



Cumbria Office of the Police and Crime Commissioner

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

Police and Crime Panel: 28 January 2021

Report of the Joint Chief Finance Officer

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer and

1. Introduction

- 1.1. The purpose of this report is to provide a detailed analysis of the figures contained within the revenue budget for 2021/22 and the MTFF to 2024/25.
- 1.2. The report provides more detailed analysis of the budgets for 2021/22 together with comparative information from the 2020/21 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 2024/25

Description	Supporting Schedule	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s	2024/25 £'s
Commissioner's Budgets	Appendix A	(21,207,143)	(21,257,441)	(12,233,710)	(16,355,838)	(15,988,162)
Constabulary Funding	Appendix B	132,329,683	136,972,658	136,308,869	139,698,780	143,343,106
Movement to /(from) Revenue Reserves	Note 1	(923,057)	(55,363)	95,634	45,634	45,634
Movement to /(from) Capital Reserves	Note 1	0	(250,000)	(3,750,000)	0	0
Net Expenditure		110,199,483	115,409,854	120,420,793	123,388,577	127,400,579
Funding						
Formula Grants/Funding	Note 2	(64,429,188)	(68,490,485)	(72,570,485)	(72,570,485)	(72,570,485)
Council Tax	Note 3	(45,770,295)	(46,919,369)	(47,850,309)	(48,796,764)	(49,758,735)
		0	0	(0)	2,021,327	5,071,358

Note 1 – More information on reserves is provided as part of the precept proposal report (see agenda item 08d).

Note 2 – The funding settlement for formula funding was announced on 17 December 2020. The formula funding allocated for 2021/22 included a 6.3% increase on 2020/21 levels, this increase provided is to provide funding for the additional police officers and ancillary costs to be provided as part of the Government's increase known as "operation uplift". The funding settlement provided for 2021/22 was again a 'one year' settlement, it is anticipated that during 2021/22 a comprehensive spending review will be carried out and this will inform grant levels for future years. At this stage, it has been assumed that the core funding figure included in the draft settlement for 2021/22 will be increased by a further 6% in 2022/23 to reflect the final phase of the uplift programme and will then continue to be maintained on a flat cash basis for the remainder of the MTFF.

Note 3 – The council tax figures currently assume that the council tax base will increase by 0% per annum. Council tax base and deficit figures for 2021/22 are currently being collated. There is a risk that funding will reduce when these figures are finalised, however specific Government support is expected to mitigate this risk at least in the short term. The figures also assume council tax precept rises of £6.57 (2.47%) per band D property for 2021/22 and then 2% per annum (around £5 per annum) for the final 3 years of the MTFF, all of which are subject to consultation.

Appendix B

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	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s	2024/25 £'s
Commissioner's Office	B1	822,715	846,580	856,587	872,788	891,064
Commissioned Services	B2	2,249,590	2,215,782	2,215,782	2,215,782	2,215,782
Premises Related Costs	B3	4,452,921	4,569,451	4,677,942	4,791,557	4,908,448
Insurances	B4	622,104	803,217	814,417	825,917	837,717
LGPS Past Service Cost	B5	22,300	22,300	22,900	23,500	24,100
Provision for Insurance liability	B6	105,500	105,500	105,500	105,500	105,500
Statutory Accounting Adjustments	B7	89,023	86,505	86,505	86,505	86,505
Capital Financing	B8	4,592,925	5,213,416	8,823,053	4,567,385	4,797,106
Grants & Contributions	B9	(34,067,730)	(35,110,192)	(29,826,395)	(29,834,771)	(29,844,383)
Interest/investment Income	B10	(96,491)	(10,000)	(10,000)	(10,000)	(10,000)
Total		(21,207,143)	(21,257,441)	(12,233,710)	(16,355,838)	(15,988,162)

B1. Commissioner's Office

The budget for the Commissioner's office includes funding for the Commissioner plus his office comprising of 12.7 FTEs. As a result of the announced public sector pay freeze in 2020 the pay budget has not been increased by pay inflation in 2021/22 and simply reflects the full year effect of the September 2020 pay increase of 2.5%. The remaining years of the MTFE reflect a modest assumption regarding future pay inflation at 1.75% in 2022/23, 2.00% in 2023/24 and 2.25% in 2024/25. The non-pay budgets in general have not been subject to an inflationary increase in 2021/22 with general inflation assumptions returning to 2% for the remainder of the MTFE.

