



Mr Evan Morris
Chair, Police and Crime Panel for Cheshire
c/o Cheshire East Council
Westfields
Middlewich Road
Sandbach
CW11 1HZ

John Dwyer
Police & Crime Commissioner
Cheshire Constabulary Headquarters
Clemonds Hey
Oakmere Road
Winsford
CW7 2UA

Date: Thursday 27 January 2022

Our Ref:
PCC/20220127

Your Ref:

Tel:
01606 364000

Email:
pcc@cheshire.police.uk

Dear Mr Morris,

Police Precept 2022/23

I enclose details of the proposed police precept for 2022/23 for consideration at your Panel meeting on 4 February 2022. This is based upon the provisional settlement issued by the Home Office on 16 December 2021. A full copy of my budget and council tax precept report approved by our Joint Management Board on 26 January is also enclosed for information.

As my Chief Finance Officer, Clare Hodgson, briefed the Panel informally on 26 January 2022, Cheshire Constabulary will receive a potential funding increase of £12.8m for 2022/23. Within this is an assumed increase to the policing element of the council tax precept of £10 per annum for a band D property which is estimated to give £5.4m (42%) of the £12.8m. This is an increase of around 83p per month, which represents an additional 4.4%. This is lower than the current rate of inflation, which at 5.4% for CPI, is the highest since official records began in January 1997. Police and Crime Commissioners in England have the flexibility to increase funding in each year of the SR21 period with a £10 council tax limit. Should this flexibility be taken for the full three years and then revert to 2% – a total of £21.6m additional funding would be provided over the five years of the Medium-Term Financial Strategy.

My annual budget consultation went live at the start of January 2022. 3,738 local people responded to the consultation either through face-to-face events or via an online survey. This is the highest ever response rate to a precept survey undertaken by a PCC in Cheshire. 70 per cent of respondents supported an increase of up to 83p per month (£10 per annum) to the precept.

The additional monies from Central Government include the final year of the police uplift programme which will see an additional 120 police officers for Cheshire, taking the total number to 2,347, the highest in modern times. In addition, the precept uplift will fund a further 82 staff roles – 63 in frontline areas and the remaining providing the additional support required in areas such as HR, training and IT. These additional resources, along with some further movement, have been allocated in line with the

priorities set out in my Police and Crime Plan, the Chief Constable's Plan on a Page and all national and regional priorities, threats and demands.

A comprehensive Priority Based Budgeting exercise was carried out to ensure resources are allocated to priority areas such as child sexual abuse and exploitation, violence against women and girls (including domestic abuse and sexual violence) and modern slavery, which typically take place behind closed doors and can have long term physical and psychological effects on victims and survivors. The Chief Constable and I are committed to providing the best service to support these vulnerable victims of crime and bring perpetrators to justice. Additional resources are also being allocated to the Economic Crime Unit. Economic, cyber and online crime affects all of society, harming people, businesses, and government. As the amount of time people spend online increases, the opportunities for criminals multiply. Together, fraud and cybercrime represent over 50% of crime.

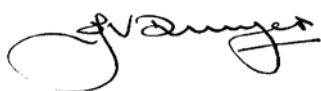
Tackling county lines drug gangs and the exploitation, violence, and misery they bring to Cheshire are also a priority. We know that county lines gangs are exploiting an increasing number of children across Cheshire and we want to do everything we can to stop offenders from being able to carry out their criminality in our communities. The exploitation of children and young people by county lines gangs is a growing concern and something that many people across the Constabulary are working to tackle. This proposed budget will see significant investment in Intelligence and the Serious and Organised Crime Unit to ensure every effort is made to find and bring to justice those who blight our communities.

In the face of future financial uncertainties and the fast-moving pace of complex demands, it is vital that the Chief Constable has the resources necessary to protect the public of Cheshire, as well as deliver commitments at a national level. For Cheshire, this means that to deliver even safer communities for the whole of Cheshire and to meet increasingly complex demands, Government expectations and the priorities of the Police and Crime Plan, it is necessary to raise the precept by the maximum amount assumed by central Government. I am therefore proposing an increase of £10 per annum (based on band D) to go towards funding my Police and Crime Plan priorities including improved 999 and 101 response call times, funding to make Cheshire's roads safer for everyone, tackling economic, cyber and digital crime and action to reduce anti-social behaviour and repeat re-offending.

This budget will ensure that the Chief Constable has the resources needed to help Cheshire residents feel safe. This will enable improvements to be made, to take on increasingly complex demands, and meet the priorities I set out in my Police and Crime Plan following consultation with the residents of Cheshire.

In accordance with legislation, I submit this precept proposal for the Panel's consideration on 4 February and should be grateful for your response by the statutory deadline of 8 February 2022.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Dwyer', with a stylized flourish at the end.

John Dwyer
Police & Crime Commissioner

MANAGEMENT BOARD

DECISION NO. 2022/04

DATE: 26 JANUARY 2022

2022/23 BUDGET AND COUNCIL TAX PRECEPT

Executive Summary:

The Commissioner is required to set an annual budget and issue a precept (the Commissioner's element of council tax) taking into account Government grant funding, operational demands and the impact of the national officer uplift programme. Details of the 2022/23 budget are presented in appendix 1.

Recommendation: That:

- (1) the Police & Crime Panel be notified that it is proposed to increase the police element of council tax by 4.4% (£10 p.a. for an average Band D equivalent property for 2022/23, from £225.44 to £235.44; i.e. by 19p per week) in line with the flexibility in precept increase permitted by the Government;
- (2) the net budget requirement for the financial year commencing 1 April 2022 be set at £228.6m.
- (3) the proposed 2022/23 precepts be as follows:-

	Number of Band D equivalent houses	Precept on Collection Fund £
Cheshire East	156,607.48	36,871,665
Cheshire West and Chester	125,464.60	29,539,385
Halton	35,831.00	8,436,051
Warrington	69,538.00	16,372,027
Total	387,441.08	91,219,128

- (4) the deficit of collection funds allocated to the Commissioner of £34k included in the budget be noted;
- (5) the Legal & Unavoidable Commitments of £5m and Operational demands and pressures of £5.5m m as set out in tables 3 and 4 of the report, be approved;
- (6) the temporary growth of £1.95m fully funded from reserves as set out in table 5, be approved;

- (7) the National Police Uplift Programme costs, together with the grant of up to £3.7m be noted, recognising this can only be used for reimbursement of actual spend;
- (8) the savings proposals for 2022/23, totalling £4.1m as set out in the budget report, be approved;
- (9) the financial health targets for monitoring purposes as set out below, be approved:-
- (i) *Reserves*
That the level of general reserves, after allowing for potential financial risks be maintained, at no lower than 3% of the net budget and that this be monitored by the Commissioner on a quarterly basis.
 - (ii) *Revenue Spending*
That the Chief Constable maintains revenue spending within 1% of the net budget and that this is monitored by the Commissioner on a quarterly basis.
 - (iii) *Capital Programme Management*
That the Chief Constable maintains the projected capital outturn at a level that does not vary from the original capital programme by more than 20%. The total capital programme includes the new schemes for 2022/23 and those schemes brought forward from previous years. This target is to be monitored by the Commissioner on a quarterly basis.
 - (iv) *Debt*
That the Chief Constable collects at least 50% of debtor income within one month of the invoice being raised.
 - (v) *Prudential Indicators*
That the actual prudential indicators be monitored by the Commissioner on an annual basis against the indicators set in the budget.

I submit these recommendations for approval.

Signature



Date 26 January 2022

Deputy Chief Constable


I have reached the following decision:

Accept the above recommendations

My rationale for this decision is:

Agreeing the enclosed budget will allow the Chief Constable to deliver the priorities contained within my Police and Crime Plan and provide the appropriate level of resources for Cheshire Constabulary for the next financial year.

Signature

A handwritten signature in blue ink, appearing to read 'J. Dwyer', is written over a light blue grid background.

Date 26 January 2022

Police & Crime Commissioner

PART 1 – NON-CONFIDENTIAL FACTS AND ADVICE

INTRODUCTION AND BACKGROUND

1. The purpose of this report is to enable the Commissioner to finalise the budget for 2022/23 and meet their statutory duty to set a precept.
2. The Commissioner receives funding from two main sources – Government grants and local council tax (known as a precept). Government grants account for around 57% with local council tax funding covering the remaining 43%.
3. The Minister of State (Minister for Crime and Policing) on the 16 December 2021 presented a Written Ministerial Statement setting out police funding for 2022/23 together with confirmation of the precept flexibility of £10 Band D increase.
4. In summary, the statement outlined that the overall funding for policing will rise by up to £1.1 billion compared to the 2021/22 funding settlement, bringing the total up to £16.9 billion. Within this, funding to Police and Crime Commissioners (PCCs) will increase by up to an additional £796 million, assuming full take-up of precept flexibility. This would represent an increase to PCC funding in cash terms of 5.8% on top of the 2021/22 police funding settlement.
5. Full details of the proposed 2022/23 budget is set out in appendix 1.
6. In addition to the budget, the Commissioner is asked to approve the Capital Strategy and Reserves Strategy as set out in appendices 4 and 5.
7. A consultation exercise was undertaken between 4 January and 25 January 2022 to seek the public's approval for a rise in the precept of approximately 83p per month (£10 per year). The survey was carried out online and paper copies were also printed and distributed to people who requested them, as well as to local police stations so that local teams could distribute to residents who were not able to have their say online.

FINANCIAL COMMENTS

8. The financial comments are included in the appendices to this report.

LEGAL COMMENTS

9. There are no specific legal comments associated with the report.

EQUALITY COMMENTS

10. There are no specific equality comments associated with the report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Is there a Part 2 form - No

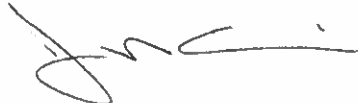
Contact Officer: Wendy Bebbington, Head of Finance

Tel. No.: 01606 362035

Email: wendy.bebbington@cheshire.police.uk

CHIEF OFFICER DECLARATION (Assistant Chief Officer - Julie Gill):

I have reviewed the proposal and I am satisfied it is correct, all relevant internal checks have been undertaken and it is an appropriate request to be submitted to the Police & Crime Commissioner.



