



Sussex Police & Crime Commissioner



Medium Term Financial Strategy 2020/21 to 2023/24

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Sussex Police & Crime Commissioner

The Sussex Police & Crime Commissioner

MEDIUM TERM FINANCIAL STRATEGY 2020/2021 to 2023/24

Report by Iain McCulloch, Chief Finance Officer to the Sussex Police & Crime Commissioner

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1 Foreword from the Police and Crime Commissioner

1.1 I am one of the 40 elected Police and Crime Commissioners across England and Wales. I was re-elected to serve a second term as Sussex PCC in May 2016 to continue to articulate the public's policing priorities and concerns and ensure the Chief Constable provides effective and efficient policing across the county.



1.2 As well as holding the Chief Constable and the force to account for local policing issues, one of my key duties is to ensure Sussex Police also meets its strategic policing requirements, including a co-ordinated response to serious and organised crime and terrorism.

1.3 I have responsibility for setting the police and crime objectives which drives the Chief Constable's Sussex Police Transformation Strategy.

1.4 I also work with community safety and criminal justice partners to make sure there is a coherent approach to preventing and reducing crime.

1.5 I am authorised to set the force budget; to allocate discretionary grant funding; to commission services, and to determine the precept - the police element of council tax.

1.6 My Medium Term Financial Strategy (MTFS) is one of my key planning tools which help identify available resources and options for delivering my Police and Crime Plan priorities and the force's Strategic Policing requirements.

1.7 The MTFS is part of my robust scheme of financial management and scrutiny, which I review along with the annual budgets on a regular basis during the year to be assured that public money is being appropriately allocated.

1.8 As a publicly available and "living" document the MTFS also provides contextual information and the rationale behind our running costs and capital investment and, any decisions on the level of the precept.

1.9 This latest MTFS continues the investment into the strengthening of Sussex Police that I started in earnest 2018/19 and have continued to date.

Where We Have Come From

1.10 By 2016/17, Sussex Police had made savings and efficiencies totalling £76m to balance the books because of reductions in core grants, limited increases to the precept and inflationary increases to costs since 2010/11.

1.11 In 2017/18, the four-year MTFS set out a challenging financial situation in which further reductions of £26.5m and the loss of a further 476 police officer posts were essential to balance the books, despite the opportunity to increase the precept by £5. Faced with such a significant reduction in budget,

the PCC authorised the release of £17m of reserves to provide the Chief Constable with one-off cash so he could defer the immediate impact of the loss of those posts.

- 1.12 I worked with the Chief Constable to develop a new financial strategy that would seek to provide the resources to enable Sussex Police to protect those 476 posts under threat, enable the recruitment of additional officers, and replace those that were due to leave.
- 1.13 I, therefore, decided to increase the precept in 2018/19 by £12 per year for an average band D property. Combined with the £17m that the PCC had already authorised from reserves, it substantially reduced the previously planned savings requirements for 2018/19.
- 1.14 In addition, the PCC set out in the MTFs a proposed increase to the precept of £12 in 2019/20, £5 in 2020/21 and £5 in 2021/22. The plan reduced the overall savings target to £3.0m from £26.5m, which protected the 476 posts that would have been lost. It also provided funds to replace 600 police officers over the 4 years of the plan and, most significantly, to recruit an additional 200 police officers. Police officer establishment, as at 31 March 2018, would increase by 200 officer posts to 2,700 by 31 March 2022.
- 1.15 The 2019/20 settlement offered further resources to strengthen local policing and allowed the PCC to raise the precept by £24 and generate more funds to recruit 50 more police officers, 100 extra PCSO's and 50 additional specialist staff. This investment would increase the Police officer establishment by a further 50 officer posts to 2,750 by 31 March 2023. The number of PCSO posts would increase to 296.
- 1.16 Sussex residents still pay the 5th lowest for policing in England despite the previous year's increases.

Where We Are Now

- 1.17 The Government is determined to strengthen the police service and tackle the unacceptable levels of crime, particularly violent crime, across our country, deal robustly with the criminals exploiting the vulnerable and to improve outcomes for the victims of crime. It has undertaken to deliver on its commitment to recruit 20,000 additional officers over the next three years.
- 1.18 The Government have already invested in this uplift programme, providing £45 million of additional funding for the first tranche of 6,000 officers in the current financial year to ensure the programme gets off the ground.
- 1.19 The United Kingdom General Election held in December 2019 led to over a month's delay in the date of the announcement of the provisional police funding settlement which was announced last Wednesday, 22 January 2020.
- 1.20 The Home Office has forecast that the settlement could benefit Sussex with total grant and precept resources of £309.90 million, an increase of £22.95 million for 2020/21. The 2019/23 MTFs forecast that resources would be £291.38 million so this settlement offers a further £18.52 million to plans.

- 1.21 The 2020/21 funding settlement gives the PCC additional ring-fenced investment to recruit a further 129 police officers in Sussex. This is in addition to the 250 police officers that Sussex Police are already recruiting.
- 1.22 The Government also propose enabling PCCs to raise further funding through the precept. This empowers PCCs to increase their Band D precept by £10 in 2020/21, the equivalent of less than twenty pence per week, without the need to call for a local referendum. If all PCCs decide to maximise their precept, this would result in an additional £248 million of funding for local policing next year.
- 1.23 Taking all funding from the Government and PCCs precept raising power of £10 into account, up to an extra £1.1 billion will be available for investment in the policing system in 2020/21. This would represent an increase of 8% funding on top of 2019/20 levels and is the single biggest increase in Government investment in policing for a decade.

Chief Constable's Investment Requirement

- 1.24 In the context of the 2020/21 national policing settlement and the £10 precept increase the Chief Constable has presented a compelling investment case that will allow Sussex Police to meet more demand and accelerate their recruitment plans.
- 1.25 The Chief Constable's plan, which I have supported, is prioritising investment in the following three key areas:
- ✓ **More enforcement:**
 - ✓ **More investigation:**
 - ✓ **Even greater policing presence in towns, villages and online:**
- 1.26 I have scrutinised the Chief Constable's investment case. By raising the precept this year by £10, I will be able to provide the Chief Constable with the resources to continue the significant four-year recruitment programme and accelerate the ability of Sussex Police to reduce crime, deal robustly with criminals, improve outcomes for victims and meet the expectations of visitors, residents and tax payers.
- 1.27 Full details of the investment requirement can be found in Section 14 of this MTFS.

Listening to the Public

- 1.28 I began a rolling programme of consultation from the start of the 2019-20 financial year to broaden engagement across the county and across different demographic groups.
- 1.29 This included a combination of face to face focus groups, surveys at public events, the normal PCC engagement programme, and online polls, including a final snap poll just after the settlement was announced on 22 January 2020. Full details can be found in section 19 of this MTFS.

- **What the public want:**

- ✓ The majority of people attending the focus groups stated they would be happy to pay more if they could see more police officers or PCSOs.
- ✓ They wanted to see tougher enforcement with more criminals taken off the streets and more crimes investigated and solved.
- ✓ They also expressed unanimous support for continuing our early intervention youth programme called REBOOT.

Overall Financial Picture and Four-Year Plan

- 1.30 This MTFS sets out the financial context for the revenue budget, capital programme and precept for the next financial year 2020/21 and estimates for a further three financial years.
- 1.31 It brings together all resources including grant, precept, fees and charges, income for special policing and use of reserves and capital.
- 1.32 It sets out that the plans are affordable over the four financial years. It also addresses risk. The MTFS covers four years – but years two to four are uncertain. A spending review is due in 2020 and a new settlement is expected in 2021, including the possibility of a new funding formula.
- 1.33 And finally, whilst future increases in the precept have been included in this strategy, I can only make the decision annually. I will always strive to minimise the cost of policing to the local tax payer.

Katy Bourne
Police and Crime Commissioner for Sussex
07 February 2020

2 Purpose of the Medium Term Financial Strategy

- 2.1 This is the MTFS of the Sussex Police & Crime Commissioner (PCC). It covers the planning period of four financial years from 2020/21 to 2023/24 plus the anticipated outturn position for the current year (2019/20).
- 2.2 The MTFS provides options for delivering a sustainable revenue budget and capital investment over the medium term. It also sets out how the PCC can provide the Chief Constable with the resources to deliver the priorities in the Police & Crime Plan 2020/21 to 2023/24, support the mission, vision and values of Sussex Police and meet the requirements of the Strategic Policing Requirement within challenging financial boundaries.
- 2.3 The MTFS sets the financial context for the PCC's revenue budget and capital programme and precept decisions.

3 Benefits of the Strategy

- 3.1 While the statutory local authority budget setting process continues to be on an annual basis a longer-term perspective is essential to demonstrate financial sustainability. Short-termism runs counter to both sound financial management and sound governance.
- 3.2 The time horizon of our financial planning should not be determined by the time horizon of the financial support from central government. The greater the uncertainty about future central government policy then the greater the need to demonstrate the long-term financial resilience of the authority given the risks attached to its core funding. We therefore must ensure that while the formal publication of the MTFS may only reflect known government settlements, it is the responsibility of the PCC, Chief Constable and his senior management and the Chief Finance Officers, to have a long-term financial view acknowledging financial pressures. This assists in:
 - Supporting delivery of the Police & Crime Plan;
 - Improving financial planning and the financial management of the PCC's resources, both revenue and capital;
 - Maximising use of resources available to the PCC and Chief Constable, both internal and external;
 - Ensuring that the PCC and Chief Constable provide value for money and continue to deliver efficiency gains;
 - Allowing development of longer term budgets and strategic thinking;
 - Reviewing the PCC's policy on the use of reserves, ensuring the position continues to be sustainable with sufficient resources over the medium term;
 - Responding to external pressures, including unexpected and expensive operational costs; and
 - Developing a sustainable budget over the medium term.

4 Principles of the Strategy

4.1 The key principles underlying the PCC's MTFS 2020/21 to 2023/24 are:

- Overall expenditure will be contained within approved estimates each year;
- The PCC will seek to maintain a General Reserve of a minimum of 4% of Net Revenue Expenditure of which 1% is for operational requirements and 3% to cover any major unforeseen expenditure or loss of funding, but will review the opportunity cost of maintaining reserves at this level against the benefits of alternative approaches on a regular basis. A flexible approach will be adopted appropriate to circumstances;
- The PCC will maintain earmarked reserves for specific purposes when appropriate and which are consistent with achieving objectives;
- The PCC will continue to prioritise the achievement of value for money and efficiency in establishing the framework for policing within Sussex and in commissioning and procurement decisions;
- The Chief Finance Officer, Executive Director of Commercial and Finance Services and Chief Constable will prepare a rolling programme of four year budget forecasts to inform the PCC's budget and precept decisions; and
- The PCC, supported by the Chief Finance Officer, Executive Director of Commercial and Finance Services and Chief Constable, will continue to contribute to national reviews of police funding and make representations on a national basis for the fair and equitable funding of Sussex Police.

5 Review of the Strategy - Summary

5.1 This 2020/21 to 2023/24 version of the MTFS has been revised to include:

- The addition of a financial year 2023/24;
- The grant settlement increase for 2020/21 and inflation increases to the grant settlement over the further three years of the MTFS;
- Revised assumptions on pay and other inflation;
- A reduction in the employers contributions to the staff pension scheme;
- The inclusion of a precept increase of £10 for 2020/21.
- The inclusion of all savings achieved to date within base budgets;
- A revised section on the precept and tax base;
- A revised section on reserves and an updated reserves totals;
- Information and explanation of the assurance framework and sources of third party validation; and
- Information on the precept consultation and public engagement.

5.2 This version has also been reviewed and revised to take into account the following key areas:

- A revised section on the Sussex Police Operational Context;
- The plans included in the [Sussex Police Transformation Strategy 2018/22](#) published in April 2018;
- The revenue and capital outturn for 2018/19 as published in the [Statements of Accounts on 31 July 2019](#);
- The revised reserves balances and plans to use those;
- The latest financial monitoring and forecast outturn for 2019/20.
- The revised investment/savings plans.

6 Police & Crime Plan 2017/21

6.1 The PCC has a statutory duty to set the policing and crime objectives for Sussex through a [Police & Crime Plan](#). The latest Plan covering 2017/21 was published in April 2017. You can find the [Police and Crime Plan 2017/21 here](#).

6.2 The PCC identified four policing and crime objectives as follows:

- Strengthen local policing;
- Work with local communities and partners to keep Sussex safe;
- Protect our vulnerable and help victims cope and recover from crime and abuse; and,
- Improve access to justice for victims and witnesses.

6.3 The aims, outcomes and measures which underpin each of these objectives have been developed to ensure they reflect accurately the expectations of the public.

6.4 The Chief Constable's Sussex Police Transformation Strategy sets out how Sussex Police will support and deliver policing services to achieve the policing objectives set out in the Police and Crime Plan. Sussex Police is transforming faster than ever to face its challenges and deliver the best service possible. By 2025 parts of Sussex Police will be completely transformed as the force faces the challenges of managing greater demand and as we take advantage of significant developments in technology to enable greater mobility for officers and forge new partnerships with more extensive collaboration with other agencies than today.

6.5 The workforce will focus on three priorities to:

- Keep communities safe, and feeling safe;
- Identify and protect vulnerable people;
- Prevent and respond to harm.

6.5.1 The Chief Constable is committed to ensuring that the force's delivery and change plans are fully integrated with the MTFs. The change in potential precept funding, as proposed in this strategy, provides the opportunity to link the continued ongoing improvements in strategic financial management, in line with the transformation plan. The '[Sussex Police](#)

[Transformation Strategy 2018/22](#) will be further developed, being informed by the Force Management Statement self-assessment process, and will continue to inform how the force will use the resources allocated by the PCC to further transform its services between now 2019 and 2023, in line with the MTFS. In allocating the funding and investment proposed within this report, it should be recognised that the associated transformation will itself be delivered over the medium term.

- 6.6 The [Sussex Police Transformation Strategy 2018/22](#) will therefore be developed further to extend to 2024 and details the key areas and changes to resource allocation, with a particular focus initially on the need to sustain and fund local policing to meet increases in demand. The Local Policing Programme, which saw the final stages of implementation during 2017/18 has been designed to be scalable and able to adjust using the new ways of working that the programme has introduced, to meet changes in demand levels and scale with investment opportunities when available.
- 6.7 The [Sussex Police Transformation Strategy 2018/22](#) also ensures a continued focus on delivering existing change programmes – such as implementing the new Target Operating Models for Force Operations and for the Joint Specialist Crime Team with Surrey.
- 6.8 It articulates how the force will make future efficiencies through partnership working. The joint change programme with Surrey has delivered efficiencies in many areas across both policing and the 'back office' support functions and whilst these joint services will continue to be challenged to deliver ongoing efficiencies and improved services, a more regional focus will be adopted for future partnership savings through Sussex working with Thames Valley, Hampshire and Surrey.
- 6.9 Adopting a more commercial mind-set, particularly in the areas of the force where it is possible to increase income and reduce contract costs, will also be a key aspect of the transformational plan – this is particularly relevant in terms of Estates, Procurement, Finance, Human Resources and other corporate support services, as well as the areas of business where the force charges for its services to key corporate organisations. This element of the work will be informed by the new National Commercial Board, which is governed through the National Police Chiefs Council Finance Committee.

7 Managing Resources and Gaining Assurance

- 7.1 The MTFS sets out the revenue, capital and reserves will be spent over the period of the 4 years from 2020/21 to 2023/24 (reserves figure based on forecast outturn for 2019/20). External validation received during 2019 indicated that the PCC and Chief Constable are planning their spending realistically, linking those plans effectively and ensuring value for money. This section describes how the business is operated and controlled to ensure value for money.
- 7.2 The Police Reform and Social Responsibility Act 2011 created two separate corporations sole; The Police and Crime Commissioner for Sussex and The Chief Constable of Sussex.
- 7.3 The PCC is responsible for:
- The finances of the whole Group;
 - Receiving all income and funding;
 - Making all payments for the Group from the overall Police Fund; and
 - Control of all assets, liabilities and reserves.
- 7.4 The Chief Constable of Sussex fulfils his functions under the Act within an annual budget set by The Police and Crime Commissioner for Sussex in consultation with the Chief Constable.
- 7.5 A [scheme of delegation](#) is in operation between the two bodies determining their respective responsibilities, as well as local arrangements in respect of the use of the PCC's assets and staff.
- 7.6 There are a number of legislative requirements that require the PCC to make arrangements for the proper administration of their financial affairs and secure value for money. The Home Office Financial Management Code of Practice provides details of the financial governance arrangements within policing bodies in England and Wales. [A copy of the July 2018 revised Code can be found here on the .GOV.UK website.](#)
- 7.7 The PCC and Chief Constable have put in place policies, process, systems and people to meet the requirements, support decisions and ensure money is spent in accordance with legislation. The PCC website sets out the detail above on the [transparency page](#) with key policies included under the [How We Work page](#).
- 7.8 The PCC and the Chief Constable have established a [Joint Audit Committee](#) (JAC), which is a key component of the corporate governance arrangements for both corporations sole. The members of JAC provide an independent and high level focus on the adequacy of the audit, assurance and reporting arrangements that underpin good governance and financial standards and supports the PCC and CC and the other statutory officers in ensuring that effective governance is in place. This is achieved by reviewing the comprehensiveness of assurances in meeting statutory officers' needs and reviewing their reliability and integrity.

- 7.9 The Joint Audit Committee (JAC) provides independent assurance to the PCC and CC and helps to ensure efficient, effective and adequate assurance arrangements are in place for:
- The risk management framework;
 - The internal control environment;
 - Financial reporting;
 - Annual governance processes; and
 - Internal audit and external audit.
- 7.10 The JAC terms of reference, agendas and minutes can be found on the PCC website here [Joint Audit Committee](#).
- 7.11 The Statements of Accounts for the [PCC Group](#) and [Chief Constable](#) show how public money has been used and demonstrates its financial management and financial health. External Audit provide external independent opinion on the financial statements, consistency of other information published with the financial statements and concluding on the arrangements for securing economy, efficiency and effectiveness otherwise known as value for money. They also issue an opinion on the [Annual Governance Statements for both corporations sole](#). The Statements of Accounts and Annual Governance Statements for the year ended 31 March 2019 were published on 31 July 2019 and can be found on the website at this link. The [annual audit letter](#) for the year ended 31 March 2019 published by the external auditors can be found at this [link](#).
- 7.12 In October 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) published The Financial Management Code (FM Code). The FM Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out a series of financial management and professional standards needed to meet the minimal standards of financial management acceptable to meet fiduciary duties to taxpayers, customers and lenders. Since these are minimum standards, CIPFA's judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration. Beyond that, CIPFA members must comply with it as one of their professional obligations. The FM Code will become effective from 1 April 2021 and the PCC and Chief Constable will review the detailed requirements to comply with the Code during 2020/21.
- 7.13 During 2019, Sussex Police was one of only three Forces nationally to have piloted 'Achieving Excellence in Police Finance' – representing innovative and national best practice for financial management. Key areas, enabled through work with the Chartered Institute of Public Finance and Accountancy (CIPFA) include:
- A local Financial Management Capability Review (FCMR) – to assess the Force's capability and provide a road map for improvement;
 - Improving comparative data and broadening analytical and diagnostic capacity to help delivery and demonstration of value for money

- Improving the Accounts Closedown Process;
- Supporting and managing finance apprenticeship opportunities;
- Accounts closure software – to automate and improve the financial year closedown process and production of annual financial statements;
- Financial training to upskill budget holders and increase levels of financial literacy across the Force.

