		6	220
Legal Department		1.2	66
Internal Communications Officer		1	35
Force HMIC Team	1	1	93
Total	5	18.2	1,277

- 8.5 A further set of bids were categorised as being in addition to current requirements due to national and or local priorities as well as new and developing crime areas. These totalled just over a £1m and are detailed below. The additional requirements in preventing, identifying and investigating the exploitation of vulnerable people which has been identified as a national as well as a local priority, and includes online exploitation, has put pressure on detective resources in recent years (Protecting Vulnerable People Unit PVPVU). The first three bids below are targeted directly in these areas; the fourth is an increase in Detective Trainees which is required to train Officers to fill future vacancies. The fifth line addresses the requirement to have a team carry out proactive work at local community level across the Force, on lower level problem offenders.

Description	Officer	Staff	Cost £'000
Modern Day Slavery Coordinator	1		63
Detective Inspector PVPVU	1		71
MIT/PVPVU Staff Investigators		6	261
Detective Trainee Posts	5		256
10 Pro Active response Officers	10		350
Total	17	6	1,001

8.6 The overall change in the budget is summarised in the table below.

	£'000
Net Budget 2016/17	141.067
Pay Inflation (1%)	1.107
Non Pay	0.533
Specific inflation and Unavoidable growth	1.291
Savings reinvested for growth	1.277
New requirement for growth	1.001
Inflation taken out	-0.373
Savings taken	-2.686
Net Budget 2017/18	143.217

8.7 Further work has been carried out on projected budgets from 2018/19 to 2021/22 based on the assumptions in paragraph 8.2. Detailed work was carried out on incremental costs and savings within the Police and Staff budgets; this allowed these budgets to be re based and including Probationers funding on a formal basis rather than funding from incremental savings as in past years. Where future savings have been confirmed these have also been taken out of the budget. The revised projected budgets for the period 2017/18 to 2021/22 are given below.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	157,968	159,673	161,342	163,586	165,449	167,438
Income and Reserves	-16,901	-16,456	-16,461	-16,486	-16,512	-16,595
Net Expenditure	141,067	143,217	144,881	147,100	148,937	150,843
Grant	-72,745	-71,728	-71,011	-70,301	-69,598	-68,902
Precept	-68,322	-71,489	-73,460	-75,484	-77,565	-79,703
Total Funding	-141,067	-143,217	-144,471	-145,785	-147,163	-148,605
Cumulative Cuts required	0	0	410	1,315	1,774	2,238
Annual cuts			410	905	459	464

8.8 Based on the assumption set out further savings of £2.238m will need to be found to balance the budget from 2018/19 to 2021/22. The existing saving plan has been extended beyond 2019/20 to 2021/22 and is detailed in the table below. Savings will be required going forward as further changes to Policing occur, based on current assumptions future efficiencies will enable these to be re invested in front line policing. However, future funding is uncertain due to the review of the funding formula and the uncertain economic climate following the Brexit vote. In the event that these result in further cuts to the budgets the savings will be required to balance the budget.

Description	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Finance and Resources	150			
Operational Futures PCSO's		557		
Estates		250		
National Police Air Service	50			
Communication Futures	71			
Forensics Collaboration	72			
Niche/RMS Collaboration	510			
Procurement - medical provision	75			
PFI		500		
New Travel Rates	97			
1% Efficiency Savings from use of Technology and Resource Management Initiatives			1,496	1,516
Total	1,214	1,307	1,496	1,516
Cumulative	1,214	2,521	4,017	5,533

9.0 Risks

9.1 Details of future risks to the budget are included in the MTFP. A summary of the major risks is given below; some of these have already been highlighted within this report:

- Funding uncertainty, including top-slicing, and details being provided late in the planning cycle
- Future changes to the funding formula may be detrimental to North Wales; withdrawal of the floor grant – this is the biggest risk over the next 12 months
- Emerging national and local requirements
- Delivering existing savings plans
- Identifying future savings plans
- A worsening of the national economic position requiring additional cuts to be imposed
- Increase in pay costs (including pension contributions and national insurance) – pay accounts for approximately 80% of the net budget.

10. Resilience and Reserves

10.1 The Commissioner has a duty to ensure that he holds adequate financial reserves to manage risks. In addition to the funding and forecasting risks detailed above, the Commissioner needs to cater for expenditure risk (spending over budget), and costly major incidents, natural disasters or other unforeseen events. An element of this risk has been managed through the in-year budgets through the contingency budgets. These have been reduced and a greater proportion of that risk being transferred to Reserves.

10.2 The Reserves are reviewed as part of the budget setting process and again as part of producing the Statement of Accounts. Due to the changes made to the Police Pay budget it is no longer necessary to have a specific Probationer Reserve, this reserve of £3.974m will be re allocated to other reserves as follows:

Description	£'000	Reason
Probationers Reserve	(3,974)	No longer required (MTFP Para 7.2)
General Reserve	1,000	Increased uncertainty and to ensure within prudent range.
Major Incident Reserve	0.200	Increased cost of MI's in 2016-17
Ill Health Reserve	0.500	Budget caters for 6 Ill Health Retirements but numbers have been higher than this in recent years
Management of Change	2,274	Implementing future change will require short term resourcing. This will include additional recruitment and training costs.

10.3 The General Reserve has been increased to £5.189m which is 3.6% of the estimated 2017/18 net budget. The prudent range is considered to be 3% to 5% of net budget.

10.4 The use of the reserves will depend on the final decisions on capital expenditure and the final revenue settlements, therefore the table below shows the current plan on how the earmarked reserves may be best used to support service provision and reduce the pressure on the revenue budget. Where the use of the Reserve is not known (such as the Major Incident Reserve) no changes are shown. The use of reserves will be reviewed on a regular basis.

Details of the projected Reserve position at the end of each year are given below the table.

Reserve Position							
Usable Reserves at	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20	31.3.21	31.3.22
	£m	£m	£m	£m	£m	£m	£m
Capital Receipts Reserve	3.495	2.075	1.128	1.057	0.607	0.607	0.607
General Fund Balance	4.189	5.189	5.189	5.189	5.189	5.189	5.189
Earmarked General Fund Reserves (Details below)	31.502	24.796	15.827	15.948	15.544	15.509	15.391
Total Usable Reserves	39.186	32.060	22.144	22.194	21.340	21.305	21.187

A breakdown of estimated Earmarked Reserves at the end of each financial year is given below. A description of each reserve is included in the MTFP.

Description	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20	31.3.21	31.3.22
	£m	£m	£m	£m	£m	£m	£m
Capital Investment	14.845	8.288	0.513	0.513	0.065	0.065	0.065
Major Incident	2.235	2.435	2.197	2.197	2.197	2.197	2.197
Pension III Health Reserve	0.415	0.915	0.915	0.915	0.915	0.915	0.915
Insurance Reserve	1.173	1.173	1.173	1.173	1.173	1.173	1.173
PFI Reserve	3.692	3.987	4.212	4.333	4.377	4.342	4.224
Probationer Reserve	3.974	0.000	0.000	0.000	0.000	0.000	0.000
Estates Security and Maintenance	1.938	1.620	1.301	1.301	1.301	1.301	1.301
Management of Change	2.027	5.383	4.521	4.521	4.521	4.521	4.521
Partnerships Reserve	0.588	0.380	0.380	0.380	0.380	0.380	0.380
Commissioners Community Safety Fund	0.280	0.280	0.280	0.280	0.280	0.280	0.280
PCC Transition/Legal/Participatory Budgets	0.335	0.335	0.335	0.335	0.335	0.335	0.335
Total	31.502	24.796	15.827	15.948	15.544	15.509	15.391

11. Capital

- 11.1 There are a number of major projects within the Capital Programme where contracts have been signed and work commenced in 2016/17 and will continue into 2017/18 and beyond; the profile of the Programme has been revised to reflect the projected cash flow for these projects. These are the custody and headquarters facility and the town centre police station in Wrexham, the new Police Station in Llandudno, the control room technology replacement and the mobile data developments.
- 11.2 There are also other smaller estates projects to be completed as well as upgrade of the business systems and the annual vehicle replacement programme.
- 11.3 The Programme is affordable and funded from a combination of grants, reserves, direct revenue contribution and borrowing. The overall strategy is to minimise borrowing and maximise the amounts budgeted in revenue by use of direct revenue contribution, which in turn minimises interest payments
- 11.4 The Capital programme is shown in the MTFP, which will be formally approved as part of the Treasury Management and Prudential Code Strategy.

