

CHARGING FOR SERVICES

The following document was circulated by ACPO in 2005. Although it has not been fully and finally approved by the Chief Constables' Council, this document has been adopted by West Mercia as the guidance for Charging for Services.

Please note that specific rates of charge have since been updated. The current fees and charges are located on our Charging for Services and Information page at www.westmercia.police.uk/foi/charges.htm

CHARGING FOR POLICE SERVICES

EXECUTIVE SUMMARY

1 Introduction and Background

- 1.1 There is a continuing need for the police service to be able to identify the basis of recovering costs or charging for its services. There is a need to ensure that this is both transparent and consistent. Recent experience has shown that this is still not necessarily the case.
- 1.2 As a result, and over a period of time, the Government and, increasingly, external receivers of the service have pressed the service to review the basis and method of charging for policing services. Guidance has now been produced aimed at giving clarity to the service and at the same time providing a basis for a more consistent outcome. The main elements and issues within the document are identified below.

2.0 Cost Recovery

- 2.1 The powers for seeking to recover costs for policing services are given in various sections of the Police Act 1996. These cover the provision of special policing services to 3rd party organisations (S25) and overseas (S26). Section 18 allows a Police Authority to provide defined goods and services to any person.
- 2.2 Special policing services are normally provided to an event - either singular (pop concert) or a series of events (policing football), and the principle has been established of achieving a full economic cost recovery of relevant costs. This should be applied - particularly for commercial events. However, in line with the concept of risk assessment for policing events within the community, Chief Constables should be able to abate charges for events in certain circumstances. A decision matrix approach has been developed to help determine different circumstances and at the same time give some discretion. Small-scale events can be policed without charge below a threshold level.
- 2.3 The charges should be transparent and consistent, and a costing framework has been developed. But, a general principle of the recovery of policing costs at no detriment to the local community has also been established. This increases the charge for policing to cover rest day overtime working, to preserve duty time for core policing in the community.
- 2.4 The police service is now required to provide policing services to other agencies of Government (e.g. Prisons, Immigration etc), which may cut across local priorities. A parallel approach for cost recovery has been developed in this area. This recognises a different requirement for cost recovery and advice is provided in these circumstances.
- 2.5 Events can also take place either sponsored by, or organised by, Local Authorities and non-commercial organisations. These often take place either on Local Authority land or on the highway. Similar principles have been identified, in line with the matrix approach identified above. Here, full economic cost may not be the most appropriate recovery basis and abatement can be used to address this issue.

3.0 Income Generation

3.1 S18 of the 1996 Police Act allows goods and services to be provided, and an appropriate charge can then be made to customers. (This is outside special police service arrangements.)

3.2 These activities fall into two categories: -

3.2.1 Market Competitive goods/services where Police Authorities set charges in relation to market forces by charging a market rate (training, vehicle maintenance, etc.).

3.2.2 Market Non-Competitive activity that essentially is a by-product of core police activity. Here, there should be consistency on the rate that will be set nationally e.g. accident reports etc.).

3.3 Within the key principles set out above, there has to be a proper recognition of the cost of production of either the goods or service - linked to the costing model. In market competitive areas, Forces or Authorities are free to charge, "what the market will bear", but should at least cover direct costs. Loss leading is only acceptable in the short-term, where there can be demonstrated that true cost recovery will be achieved within a clear period, linked to payback.

3.4 The costing model provides the basis for identifying the underlying cost base of services provided and, therefore, gives clarity for Forces. This is also true for market non-competitive items where, although consistency is key, cost recovery must be able to be demonstrated. In order to minimise issues over differences in charges a core group of common services has been identified to be charged at a standard rate. This will be reviewed over time.

3.5 Income generation is acceptable within the police service, provided that the spirit of both Section 18 and other Local Government Acts are upheld. Generally, this limits both the activities that can be undertaken and also the capacity to pursue income generation. This guidance allows the service to work within the current legal framework.

4.0 Cost Model

4.1 The cost model builds on previous versions. It identifies a basis for calculating: -

Employable Cost	=	Current basic actual cost of service providers
Direct Cost	=	Basic employable costs + pension and overtime on-costs
Resource Cost	=	Direct Cost + Direct Overhead
Full Economic Cost	=	Direct Cost + Direct Overhead + Indirect Overhead

4.2 The model is based around averages for rank, as this provides more stability across years and between Forces. The basic cost includes all salary and allowances. It also includes the in year pension cost and a premium for overtime to recognise the issue of no detriment to the provision of local policing.

4.3 Direct overheads are calculated to show those that are directly related to deployment - transport, training, call handling communications. This then leads to a cost of providing police offices (and staff) at the point of delivering the service. It will be applied to all

officers, although a small number of specialists will be able to add additional amounts e.g. dog handlers, Mounted Branches.

- 4.4 Indirect Overhead constitutes the remaining cost recovery element towards full economic cost. There have been clearly identifiable differences that lead to overall variations in charging rates due to variations in this element. As a result the guidance proposes the creation of an average of the national calculations, so that there is not a significant distortion of rates that will then be difficult to justify.
- 4.5 It is proposed that the guidance on charging methodology is promulgated to the service. The approach will aim to harmonise charging over a three year time period. During that time forces are expected to review their systems and charging calculations to achieve this.
- 4.6 During this period, forces whose current charges exceed a calculation achieved under this guidance, may hold charge levels until the new calculation matches their current arrangement. This has an advantage in not requiring a reduction in charge rates but may extend the overall period to harmonisation.
- 4.7 During this period the methodology will continue to be reviewed at stages to address the updating of common charges and a review of the overhead recovery arrangements.

CHARGING FOR POLICE SERVICES

SECTION 1 PRINCIPLES AND CHARGING METHODOLOGY

1. Introduction

- 1.1 As far back as the early 1990s, there has been an identified need to seek a common and consistent methodology to charging for police services.
- 1.2 There has also been an increasing drive to standardise the costing of police services to promote and encourage a comparison of resource usage against service delivered.
- 1.3 A great deal of work has been undertaken previously in this area. This research has sought to pursue a bringing together of best practice, based on the earlier work and to re-establish the principles involved.

