



Nottinghamshire

POLICE & CRIME COMMISSIONER

Budget 2020-21



NOTTINGHAMSHIRE
POLICE

PROUD TO SERVE

January 2020

Between 2008-09 and 2017-18 efficiency savings and budget reductions were required to deliver annual balanced budgets, in some years these reductions have proved difficult to deliver resulting on the need to use reserves. 2015-16 proved to be the toughest year with efficiency programmes not being delivered and budget omissions being identified during the year. This resulted in £9.3m being required from reserves.

In 2018-19 additional council tax freedoms were allowed and the PCC agreed much needed investment of £3.3m to:

- increase the number of front line police officers
- create a Crime Fighting Fund targeting rural and knife crime
- Invest in new purpose built buildings and equipment fit to meet future demands
- Procure a specialist vehicle for rural use

In addition a £2.4 million contribution to replenish reserves was anticipated, but budget pressures in the year, especially from externally managed collaboration services (MFSS), and from an increased number of knife crime related incidents meant that the amount of funding available to contribute to reserves was £0.7m.

However, with improved medium term budgeting, continued efficiency drives and additional funding the outlook remains positive and a sustainable financial position being achieved.

Changes at a national government level during 2019 resulted in a change to policy for policing with the announcement of a commitment to achieve an uplift of 20,000 police officers over the period to 2022-23. Nottinghamshire's share of this uplift is to be 107, 143 and 107 officer uplift in each of the next three financial years respectively.

Locally both the PCC and Chief Constable have supported achieving this uplift of numbers earlier than the government require and we will start 2020-21 with the full complement of our additional 107 officers.

Central government have included funding in the annual settlement to support their aims and also announced additional funding to encourage early achievement of targets for each individual force. The positive action of the PCC and Chief Constable has placed Nottinghamshire in a very good position to achieve an additional £3m in funding, the maximum amount available which will allow for future investment in 2020-21 in the PCC's priorities, over and above those confirmed in this report.

The careful management of finances and foresight of investment means that Nottinghamshire Police force is well placed to deliver investment in the future and maintain a sustainable financial position.

During 2019-20 the PCC has continued to fund safe and effective victim support services. Areas he has developed further during the year have been sexual violence support and non-domestic stalking. The sexual violence support work has included:

- working with city and county partners to ensure that support was in place for survivors affected by the publication of the Independent Inquiry into Child Sexual Abuse's Nottinghamshire report;
- driving forward work with Clinical Commissioning Groups (CCGs) and local authorities to improve mental health support services for sexual violence survivors, resulting in the development of a specialist pathway through mental health services and personal health budgets for adult survivors of child sexual abuse;
- co-commissioning with NHS England a comprehensive need assessment for sexual violence and abuse;
- successfully securing £545,000 for additional support for sexual violence and abuse survivors in Nottinghamshire from NHS England's High Volume Fund;
- working with survivors to develop a new model of support which will deliver what survivors have been asking for as well as meeting the recommendations of the needs assessment.

Work continues in January 2020 to agree collective funding for the new model, which will be commissioned later in 2020.

Other victim support services continue to deliver well. This includes adult and paediatric Sexual Assault Referral Centres, adult and children's Independent Sexual Violence Adviser services, domestic abuse support and Nottinghamshire Victim CARE. The PCC worked with the County Council to re-co-commission domestic abuse support services, with new contracts due to begin in April 2020.

In July 2019 the PCC's pilot of support for victims of non-domestic stalking began. The specialist service, which mostly provides safety planning and advocacy, works closely with officers and Nottinghamshire Police's monthly stalking clinic. Feedback from victims has been extremely positive.

In other commissioning work, the PCC has worked with his city and county colleagues to co-commission new substance misuse support services in the City and County which incorporate the findings of the independent review he commissioned in 2018.

