

**Report to the  
Scrutiny, Delivery and  
Performance Meeting  
28<sup>th</sup> February 2018**



**CLEVELAND  
POLICE**

Final

**Cleveland Police Long Term Financial Plan (LTFP) 2018/19 to 2021/22**

**Status: For Approval**

**Purpose of the Report**

The purpose of the Long Term Financial Plan (LTFP) is to demonstrate the Force's operational plan is affordable, financial stability can be maintained, and funding is targeted to those activities that best make our communities safer and stronger.

Accordingly, this report sets out the revenue and capital spending plans that underpin delivery of the Force's Towards 2020 strategy.

It should be read in conjunction with the following reports prepared by the Police & Crime Commissioner's (PCC) Chief Financial Officer:

- Long Term Financial Plan 2018/19 to 2021/22 and Capital Plans 2018/19 to 2021/22
- Robustness of Estimates and Adequacy of Financial Reserves

**Recommendation**

The PCC is requested to approve the revenue and capital budget proposal for 2018/19 and the Long Term Financial Plan (LTFP) for 2019/20 – 2021/22.

**Force Financial Strategy**

A stable financial position is a key enabler for the Force to help our communities become safer and stronger. The Long Term Financial Plan (LTFP) demonstrates our operational plan is affordable and supports longer term planning for sustainable service delivery.

In a time of ongoing austerity our financial strategy was to maintain financial stability and protect service provision through identifying sufficient savings to secure a rolling two year balanced position in order to:

- Provide a high degree of certainty to operational commanders about the resources at their disposal in the short to medium term
- Provide time and space to work up considered savings plans for the more challenging future years.

Following the grant settlement in December 2017, although the financial pressures have eased, the Force will continue to review expenditure plans for future years so

that funding can be redirected to areas of highest need to ensure that the outcomes from available funding are optimised.

## **Towards 2020**

The Force has a clear strategic direction that is set out in the Towards 2020 document. This clearly sets out the future shape of the organisation as being the development of cost effective:

- Local Policing
- Enabling Services
- Collaboration

Towards 2020 is operationalised by the following delivery plans:

- People Plan
- Workforce Plan

These plans are underpinned by this Long Term Financial Plan.

A key priority for the Force has been the development of a sustainable service model that can effectively respond to threat, harm and risk and bring about safer and stronger communities.

This reshaping has been aligned to our Strategic Threat & Risk Assessment (STRA) and demand profile (including alternative approaches to dealing with or reducing demand) which directs focus into those areas of policing that require emphasis.

A number of significant work streams to develop the Towards 2020 operating model have been delivered during 2016/17 and into 2017/18. These include:

- Implementation of the Local Policing reviews
- Implementation of the Strategic Intent proposals
- Implementation of the major and volume crime functions
- A collaborated major investigation function with North Yorkshire
- Extension of the collaborated police dogs service to include North Yorkshire
- Further development of North East Regional Special Operations Unit
- Implementation of the Deep Dive Rapid Improvement Plans
- The rationalisation of Management Structures
- Implementation of Workforce Modernisation
- Targeted reductions in non-pay expenditure
- Development of a 3 Force Legal Service

These reforms have been necessary to deliver the grant cuts already suffered from CSRs 2010 and 2013 and have enabled the Force to review its future savings requirements. Robust financial management will have to continue to allow the Force time and space to re-evaluate new and changing demand and ensure that scarce

resources are used to their best endeavours. These will include development of further collaborative opportunities through Evolve, North East Transformation, Innovation and Collaboration Programme (NETIC) and with Cleveland Fire Brigade.

## REVENUE

### Summary Position 2018/19 – 2021/22

The summary position is set out in the table below.

