

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

Medium Term Financial Plan

2020-21 to 2024-25

1. Introduction

- 1.1 The Medium Term Financial Plan (MTFP) links the Police and Crime 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 At the time of writing the MTFP the Government funding for 2020-21 has not been announced due to the General Election held in December 2019. The MTFP gives the basis for the Police and Crime Commissioner (PCC) to present his precept proposal to the Police and Crime Panel (PCP) by the statutory date. This means that the plan must be based on estimated grant allocations rather than actual allocations. Some announcements have been made, the main one being the Government's decision to fund 20,000 more Police Officers in England and Wales over the next 3 years (Operation Uplift). North Wales Police was allocated 62 of the initial allocation of 6,000 officers in England and Wales, although the financial value of this allocation has not been given. The time scales and the uncertainty over funding have added complexity and risk to the development of the MTFP. While there is growth in officer numbers, pressure on the existing budget due to inflation, officer growth and increasing changing demand is still high. The budget was balanced whilst service was maintained throughout the austerity period, giving a sound base budget and reserve position. However, the continued change in demand and new cost pressures will require further investments with fewer opportunities for cashable efficiencies.
- 1.3 During 2019-20 The Operational Improvement Programme (OIP) reviewed 47% of the Force focusing on Operational Policing and the balance between Neighbourhood Policing, Response and Investigative work. This enabled the reinvestment of efficiencies to address current requirements due to change in demand. The recommendations of OIP were implemented during 2019-20.
- 1.4 The remaining 53% of the Force was subject to review during 2019-20. 40% of the budgets were subject to a Priority Resource Planning (PRP) process where managers presented potential different levels of service, which were assessed by a Panel of Chief Officers, these were then scored and budgets allocated based on the ranking of the service levels. The remaining 13% of the budgets were reviewed outside the PRP process.
- 1.5 The Commissioner has considered all of the options available within the estimated resources available. Extensive work was carried out by the PRP process in order to identify savings and move resources within the organisation. The PRP process also enabled the allocation of 62 Operation Uplift officers to be made intelligently, based on priorities. Pay inflation has increased as the Government eased the public sector pay restrictions. A council tax increase of 4.7% would be needed to cover inflation based on a flat grant settlement. Additional resources have become available by the announcement of additional officers; however it is unclear whether the full cost of the additional officers, including support and infrastructure, will be funded. Taking all these factors into consideration a council tax increase of £12.51 (4.5%) is proposed. This is the lowest prudent council tax/precept increase in the circumstances, given

that general funding, phase 1 operation uplift funding or the allocation of phase 2 operation uplift have not been announced; and also that there is significant uncertainty about funding from 2021-22 onwards.

1.6 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 and enhancing performance and ensuring local and national priorities are achieved.

1.7 Background

The Government’s Austerity Programme, which began in 2011, has resulted in substantial cuts across the public sector. Government funding was reduced by 20.8% in cash terms, which is the equivalent of a real terms reduction of 31.7% (taking inflation into account) by 2019-20. In addition to this Police Officer Employer Pension contributions increased from 24.2% to 31% in 2019-20, and despite some additional funding being provided, this still produced a net increase of over £2m in costs. This resulted in a Council Tax increase of 7.74% in 2019-20, compared to Council Tax increases between 1.91% and 3.98% during the period 2011-12 to 2018-19.

1.8 The overall effect of the reduced funding available and inflationary and other pressures resulted in £33.031m of cuts being made to budgets over a 9 year period. This is equivalent to a 22.3% reduction in the 2010-11 pre austerity budgets of £148.035m. The annual cuts are as shown in the table below:

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cuts Made	£4.678m	£6.016m	£4.634m	£4.325m	£4.448m	£2.838m	£2.686m	£1.479m	£1.927m

1.9 On 4 September 2019, the newly appointed Chancellor of the Exchequer, Rt Hon Sajid Javid MP announced the outcome of the Spending Round 2019 (SR2019), sometimes referred to as the ‘Spending Review’. The SR2019 set out public spending totals for the financial year 2020-21. This was prior to the General Election being called. The run up to, and the nature of, the SR2019 was significantly affected by Brexit. With Prime Minister Boris Johnson set on ensuring that the United Kingdom left the European Union (at that time by 31 October) ‘Deal or No Deal’, the SR2019 was set against the backdrop of a lot of political and economic uncertainty. SR2019 is unusual, though not unique (SR2013), in that it covers spending for only a single year; spending reviews generally cover multiple years. As written in a recent Institute for Fiscal Studies publication, given the ongoing uncertainty surrounding Brexit, “Setting departmental budgets for just one year is understandable, and leaves the Government more flexibility to respond to future developments. While departments crave multi-year spending settlements for future planning, such plans in the current climate would probably have lacked credibility.” It is expected that a multi- year comprehensive spending review (CSR) will occur in 2020; whilst the

previous Chancellor alluded to a three-year CSR, the length of CSR2020 is unconfirmed.

- 1.10 The SR2019 did announce funding for the additional 20,000 officers over 3 years, however this was not detailed in any form and it will be unclear whether current inflationary costs and costs associated with increasing officer number will be funded. The additional grant towards the Officer Employer Pension at the same cash level (no inflationary increase) was included. Once the General Election was announced no further information was provided. In order to ensure that PCCs maintained real-terms funding despite no increase in central grant funding, the Home Office in recent years assumed a council tax increase of £12 in 2018-19; and to accommodate the additional police officer pension contributions and increased demand, this was increased to £24 in 2019-20. Welsh Government has not set a fixed capping limit for council tax.
- 1.11 A review of the Police Funding Formula was conducted by the Home Office in 2015-16. 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 data used in the proposed formula. It is not clear whether the Spending Review in 2020-21 will be followed by a review of the funding formula.

2. Planning Process

- 2.1 The overall purpose of the planning process is to prioritise resources to align spending plans with the Police and Crime Commissioner's priorities and the Chief Constable's vision. The priorities are set out below

Police and Crime Plan Priorities

- Reducing Criminal Exploitation of Vulnerable People
- Domestic Abuse
- Sexual Violence
- Modern Slavery
- Organised Crime
- Safer Neighbourhoods

The Chief Constable's vision is

Making north Wales the safest place in the UK; by Preventing Crime, Protecting Communities and Pursuing offenders.

- 2.2 The budget planning process for 2020-21 involved the implementation of the Operational Improvement Programme carried out during 2018-19 which covered 47% of the Force budgets and the review of the remaining areas. 40% of the budgets were subject to a Priority Resource Planning (PRP) process where managers set out

various service levels. The remaining 13% of the budgets were reviewed outside of these processes.

