



# Sussex Police & Crime Commissioner

<b>To:</b>	<b>The Police and Crime Commissioner for Sussex</b>
<b>From:</b>	<b>Chief Finance Officer</b>
<b>Subject:</b>	<b>Approval of the Council Tax Precept and Revenue and Capital Budgets 2017/18</b>
<b>Date:</b>	<b>09 February 2017</b>

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## **Purpose of Report:**

On 20 January 2017 the Police and Crime Panel agreed the proposals of the Police and Crime Commissioner for Sussex to issue a band D council tax precept for the Sussex area of £153.91. There are statutory requirements for the Commissioner to calculate the budget requirements and formally issue a precept for the financial year.

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## **Recommendations:**

As set out on the attached report it is recommended that the Police and Crime Commissioner approves:

- The proposed revenue and capital budget 2017/18;
  - The reserves policy;
  - The calculations of council tax in 2017/18 in accordance with sections 43, 44 and 47 of the Local Government Finance Act 1992, as amended;
  - The council tax precept of £153.91 for band D to be issued in 2017/18;
  - The prudential indicators;
  - The method of calculating Minimum Revenue Provision (MRP) for 2017/18
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**Approval of the Council Tax Precept and Revenue and Capital Budgets 2017/18**

**Report by Iain McCulloch, Chief Finance Officer to the Police and Crime Commissioner for Sussex**

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## **1 Purpose of the Report**

- 1.1 The purpose of this report is to request the Police and Crime Commissioner (the Commissioner) to approve the revenue budget, capital programme and precept for the financial year 2017/18.

## **2 Background**

- 2.1 The Local Government Finance Act 1992, as amended by the Localism Act 2011 sets out the requirements for the Commissioner to consider council tax calculations by major precepting authorities.
- 2.2 This report sets out the proposed revenue budget and capital programme for 2017/18, together with a review of the current year's budget position to allow a budget and council tax to be approved in accordance with legislative requirements.
- 2.3 The last 7 years have seen reductions to the funding provided by the Government to Police and Crime Commissioners (PCCs) in England and Wales. Over the last 7 years, Sussex has had to make £76m of reductions and efficiencies to head towards balancing its books (source HMIC PEEL assessment and 2016/17 revenue budget). In addition it has also had its ability to raise additional tax revenue from the precept restricted by the referendum rules and council tax freeze grants.
- 2.4 Sussex Police experienced significant impact from the reductions because it receives more in grant in proportion to its council tax; around 63% being from grant.
- 2.5 Despite reducing its workforce, making efficiencies, transforming activities using technology, cutting waste and selling property we still need to reduce expenditure further to match our spend with resources.
- 2.6 In preparing the Revenue and Capital Budgets for 2017/18 the Commissioner has considered the following issues:
  - The Police Grant settlement for 2017/18;
  - The key principles underlying the four year MTF to 2020/21;
  - The likely revenue and capital outturn for 2016/17;
  - The budget pressures in 2017/18;
  - Delivery of the Police and Crime Plan;
  - Budget savings;
  - The options for the council tax precept;
  - Reserves;
  - Risk assessment; and
  - The Prudential Code for Capital Finance in Local Authorities.

2.7 On 20 January 2017 the Police and Crime Panel agreed the proposals of the Police and Crime Commissioner for Sussex to increase the council tax precept for 2017/18 by £5 (3.36%) on a band D property. This increase is within the referendum limits set by Government.

### **3 Proposed Council Tax and Revenue & Capital Budgets 2017/18**

3.1 In summary:

- A proposed net revenue budget of £257.0m for policing and crime reduction that includes;
- Provision for increases in pay and prices of £10.3m
- Revenue contribution of £2.0m to support capital investment;
- Revenue budget savings of £11.3m in 2017/18;
- Capital and Investment in buildings, vehicles and new technology of £18.5m in 2017/18;
- Use of £15.5m from capital receipts and reserve transfers to support investments;
- Agree an increase of £5 on the council tax precept in 2017/18 to enable additional investment of £3.0m in the Police and Crime Plan priorities.

### **4 Financial Strategy**

4.1 The 2017/18 budget is the first of the four year Medium Term Financial Forecast 2017/18 to 2020/21.

4.2 The overall financial strategy seeks to deliver the Police and Crime Commissioner's Police and Crime Plan, the mission, vision and values of Sussex Police and meet the requirements of the Strategic Policing Requirement.

4.3 This sets out the service developments, response to changes in crime and demand and how it will work in partnership with other agencies to maximise effectiveness. This also includes the workforce plan.

### **5 Police Finance Settlement**

5.1 The final police grant for 2017/18 was published on 1 February 2017.

5.2 The key headlines from the settlement are:

- 1 year only;
- All forces core grant reduced by 1.4%;
- Total funding protected in flat cash terms as long as PCCs maximise ability to increase the precept as provided for in the new flexible referendum principles;
- Capital grant reduced by £1.766m to £0.906m.

## 6 Funding Formula

- 6.1 The Home Secretary has decided to continue to apply damping in a way that ensures every local policing body receives the same percentage reduction in the totality of formula funding. Therefore, the allocations of Police Main Grant and DCLG Formula Funding that were provided to local policing bodies in 2016/17 have been reduced in line with the total overall reduction of these grant streams in 2017/18. Funding allocations for both financial years are based on the Police Allocation Formula distribution from 2013/14.
- 6.2 The 2017/18 budget and the MTFF have been developed on the basis of the current funding arrangements continuing. Any changes to the formula, which is currently subject to review, will be considered in future strategies.

## 7 Capital and Investment

- 7.1 Capital and investment expenditure of £18.5m in 2017/18 to be financed by a combination of government grant, capital receipts and reserve transfers.

## 8 Capital & Investment Programme 2016/17

- 8.1 The Police and Crime Commissioner has an approved revised capital budget for 2016/17 of £36.9m. The third quarter capital monitoring report outlined a revised capital estimate of £33.9m as at 31 December 2016. The reduction in the revised estimate for the year reflects some projects deferred or delayed to 2018/19.
- 8.2 We will continue to monitor the capital programme to review and revise projects accordingly.

