

**Report to the  
Scrutiny, Delivery and  
Performance Meeting  
17<sup>th</sup> February 2020**



**Cleveland Police Long Term Financial Plan (LTFP) 2020/21 to 2023/24  
Update**

**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 2025 strategy - The Road to Improvement and the key objectives set out within the Police and Crime Plan.

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 2020/21 to 2023/24 and Capital Plans 2020/21 to 2023/24
- Robustness of Estimates and Adequacy of Financial Reserves
- Capital Strategy

**Recommendation**

The Police & Crime Commissioner for Cleveland is requested to approve the revenue and capital budget proposal for 2020/21 and the Long Term Financial Plan (LTFP) for 2021/22 – 2023/24.

**Force Financial Strategy**

The primary aim of our financial strategy is to maintain financial stability and protect service provision through identifying sufficient savings to secure a rolling four 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

The grant settlement for 2020/21 was released on the 22<sup>nd</sup> January 2020 and confirmed the Government's national commitment to fund an increase of 20,000 Police Officers and associated support staff. This plan reflects Cleveland's share of this increase amounting to an additional 240 Police Officers. The funding in relation to support staff has been defined and the Force will receive funding for up to 64 FTE

over the period of the plan. The funding will be allocated over a three year period in tranches of 30%, 70% and finally 100%. Associated non pay costs are also contained within the plan and are funded accordingly.

The Force continues to review expenditure plans for the future years so that funding can be redirected to areas of highest need to ensure that the outcomes from available funding are optimised.

## **Towards 2025 : The road to improvement**

Towards 2025 – The road to improvement sets a clear strategic direction for the Force. The document specifies the current challenges the organisation faces which were highlighted in the HMICFRS report dated 27<sup>th</sup> Sept. 2019. The document addresses each of the causes for concern (listed below) and the plans to address them.

- Understanding demand and strategic plan
- Public engagement, communication and scrutiny
- Protecting vulnerable people.
- Prevention of crime & antisocial behaviour.
- Workforce engagement and treating workforce fairly
- Ethical behaviour and culture

The document also sets out the Forces vision in a new “Plan on a page” and details the plans for the Governance structure and performance management framework.

Key to the overall strategy is that prevention must be the golden thread that is at the heart of everything we do. To achieve this aim we are:-

- Putting police officers back into neighbourhoods to focus on crime & antisocial behaviour.
- Increase problem solving capability across the Force.
- Improving our response to the most vulnerability in our community across all areas

This Long Term Financial Plan has been developed in line with commitments within the Towards 2025 strategy.

## REVENUE

### Summary Position 2020/21 – 2023/24

The latest summary position is set out in the table below.

<b>Projected Force Income and Expenditure</b>	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
Funding from the OPCC	(137,805)	(144,345)	(147,325)	(152,150)
Police Pay & Allowances	77,482	81,607	84,393	87,024
PCSO / Staff Pay & Allowances	28,365	35,246	35,102	37,029
<b>Total Pay &amp; Allowances</b>	<b>105,847</b>	<b>116,853</b>	<b>119,495</b>	<b>124,053</b>
Non Pay Expenditure	31,958	27,492	27,830	28,097
	<b>137,805</b>	<b>144,345</b>	<b>147,325</b>	<b>152,150</b>
Planned Surplus / (Deficit)	(0)	(0)	(0)	(0)

The establishment profiles assumed in the plan are set out below.

