



Police and Crime Commissioner  
**CAMBRIDGESHIRE AND PETERBOROUGH**

CAMBRIDGESHIRE AND PETERBOROUGH  
POLICE AND CRIME COMMISSIONER  
MEDIUM TERM FINANCIAL STRATEGY  
2023/24 TO 2026/27

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# 1 Overview and Purpose of the Strategy

- 1.1 The Medium Term Financial Strategy (MTFS) is the key financial planning document for the Cambridgeshire and Peterborough Police and Crime Commissioner (the “Commissioner”) covering the next four years but refreshed annually. The underlying challenge of single year settlements has been removed with the Comprehensive Spending Review (CSR) 2021 providing a three year settlement for policing through to 2024/25. This has been taken into account by the Commissioner in developing the MTFS.
- 1.2 The Commissioner has responsibility for the totality of policing in the area covered by Cambridgeshire Constabulary (the “Constabulary”) and also has a wider responsibility to promote the effectiveness and efficiency of community safety and the criminal justice system.
- 1.3 The MTFS draws together the strategic planning priorities, demand and resource forecasts and likely impact of changes in the wider service delivery environment to produce a costed plan defining the work that needs to be undertaken to achieve long-term financial sustainability whilst delivering policing outcomes.
- 1.4 A precept rise of £14.94 per annum for a Band D property is proposed for 2023/24. This equates to total precept funding of £82.0m based on local Council Tax base estimates and the Collection Fund balances (this differs to the Home Office funding settlement figure of £81.6m which uses Office for Budget Responsibility forecast tax base increases as at March 2022). In addition to the precept, revenue grant funding from government totalling £99.6m is confirmed resulting in total funding for 2023/24 of £181.6m, a £7.2m increase in available funds for Cambridgeshire.
- 1.5 The funding settlement covers 2023/24. Precise grant allocations have not been announced for 2024/25 therefore based on the CSR 2021 for policing, at a national level estimated grant of £101.8m for 2024/25 is included in the MTFS.
- 1.6 Against this background the strategy sets out how the Commissioner aims to ensure the Chief Constable has the resources needed to deliver an efficient and effective policing service. The Constabulary will be required to target investment whilst identifying savings and efficiencies during the period to balance the MTFS. Reserves are required to be maintained at sufficient levels to provide for future financial resilience.
- 1.7 The MTFS balances the pace of delivery of the Police and Crime Plan 2021 to 2024 (the “Plan”) against demand for resources. It identifies assumptions, risks, opportunities and investment requirements both locally, regionally and nationally and the impact these have on the financial plan.

## 2 Operational Context

2.1 Cambridgeshire is one of the lowest funded forces per head of population in the country. In recent years the Home Office’s policing grant allocation has not taken into account population growth. This is a significant issue for Cambridgeshire as the population growth since the last census date has been significant at 11.1% compared to the national average of 6.6%. Population is one of the factors that drives crime levels, which the Constabulary receives no extra funding for.

2.2 The Constabulary had its Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection undertaken by HMICFRS in 2021/22. This provides an overall assessment of the Force’s performance. The PEEL inspection framework has had some key changes. The process is now a more intelligence led continual assessment rather than an annual assessment. There are now five graded judgements which are outstanding, good, adequate, requires improvement and inadequate. Importantly instead of rating the three areas of effectiveness, efficiency and legitimacy under the previous approach, the PEEL inspection now provides judgements against 10 areas of review with graded judgements against 9 of these areas. The new approach enables more precise findings in the inspection on where HMICFRS consider the Force to be and where improvement is needed. The Constabulary’s HMICFRS judgments from the 2021/22 inspection are provided in Figure 2.1. HMICFRS graded the force as ‘good’ in four key areas as indicated and highlighted specific areas of innovation namely:

- Highly effective planning processes that allow it to allocate its resources to where they are most needed;
- Sharing information with partner agencies at an early stage when it concerns offenders accessing indecent images of children;
- The introduction of a specialist vulnerability force desk to enhance its frontline response when dealing with vulnerable people; and
- Its wellbeing provisions to support staff in high impact roles such as child abuse investigations.

**Figure 2.1 – 2021/22 HMICFRS Inspection Outcomes**

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Recording data about crime	Preventing crime	Investigating crime	
	Protecting vulnerable people	Treatment of the public	Responding to the public	
	Developing a positive workplace	Managing offenders		
	Good use of resources			

- 2.3 The Home Office is taking forward a review of the Police Funding Formula the principles of which will be consulted on in early 2023 with a subsequent phase of consultation on the impact of the formula. It is hoped this will benefit Cambridgeshire as one of the lowest funded forces, and will update for the latest population metrics. The detail however is not yet known to confirm whether this is the case. Therefore the Constabulary and Commissioner through the consultation and other routes available will represent Cambridgeshire's interest in pursuing fairer funding.
- 2.4 The significant economic growth planned for Cambridgeshire and Peterborough will not be sustainable unless public services are resourced adequately to support the new communities and households being created and to mitigate the impact on existing communities in absorbing that growth. This includes the policing services.
- 2.5 The Constabulary has the second lowest cost per head of population (based on the mid-term ONS population estimates 2020) at £202. However, adjusting for the latest population data the Constabulary has the lowest cost per head at £194 in the comparative group and one of the lowest nationally. It should be noted that despite the low cost per head of population Cambridgeshire has maintained the highest number of Police Officers at 9.53 for every £1m of funding it has. In terms of the percentage of funding generated from the precept Cambridgeshire is currently in the middle of the group at 43.6%. Table 2.1 presents the Cambridgeshire position against forces used as the most similar comparators.

**Table 2.1 – Comparisons Of Cambridgeshire To Its Most Similar Forces**

<b>Force</b>	<b>Cost per head of population per annum*</b>	<b>Officers per £1m of funding</b>	<b>Percentage of funding from precept</b>
<b>Cambridgeshire</b>	<b>£202</b>	<b>9.53</b>	<b>43.6</b>
Avon and Somerset	£210	8.48	40.1
Devon and Cornwall	£210	8.85	40.4
Gloucestershire	£218	8.52	47.3
Staffordshire	£204	7.64	37.6
Thames Valley	£210	8.65	44.0
Warwickshire	£209	8.62	46.0
Wiltshire	£196	7.60	45.2
National Average	£224	-	

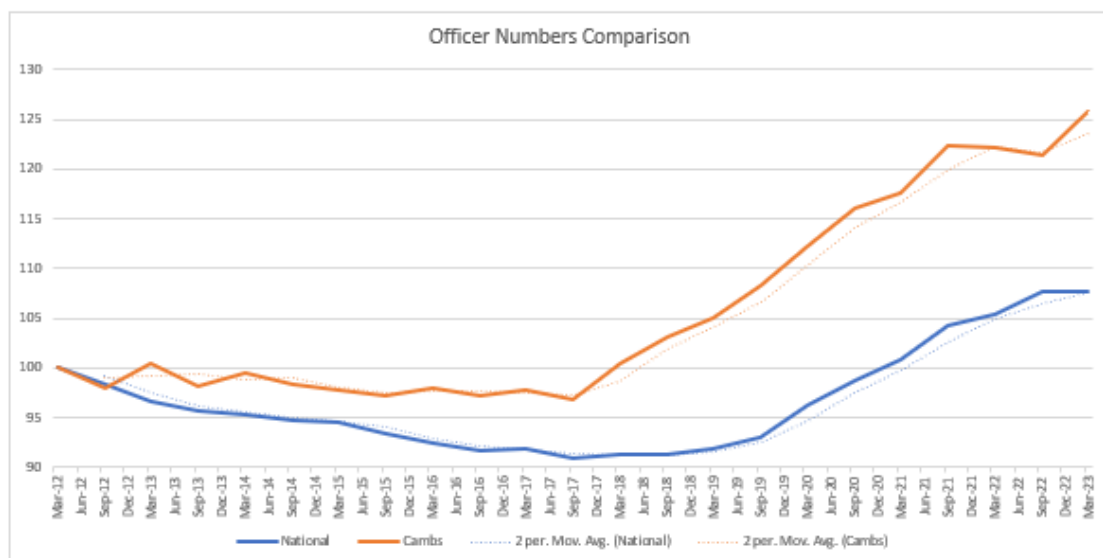
\*based on the mid-term ONS population estimates 2020

- 2.6 Without effective partnership working, there is a risk that demand and any increase in demand, rather than being dealt with, is shifted between partners, with changes in one organisation having a detrimental impact on another. The Constabulary continues to see around 7.6% of incidents having a mental health element and which are taking the Constabulary longer to deal with. Effective

partnership working aims to transform how we work together, preventing future demand as well as dealing with present issues. The Constabulary has a number of partnership and collaboration arrangements in place that help to share best practice, drive value for money and deliver outcomes.

2.7 Significant work has been undertaken within the Constabulary through its business planning process to ensure the policing budget is focused on the front line. Figure 2.2 shows Cambridgeshire at 1,377 officers at March 2012 and the increase against this baseline to March 2023 compared to the national picture of decline during austerity.

**Figure 2.2 – Cambridgeshire Percentage Increase in Officer Numbers Compared to National Trend**



2.8 Through the Government’s Uplift programme, Cambridgeshire has delivered an additional 206 officers taking the force to a budgeted establishment of 1,714 full time equivalent officers and an officer headcount of 1,732 as at March 2023. Some of these officers are assigned to the Regional Organised Crime Unit (ROCU) increasing capacity to tackle issues such as Serious and Organised Crime and Counter Terrorism.

2.9 The additional officers for Cambridgeshire are welcome and are being used to further support policing. It should be noted that the injection of new recruits poses some challenges with the average length of service within Response Teams now being 4.5 years. In addition, there are 230 student officers within their first 2 years of service, with the vast majority in front line response teams. The profile of the workforce has changed as a result and requires infrastructure investment to support the effective delivery of policing. To maintain the existing officer baseline there will be a requirement for continued investment in resources to attract, retain and reduce overall attrition rates.

2.10 The Government funding for the Uplift Programme is conditional on existing officer numbers being maintained incentivised by ring-fenced grant funding. A

financial consequence of Uplift is that the annual budget requirement to meet police officer pay and oncosts is locked and cannot be reduced. Therefore, a much reduced proportion of the budget is available that can be controlled to make efficiencies and savings to balance the MTFs with 55% of the total budget for 2023/24 required to meet the locked in Police Officer pay and allowances.

- 2.11 Even after the Uplift Programme is complete there is the requirement to maintain police officer numbers with ring-fenced grant continuing to be attached to the officer numbers. The Government are rightly expecting a return on investment from the Uplift Programme to reduce overall crime.
- 2.12 Policing is undertaken in a number of ways. Some policing roles are the traditional uniformed officer seen patrolling the streets – the Neighbourhood Policing Teams and response officers. However, there is much more crime and incidents that are not necessarily police-led that occur unseen to the public and which is increasing in complexity. Many officers undertake roles working in areas such as cybercrime, protecting vulnerable people from domestic abuse and sexual assaults and in collaborated units providing a service across Bedfordshire, Cambridgeshire and Hertfordshire (BCH) covering major crime, armed policing, dog handlers, scientific services and roads policing. In addition, it should be acknowledged policing services attract the requirement for police staff roles, such as analysts and digital media experts, as experts in their fields to support a sustainable approach to policing.
- 2.13 The Government continue to review the Strategic Policing Requirement (SPR). The SPR highlights national threats where forces need to contribute to support challenges that go beyond county boundaries. The Government has published the Beating Crime Plan (July 2021), which sets out the Government's ambition to drive down crime and make communities safe, and is part of the Government's 'levelling up' agenda. The Beating Crime Plan and related performance measures focus on cutting homicide, serious violence and neighbourhood crime, exposing and ending hidden harms, and building capability and capacity to deal with fraud and online crime. It also includes work to tackle hidden harms including domestic abuse and national cyber security.
- 2.14 The Commissioner published the Police and Crime Plan at the end of 2021. The Plan was informed by feedback from residents, business and partner organisations. It was also informed by local needs assessments and strategies, as well as national policy. There was ongoing dialogue with the Constabulary to ensure alignment with local operational policing priorities and strategies. The Police and Crime Plan priorities remain unchanged for 2023/24 and are set out in Appendix A: Putting Communities First; Crime Prevention; Supporting Victims and Witnesses; Ethical Policing; and Robust Enforcement.
- 2.15 The operational priorities set by Cambridgeshire Constabulary in its Corporate Plan are based upon the Constabulary Strategic Intelligence Assessment and the CAMSTRA, complementing the objectives set by the Commissioner in his Police and Crime Plan.