## 9 Capital & Investment Programme 2017/18

- 9.1 The following table summarises the capital programme 2017/18:

<b>Capital &amp; Investment Programme</b>	<b>2017/18</b>
	<b>£m</b>
Information Technology Strategy	5.352
Fleet Strategy	3.460
Corporate Development	0.099
Operations Department	0.478
Communications	0.050
HR Shared Business Services	0.204
Estates Strategy	8.819
<b>Total Investment Programme</b>	<b>18.462</b>

9.2 Key areas to note in the proposed programme are:

- Information Technology - Investment in the mobile policing network and other projects to improve effectiveness.
- Fleet - Costs of replacing vehicles as part of the on-going fleet replacement programme.
- Operations – Including ANPR and ring fenced Sussex Safer Roads Partnership Investments.
- Estates – Including Brighton Police station refurbishment and extension.

**10 Revised Revenue Budget 2016/17**

10.1 The Police and Crime Commissioner’s net revenue budget for 2016/17 before the use of reserves is £253.835m (£254.977m after reserves). The Quarter 3 revenue monitoring report shows a projected budget surplus of £4.867m as at 31 December 2016.

<b>Revenue Monitoring Quarter 3 Position</b>	<b>Projected Outturn 2016/17</b>	<b>Approved Budget 2016/17</b>	<b>Variance 2016/17</b>
<b>PCC Group</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Chief Constable	243.690	247.748	(4.058)
Police and Crime Commissioner	5.728	6.087	(0.359)
Appropriations (to)/from Reserves	0.692	1.142	(0.450)
<b>Net Expenditure</b>	<b>250.110</b>	<b>254.977</b>	<b>(4.867)</b>
Central Government Grant Income	(164.922)	(164.922)	0.000
Council Tax Precept Income	(90.055)	(90.055)	0.000
<b>Central Grant and Precept Total</b>	<b>(254.977)</b>	<b>(254.977)</b>	<b>0.000</b>
Surplus transfer (to)/from Reserves	(4.867)	0.000	(4.867)

10.2 Underspend in year is predominately due to Police Officer numbers being below the original budgeted level. This is a one-off impact in 2016/17 only, as plans were put in place to recruit additional Police Officers in the second half of the 2016/17 year. This was in line with revised workforce plans, future growth and investments.

10.3 Actual net underspend from the current year will be transferred to reserves in accordance with the reserves policy. This will be available to support the change programme.

10.4 The table below sets out the revised reserves forecast for 2016/17.

<b>2016/17 Reserves</b>	<b>Revised Opening Balance 1-Apr-16 £m</b>	<b>Planned Use of Reserve £m</b>	<b>Forecast Under Spend £m</b>	<b>Closing Balance 31-Mar-17 £m</b>
General	10.8	0.0	(0.6)	<b>10.2</b>
Capital & Investment and Capital Receipts	33.6	(16.9)	(7.6)	<b>9.1</b>
Delegated Budget Holder	7.4	(4.5)	4.1	<b>7.0</b>
Sussex Safer Roads Partnership	2.1	(0.3)	0.0	<b>1.8</b>
Other Usable Reserves	19.3	0.0	0.0	<b>19.3</b>
<b>Total 2016/17</b>	<b>73.2</b>	<b>(21.7)</b>	<b>(4.1)</b>	<b>47.4</b>

## **11 Revenue Budget 2017/18**

- 11.1 Grant - The one year settlement announcement stated that no force will receive a reduction to their 'spending power' which is determined as the total of grant and precept added together. They stated that all PCCs in who maximise precept in both 2016/17 and 2017/18 will receive at least cash flat direct resource funding compared to 2015/16. However, government grant has been reduced by £2.1m (1.4%) this year and the Home Office has made an assumption that this reduction will be offset by an increase to the precept of £5 to generate an additional £3.0m of tax receipts.
- 11.2 Council Tax Precept – The Home Office has deemed that the ten lowest precepting PCC's including Sussex have the flexibility to increase their precept by up to £5. All other PCC's will be capped to 2%. No government grants are available in 2017/18 to freeze council tax.
- 11.3 Budget Pressures - including pay and price increases and other pressures total £13.3m in 2017/18. £4.0m relates to pay and price pressures including the 1% pay award; £1.1m relates to the impact of increasing the South East Allowance by £500 per officer from April 2017; £0.9m Apprentice Levy costs; £3.1m new investment in police services; and £4.2m of other pressures.
- 11.4 Budget Savings – represent the gap between resources and planned spend. Current plans to make £11.3m. Further information on savings is included in section 12.
- 11.5 Reserves – The prudent use of reserves is essential to balance the 2017/18 budget. Further information on reserves is included in section 15 and Appendix D.
- 11.6 For the financial year 2017/18, the proposed total net expenditure after the use of reserves is £257.0m.

## 12 Budget Savings

12.1 The gap between resources and planned spending in 2017/18 is £11.3m against the target of £16.6m included as part of the MTFF. The Force has identified a range of service transformation projects across the period of the MTFF.

12.2 The Chief Constable's saving plans are based on the programmes of change (Local Policing and Policing Programmes) to deliver improvements in policing and realise cashable savings. A summary of the savings planned for 2017/18 are set out in the table below.

<b>Work streams</b>	<b>2017/18 £m</b>
Specialist Crime	0.6
Operations	0.8
Contact & Deployment	0.5
Support Services	1.6
Corporate Services	0.4
Local Policing	12.4
Other	0.3
<b>Total Savings</b>	<b>16.6</b>
Savings Requirement	11.3
<b>Savings Gap/(Surplus)</b>	<b>(5.3)</b>
<b>Savings Risk Rating</b>	
Green/Amber (low risk)	2.1
Red/Purple (high risk)	14.5
Total	16.6

12.3 The status of savings is colour coded to show the confidence of achieving the savings. Purple represents assessed savings targets only, Red represents the higher risk areas where outline proposals have been considered. Amber represents savings which have been detailed but are subject to final business case approval, Green represents proposals where detailed business cases have been approved and achieved or a timeline for implementation agreed.