Income & Expenditure	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's
Funding Allocation from PCC	(119,770)	(121,400)	(122,860)	(124,780)
Police Pay & Allowances Total	65,445	66,671	67,554	68,925
PCSO Pay & Allowances Total	14,885	15,595	16,040	16,515
<b>Pay &amp; Allowances Total</b>	<b>80,330</b>	<b>82,266</b>	<b>83,594</b>	<b>85,440</b>
Non Pay Expenditure Total	39,440	39,134	39,266	39,340
<b>Total Planned Expenditure</b>	<b>119,770</b>	<b>121,400</b>	<b>122,860</b>	<b>124,780</b>
<b>Planned Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Funded Establishment	2017/18	2018/19	2019/20	2020/21	2100/22
Core Funded Police Officers	1,274	1,230	1,220	1,220	1,220
OPCC Neighbourhood Investment Police Officers	6	6	6	6	6
<b>Total Police Officer Establishment</b>	<b>1,280</b>	<b>1,236</b>	<b>1,226</b>	<b>1,226</b>	<b>1,226</b>
Core Funded PCSO's	132	132	132	132	132
OPCC Neighbourhood Investment PCSO's	16	15	15	15	15
<b>Total PCSO Establishment</b>	<b>148</b>	<b>147</b>	<b>147</b>	<b>147</b>	<b>147</b>
Core Funded Police Staff	285	287	287	287	287
OPCC Neighbourhood Investment Police Staff	21	22	22	22	22
<b>Total Police Staff Establishment</b>	<b>306</b>	<b>309</b>	<b>309</b>	<b>309</b>	<b>309</b>
<b>Total Establishment</b>	<b>1,734</b>	<b>1,692</b>	<b>1,682</b>	<b>1,682</b>	<b>1,682</b>

Following CSR 2015 and the 'protection' of police service funding, the Force has worked with the PCC to agree a level of funding that will sustain the Towards 2020 operating model over the lifetime of the plan.

Consequently, the Force is projecting a break-even position for each year of the plan. However, the financial plan is dependent upon continued robust financial management ensuring that all new initiatives and mandated changes can be absorbed within the given funding.

A more detailed analysis is set out at Appendix A

### **Allocated Funding**

The national and local funding positions are set out in the PCC's Chief Financial Officer's report 'The 2018/19 Precept Proposal'.

The headlines within the settlement provided the OPCC with the flexibility to increase Precept above the 1.99% cap. PCC's can now increase the level of Band D Police Precept by up to £1 per month in 2018-19. It also provided PCC's with a flat cash grant settlement meaning that the PCC will receive the same cash grant in 2018/19 as they did in 2017/18.

Finally the settlement also updated assumptions around the tax base growth increase raising it to 1.34% in England. Taking all of these factors into consideration and using the Government's measure of inflation (GDP) at 1.5% the resulting settlement represents a "real terms" increase for all Forces from 2017/18 to 2018/19.

The settlement also referred to funding for 2019/20 stating that the Government's intention is to maintain a broadly flat Government Grant settlement with the same precept flexibility although they did state that this would be dependent on progress made against a number of efficiency milestones to be agreed in the early part of 2018.

It should be noted that the police settlement has not been adjusted to take in to account a new funding allocation formula which was due to be implemented during 2018/19. This has been delayed until the next CSR due in 2020. We did not include either a positive or negative financial impact on our future funding assumptions in regards to the funding formula and as such this delay has not impacted on our overall financial position.

The impact of the above has resulted in a better than expected Government Grant allocation, and coupled with the flexibility to increase precept income, has resulted in an increase in funding to the PCC in 2018/19 when compared with the forecasted February 2017 position.

In terms of Net Budget Requirement the PCC is expected to have £2.5m more income in 2018/19 than was anticipated in February 2017, £4.7m more in 2019/20 and £5.7m more than forecast in 2020/21.

Whilst these increases may seem significant it is also important to recognise that in percentage terms the Net Budget Requirement is expected to increase over the next 4 years by :

- 2018/19 1.6%
- 2019/20 1.6%
- 2020/21 2.2%
- 2021/22 2.2%

These increases should be seen in the context of unavoidable increases in expenditure such as pay inflation rising by at least 2% per annum and current inflation in the wider economy running at 3.0% (CPI) and 4.1% (RPI).

Taking these factors into consideration the increase in income will therefore only allow the Force to continue to fund the current level of service delivery. There will be no additional funds to increase the scope of the services currently being provided. It has however enabled the PCC to provide a stable financial platform over the lifetime of the LTFP.

