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Cumbria Office of the Police and Crime Commissioner

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Budget 2018/19 and Financial Forecasts 2019/20 to 2021/22

Report of the Joint Chief Finance Officer

1. Purpose of the Report

- 1.1 The purpose of this report is to recommend to the Commissioner for approval the revenue and capital budget for 2018/19 and the level of council tax to support the budget. The report also provides provisional estimates for the three years to 2021/22, ensuring budget decisions are taken in the context of the medium term financial forecast.

2. Introduction

- 2.1 It is a legal requirement for the Police and Crime Commissioner to annually set a balanced budget and to allocate funds to the Chief Constable to secure the maintenance of the Police Force for Cumbria. In doing this the budget takes into account forecasts of the income anticipated to be available to the Cumbria police area, and expenditure that is expected to be incurred in delivering the functions of the Commissioner and the priorities of the Police and Crime Plan. This report presents the Commissioner's revenue budget plans to meet these requirements.
- 2.2 This budget report is the final report in a series of papers that provide financial and other information to support the budget setting process. In January more detailed financial and contextual information has been provided to the Police and Crime Panel. Accompanying the budget report on this agenda is a report covering the capital strategy and programme, treasury management strategy, Prudential Indicators and the policy on Minimum Revenue Provision (MRP). These reports support the due diligence in respect of the affordability of the capital programme and the revenue implications of that expenditure. The agenda includes the Joint Chief Finance Officer's statutory report on the robustness of the budget. The full suite of financial reports is available on the Commissioner's website.

3. Summary Budget and Precept

- 3.1 The table below sets out a summary of the consolidated budget setting out the plans for income and expenditure based on the 2018/19 government financial settlement for policing bodies. Appendix A sets out the budget for the Commissioner and the budget for the Chief Constable.

Medium Term Budget 2018 - 2022	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s
Police Pay	77,868	82,603	87,035	88,200	92,128
PCSO Pay	3,071	3,131	3,255	3,304	3,362
Staff Pay	20,634	21,264	21,576	21,940	22,379
Other Employee Costs	1,642	1,165	1,217	1,241	1,257
Premises Costs	3,870	4,047	4,191	4,291	4,393
Transport Costs	2,227	2,176	2,241	2,308	2,378
Supplies & Services	9,419	9,949	9,950	10,151	10,337
Third Party Expenditure	2,199	2,108	2,164	2,232	2,290
LGPS Past Service Costs	482	493	503	515	526
Insurances/Management of Change	727	658	678	689	710
Commissioned Services	2,234	2,246	2,245	2,245	2,245
Accounting and Financing Costs	5,653	11,553	3,525	5,845	6,896
Contributions to Reserves Revenue	1,421	113	96	96	96
Contributions to Reserves Capital	0	0	0	0	0
Total Expenditure	131,447	141,506	138,676	143,057	148,997
Funded by					
Home Office Pension Top Up Grant	(20,695)	(22,574)	(25,094)	(25,534)	(28,262)
Other Grants & Contributions	(6,816)	(6,962)	(6,971)	(6,981)	(6,990)
Sales, Fees, Charges & Rents	(4,682)	(4,784)	(4,481)	(4,720)	(4,663)
Interest/Investment Income	(75)	(75)	(60)	(45)	(20)
Revenue Reserves Drawdown	(337)	(12)	(1,010)	(1,299)	(27)
Capital Reserves Drawdown	(2,664)	(8,472)	(451)	(1,275)	(2,425)
Formula Grant	(58,710)	(58,710)	(58,710)	(58,710)	(58,710)
Council Tax Income	(37,468)	(39,917)	(41,899)	(43,030)	(44,192)
Total Income/Funding	(131,447)	(141,506)	(138,676)	(141,594)	(145,289)
Net Savings Requirement	0	0	0	1,463	3,708

- 3.2 The table shows estimated expenditure based on the budget proposed by and agreed with Cumbria Constabulary. It also includes expenditure for services that will be commissioned with wider partners and the Constabulary in support of the priorities within the Police and Crime Plan. The budget plan provides estimated funding of £141.5m in 2018/19 to support an equivalent level of expenditure. Between 2020/21 and 2021/22 the gap between income and expenditure is expected to increase to £3.7m. This is the net impact of inflationary pressures on expenditure and estimated freezing of

Police Grant at 2017/18 levels offset by increases in Council Tax Income and Pensions Grant, the later funding growth in the cost of police pensions.

