



# Cumbria Office of the Police and Crime Commissioner

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

Police and Crime Panel: 23 January 2017

Police and Crime Panel: 13 January 2017 Budget Briefing Session (Draft Version)

Report of the PCC Chief Finance Officer

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer &  
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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 2017/18 and the MTFF to 2020/21.
- 1.2. The report provides more detailed analysis of the budgets for 2017/18 together with comparative information from the 2016/17 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.

## Appendix A

### Revenue Budget & Medium Term Financial Forecast to 2020/21

Description	Supporting Schedule	2016/17 £'s	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s
Commissioner's Budgets	Appendix B	(10,451,024)	(13,823,808)	(13,960,840)	(18,090,754)	(18,440,403)
Constabulary Funding	Appendix C	106,605,005	111,748,673	110,659,505	115,164,129	117,735,994
Movement to /(from) Reserves	Note 1	(479,197)	(2,385,097)	(667,242)	(654,116)	(954,116)
<b>Net Expenditure</b>		<b>95,674,784</b>	<b>95,539,769</b>	<b>96,031,424</b>	<b>96,419,260</b>	<b>98,341,476</b>
<b>Funding</b>						
Formula Grants/Funding	Note 2	(59,542,795)	(58,710,055)	(57,888,114)	(57,077,681)	(56,278,593)
Council Tax	Note 4	(36,131,989)	(36,829,714)	(37,811,534)	(38,821,178)	(39,850,142)
<b>Net Deficit / Savings Requirement</b>		<b>0</b>	<b>(0)</b>	<b>331,776</b>	<b>520,402</b>	<b>2,212,740</b>

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 15 December 2016. The funding allocated for 2017/18 had been reduced by 1.4% compared to that provided in 2016/17. At this stage it has been assumed that the figure included in the draft settlement for 2017/18 will continue to be reduced by 1.4% per annum for the remainder of the MTF. There are however some uncertainties around the exact level of funding in future years due to details contained within the spending review regarding top slicing of budgets. The police settlement is for one year only.

Note 3 – During 2016/17 there has been further debate about a revised funding formula allocation model which is now planned to be introduced from April 2018. Exemplifications provided during the 2015/16 process could see the grant funding allocation reducing by between £9.9m to £17.5m. Announcements are expected in early 2017.

Note 4 – 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 between 1.90% and 1.92% across the forecast, broadly in line with inflation.

## 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	2016/17 £'s	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s
Commissioner's Office	B1	759,283	780,291	789,281	798,384	807,602
Commissioned Services	B2	2,583,169	2,234,458	2,234,458	2,234,458	2,234,458
Premises Related Costs	B3	3,528,742	3,867,163	4,091,386	4,192,142	4,286,024
Insurances	B4	570,437	530,832	551,891	579,125	583,025
LGPS Past Service Cost	B5	799,000	482,000	492,600	503,400	514,500
Provision for Insurance liability	B6	196,175	196,175	196,175	196,175	196,175
Statutory Accounting Adjustments	B7	418,582	356,765	556,765	556,765	556,765
Capital Financing	B8	5,885,890	5,289,130	5,341,176	3,260,348	4,951,608
Grants & Contributions	B9	(25,092,302)	(27,485,621)	(28,149,571)	(30,361,550)	(32,520,559)
Interest/investment Income	B10	(100,000)	(75,000)	(65,000)	(50,000)	(50,000)
<b>Total</b>		<b>(10,451,024)</b>	<b>(13,823,808)</b>	<b>(13,960,840)</b>	<b>(18,090,754)</b>	<b>(18,440,403)</b>

### B1. Commissioner's Office

The budget for the Commissioner's office includes funding for the Commissioner plus his office comprising of 9.9 FTEs. The pay budget has been increased by pay inflation at 1% throughout the MTFE and the non-pay budgets in general have been subjected increased by 1.9%.

