

Constabulary Revenue Budget Monitoring 2019/20

Forecast as at 30 September 2019 to Public Accountability Conference 07 November 2019

Constabulary Summary at September 2019

The current forecast of net expenditure amounts to £122.307m compared to a revised budget of £122.019m. The variance amounts to a forecast overspend of £288k (0.24%) and is made up of a forecast overspend on expenditure budgets of £859k (0.67%), an increase in income of £29k (0.44%) and an assumption that we will receive £542k in funding in relation to costs incurred during 2019/20 to service Operation Uplift.

The forecast overspend represents an increase of £303k compared with the underspend of £15k reported as at the end of June 2019. The major changes between June and September are principally in relation to the assumptions made with regard to the police officer recruitment in response to the government's proposed increase in police officer number (Operation Uplift) and around central funding for provided in relation to these additional costs. In addition, reductions in PCSO pay (leavers to join as regular police officers), reductions in payments to NWROCU offset by additional expenditure on uniform, operational equipment & services, accommodation, ICT, training and car hire.

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 @ JUN-19 £'000s	Change from JUN-19 to SEP-19 £'000s
Constabulary Funding						
Police Officers	86,077	86,494	417	0.48%	24	393
Police Community Support Officers	2,738	2,581	(157)	-5.73%	64	(221)
Police Staff	22,564	22,515	(49)	-0.22%	(123)	74
Other Employee Budgets	1,704	1,806	102	5.99%	5	97
Transport Related Expenditure	2,294	2,314	20	0.87%	(12)	32
Supplies & Services	11,001	11,555	554	5.04%	115	439
Third Party Related Expenses	2,253	2,225	(28)	-1.24%	24	(52)
Total Constabulary Funding	128,631	129,490	859	0.67%	97	762
Income	(6,612)	(6,641)	(29)	0.44%	(112)	83
Total Constabulary Funding Net of Income	122,019	122,849	830	0.68%	(15)	845
Op Uplift Funding Assumptions	0	(542)	(542)	0.00%	0	(542)
Adjusted Constabulary Funding	122,019	122,307	288	0.24%	(15)	303

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

In relation to the Government's pledge to recruit an additional 20,000 officers nationally, known as Operation Uplift, forces have been requested to commence the recruitment of officers as quickly as possible to ensure that the Government's target of recruiting the additional officers by the end of 2022/23 is achieved. This report includes £989k of expenditure currently expected to be incurred in 2019/20 to service Operation Uplift and includes the direct costs of the additional officers in relation to pay, uniform and equipment, recruitment costs and enabling police staff posts, such as trainers. The Home Office has given Cumbria a target of recruiting an additional 51 officers by March 2021, which is expected to be substantially achieved by March 2020.

Whilst funding for Operation Uplift has been promised and included in the Chancellor's spending round, details of the level and timing of funding at a force level has still to be announced. The report assumes that funding of £542k will be received. This is based on re-imburement of officer salary costs on a pro-rata basis in proportion to the Government's target number of officers and an assumption that all indirect costs, except accommodation, will be met in accordance with the Home Office funding model.

The figures are based on the indicative plan for new recruits of 27 FTE in September, 2 intakes of 18 FTE in November a single additional intake of 18 FTE in January and the planned intake of 18 FTE PCDA recruits in February, plus an increase in transferees without a corresponding reduction in intake numbers.

Appendix A provides a graphical presentation of planned intakes of police officers included in the above assumptions.

Largely as a result of Operation Uplift, the police officer budget is forecast to overspend by £417k, the overspend arises through a combination of:

- Changes to the workforce plan in response to operation uplift including increased number of new recruits £480k
- Increase in the number of transferees £112k
- holiday pay/pay in lieu of notice £86k
- Increase in overtime £116k
- Increase in injury pensions (backdated payments on appeal) £45k

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Offset by

- Pay Award at 2.5%, compared to 3% budgeted (£240k)
- Other changes to workforce plan including leavers and promotions, (£62k)
- A higher than assumed number of officers who have elected not to be members of one of the police pension schemes (£120k)

The PCSO budget is forecast to underspend by £157k. This is due to an increase in the number of forecast leavers to become officers and the removal of the planned PCSO intake in March 2020, to allow the recruitment and training teams to focus on bringing additional police officers in response to Operation Uplift.

The police staff budget is forecast to underspend by £49k. 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 and a forecast increase in response to additional posts created as part of Operation Uplift to support the recruitment of police officers.

The other employee expenses budget is forecasted to overspend by £102k. This is largely as a result of assumptions made with regards to recruitment and welfare costs associated with operation uplift (£50k), other additional recruitment costs (£24k), welfare costs (£21k), and management of change (£7k).

The transport related budget is forecasting to overspend by £20k, the primary reason for this is in relation to a forecast overspend on vehicle repair and maintenance (£15k) and vehicle decontamination (£4k).

The supplies and services budget is showing a forecast overspend of £554k. This is largely as a result of:

- additional expenditure in respect of police pension schemes £30k,
- increased costs of custody provision regarding Appropriate Adult Services £67k,
- increased expenditure on uniform as a result of operation uplift £54k, offset by reductions due to changes to PCSO and specials recruitment etc. -£16k
- increased expenditure on training accommodation £280k, partly as a result of operation uplift and partly as a result in a forecast delay in when the new accommodation hostels at the Eden Deployment Centre will become available.
- a forecast overspend on ICT of £485k including £75k additional cost of control room futures (additional dual running), £78k additional networks costs, £130k of additional ICT equipment as a result of operation uplift and £201k in respect of an ICT savings target yet to be identified.
- A forecast increase in operational equipment (firearms equipment) £26k.

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Offsetting these forecast overspends are:

- efficiency savings which have been removed from individual budget lines £163k,
- a forecast underspend on the custody medical contract of £27k,
- forecast underspend on forensics of £46k and intelligence £9k,
- a forecast underspend on confiscated animals £14k,
- a forecast underspend on consultancy £35k
- the fact we have not yet committed all of the force contingency £81k.

The third party payments budget is forecast to underspend by £28k. This includes a forecast reduction to our contribution to NWROCU (£45k), a reduction in forecast expenditure in relation to training collaboration with Lancashire (£22k), additional spend on the pensions provider (£6k), contract extension to our payroll contract (£7k), an increase to National ICT charges (£6k) and an additional contribution to the national enquiry on undercover policing (£15k), other collaboration and co-working (£4k).

Income is currently forecast to exceed the budget by £29k, this includes a number of smaller variances on individual income budget lines.

Potential Risk Areas

The figures provided above are based on current information as at the end of September. 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 overspend could increase.

The forecasts also assume pay inflation from September 2019 at 3% for police staff (2.5% agreed for police officers is included in the forecast). If the final settlement is higher or lower than this assumption the forecasts made at the end of September would change.

At this time the funding position of Operation Uplift remains uncertain. There are risks both in relation to the quantum and the timing of the funding, uncertainty over whether it will be received in 2019/20 or 2020/21, which have the potential to impact on the final outturn position.

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Appendix A – Proposed WFP Model 2019-20 in Response to Operation Uplift