Nottingham City and Nottinghamshire were one of 18 areas in the country to receive funding from the Home Office's Serious Violence Fund in 2019/20 to form a Violence Reduction Unit (VRU) which, based on models previously seen in London and Glasgow, tasked with developing a long term a public health approach to tackling serious violence. A VRU was formed in September 2019, having received funding of £880,000, reporting into the OPCC, and working alongside existing statutory partnerships such as the CDP and the SNB. A multi-agency team has been established with a focus on strategic leadership and coordination of violence reduction activity.

The VRU are in the process of producing a number of mandatory products such as a countywide Serious Violence Strategic Needs Assessment and a Response Strategy, and has commissioned a number of interventions aimed at a life course approach. Commissioned activity is based on the principle that intervening early to prevent issues emerging is the most effective way to ensure children, young people, families and communities in Nottingham City and Nottinghamshire County thrive.

£0.5m (58% of the funding allocated) has been spent on interventions, which vastly outweighs the minimum 20% spend on interventions recommended in the Home Office guidance. Outputs so far include holding one to one sessions with children who have grown up in homes with domestic violence to cope with trauma, workshops with young men who are at risk of perpetrating violence, particularly toward women and girls, enabling them to understand healthy relationships, and workshops at HMP Nottingham aimed at building the resilience of those who have already offended to help them make the right choices in the future. All interventions are being evaluated to build a local evidence base so we can understand what works to reduce violence in the context of Nottingham and Nottinghamshire.

Current performance in reducing knife crime in Nottinghamshire is extremely positive, with an 8.4% reduction during the last 12 months to end October 2019. The most significant reduction has been in the City. Latest national comparisons (12 months to June 19) show that Nottinghamshire is one of the few areas nationally experiencing a decrease in knife crime.

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Government funding has increased in order to deliver the priority of increased police numbers. A focus on delivering value for money from the investment placed over the next three years will be maintained and existing efficiency processes remain in place. Savings are still required to meet day to day increases in demand and to afford continued investment in assets and technology in order to maintain an effective Nottinghamshire Police Force.

1.1. Funding levels

The provisional funding levels have been set by the Home Office and the Department of Communities and Local Government. This anticipated funding is shown below.

Funding 2020-21	2020-21 £m
Core grants & funding	
Police & Crime grant	(139.4)
Council Tax legacy grant	(9.7)
Pensions grant	(2.0)
Sub-total core grants	(151.1)
Precept	(73.5)
Collection fund (surplus)/deficit	(0.5)
Contribution to Reserves	0.5
Total funding available	(224.6)
Performance grant for in year allocation	3.0
Total funding available	(221.6)

In addition to the funding available above there is also a £3m ring fenced grant in relation to the uplift of an extra 20,000 officers nationally. This will be based on performance in delivering the additional 107 officers that relate to the Nottinghamshire allocation. This will be paid quarterly in arrears and when achieved will be allocated in year.

As this funding is based on performance throughout the year no specific budget allocation has been made in the base budget. It is expected that as performance funding is released by government the PCC will make decisions in year as to its allocation.

Final confirmation of grant settlement will be laid before Parliament in February 2019.

The Referendum Limit was announced at the same time as the provisional settlement and is set at a maximum increase of £10.00 for a band D property for 2019-20 this equates to a maximum rise of 4.55%. This level of increase has been assumed in the above figures. Additional funding created as a result of this increase will ensure that officer and staff numbers increase in line with government projections.

The PCC also requires that the spending plans of the Force need to provide for the addition to reserves over the medium to long term; reflecting the level of reserves used to support expenditure during the current austerity period; and this requirement remains. The medium term spending plans of the Force show that this will be achieved within the current medium term planning period.

A review of the Reserves Strategy has been undertaken and based upon the continued cash support from Central Government, the additional Council Tax freedoms, continued delivery of operational efficiencies and improved budget management plans it is still expected that these reserves will be able to be utilised in the future to support capital expenditure plans. These will deliver investment in new efficient buildings that will be fit for the future, are more energy efficient and will also deliver on-going revenue savings.

