

### Introduction

I am pleased to introduce the summary Statement of Accounts for the 2020/21 financial year. This summary statement sets out the single entity statements of the Chief Constable of Cumbria Constabulary. The Police and Crime Commissioner for Cumbria (the Commissioner) has also produced group accounts, which consolidate the single entity statements of the Chief Constable and the Commissioner. 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.

The summary statement provides a breakdown of net spending during the year and shows the overall financial position of the Chief Constable as at 31 March 2021. 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 Chief Constable's website: [www.cumbria.police.uk](http://www.cumbria.police.uk)

The summary statement is taken from the Chief Finance Officers narrative statement to the full statements and provides a simplified summary of the financial statements with expanded information on the objectives, activities, performance and future financial prospects of the Constabulary. This aims to give the reader greater understanding of the context in which the financial statements are set. The narrative statement is also available as a stand-alone document on the same website. The Commissioner's

consolidated financial statements showing the group position can be accessed from the Commissioner's website: <https://cumbria-pcc.gov.uk/>

### Statutory Framework

The Chief Constable 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 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 for the police force.

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. All funding for the Chief Constable must come from the Commissioner. 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 consolidated 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 group accounts.

### Organisational Structure

The Chief Constable is supported by a Deputy Chief Constable and Assistant Chief Constable who are responsible for a portfolio of functions within the organisation. During 2020/21 operational policing was re-structured to emerging policing challenges.

Operational policing is now split into three commands, which report to the Assistant Chief Constable.

The Operations, Engagement and Neighbourhood Policing Command is responsible for local policing, response and public engagement including

management of calls for service. The command is structured in three geographic areas.

The Crime, Safeguarding and Specialist Capabilities Command is responsible for investigating crime and includes specialist units for gathering intelligence, major crime investigation, countering serious and organised crime, public protection and scientific support. Specialist functions, which provide shared support to Neighbourhood Policing teams such as roads, firearms, dogs and criminal justice have recently been transferred to this command.

The Insight, Performance and Policing Futures Command performs a number of strategic functions including responsibility for management information, performance management, business change and benefits management.

There are also two support directorates both of which report to the Deputy Chief Constable.

The Corporate Support Directorate includes finance, people, estates, fleet, learning & development, commercial and central services. In overall terms, the Corporate Support directorate aims to provide cohesive and integrated support for operational policing.

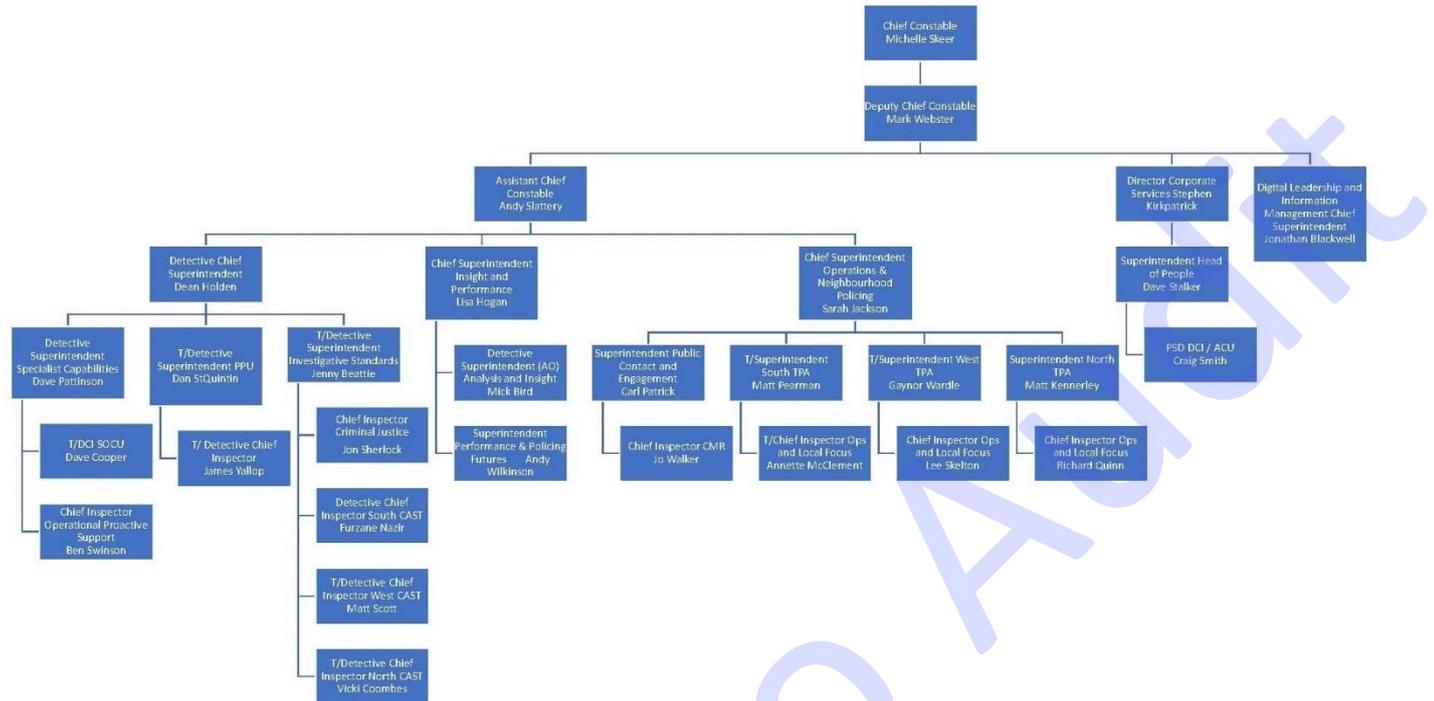
The Digital, Data and Technology Directorate is responsible for all aspects ICT development and data management.