2. Background

- 2.1 Police services for which charges are raised represents a small part of overall police activity. By far and away, the majority of budgeted police resource is used in the statutory duty to police the community. This is funded in the main by the national taxpayer, with a small but increasing proportion funded locally by council taxpayers. Businesses also contribute indirectly through redistributed business rates.
- 2.2 There has, though, evolved circumstances where police time and expertise can be charged to third parties. Powers exist to make charges and a summary of these are shown at Appendix 1. These powers have also evolved and been interpreted over time to make a clear delineation between core policing activity and chargeable services.
- 2.3 The nature of the policing services has also changed over time. There is still a significant amount of direct policing (described as "special services policing") charged for - predominantly, to police events. This can be single events e.g. a pop concert, or a number of linked events such as policing football or other sporting matches. Other examples though would now include policing shopping malls or entertainment complexes and, potentially, pubs/clubs. For these events, charges reflect the provision of services over a period of time or for a number of occasions.
- 2.4 There is now a range of 'customers' for policing services. Well established users include professional football and rugby clubs. Other users include commercial promoters and non-commercial organisations including charities, and local authorities. Latterly, there has been an increase in forces providing policing services to other Government agencies - notably, the Immigration Services and HM Customs and Excise.
- 2.5 There is one other area to be considered under the general heading of charging for police services. This is the charge applied for providing services by one (or more) force to another force. Inter force mutual aid is due to be considered separately, but within the same overall principles.
- 2.6 In addition there is now a range of other activity relating to the use of expertise of officers and police staff that can be provided as a service to 3rd parties. This falls into the more general category of income generation and uses particular sections of the

Police Act. Finally, there are some services that relate to the provision of information, say, collision reports, etc.

- 2.7 The largest area for charging concerns the issue of policing events and the charges made in that regard. In 1990 the Audit Commission set out some guidance ("Taking Care of the Coppers"), on the basis of charging for policing events. It identified that charges were applied patchily and were often inconsistent. Whilst guidance has, generally, been adhered to in the intervening years, a degree of flexibility / ambiguity in interpretation has led to a continuation of inconsistency in the decade since the issue of that guidance.
- 2.8 Policing events now has an enormous range of scale to consider. From local festivals to Grand Prix; from lower league football to the FA Cup final - all are events which need consideration. In general, the police service exists to police local communities and its resources are structured to achieve this. Few would argue that part of this involves policing small scale events, as part of the role of visibility and public reassurance. But, this is far removed from policing 68,000 supporters in Manchester converging on a small locality to watch a football match, or over 100,000 people attending a 3-5 day pop festival in Wiltshire.

3. **Charging Methodology - Key Principles**

- 3.1 The review of charging methodology has been based on number of key principles that underpin the approach. These are:
 - 1 Charging for services should be based on a proper calculation of the cost of services provided. Charging reflects a proper cost recovery mechanism - but, will also provide a basis for income generation under certain conditions.
 - 2 A charging methodology should be clear and transparent to both providers and receivers of the service.
 - 3 The basis of cost calculations should be consistent - so that significant variations in charges are explained by local circumstance, rather than methodology differences.
 - 4 Calculations of base costs and overhead recovery should be compliant with accepted accounting best practice.
 - 5 There should be a clear understanding of how the methodology should be used by practitioners.
 - 6 There should be a generally agreed basis for determining whether a charge should be applied. This should cover the range of services for which charges should be set and for occasions where charges are due to be raised, guidance on where discretion can be applied.
- 3.2 The document uses the principles to set the methodology for charging for services for:
 - a) The policing of events
 - b) The provision of good and services to 3rd parties
 - c) Charging for services to Government Agencies

4. Definition of Cost

4.1 The cost of a service and the charging for the service are clearly linked. But, the cost of a particular service can relate to the purpose of the usage. For the purposes of our approach, the following basic costing approaches are defined:-

1 **Employable cost.**

This represents the basic actual cost of the service providers, with no allowance for the recovery of overheads.

2 **Direct Cost**

This is the cost of an officer including both the net pension overhead ("employers' contribution") and a standard overtime recovery element.

3 **Operational Resource cost.**

This represents the cost of the resource employed in the provision of the service. Here, the direct costs and the direct overheads are included.

4 **Full Economic cost.**

This calculation includes all properly attributable costs, including contributions to administrative and general overheads. However, this indirect overhead recovery must relate to the relevant overhead base.

4.2 Clearly, these cost bases are used for different purposes and will achieve different results. There must be, therefore, clarity in how they are used and be consistent in their application.

4.3 The normal application of costing policing for charging purposes should reflect full economic cost recovery. This is particularly true for commercial purposes, where a special police service is being provided using police resource. There are potentially some circumstances where the other cost bases will lead to alternative cost recovery charging.

4.4 The model for charging for services should reflect the cost structure involved in service delivery. Individual components of the model reflect this. There is a consistent construction of direct costs i.e. those costs required to deliver a given police service at a particular location. The costing methodology then provides basis for the recovery of general overheads for an organisation.

4.5 A key principle is that whilst charges should reflect local characteristics of cost e.g. London weighting, the methodology seeks to minimise undue variations. A number of variables in the calculation of costs have that potential and, by using force averages or in some cases, national averages, these undue distortions can be minimised.

4.6 The costing model set out in section 2 therefore forms the basis of calculating a productive hourly rate for police officers (and police staff) providing the service. Some specialist services e.g. – Mounted Branch, underwater search, or air operations carry additional costs either as direct costs or direct overheads. These costs should also be recovered specifically and transparently.

5. Charging for the Policing of Events

5.1 A Police force has a responsibility to assess the safety requirements of an event. It often works with a local Safety Advisory Group but, in some circumstances, this may not be available. The force will review the nature of the event and the organiser,

together with the input that the organiser has planned, in order to minimise the risk to the assessed safety requirements.

5.2 However, safety is only part of the role. There is normally an important secondary element of assessing the community effect of the potential impact on crime and disorder and, in some cases traffic management, occurring within the community, as a result of the event. Based on that overall assessment, then special police services may be requested or implied as necessary as part of supporting either a safety certificate or public entertainment licence. Police services would then be supplied to:-

1 Increase aspects of core policing over that which would normally be required in the locality to address crime and disorder issues arising from the staging of the event.

2 Provide additional policing services to increase the level of safety to an adequate level relative to the risk assessment and, therefore, the safety requirement.

5.3 If it is accepted that these are the two primary roles for policing an event, then, based on an adequate risk assessment, the level of police resource can be determined. This will normally be achieved by direct communication with the event organiser, but may also be undertaken through a Safety Advisory Group, if required.

5.4 There are a number of events for which, although a formal safety certificate or PEL is not required, the event includes a range of characteristics that would imply that policing services should be supplied and charged for. The criteria for this are set out later.

5.5 Policing an event involves providing special policing services to an event organiser. Although, predominantly, this involves police officer time, it can also require other elements of a specialist nature, including direct policing, vehicles, consumables, specialist equipment and support functions as part of the service provision. All of these can, and should if relevant, be included as part of the service charge.