7.14 Her Majesty’s Inspectorate of Constabularies Fire and Rescue (HMICFRS) complete a range of inspections as part of their [PEEL assessment \(Police Efficiency, Effectiveness and Legitimacy\)](#). PEEL is designed to give the public information about how their local police force is performing in several important areas, in a way that is comparable both across England and Wales, and year on year. The assessment is updated throughout the year with inspection findings and reports.

7.15 The 2017 [Efficiency inspection](#) examined how well forces:

- Understand the demand for their service;
- Match their resources to that demand;
- Are planning to meet future demand; and
- Provide an assessment of their efficiency.

7.16 HMICFRS rated Sussex Police as ‘Good’ stating that the plans Sussex Police has for the future are realistic and practical and that the force's financial plans are well integrated with its workforce and IT plans. The inspection highlighted three areas for future improvement including control room processes, wellbeing and understanding workforce capabilities.

7.17 HMICFRS assessed Sussex Police as ‘Good’ at how legitimately it keeps people safe and reduces crime. They stated that the force is good at treating the people it serves with fairness and respect. It is also good at how well it ensures its workforce behaves ethically and lawfully. The force requires improvement in some aspects of the way in which it treats its workforce with fairness and respect.

7.18 HMICFRS also published their annual [Value for Money](#) profiles in November 2019. They provide:

- Comparative data on a wide range of policing activities;
- Comparison of Sussex performance, and the costs of achieving it, with that of other forces;
- Highlight what differences exist between individual police force areas, rather than the reasons why they exist; and
- Aim to help individuals ask the right questions.

7.19 The 2019/20 profiles provide a useful tool for comparing a wide range of financial and other information and helps to inform and shape this MTFS.

- 7.20 The Police and Crime Panel (PCP) provide a further layer of external scrutiny and assurance through their [statutory role](#). The [Sussex PCP](#) provides checks and balances in relation to the performance of the PCC. Its role is to scrutinise the performance of the PCC and ensure transparency.
- 7.21 HMICFRS introduced Force Management Statements (FMSs) for 2018/19. They are instruments of self-assessment by forces, covering for each of the following four years the chief constable's evaluation and projection of:
- The demand which the force is likely to face;
 - The condition, capacity, capability, serviceability, performance and security of supply of the force's workforce and other assets (such as ICT);
 - The force's plans to improve the efficiency with which the workforce and force assets are used; and
 - The force's financial income.
- 7.22 HMICFRS state FMSs will simplify, strengthen and streamline the information which forces are asked to provide. They will enable HMICFRS to make decisions about where a force's principal risk areas lie, and so design their inspection fieldwork and analysis to focus on them.
- 7.23 FMSs provide local policing bodies – PCCs and their metropolitan equivalents – with information of great value, to enable them to assess the forces for which they are responsible and the extent to which the objectives of their police and crime plans will be successfully attained, and at what cost.
- 7.24 There is no statutory requirement to publish the Force Management Statement.

8 Sussex Police Operational Context

8.1 A Changing Landscape for Policing in Sussex

8.1.1 The successful delivery of policing requires the Chief Constable to manage a complex set of resources, demands and priorities whilst reviewing and revising plans to meet changing needs. Policing is always evolving as it responds to the social, legal, political, and economic landscape in which it operates. Although these changes provide challenges and opportunities, the focus for Sussex Police remains constant in keeping people safe.

8.1.2 Sussex Police has a four year Transformation Strategy which began in 2018 and continues through to 2022. Following the significant efficiencies and changes that the force made to its operating models between 2015 and 2018, Sussex Police developed its Transformation Strategy to ensure that future investment is targeted where it will have most impact. It is the basis for a rolling programme of development that also considers the long-term benefits of investments made now.

8.1.3 The strategy focuses on three core priorities for investment, which also reflect public feedback:

- Strengthening Local Policing
- Improving Public Contact, and
- Modernising Policing

8.1.4 These priorities articulate the Chief Constable's vision for developing the force and making it "fit for the future" - able to respond to changing crime types and make best use of new technology. It also provides us with a framework for assessing areas for investment, and identifying opportunities to continue to make the force more efficient. We use the detailed demand data that we produce as part of the annual Force Management Statement to support this.

8.2 Policing Context

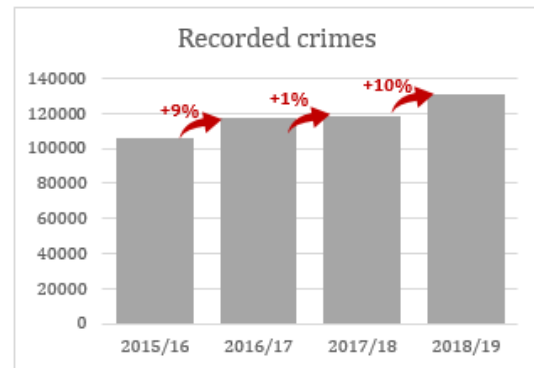
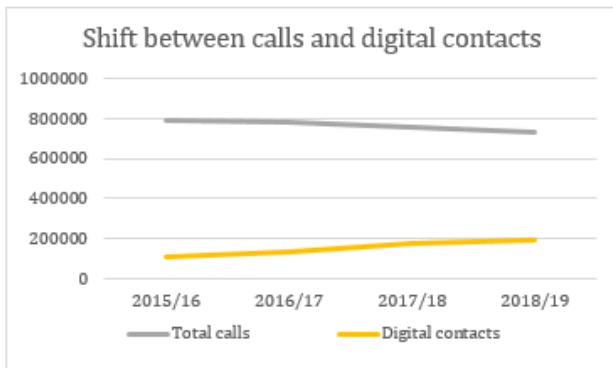
8.2.1 Together with the advent of new technologies and globalisation, the nature of crime itself is changing which further increases the complexity of policing. In addition, the way that the public wishes to engage with the police is changing and the Force is responding to this.

8.2.2 Over the last three years (to end November 2019) there has been a significant increase in recorded crime in Sussex, of +22%. However, the most recent national data (to end June 2019) shows that crime across England and Wales has increased at a faster rate, by +34% over three years.

8.2.3 Sussex is, therefore, a comparatively safe place to live. Sussex Police sits at 13 out of 43 forces in terms of risk of crime. As of October 2019, 74 crimes were recorded per 1000 population. We are mid-rank in our group of most similar forces, although this represents an increase when compared to October 2018 when we recorded 66 crimes per 1000 population. Some of this increase is due partly to better recording practices and recognition of hidden crime as well as public confidence and ability in reporting.

8.3 Improving Public Contact

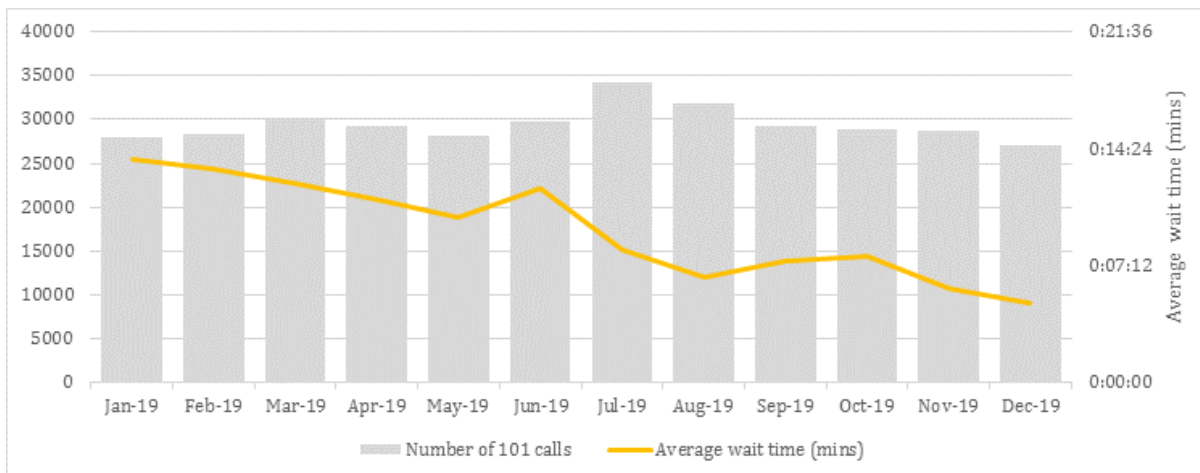
8.3.1 The profile of public contact is changing: 999 calls have increased over the past year and 101 calls have reduced, whilst digital contact now constitutes over 20% of the contacts that the force handles. Understanding the needs of callers at the first point of contact, and handling engagement with them sensitively, appropriately and effectively is a core element of the Transformation Strategy. In understanding the changing nature of how the public wish to engage with the police, the force is continuing to invest in improvements to its Contact Centre.



8.3.2 The public are contacting Sussex Police in different ways, with a clear shift from telephone contact to digital. Since 2015/16, digital contacts have increased by 82%.

8.3.3 Sussex Police has undertaken a major contact transformation programme, bolstered by precept investment in 2019/20, which has substantially improved our capacity to manage contact, reducing repeat calls and improving engagement with the public. This included the introduction of the Single-Online-Home portal for internet-based contact. In 2020/21 the Force will continue to develop our contact handling processes, and build on the work already started to make our services as accessible as possible.

Against increasing call volumes, the force has seen a reduced 101 waiting time. In December 2019 the average wait was less than 5 minutes.



8.4 Strengthening Local Policing

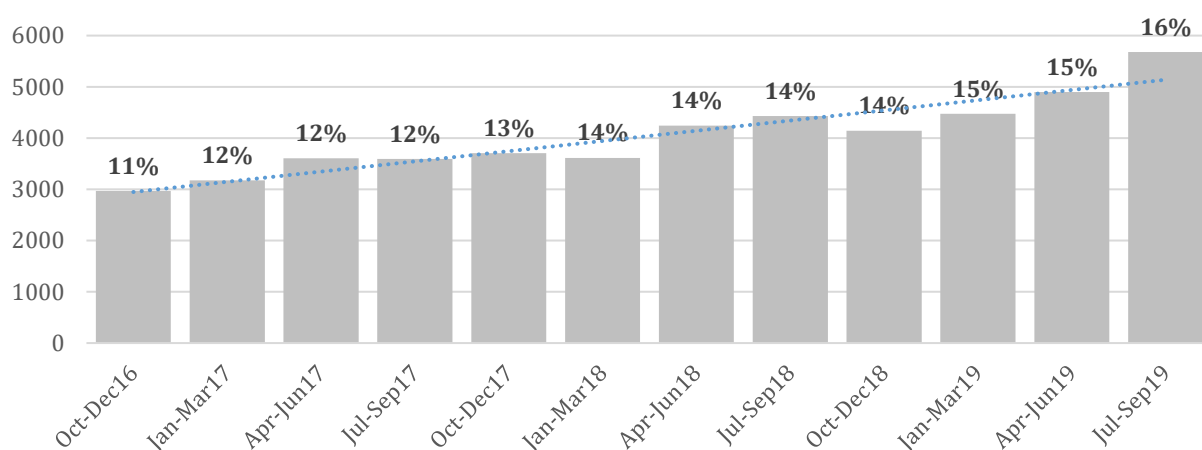
- 8.4.1 The 2019/20 precept investment also enabled development of Sussex Police prevention and community engagement capabilities. They invested in more people by increasing the establishment by 100 additional PCSOs, 50 police officers and 50 police staff. This additional capacity has been used to support the force across all three pillars of the transformation strategy, but in particular improving prevention with the introduction of a named PCSO for every area.
- 8.4.2 The volume of crime that is being investigated has also increased by 22% over the past three years in line with the increase in recording. Whilst growth in total recorded crime has shown year on year increases, these changes are not across the board; thefts and criminal damage, for example, though high in volume, have remained fairly stable in terms of reporting trends. However, crimes such as sexual offences and domestic crimes have increased each year, partly due to better recording practices and recognition of hidden crime as well as public confidence in reporting.
- 8.4.3 Overall the nature and type of incidents that Sussex Police deals with is changing. They are seeing an increase in the volume of 'non-crime' demand related to public safety and welfare such as medical incidents and concerns for safety, and are also spending longer at scene dealing with these issues. They are also seeing a greater degree of crimes linked to harm and vulnerability (domestic abuse and sexual offences have all increased as a proportion of what we deal with).
- 8.4.4 Over the past two years, Sussex Police has seen increases in complex high-harm incidents such as violent crime, and emerging offences such as stalking and modern slavery. Some of this is driven by serious organised crime such as County Lines, and often it involves vulnerable victims with complex needs. In addition some of those involved in criminal activity are exploited individuals themselves, which adds to the complexity of these investigations. As a consequence, the proportion of crimes and incidents that involve safeguarding activity have substantially increased.

	2015/16	2016/17	2017/18	2018/19
Medical incident/concern	47,637 +1%	48,264 -1%	47,813 +5%	50,109
Domestic-related	28,678 +2%	29,315 +5%	30,842 +5%	32,436
Violent crime	26,486 +15%	30,455 +12%	34,171 +13%	38,736
Missing people	11,133 +3%	11,499 +9%	12,547 +5%	13,151

- 8.4.5 In 2019/20 through the precept Sussex Police have invested in resources to improve investigations and support for vulnerable victims and victims of serious crime and is continuing to review and improve investigative capabilities. In 2020/2021 the force will use the growth in funding provided through 'uplift' to channel more resource into tackling the complex crimes that cause the most harm to individuals and to our communities.
- 8.4.6 Over the next three years Sussex Police will develop its capacity to investigate less visible but serious 'hidden' crime such as domestic abuse,

fraud and online crime, whilst at the same time improving our front-line ability to address more visible neighbourhood crime such as robbery and burglary. These crimes are complex in nature and time intensive and officers dealing with them are rightly subject to high levels of personal accountability and public scrutiny.

- 8.4.7 A growing proportion of the crime that Sussex Police deal with is related to domestic abuse, and the force is committed to working with partners to find the most appropriate ways to tackle this issue, prioritising the safety of victims and the public.



Offences that are linked to domestic abuse as a percentage of total crime.

- 8.4.8 Sussex Police is aware of the need to enhance their pro-active capabilities in order to reduce harm and prevent criminals from being able to exploit the most vulnerable in our communities. They have established a new Tactical Enforcement Unit, to operate across Sussex targeting the most wanted and prolific criminals, disrupting local crime groups and providing public reassurance. In 2020/21 this team will be increased to provide a new enforcement capability for each Division (East Sussex, West Sussex and Brighton) allowing the force to increase its presence within communities, enhance its investigations teams, and pro-actively pursue those causing harm to our communities. They will work to reduce violence linked to organised criminal activity and 'County Lines' drugs gangs who prey on and exploit our most vulnerable residents.

8.5 Modernising Policing

- 8.5.1 The internet and on-line services continue to give rise to new opportunities for criminals, such as 'phishing' and 'ransomware' attacks as well as on-line, cyber-enabled fraud. The widespread use of social media has also resulted in an increase in fraud, data theft, grooming, and child sexual exploitation, and has given rise to new challenges, such as cyber-bullying, online abuse and incitement to hate.
- 8.5.2 Crime is becoming increasingly transnational. Serious and organised crime groups have been quick to exploit international borders and the discrepancies between legal frameworks and policing responses. Hidden, online marketplaces in the 'Dark Web' are increasing in volume and severity, where drugs, firearms, large scale fraud, human trafficking and modern slavery are traded in cryptocurrencies; and where images of child pornography are readily shared on an industrial scale.

- 8.5.3 International terrorism has become more fragmented and harder to combat, with fewer organised, sophisticated attacks and increased sole or smaller group, low-tech incidents, encouraged and influenced by increasingly sophisticated online radicalisation and propaganda.
- 8.5.4 To respond to these challenges Sussex Police must constantly modernise. The force continues to build upon sound partnership arrangements, intelligence, detection, and enforcement capabilities to deliver against its mission and priorities. They are continuously forging closer relationships with local, regional and national agencies and organisations to share information, and ensure specialists resources are brought together to tackle complex emerging threats and real-time incidents. Regional collaboration with Thames Valley, Hampshire and Surrey police forces continues to identify opportunities for efficiency and enable closer working.
- 8.5.5 Digital technologies are helping Sussex Police create more effective processes and systems to empower officers and staff to work more flexibly in our communities; record, audit and use information more effectively; bring better constructed cases to the criminal justice system to bring offenders to justice more quickly and to support victims and witnesses more fully. Body-worn-video and mobile data terminals have now been fully rolled out across the force and are saving front line officers time and helping to keep the public safe every day.
- 8.5.6 In 2020 Sussex Police are implementing a new Digital Evidence Management System that will have the functionality to share digital evidence with the Crime Prosecution Service. This will improve the way Sussex Police stores, handles and transfers digital material improving the speed of our service and increasing the capacity of our investigators.
- 8.5.7 As the landscape that the force is operating in constantly changes, Sussex Police is adapting its ways of working to be able to produce more timely operational and management information that will enhance our business planning and decision making. It has adopted new data analytics tools that will enable it to better drive efficiency and target their activity to catch criminals, ensuring that they are constantly improving services for victims and the public too. As the MTFS develops, it will continue to be informed by, and reflect, this strategic context. In particular it will draw on the detailed demand analysis and analytical insight which the force is now able to produce, and which is driving our comprehensive business planning process.

9 Efficiencies and Partnership Working

9.1 Sussex Police continues to advance a range of transformational change programmes with Surrey Police and with other forces in the South East region in order to meet the financial challenges of the MTFs, increase resilience, modernise systems and improve service delivery.

9.2 **'Policing Together' – Collaboration Programme with Surrey**

9.2.1 Sussex Police works closely with Surrey Police, delivering a range of services across both force areas including; Operations Command (including Roads Policing, Tactical Firearms, Operations Support and Planning & Resourcing), Specialist Crime Command (including Major Crime, Surveillance, Serious and Organised Crime, Forensics, Economic Crime and the Cyber Crime Unit), Vetting, Finance, Procurement, Insurance, Transport, People Services (including Occupational Health) and Information, Communications & Technology (ICT).

9.2.2 Sussex Police continues to consider alternatives to cut costs and its carbon footprint via a more energy efficient fleet of vehicles. Roads Policing are trialling a hydrogen fuel cell vehicle. A full evaluation will determine the pros and cons of such vehicles in this specialised policing role.

9.2.3 The Joint Transport Service has also trialled a mobile fuel cell in a surveillance van. Weight savings, reducing environmental impact – this obviates the requirement for the vehicle to function with large capacity batteries to maintain its operational integrity – and reduced maintenance are all being considered. Additionally, three further marked response fuel cell vehicles will be operational across Surrey & Sussex in the first part of 2020.

9.2.4 Further work has taken place to make additional efficiencies and improvements, including:

9.2.5 A single Executive Director of Commercial and Finance Services now sits across both Sussex and Surrey police as the section 151 officer to fully collaborate service delivery across the finance and commercial (estates, facilities, transport, insurance) service teams.