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 the submissions by managers and this MTFP, the following were taken into account:

- Local and National priorities as set out in the Police and Crime Plan and the Force's Vision
- New and developing pressures
- The strategic planning process
- Force Management Statement
- 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

2.4 The Force Management Statement (FMS) is in its second year. The FMS analysed future demand against the capacity and capability of our teams. It used data analysis and interviews with subject matter experts. All departments were risk assessed considering the demand trend and resources available, to rank them according to risk and resources needed. Statistical forecasts were used to project resource requirements and inform PRP bids.

2.5 The areas identified as potentially requiring investment within the FMS were as follows; this information was used as part of the relevant PRP submissions:

- The two year forecasts indicate that, if current working practices were maintained, growth in those areas of the Force that manage demand generated by violent crime and sexual offences (Crime Services & Protecting Vulnerable People Unit (PVPVU) predominantly) would be required.
- The Force expects the demand for fraud investigations, especially those linked to cyber dependent and enabled offending, to increase beyond current investigative capacity within the next two years.
- The level of resources needed to manage the evidential workload from Organised Crime Groups (OCGs) investigations will increase as the

geographical complexity of the groups, and the scale of digital devices increases.

- The capability of our investigative and intelligence staff will need to be increased to deal with emerging technology-enabled OCG activity.
- Increased investment in Information Technology due to the availability of new hardware and software. There is an expectation that North Wales Police will continue to keep pace with developments, in line with police forces throughout England and Wales.
- Investment in officers and staff, additional training demands and investment in the wellbeing of officers and staff.

2.6 It is also important to ensure that the PCC and Chief Constable’s priorities are aligned with those of the public. To inform this, a Public Confidence Survey was conducted by an independent agency. A snapshot of this year’s survey, which is consistent with previous surveys is given below:

Priority	% Very important	% Not important at all
Protecting children and young people from sexual exploitation and abuse	89	0
Answering and responding promptly to emergency calls (999)	86	1
Tackling organised crime and preventing serious harm	80	0
Protecting children online	78	1
Protecting vulnerable adults from harm and abuse	70	1
Missing persons	62	1
Dealing with domestic violence	61	1
Reducing the number of road collisions, those killed or seriously injured and traffic offences	57	1
Mental health related incidents	50	3
Investigating cyber-crime	41	2
Investigating rural and wildlife crime	35	3
Dealing with minor crimes and anti-social behaviour	32	2
Investigating and prosecuting those found in possession of small quantities of controlled drugs	39	6
Helping people deal with social media trolls	31	7
Answering and responding promptly to non-emergency calls (101)	20	5

- 2.7 The main process used during the 2019-20 planning cycle was the Priority Resource Planning (PRP). This is a structured approach where managers set out various service levels and the resources required to deliver them. The process involved managers presenting their plans to a Panel at three stages. The PRP Panel comprised the Deputy Chief Constable (Chair), the Assistant Chief Constable and the Director of Finance and Resources. The Panel was supported by the Chief Finance Officer, representatives from the Police Federation and Unison, and the PRP Team, who were able to observe the process, and offer technical advice and support.
- 2.8 Panels were held in July, September and October 2019. Variations in the levels of service were categorised in the following way:
- Volume Changes - Changes in demand / workload from outside the Business Area
 - Service Level Changes - Options relating to quality, time, and volume of services with risks
 - Method Changes – Providing efficiency savings by doing things differently
- 2.9 Following the final presentations in October, the Panel scored the various level of services based on the below matrix (taking into account the strategic information highlighted above). This then gave a list of potential service levels arranged in order of priority.

Rank	Assessment of Service Level
10	Essential - unavoidable corporate or legal requirement
9	Critical - unavoidable without substantial loss or damage
8	Very important – provides valuable and productive services
7	Important – difficult to see this service level being discontinued
6	Highly desirable- could be discontinued if funding severely curtailed
5	Desirable - first to be discontinued if funding curtailed
4	Marginal – not provided, but first to be supported if funding is available
3	Possible – provided only if significantly increased funding is available
2	Doubtful - not sufficient justification to fund under current circumstances
1	Do not fund – not to be funded in any circumstances

- 2.10 In theory the resources available are then applied to the services with the highest score. The process was made more complex due to it being the first year, a number of volume changes being identified, the funding available not being known, and during the process the additional Officer uplift announcements were made.
- 2.11 Two meetings were held with the Chief Officer team to finalise the outcome from the PRP process. This allowed known available resources to be applied to priorities and informed the allocation of the 62 additional Officers from Operation Uplift. The outcome was then discussed at the annual Budget Setting meeting with Service

Leads and others bringing together the results of PRP, OIP implementation, Savings Plans and all other elements to build this MTFP. This then formed the proposal put forward to the PCC and his team.

- 2.12 A meeting was held between the Commissioner, the Chief Constable and their representatives on 18 December to discuss the budget proposals. As the funding announcements had not been made at that time, assumptions were reviewed and agreed to progress the setting of budget for 2020-21 as is required by the statutory dates.
- 2.13 The following sections detail all developments since the previous MTFP, giving the updated position for Revenue, Capital and Reserves.

3. 2019-20 Budget

- 3.1 The budgets agreed for 2019-20 dealt with a number of issues that arose during 2018-19. These were in addition to the normal budgetary pressures and inflationary pressures. The main issue was the increase in the Employer Pension Contribution Rate from 24.2% to 31.0% which was initially announced in September 2018 as an increase to 33.9%. The final figure resulted in an increase of £4m in pension contribution for North Wales Police, equivalent to a 5.5% cut in Grant. Following discussions at a national level, forces were allocated a specific grant in 2019-20 towards the Pension contribution; the amount for North Wales Police was £1.582m. The settlement announced in December 2018 also included a 2.1% inflationary increase, the first increase since 2010-11.
- 3.2 The settlement also gave additional flexibility to Forces in England to increase their Band D Council Tax by up to £24. This is also higher than the previously announced figure of £12. This would give a range of Council Tax increase of between 9.3% and 21.8% if Police and Crime Commissioners were to increase the Council Tax by the maximum £24. It was up to individual Police and Crime Commissioners to decide whether to increase the Council Tax by these amounts. In Wales the Welsh Government must define any Council Tax cap, no cap was set for 2019-20. The Home Office assumed that all PCCs would increase the Council Tax by £24 in calculating the potential additional total amount available to forces from Council Tax Precept of £509m. The PCC for North Wales set an increase of £19.98 / 7.78% for a Band D Council Tax.
- 3.3 This resulted in a budget being set where £2.832m savings were identified, £2.793m of savings were reinvested, and £2.614m was invested in front line posts as detailed below. This required additional probationers to be recruited, and additional detectives to be trained, to enable the implementation of all the growth posts. All the posts will have been filled by February 2020. The outturn is projected to be on budget for the year at the end of the third quarter.

