

Introduction

I am pleased to introduce the summary Statement of Accounts for the 2018/19 financial year. This summary document sets out the consolidated version of the financial position for both the Police and Crime Commissioner for Cumbria and the consolidated group position, incorporating the statements of the Chief Constable for Cumbria Constabulary. The financial information set out in the summary statement of accounts is taken from the full financial statements which are published in accordance with the Accounts and Audit Regulations 2015.

This summary statement of accounts is taken from the Joint Chief Finance Officer's Narrative Report to the full statement of accounts. Its purpose is to offer readers a guide to the most significant matters reported in our statement of accounts. It sets out our overall financial position and a series of mini statements summarising and explaining the primary financial statements. It includes information on our performance and value for money. A commentary is also provided to set out the major influences impacting our income and expenditure in the current and future financial years.

By providing this information we aim to support our readers with an understandable and informative narrative on those matters most significant to our financial position and our financial and non-financial performance. This narrative report is provided as part of the overall publication of the financial statements and also as a standalone report. It can be accessed through the Commissioner's website: www.cumbria-pcc.gov.uk together with the single entity statements of the Chief Constable.

Statutory Framework

The Police and Crime Commissioner was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

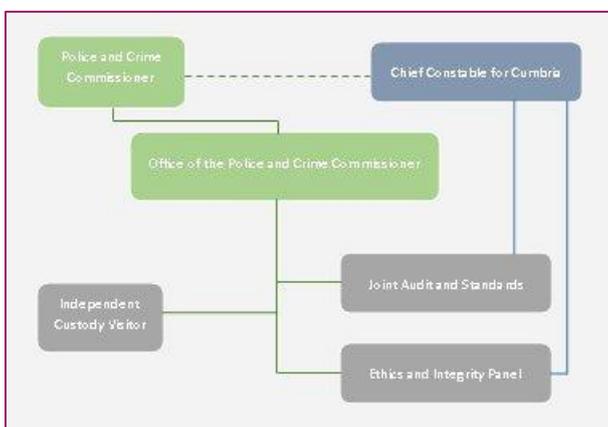
The PRSRA 2011 also established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the Queen's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office under the legislation issues a Financial

Management Code of Practice for the Police Forces of England and Wales. The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. The Commissioner decides the budget, allocating assets and funds to the Chief Constable. This, in addition to the powers of the Commissioner to set the strategic direction for policing and appoint and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of the group accounts.

Our Organisation



The Police and Crime Commissioner is supported by an

office of 11.5fte staff, this includes two statutory officers.

The Chief Constable is accountable to the Commissioner and has responsibilities to support the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan. Both entities have appointed a Joint Audit Committee and a Joint Ethics and Integrity Panel. The Committee and Panel comprise independent members to oversee arrangements for governance, including financial reporting and the arrangements for integrity and ethical behaviour. Four Custody Visiting Panels fulfil the statutory requirement for independent review of custody. Membership of the panels at the end of 2018/19 were: Barrow 10; Kendal 10, North Cumbria 11 and West Cumbria 9.

Our Goals

The Commissioner sets the strategic direction for policing and wider interventions within the Police and Crime Plan. The vision for our plan is that Cumbria remains a safe place to live, work and visit, where the public has a say in policing and organisations and community groups work together to address the causes of crime, as well as the consequences. Key priorities include keeping crime at low levels, reducing the impact of anti-social behaviour, bringing criminals to justice and reducing the harm caused by hate crime, domestic abuse and sexual abuse.

We work to achieve this by holding the Chief Constable to account for the delivery of effective policing and by commissioning a range of activity and interventions

with the Constabulary and our wider partners. The Police and Crime Commissioner launched his new Police and Crime Plan ‘Making Cumbria Even Safer’ in November 2016 setting out our future strategy and goals.

Our People

Our people are the most important resource we have in achieving our goals. Our values commit to having an empowered staff who are high performing, professional and have high levels of satisfaction in their roles. The Commissioner’s Office and Constabulary perform well in relation to the gender diversity of the workforce. At Chief Officer Level, excluding the elected Police and Crime Commissioner, 67% of the single entity Chief Officers are female as are 100% of senior managers. A breakdown by gender of the number of men and women across the organisation at the end of the financial year and the number of men and women who were managers is set out below.

Actual Employees as at 31 March 2019	PCC		Total FTE
	Male FTE	Female FTE	
PCC Single Entity			
Chief Officers	0.5	1.0	1.5
Senior Management	0.0	1.0	1.0
All Other Employees	0.0	6.8	6.8
Total PCC Employees	0.5	8.8	9.3
Group			
Chief Officers	8.0	3.0	11.0
Senior Management	8.0	8.0	16.0
All Other Employees	952.7	860.7	1,813.3
Total Group Employees	968.7	871.7	1,840.3

Chief Executive Report

The Commissioner has nearly finished his third year in Office. The next Police and Crime Commissioner elections are due in May 2020.

The Commissioner has been able to further embed his Police and Crime Plan with the support of the Constabulary and partners. This has helped establish effective relationships with key local government, criminal justice, health and third sector partners to develop initiatives and commission activities to reduce crime, support victims and enhance community safety and criminal justice.

The Police and Crime Plan contains the police and crime objectives, which all contribute toward achieving the Commissioner’s overall aim ‘to make Cumbria an even safer place’. Objectives are monitored through a performance framework and Public Accountability Conferences; a public meeting where the Commissioner holds the Chief Constable to account. This structure has been in place for a number of years and works well.

The Commissioner has continued to provide a range of services for victims and specific services for victims of sexual violence, domestic violence and perpetrator programmes.

The Commissioner has well established financial and governance frameworks necessary to fulfil statutory, regulatory and best practice requirements, supported by the relevant professional bodies for local government and policing. This benefits from

continuous development to ensure the office continues to meet the highest standards.

Public consultation and engagement are paramount to the Commissioner as he is the 'voice' for the people of Cumbria for policing. A wide range of diverse opportunities are available for the public to speak directly to the Commissioner, when the Commissioner is out in the community or by speaking to groups directly. This is further supported by the public contacting the Commissioner by email and letter, with more than 514 people contacting the Commissioner in this way during 2018/19; a figure that is increasing year on year. The main themes raised in the year were Appleby Fair, the level of council tax, police performance and driving issues.