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.

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	Paragraph	2020/21 £'s	2021/22 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Property Repairs & Maintenance	A	831,272	831,272	0	0.00%
Utilities	B	1,127,856	1,159,222	31,366	2.78%
Rent & Rates	C	1,723,270	1,775,350	52,080	3.02%
Cleaning & Domestic Supplies	D	679,590	712,674	33,084	4.87%
Other Premises Costs	E	90,933	90,933	0	0.00%
Total		4,452,921	4,569,451	116,530	2.62%

Notes:

This table provides a split of the premises budget by subjective heading. A brief summary of items included within each heading is provided below.

- A. **Property Repair & Maintenance** includes both planned and reactive maintenance and grounds maintenance. Property repair and maintenance costs are based on a schedule of planned maintenance, the budgets for 2021/22 are the same as those in 2020/21 as a result of the inflation freeze applied during budget setting.
- B. **Utilities** includes gas, electricity, water and heating oil charges. Costs are showing increased costs as a result of increases in contract prices which are currently being experienced.
- C. **Rent and Rates** includes business rates (NNDR), property leases, room hire charges and PFI occupancy charges for the PFI building at Workington. The budget for 2021/22 includes a forecast increase in line with inflation and the actual rating assessment for the Eden Deployment Centre which was previously an estimated figure.
- D. **Cleaning and Domestic Supplies** includes building cleaning, window cleaning, refuse collection and clinical waste collection services. This increase in this category is largely as a result contract increases as a result of increased cleaning regimes in response to the coronavirus pandemic.

E. **Other Premises Costs** include fire and security equipment maintenance, legal and valuation fees which have seen no increase for general inflation in 2021/22.

The Commissioner’s estate had an accounting value of £58m at 31/03/2020

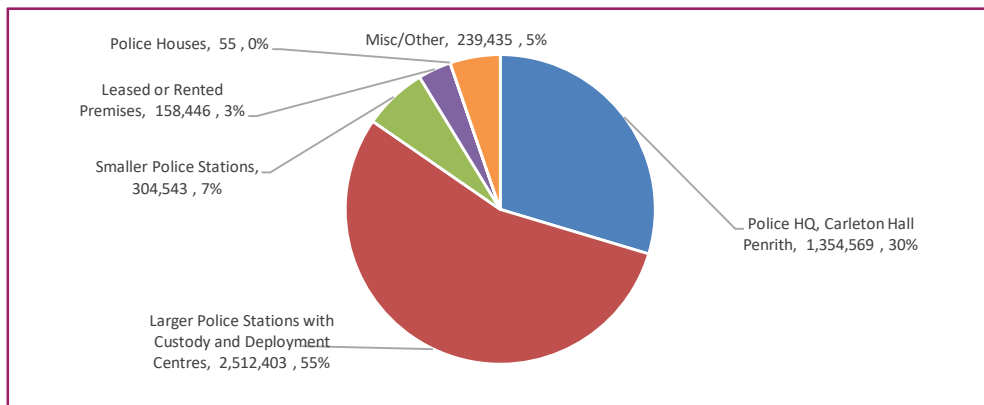
An analysis of premises budgets by category of premises is provided below:

Description	2021/22 Budget £	2021/22 Budget %
Police HQ, Carleton Hall Penrith	1,354,569	30%
Larger Police Stations with Custody and Deployment Centres	2,512,403	55%
Smaller Police Stations	304,543	7%
Leased or Rented Premises	158,446	3%
Police Houses	55	0%
Misc/Other	239,435	5%
Total	4,569,451	100%

This table provides a split of the premises budget by category of premises. From the table and the chart below it can be seen that Police HQ and the 6 main deployment centres account for 85% of the total budget. The table overleaf provides a split of each category over individual premises.

Police House – The PCC/Constabulary has one remaining police house in Kendal which is due to become surplus to requirements in 2021.