- 3.3 For 2018/19 the Minister of State for Policing and Fire has, for the first time, allowed PCCs flexibility to increase council tax by more than 2% without the requirement to undertake a local referendum. In the funding announcement he gave PCCs the ability to increase the band D precept by up to £12, for Cumbria this sum would represent an annual increase on 5.42%. In return for this higher level of increase in the council tax precept for policing, the Commissioner has increased the number of local Police Officers by 25 from 1120 to 1145 FTE. The remainder of the budget proposed has been produced on a continuation basis, which means that current levels of service have been maintained over the life of the four year forecast. This includes functions where additional funding was provided in the 2017/18 budget in response to service pressures including criminal justice and , ICT and civilian investigators

4. 2018/19 Policing Bodies Grant Settlement

- 4.1 On the 19th December 2017 the provisional funding allocations for policing bodies in England and Wales were announced. The funding allocations were based on the 2017/18 levels of funding being maintained for at least the next two years. The MTFE assumes that this flat cash funding continues for the 4 years of the MTFE. The final settlement figures were released on 31st January and these were unchanged from the provisional figures. The outcome of the settlement is a formula funding amount of £58.710m for the Cumbria police area for 2018/19.
- 4.2 The settlement confirmed that the current arrangements for formula funding and damping would continue for 2018/19. This means all policing bodies will continue to receive the same core Government funding as in 2017/18. The Government has indicated that it will re-visit the Home Office police funding formula in the next spending review, which will apply from 2020/21. In the absence of any firm indications on the timing and effect of any changes to the formula, for the purposes of the budget forecast, it has been assumed that this will have a neutral impact on Cumbria's core grant. The potential that changes to the formula may adversely affect the financial outlook will, however, continue to be recognised in the risk register and will be monitored on an on-going basis.
- 4.3 In addition to the formula grant the Commissioner receives a number of specific grants for policing and crime. The key grants against which most funding is received are the Police Pensions Top-Up Grant (£23m) and Home Office legacy Council Tax Grants of £4.85m. The Commissioner will also

receive income of £0.59m to support responsibilities for commissioning support for victims and restorative justice.

- 4.4 In summary, the formula grant settlement has seen a maintenance in funding for local policing and crime reduction in Cumbria with grants at the same cash level as was received for 2017/18. The medium term forecast is currently projecting this flat cash settlement for the duration of the 4 years of the medium term financial forecast. On this basis, budgeted expenditure exceeds income by £3.7m by 2021/22.

5. Council Tax Income & Other Income

- 5.1 The net budget for the Cumbria Police area is funded by a combination of formula grant and Council Tax income. Income from Council Tax is dependent on a precept levied on each District Council in Cumbria. Total tax income is dependent upon the amount at which the precept is set, the number of properties charged (tax base) and the Police Area's share of any surplus or deficit on District Collection Funds. The Council Tax Base takes account of expected collection levels and discounts.

The surplus or deficit position on each District Collection Fund reflects the extent to which actual collection and discounts have varied from the budget. Each precepting authority takes a share of the deficit or surplus pro-rata to their share of the precepts.

Council Tax 'Band B' is the band into which the highest number of properties in Cumbria fall, for this band the increase is £9.31 per annum or 18 pence per week (from £171.71 to £181.02).

