

BRIEFING

Operation Uplift summary and non-recurrent underspend 2021/22

Background:

- In 2019/20 the UK Government announced 20,000 additional officers across England and Wales and provided funding to forces for recruitment against an agreed baseline of officer numbers.
- Gwent Police identified that the increase in officer headcount would initially be in the region of 165 officers (net), although this has since grown to approximately 203 officers by 31 March 2023. The Gwent baseline for officer numbers agreed with the Home Office was 1300 FTE, and the Force has budgeted for year on year to 1,506 officers by 31 March 2023.
- Progress on recruitment against the target growth is reported by People Services to the Home Office throughout each financial year. Finance submits claims to the Home Office to recover the actual cost of these new officers.

Funding:

- In 2019/20 the UK Government provided funding essentially for two elements: 1) officer number growth, and 2) additional costs that forces would incur from the increase in officer number. This was provided as part of the Central government grants received from the Home Office. The guidance is provided at Appendix 1 in relation to all costs covered by the additional funding.

1. Officer salary costs:

- The funding provided for officer salaries is calculated based on the new starter salary of a police constable. The rationale for this is that if forces make promotions to higher ranks or move experienced constables to other units, all of these changes would eventually need to be backfilled by a new officer starter. Therefore, in the case of promotions, the local force will bear the incremental cost of increasing the number of sergeants, for example, itself.
- However, each year that funding is held back by the Home Office and can only be claimed once the salary and certain on-costs of the additional officers above the baseline have been incurred. Because it is only drawn down based on actual costs incurred and is not provided in full at the start of the year, Op Uplift funding is effectively ring fenced and cannot be used for any other purpose.

2. Additional costs:

- The second element of the initial funding from the UK Government in 2019/20 related to those costs directly related to having more officers. This includes costs related to IT kit and licences, uniform, equipment, recruitment, wellbeing support, estates, fleet, and support staff.
- Gwent Police used the additional funding for all of the purposes above and this is shown in the developments list supporting the Budget and Medium Term Financial Plan each year. Business cases, along with People Services/Finance trackers monitoring the growth

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in officer and staff numbers have been reported regularly to governance groups such as the Service Improvement Board.

Reserves movements:

- The funding for additional costs was provided as a one off payment in the central government grant in 2019/20 which was to cover costs for the whole period to 2022/23. Effectively the Home Office have provided three years of additional cost funding in year 1, ahead of when the cost would crystallise based on the recruitment profile. The 'excess' funding (not needed in 2019/20) was transferred to reserves.
- A specific reserve for Operation Uplift of £1m was created in 2019/20 to cover any unforeseen or unfunded costs. This reserve remains at 31 March 2021. There are no current plans to utilise this reserve in the MTFP period to 2026/27 but it is anticipated the replacement cycles of kit, software licences, equipment will absorb these costs over the next 5 years.
- A further amount of £4.1m was transferred to reserves via the revenue contribution to capital finance reserve. This has been used for non-recurrent items only, and released against costs in 2020/21 and 2021/22 for additional accommodation, technology and vehicles. The revenue contribution to fund the capital programme has changed each year to compensate for the expected additional costs.

Budget setting assumptions:

- Each year the budget is determined on the total salary costs at the bottom of scale for the full recruitment, for the whole year, of the officer numbers required to meet the Op Uplift target for that year end.
- The full salary costs and full Home Office funding for those officers are included in the budget but as they net each other off, they are cost neutral.
- Because the up-front funding of additional costs in 2019/20 was taken to reserves, the revenue contribution to capital is reduced to compensate for the additional costs. This "saving" in the Developments List of the Budget/MTFP offsets the additional costs in full, and so all of that year's Op Uplift costs are cost neutral in the annual budget.

In-year underspends:

- Recruitment of new Op Uplift officers will however be phased throughout the year. As a result, the vacancies carried throughout the year generate a non recurrent underspend. This is the same for any other vacant post in the officer/staff establishment.
- For example, when the Op Uplift officer numbers target is met at the end of 2021/22, there will be a full year of spend in 2022/23 for those officers.
- As a result, the non-recurrent underspend in a financial year should only be used to fund non-recurrent revenue costs such as agency workers or fixed term contracts to cover vacancies; overtime; and non-recurrent costs/projects; or the capital programme.

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- In recent years the focus has been to use a substantial part of the underspend to fund the Commissioner's capital programme. This avoids the need to borrow funds and incur loan interest costs. The underspends have therefore been used to provide the estate, vehicles, ICT and equipment necessary for all operational officers and staff to deliver effective and efficient services.