2.16 The final key point to note regarding the operational context of the Constabulary is the extent to which national programmes are undertaken for the whole of policing where appropriate to do so. The Uplift Programme outlined above is one example, other initiatives include the following:

- **The National Drugs Campaign** from Harm to Hope is a 10 year drugs plan to cut crime and save lives. To thrive and succeed communities need to feel safe on the streets and secure in their homes, Cambridgeshire Constabulary is committed to, and welcome the Government's strategy to help us tackle the issue;
- **Violence Against Women and Girls (VAWG)** is a national agenda in response to crimes of violence, harassment and abuse against women and girls on a national scale. The Constabulary is working with the National Police Chiefs Council (NPCC) as well as locally with partners to respond to VAWG effectively with resources identified in the budget for this purpose;
- **The Police Race Action Plan** is a national programme of work which seeks to create anti-racist culture, values and behaviours within policing. It aims to address the significantly lower level of trust and confidence and race disparities affecting black people and sets out changes across policing to improve outcomes for black people who work within or interact with policing. This Constabulary is working closely with the College of Policing (CoP) and National Police Chief's Council (NPCC) programme team to ensure an effective local programme of work is underway to deliver against the action plan;
- The **National Enabling Programme (NEP)** aimed at modernising and bringing a more common standard of information technology across police forces including the roll out of O365;
- The **National Police Air Service (NPAS)** provided through a single air service to police forces across England and Wales;
- **Transforming the Forensics Landscape** where National Programmes such as the Digital Forensics Programme, the impending Statutory Codes of Practice with regards to Scientific Activities, the advancement of digital redactions tools and work across the forensic market place are just some examples where national pressures exist and continue to grow. Alongside the Forensic Capability Network national approaches are being developed to increase quality, improve efficiency and speed to investigations to support criminal justice outcomes;
- **Police Education Qualification Framework (PEQF)** – a national requirement to have a framework across the country for education and training of new police officers covering both degree and non-degree entry routes. The PEQF is delivered with education providers locally and



Cambridgeshire is delivering the PEQF with Anglia Ruskin University as the successful contractor across the Eastern Region; and

- **The National Productivity and Efficiency Review**, commissioned by the Home Secretary to examine potential efficiencies nationally and to identify 'blockers and enablers' on key issues such as Mental Health, National Crime Recording and Criminal Justice.

2.17 Further still the Policing Vision 2030, with the newly built National Policing Board and the drive for Central Government to work closer with police forces across the UK will develop further the inter-relationship between national and local initiatives. There are four commitments within the Policing Vision 2020: 1) keeping our communities safe; 2) cutting crime and criminality; 3) evolving the workforce and culture; and 4) strengthen and develop our partnerships. With these commitments and the closer working with Government, there could be future unknown investments that mature with the thinking of the Vision.

2.18 The national programmes that are put in place direct how the Constabulary has to work in these areas. To deliver national programmes local flexibility is further reduced in the budget with the impact being unavoidable cost pressures and investment requirements. The detail for financial planning behind some of these programmes continues to be formed and does have the potential for significant cost implications creating financial pressure in the MTFs, which has to be met. This can be revenue or capital in nature.

### 3 Future Demand and Resources

3.1 The Constabulary Corporate Plan sets out the priorities of the Constabulary, both Operational and Organisational, as follows:

Constabulary **Operational priorities:**

- **Safeguarding the vulnerable** – focussing on domestic abuse (repeat victims and offenders), child sexual abuse and exploitation, modern slavery and human trafficking, fraud (repeat victims and emerging trends) and serious sex offenders.
- **Combatting acquisitive crime** – focussing on burglary and vehicle crime.
- **Reducing harm to communities** – focussing on youth gangs, knife crime, drugs (disrupting county lines and street dealers) and hate crime (repeat offenders).
- **Tackling serious and organised crime** – focussing on disruption of crime gangs as the impact is felt across a wide range of their criminal activity and causes harm to our communities.

- **Increasing public satisfaction** – focussing on improving public confidence, maintaining call handling times, the timeliness of our initial response and improving communication with victims.

Constabulary **Organisational priorities:**

- **People** – developing our workforce; building trust and confidence in our communities; sustaining and improving public approval.
- **Partnership** – developing and enhancing our existing partnerships; working with partners to explore long term sustainable solutions to future demand; developing supportive partnership approaches to problem solving and identifying opportunities to reduce harm.
- **Resources** – using our resources efficiently and effectively to ensure value for money; managing resources to invest in priority areas and integrate new technologies to improve policing.
- **Transformation** – encouraging innovative and entrepreneurial approaches to service design; establishing a business planning approach to support identification of innovative solutions; identifying areas where improvements can be made to the efficiency or effectiveness of investigations by working with our workforce and partners.

3.2 The Corporate Plan also includes the Constabulary's strategic ambitions and intent in respect of equality, diversity and inclusion (EDI) through **Equality objectives**. The statement of intent aims to embed EDI as well as ethics in all aspects of police decision making. The Equality objectives of the Constabulary are:

- To achieve a positive shift in our workplace culture where people, no matter their background and circumstances, feel confident to disclose their protected characteristics;
- Attract, engage, develop and retain a workforce that is representative of the communities of Cambridgeshire;
- Understanding our communities by developing effective engagement strategies that enable interaction with diverse groups, fostering strong relations that build trust and confidence;
- Work with our partners to implement strategies to explain, where necessary reduce, and where possible eliminate disparity and enhance public service;
- Understand the impact of our policies and practices on people with different protected characteristics by conducting equality analysis and take steps to remove or minimise disadvantages; and

3.3 In addition, the force has produced a force culture statement to set out the behaviour expected of staff and explain what we stand for as an organisation.

This is a first for the force and UK policing. The statement is included in the force corporate plan to ensure it is front and centre of all activity. The statement is underpinned by an extensive programme of culture work to ensure it translates into tangible activity. This includes the delivery of a 5-day bespoke Leadership, Culture and Inclusion evidence based workshop to all first and second line supervisors to help positively influence the culture of the force.

- 3.4 CAMSTRA is the Constabulary's annual business planning process that identifies and assesses demand (current and future), resources (workforce and other assets), and cost (actual and predicted) to inform operational decision making and service delivery. The process has the benefit of ensuring that resources are understood, prioritised against current and future demand, and are managed efficiently and effectively. CAMSTRA has been recognised as an area of innovative practice and a highly effective planning tool by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).
- 3.5 CAMSTRA helps to ensure greater focus on financial management across the organisation to ensure budgets are managed robustly and opportunities for savings, innovation, and transformation are optimised. The CAMSTRA is one element of the Constabulary business planning and is shown diagrammatically in Figure 3.1 as to how the process combines demand, resources and cost associated with service delivery.

**Figure 3.1 – The CAMSTRA is central to the Constabulary's business planning approach**



- 3.6 The Constabulary starts the CAMSTRA process in February and March each year taking a service-led approach to business planning. This approach prevents a silo approach to change that can be a detriment to the police services delivered to the public, as well as potentially being inefficient by missing opportunities through synergy. Services are therefore categorised across the Force to avoid unnecessary duplication and assess where policing can be delivered differently with value for money at the heart of it. This

approach is essential given the amount of the budget that is locked making it much harder for strategic leads across the Constabulary to deliver savings and efficiencies in isolation.

- 3.7 Appendix B provides an overview of the 2022 CAMSTRA project benefits, which are largely concerned with how the remaining increase in Uplift Officers can be utilised to meet the CAMSTRA priority outcomes.
- 3.8 Together the Police and Crime Plan and the Constabulary Corporate Plan provide the direction and ambition for the Force to ensure the confidence and safety of the communities that the Constabulary police.
- 3.9 The Constabulary Corporate Plan forms the basis of the CAMSTRA business planning model to determine what services are required for the future of Cambridgeshire communities. The evidence brought to the fore articulates the requirements for investment in 2023/24. A recap of the investments from the 2022/23 CAMSTRA and the benefits delivered is also provided below. The assurance from our business planning means that both efficiency, effectiveness and value for money, as well as future proofing of the Constabulary has been key in resourcing and investment decisions.
- 3.10 The 2022/23 MTFS included precept and CAMSTRA investments in the following areas, which are summarised with associated benefits:

**Digital Investigative Support** - to provide expert digital evidence and support to robustly enforce against those who blight our communities through county lines, serious and organised crime drug supply and those who exploit the on line space to cause serious harm. This has been achieved through:

- The creation of a Digital progression officer role;
- A police staff drugs expert;
- A new Police Online Investigator Team (POLIT) investigator Police staff post; and
- A specialist Digital Accreditation Officer.

**Additional cyber investigators** - The growing prevalence of cybercrime causes untold financial and emotional harm to businesses and individuals alike, this investment will enhance our response to the growing threat through specialist investigators. Roles have been challenging to fill and recruitment continues.

**Young Persons Early Intervention Officer (YPEIO)**

The YPEIO continues to be a pivotal part of PVP and specifically MET Hub response to preventing long term / entrenched missing from home and exploited children. It will also be incorporated into the new Child Exploitation Hub design which it is hoped will go live by the end of 2022/23. The post is understood by,

and works closely alongside, the Local Authority SAFE Teams in engaging with young people. A review was conducted last year which was very promising and showed that most children who are engaged by the YPEIO (a trained police staff employee as opposed to a warranted officer) following their first missing episode, are far less likely to go missing in the future. The YPEIO sees around 10 young people each month and is able to identify some root cause challenges, refer to the appropriate agencies and build trust and rapport upon which positive pathways can be suggested and built; something which has not always been possible for warranted officers.

### **VAWG Analysts**

The VAWG Analyst is one of 5 identical roles (the other 4 being temporarily funded by external funding, for one year) that are designed to support our Rape Investigation Team (RIT) detectives. RIT is a crucial part of our vulnerability, serious and complex crime and VAWG components; Project Eleos is the bespoke development plan for RASSO (Rape and Serious Sexual Offence) improvement and sits largely within the RIT area. The delay in deploying the Eleos Researcher (VAWG Analyst) posts is due to the time taken to recruit and vet the right candidate. As at December 2 posts have been recruited to and 2 more are expected to start in January 2023. They will have a clear remit for researching perpetrator history, identifying additional protective measures, assisting with victim liaison, progressing administrative tasks and ultimately assisting with case preparation. They will be co-located with the Rape Investigation Team (RIT). Their arrival will be particularly important given our national shortage of qualified detectives and the need to maximise their presence and outputs and of course the national increase in rape allegations and the increased attrition at court.

- 3.11 The 2023/24 budget is largely a standstill budget due to the economic conditions driving high inflation, significantly increased gas and electricity costs and pay awards. As a result the increase in total grant funding and the precept increase of £14.94 is required to meet the current cost of running the Constabulary, therefore there is limited new investment for 2023/24 in both local and collaborated policing services.

### **New Investment**

- 3.12 Given the economic climate and consequent impacts on the budget there is minimal new investment in the 2023/24 budget. Rather there is modest growth to manage budget pressures that have been identified across all services. This growth has been managed down as far as possible to mitigate the pressure on the budget but some of it remains unavoidable and has added additional pressure to the budget.

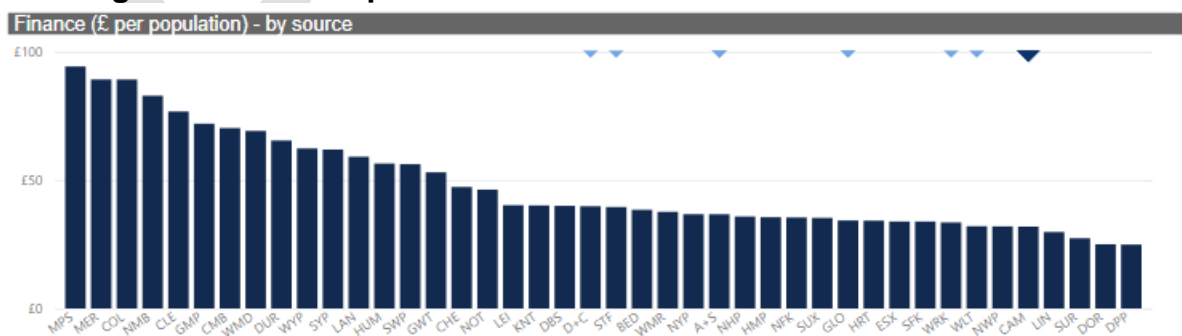
## **4 Medium Term Financial Strategy – Key Principles**

- 4.1 This MTFs seeks to establish principles that both the Commissioner and Chief Constable adopt in delivering a balanced budget and financial plan, whilst providing a sustainable service for the future.