- 5.2 The amount of the council tax precept is a decision for the Commissioner, who will take account of the views of the Police and Crime Panel and other consultations in making that decision. This is providing the proposal on the precept is within the Government's Council Tax increase limits. The limits are set by Government each year and inform the percentage increase in Council Tax income allowed before the Commissioner would need to hold a public referendum. The Government has formally announced the Council Tax increase limits as part of the formula grant settlement. As discussed above, the limit for Policing Bodies has been set at a maximum of £12 increase on a band D property for 2018/19 and 2019/20. **The Commissioner's budget is based on a precept increase of 5.42 %. The financial implications for residents are that the Band D Council Tax amount would increase to £232.74 for 2018/19, an increase of £11.97.**

- 5.3 Council tax income is forecast using the tax base estimates provided by district councils. Calculations of the tax base have taken into account billing authorities' responsibilities to support low income households with their council tax liabilities. This support is delivered by way of local schemes that provide discounts. The discounts reduce the tax base and therefore also impact precepting bodies.

Schemes are subject to review and the Police and Crime Commissioner is required to be consulted with regard to scheme changes. The Commissioner has supported the schemes currently proposed by all districts through the consultation process.

- 5.4 The table below sets out the tax base for each district for 2018/19 and the tax base for the prior year. The table shows that the total tax base is estimated to increase by 2132 band D equivalent properties. Budgets from 2019/20 are based on an assumed annual increase in the tax base of 0.75%. The actual updated tax base will be incorporated into future budgets in the year it is notified by districts. If the tax base increases above our estimates this will deliver a small budget benefit whilst a decrease from our estimates will have a negative impact on funding.

District	Tax Base 2017/18	Tax Base 2018/19	Increase (decrease)	% change
Allerdale Borough	30,183.13	30,359.94	176.81	0.59%
Barrow Borough	18,697.88	19,290.00	592.12	3.17%
Carlisle City	32,927.91	33,326.46	398.55	1.21%
Copeland Borough	20,200.96	20,523.35	322.39	1.60%
Eden District	20,119.85	20,365.64	245.79	1.22%
South Lakeland District	44,869.20	45,265.99	396.79	0.88%
Total	166,998.93	169,131.38	2,132.45	1.28%

- 5.5 In addition to the recurrent grant and tax base income, the 2018/19 budget benefits from the net impact of a forecast surplus on the 2017/18 district collection funds. The table below shows the council tax attributable to each district for 2018/19 and the position on each district collection fund for 2017/18.

Council Tax Income 2018/19	Tax base 2018/19	Precept (Band D)	Council Tax Income	Declared Surplus/ (Deficit)	Total 2017/18
Allerdale Borough	30,359.94	232.74	7,065,972.44	88,938.00	7,154,910.44
Barrow Borough	19,290.00	232.74	4,489,554.60	191,112.00	4,680,666.60
Carlisle City	33,326.46	232.74	7,756,400.30	97,975.00	7,854,375.30
Copeland Borough	20,523.35	232.74	4,776,604.48	127,659.00	4,904,263.48
Eden District	20,365.64	232.74	4,739,899.05	22,736.00	4,762,635.05
South Lakeland District	45,265.99	232.74	10,535,206.51	24,602.00	10,559,808.51
Total	169,131.38	232.74	39,363,637.38	553,022	39,916,659.38

- 5.6 In addition to formula funding and Council Tax income, the budget includes an amount of one off income to support one off expenditure achieved through a contribution from reserves. The funding available to support the budget is determined annually and takes account of the funding settlement, the need to provide for budget risks and any estimated under spend from prior years. In total the 2018/19 budget is supported by the use of £8.5m of earmarked revenue and capital reserves. The most significant elements of this are planned contributions of £8.5m from capital reserves to support the capital programme.
- 5.7 Fees and charges income is estimated to provide £4.8m in 2018/19 in support of expenditure. This income is primarily derived from reimbursements for services and officers provided to support national and regional policing requirements in addition to income from driver awareness training and licensing. This income is generated on behalf of the Commissioner by the Constabulary and is netted off the overall funding provided to the Chief Constable.