The source and application of the Operation Uplift monies is provide at Appendix 1 and the NPCC guidance on the use of uplift funding is provided at Appendix 2.

Matthew Coe

Head of Finance

18 November 2021

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APPENDIX 1

Operation Uplift - Expenditure and Funding 2020/21 to 2023/24

Expenditure	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
Op Uplift Spend - Officer Salaries	1,861,238	2,824,513	1,282,359	610,749
Op Uplift phase 2 to reach 203 extra in total by 31/3/23			2,300,916	
Op Uplift Spend - Staff Salaries	715,000	615,568	520,000	
Op Uplift Spend - 20-21 Staff Salaries Additionality		342,000		
Op Uplift Spend - Apprenticeship Levy	9,153			
Op Uplift Spend - Unsocial Hours	62,000	50,000	53,000	
Op Uplift Spend - External Training	31,000	25,000	26,500	
Op Uplift Spend - Overtime	93,000	75,000	79,500	
Op Uplift Spend - PEQF Fees	111,600	90,000	95,400	
Op Uplift Spend - IT Revenue	6,200	5,097	5,508	
Op Uplift Spend - Uniform	43,400	35,679	38,558	
Op Uplift Spend - Fleet Revenue	99,200	81,551	88,133	
Op Uplift Spend - Estates Revenue	34,100	28,033	30,296	
Op Uplift Spend - Custody Healthcare		50,581	55,639	
Op Uplift Spend - External Forensic Cost		65,398		
Op Uplift Spend - Employer Liability Insurance	3,100	2,500	2,650	
Total Operation Uplift Expenditure	3,068,991	4,290,920	4,578,459	610,749
Funding:				
Op Uplift - Home Office Specific Grant	(1,725,011)	(1,026,792)	(3,583,275)	(610,749)
Op Uplift - Central Government Grant	(5,462,533)			
Total Operation Uplift Funding	(7,187,544)	(1,026,792)	(3,583,275)	(610,749)
Difference between funding and expenditure	(4,118,553)	3,264,128	995,184	0
Taken to reserves via Revenue to Capital Contribution	4,118,553	0	0	0
Released from reserves via Revenue to Capital Contribution	0	(3,264,128)	(995,184)	0
Net annual budgetary impact of Operation Uplift	0	0	0	0

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APPENDIX 2

OFFICIAL

NPCC costings and efficiency assumptions for 20,000 additional officers

The table below sets out the main assumptions for years 2, 3 and 4 of the uplift cost model.

Budget	Assumption/ Comment
87.5% constables/10% sergeants/2.5% senior ranks	<p>Based on standard ratio of approximately 1 sergeant to 9 constables; required to maintain appropriate supervisory ratios</p> <p>NB: even if only 17,500 of the new posts created will be constables, all 20,000 of the new officers will be constables initially. Existing constables expected to take promotional roles and be backfilled by new constables. Assume 20% of constables not at top of pay grade when promoted to sergeant.</p> <p>Assumes 200 re-joiners and 30+ in 2021/22 and a further 200 thereafter. This reflects a lower rate of rejoiners than initially expected.</p> <p>No attrition rates assumed at present. Cost of this to fall on Forces.</p>
30:40:30 three-year officer delivery profile	<p>Intended to add some front-loading into Year 2 once the infrastructure is in place to deliver the step-change in recruitment. Builds in some slack for Year 3.</p>
Officer salary costs profile	<p>Currently assume that new recruits in-year only draw 70% of an annual salary, based on returns from Force's in summer 2019 and reviewed in summer 2020.</p>
Levy cost at 0.5%	<p>Forces' standard contribution to the apprenticeship levy for officers, based on 0.5% of gross pay.</p>
Excess levy	<p>Expected additional contribution from forces to apprenticeship costs, assuming current levy is exhausted from pre-existing recruitment.</p> <p>Remaining shortfall to be funded via grant from Home Office as per levy guidelines.</p> <p>Assumes that 60% of uplift will undertake PCDA route. This will vary force to force.</p>
Unsocial Hours at £1,000 per officer	<p>Assumed average cost of officer unsocial hours uplift.</p>