The Commissioner undertook a successful public consultation for the increase in the council tax precept for 2019/20, with more than 2,000 respondents with 71% supporting the proposal. As a result of the public consultation and the views of the Chief Constable and the unanimous support of the Police and Crime Panel, the Commissioner took the decision to increase council tax precept by £24 for a Band D property.

The Commissioner continues to hold the Chief Constable to account at bi-monthly Public Accountability Conferences and weekly 1-2-1s with the Chief Constable focusing on performance in terms of crime and anti-social behaviour.

This is further supported by the independent inspectorate; Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), external and internal auditors to assist in his scrutiny of

governance, finance, risks and internal control. In conjunction with the Constabulary the Commissioner also operates a Joint Audit Committee and an Ethics and Integrity Panel.

The Commissioner's staff embrace the fast-moving pace of the Office and this is evident for the work that is on-going in relation to the driving campaign and commissioning developments. The Office is well placed to deal with the new challenges for 2019/20 with responsibility for appeals expected to transfer to the Commissioner during 2019/20 and further develop the public facing responsibility of the Commissioner.

Finance Review

2018/19 Grant Settlement and Budget

The Commissioner set a combined net revenue budget of £98.627m for 2018/19 on 14 February 2018. Funding of this amount came from the Police Grant settlement (£58.710m) and income from Council Tax (£39.917m). The budget increased the Council Tax precept by 5.42%, taking the Commissioner's proportion of the band D equivalent tax to £232.74 per annum. The effect of the increase is to support the medium term financial forecast and mitigate the impact of the real terms reduction in Police Grant compared to 2017/18. The budget provided funding for the Chief Constable of £116.902m comprising a £121.686m expenditure budget to support policing and an income budget of £4.784m. The Commissioner's budget provided £2.245m for Commissioned Services, to provide funding for partnership working across the Commissioner's wider

community safety, crime reduction and victim support responsibilities.

The capital budget was set at £11.261m. Capital expenditure is made up broadly of expenditure on assets that have a useful life of beyond one year. Approximately 52% of the programme related to investment in ICT including the provision of mobile devices, with the remainder being made up estates improvements and the cyclical replacement of fleet vehicles. The budget was funded from capital grants (£1.1m), direct contributions from revenue (£1.7m) and capital reserves (£8.5m). The capital budget was subsequently revised downwards to £8.6m reflecting the effect of the 2017/18 capital outturn position and other changes to the planned profile of capital spend.

The table below shows the summary revenue budget for 2018/19 as set on 14 February 2018, the revised budget (taking into account budget changes made during the year) and the outturn position. The presentation below is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table below will not reconcile directly to the Summary Comprehensive Income and Expenditure statement on page 7. References to the PCC relate to the Police and Crime Commissioner.

Summary Budget and Outturn

Summary Budget & Outturn	Base	Revised		(Under)/
	Budget	Budget	Outturn	Overspend
	2018/19	2018/19	2018/19	2018/19
	£000s	£000s	£000s	£000s
Constabulary Budget	116,902	115,180	115,397	217
Office of the PCC	723	723	676	(47)
Other PCC budgets	18,909	11,308	11,324	16
Grants/Contributions	(29,536)	(27,753)	(27,743)	10
To/(From) Reserves	(8,371)	(831)	(1,027)	(196)
Net Expenditure	98,627	98,627	98,627	0
Government Grants	(58,710)	(58,710)	(58,710)	0
Council Tax	(39,917)	(39,917)	(39,917)	0
Total External Funding	(98,627)	(98,627)	(98,627)	0

The Constabulary gross expenditure budget is made up of funding for employee costs (£107.6m; of which Police Officers comprise £82.6m), transport costs of £2.2m and supplies/other costs of £11.9m. The Commissioner's budgets comprise the costs of running his office (£0.723m) and the net position on a range of other costs. These include estates costs (£4.0m for premises used by the Constabulary and Commissioner), Commissioned Services (£1.92m to deliver the Police and Crime Plan) and budgets to finance capital expenditure and the costs of technical accounting adjustments (£4.91m). PCC other budgets also include the costs of insurance and past pension costs. Overall a net contribution from reserves of £1.03m was made in the year to fund expenditure.

In-Year Financial Performance

Revenue Expenditure: The out-turn position for 2018/19 is an overspend of £0.196m. The overall overspend is made up of an overspend of £0.159m on

the core budgets of the Commissioner and Constabulary plus a one off contribution of £0.037m to a legal provision in relation to ongoing legal cases. The core underspend equates to 0.2% of the revised net budget of £99.458m, which is comfortably within the target for the revenue expenditure to be within 1% of the budget at out-turn. During 2018/19 the Constabulary's pay budget experienced pressure due to a combination of recruiting the additional 25 fte officers pledged by the Commissioner as early as possible, a decision to recruit a further 20 officers over establishment to insure against possible future recruitment delays when new police training arrangements are implemented from January 2020 and a higher than anticipated number of police ill health retirements, which were required to be funded. However, this was offset to a large degree by savings on supplies and services and additional income from special policing services. In relation to the Commissioner's budgets premises costs were slightly above budget, due, to higher utilities costs and repairs and maintenance. However, this was offset by savings in the Office of the Commissioner and additional investment income.

Budget forecasts during the year indicated that the Constabulary budget could be overspent by up to £0.75m. However, in the final quarter of the year a combination of pro-active work to manage the budget, lower than expected expenditure on supplies and services in the latter part of the year and generation of additional income, meant that the Constabulary came in just over budget at the year end.

The overall over-spend has been met from a budget support reserve, which was set aside for this purpose. Detailed outturn reports which explain the full range of variances can be found on the budget and finance section of the Commissioner's website.

The Commissioner maintains the Police Property Act Fund. The fund has been accumulated over a period of time as a result of the disposal of property coming into the possession of the police under the Police Property Act 1987 and the Powers of the Criminal Courts Act 1973. Community groups and individuals can submit applications for funding on a quarterly basis. During 2018/19 awards totaling £61k were made. As at 31 March 2019 the Police Property Act fund balance stood at £40k.

The 2018/19 Capital Expenditure Outturn amounted to £5.2m against a revised budget of £8.6m. During the year construction of a replacement deployment centre for the Eden area is now well underway. Preparations to roll out the new 'SAFE' Command and Control system in the control room are now well advanced, with the system due to go live in June 2019. Further development of the new crime system 'Red Sigma' and work on delivering mobile working solutions for officers and staff in roles, which are required to operate at multiple locations, has continued. Other capital expenditure has been incurred in the cyclical replacement of vehicles and ICT equipment.