Summary Capital Programme 2016/17 to 2021/22

Expenditure	£m
Estates	24.061
Vehicles and Equipment	8.864
Information Technology and Computing	9.746
Total Expenditure	42.671
Funding	
Grants	3.116
Revenue Contribution	8.351
Reserves	14.780
Capital Receipts	6.183
Borrowing - Estates	4.957
Borrowing – IT Replacement Programme	5.284
Total Funding	42.671

12. Consideration of the Options

- 12.1 The following major changes have been made between the previous MTFP and the current one:

Change between 2015/16 and 2016/17	January 2016	January 2017
Cut in government grant	1%	1.4%
Increase in council tax	2.5%	3.79%
Cuts planned/identified for 2017/18	£2.077m	£2.686m
Tax Base increase	0.25%	0.82%

The Commissioner has considered all of the options available. The cuts of £2.077m previously assumed for 2017/18 did not allow for emerging demands, which would have meant these could only be met by the redeployment of front line officers. In November, the Force presented draft plans based on the grant cut of 1% and making savings of £2.7m, of which £1.3m will be reinvested to support front line activities, with a further proposal for new requirements amounting to £1m. This would have resulted in a Council Tax increase of 3.9%. If savings had not been identified, the total budget requirement would have required a 5.75% council tax increase, however this was reduced as the Force identified savings that can be re invested. The final grant announcement increased the grant reduction to 1.4%, however this was offset by an increase in the tax base of 0.82%, the net position was that the increase of 3.9% could be reduced to 3.79%. In deciding on the proposed Council Tax increase, the balance must be found between affordability and ensuring the police service has sufficient funds, based on what has happened over the last six years and predictions for the next five. Additional cuts will invariably hit front line and officer numbers. Based on this, and the savings the Force has already made, a council tax increase of 3.79% is proposed which will protect the budget and allow some investment in front line posts.

- 12.2 The Commissioner has held discussions with the Chief Constable who has confirmed that the council tax increase of 3.79% provides sufficient budget to enable the operational delivery of

the policing service in 2017/18. However, due to future uncertainty over the level of grant allocation and changes in operational pressures, it is not possible to comment at the stage as to the accuracy of planning assumptions, and it must be understood that a significant reduction in the grant allocation would result in increased cuts and higher council tax increases in future years.

12.3 Increasing the Council Tax by 3.79% the valuations for each property band are:

Tax Band	A	B	C	D	E	F	G	H	I
Council Tax £	166.14	193.83	221.52	249.21	304.59	359.97	415.35	498.42	581.49

12.4 The precept for each billing area will be:

Billing Authority	Tax Base	Precept
Isle of Anglesey County Council	30,794.83	£7,674,380
Gwynedd Council	50,232.22	£12,518,372
Conwy County Borough Council	49,901.99	£12,436,075
Denbighshire County Council	39,274.89	£9,787,695
Flintshire County Council	63,543.00	£15,835,551
Wrexham County Borough Council	53,116.00	£13,237,038
Total	286,862.93	£71,489,111.

13. Implications

Diversity	The report's recommendations will affect the Force's employee numbers in future years.
Financial	The purpose of this report is to recommend the Precept and Council Tax for 2017/18, and to explain the factors taken into account in making this recommendation. Although the recommendation is for a single financial year, it is important to consider the medium to long term position in reaching a decision. Adequate financial resources are vital to the delivery of the Police and Crime Plan and to fulfil our legal requirements.
Legal	This report, in conjunction with the Medium Term Financial Plan, provides sufficient information for the Police and Crime Panel to make a decision that could stand future legal challenge.
Risk	The report identifies and evaluates the risks from the recommendations.
Police and Crime	No separate police and crime implications.

Revenue Budget 2016-17 to 2021-22

	Annual Budget	+Inc -' Redn	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	
	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	
Expenditure	£000	£000	£000	£000	£000	£000	£000	
1	Police Officer Pay Establishment	72,736	1,372	74,108	74,930	76,126	76,837	77,682
2.1	Police Staff Pay	33,941	587	34,528	34,876	35,228	35,584	35,943
2.2	PCSO's	7,290	-483	6,807	6,875	6,944	7,013	7,083
3	Police Officer Overtime	1,839	150	1,989	1,989	1,989	1,989	1,989
4	Police Staff Overtime	400	0	400	400	400	400	400
5	Allowances	1,867	-84	1,783	1,743	1,721	1,701	1,682
6	Training	665	13	678	692	706	720	734
7	Other Employee	678	16	694	708	722	736	751
8	Direct Pension Payments	3,102	62	3,164	3,227	3,292	3,358	3,425
9	Energy Costs	1,349	-233	1,116	1,149	1,184	1,219	1,256
10	Building Running Costs	6,260	342	6,602	6,734	6,869	7,007	7,147
11	Repairs & Maintenance of Vehicles	865	-253	612	624	636	649	662
12	Vehicle Running Costs	1,995	-155	1,840	1,909	1,982	2,057	2,136
13	Car & Travelling Allowances	728	15	743	661	676	691	707
14	Air Support Unit	1,235	-196	1,039	1,039	1,039	1,039	1,039
15	Equipment	654	122	776	791	806	822	808
16	Clothing and Uniforms	465	9	474	484	494	504	514
17	Printing and Stationery	413	9	422	430	439	447	456
18	IT and Communications	10,123	-400	9,723	9,778	9,896	10,101	10,311
19	Subsistence	284	41	325	330	336	342	348
20	Other Supplies and Services	6,654	265	6,919	7,023	7,131	7,242	7,357
21	Forensics	955	146	1,101	1,120	1,140	1,161	1,181
22	Debt Charges & Contribution to Capital	1,504	360	1,864	1,864	1,864	1,864	1,861
23	Special Situations Contingency	400	0	400	400	400	400	400
24	Inflation and General Contingency	400	0	400	400	400	400	400
25	Community Safety Fund	1,166	0	1,166	1,166	1,166	1,166	1,166
	Gross Expenditure	157,968	1,705	159,673	161,342	163,586	165,449	167,438

		Annual Budget	+ 'Inc -' Redn	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget
		2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Income	£000	£000	£000	£000	£000	£000	£000
26	Secondments	-4,161	114	-4,047	-4,047	-4,047	-4,047	-4,047
27	Interest on Balances	-271	75	-196	-150	-150	-150	-150
28	Income	-2,552	85	-2,467	-2,467	-2,467	-2,467	-2,467
29	Specific Grants	-10,004	33	-9,971	-9,918	-9,866	-9,813	-9,813
	Total Income	-16,988	307	-16,681	-16,582	-16,530	-16,477	-16,477
30	PFI Reserve	295	-70	225	121	44	-35	-118
31	Speed Awareness Reserve	-208	208	0	0	0	0	0
32	Additional from Reserves	0	0	0	0	0	0	0
	Net Expenditure	141,067	2,150	143,217	144,881	147,100	148,937	150,843
33	Total Grants	-72,745	1,017	-71,728	-71,011	-70,301	-69,598	-68,902
34	Precept	-68,322	-3,167	-71,489	-73,460	-75,484	-77,565	-79,703
	Funding	-141,067	-2,150	-143,217	-144,471	-145,785	-147,163	-148,605
	Annual Balance	0	0	0	410	905	459	464
	Cumulative			0	410	1,315	1,774	2,238

**Police and Crime Commissioner and Chief Constable for
North Wales Police Force**

Medium Term Financial Plan

2017-18 to 2021-22

1. Introduction

1.1 The Medium Term Financial Plan (MTFP) links the Policing Plan 2017-2021 and the Policing Priorities agreed by the Police and Crime Commissioner and the Chief Constable with the Financial Strategy (Appendix A) and the Resources available.

