

Cumbria Office of the Police and Crime Commissioner

Title: Revenue Budget and Medium Term Financial Forecast (MTFF)

Police and Crime Panel: 23 January 2018

Police and Crime Panel: 16 January 2018 Budget Briefing Session (Draft Version)

Report of the Joint Chief Finance Officer

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer and
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1. Introduction

- 1.1. The purpose of this report is to provide a detailed analysis of the figures contained within the revenue budget for 2018/19 and the MTFF to 2021/22.
- 1.2. The report provides more detailed analysis of the budgets for 2018/19 together with comparative information from the 2017/18 approved budget.
- 1.3. The report also provides additional information in respect of the more unusual aspects of the budget and explanations where the budgets have changed significantly between the years.
- 1.4. The overall revenue budget and MTFF position is summarised in **Appendix A**. Further analysis is provided in supporting appendices (B and C) which are cross referenced from the main appendix.

Revenue Budget & Medium Term Financial Forecast to 2021/22

Description	Supporting Schedule	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s	2021/22 £'s
Commissioner's Budgets	Appendix B	(13,848,807)	(10,545,088)	(20,257,861)	(18,236,514)	(19,748,147)
Constabulary Funding	Appendix C	111,606,851	116,852,124	122,180,376	123,865,947	128,661,865
Movement to /(from) Reserves	Note 1	(1,579,633)	(8,238,145)	(1,530,858)	(1,764,269)	(2,356,449)
Net Expenditure		96,178,411	98,068,892	100,391,657	103,865,164	106,557,270
Funding						
Formula Grants/Funding	Note 2	(58,710,055)	(58,710,055)	(58,710,055)	(58,710,055)	(58,710,055)
Council Tax	Note 3	(37,468,356)	(39,358,836)	(41,681,602)	(42,807,357)	(43,963,150)
Net Deficit / Savings Requirement		0	0	0	2,347,752	3,884,064

Note 1 – More information on reserves will be provided to the January meeting of the Police and Crime Panel as part of the precept proposal report.

Note 2 – The provisional settlement for formula funding was announced on 19 December 2017. The funding allocated for 2018/19 had been maintained at the 2017/18 levels. The settlement indicated that the 2019/20 grant sums would also be at this level. At this stage it has been assumed that the figure included in the draft settlement for 2018/19 will continue to be maintained on a flat cash basis for the remainder of the MTF.

Note 3 – The council tax figures assume that the council tax base will increase by 0.75% per annum. The figures also assume council tax precept rises of £12 (5.4%) per band D property for 2018/19 and 2019/20 and then around 1.94% for the final 2 years of the MTF, which are subject to consultation.

Commissioner's Budgets

The Commissioner's budgets include commissioned services and a number of other technical statutory accounting adjustments. The budget can be analysed as follows:

Description	Paragraph	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s	2021/22 £'s
Commissioner's Office	B1	780,291	722,694	736,928	751,446	766,255
Commissioned Services	B2	2,234,458	2,245,476	2,245,476	2,245,476	2,245,476
Premises Related Costs	B3	3,867,163	4,085,168	4,190,119	4,289,356	4,391,449
Insurances	B4	530,832	551,946	571,984	583,134	604,134
LGPS Past Service Cost	B5	482,000	492,600	503,400	514,500	525,900
Provision for Insurance liability	B6	196,175	105,500	105,500	105,500	105,500
Statutory Accounting Adjustments	B7	356,765	352,796	352,796	352,796	352,796
Capital Financing	B8	5,289,130	10,509,383	3,160,968	5,480,879	6,532,705
Grants & Contributions	B9	(27,510,621)	(29,535,651)	(32,065,032)	(32,514,601)	(35,252,362)
Interest/investment Income	B10	(75,000)	(75,000)	(60,000)	(45,000)	(20,000)
Total		(13,848,807)	(10,545,088)	(20,257,861)	(18,236,514)	(19,748,147)

B1. Commissioner's Office

The budget for the Commissioner's office includes funding for the Commissioner plus his office comprising of 12.3 FTEs. The pay budget has been increased by pay inflation at 2% throughout the MTFF and the non-pay budgets in general have been subject to an increase of 2%.