The chart below illustrates this graphically:



The following page includes a split of the premises budget on a site by site basis.

Premises Related Expenditure Budget 2021/22 on Site by Site Basis

Property	Property Repairs & Maintenance	Utilities	Rent & Rates	Cleaning & Domestic Supplies	Other Premises Costs	Grand Total	Percentage of Total
	£	£	£	£	£	£	%
Police HQ, Carleton Hall Penrith							
Headquarters : Carleton Hall Penrith	415,758	503,858	195,270	223,534	16,149	1,354,569	30%
	415,758	503,858	195,270	223,534	16,149	1,354,569	30%
Larger Police Stations with Custody and Deployment Centres							
Barrow : Andrews Way	66,092	120,210	174,535	90,048	2,052	452,937	10%
Carlisle : Durranhill	115,827	185,051	309,735	101,755	2,253	714,621	16%
Leaning & Development Centre	3,542	82,000	139,480	51,064	0	276,086	6%
Kendal : Busher Walk	90,723	77,130	106,188	67,149	2,282	343,472	8%
Whitehaven : Scotch Street	22,363	38,464	54,705	25,269	1,140	141,941	3%
Workington : Hall Brow	20,863	85	558,669	3,729	0	583,346	13%
	319,410	502,940	1,343,312	339,014	7,727	2,512,403	55%
Smaller Police Stations							
Ambleside	4,238	2,668	3,859	1,352	144	12,261	0%
Appleby	8,714	9,215	6,982	7,984	198	33,093	1%
Brampton	5,381	10,399	8,034	9,666	146	33,626	1%
Cockermouth (Allerdale Rural)	9,421	11,641	16,503	8,908	1,152	47,625	1%
Kirkby Stephen	1,608	2,644	1,422	2,367	258	8,299	0%
Lake Road Hostel, Windermere	1,410	1,860	1,872	0	0	5,142	0%
Longtown	2,880	7,490	6,728	3,683	1,247	22,028	0%
Penrith Hunter Lane & William Street	4,426	39,781	30,958	24,718	0	99,883	2%
Windermere	11,891	8,170	9,023	12,789	713	42,586	1%
	49,969	93,868	85,381	71,467	3,858	304,543	7%
Leased or Rented Premises							
Alston : The Topps	2,502	3,463	9,975	1,666	38	17,644	0%
Askham-in-Furness : Community Portacabin	0	911	314	0	0	1,225	0%
Barrow Island Interview Suite		2,200	4,700	900		7,800	0%
Carlisle : Shadygrove Road	2,927	4,487	12,585	8,343	331	28,673	1%
Dalton-in-Furness : Drill Hall	70	0	4,400	1,249	0	5,719	0%
Keswick Town Hall	0	0	3,238	0	0	3,238	0%
Keswick Fire Station	47	0	0	0	0	47	0%
Millom : Network Centre	0	0	7,727	833	0	8,560	0%
Milnthorpe Lane End Farm	69	0	0	0	0	69	0%
Sedbergh : CIO 72 Main Street	0	0	2,400	0	0	2,400	0%
Specialist Services Accommodation	5,803	8,365	44,368	2,746	1,669	62,951	1%
Ulverston Business Centre Offices	0	0	12,528	0	0	12,528	0%
Wigton : Innovia Suite	0	0	7,592	0	0	7,592	0%
	11,418	19,426	109,827	15,737	2,038	158,446	3%
Police Houses							
16 Hillswood Avenue, Kendal (to 2021)	55	0	0	0	0	55	0%
	55	0	0	0	0	55	0%
Misc/Other							
Carlisle : Northern Traffic Unit	33,662	31,993	18,153	7,737	1,207	92,752	2%
Estate & Facilities - Forcewide	1,000	7,137	22,309	55,185	59,954	145,585	3%
Kendal Calling	0	0	1,098	0	0	1,098	0%
	34,662	39,130	41,560	62,922	61,161	239,435	5%
Total	831,272	1,159,222	1,775,350	712,674	90,933	4,569,451	100%

B4. Insurances

During 2016/17 the Commissioner and Constabulary retendered and awarded long term agreements in respect of insurance which ran until 31 October 2019 with an option to extend for a further 2 years to 31 October 2021 which has been exercised. On an annual basis insurance policies are renewed based on current data. The increase in premiums between 2020/21 and 2021/22 in the main reflects an increase in the motor premium applied by the insurer.