### **Pay Budgets**

The paybill is the largest single element of the overall cost base at 67% of the budget<sup>1</sup>. It should be recognised that there is no right or wrong workforce size or mix. Through its programme of review over the last three years, the Force has continued to reshape the workforce to deliver an effective blend of skill sets and experience to meet an ever-changing demand profile.

Pay budgets have been set on the Towards 2020 operating model as it currently stands. It should be noted that further changes to the workforce over the next 12 months with the implementation of the management structures review will be undertaken and further collaborative opportunities will be explored so the overall numbers could flex based on future developments.

Points to note are:

- Pay awards have been assumed at 2% per annum from September 2018. This is due to the pay cap of 1% being lifted by the Government in September 2017 and has cost implications of approximately £1.1m per annum.
- Provision has also been made for the Apprenticeship levy which commenced in 2017/18. This will cost the Force approximately £300-350k per annum.
- It is assumed that recruitment plans will maintain the workforce numbers at the planned levels.

### Police Officers

Funding in this plan provides for 1,230 FTE officers during 2018/19 reducing to 1,220 FTE for the remainder of the plan. This is consistent with the numbers currently planned for in the Towards 2020 model and funded secondments. The PCC holds funding for an additional 6 FTE roles that have been agreed to enhance neighbourhood policing. This funding will be drawn down immediately as all 6

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<sup>1</sup> Note: In 2010/11 the force entered a strategic partnership with Steria UK and 470 police staff posts were TUPE transferred, consequently the paybill represents a smaller proportion of overall expenditure than in other Forces.

officers are already in post. This brings the overall establishment for police officers to 1,236 FTE during 2018/19 reducing to 1,226 FTE for the remainder of the plan.

Provision of £640k per annum has been made for 8 medical retirements in each year of the plan. Medical retirements have been occurring at approximately 8-10 per annum so this may prove to be insufficient. However, each retirement incurs a one-off payment of twice the average pensionable salary of the individual (approximately £80k) to the pension fund. Consequently, providing for more retirements would have a significant impact on any savings that would have to be made.

#### Police Community Support Officers (PCSOs)

Funding has been provided for 132 FTE PCSOs over the lifetime of the plan. This is consistent with the numbers currently planned for in the Towards 2020 model. The PCC holds funding for an additional 15 FTE roles that have been agreed to enhance neighbourhood policing. This funding will be drawn down immediately as all 15 PCSO's are already in post. It brings the establishment for PCSOs to 147 FTE.

#### Police Staff

Funding has been provided for:

- 256 FTE Core Police Staff roles
- 31 FTE Collaborative Unit Core Police Staff roles

Separate funding is received for the Arrest Referral team, Restorative Justice co-ordinator and two Domestic Abuse Officers.

The PCC holds funding for an additional 22 FTE roles that have been agreed to enhance neighbourhood policing. This funding will be called down immediately as all of the roles will have been filled by the start of the 2018/19 financial year. This brings the establishment for staff to 309 FTE.

#### Pension Schemes

##### *Police Officer Scheme*

It should be noted that the pensions discount rate used to calculate employer's contributions for public sector pensions has changed from 3.0% to 2.8%. This was expected to impact on employer's contribution rates payable towards the Police Officer pension scheme from 2019/20. However, this pressure has been removed from the LTFP at this time as it is anticipated that the extra costs will not fall on individual Forces to absorb.

##### *Police Staff (including PCSOs) Pension Scheme*

The triennial revaluation of the Local Government Pension Scheme (LGPS) which took place in March 2017 has forecast a shortfall of £1.3m. This will be made good by an increase in the employers' contribution rate of 1% per annum, rising from 13.6% in 2017/18 to 15.6% by 2019/20.

The impact of this in 2018/19 is £115k rising to £235k in 2019/20. This includes the impact of the revised rates on the Sopra Steria charge.

## Non Pay Budgets

An overall inflation uplift of 2.0% has been provided each year. This will be allocated to specific budget heads in accordance with need e.g. business rates; contractual uplifts etc and has been costed at £856k in 2018/19.

All non-pay budgets have been reviewed and adjusted in respect of savings or unavoidable pressures.

The revenue consequences of the capital schemes are also factored into the budget.