## 4.2 Funding Context

- 4.2.1 In previous years the COVID-19 pandemic led to challenging economic conditions. Whilst COVID-19 restrictions have fallen away, the economic position has become even more challenging due to the war in Ukraine affecting material supplies and production, the phenomenal increases in gas and electricity prices, the cost of living crisis with inflation reaching historic highs and interest rates hitting 3.5% (Dec 2022) and the impacts of Government policy changes as seen through the mini-budget and its subsequent repositioning. These factors have combined to create an unprecedented challenge to the UK economy, including public sector bodies.
- 4.2.2 The Constabulary’s capital projects have been directly impacted through significant increases in project costs, most notably the Cambridge Southern Police Station. The Constabulary is committed to developing a Specialist Training Facility and a new Firing Range with our collaborated partners – Bedfordshire Police and Hertfordshire Constabulary. These projects will be kept under review given the outlook for the economy continues to be uncertain.
- 4.2.3 Council Tax Collection Funds across Cambridgeshire are in the main in a good position with 5 out of 6 billing authorities forecast to be in surplus at 31 March 2023. There is one authority with a Collection Fund deficit which is substantial with the overall Collections Funds in aggregate being £304k in deficit for the Constabulary.
- 4.2.3 As stated at 2.1, Cambridgeshire is one of the lowest funded police forces in the country. Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) publishes benchmark data as part of its Value for Money Profiles<sup>1</sup>, Figure 4.1 shows Cambridgeshire as 5<sup>th</sup> lowest in terms of formula funding per head of population in 2020/21, excluding the Metropolitan Police Service.

**Figure 4.1 – HMICFRS Value for Money Profile Graph Showing Formula Funding Per Head of Population in 2020/21**

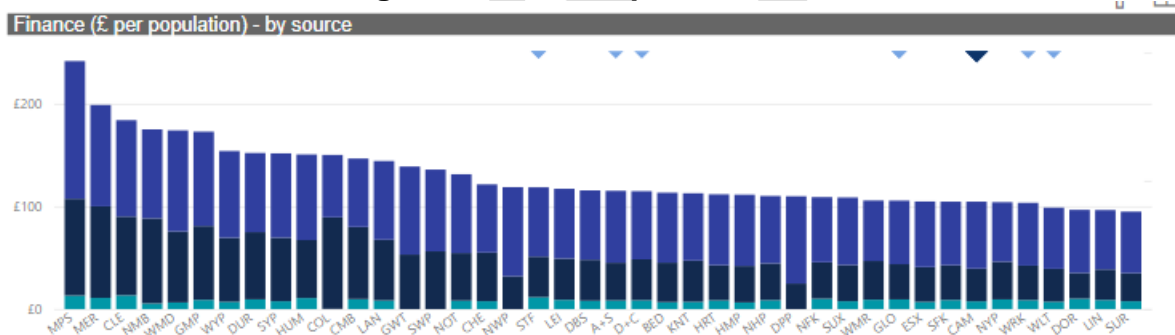


<sup>1</sup> [Value for money dashboards - HMICFRS \(justiceinspectors.gov.uk\)](https://www.justiceinspectors.gov.uk/value-for-money-dashboards)

4.2.4 The area policed by Cambridgeshire Constabulary has had, and is forecast to have, significant population growth in excess of the national average. Since the last census the growth in population has been 11.1% compared to the England average of 6.6%. Whilst in the existing funding formula population is factored in, it does not recognise the changing nature of policing where more work is driven by population volumes such as domestic abuse, child sexual exploitation, cyber crime in terms of volume and complexity. In addition to the resident population Cambridgeshire has further challenges with Cambridge University, Bio medical sites and tourism which are not reflected in the current formula. The inclusion of up to date population metrics must be recognised in any revised funding formula.

4.2.5 Taking into account all Government funding (formula funding, police grant, other grant and council tax legacy grant) Cambridgeshire is the 7th lowest funded force per head of population in 2020/21 as shown in Figure 4.2 (it should be note that this also excludes VRU funding and special grant funding, which some forces receive). The review of the police funding formula is progressing and Government commitment remains. A two stage consultation is expected in 2023 with the first stage due in the early part of 2023 focussing on the principles of a revised funding formula before moving to a second phase considering the impact on forces.

**Figure 4.2 – HMICFRS Value for Money Profile Graph Showing All Government Funding Per Head of Population in 2020/21**



4.2.5 The Government’s Comprehensive Spending Review (CSR) 2021 has provided a more certain outlook for funding levels. The CSR 2021 commitments continue to be in place despite a tightening financial position from Government. The precise detail for 2024/25 is not yet set out by the Home Office.

4.2.6 The commitment to the Uplift Programme continues into 2023/24. The settlement includes the need for Cambridgeshire to maintain police officer numbers at 1,732 with £2.8m of grant funding being ringfenced to ensure this is achieved. Any attrition against the new baseline of 1,732 officers will see some if not all of the £2.8m withheld by Government.

4.2.7 The government has in recent years provided precept flexibility with maximum increases for a band D property typically being £10 or £15. For 2023/24 the flexibility is continued with an allowed increase up to £15. For 2024/25 the 2021 CSR confirmed that the band D precept can be increased by up to £10. The MTFS assumes the precept increase falls back to £5 from 2025/26 onwards.

4.2.8 Further details are provided on the settlement for 2022/23 and the funding assumptions for future years in Section 6.

### **4.3 Collaboration**

4.3.1 Collaboration has been and will continue to be entered into, and in addition reviewed to ensure clear benefits are being gained and /or sustained. Collaboration can be a powerful mechanism for enhancing the quality of service provision and improving resilience. The benefits need to be clearly articulated, agreed, tracked and delivered.

4.3.2 It is recognised that the approach to commissioning of services from the Bedfordshire Cambridgeshire and Hertfordshire (BCH) collaboration can still be strengthened. More work is being undertaken to ensure that the services delivered through BCH are constantly reviewed and are affordable to the Force within the context of the CAMSTRA process and the business and financial arrangements for BCH.

4.3.3 The MTFs aligns the financial planning cycle for BCH with the Constabulary's own cycle. The planning and financial cycle of BCH into individual forces can still be improved and is a focus for both the Constabulary and Office of the Police and Crime Commissioner (OPCC) for future years as part of the MTFs refresh. A focus on savings from BCH for 2023/24 has been key to mitigate the level of additional investment required in BCH units. Savings and efficiencies have therefore been required by BCH portfolios to offset any further investment and remain within the cash limits set.

4.3.4 Building further on prior year savings, Cambs share of the savings total £0.64m. The overall Cambridgeshire share of the BCH budget is £38.9m for 2023/24 including a budgeted 2% pay award.

4.3.5 The immediate opportunities for collaboration continue to be with:

- the tri-force collaboration of Bedfordshire, Cambridgeshire and Hertfordshire (BCH) forces;
- at a seven force level (7F), with 7F Commercial (previously 7F Procurement), that includes BCH, Norfolk, Suffolk, Essex and Kent. Also the focus of the 7 Force Eastern Regions collaboration is transitioning to a softer network approach rather than a hard formal collaboration for areas of development;
- with Cambridgeshire Fire and Rescue Service;
- with the East of England Ambulance Service; and
- National policing programmes and initiatives including Blue Light Commercial.

### **4.4 Reducing Costs, Driving Efficiency and Decreasing Reliance on Reserves**



- 4.4.1 The OPCC has built up a budget assistance reserve to provide resilience for policing to respond to unforeseen situations and to smooth the impact of funding gaps as needed. The MTFs will maintain a position of no planned use of reserves to meet the budget requirement from the budget assistance reserve other than to meet short term timing issues.
- 4.4.2 The Uplift Programme, whilst welcomed, does introduce constraints in pay lines relating directly to officers and many of the police staff that support them will have to be maintained. This locking in of officer numbers removes 55% of the budget from being available to make savings.
- 4.4.3 Organisational reviews, particularly the recurring CAMSTRA process, will examine where the potential for efficiencies can be generated, as follows:
- The removal of duplication, or tackling demand caused by inefficient processes elsewhere within the system. This is also linked to the commissioning of BCH services.
  - The benefits of efficiencies from investment in technology being monitored to ensure that resourcing levels remain correctly balanced.
  - Non-pay elements of the budget scrutinised to establish whether savings can be made from them, for instance areas that have historically been seen as largely ringfenced in terms of ability to control costs.
  - Further non-collaborated savings explored in order to ensure that operational funding requirements are met. BCH is embarking on a programme of service reviews for all BCH units. The intention being to review value for money through the delivery of outcomes and performance in the context of costs and finance.
- 4.4.4 Given the MTFs position now being unbalanced in future years, a transformation programme is required to deliver the reductions in the cost base of the Constabulary in order to rebalance the MTFs. This is no small undertaking given the cumulative gap is forecast at £12.5m.

## **4.5 Minimise Borrowing Levels for Capital Projects**

- 4.5.1 The funding strategy for the capital programme currently includes high levels of borrowing with associated interest and capital repayment costs impacting revenue budgets. No capital funding from Central Government is provided to police forces meaning the Constabulary has to fund any capital requirements through borrowing and capital asset disposals where available. In order to mitigate the levels of borrowing, in particular with regard to short life assets such as ICT, revenue contributions to capital are maintained in the budget where possible. The fact that the property estate is ageing compounds these issues further as capital investment and maintenance needs are increasing. Further still the additional requirements that will be placed on both the estate and the Constabulary's fleet to deliver the carbon neutral agenda provides an

added challenge. More detail is provided in the Capital Strategy which accompanies this MTFS.

- 4.5.2 The OPCC and Constabulary, through its Treasury Management Strategy, will aim to minimise these costs through internal rather than external borrowing when cash balances enable this. This has the effect of avoiding interest costs. Cash balances will provide enhanced income to the Constabulary due to the higher interest rate environment.
- 4.5.3 The major capital project to build the Cambridge Southern Police Station reached a significant milestone during 2021/22 with planning consent being granted. At the start of 2022/23 the purchase of the land at Milton was completed and archaeological work has been tendered and is due to start by the end of 2023/24. The project is progressing to finalise the design and undertake due diligence on the costs given the economic conditions affecting the project. The funding model for the project will seek to minimise the long-term borrowing requirement by maximising the value of the current site within Cambridge. The Constabulary maintains the commitment to provide Neighbourhood Policing Services from a city centre location.
- 4.5.4 The requirement for a BCH Operational Support Unit training facility and new Firing Range is included in the Capital Programme. The Operational Support Unit training facility has reached tender stage and is expected to start construction in 2023/24. Work continues to secure land for the Firing Range project following which planning will be progressed.
- 4.5.5 The proposed capital programme is a significant cost and work has been undertaken to ensure the affordability of the programme in both the MTFS and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Indicators. However, either self-generated capital receipts or external borrowing are the only available mechanisms to the Commissioner to fund capital expenditure. This does therefore have an increasing revenue consequence.

## **4.6 Income Generation**

- 4.6.1 The Constabulary will continue the use of its assets with the aim of rationalising where appropriate. The focus will be on generating the greatest level of return which could be in the form of a capital receipt or regular revenue income stream. Each asset will be evaluated to ensure the return is maximised. The extension to a wider power of competence for Police and Crime Commissioners (PCCs), if introduced, may provide further opportunities for the Commissioner in how the estate can be used or income generated.
- 4.6.2 The OPCC/Constabulary will continue to pursue available external grant funding through strong partnership arrangements. In addition, if capital grants are available for specific capital projects, these will be explored.
- 4.6.3 The Constabulary have developed an Enterprise Strategy linking to the Corporate Plan. The strategy consists of four pillars: Innovation, Income

Generation, Savings & Efficiencies and Funding. Each of the pillars has a thematic lead and formal updates are provided to the Constabulary Change Board and Force Executive Board. The Constabulary is one of only a few forces to have a Memorandum of Agreement with the UK Home Office to provide global policing support and advice in order to help secure and maintain safety and stability, support positive cultural change including gender parity, through programmes of activity which seek to provide upstream policing support, helping to reduce downstream harm for the United Kingdom and compliment the aspirations of overseas change programmes. This provides the opportunity for income generation capped at £250,000 per annum for a 3 year period.