<b>Funded Establishment</b>	2019/20	2020/21	2021/22	2022/23	2023/24
Core Funded Police Officers	1,183	1,183	1,255	1,394	1406
HIU	50	50	50	0	0
PCC Precept 2019/20	24	24	24	24	24
Police Officer Growth (Uplift)	0	127	101	12	0
OPCC Neighbourhood Funded Police Officers:	6	6	6	6	6
<b>Total Police Officer Establishment</b>	<b>1,263</b>	<b>1,390</b>	<b>1,436</b>	<b>1,436</b>	<b>1,436</b>
Core Funded PCSO's	116	101	116	116	116
OPCC Neighbourhood Funded PCSO's	15	15	15	15	15
<b>Total PCSO Establishment</b>	<b>131</b>	<b>116</b>	<b>131</b>	<b>131</b>	<b>131</b>
Core Funded Police Staff	366	490	490	490	490
Staff Growth (Uplift)	0	64	64	64	64
Staff Growth (Resilience)	0	24	24	24	24
Historic Investigation Unit	31	31	31	0	0
Force Control TUPE transfer (May 19).	129	0	0	0	0
OPCC Neighbourhood Funded Police Staff	26	26	26	26	26
<b>Total Police Staff Establishment *</b>	<b>552</b>	<b>635</b>	<b>635</b>	<b>604</b>	<b>604</b>
<b>Total Establishment</b>	<b>1,946</b>	<b>2,141</b>	<b>2,202</b>	<b>2,171</b>	<b>2,171</b>

\*Note: The TUPE transfer of Sopra Steria staff will take place on the 1<sup>st</sup> Oct 2020. The detail and final numbers are yet to be defined and are therefore not included in the table above.

### Allocated Funding

The final settlement for 2020/21 onwards has been confirmed and as a result the OPCC has allocated resources as detailed below in order for the Chief Constable to deliver on his Policing properties:

<b>Force Funding</b>	2020/21	2021/22	2022/23	2023/24
	£000's	£000's	£000's	£000's
Funding from the OPCC	(137,805)	(144,345)	(147,325)	(152,150)

Nationally the funding settlement included an additional £700m in core grant to fund the recruitment of 6,000 Police Officer in the first wave of the Governments promise to increase Police Officer numbers by 20,000.

It also gives PCC's the flexibility to increase local funding by £10 per band D equivalent property subject to the results of local referendum.

This has resulted in the OPCC receiving £6.4m increase in core grant (£91.6M) and the opportunity to raise an additional £1.6m as the proposal via the consultation on local tax increase of £10 per band D equivalent property has been accepted. In addition the OPCC received a specific grant of £2.0m towards the initial costs of recruiting additional Officers as part of the Governments "uplift programme".

## **Pay Budgets**

The paybill is the largest single element of the overall cost base at 76.8% of the budget. The Force continues to reshape the workforce to deliver an effective blend of skill sets and experience to meet an ever-changing demand profile and address the concerns raised in Towards 2025 plan.

Points to note are:

- Pay awards have been assumed at 2.5% per annum from September 2020.
- Provision has also been made for the Apprenticeship levy which commenced in 2017/18. This will cost the Force approximately £374k in 2020/21.
- It is assumed that recruitment plans will maintain the workforce numbers as detailed in the establishment tables above.

## Police Officers

Funding in this plan provides for an average 1,390 FTE officers during 2020/21. The year-end position as at the 31<sup>st</sup> March 2021 is forecast to be 1,416 which is an increase of 210 from April 2019 position. It is anticipated that the FTE will further rise to an average of 1,436 over the life of the plan.

The Force is subject to demands which are variable both in terms of costs and frequency and as such difficult to plan and budget for. These can range from the increased demand around protests and demonstrations, increasing costs in relation to major incidents where the associated costs are not covered by the scope of the collaboration with North Yorkshire eg: scene guards etc. An additional £250K of the savings identified below have been reallocated to provide an overtime / mutual aid contingent fund to lessen the impact on "Business as usual" budgets and mitigate the overall risk.

Provision of £720k 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 £90k) 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) to be updated

Funding has been provided for 101 FTE PCSOs in 2020/21 of the plan with recruitment plans in place to increase this number to 116 over the final 3 years of the plan. The PCC holds funding for an additional 15 FTE roles in each year of the plan that have been agreed to enhance neighbourhood policing. This funding will be drawn down immediately as all 15 PCSOs are already in post. It brings the establishment for PCSOs to 116 FTE in year one and 131 FTE in subsequent years.