9.2.6 During 2019, Sussex Police was one of only three Forces nationally to have piloted 'Achieving Excellence in Police Finance' – representing innovative and national best practice for financial management. Key areas, enabled through work with the Chartered Institute of Public Finance and Accountancy (CIPFA) include:

- A local Financial Management Capability Review (FCMR) – to assess the Force's capability and provide a road map for improvement;
- Improving comparative data and broadening analytical and diagnostic capacity to help delivery and demonstration of value for money
- Improving the Accounts Closedown Process;
- Supporting and managing finance apprenticeship opportunities;

- Accounts closure software – to automate and improve the financial year closedown process and production of annual financial statements;
- Financial training to upskill budget holders and increase levels of financial literacy across the Force.

9.2.7 The FMCR piloted by the Force has been undertaken independently and objectively by CIPFA, and reviews the Force's approach to financial management and its financial resilience against world class financial management standards. The Force has been classed as currently achieving a 3 star rating and has agreed a road map, based on CIPFA's recommendations to achieve higher standards in future, CIPFA will be invited annually to review our improvement plans and advise on adopting continued best practice. Based on the experience of this pilot, 'Achieving Financial Excellence' has since been rolled out nationally.

9.3 **Other Partnership Working**

9.3.1 Collaboration with other Blue Light and public sector partners has resulted in the co-sharing of Sussex Police properties with partners and vice-versa. Some examples of this co-location include:

- Seaford Police Station is owned by the PCC but is shared with Seaford Town Council, South East Coast Ambulance Service, a tourist information office and Citizens Advice Bureau;
- The vehicle workshop in Crawley Down is now fully functional and the PCC is working with the Surrey Fire & Rescue Service to provide further facilities in order to maintain their vehicle fleet.
- The sharing of accommodation at Sussex Police Headquarters with East Sussex Fire & Rescue Service.
- The £13m refurbishment to Brighton Police Station was completed on 16 January 2020. The Station now accommodates members of the Crown Prosecution Service (CPS) and will soon accommodate staff from the Multi-Agency Safeguarding Hub (MASH), Brighton & Hove Business Crime Reduction Partnership (BCRP) and Veritas.
- The One Public Estate programme is an established national programme delivered in partnership by the LGA and the Office of Government Property (OGP) within the Cabinet Office. The PCC is engaged in the Programme across Sussex and continues to work with other public sector bodies to identify where the better use of public land and property could deliver improved public services.

9.3.2 Co-location with public sector partners has released efficiencies and improves the service offered to the public. This includes the East Sussex Fire & Rescue Service co-locating their Head Office Functions at the force's HQ site in Lewes, and shared accommodation with the South East Ambulance Service at Pulborough.

9.3.3 In order to support joint working and the collaboration of both back office and frontline policing capabilities, work is underway to implement a new

Enterprise Resources Planning (ERP) system for Sussex, Surrey and Thames Valley Police. This should provide the opportunity to align processes across all three forces, enabling future joined up working – particularly in professional support services and transactional finance and HR services.

- 9.3.4 Working well with partners is essential to making sure people get the right service, this is particularly important when responding to those with mental health problems. A report on this topic called '[Picking up the Pieces](#)' published by HMICFRS recognised that police are doing a good job of protecting these vulnerable people, being noted as supportive, considerate and compassionate, but that ultimately other professionals would be better placed to deal with people with such specific needs.
- 9.3.5 Sussex Police work with a range of partners including South East Coast Ambulance Service (SECAmb) and other health agencies to provide a seamless approach to provide assessment, support and care. The multi-agency medical demand reduction project feeds into the Pan Sussex Multi Agency Collaboration Meeting chaired by a senior Sussex Police officer.
- 9.3.6 Mental Health Triage cars are in place in Brighton & Hove, East Sussex and West Sussex. These cars, crewed with a nurse and police officer, with access to health information and expertise facilitate a more timely, appropriate and effective response. Discussions with health partners continue over the possibility of locating a nurse in the Sussex Police Contact Centre. Additionally, the force is piloting a Joint Response Unit (JRU) with SECAmb in Brighton & Hove. It is hoped that the JRU - comprising a response officer and paramedic working alongside Operation Marble (policing the night-time economy) - can swiftly deal with situations (for example, assaults) requiring both police and ambulance attendance.
- 9.3.7 Arrangements are now in place between SECAmb and East and West Sussex Fire & Rescue Services where SECAmb will now call the Fire service, rather than the Police, should they need entry force to a property unless there is a clear crime issue. This will allow police officers to focus on priorities where they are needed most.
- 9.3.8 Sussex Police, SECAmb and the Kent and Surrey police forces are currently developing a decision support tool for officers and staff, giving them a clinically governed tool to help make better decisions when dealing with someone who has a healthcare need, as well as encouraging adults with capacity to take responsibility for their own healthcare needs. The anticipated efficiencies for the police will be both in signposting to the NHS before officer deployment and with officers spending less time with patients waiting for an ambulance service response.
- 9.3.9 The 'Business Services & Digital Division' continue to coordinate work on the key priorities: Mobile Data, Niche, Public Facing Digital Services (Single On-Line Home), Nice Investigate, and Body Worn Video. These on-going work streams remain critical to the effective delivery of operational policing and public engagement. The programme is overseen by the Digital Transformation Board, which provides a single strategic direction across Sussex Police and Surrey Police. The Board monitors progress against the relevant road maps and ensures that activity is aligned to business strategies and delivers the operational capabilities required by other change programmes.

9.3.10 The ongoing focus for the widely-issued mobile data devices is to enhance their capabilities and to ensure that the business benefits of this project are delivered by ensuring officers across the force adopt the new ways of working. This work continues with regular monitoring in place. As the Force moves through the next period, further functionality - such as mobilising missing persons reporting and further refinement of victim care - will be available for the frontline.

9.4 **Regional Collaboration**

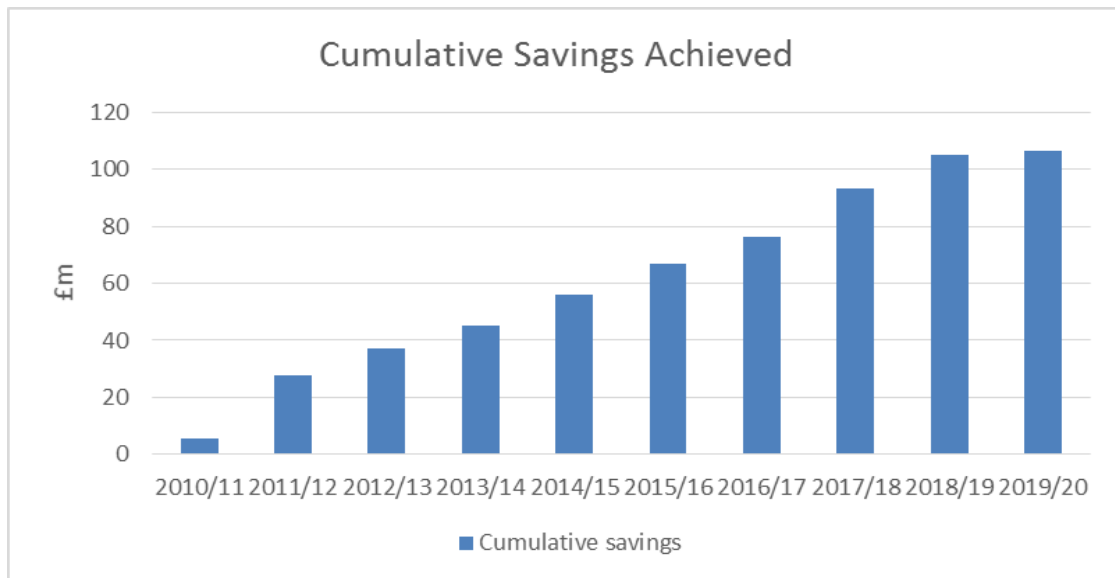
9.4.1 Key opportunities for future collaboration efficiencies and savings in the medium term to long term across the period of both the [Transformation Strategy 2018/22](#) and this MTFS, have been identified through working on a regional basis on joint projects with Thames Valley, Hampshire, Sussex and Surrey forces. This has been exemplified by the regional procurement of the Digital Evidence Management System (DEMS) in 2019 which enabled both cost savings and regional learning opportunities. The Surrey / Sussex successful roll out of PRONTO to enhance mobile working capability is being seen as best practice in the region and, dependent on the budget settlement for 2020/2021, is highly likely to be adopted by at least one other regional force. This will enable greater interoperability as well as allowing the region to learn the lessons of procurement and implementation from Surrey and Sussex as the early adopters.

9.4.2 The PCCs and Chief Constables' approval of a 'regional ambition' paper which outlines the opportunities and appetite between partners for future collaboration has resulted in a further refinement of opportunities. Dependent on the ICT resource requirement, all regional forces are currently seeking to become the next wave adopters of the Forensic Capability Network. The technology within this connects and enhances Forces' existing forensic capabilities by enabling them to share work across geographical locations using common processes and policies.

9.4.3 Sussex Police and Surrey Police are embarking on the implementation of a collaborated Body Worn Video solution. Working in tandem means that information can be more easily and securely shared, not just within the joint Forces' structure, but eventually across the wider Criminal Justice system. The ability to use the same equipment in a networked environment, across two Forces, brings many efficiencies including the reduction of travel time for officers, and the reduction of Force risks with the removal of portable digital media (DVDs). The footage will be ingested into the Nice Investigate Digital Evidence Management System (DEMS) which also brings further benefits as listed at 9.4.1 (above).

10 Financial Context

10.1 Reductions in and the freezing of government grant funding between 2010/11 and 2019/20 and other costs pressures resulted in Sussex making £107m of reductions and efficiencies to head towards balancing its books. In addition during that time it also had its ability to raise additional tax revenue from the precept restricted by the government capping and excessiveness principles.



10.2 The Government changed its strategic approach to funding policing bodies from the 2016/17 financial year when it promised that funding would be protected in flat cash terms. This would be achieved by offsetting policing grant reductions with rises in the local precept. The council tax referendum limit for English Forces in 2018/19 provided additional flexibility for all PCC's to raise the tax by £12 per Band D equivalent household up to March 2019 and again in 2019/20 by £24 per Band D which included Sussex.

10.3 Sussex experiences significant impact from funding reductions because it receives more in core policing grant in proportion to its council tax; with 59% being from grant during 2019/20. In addition the Sussex 2019/20 budget had the:

- 9th lowest Net Revenue Expenditure (NRE) per head of population nationally at £168.80 (excluding national functions and PCC) (Most similar group = £169.38; nationally = £184.92); (Source: p.15 2019/20 [HMICFRS Value for Money Profiles](#))
- 5th lowest precept of any PCC in England and Wales at £189.91 per Band D equivalent household.
- 5th lowest total funding per head of population at £165.85 (all grants and precept). (Source: p.16 2019/20 [HMICFRS Value for Money Profiles](#))

10.4 But 2020/21 has seen a welcome stepped change for our finances with the largest increase to police funding since 2010/11 with over £310 million being available to support Sussex and begin the national uplift of 20,000 officers.

10.5 Resources - Police Grant Settlement 2020/21

10.5.1 The police financial settlement for 2020/21 announced by the Minister for Policing and the Fire Service on 22nd January 2020 has changed the financial context again.

10.5.2 The key elements of the national settlement are:

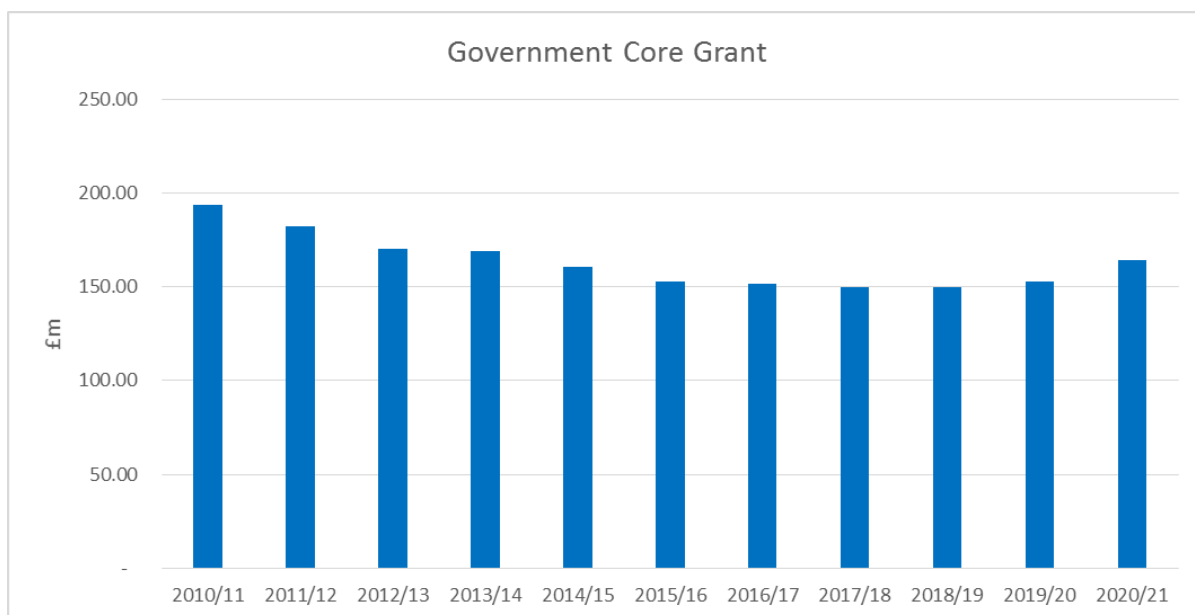
- The Minister announced that the police settlement for 2020/21 is the biggest increase in funding since 2010.
- An increase in funding of £700m and if all PCC's maximize the precept flexibility overall police funding will increase by £915m the equivalent of a funding increase of 7.5%.
- The funding settlement provides the police service with the investment to meet the Government's commitment to increase police officer numbers by 20,000 over 3 years.
- The core grant is increased by £532m with a ring fenced grant of £168m for meeting the recruitment targets.
- The pension grant introduced last year has been retained at the same level as 2019/20 and will be revisited in the next spending review.
- The counter terrorism funding will total £906m in 2020/21.
- This settlement has enabled all PCCs to raise additional funds from local taxation – up to £248m nationally;
- In 2020/21 all PCCs will be allowed to increase Band D precept by £10.
- The creation of a safer Streets Fund of £25m to support areas that have been disproportionately affected by acquisitive crime.
- Funding of £119m to reduce serious violent crime including Violence Reduction Units.
- Support for the police to make use of the latest technologies and the creation of a Police Chief Scientific Adviser with funding for Science, technology Research.
- Capital funding of £63.7m diverted to national priorities and infrastructure, the national allocation to PCCs is £12.3m for 2020/21.
- The Home Office require PCCs and police to continue to make progress on efficiency & productivity and with a number of expectations.
 - Recruitment of officers, £168m paid to Forces in line with progress to recruit 6,000 additional officers by March 2021, funding released quarterly subject to evidence of progress.
 - Efficiency savings are expected to continue in 2020/21 through collective procurement and shared services. The formation of the [BlueLight commercial organisation](#) to apply strategic procurement approaches and deliver £20m annual efficiencies.
 - Forces will have to continue improving productivity, including through smarter use of data, and digital capabilities including mobile working.
 - The Home Office will work with the police service to deliver on the APCC and NPCC's Digital, Data and Technology Strategy to drive convergence, consolidate and decommission non-essential infrastructure to achieve best value.

- The police funding formula review was not mentioned in the settlement announcement but is expected to be revisited within the next spending review.

10.5.3 For Sussex, the implications of the settlement are as follows:

- Police core revenue and formula funding grants increased by 7.5% with legacy council tax grants maintained.
- Operation Uplift Grant included in core grant, £8.4m plus ring fenced Operation Uplift performance Grant of £3.6m.
- Assumed 2% of grant allocation to meet inflation.
- Option to increase precept by £10
- The £10 Band D increase would generate £7.6m for investment in local policing.
- Capital grant has decreased from 2019/20 to £0.200m (previously £0.925m).
- Regional Organised Crime Unit (ROCU) budgets protected for another year with a national review to be undertaken.

10.5.4 Core grant sums for Sussex since 2010/11 are shown in the graph below.



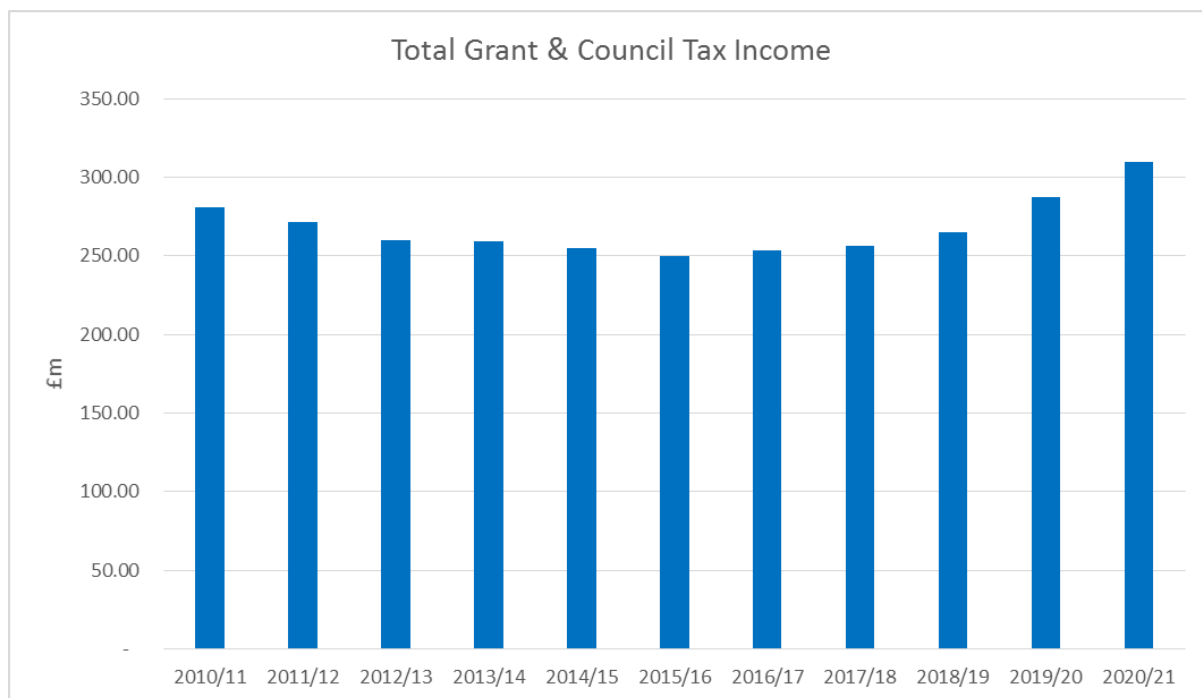
10.5.5 The 2019/20 to 2022/23 MTFS had included the assumption of a future freeze to the grant and a £24 increase to the Band D precept in 2019/20 followed by a £5 increase to the precept in the final three years of the MTFS period. An increase of 2.1% to the main Home Office grants to counter the police officer pension contribution increase in conjunction with a separate pension grant for 2019/20.

10.5.6 The 2020/21 financial settlement has provided precept flexibility of £10 increase on Band D and grant increases to core grants of 7.5% plus the Operation Uplift Performance grant to support the government's aim to increase police officers by 20,000 nationally (Sussex allocation 129 up to March 2021) equating to a grant of £3.6m. The opportunity for all PCCs to increase their Band D precept by up to £10 is forecast that this could benefit Sussex by an additional £3.5m for 2020/21 compared with the forecast. The following table provides a comparison of the figures.