1.2 Aim

The aim of this paper is to give details of how the budget has been balanced to date and the plans to maintain a balanced budget in the medium and longer term, whilst maintaining performance and ensuring local and national priorities are achieved.

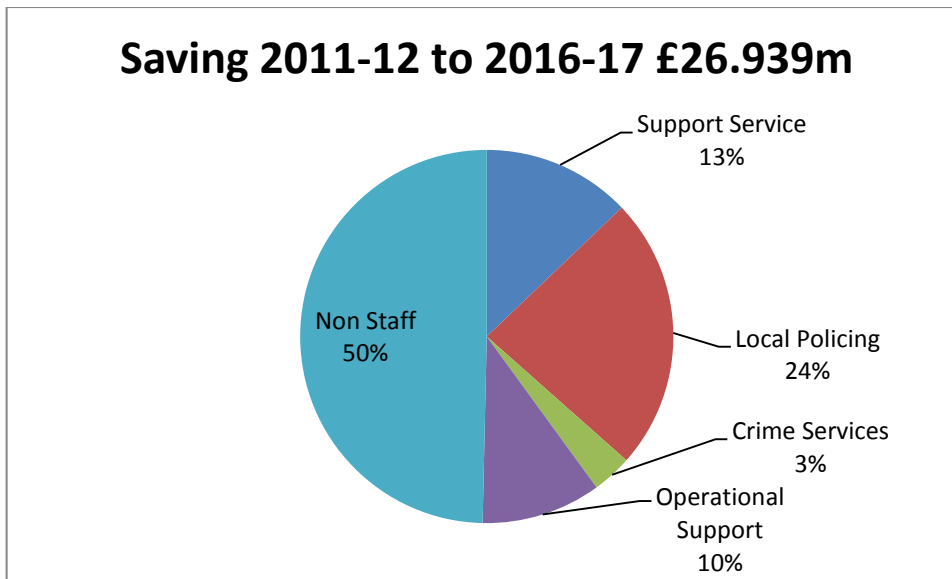
1.3 Background

The Government's Austerity Programme, which began in 2011, has resulted in substantial cuts across the public sector. The original planned cash reduction in Police Budgets over the 4 years (2011-12 to 2014-15) of the CSR2010 was 12%, the actual reduction in grants to the end of 2015-16 was 20.6%. The level of cuts eased slightly in 2016-17 with a further cut of 0.6% being applied to Police Grant funding.

1.4 The Police Authority set a Council Tax at a 4% increase for 2011-12 and 2.5% for 2012-13. Council Tax was increased by 4% in 2013-14 which to allow the investment of £1.8m in an additional 51 Police Officer posts. Council Tax was increased by 2% in 2014-15 and, following a cut in grant of 5.1%, in 2015-16 Council Tax was increased by 3.44%. A Council Tax increase of 2% was agreed for 2016-17, with £1.4m being invested in front line posts. The table below documents the cuts made to date to balance the budget:

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Cuts Made	£4.678m	£6.016m	£4.634m	£4.325m	£4.448m	£2.838m	£26.939m

1.4 Cuts of £26.939m will have been achieved by the end of 2016-17, with £3.2m being invested in front line posts. This has resulted in a 17.4% real term reduction in the total budget over a 6 year period. The chart below summarised where savings have been taken. 50% of the savings have come from staff reductions equating to 338 posts, the non-staff cuts have come from all areas of activity.



- 1.5 The Government conducted two major reviews over the summer of 2015 that would determine the level of Government grants for policing for future years. The Spending Review (SR2015) reviewed the budget allocation to all Government Departments including the total available for policing. The outcome of the spending review resulted in the 0.6% cut to Police Forces grant allocation in 2016-17 with a commitment for future funding to be set so that Police Forces do not face a cash reduction as long as police and crime commissioners maximise the precept.
- 1.6 A review of the Police Funding Formula was conducted by the Home Office, the formula determines how the Home Office distributes the total funding available to policing between the policing areas. The review of the Police Funding Formula was suspended following issues raised by Forces on the accuracy of the proposed formula. The review has now recommenced with the intention to implement a new formula in 2018-19.

2. Planning Process

- 2.1 The process for identifying, agreeing and implementing savings is established as part of normal business. This is governed by the Strategic Planning Board and administered by sub group of the Board. In addition to the existing savings plans, a review of the pay budgets took place, specifically to examine the future projections for increments adjusted for the expected number of staff leaving and the recruitment plan. In addition, zero based budget exercise was carried out on the IT, Facilities, Fleet and elements of the Supplies and Services budgets to confirm savings in the plan and if possible identify further savings.
- 2.2 For the first time in a number of years a formal process for identifying new requirements was conducted. Policing requirements constantly change, new requirements must be funded from re-allocation or re-prioritising of existing resources, or from growth if additional funding is available. Service leads were invited to submit bids, these were subject to peer review, prioritised using a scoring matrix

professional opinion, and scrutinised at the Chief Officers' Budget Setting meeting, before final proposals were submitted to the Police and Crime Commissioner.

2.3 In addition to the above, the normal process to develop future budget requirements was undertaken, details of which are set out within this Medium Term Financial Plan (MTFP). In developing this MTFP the following were taken into account:

- Local and National priorities as set out in the draft Police and Crime Plan and the Force's Action Plan 2017-2018
- New and developing pressures
- The strategic planning process
- Other Force strategies
- Current economic climate
- Estimates of resources available to fund the Medium Term Financial Plan
- Budget forecasts for the period including pay awards
- The current financial position
- The Capital Programme, Prudential Code and their effect on the Revenue Budget
- Reserves and Balances
- Income generation, trading activities and grants
- Collaboration

2.5 The above process was completed by mid-November 2016 with draft budgets being discussed in detail by the Chief Officer Team and Service leads on 23 November 2016. The proposals were discussed by the Commissioner's and Chief Constable's Chief Finance Officers on 24 November 2016. A meeting was held between the Commissioner, the Chief Constable and their representatives on 30 November to discuss the budget proposals. The Government's Grant figures were announced on 15 December 2016. The final proposals were agreed on 20 December at a meeting between the Commissioner and his staff and the Chief Officer Team.

2.6 The following sections detail all developments since the previous MTFP, giving the updated position for Revenue, Capital and Reserves.

3. 2016-17 Budget

3.1 Government Funding was cut by 0.6% in 2016-17; Council Tax was increased by 2%. The total budget of £141.067m was a 0.89% cash increase on the previous year's budget. To balance the 2016-17 budget £2.838m cuts were made. These are on target to be delivered and the current projection is for an under spend against the original budget of £1.082m, this is due to some savings planned for 2017-18 being achieved early, a higher than expected turnover of staff and some additional one-off income. The cuts made are detailed below:

Cuts taken in 2016-17	
Business Service Review	£0.237m
Corporate Service Review	£0.326m
Operational Futures LPS	£0.114m
Scientific Support	£0.270m
Communication Futures	£0.180m
Estates	£0.266m
Vehicles and transport	£0.075m
Analysts	£0.027m
Overtime	£0.150m
National Air Service	£0.099m
Catering	£0.050m
Support Service Management Review	£0.215m
Crime Services	£0.147m
Procurement	£0.015m
Income Generation	£0.200m
Firearms Licencing	£0.203m
Seized Property	£0.012m
Targeted Service Efficiencies	£0.345m
Total	£2.838m

- 3.2 Her Majesty's Inspectorate of Constabularies (HMIC) and Wales Audit Office (WAO) review annually: the Force's financial position; planning process; savings already made; and savings yet to be made. A summary of the reviews and audits undertaken is given below.
- 3.3 HMIC's *Valuing the Police* reviews have been incorporated into their new review programme *PEEL Reviews* (Police Efficiency, Effectiveness and Legitimacy). The overall efficiency question set by the HMIC is 'How efficient is the force at keeping people safe and reducing crime?' with the definition of 'efficiency' being '*an efficient force maximises the outcomes from its available resources*'. The three questions underpinning the assessment being:
1. How well does the force understand the current, and likely future, demand?
 2. How well does the force use its resources to manage current demand?
 3. How well is the force planning for demand in the future?
- 3.4 Forces are graded as being '*outstanding*', '*good*', '*requires improvement*', or '*inadequate*'. The overall grading was '*good*'. One area for improvement was identified which was '*North Wales Police should continue to audit its workforce's capabilities and then demonstrate that it has made use of this work to identify any gaps in skills and put plans in place to address them. This will enable the force to be confident in its ability to meet current and likely future demand efficiently.*' This was

addressed as part of the planning process and will be continually addressed as part of normal business. The summarised comments from the HMIC are given below:

'North Wales Police has been assessed as good in respect of the efficiency with which it keeps people safe and reduces crime. It recognises the importance of having a better understanding of current demand for its services so that its resources can be used efficiently to prioritise and respond to demand. The force has identified the need to focus on new emerging areas of demand and has been successful in addressing gaps in its workforce for most grades and specialist roles. The force has a positive track record of achieving savings for the future, and its plans are built on sound assumptions.'