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

For the LGPS (police staff and PCSOs) the PCC/Constabulary are required to pay past service contributions with the aim to reduce the pensions' deficit over the next 13 years. The amount paid is based on a calculation by the scheme actuary following an actuarial valuation of pension liabilities which is carried out on a three yearly basis. The most recent valuation was undertaken on 31 March 2019 and has provided an increase in the contribution rates (from 15.4% to 18.4%) and a reduced deficit reduction payment, both of which took effect from 1 April 2020. The next actuarial valuation will take place on 31 March 2022 with any new rates becoming effective from 1 April 2023.

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 2022.

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 2020/21 amounted to £100k, the funding settlement for 2021/22 sees this figure reduced to £97k (a reduction of 2.52%).

B8. Capital Financing

Capital financing includes the following items:

Description	Paragraph	2020/21 £'s	2021/22 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Direct Revenue Contributions (DRC)	A	3,424,299	3,796,427	372,128	10.87%
DRC - Use of Capital Reserves	B	0	250,000	250,000	100.00%
Minimum Revenue Provision	C	606,265	628,655	22,390	3.69%
Private Finance Initiative (PFI) Interest	D	562,361	538,334	(24,027)	-4.27%
Total		4,592,925	5,213,416	620,491	13.51%

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 £3.8m for 2021/22 which represents an increase from 2020/21 when it was £3.4m. The increase is mainly due to an additional contribution made to recognise that the police officer uplift programme will have implications for capital in the form of ICT requirements, additional vehicles and estates costs. The relevant capital requirements are still being worked through and until this work is completed an additional contribution has been made of £300k in 2021/22 and £500k in 2022/23. 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. The budget is showing a capital reserve drawdown for 2021/22 of £250k which reflects the initial stages of the work to develop options for the estate in West Cumbria, the remainder of this scheme (£3.75m) is due to fall into 2022/23 and will see the reserve being extinguished.
- 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 statutorily required to make a Minimum Revenue Provision (MRP). The MRP can be likened to making the minimum payment on a credit card debt.

- 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 change made by the PFI provider is treated as capital financing. The PFI arrangement was entered into in 2001 and is due to expire in August 2026, work is currently underway and a project team established to progress arrangements for the end of the PFI agreement.

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 2021/22 with comparatives for 2020/21.

Description	Paragraph	2020/21 £'s	2021/22 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Home Office - Police Pension Top Up	A	(24,923,000)	(26,506,000)	(1,583,000)	6.35%
Home Office - Other	B	(2,924,091)	(2,386,071)	538,020	-18.40%
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		(583,172)	(583,172)	0	0.00%
Home Office - Non Specific Capital Grant	C	(100,000)	(97,482)	2,518	-2.52%
Total		(34,067,730)	(35,110,192)	(1,042,462)	3.06%

Notes:

- A. This is the estimated amount that will be received from the Home Office in respect of the police Pensions Top-up grant. As it represents grant funding it is shown in the grant income receivable by the Commissioner.

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 31%). 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. In 2020/21 the Constabulary received £1.4m additional funding to offset costs in relation to operation uplift, this grant has reduced to £800k in 2021/22. For the purposes of financial planning, it has been assumed that this grant will continue for the remainder of the MTF, although it is likely to be incorporated into general formula funding once Operation Uplift is completed.
- C. The Home Office Non Specific Capital Grant forms part of the annual funding settlement from the Home Office. The figure for 2021/22 is £97k and represents a further reduction on the amount received for 2020/21 of £100k.

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 first to 0.25% and then to 0.10% in March 2020 from its previous level of 0.75% which was set in August 2018.

