

2021/22 to 2024/25 Medium Term Financial Strategy

3rd February 2021

Operational Context

Rolling 12 month result tested at 95% confidence level

INCREASE PUBLIC SATISFACTION

	Rolling 12 months	Baseline	Perf v Benchmark
Public Confidence (dealing with local concerns)	63.2%	56.4%	Improved
Victim satisfaction (whole experience)	81.0%	77.2%	Improved

SAFEGUARDING THE VULNERABLE

	Rolling 12 months	Baseline	Perf v Benchmark
All Recorded Crime	63,179	67,882	Lower

DOMESTIC ABUSE

Recorded Crime	12,037	10,660	Higher
Prosecution Possible Outcome Rate	12.0%	10.3%	Improved

CHILD SEXUAL ABUSE AND EXPLOITATION

Recorded Crime (CSA)	819	778	Higher
Prosecution Possible Outcome Rate (CSA)	18.3%	11.6%	Improved

COMBATING ACQUISITIVE CRIME

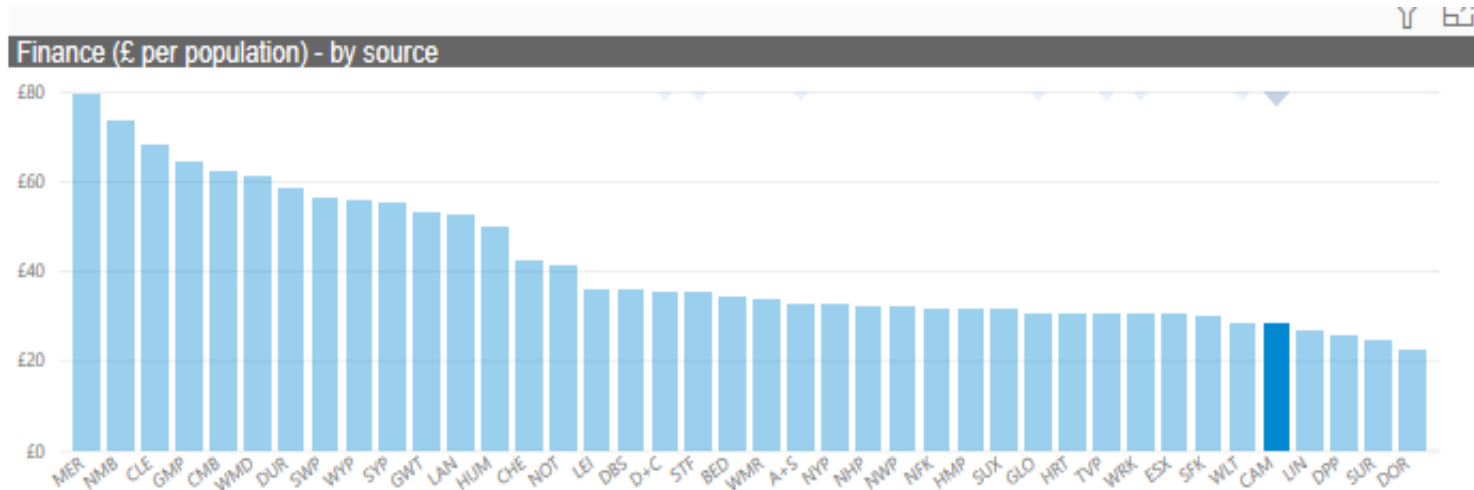
	Rolling 12 months	Baseline	Perf v Benchmark
All Crime Outcome Rate	13.3%	10.8%	Improved

BURGLARY DWELLING

Recorded Crime	1,541	2,058	Lower
Prosecution Possible Outcome Rate	12.8%	11.3%	Improved
Victim satisfaction (whole experience)	89.9%	86.0%	Improved

Operational Context

- Cambridgeshire as a whole suffers from under-investment – the Constabulary is the 5th lowest funded force for formula grant funding per head of population.



- Covid 19 – impact for the Constabulary, wider public sector and the economy.