Settlement Factor	2019/20	2020/21	Change	2019/23	Change Estimation Difference	Notes
	Home Office	Home Office		MTFS		
	£m	£m		£m		
Core Grant	£152.74	£164.20	£11.46	£152.74	£11.46	MTFS assumed a grant freeze
Legacy Council Tax Grant	£13.20	£13.20	£0.00	£13.20	£0.00	MTFS assumed a grant freeze
Operation Uplift Performance Grant		£3.60	£3.60		£3.60	New ring fenced grant
Pensions Grant	£2.70	£2.70	£0.00	£2.70	£0.00	MTFS assumed a grant freeze
Council Tax Receipts	£118.31	£126.20	£7.89	£122.74	£3.46	Home Office tax base increase of 1.33% + max £10 precept increase (5.27%). We forecast 1.2% tax base increase + £5. The actual tax base is lower so the additional receipts will be £3.2m
Total	£286.95	£309.90	£22.95	£291.38	£18.52	Potential Total Resources
% Change			8.00%		6.46%	

10.5.7 This MTFS is based on the assumptions as laid out in the settlement with adjustment for actual tax base increases as advised by the billing authorities of Sussex and the precept.

10.5.8 Total core grant and council tax resources combined since 2010/11 are shown in the graph below.



10.6 Funding Formula Review

10.6.1 The Police Funding Formula divides up how much money each police force receives from the overall central government funds. It takes into account a number of factors to assess demand in each area.

10.6.2 The 2019/20 settlement was planned to be the last before the next Spending Review, however the 2020/21 settlement will be for one year with the ambition to publish a 3 year settlement from 2021/22, which will set long term police budgets and look at how resources are allocated fairly across police forces.

10.6.3 The expected timing of the formula review is for work to commence in autumn 2020 via joint working groups with the Home Office with a full consultation process in 2020/21 subject to which the implementation could take place in the financial year 2021/22 or potentially 2022/23.

10.6.4 The Home Office and police partners have been engaging on potential changes to the police funding formula and developing the evidence base to support that work. In addition to working together to understand demand, the Home Office will be working with the police to present an ambitious plan to drive improved efficiency, productivity and effectiveness through the next Spending Review.

10.6.5 Government's priorities are an increasing emphasis on crime prevention, while maintaining a focus on catching the perpetrators of crime; improved outcomes for victims of crime; better support for front line officers; and a step change in the effectiveness of how data and digital technology are used to build a smarter police system and support a more effective service to the public.

10.6.6 Due to the uncertainty and range of possible outcomes no assumptions regarding a change to the funding formula have been included in the MTFS.

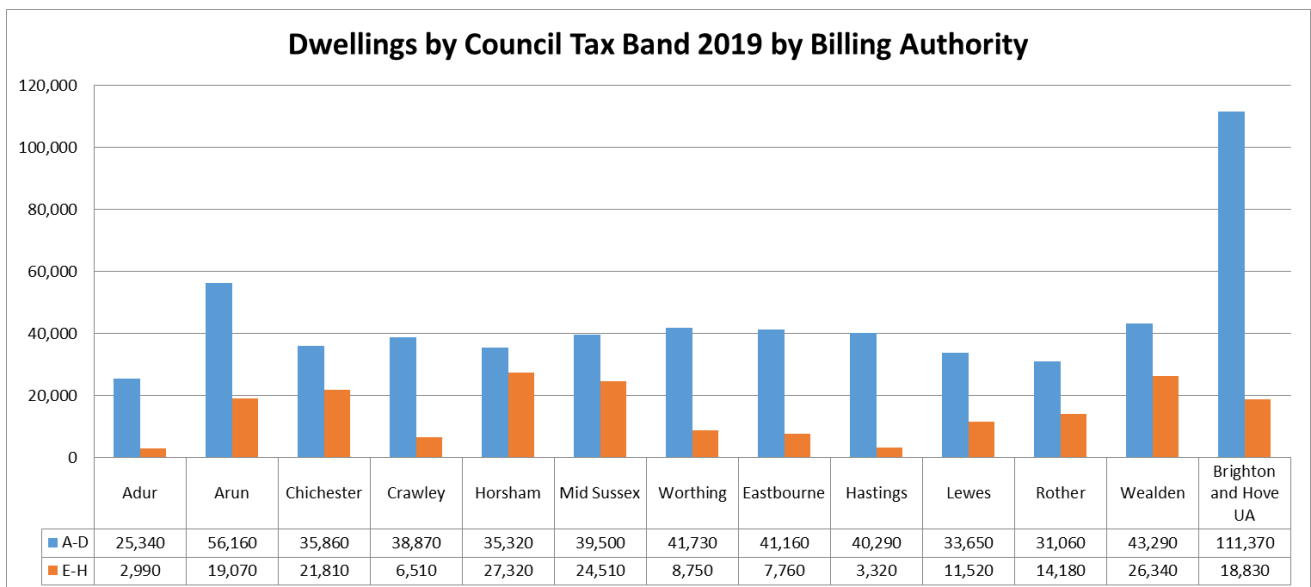
10.7 Resources – Council Tax Precept

10.7.1 The PCC is able to raise income from Sussex council tax payers for policing. That sum which is shown separately on all council tax bills and is known as the precept.

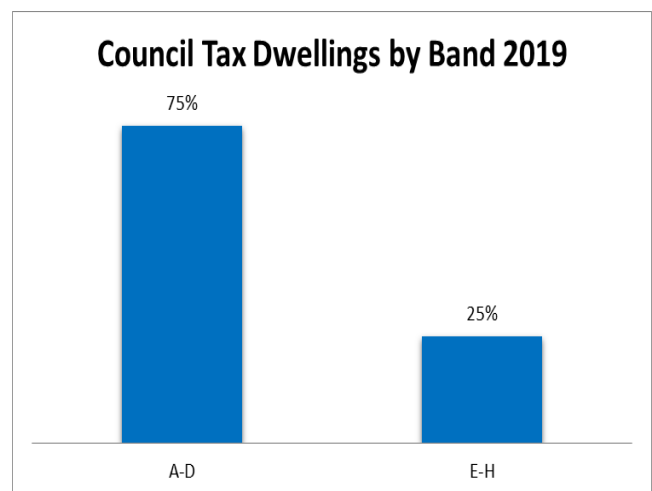
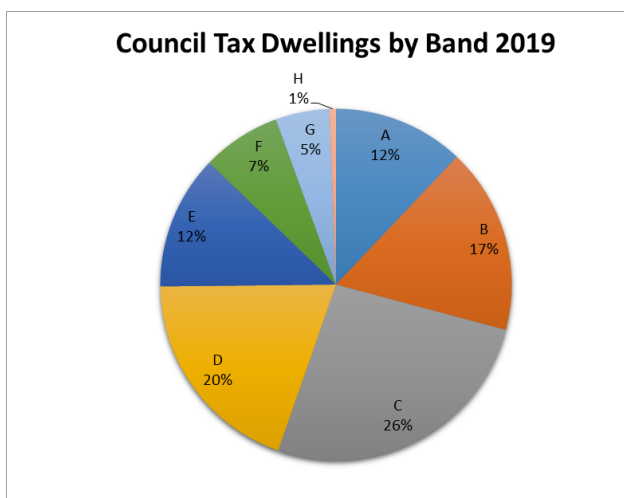
10.7.2 The precept multiplied by the tax base calculates the total receipts that each billing authority will collect from tax payers and pay to the PCC.

10.7.3 The tax base is calculated by adding up all the properties within Sussex that are subject to council tax.

10.7.4 The following table shows the distribution of properties between valuation band A-D and E-H by billing authority. These totalled 766,510 dwellings. They are subsequently converted to the tax base.



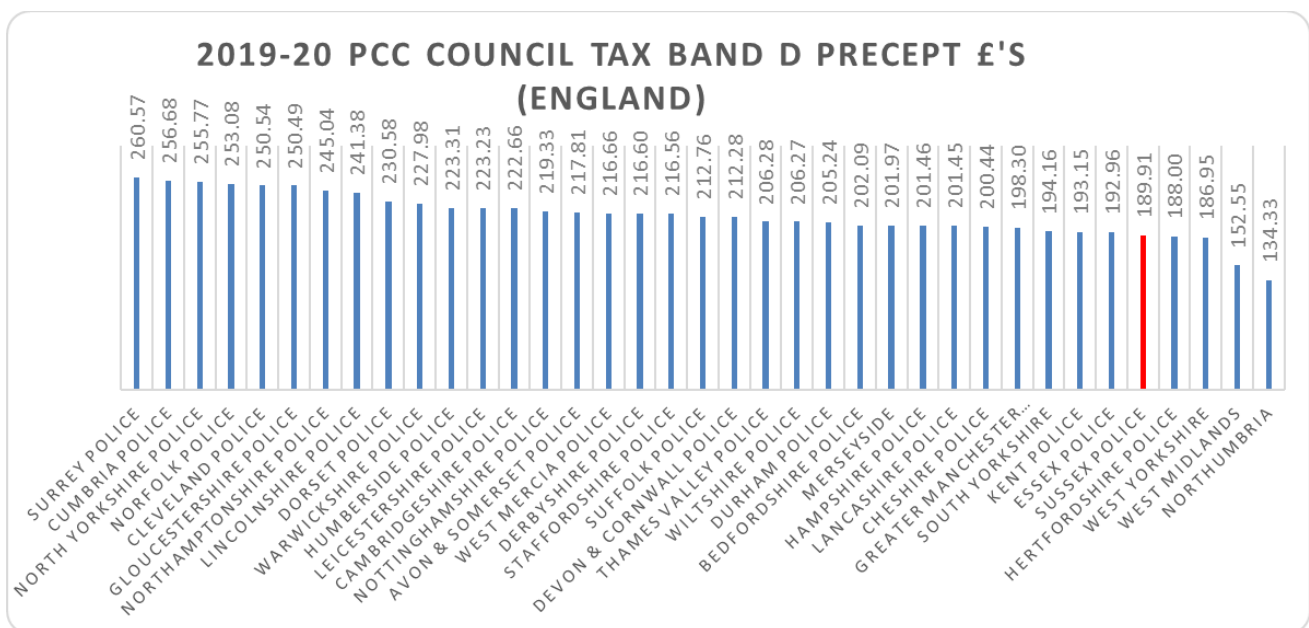
10.7.5 In total A-D and E-H of all billing authorities.



- 10.7.6 The dwellings are then adjusted for exemptions, discounts (including single person discount), disregards and local council tax support schemes with a further adjustment for anticipated non-payment. This calculation produces the tax base as the number of Band D equivalent properties.
- 10.7.7 The tax base for Sussex for 2020/21 is 629,959 (2019/20 622,971), an increase of 6,988 (1.12%) from the previous year.
- 10.7.8 The tax base is then multiplied by the Band D council tax to calculate each individual council tax bill and the total tax receipts. The calculation of the tax base, billing, collection and payment is carried out by the 13 local billing authorities.
- 10.7.9 The PCC works with the billing authorities during the year to prevent and detect fraud to protect tax receipts generated through the council tax system.

10.8 Comparison of the Precept

- 10.8.1 The council tax precept for Sussex was one of the lowest - 33 out of 39 – of English policing bodies during 2019/20 at £189.91 per annum for a Band D property. The table shows the range of precepts by policing body in England. The median was £212.76.



- 10.8.2 Nationally the proportion of funding from formula grant and specific Home Office grants has reduced over time whilst the proportion from council tax has increased.

10.8.3 The following schedule sets out the level of Band D council tax in Sussex since 2010/11. Note that the precept was frozen for four years from 2010/11 to 2013/14:

Year	Band D Council Tax	Change £	Change %
2019/20	£189.91	£24.00	14.5%
2018/19	£165.91	£12.00	7.8%
2017/18	£153.91	£5.00	3.4%
2016/17	£148.91	£5.00	3.5%
2015/16	£143.91	£2.79	2.0%
2014/15	£141.12	£2.70	2.0%
2013/14	£138.42	£0.00	0.0%
2012/13	£138.42	£0.00	0.0%
2011/12	£138.42	£0.00	0.0%
2010/11	£138.42		

10.9 Precept Capping – Limiting Increases

10.9.1 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 Council Tax above the limits that apply to them will have to hold a binding referendum.

10.9.2 For 2020/21 all PCCs are able to increase their precept by up to £10 without having to hold a referendum. For Sussex, which has one of the lowest precepts in England, the change is shown in the table below.

Year	Band D Council Tax	Change £	Change %
2020/21	£199.91	£10.00	5.3%

10.10 Precept Requirement

10.10.1 The Local Authorities in Sussex also advised of surpluses or deficits on their council tax collection funds equating to £0.235m for 2020/21 which are reflected in the MTFS. This is a one-off sum that varies year on year. Further surplus or deficit on collection funds are assumed at £0.750m for the rest of the MTFS period.

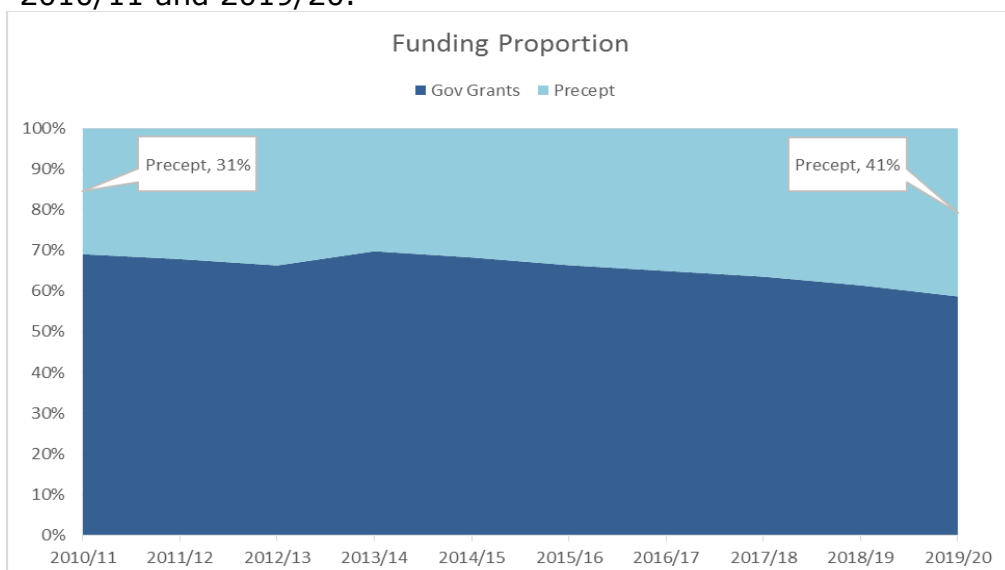
10.10.2 The precept of £199.91 multiplied by the tax base of 629,959.3 will produce receipts of £125.935m.

10.10.3 The council tax requirement for 2020/21 is shown in the following table:

2019/20 £m	2019/20 Proportion %		2020/21 £m	2020/21 £m	Proportion %
293.041		Total Revenue Expenditure		308.852	
5.501		Less Appropriations (to) / from Reserves		(1.000)	
287.540		Net Budget Requirement		309.852	
		Less			
		Main Policing Grant	109.991		
		Revenue Support Policing Grant	54.180		
		Council Tax Legacy Freeze Grant	3.062		
		Council Tax Local Support Grant	10.140		
		Operation Uplift Performance Grant	3.611		
		Pensions Grant	2.697		
168.638	59%	Total Policing Grant		183.681	59%
118.902		Balance to be raised locally		126.171	
0.593		Less net surplus on collection funds		0.235	
118.309	41%	Council Tax Requirement		125.935	41%

10.10.4 In common with other policing bodies this MTFs includes a financial planning assumption that the precept will be maximised each year in accordance with government rules – currently £10 Band D for 2020/21 then a planning assumption of £5 increase in Band D per year until 2023/24. The actual precept decision will still be determined by the PCC on an annual basis with scrutiny of that decision by the Police & Crime Panel.

10.10.5 The proportion of funding raised from local taxpayers via the council tax precept compared with government grant has remained at 41% for 2020/21. The graph below shows how the proportion has changed between 2010/11 and 2019/20.



10.11 **Major Grant Funded Projects under the Police Reform and Transformation Fund**

10.11.1 The Police Reform and Transformation Fund has ceased as of 2020/21 and the multi-year projects that were supported or led by Sussex are being transitioned to business as usual or other funding streams where applicable. The administration of the grant final claims will be completed in the first quarter of 2020/21.

10.12 **Other Grant Income**

10.12.1 Other grants do become available during the year and are generally subject to an application process. The PCC will monitor the availability and applicability of grants and consider the suitability and conditions, including any match funding or other financial implications, prior to submitting formal bids.

10.13 **Other Income**

10.13.1 The PCC will continue to seek additional sources of external funding for policing and to maximise its income, for example through 'developers' contributions such as the Community Infrastructure Levy and/or Section 106 monies, as well as developing a 'trading mind-set' for some of its more commercially aligned services.

10.13.2 The Force will continue to review its charging for special police services including Gatwick Airport, football and events in line with the nationally agreed policies.

10.13.3 The Police Reform and Social Responsibility Act 2011 (PRSRA) gives a PCC the power to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the PCC. This is different to the powers that local authorities have under the Localism Act 2011 that gives them the power to do anything that individuals may do, apart from that which is specifically prohibited and Fire and Rescue Authorities that have a functional power to do anything they consider appropriate to the carrying out of those fire functions

10.13.4 This situation restricts opportunities for commercial or income generation particularly in relation to the opportunities relating to the estate.

11 2019/20 Budget and Forecast Outturn

- 11.1 Throughout the year, the PCC closely scrutinises the spending of the precept, delivery of the policing investment and performance. Scrutiny has been through a variety of public facing Performance and Accountability meetings, monthly Local Policing Boards, financial monitoring and other monitoring within my scheme of governance.
- 11.2 The PCC reviews and publishes the overall police fund revenue and capital budget monitoring during the year and approves revisions to those budgets in line with the Financial Regulations, these reviews and decisions are then noted as key decisions on the PCC's website.
- 11.3 The Revenue and Capital Monitoring Update 2019/20 for the 8 months to 30 November 2019 show the Chief Constable's budget is forecasting a £2.3m shortfall as at November 2019. However, after the use of transition reserve money to cover the timing difference of recruitment and other costs, plus the mitigating actions put in place through compensatory underspends, it is expected that a balanced budget can be achieved by the financial year-end.
- 11.4 Major elements of the financial pressures are as a result of planned decisions and investment in key service priorities, which would be supported by the one off use of the above reserve. These pressures include:
- The planned over-recruitment of police officers in the current financial year, predicting to be 97 FTE over the budget, in an effort to get ahead for the national Operation Uplift police officer target of 129 additional officers by March 2021 which will be funded through core grant in 2020/21.
 - Earlier in the financial year, the force put in place a strategy to manage a shortage in Detectives, to ensure better recruitment and retention of these key roles. Part of this strategy was to include a new detective allowance, for which budgetary provision has been made for future years.
 - Planned overtime has been undertaken by officers and staff during the year to enable the force to have a coordinated response to operations relating to high profile events and casework. Planned overtime has also been used to compensate for vacancies in specific operational areas, for example the members of staff in the contact centre and as well as strengthening detective resources. Both the police officer and police staff national pay review was 0.5% above the planned budget which combined added £0.7m to the costs from September 2019.
- 11.5 The £1.5m of the planned additional expenditure above, will be supported through the one-off use of the local policing transitional reserve.
- 11.6 Other financial pressures arising will be funded through compensatory savings in the revenue budget to ensure financial balance. The main mitigating underspends are in police staff and in third party supplier contracts.
- 11.7 The Force Strategic Planning Board provides oversight, monitoring and high-level control of people & financial resource along with demand analysis and meets monthly.