1.2 Investment in Service

The increase in precept and government funding will allow Nottinghamshire to invest further in frontline resources, for example having 107 additional officers working on the front line by April 2020. This builds on the existing schools early intervention officers, dedicated burglary, robbery and knife crime teams, and working in local neighbourhoods, that have resulted in 140 additional officers being made available since 2018-19. Therefore by 2023-24 almost 500 additional officers will have been created over a five year period.

In addition £0.5million is being made available to invest in outcomes from the annual departmental assessments (ADAs), which identify changes to demand and improvements to the operational approach to policing. This includes refreshing IT and technical equipment, investment in detection technology and in partnership working.

Supporting the growth in officers funding has also been identified for staff support, this will include investment in partnership working, front line officer support as well as infrastructure and enabling services. In total an additional 50 staff roles will be recruited during 2020-21.

Funding of £0.5m has been allocated to support demand and activity changes identified as part of the forces Annual Departmental Assessments, a process

by why value for money is internally assessed. During the year business cases will be developed and where these meet organisational requirements funding will be supplied from within this £0.5m total.

A small team of four staff has been created to develop the future strategy for corporate IT services (Op Regain). This project is to ensure future systems are fit for purpose.

The Commissioner and Chief Constable also have allocated £150,000 to further augment our prevention activity based on in year demand. The PCC already funds a number of bespoke crime prevention initiatives in the community and the Chief Constable has embedded Schools Officers across the force.

In our capital expenditure plans significant spend is expected in delivering a new custody facility and joint Police and Fire headquarters building at Sherwood Lodge. There is also a commitment to sustainability in these new builds and this is further embedded in our core activities with investment in four electric vehicles for operational policing.

1.3 Summary expenditure

The Commissioner is required to set a balanced budget each year, with increased pressures from inflation, pay awards, new demands and investment this inevitable means efficiencies have to be identified and delivered in order to balance the budget. In 2020-21 £2m cashable efficiencies are identified and have been allocated to specific areas within the base budget.

Expenditure 2020-21	2020-21 £m
Previous expenditure	206.3
Non Pay inflation increases	0.6
Pay increases	9.9
Changes in demand	5.3
Investment	1.5
Sub-total expenditure	223.6
Efficiencies	(2.0)
Total net expenditure	221.6

The changes in year shown above are detailed further in the report.

2. 2020-21 Budget breakdown

Annex 1 details the proposed expenditure budget for 2020-21. The proposed revenue budget is £221.6m.

Net expenditure budget	Initial 2020-21 £m	Efficiencies £m	Base 2020-21 £m	Note
Employee	144.3	0.6	143.7	2.1
Premises	6.1	0.0	6.1	2.2
Transport	6.2	0.0	6.2	2.3
Comms and Computing	8.9	0.0	8.9	2.4
Supplies & services	10.0	0.2	9.8	2.5
Agency & contract services	18.4	0.0	18.4	2.6
Pensions	35.8	1.2	34.6	2.7
Capital financing	8.5	0.0	8.5	2.8
Income	(14.6)	0.0	(14.6)	2.9
Net Expenditure	223.6	2.0	221.6	Annex 1

An alternative thematic view of the 2020-21 budget is also detailed at Annex 5.

2.1 Employee related expenditure

The 2019-20 budget provided for continued officer and staff recruitment. 40 new front line police officer posts were recruited and this follows on from an increase of 80 new front line posts in 2018-19.

In line with the government uplift programme Nottinghamshire will have also recruited an additional 107 officers by March 2020 for deployment in 2020-21. During this year as additional 50 staff members will also be added to the establishment. This makes this the single biggest increase in force resources since austerity measures began in 2008-09.

A pay award has been included in the budget at 2.5% payable from 1st September each year. Employee expenditure accounts for approximately 80% of the total expenditure budget.

Annex 2 details the budgeted staff movement between the current year and 2020-21. Annex 3 details the budgeted police officer, police staff and PCSO numbers for 2020-21.