B2. Commissioned Services

The commissioned services budget provides for the Commissioner's statutory responsibilities across the areas of victim support, community safety and enhancing criminal justice. It is funded by a combination of ministry of justice grants, successful Home Office innovation funding bids and base budget. Following the devolution of responsibility for local provision of victim's services from 2015/16, this budget now funds a full programme of commissioned services targeted at crime prevention and victim support. This includes victims referral, independent domestic and sexual violence advisory and counselling services (including The Bridgeway), Turning the Spot Light Restorative Justice, perpetrator programmes e.g. Restorative Solutions and education programs including Chelsea's Choice and Young Cumbria.

B3. Premises Related Costs

The Commissioner is statutorily responsible for and owns the police estate. The Chief Constable manages the estate on behalf of the Commissioner. The estate is comprised of police headquarters at Carleton Hall, larger police stations which include custody facilities, smaller police stations and a small number of residual police houses. The premises budget can be analysed as follows:

Description	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Property Repairs & Maintenance	701,478	742,030	40,552	5.78%
Utilities	907,512	957,734	50,222	5.53%
Rent & Rates	1,662,013	1,744,070	82,057	4.94%
Cleaning & Domestic Supplies	506,481	552,617	46,136	9.11%
Other Premises Costs	89,679	88,717	(962)	-1.07%
Total	3,867,163	4,085,168	218,005	5.64%

The premises related budgets have increased between 2017/18 and 2018/19. Rent and Rates costs have increased as a result of the revaluation exercise carried out by the valuation office which has seen a significant increase in the rateable value of our properties. The increases are phased in over a number of years. The cleaning and domestic supplies have increased as a result of the new cleaning contract, the contract price has increased at renewal largely as a result of the impact of the living wage. Property repairs and maintenance costs are based on the schedule of planned maintenance and a budget for reactive maintenance. Costs in 2018/19 to maintain the estate are expected to be 5.78% higher than those in 2017/18 reflecting cyclical peaks and troughs in maintenance requirements.

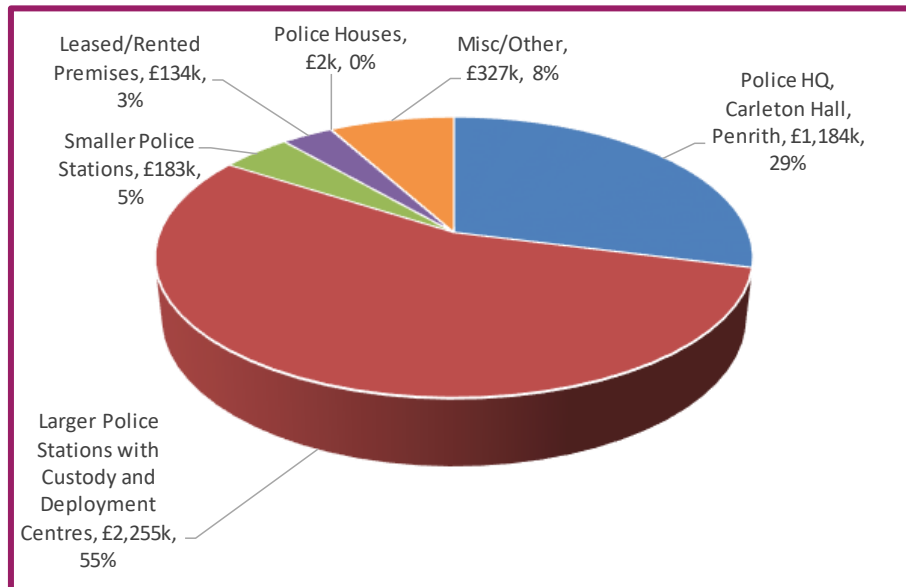
The Commissioner's estate had an accounting value of £52m at 31/03/2017

The estates budget is analysed by category premises below:

Estates Costs 2018/19 by Category of Property	Property Total £000s	Property Total %
Police HQ, Carleton Hall, Penrith	1,184	29%
Larger Police Stations with Custody and Deployment Centres	2,255	55%
Smaller Police Stations	183	4%
Leased/Rented Premises	134	3%
Police Houses	2	0%
Misc/Other	327	8%
Total	4,085	100%

Misc./Other includes non-premises specific estates costs for example reactive repairs and maintenance which cannot be allocated to a premises in advance, cleaning supplies to general stores and valuation fees. Also included are the premises costs associated with the operation of fleet garages and workshops.