12.4 The proposed new savings for 2017/18 are based on:

- Local Policing Programme including elements of local investigations, response policing and completion of neighbourhood policing and criminal justice projects
- Policing Together Programme (collaboration with Surrey Police) including Operations; Specialist Crime capability; Contact & Deployment communications and front office changes, HR, Corporate Services, and Joint Procurement contracts
- Estates and Future Workplace programme including further rationalisation of accommodation and estates cost reduction
- smaller savings from non-pay budgets and contracts

- 12.5 Specialist Crime savings will be achieved through a revised operating model with fewer specialist teams. The Operations team is also revising their operating model with greater emphasis on multi-disciplinary teams.
- 12.6 Planned savings from the Local Policing Programme continue this year following a review of the policing model in terms of demand and operational ways of working. The new model builds resilience and breadth of skills within local policing teams.
- 12.7 If all planned savings for 2017/18 are achieved this will exceed the savings target requirement in year by £5.3m, however further plans will be required to meet the full savings target requirement by 2021 based on the current MTFE estimates to meet the remaining gap of £4.1m beyond current plans. The Force will continue to review its savings plans to ensure quality service delivery is maintained, future financial risks are taken into account and funding can be directed to priority areas.
- 12.8 There is still a significant savings requirement up to 2021, currently estimated to be in the region of £33m. This estimate could be impacted by any further changes as a result of anticipated grant reductions and the outcome of the Funding Formula review.

### 13 Budget Summary 2017/18

13.1 A summary of the proposed 2017/18 Net Revenue Budget follows:

	Gross £m	Grants £m	Income £m	Net £m
Chief Constable's Operational Delivery Budget	282.191	(8.227)	(22.793)	251.171
Office of The Police and Crime Commissioner	1.274			1.274
Community Safety	1.635			1.635
Victim Support Services and Restorative Justice	1.952	(1.952)		0
Financial Provisions	3.335			3.335
Treasury Management Interest	0.201		(0.500)	(0.299)
Transfers to/(from) Earmarked Reserves	0.950		(1.100)	(0.150)
<b>Total Net Budget Requirement 2017/18</b>	<b>291.538</b>	<b>(10.179)</b>	<b>(24.393)</b>	<b>256.966</b>

13.2 The budget for the Chief Constable provides for all day to day operational policing activities. The budget for the Police and Crime Commissioner includes running costs of the Office of the Police and Crime Commissioner, community safety, victim support and restorative justice, capital financing costs for both corporate bodies, treasury management interest and transfers to and from reserves.

### 14 Council Tax Options 2017/18

14.1 The Localism Act 2011 introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered excessive Council Tax, including proposed limits. From 2013 onwards, any PCC that wishes to raise the council tax above the limits that apply to them will have to hold a referendum.

14.2 The 2017/18 settlement assumes that PCCs in England increase the precept to the maximum referendum limit in 2017/18 which is 2% unless it qualifies to increase it by £5; and tax base growth of 0.5% across England and Wales.

14.3 Additional flexibility has been given to the 10 PCCs in England with the lowest precept levels each year (the lower quartile), so that they can raise their precept by up to £5 per year per band D household. Sussex has the fifth lowest precept in England and Wales and therefore is able to raise its precept by up to £5.

14.4 During 2016/17 the council tax base increased by 1.54% to 605,656.63 Band D. This is 1.04% higher than the Home Office assumption of 0.5% growth and will raise a further £1.370m.

14.5 The PCC also sought the views of Sussex residents regarding a potential increase in the budget precept.

14.6 A public consultation took place between 11 November 2016 and 8 January 2017 on a potential precept increase. The consultation asked the residents of Sussex:

*"Would you be prepared to pay an additional average of £5.00 per household for over 100 more police officers and specialist staff?"*

- 14.7 A total of 4,504 responses were received across the above period and the percentage in favour of an increase was the highest to date.
- 14.8 Almost 8 out of 10 responses (78%) were in favour of an increase of £5 or more.
- 14.9 In accordance with legislation the council tax option to increase the precept by £5 was considered by the Police and Crime Panel on 20 January 2017. The full report can be found in Appendix F. The Panel supported the proposal and the letter from the Chair of the Panel confirming the increase can be found in Appendix G.
- 14.10 The proposal to increase the Band D precept by £5 will raise an additional £3.028m for 2017/18.
- 14.11 The anticipated precept income of £93.216m is included in the MTF (Medium Term Financial Forecast) that sets out the assumptions and detail of how this decision is affordable over the medium term.
- 14.12 In addition all thirteen billing authorities in East and West Sussex will pay collection fund surpluses totalling £0.950m in 2017/18.

## **15 Reserves 2017/18**

- 15.1 The Police and Crime Commissioner's reserves policy is set out in the MTF and is subject to regular review.
- 15.2 A full analysis of the Police and Crime Commissioner's revenue reserves and their planned use in 2017/18 taking into account the proposals outlined is set out in the following table:

<b>USABLE RESERVES</b>	<b>Estimated at 31 March 2017 £m</b>	<b>Planned use of reserves 2017/18 £m</b>	<b>Estimated at 31 March 2018 £m</b>
Capital & Investment Reserve and Capital Receipts	9.04	(8.04)	1.00
Capital Grants/Contributions Unapplied	0.00	0.00	0.00
Asset Seizures	0.37	0.00	0.37
Delegated Budget Holder Reserve	7.04	(1.10)	5.94
Sussex Safer Roads Partnership	1.85	(0.28)	1.57
PFI	12.79	0.00	12.79
Insurance	3.62	0.00	3.62
Operational	2.45	0.00	2.45
<b>Total Earmarked Reserves</b>	<b>37.16</b>	<b>(9.42)</b>	<b>27.74</b>
General Reserve	10.24	0.04	10.28
<b>Total Usable Reserves</b>	<b>47.40</b>	<b>(9.38)</b>	<b>38.02</b>

- 15.3 Capital receipts received in year will be applied to fund capital expenditure in year.
- 15.4 An MTFE principle is to maintain the general reserve at a minimum of 4% of Net Revenue Expenditure. As at 31 March 2018 the balance is estimated to be £10.28m which equates to 4.0%.