4.6.4 Through the Change Board all officers and staff are proactively encouraged to identify innovations and ideas to support efficiency and income generation. This open and positive approach endorses the values underpinning the Culture Statement.

## **4.7 Prevention**

4.7.1 A number of factors relate to the expectation of future growth in demand, including significant population growth in Cambridgeshire, the impact of service pressures in other key public services leading to increased police demand (80% of police demand is not crime related), and the changing nature of demand. Current demand must be met, but investment in evidence-based prevention, and therefore crime reduction, is also required.

4.7.2 The Constabulary is committed to Creating a Safer Cambridgeshire through the reduction of harm and prevention of crime in our communities, with the ethos of each and every one 'Taking One More Step'. Preventing crime and disorder will always be preferable to dealing with incidents after they have occurred to protect the public, increase confidence and reduce harm in our communities. The One More Step prevention strategy will:

- Work concurrently with and complement other organisational strategies with prevention-focused endeavours;
- Be intelligence led and evidence based focusing on drivers of harm, crime and demand;
- Deliver problem-solving;
- Build community resilience; and
- Work with partners to develop place-based prevention tactics supported horizon scanning, social research and intelligence and analytical development.

4.7.3 Investment from the Commissioner and the securing of external grants has enhanced preventative work and the support available for victims of crime in the county. The OPCC led several successful multi-year bids for funding in 2022/23 which will continue into the coming year including: £295k for community-based services and £526k for additional specialist staff to support victims of rape, sexual violence and domestic abuse. The Constabulary will also continue to lead the delivery of £634k worth of interventions as part of the Safer Streets 4

bid. A new bid into the Home Office Domestic Abuse Perpetrator Fund will be submitted to continue work to prevent future offending and work will begin on the delivery of programmes to reduce serious violence. The OPCC has been awarded £350k to drive partnership work on this agenda in 2023/24.

## **5 Monitoring Budget Performance**

- 5.1 The review of the effectiveness of the financial strategies for the organisation are managed through various stakeholder boards.
- 5.2 Revenue and Capital monitoring reports are produced for submissions to the Force Executive Board and the Commissioner's Business Co-ordination Board. Commentary is provided to explain variances in the performance against budget for the Constabulary (including Collaboration), OPCC, Grants and Corporate costs and a forecast outturn is also provided for each. Additional information is also provided in respect of the reserves forecasts and key performance indicators for cash flow, prompt payment and aged debt.
- 5.3 The tri-force collaboration budget monitoring reports are presented quarterly to the Joint Chief Officers Board (JCOB). The budget monitoring reports on each of the portfolios: Joint Protective Services (led by Bedfordshire), Operational Support (led by Hertfordshire) and Organisational Support (led by Cambridgeshire).
- 5.4 A Resources Group is in place to enable strategic discussions to take place concerning the resourcing requirements for the delivery of the Police and Crime Plan. Senior personnel from the OPCC and Constabulary including Estates, IT, Human Resources & Learning and Development meet monthly to consider commitments to large projects, strategic issues and the resource implications of the capital programme and revenue budget. The Resources Group will review proposed business cases and track associated benefits. Also under the Value for Money Strategy adopted by the Constabulary integrated finance and performance reporting will be developed to demonstrate efficiency and the effective use of resources.

## **6 Assumptions used within the MTFS**

### **2023/24 Assumptions**

#### **6.1 Expenditure**

- 6.1.1 Pay impacts alone are driving an additional budget requirement in 2023/24 of £7.4m made up of:
- An additional unbudgeted cost resulting from the final 2022/23 pay award. The Constabulary budgeted for a 3.5% budget increase which turned out to be higher based on the flat rate £1,900 pay increase

awarded, which effectively meant a pay award of c5%. The impact in 2023/24 is £1.2m for officer and staff combined.

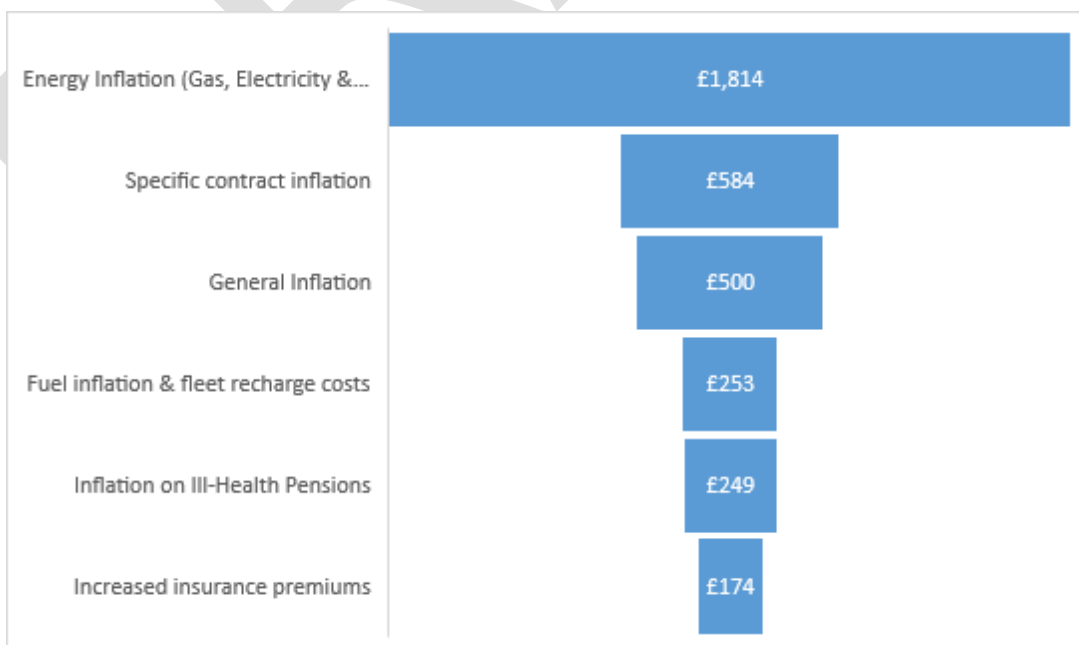
- A 2% pay award assumption for 2023/24 effective from September 2023 totalling £5.6m. Due to the economic conditions and ongoing industrial action across many public services, there is a risk the pay award may be higher. Therefore a corporate contingency of £0.8m has been set aside to mitigate this risk in 2023/24 should it materialise.
- The full year impact of £1.55m for the final year of the Uplift Programme reflecting the fact that all Officers will be in post as at 31 March 2023.
- A reduction of £0.9m due to the removal of the additional National Insurance Contributions.

6.1.2 Bank holiday overtime costs for 2023/24 have been reduced by £90k adjusting down for the additional bank holidays in 2022/23. This does leave one extra bank holiday in the budget for the Coronation in 2023.

6.1.3 The equivalent budget increase for collaborated units for pay inflation is also budgeted at 2%.

6.1.4 Non-pay inflation and contract indexation is included on a line by line basis where unavoidable for Cambridgeshire and BCH functions. Most notably the utility budget for gas and electricity has increased by £1.81m, known contractual price increases of £0.58m, fuel and fleet costs of £0.25m, ill-health pensions of £0.25m and a general inflation budget of £0.50m to manage the impacts of in year contract renewals. In total these specific inflation lines total £3.6m as shown in Figure 6.1. In addition, some budget lines will have included specific inflation pressures such as ICT.

**Figure 6.1 – Breakdown of non-pay inflation increases for 2023/24 (£k)**



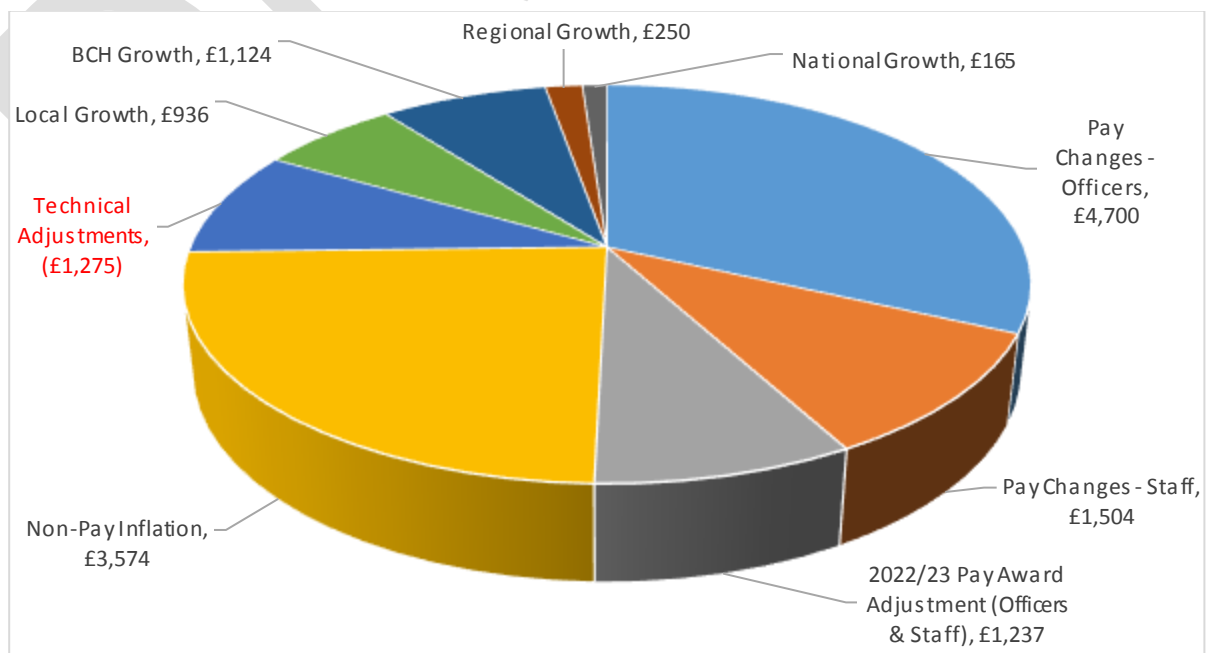
6.1.5 Unavoidable national, regional and local spending pressures totalling £2.5m to meet the strategic threats and risks set out in Section 3 are factored into the 2023/24 budget. However, the Constabulary has little flexibility in the budget to manage unexpected movements against budget assumptions for these programmes.

6.1.6 A number of technical adjustments have been made for the 2023/24 budget in order to balance the budget. These total £1.3m and include:

- A reduction of £1,900k to the revenue contribution to capital budget with a corresponding increase to the minimum revenue provision and interest costs of £386k;
- A pay award contingency budget of £822k to mitigate the risk of the higher than budgeted pay award of 2%;
- A reduction in the LGPS employer contribution rate of 0.5% for police staff equating to £167k;
- A £132k reduction to the Station Enquiry Officer budget which was previously overstated; and
- Additional recharges of £126k to BCH to recover fleet costs and other smaller technical adjustments totalling budget reductions of £158k.

6.1.7 The overall impact of expenditure assumptions for 2023/24 results in total budget growth, before savings, of £12.2m with the breakdown provided in Figure 6.2. The costs in high level terms are driven by pay costs including pay inflation, pay increments, non-pay inflation, unavoidable spending pressures, constrained investment for 2023/24 and capital financing costs including revenue contributions to capital.

**Figure 6.2 – Total budget growth of £12.2m (before savings) for 2023/24 compared to 2022/23 by budget area (£k)**



6.1.8 The investment decisions (i.e. those excluding pay awards, other pay costs and unavoidable cost pressures such as inflation) included in the 2023/24 budget are categorised by budget area in the following chart and total £2.5m. The most notable investments are summarised as:

- £1.1m for increases in the BCH collaboration beyond pay inflation;
- £0.58m of budget increases for local policing spread across the majority of areas;
- £0.25m increase in our regional specialist crime collaboration;
- £0.17m to meet the cost of national initiatives;
- £0.12m for the upgrade of the Force Control Room telephony platform;
- £0.10m to enhance the finance team in response to the added responsibility to provide finance services to the Organisational Support portfolio in BCH; and
- £0.13m to cover minor budget increases relating to external audit fees, the reintroduction of the Senior Management 1 pay grade and Athena costs for the crime recording system.