Legal Services is a small specialist function, which operates independently from the main directorate structure and provides services to the Chief Constable and Commissioner.

# The Chief Constable of Cumbria Constabulary

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A diagram showing the Constabulary's organisational structure is shown below:



## Strategic Objectives

For 2020/21, the Chief Constable determined the strategic direction for the Constabulary, which is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. Following consultation with a range of stakeholders, the annual review of the Constabulary's Strategic Assessment (based on operational intelligence), demand and resource analysis, performance results, recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the core operational priorities for reducing threat, risk and harm and tackling our communities' concerns as follows:

- Responding to the public
- Prevention and deterrence
- Investigation
- Protecting vulnerable people
- Monitoring dangerous and repeat offenders

- Disrupting organised crime
- Responding to major incidents

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

The priorities also support delivery of the Constabulary's Vision 25 Strategy which seeks to provide a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 20s.

Cumbria Vision 25 has five key themes

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each work-stream has a delivery plan and professional lead. Governance processes are also aligned to the themes.

### Chief Constable's Report

In terms of crime and disorder, Cumbria remains one of the safest places to live, work and visit in England and Wales. Cumbria has the third lowest volume of crime and anti-social behaviour, and traffic incidents have steadily reduced over the past three years. The people of Cumbria remain supportive of the service we provide.

As with the rest of the world, the work of the Constabulary was hugely impacted by the Covid-19 pandemic during 2020/21. As soon as the threat posed by the virus was identified, the Constabulary acted quickly to ensure that its officers and staff were safe and that arrangements were put in place to ensure that an effective service to the public could be maintained. Wherever possible officers and staff were dispersed to work remotely. This was accompanied by the rapid development of enhanced ICT capability to facilitate home working. Despite global shortages in the early stages of the pandemic, a supply of PPE was secured to protect officers in public facing roles. To date these actions have been successful in limiting staff absence and have enabled the Constabulary to continue to provide a normal policing service.

The pandemic also represented a unique challenge to the legitimacy of the police service as a whole, in enforcing regulations, which restricted civil liberties to an unprecedented level. This issue was particularly acute in Cumbria, where the limitations on foreign travel, meant that the Lake District attracted much higher than normal visitor numbers. By adopting a constructive approach centred around the 4Es of Engage, Explain, Encourage with Enforcement only

used as a last resort, we have been largely successful in maintaining public support and confidence.

In relation to levels of crime, because of the lockdowns, 2020/21 cannot really be compared with other years. Whilst most types of recorded crime experienced significant falls during the year, the Constabulary is very alive to the fact that there may be significant hidden crime in areas such as domestic violence and cyber crime, which will need to be countered as restrictions are lifted. We constantly review our demand to inform our resourcing options, making sure that we address changing criminality.

The other major challenge faced by the Constabulary during 2020/21 was to maintain impetus on the local implementation of the Government's Operation Uplift Programme, to recruit an additional 20,000 officers nationally by 2023. Cumbria's target in the first phase was to recruit an additional 51 officers by the end of 2020/21. Under the leadership of the Deputy Chief Constable, Cumbria has embraced this challenge and achieved its target by June 2020, almost a year ahead of schedule. Recruitment of the second phase of a further 47 officers is now well advanced.