5.6 It should first be recognised that core service provides a level of policing within, and for, communities. It is, therefore, important to acknowledge that many small scale local events can be policed, with a relatively low input that may represent a public reassurance role within the overall framework of risk assessment. The methodology needs to allow for this and provide some discretion on who should be charged, and under what circumstances.

A principle has been established within the current mutual aid arrangements, that a de minimus level should be agreed so that a small police input below the threshold is not chargeable. This principle can be extended into policing events.

5.7 A second general principle can also be established. Charges for policing services should be made to the event organiser. He/she should then be able to take these into account when planning an event, with some degree of certainty as to the level of charge that will apply.

Charging for Events

5.8 Where the event is at a single location e.g. concert, festival etc, the service should be based on the concept of servicing a "greenfield site". This recognises that cost recovery directed to the additional policing required - over and above that which would have normally been used to police the location. For a greenfield site this is nominal, but in other circumstances the service provided is potentially added to a base level of

existing policing. All direct policing, but also all specialist support, consumables and support costs involved in providing the service should be recovered.

- 5.9 It should also apply to established sites where a series of events will take place – e.g. sporting events such as football, cricket, rugby etc. This is subject to the current application of S25 Police Act (see Appendix 1).
- 5.10 The general costing principle that will be applied is a **full economic cost recovery** model. The basis for calculating this is set out in section 2.
- 5.11 The basis of using full economic recovery is to make full recovery, in order to ensure local policing resources are used primarily for policing communities. **A guiding principle within the methodology is that where the event is commercial in approach, then full economic recovery should apply.**
- 5.12 The concept of a commercial activity is no longer straightforward. There are many models or structures used in the organisation of events. As guidance, commercial activity will be characterised by the securing of a site(s) and requiring payment for entry to the event. This is generally identified by the existence of a promoter. Clear examples of this are the pop festivals and sporting matches. (For the sports matches the “promoter” can be seen to be the professional club involved).
- 5.13 Whilst the charging principle will be based on full economic cost recovery, it remains within the Chief Constable's discretion as to whether the charge is applied then, in full. **It is assumed that, where the event is commercial and, for profit, the special policing services charge will be applied, in full.**
- 5.14 There are though some events that a Chief Constable may deem to require an abatement of the charge. Any abatement needs to be considered on both the nature of the event and the normal policing already provided. Commercial events will normally include the key elements that would incur charges under the Police Act. However some events can be non commercial in nature. These fall generally into three categories – events for charitable purposes, community based events and what can be deemed statutory events. They are broadly defined below:

1) **Commercial Events**

Events where there is a financial gain or profit to the organiser/company/organisation without specific community benefit – usually but not exclusively through members of the public having to pay an entrance fee to gain access to the event.

2) **Charitable events**

Events where, although there is a financial gain , the surplus is for charitable distribution.

3) **Community Events**

Those events not for personal or corporate gain but are for community or local interest purposes or to raise funds for local community institutions.

4) **Statutory Events**

Events where there is no financial gain to the organiser and which reflect constitutional rights, or a cause of royal, national or defined public interest.

The chart in Appendix 2 gives some examples that could apply in each category. It is not exhaustive. The level of charge does not simply depend on the category but, clearly, should depend on individual circumstances – including the ability to charge in law.

- 5.15 This issue has been considered and an approach has been developed that involves a matrix of events, relevant purposes and proposed levels of abatement. The charge should be initially calculated on a full economic basis and identified. Then, according to the matrix shown in Appendix 2 the Chief Constable (or nominated Chief Officer) may apply an abatement factor, if relevant. This will create a transparent approach, with a clear decisions being taken on charge levels. Examples of this as applied are shown later.
- 5.16 The matrix identifies a range of events categorised between Commercial and (two categories of) non commercial activity. It sets out a structured approach to determining the basis of abating any costs identified for charging. The nature of the event in the first table will need to be assessed according to the criteria set out in the lower table. **Generally, the levels of abatement of charge and methodology should be followed to provide a consistent service wide approach.**
- 5.17 The associated assessment criteria is included to help structured decision making with regard to the deployment of officers. All events need to recognise the factors within the assessment criteria. However, in a number of cases local Commanders may expect to police to a level as part of normal policing requirements. The chargeable element would then depend upon the number of additional officers / support needed to provide the event policing roles described above.

Small scale events

- 5.18 Police forces remain with a duty to police local communities. Where an event is assessed at requiring the equivalent of 24 police hours (however deployed) or lower, Chief Constables should treat such deployments as part of the visibility and local reassurance components of local policing. For small scale events, these decisions can be taken at BCU level. **As such policing of small scale events under these conditions should then attract no charge. This situation is included in the matrix as a “de minimus” event.** (Of course, where the event is commercial in nature or the force is supplying services under market conditions, then even small deployments can be charged at the discretion of the Chief Officer.)
- 5.19 The following examples will seek to provide guidance about the use of abatement as a concept. While these cannot be exhaustive, it is intended to provide a framework for decision making. One of the important elements to the review is a need to present a clear and consistent approach to the charging for services. Wide variations in practice will undermine this requirement.
- 5.20 The concept is to create an evaluation as objectively as possible using the criteria. An example of a scoring approach is also shown to help judge the size and nature of events, leading to an assessment of policing, cost and resultant charging requirements.
- 5.21 The criteria set out below, aims to take account of the key characteristics that determine charges under the Police Act. In conjunction with the scoring matrix, the use of the criteria should lead to a more consistent and transparent approach being taken.

Criteria	Assessment
Identified promoter	The existence of a promoter clearly identifies a commercial event. This can also be an organiser of a significant non commercial event and can also be implied – e.g. for sports matches
PEL/SC required	Most large defined events require a public entertainment license (PEL) or a safety certificate (SC) to operate. It underpins a significant event.
Stewards used	This also characterises a major event – but can also be the basis of a reduction in police input leading to reduced charges
Payment at event	A key determinant of a commercial event. It can also be a factor of a major non commercial event.
Performers paid	Can also underline a commercial event or a major charitable/ non commercial event.
Trader concessions	A secondary indicator of the size of an event – one anticipating a large number of attendees.
Proceeds to charity	This is an indicator of possible abatement, depending on other safety issues and the size of the event
Additional policing	This can give an indication that significantly more policing than the norm is required
Normal deployment	This would, in conjunction with the above, give an indication of the level of chargeable policing resources provided.

5.22 It is good practice to keep a register of the events policed and the decisions on policing levels and any abatement decisions taken. This will provide a validated and transparent trail to cross reference future decisions and provide public accountability.