6.1.9 The total budget growth is reduced by savings and efficiencies identified for 2023/24. Savings and efficiencies have been identified within the Constabulary, within collaborated areas. In total, £4.15m of savings and efficiencies have been identified made up of £2.86m from local Cambridgeshire policing, £0.64m from the BCH collaboration and £0.65m from regional collaboration arrangements. This is on top of the £8.1m savings delivered in the previous two years.

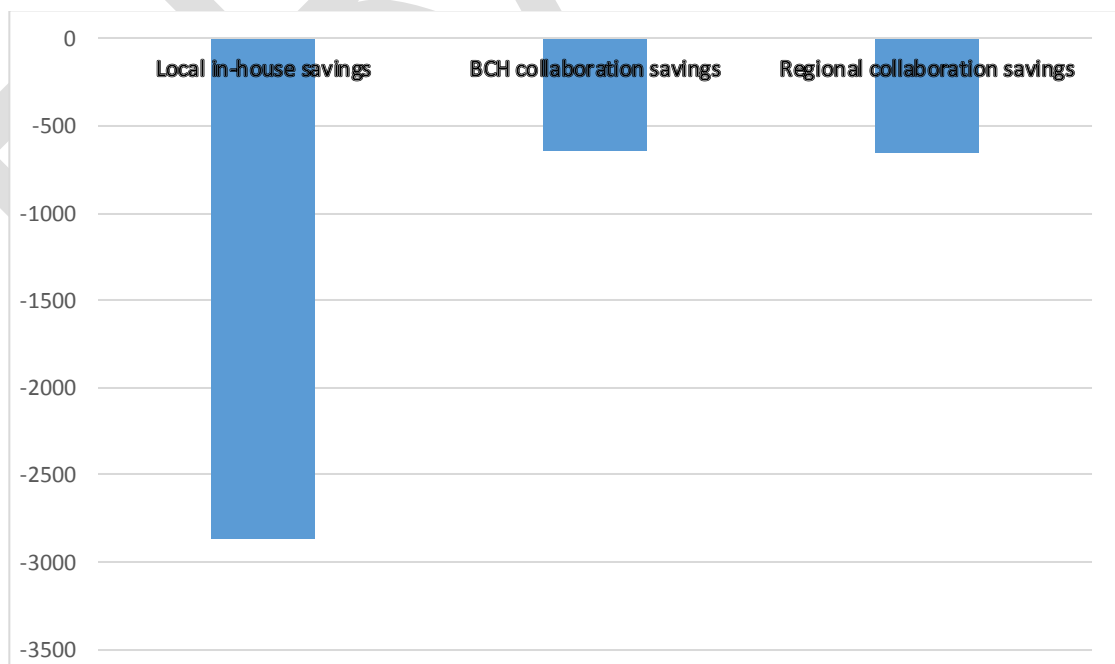
6.1.10 The main savings and efficiency included within the 2022/23 budget include:

- a) BCH savings and efficiencies totalling £2.1m with the majority £0.97m in ICT, £0.34m from Criminal Justice, £0.51m from the Joint Protective Services and £0.23m in HR and Learning and Development. The Constabulary's share of the savings is £0.64m.
- b) As a consequence of the Uplift Programme police officer numbers cannot be reduced, therefore police staff roles are one of the few areas where costs can be managed to make savings. Police staff reductions of £0.50m following a review of vacancies and the removal of some vacant posts creating savings with no redundancy impacts on staff.
- c) The removal of budgets established to support national agendas such as VAWG and digital innovation. These total £0.71m and mean the Constabulary is carrying greater risk in resourcing such initiatives if there are significant demands.
- d) The transition of the 7 Force collaboration to a 7 Force network and a change to the projects being undertaken has released £0.65m.
- e) The removal of the £0.50m revenue budget for prevention in 2023/24 with prevention and crime reduction projects being supported through

the Crime Reduction and Prevention reserve. The intention remains to support crime reduction projects, reduce demand on policing and improve outcomes in the future. Additional grant funding is also actively pursued by the Constabulary and OPCC such as the Safer Streets initiative.

- f) Additional income of £0.42m is built into the budget made up of £0.2m due to higher interest rates expected to provide a greater return on surplus cash balances, and £0.22m from the work the Constabulary is undertaking with the Home Office through the MoA referred to at 4.6.3.
- g) Budget managers have reviewed their requirements for 2023/24 and have identified £0.39m of savings across local policing budgets.
- h) A £0.22m business rates reduction for the PCC’s Monks Wood site following a rates review. Although the rates bill has increased by £83k this provides a net saving of £0.14m.
- i) The decollaboration of the BCH Management Accounts team has generated a budget saving of £0.11m. This function was decollaborated in order to improve the financial advice and support to BCH Organisational Support departments by providing this through the Cambridgeshire Finance team.
- j) The renegotiation of the Airwave contract costs has resulted in a £0.10m budget saving.

**Figure 6.3 – Savings and efficiencies for 2023/24 of £4.15m by budget area (£k)**





## 6.2 Funding

6.2.1 The total grant funding for 2023/24 from the settlement is set out in Table 6.1.

**Table 6.1 – 2022/23 and 2023/24 Government Grant Funding (£ millions)**

Funding Stream	2022/23	2023/24	Change	Notes
<b>Total Formula Grant</b>	95.1	95.4	0.3	Includes legacy Council Tax Freeze grants The grant for 2023/24 includes an increase for pay awards which is reduced for the change in NIC contributions
Pension Grant	1.4	1.4	-	
Uplift Ringfenced grant	1.4	2.8	1.4	Dependent on maintaining officer numbers at 1,732
Capital Grant	-	-	-	
<b>Total Settlement Grant Funding</b>	<b>97.9</b>	<b>99.6</b>	<b>1.7</b>	Difference due to rounding

6.2.2 Through the 2021 CSR the funding for police grant has been confirmed over the period 2022/23 to 2024/25. The actual 2023/24 allocations for the Constabulary are provided in Table 6.1, however the allocations for 2024/25 have not been confirmed at force level. The total grant increase expected nationally for 2023/24 is £150m plus an additional amount to support the cost of the 2022/23 pay award. Using the Constabulary's funding share a grant of £101.8m is estimated for 2024/25 including an increase in the pension grant as part of the Police Pension Fund valuation. This estimate is included in this MTFS with a 1% increase in grant in 2025/26 and 2026/27.

6.2.3 The remaining income for the Commissioner is raised locally through Council Tax precept. Following the COVID-19 pandemic and the cost of living crisis a deficit position exists on the Collection Funds for some councils. The Government implemented a scheme where any deficits resulting from the pandemic could be phased over a three-year period to reduce the immediate impact on budgets. The current position on Collection Fund forecasts is a total deficit for the Constabulary of £0.3m in 2023/24 and a deficit of £0.2m in 2024/25.

6.2.4 The 2021 CSR confirms the flexibility for PCCs (without the need for a local referendum) to increase the band D precept by £10 per annum for each year in

the period 2022/23 to 2024/25. The MTFs is based on the assumption of the full use of this, given that the government has set its grant allocation in the context of the ability to raise the precept by this amount. As part of the 2023/24 settlement further precept flexibility has been given to PCCs in light of the financial and economic crisis. PCCs can for 2023/24 only increase the precept by up to £15 for a Band D property without triggering a referendum.

- 6.2.5 Within the allowable increase set in the 2021 CSR, the precept rise of £14.94 per annum for a Band D property generates total precept funding for 2023/24 of £82.3m based on local Council Tax base estimates (this differs to the Home Office funding settlement figure of £81.6m which uses Office for Budget Responsibility forecast tax base increases as at March 2022). The change in the precept funding is set out in Table 6.2.
- 6.2.6 The total of Precept and the Collection Funds, including the Collection Fund net deficit of £0.3m is £82.0m. Council Tax base growth is included based on estimates provided by the billing authorities of increased band D properties subject to council tax and equates to growth of 1.9% for 2023/24. Forecasts are also included for band D properties in future years.

**Table 6.2 – 2022/23 Precept Funding Compared to 2021/22**

	2022/23	2023/24	Notes
Band D Precept per annum	£257.58	£272.52	
Band D Increase versus prior year	£9.99	£14.94	Equates to £1.25 per month
Percentage Increase versus prior year	4.04%	5.80%	
Council Tax Base (band D properties)	296,307	302,348	2023/24 based on estimates from billing authorities – a 2% increase
<b>Total Precept Funding</b>	<b>£76.3m</b>	<b>£82.3m</b>	
Collection Fund Net Deficit (-) or Surplus (+)	£0.2m	(£0.3)m	Note deficit Collection Fund balances at 2 out of 6 authorities
<b>Total Precept Funding and Collection Fund Balance</b>	<b>£76.5m</b>	<b>£82.0m</b>	
<b>Increase in Precept Funding versus prior year</b>		<b>£5.5m</b>	

6.2.7 It is important to note that the Constabulary, even with a maximum precept rise for 2023/24 and 2024/25, still has significant financial deficits in each year from 2024/25 largely due to the impact of pay inflation, pay increments for an increased number of young in service officers and general inflation and interest cost pressures.

6.2.8 The total funding available for the Commissioner for revenue and capital purposes in 2022/23 from the settlement, precept increase and the Collection Fund net deficit is confirmed in Table 6.3 and compared to 2022/23 funding levels.

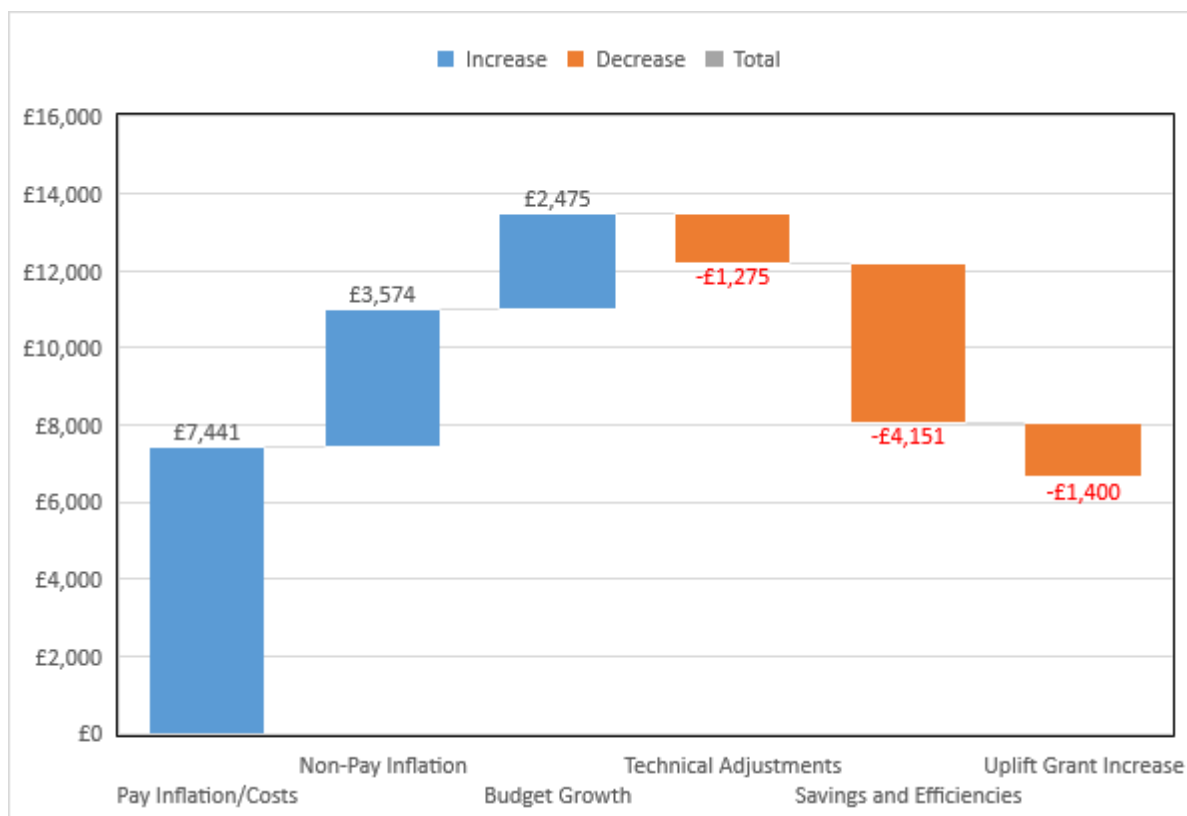
**Table 6.3 – 2023/24 Total Settlement Funding Available**

Funding Stream (£ million)	2022/23	2023/24	Change
Total Precept Funding and Collection Fund Balance	76.5	82.0	5.5
Total Revenue Grant Funding	97.9	99.6	1.7
<b>Total Revenue Funding</b>	<b>174.4</b>	<b>181.6</b>	<b>7.2</b>
<b>Total Capital Grant Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.9 In 2021/22 the Acting Commissioner was allocated a one off unconditional grant from the Ministry of Housing, Communities and Local Government (MHCLG) of £1.0m for a Local Council Tax Support grant. The Acting Commissioner in 2021/22 transferred £0.95m of this grant to an earmarked reserve to meet the cost of the Council Tax Collection Fund deficits that are estimated in future years. The MTFs assumes that £0.76m is released from this reserve in 2023/24 and £0.19m in 2024/25.