The Constabulary remains at the forefront in the use of digital technology in the fight against crime and is recognised nationally as being at the leading edge in rolling out mobile technology. Despite the challenges presented by working remotely during 2020/21, all officers were issued with replacement Airwave radio sets. An innovative approach to developing mobile phone applications through PowerApps was pioneered, which will be extended to other areas of business in 2020/21. In collaboration with Durham

Constabulary, work to exploit advances in technology such as Cloud services are planned in 2021/22 to support operational policing and provide an improved service to the public.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). The Covid-19 pandemic forced HMICFRS to suspend much of its inspection activity in 2020/21. At its last inspection in 2018/19, the Constabulary was graded good in respect of all services. In addition, Cumbria received a thematic inspection in relation to its Crime Data Integrity, for which it was rated as 'Outstanding' and is one of only two forces to receive this grading on first inspection. We continue to work with HMICFRS to address the small number of areas, which were identified as areas for improvement.

The Cumbria 2025 Plan remains pivotal to the delivery of a policing service to meet the future needs of the county. It seeks to bring together business and change planning into a single cohesive plan, which is aligned to the national policing vision. During 2020/21, in addition to the continued development of operational ICT systems previously highlighted, we have:

- Implemented the new Post Education Qualification Framework for new recruit training in conjunction with the University of Central Lancashire
- Continued a plan to deploy officers from rural stations to provide more visibility and an enhanced level of service in these locations.
- Commenced a Covid-19 Recovery and Renewal Plan, which will seek to maximise the benefits

from new ways of working arising from the pandemic.

- Put in place new Investigative Standards and Disclosure rules and a Safeguarding Excellence Plan, which provide a framework to ensure victims are supported and receive a high quality service.

The plan will continue to be developed during 2021/22 under the leadership of the Chief Officer team.

Whilst the favourable grant funding for Operation Uplift and flexibility afforded to Commissioners to increase the precept in 2020/21 and 2021/22, is appreciated and has allowed officer numbers to increase, this takes place in the context of uncertainty regarding the longer term financial outlook. The unprecedented level of Government financial support to the economy in the Covid-19 crisis will weigh heavily on national finances for many years to come and is likely to constrain funding levels in the public sector. This will compound existing financial risks regarding the sustainability of funding, the financial burden of national policing initiatives, pensions costs and potential changes to the police funding formula. In the meantime, the Constabulary will continue to operate as efficiently as possible and deliver savings to balance the budget.

In summary, despite the challenges, I will continue to work with the Commissioner and partners across the county to deliver on our core mission of Delivering an Outstanding Policing Service to Keep Cumbria Safe.

### 2020/21 Grant Settlement and

#### Budget

Under the provisions of the Police and Social Responsibility Act 2011, the Commissioner receives external funding, principally in the form of central government grants and council tax. The Commissioner is responsible for setting the budget and maintaining the force through the provision of funding to the Chief Constable. Details of the 2020/21 grant settlement, the Commissioner's overall budget and the level of Council Tax levied are provided in the Commissioner's combined financial statements.

In summary, the Government provided significant additional grant funding in 2020/21, which was directed towards the achievement of the first phase of Operation Uplift; the Government's programme to recruit 20,000 officers nationally by 2022/23. The principal challenge presented from the grant settlement was the lack provision to meet the rising cost of providing existing services. To this end, Police and Crime Commissioners were afforded flexibility to increase council tax above inflation to make up the shortfall. Following public consultation, the Commissioner increased the precept by £8.91 for a band D property, which is equivalent to 3.47%. This enabled services to be maintained, offsetting the effect of pay and price increases and other unavoidable commitments, whilst the additional grant has allowed the Constabulary to proceed with rapid recruitment of the its Uplift target of an additional 51 officers.

### Business Activity

In addition to the day to day work of Protecting the People of Cumbria, the Constabulary, through its change programme and business strategies, has sought to identify savings and innovative ways to increase the productivity of its officers and staff. During 2020/21 we have made the following changes to enhance services:

- Undertook extensive analysis of current and future demand to support the production of a Force Management Statement for submission to HMICFRS as a means of shaping future service delivery.
- Audits of stop and search and the use of Body Worn Video to provide feedback to officers and improve services.
- Undertook a range of compliance and knowledge checks again to improve services across the operational policing portfolio including victims code of practice, released under investigation, domestic abuse quality of service, crime recording and handling of drugs offences.
- Continued development of the crime system 'Red Sigma' in collaboration with Durham Police.
- Modernised digital interview recording.
- Rolled out replacement Airwave radios to all officers.
- Developed a covid- safe working hub in Kendal and new community bases in the county.
- Developed an 'in-house' vehicle conversion capacity.
- Replaced business systems for finance, procurement and duties.
- Worked on refinement of the benefits management and delivery model.

# The Chief Constable of Cumbria Constabulary

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### Performance

#### Summary Budget and Outturn

The Chief Constable's budget amounting to £132.4m is based upon the funding agreement with the Commissioner.

The table below shows the summary budget for 2020/21 as set on 20 February 2020, the revised budget (taking into account budget changes made during the year) and the outturn position.