Examples of using Decision matrix:

1	Item	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
	Pop Concert	Yes	Yes PEL	Yes	Yes	Yes	Yes
	To Police an event on a known site Commercial and managed. Policing & associated costs	Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
	Commercial for profit	No	Major	Yes	No	Full Economic recovery	

2	Item	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
	Traffic Management for event	Yes	Yes PEL	No	Yes	Yes	No
	To provide a traffic management service to access / egress to an event	Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
	Commercial	No	Not necessarily local	Yes + PCSO 's	2	Full Economic recovery for excess over 2, plus PCSO cost at rate	

3	LA “Event in the Park” To provide policing service to the event. Commander decides a police presence is needed.	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
		Yes – LA	Yes PEL	Yes	Yes	Yes	Yes
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Not commercial	No	Local	Yes	Nominal - say 2	Will support 5 local officers. Full Economic for rest but abated

4	Community Festival Police a local festival on highway & local park	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
		No	Yes safety	No	No	No	No
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Not commercial	No	Local	Yes	Nominal	Will support 2 officers = no charge

5	Tower Block Demolition To provide policing to manage safety aspects of the operation	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
		No	No	No	No	No	No
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Not Commercial	No	Local	Yes	2	Will support 2 officers Full Costs for rest but abated

6	Lord Mayor's Parade Policing a town event through streets & community centre	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
		No	No	Some	No	No	Yes
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Not Commercial	No	Local	Yes	No	Full cost recovery 50% abatement abated

7	Major Charity Event	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
	To provide policing to a major Tattoo or show promoted for Charitable purposes	Yes	No	Yes	Yes	Yes	Yes
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Not Commercial	Yes	Major	Yes	minimal	Full Cost recovery

8	Major private event	Promoter	PEL/SC Required	Stewards used	Payment at event	Performers Paid	Traders Concessions
	Providing support to a major Party or private entertainment function	No	No	Some	No	No	Yes
		Nature of Event	Proceeds to Charity	Community impact	Additional Policing	Normal Deployment	Charging Policy
		Private event/ Function	No	Local	Yes	No	Full cost recovery

Issues	Scores	1	2	3	4	5	6	7	8	9
		Pop Concert	Traffic Mgt	LA Event	Community Festival	Tower Block Dem'on	LM's Parade	Major Charity Event	Major Private Event	Football match
1 Promoter	5	5	5	0	0	0	0	5	5	5
2 PEL/SC needed	5	5	5	5	2	0	5	5	5	5
3 Stewards	5	5	0	5	0	0	5	5	0	5
4 Payment at event	5	5	5	5	0	0	0	5	0	5
5 Paid performers Traders	5	5	5	5	0	0	0	5	5	0
6 concessions	5	5	0	5	0	0	5	5	0	5
7 Nature of event Proceeds to	10	10	10	5	0	5	5	5	10	10
8 charity	-5	0	0	0	0	0	0	-5	0	0
9 Community Impact	10	10	5	5	2	5	5	10	10	7
10 Additional policing Normal	10	10	5	5	5	5	5	10	10	10
11 Deployment	-5		-5	-5	-5		-5			-5
Total score	50	60	35	35	4	15	25	50	45	47
Full Cost	√	√						√	√	√
Abated / part Cost			√	√		√	√			
No Cost					√					
Scores	0-10	No charge								
	10-35	Part or abated charge								
	35+	Full Cost recovery								

6.0 Charging for Football

6.1 Football matches can be seen as a series of planned events occurring in a Force area. The promoter is the football club. The general principles for the basis of providing the special police services are the same, as set out in 5.2 above.

6.2 The provision of policing services at football is determined by a combination of local match classification, supplemented by national and/or local intelligence. Usually, deployment consists of 3 elements of policing service:-

- (1) A core deployment of officers at, or in the ground.
- (2) A supplementary number of officers provided either for the duration of the match or part thereof.
- (3) Specialist policing/support staff generally provided for a limited period of time.

Economic cost recovery should be used to recover the costs of the officers and staff for the period of their service supplied.

6.3 The deployment of officers to police a match will, of course, cover a period in excess of the length of the game. Officers are needed to parade, obtain equipment, be briefed, transported to deployment points and then returned to base, and debriefed as part of the core deployment. There are significant variations in deployment across the country, but methodology identifies a 6-hour deployment as a basis for the cost recovery of officers in the core deployment.

6.4 Officers used for a period less than the core deployment should be charged at an hourly rate for the number of hours (to the nearest hour) of actual deployment used.

6.5 Officers can be augmented by other members of staff - Special Constables, PCSO s and some support staff for the purpose of supplying the overall service. Appropriate charging mechanisms for this should be used and guidance on this aspect is given in Section 2.

6.6 The basis for calculating charges should, if the methodology sets out, and this document is followed, provide a more consistent charge for the provision of the service. Care should be taken that the chargeable element for police service is consistent with current case law.

6.7 Full economic recovery will cover the cost of providing the relevant officers and staff at the point of service. The methodology allows other directly associated costs to be recovered e.g. police dog, horses, specialist vehicles where such costs can be justified in the context of policing football.

6.8 Occasionally, mutual aid from other forces is requested to police certain matches. In this context, the host force is, in effect, contracting additional officers under S25 Police Act 1996 to provide the service. Special duty rates should, therefore, apply and the providing force reimbursed for the service provided.

7.0 Provision of Goods and Services to 3rd Parties

- 7.1 The provision of goods and services will cover services such as the provision of training in particular skills, the provision of information from police databases, etc. and goods which can range from memorabilia to old equipment, etc.
- 7.2 The situation here is conceptually different in that the goods and services are provided and sold in market competitive conditions. As such, pricing policy is largely discretionary to an individual Force/Authority. Forces can be in competition with all other suppliers, including companies, non-profit organisations and other Forces.
- 7.3 Some areas of service, such as the provision of certain information, can be, de facto, a national or local monopoly in that only the police service can provide the service. As a general principle, it can be difficult to justify in the service widely varying costs for, say, the provision of Road Traffic Information. At the least, it creates an overall problem for the service, in terms of credibility to sections of the business or other communities.
- 7.4 It is, therefore, proposed that a set of common service wide goods and services be developed standardised. These are shown in more detail in Appendix 3.
- 7.5 The Appendix shows a range of items, both "goods" and services" that evidence has shown that the majority of forces supply, with an associated charge. A review of the charges has shown that some items have little variation across the country whilst for others charges can vary significantly. Some charges refer to amounts calculated some time ago. It is recommended that the charges shown at Appendix 3 should be applied for the current year but should then be updated for inflation from then on. The nature and level of charge should then be re-assessed at 3 yearly intervals to review their continuing relevance and their link to the cost base.
- 7.6 **For those areas where the service is provided in open market conditions, then a general principle should apply that charges should, at least, recover the costs of supplying the service.** For this to be able to be achieved, Forces should be clearly able to identify the investment (start up) and running costs of the service and then set charges accordingly. This should be based on the model for calculating direct costs. But the charges made will clearly depend on the nature of the market and local pricing decisions.
- 7.7 On some occasions, pricing policy may dictate a marginal costing approach initially being taken. Here, the employment cost identified in the costing model should be the baseline for consideration. Beyond this, Forces should then have a clear understanding of the contribution requirements to direct overheads and set up or other investment costs, in order that they can demonstrate the adequate recovery of costs.
- 7.8 It is clear that pricing policy and market conditions can affect the level of charges. It is important that, in those conditions, all Forces should be able to validate charges set. The costing model can provide a basis for this to be undertaken. In certain conditions, Forces are taking advantage of their spare capacity. It is important in these circumstances that Forces can demonstrate a strong "value for money" rationale to the use of the resources applied.
- 7.9 In other circumstances, the ability to market and benefit from an area of expertise needs pump pricing or investment - often in support activities. It is expected that charges should be set that will recover all the supporting costs, including the pump priming or set up costs within a reasonable investment time period. Charges can exceed the overall level of cost recovery and therefore provide a net income stream where market conditions allow. But force should be prepared to identify and justify pricing policies if required.