The variance between actual expenditure and the revised budget is £3.4m (40%), which is significantly outside the 8% target for variations in capital

expenditure. Whilst actual performance has fallen substantially short of target, this has been for a number of reasons, which were largely outside of the control of staff working directly on schemes. The largest elements of slippage relate to a small delay in commencing construction of the Eden Deployment Centre, which began in early 2018/19 and a re-profiling of planned spend in relation to the control room futures and business futures ICT projects.

The Financial Statements

This section of the narrative report provides an explanation of the various parts of the financial statements alongside a high-level summary and narrative on the financial position. The aim of the statements are to demonstrate to the reader the overall financial position of the Commissioner at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Commissioner's website. The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)

- The Police Officer Pension Fund Accounts

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of policing and other services provided in the year and the income from government grants and council tax that fund those services. The CIES is shown on page 33 of the full statement of accounts. An expenditure and income analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in note 6 on page 52.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2018/19 £000s	Gross Income 2018/19 £000s	Net Expenditure 2018/19 £000s
Cost of Police Services	164,268	(8,293)	155,975
Cost of Services	164,268	(8,293)	155,975
Other Operating Expenditure	20,343	(19,690)	653
Financing Costs and Investment Income	35,539	(3,841)	31,698
Council Tax and Grant Income	0	(104,590)	(104,590)
(Surplus)/Deficit on the Provision of Services	220,150	(136,414)	83,736
Other Comprehensive Income and Expenditure			36,255
Total Comprehensive Income and Expenditure			119,991

The statement shows that the net cost of providing services in the year amounted to £155.975m, which is predominantly the costs of policing.

In addition to showing the cost of services, the CIES also sets out net financing costs of £31.698m. The most significant element of financing costs comprise pension charges (£31.242m). These charges are calculated in accordance with generally accepted accounting practices and do not all need to be funded

in the 2018/19 financial year. Financing costs also include the costs of borrowing (capital financing). These costs are extremely low other than those that fund the Workington PFI building. This is because the capital programme is funded internally using cash reserves to reduce investment risk and reflect the relatively low interest rates available on investing such balances. At the end of the financial year £19.347m (inclusive of PFI contract) of the capital programme is funded by the use of cash backed internal reserves rather than borrowing from the open market. At some point in the future, due to a planned reduction in reserves, the Commissioner will need to consider external borrowing.

Showing expenditure and income within this statement in accordance with generally accepted accounting practices results in expenditure exceeding income (a deficit on the provision of services) by £83.736m. A further accounting adjustment of £36.255m expenditure through the 'other comprehensive income and expenditure' line results in an overall position on the statement of a deficit of £119.991m. This is an accounting deficit that is taken to Unusable Reserves. Page 7 of this summary sets out the out-turn position based on the management accounts, and excluding the technical accounting entries required for the CI&ES. The management accounts show an overspend of £0.196m against the 2018/19 budget.

Movement in Reserves Statement

This statement shows the different reserves held by the Commissioner. These are analysed into 'Usable Reserves' and 'Unusable Reserves'. Usable reserves

can be used to fund expenditure. They may help to pay for future costs or reduce the amount we need to raise in council tax to meet our expenses. Unusable Reserves are principally technical accounting adjustments. The Movement in Reserves Statement shows the opening balance on all reserves at the start of the year, movements in year and the closing balance. The Movement in Reserves statement is shown on pages 35-36 in the full statement of accounts. The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2018 £000s	Movements 2018/19 £000s	Balance 31/03/2019 £000s
Police Fund	3,000	0	3,000
Earmarked Revenue Reserves	7,041	1,235	8,276
Earmarked Capital Reserves	12,854	(2,220)	10,634
Capital Receipts	1,449	647	2,096
Capital Grants Unapplied	5,781	363	6,144
Total Usable Reserves	30,125	25	30,150
Unusable Reserves	(1,184,603)	(120,125)	(1,304,728)
Total Reserves	(1,154,478)	(120,100)	(1,274,578)

Movements in usable reserves for 2018/19 show a net balance of £0.025m. This is the cumulative position recording the amounts we have drawn down from and contribute to specific (earmarked) reserves to help fund expenditure during the year. There are separate accounts to record our receipt and use of income from the sale of property and government grants for capital expenditure. Capital receipts amount to £0.647m and were received following the sale of Ulverston Police Station and one police house. Capital grants amounting to £0.939m were received during the year, of these £0.575m was applied to fund capital expenditure and the balance will in the future be applied to finance capital expenditure.

At the end of the year, the Police Fund at 31 March 2019 stands at £3.0m and provides for unplanned financial risks. Earmarked revenue reserves are £8.276m. These reserves provide for a number of specific operational contingencies, one off budget/project costs and funding to meet future liabilities in respect of insurances and the PFI contract. The most substantial area of reserves at £10.634m are now those set aside to fund the capital programme, the majority of which is planned to be fully applied by 2022/23. Further detail on earmarked reserves is provided within note 8 to the statement of accounts on pages 57-58.

At the 31st March 2019 we have negative unusable reserves of £1,305m. Unusable reserves provide a mechanism through which transactions are entered into the accounts in accordance with accounting standards. They also provide the means to manage differences in the timing and calculation of those transactions and the actual expenditure or income we need to charge to our accounts. For example, our properties are regularly re-valued. When this happens any increase in their value is shown in a revaluation reserve. The reserve 'records' the additional income we may receive when the property is sold, but it is 'unusable' until we decide to dispose of the property and achieve a sale. When we sell, the revaluation reserve will be reduced by any increase in value that was recorded before sale. The actual income we receive will be shown in our usable capital receipts reserve, where it can be used to fund new capital expenditure. The balance on our unusable reserves reflects the position following the required accounting

transactions. The cumulative position for unusable reserves includes reserves of:

- £47.724m in respect of the revaluation reserve and capital adjustment account, recording accounting transactions for our capital assets.
- -£1,350m in respect of negative pensions reserves. The pensions reserves record accounting transactions for the Police and Local Government Pension Schemes. The change in the balance on these reserves in 2018/19 is negative and is as a result of changes in actuarial assumptions that have increased scheme liabilities.

The Balance Sheet

The Balance Sheet shows the value as at the balance sheet date (31 March 2019) of the Commissioner's assets and liabilities. The balance sheet is shown on page 37 in the full statement of accounts. The table below sets out a summary balance sheet.

