

FREQUENTLY ASKED QUESTIONS

This section provides answers to a number of the most commonly asked questions in relation to the Police and Crime Commissioner's (PCC) budget, expenditure and council tax levels. Please click on the links below to obtain further information.

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1. **Who approves the budget?**

The Police and Crime Commissioner (PCC) is required to produce a draft revenue budget, in consultation with the Chief Constable, which provides the necessary resources to deliver the objectives and outcomes in his Police and Crime Plan.

The annual revenue budget is funded by a combination of government grants and a charge on local council taxpayers – commonly referred to as the council tax “precept”.

In accordance with the Police Reform and Social Responsibility Act 2011 the PCC must notify the Police and Crime Panel of his proposed precept for the ensuing financial year before 1st February.

The Panel has to review the proposed precept and make a report to the PCC on the proposed precept setting out whether it has accepted the proposed precept or vetoed it (at least 2/3 of the Panel membership of 20 must vote in support of a veto)

The Panel met on 1st February 2013 to consider the PCC's proposed 2% increase in council tax precept. They asked a number of written and oral questions on the draft budget and precept which the PCC answered to their satisfaction. The Panel agreed unanimously to support the proposed increase in precept.

Having received the Panel's response on 7th February the PCC formally approved his annual revenue budget for 2013/14 and issued the council tax precept to the 16 billing authorities in the Thames Valley Police area.

2. What is the budget for Thames Valley Police in 2013/14?

The revenue budget is £393.981 million which represents a reduction of £4.978 million or 1.2% compared to the current year's budget.

Revenue Budget Summary 2013/14

	2012/13 Budget	Inflation	Savings	Virements	Growth	2013/14 Budget
PCC Controlled Expenditure						
Office of the PCC	£1,107,374	£3,554	0	-120,000	163,134	£1,154,062
Democratic Representation	£339,228	£6,574	0	0	-158,702	£187,100
Other Costs	£371,559	£6,731	-26,022	-25,000	-4,432	£322,836
Commissioning Services	£0	£0	0	615,121	2,867,879	£3,483,000
	£1,818,161	£16,859	-26,022	470,121	2,867,879	£5,146,998
TVP Operational Budget - Direction and Control of Chief Constable:						
Employees	£336,890,577	£2,038,080	-10,205,287	-800,630	859,952	£328,782,692
Premises	£23,382,031	£577,518	-743,570	371,858	-1,697,100	£21,890,737
Transport	£11,676,661	£362,767	-438,321	286,784	-206,862	£11,681,029
Supplies & Services	£40,522,916	£794,985	-1,916,797	5,020,671	-392,699	£44,029,076
Third Party Payments	£4,933,194	£63,833	-177,844	639,889	211,857	£5,670,929
Force Income	£-19,533,764	£-276,365	428,234	-6,541,856	170,678	£-25,753,073
	£397,871,615	£3,560,818	-13,053,585	-1,023,284	-1,054,174	£386,301,390
Net Capital Financing Costs:						
Capital Financing	£4,375,752	£0	0	0	-454,965	£3,920,787
Interest on Balance	£-1,000,000	£0	0	0	0	£-1,000,000
	£3,375,752	£0	0	0	-454,965	£2,920,787
Appropriations to/from Balances:						
Appropriations	£-4,106,854	£0	0	-995,000	4,713,746	£-388,108
	£-4,106,854	£0	0	-995,000	4,713,746	£-388,108
Cost of Services	£398,958,674	£3,577,677	-13,079,607	-1,548,163	6,072,486	£393,981,067
Funded By:						
Council Tax - Surplus on Collection	£-921,197	£0	0	0	-379,033	£-1,300,230
Council Tax Precept Income	£-135,908,390	£0	0	0	8,343,162	£-127,565,228
Formula Grant	£-87,351,563	£0	0	0	6,901,602	£-80,449,961
Police Current Grant	£-146,980,423	£0	0	-9,180,024	291,523	£-155,868,924
Specific Grant	£-27,797,101	£0	0	10,728,187	-11,727,810	£-28,796,724
	£-398,958,674	£0	0	1,548,163	3,429,444	£-393,981,067
Total Funding	£-398,958,674	£0	0	1,548,163	3,429,444	£-393,981,067

3. What does this mean for Council Tax?

The police element of the Council Tax for 2013/14 will be £157.38 for properties in band D, with the

charge for other bands as set out below. This represents an increase of 2% over the 2012/13 figure of £154.30, which equates to an extra £3.08 or 6 pence per week for a band D household.