- 11.8 The financial reporting of variances is considered as a regular item at the board, where a commitment has been given to work in the remainder of the financial year, where possible to bring spending within budget, but also recognising variances based on planned areas to address key operational issues such as the detective allowances and preparation for operation Uplift. In year savings are being sought across the organisation such as in IT and Estates. An Overtime Working Group has been established to review policy, guidance and practice to ensure overtime is given appropriate management.
- 11.9 The revenue and capital monitoring forecast as at 30 November 2019 was as follows:

Revenue Monitoring Period 8 2019/20	Forecast	Annual Budget	Variance	
	£000's	£000's	£000's	%
Chief Constable	290,556	288,283	2,271	1%
Office of PCC Budget	1,546	1,546	0	0%
Community Safety Grants	1,771	1,771	0	0%
Victim Support & Restorative Justice	498	498	0	0%
Early Years Intervention	0	0	0	0%
Financial Provisions	3,659	3,577	82	2%
Transfers to/(from) Reserves including additional planned use of local policing transitional reserve	(9,636)	(8,136)	(1,500)	
Total variance to be managed through mitigating savings	288,394	287,539	853	0.3%

The Capital Monitoring forecast was as follows:

Capital Monitoring Period 8 2019/20	Forecast			
	Forecast	Annual Budget	Variation Overspend / (Underspend)	
1 April – 30 November	£'000	£'000	£'000	%
Capital Programme	40,229	37,334	2,895	8%

- 11.10 In the event of a revenue underspend or over spend position at the end of the year the sum will be transferred to/from reserves in accordance with the reserves policy and PCC approval. An underspend would then be available to support the ongoing transformation and change programme. An overspend would be funded either via a reserve or through a budget contribution in the following financial year.

12 Medium Term Financial Budget Considerations

12.1 When calculating the medium term budget projections consideration has been given to a number of budget pressures including:

- Future levels of grant and precept funding;
- Pay and price increases;
- Revenue implications on the capital and investment programme;
- Efficiencies; and
- Other cost pressures

12.2 Future Levels of Grant and Precept Funding

12.2.1 The 2019/20 police funding settlement was expected to be the last in the current spending period as set by HM Treasury, with planning for next spending review pencilled in by government to begin during Summer 2019. However, due to the general election in November 2019 and change in national spending priorities the 2020/21 settlement will be for a single year followed by a spending review and an anticipated 3 year settlement.

12.2.2 A review of the grant distribution method, known as the 'formula review', has been in planning for a number of years. Significant work has already been undertaken by PCCs and police to provide the body of evidence that will be required to convince HM Treasury of the financial requirements for policing bodies. The review is now expected to take place in autumn 2020 involving joint working groups with the Home Office. A full consultation is expected during 2020 prior to potential implementation in 2022/23.

12.2.3 This MTFS does not assume any change in the proportion of grant funding but will be updated if and when more information becomes available. It has been assumed that the core police grants from the Home Office of £165.9m and the new pension grant from HM Treasury of £2.7m will be maintained at this new flat cash level for the next four years in the MTFS up to and including 2023/24.

12.2.4 The financial settlement has resulted in core grant increasing by £15m (7.5%) which includes the funding for the first tranche of Operation Uplift police officers. This grant is made up of two elements with £11.4m in core grant and an Operation Uplift Performance grant of £3.6m which is payable if Sussex Police recruit the first tranche of 129 officers. The criteria attached to the grant is based on achieving police officer increases and is reclaimed quarterly. The legacy council tax and police pension grants continued at the same level.

12.2.5 The financial settlement also provided PCC's the flexibility to increase up to £10 their Band D precept level. For planning purposes we have assumed precept increases of £10, £5, £5 and £5 over the four year MTFS period.

12.2.6 The funding settlement is provided to PCCs after some re-allocation of funds to meet Home Office held costs and development projects. The table below details the specific areas of expenditure. The MTFS assumption is these remain static in total.

Top Slicing / Reallocations	2019-20	2020-21
	£m	£m
PFI	73	73
Police Technology Programmes	495	498
Arms Length Bodies	63	73
Top-Ups to NCA and ROCU's	56	57
Serious Organised Crime Strategy Implementation	90	140
Police Transformation Fund	175	0
Police Special Grant	73	81
Pre Charge Bail	4	2
Police Uplift Programme		16
National operational policing units		3
Police Commercial Organisation		4
National Capabilities Programme		47
Forensics		29
Police Now		7
Serious Violence Strategy		39
Safe Streets Fund		10
Counter Terrorism		32
Prum		2
Science, Technology and Research		8
Total	1,029	1,121

- The Police Technology Programmes caters for Airwave, the new Emergency Services Network which will provide 4G access to officers that will bring productivity and operational benefits, Home Office Biometrics and National Law Enforcement Police database.
- Arms Lengths Bodies includes the Independent Office for Police Conduct, the HMICFRS PEEL Inspections, the College of Policing Direct Entry scheme and the Gang Masters Labour and Abuse Authority.
- Strengthening the response to Organised Crime and Top Ups to NCA and ROCU's - this is funding for the National Crime Agency and Regional Organised Crime Units.
- The Police Transformation Fund – this has ceased with a number of smaller projects in progress have individual allocations.
- The Police Special grant caters for national events or incidents that require additional police support.

12.3 Pay and Price Inflation

12.3.1 The indicative budget forecasts for 2020/21 reflect a positive approach to managing the impact of inflation on budgets wherever possible, in that there has been an uplift on non-pay items of on average 2% per year over the period for inflationary pressures. In addition, estimates for future pay awards at 2% have been included for both staff and police officers, following an un-planned increase in the salary of 2.5% during 2019/20.

12.4 **Revenue Implications of the Capital and Investment Programme**

12.4.1 The four year capital and investment programme is summarised in Capital & Investment Estimates and Financing section. The implications of this programme are fully reflected in the MTFS.

12.5 **Other Cost Pressures**

12.5.1 To meet the detective shortage, which is a national issue, Sussex Police made a couple of investment decisions, the first to improve detective retention with an allowance and the second to support a detective training programme called Police Now, at a combined cost of £1.25m.

12.5.2 Sussex Police agreed to progress technology innovation to improve investigative capability and introduce a Digital Evidence Management system which will collect, store, process and manage digital material.

12.5.3 Apprenticeship Levy – The Government introduced a new Apprenticeship Levy tax in accordance with Part 6 of the Finance Act 2016 with effect from 6 April 2017. This levy adds a further £0.800m cost pressure to meet each year. Apprenticeship Schemes are being considered and developed in line with the Government levy criteria to offset related apprenticeship costs. We have during the year commenced the apprenticeship scheme for police constables and plan to introduce schemes for PCSO's and Contact Staff.

12.5.4 Emergency Services Network – The programme to replace the current operational communication system has been delayed and the Programme has been reset. A full Business Case was carried out by the government alongside the programme re-set during the year. The new focus is on getting the products and services that emergency services customers want, when they need them. This means key elements of ESN can be tested, adopted and being to be used as they become available, rather than having to wait until every element of the network is finished. The strategic aim of the Emergency Services Mobile Communications Programme (ESMCP) is to deliver a much better voice and data service to the emergency services and it will replace the reliable but limited and ageing 'Airwave' system.

12.5.5 A number of contractual arrangements and unavoidable costs were identified that amounted to £1m over and above the level of inflation.

12.5.6 BREXIT – A great deal of preparation went into the risks of the exit which have been scaled back including the close down of Operation Yellowhammer led by the government. The risk assessment of the impacts of BREXIT will be monitored with the December 2020 date being the new focus, but the financial impacts are unclear at this time.

12.5.7 Police Pensions – A revaluation of the police pension scheme led to further costs to be met by forces which was which has been mitigated by a pension grant and a small increase in grant funding. A case was brought forward to challenge the transitional arrangements put in place for certain pension schemes which has been accepted. This may lead to future changes to the respective pension schemes and additional costs for police forces. The next revaluation of the police pension scheme is expected in 2021 which may lead to future changes to the respective pension schemes and additional costs for police forces.

13 Efficiency Plans

13.1 The multi-year change programme continued to deliver complex transformation across Sussex Police and savings of at least £1.5m in 2019/20 to support investment and change programmes.

13.2 The table shows the planned efficiency savings for the period of the MTFS.

2019/20	Function	2020/21	2021/22	2022/23	2023/24	4 Year Total
£m		£m	£m	£m	£m	£m
0.3	Specialist Crime	0.1	0.0	0.0	0.0	0.1
0.2	Operations Command	0.0	0.2	0.0	0.0	0.2
0.3	Local Policing	0.1	0.0	0.0	0.0	0.1
0.1	People Services	0.0	0.4	0.0	0.0	0.4
0.5	C&FS (incl Estates)	0.6	0.5	0.5	0.0	1.6
0.1	Corporate Services	0.1	0.1	0.0	0.0	0.1
0.0	Force	1.8	0.0	2.1	2.1	6.0
1.5	Total	3.1	1.2	2.6	2.1	9.0

13.3 The Chief Constable's efficiency plans are based on the programmes of change to deliver efficiencies in policing and realise cashable savings where possible, for example:

- Specialist Crime and Operations Command both embarked on a transformation programme to deliver a new Target Operating Model. These projects are complete except for the dependency on the new ERP when the savings can be made in 2021/22.
- Local Policing Programme (LPP) including elements of prevention, response policing and completion of neighbourhood policing projects, this also complete bar a small change in Criminal Justice.
- People Services save are due to be achieved once the new ERP is implemented.
- Commercial & Finance Services savings are planned from efficiencies within the Estates function. Estates and Facilities strategic transformation is making better use of the operational estate, including collaborative opportunities. Innovative projects are realizing financial and environmental benefits, including installation of solar panels on major sites across Sussex, which utilise sustainable forms of energy and will reduce electricity costs. Joint Transport Service (JTS) introduced electric vehicles during the year to reduce costs and cut the carbon footprint via a more energy efficient fleet of vehicles.
- ICT are carrying out a detailed review of contractual arrangements which will rationalize the number of suppliers to achieve cashable savings.
- Corporate Services are efficiencies from the Corporate Development department.
- Staff costs represent a significant element of our core cost base and therefore we will continue to make changes to workforce numbers and structures throughout the MTFS and to reflect the vacancy rate in police staff a saving is planned.

- Maximising income generation for areas of service provision (particularly in the back office) that have the potential to be more commercially aligned; and
- Regional collaborations involving Sussex, Surrey, Thames Valley, Hampshire and Kent forces provide further innovative opportunities to improve policing outcomes and deliver cost efficiencies across the forces e.g. procurement initiatives, South East Region Integrated Policing (SERIP), counter terrorism policing and Enterprise Resource Planning (ERP) systems.

13.4 Internal governance arrangements are in place to track achievement of savings and new investments, to monitor the pace of change sufficiently to provide management with early warning should plans not progress as anticipated and ensure any additional action required is undertaken during the year. Detailed business cases to realise savings targets are presented and considered at the Joint Chief Officer Meeting and the Strategic Change Board.

13.5 Sussex Police will continue to review its efficiency savings and future investment plans to ensure quality service delivery is maintained, future financial risks are taken into account and funding can be directed to priority areas.

14 Medium Term Investment Plans

- 14.1 The previous MTFS, aligned with [the Sussex Police 2018/22 Transformation Strategy](#), continued the investments from the 2018/22 strategy and provided additional resources to recruit an 50 more police officers (bringing the total investment to 250), 100 additional PCSOs and 50 specialise staff. The MTFS achieved the majority of the resources for this through planned precept increases of £12 in 2018/19, £24 in 2019/20, £5 in 2020/21, £5 in 2021/22 and £5 in 2022/23.
- 14.2 The additional resources were directed to three key Sussex Police priority areas, which are also clearly aligned to the Police and Crime Plan, namely:
- Strengthening Local Policing
 - Public Contact
 - Modernising Policing
- 14.3 The additional precept of £24 in 2019/20 allowed additional investment of 200 posts. The investment enabled recruitment of 50 more Police Officers 100 additional PCSOs and 50 specialist police staff in addition to existing plans.
- 14.4 This meant, that by 2023, there will be up to 250 more officers, 50 more specialist staff and 100 more PCSOs than there were in 2017 a total increase of 400.
- 14.5 Officer numbers would increase to 2,750 funded posts and PCSO's to 296 funded posts over the period of that MTFS.

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- 14.6 In the context of the 2020/21 national policing settlement and the £10 precept increase the Chief Constable has presented a compelling investment case that will allow Sussex Police to meet more demand and accelerate their recruitment plans.
- 14.7 His plan is prioritising investment in the following three key areas:
- ✓ **More Enforcement:**
- Increase the number of **Divisional Tactical Enforcement Units** to accelerate high visibility, pro-active policing across the County. This will enable more disruption of local crime groups, an increase in arrests, seizures, searches and warrants.
 - More investment to tackle organised crime groups, disrupt County Lines, arrest more violent offenders and increased targeted activity to bring criminals to justice through the creation of a Central Tactical Enforcement unit.
 - More Funding for Roads Policing – more officers to keep us safer on the roads, tackling dangerous and anti social drivers and criminals that use our roads.
 - Dogs Unit – More money for the dog unit.

✓ **More investigation:**

- More detectives and Investigators - Substantially increased investigative teams with more Detective Constables and Investigators, as well as specific roles to tackle complex crimes like Modern Slavery and County Lines. Providing the capability to act on additional intelligence and improved enforcement activity.
- More Support for Criminal Investigations – To build more quality case files and secure more convictions.
- Investing in local Investigations and Resolution Centres – improving the service that is provided to victims of hidden crime such as domestic abuse and stalking and harassment, enabling a better focus on victims, with a service more tailored to their needs.

✓ **Even greater policing presence particularly in towns, villages and online:**

- Further investment into the PCSO rural team.
- Better intelligence officer capability; and,
- Investment into community engagement both in person and online, particularly through social media - the fastest growing means that the public are engaging with the police.

14.8 Example case studies and background can be found in APPENDIX C (INVESTMENT PLANS - CASE STUDIES).

14.9 The MTFF summary below illustrates the cost changes referred to previously and the precept investment to achieve 2,750 police officers and Operation Uplift along with the efficiency plan. Further efficiencies of £9m are required to meet the current funding assumptions.

Sussex Medium Term Financial Forecast	January 2020				
Base Scenario: £10 Precept Increase	2019/20	2020/21	2021/22	2022/23	2023/24
REVENUE COST BASE	£m	£m	£m	£m	£m
Base budget	272.8	291.9	308.8	312.5	319.2
Inflation	6.0	6.3	6.3	6.3	6.4
Other Cost Changes	7.0	(3.8)	0.3	0.8	1.7
Precept Investment	7.6	5.6	1.9	2.1	0.0
Operation Uplift	0.0	12.0	(3.6)	0.0	0.0
Total Cost Increases	20.6	20.1	4.9	9.3	8.1
Gross Budget Requirement	293.4	312.0	313.7	321.8	327.3
Savings Plans	(1.5)	(3.1)	(1.2)	(2.6)	(2.1)
Surplus or Deficit	0.0	(0.0)	0.0	0.0	0.0
Gross Budget Requirement	291.9	308.8	312.5	319.2	325.2

Sussex Medium Term Financial Forecast Q3	January 2020				
Base Scenario: £10 Precept Increase	2019/20	2020/21	2021/22	2022/23	2023/24
FUNDING	£m	£m	£m	£m	£m
Home Office Grant	152.7	164.2	166.2	168.3	170.4
Legacy Council Tax & Pension Grant	15.9	15.9	15.6	15.3	15.0
Operation Uplift Grant	0.0	3.6	0.0	0.0	0.0
Reserves	4.3	(1.0)	(0.4)	0.1	(0.2)
Precept (including collection fund surplus)	118.9	126.1	131.2	135.6	140.0
Total	291.9	308.8	312.5	319.2	325.2

15 Capital & Investment Estimates and Financing

15.1 The following table summarises the four year capital and investment programme:

2019/20 (including b/fwd)	Sussex Capital & Investment Programme	2020/21	2021/22	2022/23	2023/24	Total
£m		£m	£m	£m	£m	£m
5.6	Information Technology	3.0	2.5	2.5	2.5	10.4
17.0	Business Led IT Projects	1.8	-	-	-	1.8
5.5	Fleet Replacement and Equipment	4.6	3.9	4.7	4.9	18.1
8.0	Estate Strategy	5.3	4.8	1.9	0.5	12.6
1.2	Operational Equipment	0.5	0.3	0.2	-	0.9
37.3	Total	15.2	11.5	9.2	7.9	43.7

15.2 Key areas to note in the programme are:

- **Information Technology** (Computers and Communications) – Information Technology (IT) plays an important role in the delivery of services to communities. Investment is required to support projects and programmes at three different levels – National, Regional and Local. Projects as wide ranging as Moving to Microsoft Office 365, the need to deliver on-line self-service platforms to allow individuals to obtain information or access non-emergency services at a time and place which suits their needs, moving to IT cloud based solutions, data centre phone exchange systems, mobile data technology replacement and digital evidence management systems. Investment will also continue on the roll out of devices for frontline staff;
- **Business led IT projects include;**
 - **Emergency Services Network** – This is a national programme to replace the current operational communication system. The strategic aim is to deliver a much better voice and data service to the emergency services and it will replace the reliable but limited and ageing 'Airwave' system. As this project is delayed the existing handsets are reaching end of life and an allocation has been included to replace the handsets, Sussex Police move to ESN will be later in the implementation phase to obtain value from the investment in the new airwave handsets.
 - **Enterprise Resource Planning (ERP)** – EQUIP is the name for this new ERP system. It will be launched in Autumn 2020 and will replace the current systems in each force, SAP in Sussex. EQUIP will deliver streamlined ways of working for officers and staff, freeing up managers and colleagues' time, making day-to-day activities more efficient. It is simple, intuitive, modern and timesaving. EQUIP benefits include better integration, better reporting and better management of information. EQUIP is a tri-force programme (Sussex Police, Surrey Police and Thames Valley Police) driving efficiency for the forces and the public, generating cashable savings that can be

invested into front line policing. The EQUIP system is not just a 'new IT programme', it will ultimately transform most of the core business support processes improving business day to day for colleagues, managers and the public. The Microsoft product at the center of it will be running our core system and will be integrated with other applications to allow 'talking' between systems and facilitate the flow of information to users.