Summary Balance Sheet	Balance	Balance
	31/03/2018	31/03/2019
	£000s	£000s
Property, Plant & Equipment	61,494	65,329
Long Term Assets	2,003	2,743
Current Assets	30,993	25,367
Current Liabilities	(14,048)	(11,761)
Long Term Liabilities	(1,234,920)	(1,356,256)
Net Liabilities	(1,154,478)	(1,274,578)
Usable Reserves	30,125	30,150
Unusable Reserves	(1,184,603)	(1,304,728)
Total Reserves	(1,154,478)	(1,274,578)

The balance sheets shows property, plant and equipment assets, which include the Commissioner's estate, fleet of vehicles and ICT/communications equipment, with a value of £65.329m. Of this, land and

buildings comprise £54.402m. Long terms assets are comprised of intangible assets £2.743m. Current assets are principally made up of investments (£9.034m), debtors (£10.995m) and cash (£5.065m) and have a total value of £25.367m. Investments are made in accordance with the Commissioner’s treasury management strategy and support the management of reserves and cash flows. Debtors’ balances are primarily made up of institutional debtors, for example central government, and prepayments. This means that the risk of not receiving the debt remains low. The Commissioner has a good collection record in respect of debtor invoices raised for services provided. During 2018/19 seven sundry debtor invoices totaling £1,764 were authorised to be written off as not collectable. The provision for impaired or doubtful debts stands at £1,828 against the future risk that not all outstanding invoices will prove to be 100% collectable. The Commissioner’s debtors include a share of the debtors recorded by the 6 Cumbrian District Council’s in respect of council tax. This debt amounts to £2.403m and is reduced by the Commissioner’s share of their respective bad debt provisions of £1.057m. See note 14 to the statement of accounts (Page 72).

Balance sheet liabilities are amounts owed by the Commissioner. They include creditors, PFI debt, pensions and finance lease liabilities. They are split between short term (current) and long term liabilities, the current liabilities being those amounts due to be paid within 1 year. The most significant element of current liabilities are short term creditors which total £11.601m. The combined short and long term liability on the PFI scheme amount to £4.745m at 31st March 2019. Long term liabilities are the most significant

figure on the balance sheet, showing a balance of £1,356m (£1,235m in 2017/18). The main element of this amount is a pension’s deficit of £1,350m (£1,229m in 2017/18) for the Local Government Pension Scheme (LGPS) and the Police Pension Scheme. However, this deficit will be funded over a number of years, with financial support from Central Government, meaning that the financial position of the Commissioner remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash held in bank accounts and changes in Money Market funds. Money Market funds are an alternative way of depositing cash to earn interest. The cash can be withdrawn from the fund without having to give notice and they are therefore referred to as cash equivalents. The statement shows how the Commissioner generates and uses cash and cash equivalents. Cash flows are classified within the cash flow statement as arising from operating activity, investing activity and financing activity. The statement is shown on pages 38-39 of the full statement of accounts. The table below sets out a summary cash flow statement.

Summary Cash Flow Statement	Cash flows 2017/18 £000s	Cash flows 2018/19 £000s
Cash & Cash Equivalents 1 April	(3,044)	(3,774)
Net Cash Flow from:		
Operating Activity	(7,248)	(1,430)
Investing Activity	6,393	(3)
Financing Activity	125	142
Cash & Cash Equivalents 31 March, made up of:	(3,774)	(5,065)
Bank Accounts	(2,069)	(2,070)
Money Market Funds	(1,705)	(2,995)

The table shows a cash inflow of £1.430m from operating activity. This is the net of our cash income including government grants, council tax and charges for services, less how much cash has been paid out, for example for salaries and goods that have been purchased. Cash flows from investing activity show an inflow of £0.003m and primarily represents the net balance of investment deposits less the amount of cash received when the investment comes to the end of its term. Investment activity provides a way to manage resources that will be used to fund future expenditure, earning interest on any balances. Investment activity also includes cash flows from the purchase and sale of capital assets (e.g. property). Cash flows arising from financing activities show a net cash outflow of £0.142m, this being amount of cash used in relation to financing and borrowing. The Commissioner has no borrowing other than that which relates to finance leases and the PFI agreement. An amount of £142k was paid to reduce those debts during the year.

The Commissioner's cash flow statement shows an overall balance of £5.065m, compared to £5.774m in 2017/18, reflecting an increase in cash and cash equivalents of £1.291m over the year. At the end of the year £2.995m of the Commissioner's cash deposits was held in money market funds and £2.070m in banks.

Police Officer Pension Fund Account

This statement sets out the transactions on the police officer pension fund account for the year. The statement records all the contributions that have been made during the year to the pension fund. These are primarily contributions from employees and the

Constabulary as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions. These are either transferred contributions, where members join the Constabulary and pension scheme during the year, through transfer from another police force, and transfer in their existing pension benefits. Other contributions also include additional payments made by the employer to cover the cost of ill-health retirements. The fund records the pensions (benefits) that are paid out of the fund to its members. Any difference between the contributions received into the fund and the amount being paid out is met by government grant. This means the police pension fund always balances to nil.

Summary Police Pension Fund	Pension Fund A/C 2017/18 £000s	Pension Fund A/C 2018/19 £000s
Contributions - Employer	(8,194)	(8,506)
Contributions - Officers	(5,185)	(5,372)
Contributions - Other	(357)	(578)
Benefits Payable	35,724	35,878
Other Payments	32	79
Net Amount Payable	22,020	21,501
Contribution from Home Office	(20,918)	(20,343)
Additional Funding Payable by the Police and Crime Commissioner (2.9%)	(1,102)	(1,158)
Net Amount Payable	0	0

The statement identifies contributions into the fund of £8.506m from the Constabulary (employer) and £5.372m from police officers. Employer contribution rates in 2018/19 were maintained at 21.3%. In total £35.878m of pensions have been paid out of the fund. The balance between contributions and those

pensions' benefits of £21.501m has been funded by Home Office Grant of £20.343m and additional contributions from the Commissioner of £1.158m. The full police officer pension fund account is shown on pages 98 to 99 of the financial statements accompanied with a page of explanatory notes.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Police and Crime Commissioner and the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

Business Review

During 2018/19, the Commissioner has continued a number of programmes and initiatives working with the Constabulary and wider partners to deliver the key priorities within the Police and Crime Plan.