8.0 Charging for Services to Government Agencies

- 8.1 The police service increasingly provides a range of services for, and with, other Government Agencies. Many of these are either elements of Central Government - Customs and Excise, Immigration Service, etc. Some, however, are quasi commercial activities having Agency Status.
- 8.2 In the first category, Police Forces are providing often core policing service as a support to the wider public sector delivery of Government objectives - e.g. addressing potential illegal immigrants. Although this can be seen to be akin to special policing services, there are other issues that need to be considered in these circumstances.
- 8.3 A guiding principle here is that in providing the service, a Force often gains an element of self help towards its overall strategic plan. The cost of the resource usage needs to be recovered in that light.
- 8.4 Where police or support staff resource is used in providing the service, then **the employable cost of the staff used** should be recovered. **To this should be added any additional specific direct costs incurred e.g. consumables, travel and expenses, accommodation etc.** This can either be actual cost, if quantifiable, or can be an average cost calculation, where it is unlikely that differences will be material.
- 8.5 In a number of cases, the provision of the service includes the use of a police provided facility e.g. custody suite, interviewing facilities, etc. A contribution to these overheads can be added to the direct costs used. This can either be by means of a calculation of the direct costs incurred – rent, utility costs etc. or, where in practice this would be difficult or onerous to obtain, by the addition of a general overhead recovery element. In this circumstance, the recovery should be in the range 10% - 20% of the direct costs incurred. The range allows some discretion in the amount of administrative support incurred in providing the service.
- 8.6 In the second category – the quasi commercial activity, the service provided is much more akin to operating in market conditions. Here the same principle should apply. **The charging methodology should use the calculation for resource costs as the starting point for identifying the costs of the service.** To this should be added all associated specific costs incurred in the provision of the service and a contribution towards overheads. Market conditions will either provide a practical constraint or allow full economic recovery to be utilised.
- 8.7 It is important to understand the police role in such activities. In most cases, the skills and experience of officers and staff are being used to enhance another Government based service. Where this is outside of the normal policing role, then there should be the aim of covering all recognised costs together with the appropriate contribution to overheads.

Cost recovery under grant funding regimes

- 8.8 There is now a range of occasions where police officers (and some support staff) are supported by public grant funding or other external funding streams. The key principle in these cases is to properly identify and recover relevant costs. Where a police officer post being supported is delivering a direct policing service, then recovery should be based on Resource costs. Where, however, the role is utilising police experience or expertise, rather than providing direct policing, then the cost recovery should use total Direct cost less the overtime premium – equating to employable cost plus the “employers pension contribution” for an officer.

SECTION 2 : COSTING METHODOLOGY

1 Background

1.1 The cost of a service and the charging for the service are linked. The cost recovery model seeks to provide a consistent basis for calculating recovery charges. But, the cost of a particular service can relate to the purpose of the usage. For the purposes of our approach, the following basic costing elements are defined:-

1 **Employable cost**

This represents the basic actual cost of the service providers, with no allowance for an overtime premium or the recovery of overheads.

2 **Direct Cost**

This is the cost of an officer including both the net pension overhead (“employers’ contribution”) and a standard overtime recovery element.

3 **Resource/ Operational cost.**

This represents the cost of the resource employed in the provision of the service. Here, the direct costs and the direct overheads are included.

4 **Full Economic cost.** This calculation includes all properly attributable costs, including contributions to administrative and general overheads. However, this indirect overhead recovery must relate to relevant overheads.

1.2 The normal application of costing policing for charging purposes should reflect full economic cost recovery. This is particularly true for commercial purposes, where a special police service is being provided using police resource. There are potentially some circumstances where the other cost bases will lead to cost recovery charging.

1.3 The model, shown at Appendix 4, builds up to the full economic costs in logical stages. These are aimed to provide stability but at the same time recognise true differences in the cost base of forces. The basic mechanics are set out below:-

- (i) Define relevant Resource cost = Employable cost + direct overheads;
- (ii) Apply relevant contribution to administrative and general overheads;
- (iii) Derive standard or average productive hours;
- (iv) Calculate productive hourly rate (per rank).
- (v) Apply deployment hours for “core” and “supplementary” policing / support.
- (vi) Identify and include all ancillary costs related to the provision of service e.g. consumables.

2. Application

2.1. The calculation resulting in the hourly rate of employable resource costs has been revised and updated.

- 2.2 There are a number of factors that have to be addressed in determining elements of the overall calculation and approach. The major ones are set out below:-
- a) Average or actual cost for officers.
 - b) Deriving the cost of allowances within police pay.
 - c) Pensions cost.
 - d) Accounting for overtime working.
 - e) Identifying relevant ancillary costs.
 - f) Calculating general overhead recovery.
- 2.3 Variations in the approach by a Force to these issues can and have led, in the past, to the relatively wide variation in charges. This had led, in turn, to queries being raised about the relative level of those charges. The aim of the model has been to reduce these variations where possible, without undermining the need to recover costs according to those borne locally.

Average versus Actual Cost

- 2.4 There is a clear difference in deriving a cost and charging methodology. Actual costs should be charged where possible. However, there is confusion in what this means when applied to a costing regime. In practice, police officers are generally still costed as an average by rank. These are now normally also budgeted at cost centres but these vary between forces. There are also variations in the cost of individual officers, in the past from Rent / Housing Allowance and currently by the application of police pay reform elements (see below). It is, therefore, acceptable practice to identify an estimate of the average cost per rank, as the basis of both cost and charging. The model derives a force average to apply in all cases.