Summary Budget & Outturn	Base Budget 2020/21 £000s	Revised Budget 2020/21 £000s	Outturn 2020/21 £000s	(Under)/Overspend 2020/21 £000s
Police Officers	93,674	88,239	89,129	890
PCSOs	2,272	2,272	2,334	62
Police Staff	24,259	24,387	24,527	140
Other Employee	1,745	2,085	1,981	(104)
Transport	2,454	1,995	1,916	(79)
Supplies & Services	11,200	13,529	11,943	(1,586)
Third Party Related	2,178	2,270	2,494	224
<b>Total Expenditure</b>	<b>137,782</b>	<b>134,777</b>	<b>134,324</b>	<b>(453)</b>
Income	(5,347)	(5,429)	(5,592)	(163)
<b>Total Constabulary</b>	<b>132,435</b>	<b>129,348</b>	<b>128,732</b>	<b>(616)</b>

The presentation above 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 above will not reconcile directly to the summary Comprehensive Income and Expenditure Statement.

The budget is predominantly made up of funding for employee costs, amounting in total to £121.95m, which is broken down into Police Officers £93.67m, PCSO's £2.7m, Police Staff £24.26m and other

employee costs of £1.75m. The remainder of the budget relates to non-staff costs including, transport costs of £2.45m and supplies/other costs of £13.38m. Income of £5.35m, which is generated through policing activities, is also shown within the Chief Constable's budget.

#### In-Year Financial Performance

**Revenue Expenditure:** The Chief Constable's final expenditure position for 2020/21, compared to the revised budget is an underspend of £0.616m, which represents 0.48% of the budget.

During 2020/21 the Covid-19 pandemic had a significant impact on the Constabulary's budget. Additional expenditure totalling £1.055m was incurred in relation to PPE, technology to facilitate home working and enforcement activities, whilst income generation was also down by a further £413k. However, this was offset by a combination of Government support and savings which resulted indirectly from the pandemic, such as reduced travel and training, totalling £1.767m.

In relation to core activities, additional expenditure of £540k resulted from a decision to recruit additional officers funded by the Government through Operation Uplift at the earliest opportunity. However, this was offset by net savings on supplies and services and third party payments budgets of £800k, particularly ICT.

**Capital Expenditure:** Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure

and funding in relation to the acquisition and enhancement of assets, which amounted to £2.813m in 2020/21 are shown in the financial statements of the Commissioner. This figure was significantly less than capital budget of £7.677m, however there were extenuating circumstances for this due to the impact of Covid-19 on project working and global supply chains. Expenditure on ICT related schemes comprised the largest area of expenditure, amounting to £1.321m. During the year replacement Airwave radios were issued to all officers and work to modernise the digital interview capability of the Constabulary was completed. A significant project to replace the core ICT infrastructure was deferred, pending work to evaluate the most beneficial future roadmap, including consideration of cloud services. Similarly, planned work to integrate the Control Room technology has been delayed by slippage in the national project to implement the Emergency Services Network (ESN). A further £1.206m was expended on the cyclical replacement of the vehicle fleet. Despite, orders being placed in good time, problems in the global supply chain have resulted in significant delays to vehicle deliveries which has resulted in almost £1.9m of planned expenditure slipping to 2021/22. Smaller area of expenditure included modifications to the Estate and replacement of Tasers.

### Organisational Performance

The Constabulary operates a comprehensive framework of performance measures to ensure it is meeting its objectives and support the Commissioner in delivering his Police and Crime Plan. The following section provides a summary of performance in relation to crime, incidents and other outcomes for 2020/21.

- Overall crime reduced by 19% (7,259) crimes. This was largely attributable to the pandemic lockdown.
- The crime type with the largest reduction was overall 'Violence against the person', which experienced a fall of 2,489 crimes. This is reflective of the fact that pubs and nightclubs were closed for much of the year. However, within this broad category, certain crime types such as homicides and death and serious injury from unlawful driving rose but based on very low numbers.
- Acquisitive crimes such as burglary, theft and car crime all fell by one third compared with the previous year.
- We encourage the reporting of rape and sex offences; however this reduced by 15% (213 offences) compared to the previous year.
- The only other crime type to experience a rise was drug offences, which rose by 23.9% from 922 to 1,144. This is an indication of more pro-active policing in this area.
- Antisocial behaviour (ASB) increased during 2020/21 as a result of Covid breaches being reported to the police and recorded as ASB. There were 11,251 ASB incidents in 2020/21, up 53% from 2019/20. If ASB incidents, which were classed as Covid related are excluded, ASB incidents declined by 6% from 7,286 to 6,861.
- Work has also targeted increased reporting for domestic violence. During 2020/21 Domestic Abuse Safeguarding Referrals increased by 4% from 7,554 to 7,860.
- Cumbria generally has a low level of hate crime compared to other forces both nationally and in the North West, the latest figures for crimes with a

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hate indicator show an annual increase of 4 crimes, which represents an increase of 0.6%.

