

## Constabulary Revenue Budget Monitoring 2019/20

Forecast for Quarter 1 as at 30 June 2019 to Public Accountability Conference 25 July 2019

**Constabulary Summary at June 2019**

The current forecast of net expenditure amounts to £121.243m compared to a revised budget of £121.258m. The variance amounts to a forecast underspend of £15k (0.01%) and is made up of a forecast overspend on expenditure budgets of £97k (0.08%) an increase in income of £112k (1.69%). The forecast underspend has reduced by £87k compared to the forecast overspend reported as at the end of May 2019 of £102k. The major changes between May and June are in relation to a forecast increase in police pay & allowances and supplies & services offset by additional income.

It should be noted that the underspend has already been reduced by £500k through the decision not to drawdown the full contribution from the budget support reserve that was originally planned for 2019/20.

Description	Revised Budget 2019/20 £'000s	Forecast Expenditure / (Income) 2019/20 £'000s	Forecast (Under)/ Overspend 2019/20 £'000s	Forecast (Under)/ Overspend 2019/20 %	Forecast (Under)/ Overspend @ MAY-19 £'000s	Change in Forecast MAY-19 to JUN-19 £'000s
Constabulary Funding						
Police Officers	86,046	86,070	24	0.03%	(92)	116
Police Community Support Officers	2,738	2,802	64	2.34%	80	(16)
Police Staff	22,494	22,371	(123)	(0.55%)	(102)	(21)
Other Employee Budgets	1,566	1,571	5	0.32%	21	(16)
Transport Related Expenditure	2,322	2,310	(12)	(0.52%)	(4)	(8)
Supplies & Services	10,545	10,660	115	1.09%	28	87
Third Party Related Expenses	2,192	2,216	24	1.09%	11	13
<b>Total Constabulary Funding</b>	<b>127,903</b>	<b>128,000</b>	<b>97</b>	<b>0.08%</b>	<b>(58)</b>	<b>155</b>
Income	(6,645)	(6,757)	(112)	1.69%	(44)	(68)
<b>Total Constabulary Funding Net of Income</b>	<b>121,258</b>	<b>121,243</b>	<b>(15)</b>	<b>(0.01%)</b>	<b>(102)</b>	<b>87</b>

**Current Forecast**

The forecast constabulary underspend is due to a number of factors across several different headings.

The police officer budget is forecast to overspend by £24k. An underspend of £99k is forecast on police pay offset by an overspend of £98k on overtime and £25k injury pensions (backdated payments on appeal). The underspend on police pay is due to a combination of

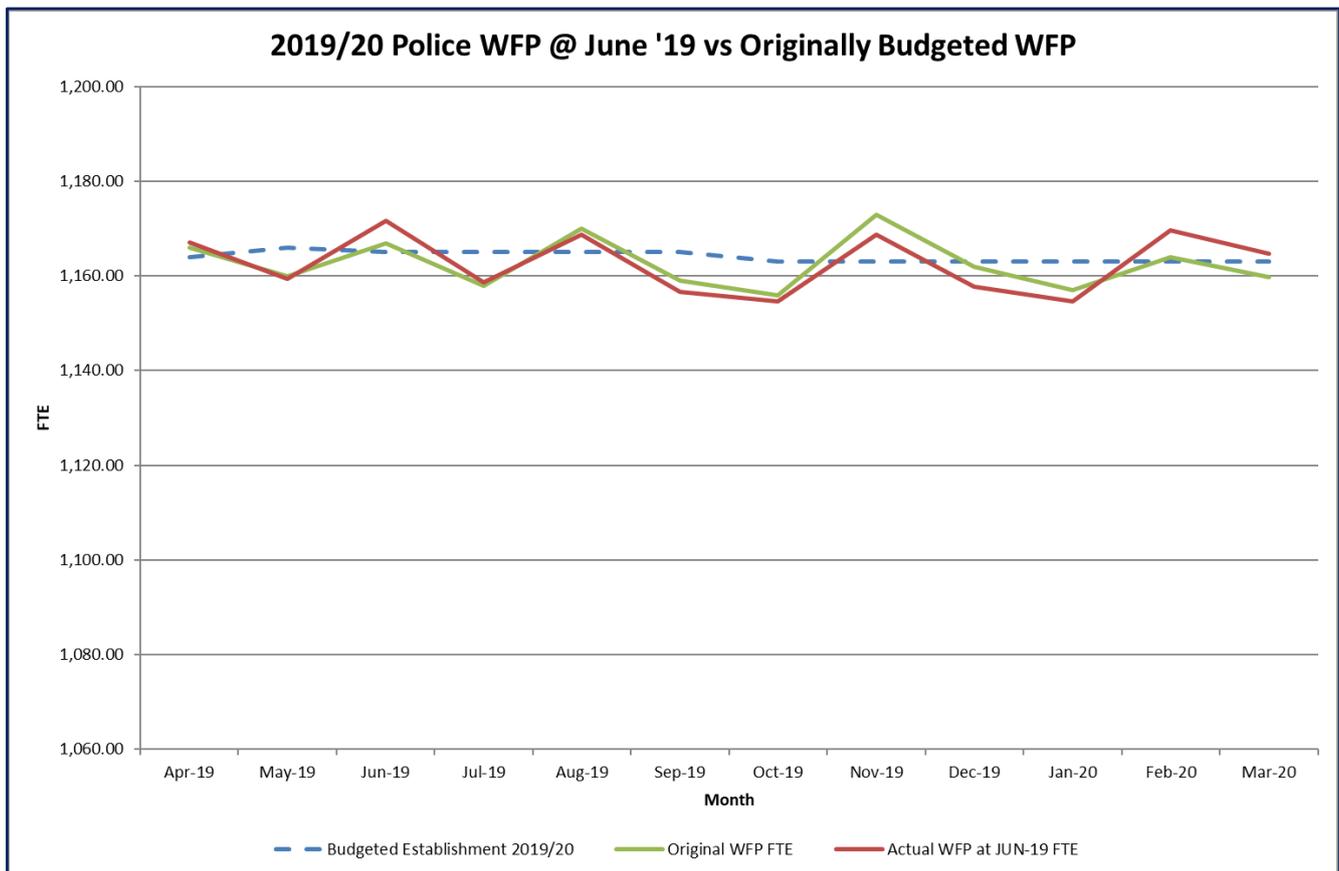
- an increase in the number of officers who are not members of one of the police pension schemes (£120k)
- an increase in the number of leavers (£99k)