### 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	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Property Repairs & Maintenance	649,858	701,478	51,620	7.94%
Utilities	900,790	907,512	6,722	0.75%
Rent & Rates	1,440,896	1,662,013	221,117	15.35%
Cleaning & Domestic Supplies	441,786	506,481	64,695	14.64%
Other Premises Costs	95,412	89,679	(5,733)	-6.01%
<b>Total</b>	<b>3,528,742</b>	<b>3,867,163</b>	<b>338,421</b>	<b>9.59%</b>

The premises related budgets have increased between 2016/17 and 2017/18. 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 a 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 2017/18 to maintain the estate are expected to be 7.94% higher than those in 2016/17 reflecting cyclical peaks and troughs in maintenance requirements.

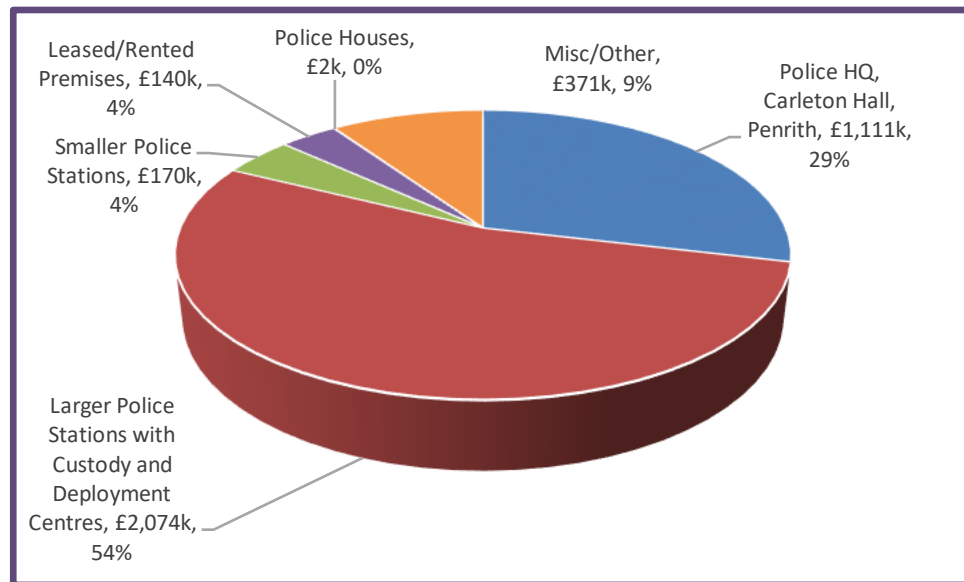
The Commissioner's estate had an accounting value of £52m at 31/03/2016

The estates budget is analysed by category premises below:

Estates Costs 2017/18 by Category of Property	Property Total £000s	Property Total %
Police HQ, Carleton Hall, Penrith	1,111	29%
Larger Police Stations with Custody and Deployment Centres	2,074	54%
Smaller Police Stations	170	4%
Leased/Rented Premises	140	4%
Police Houses	2	0%
Misc/Other	371	10%
<b>Total</b>	<b>3,867</b>	<b>100%</b>

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 82% of the premises budget.

**B4. Insurances**

During 2016/17 the Commissioner and Constabulary have 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). The re-tender exercise resulted in overall premiums remaining at a similar level to 2016/17 with increases in property premiums due to recent flood claims experience being offset by a reduction as a result of an increased level of risk being taken (by increasing the excess) in respect of third party motor claims. Insurances are purchased in respect of employers/public liability, motor, premises, crime, terrorism and business continuity. In the July 2015 emergency budget, the Chancellor announced that insurance premium tax (which is payable on all insurance premiums) would increase with effect from 1 November 2015 from 6% to 9.5%, on 1 November 2016 this was subject to a further increase to 10%.

**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 will take 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 2016/17 amounted to £426k, the provisional funding settlement for 2017/18 sees this reduce to £364k, a reduction of £62k (15%).