Interst Rate Forecast	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'S	2024/25 £'s
Quarter 1	0.10%	0.10%	0.10%	0.10%	0.10%
Quarter 2	0.10%	0.10%	0.10%	0.10%	0.10%
Quarter 3	0.10%	0.10%	0.10%	0.10%	0.10%
Quarter 4	0.10%	0.10%	0.10%	0.10%	0.10%

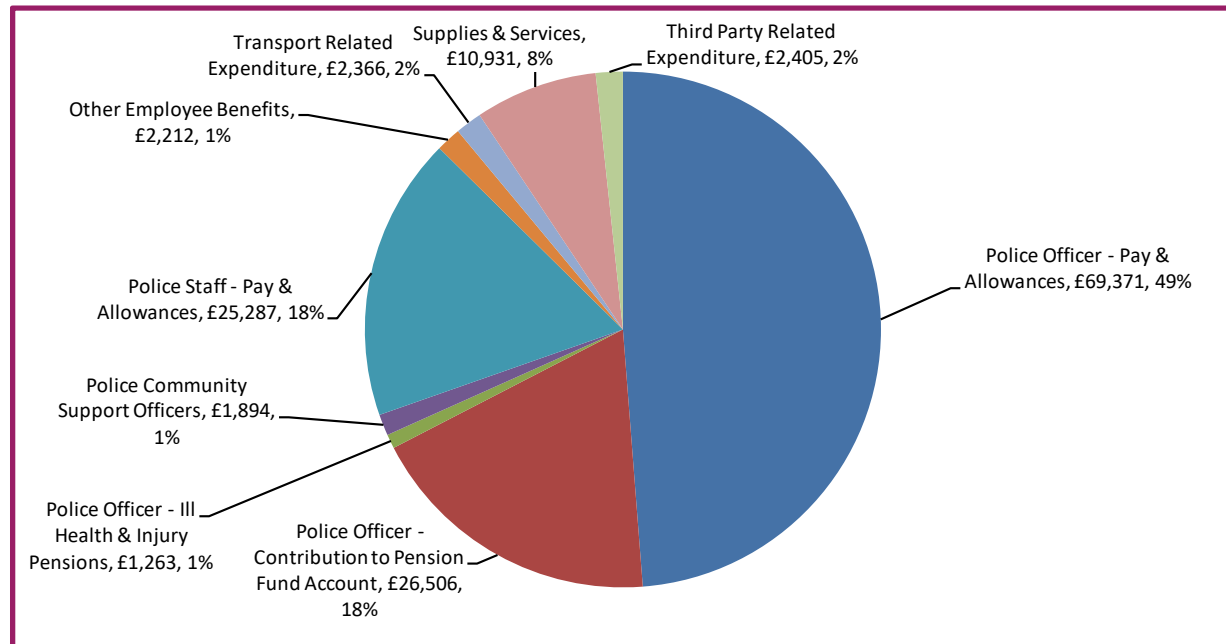
The reduction in forecast income during for future years reflects the assumed reduction as a result of a reduction in overall balances available for investment as capital reserves are depleted.

Appendix C

Constabulary Funding

The largest portion of expenditure for the Commissioner (£142m in 2021/22) 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	2020/21 £'s	2021/22 £'s	2022/23 £'s	2023/24 £'s	2024/25 £'s
Police Officer - Pay & Allowances	C1	67,504,354	69,370,540	71,274,405	74,509,403	77,102,542
Police Officer - Contribution to Pension Fund Account	C2	24,923,000	26,506,000	21,215,000	21,215,000	21,215,000
Police Officer - Ill Health & Injury Pensions	C3	1,246,534	1,262,613	1,287,866	1,313,624	1,339,897
Police Community Support Officers	C4	2,272,443	1,893,869	3,401,723	3,446,250	3,500,243
Police Staff - Pay & Allowances	C5	24,259,557	25,287,149	25,670,289	26,782,226	27,536,250
Other Employee Benefits	C6	1,745,039	2,211,809	2,527,656	1,947,545	1,986,496
Transport Related Expenditure	C7	2,453,549	2,365,626	2,435,666	2,508,243	2,583,464
Supplies & Services	C8	11,094,206	10,931,144	11,149,767	10,632,543	10,845,194
Third Party Related Expenditure	C9	2,178,139	2,404,892	2,452,990	2,502,050	2,552,091
Gross Constabulary Expenditure		137,676,821	142,233,642	141,415,362	144,856,884	148,661,177
Income	C10	(5,347,138)	(5,260,984)	(5,106,493)	(5,158,104)	(5,318,071)
Net Constabulary Funding		132,329,683	136,972,658	136,308,869	139,698,780	143,343,106