- **Fleet** (Vehicles and Equipment) – The provision of an efficient, cost effective and sustainable fleet is essential to delivery of policing activities across the county. The pre-planned vehicle replacement programme will therefore continue throughout the MTFS period. New vehicles are purchased direct from manufacturers through National Framework Agreements to maximise the benefits of scale. However, increased cost pressures in this area of investment have been observed recently due to a number of factors including price increases of at least 3.5% on vehicle purchases and more frequent replacement requirements due to high levels of mileage. Incorporating evolving technologies such as vehicle ANPR, in-car telematics and CCTV technologies add a further level of cost and complexity to ensuring vehicles are fit for purpose. This helps Sussex Police identify and match resources effectively against demand and reduce overall costs for vehicles (including fuel and maintenance). In a proactive initiative to meet the requirement for "cleaner and more environmentally friendly" vehicles, hybrid and electric vehicles are being purchased for selected operational roles. Whilst the initial purchase price of these vehicles is higher, savings in fuel and running costs are expected to reduce the whole life cost of these vehicles, compared with their wholly fossil fueled alternatives.
- **Estates Strategy** (Building Works and Estates & Facilities) – The Estates Strategy seeks to provide an estate that supports and improves the delivery of policing services for the public in an affordable and cost-effective way. The Strategy for 2018-2022 continues to identify opportunities to rationalise the estate, and reduce running costs, by providing efficient and affordable building shared with partners. The Strategy focuses on continued delivery of these properties in East Sussex, with a new tranche of shared co-located premises, in some significant new build properties in West Sussex. This is alongside Sussex Police investing in key freehold owned hubs, to enable officers and staff to work from dedicated buildings in a flexible manner across the estate, and offsite or within the community. This investment is underpinned by identifying potential surplus sites to generate capital receipts, and ongoing revenue income through commercial lease.

A review is currently under way to reassess the Estate to ensure it is sufficient for the anticipated additional uplift of police officers and staff brought about through continued investment locally and the Government's Operation Uplift (the pledge to recruit 20,000 additional police officers in England and Wales by 2023). In addition, the PCC will also be considering how the Strategy can transform the existing publicly accessible estate to provide better community information, assurance and engagement.

A revised Strategy will be published later this year when more information is known in respect of the operational and financial implications of the Home Office police spending review.

- **Operational Equipment** – This includes a range of operational investments: Investment within the Operations Department includes Automatic Number Plate Recognition (ANPR) investments supporting strategic roads infrastructure along with other Operations Command Equipment and Drones. Other investment in Communications includes Command and Control system updates, CCTV and communications technology.

15.3 The following table summarises how the four-year capital and investment programme will be financed:

2019/20 (including b/fwd)	Sussex Capital Programme Funding	2020/21	2021/22	2022/23	2023/24	Total
£m		£m	£m	£m	£m	£m
-	Capital Resources Brought Forward	-	-	-	-	-
0.2	Central Government Grant	0.2	0.2	0.2	0.2	0.8
2.0	Other Capital Receipts	10.7	5.6	1.0	-	17.3
1.7	Internal Borrowing	-	-	-	-	-
3.9	Total Capital Resources	10.9	5.8	1.2	0.2	18.1
16.8	Capital Resources Applied	14.4	8.6	8.8	7.7	39.5
(12.9)	Capital Resources Carry Forward	(3.5)	(2.8)	(7.6)	(7.5)	(21.4)

-	Revenue Resources brought forward	-	0.5	-	-	0.5
3.2	Revenue Contributions Received in-year	3.7	3.7	3.7	3.7	14.8
13.7	Other External Grants / Contributions	0.3	0.1	-	-	0.4
14.9	Capital & Investment Reserve	0.8	0.6	0.6	0.6	2.5
31.9	Total Revenue Resources	4.8	4.9	4.3	4.3	18.2
12.9	Revenue Resources Applied to Capital	3.5	2.8	7.6	7.5	21.4
20.5	Revenue Resources Applied to Revenue	0.7	2.8	0.4	0.2	4.2
(1.5)	Revenue Resources Carry Forward	0.5	(0.7)	(3.7)	(3.4)	(7.4)
37.3	Total Funding Applied	15.2	11.5	9.2	7.9	43.7

15.4 The capital financing approach remains to maximise the use of Capital Receipts to support the capital programme after the use of capital grant whilst maximising the overall benefit in underpinning the Revenue budget. This will be captured in the Annual Capital Strategy which is a new regulatory requirement within the CIPFA Prudential Code.

15.5 The Capital expenditure can be funded from capital grant, capital receipts, borrowing and revenue funding directly or via the Capital & Investment Reserve. The latter has been a major contributor to support the capital & investment plan however it has largely depleted, and other sources will be called upon to ensure the necessary renewal of assets and equipment is maintained in future years either through borrowing or further revenue

budget support. The Chief Finance Officer will consider the appropriate mix of funding each year.

15.6 **Developer Contributions**

- 15.7 The MTFS recognises the impact that the creation of new homes within Sussex will have on policing and the PCC recognises the importance of seeking appropriate funds to support the operational budget of Sussex Police.
- 15.8 New properties and a growing population has a demonstrable impact on policing, in the same way it does on education, health and library services, for example. Developers are frequently required to contribute towards community and social infrastructure such as new or expanded schools, highway improvements, public realm improvements (open spaces & public art), community facilities (leisure & libraries) and health facilities.
- 15.9 In consultation with each Sussex Local Planning Authority we have sought contributions via Section 106 agreements and the Community Infrastructure Levy towards new policing capital infrastructure relating to housing development.
- 15.10 At the present time the PCC has agreements totalling £1.75m which will be invested into new communities to fund infrastructure to support policing. They include various estate projects (improvements to existing police stations or relocations), Automatic Number Plate Recognition (ANPR) sites to support new buildings, up-front costs associated with employing new officers through the Local Policing Program (LPP) and contributions towards increasing vehicle fleet capacity. These contributions will be brought into the capital programme and funded when monies are received in accordance with the legal agreements. The MTFS will then be updated accordingly.
- 15.11 As at December 2019, a further £0.690 million applications submitted by the PCC were awaiting a decision by the planning authorities.
- 15.12 The PCC is also actively seeking new opportunities through the Community Infrastructure Levy (CIL) process to help deliver infrastructure to support policing requirements.

16 Reserves

16.1 Background Information on Reserves

- 16.1.1 Revenue and Capital Reserves are an important resource for day to day as well as medium term financial planning despite being one-off in nature. The Chartered Institute of Public Finance and Accountancy consider that PCCs should establish reserves including the level of those reserves based on the advice of their chief finance officers and should make their own judgements taking into account all the relevant local circumstances.
- 16.1.2 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets. The Chief Finance Officer is required as part of the budget setting process to provide a statement on the adequacy of reserves.
- 16.1.3 [The Home Office Financial Management Code of Practice](#) also sets out the following requirements:
- PCCs to establish a policy on reserves including how they may be used;
 - Full details of how the reserves and provisions policy will operate locally;
 - Ensure that the annual budget includes a realistic amount of operational contingency that is available to the Chief Constable for operational priorities without the need for additional approval; and
 - Provision for budgets to be carried forward from one financial year to the next.
- 16.1.4 The establishment and maintenance of resource backed reserves are held for four main purposes:
- As a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - Provide funds to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - Provide funds for the purposes of managing risk e.g. insurance reserve; and
 - As a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the reserves.
- 16.1.5 The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Within the existing statutory and regulatory framework, it is the responsibility of the chief finance officer to advise about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.
- 16.1.6 In assessing the appropriate level of reserves, a well-managed PCC will ensure that the reserves are not only adequate but are also necessary.

16.1.7 The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level despite the pressures to compare between PCCs nationally.

16.1.8 One of the key sources of assurance is through risk management and the process of taking appropriate action to mitigate or remove risks where possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures. This balance should form part of the risk management process and be considered as part of the annual budget process.

16.2 **Review of Reserves**

16.2.1 External Audit test the accounting treatment of reserves as part of their annual audit work. They also look at current and forecast reserve levels within their VFM work. The 2017/18 external audit had no matters to report about our arrangements to secure economy efficiency and effectiveness in our use of resources.

16.2.2 The [HMICFRS Efficiency Review 2017](#) noted "...Included in this figure is £10.8m of general unallocated reserves, which represents a prudent level of funds to deal with in-year contingencies."

16.2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Reserves and Balances (LAAP Bulletin No. 99 July 2014) and the requirements of the Code suggest twice yearly reviews of reserves. By doing this, the visibility of reserves is increased and consideration of the use of reserves is placed at the forefront of the decision making process.

16.2.4 In accordance with good practice, the Chief Finance Officer for the PCC in association with the Director of Finance undertake an annual review of reserves.

16.3 **Sussex Reserves**

16.3.1 The PCC must retain adequate reserves so that unexpected budget pressures can be met without having a detrimental impact on normal day to day operational activities. The PCC's policy on reserves is based on a thorough understanding of the organisation's needs and risks. Part of this process is to give a clear explanation of the existing and proposed use of reserves. The detailed reserves policy can be found in Appendix A and summarised below.

16.3.2 The PCC plans to maintain general and risk reserves with a reduction in reserves of £24.9m of earmarked and investment reserves over the period of the MTFS (opening 2019/20 to closing 2023/24) the majority of the change is in 2019/20. The summary of reserves (balances as at 31 March) and their use over the MTFS period are shown in the following tables.

16.3.3 The following table illustrates how the individual reserves are categorised across the statutory headings set by the Home Office.

Reserves	2019/20	2020/21	2021/22	2022/23	2023/24
	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m
Funding for planned expenditure on projects and programmes over the period of the current MTFS:					
Capital & Investment brought forward	3.9	0.0	1.0	1.0	1.0
from Collection Fund Surplus	0.6	0.3	0.8	0.8	0.8
from Delegated Budget Holder Reserve	5.1	0.0	0.0	0.0	0.0
from Local Policing Transition Support Reserve	5.8	1.6	0.0	0.0	0.0
from Revenue Budget	0.0	1.0	0.0	0.0	0.0
to General Reserves	(0.6)	(1.0)	(0.2)	(0.2)	(0.2)
to Fund Capital & Investment Programme	(14.9)	(0.8)	(0.6)	(0.6)	(0.6)
Balance carry forward	0.0	1.0	1.0	1.0	1.0
Delegated Budget Holder Reserve brought forward	9.2	0.0	0.0	0.0	0.0
to Fund Carry forward requests	(4.1)	0.0	0.0	0.0	0.0
to Capital & Investment Reserve	(5.1)	0.0	0.0	0.0	0.0
Balance carry forward	0.0	0.0	0.0	0.0	0.0
Capital Receipts Reserve brought forward	0.0	0.0	0.0	0.0	0.0
Estimated Capital Receipts	2.0	10.7	5.6	1.0	0.0
Estimate Applied to Capital & Investment Programme	(2.0)	(10.7)	(5.6)	(1.0)	0.0
Balance carry forward	0.0	0.0	0.0	0.0	0.0
Local Policing Transition Reserve brought forward	8.6	2.5	0.9	1.1	0.9
from Revenue Budget	1.2	0.0	0.3	0.0	0.0
to Capital & Investment Reserve	(5.8)	(1.6)	0.0	0.0	0.0
to Revenue Budget support	(1.5)	0.0	0.0	(0.2)	0.0
Balance carry forward	2.5	0.9	1.1	0.9	0.9
PFI Reserve brought forward	6.1	0.0	0.0	0.0	0.0
from Revenue Budget	0.0	0.0	0.0	0.0	0.0
to Revenue Budget (to fund exit costs)	(6.1)	0.0	0.0	0.0	0.0
Balance carry forward	0.0	0.0	0.0	0.0	0.0

Reserves	2019/20 Forecast £m	2020/21 Forecast £m	2021/22 Foreca st £m	2022/23 Foreca st £m	2023/24 Forecast £m
Funding for specific projects and programmes beyond the current MTFS planning period:					
Asset Seizure Reserve brought forward	0.4	0.4	0.4	0.4	0.4
from Seized Assets	0.4	0.4	0.4	0.4	0.4
to Revenue Budget (to fund crime reduction initiatives)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Balance carry forward	0.4	0.4	0.4	0.4	0.4

Sussex Safer Roads Partnership Reserve brought forward	2.8	2.2	1.9	1.8	1.8
from Surplus generated	0.0	0.0	0.0	0.0	0.0
to Revenue Budget	0.0	0.0	0.0	0.0	0.0
to Capital and Investment	(0.7)	(0.3)	(0.1)	0.0	0.0
Balance carry forward	2.2	1.9	1.8	1.8	1.8

General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:					
Insurance Reserve brought forward	5.4	5.1	5.1	5.2	5.3
from Revenue budget to meet future liabilities	0.5	0.5	0.5	0.5	0.5
to Revenue Budget (to settle claims)	(0.8)	(0.5)	(0.4)	(0.4)	(0.4)
Balance carry forward	5.1	5.1	5.2	5.3	5.4

General Reserve brought forward	10.8	11.4	12.4	12.6	12.7
from Capital and Investment Reserve	0.6	1.0	0.2	0.2	0.2
to Revenue Budget	0.0	0.0	0.0	0.0	0.0
Balance carry forward	11.4	12.4	12.6	12.7	12.9

General Reserves percentage of Net Budget Requirement	4.0%	4.0%	4.0%	4.0%	4.0%
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Total Opening Balance of Reserves	47.2	21.5	21.6	22.0	22.1
Total Additions to Reserves	16.2	14.5	7.7	2.8	1.8
Total Planned Use of Reserves	-42.0	-15.3	-7.3	-2.8	-1.6
Total Closing Balance of Reserves	21.5	21.6	22.0	22.1	22.3

Total Reserves percentage of Net Budget Requirement	7.5%	7.0%	7.0%	6.9%	6.9%
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16.4 Funding for planned expenditure on projects and programmes over the period of the current MTFS:

16.4.1 The Capital and Investments Reserve is used to support planned one-off and non-recurring expenditure of a capital or revenue nature in line with investment and replacement plans included within the MTFS. This is dependent on the financing requirements of the capital plans included within the relevant asset strategies e.g. the future IT Strategy, the Estates Strategy and the Joint Transport Vehicles Strategy. Further details outlining the four

year capital and investment programme are included in the section Capital & Investment Estimates and Financing

- 16.4.2 The Delegated Budget Holder Reserve holds a proportion of balances that have arisen from underspend on the annual revenue budget.
- 16.4.3 Under-spend transfers to the Delegated Budget Holder Reserve (DBHR) are agreed annually with the PCC as part of the final outturn and movements in year are agreed by exception. This reserve is then available to support the change programme. The balance in the DBHR is expected to be fully utilised during 2019/20.
- 16.4.4 Previously the DBHR has been used to earmark funds related to the National Barrier Asset and Local Authority partner initiatives such as under-age drinking as well as internal earmarked purposes such as adjusted timing of major projects including Estates and Community Safety, major programmes and specified funding for discretionary items of pay and allowances e.g. South East Allowance.
- 16.4.5 The Capital Receipts Reserve contains receipts from the sale of assets which can be used to finance future capital expenditure. The Capital Receipts received in-year will be applied to fund capital expenditure in year.
- 16.4.6 The Local Policing Transition Support Reserve was created to support a longer phasing of reductions in local policing police officer posts.
- 16.4.7 The Local Policing Transition Support Reserve was introduced in the September 2017 revision of the MTFS. It was created following the mid-year Balance Sheet review to reallocate £15m of existing earmarked reserves together with an additional £2m contribution from that years forecast underspend in order to support a longer phasing of reductions to the number of police officers in local policing over the period to April 2020.
- 16.4.8 This reserve is being used to manage a balanced budget over the next four years as well as for the Capital & Investment Plan with a retained balance each year. The Chief Constable will manage the use of this resource to support local policing under the governance of the DCC Strategic Planning Board.
- 16.4.9 The Private Finance Initiative (PFI) Reserve is maintained to meet future contractual contributions of the custody PFI scheme. Following a comprehensive review of the contract the earmarked reserve was reduced and the remaining balance was earmarked to invest in the renegotiation of the contract. The reserve will be fully used during 2019/20.
- 16.5 **Funding for specific projects and programmes beyond the current MTFS planning period:**
- 16.5.1 The Asset Seizure Reserve holds the balance of income received from the Home Office in respect of the Proceeds of Crime Act (POCA). These monies are to be used during the year following receipt in accordance with Home Office guidance subject to the pre-agreed contingency balance to cover 12 months of costs of the agreed number of financial investigators.
- 16.5.2 The reserve is reviewed on an annual basis but is currently expected to

remain at £0.4m for the period of the MTFS.

- 16.5.3 The Sussex Safer Roads Partnership (SSRP) Reserve is where the PCC holds the balance of any SSRP under-spend amounts on behalf of the SSRP partnership as ring-fenced funding. The movements are based on the latest SSRP strategy plans approved by the SSRP board.
- 16.5.4 The SSRP was established by Agreement in 2007 and includes Sussex Police, Brighton and Hove City Council, East Sussex County Council, East Sussex Fire and Rescue Service, Highways England and West Sussex County Council (including West Sussex Fire and Rescue Service). The primary aim of this partnership is to reduce the number and severity of road related casualties in Sussex. This is achieved via safety camera enforcement, road safety behavioural change activity and casualty and performance data.
- 16.5.5 The SSRP Board of Directors represents all partners and provides officer lead and political oversight on the joint objectives of the partnership, its policy and budget including an agreed joint programme. The PCC for Sussex holds an SSRP Reserve on behalf of the partnership to keep surplus monies for planned future spending including asset replacement programme and contingency to cover redundancies and decommissioning of camera infrastructure in the event of cessation of the partnership.
- 16.5.6 This reserve is reviewed regularly by the SSRP Board who approve movement to and from the reserve. It also reviewed annually by Sussex Police to ensure it is maintained appropriately and in line with SSRP governance arrangements.
- 16.6 **General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:**
- 16.6.1 The Insurance Reserve is maintained for potential liabilities and costs which fall onto the PCC where no external insurance cover is arranged by or available to the PCC. Potential liabilities include storm damage, business interruption and claims that would fall within the PCC's policy excess limits.
- 16.6.2 It is a requirement that an annual audit of all liabilities relating to the Fund is carried out by an external actuary / firm of actuaries. The last review for Sussex Police was completed by the actuary firm Marsh based on data to 31 March 2018 and considered the following:
- Are the existing claims funding arrangements (Insurance Reserve plus Provision) adequate to meet all loss payments arising from self-insured risks?
 - What is the cash flow projection for historic claims, both reported claims, and incurred but not yet reported claims? Includes the liability of the former Municipal Mutual Insurance Company.
 - What contributions/injection into the Insurance Reserve / Provision should be made to finance the expected losses for the forthcoming policy year for each risk?
- 16.6.3 The review concluded that the balance of the reserve of £4.29m along with a

separate provision for £3.15m on the balance sheet is adequate.

- 16.6.4 A further risk assessment review of the Insurance Reserve will be undertaken during 2019/20 with a view to ensuring the reserve and provision levels are appropriate and based on the latest estimates.
- 16.6.5 The General Reserves reserve is set aside for unexpected events or emergencies and provides a working cash balance to help with the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- 16.6.6 The General Reserve at 1 April 2019 was £10.8m. This meets one of the key principles of the MTFs to seek to maintain the general reserve at a minimum of 4% of the net revenue budget. Due to the positive increase in the size of the budget an increase of £1m is required in 2020/21 to maintain the 4%. The closing general reserve at March 2024 is estimated to be £12.9m which is 4.0% of the net revenue budget.
- 16.6.7 The September 2017 review of reserves considered the adequacy and need of the separate £2.5m operational reserve in addition to the General Reserve. It recommended that the £2.5m operational reserve could be incorporated within the existing General Reserve balance. This sum is available to the Chief Constable for operational priorities without the need for additional approval.