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External training at £500 per officer	<p>Assumed average cost of officer training externally</p> <p>General assumption based on the need to train officers in specialist roles eg, Detective, Safeguarding, Cyber etc to enable transfer of existing officers into specialist roles to achieve improved outcomes. In practise, these courses can range from £1000 to £10,000+, per officer.</p>
Officer overtime	<p>Assumed average cost of officer overtime, below benchmarked levels. Assumes that officers work less than the average due to PCDA requirements.</p> <p>Assumption derived from HMICFRS value for money profiles which shows approx. £2000 per officer per year overtime. Assumes £3,000 per officer in MPS and £1,000 outside the MPS. The 2021/22 figure is £1958 per officer inclusive of on costs. For 2022/23 and 2023/24 the figure is £1728 inclusive of on costs.</p>
London / se weighting - officers	<p>Assumes that the forces who pay this allowance will receive funding to compensate them for the loss of officers between 2010 and 2018.</p> <p>London weighting as per Metropolitan figures provided.</p>
London - police staff	<p>Based on average MPS salary costs provided by Met police and assumed police staff uplift.</p>
Police staff costs	<p>Assumes a 70% recruitment profile in years 2 and 3. Important to ensure that the enabling staff resources are in place to ensure the timely uplift in officers.</p> <p>£33k average salary; based on average salary costs from HMIC 2017 VfM profiles.</p> <p>£32.5K used following discussions with HO. Average pension on cost rate of 15% for non-MPS and 27% for MPS.</p> <p>40:30:30 ratio enables the service to gear up early and build up sufficient enabling capability to deliver step-change in officer recruitment.</p> <p>NB: see also police staff assumptions table further down.</p>
Inflationary allowance	<p>Assumes 2.5% annual pay increase profile.</p> <p>Latest Home Office gdp deflators used for non-pay.</p>
DHEP @ for 40% of constables	<p>Degree Holder Entry Programme. Assumes that 40% of officers will use the DHEP route. This will vary from force to force.</p> <p>Assumed cost is £4k pa ie £8k over 2 years.</p>

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Search process/ recruitment costs	Cost payable to the college per head of each person who applies. Subject to checking with COP. General allowance included for this and also general recruitment.
Uniform	Assumes £800 uniform cost per officer. See also efficiency assumptions Assumption in line with Enablers survey.
Fleet (Resource)	Average cost of fleet per officer across 7 random forces (2 large , 3 mid size and 2 small), figures taken from 2017/18 HMICFRS vfm profiles on non-staff costs, is £1600 per officer. Year 2 assumes £1500 per officer , in line with Enablers survey. Reduced to £1400 in years 3 and 4. All years assume full year costs. Includes: fuel, insurance (not a mature market); servicing and repair See also Efficiency assumptions
Estates (Resource) – 5 sqm per person	Assumes £550 per person, based on HMIC vfm profiles for 2017/18. Costs include : business rates (nationally set); utilities, repairs cleaning, grounds maintenance, rents / leases See also Efficiency assumptions
External training	Assumes £500 per officer per year , as a general allowance to cover costs.
ICT	Includes :NEP,ESN, HOB,CAID,NAS as per HO. Also includes £2028 per officer based on enabler’s survey. See also Efficiency assumptions
Custody Healthcare	Assumes no additional cost in Year 1 to allow time for new officers to make an impact. But assumes for Years 2 and 3 there will be an uplift in custody healthcare requirement as more arrests made Average spend across all forces in 2018/19 approx. £58m based on Police Objective Analysis data returns to HMICFRS. Assumes a 10% increase in demand for custody healthcare. Efficiency assumed in year 3 due to improved procurement.
External forensic costs	As above, assumes from Year 2 that additional officers will mean more crimes investigated resulting in greater demand on forensics Average spend across all forces in 2018/19 approx. £65m based on Police Objective Analysis data returns to HMICFRS. Assumes a 10% increase in demand for Crime Scene attendance external submissions.

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Employers Liability /Public Liability	Insurance as per NPCC charging guidelines for officers.
Fleet (Capital)	Assume 5,000 additional spread over 3 years 35%, 45%, 20%. No change form year 1. Cost of vehicles. Cars typically last about 4-5 years. Number of vehicles based on Enablers Survey
ICT etc (Capital)	Assumes : bwd 20k desk/laptop/monitor/tablets 30k in total esn costs as per HO All spread over 3 years 35%, 45%, 20%.
Estates (Capital)	As the officer and staff base grows, this increases pressure on space, increasing the likelihood that forces will need to rent, refurbish/extend/build or buy new properties. Assumes : 56k sqm for officers (8k officers @7sqm) 16.25k sqm for staff (3.25k staff @5sqm) No additional allowance made for MPS.
Non – pay inflation	HO gdp deflators used

Efficiency assumptions

Budget	Assumption
Unsocial hours payment	Payment based on salary. No increase assumed for incremental pay progression.
Overtime	Benchmarking (HMIC VFM profiles for 2017/18) suggests the national average is closer to £2,000 outside of the MPS. This adds an assumed efficiency in the extent to which overtime is relied on. There is a further efficiency build into the three year model whereby no allowance is taken for incremental pay progression which increases the hourly rate of officers which is the basis of the overtime payment. Figures reduced in years 2 and 3 compared to year 1 to reflect an assumption of slightly less overtime due to uplift.