The full assessment can be found at

<https://www.justiceinspectors.gov.uk/hmic/peel-assessments/peel-2016/north-wales/efficiency/>

- 3.5 The WAO made the following comments on their value for money assessment in their annual audit letter published in November 2016;

'I am satisfied that the Commissioner and Chief Constable had appropriate arrangements in place in the year to secure economy, efficiency and effectiveness in their use of resources'

'The Commissioner and Chief Constable met their revenue budgets for 2015-16, and continue to respond positively to significant financial challenges'

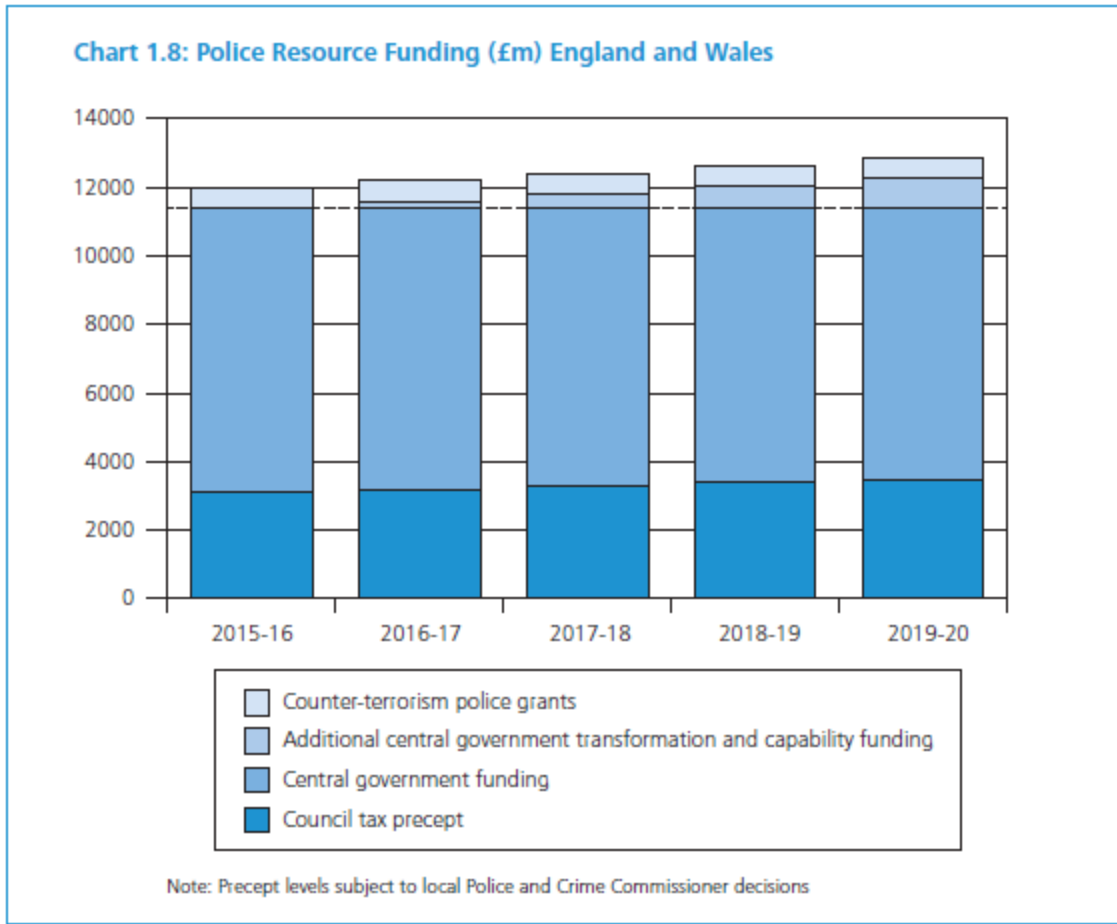
The annual audit letter can be found at

<http://www.northwales-pcc.gov.uk/en/Information/What-we-spend-and-How-we-spend-it.aspx>

- 3.6 Both assessments show that the cuts are being managed and that the Force is performing well in maximizing the outcomes from available resources.

4. Funding Allocations

- 4.1 No Provisional Government Funding Allocations for 2017-18 were given as part of the 2016-17 settlement. However, in a letter to PCCs and Chief Constables the Home Secretary and Policing Minister announced that *"taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole."* Based on this an estimate of a 1% cut was included in the January 2016 MTFP. This is illustrated by the following graph from the Treasury's Spending Review Document which shows the proportion of the police total funding allocated to policing areas reduces over the planning period years.



4.2 The announcement of 2017-18 funding was made on 15 December 2016. Grant funding for each Force area was cut by 1.4%, the Government were able to keep their promise of an overall flat cash position due higher than expected tax base increases as explained in the extract below from the announcement,

'Following the principles set out on the 4 February 2016 when publishing the final police funding settlement for 2016/17 [HCWS510] direct resource funding for each PCC, including precept, will be protected at flat cash levels compared to 2015/16, assuming that precept income is increased to the maximum amount available in both 2016/17 and 2017/18. No PCC who chooses to maximise precept in both years will face a reduction in cash funding next year compared to 2015/16. We have updated our precept forecasts for 2017/18 since February to reflect actual tax base increases in 2016/17.'

4.2 The total Police funding increased by 1.69%, however due to some funding being protected and a 42% increase in amounts top sliced to fund Home Office Police initiatives the amount allocated to Forces reduced by 1.4%. Details of the total national Police funding are shown in the table below.

	2016-17	2017-18	Var	Var
	£m	£m	£m	%
Central Government Funding	8,356	8,497	141	1.69%
Transformation Fund and other Reallocations	572	812	240	41.96%
Direct Funding	7,784	7,685	-99	-1.27%
of which NICC (Capital city funding)	178	178	0	0.00%
of which Formula Funding	7,061	6,962	-99	-1.40%
of which Legacy Council Tax Grants	545	545	0	0.00%
Total Central Funding	8,356	8,497	141	1.69%
HO Precept assumption	3,194	3,307	113	3.54%
TOTAL (Direct Funding plus Precept)	10,978	10,992	14	0.13%

4.3 The breakdown of the amount top sliced are shown below

Top-Slice	2017-18
PFI	£73m
Police Technology Programmes (including ESN)	£417m
Arm's length Bodies (HMIC, IPCC)	£54m
Strengthening the Response to Organised Crime	£28m
Police transformation fund	£175m
Special Grant	£50m
Pre-Charge Bail	£15m
Total	£812m

4.6 The outcome of the funding announcement for North Wales Police is detailed below:

- A flat rate reduction of 1.4% for all policing areas. This means a grant reduction of £1.017m to North Wales.
- In addition to the above the Apprenticeship Levy will add a cost of £0.426m and increases in business rates will result in increased cost of £0.121m.
- Overall 'top slicing' has increased from £572m to £812m, and now includes amounts towards the national upgrade of the police communication system.

- Capital Grant was cut from £0.541m to £0.462m, a reduction of £0.079m, following a reduction of £0.360m in the previous year.
- English forces to continue to receive legacy council tax funding of £545m
- There were no announcements on future funding or on the funding formula.

4.7 Based on the totals provided and this year's announcement it is estimated that there will be a further cut of 1% to grants in each on the following four years. This is based on the assumption has been made by the government that council tax will be raised locally by at least 2% so that there is there is no overall cash reduction in police funding.