	Description - revised	Officers FTE	Staff FTE	Total Recurring £'000	Total Set Up £'000
1	Increased operational proactive capacity and capability	16	1	783	115
2	Increase in serious and organised crime capacity and capability	6		254	8
3	Increase analytical and phone SPOC capacity		3	114	8
4	Develop and implement a new fugitive team	3		132	19
5	Increase Capacity for Digital Forensic Examinations		2	84	5
6	Increased Number of Domestic Abuse Officers (DAO)		3	127	4
7	Increased Number of Sex and Violent Offender Unit (SAVOU) Officers	3		127	4
8	Increase the functionality of Onyx and provide a CCE capability	2		84	3
9	Multi Agency Tasking and Co-ordination (MATAC) facilitator		1	38	2
10	Taser Upgrade and enhancement			136	
11	Innovation Fund			60	
12	Pump prime Digital Investment				407
13	Pump prime ACE through Commissioner's Fund				100
	Total additional investment @ £19.98/7.74% CT increase	30	10	1,939	675

3.4 Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) and Wales Audit Office (WAO) review annually: the Force's financial position; planning process; savings already made; and savings yet to be made. The Force was required to produce a Force Management Statement (FMS) for the first time by May 2018 as part of the HMIC process, with the second being produced in June 2019. The FMS describes expected future demand, identifies potential gaps, this has been used as part of the OIP review and the planning process.

3.5 HMICFRS'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*'. At the time of writing this plan the final findings were not announced, but the draft findings of Good were awarded for Effectiveness, Efficiency and Legitimacy.

3.6 The last published overall opinion given in the 2017 review was summarised as; '*North Wales Police is good at keeping people safe and reducing crime, and it has maintained a stable level of performance since our 2016 effectiveness inspection.*'

The full assessment can be found at
<https://www.justiceinspectors.gov.uk/hmicfrs/peel-assessments/peel-2017/north-wales/>

- 3.7 The WAO made the following comments on their value for money assessment in their annual audit letter published in November 2019;

'I am satisfied that both the P&CC and CC have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources'

'Consideration of the responses from the P&CC and CC's to the questions set highlighted an area of good practice with the creation of an Operational Improvement Programme (OIP) and Operational Improvement Board (OIB) against a backdrop of austerity and the changes identified in crime patterns.

The OIP was established to review operational effectiveness and efficiency in a specific number of areas following changes in crime patterns and feedback from HMICFRS reviews combined with the impact of austerity. Detailed operational and financial modelling has been undertaken for each of the areas under review with business cases presented as part of the 2019-20 budget planning process with implementation during the coming year. The success of these changes being monitored by OIB.'

The annual audit letter can be found at:
<https://www.northwales-pcc.gov.uk/Document-Library/Information/Publication-Scheme/What-we-spend/Audit/84-WAO-Annual-Audit-Letter.pdf>

- 3.8 Both assessments show that the budgets are being managed effectively and that the Force is performing well in maximizing the outcomes from available resources, however the HMICFRS concurred with the Force's analysis that matching future resources to future projected demand was an area for development which has been addressed as part of this year's planning cycle.

4 Funding Allocations and assumptions

- 4.1 No Provisional Government Funding Allocations for 2020-21 were given as part of the 2019-20 settlement. In previous years grant settlements have been announced in the December preceding the financial year, however due to the General Election, Brexit legislation and a new Government being in place the announcement has not yet been made.
- 4.2 On 4 September 2019, the newly appointed Chancellor of the Exchequer, the Rt Hon Sajid Javid MP announced the outcome of the Spending Round 2019 (SR2019), sometimes referred to as the 'Spending Review'. The SR2019 set out public spending totals for the financial year 2020-21. It is expected that the SR2019 will be the basis

of funding allocations for 2020-21. The SR2019 did not give force area allocations but did announce uplift in officer numbers by 20,000 in England and Wales. Subsequently North Wales Police has been informed that it is to receive an allocation of 62 as the first phase of the uplift, which covers an increase of 6,000 by March 2021 in England and Wales. No financial details have been confirmed yet. The estimated annual cost of the 62 at 2020-21 prices, including equipment and training, is £3.050m. Once the allocation of the further 14,000 officers is known, the cost of the additional allocation and probable infrastructure costs will need to be reassessed. For the purpose of this plan it is assumed that the costs in 2020-21 will be fully covered by additional grant.

- 4.3 The specific Pension Grant has been continued initially for one year but with the expectation that it will be recurring. No indication has been given on the general grant and therefore the assumption of flat funding (no increase, no decrease) has been made as per the previous MTFP and consistent with the majority of other Forces. Officer and staff pay awards were agreed at 2.5% in September 2019, this was higher than the estimated 2% increase. The 2.5% increase has been assumed for future years.
- 4.4 It is not expected that there will be a cut to the grant, in the event that additional funding is awarded this will need to be taken into account with the uplift funding, and future likely uplift figures. Potentially the Force could be awarded another 140 officers, this will be put pressure on back and middle office as well as non-staff costs and infrastructure.
- 4.5 Top-slicing of the amount available to Policing continues, with a further increase of £84m nationally in 2019-20. The breakdown of the amount top sliced is shown below. This reduced the core grant received by North Wales by £10.6m, only a small proportion of which was received in additional funding or direct benefit. It is expected that further top slicing will occur in 2020-21

Police Funding	2017/18 (£m)	2018/19 (£m)	2019-20 (£m)
o/w Reallocations and adjustments	812	945	1,029
PFI	73	73	73
Police technology programmes	417	495	495
Arm's length bodies	54	63	63
Top-ups to NCA and ROCUs			56
Strengthening the response to Organised Crime	28	42	90
Police transformation fund	175	175	175
Special Grant	50	93	73
Pre-charge bail	15	4	4

- 4.6 It is anticipated that a 3 year spending review will be conducted over the summer in preparation for the 2021-22 settlements.
- 4.7 There is a great deal of uncertainty around future funding, there seems to be an acceptance in the Home Office that Police funding has been cut as much as possible, but economic uncertainties around Brexit make it difficult to predict the resources

that will be available. A view has been taken to project a flat level of funding from 2020-21 onwards.

- 4.14 There remain no plans to review the Police Allocation Formula until after the spending review (SR), however this could change and will need to be carried out at some point.