The cost of Allowances

- 2.5 The cost of allowances has also been a significant is also a cause of variation in police employable pay. If maximum allowances are included in the calculation as some forces have done, the resultant hourly rate is higher than other approaches.

In recent years, there have been dramatic changes in the cost of allowances to a Force, and the Police Reform elements have affected the employable cost of officers. The calculation for any allowances should reflect the average (budgeted) cost per rank, per Force. This will provide both a transparent and realistic view of the employable cost of an officer. It should be seen in the context that the cost recovery exercise addresses other overheads separately within the overall framework.

Pensions Overhead

- 2.6 In essence, this is the main elemental difference for the difference in the cost of a police officer between the employable cost calculation and the resource cost calculation. It represents an employable cost overhead for the purpose of charging out to third parties, although, in budget terms, it represents a separate service expenditure head.

The pension overhead calculation is made at force level. In line with approaches elsewhere, our work was to identify a general percentage to be used. Work at GAD has shown that for a range of forces the current in year service cost of pensions is on average 36% of the police pay budget. Allowing for 11% pay contributions from officers, a recovery rate of 25% should be used calculated on police basic pay. This will be reviewed annually within the overall cost model framework.

Accounting for Overtime

- 2.7 This remains a difficult issue and there are options to be addressed. Forces have varying approaches between including in the base calculation an estimated element of overtime working within the "standard productive hours" or, calculating a base figure, excluding overtime, and then quoting a premium hourly rate for either extended, rest day or public holiday working.

The approach of the police service has changed. In the cases where charging for police services is relevant, the policing resource should be considered to be in addition to the normal duty time resource required to police the community. In this case, a basic element of rest day working should be assumed as part of direct costs (and an additional 50% is included in the model to accommodate this). This can then be used in the planning of both the service in the area and the event concerned.

Where short notice working becomes necessary, due to circumstances related to the event, then an additional premium is applicable - to reflect the additional direct cost involved. Similarly, policing on public holidays has an additional cost, to be recovered by the appropriate additional premium charge.

Relevant Direct Overheads

- 2.8 The direct overheads are designed to reflect the other costs attributable directly to the cost of providing the service **at the point of service**. This can involve utility costs, premises and equipment hire and, of course, the provision of catering/subsistence. In most cases, this will be a directly measurable cost, but, in certain cases, involves the apportionment of a Force provided service e.g. communications centre for the period of the service delivery. For certain specialists e.g. dog handlers, an additional overhead calculation to include the average additional costs of the dog can be added. It is expected that only separate, truly measurable additional costs should be added to the modelled overhead recovery. This should, however, be considered separately from the recovery of administration or general overheads and is capable of justification as supporting the point of service delivery.

Recovery of Administrative General Overhead

- 2.9 Full economic cost recovery includes a properly attributable element of contribution towards the general overheads of administration and infrastructure.

This issue has proved the most intractable. There has been a significant variation in the level of general overhead recovery rates currently used. A general methodology has been created but it, too, provides significant variations. In these circumstances, a view has been taken on the need, particularly in high profile charging arrangements like policing football, to maintain consistency.

It is therefore proposed to use an average rate nationally. From the work undertaken to date the most robust calculation puts the general overhead recovery rate at 28-32%. The model will, initially, use 29% as a national average. More work is, however, needed to underpin this element, as part of the Review of the cost model.

Productive hours

- 2.10 Research shows that there are at present various different models to determine the number of chargeable hours across the country. These depend on a local view taken of abstractions. It has been noted that a relatively small difference in this part of the calculation leads to a variation that then becomes problematic to explain in comparison with others. The methodology proposed is to use a standard determination of average abstraction, leading to a consistent number of chargeable days per rank. This is set out in Appendix 5(2). It is recognised that this reduces the determination and inclusion of local factors but the debate in this area has to date been unhelpful for the service. This will be reviewed as part of a future update of the methodology.

Deployable Time

- 2.11 This has also been the cause of variations in application across Forces in the past. Generally, the police service provided to a third party is planned in advance. There is, therefore, a core service that is agreed to be provided. This core service can be measured in hours or productive "days", where a day is a defined number of hours. Clearly, the deployment time for the service must include all relevant components, from initial parading and briefing, travel time included to and from the service point, the actual policing service itself and a de-brief if necessary.

3.0 Ancillary Costs

- 3.1 Most events will have a period of core policing service and a transparent approach should be taken in identifying this with the promoter/organiser. This will also give clarity to the police managers at the point of delivery.
- 3.2 At some events or occasions, the core police service will be augmented by an additional resource for a period of time. In this case, the supplementary resource should be added as additional direct cost - for a relevant number of hours. (An hour, or multiples of an hour, should be the minimum time unit used). The charging model should still be applied in the same way but for a different amount of deployed hours, allowing a transparent approach to be taken for the use of supplementary resource at an event.
- 3.3 The Special Constabulary forms a resource that is capable of providing part of the policing service. They are a trained supplementary police resource, generally deployed to provide "small event" policing or to augment policing at larger events. Specials incur a range of costs in uniform/ equipment, travel and subsistence, training, and the use of police vehicles and control equipment. There are no direct employable costs.
- 3.4 It is important that the use of this resource is not distorted - (by the supplier or receiver) by using the charging methodology. On the one hand, specials have the powers of a constable and can therefore be deployed as a recognisable police resource. On the other, the cost base of the specials is demonstrably lower than regular officers. To reflect that it is recommended that a ratio of 2:1 is used for both deployment and charging regimes. i.e. 8 specials would score as a deployment of 4 constables and would be charged as 4 constables.

Other Police staff

- 3.5 PCSO 's represent a different element of the extended police family. Their role is complementary to police activity. They are capable of being deployed to augment the service and provide visibility and re-assurance (e.g. small scale events), and **should be included at the police staff direct charging calculations.**

- 3.6 There are increasingly circumstances where specialist police staff provide a front line service as part of special police services. Where police staff have relevant powers and are acting in a core role then they should be included within the direct cost of service calculation.
- 3.7 Care should be taken in making this assessment. This charging methodology includes the majority of a force's support staff as part of the overhead recovery and it is therefore important to be clear and transparent in the use of specialist police staff.
- 3.8 However, it is often the case that police staff can and are used in the delivery of services outside of S25 arrangements. These staff then form part of the direct cost of service delivered and should be included as part of the direct service cost element.
- 3.9 Appendix 4 sets out guidance on the basis for including individual cost elements in the model. It is not exhaustive and there will be some variation in how budgeted information is held by forces. It should be remembered that there is a balance to be struck between precision and materiality, whilst striving to maintain a consistent approach to the charging methodology.
- 3.03 Additional specific items of cost can also be calculated by use of average actual cost. Examples would include the specific use of vehicles for which an average cost of depreciation, average cost of service/repair and consumables can be calculated as appropriate.