During the year, there has been a significant focus on developing and commissioning services to support victims to recover from the impact of a crime and prevent further abuse or harm. A key service is the **Victim Support core service**, whose role is to provide information, practical and emotional support and advocacy for victims of all types of crime and domestic

abuse, tailoring it to the individual following a needs assessment. Overall, service users have reported an improvement in their experience of the criminal justice system, in how safe they feel, in reintegration into their normal life and, particularly, in their health and well-being.

In May 2018, the Commissioner took on the lead commissioning role for a new integrated **Integrated Independent Domestic Abuse & Sexual Abuse Crisis Support Service**, working with Cumbria County Council. This service brings together specialist support for victims through trained Independent Domestic Violence and Independent Sexual Violence Advisors, who conduct a risk assessment with the victim, help them to develop a safety plan and provide practical and emotional support and advocacy with other agencies. This support also forms part of the services available from The Bridgeway Sexual Assault Service, for which the Police and Crime Commissioner has continued to provide the lead commissioning and budget management role. He also contributes funding towards and works with providers to develop the forensic-medical and the therapeutic services.

The Commissioner has also worked with Cumbria County Council, NHS England and other partners to develop and commission a combined victim service under one contract, which aims to ensure victims get to the right person to support them as soon as possible and to avoid them having to repeat their story. This involved the implementation of a new approach to procuring the service, using the Light Touch Regime of procurement, to enable the Commissioner to shape a realistic service, maximising value for money, through negotiation with bidders.

The Commissioner has continued to fund **Remedi**, a not-for-profit company, to provide restorative justice services across Cumbria. Restorative Justice gives victims the chance to meet with or write to the person who committed the crime so they can explain the impact it has had upon them and others close to them. They are able to ask questions and gain answers which can provide them with a degree of closure. Between April 2018 and December 2018, Remedi has facilitated 53 victim and offender face to face conferences and 22 indirect interventions (for example, where messages are passed between victim and perpetrator via a Remedi worker).

In October 2018, the Commissioner agreed to further fund the **Brathay Trust 'Be SAVY'** (Be Safe and Value Yourself) until 2021 following success of a two year pilot. The project provides young people who are identified as being vulnerable to sexual exploitation to undertake a group programme which builds their self-confidence, develops an understanding of what makes healthy relationships and how to identify grooming, as well as giving them healthy coping strategies.

In addition to commissioned services, the Office of the Police and Crime Commissioner has led a review of the compliance of criminal justice agencies with the Code of Practice for Victims of Crime, using the Quality Assessment Framework it developed during 2017-18. This is helping to shine a light on the requirements under the Victims' Code and focus agencies on improvements in key areas such as providing the opportunity to give a Victims' Personal Statement.

The Commissioner has supported his Victims' Advocate who continues to champion the cause for victims, and importantly, help drive up standards. The Victims'

Advocate has worked with Cumbria County Council to dip-sample high and medium risk domestic abuse cases referred into Victim Support to evaluate the quality of service provided. Also, the Victims' Advocate coordinated and chaired quarterly meetings with victims of antisocial behaviour and crime receiving, first hand feedback on their personal experience and acting as a sound board for potential service developments.

The OPCC has also continued to fund and drive improvements in programmes to work with perpetrators of domestic abuse, 'Turning the Spotlight' on domestic abuse of adult partners and 'Step-Up' which focus on reducing incidents of domestic abuse by working with perpetrators and victims, providing a holistic support service for the whole family. The 'Turning the Spotlight' programme has received over 700 referrals since its implementation in 2015. Between April 2018 and March 2019, 111 people completed the programme. In addition 106 families participated in the Step-up programme, which aims to change behaviours and reduce domestic abuse incidents perpetrated by adolescents and children on parents and/or carers. Over 6,400 students are now better informed to recognise the signs of grooming and the dangers associated with sexual exploitation having attended the theatre production **Chelsea's Choice** in their school during February and March 2018.

The Petal's programme, being delivered by Women's Community Matters, was launched in April 2017. This initiative provides an 8-week one to one support package that works with women who have experienced and perpetrated abuse and those at risk of offending. During the two year period 2017-19, 98

women have completed the Petals Programme, of which 67 had children under 18 years old.

The Commissioner has recently funded **The Well Project**, which provides support to ex-offenders and veterans to take control of their recovery from substance abuse, by working on a targeted approach aimed at reducing offending. Working with the police and other agencies, this project is providing direct support right at the heart of Egerton Court (Barrow) where many of the residents experience problems such as substance misuse, mental health issues, housing instability and material poverty.

Continued to fund Get Safe Online project' offering a comprehensive programme of online safety and awareness training over the next three years. Over 750 people are now better informed about online safe having successfully completed a **Get Safe Online** community awareness training session, funded by the Commissioner. The sessions aim to help protect participants against fraud, identity theft, viruses and other security threats, as well as wider safety issues related to meeting people online.

The Commissioner funded workshops in primary and secondary schools to educate children and young people on the impact of getting involved in anti-social behaviour, gangs, serious and organised crime and victim awareness. Local Inspectors were involved in this project to help identify the topics for discussion aimed at providing specific interventions to address issues within a policing area. Workshops were delivered in 16 schools – 8 primary and 8 secondary schools across the county. A total of 1,556 children and young people attended the workshops.

294 young people aged 16 and 17 years old in South Cumbria have a better understanding of the consequences of buying/taking drugs, the different types of drugs available, and how to manage the situation if a friend or peer is in trouble after taking drugs. They have all attended a new psychoactive substance workshop delivered by **Youth Engagement Services (South Lakeland CIC)**, funded by the Commissioner.

Victim Support is commissioned to provide the **Turning the Spotlight** programme which works with perpetrators, victims and their families, using restorative principles to help service users better understand and maintain healthy relationships, reducing incidents of domestic abuse. It is a ground-breaking initiative developed in Cumbria in 2015, and is accessible county-wide, either by self-referral or through referral from partners (such as Children's Social Services) or the police. During January 2018 to December 2018, the project supported 85 perpetrators of domestic abuse and 68 victims. Children or young people were involved in 86% of cases.

The Commissioner has recently funded the specialist project **Operation Encompass**, following the successful pilot scheme in 2017. Operation Encompass is designed to provide early reporting to schools of any domestic abuse incidents that occurs outside of school hours and might have an impact on a child attending the school the following day. It is a partnership between the Constabulary, Cumbria County Council, the local Children's Safeguarding Hubs and schools. This project is providing early, efficient trauma-informed support to children of domestic abuse across the county.