4.6 The Police Funding Formula is being reviewed with a view of implementing a new formula in 2018-19. The exercise carried out in 2015-16 initially changed the proportion of funding allocated to North Wales changed from 1.03% to 1.06%, this is a small % change but based on the 2015-16 funding would have given an additional £2m funding. However, it transpired that the Home Office had used the wrong data in its calculations, which led to an announcement by the Policing Minister at the time that the process would be suspended and that the allocations for 2016-17, and now 2017-18, be made in a similar way as previous years. This would mean the same percentage cut for all forces.

4.7 Further work and consultation is ongoing on the funding formula proposals. This means continued uncertainty in terms of level of funding for North Wales Police until a final decision is made on a revised funding formula. The proposal will include transition proposals of how to move from the current allocation to a revised one. This is currently the biggest risk to the budget; if the current formula were imposed it would mean a reduction of £10m in grant which is currently paid as a 'floor grant'. No details have been provided to date, it is expected that some details will be provided in February 2017. If the revised formula results in a significant reduction in government grant for North Wales, this will necessitate additional cuts and higher council tax increases.

5. Council Tax and Precept

5.1 There are two main elements to the total net Police Budget: the total of the Police Grants and the Precept. The budget proposal includes a Council Tax increase of 3.78%. The Tax Base for the whole of North Wales has increased by 0.89%, giving an overall increase in Precept of 4.64% and a total net budget of £143.217m for the Police and Crime Commissioner, made up as follows:

	2017-18	
	£m	%
Total Government Grants	71.728	50.1%
Total Precepts	71.489	49.9%
Total Budget Requirement	143.217	

- 5.2 Council Tax is calculated by dividing the total precept requirement by the tax base, the tax base being the number of Band D equivalent properties in each Force area. The Tax Base is provided by the six Local Authorities in North Wales. The tax base for 2017-18 has increased slightly by 0.89%. This means that the percentage increase in the precept is slightly higher than the percentage increase in the council tax.
- 5.3 The rules for limiting the increase in the Council Tax, called the capping rules, are different for England and Wales. In addition, English Police Areas have had access to separate grants if they agreed to limit the Council Tax increases. These were previously paid by the Department of Communities and Local Government (DCLG) but have now mostly been consolidated into the Home Office Grant and total £545m in 2017-18. North Wales has the highest Council Tax in England and Wales, but if these legacy Council Tax Grants were taken into consideration, North Wales would be the 6th highest.
- 5.5 The capping rules in England have been announced, if Council Tax were to be increased by more than 2% a referendum will have to be held, although the 10 policing areas with the lowest council tax will be allowed to increase council tax by £5 which, if taken up, could mean an increase of between 3.12% and 5.36% for those policing areas.
- 5.6 No capping rules have been announced in Wales. In previous years, Welsh Government has not challenged increases below 5%. No Council Tax Reduction Grant is available in Wales.
- 5.7 The Home Office has assumed that policing areas would raise their council tax by 2% (or £5 for the 10 force areas with the lowest council tax) and that the tax base would increase by 0.5% in order to give the 'flat cash' position announced as part of the Autumn Statement.

6. Budget for 2017-18 and Planned Budget for 2018-19 to 2021-22

6.1 A summary of the Budget and changes for 2016-17 and future years are shown in Appendix B.

6.2 The main assumptions as set out in the previous MTFP are as follows:

- Annual pay inflation 1% applied from September
- General Inflation 2%, specific inflation applied where known
- Council Tax increase of 3.8% in 2017-18 and 2.5% 2018-19 to 2021-22
- Grant reductions of 1.4% 2017-18, and a reduction of 1% for the following years
- A 0.25% increase in tax base from 2018-19 onwards

6.3 All of these assumptions have been reviewed and amended to reflect up to date information. A detailed review of inflation included has been conducted. Pay inflation remains at 1%, inflation for 2017-18 has been set at the Government target of 2%. An additional charge of 0.5% of pay has been included for the Apprenticeship Levy. This resulted in an additional charge of £0.431m. Inflation was assessed in each area resulting in a reduction of £0.373m in the original estimate due to reductions in fuel, energy and allowances.

6.4 The grant reduction for 2017-18 is 1.4% and it is now estimated that there will be a further 1% reduction in each of the following years. This based on the commitment to award a grant that will give a flat settlement as long as Council Tax increases by 2% (or £5) and tax bases increase by 0.5%. If the Government decide to further top slice the amount allocated to Forces this reduce grants by more than 1%, however the top sliced amount has increased by 42% in 2017-18 it would not be expected that there would be similar increases in future years.

6.5 Savings – A saving plan was developed for 2017-18 amounting to £2.077m. These plans were further developed during the year, with a zero based budgeting exercise being carried out in IT, Estates, Fleet and elements of Supplies and Services. The overall effect of this was a saving plan amounting to £2.686m. The detailed work streams are listed below.

Saving plan change between original and final 2017-18	January 2016	January 2017
IT Budget	210	550
Finance and Resources	726	534
Corporate Service Review	26	26
Operational Futures LPS	81	81
Operational Futures PCSO's	517	546
Estates	68	78
Vehicles and Transport	228	240
National Police Air Service	196	196
Communication Futures	25	25
Procurement	0	25
School Liaison Officers (Grant reduction)	0	68
Additional savings from 2015-16 voluntary redundancies exercise	0	317
Total	2,077	2,686

- 6.5 **Growth** - The focus has been very much on cuts over the last 6 years with a total of £26.939m having been cut from the budget. However, addressing the local and national priorities necessitates additional resources in certain areas of work. In recent years this has been addressed by re-prioritising within Services. For 2017-18 Service Leads were invited to submit bids for new or additional requirements. Bids totalling £3.1m were received and scrutinised, having initially been scrutinised by Service areas Senior Management Teams. A total of £1.277m could be funded within the resources outlined in the previous MTFP, these are detailed below.

Description	Officer	Staff	Cost £'000
Wrexham Prison	3		185
Training Department	1	3	138
Management Information Development Manger		1	50
Body Worn Video maintenance			40
Investigation Costs			148
Road side drug testing			157
Detention Officers		2	81
Re structure of PSD		3	64
Control Room staff		6	220
Legal Department		1.2	66
Internal Communications Officer		1	35
Force HMIC Team	1	1	93
Total	5	18.2	1,277

- 6.6 A further set of bids were categorised as being in additional to current requirements due to national and or local priorities as well as new and developing crime areas.

These totalled just over a £1m and are detailed below. The additional requirements in preventing, identifying and investigating the exploitation of vulnerable people which has been identified as a national as well as a local priority, and includes online exploitation, has put pressure on detective resources in recent years (Protecting Vulnerable People Unit –PVPU). The first three bids below are targeted directly in these areas; the fourth is an increase in Detective Trainee’s which is required to train Officers to fill future vacancies. The fifth line addresses the requirement to have a team carry out proactive work at local community level across the Force, on lower level problem offenders.

Description	Officer	Staff	Cost £’000
Modern Day Slavery Coordinator	1		63
Detective Inspector PVPU	1		71
MIT/PVPU Staff Investigators		6	261
Detective Trainee Posts	5		256
10 Pro Active response Officers	10		350
Total	17	6	1,001

6.7 The overall effect of savings taken, inflation and unavoidable growth and new requirements is a budget increase of 1.5%. This is summarised in the table below.

	2016-17	2017-18	% Change
	£’000	£’000	
Gross Expenditure	157,968	159,673	1.1%
Income and Reserves	-16,901	-16,456	-2.6%
Net Expenditure	141,067	143,217	1.5%
Grant	-72,745	-71,728	-1.4%
Precept	-68,322	-71,489	4.6%
Total Funding	-141,067	-143,217	1.5%

6.8 The overall change in the budget is summarised in the table below.

	£’000
Net Budget 2016-17	141.067
Pay Inflation (1%)	1.107
Non Pay	0.533
Specific inflation and Unavoidable growth	1.291
Re distributed for growth	1.277
New requirement for growth	1.001
Inflation taken out	-0.373
Savings taken	-2.686
Net Budget 2017-18	143.217

6.6 Further work has been carried out on projected budgets from 2018-19 to 2021-22 based on the assumptions set out above. Detailed work was carried out on incremental costs and savings within the police and staff budgets, this allowed these budgets to be re-based incorporating probationers within the base budget rather than from savings from turnover, as in past years. Where future savings have been confirmed these have also been taken out of the budget. The revised projected budgets for the period 2017-18 to 2021-22 are given below.

