



# Cumbria Office of the Police and Crime Commissioner

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

Report of the Joint Chief Finance Officer

Originating Officers: Michelle Bellis, Deputy Chief Finance Officer

### 1. Introduction

- 1.1. The purpose of this report is to provide a detailed analysis of the figures contained within the revenue budget for 2023/24 and the MTFF to 2027/28.
- 1.2. The report provides more detailed analysis of the budgets for 2023/24 together with comparative information from the 2022/23 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 2027/28

Description	Supporting Schedule	2022/23 £'s	2023/24 £'s	2024/25 £'s	2025/26 £'s	2026/27 £'s	2027/28 £'s
Commissioner's Budgets	Appendix A	(15,727,864)	(13,352,753)	(10,212,675)	(10,911,530)	(7,229,859)	(6,640,182)
Constabulary Funding	Appendix B	139,112,392	144,049,799	148,829,229	152,075,411	156,749,214	161,491,579
Movement to /(from) Revenue Reserves	Note 1	(1,085,748)	(3,742,366)	(5,128,875)	(26,965)	17,910	17,628
Movement to /(from) Capital Reserves	Note 1	(600,000)	(1,997,669)	82,886	1,100,696	(1,235,263)	(722,748)
<b>Net Expenditure</b>		<b>121,698,780</b>	<b>124,957,011</b>	<b>133,570,564</b>	<b>142,237,612</b>	<b>148,302,002</b>	<b>154,146,277</b>
<b>Funding</b>							
Formula Grants/Funding	Note 2	(72,603,656)	(72,875,000)	(74,123,000)	(75,123,000)	(76,123,000)	(77,123,000)
Council Tax	Note 3	(49,095,124)	(52,082,011)	(54,448,620)	(56,624,739)	(58,829,371)	(61,062,815)
		<b>(0)</b>	<b>0</b>	<b>4,998,944</b>	<b>10,489,873</b>	<b>13,349,630</b>	<b>15,960,462</b>

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 14 December 2022. The formula funding allocated for 2023/24 included a 0.37% increase on 2022/23 levels. Not included within this formula grant, the Home Office have provided specific additional ringfenced grant in 2023/24 in relation to Operation Uplift of £2.3m (see section B9). The funding settlement provided for 2023/24 was again a 'one year' settlement, but provided indications of funding levels for the following year. At this stage, it has been assumed that the additional core funding figures included in the spending review for 2024/25 will be distributed to forces to cover the cost of operation uplift and contribute towards pay awards. The national grant funding increases have been extrapolated to provide an assumed grant increase for Cumbria based upon the constabulary's share of grant funding.

Note 3 – The council tax figures show that the council tax base has increased by 1.2% for 2023/24. The figures also assume that the tax base will increase by 0.7% per annum in future years. In 2023/24, the Commissioner's share of the council tax collection fund deficit of £219k is to be repaid to the unitary councils. The figures also assume council tax precept rises of £14.94 (5.3%) per band D property for 2023/24 and then reverting to an increase of £9.99 (average 3.3%) over the remaining 4 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	2022/23 £'s	2023/24 £'s	2024/25 £'s	2025/26 £'s	2026/27 £'s	2027/28 £'s
Commissioner's Office	B1	889,343	896,259	933,534	981,801	999,385	1,018,494
Commissioned Services	B2	2,352,589	3,245,141	3,301,696	2,513,198	2,554,649	2,596,927
Premises Related Costs	B3	4,918,785	6,052,748	6,055,373	6,086,982	6,209,363	6,208,389
Insurances	B4	966,846	1,335,535	1,328,535	1,335,535	1,328,535	1,335,535
LGPS Past Service Cost	B5	23,300	(362,600)	(373,900)	(385,400)	0	0
Provision for Insurance liability	B6	105,500	105,500	105,500	105,500	105,500	105,500
Statutory Accounting Adjustments	B7	(10,977)	(10,977)	(10,977)	(10,977)	(10,977)	(10,977)
Capital Financing	B8	6,180,136	5,013,185	6,398,002	5,002,106	6,900,782	6,206,722
Grants & Contributions	B9	(31,143,386)	(29,227,544)	(27,800,439)	(26,477,275)	(25,297,096)	(24,080,772)
Interest/investment Income	B10	(10,000)	(400,000)	(150,000)	(63,000)	(20,000)	(20,000)
<b>Total</b>		<b>(15,727,864)</b>	<b>(13,352,753)</b>	<b>(10,212,675)</b>	<b>(10,911,530)</b>	<b>(7,229,859)</b>	<b>(6,640,182)</b>

#### B1. Commissioner's Office

The budget for the Commissioner's office includes funding for the Commissioner plus his office comprising of 17.5 FTEs. Provision has also been made for additional roles within the OPCC team required as a result of the Commissioner taking responsibility for governance of the Cumbria Commissioner Fire and Rescue Authority from 01 April 2023, these additional costs are being recharged to the Fire and Rescue Service. Pay inflation of 3% has been assumed for 2023/24 falling to 2% for the remaining years of the forecast. The non-pay budgets have been subject to a general inflationary increase in 2023/24 of 5%, 3% in 2024/25 and 2% thereafter for the remainder of the MTFF.