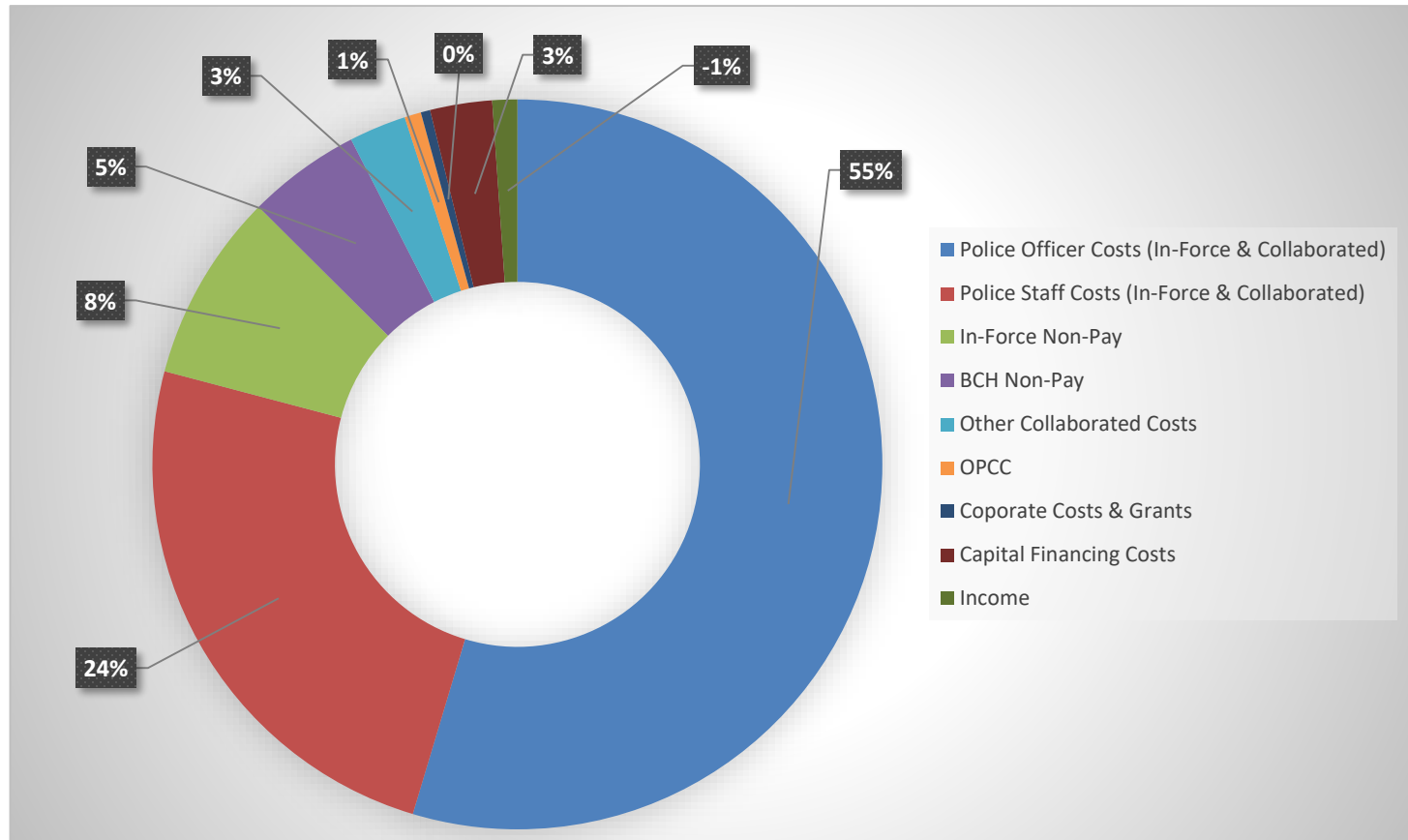
Operational Context

- The Constabulary continues to be a growing organisation through the government's national uplift programme:
 - Target of 62 more officers by March 2021 – on target to exceed);
 - A further 61 officers to be recruited by March 2022 and an estimated 82 more by March 2023 (a small proportion go to the Regional Organised Crime Unit).
- In addition the Constabulary continues to maintain it's establishment replacing officers that leave; for 2021/22 it is projected that 116 officers will leave the Constabulary
- By the end of the 3 year Uplift Programme the officer FTE establishment is projected to be 1,702