Band	2013/14 £	Band	2013/14 £
A	104.92	E	192.35
B	122.41	F	227.33
C	139.89	G	262.30
D	157.38	H	314.76

4. Is the council tax level the same throughout Thames Valley?

Yes. The Police and Crime Commissioner decides how much money he needs to raise from local council taxpayers to help pay for local policing services. This sum (around £127 million) is then divided by the total number of Band D equivalent properties in the Thames Valley area (this is known as the taxbase). The result of this relatively simple calculation is the council tax level for a Band D property.

Other property bands are calculated as a proportion of a Band D property, as the following table shows. For example, a person living in a Band A property will pay two thirds ($\frac{6}{9}$) of the amount paid by a Band D householder. At the other end of the scale, a person living in a Band H property will pay twice ($\frac{18}{9}$) the amount of council tax as that paid by a person living in a Band D property.

Property Band	Relevant Proportion	PCC Element of the Council Tax £
A	$\frac{6}{9}$	104.92
B	$\frac{7}{9}$	122.41
C	$\frac{8}{9}$	139.89
D	$\frac{9}{9}$	157.38
E	$\frac{11}{9}$	192.35
F	$\frac{13}{9}$	227.33
G	$\frac{15}{9}$	262.30
H	$\frac{18}{9}$	314.76

5. How will the budget be spent?

As in previous years the majority of the budget will be spent on employees. Please see the summary revenue budget in question 2 above.

6. What are your service priorities for 2012/13?

The PCC is required to produce a Police and Crime Plan to cover the term he is in office (i.e. 2012 – 2017)

The Police and Crime Plan sets out the PCCs strategic policing and crime objectives for the Thames Valley with regard to:

- the policing of the area;
- crime and disorder reduction and community safety, and
- the discharge by Thames Valley Police of its local, national or international functions

The Plan will be reviewed and reissued where appropriate and will contain objectives and targets around the PCC's priorities. These priorities include:

- Rural crime
- Reducing burglary
- Protecting vulnerable people
- Tackling alcohol and drug fuelled crime

The Plan will be published by the end of March 2013 and a copy will be available from our website or by request by contacting the office of the PCC.

One purpose of the Plan is to set out the resources allocated by the PCC for policing and community safety.

7. Will the financial situation be any easier next year?

No. In October 2010 the Government announced that funding for the police service would be cut by 20% in real terms (i.e. including inflation) over the 4 year period 2011/12 to 2014/15. This is the basis upon which the Medium Term Financial Forecast is currently prepared.

However, in his autumn statement on 5th December 2012 the Chancellor announced that funding for Home Office services would be cut by a further 2% in 2014/15. The Home Secretary has yet to

determine how much of this additional reduction will be passed on to Police. As such, individual force allocations may not be available until the autumn.

Moreover, the Government has yet to determine national spending totals for 2015/16 and 2016/17 although it has stated that they will be equally as challenging as the last Spending Review in 2010.

Despite the lack of confirmed government funding for the years 2014/15 to 2016/17 we have still produced a realistic and robust medium term financial forecast. At this stage the forecast has been constructed on the basis of council tax increases of 2.5% per annum with effect from 2014/15. The Medium Term Financial Plan as approved by the PCC in January 2013 is set out below.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Annual base budget	398.959	393.981	389.968	388.655
In-year funding virement	- 1.548			
Inflation	3.578	4.572	6.323	7.734
Savings from Productivity strategy	- 13.080	- 9.853	- 8.911	- 8.038
Committed expenditure	1.794	2.895	2.519	2.581
Current service	1.055	- 0.114	- 0.401	- 0.074
Improved service	- 1.491	- 1.530	0.835	- 1.745
Appropriation from reserves	4.713	0.016	-1.667	1.770
Net budget requirement	393.981	389.968	388.665	390.893
Budget variation - %	- 1.25%	- 1.02%	- 0.33%	0.57%
Budget variation - £m	- 4.978	- 4.013	- 1.303	2.228

The medium term financial plan requires cash savings of £40m over the next 4 years, including £13.1m in 2013/14. This is in addition to the £33m of cash savings that were identified and removed from the base budget in 2011/12 and 2012/13, meaning that over the 6 year period 2011/12 to 2016/17 over £73m of cash savings are required to balance the budget. This equates to around 19% of the net revenue budget in 2013/14.

The majority of inflationary and growth items are determined by external factors e.g. national pay awards.

8. Where will the savings come from?

As stated above we have already delivered £33m of cash savings in 2011/12 and 2012/13 and a further £40m is required over the next four years.

We continue to work hard to reduce costs and increase efficiency, through:

- Collaboration with other forces to save money and improve service. For example, we have signed an agreement with Hampshire Constabulary to create joint Information Communication Technology, Information Management and Operations departments
- By streamlining business processes
- By implementing the recommendations from the national review of remuneration and conditions for police officers and police staff
- By carrying out various value for money and zero based budgeting reviews to reduce costs.