- The latest figures for public confidence in the local police service was 78.5%.

The table below summarises the Constabulary's performance indicators.

	Number of Crimes 2020/21	% Change from previous year
<b>All Crime</b>	<b>30,949</b>	<b>-19%</b>
Violence against the person	13,546	-15%
Homicide	9	125%
Death or Serious Injury - Unlawful Driving	19	6%
Stalking and Harassment	4,635	-7%
Violence with injury	3,565	-26%
Assault - cause serious harm	190	-6%
Assault with injury	3,354	-27%
Other violence with Injury	21	-25%
Violence without injury	5,318	-14%
Assault without injury	4,490	-18%
Assault without injury on a Constable	337	11%
Other violence without injury	491	30%
Rape and sexual offences	1,242	-15%
Robbery	120	-15%
Theft offences	3,716	-33%
Burglary	1,426	-34%
Vehicle offences	705	-34%
Criminal damage and arson offences	4,247	-26%
Drugs offences	1,144	24%
Public order offences	3,900	-8%
Miscellaneous Crimes Against Society	664	-4%
Possession of weapons offences	239	-13%

During 2020/21 Her Majesty's Inspector of Constabulary Fire and Rescue Services (HMICFRS) suspended much of its inspection programme against the background of the global pandemic. At its last inspection in 2018/19 HMICFRS graded the Constabulary as providing a good service across all aspects of the Police, Efficiency, Effectiveness and Legitimacy. Areas inspected included:

- Preventing crime and tackling anti-social behaviour.
- Crime investigation and reducing re-offending.
- Protecting vulnerable people.
- Tackling serious and organised crime.
- Armed Policing

- Meeting current demand and Use of resources.
- Planning future demand.
- Treating people it serves fairly.
- Ethical behaviour of the workforce
- Treating the workforce with fairness and respect.

The Constabulary was also graded as outstanding in a thematic inspection of crime data integrity, one of only two forces to receive this grade on first inspection.

## People

The Constabulary recognises that its workforce is its most important asset and that maintaining healthy, engaged and motivated officers and staff is critical to the delivery of effective services.

During 2020/21, the Constabulary built on its People Strategy which was last updated in 2018/19, which brings together the key themes of:

- health, safety and well-being
- workforce planning, recruitment and talent management
- employee relations
- reward and recognition
- managing workforce change
- learning and development

There is a particular focus on wellbeing with work undertaken in 2020/21 seeking to promote and embed:

- Provision of ICT to facilitate home working during the pandemic, keeping the workforce safe.
- An occupational health assessment for all staff working remotely.

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- Participation in the national Oscar Kilo programme to promote well-being in the workplace.
- Investment in further Wellbeing initiatives in the Constabulary and the training of Mental Health First Aiders who can signpost staff for early help and support. A Bronze better health at work award was achieved and work is proceeding towards a silver award, which is expected to be achieved in 2021
- Provision of psychological screening for an additional 100 officers in high risk roles.
- Working as a pilot force for inclusion working in collaboration with Durham University and 10 other forces.
- Investment in a streamlined Strength Based Conversation model that promotes a coaching approach by managers and helps to build resilience in our employees.
- Development of a spotlight scheme to shape future leaders in the Constabulary
- Streamlined processes in duty management so staff can access automated leave systems
- Investment in anti-corruption software and resources to safeguard the safety and wellbeing of the workforce.

At the 31<sup>st</sup> March 2021 the Constabulary employed:

- 1,244 Police Officers
- 62 PCSOs
- 616 Police staff (all expressed in full time equivalents)

As part of the Commissioner's council tax pledge in 2020/21 the police officer establishment was increased by 51 FTE, from 1,165 to 1,216, which represented the

Constabulary's share of the first phase of the national Operation Uplift programme. The achievement of the Uplift target was made a high priority by the Constabulary, with the result that the increased officer numbers were in place in early 2020/21; almost a year ahead of schedule. By the end of the year over half of the 2<sup>nd</sup> phase of officers were successfully recruited. Over 2019/20 the numbers of police staff and PCSOs operated slightly below establishment, partly because of the need to train additional officers.

The table below provides a breakdown of the Constabulary workforce (expressed in full time equivalents (FTE)) by gender.