Over 6,000 secondary school students are now more aware of coercive control and domestic abuse in teenage intimate relationships, having attended a **Tough Love** school performance during November and December 2018, funded by the Commissioner.

Over 6,400 students are now better informed to recognise the signs of grooming and the dangers associated with sexual exploitation having attended the theatre production **Chelsea's Choice** in their school during February and March 2018.

Through his commissioning budget he has funded Alter Ego to deliver 'Feel the Hate', a bespoke Cumbrian educational theatre production delivered in secondary schools aimed at raising awareness of hate crime, its impact and where to go for help and advice. The play was delivered in 50 schools across Cumbria during September and October 2018. Feedback from schools has shown that young people now feel better informed about hate crime and that some schools are continuing to raise awareness in their lessons.

He continues to invest in a number of schemes through his Property Fund and Community Fund to provide diversionary, positive and healthy activities for young people. This has included funding for sports clubs and activities during the school holidays. Funded speed laser devices for use by local communities to deter people from speeding in their areas.

The Commissioner's Youth Commission continued to deliver projects across the county linking in with their priorities: drink driving, abusive relationships, child exploitation and new psychoactive substance (e.g. production of a hard hitting awareness video for drink and drug driving, working as an advisory group with

the Longtown Community Alcohol Project, developed a video to raise awareness of child sexual exploitation (CSE), designed a mobile mural to be displayed at various events to raise awareness of young people and healthy relationships. Following the launch of Cumbria's Mini Police in 2018, participant schools and Mini Police Officers have taken part in everything from road safety patrols, local litter picks, educational talks on county lines drug dealing, to supporting local events including the Tour of Britain. Cumbria currently has 26 member schools, with more new intakes planned for this year. The Commissioner also provided grant support to a range of youth activities.

The Commissioner has negotiated a collaboration agreement and governance structure between Cumbria County Council, Cumbria Fire & Rescue Service, the Constabulary and the North West Ambulance Service to develop work streams around Blue Light Collaboration. The Commissioner chairs the Blue Light Collaboration Executive Leaders Board, which oversees the work.

To date, a number of work streams have been undertaken:

- A six month trial is currently ongoing around shared tasking and co-ordination between Cumbria Rescue & Fire Service and the Constabulary to co-ordinate activity on a daily and monthly basis.
- Scoped and evaluated opportunities around a Joint Command and Control Centre for Cumbria, concluding that this is not a viable option at the moment.

- The Cumbria Fire & Rescue Service are now integrated within the Local Focus Hubs across the county.
- Plans are in place to enable the Constabulary and North West Ambulance Service to initially access up to seven Cumbria Fire & Rescue Service premises in rural areas across the county. This will provide a rural base for these agencies, reducing the need to travel back to their initial deployment centre.
- Ongoing trial of two Joint Emergency Services Officers (JESO), one in the south of the county and one in the west. This role fulfils the function of a PSCO and an on call fire fighter. This is currently been evaluated.
- Three Joint Incident Command Unit Vehicles are being utilised across the county at public events and can be used for major incidents. An evaluation is currently been undertaken to identify the benefits of these.

The Youth Commission continues to deliver projects across the county linking in with their priorities: drink driving, abusive relationships, child exploitation and new psychoactive substance. Some of the work includes:

- The production of a hard hitting awareness video for drink and drug driving. The release of the video coincided with the Commissioner drink driving campaign in December 2018.
- Developed a video to raise awareness of child sexual exploitation (CSE) which will be launched in time for the national CSE awareness day on the 18th March 2019.

- Developed a mobile mural to be displayed at various events to raise awareness of young people and healthy relationships. This is currently being displayed at the Forum in Barrow.
- Working as an advisory group with the Longtown Community Alcohol Project as the voice of young people in rural and isolated areas.

Following the launch of Cumbria's Mini Police in 2018, participant schools and Mini Police Officers have taken part in everything from road safety patrols, local litter picks, educational talks on county lines drug dealing to supporting local events, including the Tour of Britain. Cumbria currently has 26 member schools, with new intakes planned for this year. The Police Cadets scheme is providing opportunities for young people to be involved in policing, giving them a chance to be heard and inspiring them to participate positively in their communities.

The Commissioner and Chief Constable agreed the budget following public consultation. The additional revenue contributed to funding:

- ❖ 25 additional police officers within the Local Focus Hubs, providing a visible presence across the six districts, tackling issues that are important.
- ❖ Maintaining Police Community Support Officers (PCSOs) guaranteeing the delivery of a strong proactive visible presence in the community.
- ❖ Increasing the number of armed officers available to protect and respond to potential terror threats or dangerous individuals.
- ❖ Improving the protection of children from abuse, especially online grooming and exploitation.

Greater protection against online crime and fraud.

During the year, the Commissioner launched a 12 month campaign to help keep Cumbria's road safer, in response to what local residents tell them are one of their main concerns within their community. Throughout this campaign, the Commissioner will be working with partners and local communities to highlight the many aspects of safer driving, focusing on a different theme each month.

Our key events diary sets out the significant activities that have shaped our work over the year, providing an overview of what we have delivered and achieved.

Key Events

April 2018

- Independent Custody Visitors attend the ICV Annual Conference.
- Chelsea's Choice returns to Cumbria to raise awareness of child sexual exploitation.

May 2018

- The new Independent Domestic and Sexual Abuse Crisis Support Service, commissioned by the PCC and Cumbria County Council, commenced on 1st May.
- PCC joins youngsters and their coaches in a free sports session at Patteril Bank, Carlisle to see first-hand how his Community fund award to Greenwich Leisure is progressing.
- Work commenced on the new Eden Police Deployment Centre.
- PCC thanks the public of Cumbria for their continued support having finished his second year in office.
- PCC joins Cumbria Police Mobile Support Group out on patrol in the north of the county.
- PCC sponsors The Diverse Cumbria Awards which celebrates equality and diversity across Cumbria.
- PCC attends the launch of the Cinnamon Network aimed at helping vulnerable people within Cumbria.

- PCC attends launch of the Triple A project 'All About Autism' the training film for police officer aims to raise awareness and promote an understanding of autism.
- Chelsea's Choice returns to Cumbria to raise awareness of child sexual exploitation.