6. Expenditure Budget & Savings

- 6.1 Gross expenditure of £141.5m can be supported by budgeted income in 2018/19. However, it is anticipated that in future years funding will fail to keep pace with expenditure pressures meaning that by 2021/22 £3.7m savings will be needed to offset rising costs. The key driver in the level of savings requirements is increasing inflationary pressure. Previously, inflation on pay costs had been held at 1% for the life of the medium term forecast, 2017/18 saw the relaxation of the public sector pay constraint and as a consequence, the medium term forecast has now been adjusted to assume annual pay rises of 2%. Inflation on supplies has also been set at 2% for the life of the medium term forecast in line with Bank of England estimates. Against this backdrop, all expenditure budgets are subject to rigorous scrutiny including an annual budget star chamber process, where budget holders are required to justify their budget requirements.
- 6.2 Recognising the need to make further budget savings in the medium term in order to deliver a balanced budget, the Commissioner and Chief Constable have engaged in a number of discussions to consider areas of the budget that will be targeted for reductions in expenditure. Whilst no firm decisions have been made, initiatives, which will be explored as part of the Constabulary's Vision 2025 Strategy include, adjusting the workforce mix, consolidating functions to provide greater resilience, collaboration with other forces and other public sector bodies and realising benefits from investment in new technology.

7. Capital Funding & Expenditure

7.1 In addition to revenue grants the Commissioner also receives a small amount of annual capital funding that supports a capital programme. The programme is developed in consultation with the Constabulary who are the primary user of the capital assets under the ownership of the Commissioner. The budget benefits from £0.364m in capital grant to support capital expenditure from the 2018/19 settlement, the same amount as was received in 2017/18. Over recent years the level of capital grant has reduced significantly as a result of national top-slicing from capital allocations, contributing to a widening gap between the requirement for capital expenditure and capital funding. This has to be met by revenue contributions to capital, capital receipts from the disposal of property and the use of reserves. In 2018/19 the revenue budget contributes £1.7m to fund capital, this figure increases year on year to over £3m per annum from 2020/21. Over the four years of the medium term financial forecast, major capital schemes for ICT and estates are primarily funded through one off reserves and capital receipts. Beyond 2023/24 both these sources of funding will be largely exhausted and as a result revenue contributions will be the primary source of capital funding.

8. Reserves and Balances

8.1 Over the life of the financial forecast total reserves are planned to reduce from £21m at the start of 2018/19 to £6.6m by end of March 2022. Of the remaining £6.6m is the general reserve of £3m held for managing financial risks and resilience, operational reserves/contingencies of £1.3m and a small number of other reserves earmarked for specific purposes and which include pooled/partnership funds.

8.2 The policy on reserves, setting out the purposes for which they are held and planned movements over the life of the medium term budget are set out in Appendix B.

9. Consultation & Value for Money

9.1 The Commissioner has undertaken consultation on the budget and the Police and Crime Plan in line with regulatory requirements. Public consultation has taken place through the Police and Crime Panel and with a specific survey on the Commissioner's website during the budget setting process for 2018/19. The outcome of public consultation has been that the majority of respondents (72%) have agreed with the proposal to increase council tax by the maximum allowed amount of £12 (5.42%) on a band D property. The Commissioner has also sought the view of the Chief Constable. The Police and Crime Panel voted to support the Commissioner's proposal at its meeting 23 January 2018 and made no further recommendations.

- 9.2 The Police and Crime Plan is underpinned by a performance framework that supports the Commissioner in holding the Chief Constable to account for delivering priorities and securing value for money. In developing the framework consideration is given to past performance, benchmarking against most similar forces, the level of officer and staffing resources that can be supported by the budget and the impact of the continuing implementation of the savings programme.

10. Summary

- 10.1 This report presents and explains the budget plans for the period from 2018/19 to 2021/22. The 2018/19 budget is balanced based on a precept increase of £11.97 for a band D property which equates to an increase of 5.42%. In future years savings will be required to offset a deficit of £3.7m by 2021/22. The precept proposal will increase the annual Council Tax attributable to the Commissioner by £11.97 for a Band D property resulting in a Band D Council Tax charge of £232.74.