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 4.5%, or £12.51 on a Band D Council Tax. The Tax Base for the whole of North Wales has increased by 0.37%, giving an overall increase in Precept of 4.89% and a total net budget of £158.224m for the Police and Crime Commissioner, made up as follows:

	2020-21	
	£m	%
Total Government Grants	73.234	46.29%
Total Precepts	84.990	53.71%
Total Budget Requirement	158.224	

- 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 2020-21 has increased slightly by 0.37%. This means that the percentage increase in the precept can be achieved with a lower percentage increase in the council tax. This reflects the increase in population/households in North Wales.
- 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 and Crime Commissioners have had continued access to separate grants if they agreed to limit the Council Tax increases in previous years. These were previously paid by the Department of Communities and Local Government (DCLG) but were consolidated into the Home Office Grant and total £507m in 2019-20. 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 8th highest.
- 5.4 No capping rules or assumed increase as in previous years have been announced in Wales, these are normally announced or guidance given at the same time as the grant allocations are announced.

6. Budget for 2020-21 and Planned Budget for 2021-22 to 2024-25

6.1 The detail of the Budget and changes for 2020-21 and future years are shown in Appendix B.

6.2 The main assumptions are as follows:

- Annual pay inflation 2.5% applied from September, increased from 2%
- General Inflation 2%, specific inflation applied where known
- Council Tax increase of 4.5% in 2020-21 (£12.51) and £12 per annum in the following years which equate to 4.13% in 2021-22, 3.97% 2022-23, 3.81% 2023-24 and 3.67% in 2024-25
- Grant increase of 0% in 2020-21, and a flat settlement of 0% grant increase for the following years
- A 0.25% increase in tax base from 2021-22 onwards.

This gives an overall position of

	Annual Budget 2020-21	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25
Baseline	154,264	158,224	161,955	165,706	169,471
Inflation	3,960	4,662	4,559	4,802	4,621
IT and PEQF growth	0	1,156	213	24	0
Savings	0	-126	0	0	0
Budget Requirement	158,224	163,916	166,727	170,532	174,092
Total Grant	-73,234	-73,234	-73,234	-73,234	-73,234
Precept from Council Tax	-84,990	-88,721	-92,472	-96,237	-100,022
Total	-158,224	-161,955	-165,706	-169,471	-173,256
Annual Balance	0	1,961	1,021	1,061	836
Cumulative balance	0	1,961	2,982	4,042	4,878
Council Tax % increase	4.50%	4.13%	3.97%	3.81%	3.67%
£ increase	12.51	12.00	12.00	12.00	12.00

6.3 Based on the assumptions set out savings of £4.878m will need to be made from 2021-22 to 2024-25. However there is a very high level of uncertainty regarding Government funding and at the time of writing no announcements have been made. Once announcements have been made, the Plan will need to be reviewed and updated with the final figures. Total inflation of £3.960m for pay and non-pay is an overall 2.57% increase for 2020-21; this is equivalent to an increase in Council Tax of £13.54 / 4.7% on its own. It would be expected that grants would increase in line with inflation; however this has not been the case over the last 10 years. As a

measure of sensitivity, if grant were to be increased by 1% (which would still be a real terms cut) over the period of the MTFP the overall position would be as below. This would reduce the saving required to £1.144m. Potentially this would generate a surplus in 2020-21, however there will be significant set up costs for the uplift in officers that will need to be funded in 2020-21, and therefore it is proposed that council tax remain at the proposed £12.51 increase, to be used for one-off expenditure in later years.

	Annual	Annual	Annual	Annual	Annual
	Budget	Budget	Budget	Budget	Budget
	2020-21	2021-22	2022-23	2023-24	2024-25
Baseline	154,264	158,956	163,427	167,925	172,444
Inflation	3,960	4,662	4,559	4,802	4,621
IT and PEQF growth	0	1,156	213	24	0
Savings	0	-126	0	0	0
Budget Requirement	158,224	164,648	168,199	172,751	177,065
Total Grant	-73,966	-74,706	-75,453	-76,207	-76,969
Precept from Council Tax	-84,990	-88,721	-92,472	-96,237	-100,022
Total	-158,956	-163,427	-167,925	-172,444	-176,991
Annual Balance	-732	1,221	274	307	74
Cumulative balance	-732	489	763	1,069	1,143
Council Tax % increase	4.50%	4.13%	3.97%	3.81%	3.67%
£ increase	12.51	12.00	12.00	12.00	12.00

6.5 The budget has been balanced and reinvestment made as a result of the savings identified from the OIP, PRP and normal budget review processes. A summary of the savings is shown below:

Savings	20-21
	£k
Operational Improvement Programme	1,376
Estates	50
Procurement	80
Contingency Budgets	60
Priority Resource Planning	
Method/Volume Changes	278
Service Level Reductions	514
Total	2,358

6.5 Last year's MTFP identified an area of future risk in the implementation of the Police Education Qualification Framework (PEQF). This framework is intended to result in

all police officers having a level 6 qualification by the end of their training. In terms of costs there will be the additional cost of tuition fees and additional internal trainers; additional abstraction during the first year and further additional abstractions during the new second and third years of training. There are three methods of entry to PEQF: graduates holding a non-relevant degree complete a post-graduate course of two years; those entering without a degree complete a course of three years leading to a degree; both as an employed Police Officer. A third route is to gain a degree in Policing at an education establishment before becoming employed as a Police Officer; these candidates will complete practical training only, as the education requirement will already be fulfilled. Cost and abstraction rates have been built into the MTFP based on current recruitment rates and estimated additional abstraction fully covered by additional Officers. These costs are funded from a combination of additional budget and allocation of operation Uplift officers.

- 6.6 The current Capital Programme is nearing completion funded largely from reserves. Future Estates, IT and Fleet strategies are being prepared to reflect current requirements and the effects of Operation Uplift, and will lead to new investment requirements. Capital Grants are insufficient to fund a third of the annual Vehicle replacement programme; reserves can only be used once. An annual sum of £0.4m has been built into estimates from 2020-21 to fund capital investment. Final decisions on this will be based on business cases, but it is prudent to include an amount in the estimates as there is no other new source of capital funding.
- 6.7 Based on these assumptions and savings identified, a total reinvestment of £2.358m will be made in 2020-21. This is summarised below and includes the reinvestment of £0.278m method changes (efficiencies) within the PRP process. In addition to this the 62 additional officers have also been allocated as part of the PRP process. Details of the growth are given below.

Growth	20-21
	£k
PEQF Tuition Costs	160
Capital Funding	400
Priority Resource Planning	
Chief Constable - Staff and Non Staff	1,642
PCC - Staff and Non Staff	156
Total	2,358

- 6.8 Officer uplift allocation of the 62 Officers

Crime Services – 34 officers

- Protecting Vulnerable People Unit Local and Strategic - 19 officers

Sexual exploitation of vulnerable individuals has been an area of increasing demand over recent years, both in terms of number of incidents and on line criminality.