Constabulary Gross Expenditure of £142m in 2021/22
(figures in £000s)

In overall terms expenditure has increased from £137.7m in 2020/21 to £142.3m in 2021/22, an increase of £4.6m. Of the increase, £2.5m relates to increased police officer and police staff pay through a combination of increases in numbers as part of operation uplift and the full year effect of the September 2020 pay award (2.5%), police pensions £1.6m, with the balance being due a combination of a small amount of investment to improve productivity and efficiency and unavoidable commitments and price increases, which were otherwise capped at their 2020/21 levels.

C1. Police Officer Pay and Allowances

Police officer pay and allowances account for the majority (49%) of the Constabulary budget. The budget is based on the current workforce plan. The budget for 2021/22 is based on a forecast 60 FTE increase in police officer numbers as part of Operation uplift. This figure is slightly more than the phase 2 Operation Uplift recruitment target of 49 officers, reflecting the workforce plan to recruit in advance of the final year of Operation Uplift, as this phase will be the most challenging to deliver. The workforce plan currently indicates that officer numbers will stand at 1,293 FTE by March 2022, which compares with an establishment of 1,120 FTE officers in 2017/18. The pay budgets for Police Officers only include the fully year effect of the September 2020 pay award of 2.5%, the chancellor announced a public sector pay freeze in 2021/22 in his autumn statement. The pay budgets in the remainder of the MTF assume modest pay rises of 1.75% in 2022/23, 2.00% in 2023/24 and 2.25% in 2024/25.

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 31%). 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 B9).

C3. Ill Health & Injury Pensions

The Constabulary has to meet the pension payments of police officers who have been required to be retired on an ill health or injury basis. The budget is made up of two main elements:

- Injury Allowance of £782k, this represents the initial lump sum and ongoing pension payments made to officers who have been retired as a result of an injury on duty.
- Ill Health pension capital equivalent charge £480k. When the constabulary is required, under police pension regulations, to retire an officer on ill health grounds, the constabulary has to meet a capital equivalent charge, this charge is equivalent to 2 years pay (approx. £80k). The budget is based on the assumption that there will be six ill health retirements per year.

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 1% of the Constabulary budget and is based on an establishment of 95 FTE posts. The budget recognises that under the workforce plan numbers of PCSOs are likely to continue to operate below the establishment during 2021/22. The pay budgets for PCSOs only include the fully year effect of the September 2020 pay award of 2.5%, the chancellor announced a public sector pay freeze in 2021/22 in his autumn statement. The pay budgets in the remainder of the MTFF assume modest pay rises of 1.75% in 2022/23, 2.00% in 2023/24 and 2.25% in 2024/25.

C5. Police Staff

Police staff pay and allowances account for 18% of the Constabulary budget. Police staff budgets are based on the current workforce plan. The pay budgets for Police Staff only include the fully year effect of the September 2020 pay award of 2.5%, the chancellor announced a public sector pay freeze in 2021/22 in his autumn statement. The pay budgets in the remainder of the MTFF assume modest pay rises of 1.75% in 2022/23, 2.00% in 2023/24 and 2.25% in 2024/25.

C6. Other Employee Benefits

The other employee benefits budget covers a mix of individual budget lines. In the main these budgets have not automatically been subject to an inflationary increase. The proposed other employee benefits budget for 2021/22 and a comparison with that of 2020/21 is shown in the table below:

Description	Paragraph	2020/21	2021/22	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Temporary & Agency Staff	A	50,305	51,563	1,258	2.50%
Staff & Officer Recruitment Costs		79,633	79,633	0	0.00%
Staff Welfare Costs	B	256,986	261,986	5,000	1.95%
Employee Insurance		8,203	8,203	0	0.00%
Police Staff Pension Additional Payments		67,441	67,441	0	0.00%
Management of Change / Termination Costs	C	0	282,533	282,533	100.00%
Training & Conferences Expenditure	D	961,471	1,023,608	62,137	6.46%
Apprenticeship Levy	E	321,000	436,842	115,842	36.09%
Total		1,745,039	2,211,809	466,770	26.75%