20,000 Uplift Context

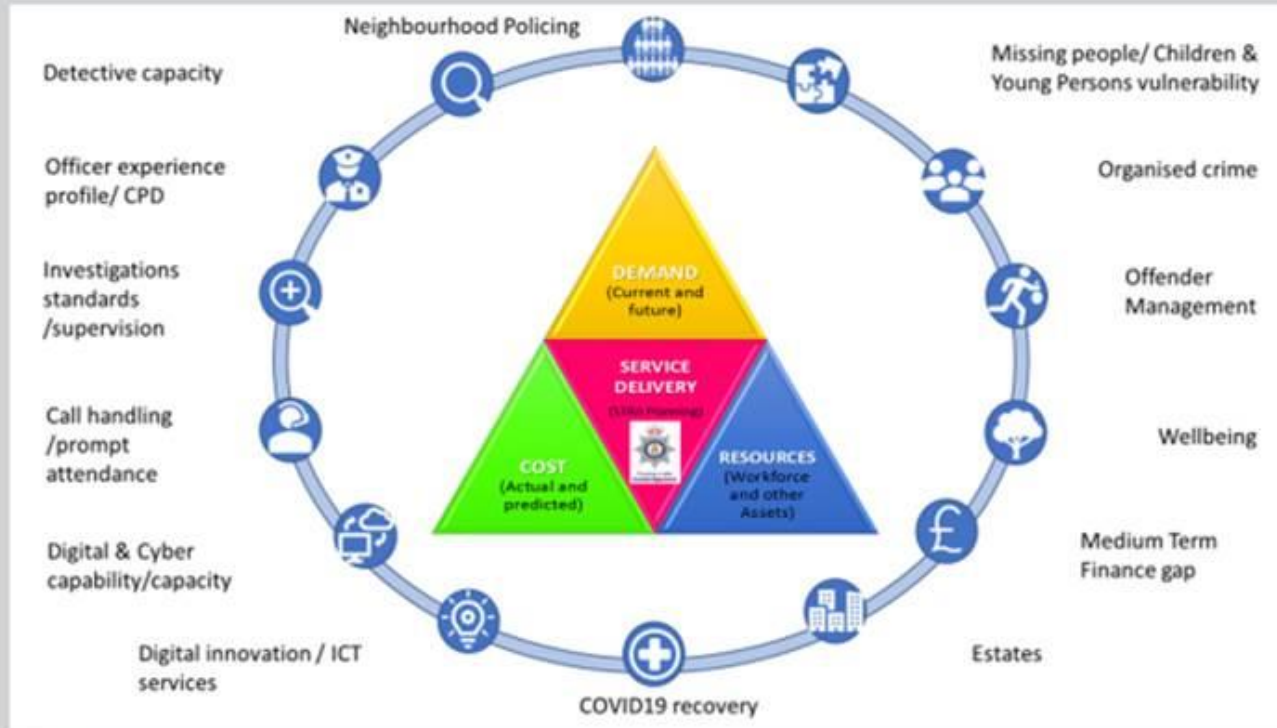
- Very welcome to receive additional officers that will support neighbourhood policing in the main plus some other areas of policing.
- The Uplift programme whilst funding direct costs of additional officers brings additional indirect costs that have to be met (e.g. uniform, ICT kit, training capacity, fleet).
- Creates budget inflexibility – officer numbers are locked (55% of whole budget) – direct support functions (intelligence analysts, training etc) are required to support the increase in officers and often require further investment.
- A smaller proportion of the budget therefore remains to make any required savings to meet investment, inflation and other unavoidable cost pressures.