#### 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 Spotlight Restorative Justice, perpetrator programmes e.g. Restorative Solutions. The increase between 2022/23 and 2023/24 reflects spend in relation to safer streets schemes for which the Commissioner has secured additional grant funding (see also B9 below).

### 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 and smaller police stations. The premises budget can be analysed as follows:

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Property Repairs & Maintenance	A	824,515	1,040,434	215,919	26.19%
Utilities	B	1,344,526	2,397,017	1,052,491	78.28%
Rent & Rates	C	1,843,693	1,818,352	(25,341)	-1.37%
Cleaning & Domestic Supplies	D	813,489	708,943	(104,546)	-12.85%
Other Premises Costs	E	92,562	88,002	(4,561)	-4.93%
<b>Total</b>		<b>4,918,785</b>	<b>6,052,748</b>	<b>1,133,963</b>	<b>23.05%</b>

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 2023/24 show an increase when compared with 2022/23 which is partly due to inflationary price increases and partly due to an increase in the planned work to address backlog maintenance issues.
- B. **Utilities** includes gas, electricity, water and heating oil charges. Budgets are showing significantly increased costs as a result of unprecedented increases in contract prices for energy 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 2023/24 includes a slight reduction which reflects the results of some recent successful rateable value appeals.
- D. **Cleaning and Domestic Supplies** includes building cleaning, window cleaning, refuse collection and clinical waste collection services. The reduction in this category is due to a combination of the return to more normal (pre covid) cleaning activity levels and a new cleaning contract that was negotiated during 2022/23 which provided budget savings.
- E. **Other Premises Costs** include fire and security equipment maintenance, legal and valuation.

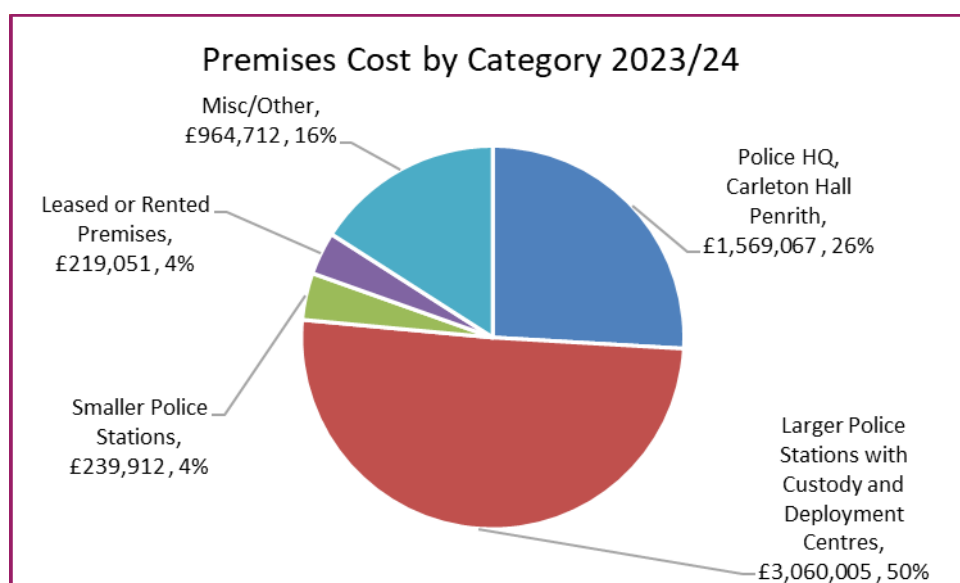
The Commissioner's estate had an accounting value of £60m at 31/03/2022

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

Description	2023/24 Budget £	2023/24 Budget %
Police HQ, Carleton Hall Penrith	1,569,067	26%
Larger Police Stations with Custody and Deployment Centres	3,060,005	51%
Smaller Police Stations	239,912	4%
Leased or Rented Premises	219,051	4%
Misc/Other	964,712	16%
<b>Total</b>	<b>6,052,748</b>	<b>100%</b>

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 77% of the total budget. The table overleaf provides a split of each category over individual premises.