June 2018

- The Commissioner attends the Cumberland Show.
- Get Safe Online Event is held in Workington Town Centre to raise awareness of online safety.
- PCC provides funding for speed watch laser devices to be used by local communities to tackle speeding in their area.
- Held three public surgeries across Cumbria to listen to the views of local communities.
- 3 projects awarded funding from the PCCs Community Fund and 13 from the Property Fund.
- PCC attends attestation events across the county as part of the Volunteer Police Cadet Scheme.
- In partnership with Cumbria Constabulary and through Safer Cumbria, a Serious Organised Crime Event was held to brief partners on the threats to Cumbria posed by serious and organised crime.

July 2018

- PCC hosts a visit from the Victims Commissioner, Baroness Newlove to show how victims of crime are supported in Cumbria.
- PCC holds 3 public surgeries across Cumbria.
- PCC attends the Citizen's in Policing Awards Ceremony.
- PCC attends Longtown Community Centre with the local policing team to discuss local issues with residents.
- PCC attended Mini Police Sports Day in support of the Constabulary's chosen charity JIGSAW.
- PCC attends the Constabulary's launch of Bodyworn Video Cameras.
- PCC attends Kendal Calling to see first-hand police dogs in action.
- Recruitment begins for additional volunteers for PCC's Independent Custody Visitor Scheme
- PCC announces the winners of the Community Awards for North, South and West Cumbria.

August 2018

- PCC runs campaign to attract volunteers to join the Independent Custody Visitor Scheme.
-

September 2018

- PCC attends Cumbria Pride Event in Carlisle.
 - PCC attends Barrow Emergency Services Open Day.
 - The Commissioner joins representatives from Cumbria Constabulary and the Security Industry Authority (SIA) at a conference to help promote ways to safeguard people, especially the vulnerable, who are out enjoying the night time economy in Cumbria.
 - PCC launches Innovation Programme aimed at supporting vulnerable young men.
 - PCC takes part in covert operation to tackle retail crime in Carlisle.
 - PCC joins a training session at Aspatria Hornets Junior Rugby Club to see how training equipment purchased through his Property Fund is being used.
 - 6 projects are awarded funding from the PCC Property Fund.
 - PCC runs campaign to attract volunteers to join the Independent Custody Visitor Scheme.
 - The Commissioner attends the Westmorland Show
 - 5 projects are awarded funding from the PCC Property Fund for September 2017
 - PCC in partnership with Safer Cumbria held Domestic Abuse and Sexual Violence Support Service consultation.
 - PCC reduces staff costs by combining existing roles of two senior members of staff to cover Chief Executive Post on a permanent basis.
-

October 2018

- PCC supports world Mental Health Day.
 - PCC launches his second Annual Report.
 - PCC attends the launch of the Cumbria Domestic Abuse Champions Network.
 - PCC extends his support of the Brathay Trust 'Be SAVY' project to help keep safe young people at risk of sexual exploitation.
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- PCC attends the North West Independent Custody Visitor Scheme conference.
 - As part of the Hate Crime Awareness Week, the PCC attends the performance of 'Feel the Hate' at Queen Katherine's Secondary School, Kendal.
 - PCC officially opens Hospice at Home Wigton Shop during National Hospice Care Week.
 - PCC holds 2 public surgeries across Cumbria.
 - PCC funds specialist project, Operation Encompass, designed to provide early reporting to schools of any domestic abuse incidents that occur outside of school hours and may impact on a child attending school the following day.
-

November 2018

- 6 projects are awarded funding from the PCC Property Fund and 4 projects from the Community Fund.
 - PCC attends the Neighbourhood Watch AGM.
 - PCC holds 4 public surgeries across Cumbria.
 - PCC supports National Anti-Bullying Week, attending presentations at primary schools to raise awareness.
 - PCC attends Cumbria Youth Commission's Drink/Drug Driving Awareness Video premiere.
 - PCC attends the Cumbria Community Heroes Awards.
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December 2018

- PCC and Chief Constable launch a year-long campaign to help keep Cumbria's roads safer. In December, the campaign focused on the dangers of driving whilst under the influence of drink or drugs.
 - PCC joins officers on patrol in Carlisle on Festive Friday.
 - 5 Projects are awarded funding from the PCC's Property Fund for December 2018.
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January 2019

- PCC launches consultation on Council Tax Precept.
 - Police and Crime Panel voted unanimously to support the Commissioner's Council Tax proposal.
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February 2019

- PCC agrees Police Budget for 2019/20.
 - PCC attends Mencap's 'Mate Hate' Film Launch during Hate Crime week.
 - PCC holds surgery at Sellafield.
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- PCC joins MENCAP to celebrate their 50th Anniversary.

March 2019

- 12 projects are awarded funding from the PCCs Property Fund.
- PCC attends the Freedom Parade in Kendal.
- PCC holds live chat on Facebook regarding Child Sexual Exploitation.
- PCC attends Get Safe Online Business Event in Kendal.
- PCC holds a public surgery in Kendal.
- PCC holds Independent Custody Visitors Annual Conference.
- MENCAP launches 'Mate Crime' DVD funded by PCC the DVD aims to raise awareness of this type of hate crime.
- 7 Projects are awarded funding from the PCCs Property Fund for March 2018.

April 2019

- PCC attends Livestock Awareness Event in Buttermere.
- PCC holds a surgery for students at West Lakes College.

May 2019

- PCC holds a Vulnerability Symposium at Newton Rigg College to raise awareness amongst students of the dangers associated with county lines and other forms of exploitation (such as sexual exploitation and human trafficking).
- PCC supports the Diverse Cumbria Awards.

Performance Report

We measure our performance across a number of key themes reflecting the priorities in the Police and Crime Plan. These are Effective Policing, Community Safety, Criminal Justice, Customer/Victim Satisfaction and Finance & Value for Money.

Effective Policing

- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Police Effectiveness Efficiency and Legitimacy (PEEL)

Inspections: The PEEL Inspections judge the efficiency, effectiveness and legitimacy of the Constabulary in keeping people safe and reducing crime. For 2018/19 HMICFRS determined that the Cumbria Constabulary was 'good' in all aspects of effectiveness, efficiency and legitimacy. The Chief Constable reports to the Police and Crime Commissioner on how the Constabulary will tackle any areas requiring improvement and her response to HMICFRS recommendations.