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	157,968	159,673	161,342	163,586	165,449	167,438
Income and Reserves	-16,901	-16,456	-16,461	-16,486	-16,512	-16,595
Net Expenditure	141,067	143,217	144,881	147,100	148,937	150,843
Grant	-72,745	-71,728	-71,011	-70,301	-69,598	-68,902
Precept	-68,322	-71,489	-73,460	-75,484	-77,565	-79,703
Total Funding	-141,067	-143,217	-144,471	-145,785	-147,163	-148,605
Cumulative Cuts required	0	0	410	1,315	1,774	2,238
Annual cuts			410	905	459	464

6.6 Based on the assumption set out further savings of £2.238m will need to be found to balance the budget from 2018-19 to 2021-22. The existing saving plan has been extended beyond 2019-20 to 2021-22. Savings will be required going forward as further changes to Policing occurs, based on current assumptions future efficiencies will enable this to be invested in front line Policing. However, future funding is uncertain due to the review of the funding formula and the uncertain economic climate, in particular following the Brexit vote. In the event that these result in further cuts to the budgets the savings will be required to balance the budget, and higher council tax increases may also be needed.

Description	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000
Finance and Resources	150			
Operational Futures PCSO's		557		
Estates		250		
National Police Air Service	50			
Communication Futures	71			
Forensics Collaboration	72			
Niche/RMS Collaboration	510			
Procurement - medical provision	75			
PFI		500		
New Travel Rates	97			
1% Efficiency Savings from use of Technology and Resource Management Initiatives			1,496	1,516
Total	1,214	1,307	1,496	1,516
Cumulative	1,214	2,521	4,017	5,533

7. Recruitment

- 7.1 The Police Officer Establishment (the number of funded police officer posts in the budget including secondments) was 1,398 in 2016-17. In addition to this 4 intakes of 18 probationers were included in the funding. As probationers are transferred into established posts after nine months, this means that there are 54 probationers at any one time. The Recruitment Plan aims to have fully trained officers deployed in the established police officer posts as vacancies occur. The number of posts will vary due to grant-funded and seconded officer post numbers, as well as the effect of any civilianisation or other changes in Police Officer Posts. The actual number of officers will vary depending on the number of retirements and other leavers and the recruitment profile. It has been identified that there will be an increase in officers retiring over the next few years due to changes in the Police Pension Regulations allowing officers to retire from the age of 55 without the previous requirement to complete 30 years' service.
- 7.2 The base number of recruits is 4 intakes of 18 probationers, 72 in total. Due to the increase in retirements and an increase in the establishment this will be increased with 126 in 2017-18 with 36 Probationers being recruited to start in June 2017, September 2017 and January 2018 and a further 18 in March 2018. The total of 126 works out at the equivalent 84 probationers during the year. Due to the uncertainty of funding in recent years probationers were funded from turnover savings with a strategy of recruiting early, with a contingency plan to use the Probationers' Reserve if required. The turnover figure has now been estimated for future years and included in the budget which allows the probationer establishment to be funded going forward. The additional number of probationers required will be reviewed during the year, once it is possible to get back to the base recruitment the additional 30 Officers will be used to cover abstractions.

Police Officer Establishment 2016-17	1,398
Probationers WTE	54
Total 2016-17	1,452
Police Officer Establishment 2017-18	1,412
Probationers WTE	84
Total 2017-18	1,496

- 7.3 There is a steady flow of PCSOs being recruited as police officers. The PCSOs establishment is set at 220. There is a planned recruitment of 24 PCSOs in 2017-18, this will need to be reviewed depending on how many PCSOs become officers.
- 7.4 The improvement in the funding outlook is to be welcomed but does pose a challenge for the recruitment section, especially with the pattern of additional officers retiring. There will also be the need to recruit the 24 additional staff posts as well as recruiting to any vacancies that arise. Additional short term resources are being funded to assist the recruitment and training process.

8. Risks

- 8.1 The level on uncertainty in setting 2017-18 budgets reduced from previous years, although no quantitative detail had been given on the 2017-18 settlement until the announcement on the 15 of December 2016. No policing area grant figures have been announced beyond 2017-18. There is still a risk that there will be cuts to the total allocated to policing areas in future years, the government has assumed increases in council tax and tax base in order for policing areas to maintain a flat cash position.
- 8.2 The biggest risk over the next year is the funding formula due to the sensitivity and uncertainty around the new formula. The figures provided by the Home Office during the 2015-16 review showed North Wales's allocation increasing from 1.03% to 1.06% of the total, this equated to £2m additional funding; estimates then provided by Devon and Cornwall showed North Wales's allocation reducing by £14.5m, which demonstrates the sensitivity of any changes. The new review of the formula is in the early stages, some details are due to be published in February 2017.
- 8.3 There are new and emerging national and local risks that must be resourced such as Child Sexual Exploitation and Cyber Crime, additional allocations have been made in 2016-17 and 2017-18 but these are resource intensive areas and will need to be further assessed in future. Locally the development of the Prison in Wrexham and the Wylfa B Nuclear Power Station will have a call on resources. Other public sector agencies are seeing a reduction in their budgets which could also increase the demand on the Police service.
- 8.4 The plans for the savings in 2016-17 are in place and are being implemented; however the potential savings in 2017-18 have to be delivered. These plans are mature and it is expected that these savings will be achieved within the year. Cuts beyond 2017-18 have to be confirmed and delivered. Not all the savings are under

the Force's control, the collaboration savings will depend on other forces and organisations.

- 8.5 The estimated cuts required are based on the planning assumptions for increases in Council Tax being agreed. If this were to be reduced each reduction of 1% would mean an additional £0.688m cut in the 2017-18 budgets.
- 8.6 The Home Office has top-sliced the amounts allocated to Police areas in recent years to fund national units and initiatives. Top slicing was increased by 42% in 2017-18. Any new initiatives may result in further top slicing.
- 8.7 Further cuts could be applied if the economic climate worsens. Each additional 1% cut to the General Grant Funding is a cash reduction of £0.717m.
- 8.8 As 80% of the net budget is spent on pay any small changes in pay increase, pension contribution or National Insurance contributions, Apprenticeship Levy, or any other pay-related expenditure can have a disproportionate effect on the budget.
- 8.9 Inflation has been low in recent years and the budget assumptions have been changed to reflect this, however this could change especially in areas such as fuel and energy where prices can be very volatile.
- 8.8 The table below highlights the sensitivity of the main assumptions

Sensitivity main variables	£m
1% change in Council Tax	0.688
1% change in grant	0.717
A 1% change in pay	1.100
1% change in general inflation	0.362

9. Reserves

- 9.1 The Commissioner has a duty to ensure that he holds adequate financial reserves to manage risks. In addition to the funding and forecasting risks detailed above, the Commissioner needs to cater for expenditure risk (spending over budget), and costly major incidents, natural disasters or other unforeseen events. An element of this risk has been managed through the in-year budgets through the contingency budgets. These have been reduced and a greater proportion of that risk being transferred to Reserves.
- 9.2 The Reserves are reviewed as part of the budget setting process and again as part of producing the Statement of Accounts. Due to the changes made to the Police Pay budget it is no longer necessary to have a specific Probationer Reserve, this reserve of £3.987m will be re allocated to other reserves as follows.

Description	£'000	Reason
Probationers Reserve	-3,974	No longer required (Para 7.2)
General Reserve	1,000	Increased uncertainty and to bring the balance within the prudent range
Major Incident Reserve	0.200	Increased cost of MI's in 2016-17
Ill Health Reserve	0.500	Budget caters for 6 Ill Health Retirements but numbers have been higher than this in recent years
Management of Change	2,274	Implementing future change will require short term resourcing. This will include additional recruitment and training costs.