2.2 Premises related expenditure

During the period of austerity the Commissioner's estate has been reduced in order to achieve efficiencies, but also to ensure resources are allocated based upon need and to facilitate planned changes in working arrangements. Such changes will include remote working through better technologies ensuring officers are in the communities and not stations and hot-desking to ensure optimal use of office space available. In addition core maintenance budgets have increased for the remaining stock reflecting the age of the buildings but also ensuring that maintenance standards are reflective of the needs of the workforce.

Capital investment in new buildings is included in the capital programme, the main investment being a replacement custody suite, as the current operation become increasingly less fit for purpose. The land has been purchased and the majority of building works are expected during 2020-21. A new building project is due to commence for a joint headquarters building with Fire on the current Police Headquarters site. It is not expected that either new buildings will become operational during 2020-21 although future operational efficiencies should be delivered as the purpose built buildings will have latest maintenance/fuel efficiencies built in and should be designed to deliver other operational efficiencies. These will contribute to future efficiency requirements identified in the Medium Term Plan.

Premises related expenditure includes the provision of utility services to those properties and these are elements of the budget that are adversely affected by inflation. For 2020-21 inflation for gas and electricity has been budgeted at 3.0%. In addition costs have increased as a result of uplift numbers.

2.3 Transport related expenditure

The Force has in place a Public Finance Initiative (PFI) for the provision of police vehicles. This agreement ensures that there is always the required number of vehicles and driver slots. However, this is an expensive agreement and requires careful management to ensure the most advantageous service is obtained from the supplier. This continues to be monitored and efficiencies delivered.

In addition the force has a smaller fleet of owned vehicles, the non-slot fleet, the maintenance of these vehicles is also undertaken by the PFI provider, and the capital programme provides for the replacement of these vehicles over the business cycle.

The additional funding for uplift has allowed for 40 extra vehicles to support the growth in officer/staff numbers. This has resulted in increased transport running costs.

2.4 Comms & Computing expenditure

This category captures the costs of the computing infrastructure for the force, including hardware, software and licences. Costs of mobile data and investments in agile working provide for a more efficient front line policing presence. During 2019-20 a new command and control system has been implemented and relevant running costs of this system have been included in the budget.

Some of the IT systems that the Force uses are provided through national contracts that the Home Office recharge costs to the Force. Notification from the Home Office sees the total cost of these systems continuing to increase above the rate of inflation. In addition provision has been made in the ADA funding allocation for the extension of this National Enablers Programme as the Home Office continues to roll out additional services.

The IT/IS service remains critical to the business of the Force and its ability to deliver future efficiencies. Within the ADA funding it is expected that investment in the core activity will be made during 2020-21.

2.5 Supplies & services expenditure

This category of expenditure captures most of the remaining items such as insurance, printing, communications and equipment. There are also some centrally held budgets for unspecified operational demand, this will provide for the opportunity to react quicker to local issues/hot spots, address demand issues and to provide funding for low value equipment and materials.

For all other expenditure an inflation factor of 2.0% has been applied in 2020-21, unless there was specific contracted inflation.

2.6 Agency & contract services

This category of expenditure includes agency costs for the provision of staff, professional services such as internal and external audit and treasury management, and the costs associated with regional collaboration.

A breakdown of the costs associated with this classification is summarised below:

Analysis of Agency & contracted services	2020-21 £m
Agency costs	0.0
Collaboration contributions	11.5
Community safety	5.3
Other partnership costs	1.6
Total	18.4

In year additional agency costs may be incurred as a result of utilising agency staff to cover short term vacancies, especially where departmental restructures are taking place.

Regional collaboration is shown as a joint authority as this is the basis of the collaboration agreements. The region has been challenged to deliver savings from across those projects already in place. Nottinghamshire's element of the regional budget is £11.5m for 2020-21. There have been additional cost pressures in this area from the reduction of government grants that EMSOU receive, especially within Serious and Organised Crime. No savings have been assumed within this budget for collaboration or innovation projects.