**B8. Capital Financing**

Capital financing includes the following items:

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Direct Revenue Contributions (DRC)	A	1,533,727	1,583,727	50,000	3.26%
DRC - Use of Capital Reserves	B	3,304,775	2,663,800	(640,975)	-19.40%
Minimum Revenue Provision	C	413,897	408,112	(5,785)	-1.40%
Private Finance Initiative (PFI) Interest	D	633,491	633,491	0	0.00%
<b>Total</b>		<b>5,885,890</b>	<b>5,289,130</b>	<b>(596,760)</b>	<b>-10.14%</b>

**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 1.6m. 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 2017/18 with comparatives for 2016/17.

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Home Office - Police Pension Top Up	A	(18,134,000)	(20,695,000)	(2,561,000)	14.12%
Home Office - Other	B	(407,245)	(301,381)	105,864	-26.00%
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	(425,590)	(363,773)	61,817	-14.53%
<b>Total</b>		<b>(25,092,302)</b>	<b>(27,485,621)</b>	<b>(2,393,319)</b>	<b>9.54%</b>

**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 reduction in Home Office Grant Other income simply reflects a change in funding method in relation to dedicated security, the income is now received via a recharge to another force and as such is shown within constabulary income (see C10 D 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 2017/18 is £364k and represents a reduction of 62k (15%) when compared with the amount received for 2016/17.



**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 reduced to 0.25% in August 2016 from its previously all time low level of 0.50% which it had been since 2009. The forecasts assume that the rate will remain at its present low level for the duration of the MTFF.

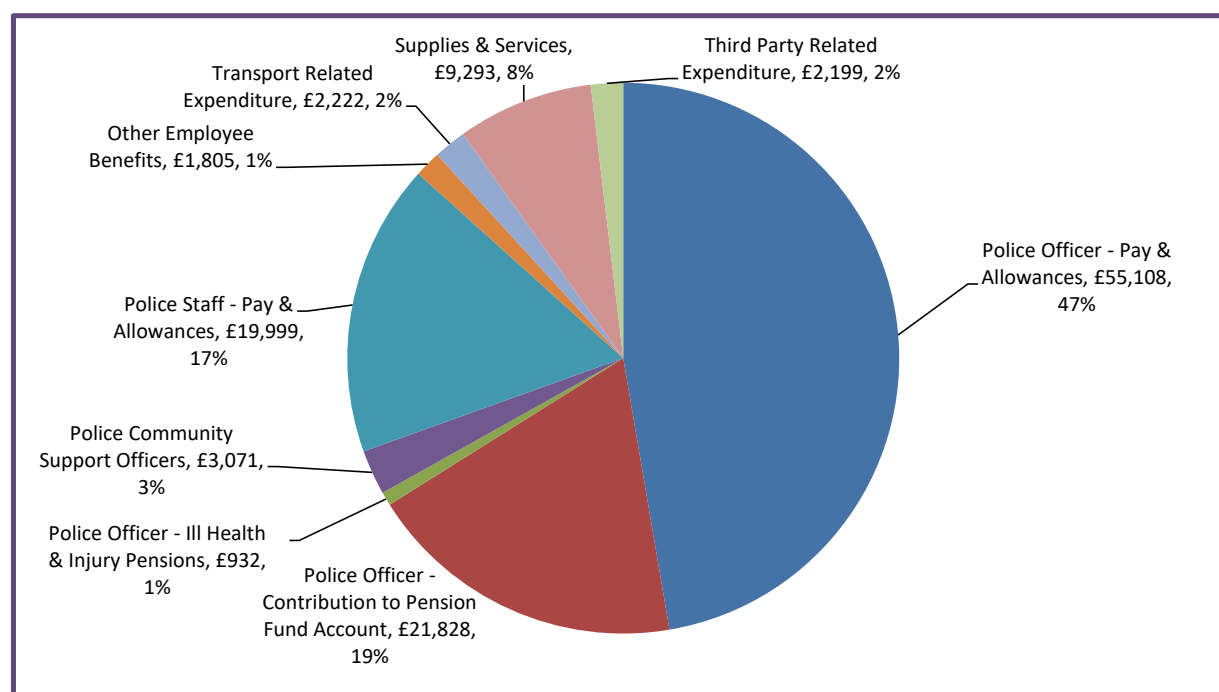
Interst Rate Forecast	2016/17 £'s	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s
Quarter 1	0.50%	0.25%	0.25%	0.25%	0.25%
Quarter 2	0.75%	0.25%	0.25%	0.25%	0.25%
Quarter 3	0.75%	0.25%	0.25%	0.25%	0.25%
Quarter 4	1.00%	0.25%	0.25%	0.25%	0.25%