## **16 Adequacy of Reserves and Robustness of Budget Estimates**

- 16.1 The Local Government Act 2003 requires the Chief Finance Officers to undertake an assessment of the robustness of the budget estimates and the adequacy of reserves.
- 16.2 The budget and MTFE allows the Police and Crime Commissioner to consider the prudent use of reserves in the context of the future spending pressures and potential risks arising from potential changes to the funding formula without having a detrimental effect on policing.
- 16.3 In assessing the robustness of the budget, the Chief Finance Officers have considered the following issues:
- The general financial standing of the Police and Crime Commissioner;
  - The underlying budget assumptions, including an assessment of the estimates for pay and price increases;
  - A risk assessment of expenditure and income estimates including adequacy of budget monitoring and financial reporting arrangements (See Appendix A);
  - The future budget pressures identified in this report;
  - The adequacy of the budget monitoring and financial reporting arrangements;
  - The adequacy of the Police and Crime Commissioner's governance arrangements and internal control system;
  - The adequacy of general reserves to cover any potential financial risks faced by the Police and Crime Commissioner;
  - The impact of the police grant settlement.
- 16.4 At 31 March 2018, the Police and Crime Commissioner's General Reserve is estimated at £10.28m (4.0% of revenue expenditure), in accordance with the approved reserves policy (see Appendix D).
- 16.5 The PCC's Chief Finance Officer confirms that, after taking account of these issues, the revenue and capital estimates contained in this report are considered robust and that the level of reserves proposed in the review set out earlier is considered adequate to cover the financial risks faced by the Police and Crime Commissioner in 2017/18.

## 17 Council Tax Requirement

17.1 The Localism Act requires the Commissioner to set a Council Tax Requirement. The calculation of the Council Tax Requirement, based on the proposed revenue budget and contribution from reserves is set out below:

	2017/18 £m	2017/18 £m
Total Revenue Expenditure		257.116
<b>Less</b> Appropriations from Reserves		0.150
<b>Net Budget Requirement</b>		<b>256.966</b>
<b>Less</b>		
Main Police Grant	96.461	
Revenue Support Grant	53.137	
Council Tax Legacy Freeze Grant	3.062	
Council Tax Local Support Grant	10.140	
		<b>162.800</b>
<b>Balance to be raised locally</b>		<b>94.166</b>
Less estimated net surplus on collection funds		0.950
<b>Council Tax Requirement</b>		<b>93.216</b>

17.2 The proportion of collection funds' net surplus due to Sussex Police from its constituent billing authorities is £0.950m for 2017/18 (£1.237m in 2016/17).

17.3 The notified Council Tax base figure is 605,656.63 which is an increase of 9,199.29 over the previous year.

## 18 The Prudential Code of Practice in Local Authorities

18.1 The CIPFA Prudential Code is a professional code of practice to support local authorities in taking decisions relating to capital investment in fixed assets. Local authorities, including police and crime commissioners and fire authorities, are required to have regard to the Code under Part 1 of the Local Government Act 2003. The basic principle of the system is that local authorities will be free to invest so long as their capital spending plans are affordable, sustainable and prudent.

18.2 In order to demonstrate that they have fulfilled the objectives of the Code, authorities must produce a range of key Prudential Indicators. The Code does not suggest indicative limits or ratios for these indicators, which are designed to support and record local decision making, and are not intended to be used for comparative purposes.

18.3 These key indicators can be split into two broad categories, affordability indicators and prudence indicators. Affordability indicators concentrate upon the level of capital investment over the period 2017/18 to 2020/21. Prudential indicators concentrate on the

level and composition of external debt, and are therefore very closely linked to the Police and Crime Commissioner's Treasury Management Strategy.

18.4 The Commissioner's proposed Prudential Indicators are shown at Appendix B to this report.

## **19 Minimum Revenue Provision**

19.1 Regulations came into effect from March 2008 with regard to preparing an Annual Minimum Revenue Provision (MRP) Statement. MRP is the amount that needs to be set aside to reflect the depreciation of capital assets. There are no proposed changes to the method used to calculate MRP and the Annual MRP statement for 2017/18 is attached at Appendix C.

## **20 Financial Considerations**

20.1 Financial implications are considered throughout the report.

## **21 Risk Management**

21.1 Associated risks have been considered and recorded as appropriate and are set out in Appendix A.

## **22 Recommendations**

**1** The Police and Crime Commissioner is requested to:

- approve the capital and investment programme and authorise the Chief Finance Officer to undertake the appropriate financing;
- approve the revenue budget;
- agree the review of the reserves policy Appendix D; and
- note the review by the Chief Finance Officer in respect of the robustness of the budget and the adequacy of reserves.

**2** Note the Council Tax Base of 605,656.63 for the year 2017/18 as notified by the billing authorities within Sussex (item T in the formula in Section 44 (1) of the Local Government Finance Act 1992, as amended).

**3** Approve the following amounts for the year 2017/18 in accordance with Sections 43, 44 and 47 of the Local Government Finance Act 1992, as amended:-

(a) £291.539m being the aggregate of the amounts which the Police and Crime Commissioner estimates for the items set out in Section 43 (2) (a) to (d) of the Act;

(b) £198.323m being the aggregate of the amounts which the Police

and Crime Commissioner estimates for the items set out in Section 43 (3) (a) to (b) adjusted for the item set out in the Act;

- (c) £93.216m being the amount by which the aggregate at (a) Above exceeds the aggregate at (b) above, calculated by the Police and Crime Commissioner in accordance with Section 43 (4) of the Act, as its Council Tax Requirement for the year;
- (d) £153.91 being the amount at (c) above divided by the tax base as notified by billing authorities' for Sussex, calculated by the Police and Crime Commissioner in accordance with Section 44 (1) of the Act, as the basic amount of tax for the year;
- (e) Valuation bands being the amounts given by multiplying the amount of (d) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Police and Crime Commissioner in accordance with Section 47 (1) of the Act, as the amounts to be taken into account for the year in respect of the categories of dwelling listed in different valuation bands.

<b>Valuation Band</b>	<b>Amount</b>
A	£102.61
B	£119.71
C	£136.81
<b>D</b>	<b>£153.91</b>
E	£188.11
F	£222.31
G	£256.52
H	£307.82

The Tax Base for the year 2017/18 is the aggregate of the amounts tax bases calculated by the billing authorities to which the Police & Crime Commissioner for Sussex issues precepts totalling. This totals **605,656.63 for Band D equivalents** as set out in the table below. The basic amount of Council Tax (Police Precept) is the budget requirement less the amounts receivable from other funding sources, all divided by the tax base. For 2017/18 this shall be shall be

**£153.91** to the nearest penny, for Band D properties. The amounts per band are as above.

- 4** Resolve that under Section 52ZB of the Local Government Finance Act, the Commissioner's relevant basic amount of Council Tax for 2017/18 is not excessive in accordance with the principles determined under Section 52ZC (1) of the Localism Act 2011 for 2017/18.
- 5** Resolve that in accordance with Section 40 of the Local Government Finance Act 1992, as amended, the billing authorities within the area of this authority be issued with precepts in the amount of £93,216,612 for the financial year beginning 1 April 2017, the amount of the retrospective precepts to be issued to each billing authority's area in accordance with the Sections 43, 44 and 47 of the 1992 Act, as amended.
- 6** Approve the Prudential Indicators as outlined in Appendix B to this report.
- 7** Accept the recommendation of the Chief Finance Officer for the method of calculating MRP for 2017/18 as set out in the Annual MRP Statement at Appendix C to this report.