The chart below illustrates this graphically:



Police HQ at Carleton Hall, the 4 Custody suites and 6 main deployment centres account for 84% of the premises budget.

B4. Insurances

During 2016/17 the Commissioner and Constabulary retendered and awarded long term agreements in respect of insurance which run until 31 October 2019 (with an option to extend for a further 2 years to 31 October 2021). On an annual basis insurance policies are renewed based on current data. During the 2017/18 renewal process insurance premiums saw an increase for two main reasons. Firstly, as a result of a change in the percentage rate for insurance premium tax from 10% to 12% effective from June 2017. Secondly, the method used by insurance companies to calculate the potential liability as a result of an accident causing serious injury (known as the Ogden rate or discount rate). This increased premiums in respect of motor policies by 10% and employers and public liability policies by 15%.

B5. Local Government Pension Scheme (LGPS) Past Service Cost

Each year a payment is made to the LGPS in respect of past service cost which aims to reduce the pensions' deficit. The amount paid is based on an actuarial valuation of pension liabilities which is carried out on a three yearly basis. The most recent valuation was undertaken on 31 March 2016 and has provided an increase in the contribution rates (from 12.7% to 15.4%) and a reduced deficit reduction payment, both of which took effect from 1 April 2017.

B6. Provision for Insurance Liability

The Commissioner makes an annual contribution to a provision for insurance liabilities. The provision covers costs associated with claims below the insurance policy excess levels and is based on a biennial actuarial valuation of those liabilities. The next review is due to take place in March 2018.

B7. Statutory Accounting Adjustments

Statutory accounting adjustments relate to the mechanism by which capital grants are received through the revenue budget and are then transferred to capital grants unapplied until these are utilised to fund the capital programme. The capital grant received from the home office in 2017/18 amounted to £364k, the provisional funding settlement for 2018/19 sees this figure maintained at 2017/18 levels.

B8. Capital Financing

Capital financing includes the following items:

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Direct Revenue Contributions (DRC)	A	1,583,727	1,683,727	100,000	6.31%
DRC - Use of Capital Reserves	B	2,663,800	7,791,631	5,127,831	192.50%
Minimum Revenue Provision	C	422,730	431,703	8,973	2.12%
Private Finance Initiative (PFI) Interest	D	618,873	602,322	(16,551)	-2.67%
Total		5,289,130	10,509,383	5,220,253	98.70%

Notes:

- A. The Commissioner makes annual contributions from the revenue budget to the funding of the capital programme. The annual contribution is currently set at 1.7m. Additional contributions from partner organisations for specific aspects of the capital programme (e.g. CCTV, Sellafield vehicles) are also included in this line.
- B. The Commissioner holds a number of reserves that have been earmarked for specific capital purposes. When these are applied to fund the capital programme the mechanism is for these to be cycled through the revenue budget. There is a corresponding opposite entry contained within the movements to/from reserves line.
- C. The Commissioner has an underlying need to borrow which is known as the Capital Financing Requirement (CFR). In order to ensure that budget proposals are prudent, the Commissioner is required to make a Minimum Revenue Provision (MRP). The MRP can be likened to making the minimum payment on a credit card.
- D. The Commissioner has a 25 year PFI agreement in respect of the West TPA HQ at Workington. The arrangements for accounting mean that the interest element of the annual unitary charge made by the PFI provider is treated as capital financing.

B9. Grants & Contributions

The Commissioner receives a number of grants and contributions from central Government bodies and other partner organisations. The majority of this income is in respect of the pensions top up grant received from the Home Office. The table below provides an analysis of the budgeted income for 2018/19 with comparatives for 2017/18.