The reduction in forecast income during 2016/17 and 2017/18 reflects the reduction in overall balances available for investment as capital reserves are depleted together with the revised downward forecast for interest rates.

## Constabulary Funding

The largest portion of expenditure for the Commissioner (£116m in 2017/18) 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	2016/17 £'s	2017/18 £'s	2018/19 £'s	2019/20 £'s	2020/21 £'s
Police Officer - Pay & Allowances	C1	56,303,039	55,108,256	52,821,369	54,132,713	53,978,171
Police Officer - Contribution to Pension Fund Account	C2	18,134,000	21,828,000	22,489,000	24,698,000	26,854,000
Police Officer - Ill Health & Injury Pensions	C3	888,880	932,008	947,853	964,915	982,284
Police Community Support Officers	C4	2,814,191	3,070,990	3,265,010	3,374,161	3,398,344
Police Staff - Pay & Allowances	C5	18,992,719	19,998,594	20,272,887	20,499,617	20,734,614
Other Employee Benefits	C6	672,214	1,804,851	1,299,817	1,318,089	1,336,665
Transport Related Expenditure	C7	2,134,198	2,221,995	2,283,802	2,347,763	2,413,968
Supplies & Services	C8	9,674,807	9,292,698	9,409,949	9,528,301	9,723,049
Third Party Related Expenditure	C9	1,629,508	2,198,592	2,242,806	2,299,040	2,367,737
<b>Gross Constabulary Expenditure</b>		<b>111,243,556</b>	<b>116,455,984</b>	<b>115,032,493</b>	<b>119,162,599</b>	<b>121,788,832</b>
Income	C10	(4,638,551)	(4,707,310)	(4,372,987)	(3,998,469)	(4,052,837)
<b>Net Constabulary Funding</b>		<b>106,605,005</b>	<b>111,748,673</b>	<b>110,659,505</b>	<b>115,164,129</b>	<b>117,735,994</b>



Constabulary Gross Expenditure of £116m in 2017/18  
(figures in £000s)

In overall terms expenditure has increased from £111.2m in 2016/17 to £116.4m in 2017/18, an increase of £5.2m. Of the increase, £3.74m relates to police pensions, the balance being due to pay/price inflation and budget pressures e.g. the apprenticeship levy.

### **C1. Police Officer Pay and Allowances**

Police officer pay and allowances account for the majority (47%) of the Constabulary budget. The budget is based on the current workforce plan. The budget for 2017/18 is based on 1122 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.

### **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 transfer of this grant to the pension fund account. 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 3% of the constabulary budget and is based on an establishment of 95 FTE posts. The pay budgets for PCSOs assume a 1% pay award from September 2017.

## 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 2016/17 and 2017/18 through a combination of increases in pension contribution rates (from 12.7% to 15.4%), pay awards at 1% and annual increments.