Categories of Expenditure



Operational Context

STRA 2020 headline threats and risks



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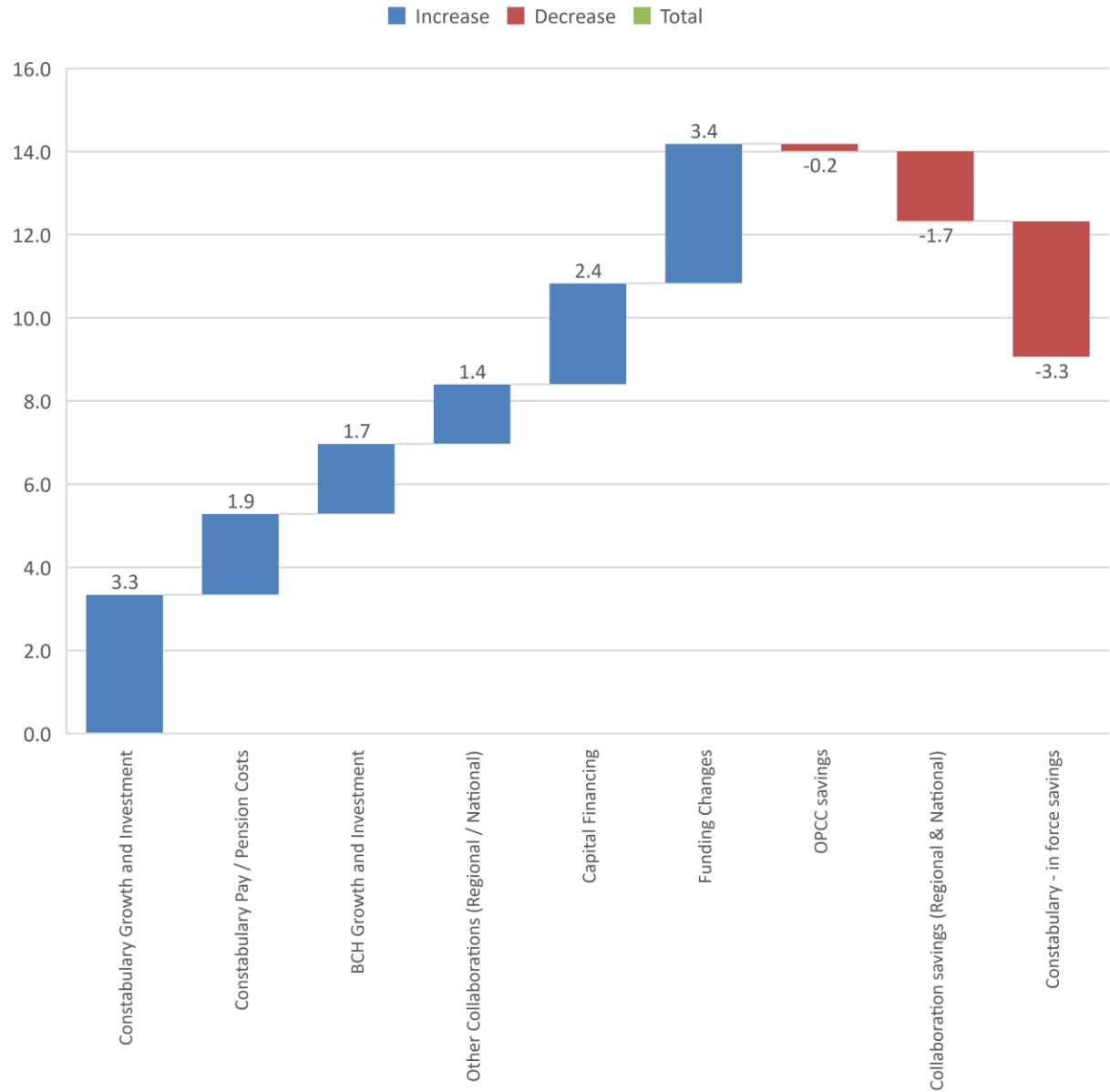
STRA – Constabulary Response

1. Vulnerability Support Team
2. Diversity Coordinator
3. HR Consultants within Continuing Professional Development Units (CPDUs)
4. Enhancing the Demand Hub
6. Digital & Social Media Contact Desk
7. Digital Media Investigators
8. Cyber Online Prevention Officers
9. Covert Authorities Bureau