Analysis of Collaboration contributions	2020-21 £m
EMSOU	3.5
Major crime	0.2
Tactical surveillance unit	0.6
Forensics	1.4
EMOpSS Air Support	0.7
EMCJS	0.3
Learning & development	0.8
Occupational health unit	0.5
Legal	0.5
Multi Force Shared Services (MFSS)	3.0
Total	11.5

2.7 Pensions

This category includes the employer contributions to the two Police Pension Schemes in place and to the Local Government Pension Scheme (LGPS) for police staff.

The budgeting for medical retirements has seen the number of medical retirements and the associated costs increasing over time, the 2019-20 budget was increased by £0.2m reflecting this trend. For 2020-21 a more stable outlook is expected and current budget levels have remained.

Employer contributions in respect of the LGPS scheme are reviewed by the Actuaries on a tri-annual basis and annual contributions are then adjusted. This revaluation took place in 2019 and contributions were increased by 3.1%, this increase has been included within the budget.

A reduction in pension cost has arisen as the number of contributors to the scheme has reduced. This is generally down to either officers reaching the 30 years contribution or due to staff/officers opting out of the pension scheme.

2.8 Capital financing

This relates directly to the value of the capital expenditure requiring loan funding in previous years. The proposed capital programmes for 2020-21 has been prioritised to ensure that schemes included are not only reflective of need but also are realistic in deliverability.

In line with the new approach fewer schemes are proposed in 2020-21, and they are more appropriately apportioned; over several years in some cases. All have active delivery plans that are monitored centrally on a regular basis.

The revenue impact of any capital expenditure is included within this report and the detail financing arrangements are detailed within the Treasury Management Strategy report also on today's agenda.

Significant increases in capital financing cost have arisen due to increased revenue support for the financing of projects. This cost has been funded from uplift as funding has been front loaded to allow forces to put the infrastructure in place to support additional officers and staff.

2.9 Income

Income is currently received from other grants (e.g. PFI and Counter Terrorism), re-imbursement for mutual aid (where the Force has provided officers and resources to other Forces), some fees and charges (such as football matches and other large events that the public pay to attend) and from investment of bank balances short term.

During 2019-20 surge funding in respect of the serious violence strategy was announced. Nottinghamshire received £1.5m in funding. The government have indicated that this funding will continue but at a reduced level; grant income of £0.7m has therefore been assumed.

2.10 Use of reserves

There are no plans to use significant reserves in 2020-21.

Strategically it is anticipated that £11.5m will be returned to reserves over the medium term, with £4.7million already achieved. The remainder amount is forecast to be repaid within the current medium term planning period, as shown in the Medium Term Financial Strategy.

2.11 Variation to 2019-20 Budget

A variation of budgets between years arises as a result of a variety of changes (e.g. inflationary pressures, efficiency reductions and service demands). Annex 4 details a high level summary of reasons for variations between the original budgets for 2019-20 and 2020-21.

3. **Efficiencies**

3.1 **2019-20 Efficiencies**

As part of the 2019-20 budget the following efficiencies were required in order to set a balanced budget.

Efficiencies 2019-20	£m
Procurement	0.3
Supplies & Services	0.2
Overtime	0.5
Comms & Computing	0.3
Income	0.2
Capital Financing	0.3
Total	1.8
Ongoing staff pay savings	1.5
Total	3.3

- 3.2** The Commissioner is of the view that continually achieving efficiencies is challenging and current indications at the time of producing this report is the Force may achieve a reduction of £2.2m against the 2019-20 budget. In year additional vacancies above those budgeted have been achieved to offset this reduction.

3.3 2020-21 Efficiencies

As part of the 2020-21 budget the following efficiencies are required in order to set a balanced budget.

Efficiencies 2020-21	£m
Procurement	0.2
Pensions	1.2
Total	1.4
Ongoing staff pay savings	0.6
Total	2.0

- 3.4 As in the previous year if these targets are not met the Commissioner will require the force to provide alternative in year savings plans. If this is required it is likely that the force will respond by delaying its in-year recruitment plans, or adjusting the period of contribution to reserves.