Investigations take time and have to be resourced, and follow-up monitoring of known previous offenders needs to be undertaken. The PRP process highlighted the need for additional resources in PVPU to deal with the increased volume of work. The officers are assigned to: Local Teams 10; Corporate Amethyst Team (Investigating Sexual Assaults) 8; and Paedophile Online Investigation Team 1.

- Economic Crime Unit - 5 officers

This is another area of increasing demand highlighted by the PRP process. This includes Detective Inspector to strategically lead the Unit, and additional investigative resources. This will also give additional support to the Serious and Organised Crime Team

- Major Crime Team - 10 officers

Detection and disruption of Organised Crime Groups (OCGs) is a local and national priority. This work takes time and resources and the Force has been successful in pursuing and dismantling OCGs from both within and outside the Force area. Additional resources will enhance the work carried out by the teams.

Local Policing – 23 officers

- Response 16 officers

An allocation of 16 front line officers to the Response Teams will strengthen the teams, which will allow for additional officers to cover training abstraction with the implementation of the Police Education Qualification Framework (PEQF). PEQF will give new recruits a degree at the end of their training, but this does mean that there is additional abstraction in their second and third years as Officers.

- Community Safety 5 officers

These include 3 additional officers in the Rural Crime Team and an Inspector to work with partner organisations and an additional Officer for the Integrated offender Management Unit.

- Assessors 2 officers

Additional Probationary Assessor Officer are required to deal with the increased Officer recruitment.

Others – 5 officers

- Covering Workforce Representation, Health & Wellbeing, Anti-Corruption Unit (PSD), Programme Management Office, NPCC.

These are other areas identified from the priorities, Force Management Statement and PRP process.

6.9 **Staff changes from PRP volume and method changes and enhancements - 22.62 posts:**

Crime Services – 6.3 fte

- Intelligence – County Lines and Firearms Packages
- Central Referral Unit

These are analyst posts to support the additional officers in Crime Services and to service additional demand on intelligence management.

Operational Support Services – 3 fte

- Firearms Licensing

The number of licence renewals varies significantly from year to year, as a result of the renewal cycle, which creates a peak in demand for two years in every five year period.

Corporate Services – 10.32fte

- Training – Crime Academy (increased detective numbers), ICT, Driver Training, Taser uplift
- Health & Wellbeing
- HR and SSF Restructure

Officer and Staff health and wellbeing and training was highlighted as an area needing investment within the FMS; Operation Uplift and other initiatives such as additional Taser deployment has result in further demand. A high proportion of the new Officer roles are detectives which has been a pattern in recent years, this requires an increase in the number of new detectives being trained.

Finance & Resources – 2fte

- Business Support Officers

These are essential roles to ensure that the level of change being experienced is managed and that day to day business is carried out efficiently.

- **OPCC – 1 FTE**

An increase of 1 Policy and Scrutiny Officer to reflect the level of development and change currently ongoing.

6.10 Non staff changes are set out below:

Non-Staff:

Information Technology £0.745m – There are significant developments within IT, including the National Enablement Programme, Body Worn Video and personal issue 2 in 1 devices. This will lead to front-line officers having improved technology and software available to them at any time.

PEQF tuition fees £0.160m as included in previous MTFP

Capital Funding – annual increase of £0.400m (included as a one-off item in the previous MTFP) this is required as the capital grant from the government is minimal, and the reserves are becoming depleted.

Other Supplies & Services £0.103m in the main formalising Community Safety Fund additionality for the Early Intervention Fund (£0.100m) which was temporary in 2019-20.

6.11 In addition temporary growth funded from Management of Change reserve to enable projects and developments to be implemented as below:

OSS – 15 posts

- Single Online Homes (Digital Desk)
- Command & Control Upgrade

Crime Services – 2 posts

- ANPR project
- Intelligence Officer for Intelligence Enquiries subject to outcome of Brexit

People and Organisational Development – 6.4fte

- Business Systems Unit
- PEQF
- Digital Transformation

6.12 The reinvestment of £2.358m together with the additional 62 uplift officers will enable significant investment to be made, but this in turn puts pressure on other budgets to support this investment. This has been addressed to a certain degree but until the funding figures for the uplift officers and the grant have been announced for 2020-21 it will not be clear if there are further gaps.

7. Risks

7.1 Funding for 2020-21 has not been announced and could be insufficient to fund the Plan, including the Uplift officers. The funding will be for only one year. Growth from the uplift and precept funding, as well as re investment, put pressure on the remaining budget, and makes cashable efficiencies more difficult to deliver.

- 7.2 The Government will hold a spending review in 2020 to inform 2021-22 funding, this makes funding uncertainty high. The uncertainty around Brexit and the eventual economic effect creates further uncertainty.
- 7.3 One of the biggest risks over the next few years is the funding formula due to the sensitivity and lack of information 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 later provided by Devon and Cornwall showed North Wales's allocation reducing by £14.5m, demonstrating the sensitivity of such changes. The Home Office has not announced their intentions in terms of reviewing the formula.
- 7.4 New and emerging national and local risks that must be resourced, such as County Lines, Child Sexual Exploitation and Cyber Crime, have been addressed within the budget. However, new risks continually develop and the increase in volume and complexity of crimes is a risk.
- 7.5 National developments such as Operation Uplift and PEQF detailed in earlier sections create financial and operational risks. The replacement system for Police Communications (ESN) was intended to deliver savings, but these have not yet been confirmed. Delays have introduced additional costs which will likely impact North Wales Police, either by an increase in top-slicing, or by an increase in charges to the force. The additional cost of providing the latest IT, whether these are mandatory national systems or not, and the change in provision model from purchase to subscription is an additional funding risk.
- 7.6 Potential savings in 2020-21 have yet to be delivered. These plans are mature and it is expected that these savings will be achieved. Plans beyond 2021-22 are in development. Cashable efficiencies will become harder to deliver with the requirements of Operation Uplift, meaning that officer numbers must be maintained.
- 7.7 The estimated budgets set out 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 £0.813m cut in budgets.
- 7.8 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 26% over the period 2017-18 to 2019-20 to a total of £1,029m. Any new initiatives may result in further top slicing.
- 7.9 Further cuts could be applied if the economic climate worsens. Each additional 1% cut to the General Grant Funding is a cash reduction of £0.732m.
- 7.10 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. Each 1% pay increases has a full years effect of an additional £1.334m increase in costs. Increases in pension costs were seen in 2019-20, and also have a significant effect on

budgets. If grants are not increased in line with inflationary costs, the cost of pay inflation either falls on the council tax or has to be funded by cuts. The risk of inflation not being recognised as part of the Government settlement is substantial.