## Significant Pressures within the LTFP

Although the PCC has provided a stable financial platform, the impact of unavoidable cost pressures means that all expenditure will have to be scrutinised and only approved if it fits within the overall plan. The plan provides for the following significant pressures:

- Contracted Out National Insurance £1,600k from 2016/17
- Apprenticeship Levy £350k from 2017/18
- Provision for medical retirements £640k from 2018/19
- Increase in LGPS employers contributions £115k from 2018/19
- Increase in insurance premiums £200K from 2018/19
- Collaboration: NETIC £72K from 2018/19

These pressures are an unavoidable increase in our cost base of £3.0m over a four year period and are in addition to the increase in both pay and non-pay inflationary costs.

## Savings Programme

In order to offset the significant pressures above the Force continues to review its Non-pay budgets and has identified the following savings which are incorporated in the LTFP:-

- Custody Contact Savings £540K from 2018/19
- Other Non-pay savings £175K from 2018/19

The additional funding provided by the PCC over the next four years and the savings identified within the LTFP has enabled the Force to absorb the increases in its cost base ie: pay inflation, general inflation and the extra pressures listed above and provide a balanced LTFP.

The increase in funding can be quantified as:-

- extra 0.88% flat cash settlement from the Government (£800k)
- the increase from a 1.99% rise in precept to a £1 per month increase on Band D equivalent properties will rise (£1.2m).

This increase in funding of £2m has in effect allowed the Force to produce a “standstill” budget. The extra funding has only served to address the inflationary pressures within the LTFP ie: Pay inflation £1.1m and Non-pay inflation of £856K.

The balanced LTFP has also been possible due to the major re-working of the Force’s operating model throughout 2016-2018 which has already been discussed earlier in the report.

This means that the development of new initiatives as an example; to manage future changes in demand, collaborative networking for specialist capabilities and increasing the effectiveness of local collaboration to strengthen our most disadvantaged communities, will need to be delivered within the context of a balanced LTFP and be delivered at no additional cost; or be reliant upon the creation of savings to enable investment. These assumptions are being taken forward by the NETIC 7 Force Collaboration and will be used as a base for all known collaborative strategies.

## CAPITAL

Operational assets are a vital platform for the delivery of effective policing services. The proposals put forward in the capital plan are those necessary to refresh and enhance the asset base and are set out in Appendix B and summarised in the table below.

Capital Plan 2018/19 - 2021/22				
	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's
Facilities Schemes	3,105	80	40	40
Equipment Replacement	385	275	125	25
ICT Schemes	2,667	2,563	1,765	190
Fleet Replacement	517	537	604	939
<b>TOTAL CAPITAL SCHEMES</b>	<b>6,674</b>	<b>3,455</b>	<b>2,534</b>	<b>1,194</b>

The proposals are informed by condition deficiency surveys, ‘fit for purpose’ reviews, equipment replacement programmes and mandatory requirements. The revenue consequences of the capital proposals are factored into the revenue budgets.

### Facilities Schemes

The strategic goal for police estate is to create an effective and efficient estate that reduces cost and environmental impact and facilitates flexible working. The Estates Blueprint sets out a clear plan to drive better performance from our estate, accelerate savings, facilitate collaborative working and deliver capital receipts. It is currently being refreshed as the Ladgate Lane decommissioning plan and the Wellbeing Agenda are being finalised.

The main focus of the facilities programme for 2018/19 is delivery of the Cleveland Community Safety Hub which will become operational during the summer of 2018.



### Equipment Replacement

A significant effort has been put into ensuring the completeness of both revenue and capital rolling equipment replacement programmes to:

- Ensure that funding is available when necessary
- Avoid spikes in expenditure by smoothing the replacement profile
- Inform the procurement plan to ensure timely ordering & receipt of equipment
- To inform prioritisation and decision making

### ICT Schemes

The ICT programme comprises refresh, upgrade and development schemes. The plan incorporates all known ICT requirements but there are several large scale ICT work streams that are Home Office led and are scheduled to come on line over the next 4 years that are currently unquantified. These schemes include the digitisation agenda, big data and automation/artificial intelligence. These schemes are not included in the capital plan at this time but will have to be revisited over the lifetime of the LTFP.

### Fleet Replacement

The Cleveland Fleet is made up of approximately 330 vehicles. The capital replacement plan is set out in the table below.