Signature

Date 26 January 2022

CHIEF FINANCE OFFICER DECLARATION (Clare Hodgson):

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the presentation of this report. I am satisfied that this is an appropriate request to be submitted to the Police & Crime Commissioner.



Signature

Date 26 January 2022

REVENUE BUDGET AND COUNCIL TAX 2022/23

PURPOSE OF THE REPORT

1. The purpose of this report is to enable the Commissioner to finalise the budget for 2022/23 and meet their statutory duty to set a precept. An overview of the statutory requirements regarding the budget and precept setting including the timing of decision-making and interaction with the Police and Crime Panel is attached in Appendix 2.

INTRODUCTION

2. The Commissioner is required to set an annual budget and precept taking into account Government funding, precept regulations and organisational demands. This requirement is supported by the production of a Medium Term Financial Strategy (MTFS) with the annual budget forming the first year of the Strategy. The creation and maintenance of the MTFS is fundamental in promoting good financial planning and delivery of value for money.
3. The MTFS covers the period 2022 to 2027 with the first three years covered by the Spending Review as announced by the Chancellor in October 2021, with the final two years being estimated. In addition to the MTFS there are a number of other financial strategies relating to reserves, capital and treasury management that both inform and support the budget process. The current MTFS is available on the Commissioner's website via the following link – www.cheshire-pcc.gov.uk.

COVID-19 PANDEMIC

4. Before proceeding to the budget setting report in detail, it is important to set out the impact the pandemic continues to have on both expenditure and funding. Additional funding continues to be provided to support PPE and additional work demands. Included in the 2021/22 budget were a number of schemes and commitments that have not proceeded in the timeline expected due to on-going supply issues and delays. As such, there will be an overlap between the 2021/22 and 2022/23 financial years and funding has been carried forward to support this.
5. Since the outbreak and initial restrictions put in place, policing has been at the forefront of ensuring the public follow the rules and stay safe. This has required additional patrols, the use of personal protective equipment (PPE), social distancing and all the while continuing with operational policing, using the following strategy:
 - Engage people in a friendly manner
 - Explain why we and the Government are asking them to take the action
 - Encourage people to take the appropriate action
 - Enforce only when necessary

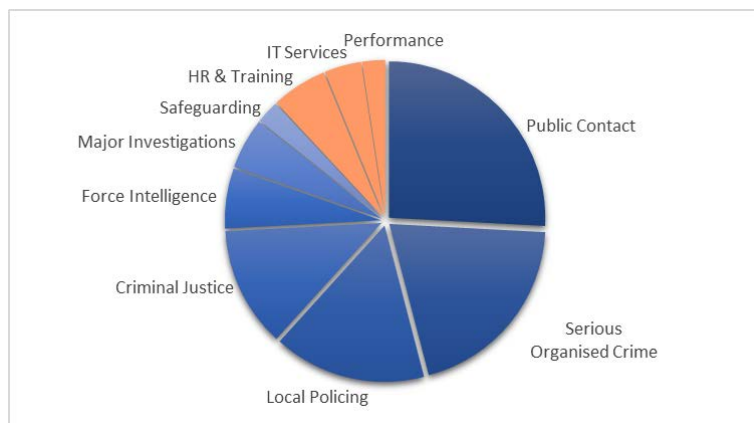
FINANCIAL BACKGROUND

6. The Minister of State (Minister for Crime and Policing) on the 16 December 2021 presented a Written Ministerial Statement setting out police funding for 2022/23 together with confirmation of the precept flexibility of £10 Band D increase.
7. In summary, the statement outlined that the overall funding for policing will rise by up to £1.1 billion compared to the 2021/22 funding settlement, bringing the total up to £16.9 billion. Within this, funding to Police and Crime Commissioners (PCCs) will increase by up to an additional £796 million, assuming full take-up of precept flexibility. This would represent an increase to PCC funding in cash terms of 5.8% on top of the 2021/22 police funding settlement.
8. This settlement supports the police to:
 - Successfully complete the 20,000 officer Police Uplift Programme by March 2023, building on the outstanding progress to date.
 - Accelerate progress on the Government's key policing priorities: reducing crime, ensuring the Criminal Justice System works for all, driving forward improvements in the service the public receive, and transforming critical capabilities and infrastructure.
 - Ensure an increase in productivity using enhanced technology and investigative tools. In return for this significant investment, we expect police leaders to become more efficient and effective with officers' time, and in the fight against national threats.
9. Finally, the Statement included a comment on the efficiencies expected from policing, by stating 'While we continue to invest in policing, it is only right that the Government holds the policing sector, as with other public services, to account on delivering for the public. The police must demonstrate to taxpayers that they are using this funding effectively, meeting the needs of their community and ensuring the public receive the highest possible quality of service. As part of the Spending Review settlement, the Government will expect to see over £100 million of cashable efficiency savings delivered from force budgets by 2024/25. For 2022/23, we expect to see £80 million of efficiency savings - which have been reflected in the funding set out as part of the settlement.'

OUR MISSION: 'DELIVERING EVEN SAFER COMMUNITIES FOR THE WHOLE OF CHESHIRE'

10. Our people are key to delivering our mission and prioritising where our resources are placed is a major aspect within the budget setting process. With the Police Uplift programme (PUP), 120 more officers will be recruited in 2022/23 bringing the total to 2,347. In addition, with the support of the public and the Commissioner, the precept uplift will also fund the addition of a further 82 staff roles – 63 in frontline areas and the remaining providing the additional support required.

11. Overall, 88% of these additional resources will be in front-line roles directly aimed at delivering on our priorities to the public (shown in blue in the chart below). The remaining 12% (shown in orange) are predominately in HR & Training to enable recruitment to take place and ensure the highest level of training is provided together with IT Services who enable and support the use of technology.



12. These additional resources, along with some further movement, have been allocated in line with the priorities set out in the Commissioner's Police and Crime Plan, the Chief Constable's Plan on a Page and all national and regional priorities, threats and demands, as follows:

129 	
Officers reallocated to priority roles	
Serious and Organised Crime	30
Local Policing	30
Criminal Justice	26
Public Contact	19
Major Investigations	11
Safeguarding	5
Training	5
Roads and Crime	1
Uniform Operations	1
IT Services	1

82 	
Additional staff	
Public Contact	35
Force Intelligence	13
Serious and Organised Crime	12
Major Investigations	2
Partnerships	1
HR and Training	7
IT Services	7
Strategic Change	3
Planning & Performance	2

13. The Beating Crime Plan recognises that home is not a safe place for everyone. Crimes such as child sexual abuse and exploitation, violence against women and girls (including domestic abuse and sexual violence) and modern slavery typically take place behind closed doors, hidden from view. These crimes are deeply damaging and can have a long-term physical and psychological impact on victims and survivors. The Commissioner and Constabulary are committed to providing the best service to support these vulnerable victims of crime and bring the perpetrators to justice. As these crimes impact across the whole of Cheshire, officers have been assigned to each area in Local Policing but linked across the county through Safeguarding to focus on this key priority. This recognises that increasingly policing is having to move from simply managing the public space to tackling hidden harms and as such, we need to develop our workforce and operating model to respond to that evolving threat.

14. Economic, cyber and online crime affects all of society, harming people, businesses, and government. As the amount of time people spend online increases, the opportunities for criminals multiply. Together, fraud and cybercrime represent over 50% of crime. To help address this significant issue, additional resources will be placed in the Economic Crime Unit funded by the proceeds of crime seized from the criminals themselves.
15. Tackling county lines drugs dealing gangs and the exploitation, violence and misery they bring to Cheshire is a priority for the Commissioner and the Constabulary. We know that county lines gangs are exploiting an increasing number of children across Cheshire and we want to do everything we can to stop offenders from being able to carry out their criminality in our communities. The exploitation of children and young people by county lines gangs is a growing concern and something that many people across the Constabulary are working to tackle. This proposed budget will see significant investment in Intelligence and Serious and Organised Crime Unit to ensure every effort is made to find and bring to justice those who blight our communities.

2022/23 BUDGET PROPOSALS

16. The preparation of the 2022/23 budget commenced in 2021 utilising a planning process that had at its core the following key documents - the Commissioner's Police & Crime Plan; the Force Management Statement; the Chief Constable's Plan on a Page; local and regional commitments; and the Strategic Policing Requirement. Recognising both demand and risks, the Constabulary set out the key principles for that planning process:
 - Ensure the plans and proposals align to the priorities and demands as set out in the key documents, fully utilising the priority based budgeting (PBB) process which examines all areas of the budget and matches resources according to priorities and risk;
 - Set a comprehensive, timely, balanced and realistic budget;
 - Takes into account pay and price inflation and achievability of savings;
 - Complies with the approved treasury management strategy;
 - Complies with the approved reserves strategy;
 - Raises awareness of and communicate key financial messages both internally and externally;
 - Ensure budgets set are affordable and do not jeopardise financial stability either in the short or long term;
 - All spending plans will need to demonstrate that they can achieve value for money;
 - Spending will be agreed only when the necessary funding is identified and approved;
 - External funding will be sought wherever it can be used in a sustainable manner that does not lead to unforeseen costs; and
 - Budget proposals will be publicised and consulted upon with stakeholders in an open and transparent manner.

PROPOSED REVENUE BUDGET 2022/23

17. Table 1 shows the outcome of the budget planning process with the proposed revenue budget for 2022/23. The impact of the threats and demands placed upon policing; commitments required; proposed savings and the total funding available to the Commissioner are reflected within these proposals. The proposed revenue budget is considered vital by the Chief Constable in order to deliver a viable, sustainable police service to the public of Cheshire and to deliver the priorities and requirements placed on the Constabulary.