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 2023/24 on Site by Site Basis

Property	Cleaning & Domestic Supplies	Other Premises Costs	Property Repairs & Maintenance	Rent & Rates	Utilities	Grand Total	Percentage of Total
	£	£	£	£	£	£	%
<b>Police HQ, Carleton Hall Penrith</b>							
Headquarters : Carleton Hall Penrith	188,166	12,547	218,676	332,800	816,878	1,569,067	26%
	188,166	12,547	218,676	332,800	816,878	1,569,067	26%
<b>Larger Police Stations with Custody and Deployment Centres</b>							
Barrow : Andrews Way	88,229	3,266	36,969	171,520	294,705	594,689	10%
Carlisle : Durranhill	132,438	2,370	43,343	296,120	499,348	973,619	16%
Learning & Development Centre	50,326	1,436	8,906	0	72,966	133,634	2%
Kendal : Busher Walk	67,432	2,020	23,692	104,511	182,958	380,613	6%
Penrith : Hunter Lane	19,058	0	2,609	30,537	144,116	196,319	3%
Whitehaven : Scotch Street	23,464	1,025	6,438	53,760	109,997	194,684	3%
Workington : Hall Brow	6,172	0	1,934	578,222	120	586,447	10%
	387,119	10,117	123,890	1,234,670	1,304,210	3,060,005	51%
<b>Smaller Police Stations</b>							
Ambleside	835	111	910	3,792	8,040	13,689	0%
Appleby	6,229	111	980	6,861	29,164	43,346	1%
Brampton	10,720	111	1,466	7,360	29,845	49,502	1%
Cockermouth (Allerdale Rural)	9,058	1,098	2,598	16,218	24,937	53,908	1%
Kirkby Stephen	2,736	266	702	1,397	3,730	8,832	0%
Lake Road Hostel, Windermere	3,206	0	203	1,937	6,424	11,770	0%
Longtown	1,646	179	1,439	6,612	8,526	18,401	0%
Windermere	7,585	819	1,543	9,107	21,412	40,465	1%
	42,016	2,695	9,840	53,284	132,077	239,912	4%
<b>Leased or Rented Premises</b>							
Alston : The Topps	1,887	0	2,668	3,150	6,970	14,675	0%
Askham-in-Furness : Community Portacabin	0	0	0	309	514	824	0%
Barrow Island Interview Suite	3,052	569	108	4,742	2,841	11,312	0%
Carlisle : Shadygrove Road	4,484	230	697	12,489	19,442	37,342	1%
Dalton-in-Furness : Drill Hall	1,877	0	0	4,800	0	6,677	0%
Millom : Network Centre	694	0	0	7,711	0	8,405	0%
Sedbergh : CIO 72 Main Street	0	0	0	2,400	0	2,400	0%
Specialist Services Accommodation	7,996	1,727	2,799	88,615	10,510	111,646	2%
Ulverston Bluelight Hub	2,068	0	111	16,000	0	18,179	0%
Wigton : Innovia Suite	0	0	0	7,592	0	7,592	0%
	22,058	2,527	6,383	147,808	40,277	219,051	4%
<b>Misc/Other</b>							
Appleby Fair	1,618	0	1,214	2,621	0	5,453	0%
Brampton Garage / Store	0	0	0	536	335	871	0%
Carlisle : Northern Traffic Unit	7,293	903	4,131	17,839	59,000	89,166	1%
Disclosure & Barring Service	100	0	0	1,800	4,338	6,238	0%
Dog Section: Wreay	7,832	0	8,200	7,411	29,357	52,800	1%
Estate & Facilities - Forcewide	48,000	57,807	657,430	3,075	0	766,311	13%
Firearms Operations Unit	1,347	0	0	0	0	1,347	0%
Graham Street Police House, Longtown	2,441	1,072	0	0	5,804	9,317	0%
HQ: Firearms range	115	334	10,670	0	0	11,119	0%
Kendal Calling	0	0	0	1,500	0	1,500	0%
Learning & Development - Management & G	0	0	0	1,500	0	1,500	0%
Mast : Station Hill Wigton	0	0	0	0	1,674	1,674	0%
Penrith : William Street Garage	0	0	0	1,921	1,202	3,123	0%
Seconded - North West ROCU (Merseyside)	0	0	0	11,587	1,866	13,453	0%
Westmorland & Furness C-SOC Team	841	0	0	0	0	841	0%
	69,585	60,116	681,645	49,790	103,576	964,712	16%
<b>Total</b>	<b>708,943</b>	<b>88,002</b>	<b>1,040,434</b>	<b>1,818,352</b>	<b>2,397,017</b>	<b>6,052,748</b>	<b>100%</b>

**B4. Insurances**

During 2022/23 the Commissioner and Constabulary conducted a full retender exercise for insurances. Due to tightening insurance markets, particularly in relation to blue light risks and the impact of inflation the tender exercise resulted in an increase in premiums of £370k (almost 40%).