4 Harmonisation

- 4.1 It is proposed that the guidance on charging methodology be promulgated to the service. The methodology will aim to harmonise charging over a three year time period. During that time forces are expected to review their systems and charging calculations to achieve this. This can be achieved by an annual review and comparison of charge rates under existing arrangements and this guidance.

**Powers for the Charging of Police Services
Police Act 1996**

Section 25 Special Policing Services

Provides the basis of the provision of direct policing.

“The Chief Constable of a force may provide, at the request of any person, special policing services at any premises or in any locality in the police area for which the force is maintained, subject to the payment to the Police Authority of charges on such scales as may be determined by that Authority”

Section 18 Supply of Goods and Services

Provides the basis for supplying goods and services other than direct policing to any 3rd party.

“Subsections (1) to (3) of section 1 of the Local Authorities Goods and Services Act 1970 (supply of goods and services by local authorities) shall apply to a police authority [and to the Metropolitan Police Authority] established under section 3 as they apply to a local authority, except that in their application to a police authority the references in those subsections to a public body shall be read as references to any person.”

Section 26 Provision of advice and assistance to international organisations

(1) Subject to the provisions of this section, a police authority may provide advice and assistance-

(a) to an international organisation or institution, or

(b) to any other person or body which is engaged outside the United Kingdom in the carrying on of activities similar to any carried on by the authority or the chief officer of police for its area.

(2) The power conferred on a police authority by subsection (1) includes a power to make arrangements under which a member of the police force maintained by the authority is engaged for a period of temporary service with a person or body within paragraph (a) or (b) of that subsection.

(3) The power conferred by subsection (1) shall not be exercised except with the consent of the Secretary of State or in accordance with a general authorisation given by him.

(4) A consent or authorisation under subsection (3) may be given subject to such conditions as appear to the Secretary of State to be appropriate.

(5) Nothing in this section authorises a police authority to provide any financial assistance by-

- (a) making a grant or loan,
- (b) giving a guarantee or indemnity, or
- (c) investing by acquiring share or loan capital.

(6) A police authority may make charges for advice or assistance provided by it under this section.

(7) In its application in relation to the metropolitan police force this section shall apply-

(a) as if the power conferred by subsection (1) were conferred on the Commissioner of Police of the Metropolis (and accordingly as if the references in subsections (1)(b) and (2) to a police authority were omitted), and

(b) as if in subsection (6) the reference to a police authority were a reference to the Receiver for the Metropolitan Police District.

(8) The provisions of this section are without prejudice to the Police (Overseas Service) Act 1945 and section 10 of the Overseas Development and Co-operation Act 1980.

Section 92 Grants by local authorities.

Provides the ability of a force to receive a grant towards policing costs from a local authority above normal precept arrangements.

“(1) The council of a county, district, county borough or London borough may make grants to any police authority established under section 3 whose police area falls wholly or partly within the county, district, county borough or borough.

(2) The council of a London borough, county, or district, which falls wholly or partly within the metropolitan police district may make grants for police purposes to the Receiver for the Metropolitan Police District.

(3) Grants under this section may be made unconditionally or, with the agreement of the chief officer of police for the police area concerned, subject to conditions.

(4) This section applies to the Council of the Isles of Scilly as it applies to a county council.

Charging for Events

Matrix for assessing abatement of charges.

Type	Event	Charge Category
Commercial		100 %
	Professional sporting events	
	Music Concerts / festivals	
	Bonfire / fireworks celebrations	
	Car boot sales	
	Motoring events	
	Game Shows	
	County / Agricultural shows	
	Tattoos	
	Animal shows	
	Horse racing	
	Events on private property	
Non-Commercial		50%
Charitable	Charity road races – running / cycling	
	Charity events – bonfires etc.	
Community	Community celebrations	
	Town Centre events	
	Town centre markets	
	Local Authority events	
	Carnivals	
	Community fairs	
	Religious Parades	
Statutory Events		0
	Ceremonial parades	
	Remembrance Day parades	
	Jubilee events	
	Constitutional events	
	“De minimus” events	0

Assessment Criteria

1	Promoter
2	Safety certificate /PEL requirement
3	Stewards used (H&S assessment)
4	Payment at event
5	Performers paid
6	Traders concessions
7	Nature of event
8	Proceeds to Charity
9	Community impact
10	Level of normal deployment
	(Small scale event – de minimus)

Appendix 3

Charge Rates for Common Items

		Proposed 2004/05	Proposed 2005/06
A	<u>Accident Reports</u>		
1	Copy of Accident Report (full extract up to 30pages)	70.00	72.10
2	Additional pages for same incident (per page)	3.00	3.10
3	Limited particulars (RT Act details)	25.00	25.75
4	Copy of self reporting / minor accident form	25.00	25.75
5	Fatals - Accident Investigation report	300.00	310.00
6	Fatals - Reconstruction video	60.00	61.80
7	Rough Data (per page)	20.00	20.60
8	Copy of Scale plan -other than in collision report	30.00	30.90
7	Copy of Police vehicle examination report (unless provided as full extract)	50.00	51.50
9	Copy of Collision Reconstruction Report (unless provided as full extract)	50.00	51.50
10	Copy of Collision Reconstruction Report (unless provided as full extract) per page (max £50)	3.00	3.10
B	Copies of Photographs		
1	from Digital camera (per disc)	15.00	15.50
2	A4 Index sheet (digital)	15.00	15.50
3	Photographs (first photo)	20.00	20.60
4	Each subsequent photograph	2.00	2.10
C	Copies of statements - other than in booklets		
1	(per statement – up to 3 pages)	25.00	26.52
2	Additional pages (per page)	3.00	3.10
4	Copy of witness statement (witness agrees to disclosure of personal details)	30.00	30.90
5	Copy of witness statement (witness not agrees to disclosure of personal details)	40.00	41.20
6	Interview with Police Officer (per Officer)	100.00	103.00
7	Request for a statement to be written by Police Officer	100.00	103.00
8	Copy of PIC Sheets (2nd copy)	20.00	20.60
9	Copies of Videotapes (provision for CJS)	60.00	61.80
10	Copies of audio tapes (provision for CJS)	25.00	25.75
D	Cancellation charges		
1	if request is cancelled prior to search	REFUND	
2	if search is made prior to cancellation	25.00	25.75
3	if search is made and documents ready for dispatch	60.00	61.80
4	Abortive search	25.00	25.75
F	Fingerprinting Fees,		
1	One set	20.00	20.60
2	Additional sets thereafter (each)	10.00	10.30

