



Cumbria Office of the Police and Crime Commissioner Report

Title: Commissioner's Revenue Budget Monitoring 2019/20 Quarter 4 and Provisional Outturn 2019/20

Date: 20 May 2020

Originating Officer: Michelle Bellis – Deputy Chief Finance Officer

Report of the Joint Chief Finance Officer

1. Purpose of the Report

1.1. The purpose of this report is to provide information on the provisional revenue outturn for 2019/20. The figures quoted at this stage are reported as provisional as the final accounts are still subject to audit but it is not envisaged that there will be any significant changes. Total net expenditure amounts to £103.415m compared to an approved budget of £103.742m. This is a net variance of £327k (0.32%). The variance represents an underspend of £196k in relation to funding provided to the Constabulary and an underspend of £131k on budgets managed by the OPCC. The variation of £327k represents a reduction in the forecast variance of £746k compared to the £419k overspend reported as at 31 December 2019.

2. Recommendation

- 2.1. The Commissioner is asked to note the combined provisional outturn position of an underspend of £327k for the financial year 2019/20.
- 2.2. The Commissioner is asked to approve the transfer of £195k of this underspend to a reserve to develop a new training and development system with the remaining £132k earmarked in a reserve to help fund 2020/21 expenditure on the Constabulary's response to and recovery from COVID-19.

3. Revenue Expenditure

- 3.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £103.415m, and is £327k (0.32%) under the approved budget of £103.742m. The forecast underspend position is made up of an underspend of £131k in respect of budgets controlled by the Commissioner and an underspend of £196k in respect of Constabulary budgets.
- 3.2. The principal variances at the end of the financial year are outlined in the table below with comparative figures reported as at December 2019:

Description	Revised Budget 2019/20 £'000s	Provisional Outturn 2019/20 £'000s	Provisional (Under)/ Overspend 2019/20 £'000s	Provisional (Under)/ Overspend 2019/20 %	Projected (Under)/ Overspend @ DEC-19 £'000s	Change in Forecast DEC-19 to ADJ-20 £'000s
Office of the Police and Crime Commissioner	757	735	(22)	-2.91%	(23)	1
Other PCC Budgets	(17,814)	(17,923)	(109)	0.61%	(167)	58
Movements To / (From) Reserves	(611)	(611)	0	0.00%	0	0
Total OPCC Budgets	(17,668)	(17,799)	(131)	0.74%	(190)	59
Funding Provided to the Constabulary	121,410	121,214	(196)	-0.16%	604	(800)
Net Expenditure	103,742	103,415	(327)	-0.32%	414	(741)
External Funding	(103,742)	(103,742)	0	0.00%	5	(5)
Total	0	(327)	(327)		419	(746)

A more detailed analysis of the figures in the above table (not rounded) is provided at **Appendix**

A. Commentary on specific variances is provided in the paragraphs below.

- 3.3. The budget for the Office of the Police and Crime Commissioner came in under budget by £22k or 2.91% (previously £23k at December). The underspend is largely as a result of underspends on staffing.
- 3.4. The Other PCC Controlled Budgets came in under budget by £109k or 0.61% (previously under budget by £167k at December). The net underspend is made up of underspends on the following lines:
- Grant & Contributions £239k. This includes the government grant for Operation Uplift of £242k. Operation uplift refers to the government pledge to increase police officer numbers nationally by 20,000.
 - Reduced estates costs £157k. Including savings on repairs and maintenance (£72k), utilities (£29k), rates & rates (£45k), other (£10k).

These underspends are being partially offset by overspends on the following budget lines:

- Increase in the provision for bad and doubtful debts of £16k
- An increase in the contribution from revenue to fund capital expenditure £165k. This relates to expenditure for Operation Lectern, the policing response to the coronavirus outbreak (£128k) and Operation Uplift (£37k)
- An increased contribution at year end to the Constabulary balance sheet provision in respect of insurance & legal claims of a £86k.
- A reduction in the amount of investment income received in the year £22k, this is due in the main to decisions to invest prudently in the context of Brexit uncertainty.

- 3.5. The Commissioner provides funding to the Chief Constable to operate the Constabulary under the terms of a funding arrangement. The Chief Constable has reported a provisional outturn position of an underspend against this budget of £196k or 0.16% (£604k at December). The forecast underspend is made up of an underspend on expenditure budgets of £71k (previously an overspend of £718k at December) and an increase in income of £125k (previously £114k at December).