Table 1: Proposed Revenue Budget	2022/23 £000
2021/22 Gross Expenditure Budget	240,853
Pay and Price Inflation	4,483
Police Uplift Programme 2022/23	3,655
Legal & Unavoidable Commitments	5,039
Operational Demands and Pressures	5,452
Temporary Growth - funded from reserves	1,954
Savings	-4,053
Use of Reserves	-2,108
2022/23 Gross Expenditure Budget	255,275
Other income and specific grants	-26,696
2022/23 Net Budget Requirement	228,579
Financed by:	
Government Police Grant & Formula Funding	-129,138
Legacy Council Tax Grant	-8,256
Council Tax Precept	-91,219
Deficit on Collection Funds	34
2022/23 Net Budget Requirement	-228,579

RISKS AND SENSITIVITY ANALYSIS

18. For 2022/23, there is a reasonable degree of certainty based on the Provisional Grant Settlement published on 16 December 2021. However, there remain some outstanding issues affecting next year such as the counter terrorism grant. Any changes to the funding will be reported to the Commissioner as soon as they are known together with the associated proposed changes to the budget.
19. As with any assumptions, there are risks that the actual outcome will be different. There are key assumptions included within this proposed budget that could significantly affect the proposed budget such as pay awards where a 0.5% movement in the pay award would have a potential £1m impact on the budget. Inflation for the forthcoming year is expected to be higher than in previous years and while key areas of spend such as energy, have received additional inflation there is still a risk that the actual costs may increase higher than forecast.

20. Reserves are held to provide flexibility in-year for such incidences and the Reserves Strategy included within this report covers this in more detail.
21. Finally, based on the Government's Spending Review (SR21), Police and Crime Commissioners in England have the flexibility to increase funding in each year of the SR21 period with a £10 council tax referendum limit. Should this flexibility be taken for the full three years and then revert to 2% – a total of £21.6m additional funding would be provided over the five years of the Medium Term Financial Strategy.

INFLATION

22. Inflation in both pay and price terms is applied to budgets where appropriate. Pay awards are negotiated nationally, but the proposed budget includes an estimated 3% pay award for September 2022.
23. For non-pay items, the inflation applied is based on the Office of National Statistics Inflation Report using the most applicable inflation factor. However, the proposed budget acknowledges that certain non-pay items such as energy costs are significantly more expensive and additional inflation has been applied to those areas. The following table shows the inflation applied.

Table 2: Inflation	2022/23 £000
Pay inflation (estimated at 3% - Sept 2022 award)	3,388
Price (non-pay) inflation	1,095
Total Inflation	4,483

POLICE UPLIFT PROGRAMME (PUP)

24. The Government set out a Police Uplift Programme to recruit nationally 20,000 additional police officers. In 2021/22 Cheshire recruited 88 PUP officers with a further two added in December 2021. For 2022/23, a final 120 have been allocated to Cheshire of which six will be to support the Regional Organised Crime Unit.

LEGAL & UNAVOIDABLE COMMITMENTS

25. Legal and unavoidable commitments come from two sources, the impact of decisions taken in previous years that have a financial impact in the forthcoming financial year and the financial impact of external decisions and changes such as the introduction of a new financial burden or change in legislation. The following table shows those items included in the 2022/23 budget proposal.

Table 3: Legal & Unavoidable Commitments	2022/23 £000
Prior year decisions - 2022/23 impact	-160
Police Pay: Full Year Effect 2021/22 PUP Officers & rank changes	1,893
Op Hummingbird - grant incl. in Other Income & Specific Grants	1,259
Collaborations	539
Helpdesk Regrades	208
Impact of National Insurance increase - estimate	1,300
Total	5,039

26. Under Sections 22B and 22C of the Police Reform and Social Responsibility Act 2011, Chief Officers and Commissioners have a duty to keep collaboration opportunities under review and to collaborate where it is in the interests of the efficiency or effectiveness of their own and other police force areas. This is in recognition that there are certain services required, which are not affordable by individual forces alone – e.g. firearms provision. The above costs reflect the additional uplift requirements to the collaborations Cheshire is involved in, subject to partner forces full agreement.

OPERATIONAL DEMANDS AND PRESSURES

27. The following table sets out the additional investments included within the proposed budget and linked to the priorities set out earlier in the report.

Table 4 – Operational Demands & Pressures	2022/23 £000
Public Contact – Force Contact Centre	1,348
Neighbourhood & Road Safety	172
Prevention and Early Intervention	223
Serious and Organised Crime	544
Major Investigation Team	115
Intelligence	544
Safeguarding	64
Criminal Records and Evidential Property	109
Forensics	187
Firearms Licencing	33
Police Uplift Programme	578
Infrastructure	645
Data Protection and Analysis	194
Training	127
Psychological Services	163
Project Support	141
Other support services	265
Total	5,452

TEMPORARY GROWTH

28. Most years there are temporary one-off items that require funding. If such funding was taken from the general on-going funds, savings would be required to meet these costs. For 2022/23, these will be funded from reserves protecting the general funding and allowing it to be used for on-going investments mentioned earlier.
29. The impact of Covid remains and a small residual amount of the specific funding provided will be carried forward to 2022/23 to support the on-going activities.
30. The current contract for the Multi-force Shared Service (MFSS) ends in November 2022 and partners agreed not to renew. As such, the Constabulary are currently in the process of transitioning to new systems and processes. 2022/23 will be a transition year and will require temporary funding to support this.
31. With the additional 120 new officers and the need to recruit to cover these on top of normal officer turnover, funding is to be carried forward to support this process.
32. Finally, there are further temporary resources required to support the implementation of the Estates Strategy and Digital Security. Income from partners through the MFSS will be lower during transition; this will be permanently resolved in the 2023/24 budget setting process.

Table 5 – Temporary Growth etc.	2022/23 £000
Covid related	60
Business Services / MFSS Transition	1,042
Unison Representative – one year	33
Police Now and Diploma Entry recruitment	280
Estates Strategy	146
Digital Security	65
	1,626
Loss of Income	328
Total	1,954

SAVINGS

33. A key requirement of the funding settlement is an assurance that public spending provides value for money and funding is prioritised in line with the Police and Crime Plan etc. As part of the budget process, non-pay expenditure was scrutinised to ensure that all efficiency opportunities have been maximised without impacting on service delivery and resources focussed on key priorities. The savings opportunities are set out below.

Table 6 – Savings	2022/23 £000
PCSOs Review	-1,300
Reversal of previous year's one-year road safety initiatives	-996
Helpdesk Review - estimated, subject to consultation	-327
Vacancy Factor adjustment	-360
Review of contracts	-576
Efficiency Savings incl. HR & Estates	-225
Restructures	-124
Subscriptions	-53
Other non-pay items	-92
Total	-4,053

34. In Cheshire, the policing style is based on the ethos of neighbourhood policing. This means that policing is delivered within local communities with police officers and police staff working with local people to solve local issues. PCSOs provide a vital role in this, but there are other areas of demand that require additional resources. As highlighted above, nationally we are seeing volumes of complex, often hidden crime growing exponentially and need to realign our resources to the evolving threat. The Constabulary remains committed to the 122 community based PCSOs supported by locally based officers. This review will enable resources to be released to provide vital support to areas such as Crime Prevention, protecting children, strengthening the numbers of officers with warranted powers in neighbourhoods to conduct enforcement activity and meeting increased demand into the Force Contact Centre.
35. The 2021/22 budget included a one-year allocation towards the cost of road safety initiatives. This funding has been partially used to create a Road Safety reserve for future initiatives and the remainder on road safety priorities in-year.
36. In a digital world, it is important that Cheshire residents can contact the police in a variety of ways, through traditional methods such as, by calling 999 or 101 but also via digital channels including the website, and social media. Through all of these public contact methods, it is paramount that people receive a seamless service and that vulnerability can be identified at an early stage in order to provide an appropriate response. In recent years, the ways to contact Cheshire Police have increased, with the ability now to report crime online through the Cheshire Police website. A review of helpdesks will be undertaken and the public will be asked about their preference on getting in touch with the police to ensure our public contact methods reflect public need and there is a broad range of contact options available.

COUNCIL TAX PRECEPT

37. A precept is levied on the Council Tax for policing in Cheshire. It is the responsibility of the Commissioner to set the level of precept as part of the budget setting process. While the decision is the Commissioner's, the Government's spending review set out the flexibility for Commissioner's over the next three years at a maximum increase of £10 per year on Band D. This is equivalent to 4.4% for Cheshire (2021/22 - 7.13%) which is less than the current inflation. Cheshire's council tax remains in the 10th cheapest of all police forces.

38. To calculate the level of Council Tax funding, each local authority calculates the taxbase (the assimilated number of council tax bills issued) taking into account changes in the number of houses, council tax benefits etc. Compared to 2021/22, the overall taxbase has increased by 6,711.68 compared to last year when the increase was 595. The following table shows the proposed level of precepts for each local authority and the individual amount levied per each Council Tax band.

Table 7: Proposed Precepts 2022/23	Number of Band D Equivalents	Precept on Collection Fund £
Cheshire East	156,607.48	36,871,665
Cheshire West & Chester	125,464.60	29,539,385
Halton	35,831.00	8,436,051
Warrington	69,538.00	16,372,027
TOTAL	387,441.08	91,219,128

Band	Proposed 2022/23 £	Actual 2021/22 £	Change per year £	Change per week £p
A	156.96	150.29	6.67	0.13
B	183.12	175.34	7.78	0.15
C	209.28	200.39	8.89	0.17
D	235.44	225.44	10.00	0.19
E	287.76	275.54	12.22	0.23
F	340.08	325.64	14.44	0.28
G	392.40	375.73	16.67	0.32
H	470.88	450.88	20.00	0.38

39. In addition to the above precept, each of the four local authorities holds a council tax collection fund; this is a separate fund that records the income and expenditure relating to council tax. Any surplus or deficit on the fund is due to or paid for by the individual authorities, the Police & Crime Commissioner and Cheshire Fire Authority respectively.
40. The net amount declared deficit and payable by the Commissioner in 2022/23 amounts to £34k. The pandemic had a significant impact on the council tax collection funds and for 2021/22, there were considerable deficits reported for inclusion in the budget and while grants were provided for some of the income loss, some remained to be recovered locally. The Government also issued Regulations that allowed a proportion of these deficits to be spread over three years rather than fully recovered in 2021/22. The net 2022/23 deficit includes the second year of the three years spread.