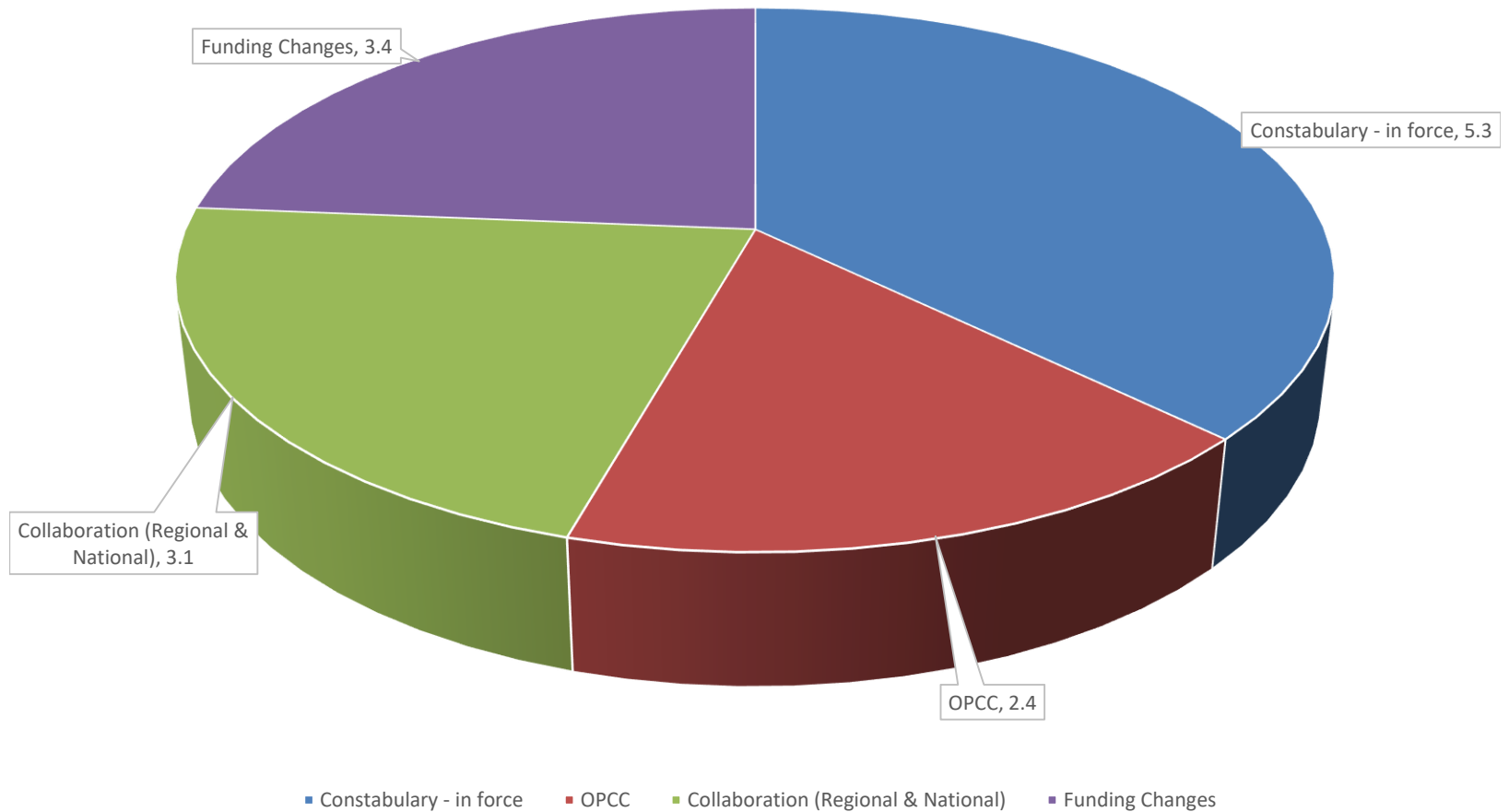
Building MTFS

- Medium Term Financial Strategy – covers period 2021/22 to 2024/25
- Sets out the overall strategy in which the financial planning of the Constabulary can operate
- Supports the financial plan required to deliver the objectives and outcomes of the Police and Crime Plan.
- Greater focus on financial sustainability given:
 - increased budget inflexibility,
 - future investment requirements linked to national programmes, and
 - the ongoing uncertainty in the funding environment.