4. External Funding

There is an assessment of the financial risk in respect of external funding currently provided. In 2020-21, 3 officers and 76 staff FTE's are funded externally and are added within the expenditure and workforce plans. This could be an additional pressure in future years as funding pressures mount for partners. In the 2020-21 budget reduced contributions from partners has been absorbed without the need to reduce the core police officer numbers.

If this external funding was to cease the Chief Constable would consider the necessity for these posts based on operational need and may decide not to fund from the already pressured revenue budgets.

In addition to these we have 33 police officers and 7 staff FTE's seconded out of the organisation in 2020-21. This compares with 31 officers and 7 staff FTE's seconded in 2019-20.

2020-21 Commissioner's Total Budget (£m)

	Force Budget 2020-21 £m	OPCC Budget 2020-21 £m	Total Budget 2020-21 £m
Pay & allowances			
Officer	113.1	0.0	113.1
Staff	46.3	1.0	47.3
PCSO	5.7	0.0	5.7
	165.1	1.0	166.1
Overtime			
Officer	4.2	0.0	4.2
Staff	0.8	0.0	0.8
PCSO	0.1	0.0	0.1
	5.1	0.0	5.1
Other employee expenses	2.2	0.0	2.2
Medical retirements	4.9	0.0	4.9
	177.3	1.0	178.3
Other operating expenses			
Premises related	6.1	0.0	6.1
Transport	6.1	0.0	6.1
Communications & computing	8.9	0.0	8.9
Clothing & uniforms	0.6	0.0	0.6
Other supplies & services	5.5	0.3	5.8
Custody costs & police doctor	1.6	0.0	1.6
Forensic & investigative costs	2.1	0.0	2.1
Partnership payments & grants to external organisations	1.3	6.2	7.5
Collaboration contributions	11.5	0.0	11.5
Capital financing	8.5	0.0	8.5
	52.2	6.5	58.7
Total expenditure	229.5	7.5	237.0
Income			
Seconded officers & staff income	(2.5)	0.0	(2.5)
Externally funded projects income	(4.1)	0.0	(4.1)
PFI grant	(1.9)	0.0	(1.9)
Ministry of Justice (MoJ)	0.0	(2.4)	(2.4)
Investment interest	(0.3)	0.0	(0.3)

	Force Budget 2020-21 £m	PCC Budget 2020-21 £m	Total Budget 2020-21 £m
Other income	(4.3)	0.0	(4.3)
	(13.1)	(2.4)	(15.5)
Net use of reserves	0.0	0.0	0.0
Total	216.5	5.1	221.6

Efficiencies as a result of specific plans totalling £2.0m have already been removed from the main budgets.

Annex 2

Workforce Movements 2019-20 Estimated Outturn v 2020-21 Budget

	2019-20 Estimated Outturn* FTE's	2020-21 Budgeted Total FTE's	Movements FTE's
Core Funded			
Police Officers			
Operational	1,216	1,251	35
Intelligence & Investigations	699	677	(22)
Operational Collaborations	111	105	(6)
Corporate Services	23	21	(2)
	2,049	2,054	5
Police Staff			
Staff	1,156	1,206	50
PCSO	166	185	19
	1,322	1,391	69
	3,371	3,445	74
Group Total			
Core	3,371	3,445	74
Seconded	43	40	(3)
Externally Funded	72	79	7
Force Total	3,486	3,564	78
OPCC	22	23	1
	3,508	3,587	79

* The estimated outturn as at 31st March 2020.

* There is a temporary uplift in the OPCC numbers as there are an extra 7.1 FTE's included that relate to the violence reduction unit that is currently planned to continue until March 2021.