<b>Fleet Replacement</b>				
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Number of Vehicle's to be Replaced	14	22	26	38

The strategic goal for the fleet is to deliver an effective and efficient fleet that matches vehicle provision to operational demands, minimises cost and environmental impact and facilitates flexible working.

## **Implications**

### Finance

There are no financial implications other than those mentioned above.

### Diversity & Equality

There are no diversity or equality issues arising from this report.

### Human Rights Act

There are no Human Rights Act implications arising from this report.

### Sustainability

This report is part of the process to establish sustainable annual and long term financial plans to underpin sustainable service delivery and maintain prudent financial management.

#### Risk

A risk assessment of the financial proposals is set out under Appendix C.

#### **Conclusion**

Although many items will change over the next four years, the assumptions in this LTFP, collectively provide for a stable financial position for the Force and, therefore, provides assurance that the strategic plan Towards 2020 and our core priorities of prevention, protection and intervention are both affordable and achievable.

Simon Nickless  
Temporary Chief Constable  
28<sup>th</sup> February 2018

## APPENDIX A

	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's
<b>Pay &amp; Allowances</b>				
<b>Police Pay &amp; Allowances</b>				
Police Pay & Allowances	64,043	65,184	65,987	67,198
Police Overtime	1,402	1,487	1,567	1,727
<b>Police Pay &amp; Allowances Total</b>	<b>65,445</b>	<b>66,671</b>	<b>67,554</b>	<b>68,925</b>
<b>Staff Pay &amp; Allowances</b>				
Staff Pay & Allowances	10,466	10,941	11,261	11,576
Staff Overtime	59	59	59	59
<b>Staff Pay &amp; Allowances Total</b>	<b>10,525</b>	<b>11,000</b>	<b>11,320</b>	<b>11,635</b>
<b>PCSO Pay &amp; Allowances</b>				
PCSO Pay & Allowances	4,355	4,590	4,715	4,875
PCSO Overtime	5	5	5	5
<b>PCSO Pay &amp; Allowances Total</b>	<b>4,360</b>	<b>4,595</b>	<b>4,720</b>	<b>4,880</b>
<b>Pay &amp; Allowances Total</b>	<b>80,330</b>	<b>82,266</b>	<b>83,594</b>	<b>85,440</b>
<b>Non Pay Expenditure</b>				
<b>Non Pay Expenditure</b>				
Steria Charges	17,900	18,300	17,990	17,990
Premises	3,662	3,222	3,245	3,268
Custody	2,466	2,540	2,590	2,640
Police Pensions	2,787	2,787	2,787	2,787
Transport	1,456	1,456	1,456	1,456
External Support	1,770	1,975	2,179	2,179
Insurance	1,189	1,189	1,189	1,189
Change & Contingency	1,005	368	533	534
Communications	839	839	839	839
National IT Charges	836	836	836	836
Computing	823	811	811	811
Forensics	817	817	817	817
Professional Fees	752	752	752	752
External Training Seminars etc	722	722	722	722
Other Equipment & Furniture	716	868	868	868
Other	180	131	131	131
National Police Air Service	352	352	352	352
Maintenance Agreements	349	349	349	349
Uniform	301	301	301	301
Surgeons & Medical Costs	286	286	286	286
Office Equipment & Expenses	199	199	199	199
Redundancy Costs	25	25	25	25
Agency Staff Costs	10	10	10	10
<b>Non Pay Expenditure Total</b>	<b>39,440</b>	<b>39,134</b>	<b>39,266</b>	<b>39,340</b>
<b>Grand Total</b>	<b>119,770</b>	<b>121,400</b>	<b>122,860</b>	<b>124,780</b>