Appendix 3 continued

Charge Rates for Common Items

		Proposed	Proposed
		2004/05	2005/06
G	Certificates		
1	Firearms Certificate issue	50.00	51.50
2	Firearms certificate renewal	40.00	41.20
3	Firearms certificate replacement	9.00	9.30
4	Shotgun Certificate issue	50.00	51.50
5	Shotgun certificate renewal	40.00	41.20
6	Shotgun certificate replacement	8.00	8.25
7	Home Office Club approval	8.00	8.25
8	Registered Firearms dealer issue	150.00	154.50
9	Registered Firearms dealer replacement	150.00	154.50
10	Firearms Museum License	200.00	206.00
11	Pedlars Certificates	12.25	12.25

Costing / Charging model

	Key Data	Proposed Calculation
A	Direct Costs	
1	Basic Salary	Average salary per rank
2	Rent/ Hsg. allowance	Total Budget (inc. Comp grant) weighted by rank/no. of officers
3	Police reform payments	Average CRTP, SPP and Bonus payment per rank
4	Subsistence	Total force budget / no. of staff (weighted)
5	Regional allowances	Total budget weighted by rank no. of officers
6	Other allowances / benefits	Total budget / no. of officers
7	National Insurance	Total of 1-6 , calculated as per NI model
=	Total employable cost	
8	Pensions cost	Net In year service cost per FRS 17, allowing for officers contributions – estimated at 25%
9	Overtime premium	Rest day on-cost at 50% of basic pay
=	Total Direct Cost	
B	Direct Overheads	
10	Uniforms / equipment	Total Budget /no. of officers
11	Insurance	Total Budget /no. of officers
12	Transport	Total Budget /no. of officers
13	Training	Dept. budget + devolved budgets / no. of staff
14	Call Handling	Call answering, crime recording, incident handling / no. of officers
15	Communications infrastructure	IT infrastructure, voice services & operational applications / no. of officers
=	Total Operational Resource Cost	
C	Indirect Overheads	
16	General overhead recovery	Average indirect overhead recovery @ 29% (estimated national average)
=	Full Economic Cost	

Costing/ Charging direct Police staff

	Key Data	Proposed Calculation
A	Direct Costs	
1	Basic Salary	Average salary per grade or mid point
2	Employers NI	Average by grade
3	Employers Superannuation	Force calculation to Superannuation Fund
4	Uniform	Average cost per relevant staff (where applicable).
5	Employers Liability insurance	Average cost per relevant staff (where applicable).
=	Total employable cost	
8	Overtime premium	Where applicable – at appropriate rate
=	Total Direct Cost	

N.B. A similar productive hour calculation to police officers should be made for direct service staff.

Example Calculation

Direct Costs & Direct Overheads Calculation

		PC	Sgt	Ins	C Insp	Supt	C Supt
		£ pa	£ pa	£ pa	£ pa	£ pa	£ pa
1	Basic Salary	27,342	34,864	41,860	44,562	55,444	65,016
2	Competence	252	493	468	387	0	0
3	Special Priority	162	162	162	162	162	162
4	Bonus Payment	66	66	66	66	66	66
5	Subsistence	83	83	83	83	83	83
6	Rent Allow/Hsg Allowance	1,481	3,211	4,234	4,472	5,069	5,397
7	Regional Allowances	0	0	0	0	0	0
8	Healthcare Scheme	0	0	0	0	0	0
9	Other Misc Allowances	86	86	86	86	86	86
		29,472	38,965	46,959	49,818	60,910	70,810
10	National Insurance	2,202	3,189	4,341	4,691	6,100	6,510
	Employable Cost	31,674	42,154	51,300	54,509	67,010	77,320
11	In Year Pension Cost net	25%	6,836	8,716	10,465	11,141	13,861
12	Overtime premium	0.5	13,671	17,432			
	Total Direct Cost		52,181	68,302	61,765	65,650	80,871
	Direct Overheads						
13	Uniforms		276	276	276	276	276
14	Insurance		198	198	198	198	198
15	Transport		1,125	1,125	1,125	1,125	1,125
16	Training		599	599	599	599	599
17	Call Handling		3,682	3,682	3,682	3,682	3,682
18	Communications						
	Infrastructure		1,460	1,460	1,460	1,460	1,460
	Direct Overheads		7,340	7,340	7,340	7,340	7,340
	Resource Cost		59,521	75,642	69,105	88,211	100,914

Example Calculation

	PC	Sgt	Ins	C Insp	Supt	C Supt
	£ pa	£ pa	£ pa	£ pa	£ pa	£ pa
Direct Costs	38,510	50,870	61,765	65,650	80,871	93,574
Overtime Premium	13,671	17,432	-	-	-	-
Total Direct Cost	52,181	68,302	61,765	65,650	80,871	93,574
Direct Overheads	7,340	7,340	7,340	7,340	7,340	7,340
Resource/Operational Cost	59,521	75,642	69,105	72,990	88,211	100,914
Indirect Overheads	13,296	16,881	20,040	21,167	25,581	29,265
Full Economic Costs	72,817	92,523	89,145	94,156	113,792	130,179
Available Productive Hours						
Standard Calculation to be used throughout	PC	Sgt	Insp.	Ch. Insp.	Supt	C Supt
Total Days	365	365	365	365	365	365
less :						
Rest Days & Weekends	104	104	104	104	104	104
Annual Leave	26	27	29	29	31	31
Average Sickness	11	10	9	9	8	8
Training Days	8	8	7	7	6	6
Bank Holidays	8	8	8	8	8	8
Net Days	208	208	208	208	208	208
Productive hours per shift	7.25	7.25	7.25	7.25	7.25	7.25
Total Hours	1,508	1,508	1,508	1,508	1,508	1,508
Net Days	208	208	208	208	208	208
	PC	Sgt	Insp.	Ch. Insp.	Supt	C Supt
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Direct Costs	25.54	33.73	40.96	43.53	53.63	62.05
Overtime Premium	9.07	11.56	-	-	-	-
Total Direct Cost	34.60	45.29	40.96	43.53	53.63	62.05
Direct Overheads	4.87	4.87	4.87	4.87	4.87	4.87
Resource/Operational Cost	39.47	50.16	45.83	48.40	58.50	66.92
Indirect Overheads	8.82	11.19	13.29	14.04	16.96	19.41
Full Economic Costs	48.29	61.35	59.12	62.44	75.46	86.33
Short Notice Additional Premium	£ per hour	£ per hour				
less than 5 days notice	9.07	11.56				
Public Holiday rate	27.20	34.68				