17 Indicative Budget Forecasts 2020/21 to 2022/24

- 17.1 All budget pressures, budget savings, funding assumptions and proposed use of reserves outlined earlier in this Strategy are summarised below, to show an overall position for the Group representing the combined budget forecasts for the PCC and Chief Constable. Having considered the savings proposals and the availability of reserves to support the medium term plan an important consideration is the precept proposal for 2020/21.
- 17.2 In common with other policing bodies the MTFS includes a financial planning assumption that the precept will be maximised each year in accordance with legal requirements and Home Office assumptions. The precept percentage assumption has been calculated based on an increase to Band D of £10 for the 2020/21 year and £5 per year from 2021/22 to 2023/24.
- 17.3 The actual precept decision will still be determined by the PCC on an annual basis taking into account all the factors.
- 17.4 The key medium term financial forecast planning assumptions are summarised in the following table:

Assumption	2020/21	2021/22	2022/23	2023/24
Capital Grant	£0.2m	£0.2m	£0.2m	£0.2m
Main Policing Grant change	2%	2%	2%	2%
Revenue Support Policing Grant change	2%	2%	2%	2%
New Police Pension Grant	£2.7m	£2.7m	£2.7m	£2.7m
Council Tax Support Grant	No Change	No Change	No Change	No Change
Legacy Council Tax Freeze Grants	No Change	No Change	No Change	No Change
Precept (£10 per year increase)	5.27%			
Precept (£5 per year increase)		2.57%	2.50%	2.44%
Tax base increase	1.08%	1.10%	0.90%	0.90%
Collection Surplus/(Deficit)	£0.258m	£0.750m	£0.750m	£0.750m
Police Staff Pension Employer Contribution rate	23.90%	22.90%	21.90%	21.90%
Police Officer Pension Employer Contribution rate	31.00%	31.00%	31.00%	31.00%
Police Officer pay inflation	2%	2%	2%	2%
Police Staff pay inflation	2%	2%	2%	2%
General Price inflation	2%	2%	2%	2%
Investment Interest Returns	0.40%	0.40%	0.40%	0.40%
Income - Fees & Charges *1	No Change	No Change	No Change	No Change
Income – Specific Grants *2	No Change	No Change	No Change	No Change
General Reserve	4% NBR minimum	4% NBR minimum	4% NBR minimum	4% NBR minimum

*1 – Income from fees & charges includes a wide range of income sources including income from the criminal records bureau, local partnerships, alarms and CCTV maintenance, sports events including football, vehicle sales, mutual aid, car parking charges, boarding up services, accident reports, certificate charges, training income, firearms income, court costs awarded and rental income. Due to the variable nature of these sources of income the budget where some sources will increase and others will reduce, a prudent assumption has been taken to maintain the income levels over the MTFS period. Sussex Police will however seek to maximise income generation opportunities through the commercial focus of the [Transformation Strategy 2018/22](#) as outlined in section 8.

*2 – Income from specific grants includes the government grants for PFI and dedicated security posts.

17.5 The Medium Term Financial Forecast (MTFF) for the total Police Fund budget position is set out below.

Group Budget Forecast					
Base Scenario: £10 Precept Increase	2019/20	2020/21	2021/22	2022/23	2023/24
REVENUE COST BASE	£m	£m	£m	£m	£m
Base budget	272.831	291.889	308.852	312.549	319.204
Inflation	6.046	6.336	6.252	6.327	6.384
Growth Pressures	6.966	(3.816)	0.283	0.813	1.730
New Investment	7.589	17.588	(1.680)	2.112	0.000
Savings Plans	(1.543)	(3.145)	(1.159)	(2.597)	(2.100)
Total Budget Changes	19.058	16.963	3.696	6.655	6.014
Total Budget	291.889	308.852	312.549	319.204	325.218

FUNDING	£m	£m	£m	£m	£m
Home Office Core Grant	98.560	109.991	112.023	114.096	116.211
Home Office Revenue Support Grant	54.180	54.180	54.180	54.180	54.180
Council Tax Grant Support Grant	10.140	10.140	9.937	9.738	9.543
Legacy Council Tax Freeze Grant	3.062	3.062	3.001	2.941	2.882
Pension Grant	2.697	2.697	2.643	2.590	2.538
Operation Uplift Grant		3.612	0.000	0.000	0.000
Precept	118.309	125.935	130.452	134.836	139.288
Collection Fund Surplus	0.593	0.235	0.750	0.750	0.750
Net Budget Requirement	287.540	309.852	312.985	319.131	325.392
Reserves					
General Reserves	0.000	(1.000)	(0.176)	(0.174)	(0.174)
PFI Reserve	6.094	0.000	0.000	0.000	0.000
Local Policing Transition Reserve	(1.152)	0.000	(0.261)	0.247	0.000
Capital & Investment Reserve	(0.593)	0.000	0.000	0.000	0.000
Total Funding	291.889	308.852	312.549	319.204	325.218

17.6 The Group budget forecast set out above shows how, after the planned use of reserves, savings and the precept, there is a funding gap for the period of the MTFS 2020 to 2024, which will require savings of £9.0m over the planning period to meet the key principle of the PCC's Strategy in that overall expenditure will be delivered within a sustainable budget over the medium term.

17.7 The budget includes £7.6m made available from the proposed 2020/21 precept increase of £10 per annum per Band D Properties and growth in the tax base (£6.3m + £1.3m). This will be used as stated earlier in the document in line with Police & Crime Plan and Operational Delivery Plan priorities.

17.8 The proposed 2020/21 revenue budget is set out in the table below.

17.9 The MTFF for the Chief Constable's budget position is set out in the following table:

Chief Constable's Operational Delivery Net Revenue Budget

2019-20 £m	Chief Constable	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
156.367	Police Officer Pay	160.533	163.323	166.082	168.945
83.594	Police Staff Pay	82.066	82.312	82.752	84.357
10.333	PCSO Pay	10.561	10.857	11.161	11.493
5.800	Other Employee Costs	6.280	6.402	6.494	6.624
256.094	Total Pay Costs	259.440	262.893	266.489	271.419
12.715	Buildings & Premises	12.773	13.054	13.342	13.608
5.940	Transport Costs	5.564	5.686	5.811	5.927
73.760	Supplies & Services	44.637	48.239	51.898	55.182
2.698	Third Party Payments	2.179	1.625	1.494	1.392
95.113	Total Non Pay Costs	65.153	68.604	72.545	76.110
(66.293)	Income & Grants	(38.862)	(39.717)	(40.512)	(41.322)
284.914	Base Operational Delivery Budget	285.731	291.780	298.522	306.207
0.000	Investment Proposed	17.588	16.260	18.730	19.118
0.000	Savings Plans	(3.145)	(4.304)	(6.901)	(9.001)
0.000	Savings Requirement	0.024	0.024	0.025	0.025
284.914	Operational Delivery Budget	300.199	303.761	310.376	316.349

17.10 The MTFF position for the PCC's budgets are set out below:

Police & Crime Commissioner Net Revenue Budgets

2019-20 £m	Office of the PCC	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
1.334	Office of the PCC	1.383	1.411	1.439	1.468
1.635	Community Safety	1.700	1.700	1.700	1.700
	REBOOT	0.576	0.588	0.599	0.611
2.034	Victim Services	2.547	2.547	2.547	2.547
(1.955)	Grant Income (Victims)	(1.992)	(1.992)	(1.992)	(1.992)
(0.299)	Treasury Management Interest	(0.299)	(0.299)	(0.299)	(0.299)
2.749	Total Income & Expenditure	3.916	3.955	3.995	4.036
4.226	Financial Provisions	4.737	4.832	4.832	4.832
0.000	Transfer to / (from) General Reserves	1.000	0.176	0.174	0.174
(5.501)	Transfer to / (from) Earmarked Reserves	0.000	0.261	(0.247)	0.000
1.152	Transfer to / (from) Earmarked Reserves	0.000	0.000	0.000	0.000
(0.123)	Total Provisions & Reserves	5.737	5.269	4.759	5.006
2.626	Total PCC Controlled Budgets	9.653	9.224	8.754	9.042
287.540	TOTAL POLICE FUND	309.852	312.985	319.130	325.391

17.11 The 'Office of the PCC' includes salary and associated costs of the PCC, Chief Executive, Chief Finance Officer and any other staff employed to support the PCC as well as office-running costs. It also includes other statutory local policing body costs such as internal and external audit, banking and treasury management for example.

17.12 The 2016 HMIC Value for Money profiles highlighted that in 2016/17 the PCC's budget was the 6th lowest per head of population of the policing bodies in England and Wales. HMIC no longer collects and compares that information.

- 17.13 Further details of the work that the team carries out to support the PCC and the corporation sole can be found on the [Sussex Police and Crime Commissioners website at this link](#).
- 17.14 **Community Safety**
- 17.15 The PCC continues to support Community Safety initiatives and Community Safety Partnerships (CSP) through the Community Safety Budget. It is planned that the current total allocation will remain over the period of the MTFS.
- 17.16 The budget also includes the Safer in Sussex Community Fund that provides financial support to local community groups, voluntary and third-sector organisations that are working to reduce crime, improve community safety and help people recover from the impact of crime. The PCC will continue to develop and grow this market to provide services that meet the needs of local residents and help to keep Sussex safe.
- 17.17 **Victim Services and Restorative Justice**
- 17.18 The Ministry of Justice allocates a grant to the PCC to spend on victim services and child sexual abuse services. The grant is allocated between PCCs on the basis of population. A total grant of £1.992m has been allocated to Sussex in respect of Victims Services and Restorative Justice for 2020/21.
- 17.19 We make the assumptions that future grant settlements will continue and not impact on the precept decision.
- 17.20 A further £0.513m has been allocated to the Victims budget to meet the costs of rising demand for stalking advocacy, support for victims of domestic and sexual abuse.
- 17.21 An additional £1m central fund has been allocated for recruiting more Independent Sexual Violence Advisers and Sussex will apply for a share of that fund.
- 17.22 **Home Office's Early Intervention Youth Fund (EIYF)**
- 17.23 The Sussex PCC was one of nineteen to be successful in being awarded additional funding from the Home Office's Early Intervention Youth Fund (EIYF). The Home Office EIYF totalling £22M originated from one of the sixty commitments outlined in the Serious Violence Strategy (SVS) which was launched in April 2018.
- 17.24 REBOOT is a programme targeted at young people who are at risk of the drivers of serious violence, encouraging them to make positive choices to deter them from becoming involved in crime. It brings together multiple partners which include the Youth Offending Teams in Brighton & Hove, West Sussex and East Sussex, YMCA Downslink Group, Trust for developing communities, Audio Active, Hangleton and Knoll, NHS partnership Trust, Sussex Police, Active Sussex, Freedom Leisure and Wave Leisure.
- 17.25 The programme takes a strengths-based approach, focusing on the positive aspects of young people's lives as opposed to the negatives. Coaches will work with young people in creating a personalised plan which emphasises

their strengths and supports them in overcoming any barriers they may be facing to make positive changes in their lives. Since the programme started on the 1st of April 2019 REBOOT has received 1031 referrals and engaged with 735 young people, providing them with support and encouraging them to make positive life choices.

17.26 Funding for the programme will end on 31 March 2020. Budget resources have been allocated so that the programme can continue.

17.27 **Provisions, Treasury and Reserves**

17.28 Financial provisions include the revenue and financing costs of the capital programme, interest receivable on cash balances and the pay and price contingency.

17.29 Investment and borrowing are managed via the [PCC's Treasury Management Strategy](#) which is approved annually in March following a review by the Joint Audit Committee.

17.30 The PCC is responsible for the management of all reserves and the reserves strategy has been explained elsewhere in this MTFS.

18 Risk Assessment

18.1 The MTFS contains the most up to date information at the time of drafting but the PCC's financial position is dynamic. A comprehensive financial risk assessment is undertaken for the revenue and capital and investment budget setting process to ensure all risks and uncertainties affecting the PCC's financial position are identified.

18.2 The PCC faces a number of significant financial pressures that could affect the position over the medium term. An assessment of the likelihood and impact of potential risks has been undertaken and the management controls in place are detailed in Appendix B.

18.3 These risks and emerging risks are monitored and managed throughout the year on the risk register with oversight by the Joint Audit Committee.

18.4 Risk Assessment and Adequacy of Reserves

18.4.1 The Local Government Act 2003 requires the Chief Finance Officer (CFO) to undertake an assessment of the robustness of the annual budget and the adequacy of reserves. That assessment and a statement will be included in the key decision annual budget and precept report 2020/21.

18.4.2 The CFO has applied the same principles used to undertake the assessment of the 2020/21 budget to the following three years of the MTFS.

18.4.3 In assessing the robustness of the budgets and forecasts, the CFO will consider the following issues:

- The general financial standing of the PCC;
- The underlying budget assumptions, including an assessment of the major estimates including pay and price increases;
- The future budget pressures identified including changes to pension scheme contributions;
- A risk assessment of expenditure and income estimates including adequacy of budget monitoring and financial reporting arrangements (See Appendix B);
- The impact of the police grant settlement and of subsequent anticipated future settlements including any change to the allocation method;
- The precept and planned increases;
- The adequacy of the budget monitoring and financial reporting arrangements;
- The adequacy of the PCC's governance arrangements and internal control system including the risk management system;
- The adequacy of general reserves to cover any potential financial risks faced by the PCC; and

18.5 At 31 March 2019, the PCC's General Reserve was £10.807m (4.2% of net revenue expenditure), in accordance with the approved reserves policy (see Appendix A) and to remain at 4% over the duration of the MTFS with the closing general reserve at March 2024 to be £12.9m.

18.6 The PCC's Chief Finance Officer confirms that, after taking account of these issues, the revenue and capital estimates contained in this MTFS 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 PCC.

19 Public Engagement and Consultation

19.1 The Police Reform and Social Responsibility Act 2011 places a duty to consult with residents within Sussex on the proposals of the PCC for expenditure (including capital expenditure) and the precept in that financial year.

19.2 The PCC began a rolling programme of consultation from the start of the 2019-20 financial year to broaden engagement across the county and across different demographic groups.

19.3 **Sussex PCC Public Consultation on the Police Precept 2019/20**

19.4 This included a combination of face to face focus groups, surveys at public events, the normal engagement programme, and online polls, including one which is underway* at the time this report was submitted to the P&CP.

- **What the public want:**

- ✓ The majority of people attending our focus groups said they would be happy to pay more if they could see more police officers or PCSOs.
- ✓ They wanted to see tougher enforcement with more criminals taken off the streets and more crimes investigated and solved.
- ✓ They also expressed unanimous support for continuing our early intervention youth programme called REBOOT.

19.5 Focus groups: We held 20 targeted consultation events across Sussex, involving around 300 residents and members of community groups. These provided valuable insight into the concerns of local people about policing in their specific area, while discussions with disability forums, interfaith groups and the LGBT community highlighted the particular issues experienced by participants.

19.6 The focus groups helped to measure levels of public confidence in Sussex Police and feelings of safety (see below). Feedback from each discussion was referred to the PCC and to the relevant part of the force.

19.7 Focus groups were held with residents in:

- ✓ Battle
- ✓ Bognor
- ✓ Crawley
- ✓ Lancing
- ✓ Midhurst
- ✓ Mid Sussex
- ✓ Rye
- ✓ Seaford
- ✓ Storrington
- ✓ Ticehurst
- ✓ Uckfield

- 19.8 Other focus groups were held with:
- ✓ Brighton & Hove Racial Harassment Forum
 - ✓ Hastings & Rother Disability Forum
 - ✓ Crawley Interfaith Network
 - ✓ LGBT community in Brighton & Hove
- 19.9 **Rural roundtables** – in Billingshurst, one in Battle, and one with the National Farmers Union.
- 19.10 **Road safety summit** - A webcast road safety summit in Chichester in November involved the Safer Sussex Roads Partnership and West Sussex County Council.
- 19.11 **Working with local councils:** The PCC's office works closely with all levels of local government including Surrey and Sussex Association of Local Councils (SALC), and invites representatives to participate in all consultation events. An officer from the OPCC regularly attends the SALC meetings for East and West Sussex to feed back the results of consultation and inform local towns and parishes about work alongside Sussex Police.
- 19.12 **Talk Sussex summer engagement:** During summer 2019 the OPCC attended nine Talk Sussex events across the county. At these events there was face- to-face engagement with a total of 3,246 residents completing survey forms. The events were attended by around 200,000 people.
- 19.13 **Online polls:** Since summer this year, five polls have been promoted via the PCC's newsletter and website on themes including road safety, ASB, retail crime and the use of artificial intelligence in policing. Nearly 3000 responses have been received.
- 19.14 Precept proposal following Police grant: The Policing Minister's statement on the Grant was made on Wednesday 22nd January announcing a welcome overall rise in police funding that was contingent on all PCCs making full use of the flexibility to raise local precepts by £10 (20p a week average).
- 19.15 The PCC proposed a £10 increase and issued press and social media statements welcoming the funding announcement. These statements were shared via email residents via partners to invite people to have their say in an online poll.
- 19.16 The survey was open from 23 January to 30 January 2020 and a total of 6,489 responses were received. 66% of respondents answered 'Yes' when asked "Do you support a 20p a week (average) increase in your police precept?" with the remaining 34% of respondents answering 'No'.
- 19.17 To account for any possible duplicate responses, a random 20% of the sample was analysed. Of these 1297 responses, 68% answered 'Yes' they support an increase in the police precept, with 32% answering 'No'. This is in line with the overall findings.

20 Conclusions

- 20.1 The resources allocated through the four-year 2020/24 MTFS will enable the Chief Constable to plan the resource requirements for Sussex Police more effectively. The revenue generated by a £10 increase to the precept in 2020/21 and £5 per year in each of the three following years enables the continuation of the recruitment plans that were started in 2018/19, updated in 2019/20 and the revised recruitment including the national uplift from 2020/21.
- 20.2 The approach set out in this MTFS will deliver a balanced budget. It sets out how all four years will be financed, and the general reserve will be resourced £13m in line with the reserve strategy by the end of 2024. The management of this position is achieved through well-constructed and managed workforce plans, the use of one-off reserves in a managed way, rationalisation of estates, new operating model efficiencies, non-pay savings and increases to the precept.
- 20.3 The MTFS does indicate that a sustainable financial position can be achieved over the period 2020/21 to 2023/24 subject to the risks identified and the PCC and Chief Constable are fully committed to taking the necessary decisions to achieve this outcome.