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Home Office - Police Pension Top Up	A	(20,695,000)	(22,574,000)	(1,879,000)	9.08%
Home Office - Other	B	(301,381)	(472,411)	(171,030)	56.75%
DCLG Grant - PFI Grant		(687,708)	(687,708)	0	0.00%
DCLG Grant - Council Tax Freeze Grant		(857,812)	(857,812)	0	0.00%
DCLG Grant - Council Tax Support Grant		(3,991,947)	(3,991,947)	0	0.00%
Ministry of Justice	C	(588,000)	(588,000)	0	0.00%
Home Office - Non Specific Capital Grant	D	(363,773)	(363,773)	0	0.00%
Other - Central Government Funding	E	(25,000)	0	25,000	-100.00%
Total		(27,510,621)	(29,535,651)	(2,025,030)	7.36%

Notes:

- A. The police officer pension scheme is an unfunded pension scheme which means that there are no assets held by the pension scheme to cover liabilities. The constabulary operates a Pension Fund Account for police pensions into which contributions from current serving police officers are paid (contribution rates between 11% and 15.05%) together with contributions from the constabulary as employer (at 24.2%). From this fund, pension payments to former police officers are made. The net balance on this pension fund account is a deficit and the Commissioner receives a Pensions Top-up Grant from the Home Office to balance the fund. The transfer of this grant to the police pension fund account is shown within the constabulary funding section below (see C2).
- B. The increase in Home Office Grant Other income simply reflects a change in funding method in relation to the ports officers, the income was previously shown as an inter-force reimbursement and as such was shown in Constabulary income, see C10, F below.
- C. The Ministry of Justice grant is in respect of victims services including restorative justice.
- D. The Home Office Non Specific Capital Grant forms part of the annual funding settlement from the Home Office. The figure for 2018/19 is £364k and represents a maintenance of the amount received for 2017/18.

E. The reduction in other central government funding relates to a contribution from NHS for early adopter funding which is no longer received.

B10. Interest/Investment Income

The Commissioner invests surplus funds until these are required to fund operational requirements with financial institutions in accordance with the investment strategy (approved in February each year as part of his Treasury Management Strategy). The current forecast for investment income is based on the forecast sums available for investment and the most likely interest rate that will be achieved on those investments. The forecast income is relatively low due to the historically low bank base rate which was increased in November to 0.50% from its previous level of 0.25% which was set in August 2016, previously the base rate had been at 0.50% since 2009. The forecasts assume that the rate will remain at its present low level for the duration of the MTFP.

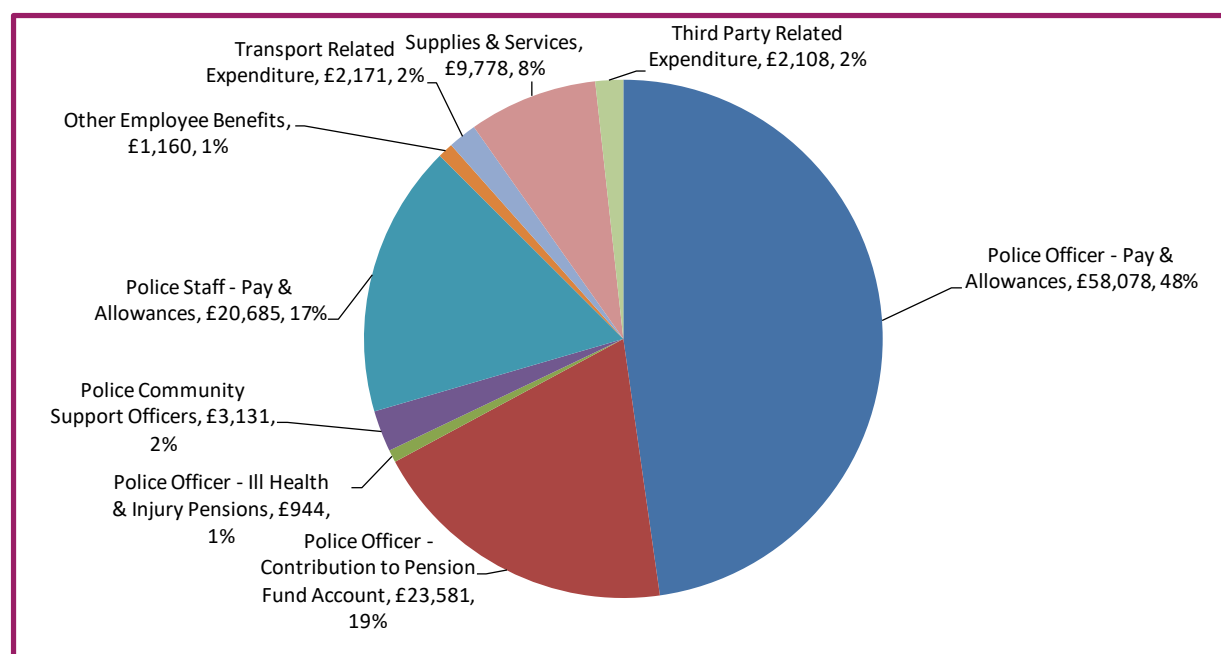
Interest Rate Forecast	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s	2021/22 £'s
Quarter 1	0.25%	0.50%	0.50%	0.50%	0.50%
Quarter 2	0.25%	0.50%	0.50%	0.50%	0.50%
Quarter 3	0.25%	0.50%	0.50%	0.50%	0.50%
Quarter 4	0.25%	0.50%	0.50%	0.50%	0.50%