11. Recommendations

- 11.1 Appendix C sets out the budget resolution for decision by the Commissioner in order to formally approve the level of council tax precept. In the context of the budget resolution, it is recommended that:
- a) **The revenue budgets outlined in this report and appendices be approved, having regard to the Local Government Act 2003 report**
 - b) **That the policy on reserves at appendix B be approved**
 - c) **That the budget requirement for 2018/19 be set on the basis of the amount within the budget resolution at appendix C**
 - d) **The council tax for Band D properties be approved at £232.74 for 2018/19, an increase of £11.97**

12. Acknowledgements

- 12.1 The budget is recommended to the Commissioner with recognition for the hard work and support of the financial services team who provide detailed income and expenditure forecasts and for the work of the Police and Crime Panel in providing challenge and scrutiny to the budget proposal.

Roger Marshall
Joint Chief Finance Officer
14 February 2018

Human Rights Implications

None identified

Race Equality / Diversity Implications

The budget is subject to an Equality Impact Assessment.

Risk Management Implications

There is a legal requirement to set a balanced budget. The Commissioner's strategic risk register recognises the importance of sound financial planning.

Financial Implications

The main financial impacts are described in the paper

Personnel Implications

As identified in the report

Contact points for additional information

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Budget for the Commissioner and the budget for the Chief Constable

Description	Base Budget 2017/18 £	Base Budget 2018/19 £	Base Budget 2019/20 £	Base Budget 2020/21 £	Base Budget 2021/22 £
Constabulary Funding					
Police Officer - Pay & Allowances	55,108,256	58,077,912	59,968,809	60,675,186	61,854,690
Police Officer - Contribution to Pension Fund A/c	21,828,000	23,581,000	26,101,000	26,541,000	29,269,000
Police Officer - Ill Health & Injury Pensions	932,008	944,199	964,972	984,272	1,003,958
Police Community Support Officers	3,070,990	3,131,356	3,254,729	3,303,824	3,361,901
Police Staff - Pay & Allowances	19,999,852	20,684,681	20,985,056	21,337,132	21,763,875
Other Employee Benefits	1,636,769	1,160,125	1,211,804	1,235,627	1,252,062
Transport Related Expenditure	2,221,995	2,171,152	2,236,227	2,303,686	2,373,630
Supplies & Services	9,292,698	9,827,801	9,826,436	10,024,965	10,207,965
Third Party Related Expenditure	2,198,592	2,108,051	2,163,833	2,232,125	2,290,388
Earned Income	(4,682,310)	(4,784,152)	(4,481,489)	(4,719,849)	(4,662,541)
Total Constabulary Funding	111,606,851	116,902,124	122,231,376	123,917,967	128,714,926
Commissioner's Budget					
Office of the Police & Crime Commissioner	780,291	722,694	736,928	751,446	766,255
Commissioned Services Budget	2,234,458	2,245,476	2,245,476	2,245,476	2,245,476
Premises Related Costs	3,867,163	4,045,455	4,190,079	4,289,315	4,391,407
LGPS Past Service Costs	482,000	492,600	503,400	514,500	525,900
Insurances & Management of Change	727,007	657,446	677,484	688,634	709,634
Accounting & Financing Costs	5,645,895	11,542,189	3,513,764	5,833,675	6,885,501
Contributions to Reserves Revenue	1,421,348	113,339	95,884	95,884	95,884
Contributions to Reserves Capital	0	0	0	0	0
Grants & Contributions	(26,558,848)	(28,583,878)	(31,113,259)	(31,562,828)	(34,300,589)
Grants - Victims & Restorative Justice	(588,000)	(588,000)	(588,000)	(588,000)	(588,000)
Grants - Capital	(363,773)	(363,773)	(363,773)	(363,773)	(363,773)
Interest/Investment Income	(75,000)	(75,000)	(60,000)	(45,000)	(20,000)
Total Commissioner's Budget	(12,427,459)	(9,791,452)	(20,162,017)	(18,140,671)	(19,652,305)
Use of Reserves					
Revenue Reserve Drawdown	(337,181)	(12,317)	(1,010,155)	(1,298,678)	(27,333)
Capital Reserve Drawdown	(2,663,800)	(8,471,641)	(450,598)	(1,275,000)	(2,425,000)
Total Use of Reserves	(3,000,981)	(8,483,958)	(1,460,753)	(2,573,678)	(2,452,333)
Budget Requirement	96,178,411	98,626,715	100,608,606	103,203,618	106,610,289
Formula Grant & Council Tax Income					
General Police Grant	(58,710,055)	(58,710,055)	(58,710,055)	(58,710,055)	(58,710,055)
Council Tax Precepts	(37,468,356)	(39,916,659)	(41,898,551)	(43,030,194)	(44,192,032)
Total Formula Grant & Council Tax Income	(96,178,411)	(98,626,714)	(100,608,606)	(101,740,249)	(102,902,087)
Net Deficit/Savings Requirement	0	0	(0)	1,463,369	3,708,201
Council Tax per Band D Property	£220.77	£232.74	£244.71	£249.48	£254.34
Increase over previous year	-	£11.97	£11.97	£4.77	£4.86
Percentage Increase	-	5.42%	5.14%	1.95%	1.95%