Mark Streater
Chief Executive, Office of the PCC

Giles York
Chief Constable

Iain McCulloch
Chief Finance Officer, Office of the PCC

Peter Gillett
Executive Director for
Commercial and
Financial Services

Contact: Iain McCulloch, Chief Finance Officer

Email: Iain.McCulloch@sussex-pcc.gov

Tel: 01273 481582

APPENDIX A (RESERVES POLICY)

Reserve	Level or Target	
Funding for planned expenditure on projects and programmes over the period of the current MTFS:		
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.	In line with investment and replacement plans included within MTFF and dependant on financing requirements of the Capital Strategy. Funded from: approved in year revenue budget surplus; transfers from other reserves; specific approved contributions.
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.
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.
Local Policing Transition Support Reserve	This reserve was created following a Balance Sheet review during the 2017/18 year by reallocating existing earmarked reserves no longer required for their original purpose, plus an additional £2m contribution from the 2017/18 forecast underspend. Specific use of this reserve will be to smooth the impact of changes to the revenue budget to strengthen local policing. Specific tranches of this reserve will be released over the period to April 2022 via agreement at monthly financial accountability meetings between the Force and the PCC. This reserve will be used to manage a balanced revenue budget over the next four years and supporting the capital & investment plan.	Specific reserve set up during 2017/18 to be released over the MTFS period.
PFI Reserve	As part of a wider review of the custody PFI contract a review was commissioned to determine why the PFI reserve of £12.794 million was set aside as an earmarked reserve, what the reserve was to fund and when. It concluded that £10.3m could be reallocated from the reserve leaving a balance to be retained for the PFI contract review process. This reserve will be discontinued once exhausted.	The remaining PFI balance is to be used until the review project is completed or reserve exhausted.
Funding for specific projects and programmes beyond the current MTFS planning period:		
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 investigators.
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 at the end of the year to reserves.

APPENDIX A (continued)

General contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management:		
<p>General Reserve</p>	<p>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 as part of the annual budget setting process.</p> <p>The September 2017 review of reserves considered the adequacy and need of the separate £2.5m operational reserve in addition to the General Reserve. It recommended that the £2.5m operational reserve could be incorporated within the existing £10.8m General Reserve balance. This sum is available to the Chief Constable for operational priorities without the need for additional approval.</p>	<p>4% of Net Revenue Expenditure Budget as at 31 March each year.</p>
<p>Insurance Reserve</p>	<p>Provides for the self-funding of certain uninsurable risks, such as payments of compensation or damages and claims up to the excess level. This Reserve is funded from revenue or transfers from other reserves and adjusted annually, following an independent actuarial review, to reflect inflation and up to date risk 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 budget, but transferred to/from the insurance Reserve. The level of the reserve is reviewed annually.</p>	<p>Assessed as part of the annual insurance actuarial review.</p>

APPENDIX B (FINANCIAL RISK ANALYSIS)

Issue	Assumption	Comment
Maintaining & improving service performance levels	Resources sufficient to meet targets and priorities in the Local Policing Plan and Strategic Policing Requirement	<p>The Chief Constable believes that there are sufficient resources to deliver future Police & 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.</p> <p>The PCC has made available further one-off resources released from reserves to assist Operational Policing over the period of the MTFS and has approved year on year increases to the policing precept.</p>
Pay and price budgets and establishment control	<p>Provision for national pay awards of 2%. 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 Sussex Police to match staffing need and resources to budget. Close corporate monitoring of the overall budget and management action to maintain financial discipline is particularly important to ensure resources are deployed to achieve the most effective and efficient service delivery, as well as the PCC's approved investment in Police & Crime Plan and Sussex Police priorities. The DCC Strategic Planning Board will monitor all aspects of the Transformation Strategy including the recruitment progress and report to the PCC.</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, reserves and actively managing spend pressures.</p>
Limits to Precept Increases	£10 in 2020/21. Future precept planning assumption of a £5 increase.	<p>The ability to increase the precept complemented by grant has enabled targeted and affordable investment in future years are planned at Band D increases of £5 subject to government policy and PCC annual decision.</p> <p>The Localism Act 2011 gives a statutory obligation for council tax referendums to be held should a precept higher than prescribed be approved by the PCC. The Secretary of State for Communities and Local Government set the level above which a referendum would be required.</p> <p>An increase in excess of the referendum level or precept 'cap' would result in the requirement to hold a referendum and the costs met by the OPCC.</p>
Grant Levels / Spending Review 2020	<p>Main police revenue grant increased by 7.5% for 2020/21.</p> <p>HM Treasury Pensions Grant of £2.7m issued in 2020/21.</p> <p>Capital grant decreased for 2020/21.</p>	<p>2019/20 and 2020/21 were both a one year only settlement. Future reductions in funding including unfavourable review of the funding formula is possible within the MTFS period starting in 2022/23, this will be monitored regularly with proactive input to the Spending Review any funding formula reviews or consultations arising.</p> <p>The assumption that flat cash grant will continue in remaining 4 years of the MTFS but there is a risk of further cuts in future years. Changes to the grant formula may further reduce the level of grant payable but the outcome of that is expected after the next government spending review.</p> <p>2.1% increase to the Home Office police grant amounted to £3.142m for 2019/20. This together with the additional pensions grant covers most of the additional police pension employer contributions to be incurred following an increase in the contributions rate from 2019/20 onwards.</p> <p>Capital Grant reduced to £0.200m in 2020/21 from £0.925m in 2019/20. This sum could reduce again in a future Spending Review.</p>

<p>Council Tax</p>	<p>Collection rates advised by individual billing authorities</p> <p>Tax Base</p>	<p>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 as demonstrated with 2020/21 forecasts. Billing authorities' factor in prudent collection rates to mitigate this risk. The PCC works closely with billing authorities to monitor their key collection rates and contributes financially towards the costs of reviews of discounts, including the single person discount, and exemptions.</p> <p>The tax base is expected to increase during the MTFS period but the assumptions could be impacted by changes to the mix of dwellings, discounts and the impact of unemployment numbers within billing Authorities council tax reduction schemes.</p>
<p>Budget Estimates (Expenditure)</p>	<p>Provision for specific on-going cost pressures</p>	<p>The budget estimates including all identified additional costs for 2020/21, 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>
<p>Budget and financial reporting</p>	<p>Additional Investment potential of £3.2m in 2020/21</p> <p>Monthly 'Group' budget monitoring</p>	<p>Action plans to deliver savings 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 to date was heavily dependent on the delivery of savings from the LPP 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>Necessary improvements to financial monitoring identified during 2016/17 are now in place with a rigorous process of monthly review, including close scrutiny by the Chief Constable's Chief Finance Officer and the PCC's Chief Finance Officer.</p>
<p>National IT Systems</p>	<p>Move to full cost charging without transfer of funding from Home Office.</p>	<p>Further potential costs related to the national Home Office charges for IT systems from a grant ratio allocation basis to a Force budget ratio which may lead to additional costs for Sussex Police including changes to training and the creation of the national police college could continue in 2020/21 and beyond.</p>
<p>Levels of Reserves</p>	<p>Forecast to reduce over the term of the MTFS</p>	<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 and unexpected costs.</p> <p>To mitigate this risk, the General Reserve is kept at a minimum of 4% of revenue expenditure.</p> <p>An annual review of all reserves is undertaken at budget setting along with a post year-end review and update to the MTFS. Now that our budget is increasing further contributions are required to reserves in order to meet the stated limits over the period of the MTFS.</p>
<p>Interest rates, investment and borrowing</p>	<p>Interest rates assumptions of 0.40%</p> <p>Borrowing at fixed rates.</p>	<p>Forecasts of investment income for 2020/21 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 which focus on security rather than returns. Potential impact is mitigated by a diverse portfolio with top credit rated institutions.</p> <p>At this stage, internal borrowing has been planned to finance the capital programme for the purchase of long-term assets.</p>

Income Assumptions	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.
Police Pension	Ruling from McCloud and Sergeant appeal	Police pensions along with many public sector pensions was reviewed to ensure a fairer balance between public purse and pensioners. The scheme was changed to a Career Average Revalued Earnings (CARE) scheme which included transitional arrangements. These arrangements were challenged and accepted by the tribunal. There is a possible risk that future employer contributions will have to increase as the cost of the scheme is expected to be higher.
Policing of Gatwick Airport	Funding of £14.3m in 2019/20.	The existing public Services agreement for Policing Gatwick Airport was renewed during 2017 for three years to 31 March 2020.
Reductions in security grants	Potential reductions in Airport and other security grants.	MTFS assumes that grants will continue at current level. If subsequently reduced, savings will be made to cover the reduction outside of core savings targets.
Public Order	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 2020/21. It is proposed that any 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.
Operational Demands	Public protection	Key operational pressures include continuing 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.
Capital Programme	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. Slippage may also impact on operational demands. The capital plan is reliant of several sources of funding including capital receipts which are at risk of not being achieved either in quantum or timing. These risks are mitigated by regular review of all major projects including the Estates Strategy and ERP project, focus on key priorities agreed in advance, together with monthly budget monitoring and regular monitoring reports to the PCC.
Capital Financing	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. Limited borrowing is planned to finance the capital programme within this MTFS.
Regional Partners	Investment plans	The risk is that all regional partners are not aware of each partner's investment plans, estate strategy etc. which can lead to un-planned expenditure within the year.
National ICT Programmes	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 with support and additional scrutiny from the Joint Audit Committee.

Equip Project	Project delays	The Equip project has reset its date of implementation to Autumn 2020 so the cost of the team will be in place for several months, leading to an increase in costs and there is a risk due the nature of it being a major complicated IT project further delay is possible.
Risk Management		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 and general reserve balances).
PRTB Grant Funded Risks		The hosting of the PRTB funded project will end during on 31 March 2020 and the final grant administration including repayment of sums claimed will be completed during 2020. The final administration will be closely monitored to ensure all sums due are recovered in line with the grant agreements.

APPENDIX C (INVESTMENT PLANS - CASE STUDIES)

Case Study – Professionalising Investigations Program (PIP) 2 Investigators, Paedophile Online Investigations Team (POLIT)

Precept Investment:

- Additional PIP2 Investigators
- Funding uplift to transition existing POLIT Investigator (PIP1) posts to PIP2 Investigator roles.

PIP2 Investigators (POLIT) Case Study:
 POLIT conducts intelligence led investigations into the online sexual abuse of children. In an increasingly digital world, offenders continue to exploit new opportunities to sexually exploit children online. Every week, our specialist investigators in POLIT execute warrants across Sussex. Their investigations require specialist technical knowledge and skills and crucially, safeguarding expertise.

In December 2019, information was received from international law enforcement colleagues where online activity indicated that a British man was sexually abusing his partner's children.

Using specialist investigative techniques, POLIT officers identified a former Registered Sex Offender living in Sussex. A warrant was obtained and a man arrested. Evidence was seized and submitted for forensic examination.

The investigator identified the man's new partner – she has two children and was unaware of the man's past offending. Referrals have been made into the Multi-agency Safeguarding Hub (MASH) and enquiries undertaken to identify if the children have been subjected to abuse. A comprehensive safeguarding plan has been put around the children.

The man remains subject to stringent bail conditions whilst the investigation is progressed.



Outcomes:

- ✓ Additional investigative capacity to service the continued increase in investigations into the possession and distribution of Indecent Images of Children
- ✓ The capacity and agility to respond to high risk referrals where children are believed to be at immediate risk
- ✓ The capacity and expertise to increasingly work with other law enforcement agencies to undertake proactive investigations where online activity indicates contact offences have been, or are going to be, committed.

For the team and individuals, this uplift has:

- ✓ Created a new specialist career pathway for police staff investigators, and others with relevant specialist experience (such as digital forensic experts)
- ✓ Enhanced the specialist investigative and safeguarding knowledge across the team, bringing parity of skills between police detectives and staff investigators.

Case Study – Police Community Support Officer (PCSO) West Sussex

Precept Investment:
 PCSO Uplift

PCSO Case Study:
 Police Community Support Officers are a vital part of local policing within Sussex. They help solve local problems by getting out into the towns and villages of Sussex, meeting people and offering advice and support. Their role includes preventing crime and disorder in the community, building trusted relationships with the public and community leaders as well as problem solving.

The local PCSO was notified through a councillor about an increase in abandoned vehicles within a road on their District area. Being assigned to that area meant the local PCSO was able to work closely with partners in the community to not only understand the severity of the problem but to identify a solution. By taking the time to engage with residents and build rapport, residents felt confident in reporting incidents through Operation Crackdown and the local council whereby a joined up approach was taken in order to not only remove the vehicles but tackle the offender by utilising anti-social behaviour interventions.

This case evidenced some excellent work by the PCSO:-

- Engaging with the local community by tackling local issues
- Problem Solving
- Partnership Working



Outcomes:

- ✓ Increased public confidence – this uplift into community policing has meant we have been able to increase our presence in local communities, improving our visibility and engagement.
- ✓ Problem Solving – The newly trained PCSO's are receiving improved problem solving training which has resulted in a better response to community issues.
- ✓ Reduced demand to other areas of business – the uplift in PCSO's has meant we are able to utilise a problem solving approach to more local issues with the intention of preventing re-occurrence and repeat offending.

Case Study – East Sussex Division: Police Community Support Officer (PCSO)

Police Community Support Officer Case Study (Wealden):

Police Community Support Officers (PCSOs) are a vital part of our local policing service – helping to solve local challenges by getting out into the towns and villages of **Sussex**, meeting people and offering advice and support. **They routinely deal with anti-social behaviour, provide reassurance and help resolve community challenges. They play a critical and visible role in helping keep our communities safe, identifying and protecting the most vulnerable, and preventing harm.**

On Tuesday 20 August 2019, Sussex Police received a report of a man and woman who were extremely drunk, with a very young baby. The couple were out with the baby late into the evening and were incapable of looking after the child properly. The risk significantly increased when the couple were seen to get into a car with the baby and drive off. A CCTV Operator quickly picked up the vehicle and was able to follow it until it drew up outside a takeaway.

Local PCSOs were close by and responded immediately – locating the couple in the takeaway restaurant. Despite not having powers of arrest, using their communications skills, they were able to keep the couple with them for a considerable time until officers arrived. During that time, they showed an exceptional level of care and compassion for the seven-week old baby. One of the radio controllers, who was listening to updates but also monitoring the PCSOs on CCTV, wrote especially to comment:

"I couldn't help but notice the kindness and professionalism I saw on the CCTV footage as we overheard the incident unfold. I don't know who it was, but there was a PCSO who held the baby, and was seen swaying to comfort her. I couldn't help but think of the terrible circumstances but how this PCSO was so compassionate and it was very touching to see. I was also told that the PCSO insisted that the bottle of milk be warmed when the mother failed to see the need."

Once Police Officers arrived, the couple were both arrested for being drunk in charge of a child and the man also for drink-driving. The baby was taken into Police Protection and taken to the care of another family member.

This excellent conduct was subsequently recognised with a Divisional Commendation for the two PCSOs and the CCTV Operator. It was all the more impressive, on the part of the PCSO (pictured), in that he had only been serving with Sussex Police since March and at the time of this incident, was in his seventh week 'on the streets', being tutored.

This call evidenced some excellent work from the PCSOs

- Early intervention to minimise risk.
- Excellent communication skills and ability to control a situation without the benefit of police powers
- Effective team work with other teams in a dynamic situation
- Prioritisation of safeguarding, child protection and welfare of a vulnerable child.



Outcomes:

- ✓ Increased visibility and engagement across the District. The uplift has enabled each geographic ward to have a PCSO aligned to it - providing a focus for engagement and problem solving work, and helping support partnership working.
- ✓ Greater resilience in the PCSO establishment has helped service core demand whilst building capacity to introduce additional initiatives to improve customer service. E.g. Wealden PCSOs aim to visit all victims of burglary within 72hrs - increasing community reassurance and optimising intelligence opportunities.
- ✓ Reducing demand on other roles such as Response – by conducting house to house enquiries, and scene guards at significant incidents and events.
- ✓ Improves staff wellbeing and resilience – the increased establishment helping meet Prevention demand and thus help reduce stress and sickness.
- ✓ The development of specialist PCSO interventions such as Rural Crime initiatives and inputs to schools.

Sussex Police

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Case Study – Tactical Enforcement Unit

- Creation of new team - Tactical Enforcement Unit
- To improve our proactive policing capability (skills / vehicles / equipment) and capacity (additional posts).

Tactical Enforcement Unit Case Study:

TEU officers use a variety of tactics and methods to target those causing the greatest harm in our communities. The intelligence products and tasking requests are received from the divisions and departments across the force. The TEU then deploy to support the objectives of requesting officers.

On the 8th of January 2020 TEU officers deployed into Brighton and Hove to support the division following a tasking to assist with an evidential search warrant. Having executed the warrant, two arrests were made at the scene and a quantity of cocaine was recovered.

The unit then received information on a Organised Crime Group member having been sighted. The TEU conducted a "rapid entry" into a flat in the city and recovered over 300 wraps of heroin resulting in a further two arrests.

Later in the shift there was a description circulated of four suspects for a burglary which had just been reported from a house in the city. The TEU officers were able to locate and detain all the suspects, locating a significant quantity of cannabis and items believed taken in the course of the burglary.

This is typical of the way the divisions and departments are able to bid for the unit to work in their area with specific objectives to achieve. Due to the proactive policing skills of the unit, they are also able to respond to spontaneous demand where appropriate.



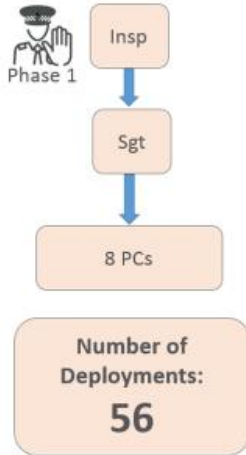
Outcomes:

- ✓ Public reassurance – feedback from members of the public regarding our messaging has been universally well received.
- ✓ Reduced demand on other roles – Officers from other teams have been used to complete some work of this type.
- ✓ Disruption to criminal activity – The Unit has already caused significant disruption to County Lines operating in Sussex with arrests and seizures of drugs, cash, deal phones and vehicles.
- ✓ Robust enforcement of the law – The unit has been able to locate and bring to justice violent offenders who have been evading the justice system for months.
- ✓ Improved protection of our communities in Sussex – several safeguarding referrals have been made including one child being forced into street dealing through threats of violence to his family.

Sussex Police

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Tactical Enforcement Unit
 Disrupt | Enforce | Protect
 Activity Since Creation
 16th Dec 2019 – 24th Jan 2020



Locating and Arresting Wanted Persons and Targeted Offenders



Tackling Knife Crime and County Lines



Street Arrest tactics



Warrants and Search of Premises



Targeting Violent Offenders



Organised Crime Disruption



Detect and Arrest capability for Crime & Surveillance Teams



Seizures



Hidden in plain sight... the complexities of modern policing

Perception vs...

...reality

- Theft
- ASB
- Vehicle Crime
- Criminal Damage
- Burglary

- Child Sexual Exploitation
- Vulnerability
- Domestic Abuse
- Serious Sexual Assaults
- Modern Slavery
- Cyber Crime
- Serious Violence
- County Lines
- Missing Persons
- Serious & Organised Crime
- Vulnerable Adult & Child Abuse

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Realities of modern policing ...

Perception vs...

...reality



Sussex remains one of the safest counties to live with only 4.6 recorded burglaries per 1000 population

32% reduction in antisocial behaviour between 2015 -2019

Improved performance in 101 & 999 call handling times

In 2019 we recorded and managed 89 Domestic Abuse related incidents each day

In 2019 Sussex Police responded to 4.9 reported rapes per day on average

57% increase in recorded Child Sexual Exploitation crimes from December 18 – November 19 compared to the previous 12 months

In the past 12 months recorded stalking offences have increased by 41%

In 2019 we went to 26,532 'concern for safety' incidents totalling 150,239 hours of police time

53% Increase in reported rapes from 2015 - 2019



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