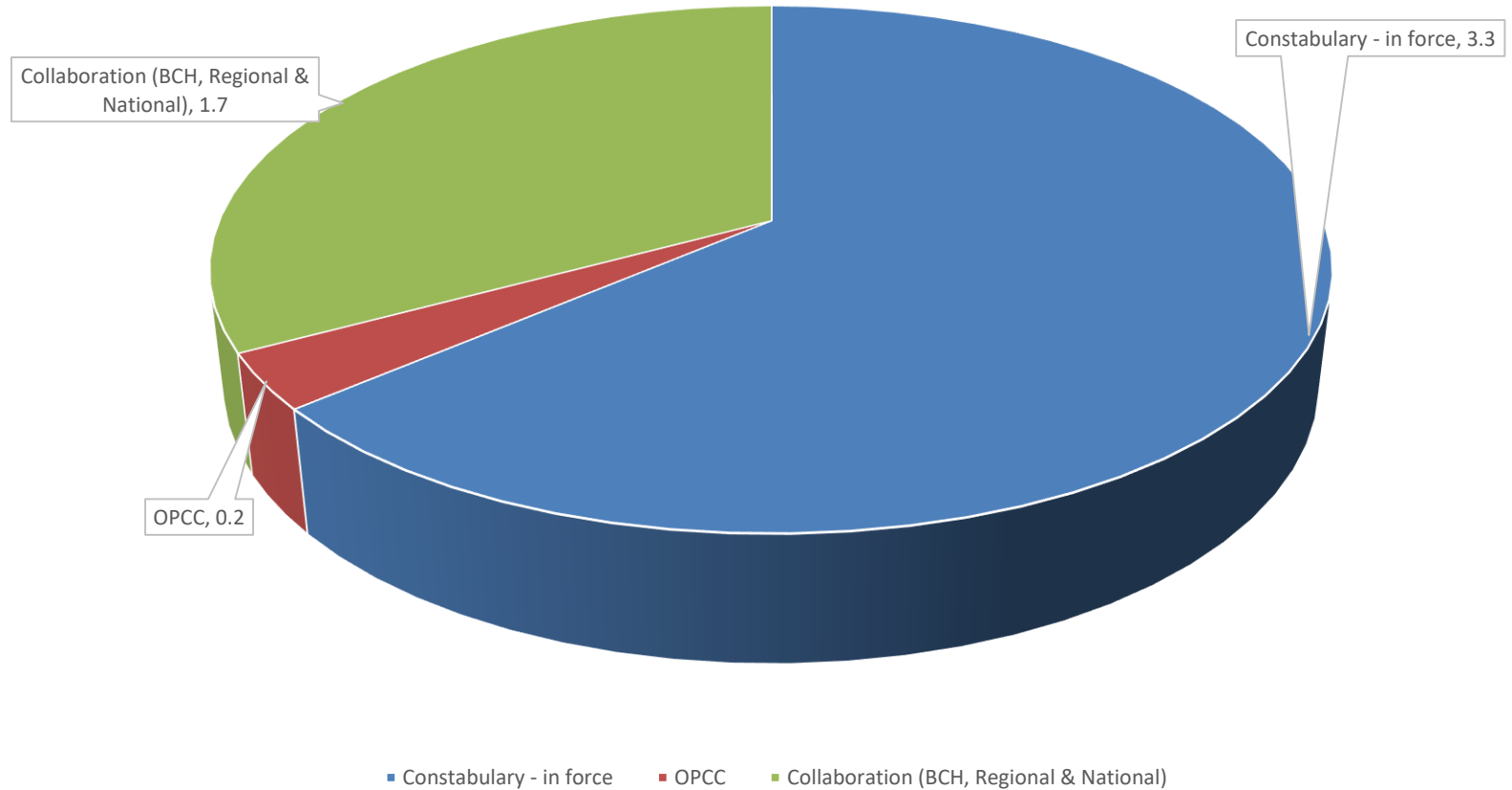
2021/22 Net Budget Requirement £161.6m



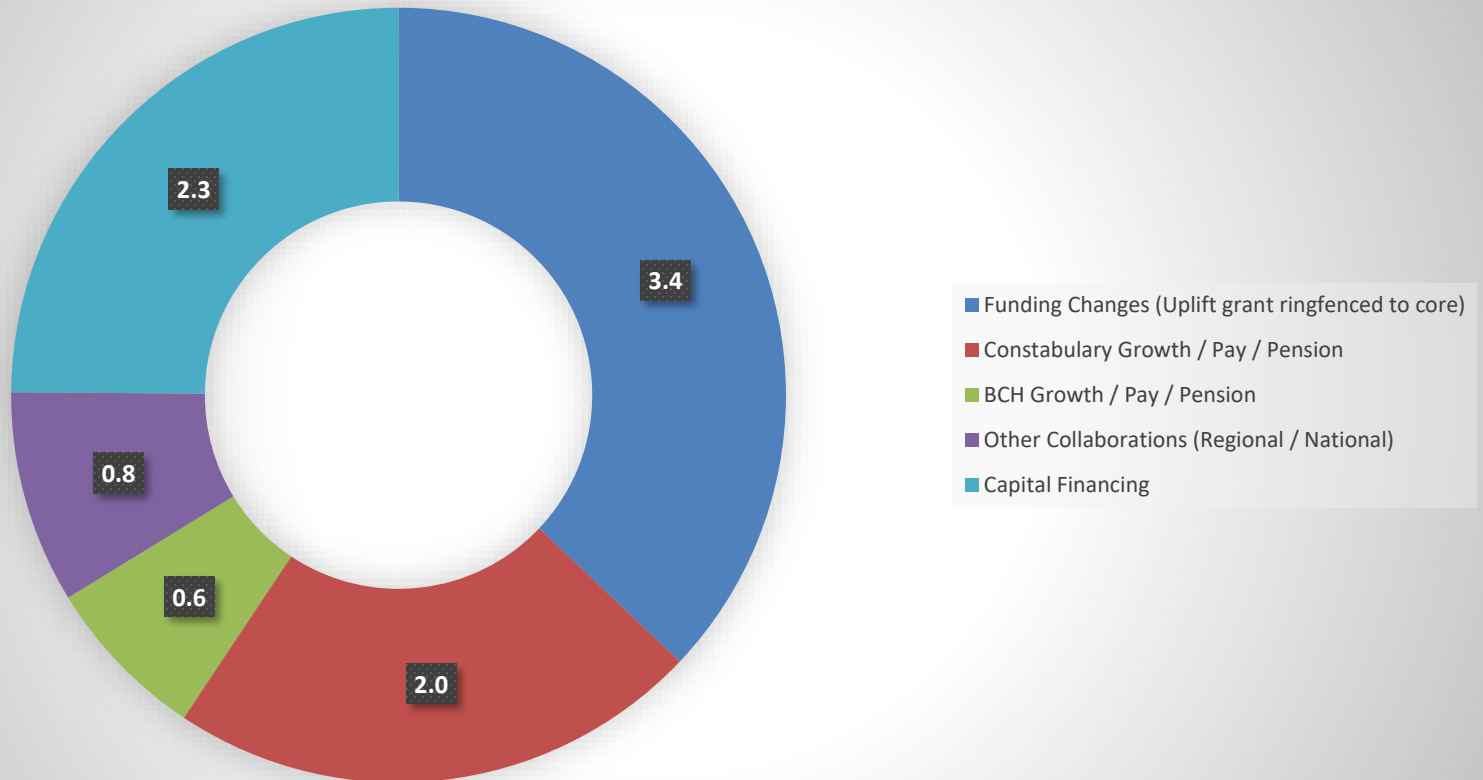
£14.2m Growth and Investment (Gross)



£5.1m Savings and Efficiencies



NBR £161.6m (£9.1m net growth and investment)



Capital Requirements

- Operational requirements necessitate capital investment
- Capital grant funding remains at only £0.1m for 2021/20
- This creates additional revenue pressure through increased borrowing costs (interest and MRP) forecast to increase by £3m over the MTF5 period to meet significant capital schemes:
 - Cambridge Southern Police Station
 - BCH operational support unit training facilities
 - Investment in a BCH Armed Policing Unit firing range
 - ICT – continued development of ICT infrastructure
 - Emergency Services Network (ESMCP) – national programme

2021/22 Funding Settlement

- A more positive settlement than expected
- Still only one year settlement hinders medium term planning
- Flat cash with core grant funding has increased to reflect Officer Uplift with a smaller amount attached to the ring-fenced grant for delivery.
- Other specific grants held at 2020/21 levels.
- Capital grant funding has been reduced to just £0.1m.
- Ability to raise precept by up to £15 per annum on an average band D property.