7.11 Inflation has been low in recent years and the budget assumptions reflect this, however this could change especially in areas such as fuel and energy where prices can be very volatile.

7.12 The table below highlights the sensitivity of the main assumptions

Sensitivity main variables	£m
1% change in Council Tax	0.813
1% change in grant	0.732
A 1% change in pay	1.334
1% change in general inflation	0.442

7.13 The additional cost of providing the latest IT and the change in provision model from purchase to subscription is a developing risk.

8. Capital

8.1 The Capital Programme which commenced in 2013-14 has come to its conclusion. By the end of 2019-20 the following will have been achieved:

- 4 major new facilities in Llangefni, Llandudno and Wrexham (2 builds)
- 20 refurbishments and relocations
- Continuation of the Vehicle replacement Programme
- Upgraded Network, Servers, Desk Tops, Mobile devices and the replacement of the Control Room Technology systems.

8.2 The PCC's assets and infrastructure need continued investment in order to ensure an efficient and modern working environment. Strategies for the Estates, IT and Fleet were developed last year and a new Capital Programme agreed. However, since the Programme was prepared, the announcement of the uplift in Officer numbers was made. The initial allocation is for an additional 62, but this could increase to around 200, plus support staff. This will mean that the Estates programme will need to be revised once the full requirements are known. Initial amount allocated to this are shown as Estates Review 2 in Appendix B.

8.3 The refurbishment of Pwllheli is due to start this financial year and finish next year. The re location of the Vehicle Workshop, currently rented, is due to start next year subject to final Business Case. Other works in the HQ complex and the Firearms base are planned for 2020-21.

8.4 Substantial investment is required for IT. This is being directed by the Digital Transformation Programme Board. The personal issue of internet-enabled devices to operational officers and staff will enable agile working, and in due course all devices will be able to utilise the National Enablement Programme in terms of the latest software available. Outline business cases have been provided in each area, the detailed cases and business benefits are being developed. The Programme also includes the replacement of Body Worn Video equipment. Additional investment of £4.056m has been estimated for the period 2019-20 to 2024-25, as detailed below.

Capital Programme 2019-20 to 2024-25	Increase
Project	£'m
2 in 1's, Laptops and desktops	2,841
Lockers for charging and storage	200
Mobile app / Life X Deployment	471
NEP Infrastructure/Sail Point/Internet Links	208
Digital Intelligence & Investigation	211
Digital Evidence Management	125
Total Information Technology and Communication	4,056

8.5 The programme is affordable, being funded from a combination of grants, reserves, direct revenue contribution and borrowing. The overall strategy is to minimise borrowing and maximise the amounts funded fully in the year of purchase by use of direct revenue contribution and capital receipts, which in turn minimises interest and capital repayments in subsequent years.

8.6 The capital figures are shown in Appendix C; the final detailed plan will be formally approved as part of the Capital Strategy which incorporates the Treasury Management and Prudential Code Strategies in March 2020. A summary of the Programme and funding is given below.

8.7 Once the full implications of operation uplift are known, including the allocation of additional officers in 2021-22 and 2022-23 the Capital Programme will need to be reviewed.

8.8 Capital Programme 2019-20 to 2024-25

Ref	Description	2019-20 Revised Budget £000	2020-21 Est £000	2021-22 Est £000	2022-23 Est £000	2023-24 Est £000	2024-25 Est £000
	Total Building Works	1,371	4,529	3,995	3,479	3,891	1,433
	Total Vehicles and Other Equipment	2,342	1,800	1,300	1,855	1,300	1,300
	Total Information Technology and Communication	5,463	3,146	2,145	750	1,880	750
	Total	9,176	9,475	7,440	6,084	7,071	3,483
	Funding						
46	Home Office Grant	462	462	462	462	462	462
47	Revenue Contribution	2,269	1,643	1,516	1,238	1,238	1,238
48	Earmarked Reserves	3,536	1,608	0	0	0	0
49	Capital Receipts	475	155	377	100	1,420	475
50	Borrowing for Estates	774	4,141	3,895	3,379	3,141	958
51	Borrowing for replacement programme	1,660	1,466	1,190	905	810	350
	Total Funding	9,176	9,475	7,440	6,084	7,071	3,483
52	External sources	462	462	462	462	462	462
53	Own resources	6,280	3,406	1,893	1,338	2,658	1,713
54	Debt	2,434	5,607	5,085	4,284	3,951	1,308
	TOTAL	9,176	9,475	7,440	6,084	7,071	3,483

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 allow for expenditure risk (spending over budget), as well as the possibility of 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 with 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 at the end of the financial year with the final position being known at the end of the financial year.
- 9.3 There is a planned reduction in reserves from £23.643m to £15.665m over the next 5 years. Investments from the Management of Change reserve are planned to enable the changes required over the next two years. Planned use of the PFI reserve will commence in 2020-21, this reserve has been re set following a negotiated reduction in the cost of the PFI contract. A transfer of £1.2m is planned from the PFI reserve to the Estates Maintenance Reserve at the end of 2019-20. Estimated use of the Estates Maintenance Reserve has been included in the projections. A description of each reserve is given in paragraph 9.6.
- 9.4 The reserves are approaching the lower end of the acceptable range, taking into account the financial risks that have been transferred to reserves from the annual budgets over recent years. Any significant unplanned expenditure would require the reserves to be replenished in order to manage future risks.

Reserve Position

<i>Usable Reserves at</i>	31.3.19	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25
	Balance	Balance	Balance	Balance	Balance	Balance	Balance
	£m	£m	£m	£m	£m	£m	£m
Capital Receipts Reserve	0.009	1.960	2.505	2.128	2.178	1.258	1.158
General Fund Balance	4.392	5.189	5.189	5.189	5.189	5.189	5.189
Earmarked General Fund Reserves	19.251	14.374	11.861	11.373	10.768	10.043	9.318
Total Usable Reserves	23.652	21.523	19.555	18.690	18.135	16.490	15.665

Earmarked General Fund Reserves

Description	31.3.19	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25
	£m	£m	£m	£m	£m	£m	£m
Capital Investment	2.059	1.243	0.633	0.633	0.633	0.633	0.633
Major Incident	2.435	2.310	2.310	2.310	2.310	2.310	2.310
Pension Ill Health Reserve	0.915	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	4.333	3.177	3.106	2.918	2.613	2.188	1.763
Estates Security and Maintenance	1.033	1.816	1.516	1.216	0.916	0.616	0.316
Management of Change	5.950	2.387	0.855	0.855	0.855	0.855	0.855
Partnerships Reserve	0.654	0.654	0.654	0.654	0.654	0.654	0.654
Commissioner Community Safety Fund	0.500	0.500	0.500	0.500	0.500	0.500	0.500
OPCC Legal Reserve	0.056	0.056	0.056	0.056	0.056	0.056	0.056
OPCC Reserve	0.143	0.143	0.143	0.143	0.143	0.143	0.143
Total	19.251	14.374	11.861	11.373	10.768	10.043	9.318

- 9.5 The use of the reserves will depend on the final decisions on capital expenditure and the final revenue outturn in 2019-20, therefore the table below shows the current estimate of 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. Details of the projected Reserve position at the end of each year are given below the table.