The reduction in forecast income during for future years reflects the reduction in overall balances available for investment as capital reserves are depleted.

Constabulary Funding

The largest portion of expenditure for the Commissioner (£122m in 2018/19) relates to funding provided to the Chief Constable by way of the funding arrangement. The funding provided by the Commissioner is set out in the table below and is analysed into subjective headings. More detailed analysis of the subjective headings is provided in the sections below (see C1-C10).

Description	Paragraph	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s	2021/22 £'s
Police Officer - Pay & Allowances	C1	55,108,256	58,077,912	59,968,809	60,675,186	61,854,690
Police Officer - Contribution to Pension Fund Account	C2	21,828,000	23,581,000	26,101,000	26,541,000	29,269,000
Police Officer - Ill Health & Injury Pensions	C3	932,008	944,199	964,972	984,272	1,003,958
Police Community Support Officers	C4	3,070,990	3,131,356	3,254,729	3,303,824	3,361,901
Police Staff - Pay & Allowances	C5	19,999,852	20,684,681	20,985,056	21,337,132	21,763,875
Other Employee Benefits	C6	1,636,769	1,160,125	1,211,804	1,235,627	1,252,062
Transport Related Expenditure	C7	2,221,995	2,171,152	2,236,227	2,303,686	2,373,630
Supplies & Services	C8	9,292,698	9,777,801	9,775,436	9,972,945	10,154,904
Third Party Related Expenditure	C9	2,198,592	2,108,051	2,163,833	2,232,125	2,290,388
Gross Constabulary Expenditure		116,289,161	121,636,276	126,661,865	128,585,796	133,324,407
Income	C10	(4,682,310)	(4,784,152)	(4,481,489)	(4,719,849)	(4,662,541)
Net Constabulary Funding		111,606,851	116,852,124	122,180,376	123,865,947	128,661,865



Constabulary Gross Expenditure of £122m in 2018/19
(figures in £000s)

In overall terms expenditure has increased from £116.3m in 2017/17 to £121.6m in 2018/19, an increase of £5.3m. Of the increase, £1.8m relates to police pensions, £0.8m relates to increasing police officer numbers by 25 FTE with the balance being due to pay/price inflation at around 2% per annum.

C1. Police Officer Pay and Allowances

Police officer pay and allowances account for the majority (48%) of the Constabulary budget. The budget is based on the current workforce plan. The budget for 2018/19 is based on an increase of 25 police officers from 1120 to 1145 police officers. The Police Officer pay budget also includes the impact of proposed changes to police pension contributions from April 2019 which has impacted on overall pay budgets by around £1m. The pay budgets for Police Officers assume a 2% pay award each September over the life of the MTFF.