6.2.10 Based on the information in this section 6.2 the net budget requirement (gross budget required less savings, efficiencies and specific government grant) of the Constabulary for 2023/24 is £178.2m. This represents growth in the Constabulary's budget of £6.7m for 2023/24, as per Figure 6.4, compared to 2022/23 where the equivalent growth was £9.9m. An overview of the medium term financial plan is provided in Appendix C. The Net Budget Requirement is funded by the core grant funding, the precept funding and the collection fund balance.

**Figure 6.4 – Waterfall chart showing budget growth and savings resulting in the net £6.7m budget growth (£k)**



## Assumptions for 2024/25 and Beyond

### 6.3 Expenditure

6.3.1 Pay inflation has been included at 2% for Cambridgeshire functions and for the BCH collaborated units from September 2024 for officers and staff. There is a risk in future years that the pay award is higher than the budgeted assumption. Therefore, a corporate contingency of £0.8m is maintained to mitigate this risk in 2024/25 should it materialise.

6.3.2 Non-pay inflation is included on a line by line basis, as appropriate, for Cambridgeshire and BCH tri-force collaboration functions.

6.3.3 Pressures, growth and savings have been factored in where they have been identified, notably:

- A further reduction to the Police Pension Scheme (LGPS) in 2024/25 and 2025/26 following the latest valuation of the fund. The employer contributions will reduce by 0.5% in each year result in a budget reduction of £169k and £179k in 2024/25 and 2025/26 respectively.

- The forecast increase in police pension employer contributions due to take effect in 2024/25. The employer contribution rate is not yet known and there are numerous factors that may impact on this, not least the impact of the McCloud pension remedy. An increase of 5% is currently modelled with a corresponding increase to the Pension grant to offset 4% of the additional cost. A risk therefore exists that the rates could increase by more than the 5% and / or no funding from Government is forthcoming to offset the additional costs. This would create a significant affordability issue for the Constabulary; and
- A £250k net increase in BCH costs each year from 2023/24 through to 2026/27, a medium term financial plan is absent for BCH and so this represents a provisional budget increase that will be kept under review. The OPCC and Constabulary continue to work with our BCH partners to improve the financial planning for BCH over the medium term.

6.3.4 Savings and efficiencies identified in future years to date are minimal. Budget gaps exist across all future years as follows 2024/25 £5.4m; 2025/26 £3.9m; and 2026/27 £3.1m. Total savings required over the 3 years from 2024/25 are just under £12.5m, which is a significant undertaking representing 7% of the 2023/24 budget. A transformation programme will need to be developed to deliver savings and efficiencies of this magnitude.

6.3.5 The Commissioner continues to hold a budget assistance reserve to support future year budgets and savings requirements if necessary. However, the use of the budget assistance reserve would only be one off meaning the requirement for savings does not disappear. The Budget Assistance Reserve will be held on the balance sheet until the savings and efficiencies have been identified. Given the significance of the savings needed the reserve may need to support the delivery and / or timing of savings for future years.

## **6.4 Funding**

6.4.1 Constabulary grant estimates of £101.8m for 2024/25 are included in the MTFS based on the information from the 2021 CSR, the Police Settlement in 2023/24 and the assumption that some of the increased Police Pension costs will be met with £0.6m more pensions grant. The detail of the police grant at force level for 2024/25 is not known and therefore a risk exists that a lower level of grant may be received in those years. In addition, a 1% increase in grant is factored in for 2025/26 and 2026/27 to reflect inflationary pressures and based on trends in recent years this is considered prudent.

6.4.2 The Council Tax base forecasts include estimates from the billing authorities where provided otherwise 1.0% increases are included giving total tax base increases of 1.2% in 2024/25, 1.4% in 2025/26 and 1.0% in 2026/27. These estimates will be refreshed annually as more up to date collection information becomes available.

- 6.4.3 All other grants are assumed to remain at current levels with the £2.8m ring-fenced Uplift grant being baselined into the police core grant.
- 6.4.4 Council Tax precept increases are assumed at the full flexibility allowed by Government of £10 per annum for 2024/25 and thereafter a £5.55 increase equating to 2% per annum. The assumptions around the Council Tax precept are explained more fully in paragraph 6.2.4.

## **7 Capital Strategy and Capital Programme**

- 7.1 The Commissioner has developed the Capital Strategy which is included at Appendix D. The Capital Strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of policing services in Cambridgeshire along with an overview of how associated risk is managed and the implications for future financial sustainability for the period 2023/24 to 2026/27. It has been produced in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) requirements.
- 7.2 The Capital Strategy supports planning and corporate working across the two Corporations Sole (Commissioner and Chief Constable) helping to ensure that assets are used and managed well. The Capital Strategy shows how the capital programme is prioritised, monitored, delivered and evaluated. It provides an overview of how capital expenditure; capital financing and treasury management activity contribute to the delivery of strategic outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.
- 7.3 The Capital Programme of investment is contained at Appendix 2 within the Capital Strategy. The Capital Programme consists of the major infrastructure works that are due to be carried out over the next four years. It also contains forecast spend for vehicles and ICT programmes along with the Capital Financing for the Programme.
- 7.4 The risk that the Commissioner faces for future years is how to sustain the funding of the capital programme. The Constabulary currently occupies an ageing estate with only 7% of the assets constructed post 2000. Many of the properties provide poor working conditions with significant refurbishment required. The portfolio is substantially freehold which has led to a culture of remaining on the same site, and making the best of accommodation, even when the location is less than ideal.
- 7.5 Although a rolling maintenance programme exists, there are a number of capital refurbishment projects that are needed to provide operational resilience. With many of the buildings being obsolete in terms of design, they are difficult to refurbish due to their method of construction and use of materials, which include asbestos. Where feasible other funding is sought to offset these costs to the programme.

- 7.6 The financing of the proposed capital programme in recent years has shifted to external borrowing (with £77.7m planned across the 4 year MTFS period representing 81% of the total programme of £96.2m to 2026/27). These are for planned, operationally essential developments, including the relocation of Parkside police station, including custody, from Cambridge city whilst still maintaining a city centre presence as well as further investment in ICT. The costs of borrowing will impact on the revenue budget which has materialised in the current economic climate with the Bank of England raising interest rates to manage inflation. There is a risk of further interest rate rises which will affect the future cost of borrowing and impact the revenue budget. Similarly if interest rates subside financing costs will reduce. The timing of any new external borrowing will therefore be critical in future years.
- 7.7 Other significant schemes under consideration include investment in training facilities for the Joint Protective Services, for public order support units. The project is currently being tendered following which contract award is expected and a start on site due in 2023/24. Also in respect of BCH capital provision has been included for the Constabulary's contribution towards a new Firing Range facility.
- 7.8 Copse Court has been brought back into use during the course of 2022/23 which will continue into 2023/24 as part of the accommodation requirements and estates strategy, optimising the agile working strategy. This will help to release parts of Thorpewood and provide a much more modern working environment.
- 7.9 By 2024 the Demand Hub telephony platform will become unsupported. The capital programme therefore includes a capital investment to upgrade the telephony platform ahead of it becoming unsupported given the critical nature of the facility. The upgrade is planned to be completed in 2023/24.
- 7.10 The Government is increasing the focus on achieving carbon zero. The Constabulary and Commissioner are developing the approaches and plans to achieve this for the Constabulary with a particular focus on the use of ultra low emission vehicles (ULEV) and carbon reduction from the estate and properties. The capital programme includes budget for net zero carbon initiatives which will be kept under review as plans are developed in this area. Current activity consists of baselining the estate to target investment most effectively and also the progression of an Electric Vehicle pilot in the northern geographic hub. The Constabulary continues to explore opportunities with Cambridgeshire Fire Authority and the East of England Ambulance Service.
- 7.11 Funding options for the capital programme include the benefit of disposal proceeds from a range of assets held by the Commissioner. These are continually under review to ensure best value consideration can be achieved.

## **8 Treasury management**

- 8.1 The Commissioner operates a balanced budget, which broadly means cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with temporarily surplus monies being invested in secure low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 8.2 The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to the borrowing need of the Commissioner, essentially the longer term cash flow planning to ensure the Commissioner can meet the capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet the Commissioner's risk or cost objectives.
- 8.3 The Commissioner typically uses external borrowing from Public Works Loan Board (PWLB). Changes in regulations and the ability to access PWLB loans includes the requirement to demonstrate that there are no commercial investments in an authority's (or police forces) capital plans.
- 8.4 The Treasury Management Strategy Statement is included within the Capital Strategy at Appendix D.

## **9 MTFS Risks & Scenario Analysis**

- 9.1 The OPCC and Constabulary have a schedule of Internal Audit and External Audit. The Internal Audit focusses on compliance with corporate objectives, risk profile and risk registers. The programme for internal audit will continue to take a risk based approach to review areas across the business. All reports for 2022/23 issued at the time of drafting provided a positive assurance opinion, with the exception of one opinion of poor progress relating to a BCH audit on the follow up of compliance with Contract Standing Orders for purchases under £50k.
- 9.2 External Audit focusses on the financial records and issues an opinion at the end of the financial year along with the Statement of Accounts. For the 2020/21 accounts the audit opinion was unqualified. This means the External Auditor judged that the financial statements are fairly and appropriately presented, without any identified exceptions and in compliance with generally accepted accounting principles. The external auditors also produce an Annual Report covering financial sustainability, governance and value for money which was a similarly positive for the Constabulary in 2020/21. At the time of writing the 2021/22 audit of the accounts has not yet been started by the auditor



- 9.3 There are inherent risks in the preparation of this MTFS reflecting the level of various unknown factors, particularly in quantifying cost and uncertainty in respect of future cost pressures such as non-pay inflation, pay awards and regularity or statutory requirements that the Constabulary must respond to. Given the high level of inflation in the economy heading into 2023/24 and the ongoing industrial action across numerous sectors, the risks to the budget from higher than budgeted inflation and pay awards is considered significant. As a result the MTFS in 2023/24 and 2024/25 includes a contingency budget to mitigate these risks, which will be released in future years if the risks do not materialise.
- 9.4 The 2023/24 budget includes assumptions and estimates as outlined in Section 6. These assumptions could turn out better than expected, especially if inflation in the economy reduces and the impact of energy costs subside. However, there is a risk that the estimates are understated and additional costs are incurred during 2023/24. Three of the key assumptions in the budget are the pay award, energy inflation and general inflation costs. Figure 9.1 provides some sensitivity analysis against these areas and what the impact could be in higher pay award scenarios combined with further escalating inflationary costs. The analysis indicates that a budget gap of between £0.95m and £2.31m based on the scenarios in Figure 9.1.
- 9.5 The varying levels of budget gap indicated in the sensitivity analysis would require mitigations ranging from the use of the corporate pay award contingency that has been set aside and the further removal of police staff vacancies both of which would support the 2023/24 and future year budget. However, depending on the scale of the budget gap other in year mitigations may be required including freezing recruitment and non-essential spend plus the use of the Budget Assistance Reserve to fund expenditure in 2023/24. Any spend met from in year management action would need to be met in future years through permanent budget savings.