9.6 The Policing Minister announced new guidelines on transparency of reserves during 2018-20. The tables below show the reserves as categorised by the guidelines.

	31.3.19 £m	31.3.20 £m	31.3.21 £m	31.3.22 £m	31.3.23 £m	31.3.24 £m	31.3.25 £m
Reserves at Year End	23.643	19.563	17.050	16.562	15.957	15.232	14.507
General Reserves	4.392	5.189	5.189	5.189	5.189	5.189	5.189
Earmarked Revenue Reserves							
of which held to meet budgetary risks	4.722	4.597	4.597	4.597	4.597	4.597	4.597
of which held to support the medium term budget	0.500	0.500	0.500	0.500	0.500	0.500	0.500
of which held to facilitate change programmes	6.983	4.203	2.371	2.071	1.771	1.471	1.171
of which held pending future deficits on PFI contracts	4.333	3.177	3.106	2.918	2.613	2.188	1.763
of which committed to future year capital programmes	2.059	1.243	0.633	0.633	0.633	0.633	0.633
of which Other Earmarked Reserves							
of which Reserves held on behalf of other organisations	0.654	0.654	0.654	0.654	0.654	0.654	0.654
Total Revenue Reserves	23.643	19.563	17.050	16.562	15.957	15.232	14.507
Capital Grants and Reserves							
of which capital grants unapplied	0	0	0	0	0	0	0
of which capital receipts reserve	0.009	1.960	2.505	2.128	2.178	1.258	1.158
of which other	0	0	0	0	0	0	0
TOTAL Reserves	23.652	21.523	19.555	18.690	18.135	16.490	15.665
Total Revenue Reserves Broken down as follows:							
Funding for projects & programmes over the period of the current MTFP	10.196	6.600	4.158	3.858	3.558	3.258	2.958
Funding for projects & programmes beyond the current MTFP	9.055	7.774	7.703	7.515	7.210	6.785	6.360
General Contingency	4.392	5.189	5.189	5.189	5.189	5.189	5.189
TOTAL (Must equal total above - line 28)	23.643	19.563	17.050	16.562	15.957	15.232	14.507

9.7 **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 annual pay for each Ill Health Retirement. Holding the Reserve addresses the variability year to year of these low volume, high cost items.

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; the balance is earmarked 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.

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 Summary

- 10.1 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.
- 10.2 Increased cost pressures from inflation and new requirements have resulted in difficult decisions having to be made during this planning cycle. These additional costs follow on from a period of eight years where £33m of savings have been taken from budgets. The emerging demands on operational resources also add to the financial pressure.
- 10.3 The Commissioner has considered all of the options available within the resources available. Extensive work was carried out by the PRP process in order to identify

savings and move resources within the organisation. The PRP process also enabled the intelligent allocation of 62 Operation Uplift officers, based on priorities. Pay inflation has increased as the Government ease the public sector pay restrictions. A council tax increase of 4.7% would be needed to cover inflation assuming a cash flat grant settlement. Additional resources have become available by the announcement of additional officers; however it is unclear whether the full cost of the additional officers, including support and infrastructure, will be funded. Taking all these factors into consideration a council tax increase of £12.51 (4.5%) is proposed. This is the lowest prudent council tax/precept increase, given that general funding, phase 1 Operation Uplift funding, and the allocation of phase 2 Operation Uplift have not been announced.

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 Police and Crime Plan and to match resources with corporate objectives
- To produce a financial plan for the next 3 to 5 years which will incorporate the PCC's and 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; this 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
 - Capital Strategy including the Treasury Management Policy and adherence to the Prudential Code
 - Codes of Professional Conduct
 - And also:
 - Implementation of Internal and External Audit recommendations
 - Management of Risk

- To maintain and develop adequate financial systems to record and control resources

- To align financial responsibility at the operational level with the appropriate management control or influence

- To ensure that accurate, up to date and timely financial information is available to enable users to apply it effectively in decision making.

Revenue Budget 2019-20 to 2024-25

Ref	Description <u>Budget 2019-20 to 2024-25</u>	Annual	+'Inc	Annual	Annual	Annual	Annual	Annual
		Budget	-' Redn	Budget	Budget	Budget	Budget	Budget
		2019-20	2020-21	2020-21	2021-22	2022-23	2023-24	2024-25
		£000	£000	£000	£000	£000	£000	£000
	Expenditure							
1.1	Police Officer Pay Establishment	80,352	1,994	82,346	84,980	87,471	90,154	92,542
2.1	Police Staff Pay	39,488	670	40,158	41,196	42,262	43,354	44,473
2.2	PCSO's	6,586	131	6,717	6,852	6,989	7,128	7,271
3	Police Officer Overtime	2,114	93	2,207	2,262	2,319	2,377	2,436
4	Police Staff Overtime	602	15	617	633	648	665	681
5	Allowances	1,365	-24	1,341	1,337	1,333	1,330	1,328
6	Training	724	209	933	952	971	990	1,010
7	Other Employee	559	12	571	582	594	605	618
8	Direct Pension Payments	3,305	79	3,384	3,465	3,548	3,634	3,721
9	Energy Costs	1,420	0	1,420	1,463	1,506	1,552	1,598
10	Building Running Costs	6,409	91	6,500	6,630	6,763	6,898	7,036
11	Repairs & Maintenance of Vehicles	535	10	545	556	567	579	590
12	Vehicle Running Costs	1,876	48	1,924	1,973	2,024	2,076	2,130
13	Car & Travelling Allowances	716	14	730	745	760	775	791
14	Air Support Unit	589	15	604	619	635	651	667
15	Equipment	1,009	20	1,029	1,050	1,071	1,092	1,113
16	Clothing and Uniforms	467	10	477	486	496	506	516
17	Printing and Stationery	359	7	366	373	381	389	396
18	IT and Communications	10,744	959	11,703	11,938	12,176	12,420	12,668
19	Subsistence	282	6	288	294	300	306	312
20	Other Supplies and Services	2,572	-51	2,521	2,555	2,589	2,625	2,660
21	Collaboration and Partnerships	5,552	161	5,713	5,856	6,002	6,152	6,306
22	Forensics	740	14	754	769	785	801	817
23	Debt Charges & Contribution to Capital	2,607	-175	2,432	2,440	2,440	2,440	2,440
24	Special Situations Contingency	400	0	400	400	400	400	400
25	Inflation and General Contingency	460	-60	400	400	400	400	400
26	Community Safety Fund	1,567	-1	1,566	1,566	1,566	1,566	1,566
	Gross Expenditure	173,399	4,247	177,646	182,372	186,996	191,865	196,486