9.2 The General Reserve has been increased to £5.189m which is 3.6% of the estimated 2017-18 net budget. The prudent range is considered to be 3% to 5% of net budget.

9.4 The use of the reserves will depend on the final decisions on capital expenditure and the final revenue settlements, therefore the table below shows the current plan on how the earmarked reserves may be best used to support service provision and reduce the pressure on the revenue budget. Where the use of the Reserve is not known (such as the Major Incident Reserve) no changes are shown. The use of reserves will be reviewed on a regular basis.

Details of the projected Reserve position at the end of each year are given below the table.

Reserve Position							
<i>Usable Reserves at</i>	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20	31.3.21	31.3.22
	£m	£m	£m	£m	£m	£m	£m
Capital Receipts Reserve	3.495	2.075	1.128	1.057	0.607	0.607	0.607
General Fund Balance	4.189	5.189	5.189	5.189	5.189	5.189	5.189
Earmarked General Fund Reserves (Details below)	31.502	24.796	15.827	15.948	15.544	15.509	15.391
Total Usable Reserves	39.186	32.060	22.144	22.194	21.340	21.305	21.187

A breakdown of estimated Earmarked Reserves at the end of each financial year is given below and a description of each follows:

Description	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20	31.3.21	31.3.22
	£m	£m	£m	£m	£m	£m	£m
Capital Investment	14.845	8.288	0.513	0.513	0.065	0.065	0.065
Major Incident	2.235	2.435	2.197	2.197	2.197	2.197	2.197
Pension Ill Health Reserve	0.415	0.915	0.915	0.915	0.915	0.915	0.915
Insurance Reserve	1.173	1.173	1.173	1.173	1.173	1.173	1.173
PFI Reserve	3.692	3.987	4.212	4.333	4.377	4.342	4.224
Probationer Reserve	3.974	0.000	0.000	0.000	0.000	0.000	0.000
Estates Security and Maintenance	1.938	1.620	1.301	1.301	1.301	1.301	1.301
Management of Change	2.027	5.383	4.521	4.521	4.521	4.521	4.521
Partnerships Reserve	0.588	0.380	0.380	0.380	0.380	0.380	0.380
Commissioners Community Safety Fund	0.280	0.280	0.280	0.280	0.280	0.280	0.280
PCC Office/ Legal/Participatory Budgets	0.335	0.335	0.335	0.335	0.335	0.335	0.335
Total	31.502	24.796	15.827	15.948	15.544	15.509	15.391

9.5 Capital Investment Fund (Capital) – To be used to invest in the assets and infrastructure of the Force to improve service provision and reduce revenue expenditure.

Major Incident Reserve (Risk)– To be used in the event of a Major Incident requiring additional resources beyond those available within the annual budget. This reserve has enabled the Major Incident Contingency budget to be reduced.

Pension Ill Health Reserve (Risk) – The Force has to pay a one off sum equivalent to twice an officer’s pay for each Ill Health Retirement. Holding the Reserve has reduced the need for the budget in revenue.

Insurance (Risk)- This relates to the Municipal Mutual Insurance Limited scheme of Arrangement, which could result in a final payment of an estimated £0.432m; for unknown emerging claims, and unknown future claims highlighted by the Insurance Broker.

PFI Reserve (Earmarked Revenue) – This is required as the funding for PFI from the Government reduces annually, the fund will eventually reduce over the life of the PFI contract.

Probationer Reserve (Earmarked Revenue) – To be used to fund Probationers over establishment to enable posts to be filled with trained Officers. No longer required as per paragraph 7.2.

Estates Security and Maintenance (Earmarked Revenue) - To fund backlog maintenance and additional security not covered in the revenue or capital budgets.

Management of Change (Earmarked Revenue) - Investment required facilitating change and reducing cost in the longer term.

Partnerships Reserve (Earmarked Revenue) – Balances held for specific Partnerships which will either be used or are held in the event of funding being withdrawn resulting in additional costs.

Community Safety Fund (Earmarked Revenue) - To provide additional resources to the Community Safety Fund

Office of the PCC Reserves (Earmarked Revenue) – OPCC reserve; legal reserve and participatory budget.

10. Capital

- 10.1 There are a number of major projects within the Capital Programme where contracts have been signed and work commenced in 2016-17 and will continue into 2017-18, the profile of the programme has been reviewed to reflect the projected cash flow for these projects. These are the divisional headquarters and custody facility in Llay, the town centre police station in Wrexham, the new Police Station in Llandudno, the control room technology replacement and the mobile data developments.
- 10.2 There are also other smaller estates projects to be completed as well as upgrades to business systems and the annual vehicle replacement programme.
- 10.3 The programme is affordable and funded from a combination of grants, reserves, direct revenue contribution and borrowing. The overall strategy is to minimise borrowing and maximise the amounts budgeted in revenue by use of direct revenue contribution and capital receipts, which in turn minimises interest payments
- 10.4 The capital figures are shown in Appendix C; the detailed plan will be formally approved as part of the Treasury Management and Prudential Code Strategy.

10.5 Capital Programme 2016-17 to 2021-22

Expenditure	£m
Estates	24.061
Vehicles and Equipment	8.864
Information Technology and Communication	9.746
Total	<u>42.671</u>
Funding	
Grants	3.116
Revenue Contribution	8.351
Reserves	14.780
Capital Receipts	6.183
Borrowing – Estates	4.957
Borrowing – IT Replacement Programme	<u>5.284</u>
Total	42.671

11 Summary

11.1 The Medium Term Financial Plan sets out the Commissioner's and the Chief Constable's plans for the revenue and capital budgets and the use of reserves over the next 5 years. It is expected that there will be further of cuts in grants, but that the cuts are likely to be less than in the initial period of the Austerity Programme. These follow from on from a period of four years where £26.9m savings have been made in budgets. The emerging demands in cybercrime and sexual exploitation of the vulnerable are resource intensive in terms of prevention and investigation but have to be addressed. The next four years will be very challenging financially and will require a balance between prioritisation of demand, savings, investments in some areas and reasonable increases in Council Tax.

The Financial Strategy

Financial Strategic Objectives:

- Prioritise resources to align spending plans with the Police and Crime Commissioner's vision and the Chief Constable's strategic objectives as set out in the Police and Crime Plan
- Maintain a balanced budget position and to set a medium term financial plan that supports the service through the period of reduced funding
- Deliver value for money for local taxpayers
- Exercise probity, prudence and strong financial control
- Provide a robust framework to assist the decision making process
- Manage risk, including maintaining reserves at a suitable level whilst only incurring a sustainable level of debt
- Continually review budgets to ensure that resources are targeted on key objectives

To achieve the strategic objectives planning is undertaken in the following areas:

Corporate and Business Planning

- To integrate operational and financial planning to ensure that resources are directed to support the priorities set out in the Strategic Plan and to match resources with corporate objectives
- To produce a financial plan for the next 3 to 5 years which will incorporate the Force's major capital and revenue projects and the IT and Estates strategies and provide sustainable funding over the short and medium term
- To produce a detailed annual revenue and capital budget which supports the most effective deployment of resources

Risk Management - Reserves and Provisions

- To maintain adequate reserves and provisions to ensure that the medium term policy programme is sustainable and can be delivered
- To aim to balance the revenue budget over the medium term without reliance on the use of the General Reserve
- To maintain the 3 levels of resilience by use of reserves and provisions:
 1. Annual Budget Management
 2. Earmarked Reserves including the Major Incident Reserve
 3. A General Reserve at between 3% and 5% of net revenue expenditure

Risk Management - Financial Control Framework

- To maintain a financial control framework which is key to maintaining effective standards of financial administration and stewardship. This will be achieved through the following:

Adherence to Statutory Rules and Regulations

Home Office Financial Management Code of Practice

Code of Corporate Governance

Policies and Procedure notes

Financial Regulations and Standing Orders

Treasury Management Policy and adherence to the Prudential Code

Implementation of Internal and External Audit recommendations

Management of Risk

Codes of Professional Conduct

- To maintain and develop adequate financial systems to record and control resources and move towards full electronic processing
- To align financial responsibility at the operational level with the appropriate management control or influence
- To ensure that accurate, up to date financial information is available to enable users to apply it effectively in decision making.