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

In previous years the PCC/Constabulary have, in relation to the LGPS (police staff and PCSOs), made past service contributions with the aim to reduce the pensions' deficit over the next 13 years. A triennial valuation of pensions liabilities was conducted as at 31 March 2022. The deficit reduction amount to be paid was based on a calculation by the scheme actuary following the actuarial valuation of pension liabilities. In the latest valuation exercise, it has been determined that the PCC and Constabulary now have a surplus on their past service contributions are due a refund of contributions of £363k in 2023/24, this is partly due to the high level of performance of the scheme's investments. The most recent valuation will however see an increase in the employers contribution rates from the current level of 18.4% to 18.6% for the OPCC and 18.9% for the Constabulary, these new rates come into effect from 1 April 2023 and have been built into the pay forecasts included in this MTFF.

**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 2024.

**B7. Statutory Accounting Adjustments**

Statutory accounting adjustments consist of a number of technical accounting adjustments and previously included the mechanism by which capital grants are received through the revenue budget and are then transferred to capital grants unapplied until these were utilised to fund the capital programme. The PCC no longer received any capital grant received from the home office. The budget in 2023/24 of -£11k relates to the accounting entries to reverse out the depreciation charge applied to OPCC budgets.

**B8. Capital Financing**

Capital financing includes the following items:

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Direct Revenue Contributions (DRC)	A	4,415,946	1,224,013	(3,191,933)	-72.28%
DRC - Use of Capital Reserves	B	600,000	1,997,669	1,397,669	100.00%
Minimum Revenue Provision	C	653,062	1,311,179	658,117	100.77%
Private Finance Initiative (PFI) Interest	D	511,128	480,324	(30,804)	-6.03%
<b>Total</b>		<b>6,180,136</b>	<b>5,013,185</b>	<b>(1,166,951)</b>	<b>-18.88%</b>

Notes:

- A. The Commissioner makes annual contributions from the revenue budget to the funding of the capital programme, which average around £3.8m per annum. In order to balance the budget for 2023/24, the decision has been taken to replace part of this direct revenue contribution with borrowing for two years (2022/23 and 2023/24). The borrowing in each year will amount to £3m. This explains why the contribution has reduced between the original figure set for 2022/23 and 2023/24. 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 2023/24 of £2m which reflects estates modernisation works in west Cumbria and Hunter Lane Penrith.
- 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. The increase between 2022/23 and 2023/24 reflects the impact of the in year decision to borrow £3m in 2022/23 to fund the capital programme in lieu of the planned direct revenue contribution. As this borrowing will be used to fund short lived assets such as vehicles and ICT equipment, the MRP is calculated on repayment over 5 years (£600k per annum).



- 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 2023/24 with comparatives for 2022/23.

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Home Office - Police Pension Top Up	A	(21,215,000)	(17,129,073)	4,085,927	-19.26%
Home Office - Other	B	(2,732,795)	(4,106,258)	(1,373,463)	50.26%
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	(583,172)	(1,379,794)	(796,622)	136.60%
Apprenticeships	D	(1,074,952)	(1,074,952)	0	100.00%
<b>Total</b>		<b>(31,143,386)</b>	<b>(29,227,544)</b>	<b>1,915,842</b>	<b>-6.15%</b>

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 2022/23 the PCC received £1.1m additional funding to offset costs in relation to operation uplift, this grant has increased to £2.3m in 2023/24. For the purposes of financial planning, it has been assumed that this grant will continue for the remainder of the MTFF, although it is likely to be incorporated into general formula funding once Operation Uplift is completed.
- C. The increase in Ministry of Justice grant relates to a bid made by the OPCC in relation to Safer Streets Funding. This additional grant income cover expenditure included within the Commissioner Services section (see B2 above).
- D. Apprenticeships in accordance with Government guidance, the amount of the apprenticeship levy that the Constabulary/OPCC is able to use to pay for training is treated as a government grant.

#### 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). In recent months bank interest rates have risen and it is expected that they will remain at this higher level for much of 2023/24. 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 for 2023/24 is comparatively high when compared to recent years. In December 2022 the rate went up to 3.5%.

Interest Rate Forecast	2022/23 £'s	2023/24 £'s	2024/25 £'s	2025/26 £'s	2026/27 £'s	2027/28 £'s
Quarter 1	0.25%	4.25%	4.00%	3.00%	2.25%	2.00%
Quarter 2	0.50%	4.50%	3.75%	2.75%	2.25%	2.00%
Quarter 3	0.50%	4.50%	3.50%	2.50%	2.00%	2.00%
Quarter 4	0.50%	4.50%	3.25%	2.50%	2.00%	2.00%