#### Police Staff

Funding has been provided for:

- 490 FTE Core Police Staff roles (inclusive of Force Control Room)
- 64 FTE Core Police Staff roles (funded from Operation Uplift).
- An additional 24 FTE roles have been identified to provide resilience
- 31 FTE in the Historical Investigation unit part funded by Special grant for the first two years of the plan.

The PCC holds funding for an additional 26 FTE roles that have been agreed to enhance neighbourhood policing and support issues relating to Restorative justice and Domestic Abuse. This brings the establishment for staff to 635 FTE.

During the financial year 2020/21 (1<sup>st</sup> October 2020) a further TUPE transfer of the remaining Sopra Steria staff will take place. The final numbers are as yet unknown and a further update will be provided in a future report.

The number of police staff has increased post 2018/19 with the requirement to recruit police staff for the Historic Investigations Unit. The plan includes the cost of these staff until the end of 2021/22. This is subject to an annual review with the Home Office but they have confirmed that the investigation is likely to take several years to complete. Should the funding cease for this investigation then those police staff recruited will be subject to redundancy should they have worked with the force for more than two years. There is no redundancy cost built into this plan as the initial bid stated that there would be exit costs associated with the staff and this should be recoverable from the Home Office. The anticipated costs associated with these redundancies would be in the region of £120k to £180k depending on the length of the service the staff would have been employed by Cleveland Police. As a means of mitigating this risk we will actively manage the workforce to flex in line with the completion or cessation of these investigations.

The Chief Constable has received correspondence from the Home Office indicating that it is their intention to undertake a full review of the methodology behind awarding Special Grant funding. This review is planned to be completed by the summer of 2020. The current funding arrangement for the HIU (via special grant)

are based on a ratio 85% grant funding to 15% Cleveland funded. The Home Office has indicated that the review may revert or enforce previous criteria which requires the Force to absorb the cost of a specific operation up to 1% of its annual budget (£1.378M base on 2020/2021) before being eligible for Special Grant funding. This may present a significant risk to the plan in 2021/22 and work will be on-going to mitigate this risk post the outcome of the review.

## Pension Schemes

### *Police Officer Scheme*

The plan includes employer contribution rates of 31% of Police pensionable pay. However in 2020/21 the fund will be subject to a triennial review which may have a significant impact on future year's employer contribution rates.

Following the ruling in the Evans & Ashcroft V Chief Constable of South Wales case, it is anticipated that the Force will be subject to back dated claims and increased future Police injury pension costs. The plan does not take account of these anticipated costs and the Force is awaiting final costs from the pension administrator.

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

The triennial revaluation of the Local Government Pension Scheme (LGPS) will take place in March 2020. The plan is based on current employers' contribution rate of 14.5% in the first three years of the plan, increasing to 17.4% in year four. Any increase in contribution rates will pose a risk to the future years of the plan should this rate increase.

## **Non Pay Budgets**

An overall inflation uplift of 2.5% has been provided each year. This will be allocated to specific budget heads in accordance with need e.g. business rates; utilities, RPI pension uplifts, living wage adjustment & contractual uplifts etc. and has been costed at approx. £900k in 2020/21.

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 continues to try to provide 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:

- |  |                    |
|--|--------------------|
| • Microsoft Licences costs               | £515K from 2020/21 |
| • Collaboration : NERSOU Transition fund | £204K from 2020/21 |
| • Potential increase in NPAS             | £200K from 2020/21 |
| • Windows Server Upgrades                | £200K from 2020/21 |

• Impact of SAN refresh programme/Maintenance	£200K from 2020/21
• National Enabling Programme Pilot	£145k from 2021/22
• Increase in condition survey budget	£100K from 2020/21
• Insurance Premium's Employers liability / Motor	£80K from 2020/21
• SAN Annual Maintenance	£50k from 2020/21
• Increase in Forensic costs	£50K from 2020/21
• CCTV : Kinesense	£38K from 2020/21
• Single on Holmes: National Website	£30K from 2020/21
• Investment in "Employee engagement"	£14K from 202//21

