

The Police and Crime Commissioner for Cumbria

Financial Summary 2020/21 as at 31 December 2020

Public Accountability Conference 19 February 2021



Group Revenue Budget

Group Overspend £250k (0.23%) ↓

Constabulary Underspend £46k (0.03%),

PCC Overspend £296k (1.2%)



Constabulary Revenue Budget

Underspend £46k (0.03%) ↓

Increased Expenditure £3k (0.00%),

Reduced Income £49k (0.93%)

(see pages 3 and 4)



Capital Budget

The effects of the global pandemic are being felt in all departments and as a result several schemes have been re-profiled into 2021/22. Most of the planned vehicle replacements are ordered, but production and delivery have been delayed. In relation to ICT, new agile ways of working need to be fully reviewed and the impact on the future ICT infrastructure is still to be evaluated, resulting in delayed expenditure. (see page 5)



Operation lectern - Covid 19

The current forecast combined revenue and capital spend on the Constabulary COVID 19 response (Op. Lectern) is £1.204m

(revenue £1.204m, capital £0k).

(see page 6 for more details)



Operation Uplift

The current forecast combined revenue and capital spend on Operation Uplift is £1.861m

(revenue £1.861m, capital £0k).

(see page 7 for more details)



Treasury Management

Investment balance @ 31/12/20 £15.873m ↓

(down from £20.237m at 30/09/20).

Quarterly average daily balance - £22.996m

The current investment income forecast has been reduced from £96k to £15k to reflect the extremely low interest rates currently being received whilst prioritising the security of the principal funds.

PCC Revenue Budget 2020/21 as at 31 December 2020

Description	Revised Budget 2020/21 £'000s	Forecast Expenditure / (Income) 2020/21 £'000s	Forecast (Under)/ Overspend 2020/21 £'000s	Forecast (Under)/ Overspend 2020/21 %	Forecast (Under)/ Overspend @ SEP-20 £'000s	Change in Forecast SEP-20 to DEC-20 £'000s
Office of the Police and Crime Commissioner	812	812	0	0.00%	(3)	3
Other PCC Budgets	(23,666)	(23,370)	296	(1.25%)	185	111
Movements To / (From) Reserves	(1,792)	(1,792)	0	0.00%	0	0
Total OPCC Budgets	(24,646)	(24,350)	296	(1.20%)	182	114
Funding Provided to the Constabulary	134,846	134,800	(46)	(0.03%)	122	(168)
Net Expenditure	110,200	110,450	250	0.23%	304	(54)
External Funding	(110,199)	(110,199)	0	0.00%	0	0
Total	1	251	250		304	(54)

The balance on the police property act fund as at 31 December 2020 was £69k. Details of the awards made from this fund to community bodies can be found on the Commissioners website. <https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

Expenditure & Income Variances

Office of the PCC £0k Includes reductions in staffing (£9k) and transport (£4k) offset by increases in printing, catering and supplies and services (£13k).

Other PCC Budgets +£296k

Additional expenditure on Premises (£150k) mostly on increased repair and maintenance £82k, additional cleaning £90k both as a result of the Covid-19 pandemic, increased business rates £49k and other premises £16k, offset by reductions in utilities £87k.

Increased expenditure on insurances £62k.

Reduction in investment income £81k.

Statutory accounting adjustments £3k.

Funding Provided to the Constabulary -£46k The underspend is in the main due to additional net expenditure in response to Covid-19 (PPE, sanitisers, ICT cost, overtime etc offset by government grants in respect of lost income, PPE reimbursements and additional patrols

Savings to in-year budgets as a result of reduced activity in areas such as travel, fuel and training during the covid pandemic are estimated at £919k, these are however offset by reductions in core income not covered by grants of £124k.