COMMISSIONING

41. In 2022/23, the approach to commissioning will continue to focus on victims of crime with the aim of ensuring that appropriate services are in place to assist them to cope with their ordeal and recover as best they can. The Commissioner will utilise the understanding gained from the refreshed Cheshire Victims Needs Assessment alongside national developments to prioritise areas for development. The initial supporting service for victims across Cheshire is Cheshire CARES, to which all reports of crime to the Constabulary are referred. However, this service can be accessed by victims of crime whether or not they make a formal complaint to the police. Cheshire CARES supports victims from the outset and throughout their journey through cope and recovery.
42. The Commissioner has additional responsibilities to have specialist services available, e.g. to support victims of rape and sexual abuse, child sexual abuse and domestic abuse as well as to provide a restorative justice service. The costs of victims services commissioned are funded through an allocation provided from the Ministry of Justice. The core funding allocation for the 2022/23 Victims Grant is approximately £1.2m but as in previous years opportunities to attract further funding to support will be explored. Consequently, the Commissioner will continue to work with partners across all sectors to identify and address gaps and/or emerging areas for victims' services and to drive the effectiveness of the service commissioned through the victim's grant fund in 2022/2023. As a result, of these efforts significant developments are anticipated this year in enhancing Restorative Justice and Mediation support services in particular the extension of those services to play a key role in the Criminal Justice System across Cheshire with an emphasis on reducing future offending.
43. During 2021/22, a further £1,068,560 was obtained to support front line Domestic Abuse and Sexual Abuse services, this not only supported front line victims but also delivered pan Cheshire Domestic Abuse Perpetrator interventions. These schemes were additional to anything that previously existed and have provided significant further support for victims. Furthermore, the Domestic Abuse Workplace scheme working in partnership with Women's Aid has started and this initiative continues to be delivered across the County. This will build capacity within our workforces to better recognise and support victims of abuse. The commitment to support victims of Domestic Abuse will continue throughout 2022/2023.
44. In 2021/22, a further £1,972,000 has been secured by the Commissioner under the Safer Streets and Safety of Women at Night Funds; this year the Commissioner will continue to explore any opportunities to support Women and Girls who suffer from Violence. The forthcoming year's commissioning will build upon existing services and aim to maximise opportunities, both singularly and in partnership, to provide value for money and better outcomes for our communities.

45. Partnership working will continue to be crucial in achieving shared objectives for Cheshire residents. This will include continued close working with partners across the criminal justice and community safety arena, the local voluntary and community sector as well as the county's Youth Justice Service. It is anticipated the Local Criminal Justice Board partnership will play a key role in developments for victims this year under the chair of the Commissioner as we seek to ensure the commitments of the Victims Code are delivered. Working in partnership the Commissioner will seek to allocate funding to deliver even better and more measurable outcomes from residents of Cheshire.
46. During 2022/2023, the Commissioner will seek to stimulate new Road Safety initiatives across the Cheshire to address the clear and obvious concerns that exist around speed on our roads. A range of initiatives is to be examined to provide a suite of interventions that can be utilised in appropriate areas to respond to public concern and keep communities safe.

CAPITAL PROGRAMME

47. In addition to the revenue budget, a programme of capital investment is proposed for 2022/23. This programme links to the 'invest to save' programmes such as new technology and the annual replacement cycle for assets such as vehicles.
48. Funding for these comes from Government general and specific grants, reserves held by the Commissioner, contributions and borrowing. Given that borrowing will need to increase to support this level of investment, it is vital that capital expenditure is prioritised to generate savings for future years, to help protect local policing services. A summary of the proposed programme and associated funding is shown below.

Table 8: Capital Programme	2022/23 £000
Annual Replacement Schemes:	
Fleet Vehicles	4,230
IT and Communications	565
New Schemes:	
Estates	2,891
IT and Communications	3,299
Operational Equipment	1,148
Collaboration/Funded Vehicles	464
Capital Expenditure	12,597

49. Full details of the individual schemes within the capital programme are provided in Appendix 4 of this report and in the Commissioner's Capital Strategy attached at Appendix 4. The proposed funding for the above capital investment is set out in the following table.

Table 9: Capital Financing	2022/23 £000
General/Specific capital grants	61
Capital Receipts	634
Revenue Contributions to Capital	5,086
External Contributions to Capital	198
ESN Reserve	0
HQ IT Reserve	231
Borrowing	6,387
Total Funding	12,597

ROBUSTNESS OF ESTIMATES

50. Section 25 of the Local Government Act 2003 places a requirement on Chief Finance Officers to report on the robustness of the estimates used in the preparation of this proposed budget. Details of how this requirement is met are in Appendix 3.

RESERVES

51. Section 25 of the Local Government Act 2003 also places a requirement on Chief Finance Officers to formally report on the adequacy of the reserves. The Chief Finance Officers assess this in the context of the strategic, operational and financial risks and opportunities facing the Commissioner and the Constabulary.
52. While holding reserves is a recognised and recommended financial management tool, the levels of such reserves must remain prudent, appropriate to the level of risk and opportunity and not excessive. This is set out within the Commissioner's Reserves Strategy attached at Appendix 5.

CONSULTATION WITH THE PUBLIC AND BUSINESS RATEPAYERS

53. In November and December 2021, the Commissioner sought residents' views in his Autumn Survey - the largest consultation exercise ever carried out by Cheshire's PCC with nearly 19,000 responses. Preliminary results of this survey gave the Commissioner the understanding that people wanted more officers, better call response times, and more of a focus on road safety and tackling anti-social behaviour. Over 87% of respondents to a question about the precept in this survey supported an increase above standstill.
54. A formal consultation exercise on the precept was undertaken between 4 January and 25 January 2022 to seek the public's approval for a rise in the precept of approximately 83p per month (£10 per year). The survey was carried out online and paper copies were also printed and distributed to people who requested them, as well as to local police stations so that local teams could distribute to residents who were not able to have their say online.

55. Residents were encouraged to complete the survey via social media platforms e.g. Facebook, Twitter, LinkedIn and Instagram, as well as via Cheshire Police Alert and the Commissioner's newsletter.
56. Ten public consultation roadshow sessions were held around the county – The most held by Cheshire's PCC during a budget consultation period. Here people could complete the survey in person or take a copy to return via freepost if they wished.
57. An online consultation event was also held for residents who did not have the chance to speak to the Commissioner at a roadshow or preferred to communicate this way in light of concerns around the Omicron variant of COVID-19. The online event also included the Chief Constable and gave residents the opportunity to ask questions about the budget and issues affecting their area.
58. These events took place at the times/locations detailed below:

Date	Location	Time
Tuesday 4 January	Crewe – Tesco	10:30 - 12:30
Tuesday 4 January	Nantwich - Sainsbury's	13:30 - 14:30
Thursday 6 January	Macclesfield – Tesco	10:00 - 12:00
Friday 7 January	Ellesmere Port - Ellesmere Port Market	10:00 - 12:00
Friday 7 January	Chester – Tesco	13:30 - 15:30
Tuesday 11 January	Northwich – Aldi	13:00 - 15:00
Tuesday 11 January	Congleton – Morrisons	16:00 - 18:00
Monday 17 January	Online (MS Teams)	19:00 - 20:30
Tuesday 18 January	Warrington - Golden Square Shopping Centre	10:00 - 12:00
Tuesday 18 January	Widnes – Morrisons	13:00 - 15:00
Tuesday 18 January	Runcorn – ASDA	16:00 - 18:00

59. The key message provided via the survey and at consultation roadshows was that the Commissioner understood people's priorities based on feedback he had received since returning to office, and in his Autumn Survey, and that this budget will deliver on those priorities. The public were asked if they would be willing to back a precept increase of approximately 83p per month (£10 per year) in order to support this budget.
60. People were asked their view on the following question:

In order for the Constabulary to hire the largest number of officers in modern times, put more 101/999 call operators in the control room, and invest more in road safety and tackling anti-social behaviour, would you be willing to pay approximately 83p more per month (for the average Band D household) as part of your local council tax?
61. The consultation ended at midday on Tuesday 25 January 2022. A total number of 3,738 responses were received – This is the largest ever response to a precept consultation in Cheshire carried out by the PCC. It represents an increase of 64% compared to last year and 47% compared to the previous largest response.

62. 88% (3,301) of respondents gave their views on the policing precept as part of the online survey and 12% (437) completed the survey at a consultation roadshow or returned the survey via freepost.
63. 70% (2,624) of respondents agreed to support an increase of approximately 83p per month to the precept. The table below shows the breakdown of responses.

