



**Lancashire
Constabulary**

police and communities together

NOTE FROM THE JOINT MANAGEMENT BOARD MEETING HELD ON 10 OCTOBER 2016 IN ROOM A08 COUNTY HALL PRESTON

Present:

C Grunshaw, Police and Crime Commissioner
S Finnigan, Chief Constable

Office of the Police and Crime Commissioner

S Freeman, Chief Finance Officer
A Harrison, Director of the Office
I Dickinson, Standards and Governance Officer
S Halliwell, Communications Manager

Lancashire Constabulary

I Cosh, Director of Resources
Chief Superintendent T Woods
A Brown, Finance Manager

Part I – Public Items

Notes of the last meeting

The note of the last meeting on the 11 August 2016 was accepted.

Financial Outlook 2017/18 to 2019/20

The Board received a report setting out the financial outlook for the period 2017/18 to 2019/20 and setting the scene for the further development of the Commissioner's budget for 2017/18 and financial strategy for future years.

The Board recalled that in February the identified funding gap was £16.6m. Since then it had been recognised that a number of elements within the current Medium Term Financial Strategy (MTFS) were likely to change and therefore impact upon the future savings gap faced by the Police and Crime Commissioner and Constabulary.

It was noted that the current MTFS included a forecast increase of 0.6% in 2017/18, 0.7% in 2018/19 and 0.8% 2019/20 for the council tax base. However, the actual increase in council tax base had averaged in excess of 1.5% for each of the last three years and the local billing authorities had indicated that this rate of increase would continue.

It had been therefore, agreed that the forecast increase in tax base for each of the next three years should be adjusted to 1.5% each year to reflect this trend.

Further, it was noted that non-pay inflation was currently provided for at 2.5% in the MTFS. Given the historically low level of inflation coupled with all forecasts indicating this would remain the case for some time it was deemed appropriate to adjust the forecast to reflect a 2% increase on non-pay costs.

Additionally, it had been identified that the current budget for the costs of capital financing was in excess of the requirement due to reduced interest rates and the re-profiling of the capital programme. As a result the budget for such costs had been revised.

The impact of these changes along with additional savings have been delivered either as a result of existing proposals or as a result of changes made outside of the organisation as follows would reduce the funding gap to £13.6M.

In addition to the changes to the forecast the Board recognised a number of issues that could affect the PCC budget in future years, in particular, the future level of funding for police, changes to the police funding formula, increasing volumes of complex crime and the increase in demand resulting from the removal of support in other parts of the public sector.

In noting the unintentional consequences resulting from the removal of support in other parts of the public sector the Chief Constable agreed that further work was required to highlight all the independencies which were impacting on the service. It was agreed that discussions would be needed with the 3 upper tier authorities in conjunction with the work undertaken by PWC. The Chief Constable agreed to identify additional resources from within the existing budget to undertake this work.

Accordingly, the Police and Crime Commissioner and the Chief Constable

Noted the revised assumptions set out in the report;

Noted the revised funding gap for the period 2017/18 to 2019/20 identified in the report;

Noted the risks and uncertainties identified for the period 2017/18 to 2019/20 as set out in the report.

OUTWARD COMMUNICATION

No outward communication was identified.

URGENT BUSINESS

No urgent business was discussed.

A Harrison
Director