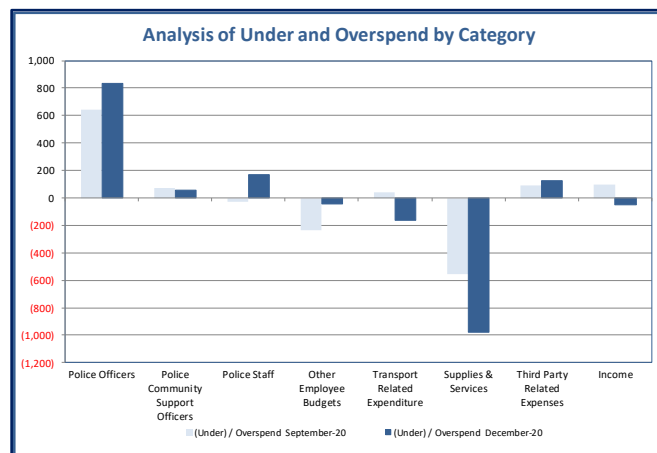
Pages 3 and 4 provide a more detailed analysis of the Constabulary revenue budget position.

Details of the constabulary budget position are included on the following pages.

Constabulary – Revenue Budget 2020/21 (1)

Description	Revised Budget 2020/21 £'000s	Forecast Expenditure / (Income) 2020/21 £'000s	Forecast (Under)/ Overspend 2020/21 £'000s	Forecast (Under)/ Overspend 2020/21 %	Forecast (Under)/ Overspend @ SEP-20 £'000s	Change in Forecast SEP-20 to DEC-20 £'000s
Constabulary Funding						
Police Officers	94,049	94,885	836	0.89%	645	191
Police Community Support Officers	2,272	2,328	56	2.46%	71	(15)
Police Staff	24,318	24,490	172	0.71%	(31)	203
Other Employee Budgets	2,075	2,032	(43)	(2.07%)	(237)	194
Transport Related Expenditure	2,020	1,857	(163)	(8.07%)	44	(207)
Supplies & Services	13,237	12,257	(980)	(7.40%)	(558)	(422)
Third Party Related Expenses	2,187	2,312	125	5.72%	92	33
Total Constabulary Funding	140,158	140,161	3	0.00%	26	(23)
Income	(5,312)	(5,361)	(49)	0.92%	96	(145)
Total Constabulary Funding Net of Income	134,846	134,800	(46)	(0.03%)	122	(168)

Revenue Expenditure Quarter 2 to Quarter 3



Command / Directorate	Adjusted Budget	Forecast Outturn	Forecasted Variance	%
Staff Pay				
Corporate Support	110,964,963	111,609,680	644,717	0.6%
CORE				
Chief Officers	1,636,755	590,307	(1,046,448)	-63.9%
Crime Command	2,459,377	2,508,688	49,311	2.0%
Territorial Policing Command	4,930,297	5,108,244	177,947	3.6%
Corporate Support	3,677,004	3,119,710	(557,294)	-15.2%
Corporate Improvement	161,238	262,036	100,798	62.5%
Legal Services	(141,535)	(97,777)	43,758	-30.9%
ICT & Information Management	5,731,353	5,572,161	(159,192)	-2.8%
SECONDED				
Secoded	(11,429)	(4,486)	6,943	-60.7%
Secoded - TITAN	(11,719)	(11,718)	1	-0.0%
EARMARKED				
Earmarked - Chief Officers	0	0	0	0.0%
Earmarked - Crime Command	23,738	20,317	(3,421)	-14.4%
Earmarked - Territorial Policing	10,753	(73,738)	(84,491)	-785.7%
Earmarked - Sellafie Id	(54,380)	(54,380)	0	0.0%
Earmarked - People Department	346,611	346,611	0	0.0%
Earmarked - Force Charity	0	0	0	0.0%
Earmarked - Force Gymnasiums	0	0	0	0.0%
Earmarked - Safety Camera / Road Safety	359,507	362,521	3,014	0.8%
Earmarked - Op Lectern	(72,359)	1,076,802	1,149,161	-1588.1%
PROJECT				
Projects - Crime Command	129,373	0	(129,373)	-100.0%
Projects - Territorial Policing	133,260	133,260	0	0.0%
Projects - Estates & Fleet	11,938	11,938	0	0.0%
Projects - Learning & Development	28,030	17,253	(10,777)	-38.4%
Projects - ICT	811,145	871,878	60,733	7.5%
Projects - Corporate Improvement	201,148	101,605	(99,543)	-49.5%
Projects - Business Transformation	1,467,456	1,467,456	0	0.0%
Projects - Op Uplift	2,053,310	1,861,187	(192,123)	-9.4%
Grand Total	134,845,834	134,799,554	(46,280)	-0.0%

Change in Revenue Budget Position

September - December the forecast budget overspend at the end of December has reduced by £168k compared to the £122k overspend forecast at the end of September (Qtr 2). The reduction is largely as a result of a forecast increase in Government grant / loss of income reimbursement in relation to Covid-19 and partly due to a change to the assumption that reduced activity on some budgets as a result of the pandemic will now continue to the end of the financial year.