Throughout this process we have closely adhered to our key principles, which are:

- To protect frontline services
- To protect our ability to manage risk
- To maintain our capability in protective services and back office functions through collaboration
- To maintain and improve performance in key areas
- To reduce “discretionary spending”
- To streamline business processes and to eliminate unnecessary bureaucracy and waste
- All change to be risk assessed

The following table shows how the £13.1m cash saving in 2013/14 will be delivered.

	£m
Committed full year effect savings	- 1.593
Collaboration	- 1.597
Structure and process reviews	- 0.974
Value for Money (VFM) reviews	- 2.201
Review of remuneration and conditions	- 6.714
Total	- 13.079

9. How many officers and staff will be employed next year?

Due to the Productivity Strategy savings coupled with the increase in council tax the Force will be able to increase police officer numbers by 9.27 full time equivalents (FTE) next year, up from 4202.85 to 4212.12.

Unfortunately, due the scale of budget cuts the number of police staff employed will fall slightly, down from 2744.51 FTE to 2711.82.

The following table shows the movement in the opening and closing FTE establishment figures for 2013/14

	Police	Staff	PCSO	Total
Opening Approved 2011/12 Establishment	4,202.85	2,744.51	507.00	7,454.36
In Year Force Adjustments	-4.73	4.77	0.00	0.04
Growth Adjustments:				
271 Removal of Olympics Planning Team	-3.00	-7.00	0.00	-10.00
278 Annual Job Related Fitness Testing	0.00	5.00	0.00	5.00
	-3.00	-2.00	0.00	-5.00
Productivity Strategy Adjustments:				
302 Forensics Investigations	-1.00	-2.00	0.00	-3.00
305 Bilateral Collaboration - Operations	0.00	-1.00	0.00	-1.00
315 ZBB of Corporate Comms	0.00	-1.00	0.00	-1.00
335 Non-Core Administration	0.00	-0.63	0.00	-0.63
341 Review of IPLDP Provision	-1.00	0.00	0.00	-1.00
344 Criminal Justice	0.00	-22.07	0.00	-22.07
350 Force Operations	-1.00	0.00	0.00	-1.00
353 Force Intelligence & Specialist Ops	-3.00	-6.46	0.00	-9.46
364 ZBB - Vetting	0.00	-1.00	0.00	-1.00
369 Redeployment of Officers to Front Line Policing	34.00	0.00	0.00	34.00
378 Change from CASU to NPAS	-8.00	-1.00	0.00	-9.00
380 Force CID	-1.00	0.00	0.00	-1.00
389 Review of LPA Merger for S Bucks & Chiltern	-2.00	0.00	0.00	-2.00
	17.00	-35.16	0.00	-18.16
Target Establishment 2013/14	4,212.12	2,712.12	507.00	7,431.24

10. Will the frontline be cut?

We are working hard to protect critical policing functions such as local response teams, neighbourhood officers, PCSOs and child protection.

As a result of the 2% increase in council tax, coupled with the Force's Productivity Strategy, an additional 34 police officers will be deployed to critical policing functions such as local policing and child protection during 2013/14. This is in addition to the 66 police officers that were redeployed during 2012/13 meaning that, over the two year period 2012/13 to 2013/14, an extra 100 police officers will be deployed to critical policing functions.

11. How do your resources compare with other forces in England and Wales?

Her Majesty's Inspector of Constabulary (HMIC) produce Value for Money (vfm) profiles which seek to draw together benchmarking data from a number of sources and publish them in chart and table form. The aim of these profiles is to bring together a range of published and unpublished statistical information from different sources to present a 'full' picture of a police force's income and expenditure, workforce, performance (e.g. offences and outcomes) and satisfaction.

The VFM profiles are public documents which can be downloaded from the HMIC website at <http://www.hmic.gov.uk/programmes/value-for-money/value-for-money-profiles/>

We have used these VFM profiles extensively over the last few years to help improve our financial and operational performance by focussing on those areas where our unit cost has been higher than average, or performance below average.

Key financial headlines from the last dataset in October 2012 (based on 2012/13 estimates) include:

- In terms of net revenue expenditure we spend £179 per head of population, below the national average of £191. This places us 14th lowest out of the 43 forces in England and Wales.
- In terms of workforce we employ 3.35 police officers, PCSOs and police staff per 1000 population, just below the national average of 3.45
- We employ 1.93 police officers per 1000 population, which is below the national average of 2.07

In 2012/13 our Band D council tax of £154.30 is the 16th lowest out of the 39 police forces in England. The national average is £164.24.