- In addition, the Constabulary was graded as 'Outstanding' in a thematic HMICFRS inspection of Crime Data Integrity. Cumbria is only the second force to achieve this rating on the first inspection.
- For 2018/19 overall crime increased by 29%, which equates to an increase of 8,268 crimes over the 12 month period to 31st March 2019. The increase is largely attributable to improved crime reporting.
- Violence against the person offences have increased by 53% over the year. Whilst almost all categories of violent crime showed an increase, the largest increases were seen in the less serious violence without injury category. Again, improved standards of crime reporting and recording are the principal reasons for the increase.

Community Safety

- Antisocial behaviour has continued to fall, and has seen a 19% reduction compared to the same period last year.
- Hate crimes and incidents continue to be closely monitored. During 2018/19, the number of incidents rose by 26%, which equates to 110 crimes. The Constabulary and partners continue to work to encourage reporting of hate crime. Based on the latest data, in comparison with other forces,

Cumbria has one of the lowest levels of hate crimes both nationally and in the North West region.

- Work has also targeted increased reporting for sexual and domestic violence. During the year reported incidents of domestic abuse have increased by 9.6% and there has been a 26% increase in reported sexual offences.

Criminal Justice

- All recorded offences are assigned an outcome based on a national framework for crime. Crime outcomes are classed as positive where the offender is either charged or summonsed, receives an out of court disposal or where the Crown Prosecution Service (CPS) or police determine it is not in the public interest to prosecute. In all cases the crime outcome represents positive police activity in detecting the crime. Positive crime outcome performance is 19% for 2018/19.
- Cumbria conviction rates for Magistrates Court cases for the quarter to September 2018 equated to 92%, which is ranked 1st nationally amongst 42 forces. Crown Court convictions for the same period equated to 86%, Cumbria is ranked 4th out of 42 forces.

Customer and Victim Satisfaction

- Performance in customer and victim satisfaction is measured through regular independent surveys following police contact. This is supplemented by the process for police complaints that includes independent sampling of complaint files and scrutiny of local to national comparatives against complaints upheld.

- The latest satisfaction figures for the overall service experience (which includes criteria such as 'making contact', 'action taken', treatment by staff') remain high at 80.6%.
- When allegations are made against the police, those resolved locally perform well against national comparative timescales.

Finance & Value for Money

- We measure our performance against targets for achieving financial outturn within a percentage of the net budget. For 2018/19 this was set at 1% for the revenue budget and 8% for the capital budget.
- Actual performance for revenue (excluding the one off contribution to provisions) was 0.2%, achieving well within the target.
- Capital outturn was 40% below budget, falling significantly outside target. Whilst this was a disappointing result, the year-end position was expected and was largely attributable to milestone payments on large projects falling into early in the following year, rather than signalling a significant delay in delivering the programme. Stretch targets will continue to be set for capital expenditure going forward as a recognised area for performance improvement.
- In previous years the budget for the Commissioner and Office of the Police and Crime Commissioner was benchmarked against HMIC Value for Money profiles. Following the inclusion of fire and rescue services under the remit of HMIC, costs for police and crime commissioners are no longer included in the VFM comparators. It has therefore not been possible to undertake a Value for Money analysis

for the Office of the Police and Crime Commissioner for 2018/19.

- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) 2018/19 PEEL inspection assessed the Constabulary as good in respect of efficiency.
- Outcomes against wider performance measures that indicate the effectiveness of activity and interventions are strong against the priority areas of keeping crime at low levels, reducing anti-social behaviour, bringing criminals to justice and increasing reporting of hate crime and domestic and sexual abuse.
- Collectively, these indicators provide assurance of Value for Money in respect of the 2018/19 financial year.

The Future Outlook

Following his election in 2016, Peter McCall the Police and Crime Commissioner for Cumbria launched his Police and Crime Plan covering the period to 2020. The Plan's key theme is 'Making Cumbria Even Safer' and sets the strategic direction for policing and wider aims for enhancing community safety, criminal justice and supporting victims.

The overall financial position remains strong, which is reflected in the Medium Term Financial Forecast, which sets out the revenue budget position until 2022/23 and a capital programme, which is fully funded over the same period and will support delivery of the 2016-2020 Police and Crime Plan. The current financial position has primarily arisen as a result of positive action on behalf of the Constabulary to reduce

costs in the context of reductions in government funding since 2010. This has enabled reserves to be maintained at a level that balances financial resilience and supports continued investment.

The Medium Term Financial Strategy and 2019/20 budget was approved in the context of the Government providing additional funding to meet increased police pension contributions and affording Commissioners' increased flexibility to raise council tax. However, this is accompanied by increasing cost pressures including national training and ICT initiatives and the economic uncertainty regarding Brexit.

Against this background the 2019/20 budget resources an establishment of 1165 Police Officers, an increase of 20 and maintenance of the establishments for Police Community Support Officers and Police Staff. The budget also supports smaller investments in cyber crime, victims safeguarding, staff welfare and engagement. The budget provides £130m funding for the Chief Constable to deliver policing for Cumbria. The longer term 10 year capital programme commits to £63.2m investment across the estate, fleet and ICT.

Whilst the position is financially resilient in the short term, the future outlook is uncertain. Based on the MTFF assumptions, savings will need to be delivered from 2020/21 to balance the budget forecast, which will rise to £4.1m by 2022/2023. There are a number of financial risks in relation to the adequacy and sustainability of funding, the cost of national policing programmes and the potential review of the police funding formula.

In light of the financial outlook above and in the context of the MTFF and savings plans, the Commissioner and the Joint Chief Finance Officer have reviewed the going concern position of the PCC/Group and have concluded that it is appropriate to produce the Commissioner's accounts on a going concern basis.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis the Deputy Chief Finance Officer, Lorraine Holme and the wider finance team in again achieving the closure of accounts and the publication of these Statements against challenging deadlines and complex financial reporting standards.

Roger Marshall

Joint Chief Finance Officer

Acknowledgements

The financial statements were originally authorised for issue by me as Joint Chief Finance Officer on 23 May 2019. Following completion of the audit, they were re-authorised by me on 25 July 2019 and were formally approved by the Police and Crime Commissioner on the same day.

The accounts present a true and fair view of the position of the Police and Crime Commissioner for Cumbria Single Entity and Group Accounts as at 31 March 2019 and its income and expenditure for the year there ended.

Signature removed for publication on website

Roger Marshall CPFA

Joint Chief Finance Officer

Date: 25 July 2019

Signature removed for publication on website

Peter McCall

Police and Crime Commissioner

Date: 25 July 2019