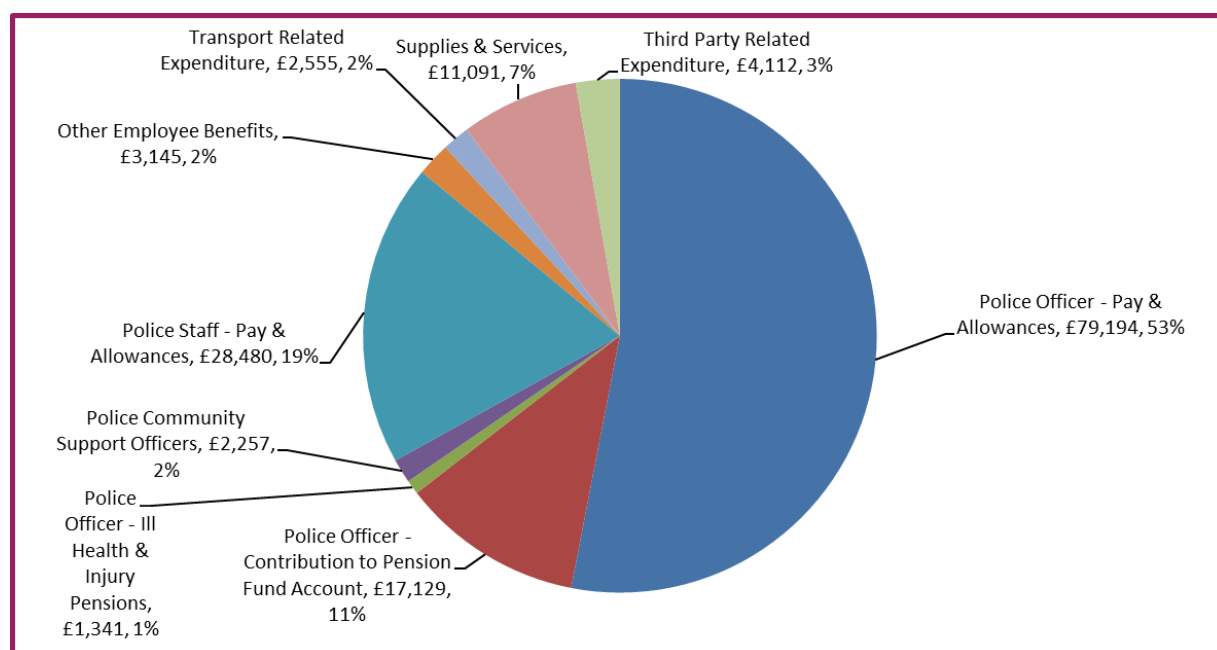
The reduction in forecast income during for future years reflects the assumed reduction as a result of a reduction in overall balances available for investment as capital reserves are depleted.

## Appendix C

### Constabulary Funding

The largest portion of expenditure for the Commissioner (£149m in 2023/24) 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	2022/23 £'s	2023/24 £'s	2024/25 £'s	2026/27 £'s	2027/28 £'s	2027/28 £'s
Police Officer - Pay & Allowances	C1	73,981,725	79,193,859	83,152,784	87,271,102	91,531,486	95,314,429
Police Officer - Contribution to Pension Fund Account	C2	21,215,000	17,129,073	15,683,203	15,146,287	14,296,816	13,410,938
Police Officer - Ill Health & Injury Pensions	C3	1,316,432	1,341,498	1,341,498	1,367,316	1,393,909	1,421,300
Police Community Support Officers	C4	1,916,574	2,257,153	2,343,439	2,414,413	2,471,817	2,525,769
Police Staff - Pay & Allowances	C5	26,652,618	28,480,332	30,564,729	29,735,356	30,526,510	32,123,060
Other Employee Benefits	C6	3,128,708	3,145,094	2,771,001	2,635,606	2,634,056	2,635,656
Transport Related Expenditure	C7	2,389,429	2,554,588	2,576,715	2,596,351	2,616,386	2,636,814
Supplies & Services	C8	10,372,454	11,090,995	11,208,843	11,662,622	11,961,437	12,176,026
Third Party Related Expenditure	C9	3,253,415	4,112,175	4,138,354	4,241,043	4,339,722	4,458,080
<b>Gross Constabulary Expenditure</b>		<b>144,226,355</b>	<b>149,304,767</b>	<b>153,780,566</b>	<b>157,070,097</b>	<b>161,772,138</b>	<b>166,702,073</b>
Income	C10	(5,117,630)	(5,254,968)	(4,951,337)	(4,994,685)	(5,022,925)	(5,210,494)
<b>Net Constabulary Funding</b>		<b>139,108,725</b>	<b>144,049,799</b>	<b>148,829,229</b>	<b>152,075,411</b>	<b>156,749,214</b>	<b>161,491,579</b>



Constabulary Gross Expenditure of £149m in 2024/25  
(figures in £000s)

In overall terms expenditure has increased from £144.2m in 2022/23 to £149.3m in 2023/24, an increase of £5.1m. The increase largely arises as a result of a £7.5m increase in police officer and police staff pay through a combination of increases in numbers as part of operation uplift, annual pay increments and an assumed annual pay award of 3% from September 2023. In addition to this, inflationary pressures on non-pay budgets have seen an increase of £1.7m. These increases are offset by a reduction in respect of police pensions £4.1m.