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Uniforms £800 per officer	No allowance made within model for uniforms for police staff eg, call handlers, detention officers, crime scene investigators, property staff, etc.
Fleet (Resource)	GDP Deflator assumed where as in practice fuel and insurance costs are rising more quickly. Cost assumption within the model is based on 2017/18 HMICFRS figures as per value for money profiles. Figures not increased for inflation for 2 years in addition to them being reduce in years 3 and 4.
Estates (Resource)	Some efficiencies have been assumed in terms of the expected level of upkeep/maintenance on existing buildings. Nothing included for significant tackling of backlog maintenance. Cost model figures based on 2017/18 CIPFA National benchmarking data. Future costs will rise faster than assumed gdp for business rates and utilities.
Fleet (Capital)	No increase in vehicle costs assumed for new legislation re emissions.
Others	Other costs not included within the model are : <ul style="list-style-type: none"> • Additional pension fund strain for officers or staff in future years. • Treasury management costs eg for early borrowing to fund capital investment, use of reserves, loss of capital receipts etc. • ICT system replacement/ upgrade • Capital costs beyond year 3

Police Staff roles

At present the ratio of police officers to police staff is 2:1. The request within the model is for 6500 additional police staff which is a ratio of just under 3:1. The total number of police staff lost between 2010 and 2018 is approx. 15,400 at per Home Office figures. Therefore the request is for c.40% of the loss.

Area	Roles	Explanation
Force Control room	Call handlers	Growth in 999/101 calls will require additional call handlers.
Custody	Detention officers	Growth in arrest rate will require growth in detention officers to ensure safe custody environment
Forensics	Crime Scene investigators	Growth in crime scenes attended will require growth in crime scene investigators.
Forensics	Digital investigators	Growth in digital devices recovered from crime scenes will require additional digital investigators as part of the investigative process.

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Intelligence	Local intelligence officers/ analysts	Additional LOI's required due to growth in volumes of intelligence received from officers and public. Analysts needed to review, manipulate and manage data.
Property	Property officers	Growth in crime scenes attended will result in growth in property being processed within each force.
Safeguarding	Investigative officers	Civilian investigators needed to meet growth in demand identified through more incidents/crimes attended by officers.
HR	HR Officers	Additional staff required to recruit increasing numbers of officers and manage ancillary processes eg, welfare/sickness absence, etc.
Training	Training officers	Additional staff required to train new recruits eg tutor development officers, driving school staff, classroom based trainers.
Payroll	Payroll managers, team leaders, officers	There are marginal increases to the numbers of payroll staff to set up the new starters including deductions, and process their pay, overtime and expenses.
Professional Standards	Help-desk, Intel, Reactive, Vetting, Service recovery teams	Initial vetting of candidates is a key part of the recruitment campaign. Increased volumes of officers dealing with the public will generate more complaints and investigations.
Pensions	Administrators	There are marginal increases to the numbers of pensions staff to set up the new starters as pension members, dealing with auto enrolment, advising members etc.
Prosecutions	PLP managers & support, supervisors, processing & clerical officers	The increased volume of officers will bring an increased caseload into the Criminal Justice Process requiring case handling staff of all kinds. This is directly linked to the improved outcomes being sought.
Estates	Project Managers, facilities officers, handypersons	During the three years in particular a considerable effort will be required to source additional training space, assessment centres and project manage extensions to some police buildings and acquisition or construction of some new buildings. Ongoing these will need facilities management services and handymen services. Busy police buildings take quite a battering so need constant attention.
Criminal justice	Prosecution team staff, witness team staff, audio transcribers	The extra officers will require extra vehicles which will need commissioning, repairing, replacing, servicing and marginal increases in numbers of mechanics to do this.
Transport	Fleet officers, mechanics, technicians, drivers etc	Each new recruit needs fitting for their uniform, body armour, public order kit etc. The increased volumes of officers will marginally increase volumes of stores consumables and replacement uniform and

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		equipment required from stores plus replenishment orders.
Stores	Stores assistants	With each officer receiving a handheld digital device these need purchasing and setting up. Additional laptops in stations are also required. There will be more support calls to the service desks. There will be a marginal increase in all forms of IT support in line with device volumes.
Digital policing	Analysts on service desk, field support and infrastructure	With each officer receiving a handheld digital device these need purchasing and setting up. Additional laptops in stations are also required. There will be more support calls to the service desks. There will be a marginal increase in all forms of IT support in line with device volumes.