The underspend at the year-end is largely as a result of reduced expenditure on non staff budgets such as training £196k, vehicle repairs and maintenance and fuel of £139k, forensics costs £117k, custody medical contract £42k, ICT and efficiency savings £104k, together with increased income from reimbursed services £135k. The budgets for PCSOs and Police Staff pay also came in £189k and £90k under budget respectively.

These underspends were partially offset by additional expenditure on police pay £608k (Operation Uplift £500k, other workforce plan changes and overtime) and training accommodation £213k.

The Chief Constable has provided a separate report elsewhere on this agenda which provides a specific update regarding funding provided to the Constabulary.

- 3.6. The combined provisional outturn position is for an underspend of £327k. It is proposed that this underspent balance is transferred to a reserve to fund investment in a new training and

development system £195k with the remaining £132k set aside in a reserve to help fund 2020/21 expenditure on the Constabulary's response to and recovery from COVID-19.

- 3.7. The Commissioner maintains the police property act fund. This 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 Criminal Courts Act 1973. On a quarterly basis community groups or individuals can submit applications for funding to the Commissioner, the proposals should support priorities within the Commissioner's Police and Crime Plan, have an impact on community safety and crime reduction or contribute to the delivery of the Constabulary youth strategy (e.g. diversionary activities for young people). At 31 March 2020, the fund amounted to £46k. During 2019/20 awards to successful applicants totalling £59k were made. Details of these can be found on the Commissioner's website <https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

Appendix A

Revenue Budget Monitoring 2019/20 – Provisional Outturn

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Projected (Under)/Overspend @ DEC-19	Change in Forecast DEC-19 to ADJ-20	Change in Forecast DEC-19 to ADJ-20
	2019/20 £	2019/20 £	2019/20 £	2019/20 %	£	£	%
Office of the Police and Crime Commissioner	757,134	734,961	(22,173)	-2.93%	(22,704)	531	(2.34%)
Other PCC Budgets							
Commissioned Services Budget	2,138,443	2,138,440	(3)	0.00%	0	(3)	0.00%
Sexual Assault Support Services	(23,188)	(23,189)	(1)	0.00%	0	(1)	0.00%
Council Tax Support for Care Leavers	0	5,000	5,000	0.00%	0	5,000	0.00%
Estates	4,194,601	4,037,134	(157,467)	-3.75%	(14,099)	(143,367)	1016.84%
Insurances	579,052	572,000	(7,052)	-1.22%	(7,618)	566	(7.43%)
Provisions for Insurance & Legal Liabilities	105,500	191,331	85,831	81.36%	0	85,831	0.00%
Technical Accounting	361,160	377,239	16,079	4.45%	0	16,079	0.00%
Capital Financing	3,066,427	3,231,496	165,069	5.38%	36,006	129,062	358.44%
Grants & Contributions	(28,071,163)	(28,309,724)	(238,561)	0.85%	(216,466)	(22,095)	10.21%
Interest/Investment Income	(165,000)	(142,845)	22,155	-13.43%	35,000	(12,845)	(36.70%)
	(17,814,168)	(17,923,117)	(108,949)	0.61%	(167,177)	58,228	(34.83%)
Total Police & Crime Commissioner Directly Controlled	(17,057,034)	(17,188,157)	(131,123)	0.77%	(189,881)	58,758	(30.94%)
Constabulary Funding	128,118,163	128,047,312	(70,851)	-0.06%	718,854	(789,706)	(109.86%)
Constabulary Income	(6,708,731)	(6,833,531)	(124,800)	1.86%	(113,764)	(11,036)	9.70%
Total Constabulary Funding	121,409,432	121,213,781	(195,652)	-0.16%	605,090	(800,742)	(132.33%)
Total Approved Budget	104,352,398	104,025,624	(326,774)	-0.31%	415,209	(741,983)	(178.70%)
Transfers To/(From) Earmarked Revenue Reserves	1,147,909	1,147,909	0	0.00%	0	(0)	(100.00%)
Transfers To/(From) Capital Reserves	(1,758,449)	(1,758,449)	0	0.00%	0	0	0.00%
Aggregated External Financing	(103,741,858)	(103,741,858)	0	0.00%	5,000	0	0.00%
Net Requirement	(0)	(326,774)	(326,774)		420,210	(741,983)	