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

Police Officer pay and allowances account for the majority (53%) of the Constabulary budget. The budget is based on the current workforce plan which includes 1344 officers (1334 Core Constabulary + 10 Seconded). The budget for 2023/24 includes the increases in police officer numbers as a result of the Operation Uplift programme. The three phases of operation uplift have seen the establishment for police officers increase by 169 FTE (51 + 50+ 68) from 1165 FTE to 1334. The Constabulary are currently on track to meet the target uplift by 31 March 2023. The pay budgets for Police Officers include a forecast pay award of 3% from September 2023 and then 2% thereafter for the remainder 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 31%). Pension payments to former police officers are made from this fund. 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 of this deficit to the pension fund account. The grant itself is recorded within the Commissioner's budgets (see Appendix B, line B9). The further reduction in police pension figures from 2023/24 reflects the impact of the tapering change in police pension schemes from 1987 to 2006, which sees a reduction in retirements from approx. 30 per year to almost nil for a 5 year period.

### **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 £861k, 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 £481k. 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 2% of the Constabulary budget and is based on an establishment of 60 FTE posts. During 2022/23 a recruitment of PCSOs was undertaken and has seen the numbers of actual PCSOs increase to the establishment level. The workforce plan now assumes an annual intake of PCSOs to maintain numbers. The pay budgets for PCSOs include a forecast pay award of 3% from September 2023 and then 2% thereafter for the remainder of the MTFF.

#### **C5. Police Staff**

Police staff pay and allowances account for 19% of the Constabulary budget and is based on an establishment of 708 FTE posts. Police staff budgets are based on the current workforce plan. The pay budgets for Police Staff include a forecast pay award of 3% from September 2023 and then 2% thereafter for the remainder of the MTFF.

## C6. Other Employee Benefits

The other employee benefits budget covers a mix of individual budget lines. In the main these budgets have been zero based. The proposed other employee benefits budget for 2023/24 and a comparison with that of 2022/23 is shown in the table below:

Description	Paragraph	2022/23	2023/24	Increase /(Decrease)	Increase /(Decrease)
		£'s	£'s	£'s	%
Temporary & Agency Staff	A	8,965	16,017	7,052	78.66%
Staff & Officer Recruitment Costs	B	96,299	140,840	44,541	46.25%
Staff Welfare Costs	C	270,736	338,316	67,580	24.96%
Employee Insurance	D	8,203	13,018	4,815	58.70%
Police Staff Pension Additional Payments		69,801	69,801	0	0.00%
Management of Change / Termination Costs	E	300,000	300,000	0	0.00%
Training & Conferences Expenditure	F	2,013,492	1,879,778	(133,714)	-6.64%
Apprenticeship Levy	G	361,212	387,324	26,112	7.23%
<b>Total</b>		<b>3,128,708</b>	<b>3,145,094</b>	<b>16,386</b>	<b>0.52%</b>

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. This budget has been increased to reflect current demand.
- B. The increase in staff and officer recruitment costs reflect relocation costs.
- C. The increase in staff welfare costs in 2023/24 reflects an increase in the demand for services such as counselling, physiotherapy, ergonomists and other medical fees and tests.
- D. This employee insurances line specifically relates to Chief Police Officers Staff Association (CPOSA) insurance and reflects the addition of the Assistant Chief Officer (police staff post) to the Chief Officer team during 2022.
- E. 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.
- F. Elements within the training and conferences budget have experienced inflationary pressures. The budget includes £890k in relation to the increased training requirements as part of Operation Uplift in relation to the Police Education Framework. These additional costs are covered by credits from

the apprenticeship for which there is a corresponding entry in B9, Grants & Contributions on page 10. The budget for 2023/24 includes a targeted reduction across training budgets of £300k, which will be achieved through the centralisation of the budgets, a detailed training needs assessment and allocation of funding on a prioritised basis.

- G. 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. The increase between 2022/23 and 2023/24 reflects the ongoing effects of Operation Uplift and the pay award included in 2024/25 budgets.