## **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:-

• Sopra – Steria contract reductions	£1,506K from 2020/21
• Re-shaping of the Cloud Storage facility	£433K from 2020/21
• Re-allocation of Change & contingency fund	£167K from 2020/21
• Decrease in collaboration funding	£100K from 2020/21
• Reallocation of Everyone matters budget to OPCC	£25K from 2020/21
• NETIC cost reduction	£17K from 2020/21

## **Collaboration**

The Force will participate in several collaborative units; CDSOU, CNYMIT, NERSOU. However, the Integrated Dogs Unit (IDU) collaboration was disbanded as at the 31<sup>st</sup> December 2019. Each Force is now responsible for its own Dogs capability moving forward. The costs associated with this decision are included with the capital and revenue plans.

At the time of writing this report it is assumed that the cost of the remaining collaboration units will increase in line with the overall cost assumptions applied to Cleveland core budgets; ie: pay 2.5% and inflation where applicable etc. Work continues with the lead Forces of the respective units to finalise the budgets for the period of the plan.

However it should be noted that the demand on the CNYMIT has been unprecedented in 2019/2020 both on the collaboration unit and Force. In particular the costs associated with major incidents which are not covered by the scope of the collaboration have created significant pressures on the overall financial position of the Force in 2019/20. An additional contingent overtime allowance of £250K has been included in the plan to help mitigate the potential risk in 2020/21. However this cost is driven by demand and this allocation may prove insufficient.

## **Risks in the Plan**

Key to the successful delivery of this financial plan is the underlying recruitment plans to ensure the increase in police officer numbers are achieved. The recruitment plan is reviewed on a monthly basis and as required appropriate actions are taken to address issues.

The funding for the increase in police officer numbers is being underwritten by the OPCC until the funding plans from the Government are finalised. This presents a risk if the actual funds allocated do not equate to those built in to the plan.

Notification has been received from the NPCC that there is significant risk that the costs associated with the provision of National ICT charges under the "memorandum of trading account" could increase well above the anticipated level. In order to address this concern it is proposed a small team of NPCC members and Home Office colleagues review the proposals for accuracy and content. This work is scheduled for late January 2020 and the outcome is as yet unknown. This financial impact is not factored into the plan but could be as much as £250-£400k recurring.

The apprentice levy has been established to help organisation's fund investment and training of employees. Cleveland Police will access the Apprentice levy pot to support the training of Police Officers and staff. Given the growth in the numbers of Officers and staff the funds available to Cleveland may not be sufficient to support the investment in training. Any shortfall will have to be funded by the Force. The level of this possible shortfall is as of yet unknown.

The costs associated with insuring the Forces assets and personnel continue to be a significant risk. Evidence from other Forces who have undergone recent tender exercises have shown large increases. Cleveland has recently completed a tender exercise but the premiums are subject to annual variations. The level of possible increases have yet to be advised, however the plan contains additional resources to help address this issue.

## **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.



<b>CAPITAL PLAN 2020/21 - 2023/24</b>				
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
- Estates and Facilities	826	608	737	1,058
Equipment Replacement	121	82	25	25
ICT Schemes	2,845	1,415	2,700	2,700
Other Schemes	1,015	2,800	410	500
Fleet Schemes	742	849	666	897
<b>TOTAL CAPITAL SCHEMES</b>	<b>5,549</b>	<b>5,754</b>	<b>4,538</b>	<b>5,179</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.

#### Estates & 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.

The main focus of the facilities programme for 2020/21 is the refit of St Marks House in Stockton which will be used to house the police staff transferring from Sopra Steria in October 2020 along with a four year plan to update and restore the current estate to make it as efficient and effective as is possible.

#### 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 including the purchase of a new ERP

system, workforce agility, NEP, Body Worn Video coupled with a replacement ICT hardware programme.

### Fleet Replacement

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

Fleet Replacement				
	2020/21	2021/22	2022/23	2023/24
Number of Vehicle's to be Replaced	20	31	24	34

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.