12. What is the Capital Programme for 2013/14?

In addition to spending on day to day activities the PCC incurs expenditure on buildings, information technology, vehicles and other major items of plant and equipment which have a longer term life.

In accordance with best practice, the PCC approves a four year capital programme. This recognises and reflects the fact that many capital schemes are expensive, take a long time to plan and, in some cases, takes more than one year to deliver.

A copy of the summarised capital programme for the 4 year period 2013/14 to 2016/17 showing planned spending is set out below.

	2013/14	2014/15	2015/16	2016/17	Total
	£m	£m	£m	£m	£m
Property	10.576	6.599	2.625	0	19.800
ICT	7.600	5.340	3.741	2.025	18.706
Vehicles	2.863	2.949	3.037	3.129	11.978
SECTU ¹	1.046	0.939	0.875	0	2.860
Equipment	1.417	0.706	0.346	0.271	2.738
Totals	23.501	16.532	10.623	5.425	56.082

¹ South East Counter-Terrorism unit

Planned financing of the capital programme in 2013/14 is shown below:

	£m
Capital grant	15.574
Capital receipts	5.601
TVP reserves	0.650
Revenue contributions	0.630
SECTU Grant	1.046
Total Financing	23.501

13. Who ensures the Force operates in an efficient and effective manner?

One of the PCC's main responsibilities is to hold the chief constable to account for Force performance. Further information on the PCC's main responsibilities can be found at

<http://www.thamesvalley-pcc.gov.uk/Your-PCC/The-Role-of-the-PCC.aspx>

Operational performance and effectiveness is also subject to regular scrutiny by Her Majesty's Inspectorate of Constabulary (HMIC).

Financial management performance is subject to regular external review by the external auditor Ernst & Young. Recent annual audit letters can be found at:

<http://www.thamesvalley-pcc.gov.uk/Transparency/Spending/Audit-and-Inspection-Reports.aspx>

14. Why is the opening net budget for 2012/13 different to that shown in your 2012/13 budget book and council tax leaflet?

In previous years special grant income has been used to offset expenditure before arriving at the Net Budget position to be financed by Government Grant (i.e. Police Grant and Formula Grant) and

Council Tax income. However, in recent years the Government has changed the classification of some grants (e.g. Council tax freeze grant 2011/12 and the Neighbourhood Policing Grant) moving them between special grants and Formula grant which makes it very difficult for us to make meaningful year on year comparisons.

As such we have changed the way that we present the budget by moving special grants to the funding section alongside police grant, formula grant and council tax income.

A reconciliation between the published net budget requirement for 2012/13 (£371.162m) and the new opening budget of £398.959m is provided below.

	£	£
Net budget requirement 2012/13 (as per published budget book and council tax leaflet)		371,161,573
Add back special grant income		
Loan charges	337,609	
Other government grants	3,843,690	
PFI	1,031,892	
Neighbourhood policing (PCSOs)	9,180,024	
Security grant	7,103,115	
Olympics security grant	2,221,334	
Council tax freeze grant 2012/13	4,079,437	
Total special grants		27,797,101
Adjusted net budget 2012/13		398,958,674

15. Why has force income increased by £6.2m or 32%?

To comply with proper accounting standards we have, for the first time, included collaborative budgets to reflect the whole unit costs of those collaboration projects with Hampshire. This means that we have included expenditure and income into our budgets to reflect the portion of the collaborative units being charged to Hampshire, with the overall impact being neutral to Thames Valley

16. Please explain why income from council tax has fallen by £8.343m even though you have increased the police element of council tax by 2%?

This is a difficult one to explain due to the complexity of the new local government financing arrangements, particularly relating to council tax benefit and the new local council tax support schemes which are operated by billing authorities such as district or unitary councils.

However, in brief, although income from council tax will be £8.3m less next year than in 2012/13, this has been fully offset by the receipt of a new special grant called 'Localised Council Tax Support'.

17. How can I get further information about the budget?

You can read the PCC's budget report at

<http://www.thamesvalley-pcc.gov.uk/Document-Library/21January13/21-January-2013-Agenda-web.pdf>

You can also view a copy of the detailed budget book for 2013/14 at

[http://www.thamesvalley-pcc.gov.uk/Document-Library/Budget-book-2013-14-\(1\).pdf](http://www.thamesvalley-pcc.gov.uk/Document-Library/Budget-book-2013-14-(1).pdf)

If you have a specific query on the PCC's budget proposals, or any other finance related query, please e-mail it to ian.thompson@thamesvalley.pnn.police.uk. Alternatively, if you would like to speak to somebody about a finance related query please phone Ian Thompson, Acting PCC Chief Finance Officer, on 01865 846786