Constabulary – Revenue Budget 2020/21 (2)

Pay Expenditure

Police Officers +£836k Changes to the workforce plan, principally resulting from the early recruitment of Operation Uplift phase 1 and 2 officers in advance of the target date and a limited number of acting/temporary promotions £576k, additional spend re Operation Lectern £35k plus other additional overtime Crime £105k, TP £120k.

PCSOs +£56k Changes to the workforce plan including starting 1 FTE above budgeted FTE and profile of leavers.

Police Staff +£172k Additional spend in respect of workforce plan changes £119k, costs of Operation Lectern £107k and overtime £115k (Comms Centre etc.). This is offset by an underspend on Operation Uplift -£169k, as some L&D and ICT posts have not been recruited.

Income

Income -£49k After removing £572k of income lost due to Covid-19 (Driver Awareness Income, Costs Awarded to Police, Kendal Calling and other events) the additional income arises, in the main due to abnormal loads income £55k, mutual aid £94k and reimbursements from other forces £158k. These are offset by reductions in POCA income £48k, Sale of Goods and Assets and Fees and Charges £150k and recharges £60k.

Non-Pay Expenditure

Other Employee -£43k Includes reductions on recruitment costs £43k, training (£130k after removing £230k savings due to Covid-19) offset by additional costs of management of change £95k and the apprenticeship levy £30k.

Transport -£163k Includes savings on fuel £121k, travel costs £31k and other transport costs £10k. Note though that savings on fuel (£252k) and travel expenses (£148k) due to reduced travel and changes in activity levels as part of our response to Covid-19, have previously been removed from this budget.

Supplies & Services -£980k The main changes are summarised below:

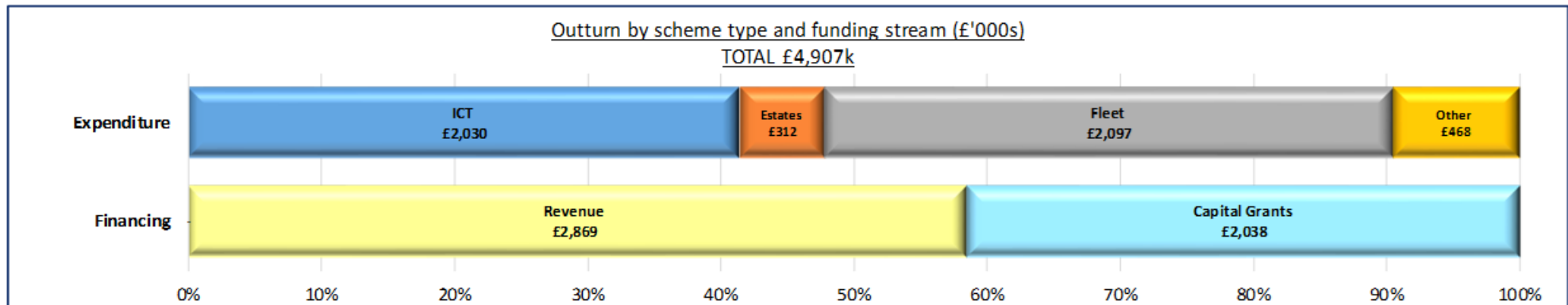
- Increased costs in relation to Operation Lectern (£998k re PPE, First Aid, ICT, Office Equipment etc.)
- Offset by savings due to reduced activity levels as a result of the Covid-19 pandemic, net of lost income that the Constabulary cannot reclaim from the government £1,120k.
- Underspending on other core budgets Forensics £60k, Catering £70k, Office Equipment, Uniform and Custody £196k, Airwave £280k, Custody Medical Contract £29k, Accommodation & Subsistence £117k and Consultants £57k.

Third Party Payments +£125k New contributions re LRF manager, NPoCC SIB funding, an increase in our contributions to national ICT costs, increase in our NPAS contribution, and an extension to Operation Elter.