Actual Employees as at 31 March 2021	CC		Total FTE
	Male FTE	Female FTE	
Directors/Chief Officers	6.5	1.0	7.5
Senior Managers	11.0	4.0	15.0
All Other Employees	995.9	902.8	1,898.7
<b>Total CC Employees</b>	<b>1,013.4</b>	<b>907.8</b>	<b>1,921.2</b>

The 2020/21 average percentage of working time lost due to sickness reduced for both officers and staff compared with the previous year. The police officer rate reduced from 4.33% to 3.93% (approx. 8 working days), whilst police staff reduced from 4% to 3.51% (7 working days). An attendance action plan is in place with a wide range of actions to pro-actively manage sickness.

The Constabulary is committed to promoting a workforce which reflects our communities and a culture that respects and celebrates all aspects of diversity. Achieving this aim will also lead to a working environment that is free from discrimination, harassment, bullying and victimisation. The

Constabulary's diversity strategy in 2020/21 had three objectives:

- 1) To provide an equitable, responsive and appropriate service to all communities in Cumbria, encouraging and supporting the reporting of crime, appropriate use of services and promotion of health and well-being.
- 2) To engage with communities and stakeholders internally and externally, improving communication and building confidence and trust in the public sector in Cumbria, to ensure that all communities have a voice. Embedding equality into everyday business and processes to ensure all staff contribute to meeting these objectives.
- 3) Building an inclusive and supportive working environment that encourages development, progression and retention of staff. Creating a culture where all staff feel valued and where people want to work.

The Constabulary recognises the importance of developing the skills and knowledge of its workforce. The Constabulary's has an annual training plan, which aims to ensure that officers, PCSOs and staff are equipped with the requisite skills to perform their role, including mandatory accreditation for specialist responsibilities. During 2020/21, particular training resource was directed to:

- Police Educational and Qualification Framework for new officers (developing apprenticeship and degree entry training programmes in conjunction with the University of Central Lancashire)
- Leadership and skills courses for sergeants and inspectors.

- Specialist crime training including an in house developed Investigative Manager course for detective supervisors.
- A Digital Leadership Programme to improve the digital capabilities of all officers and staff.

### Sustainability

Sustainability is at the heart of the Constabulary's approach to change and business improvement, with the focus on streamlining processes and emphasising quality by putting in systems to get things right first time. In addition, the Constabulary's Demand Strategy delivers sustainability by looking at how demand can be managed down through preventative and collaborative working with other public agencies.

In relation to the Commissioner's estate sustainability is promoted both in day to day management of the assets and in new capital developments. The capital programme promotes sustainability within design and strives to better the requirements of the current building regulations by 10%. Specific holistic design targets are set, encouraging use of natural ventilation and sustainable renewable technology where possible. Previous projects have set specific BREEAM energy efficiency targets of a minimum of very good.

Procurement of sustainable goods and services is encouraged with targets set for local labour and supply of materials. Larger specifications of work include a percentage of 'green' and where possible recycled products. Tender evaluation considers whole life costing, including running costs for the life of the building and a sustainability / environmental

assessment. These measures are consistent with the social value policy.

The estate is served by a force wide building management system which is used for:

- Regular monitoring and control of consumption.
- Controlling mechanical building services.
- Monitoring faults for timely repair.

Both new and refurbishment work include specific specifications for low energy technology. A move to LED lighting installations and low emission air conditioning across the estate is the standard.

As a result of the pandemic a high proportion of staff have moved to working remotely. A more flexible approach to home working will be encouraged on a permanent basis as it delivers sustainability benefits reduced travel between sites, improve space efficiency, reduces estate footprint and drives down the energy and environmental footprint at a number of sites.

For many years the Constabulary has operated a recycling policy.

In line with the national fleet strategy, the Constabulary still operates a mostly diesel fleet, with the strategy being continually reviewed as technology advances. There are now a number of petrol vehicles in the fleet, reflecting the technological improvements in these engines. In addition, there is now a small electric fleet, a mix of both unmarked and marked operational vehicles.

In 2019 a web of electric chargers was fitted throughout the estate to provide infrastructure support to these and future electric vehicles.

The fleet includes vehicles of many different types, which are required to perform a number of roles. Each role has specific targets for emissions and the purchasing criteria for new vehicles dictates that they must be within these limits. Where appropriate arrangements exist vehicles are purchased on a national framework, which includes sustainability and environmental criteria. The maintenance of vehicles is carried out at garages located strategically throughout the county, reducing downtime and transportation. Parts are bought locally and make use of the wider local supply chain where possible.

In a geographically large county staff are encouraged to make use of virtual meetings as an alternative to physical meetings and the transport time and costs, which that entails. Where journeys are essential, public transport via travel plans, car sharing and cycle to work schemes are promoted.