Policy on Reserves 2018/19

Our policy on reserves meets the statutory requirement to consider annually the level of reserves that should be held to meet future expenditure requirements when setting the budget. It sets out the purpose for which reserves are held and the planned movement in reserves over the life of this strategy. Our reserves are held for three main purposes. These are:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing
- a contingency to cushion the impact of unexpected events or emergencies
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted pressures or liabilities

The level of reserves should take into account the medium term financial plan and not be based solely on short term considerations. Set out below is a description of the reserves held by the Commissioner, the purpose for which they are held and a table setting out the planned movement in reserves over the life of this medium term financial strategy.

General Reserves: The general reserve is the main contingency for unexpected events, and the management of cash flow. The level of general reserve is £3m in 2018/19. The amount represents approximately 3% of the net

recurrent budget (after specific grants & fees and charges). The level of the general reserve takes account of the risks within the budget as set out in the Chief Finance Officer's report on the robustness of the budget and the level of provision for those risks within specific earmarked reserves and contingencies.

Capital Reserves: Capital reserves are a combination of general and earmarked revenue contributions that have been set aside to meet the costs of approved capital schemes to be delivered over multiple financial years. Capital schemes are only included within the capital programme on the basis of setting aside funding to meet the expenditure. The policy is that general capital reserves will be maintained at a level to ensure a balanced capital budget for the duration of the medium term financial forecast.

Earmarked Reserves: Earmarked reserves are held for a number of specific purposes. Future liability reserves provide for areas within the budget where there is a liability but the amount or timing is uncertain. Budget stabilisation reserves are established to smooth the impact of intermittent costs across financial years. Project reserves primarily fund the one off revenue implications of approved capital schemes.