Key Assumptions

The main assumption is in relation to operation lectern and reflects the view that the current changed activity levels will continue for the remainder of the financial year.

Capital Budget 2020/21



Capital Budget

	Capital Budget 2020/21 £000s
Capital Budget 2020/21 (approved 19/02/20)	7,553
Impact of 2019/20 Outturn (approved 20/05/20)	258
New Schemes Approved/Drawdown	96
Budgets Changes - Approved	(174)
Approved Adjusted Budget 2020/21	7,733
Forecast Capital Expenditure 2020/21	4,907
Forecast Variation	(2,827)
Made up of:	
Budget Changes (Under)/Overspend	33
Slippage to 2020/21	(2,859)
	(2,827)

ICT

A number of ICT schemes are being re-evaluated in light of the current working situation and the recovery plans, in particular the Converged Infrastructure (£2.3m). The capital programme has been reprofiled and as a result £4.08m has been moved into 2021/22 to allow for further planning and 'proof of concept' to continue (£2m of this slippage was already forecast in the approved programme.) In addition, £17k from the digital interview equipment scheme has been moved to revenue expenditure on software.

Estates & Fleet

Work has started on the roofing schemes and replacement UPS as per the approved programme. Most of the vehicle replacements planned for 2020/21 are ordered. It is now clear that, due to delays in production, a number of these will not be received until 2021/22 and as such £996k has been reprofiled to facilitate this. A written off vehicle and an early replacement motor bike have been brought forward into 2020/21 at an increase of £50k, the associated financing has also been brought forward.

Other

The Taser expansion programme is progressing well with the new tasers being received. The paperwork to claim the £65k grant from the Home Office will be completed and submitted once the invoices are paid.

Operation Lectern (Covid 19 response) 2020/21

The current forecast financial impact in respect of the Constabulary Covid-19 response is set out below.

Analysis Lvl 1	Subjective Analysis Lvl 1	Adjusted Budget	Forecasted Actual	Forecasted Variance	
Expenditure	Police Officer Pay	30,678	33,729	3,051	
	PCSO Pay	0	1,040	1,040	
	Police Staff Pay	0	82,615	82,615	
	Police Officer Overtime	222,304	253,878	31,574	
	PCSO Overtime	0	3,888	3,888	
	Police Staff Overtime	0	24,815	24,815	
	Other Employee Expenses	0	19,655	19,655	
	Restructure, Training & Conference Costs	0	235	235	
	Premises Related Expenditure	0	127,366	127,366	
	Transport Related Expenditure	0	13,153	13,153	
	Supplies & Services Related Expenditure	0	998,259	998,259	
	Third Party Related Expenditure	0	2,283	2,283	
	Internal Recharges Expenditure	0	1,189	1,189	
	Expenditure Total		252,982	1,562,105	1,309,123
	Income	Reimbursed Services - Other Public Bodies	(325,341)	(339,741)	(14,400)
Reimbursed Services - Other		0	(18,191)	(18,191)	
Income Total		(325,341)	(357,932)	(32,591)	
Grand Total		(72,359)	1,204,173	1,276,532	
Savings due to Response to COVID-19 Total		0	(918,600)	(918,600)	
Loss of income due to COVID-19 Total		0	572,000	572,000	
Home Office COVID Grants Total		(252,982)	(701,145)	(448,163)	
Total Effect of COVID-19 on Constabulary		(325,341)	156,429	481,770	

Supplies & Services Related Expenditure			
Office Equipment, Furniture & Materials	0	19,737	19,737
Clothing, Uniform & Laundry	0	26,988	26,988
Custody Costs	0	1,195	1,195
Forensic Costs	0	6,502	6,502
Police Doctors & Surgeons	0	412,844	412,844
Communications & Computing	0	522,609	522,609
Specialist Operational Equipment (incl Dogs & Firearms)	0	5,796	5,796
Advertising (non staff) & Public Relations costs.	0	1,168	1,168
Consultants Fees	0	800	800
Banking & Treasury costs	0	460	460
Accommodation & Subsistence	0	156	156
Other Miscellaneous	0	4	4
Supplies & Services Related Expenditure Total	0	998,259	998,259

Breakdown of main Operation Lectern cost:

- Officer pay and overtime on Covid enforcement activities. £288k.
- Police Doctors & Surgeons £413k of First Aid / PPE equipment.
- Communications & Computing £523k includes ICT Hardware Purchases £441k (laptops etc.), additional licensing £51k and Network Hardware Purchases £18k.