2021/22 Funding Settlement

Funding Stream	2020/21	2021/22	Change
Total Formula Grant	85.4	90.3	4.9
Pension Grant	1.4	1.4	-
Uplift Ringfenced Grant	1.7	1.0	(0.7)
Capital Grant	0.1	0.1	-
Total Settlement Grant Funding	88.6	92.8	4.2

Increase across HO, MHCLG and Uplift ringfence grant represents Cambs formula percentage i.e. 1.03% of £415m

2021/22 Funding Settlement

Funding Stream (£ million)	2020/21	2021/22	Change
Total Precept Funding and Collection Fund Balance*	67.1	72.4	5.3
Total Revenue Grant Funding	88.5	92.7	4.2
Total Revenue Funding **	155.6	165.1	9.5
Total Capital Grant Funding	0.1	0.1	-

*subject to approval of precept level (refer to later slides)

**total revenue funding of £165.1m includes the ringfence uplift grant (£1.0m), pension grant (£1.4m) and contributions to the reserves for the general fund (£0.8m) and ESN (£0.3m)

Ongoing Developments and Risks

- Central Government initiatives and direction of travel
 - Pension liabilities – recent case law; centrally funded
 - Police Education Qualification Framework (PEQF)
 - National Police Air Support (Helicopter) costs and forward strategy
 - Emergency Services Network
 - NLEDS (HO programme and will require investment)
 - Specialist Capabilities (14 strands to create a UK Policing network)
 - NEP and NMC
 - Single Online Home
 - Transforming Forensics
 - Increasing Cyber Crime
 - Serious and Org Crime review and funding transfer, deferred until the next spending review.



Reserves Position

Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH

- In response to the risks outlined the Constabulary needs to effectively plan for and manage these for the MTFP period, especially given the material nature of some of the risks.
- The budget for 2021/22 does not utilise reserves to balance the budget. #
- For future years the only planned use of reserves is the draw down of the Local Council Tax Support grant to meet the deficit on the Collection Fund due to Covid over 3 years.
- The General Fund is planned to be increased in order to maintain the fund at the accepted level of 5% of the net budget requirement by the end of the MTFS
- A new earmarked reserve to recognise the significant risks posed by ESMCP is planned in order to respond to any immediate mobilisation requirements

2021/22 Precept Recommendation

Precept Survey

- Settlement 17th December – consideration of implications and government expectation
- Narratives developed with differing levels of detail
- 5th January to 19th January survey launched
- Extensive circulation and media coverage:
Press release, Panel, ecops, hard to reach groups, social media, partnership network.

Precept Response

- 1270 responses (1197 last year)
- 70% agreed that an additional £1.25 per month (for Band D) was value for money
- Breakdown of all respondents:

Area	%	Area	%
Huntingdonshire	20.52	East Cambridgeshire	9.26
South Cambridgeshire	20.7	Cambridge City	13.1
Peterborough	24.28	Fenland	9.61
Outside Area	0.44	No permanent Residence	0.9

2021/22 Precept Recommendation

Based on the outcome of the consultation undertaken and MTFP requirement to meet:

- Operational requirements
- Identified strategic threats and risks
- Continue to deliver the 20k Officer Uplift Programme
- Delivering capital requirements, and
- Enhancing financial sustainable of the Constabulary over the medium term...

...it is proposed that a £14.94 per annum increase (6.42%) in precept for a band D property is made for 2021/22.

(note a figure of £14.94 is used to avoid any rounding issues when local councils calculate total

Council Tax bills)

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Precept: 2021/22 v 2020/21

	2020/21	2021/22	Notes
Band D Precept per annum	£232.65	£247.59	
Band D Increase versus prior year	£9.99	£14.94	Equates to £1.25 per month
Percentage Increase versus prior year	4.49%	6.42%	
Council Tax Base (band D properties)	290,021	291,873	2021/22 based on estimates from billing authorities – 0.6% increase
Total Precept Funding	£67.5m	£72.3m	
Collection Fund Net Deficit (-) or Surplus (+)	-£0.4m	£0.1m	
Total Precept Funding and Collection Fund Balance	£67.1m	£72.4m	
Increase in Precept Funding versus prior year		£5.3m	