

APPENDIX E

SOUTH YORKSHIRE POLICE

Key Budget Assumptions 2015/16 – 2019/20

	2014/15 For info.	2015/16	2016/17	2017/18	2018/19	2019/20
Police Pay Awards	1%	1%	1%	1%	1%	1%
Staff Pay Awards	1%	2.2%	1%	1%	1%	1%
Police Pensions	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
Superannuation	10.9%	11.1%	11.3%	11.3%	11.3%	11.3%
Superannuation Lump Sum	£2.2m	£2.2m	£2.2m	£3.38m	£3.45m	£3.45m
Injury Pension	2.3%	2.0%	2.1%	2.1%	2.1%	2.1%
Vehicle Fuel	0.5%	0%	2.1%	2.1%	2.1%	2.1%
Rates	3.3%	2.9%	3.6%	4.0%	3.9%	3.9%
Energy Inflation (Gas)	0%	0%	0%	0%	0%	0%
Energy Inflation (Electricity)	8%	6.02%	9%	9%	9%	16.67%
Water	4.1%	3%	3%	3%	3%	3%
Contractual Inflation	2.3%	3.1%	3.5%	3.4%	3.4%	3.4%
NPAS	0%	3.1%	3.5%	3.4%	3.4%	3.4%
Ill Health Retirements	6	12	12	12	12	12
Staff Vacancy Factor	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
PCSO Vacancy Factor	0%	4.5%	4.5%	4.5%	4.5%	4.5%
No. of Bank Holidays	8	11	8	9	7	8

- Pay budgets reflect the authorised funded posts, reconciled to Oracle HR adjusted for the vacancy factor as above.
- Pay awards have been set at 1% w.e.f. 1st September 2016. Previous assumptions were 1% from September 2014 however, the agreed pay award was 2.2% from 1st March 2015 to 31st August 2016.
- Staff vacancy factor remains at 2.5%.
- Officer and staff incremental drift has been reviewed and the pay budget updated.
- Staff and Police Normal and Football Overtime budget have been cut by a further 10%.
- Officer and staff pension is adjusted to reflect the number of staff in the scheme.
- Bank Holidays are recalculated each year to reflect the number of bank holidays in that particular financial year. The risk category for each bank holiday is assumed to be the same as in 2014/15 (Good Friday – high risk, Christmas Day – low risk, Boxing Day – low risk (Friday), the rest – medium risk). This will be reviewed as part of the Force Strategic Threat and Risk Assessment. This needs reviewing.
- Officer medical retirements have been increased from 6 to 12 at an estimated cost of £447k.
- Historical police officers allowances for such as rent allowance are recalculated each year and are reducing year-on-year.
- CRTP is being phased out over a three-year period from April 2013 to April 2016 (Winsor 2).
- Superannuation assumptions are those agreed last year, which reflect an increasing lump sum and employer contribution.
- Abolition of contracted out NI Rates have been costed and adjusted in 2016/17 at a cost of £3.8m.
- Pension's inflation is based on the CPI as at August 2014.
- Rates inflation is based on the RPI plus 0.5%. A rates revaluation is expected in April 2017.
- Fuel inflation based on CPI. No inflation in 15/16 due to surplus budget.
- Energy inflation has been provided by the Sustainability Manager Department based on Department for Energy and Climate Change (DECC) data. Gas is projected to reduce so we have assumed zero inflation.
- NPAS – assumed an increase in line with RPI until further information is available.

- The cost of the forward base has been built in at an additional cost of £100k.
- The MTFF includes the full year effect of the 14/15 Savings Plans as at the end of October 2014.
- College of Policing – an increased cost of £454k.
- Regional contributions increased by 1% from 2016/17 onwards.
- Body Armour – assuming all body armour will be replaced and capitalised in 2015/16.
- The increased cost of the contract for healthcare for detainees has been included at a cost of £316k.
- Insurance – best estimate provided by Insurance Manager which does not build in any risk associated with Hillsborough or CSE.
- Hillsborough – it is assumed that these costs will be met by the Home Office or the PCC.
- Football Income – at this moment in time a reduction of £260k has been built into the MTFF to reflect the shortfall in income as a result of the current category of matches. Work is ongoing in this area.
- POCA income – An income shortfall of £200,000 has been identified and the MTFF adjusted accordingly. Over time, the POCA receipts could increase now that the tea are centralised and dedicated to this area of business.

Budget Savings

Significant reliance placed on the District Review in 2015/16 and an expectation that savings will start to arise from Enabling Services and Regional Operations.

Beyond 2015/16 significant officer, staff and PCSO savings have been assumed.

Growth Areas

- Protecting Vulnerable People
- Historic CSE Team

Innovation Fund Bids

10,000 Volts Debriefing Technology
 CCDC
 Telematics
 Invoice Automation
 Kinesense

IS Transformation Projects

The following projects have been included in the capital programme but revenue consequences have not yet been identified. It is anticipated that these two projects will deliver savings.

- Contact Management Stages 2 and 3
- Criminal Justice System

Risk Areas

- Savings not being delivered on time.
- Long term reform of police officer pensions – assume no savings – anticipate funding will be cut to compensate.
- Pay Awards:
 - 1% increase in officer pay - £1.3m
 - 1% increase in staff pay - £0.4m
 - 1% increase in PCSO pay - £0.1m
- Not having sufficient staff vacancies, in addition to the post cuts to achieve the 2.5% vacancy target.
- Not having sufficient PCSO vacancies, in addition to the post cuts to achieve the 4.5% vacancy target.

Specific Grants

- Dedicated Security Posts
- Prevent
- Prevent Channel
- BMBC / SCC Funded PCSO's
- Local Criminal Justice Board
- Prisons Intelligence
- Safety Camera Partnership
- Beat Team Barnsley
- Disclosure and Barring
- Innovation Fund – Mobility 2

Note: Expenditure for the above grants has been included in the 15/16 Base Budget.

Contributions to Partnerships

The force budget reduced by £460,247 in 2013/14 and transferred to the PCC budget.

Revised Funding Assumptions

Grant funding cuts have been revised to take account of the 4.83% cut (including top slicing for IPCC and Innovation Fund). The MTFE assumes that the full extent of the funding cuts pass to the force.

It has been assumed that council tax precept will increase by 1.95% per annum.