### The Financial Statements

This section of the financial summary provides an explanation of the various parts of the financial statement. The aim of the financial statements are to demonstrate to the reader the overall financial position of the Chief Constable 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 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

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Chief Constable prepares this statement in accordance with the expenditure analysis as prescribed by Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIES is shown on page 27 of the full statement of accounts.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2020/21 £000s	Gross Income 2020/21 £000s	Net Expenditure 2020/21 £000s
Cost of Police Services	124,120	(458)	123,662
Funding Provided by PCC to CC	0	(125,085)	(125,085)
<b>Cost of Services</b>	<b>124,120</b>	<b>(125,543)</b>	<b>(1,423)</b>
Financing Costs and Investment Income	31,680	(3,288)	28,392
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>155,800</b>	<b>(128,831)</b>	<b>26,969</b>
Other Comprehensive Income and Expenditure			230,333
<b>Total Comprehensive Income and Expenditure</b>			<b>257,302</b>

The statement shows that the gross cost of providing policing services amounted to £123.662m in 2020/21. This figure included the costs of neighbourhood policing, incident response, crime investigation, roads policing, communication with the public, criminal justice arrangements and a range of support services.

In addition, the CIES also records a number of technical adjustments including 'financing costs & investment

income' £28.392m and 'other comprehensive income & expenditure' net expenditure of £230.333m. These adjustments principally relate to changes to future pensions obligations over the year based on proper accounting practices. The overall effect of the cost of providing services and the pensions adjustment is to produce an accounting deficit of £257.302m for the year, which largely impacts on unusable pensions reserves. The analysis on page 7 of this summary, based on the management accounts, shows an underspend of £0.616m.

An Income and Expenditure analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in the note 6 to the statement of accounts on page 36.

### Movement in Reserves Statement

This statement shows the different reserves held by the Chief Constable analysed into 'Usable Reserves', which can be applied to fund expenditure and other 'Unusable Reserves', which are principally accounting adjustments. It shows the opening balance on each reserve at the start of the year, movements in year and the closing balance.

The Chief Constable's statement of movements in reserves is shown on page 28 in the full statement of accounts.

The table below sets out a summary movement in reserves statement.

# The Chief Constable of Cumbria Constabulary

## Summary Statement of Accounts 2020/21

Summary Movement in Reserves	Balance 31/03/2020 £000s	Movements 2020/21 £000s	Balance 31/03/2021 £000s
Police Pensions Reserve	(1,203,170)	(243,990)	(1,447,160)
LGPS Pensions Reserve	(62,030)	(11,390)	(73,420)
Accumulated Absences Reserve	(3,616)	(1,922)	(5,538)
<b>Total Reserves</b>	<b>(1,268,816)</b>	<b>(257,302)</b>	<b>(1,526,118)</b>

The reserves shown above on the Chief Constable's movement in reserves statement are all classed as 'unusable' and provide a mechanism through which accounting adjustments can be made to present the accounts in accordance with proper accounting practices, whilst allowing the statutory amounts required to be charged for council tax purposes.

The Chief Constable's movements in reserves statement principally records the Chief Constable's negative reserves in relation to the Police and Local Government Pension Schemes, reflecting the requirement to record pension assets and liabilities as they are earned rather than when they become due for payment. During 2020/21, the overall negative balance on the police pension scheme and the local government pension scheme have increased, largely as a result of changes to actuarial assumptions.

All usable reserves are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner, who formally recognises the need to provide contingencies to meet unplanned and planned expenditure in the future. The Commissioner's usable reserves include a general reserve of £3.6m to meet unplanned risks and earmarked reserves of £18m for specific revenue and capital purposes. During 2020/21, a total of £0.7m has been drawn down from the Commissioner's earmarked reserves to fund

revenue expenditure in the year and to increase the police fund (general reserve).

## The Balance Sheet

The Balance Sheet shows the value as at the balance sheet date (31 March 2021) of the Chief Constable's assets and liabilities.

The table below sets out the summary balance sheet for the Chief Constable.

Summary Balance Sheet	Balance 31/03/2020 £000s	Balance 31/03/2021 £000s
Current Assets	12,086	14,955
Current Liabilities	(14,685)	(19,098)
Long Term Liabilities	(1,266,217)	(1,521,975)
<b>Net Liabilities</b>	<b>(1,268,816)</b>	<b>(1,526,118)</b>
Unusable Reserves	(1,268,816)	(1,526,118)
<b>Total Reserves</b>	<b>(1,268,816)</b>	<b>(1,526,118)</b>

The Chief Constable's current assets (£15.0m) are comprised of the Chief Constable's share of short-term debtors and the balance of funding between the Commissioner and the Chief Constable. Current liabilities (£19.1m) reflect amounts owed by the Chief Constable. They include the Chief Constable's share of short-term creditors and the balance of funding between the Chief Constable and the Commissioner. Long-term liabilities (£1,522m) represent the Chief Constable's share of the pensions deficit together with a small number of provisions to meet future liabilities. The net assets (assets less liabilities) are matched on the balance sheet by the Chief Constable's reserves. The balance sheet reserves reflect the position at year end and therefore match the final position shown in the movement in reserves statement. The balance sheet is shown on page 29 in the full statement of accounts.