## C7. Transport Related Budgets

Expenditure on transport budgets accounts for approximately 2% of Constabulary expenditure. The transport budgets have generally been uplifted for inflation in 2023/24 of at least 5%. The proposed transport related budget for 2023/24 and a comparison with that of 2022/23 is shown in the table below:

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Vehicle Repair & Maintenance	A	795,693	881,421	85,728	10.77%
Vehicle Fuel	B	1,017,832	1,083,598	65,766	6.46%
Vehicle Contract Hire & Operating Leases		252,704	255,454	2,750	1.09%
Car Allowances & Travel Expenses	C	280,140	295,729	15,590	5.56%
Transport Other	D	43,060	38,386	(4,674)	-10.85%
<b>Total</b>		<b>2,389,429</b>	<b>2,554,588</b>	<b>165,160</b>	<b>6.91%</b>

Notes:

- The repairs and maintenance budget for vehicles has been increased as a result of higher inflationary impacts being experienced in respect of vehicle parts of approximately 10%.
- The vehicle fuel budget has been rebased to reflect the current level of activity and fuel prices. Vehicle fuel prices have been increased by a higher level for inflation at 6%, having previously increased in 2022/23.
- Car allowances and travel expenses reflect an increase in lump sum car allowances.
- The reduction in other transport costs relates to reductions in parking charges, road fund licences and bicycle maintenance.

The vehicle fleet consists of 293 vehicles and can be broadly categorised as follows:

Fleet Summary	Number of vehicles in category
Covert	14
Neighbourhood Policing	94
Specialist Vehicles	31
Dog Vehicles	14
Motor Cycles	8
Pool Cars	26
Protected personnel Carriers	9
Roads Policing Vehicles	25
Crime Command	41
Crime Scene Investigators	10
Garage	6
Chief Officer Pool	1
Partnership Vehicles	14
<b>Total Fleet Vehicles</b>	<b>293</b>

Fleet vehicle replacements are provided through the capital programme. The current 10 year capital programme for fleet replacements amounts to £16m

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 million miles per year (reduced from 6.8m in 2010/11).





## C8. Supplies & Services

Expenditure on supplies & services accounts for approximately 7% of Constabulary budgets. The majority of budgets have been increased for general inflation of at least 5%.

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Office Equipment, Furniture & Materials	A	207,805	252,353	44,548	21.44%
Catering	B	199,331	236,794	37,463	18.79%
Clothing, Uniform & Laundry		478,878	503,579	24,701	5.16%
Custody Costs	C	212,144	188,637	(23,507)	-11.08%
Forensics Costs	D	644,259	724,128	79,869	12.40%
Investigative Expenses	E	107,450	140,388	32,938	30.65%
Police Doctors & Surgeons	F	1,451,752	1,320,615	(131,137)	-9.03%
Interpreters & Translators		48,667	51,100	2,433	5.00%
Communications & Computing	G	4,389,039	4,742,430	353,391	8.05%
Members Allowances / Expenses		9,762	10,703	941	9.64%
Other Supplies & Services	H	1,840,866	2,943,819	1,102,953	59.91%
Printing Recharges	I	52,598	0	(52,598)	-100.00%
Catering Recharges		21,300	26,450	5,150	24.18%
Covid Recovery & Renewal	J	250,000	0	(250,000)	-100.00%
DDAT Innovation Pot	K	458,603	50,000	(408,603)	-89.10%
Procurement Savings Target	L	0	(100,000)	(100,000)	-100.00%
<b>Total</b>		<b>10,372,454</b>	<b>11,090,995</b>	<b>718,541</b>	<b>6.93%</b>

Notes:

- A. The budget for Office equipment, furniture and material has increased through a combination of an increase in the use of external printers since the closure of the print unit (see note I below) and an increase in demand for furniture replacements.
- B. The increases in catering reflect above inflationary increases in the purchases of food items.
- C. The reduction in custody costs reflects a reduction in fees in respect of Appropriate Adult Services.
- D. The budget for forensics has increased through a combination of increases charges in respect of the NW forces collaboration agreement and an increase in fingerprinting costs.
- E. The increase in investigative expenses relates to an increase in covert intelligence operations.
- F. The reduction in relation to Police Doctors and Surgeons is as a result of the reduced cost of the custody medical contract.
- G. The increase in relation to Communications and Computing is through a combination of increases in charges for software maintenance, cloud computing services and private networks.

- H. Other supplies & services covers a multitude of budget lines, the main increases relate to an increase in ICT consultancy services as the project to replace the records management system is progressed. Other increases include increases in operational equipment, including a programme to replace tasers and increased subscriptions.
- I. Printing Recharges, during 2022 the Constabulary print unit was closed and as such all associated charges have been removed from the budget. There is small increase in payments to external printers (see Note A above) .
- J. A covid recovery and renewal budget was established in 2021/22 and was repeated in 2022/23 to cover costs associated the coronavirus pandemic. This budget has now been removed.
- K. The DDAT Innovation Pot was established in 2022/23 from identified communications & computing savings, this pot has been used to progress proof of concept and feasibility pieces of work as the constabulary seeks to modernise ways of working. The majority of the sum set aside in 2023/24 has been directed to the new Records Management System with a balance of £50k retained.
- L. A savings target of £100k has been included in the budget for 2023/24. The savings will be delivered through the renegotiation of contracts during 2023/24.