Appendix B

Revenue Budget 2016-17 to 2021-22

	Annual Budget	+Inc -' Redn	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	
	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22	
Expenditure	£000	£000	£000	£000	£000	£000	£000	
1	Police Officer Pay Establishment	72,736	1,372	74,108	74,930	76,126	76,837	77,682
2.1	Police Staff Pay	33,941	587	34,528	34,876	35,228	35,584	35,943
2.2	PCSO's	7,290	-483	6,807	6,875	6,944	7,013	7,083
3	Police Officer Overtime	1,839	150	1,989	1,989	1,989	1,989	1,989
4	Police Staff Overtime	400	0	400	400	400	400	400
5	Allowances	1,867	-84	1,783	1,743	1,721	1,701	1,682
6	Training	665	13	678	692	706	720	734
7	Other Employee	678	16	694	708	722	736	751
8	Direct Pension Payments	3,102	62	3,164	3,227	3,292	3,358	3,425
9	Energy Costs	1,349	-233	1,116	1,149	1,184	1,219	1,256
10	Building Running Costs	6,260	342	6,602	6,734	6,869	7,007	7,147
11	Repairs & Maintenance of Vehicles	865	-253	612	624	636	649	662
12	Vehicle Running Costs	1,995	-155	1,840	1,909	1,982	2,057	2,136
13	Car & Travelling Allowances	728	15	743	661	676	691	707
14	Air Support Unit	1,235	-196	1,039	1,039	1,039	1,039	1,039
15	Equipment	654	122	776	791	806	822	808
16	Clothing and Uniforms	465	9	474	484	494	504	514
17	Printing and Stationery	413	9	422	430	439	447	456
18	IT and Communications	10,123	-400	9,723	9,778	9,896	10,101	10,311
19	Subsistence	284	41	325	330	336	342	348
20	Other Supplies and Services	6,654	265	6,919	7,023	7,131	7,242	7,357
21	Forensics	955	146	1,101	1,120	1,140	1,161	1,181
22	Debt Charges & Contribution to Capital	1,504	360	1,864	1,864	1,864	1,864	1,861
23	Special Situations Contingency	400	0	400	400	400	400	400
24	Inflation and General Contingency	400	0	400	400	400	400	400
25	Community Safety Fund	1,166	0	1,166	1,166	1,166	1,166	1,166
	Gross Expenditure	157,968	1,705	159,673	161,342	163,586	165,449	167,438

		Annual Budget	+ 'Inc -' Redn	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget
		2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Income	£000	£000	£000	£000	£000	£000	£000
26	Secondments	-4,161	114	-4,047	-4,047	-4,047	-4,047	-4,047
27	Interest on Balances	-271	75	-196	-150	-150	-150	-150
28	Income	-2,552	85	-2,467	-2,467	-2,467	-2,467	-2,467
29	Specific Grants	-10,004	33	-9,971	-9,918	-9,866	-9,813	-9,813
	Total Income	-16,988	307	-16,681	-16,582	-16,530	-16,477	-16,477
30	PFI Reserve	295	-70	225	121	44	-35	-118
31	Speed Awareness Reserve	-208	208	0	0	0	0	0
32	Additional from Reserves	0	0	0	0	0	0	0
	Net Expenditure	141,067	2,150	143,217	144,881	147,100	148,937	150,843
33	Total Grants	-72,745	1,017	-71,728	-71,011	-70,301	-69,598	-68,902
34	Precept	-68,322	-3,167	-71,489	-73,460	-75,484	-77,565	-79,703
	Funding	-141,067	-2,150	-143,217	-144,471	-145,785	-147,163	-148,605
	Annual Balance	0	0	0	410	905	459	464
	Cumulative			0	410	1,315	1,774	2,238

Capital Programme 2016-17 to 2021-22

		2013-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2016-22	2013-20
									6 Year	
Ref	Description	Project	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Project
		Actual	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Total
										Revised
										Jan-17
			£000	£000	£000	£000	£000	£000	£000	£000
	Estate Programme									
1	Retentions	0	10	5	5	5	0	0	25	25
2	Sustainability Improvements	499	29	100	100	100	0	0	329	828
3	Menai Bridge Offices	0	100	0	0	0	0	0	100	100
4	Wrexham new DHQ and Custody	2,894	3,890	11,639	2,727	0	0	0	18,256	21,150
5	Wrexham new Town Centre Facility	63	300	1,438	0	0	0	0	1,738	1,801
6	Saltney	0	50	0	0	0	0	0	50	50
7	Buckley	0	55	0	0	0	0	0	55	55
8	Flint	388	32	0	0	0	0	0	32	420
9	Llangollen Renovation	339	16	0	0	0	0	0	16	355
10	Llandudno New Police Station	450	1,576	724	0	0	0	0	2,300	2,750
11	Conwy	0	175	0	0	0	0	0	175	175
12	Tywyn Relocation	113	27	0	0	0	0	0	27	140
13	Holyhead Port	172	48	0	0	0	0	0	48	220
14	Firearms Range Training Facilities	278	34	0	0	0	0	0	34	312
15	Canteen (subj to Business Case)	0	0	134	0	0	0	0	134	134
16	SARC Amethyst Team Building works	97	13	0	0	0	0	0	13	110
17	Occupational Health Relocation	0	228	0	0	0	0	0	228	228
18	Archiving Facility	0	45	0	0	0	0	0	45	45
19	Estate Review 2	0	0	0	0	0	434	22	456	456
	Total Building Works	5,293	6,628	14,040	2,832	105	434	22	24,061	29,354

		2013-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2016-22	2013-20
									6 Year	
Ref	Description	Project	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Project
		Actual	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Jan-17	Total
										Revised
										Jan-17
			£000	£000	£000	£000	£000	£000	£000	£000
	<u>Vehicles and Other Equipment</u>									
20	Vehicle Purchase Replacement Programme	5,004	1,445	1,552	1,573	1,300	1,300	1,300	8,470	13,474
21	Ports CCTV and ANPR and equipment	41	188	0	0	0	0	0	188	229
22	Body Worn Video Equipment	0	206	0	0	0	0	0	206	206
	Total Vehicles and Other Equipment	5,045	1,839	1,552	1,573	1,300	1,300	1,300	8,864	13,909
	<u>Information Technology and Communication Equipment</u>									
23	Desk Top Replacement (Replacement Programme)	651	300	300	300	300	300	300	1,800	2,451
24	Network Installation (Replacement Programme)	673	877	0	0	0	0	800	1,677	2,350
25	Control Room Technology Replacement	0	553	1,336	0	0	0	0	1,889	1,889
26	Server Replacement	0	700	0	0	0	0	700	1,400	1,400
27	RMS Upgrade (Replacement Programme)	443	0	450	0	0	0	0	450	893
28	Business Systems (Replacement Programme)	31	145	0	0	0	0	145	290	321
29	Criminal Justice Digital Project	446	145	250	0	0	0	0	395	841
30	Mobiledata Project	70	367	363	0	0	0	0	730	800
31	Airwave replacement/ESN	62	0	0	0	1,000	0	0	1,000	1,062
32	Wrexham Prison IT and Connection	0	115	0	0	0	0	0	115	115
	Total Information Technology and Communication	2,376	3,202	2,699	300	1,300	300	1,945	9,746	12,122
	Total Capital Expenditure	12,714	11,669	18,291	4,705	2,705	2,034	3,267	42,671	55,385
	<u>Funding of Capital Programme</u>									
33	Home Office General Capital Grants		541	727	462	462	462	462	3,116	
34	Revenue Contribution		2,012	1,329	1,212	1,243	1,272	1,283	8,351	
35	Earmarked Reserves		6,727	7,605	0	448	0	0	14,780	
36	Capital Receipts		0	5,423	231	252	0	277	6,183	
37	Borrowing for Estates		0	2,457	2,500	0	0	0	4,957	
38	Borrowing for Replacement Programmes		2,389	750	300	300	300	1,245	5,284	
	Total Funding		11,669	18,291	4,705	2,705	2,034	3,267	42,671	