**Iain McCulloch**  
**Chief Finance Officer, Office of the PCC**

**Mark Streater,**  
**Chief Executive, Office of the PCC**

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**Appendices:**

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SUSSEX POLICE AND CRIME COMMISSIONER FINANCIAL RISK ANALYSIS

Issue	Assumption	Comment
<b>Maintaining &amp; improving service performance levels</b>	Resources sufficient to meet targets and priorities in the Local Policing Plan and Strategic Policing Requirement	The Chief Constable believes that there are sufficient resources to deliver future Police and Crime Plan priorities and Strategic Policing Requirement. However there remains risk from the cost of major operations including counter-terrorism, particularly if these are not fully funded nationally.
<b>Pay and price budgets and establishment control</b>	<p>Provision for national pay awards ceiling of 1%.</p> <p>Staff turnover and increments based on detailed analysis of current staff profile and trends.</p> <p>General price inflation of 2%</p>	<p>Whilst the number of police officer leavers is difficult to predict, recruitment and promotions are managed during the year across the Force to match staffing need and resources to budget.</p> <p>Close corporate monitoring of the overall budget and management action to maintain financial discipline is particularly important given the Force faces reductions in staffing through budget changes, as well as the PCC's approved investment in Police and Crime Plan and Force priorities. As such a new approach has been introduced to oversee these changes through a workforce planning board chaired by the DCC. There is also a requirement from the PCC's CFO to improve transparency of workforce commitments to be included in the monthly reporting.</p> <p>Pay and price contingency is available to meet unexpected increases in year.</p> <p>The risk that prices may rise is mitigated by budget monitoring arrangements and actively managing spend pressures.</p>
<b>Limits to Precept Increases</b>	Future precept planning assumption of a 0% increase.	<p>The Localism Act 2011 gives a statutory obligation for council tax referendums to be held should a precept higher than prescribed be considered by the Police and Crime Commissioner (PCC). The Secretary of State for Communities and Local Government set the level above which a referendum would be required at 2%.</p> <p>Decisions on any increase to the precept are made by the PCC annually.</p> <p>Compared to other police areas across the country, Sussex has a low level of precept.</p>
<b>Grant Levels</b>	<p>Overall revenue grant reduction of 1.4% in 2017/18.</p> <p>Capital grant reduction of 48.7% in 2017/18 to £0.906m.</p>	<p>2017/18 was a one year only settlement.</p> <p>Changes to the grant formula may further reduce the level of grant payable but no adjustment is necessary in 2017/18.</p>
<b>Council Tax</b>	Collection rates advised by individual billing authorities	The risk of council tax collection rates being lower than expected could impact on the collection fund balances and any surpluses payable to the PCC. Billing authorities' factor in prudent collection rates to mitigate this risk.
<b>Budget Estimates (Expenditure)</b>	Provision for specific on-going cost pressures	<p>The budget estimates including all identified additional costs for 2017/18, supported by input and review by the Chief Financial Officers.</p> <p>Risks of budget overspend are mitigated by the monthly budget monitoring process and formal monitoring reports to the PCC.</p>

<b>Issue</b>	<b>Assumption</b>	<b>Comment</b>
<b>National IT Systems</b>	Move to full cost charging without transfer of funding from Home Office.	Further potential costs related to the national changes to training and the creation of the national police college could continue in 2017/18 and beyond.
<b>Budget and financial reporting</b>	Savings requirement of £35.7m to 2020/21 with planned savings of £16.6m (required £11.3m) in 2017/18.  Monthly budget monitoring	<p>Action plans to deliver savings from April 2017 continue to be reviewed by Chief Officers and regular monitoring will be undertaken to track achievement of savings and ensure any additional action required is undertaken during the year.</p> <p>The achievement of savings in 2017/18 and beyond heavily depends on the delivery of savings from the Local Policing Programme and the Policing Together Programme (joint vision and services with Surrey Police). Wider blue light collaboration will contribute to the delivery of savings over the medium term.</p> <p>The Force Director of Finance has raised at the Joint Chief Officer meeting, Force Executive Board and the Change Programme Board, the issue of translating purple savings earlier than was achieved in previous years.</p> <p>Necessary improvements to financial monitoring have been identified during 2016/17. These improvements are being put in place and a more rigorous process of monthly review will be carried out throughout 2017/18, including closer scrutiny by the Forces Director of Finance and the PCC's Chief Finance Officer.</p>
<b>Levels of Reserves</b>	Forecast to reduce over the term of the MTFF	<p>Currently used to finance the capital and investment programme and major change initiatives. It remains a risk that the level of reserves is adequate to meet unplanned demand.</p> <p>To mitigate this risk, the General Reserve is kept at a minimum of 4% of revenue expenditure and the Operational Reserve is kept at a minimum of 1% of revenue expenditure.</p>
<b>Interest rates, investment and borrowing</b>	Interest rates assumptions of 0.40%  Borrowing at fixed rates.	<p>Forecasts of investment income for 2017/18 onwards are based on estimated cash balances and interest rate forecasts as set out in the treasury management strategy. A prudent position has been adopted with regard to anticipating future increases in interest rates, to address the risk of interest rates being lower than expected.</p> <p>The risk of investment fund loss due to collapse of the financial institution with whom the deposit is placed, is limited by controls within the Treasury Management Strategy focus on security rather than returns. Potential impact is mitigated by a diverse portfolio with top credit rated institutions.</p> <p>At this stage, no borrowing has been planned to finance the capital programme in 2017/18 or beyond.</p>
<b>Income Assumptions</b>	Income budgets reduced for specific items.	Some risk of achieving on-going level of income targets included in Divisional and Department budgets. This will be monitored during the year and appropriate action or mitigation agreed as necessary. Additional income may be received in-year due to unforeseen events. Budget adjustments will be requested where appropriate. The increase in firearms licence costs will provide additional income.
<b>Policing of Gatwick Airport</b>	Funding of £12.9m in 2017/18.	The existing public Services agreement for Policing Gatwick Airport expires on 31 March 2017. Negotiations are underway to renew this agreement for a further three years to 31 March 2020.
<b>Reductions in security grants</b>	Potential reductions in Airport and other security grants.	MTFF assumes that grants will continue at current level. If subsequently reduced, savings will be made to cover the reduction outside of core savings targets.