## C9. Third Party Related

Expenditure on third party payments accounts for just 3% of overall Constabulary funding and covers a wide range of items.

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Collaborations & Co-Working		86,982	87,554	572	0.66%
Outsourced Services	A	137,050	172,756	35,706	26.05%
Collaboration Payments	B	1,462,238	1,716,307	254,069	17.38%
Police National Computer / Database	C	697,532	767,285	69,753	10.00%
Other Third Party Payments	D	821,562	1,313,224	491,662	59.84%
Contribution to National Police Air Service	E	48,051	55,049	6,998	14.56%
<b>Total</b>		<b>3,253,415</b>	<b>4,112,175</b>	<b>858,761</b>	<b>26.40%</b>

Notes:

- A. The increase in the Outsourced Services budget relates to an increase in the payroll contract of £12k (75%) and police pensions services administration contract of £24k (20%).
- B. Collaboration payments includes a number of police collaborations including Police Digital Service Management Centre, NWROCU (TITAN) and the NW Forces Forensics Collaboration. The increase relates to an increased charge in relation to NWROCU (TITAN) which is being offset to a degree by other reductions.
- C. The increase in Police National Computer/Database charges reflects increases in Home Office National ICT charges.
- D. The increase on Other Third Party Payments reflects a move away from purchasing computer software licenses to purchasing managed services and a number of increased contributions to national policing initiatives.
- E. The 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 been increased for general inflation in 2023/24.

Description	Paragraph	2022/23 £'s	2023/24 £'s	Increase /(Decrease) £'s	Increase /(Decrease) %
Local Government Funding - Specific Partnership	A	(250,059)	(208,326)	41,733	-16.69%
Sale of Assets & Goods	B	(295,417)	(255,937)	39,480	-13.36%
Fees & Charges - Public Fees	C	(325,372)	(239,412)	85,960	-26.42%
Fees & Charges - Rental & Hire Charges	D	(26,190)	(20,250)	5,940	-22.68%
Fees & Charges - General	E	(1,193,059)	(1,040,403)	152,656	-12.80%
Private Hire - Single & Recurring Events		(287,000)	(287,000)	0	0.00%
Inter Force Reimbursements Incl. Collaboration	F	(512,687)	(614,254)	(101,567)	19.81%
Reimbursed Services - Other Public Bodies	G	(1,081,350)	(1,119,365)	(38,015)	3.52%
Transport Trading Income		(2,239)		2,239	-100.00%
General Trading Income	H	(216,164)	(426,557)	(210,393)	97.33%
Contributions & Reimbursements by Staff		(1,350)	(1,092)	258	-19.11%
Proceeds of Crime	I	(150,566)	(178,131)	(27,565)	18.31%
Reimbursements of Licence Expenditure		(15,836)	(13,500)	2,336	-14.75%
Sources of Income from Other Forces	J	(663,760)	(825,541)	(161,781)	24.37%
Internal Recharges Income - Printing	K	(72,581)	0	72,581	-100.00%
Internal Recharges Income - Catering		(24,000)	(25,200)	(1,200)	5.00%
<b>Total</b>		<b>(5,117,630)</b>	<b>(5,254,968)</b>	<b>(137,338)</b>	<b>2.68%</b>

Notes:

- A. Local Government Funding – Specific Partnerships including additional funding for new county lines staff posts, the reduction reflects the reduction of seconded resources being reimbursed.
- B. The reduction in respect of sales of assets and goods, reflects the reduced income from sales in the canteen as staff adopt a more agile way of working post pandemic through combination of working from the office and from home on an approx. 60/40 basis.
- C. The reduction in public fees reflects a reduction in firearms licencing income due to the cyclical nature of renewals which follow a 5 yearly cycle.
- D. The reduction in rental and hire charges reflects the loss of rental income in respect of Barrow due to the room being required for operational purposes and no longer available for rent.
- E. The reduction in fees and charges general income reflects a forecast reduction in income in relation to driver awareness training which is being partially offset by increases in income in relation to training.

- F. The increase in relation to Interforce Reimbursements incl. Collaboration is largely as a result of increased recharges in respect of counter terrorism police posts.
- G. The increase in income in respect of reimbursed services other public bodies, is largely as a result an increase in officers and staff seconded to other bodies and the resultant additional income.
- H. The reduction in General Trading Income relates to a forecast reduction in income to be received as a supporting training provider for the new Policing Education Qualification Framework (PEQF) as the recruitment levels are reduced now that the final stage of Operational Uplift has been delivered.
- I. Proceeds of Crime – forecast increase in expected income from court orders under the proceeds of crime act.
- J. Sources of Income from Other Forces – the increase in income is largely as a result of an increase in the number of officers and staff seconded to other forces.
- K. The removal of income in respect of print room recharges reflects the fact that during 2022 the Constabulary print until was closed and all associated recharges have been removed from the budget.