**Figure 9.1 – Sensitivity Analysis on the 2023/24 Budget of Changes to Pay Award, Energy and General Inflation.**

£m	2%	3%	2% to 3% variance	3.5%	2% to 3.5% variance	4%	2% to 4% variance
Police Staff Total	45.90	46.16	0.26	46.30	0.40	46.43	0.53
Police Officer Total	99.45	100.01	0.56	100.38	0.92	100.79	1.33
<b>Officer &amp; Staff Total</b>	<b>145.35</b>	<b>146.18</b>	<b>0.82</b>	<b>146.67</b>	<b>1.32</b>	<b>147.22</b>	<b>1.86</b>
		+1%	Added cost	+3%	Added cost	+5%	Added cost
Energy Budget	2.92	2.94	0.03	3.00	0.09	3.06	0.15
		+£100k	Added cost	+£200k	Added cost	+£300k	Added cost
General Inflation	0.50	0.60	0.10	0.70	0.20	0.80	0.30
<b>Scenario Total</b>	<b>148.77</b>	<b>149.72</b>	<b>0.95</b>	<b>150.38</b>	<b>1.61</b>	<b>151.08</b>	<b>2.31</b>
<b>Mitigation</b>							
Corporate Pay Award Contingency			0.82		0.82		0.82
Holding branch - vacancy removal			0.13		0.20		0.25
Freezing of non-essential spend			-		0.10		0.10
Recruitment freeze - Police Staff			-		0.20		0.40
Budget Assistance Reserve			-		0.29		0.74
<b>Total</b>			<b>0.95</b>		<b>1.61</b>		<b>2.31</b>

- 9.6 The 2021 CSR set out future funding levels for the 3 years to 2024/25 and maximum precept flexibility, which has clarified potential future levels of funding. However, these are not confirmed at police force level beyond 2023/24. As such a risk remains that the funding assumptions in the MTFs for future years may be overstated.
- 9.7 Borrowing and interest costs relating to the capital programme have increased and may increase further as the Bank of England continue to manage high inflation in the economy. The time it is taking to get major capital projects to contract award is also resulting in increased indexation costs. The ongoing capital demands linked to the age of the estate will exacerbate the financing pressure at a time when the MTFs is fragile.
- 9.8 Work is progressing on pension remedy. Additional future liabilities may arise with the cost of police pensions, based on the outcome of the McCloud and Sargeant cases. By way of background, two claims were brought, one against the judges' pension scheme (the McCloud case), the other against the firefighters' pension scheme (the Sargeant case) claiming that transitional arrangements were discriminatory on the basis of age, sex and race. The claims were heard together. The impact of the judgements on these cases, if upheld, will be to give the potential for more officers to retire early, resulting in an increase in the cost of pensions to the force. There is uncertainty as to whether the additional liability, once determined, will be funded by government although this is the expectation built into this MTFs. The remedy for police pension schemes continues but is complex with legislation continuing to be progressed through Parliament.

9.9 There are a significant number of national and government initiatives where costs are borne by individual forces. A number of the following programmes are included within the Net Budget Requirement, but there are others at an early stage which will become a cost pressure. These areas do present a challenge to the MTFs as the implications of these are out of the Constabulary's control.

- National Police Air Service (NPAS). The costs to Cambridgeshire Constabulary have reduced due to more robust triage of calls for service and based on the direct charging model by region and the agreed cost apportionment for the use of NPAS across the forces in the Eastern region. However, aspects such as fleet replacement remain a risk as does the exposure of the service to fuel and operating cost increases which could lead to additional costs not currently budgeted.
- Single Online Home is an initiative to get all 43 forces to have a single shared platform to offer the public a consistent way of engaging with their local force and accessing police services online.
- Emergency Services Mobile Communications Programme (ESMCP) is the government's chosen option to replace the Airwave system used for communications between control rooms and the police, fire and ambulance services. Commercial discussions by the ESMCP Programme team and its suppliers have been ongoing over the last 12 months meaning the timeframes for the Programme have shifted to later years.
- The National Law Enforcement Data Storage (NLEDS) programme is replacing the ageing Police National Computer.
- The National Enabling Programme (NEP) which is designed to strategically align policing nationally under the Policing Vision 2025 and will underpin a national digital secure workplace and generate efficiencies.
- Transforming the Forensics Landscape where National Programmes such as the Digital Forensics Programme, the impending Statutory Codes of Practice with regards to Scientific Activities, the advancement of digital redactions tools and work across the forensic market place are just some examples where national pressures exist and continue to grow.
- Increasing accreditation requirements, which are costly to achieve and maintain. The Constabulary is working to secure accreditation in our Sexual Assault Referral Centre (SARC), Digital Forensics and Fire Crime Investigation.

## **10 Usable Reserves**






- 10.1 Under Section 25 of the Local Government Act 2003, the Commissioner's Chief Financial Officer (s151) is required to report on the adequacy of the proposed financial reserves as part of budget setting considerations. The Commissioner is required to clearly set out how he intends to use all allocated reserves over the MTFS period.
- 10.2 Where budget underspends exist, the reserves strategy will be to ensure, as far as possible, that the general reserve is held at a level that is considered prudent. Once achieved, the creation of reserves to manage known risks to the Constabulary and to support capital investment given the low level of capital grant the Constabulary now receives from Government will be considered.
- 10.3 The General Fund Reserve is a statutory reserve to fund unplanned and emergency expenditure, with a forecast balance at 31 March 2023 of £8.7m. This will be 5.1% of the Net Budget Requirement for 2022/23, compared to the 5% target generally considered a prudent level. As the Net Budget Requirement continues to increase year on year a transfer to the General Reserve from the Budget Assistance Reserve of £0.3m is planned in 2025/26 and £0.35m in 2026/27. This will position the General Fund Reserve at £9.3m at the end of 2026/27 which, at 4.5% of the forecast Net Budget Requirement, is below the targeted level of 5%. The current deficit position on the MTFS in future years means additional contributions to reach 5% are not currently affordable. However, if the budget gaps are closed without the use of the Budget Assistance Reserve it will be possible to transfer further amounts from the Budget Assistance Reserve to the General Fund to achieve the 5% target.
- 10.4 The forecast balance on all earmarked reserves at the 31 March 2023 is provided at Appendix E along with the reserves forecast for the period of the MTFS based on estimated use and the financial planning assumptions. It should be noted that there is no reliance on the Budget Assistance Reserve in the MTFS, although savings remain to be identified from 2024/25. Appendix E also provides a description on the purpose of each reserve.

## **11 Robustness of estimates**

- 11.1 Under Section 25 of the Local Government Act 2003, the Commissioner's Chief Financial Officer (s151) is required to report on the robustness of the estimates made for the purposes of the budget calculations.
- 11.2 The Commissioner's Chief Finance Officer has provided assurance to the Commissioner under Section 25 of the Local Government Act 2003 in his review of the draft budget under consideration, and believes that the budget proposals set out by the Commissioner are prudent and sustainable. The level of reserves is sufficient to meet the known risks within the budget taking account of the Commissioner's financial management framework.

Appendix A – POLICE AND CRIME PLAN PRIORITIES

# TACKLING CRIME & KEEPING COMMUNITIES SAFE

PUTTING COMMUNITIES FIRST	CRIME PREVENTION	SUPPORTING VICTIMS AND WITNESSES	ETHICAL POLICING	ROBUST ENFORCEMENT
 <p>We will ensure the police and other partners are listening to the public and working with them to act on their concerns and supporting them to assist themselves.</p> <p>From initial contact, to rural and business crime, anti-social behaviour, hate crime and speeding.</p>	 <p>We will work in partnership to understand and tackle the root causes of crime and serious violence through early intervention and rehabilitating people who have offended, while reducing opportunities for people to commit crime.</p>	 <p>We will protect vulnerable people and ensure victims and witnesses are placed at the heart of the criminal justice system, commissioning services to support them.</p> <p>We will recognise every victim's experience is different and will provide a quality service which maintains their trust and confidence in the criminal justice system.</p>	 <p>We will ensure the police act with integrity and social responsibility, promoting a culture that is inclusive, diverse and takes equality seriously.</p> <p>From how they interact with the public they serve, to environmental sustainability.</p>	 <p>We will ensure the police and other partners such as courts, prosecutors, probation and local authorities are using criminal justice and other enforcement processes effectively to keep Cambridgeshire and Peterborough safe.</p>

## Appendix B – Overview of 2022 STRA Priorities

The following nine cross cutting themes represent the highest priority areas from the 2022 CAMSTRA.

CAMSTRA 2022 top threats / risks	
	Economic instability
	Equality, diversity, ethics, and inclusion
	Investigation standards and supervision
	Neighbourhood policing
	Prevention
	Recruitment and retention
	Responding to the public
	Serious and organised crime
	Workforce skills and experience

### Mitigation

The following actions are currently being taken to mitigate against the cross-cutting threats and risks:

**Economic instability** – The continued cost of living crisis is creating pressure on the Constabulary’s budget. The effects of cost of living and recommendations to support officers and staff are being reviewed via Strategic Workforce Planning. The Constabulary will also assess the impact on the management of the force, future demand and crime, and the workforce as part of the forthcoming Force Management Statement.

**Equality, diversity, ethics, and inclusion** – Initiatives to improve equality, diversity, ethics, and inclusion (EDEI) are overseen via the EDEI Strategic Meeting and Race Action Plan. The Constabulary’s Positive Action Team are directly focused on the attraction, recruitment, progression, and retention of individuals who are female or Black, Asian, and Minority Ethnic. The Constabulary has also recruited an Inclusion Coordinator, and more recently, an Ethics and Legitimacy Coordinator to support wider work to improve diversity and understanding across the organisation.

**Investigation standards and supervision** – Initiatives to improve investigations and supervision are overseen by the Crime Standards Delivery Group. An intervention plan and audit regime are in place to improve and monitor the quality of investigations. Supervisory capacity within the Volume Crime Teams will be increased with an uplift in 10 Detective Sergeants. Capacity to improve the investigation of serious sexual offences will be increased through an uplift of 2 Detective Sergeants and 5 Detective Constables in the Rape Investigation Team. A review of the Detective Inspector (DI) and Senior Investigating Officer (SIO) roster has also been commissioned to assess the impact on leadership and supervision, and the benefits to any changes.

**Neighbourhood Policing** – Initiatives to improve Neighbourhood Policing are overseen via the Neighbourhood Policing Steering Group. The neighbourhood policing strategy, terms of reference and performance framework are being reviewed. An internal review of neighbourhood policing has been undertaken to identify areas requiring development with short- and medium-term recommendations to make improvements. A feasibility study assessing the proposals to review Police Community Support Officer (PCSO) working hours to support community engagement has also been commissioned.

**Prevention** – The Constabulary has introduced the ‘One More Step’ prevention strategy to improve the reduction of harm and prevention of crime. A restructure of Partnerships & Prevention and the introduction of Prevention Hubs with an uplift of 9 Constables and 1 Inspector will support the delivery of the strategy and improve the force’s approach to prevention activity.

**Recruitment and retention** – Issues relating to recruitment and retention are being reviewed via Strategic Workforce Planning. The Constabulary’s Positive Action Team are directly focused on the attraction, recruitment, progression, and retention of individuals from underrepresented groups. An uplift of 2 Constables and 2 Sergeants in People & Professionalism will also support wider attraction and recruitment activity and provide supervisory support for officers on PEQF pathways.

**Responding to the public** – Initiatives to improve the response to the public are overseen by the Force Performance Board. A joint delivery plan between the Demand Hub and Local Policing is in place to improve call handling, the timeliness of the initial response, and communication with victims. An uplift of 40 Constables in Response will also increase capacity on the frontline and support improvements in this area. Cost neutral changes to the Demand Hub establishment will also increase supervisory capacity in the Force Control Room.

**Serious and organised crime** – The Constabulary’s approach to serious and organised crime has been subject to an HMICFRS inspection. An action plan is in place in response to the initial findings. The force is awaiting the final report and details of any recommendations and areas for improvement to inform plans in this area.

**Workforce skills and experience** – A BCH skills strategy, managed via the BCH People Board, is in place to improve the understanding of skills and capabilities required to meet current and future demand. Work is underway to understand

operationally deployable skills, leadership skills, organisational / workforce skills, and personal skills. Locally, the Continuous Professional Development Unit (CPDU) provide support to officers and an uplift of 1 Detective Sergeant will specifically support the development of officers on detective pathways.