<b>Issue</b>	<b>Assumption</b>	<b>Comment</b>
<b>Operation Otter</b>	Costs in excess of government grant to be met from Reserves or central reimbursement	The 2017 Labour Party Autumn Conference being held in Brighton is planned for. The scale of the operation is expected to be relatively low key and additional costs are not expected to be significant.
<b>Public disorder</b>	Additional cost of overtime and associated costs	Whilst action will be taken to mitigate the overtime and other additional costs relating to policing public order operations, significant costs may be incurred on anticipated events in 2017/18. It is proposed that in-year over-achieved savings will be used as a first source for funding, otherwise the public order contingency, other revenue budget and operational reserve provides potential sources of funding if necessary.
<b>Operational Demands</b>	Public Protection and Digital Forensics.	Key operational pressures include continuing increase in demand and complexity of public protection cases (domestic abuse and vulnerable children/adults) plus changes in nature/type of evidence collection (more digitally based); requiring additional time/resource and cost to process.
<b>Capital Programme</b>	Latest plans	There is a risk of the capital programme being understated, or that over spending occurs, resulting in insufficient funding being available as planned. This is mitigated by regular review of all major projects including the Estates strategy, focus on key priorities agreed in advance, together with monthly budget monitoring and regular monitoring reports to the PCC.
<b>Capital Financing</b>	MRP is calculated on an asset by asset basis	This Capital Financing risk is of charges being greater than budgeted. This is mitigated by considering revenue and capital implications of major project spend within the capital and investment planning process and inclusion within the MTFF. The MRP debt repayment provision is calculated on individual assets and 100% of borrowing has fixed term rates, thus will not be impacted by changes in interest rates.
<b>National ICT Programmes</b>	Latest plans	There is a risk that delays to the implementation of national ICT schemes including ESMCP, NLEDP, HOB & DPP present significant risk. These risks will be managed by regular review of all these major projects.
<b>Risk Management</b>		Financial consequences could result if all major risks have not been identified when the budget has been set. This is mitigated by robust risk management arrangements in place with formal reporting to the Joint Audit Committee; comprehensive insurance arrangements in place; and an adequate reserves policy and reserves (including the insurance reserve, general reserve and operational reserve balances).

**PRUDENTIAL INDICATORS****A. Cash Flow**

1. The Police and Crime Commissioner is required to agree and set before the beginning of each financial year:
  - 1) an operational limit for borrowing to reflect the likely level of borrowing required;
  - 2) an authorised limit for borrowing based on an assessment of realistic risk;
  - 3) the maximum to be borrowed at fixed rates;
  - 4) the maximum to be borrowed at variable rates; and
  - 5) the maximum to be invested for a year or longer
  - It is recommended that the operational limit be set at £23.2m for 2017/18, based on the current position with regard to debt outstanding and the spending and financing plans included in the draft capital programme.
  - It is possible that the Police and Crime Commissioner may also need to borrow temporarily for cash flow management purposes, pending receipt of income, or to meet a large expenditure flow, or to avoid withdrawing short-term investments, where interest rate effects would be detrimental. It is recommended therefore that an authorised limit for borrowing of £38.2m should be approved for 2017/18, to encompass the above operational limit and an additional £15m for temporary borrowing.
  - The Police and Crime Commissioner has long-term debt and would normally expect to borrow at fixed rates and therefore it is recommended that the limit on fixed rate debt be set to match the authorised borrowing limit. Because of market circumstances it may be advantageous to defer long-term borrowing at fixed rates for a period. The alternative would be to borrow at variable rates in the short-term and therefore it is recommended that a 25% limit should be set for 2017/18.
  - The Chief Finance Officer will continue to lend surplus cash funds in accordance with the Police and Crime Commissioner's Treasury Policy Statement. It is recommended that a limit of £17.5m be imposed on investments for a year or longer.
2. The Local Government Act 2003 also requires the setting of prudential ratios and limits in accordance within the requirements of the "CIPFA Prudential Code for Capital Finance in Local Authorities". The Code, which is based largely on self-regulation, sets out the indicators that it expects authorities to use, and the factors that they must take into account, to demonstrate that their plans are prudent, sustainable and affordable. It does not, however, include suggested, indicative limits or ratios. These are to be set by each individual Police and Crime Commissioner. Details of the recommended ratios and limits, required by the Code are summarised in the following table:

**APPENDIX B (continued)**

**Prudential Indicators to 2017/18**

	<b>Base: ACTUAL 2015-16</b>	<b>Base: Estimate 2016-17</b>	<b>Base: Estimate 2017-18</b>
<b>Impact of Capital Plans on Council Tax</b>			
Impact on Council Tax (Band D Equivalent)	143.91	148.91	153.91
Taxbase Increase		2.33%	3.36%
<b>Financial</b>	<b>ACTUAL 2015-16 £ '000s</b>	<b>Estimate 2016-17 £ '000s</b>	<b>Estimate 2017-18 £ '000s</b>
Capital Expenditure	4,117	33,896	18,462
Capital Financing Requirement	19,758	19,282	18,358
Authorised Borrowing Limit	39,531	39,144	38,231
Operational Boundary	24,531	24,144	23,231
<b>Net Borrowing</b>	<b>(70,766)</b>	<b>(75,500)</b>	<b>(65,500)</b>
Financing costs	1,295	2,000	2,400
Net revenue Stream	(290,889)	(291,025)	(295,608)
Financing costs/Net revenue Stream	0.45%	0.69%	0.81%
<b>Borrowing</b>	<b>Actual 2015-16 £ '000s</b>	<b>Estimate 2016-17 £ '000s</b>	<b>Estimate 2017-18 £ '000s</b>
Long Term Borrowing	4,500	4,500	4,500
Long Term PFI Liability	16,137	15,823	15,052
Long Term Finance Lease Liability	694	672	649
<b>Total Long Term Debt</b>	<b>21,331</b>	<b>20,995</b>	<b>20,201</b>
<i>15% x External Debt (Long term borrowing)</i>	3,200	3,149	3,030
<b>Operational borrowing limit</b>	<b>24,531</b>	<b>24,144</b>	<b>23,231</b>
<i>£15m additional</i>	15,000	15,000	15,000
<b>Authorised borrowing limit</b>	<b>39,531</b>	<b>39,144</b>	<b>38,231</b>
Investments	(75,266)	(80,000)	(70,000)
Maximum investments at longer than 1 year	0	(20,000)	(17,500)
Maximum % investment longer than 1 year	0%	25%	25%
Borrowing (actual external borrowing)	4,500	4,500	4,500
Investments	(75,266)	(80,000)	(70,000)
<b>Net Borrowing</b>	<b>(70,766)</b>	<b>(75,500)</b>	<b>(65,500)</b>
<b>Treasury Management</b>	<b>ACTUAL 2015-16</b>	<b>Estimate 2016-17</b>	<b>Estimate 2017-18</b>
Debt Maturity:			
15-20 Years	100%	44%	0%
10-15 Years	0%	56%	100%
Debt at Fixed Rates as % Net Borrowing	30%	28%	31%
Debt at Variable Rates as % Net Borrowing	0%	7%	8%
Maximum % Borrowing at Fixed Rates	100%	100%	100%
Maximum % Borrowing at Variable Rates	0%	25%	25%
Maximum % Investments at Fixed Rates	100%	100%	100%
Maximum % Investments at Variable Rates	85%	85%	85%
Maximum Allowable Investment > 364 days	0%	25%	25%

## THE POLICE AND CRIME COMMISSIONER FOR SUSSEX MINIMUM REVENUE PROVISION (MRP) STATEMENT 2017/18

The Police and Crime Commissioner is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP). Minimum Revenue Provision (MRP) is therefore an annual charge made to the revenue account which reflects the minimum amount set aside to pay off capital expenditure.

All local authorities (including PCCs) are required to make a prudent amount of MRP provision in addition to any interest payable on outstanding loans in line with Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 [SI3146, as amended]. In addition, local authorities (including PCC's) are able to make additional voluntary payments, known as Voluntary Revenue Provision or VRP. The PCC for Sussex has not made any VRP payments to date.

In guidance issued under section 21(1A) of the Local Government Act 2003, the Secretary of State recommends that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that financial year and submits it to the full council or equivalent level.

This statutory guidance (first released in 2008/09 and revised in 2012) also gave Authorities the flexibility of using one of four options, to calculate a prudent level of MRP.

The four MRP options available are:

- Option 1: Regulatory Method (also known as the Existing practice method)
- Option 2: CFR Method
- **Option 3: Asset Life Method**
- Option 4: Depreciation Method

Options 1 and 2 were intended only for Government-supported borrowing and these options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

Options 3 and 4 were meant to be used for all self-financed borrowing.

The Asset Life method has been adopted by the Police and Crime Commissioner for Sussex. This method provides for debt repayment over the life of the asset that has been funded from the borrowing.

The Police and Crime Commissioner approves **an MRP Statement** in advance of each year.

The annual MRP statement indicates how the Police and Crime Commissioner intends to discharge their duty to make a prudent amount of MRP in the forthcoming financial year. A prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

## APPENDIX C (continued)

### The PCC approves the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (option 2)

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's life.

Repayments included in annual PFI or finance leases are applied as MRP.

### The MRP statement to 2017/18

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Prudential Borrowing	0	0	0
Cumulative Debt Outstanding at 31 March	4,500	4,500	4,500
MRP – Debt Outstanding	130	130	130
MRP – PFI	146	315	771
MRP – Finance Leases	20	22	23
<b>MRP - Total</b>	<b>296</b>	<b>467</b>	<b>924</b>

**Reserves Policy**

<b>General Reserve</b>		<b>Level or Target</b>
Provides a working balance to cover day to day cash flow requirements and to cover exceptional unforeseen financial and operational risks. The target level of the reserve is reviewed and as part of the annual budget setting process.		4% of Net Revenue Expenditure Budget as at 31 March each year.
<b>Contingency and Risk</b>		
Insurance Reserve	<p>Provides for the self-funding of certain uninsurable risks, such as payments of compensation or damages. This Reserve is funded from revenue or transfers from other reserves and adjusted annually, following an independent actuarial review, to reflect inflation and risk up to date management information.</p> <p>To improve consistency in funding claims, there is a need to split claims between a provision on the balance sheet for the cost of claims received and outstanding; and funds held in the reserve to cover claims incurred but not received or quantified. Claims that have been reported and assessed as more likely to be settled are carried as a financial provision whilst known incidents where no claim has yet been made, are covered by the insurance reserve. The revenue account is used to meet any in-year liabilities if they arise. Any year-end variance in the revenue claims budget will not normally be met from or transferred to the general force budget, but transferred to/from the insurance Reserve. The level of the reserve is reviewed annually.</p>	Assessed as part of the annual insurance actuarial review.
Operational Reserve	The Operational Reserve provides support for funding the cost of major policing operations and events. Where exceptional and unforeseen circumstances result in the Force incurring additional expenditure, the Home Office may pay special grant under Section 48 of the Police Act. However any grant will normally relate to additional costs above 1% of the net revenue budget. It should be noted that the General Reserve may also be used to provide support for Operational use in exceptional circumstances.	In line with Special Grant conditions, maximum of 1% of net revenue expenditure as at 31 March each year.
<b>Investment</b>		
Capital and Investment Reserve	To support planned one-off and non-recurring investments of a capital and revenue nature. Change management initiatives providing support for implementing cost-saving initiatives. Financing asset replacement plans and commitments over 5-10 years.	<p>In line with investment and replacement plans included within MTFF and dependant on financing requirements of the Capital Strategy.</p> <p>Funded from: approved in year revenue budget surplus; transfers from other reserves; specific approved contributions.</p>
Capital Receipts Reserve	This reserve holds the proceeds from the sale of assets, and can only be used for financing capital expenditure in accordance with regulations.	Receipts from the sale of assets are taken to this reserve.
Capital Grants & Contributions	This reserve holds unused elements of grant and other external funding to be spent in the following financial year in line with the conditions of the grant or external funding.	As determined by the closure of accounts process