There

Workforce Plan FTE's

2020-21					
	Operational FTE's	Intelligence & Investigations FTE's	Operational Collaborations FTE's	Corporate Services FTE's	Core Funded FTE's
Police Officers					
Opening balance*	1,216	699	111	23	2,049
Leavers / restructure	(60)	-	-	-	(60)
Retirement	(11)	(22)	(6)	(2)	(41)
Recruitment	106	-	-	-	106
	1,251	677	105	21	2,054
Police Staff					
Opening balance*	397	263	218	278	1,156
Leavers / restructure	-	-	-	-	-
Recruitment	19	19	-	12	50
	416	282	218	290	1,206
PCSOs					
Opening balance*	161	5	-	-	166
Leavers / restructure	(30)	-	-	-	(30)
Recruitment	49	-	-	-	49
	180	5	-	-	185
Opening Balance*	1,774	967	329	320	3,371
Movement	73	(3)	(6)	(5)	74
Closing Balance	1,847	964	323	315	3,445

* Opening balance is the estimated outturn as at 31st March 2020.

Workforce Plan FTE's

	2020-21					
	Core Funded FTE's	Seconded FTE's	Externally Funded FTE's	Force Total FTE's	OPCC FTE's	Total FTE's
Police Officers						
Opening balance*	2,049	36	3	2,088	-	2,088
Leavers / restructure	(60)	-	-	(60)	-	(60)
Retirement	(41)	(3)	-	(44)	-	(44)
Recruitment	106	-	-	106	-	106
	2,054	33	3	2,090	-	2,090
Police Staff						
Opening balance*	1,156	7	69	1,232	22	1,247
Leavers / restructure	-	-	-	-	-	-
Recruitment	50	-	7	57	1	1
	1,206	7	76	1,289	23	1,312
PCSOs						
Opening balance*	166	-	-	166	-	166
Leavers / restructure	(30)	-	-	(30)	-	(30)
Recruitment	49	-	-	49	-	49
	185	-	-	185	-	185
Opening Balance*	3,371	43	72	3,486	22	3,508
Movement	74	(3)	7	78	1	79
Closing Balance	3,445	40	79	3,564	23	3,587

* Opening balance is the estimated outturn as at 31st March 2020.

Variation to the 2019-20 Budget

Police pay & allowances

The £5.2m increase from the 2019-20 budget is predominantly due to achieving the additional 107 officers for uplift by March 2020. Also the increase will have the impact of pay scale increments and the 2.5% pay award which has been partly offset by a reduction in pension costs due to a lower amount of officers taking up the scheme.

Police staff pay & allowances

The £3.3m increase from the 2019-20 budget is due to factoring an additional 50 staff members for uplift as well as pay awards of 2.5% and increments. The force budgets for a vacancy rate, anticipating that there is a gap between a leaver and a new starter. This is anticipated at 3% for 2020-21 and this gap is now much lower than in previous years due to the continued impacts of changes to departmental structures following the Annual Departmental Assessments – a business management programme introduced in 2017-18.

PCSO pay & allowances

The costs year on year remain flat for PCSOs. There has been a greater level of leavers in 2019-20 mainly due to them becoming regular police officers but the plan is to maintain PCSO numbers at 185 FTE's by March 2021 to align with the current operating model.

Overtime

The £0.3m increase from the 2019-20 budget is due to officer and staff costs rising by at least the pay award of 2.5% and also to recognise the fact that amount of FTE's is increasing in the organisation.

Medical retirements

The costs of this are expected to remain flat year on year and the budgeted number reflects that amount of forecasted medical retirements in 2020-21.

Premises related

There is an increase of £0.3m from the 2019-20 budget due to additional costs in relation to the uplift of officers, increased services for fees relating to property sales, an increase in day to day maintenance charges keeping our estate in working order and an increase in hiring of rooms, which will hopefully decline when the new joint FHQ is operational.

Transport

The £0.4m increase from the 2019-20 budget is largely due to an increase in the cost of repairs to our vehicle fleet, and a general increase in running costs, fuel, maintenance etc. due to the increase in vehicles as a result of Operation Uplift.

Communications & Computing

There is a £0.2m increase in costs from the 2019-20 budget and this is because of increased support and maintenance charges due to the implementation of the new Command and Control system and increases in Home Office ICT charges above the level of inflation.