Survey completed via:	<i><u>In favour of a precept rise of approximately 83p per month</u></i>	<i><u>Against a precept rise of approximately 83p per month</u></i>	Total
Online	2,239	1,062	3,301
Roadshow/Freepost	385	52	437
Total	2,624	1,114	3,738
Percentage	70%	30%	

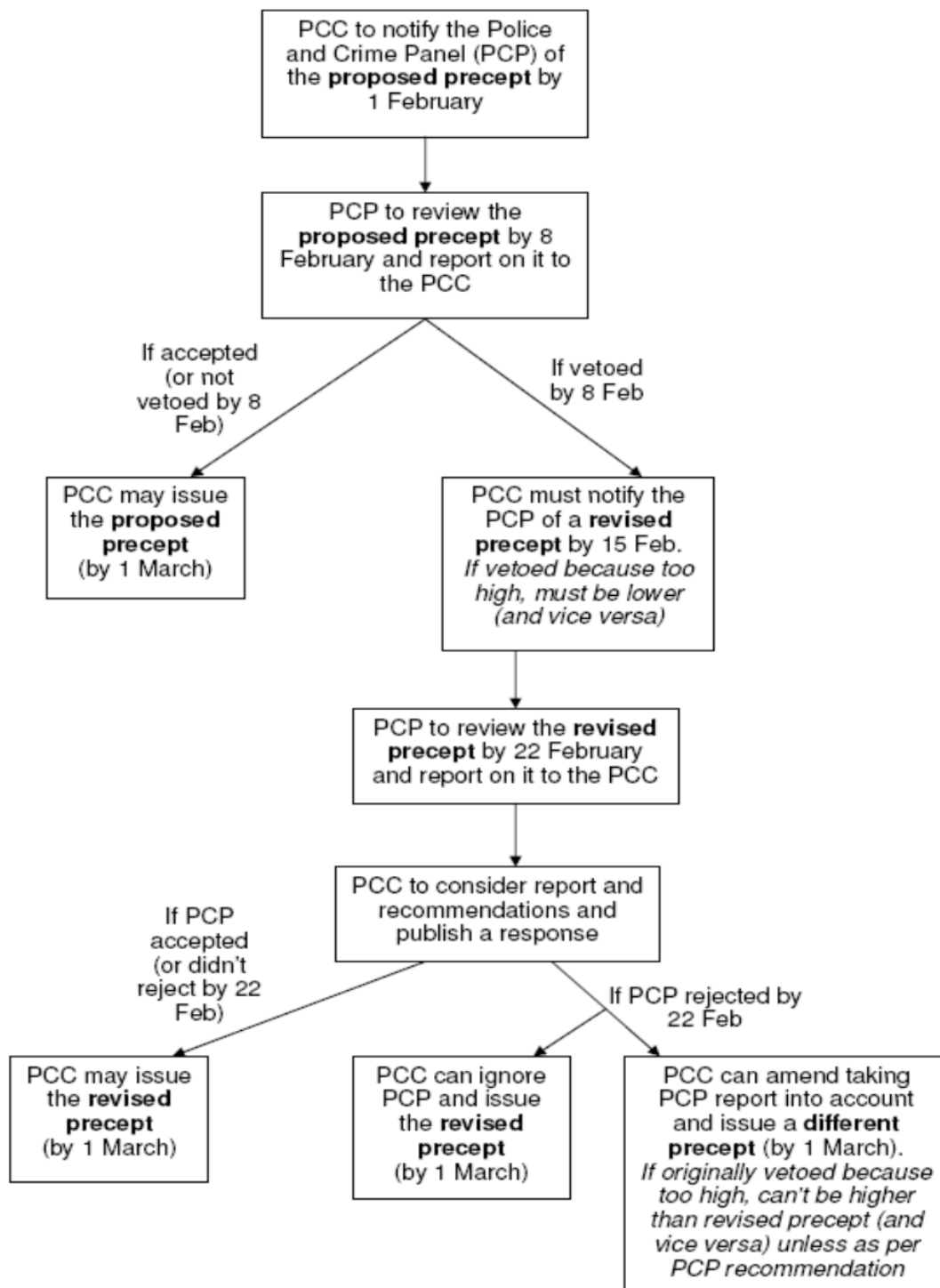
BUDGET AND PRECEPT SETTING TIMETABLE

PURPOSE

- a. To provide the Commissioner with an overview of the statutory requirements regarding budget and precept setting and the interaction with the Police and Crime Panel. It also provides a copy of the internal timetable developed to enable the Commissioner to meet the statutory timetable.

STATUTORY REQUIREMENTS

- b. The statutory requirements for precepting authorities to set a budget and issue a precept for the next financial year are set out in Chapters 3, 4, and 5 of the Local Government Finance Act 1992. They include significant detail on how budget estimates and the precept must be calculated. The Police Act 1996 and the Police Reform and Social Responsibility Act 2011 amended these provisions for the change to police authorities and Police and Crime Commissioners respectively but the basic statutory requirements remain the same.
- c. Schedule 5 of the Police Reform and Social Responsibility Act 2011 and The Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012 provide further detail on the process the Commissioner must follow for notifying the Police and Crime Panel of the proposed precept by 1 February of the relevant financial year (Section 3 of the 2012 Act). They also cover the interaction between the Panel and the Commissioner leading to the determination of the precept by the Commissioner by 1 March. The process is set out with the due dates diagrammatically in Annex A.

PCC PRECEPT APPROVAL (Final Regulations)

ROBUSTNESS OF ESTIMATES

- a. Section 25 of the Local Government Act 2003 places a requirement on Chief Finance Officers to report on the robustness of the estimates used in preparing the budget.
- b. The Commissioner has a policy and expenditure planning process that takes account of the service scenario and financial scenario in some detail for 2022/23. Alongside this, future capital programmes have been produced taking into account forecast Government funding, borrowing limits and council tax. For 2022/23 borrowing levels are also guided by the prudential indicators as set out in the Treasury Management Strategy.
- c. For 2022/23, full consideration of these issues had led to:
 - Policy and expenditure proposals that reflect the Government's Provisional Police Grant Settlement together with the on-going revenue impact of new capital projects, whilst recognising the outstanding issues and uncertainties.
 - A proposed capital-financing budget based on 2022/23 capital programme.
- d. When using estimates in preparing the budget every effort is taken to ensure that they take into account the most up to date data. However, it should be noted that there are a number of areas where the actual impact could vary from the estimates used in setting the budget. The main areas are:
 - Pay awards, pension increases, national reviews of pay & inflation
 - Service financial performance (i.e. variances on budgets)
 - Ability to achieve projected savings
 - Operational demands
- e. To provide for all potential scenarios that may arise would be prohibitively expensive and result in demands on council taxpayers considerably higher than likely need. For 2022/23 £4.4m has been provided for pay and price increases.
- f. Many factors can affect financial performance in year including under or over-achievement of efficiency savings, income and other financial targets. The Commissioner takes a number of steps to minimise the impact by:
 - Seeking wherever possible to explore in full the implications and achievability of policy and expenditure options before the budget is set.
 - Promoting a robust approach to financial management requiring budget holders to monitor expenditure against budget and to take early action in reporting and responding to projected variances.
 - Quarterly reporting of the projected budgetary outturn supplemented by monthly exception reports to prompt remedial action if necessary.
 - Creation of appropriate and proportionate contingencies.
- g. It should be noted that while every effort is taken to ensure the budget is balanced, there is always the possibility of variances to the budget occurring. The Commissioner holds reserves to mitigate this as set out in the Reserves Strategy.

CAPITAL STRATEGY 2022 TO 2027

1. INTRODUCTION

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities establishes a framework that supports local strategic planning, asset management and appropriate options appraisal.
- 1.2. The objectives of the Prudential Code are to ensure that the capital plans of an organisation are affordable, prudent and sustainable and the treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

2. DEFINITION

- 2.1. To utilise the full extent of the Prudential Code and its framework, it is essential that there is a clear understanding of what is capital expenditure. Unless expenditure qualifies as capital it will normally fall outside the scope of the Code and its framework and be charged to revenue in the period in which its goods or services were received. If expenditure does qualify as capital, there are opportunities to finance such spend from any capital receipts held or to spread the cost over future years in line with the life of the asset(s) purchased.
- 2.2. In the main, expenditure must meet one or more of the following conditions for it to be classified as capital:
 - Spend results in the acquisition, construction or enhancement of an asset (tangible or intangible) in accordance with 'proper practices';
 - Spend meets one of the definitions specified in regulations made under the 2003 Local Government Act; or
 - The Secretary of State makes a direction that the expenditure can be treated as capital.

3. CONTEXT

- 3.1. The capital programme requirements of the police sector nationally are by nature limited in comparison to other public sector organisations such as local authorities who have diverse responsibilities to prioritise including Schools, Housing, Highways and Economic Development. Certainly this is true of Cheshire Police with capital expenditure plans largely limited to replacing and upgrading essential operational assets (e.g. Estate Facilities, Vehicles, Equipment, Communications Infrastructure) together with individual ad-hoc capital investment schemes required to meet national demands (e.g. requirements related

to the national Emergency Services Network project) or aimed at improving efficiency and operational performance/priorities.

- 3.2. In setting the Police and Crime Plan in 2021, the Commissioner stated ‘Cheshire residents’ views have been paramount in developing this Plan. Whether you’ve spoken to me face-to-face, written to me via email or letter or taken part in a consultation, your views have been considered as I developed the Plan’s priorities to ensure they reflect yours.’ The full plan is available on the Commissioner’s website (www.cheshire-pcc.gov.uk/what-i-do/making-cheshire-safer/police-and-crime-plan).
- 3.3. The Police and Crime Plan sets out the priorities Cheshire Constabulary will deliver between 2021 to 2024, to make Cheshire even safer:



- 3.4. The Commissioner maintains rolling medium term revenue and capital plans (summarised in a Medium Term Financial Strategy – MTFS) that usually extend for 4-5 years. The plans are drawn up, reassessed and extended annually and if required, re-prioritised to enable the Constabulary to achieve the aims and objectives established in the Commissioner’s Police and Crime Plan and to support national drivers like the Strategic Policing Requirement and Home Office national priorities to achieve significant reductions in crime

and restore the public's confidence in the criminal justice system, including the Beating Crime Plan.

- 3.5. Prior to the start of austerity, capital grant funding of around £2m was received each year. This helped fund annual replacement of vehicles, IT and operational equipment and maintenance of police buildings. Over the last few years, this grant has reduced significantly and in the Provisional Settlement for 2022/23, removed in totality. As such, with limited reserves held, the need to borrow has increased. Borrowing incurs on-going costs of interest payments and the funding set aside to repay the loan in due course. As borrowing incurs costs, there has been a programme of increasing year on year revenue contributions to fund the capital programme in order to meet the annual replacement programme, with borrowing limited to invest to save or invest to increase efficiency.
- 3.6. Key focuses of the Capital Programme plans, all aligned to achieving the Commissioners priorities above are:
 - To ensure the property estate remains fit for the future; at the heart of and connected with our Communities, promoting effective collaborative working and being economic, efficient and sustainable.
 - To support front line operations by delivering high quality vehicles which are safe, fit for purpose and meet the needs of modern day policing.
 - The replacement and upgrade of other core assets where necessary, e.g. operational equipment and communication infrastructure.
 - Development of improved capability.
 - To ensure provision is made for Digital Change Technology to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative digital policing services.
 - Invest to Save Schemes.
- 3.7. The Commissioner maintains separate focussed long-term Estates, Environmental, Fleet and IT and Agile Working strategies setting the overall direction of these key areas and priorities, all of which feed in to this overarching Capital Strategy.
- 3.8. The plans acknowledged the constrained financial position of the Commissioner and maximise both the available financial resources and the capacity that the Constabulary has to manage change projects.
4. GOVERNANCE
 - 4.1. The annual budget setting process is an ongoing process with the Strategic Change team and other key stakeholder groups assisting departmental managers to identify change proposals and develop business cases for future capital investment requirements and ideas aligned with the Police and Crime Plan priorities.
 - 4.2. Business cases must explicitly identify the organisational requirement, rationale, deliverables, benefits, links to the Commissioner's and/or Constabulary priorities, and costs in terms of both capital investment and ongoing revenue consequences.

