

Committee(s): Resource, Risk & Estates Committee (for information) Police Authority Board (for decision)	Dated: 1 February 2023 15 February 2023
Subject: CoLP Income Strategy, including fees and charges 2023/24	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: PA Treasurer & Commissioner of Police Pol 17a-23	For Information (RREC) / Decision (PAB)
Report author: CFO / Deputy CFO (Strategic Finance)	

CoLP Income Strategy

1. This paper provides a proposed CoLP Income Strategy for consideration and approval.

Recommendations

2. It is recommended that Members of RREC note the two bullets below:
3. It is recommended that Members of PAB consider and approve the 2 bullets below:
 - the attached CoLP Income Strategy (Appendix A), and
 - fees and charges for 2023/24 remain in line with those set by the Metropolitan Police Services, with the exception of those for the Economic Crime Academy which will be set by CoLP to recover full economic cost (para 8 of this report and paras 24 to 32 of the income strategy).

CoLP Income Strategy

4. A proposed Income Strategy has been developed and is attached at Appendix A for consideration and approval.
5. Charging for police services is a complex area and this Income Strategy has been developed with reference to national guidance on income generation and charging for police services.

6. The overall aim of the Income Strategy is to maximise Force income and to recover full economic cost wherever possible. It also recognises the need to be flexible when setting charges in order to align with Force objectives and to retain funders, so long as direct costs are recovered as a minimum and, other than in exceptional and justified cases, a contribution is made to indirect and overhead costs.
7. The Income Strategy adopts a standard approach to calculating the full economic cost of an activity, including the various cost elements of direct pay, direct costs, indirect costs and overheads. This will allow understanding of any under recovery, in effect subsidisation, within a proposed charge. To ensure consistency in charging, and income maximisation wherever possible across the Force, it is proposed that all new funding agreements and those due for renewal, are presented to the Strategic Finance Board for approval. Any proposed charge below full economic cost recovery would need to be justified. Updates and assurances will be provided to PAB via the quarterly financial reporting.
8. The Income Strategy is structured as follows:
 - Introduction (paras 1-3)
 - Strategy objectives (para 4)
 - Sources of income to police forces (para 5)
 - National guidance (paras 6-9)
 - Current CoLP income streams (paras 10-15)
 - Operational charging position (paras 16-32):
 - Funded units, commercial activity & partnerships (paras 16-23)
 - Fees and charges (paras 24-32):
 - General fees and charges (paras 26-29)
 - Special policing services charges (paras 30-31)
 - Economic Crime Academy (Para 32)
 - Conclusions (paras 33-34)
 - Appendices:
 1. CoLP draft budgeted income 2023/24
 2. Funded unit and specific grant agreements 2023/24
 3. Rate card for charging funded units, specific grants, commercial activity and partnerships 2023/24
 4. General fees and charges 2022/23 – based on MPS rates
 5. Special policing services charges 2022/23 – based on MPS rates
 6. Economic Crime Academy fees and charges 2022/23 – CoLP rates
9. The Income Strategy also considers fees and charges to be levied in 2023/24 (at paragraphs 24 to 32) and recommends that CoLP continues to levy charges in line with those set by the Metropolitan Police Service (MPS), with the exception of those for the Economic Crime Academy which will be set by CoLP to recover full economic cost. At the time of writing, rates for 2023/24 have not been published, but agreement is sought to apply these rates once available (2022/23 rates are appended for information).
10. Should this Income Strategy be adopted, an annual update of the strategy will be provided linked to budget setting. Also, going forward analysis will be provided to show the level of recovery against each (material) funding agreement.

Appendices

- Appendix A – CoLP Income Strategy (plus Appendices 1 to 6 to the Income Strategy)

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