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offset by

- the introduction of transferees into the workforce plan (£113k)
- other changes to the workforce plan (£7k).

The chart below illustrates the current HR WFP. The green line represents the HR WFP used for budget setting purposes, the red line represents the current HR WFP at June 2019. Based on numbers alone, where the red line is above the green line an overspend will result. Where the green line is above the red line an underspend will result. Other factors including pay differentials between leavers and starters, maternity and paternity payments also impact on the under / overspend. In broad terms the graph indicates that officer numbers are expected to be in line with the workforce plan for most of the year. By the year end numbers will be slightly above the original workforce plan, principally due to the recruitment of transferees.



The PCSO budget is forecast to overspend by £64k. This is due to starting the year 1.8 FTE above the assumptions made during budget setting and remaining, on average, 2.26 FTE above the projected average number of 79.34 FTE.

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The police staff budget is forecast to underspend by £123k. The underspend on police staff has arisen as a result of the assumptions made with regard to when vacant posts are expected to be filled.

The other employee expenses budget is forecasted to overspend by £5k. This is largely as a result of the assumptions made with regards to recruitment (£6k) and welfare (£6k) offset by a forecast underspend on training (£7k).

The transport related budget is forecasting to underspend by £12k, the primary reason for this is in relation to a forecast underspend on travel expenses (£26k) offset by an increase in car hire (£2k) and vehicle repairs and maintenance (£10k).

The supplies and services budget is showing a forecast overspend of £115k. This is due to additional expenditure in respect of police pension scheme sanction charges (£30k), increased costs of custody provision regarding Appropriate Adult Services (£20k), contribution to a shared chief superintendent role with Durham (£45k) and a forecast overspend on ICT of £379k including £75k additional cost of control room futures (additional dual running) and £260k of ICT savings yet to be identified. Offsetting these forecast overspends are efficiency savings which have been removed from individual budget lines (£152k), a forecast underspend on the custody medical contract of £53k and the fact we have not yet committed all of the force contingency (£150k).

The third party payments budget is forecast to overspend by £24k. This includes additional spend on the pensions provider (£6k), an increase to National ICT charges of £6k and an additional contribution to the national enquiry on undercover policing of £9k.

Income is currently forecast to exceed the budget by £112k. The forecast includes assumptions regarding income in relation to income from other forces including mutual aid net income (£59k), income from secondments and other reimbursements of costs (£46k), refunds (£23k) and warrants officer income (£4k), offset by reduced net income from music events, Kendal Calling (£16k).

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### Change in Forecast between May and June

As outlined above the forecast underspend position has reduced from £102k reported as at the end of May to the figure of £15k reported at the end of June. The main reasons for the reduction in forecast underspend of £87k can be summarised as follows:

- Police Officer Pay increase of £116k, forecast expenditure increased due to changes in assumption in the WFP concerning the use of transferees £113k and additional overtime £24k offset by decreases from additional leavers and other changes to the WFP -£20k.
- PCSO Pay decrease of £16k in respect of changes to the work force plan (leavers and changes to hours).
- Police Staff Pay decrease of £21k in respect of the effect of changes to the assumptions of when vacant posts will be filled (£27k) offset slightly by an increase in overtime £7k.
- Other Employee Expenses decrease of £16k in respect of a reduction in training & conferences (£23k) and agency (£3k) offset by increases in recruitment costs £5k and welfare in respect of additional costs associated with ill health retirement management £7k.
- Transport Related Expenditure decrease of £8k in respect of travel expenses & car hire.
- Supplies & Services increase of £87k in respect of an increase in the use of appropriate adult services in custody (£20k), network private services (£11k) and our contribution to a collaboration with Durham (£45k).
- Third Party payments increase of £13k in respect of an additional contribution to the national enquiry on undercover policing of £9k and an increase in the contribution to the safeguarding vulnerable people partnership with Cumbria County Council.
- Income increase of £68k in respect of the reimbursement of our costs from partners and secondments (£39k), abnormal load income (£7k) and refund of rates from previous years (£23k).

### Potential Risk Areas

The figures provided above are based on current information as at the end of June. These forecasts include an assumption with regard to potential income in relation to special policing services and mutual aid. Should this income not be realised to the degree expected the forecast underspend could reduce.

The forecasts also assume pay inflation from September 2019 at 3% for both police and staff. If the final settlements are higher or lower than these assumptions the forecasts made at the end of June would change.

**Recommendation:** The Commissioner is asked to note the forecast budget position and potential risk areas