Planned Movement in Reserves 2018/19 to 2021/22

Reserves Plan 2018-2022	Note	Forecast	Net	Forecast	Net	Forecast	Net	Forecast	Net	Forecast
		Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance	Gain/(Use)	Balance
		31/03/18	2018/19	31/03/19	2019/20	31/03/20	2020/21	31/03/21	2021/22	31/03/22
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
General Reserve/Police Fund	1	3,000	0	3,000	0	3,000	0	3,000	0	3,000
Total General Reserve/Police Fund		3,000	0	3,000	0	3,000	0	3,000	0	3,000
Capital Reserves										
General Capital Reserve		5,166	(5,166)	0	0	0	0	0	0	0
Estates North Flood Management		3,457	(3,306)	151	(151)	0	0	0	0	0
Estates West Flood Management	2	4,000	0	4,000	(300)	3,700	(1,275)	2,425	(2,425)	0
Total Capital Reserves		12,623	(8,472)	4,151	(451)	3,700	(1,275)	2,425	(2,425)	0
Future Liability Reserves										
Insurance Reserve	3	894	46	940	46	986	46	1,032	46	1,078
PFI Lifecycle Replacements		309	0	309	0	309	0	309	0	309
Total Future Liability Reserves		1,203	46	1,249	46	1,295	46	1,341	46	1,387
Budget Stabilisation Reserves										
Constabulary Operational Reserves	4	250	0	250	0	250	0	250	0	250
PCC Operational Reserve		250	0	250	0	250	0	250	0	250
Body Armour (Future Roll Out)		141	50	191	50	241	50	291	50	341
Budget Support Reserve		2,252	17	2,269	(993)	1,276	(1,276)	0	0	0
Chief Constable's Contingency		500	0	500	0	500	0	500	0	500
Total Budget Stabilisation Reserves		3,393	67	3,460	(943)	2,517	(1,226)	1,291	50	1,341
Short Term Project Reserves										
Cumbria Road Safety Initiatives	5	192	0	192	0	192	0	192	0	192
ICT Business Plan - Kelvin Apps		9	0	9	0	9	0	9	0	9
Leadership & Skills		4	0	4	0	4	0	4	0	4
Commissioned Services		794	(12)	782	(17)	765	(22)	743	(27)	716
Total Short Term Project Reserves		999	(12)	987	(17)	970	(22)	948	(27)	921
Total Earmarked Revenue Reserves		5,595	101	5,696	(914)	4,782	(1,202)	3,580	69	3,649
Total All Reserves	7	21,218	(8,371)	12,847	(1,365)	11,482	(2,477)	9,005	(2,356)	6,649

Overall reserves are forecast to fall to just £6.6m over the life of the MTF, this represents a fall of 69% compared to their current level of £21.2m

Budget Resolution

Local Government Act 2003 Requirements: That the comments of the Joint Chief Finance Officer on the robustness of the estimates and adequacy of balances and reserves be noted and reflected in the decisions made by the Commissioner in making the following budget determination for 2018/18.

Revenue Estimates 2018/19: That the Commissioner's net **Budget Requirement** of £98,626,715 be approved.

Council Tax Base 2018/19: That it is noted that the Council Tax base has been calculated at the amount of 169,131.29 for 2018/19. This is the total of the tax bases calculated by the District Councils as required by regulation.

Budget Requirement: That the following amounts are calculated by the Commissioner for the 2018/19 financial year:

Ref	2018/19 Amount £s	Description
(a)	£141,505,476	being the total of gross expenditure
(b)	£42,878,761	being the total of income from specific grants, fees and charges and transfers from reserves
(c)	£98,626,715	being the Budget Requirement for the year to be met from Council Tax and External Finance
(d)	£58,710,055	being the total the Commissioner estimates will be received from external financing, being the Police Grant
(e)	£553,022	being the net surplus on district collection funds
(f)	£39,363,638	being the council tax requirement (the budget requirement less the collection fund surplus and external finance)
(g)	£232.74	being the basic amount of Council Tax for the year (the council tax requirement divided by the tax base)

Valuation Bands and Calculation of the amount of Precept payable by each billing authority:

Valuation Band	Amount £.pp	Proportion
Band A	155.16	6/9 ths
Band B	181.02	7/9 ths
Band C	206.88	8/9 ths
Band D	232.74	9/9 ths
Band E	284.46	11/9 ths
Band F	336.18	13/9 ths
Band G	387.90	15/9 ths
Band H	465.48	18/9 ths

Billing Authority	Tax Base 2018/19	Precept (Band D)	Amount Payable
Allerdale Borough	30,359.94	232.74	7,065,972.44
Barrow Borough	19,290.00	232.74	4,489,554.60
Carlisle City	33,326.46	232.74	7,756,400.30
Copeland Borough	20,523.35	232.74	4,776,604.48
Eden District	20,365.64	232.74	4,739,899.05
South Lakeland District	45,265.99	232.74	10,535,206.51
Total	169,131.38	232.74	39,363,637.38