- 4.3. Based on an agreed budget setting timetable, business cases will be submitted for presentation to and scrutiny review by the Force Leadership Team along with an initial view of potential affordability. Prioritisation is then made, taking into account the following in order of priority:
- Unavoidable (statutory, contractual, or tortuous liability);
 - Operational Need (enables continuity of agreed service delivery levels and priorities);
 - Police and Crime Plan Improvement Priority;
 - Other (efficiency, invest to save, leverage of external funding, etc.).
- 4.4. An updated Medium Term Financial Strategy (MTFS), including a recommended Capital Programme, is then presented to the Commissioner, providing views on affordability, potential funding issues and options.
- 4.5. A final version of the MTFS will be presented to the Commissioner for approval, reflecting the known funding position and any further developmental work on the plan. The formal Commissioner approval, agrees the capital budget for the following year and acknowledges the intention for planning purposes of the remaining years of the MTFS.
- 4.6. Any approved budget item, capital or revenue, can be 'starred' to reflect the Commissioner's agreement in principle, but no further action can be taken without further approval being obtained when more detailed plans are available.
- 4.7. Where in year additions to the approved Capital Programme are identified, a business case will be prepared and reviewed by the Change Board before being submitted to the Senior Command Team. The Senior Command Team will then submit to the Commissioner for consideration and approval, including details of how the new scheme is to be funded, delivered and benefits realised, noting any ongoing MTFS implications.
- 4.8. Currently approved Financial Regulations (Section 4.3) specify individual officer roles and responsibilities relating to the capital programme along with a number of key controls as follows:
- Specific approval by the Commissioner for at least three year capital programme which is the key document for planning and controlling of capital expenditure;
 - 'Starred' items require further approval before expenditure can be incurred;
 - Expenditure on capital schemes not included in the programme and/or which would involve future years' commitments is subject to the approval of the Commissioner;
 - Steps are taken to enable land required for the purposes of the programme to be acquired in due time;
 - A scheme and estimate, including the associated revenue expenditure, is prepared for each capital project for approval by the Commissioner;
 - Any scheme not commenced within two years of approval will be deemed null and void and removed from the capital programme;

- Prudential Indicators covering affordability, capital expenditure, external debt and treasury management;

- 4.9. Following approval of the capital programme, a programme manager or project manager and a user representative is identified for each capital project. That individual is responsible for managing the project implementation and delivering its objectives. For all projects within the capital programme a Chief Officer is identified as project sponsor.
- 4.10. Monitoring progress against capital schemes is reported on at least a quarterly basis to the Change Board and Senior Command Team and to Joint Management Board.
- 4.11. Once projects have been completed the programme or project manager completes a post implementation review for the major capital projects. This includes identifying at what stage the post project review will be carried out. The post project report is reviewed by the Change Board and escalated to the Senior Command Team if required.
- 4.12. To evaluate the actual success and outcomes of capital projects a post project review is also carried out. The depth of this review is proportionate to the scale of the project and the benefits set out in the initial Project Initiation Documentation. This review focuses on the outcomes achieved, the extent to which the benefits claimed are being realised, the actual costs, both revenue and capital, and the impact of other funding and partnership working.
- 4.13. This information can then be used to learn lessons and make any improvements identified during project implementation.

5. FUNDING STREAMS

- 5.1. Capital expenditure can be funded from a number of sources as set out below:
 - **Government Grants** – these are either general grants which can be used to fund any capital spend approved by the Commissioner or specific grants which can only be used to fund specific projects in line with any conditions placed with the grant;
 - **Capital Receipts** – when an asset held by the Commissioner is sold, the proceeds are held in reserve to be used either to fund future capital expenditure or to repay debt. They cannot be used to fund revenue expenditure;
 - **Reserves** – funds can be set aside and held in earmarked reserves if known expenditure is to be incurred at a future date. These reserves can then be used to fund such expenditure be it capital or revenue. In terms of capital expenditure, it may be known that a specific asset may need replacing in 10 years and therefore funds are set-aside each year to build up the reserve to fund the replacement. Details of the reserves held are found within the Commissioner’s Reserves Strategy;
 - **External Contributions** – these are funds or grants provided by external organisations such as collaboration partners or local authorities for specifically agreed capital expenditure; and
 - **Borrowing** – the Commissioner is permitted in law to take out loans or financing to fund capital expenditure. The Prudential Code sets out the requirements under which such borrowing must be undertaken including affordability, prudence and cost

effectiveness. Any borrowing will incur costs for interest payable and the need to set-aside sufficient funds to repay the loan. These costs impact on the revenue budget.

6. CAPITAL PROGRAMME

6.1. The following table shows the Commissioner's overall Capital Programme and how it is to be funded from 2021/22 to 2026/27, figures quoted include both in-year approvals and schemes rolled forward from previous years. They therefore, represent estimates of total capital expenditure in each year:

2021/22 Estimate £000		2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
	Annual Replacement Schemes:					
641	Fleet Vehicles	4,230	2,170	2,330	2,500	2,500
578	IT and Communications	565	565	565	565	565
	New Schemes:					
623	Estates* ¹	2,891	8,700	12,700	9,200	600
4,863	IT and Communications* ²	3,299	5,000	0	0	0
1,066	Operational Equipment	1,148	438	760	200	200
299	Collaboration/Funded Vehicles	464	0	0	0	0
8,070	Capital Expenditure	12,597	16,873	16,355	12,465	3,865
	<u>Financed by:</u>					
273	General/Specific capital grants	61	0	0	0	0
222	Capital Receipts	634	4,000	0	3,550	0
2,779	Revenue Contributions to Capital	5,086	3,131	3,000	3,000	3,000
471	External Contributions to Capital	198	37	32	0	0
0	ESN Reserve	0	4,000	0	0	0
231	HQ IT Reserve	231	231	231	231	231
4,094	Borrowing	6,387	5,474	13,092	5,684	634
8,070	Total Funding	12,597	16,873	16,355	12,465	3,865

*¹ The current Estates Strategy 2021-2031, jointly developed between the Commissioner and the Constabulary recognises that planned changes to the estates footprint require additional capital financing. The indicative costs of Phase 1 and 1a of the strategy have been included in this overarching Capital Strategy but will be the subject of individual business cases being approved through the appropriate governance structure. As specific business cases are approved actual financing requirements will be confirmed.

*² Includes estimated cost of the new Emergency Services Network (ESN) devices.

7. AFFORDABILITY

7.1. Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impact on cash balances and borrowing requirements in the short and longer terms. The on-going consequences of these decisions have a direct impact on the annual revenue budget. As such, having regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, the Commissioner sets and reviews a number of prudential indicators

showing the proposed capital expenditure plans, how they are to be funded, the impact on the organisation's finances and their affordability in terms of the impact on revenue budgets.

- 7.2. Full details and commentary on the prudential indicators are found within the Commissioner's Treasury Management Strategy 2022/23. Along with controls and limits relating to levels of capital expenditure and resulting borrowing requirements, these prudential indicators also include a specific affordability indicator, below, which provides an indication of the impact of the above capital expenditure plans and their financing proposals on the overall finances and precept (council tax):

Treasury Management Strategy 2022/23

Table 5: Ratio of financing costs to net revenue funding

2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
1.18%	1.14%	1.22%	1.42%	1.51%	1.59%	1.68%

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream. The estimates of financing costs include current commitments and the proposals included in the budget/medium-term financial strategy.

- 7.3. The above ratio is increasing largely due to the significant reduction and subsequent removal of available capital grant funding over the past few years and the requirement to increase borrowing in order to finance the capital programme from 2018/19 onwards. The affordability of this will therefore continue to be reviewed alongside the medium-term financial strategy.

8. RISK MANAGEMENT

- 8.1. Risk is the threat that an event or action will adversely affect the Commissioner's ability to achieve their desired outcomes and the Constabulary's ability to execute their strategies successfully. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.
- 8.2. The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. The corporate risk register sets out the key risks to the successful delivery of corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities.
- 8.3. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored. It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in complex business change programmes. Where greater risks are identified as necessary to achieve desired outcomes, the organisation will seek to mitigate

or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register.

- 8.4. The Chief Finance Officer and Assistant Chief Officer will report jointly on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.
- 8.5. Credit Risk - The risk that an organisation with which we have contracted to deliver capital projects becomes insolvent and cannot complete the agreed contract. We will ensure that robust due diligence procedures cover the appointment of partners and contractors relating to capital programme delivery. Where possible contingency plans will be identified at the outset.
- 8.6. Liquidity Risk - This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. There is also a risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes and mitigating actions taken promptly where appropriate.
- 8.7. Interest and Exchange Rate Risk - This is the risk that interest rates or exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- 8.8. Inflation Risk - This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.
- 8.9. Legal and Regulatory Risk - This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, the Commissioner will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.
- 8.10. Fraud, Error and Corruption - This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. Cheshire Constabulary has a strong ethical culture, which is evidenced through our values, principles and appropriate behaviour. This is supported by the national Code of Ethics and detailed policies such as Anti-Fraud and Corruption and Declaration of Interests.

