



ORIGINATOR: PCC CFO and CC CFO

DECISION NO. 4-2015

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: MEDIUM TERM FINANCIAL PLAN 2015-16 TO 2019-20

SUMMARY:

1. The Medium Term Financial Plan (MTFP) sets out the key financial issues facing the PCC and Constabulary over the period 2015-16 to 2019-20.
2. It also includes information and recommendations relating to the revenue budget, capital programme and associated financing issues, together with a financial appraisal of three precept options.

RECOMMENDATION:

It is recommended that:

1. The PCC considers the draft Medium Term Financial Plan 2015-16 to 2019-20 attached as Appendix 1, and approves the recommendations contained therein.
2. When setting the precept level and council tax requirement, consideration is given by the PCC to the medium-term financial implications of Options 1, 2, and 3, the assessment of financial risks detailed within the MTFP, and the Chief Constable's response to the Comprehensive Spending Review 2.

APPROVAL BY: PCC

The recommendations above are approved.

Signature

Tina Parry

Date 20/01/2015

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION:

- 1.1 The requirement to develop a Medium Term Financial Strategy is articulated in both the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the PCC and the CFO of the Chief Constable (CC) (July 2012), and the Home Office Financial Management Code of Practice for the Police Forces of England and Wales (October 2013).
- 1.2 The attached Medium Term Financial Plan (MTFP) 2015-16 to 2019-20 provides information relating to the proposed revenue budget (including planned revenue changes and savings plans), capital programme, alternative precept levels and council tax requirement, together with associated financing issues.
- 1.3 The report contains a number of recommendations relating to the MTFP, which are summarised below:
- Known changes to the Constabulary's 2014-15 base revenue budget;
 - Planned savings proposals;
 - Proposed capital expenditure plans;
 - Treasury management strategy and associated financial limits/indicators;
 - Use and transfer of reserve balances.
- 1.4 The report also asks the PCC to consider the medium term financial impact of:
- **Option 1-** take the CTFG of 1% in 2015-16, and assumes taking a one-year only CTFG of 1% in each of the remaining years of the medium term plan;
 - **Option 2-** increase council tax by 1.997% in 2015-16, and assumes a 2% council tax increase in each of the remaining years of the medium term plan;
 - **Option 3-** increase council tax by 1.997% in 2015-16, and assumes taking a one-year only CTFG of 1% in each of the remaining years of the medium term plan.

2. FINANCIAL IMPLICATIONS:

- 2.1 The purpose of the MTFP is to provide the PCC sufficient financial information in the main report, supported by detailed appendices, to enable informed decisions to be taken with regard to the revenue and capital plans, associated financial issues, precept level and council tax requirement.
- 2.2 In addition to delivery of planned savings of £10.1m over the period of the MTFP, further cumulative savings are required to be delivered as set out below:
- Option 1- nil, £2.9m, £5.8m, £7.9m and £11.3m over the 5 years of the MTFP
 - Option 2- nil, £1.7m, £3.8m, £4.9m and £7.4m over the 5 years of the MTFP
 - Option 3- nil, £2.1m, £5.0m, £7.1m and £10.5m over the 5 years of the MTFP
- 2.3 An assessment of risks is considered throughout the report, with Section 6 summarising how the risks will be mitigated.

3. OTHER IMPLICATIONS

Equality and Diversity

3.1 An Equality Analysis has been undertaken in the development of the MTFP and there are no factors of direct material significance in terms of the process of preparing the MTFP. However, an important consideration in the development and implementation of the Constabulary's savings plans is to ensure compliance with Equality and Diversity legislation.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes
Has the PCC's Chief Finance Officer been consulted?	The PCC CFO and CC CFO are co-authors of the report
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes- see paragraph 3.1
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes- see paragraphs 1.6 and 1.7 of the MTFP
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
Have all relevant ethical factors been taken into consideration in developing this submission	Yes

APPROVAL TO SUBMIT TO THE DECISION-MAKER (this approval is required only for submissions to the PCC).

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.

Signature:



Date 19-1-15