## 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 1.0% in the main. The proposed other employee benefits budget for 2017/18 and a comparison with that of 2016/17 is shown in the table below:

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Temporary & Agency Staff	A	42,400	632,225	589,825	1391.10%
Staff & Officer Recruitment Costs	B	21,577	215,532	193,955	898.90%
Staff Welfare Costs		141,627	156,875	15,248	10.77%
Employee Insurance		5,454	6,875	1,421	26.05%
Police Staff Pension Additional Payments		67,366	65,660	(1,706)	-2.53%
Training & Conferences Expenditure	C	393,790	727,684	333,894	84.79%
<b>Total</b>		<b>672,214</b>	<b>1,804,851</b>	<b>1,132,637</b>	<b>168.49%</b>

### Notes:

- Temporary and Agency staff increases significantly during 2017/18 largely as a result of temporary resources required to assist with the investigation of historic cases.
- The increase in respect of staff an officer recruitment costs is partly as a result of increases levels of forecast recruitment in 2017/18 together with costs associated with a planned campaign to increase the number of police specials.
- The increase in training and conferences reflects additional costs associated with increased levels of officer recruitment planned for 2017/18 to maintain officer numbers and additional demands for training as a result of national initiatives.

Staff welfare costs include optician's fees, 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 1.9% in the main. The proposed transport related budget for 2017/18 and a comparison with that of 2016/17 is shown in the table below:

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Vehicle Repair & Maintenance	A	687,380	725,925	38,545	5.61%
Vehicle Fuel	B	981,401	1,003,285	21,884	2.23%
Vehicle Contract Hire & Operating Leases		153,048	151,039	(2,009)	-1.31%
Car Allowances & Travel Expenses	C	277,350	313,647	36,297	13.09%
Transport Other		35,019	28,099	(6,920)	-19.76%
<b>Total</b>		<b>2,134,198</b>	<b>2,221,995</b>	<b>87,797</b>	<b>4.11%</b>

### Notes:

- A. The vehicle repairs and maintenance budget has increased slightly in 2017/18 and reflects additional maintenance required as vehicles lives are extended.
- B. The vehicle fuel budget has increased 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 a dramatic increase in the pump price of vehicle fuel during 2016/17 and the forecast is for this trend to continue. Vehicle fuel has therefore been increased by a higher inflation rate (8%).
- C. Car allowances and travel expenses have increased partially as a result of seconded officers and partly as a result of an increase in demand for public transport.

The vehicle fleet consists of 284 vehicles and can be broadly categorised as follows:

Fleet Summary	Number of Vehicles in category
Covert	15
Neighbourhood Policing	108
Specialist Vehicles	21
Dog Vehicles	11
Motor Cycles	8
Pool Cars	32
Protected personnel Carriers	9
Roads Policing Vehicles	20
Crime Command	34
Crime Scene Investigators	11
Garage	3
VIP	2
Rechargeable Vehicles	10
<b>Total Fleet Vehicles</b>	<b>284</b>

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 5.1 million miles per year (reduced from 5.7m in 2015/16).



**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 1.9%. This is followed by the star chamber process.

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Office Equipment, Furniture & Materials		242,468	241,821	(647)	-0.27%
Catering Contract		53,538	54,681	1,143	2.13%
Clothing, Uniform & Laundry	A	454,653	393,941	(60,712)	-13.35%
Custody Costs		170,367	173,602	3,235	1.90%
Forensics Costs		699,793	694,995	(4,798)	-0.69%
Investigative Expenses	B	118,557	108,721	(9,836)	-8.30%
Police Doctors & Surgeons		1,319,757	1,305,025	(14,732)	-1.12%
Interpreters & Translators		33,735	34,378	643	1.91%
Communications & Computing		4,871,148	4,825,790	(45,358)	-0.93%
Members Allowances & Expenses		6,950	7,012	62	0.89%
Other Supplies & Services	C	1,613,346	1,362,523	(250,823)	-15.55%
Printing Recharges		90,495	90,209	(286)	-0.32%
<b>Total</b>		<b>9,674,807</b>	<b>9,292,698</b>	<b>(382,109)</b>	<b>-3.95%</b>