## APPENDIX D (continued)

Single Use		
PFI Reserve	<p>Exists to meet future contractual contributions to be paid towards the end of the custody PFI scheme. This balances contributions over the life of the contract and in accordance with the agreed PFI scheme financial model and specific grant funding.</p> <p>As the PFI reserve will not be required until the latter years of the contract, the reserve can be used for other purposes as set out for other reserves, e.g capital and investment purposes; managing any temporary shortfalls in other reserves or capital receipts, this is on the basis that plans are put in place as part of the Financial Strategy to build up the PFI reserve to its appropriate level when required.</p> <p>This reserve will be discontinued once exhausted.</p>	<p>Inflows and outflows are in line with the PFI Financial Model.</p> <p>Under-spends on the PFI Contract revenue budget as approved by the PCC as part of the final outturn.</p> <p>As a review of the PFI contract is currently underway, the opportunity will be taken to review the PFI reserve during 2017/18.</p>
Asset Seizure Reserve	Balance of Proceeds of Crime Act (POCA) income received but not spent during the year to be used in accordance with Home Office guidance.	Target level of 12 months costs of financial investigations.
Delegated Budget Holder Reserve	Under and overspendings on the PCC's and Chief Constable's revenue budgets are managed via this reserve in accordance with the PCC's carry-forward policy.	Agreed annually by the PCC as part of the final outturn.
Sussex Safer Road Partnership (SSRP)	Balance of funding for the Sussex Safer Roads Partnership. This reserve can be used to finance capital or revenue expenditure. The level of this reserve may fluctuate year on year as under-spends are transferred in. However £1.2m is ring-fenced so that in the event that the Partnership is dissolved, there are sufficient funds to cover one year of running and decommissioning costs. This reserve belongs to the SSRP Partnership and any funds remaining will be returned to the contributing partners on a pro rata basis.	Transfer of any SSRP under-spend to reserves at year.

**TAX BASE AND LEVY 2017/2018**

The Tax Base for the year 2017/18 is the aggregate of the amounts tax bases calculated by the billing authorities to which the Police & Crime Commissioner for Sussex issues precepts totalling. This totals **605,656.63 for band D equivalents** as set out in the table below. The basic amount of Council Tax (Police Precept) is the budget requirement less the amounts receivable from other funding sources, all divided by the tax base. For 2017/18 this shall be **£153.91** to the nearest penny, for band D properties. The amounts per band are as follows:

<b>Valuation Band</b>	<b>Amount</b>
A	£102.61
B	£119.71
C	£136.81
<b>D</b>	<b>£153.91</b>
E	£188.11
F	£222.31
G	£256.52
H	£307.82

The amount of Council Tax payable for dwellings listed in a particular valuation band, calculated in accordance with the proportions set out in Section 5(1) of the Act, shall be as follows (shown to the nearest penny).

	<b>Tax Base</b>	<b>Precept Due 2017/18</b>	<b>Surplus/(deficit) from prior year</b>
<b>West Sussex</b>			
Adur	20,707.30	3,187,060.54	18,075.05
Arun	59,456.00	9,150,872.96	111,000.00
Chichester	51,918.40	7,990,760.94	22,434.00
Crawley	33,893.50	5,216,548.59	37,303.00
Horsham	59,630.00	9,177,653.30	144,600.00
Mid Sussex	59,012.10	9,082,552.31	76,680.00
Worthing	37,829.20	5,822,292.17	6,269.05
<b>East Sussex</b>			
Eastbourne	33,923.16	5,221,113.56	49,357.00
Hastings	25,095.00	3,862,371.45	140,186.00
Lewes	36,345.60	5,593,951.30	143,500.00
Rother	37,260.97	5,734,835.89	118,300.00
Wealden	63,196.60	9,726,588.71	12,179.00
<b>Brighton &amp; Hove</b>	87,388.80	13,450,010.21	69,953.00
<b>Total</b>	<b>605,656.63</b>	<b>93,216,611.92</b>	<b>949,836.10</b>

This table shows that the Brighton and Hove Council and the district and borough councils be requested to make payments of sums totalling **£93,216,611.92** due under precepts calculated in proportion to their Council Tax Band D equivalents. In addition surpluses and deficits on collection funds will be collected, to the total value of **£949,836.10**.

## APPENDIX E (continued)

These payments will be made on the following schedule:

	<b>Brighton &amp; Hove</b>	<b>East Sussex area</b>	<b>West Sussex area</b>
Payment 1	12 April 2017	11 April 2017	13 April 2017
Payment 2	19 May 2017	22 May 2017	18 May 2017
Payment 3	28 June 2017	30 June 2017	22 June 2017
Payment 4	04 August 2017	07 August 2017	27 July 2017
Payment 5	13 September 2017	13 September 2017	31 August 2017
Payment 6	20 October 2017	19 October 2017	05 October 2017
Payment 7	24 November 2017	24 November 2017	09 November 2017
Payment 8	03 January 2018	03 January 2018	07 December 2017
Payment 9	09 February 2018	09 February 2018	11 January 2018
Payment 10	14 March 2018	13 March 2018	15 February 2018

**Police and Crime Panel Agenda 20 January 2017 -**

**<http://www2.westsussex.gov.uk/ds/cttee/pcp/pcp200117age.pdf>**

**Report Precept Option 2017/18 Agenda Item 5b**

**<http://www2.westsussex.gov.uk/ds/cttee/pcp/pcp200117i5b.pdf>**

**Bill Bentley**  
Vice Chairman  
Sussex Police and Crime Panel

**APPENDIX G**  
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**First Class Post**

Office of the Sussex Police and Crime  
Commissioner  
Sackville House  
Brookes Close  
Lewes  
East Sussex  
BN7 2FZ

26 January 2017

Dear Commissioner,

**Proposed Precept 2017/18 and Police and Crime Plan 2017 - 2021**

At the meeting of the Police and Crime Panel on Friday 20 January the proposed precept and the refreshed Police and Crime Plan were considered.

I am writing to confirm that the Panel supported the proposed precept of £153.91 (on a Band D property) or an increase of £5.00 equivalent to 3.36%.

The Panel also considered the Police and Crime Plan 2017 – 2021 and provided the enclosed comments.

Yours sincerely,



**Bill Bentley**  
Vice Chairman  
Sussex Police and Crime Panel

Enclosure:

Excerpt from minutes of Police and Crime Panel meeting – 20 January – concerning the Police and Crime Plan 2017 – 2021.