The above vehicle replacement excludes the uplift programme of approximately 72 vehicles over the next 3 years and is included in the overall uplift capital funding under Other Schemes – Uplift Schemes in Appendix B.

## **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.

## **Conclusion**

The LTFP is forecast to breakeven over the term of the plan. The Force will as part of its governance and scrutiny process regularly review performance against the plan and the overall assumption there-in. It will take appropriate actions to address emerging issues should they occur in order to deliver a balance budget position that deliver on Force priorities.

Richard Lewis  
Chief Constable  
17<sup>th</sup> February 2020

<b>Classification of Expenditure</b>	<b>Budget 2020/21 £000's</b>	<b>Budget 2021/22 £000's</b>	<b>Budget 2022/23 £000's</b>	<b>Budget 2023/24 £000's</b>
A: POLICE PAY & ALLOWANCES	75,622	79,515	82,301	85,066
B: POLICE OVERTIME	1,860	2,092	2,092	1,958
C: STAFF PAY & ALLOWANCES	24,841	31,156	30,886	32,590
D: PCSO PAY & ALLOWANCES	3,524	4,090	4,216	4,439
E: OTHER PAY & TRAINING	870	947	975	985
F: POLICE PENSIONS	3,177	3,277	3,377	3,477
G: PREMISES	3,887	3,998	4,099	4,228
H: SUPPLIES & SERVICES	19,622	14,723	14,766	14,725
I: TRANSPORT	1,514	1,632	1,668	1,704
J: EXTERNAL SUPPORT	2,887	2,914	2,944	2,977
M: RECURRING / NON-RECURRING SAVINGS	0	0	0	0
<b>Grand Total</b>	<b>137,805</b>	<b>144,345</b>	<b>147,325</b>	<b>152,150</b>

Appendix B				
CAPITAL PLAN 2020/21 - 2023/24				
	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
<b>ESTATES &amp; FACILITIES SCHEMES</b>				
Emergency lighting & fire alarms	20	20	20	20
Car park refurbishments	10	10	10	10
Fixed wire testing	20	0	0	0
Carbon reduction	7	34	43	102
Stockton rewire	50	50	50	50
Box key replacement	10	0	0	0
Flooring	80	5	24	112
Furniture and chair replacement	183	145	145	203
Windows	0	325	360	300
Kitchens	13	9	6	11
Roofing	0	0	0	250
Welfare facilities	15	11	79	0
Security cameras LDC	18	0	0	0
St Marks House Office Accomodation (Cfwd)	400	0	0	0
	<b>826</b>	<b>608</b>	<b>737</b>	<b>1,058</b>
<b>EQUIPMENT REPLACEMENT</b>				
NERSOU TSU	25	25	25	25
ANPR	25	0	0	0
Contingency for equipment	34	0	0	0
TASER	37	57	0	0
	<b>121</b>	<b>82</b>	<b>25</b>	<b>25</b>
<b>ICT SCHEMES</b>				
iPatrol development	50	0	0	0
Monitor refresh	100	0	0	0
Hardware refresh	102	0	0	0
IL4 confidential host refresh	25	0	0	0
Backup architecture consultancy	10	0	0	0
Non-microsoft patching solution	47	0	0	0
SAN controllers	0	360	0	0
Protective monitoring service	60	0	0	0
Data warehouse (SOLAR refresh)	120	0	0	0
Covert radio replacement	96	0	0	0
ICCS upgrade	0	45	0	0
ESMCP	0	0	2,000	2,000
Application upgrade	50	0	0	0
NEP	114	0	0	0
ERP discovery, procurement & mobilisation	870	0	0	0
DFU infrastructure review	0	500	0	0
Body worn video	200	0	0	0
Archive and retention	0	100	0	0
Home Office biometrics	0	150	0	0
Resource requirement for ERP, Oracle, Microsoft, DEMS, DETS and Storm	512	60	0	0
Replacement laptops and desktops	100	100	700	700
Control room router and firewall for ESMCP	60	0	0	0
Overt radio replacement	0	100	0	0
Agile 2/3	252	0	0	0
DEAMS	77	0	0	0
	<b>2,845</b>	<b>1,415</b>	<b>2,700</b>	<b>2,700</b>
<b>OTHER SCHEMES</b>				
Drying room - North Ormesby	50	0	0	0
Additional storage - Billingham	15	0	0	0
Data management tool	40	0	0	0
Data insight tool	110	0	0	0
Control room resource optimisation tool	0	190	0	0
Wet weather drone facility	70	0	0	0
Understanding demand package and support	250	0	0	0
Uplift schemes	380	2,510	310	400
Development fund	100	100	100	100
	<b>1,015</b>	<b>2,800</b>	<b>410</b>	<b>500</b>
<b>FLEET SCHEMES</b>				
Fleet replacement Programme	689	813	630	861
NERSOU	53	36	36	36
	<b>742</b>	<b>849</b>	<b>666</b>	<b>897</b>
<b>TOTAL CAPITAL SCHEMES</b>	<b>5,549</b>	<b>5,754</b>	<b>4,538</b>	<b>5,179</b>