The forecast spend in respect of the Constabulary's Covid-19 response assumes the current level of additional cleaning and purchase of PPE to at least 31 Mar 20'21.

Forecast Income relates to reimbursement of costs received where we have purchased PPE kit on behalf of other forces or public services together with government income specifically to reimburse us for spend on medical grade PPE.

The management accounts position at December includes savings of £919k and estimated loss of income totalling £572k. Also included is Government funding of £701k in respect of lost income and Covid enforcement.

Impact on Core Budgets

With reduced activity levels in some areas the following savings on core budgets are anticipated based on the assumption that the reduced activity continues until at least the end of March 2021:

- Appleby Fair £111k
- Training £230k
- Vehicle Hire, Mileage & Public Transport £148k
- Accommodation & Subsistence £178k
- Vehicle Fuel £252k
- **Total Potential Savings £919k**

These savings are offset by a forecast reduction in routine income of £572k of which we are able to reclaim £448k under the Government's Income Loss Recovery Scheme.

Operation Uplift 2020/21

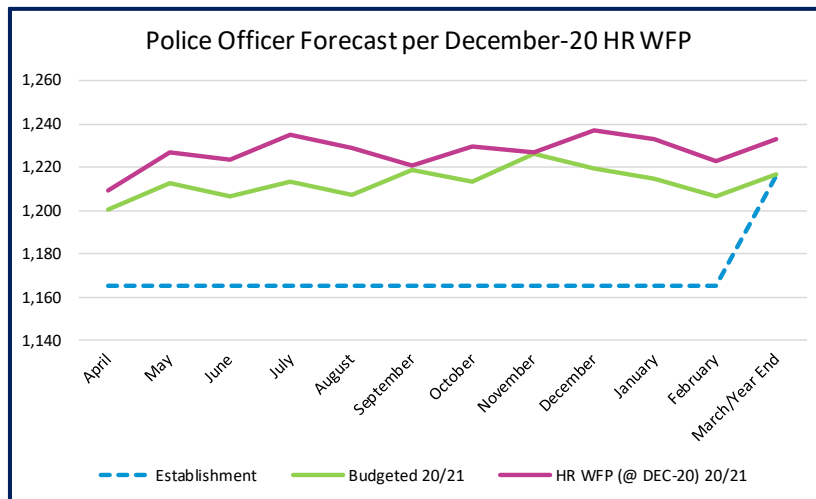
Analysis Lvl 1	Subjective Analysis Lvl 1	Adjusted Budget	Forecasted Actual	Forecasted Variance
Expenditure	Police Officer Pay	1,653,310	1,596,901	(56,409)
	Police Staff Pay	400,000	230,183	(169,817)
	Police Officer Overtime	0	13,246	13,246
	Police Staff Overtime	0	707	707
	Other Employee Expenses	0	3,766	3,766
	Transport Related Expenditure	0	1,572	1,572
	Supplies & Services Related Expenditure	0	14,812	14,812
Expenditure Total		2,053,310	1,861,187	(192,123)
Grand Total		2,053,310	1,861,187	(192,123)

The forecast spend on Operation Uplift reflects the assumption we will have recruited the target of an additional 51 FTE officers from phase 1 by early in 2020/21 and have begun recruiting to phase 2.

The forecast underspend on police officer pay predominantly relates to payments for unsociable hours.

Staffing in support of the additional recruitment and servicing the additional officers is currently forecast to underspend by £169k. This relates to requirements in Learning and Development and ICT the provision of which are currently under review.

Police Officer WFP



The current financial forecasts as at the end of December are based on the latest HR workforce plan as at 31 December 2020. The WFP shows the forecast actual FTE (red line) above the original budget set in Feb'20 (green line). This results in a forecast overspend on Police Officer pay it is currently forecast that police officer numbers will reach 1,232.62 FTE at Mar 2021, 16.62 FTE above the budgeted establishment figure of 1,216 FTE.