Notes:

- A. The Temporary and Agency staff budget provides funding to cover the incremental cost associated with providing temporary resources to cover in instances of parental leave or long term sickness.
- B. The increase in staff welfare costs in 2021/22 reflects increases in relation to operation uplift. Staff welfare costs include, counselling, physiotherapy, ergonomists and other medical fees and tests.
- C. Management of Change/Termination costs reflect a provision for potential costs associated with the restructure of the workforce as a result of a number of ongoing reviews.
- D. The increase in training and conferences reflects increased demands for training as a result of operation uplift, increases operational training (some of which arises from training not undertaken in 2020/21 due to covid restrictions), and costs associated with the implementation of the police education qualification framework (PEQF). PEQF has required all police officer recruits to have a degree or join as an apprentice from January 2020.
- 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.

C7. Transport Related Budgets

Expenditure on transport budgets accounts for approximately 2% of Constabulary expenditure. The transport budgets have not been uplifted for inflation in 2021/22. The proposed transport related budget for 2021/22 and a comparison with that of 2020/21 is shown in the table below:

Description	Paragraph	2020/21 £'s	2021/22 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Vehicle Repair & Maintenance		784,714	784,714	0	0.00%
Vehicle Fuel	A	1,076,121	999,431	(76,690)	-7.13%
Vehicle Contract Hire & Operating Leases	B	252,217	247,255	(4,962)	-1.97%
Car Allowances & Travel Expenses	B	298,878	292,607	(6,271)	-2.10%
Transport Other		41,619	41,619	0	0.00%
Total		2,453,549	2,365,626	(87,923)	-3.58%

Notes:

- A. The vehicle fuel budget has reduced as a result of it being rebased to reflect the current level of activity and fuel prices.
- B. Vehicle Hire costs and car allowances are showing a slight reduction as a result of the budgets being realigned to reflect assumed activity levels in 2021/22.

The vehicle fleet consists of 282 vehicles and can be broadly categorised as follows:

Fleet Summary	Number of vehicles in category
Covert	14
Neighbourhood Policing	92
Specialist Vehicles	28
Dog Vehicles	10
Motor Cycles	8
Pool Cars	29
Protected personnel Carriers	9
Roads Policing Vehicles	20
Crime Command	39
Crime Scene Investigators	10
Garage	6
Boat	
Chief Officer Pool	2
Partnership Vehicles	15
Total Fleet Vehicles	282

Fleet vehicle replacements are provided through the capital programme. The current 10 year capital programme for fleet replacements amounts to £13m

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 not automatically been increased for general inflation.

Description	Paragraph	2020/21 £'s	2021/22 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Office Equipment, Furniture & Materials		234,721	226,741	(7,980)	-3.40%
Catering Contract		186,562	186,562	0	0.00%
Clothing, Uniform & Laundry		501,316	493,879	(7,437)	-1.48%
Custody Costs		226,565	226,565	0	0.00%
Forensics Costs	A	856,869	769,841	(87,028)	-10.16%
Investigative Expenses		101,324	103,818	2,494	2.46%
Police Doctors & Surgeons		1,372,818	1,384,089	11,271	0.82%
Interpreters & Translators		47,022	47,022	0	0.00%
Communications & Computing		5,164,431	5,139,085	(25,346)	-0.49%
Members Allowances / Expenses		8,993	9,132	139	1.55%
Other Supplies & Services	B	2,299,495	1,761,170	(538,325)	-23.41%
Printing Recharges		72,290	61,940	(10,350)	-14.32%
Catering Recharges		21,800	21,300	(500)	-2.29%
Covid Recovery & Renewal	C	0	250,000	250,000	100.00%
Innovation Fund	D	0	250,000	250,000	100.00%
Total		11,094,206	10,931,144	(163,062)	-1.47%

Notes:

- A. The budget for Forensics has reduced as a result of a reduced level of samples being set away for forensic analysis.
- B. Other Supplies and Services includes a variety of budget lines including accommodation and subsistence, legal costs, subscriptions, audit fees, operational equipment and accommodation, consultancy and efficiency savings. The reduction in Other Supplies & Services is made up of the removal of one off costs associated with the business transformation and business intelligences projects (£234k), savings made in the travel & accommodation budget as a result of changes to ways of working as a result of the covid pandemic (£125k) and the removal of the general budget contingency.
- C. A covid recovery and renewal budget has been established to cover costs associated with the continued coronavirus pandemic, this is still to be determined in detail but may include staffing resources, increased overtime for patrols, minor changes to premises to promote the safety of the workforce and the provision of PPE.