**LTFP 2020/21 to 2023/24 – Assessment of Risks**

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
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. This presents a potential risk if funding was to change dramatically as a result of external issues.	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 2.5% from September 2020.</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.
A higher than forecast level of costly major incidents.	The number and cost of major incidents in any one year is unpredictable.	<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 Joint CNYMIT has introduced additional</p>

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
		<p>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>A small reserve has been established in order to reduce the financial impact of numerous major incidents in a 12 month period.</p>
The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.	<p>Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in.</p> <p>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>
National mandation.	<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>
Police Pension scheme 2015.	<p>The Police Pension 2015 scheme has been found to be discriminatory. Work is underway to ascertain the remedies required to eliminate this discrimination.</p> <p>At this time the cost and magnitude of remedy is unknown but they could pose a significant financial risk to the force.</p>	<p>Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 93 claims from Police Officers No further detail is available on the impact to the Chief Constable but should there be a financial impact, more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-</p>

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
		force collaboration and blue light collaboration. However it is anticipated that the changes needed to eliminate the discriminatory element of these new pensions will have to be funded centrally.
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.
Historic Case Review	Further work will take place in regards to historic case reviews following the establishment of the Cold Case Unit within the CNYMIT.	More radical options will be developed including further reductions in officers, PCSO and staff numbers and the use of further inter-force collaborations.
Future of collaborations	Following the dissolution of the ISDU there is a risk that other collaborations may cease to be viable as forces withdraw. This may pose a financial risk to the force if the collaborative function had a cost saving element to them.	More radical options will be developed including further reductions in officers, PCSO and staff numbers
Tupe Transfer of staff from Sopra Steria to Cleveland Police	On the 1 <sup>st</sup> October the remaining elements of the outsourced functions with Sopra Steria will return to the Force following the expiry of the contract. The return is being managed under the name of Operation Fusion and is a joint project with the OPCC and the Force. All risks are highlighted at the governance board. The Chief Constable has raised his level of concern over the	The planned return has been costed and a dedicated resource has carried out further due diligence to identify movements that have taken place since the initial decision to return the service to the Force. Further governance and oversight is taking place. Any changes to the initial business case to bring the service back into Force will be fed into the governance structures

Risk	Detail	Mitigation
	operation and has instigated further oversight to ensure a smooth transfer.	and should there be further costs than anticipated the use of reserves/contingency would need to be requested.
HIU Funding Grant	The HIU is funded in the main by a Home Office Special Grant (85% of the total cost of the unit is funded). The new Policing Minister has informed Forces at the end of January 2020 of his intention to review all current schemes and to move them to a different funding formula (to only cover the cost of operations over the 1% cost of the force budget). In the case of the Force this would result in an extra cost to the force of approximately £800k per annum with the current structure.	Further clarification with the Home Office will take place to reduce the effect of the change in government funding criteria. The HIU will be reviewed during 2020/21 to ascertain an end date and the structure will need to be adapted to reduce the financial pressure on the force.