	Annual Budget 2019-20	+Inc -' Redn (net budget) 2020-21	Annual Budget 2020-21	Annual Budget 2021-22	Annual Budget 2022-23	Annual Budget 2023-24	Annual Budget 2024-25
	£000	£000	£000	£000	£000	£000	£000
Income							
27 Secondments	-6,017	-106	-6,123	-6,123	-6,123	-6,123	-6,123
28 Interest on Balances	-100	0	-100	-100	-100	-100	-100
29 Income	-2,280	-85	-2,365	-2,365	-2,365	-2,365	-2,365
30 Specific Grants	-10,782	19	-10,763	-10,710	-10,657	-10,605	-10,605
Total Income	-19,179	-172	-19,351	-19,298	-19,245	-19,193	-19,193
31 PFI Reserve	44	-115	-71	-188	-306	-425	-425
32 Speed Awareness Reserve	0	0	0	0	0	0	0
33 Additional from Reserves	0	0	0	0	0	0	0
Net Expenditure	154,264	3,960	158,224	162,886	167,445	172,247	176,868
34 Total Grants	-73,234	0	-73,234	-73,234	-73,234	-73,234	-73,234
35 Precept	-81,030	-3,960	-84,990	-88,721	-92,472	-96,237	-100,022
Funding	-154,264	-3,960	-158,224	-161,955	-165,706	-169,471	-173,256
Annual Balance	0	0	0	931	808	1,037	836
BASE CASE - Cumulative	0	0	0	931	1,739	2,776	3,611
Other Growth and Savings (IT and PEQF)				1,030	213	24	0
Annual Balance				1,961	1,021	1,061	836
Cumulative Balance				1,961	2,982	4,043	4,878
Operation Uplift Phase 1							
Expenditure			3,050	3,127	3,205	3,285	3,367
Assumed Grant			-3,050	-3,127	-3,205	-3,285	-3,367

Draft Capital Programme 2019-20 to 2024-25

Ref	Description	2019-20 Revised Budget	2020-21 Est	2021-22 Est	2022-23 Est	2023-24 Est	2024-25 Est
		£000	£000	£000	£000	£000	£000
	<u>Estate Programme</u>						
1	Retentions, Consultancy and QS	25					
2	Sustainability Improvements	255	100	100	100	100	100
3	Wrexham new Custody and DHQ	96					
4	Wrexham in town facility	619					
5	Estate Review 2	40	1,559	2,570	3,379	3,791	1,333
6	Pwllheli Police Station Refurbishment	200	780				
7	FHQ Complex and Canteen area		257				
8	Vehicle Workshop		1,545	1,325			
9	Custody CCTV	33					
10	Firearms Base works	103	288				
	Total Building Works	1,371	4,529	3,995	3,479	3,891	1,433
	<u>Vehicles and Other Equipment</u>						
11	Vehicle Purchase Replacement Programme	2,071	1,300	1,300	1,300	1,300	1,300
12	Police Support Vehicles				555		
13	Dexun System (SCC)	78					
14	Intoxilators x 3		30				
15	ANPR replacement		470				
16	Fingerprint Capture and Enhancement	62					
17	Collision Surveying Equipment	131					
	Total Vehicles and Other Equipment	2,342	1,800	1,300	1,855	1,300	1,300

Ref	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
		Revised Budget	Est	Est	Est	Est	Est
		£000	£000	£000	£000	£000	£000
	<u>Information Technology and Communication Equipment</u>						
18	Desk Top Replacement (Replacement Programme)	1,273	1,202	300	750	750	750
19	Control Room Technology Replacement	531					
20	Lockers for charging and storage	200					
21	Mobile app / Life X Deployment		471				
22	Server Replacement			700			
23	Business Systems Servers (Replacement Programme)			145			
24	Mobile data devices	15	570			460	
25	Airwave Replacement Units	13					
26	Airwave replacement ESN			1,000			
27	DFU Server replacement		20			270	
28	Mobile Responder App	200					
29	NEP Infrastructure/Sail Point/Internet Links	1,180					
30	Connectivity Software	85					
31	Wifi	250	250				
32	Digital Workplace audio visual	200					
33	Single on line Home (Digital Public Contact)		40				
34	Digital Intelligence & Investigation	18	193				
35	Digital Evidence Management	125					
	EOL (End of Life - various systems)						
36	CISCO Telephony	250					
37	Email (then re-used for NEP)						
38	Nexus Memory Upgrade	50					
39	Backup	156					
40	Local Area Network	80					
41	Thin Clients/ Laptops/ Desktops	50					
42	Risk Register	74					
43	ICAD Upgrade (Command and Control Upgrade)	100	400				
44	Body Worn Video	535				400	
45	GIS Update	78					
	Total Information Technology and Communication	5,463	3,146	2,145	750	1,880	750
	Total Capital Expenditure	9,176	9,475	7,440	6,084	7,071	3,483

Ref	Description	2019-20 Revised Budget	2020-21 Est	2021-22 Est	2022-23 Est	2023-24 Est	2024-25 Est
		£000	£000	£000	£000	£000	£000
	Funding						
46	Home Office Grant	462	462	462	462	462	462
47	Revenue Contribution	2,269	1,643	1,516	1,238	1,238	1,238
48	Earmarked Reserves	3,536	1,608				
49	Capital Receipts	475	155	377	100	1,420	475
50	Borrowing for Estates	774	4,141	3,895	3,379	3,141	958
51	Borrowing for replacement programme	1,660	1,466	1,190	905	810	350
	Total Funding	9,176	9,475	7,440	6,084	7,071	3,483
52	External sources	462	462	462	462	462	462
53	Own resources	6,280	3,406	1,893	1,338	2,658	1,713
54	Debt	2,434	5,607	5,085	4,284	3,951	1,308
	TOTAL	9,176	9,475	7,440	6,084	7,071	3,483