**Notes:**

- A. The budget for clothing uniform and laundry has reduced as a result of the planned profile of recruitment and associated uniform requirements.
- B. The reduction in the budget for Investigative expenses is as a result of new arrangements being piloted for boarding up.
- C. 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	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Collaborations & Co-Working		208,748	212,715	3,967	1.90%
Outsourced Services		138,000	139,672	1,672	1.21%
Collaboration Payments	A	644,398	809,564	165,166	25.63%
Police National Computer / Database		516,783	519,635	2,852	0.55%
Other Third Party Payments	B	121,579	217,006	95,427	78.49%
Apprenticeship Levy	C	0	300,000	300,000	100.00%
<b>Total</b>		<b>1,629,508</b>	<b>2,198,592</b>	<b>569,084</b>	<b>34.92%</b>

**Notes:**

- A. The increase in collaboration payments relates to an expansion of the regional collaboration in respect of TITAN.
- B. The increase in other third party payments is largely as a result of the annual running costs in respect of the county wide CCTV provision being moved from projects into core revenue budgets.
- C. From 1 April 2017, all employers whose paybill is greater than £3m will be required to pay a levy towards the Government's apprenticeship scheme. The levy is to be equivalent to 0.5% of the paybill. The estimated annual cost of the levy to the Constabulary is £300k. It is hoped that the PCC/Constabulary will be able to recover training costs associated with apprentices, exact scheme details are still to be developed.



**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 1.9%.

Description	Paragraph	2016/17 £'s	2017/18 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Local Government Funding - Specific Partnership		(133,134)	(143,134)	(10,000)	7.51%
Sale of Assets & Goods		(75,527)	(76,962)	(1,435)	1.90%
Fees & Charges - Public Fees		(263,151)	(253,445)	9,706	-3.69%
Fees & Charges - Rental & Hire Charges	A	(15,531)	(3,531)	12,000	-77.26%
Fees & Charges - General	B	(806,044)	(895,451)	(89,407)	11.09%
Private Hire - Single & Recurring Events	C	(1,366,401)	(924,549)	441,852	-32.34%
Inter Force Reimbursements Incl. Collaboration	D	(102,704)	(317,363)	(214,659)	209.01%
Reimbursed Services - Other Public Bodies		(873,451)	(917,597)	(44,146)	5.05%
Transport Trading Income		(6,302)	(2,038)	4,264	-67.66%
General Trading Income	E	(289,283)	(399,488)	(110,205)	38.10%
Contributions & Reimbursements by Staff		(1,100)	(1,119)	(19)	1.73%
Proceeds of Crime	F	(121,200)	(100,000)	21,200	-17.49%
Reimbursements of Licence Expenditure		(20,714)	(13,000)	7,714	-37.24%
Sources of Income from Other Forces	G	(378,034)	(549,326)	(171,292)	45.31%
Internal Recharges Income - ICT	H	(76,881)	0	76,881	-100.00%
Internal Recharges Income - Printing		(109,094)	(110,308)	(1,214)	1.11%
<b>Total</b>		<b>(4,638,551)</b>	<b>(4,707,310)</b>	<b>(68,759)</b>	<b>1.48%</b>

**Notes:**

- A. The reduction in rental and hire charges reflects the reduced rental income anticipated in 2017/18 as a result of the impending sale of the former police station at Cleator Moor.
- B. The increase in fees and charges general reflects inflationary increases at 1.9% in addition to planned receipts in respect of safety camera partnerships.
- C. 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 2017/18 financial year.
- D. The increase in respect of inter force collaboration is as a result of a change in funding method in relation to dedicated security, the income was previously received as a grant and as such shown with PCC grants and contributions (see B9 B above).
- E. General trading income includes a contingency for potential additional income (£100k), it is not always possible to predict with accuracy what income will be received, this contingency is to account for the likelihood that additional income of a windfall nature is usually received on an annual basis.
- F. The reduction in forecast income for Proceeds of Crime reflects the re-basing of this income estimate to a more realistic level as a result of Home Office top-slicing of this income stream.

- G. The increases in income from other forces reflects a forecast increase in receipts as a result of reimbursements from officer secondments.
- H. The reduction in ICT Recharges is as a result of a change in the way ICT staff recharges are processed.