C2. Contribution to the Police Pension Fund Account

The Police Officer pension scheme is an unfunded pension scheme which means that there are no assets held by the pension scheme to cover liabilities. The constabulary operates a Pension Fund Account for police pensions into which contributions from current serving police officers are paid (contribution rates between 11% and 15.05%) together with contributions from the constabulary as employer at 24.2%). From this fund, pension payments to former police officers are made. The net balance on this pension fund account is a deficit and the Commissioner receives a Pensions Top-up Grant from the Home Office to balance the fund. This line within the constabulary budget reflects the constabulary's contribution to the pension fund account to meet this deficit. The grant itself is recorded within the Commissioner's budgets (see Appendix B, line B10).

C3. Ill Health & Injury Pensions

The Constabulary has to meet the pension payments of police officers who retire on an ill health or injury basis. All other pension payments are met by the Pension Fund Account (see above) which is funded from in year officer and employer contributions plus a top up grant from the Home Office.

C4. Police Community Support Officers

The budget for Police Community Support Officers accounts for 2% of the constabulary budget and is based on an establishment of 95 FTE posts. The pay budgets for PCSOs assume a 2% pay award each September over the life of the MTFF.

C5. Police Staff

Police staff pay and allowances account for 17% of the Constabulary budget. Police staff budgets are based on the current workforce plan. The figures have increased between 2017/18 and 2018/19 through a combination of pay awards and annual increments. The pay budgets for Police Staff assume a 2% pay award each September over the life of the MTFP.

C6. Other Employee Benefits

The other employee benefits budget covers a mix of individual budget lines. These budgets have been subject to an inflationary increase of 2.0% in the main. The proposed other employee benefits budget for 2018/19 and a comparison with that of 2017/18 is shown in the table below:

Description	Paragraph	2017/18	2018/19	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Temporary & Agency Staff	A	630,965	48,253	(582,712)	-92.35%
Staff & Officer Recruitment Costs	B	48,710	72,900	24,190	49.66%
Staff Welfare Costs	C	156,875	177,734	20,859	13.30%
Employee Insurance		6,875	6,100	(775)	-11.27%
Police Staff Pension Additional Payments		65,660	64,823	(837)	-1.27%
Training & Conferences Expenditure	D	727,684	484,315	(243,369)	-33.44%
Apprenticeship Levy	E	0	306,000	306,000	100.00%
Total		1,636,769	1,160,125	(476,644)	-29.12%

Notes:

- A. Temporary and Agency staff budget reduces back to more normal levels in 2018/19. During 2017/18 a restructure within ICT and the need for temporary resources required to assist with the investigation of historic cases resulted in higher temporary and agency staff costs.
- B. The increase in respect of staff and officer recruitment costs is partly as a result of increased levels of forecast recruitment in 2018/19.
- C. The increase in staff welfare costs in 2018/19 reflects the increased plans for recruitment in 2018/19.
- D. The increase in training and conferences reflects additional costs associated with increased levels of officer recruitment planned for 2018/19 to increase officer numbers and additional demands for training as a result of national initiatives.

E. The apprenticeship levy was introduced on 1 April 2017 and is set at 0.5% of the pay budget. The levy is paid into an electronic account and can be used to offset training costs. In 2017/18 the apprenticeship levy was shown within third party costs, see section C9 below.

Staff welfare costs include, counselling, physiotherapy, ergonomists and other medical fees and tests.

Additional pension payments relate to pensions costs in respect of former employees who have retired early.

C7. Transport Related Budgets

Expenditure on transport budgets accounts for approximately 2% of Constabulary expenditure. The transport budgets have been uplifted for inflation at a rate of 2% in the main, the exception being fuel which has been increased by 5%. The proposed transport related budget for 2018/19 and a comparison with that of 2017/18 is shown in the table below:

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Vehicle Repair & Maintenance	A	725,925	715,064	(10,861)	-1.50%
Vehicle Fuel	B	1,003,285	932,952	(70,333)	-7.01%
Vehicle Contract Hire & Operating Leases	C	151,039	192,086	41,047	27.18%
Car Allowances & Travel Expenses	D	313,647	302,389	(11,258)	-3.59%
Transport Other		28,099	28,661	562	2.00%
Total		2,221,995	2,171,152	(50,843)	-2.29%

Notes:

- A. The vehicle repairs and maintenance budget has reduced slightly in 2018/19 and reflects savings identified through the star chamber process.
- B. The vehicle fuel budget has reduced slightly and the reason for this is twofold. As a result of a change in the way calls for service are being handled, overall annual mileage has reduced. This reduction is being offset to a degree by an increase in the pump price of vehicle fuel during 2017/18 and the forecast is for this trend to continue. Vehicle fuel has therefore been increased by a higher inflation rate (5%).
- C. Vehicle Hire costs have steadily increased over the past few years. The increases in part relate to the cost of car hire associated with training. In addition, the implementation of the travel desk has improved decision making around the most cost effective means of travel, this has seen a steady reduction in the amount of car mileage allowances paid over the years.
- D. Car allowances and travel expenses have reduced largely as a result of the implementation of the travel desk which has improved decision making around the most cost effective means of travel.

The vehicle fleet consists of 313 vehicles and can be broadly categorised as follows:

Fleet Summary	Number of vehicles in category
Covert	14
Neighbourhood Policing	114
Specialist Vehicles	31
Dog Vehicles	10
Motor Cycles	8
Pool Cars	30
Protected personnel Carriers	9
Roads Policing Vehicles	20
Crime Command	46
Crime Scene Investigators	10
Garage	6
Chief Officers Pool	2
Boat	1
Recharable Vehicles	12
Total Fleet Vehicles	313

Fleet vehicle replacements are provided through the capital programme. The current 10 year capital programme for fleet replacements amounts to £14m

Cumbria has 4,784 miles of roads of which 76 are motorway.

Cumbria officers check on average 125 thousand vehicles per year.

The vehicle fleet travels approximately 5.3 million miles per year (reduced from 6.8m in 2010/11).



C8. Supplies & Services

Expenditure on supplies & services accounts for approximately 8% of Constabulary budgets. The majority of budgets have been increased for general inflation at 2%. This is followed by the star chamber process.

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Office Equipment, Furniture & Materials		241,821	233,968	(7,853)	-3.25%
Catering Services	A	54,681	152,657	97,976	179.18%
Clothing, Uniform & Laundry	B	393,941	474,558	80,617	20.46%
Custody Costs	C	173,602	144,243	(29,359)	-16.91%
Forensics Costs		694,995	693,460	(1,535)	-0.22%
Investigative Expenses		108,721	115,686	6,965	6.41%
Police Doctors & Surgeons		1,305,025	1,331,126	26,101	2.00%
Interpreters & Translators	D	34,378	55,462	21,084	61.33%
Communications & Computing	E	4,825,790	4,530,610	(295,180)	-6.12%
Members Allowances & Expenses		7,012	8,034	1,022	14.58%
Other Supplies & Services	F	1,362,523	1,965,687	603,164	44.27%
Printing Recharges		90,209	72,310	(17,899)	-19.84%
Total		9,292,698	9,777,801	485,103	5.22%

Notes:

- A. The budget for catering services has been increased as a result of the provision of canteen services being brought in house from September 2017. There is a corresponding increase in income from sales of goods and assets see C10, B below.
- B. The budget for clothing uniform and laundry has increased as a result of the planned profile of recruitment of police officers and police specials and associated uniform requirements.
- C. The budget for custody costs has reduced as a result of a re-basing of the budget following the budget star chamber exercise.
- D. The budget for interpreters and translators has increased as a result of changes to the detainee profile and the increased need to use face to face translators.
- E. Communications and Computing costs have reduced as a result of the zero basing of budgets.
- F. Other Supplies and Services includes a variety of budget lines including subscriptions, audit fees, operational equipment and accommodation and subsistence.

C9. Third Party Related

Expenditure on third party payments accounts for just 2% of overall Constabulary funding and covers a wide range of items.