- D. A Constabulary Innovation fund budget has been provided to provide budget capacity for pieces of work such as proof of concept projects and investment in continuous improvement with the aim of providing efficiencies and savings in the longer term.

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	2020/21	2021/22	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Collaborations & Co-Working		321,812	321,812	0	0.00%
Outsourced Services	A	188,426	125,762	(62,664)	-33.26%
Collaboration Payments	B	839,992	991,279	151,287	18.01%
Police National Computer / Database	C	477,271	567,604	90,333	18.93%
Other Third Party Payments	D	331,983	358,435	26,452	7.97%
Contribution to NPAS	E	18,655	40,000	21,345	114.42%
Total		2,178,139	2,404,892	226,753	10.41%

Notes:

- A. The reduction in the Outsourced Services budget relates to an element of the payroll managed service contract being moved to the ICT software maintenance budget to reflect the split of the charge between a payroll bureau change and an element in respect of the managed service software charges.
- B. The increase in collaboration payments reflects new collaborations in relation to ICT/Information Management with Durham and a NW Forces Forensics Collaboration.
- C. The increase in Police National Computer/Database charges reflects an increase in Home Office National ICT charges.
- D. The increase on Other Third Party Payments reflects a number of increased contributions to national policing initiatives.
- E. The increased contribution to the National Police Air Service (NPAS) is based on a change to the allocation model used for allocating the cost of the national service.

C10. Income

The Constabulary receives a relatively small amount of income each year, just 4% when compared with Constabulary gross expenditure. Income budgets have not been increased for general inflation in 2021/22.

Description	Paragraph	2020/21	2021/22	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Local Government Funding - Specific Partnership		(137,453)	(151,104)	(13,651)	9.93%
Sale of Assets & Goods		(286,228)	(283,208)	3,020	-1.06%
Fees & Charges - Public Fees		(315,545)	(298,924)	16,621	-5.27%
Fees & Charges - Rental & Hire Charges		(25,940)	(25,940)	0	0.00%
Fees & Charges - General	A	(1,169,088)	(1,271,391)	(102,303)	8.75%
Private Hire - Single & Reccuring Events		(172,659)	(172,659)	0	0.00%
Inter Force Reimbursements Incl. Collaboration		(350,001)	(354,659)	(4,658)	1.33%
Reimbursed Services - Other Public Bodies	B	(1,617,584)	(1,389,729)	227,855	-14.09%
Transport Trading Income		(2,163)	(2,163)	0	0.00%
General Trading Income	C	(463,144)	(520,330)	(57,186)	12.35%
Contributions & Reimbursements by Staff		(1,784)	(1,790)	(6)	0.34%
Proceeds of Crime		(123,212)	(113,212)	10,000	-8.12%
Reimbursements of Licence Expenditure		(15,300)	(15,300)	0	0.00%
Sources of Income from Other Forces		(556,439)	(564,794)	(8,355)	1.50%
Internal Recharges Income - Printing		(86,598)	(71,781)	14,817	-17.11%
Internal Recharges Income - Catering		(24,000)	(24,000)	0	0.00%
Total		(5,347,138)	(5,260,984)	86,154	-1.61%

Notes:

- A. The increase in fees and charges general income reflects forecast reimbursements in respect of the Collision Reduction Officers from the driver awareness funding.
- B. The reduction in income in respect of reimbursed services other public bodies, is largely as a result a reduction of officers seconded to other bodies and the resultant loss of income.
- C. The increase in General Trading Income relates to the forecast income we will receive as a supporting training provider for the new Policing Education Qualification Framework (PEQF).