The annual Think Tank event took place in November 2022 to review the sustainability of the current operating model and how it may need to change to meet future demand. The discussions focused on priority areas including Neighbourhood Policing and responding to the public. Further workshops to evaluate the Demand Hub and Neighbourhood Support Team functions will take place in early 2023 to identify opportunities to improve service delivery.

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## Appendix C - MTFP 2023/24 to 2026/27

	Planned Budget	Forecast Budget	Forecast Budget	Forecast Budget
	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
<b>In-House Force Expenditure</b>				
Police Officer Pay & Allowances	66,164	68,767	71,074	73,169
Police Officer Overtime	2,480	2,390	2,390	2,390
PCSO Pay & Allowances	1,409	1,457	1,498	1,534
Police Staff	26,681	27,473	28,255	29,107
Police Staff Overtime	209	209	209	209
Other Employee Expenses	766	1,884	1,896	1,907
Premises Costs	6,489	7,447	7,954	8,463
Transport Costs	3,257	3,341	3,427	3,516
Supplies & Services	7,374	7,915	8,185	8,455
<b>Total In-House Expenditure</b>	<b>114,830</b>	<b>120,884</b>	<b>124,890</b>	<b>128,753</b>
<b>Net Cost of Police Pensions</b>	<b>18,924</b>	<b>20,404</b>	<b>21,003</b>	<b>21,548</b>
<b>Total BCH Collaboration</b>	<b>38,916</b>	<b>40,149</b>	<b>41,152</b>	<b>42,131</b>
<b>Other Collaborations &amp; Partnership</b>				
Helicopter	559	583	606	630
Regional Change team	245	194	173	173
ERSOU	3,406	3,501	3,582	3,653
SARC	557	573	591	608
Kings Lynn PIC	924	924	924	924
<b>Total Other Collaborations &amp; Partnership</b>	<b>5,691</b>	<b>5,775</b>	<b>5,877</b>	<b>5,989</b>
<b>Constabulary Expenditure</b>	<b>178,363</b>	<b>187,212</b>	<b>192,923</b>	<b>198,421</b>
<b>Total Income</b>	<b>-1,672</b>	<b>-1,672</b>	<b>-1,673</b>	<b>-1,674</b>
<b>Total Constabulary Budget</b>	<b>176,691</b>	<b>185,539</b>	<b>191,249</b>	<b>196,746</b>
<b>Total OPCC Office Expenditure</b>	<b>1,355</b>	<b>1,393</b>	<b>1,425</b>	<b>1,454</b>
<b>Corporate Costs and Grants</b>				
Non-Operational Estate Held for Investment	-9	-9	-9	-9
Police National ICT Company Subscription	60	60	60	60
Community Safety / Crime Reduction Grants	1,276	1,276	1,276	1,276
MoJ Victims Grant - Exp	2,015	2,015	2,015	2,015
Uplift Ringfenced Grant (baselined in police grant from 2023/24)	-2,800	-2,800	0	0
MoJ Victims Grant - Income	-2,015	-2,015	-2,015	-2,015
Pension Grant	-1,398	-2,028	-2,028	-2,028
Investment Interest	-250	-250	-250	-250
<b>Total Corporate Costs and Grants</b>	<b>-3,121</b>	<b>-3,751</b>	<b>-951</b>	<b>-951</b>
<b>Capital Financing Costs</b>				
Revenue Contribution to Capital	1,500	1,500	1,500	1,500
BCH License Fee Income	0	-396	-604	-600
Interest	526	2,466	3,588	3,660
MRP	1,225	2,105	3,317	4,522
<b>Total Capital Financing Costs</b>	<b>3,251</b>	<b>5,675</b>	<b>7,801</b>	<b>9,082</b>
<b>Savings Required</b>	<b>0</b>	<b>-5,441</b>	<b>-9,361</b>	<b>-12,488</b>
<b>NET BUDGET REQUIREMENT (NBR)</b>	<b>178,177</b>	<b>183,415</b>	<b>190,164</b>	<b>193,843</b>
Budget -Decrease / +Increase Year on Year	6,664	5,239	6,748	3,680
<b>Financed by:</b>				
Formula Grant	95,400	96,960	97,930	98,909
Uplift Grant (baseline of ringfenced grant)			2,800	2,800
Precept	82,322	86,459	89,433	92,133
Local Council Tax Earmarked Reserve	759	196	-	-
Contribution (to)/from Reserves	-	-	-	-
Collection Fund - (Deficit) / +Surplus	-304	-200	-	-
<b>TOTAL FINANCING</b>	<b>178,177</b>	<b>183,415</b>	<b>190,163</b>	<b>193,842</b>
Funding - (decrease) / + increase	6,664	5,238	6,748	3,679

## Appendix D - Capital Strategy and Capital Programme

The Capital Strategy for the OPCC is provided below, which includes the Treasury Management Strategy Statement at paragraph 3.10, and the Capital Programme at Appendix 2 within the document.



Capital Strategy 2023  
(BCB 19-01-23).doc

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## Appendix E – Forecast Reserves Position as at January 2022

	31-Mar-23	Contributions to (+) or from (-) reserves		31-Mar-24	Contributions to (+) or from (-) reserves		31-Mar-25	Contributions to (+) or from (-) reserves		31-Mar-26	Contributions to (+) or from (-) reserves		31-Mar-27
	£'000		£'000	£'000		£'000	£'000		£'000	£'000		£'000	£'000
Budget Assistance Reserve	2,513		-116	2,397			2,397		-300	2,097		-350	1,747
Capital Carry Forward Reserve	0			0			0			0			0
Carry Forward Project Reserve	0			0			0			0			0
Insurance Reserve	1,410			1,410			1,410			1,410			1,410
Ill-Health Retirement Reserve	398			398			398			398			398
Drug Forfeiture (Operational) Reserve	276			276			276			276			276
Asset Incentivisation Reserve (created 2019/20)	240			240			240			240			240
Road Casualty Reduction & Support Reserve	743			743			743			743			743
Collaboration & Commissioning Reserve	526			526			526			526			526
Major Incident Victim Support (created 2020/21)	25			25			25			25			25
Crime Reduction and Prevention Reserve	384		116	500			500			500			500
Uplift Reserve	7		-7	0			0			0			0
Collaborated Property Maintenance Fund	124			124			124			124			124
ESMCP Reserve	529			529			529		-150	379		-150	229
Agile Working Reserve	165			165			165			165			165
Pension Reserve (McCloud & Revaluation Smoothing)	250			250			250			250			250
Council Tax Fraud Initiative Reserve	109			109			109			109			109
Local Council Tax Support Reserve	955		-759	196		-196	0			0			0
General Reserve	8,670			8,670			8,670		300	8,970		350	9,320
Capital Receipts Reserve	0			0			0			0			0
Unapplied Capital Receipts Reserve (created 2019/20)	0			0			0			0			0
				0									0
<b>Total Usable Reserves</b>	<b>17,324</b>		<b>-766</b>	<b>16,558</b>		<b>-196</b>	<b>16,362</b>		<b>-150</b>	<b>16,212</b>			<b>16,062</b>

## **Description of Reserve Purpose**

**Budget Assistance Reserve** is available to fund the shortfall between funding and budget requirement in forthcoming budget planning on a one off basis. Current plans are for this reserve to be used during the MTFS period to mitigate the impact of Council Tax Collection Fund deficits due to COVID-19.

**Capital Carry Forward Reserve** is a reserve to transfer underspends in the capital programme from one year to another.

**Carry Forward Project Reserve** this reflects the timing differences in committed revenue expenditure from one year to another for specific projects.

**Insurance Reserve** is a contingency reserve based on the actuary report.

**Ill-Health Retirement Reserve** is a contingency reserve set at five retirees averaged at £79.6k per pensioner.

**Drug Forfeiture Reserve renamed the Prevention and Early Intervention Reserve** contains funds received from HM Courts and is earmarked for operational activity to fund initiatives to reduce and prevent crime. Funds are applied from this fund as operational need requires.

**Asset Incentivisation Reserve** contains funding received following successful investigations by ERSOU. The Assistant Chief Constable manages bids to this fund.

**Road Casualty Reduction and Support Fund** contains funds to be used on road casualty reduction activities to progress the Vision Zero Strategy which was signed up to by all partners on the Road Safety Partnership.

**Collaboration & Commissioning Reserve** is for the Commissioner to fund activities under the Transformation theme of their Police and Crime Plan.

**Major Crime Incident Victim Support** is a reserve set up following changes to the Commissioner's grant agreement with the Ministry of Justice which covers the statutory duty to provide support for victims of crime. This agreement devolves a responsibility to Police and Crime Commissioners to provide all victims of major crime incidents (such as terrorism or large scale enquiries) in the county access to victim support services.

**Crime Reduction and Prevention Reserve** is a new reserve established from the budget underspend in the 2021/22 financial year. The reserve provides a revolving earmarked reserve to undertake one off type projects and pilots funded in respect of crime reduction and prevention.

**Uplift Programme Reserve** is a reserve to support the full 3 year Police Officer Uplift Programme and any future costs to the programme not yet known, such as additional infrastructure requirements. In addition the reserve will provide some resilience in the event that officer numbers in future years are not achieved and therefore any shortfall in the ringfenced grant funding.

**Collaborated Property Management Fund** is a reserve to meet property maintenance commitments in our collaborated properties.

**Emergency Services Mobile Communications Programme** – a reserve to meet any unknown early mobilisation costs relating to the national programme not budgeted for.

**Agile Working Reserve** is a short term reserve to support the transition to the Constabulary's Agile Working Strategy through changes to accommodation and equipment.

**Pension Reserve** has been created to mitigate the risks associated with pension claims (McCloud) and to support the smoothing of triennial pension valuation impacts.

**Council Tax Fraud Initiative** is a joint project with the other local authorities in Cambridgeshire to ensure the collection of council tax is maximised.

**Local Council Tax Support Reserve** is a new reserve being created from a one off grant from the Ministry of Housing, Communities and Local Government in recognition of the increased cost of providing local council tax support. The reserve is planned to meet the Council Tax Collection Fund deficits forecast in the MTFS.

**General Fund Reserve** is a statutory reserve to fund unplanned and emergency expenditure, the MTFS aims to maintain this balance at 5% of the net budget requirement over the life of the MTFS.

**Capital Receipts Reserve** is made up from receipts from buildings the Commissioner has disposed of as they are no longer required for operational policing. This reserve will be used to help fund the building of new assets and can only be applied to capital expenditure.

**Unapplied Capital Receipts Reserve** is a reserve to transfer unspent capital receipts from one year to another.

## Appendix F – Acronyms listing

7F	The seven forces of Bedfordshire, Cambridgeshire, Hertfordshire, Essex, Kent, Norfolk and Suffolk
BCH	The Triforce of Bedfordshire, Cambridgeshire and Hertfordshire
CFO	Chief Finance Officer
The Commissioner	Cambridgeshire Police and Crime Commissioner
The Constabulary	Cambridgeshire Constabulary
CPDU	Continuous Professional Development Unit
CSR	Comprehensive Spending Review
DMI	Digital Media Investigator
ERSOU	Eastern Region Special Operations Unit
ESMCP	Emergency Services Mobile Communications Programme
FBC	Full Business Case
FCN	Forensic Capability Network
GDP	Gross Domestic Product
HMICFRS	Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HR	Human Resources
ICT	Information and Communications Technology
JCOB	Joint Chief Officer Board
JPS	Joint Protective Services (BCH)
MHCLG	Ministry of Housing, Communities and Local Government
MRP	Minimum Revenue Provision
MTFP	Medium Term Financial Plan
MTFS	Medium Term Financial Strategy
NEP	National Enabling Programme
NLEDS	National Law Enforcement Data Storage
NPAS	National Police Air Service
NPCC	National Police Chiefs Council
O365	Office 365
OBR	Office for Budgetary Responsibility
OPCC	Office of the Police and Crime Commissioner
PCC	Police and Crime Commissioner
PEQF	Police Education Qualification Framework
PPE	Personal Protective Equipment
PWLB	Public Works Loan Board
The Plan	Commissioner's Police and Crime Plan
RCCO	Revenue Contributions to Capital Outlay
ROCA	Regional Organised Crime Unit
SPR	Strategic Policing Requirement
STRA	Strategic Threat and Risk Assessment
VAWG	Violence Against Women and Girls