9. FUTURE ACTIONS

- 9.1. This capital strategy currently looks ahead over the next 5 years to 2027. It will be reviewed to consider whether it would be appropriate and of value to extend this period to cover a longer term period of for example 10 or 20 years. In particular, one of the major hubs for the ongoing and high profile national HS2 project will be within the Cheshire area that could have some medium to longer-term impact on our future capital programme requirements. The implications of HS2 will therefore continue to be reviewed alongside our capital strategy plans as the project develops and progresses.
- 9.2. The current Estates Strategy 2021-2031, jointly developed between the Commissioner and the Constabulary recognises that planned changes to the estates footprint require additional capital financing. The indicative costs of Phase 1 and 1a of the strategy have been included in this overarching Capital Strategy. Future phases will be subject to further review and will be included in future versions of this strategy as appropriate.
- 9.3. In view of the initial reduction and now removal of ongoing Government funding towards capital programme expenditure, investigation will be made aimed at identifying alternative potential funding sources which will include the extension of partnerships and collaborations.
- 9.4. It will be continually reviewed in light of emerging and changing local issues, circumstances and priorities.

<u>CAPITAL PROGRAMME</u>	2022/23 £000
<u>Prior Year Schemes</u>	
Replacement Chiller Units - Blacon PS	36
Replacement Chiller Units - 3 x Custody Suites	150
Building property management system (Estates)	20
Congleton PS relocation *	50
Security Upgrade ay HQ	350
Welfare improvements (various sites)	60
Helpdesk Private Space for Public Reporting*	75
Force Control System	97
Network Refresh	358
Digital Enabled Courts	52
On-Premise Archiving	50
ESN - Control room software (Balance)	60
Replacement of Body Armour	300
ANPR related Schemes	125
Business Services Futures	-778
Annual Vehicle Replacement Programme	1,800
UWSU Vehicles	173
Armed Vehicle Alliance Replacement Vehicles	117
	3,095
<u>New Scheme</u>	
Replacement Chiller Units - Blacon PS	50
Replacement Chiller Units - 3 x Custody Suites	100
Electric Fleet charging points at LPU's	100
Decarbonisation Measures *	100
Estates Strategy - Major Projects *	1,800
Technology Refresh – Network, Servers, Laptop, Desktop	525
On-Premise Archiving	200
FCS Storage	300
Technology Refresh – E-Forensics	40
Business Services Futures	2,960
Cheshire EVOx ANPR Camera Refresh - Year 3 of 3	39
Motorway EVO8 ANPR Camera Refresh	35
Under Water Search Unit Equipment	12
In-Car ANPR/Video Refresh - Cheshire Vehicles	516
In-Car ANPR/Video Refresh - Alliance Vehicles	77
ANPR expanded capability match funding	30
Annual Vehicle Replacement Programme	2,520
LESS Saving due to Vehicle Telematics	-90
Workshop Capital Equipment	14
Armed Vehicle Alliance Replacement Vehicles	174
	12,597

RESERVE STRATEGY 2022/23

1. In addition to the requirements covering the robustness of estimates, Section 25 of the Local Government Act 2003 also requires the Chief Finance Officer, OPCC to present a report assessing the adequacy of the unallocated reserves in the context of policing threats and demands together with corporate and financial risks facing the organisation. The Commissioner needs to balance the necessity for reserves against the cost to council taxpayers and arrive at a level that is both prudent and adequate for the current climate but not excessive.
2. The Reserves Strategy sets out the reserves held, their intended usage and the strategy for ensuring the funds are maintained at an appropriate level. Reserves are held for three main purposes:
 - a. To cover unforeseen risks and expenditure that may be incurred outside of planned budgets – known as a general reserve
 - b. To set-aside funds for specific purposes; known or predicted pressures or future liabilities – known as earmarked reserves
 - c. To hold capital receipts from sale of assets. The use of which is restricted under legislation to the purchase of new assets or the repayment of debt.
3. In addition to the above reserves, Cheshire Constabulary act as lead force for a number of regional collaborations for which it holds reserves. These reserves are owned by all regional partners on an agreed share basis in line with each collaboration agreement.
4. Over the past few years, the level of reserves held by all forces have been under scrutiny by the Home Office and it is now considered best practice to produce a reserve strategy covering the medium term financial strategy (MTFS) period.
5. Based on the audited Statement of Accounts published in September 2021, £22.4m was held in reserves of which £2.5m belongs to the regional collaborations (of which Cheshire Constabulary is a partner and therefore part owner). Annex 1 sets out the proposed usage of the reserves over the next four years in line with MTFS plans together with other known commitments and liabilities. Reserves are forecast to increase to £25.2m by the end of March 2022 and then fall to £13.9m by March 2026 (including collaborations reserves of £2.4m and £1.7m respectively).

6. As part of the Home Office scrutiny process; it classifies reserves in three main categories:
- a. Funding for planned expenditure on MTFS projects and programmes
 - b. Funding for specific projects and programmes beyond the current MTFS timeline
 - c. Those held as a general contingency or resource to meet other expenditure needs held in accordance with sound principles of good financial management.

Annex 2 provided analysis of the reserves in line with the above.

7. The purpose of each reserve is set out below:

General Reserves

The purpose of general reserves is to provide funding to cover specific and general risks identified in setting the budget but also in recognition of unforeseen risks and expenditure that may arise in year. Given the current levels of threats and demands facing policing the amount held in this reserve is deemed both prudent and adequate.

Medium Term Financial Strategy (MTFS) Reserve

The origins of this reserve dates back to the start of the austerity programme and has been successfully used to support transition, implementation costs of transformational changes together with 'invest to save' projects. With increasing demands, the implementation of Digital Policing and the level of uncertainty over future funding, this reserve will provide some mitigation to these risks and challenges.

Earmarked Reserves:

Carry Forwards Reserve

This is a temporary reserve for any underspend from the previous financial year that has been approved to be spent in the following financial year. For example, if a project is delayed funding can be carried forward into the following year to meet delayed spend.

Proceeds of Crime Community Fund Reserve

Money seized under the Proceeds of Crime Act (POCA) 2002 is initially utilised to support the Economic Crime Unit funding of financial investigators. These investigators ensure that where possible, proceeds of crime are recovered. All proceeds in excess of this commitment will be held in this reserve and used to support the mission of delivering even safer communities for the whole of Cheshire.

Hardship Loan Reserve

It is acknowledged that individuals may find themselves needing assistance in achieving a greater sense of wellbeing; it is known that wellbeing comprises elements of physical, emotional, social and financial health. As such, a scheme was created to address any short-term financial issues personnel (Officers and Staff) may experience. The intent being to prevent/break the cycle of financial difficulty without the exposure to high interest loan schemes (pay day loans). This small reserve covers the loans until repaid.

Pay and Pensions Reserve

There are currently several issues in relation to pay and pensions that could impact on the revenue funding, the main being the outcome of the McCloud ruling (see financial risks below). The level of administration to service these is considerable and the uncertainty of how these will be funded has resulted in this reserve being created to cover any initial costs. It is anticipated that this will be utilised once the funding position is clarified and to support the preparatory work.

Redundancy Reserve

It is recognised that the cost of reforms, efficiencies and restructuring can require changes to staffing levels. This reserve is held to meet any associated costs should the need arise.

Major Investigations Reserve

This reserve holds funds to contribute towards the costs of ongoing and future Major Investigations.

Council Tax Deficit Reserve

This reserve holds funds received from Government towards irrecoverable Council Tax income losses associated with the Coronavirus pandemic. It is held to mitigate against future resulting Council Tax Collection Fund deficits as they are declared by billing authorities.

Estates Strategy Reserve

The Commissioner approved the Estates Strategy in 2021 that sets the direction over the next 10 years to ensure a modern, fit for purpose, environmentally efficient and cost-effective estate that meets the needs of police staff and officers and delivers for the public. As changes take place, there will be transitional costs and this reserve supports those interim costs.

Road Safety Initiatives Reserve

One of the Commissioner's key Police and Crime Plan 2021-24 priorities is 'Making Cheshire's roads safer'. This reserve holds funds set aside to enable the commissioning of projects in line with this objective.

Revenue Reserve for Capital

This reserve is for the general funding of capital, especially those annual replacement schemes such as Fleet and Information Technology.

HQ IT Reserve

This reserve was created as part of the private finance initiative (PFI) scheme to support the replacement of computer equipment. It is supplemented each year in line with the scheme's requirement and applied to finance relevant capital expenditure.

Emergency Services Network (ESN) Reserve

The Emergency Services Network (ESN) programme will see the current Airwave based communication systems replaced with a new 4G based communication service. All Airwave radios currently used by officers and staff will be replaced with a mobile phone type device, which offers improved functionality. Funding will be required for these replacements.

Unapplied Capital Grants Reserve

This reserve contains the capital grant received by the Commissioner but not yet used to finance capital investment. Funding is now generally applied in full in the year it is received, with the exception of specific grants that are applied when the associated expenditure is made.

Capital Receipts

Capital Receipts represents the net proceeds from the sale of assets. Use of this funding is limited by regulation to re-investment in new assets or the repayment of debt.

Collaboration Reserves:**Armed Police Alliance**

This reserve has arisen from underspends in previous financial years due to high turnover of officers. It is being utilised to support training, ammunition and other expenditure to support the training of new trainees to replace these officers.

Underwater Search Unit

Funding held on behalf of all partners for future demands – e.g. replacement of the boat, vehicles and equipment as part of an agreed asset replacement strategy.

Local Resilience Forum

Cheshire Resilience Forum partners work together to prepare for emergencies, including Cheshire Constabulary, Cheshire Fire and Rescue Services and local authorities. The reserve is held to support strategic training and as a contingency for unforeseen pressures.

National Blue Light Procurement Reserve

This is a national collaboration, which Cheshire Constabulary leads, with the reserve being held for development of the system in conjunction with the Home Office.

Dog Alliance

The alliance with North Wales Police for the provision of dogs has been a pilot over the last year or so and this reserve is being held to support the transition to a permanent alliance. It is anticipated that this will be finalised within 2021/22.