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Collaborations & Co-Working	A	212,715	267,544	54,829	25.78%
Outsourced Services		139,672	142,748	3,076	2.20%
Collaboration Payments	B	809,564	856,354	46,790	5.78%
Police National Computer / Database	C	519,635	481,897	(37,738)	-7.26%
Other Third Party Payments	D	217,006	359,508	142,502	65.67%
Apprenticeship Levy	E	300,000	0	(300,000)	100.00%
Total		2,198,592	2,108,051	(90,541)	-4.12%

Notes:

- A. The increase in Collaborations and Co-working reflects the inclusion of a budget in respect of the safety camera scheme, a corresponding income budget has also been included below see C10, D.
- B. The increase in collaboration payments relates to an increase in the number of regional posts.
- C. The fees payable in respect of Police National Computer/Database have reduced.
- D. The increase in other third party payments is largely as a result of the inclusion of a budget in respect of a national polygraph project, corresponding funding is shown within income from other forces, see C10, A below.
- E. From 1 April 2017, all employers whose paybill is greater than £3m are required to pay a levy towards the Government's apprenticeship scheme. The levy is equivalent to 0.5% of the paybill. It is hoped that over time the PCC/Constabulary will be able to recover training costs associated with training new recruits and apprentices, exact scheme details are still being developed. In 2018/19, the budget has been reclassified as other employee expenses and is shown in C6, E above.

C10. Income

The Constabulary receives a relatively small amount of income each year, just 4% when compared with Constabulary gross expenditure. The majority of income budgets have been increased for general inflation at 2%.

Description	Paragraph	2017/18 £'s	2018/19 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Local Government Funding - Specific Partnership	A	(118,134)	(100,634)	17,500	-14.81%
Sale of Assets & Goods	B	(76,962)	(288,979)	(212,017)	275.48%
Fees & Charges - Public Fees		(253,445)	(259,616)	(6,171)	2.43%
Fees & Charges - Rental & Hire Charges	C	(3,531)	(24,550)	(21,019)	595.27%
Fees & Charges - General	D	(895,450)	(995,145)	(99,695)	11.13%
Private Hire - Single & Recurring Events	E	(924,549)	(515,649)	408,900	-44.23%
Inter Force Reimbursements Incl. Collaboration	F	(317,363)	(89,497)	227,866	-71.80%
Reimbursed Services - Other Public Bodies	G	(917,597)	(1,012,184)	(94,587)	10.31%
Transport Trading Income		(2,038)	(2,079)	(41)	2.01%
General Trading Income		(399,488)	(392,571)	6,917	-1.73%
Contributions & Reimbursements by Staff		(1,119)	(1,970)	(851)	76.05%
Proceeds of Crime		(100,000)	(102,000)	(2,000)	2.00%
Reimbursements of Licence Expenditure		(13,000)	(13,260)	(260)	2.00%
Sources of Income from Other Forces	H	(549,326)	(893,909)	(344,583)	62.73%
Internal Recharges Income - Printing		(110,308)	(92,109)	18,199	-16.50%
Total		(4,682,310)	(4,784,152)	(101,842)	2.18%

Notes:

- A. Specific partnership funding has reduced largely as a result of the safety camera scheme becoming more self-financing (see also note D below) and requiring less of a contribution from the county council.
- B. The increase in respect of the sale of assets and goods is partly as a result of the inclusion of canteen sales as a result of bringing catering services in house from September 2017. There is a corresponding increase in catering related expenses in supplies & services above (see C9, A).
- C. Rental and hire charges have increased largely as a result of two new rental arrangements the first in relation to office space provided to Sellafield Ltd and the second in relation to income from the Mast at HQ.
- D. The increase in fees and charges general largely reflects an increase in income in respect of driver awareness courses, the increased income in this area to offset to a degree by a reduced contribution from the county council (see note A above).

- E. The reduction in single and recurring events is as a result of this budget being re-based in respect of specialist policing operations to the level of anticipated income for the 2018/19 financial year.
- F. The reduction in respect of inter force collaboration is partially a result of a change in funding method in relation to ports officers, the income is now received as a grant and as such shown with PCC grants and contributions (see B9 B above), in addition the funding in respect of underwater search has also been removed as we will no longer be providing an officer to this regional team.
- G. The increase in income in respect of reimbursed services other public bodies, represents a re-classification of income from income from other forces (see note H below).
- H. The increases in income from other forces reflects a forecast increase in receipts as a result of reimbursements from police officer and staff secondments.