Other supplies & services

The £0.1m decrease stems from procurement savings found in 2018-19 that have a full year effect in 2019-20.

Partnership payments

The £0.8m increase from the 2018-19 budget is mainly due to the inclusion of the violence reduction unit and this is fully offset by income received from the Home Office.

Collaboration contributions

The £1.3m increase from the 2019-20 budget is due to increased payments to regional collaborative teams, mainly EMSOU, in light of reduced government funding received and the increased cost of Police Officer pensions. There is also an increase for MFSS and £0.5m is allocated in relation to an essential upgrade in the system for DEV2.

Capital financing

The £4.2m increase from the 2019-20 budget largely reflects a greater contribution from revenue in order to fund the capital programme. There are two large projects in 2020-21 which this contribution will help to reduce the impact of borrowing elsewhere.

Income

This has increased by £0.9m from the 2019-20 predominantly from the implementation of the violence reduction unit which is temporarily funded until March 2021. There has been a decrease in income expected from mutual aid and football but this is offset by the expectation of the knife crime funding to be continued, albeit at a lower value, in 2020-21.

2020-21 Commissioner's Total Budget – Thematic View (£m)

2020-21									
	Local Policing £m	Crime & Operational Support £m	Operational Collaborations £m	Corporate Services £m	Seconded £m	Externally Funded £m	Force Total £m	OPCC £m	Total £m
Pay & allowances									
Officer	62.7	38.3	6.9	2.8	2.3	0.1	113.1	-	113.1
Staff	14.7	8.7	7.3	13.1	0.3	2.2	46.3	1.0	47.3
PCSO	5.6	0.1	-	-	-	-	5.7	-	5.7
	83.0	47.1	14.2	15.9	2.5	2.3	165.1	1.0	166.1
Overtime									
Officer	1.3	2.0	0.9	0.0	-	-	4.2	-	4.2
Staff	0.2	0.2	0.2	0.2	-	-	0.8	-	0.8
PCSO	0.1	-	-	-	-	-	0.1	-	0.1
	1.6	2.2	1.1	0.2	-	-	5.1	-	5.1
Other employee expenses	-	-	-	2.2	-	-	2.2	-	2.2
Medical retirements	-	-	-	4.9	-	-	4.9	-	4.9
	84.6	49.3	15.3	23.2	2.5	2.3	177.3	1.0	178.3
Other operating expenses									
Premises related	-	-	-	5.9	-	0.2	6.1	-	6.1
Transport	0.2	0.1	0.1	5.4	-	0.3	6.1	-	6.1
Communications & computing	-	-	-	8.6	-	0.3	8.9	-	8.9
Clothing & uniforms	-	-	-	0.6	-	-	0.6	-	0.6
Other supplies & services	0.3	1.0	0.5	3.3	-	0.4	5.5	0.3	5.8
Custody costs & police doctor	-	0.3	1.2	0.1	-	-	1.6	-	1.6
Forensic & investigative costs	0.1	0.8	1.2	-	-	-	2.1	-	2.1
Partnership payments	0.2	0.2	0.2	0.1	-	0.6	1.3	6.2	7.5
Collaboration contributions	-	0.7	10.8	-	-	-	11.5	-	11.5

	2020-21								
	Local Policing £m	Crime & Operational Support £m	Operational Collaborations £m	Corporate Services £m	Seconded £m	Externally Funded £m	Force Total £m	OPCC £m	Total £m
Capital financing	-	-	-	8.5	-	-	8.5	-	8.5
	0.8	3.1	14.0	32.5	-	1.8	52.2	6.5	58.7
Total expenditure	85.4	52.4	29.3	55.7	2.5	4.1	229.5	7.5	237.0
Income	(0.8)	(1.5)	(0.8)	(3.4)	(2.5)	(4.1)	(13.1)	(2.4)	(15.5)
Net use of reserves	-	-	-	-	-	-	-	-	-
Total	84.6	50.9	28.5	52.3	0.0	0.0	216.5	5.1	221.6