KEY RISKS

8. There are a number of uncertainties and risks over the next few years that hold the potential of significant financial impact including the on-going effect of the pandemic. Uncertainty over funding as a result makes planning difficult and reserves are a key tool in providing flexibility to deal with this challenge.
9. The following set out key financial risks:
 - a. Government funding remains uncertain and while the Spending Review in October 2021 provided very high-level options for the next three years, the actual settlement provides details for one year only.
 - b. The coronavirus pandemic has had a profound impact not just on the UK's economy but the world at large. The level of national debt has increased considerably and together with the responses to infection rates, play into both Government funding options and operational policing. However, the medium to long-term impact of these remains unknown.
 - c. Claims of unlawful discrimination were made in relation to the changes to the Judiciary and Firefighters Pension regulations and in December 2018 the Court of Appeal (McCloud / Sargeant) ruled that the 'transitional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. On 16 July 2020 the Government launched a consultation on proposals to remove the discrimination identified and on 21 August, the Home Office issued guidance to Police Forces (in England and Wales) on processing prospective 'immediate detriment' cases in advance of a decision on the Government's final approach to removing the age discrimination. This guidance has since been withdrawn. The cost and funding of this remains uncertain.

FORWARD STRATEGY

10. The foremost principle of holding reserves remains affordability versus risk. To set aside reserves for all potential risks scenarios that may arise would be prohibitively expensive and result in demands on council taxpayers considerably higher than likely need.
11. As such, the strategy for general reserves is to hold the level of this reserve at around 3% of the net budget requirement. The level should be reviewed annually after the budget for the forthcoming year has been set. Any excess will be released in support of capital funding to limit the need to borrow and the associated impact on revenue budgets. Any shortfall will be recognised as a first call on any in-year underspends or built into the following year's budget proposals.
12. Earmarked reserves are reviewed quarterly and reported to the Commissioner as part of the formal financial reviews. The reviews will take into account purpose of the reserve, the risks they are designed to mitigate and the current and future demands. Any reserve deemed no longer required will be returned to general reserves.
13. Strategic risks are monitored through SCT Business Meeting, Joint Management Board and Joint Audit Advisory Committee. Any new risk or significant change to existing risks will be monitored with any impact on reserves presented to SCT Business Meeting for recommendation to the Commissioner for the creation or adjustment to Earmarked Reserves.
14. Capital reserves are the primary source of funding for all capital investments and are therefore linked to the approved capital strategy. The use of such reserves are designed to cover short-life assets, limiting the need to borrow over short periods.
15. Capital receipts of more than £10,000 from the sale of assets can only be used to fund future capital investment or the repayment of debt. Receipts of less than £10,000 are returned to revenue budget.
16. The level of capital grant received has reduced over the last few years and in the 2022 Provisional Police Settlement issued on 16 December 2021, no further grants will be received. In order to meet the minimum asset replacement cycles, a revenue contribution is made each year into Revenue Reserve for Capital reserve and used towards financing that year's capital programme.

RESERVES HELD

	2021/22			2022/23			2023/24			2024/25			2025/26		
	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000
General Reserves: Revenue															
Police Fund - General Reserve	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773
MTFS Reserve	-£176	£0	£3,387	-£150	£0	£3,237	£0	£0	£3,237	£0	£0	£3,237	£0	£0	£3,237
	-£176	£0	£9,160	-£150	£0	£9,010	£0	£0	£9,010	£0	£0	£9,010	£0	£0	£9,010
Earmarked Reserves: Revenue															
Carry Forwards Reserve	-£467	£0	£2,345	-£2,345	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Proceeds of Crime Reserve	£0	£0	£456	-£206	£0	£250	£0	£0	£250	£0	£0	£250	£0	£0	£250
Hardship Loan Reserve	£0	£0	£50	£0	£0	£50	£0	£0	£50	£0	£0	£50	£0	£0	£50
Pay and Pensions Reserve	£56	£0	£886	-£120	£0	£766	-£122	£0	£645	-£124	£0	£520	-£127	£0	£393
Redundancy Reserve	£0	£0	£782	-£255	£0	£527	£0	£0	£527	£0	£0	£527	£0	£0	£527
Major Investigations Reserve	-£300	£0	£623	-£381	£0	£242	-£242	£0	£0	£0	£0	£0	£0	£0	£0
Council Tax Deficit Reserve	£1,315	£0	£1,615	-£34	£0	£1,580	-£580	£0	£1,000	£0	£0	£1,000	£0	£0	£1,000
Estates Strategy Reserve	£500	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
Road Safety Initiatives Reserve	£500	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
	£1,604	£0	£7,757	-£3,341	£0	£4,415	-£944	£0	£3,472	-£124	£0	£3,347	-£127	£0	£3,220
Earmarked Reserves: Capital															
Capital Receipts	£0	-£222	£634	£0	-£634	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Reserve - Unapplied Grant	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Emergency Services Network Reserve	£0	£1,153	£2,708	£0	£1,292	£4,000	£0	-£4,000	£0	£0	£0	£0	£0	£0	£0
HQ IT Reserve	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Revenue Reserve for Capital	£3,702	-£3,127	£2,532	£2,698	-£5,098	£131	£3,037	-£3,168	£0	£3,032	-£3,032	£0	£3,000	-£3,000	£0
	£3,702	-£2,196	£5,874	£2,698	-£4,440	£4,131	£3,037	-£7,168	£0	£3,032	-£3,032	£0	£3,000	-£3,000	£0
Collaboration Reserves:															
Armed Police Alliance Reserve	£254	£0	£730	-£200	£0	£530	-£360	£0	£170	£0	£0	£170	£0	£0	£170
Dog Alliance Reserve	£80	£0	£429	-£180	£0	£249	£0	£0	£249	£0	£0	£249	£0	£0	£249
Local Resilience Forum Reserve	£23	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343
MFSS Development Fund	-£348	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
National Blue Light Procurement	£0	£0	£153	£0	£0	£153	£0	£0	£153	£0	£0	£153	£0	£0	£153
UWSU Reserve	-£95	-£14	£754	£0	£0	£754	£0	£0	£754	£0	£0	£754	£0	£0	£754
NWAP Collaboration	£0	£0	£25	£0	£0	£25	£0	£0	£25	£0	£0	£25	£0	£0	£25
	-£86	-£14	£2,434	-£380	£0	£2,054	-£360	£0	£1,694	£0	£0	£1,694	£0	£0	£1,694
TOTAL RESERVES	£5,044	-£2,210	£25,225	-£1,173	-£4,440	£19,610	£1,733	-£7,168	£14,176	£2,908	-£3,032	£14,051	£2,873	-£3,000	£13,924

RESERVES HELD - Home Office classification

	2021/22			2022/23			2023/24			2024/25			2025/26		
	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000	Revenue £000	Capital £000	31-Mar £000
General Reserve / Contingency:															
Police Fund - General Reserve	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773	£0	£0	£5,773
MTFS Reserve	-£176	£0	£3,387	-£150	£0	£3,237	£0	£0	£3,237	£0	£0	£3,237	£0	£0	£3,237
	-£176	£0	£9,160	-£150	£0	£9,010	£0	£0	£9,010	£0	£0	£9,010	£0	£0	£9,010
Funding for Projects/Programmes - current MTFS															
Armed Police Alliance Reserve	£254	£0	£730	-£200	£0	£530	-£360	£0	£170	£0	£0	£170	£0	£0	£170
Capital Receipts	£0	-£222	£634	£0	-£634	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capital Reserve - Unapplied Grant	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Carry Forwards Reserve	-£467	£0	£2,345	-£2,345	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Dog Alliance Reserve	£80	£0	£429	-£180	£0	£249	£0	£0	£249	£0	£0	£249	£0	£0	£249
Emergency Services Network Reserve	£0	£1,153	£2,708	£0	£1,292	£4,000	£0	-£4,000	£0	£0	£0	£0	£0	£0	£0
Proceeds of Crime Reserve	£0	£0	£456	-£206	£0	£250	£0	£0	£250	£0	£0	£250	£0	£0	£250
Hardship Loan Reserve	£0	£0	£50	£0	£0	£50	£0	£0	£50	£0	£0	£50	£0	£0	£50
Pay and Pensions Reserve	£56	£0	£886	-£120	£0	£766	-£122	£0	£645	-£124	£0	£520	-£127	£0	£393
HQ IT Reserve	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Local Resilience Forum Reserve	£23	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343	£0	£0	£343
MFSS Development Fund	-£348	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
National Blue Light Procurement	£0	£0	£153	£0	£0	£153	£0	£0	£153	£0	£0	£153	£0	£0	£153
Redundancy Reserve	£0	£0	£782	-£255	£0	£527	£0	£0	£527	£0	£0	£527	£0	£0	£527
Revenue Reserve for Capital	£3,702	-£3,127	£2,532	£2,698	-£5,098	£131	£3,037	-£3,168	£0	£3,032	-£3,032	£0	£3,000	-£3,000	£0
UWSU Reserve	-£95	-£14	£754	£0	£0	£754	£0	£0	£754	£0	£0	£754	£0	£0	£754
Major Investigations Reserve	-£300	£0	£623	-£381	£0	£242	-£242	£0	£0	£0	£0	£0	£0	£0	£0
NWAP Collaboration	£0	£0	£25	£0	£0	£25	£0	£0	£25	£0	£0	£25	£0	£0	£25
Council Tax Deficit Reserve	£1,315	£0	£1,615	-£34	£0	£1,580	-£580	£0	£1,000	£0	£0	£1,000	£0	£0	£1,000
Estates Strategy Reserve	£500	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
Road Safety Initiatives Reserve	£500	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500	£0	£0	£500
	£5,220	-£2,210	£16,065	-£1,023	-£4,440	£10,600	£1,733	-£7,168	£5,166	£2,908	-£3,032	£5,041	£2,873	-£3,000	£4,914
TOTAL RESERVES	£5,044	-£2,210	£25,225	-£1,173	-£4,440	£19,610	£1,733	-£7,168	£14,176	£2,908	-£3,032	£14,051	£2,873	-£3,000	£13,924