<b>Appendix B</b>	<b>Capital Plan 2018/19 - 2021/22</b>			
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b><u>Facilities</u></b>				
CCSH	2,955	0	0	0
Billingham Rewire	40	40	0	0
Stockton Replacement Windows	25	0	0	0
Stockton Rewire	40	40	40	40
LDC	45	0	0	0
<b>Total Facilities Schemes</b>	<b>3,105</b>	<b>80</b>	<b>40</b>	<b>40</b>
<b><u>Equipment Refresh</u></b>				
Occupational Health Case Mgt System	40	0	0	0
X Ray Machine	20	0	0	0
Body Worn Video	100	0	0	0
Taser	75	25	25	0
NERSOU TSU	25	25	25	25
ANPR	25	225	25	0
Locard Replacement	100	0	0	0
Evolve Legal Case Management System	0	0	50	0
<b>Total Equipment Refresh</b>	<b>385</b>	<b>275</b>	<b>125</b>	<b>25</b>
<b><u>ICT</u></b>				
VM Ware	50	0	0	0
Desktop Replacement	113	103	10	10
Microsoft Licensing Roadmap	150	800	0	0
Mobile Application Development	180	180	180	180
CoreVet	40	0	0	0
Livelinks	20	0	0	0
Thin Client Improvement	50	0	0	0
Oracle DMS & Self Service	0	250	0	0
Digital Interview Recording Solution	500	0	0	0
Networked CCTV Solution	150	0	0	0
Cyber Security Improvements	60	0	0	0
National ICT Enablement	50	0	0	0
ICCS	285	0	0	0
Backup Infrastructure Expansion Shelf	30	100	0	0
Note 2 Device Replacement	550	115	110	0
Windows Server Upgrade	25	0	0	0
Control Room Solutions Improvements	50	0	0	0
ACESO Replacement	103	0	0	0
Web Based Mapping/Gazatter Service	25	0	0	0
Exchange Upgrade	100	0	0	0
ESN	50	1,000	1,215	0
Automated PDR	46	0	0	0
Investigative Analytical Software	40	0	0	0
Sharepoint Upgrade	0	15	0	0
Blade Architecture	0	0	250	0
<b>Total ICT Schemes</b>	<b>2,667</b>	<b>2,563</b>	<b>1,765</b>	<b>190</b>
<b><u>Fleet Replacement</u></b>				
Fleet Replacement Scheme	517	537	604	939
<b>Total Fleet Replacement</b>	<b>517</b>	<b>537</b>	<b>604</b>	<b>939</b>
<b>Total Capital Schemes</b>	<b>6,674</b>	<b>3,455</b>	<b>2,534</b>	<b>1,194</b>

## Appendix C

### LTFP 2018/19 to 2021/22 – Assessment of Risks

Risk	Detail	Mitigation
Changes to the future funding formulas for Police Forces.	<p>The Policing Minister is committed to reforming the police funding formula and will bring forward proposals for public consultation.</p> <p>The current assumptions do not factor in any adverse impact as a result of a revised formula.</p> <p>Based on what is currently known of the proposals, this is a prudent assumption, however, it does present a potential risk.</p> <p>Current indications are that no changes will be made before the next CSR which is due in 2020.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Future year's funding is lower than forecast.	The police settlement was for a one year period although some detail has been provided for 2019/20 should certain efficiency milestones be achieved.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Pay awards are higher than those assumed in the LTFP.	<p>The LTFP assumes that pay will rise by 2% from September 2018.</p> <p>A movement of 1% would have an impact on pay and contracts of approximately £1.1m over a full financial year.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
The cost of Job Evaluation is in excess of the budget and earmarked reserve.	An earmarked reserve has been set up to cover the cost of implementation.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.

<p>A higher than forecast level of costly major incidents.</p>	<p>The number and cost of major incidents in any one year is unpredictable.</p>	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The CNY Joint MIT has introduced additional resilience into the system.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
<p>The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.</p>	<p>Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in. Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material underspending.</p>	<p>Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police staff investigators along with a further recruitment of transferee Police Officers.</p>
<p>National mandation.</p>	<p>In recent years there has been national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force.</p>	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
<p>Police Pension scheme 2015.</p>	<p>Test case on new pension with risk due to Gender/Race inequality.</p>	<p>Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 48 claims from Police Officers. This case is not likely to be heard until 2018.</p>

Employment Tribunals	An earmarked reserve has been set up to cover the cost of implementation.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Allard V the Chief Constable of Cornwall	A recent court determination in the case of Allard v the Chief Constable of Cornwall in respect of historic on-call payments for specific staff groups has the potential to create a significant financial pressure for forces nationally.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.