The Chief Constable's 2020/21 balance sheet shows a combined pensions deficit of £1,521m (£1,265m in 2019/20) for the LGPS and the Police Pension Scheme to which its employees and former employees belong. However, statutory arrangements for funding the deficit, through increased contributions over a period designed to balance the pensions account and central government funding mean that the financial position of the Chief Constable remains healthy.

### The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all cash and cash equivalents are held by the Commissioner and as such, the Chief Constables cash flow statement simply reflects the surplus or deficit from the provision of services less adjustments for non-cash movements. The statement is shown on page 30 of the full statement of accounts.

The table below provides a summary of the cash flow statement:

Summary Cash Flow Statement	Cash flows 2019/20 £000s	Cash flows 2020/21 £000s
<b>Cash &amp; Cash Equivalents 1 April</b>	<b>0</b>	<b>0</b>
Net (Surplus)/Deficit on the provision of services	31,048	26,969
Adjustments for Non-cash Movements	(31,048)	(26,969)
<b>Net Cash Flows from Operating Activities</b>	<b>0</b>	<b>0</b>
<b>Cash &amp; Cash Equivalents 31 March</b>	<b>0</b>	<b>0</b>

### 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 of the contributions that have been made to the pension fund during the year. 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, either from officers joining the scheme in the year and transferring in existing pensions benefits or additional contributions from the employer to cover the cost of ill-health retirements.

The fund also records the benefits paid out of the fund to its members. Any difference between the contributions received into the fund and amount paid out is met by government grant, paid through the Commissioner. This means that the police pension fund always balances to nil.

A summary of the pension fund is shown below.

Summary Police Pension Fund	Pension Fund A/C 2019/20 £000s	Pension Fund A/C 2020/21 £000s
Contributions - Employer	(12,793)	(13,519)
Contributions - Officers	(5,529)	(5,842)
Contributions - Other	(846)	(331)
Benefits Payable	39,083	38,862
Other Payments	27	20
<b>Net Amount Payable</b>	<b>19,942</b>	<b>19,190</b>
Contribution from Home Office	(19,942)	(19,190)
Additional Funding Payable by the Constabulary (2.9%)	0	0
<b>Net Amount Payable</b>	<b>0</b>	<b>0</b>

The statement identifies contributions made in 2020/21 totaling £19.70m. The pension benefits that are payable from the fund, together with other payments amounted to £38.89m. The balance between contributions and pensions' benefits paid of £19.19m has been funded by the Home Office via the Police and Crime Commissioner. The full pensions fund accounts and note can be found on pages 52-53 of the full statement of accounts.

### Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements which are shown alongside the relevant note in the accounts or in Annex A where they are generic to the accounts as a whole. 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 Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

*The Annual Governance Statement of the Chief Constable can be found in (Annex D) of this Statement of Accounts on pages AGS 1- 31 or on the Constabulary website at: [www.cumbria.police.uk](http://www.cumbria.police.uk).*

### The Financial Outlook

The financial statements provide a breakdown of net spending during the year with the balance sheet showing the strong overall financial position of the Commissioner and Chief Constable as at 31 March 2021. This has primarily arisen as a result of positive action on behalf of the Constabulary to manage costs in the context of past and potential future reductions in government funding. A reserves policy has been developed, which seeks to balance pro-actively utilising reserves to support current policing services with maintaining reserves at a level that provides some financial resilience.

To date, with the support of Government, the Constabulary has been able to manage the cost of its response to the Covid-19 pandemic with no adverse effect on its budget.

Looking forward, the Government has continued to be true to its word in the 2021/22 grant settlement by providing further additional grant of £3.4m to fund the recruitment of additional officers in phase 2 of the Operation Uplift programme. Commissioners were also given continued flexibility to levy above inflation increases in council tax. In combination with a public sector pay freeze in 2021, this has enabled the budget for 2021/22 to be balanced.

To date, with the support of Government, the Constabulary has been able to manage the cost of its response to the Covid-19 pandemic with no adverse effect on its budget. However, the medium term financial impact of the current Covid-19 pandemic on the national Government finances is likely to be serious. The potential adverse effect on the ability of forces to

raise future funding at both a national and local funding has the potential to compound existing financial risks regarding the sustainability of a funding model, post Operation Uplift, which relies on local taxpayers to meet increases in the cost of providing services, the funding of pensions, costs of national policing initiatives such as the Emergency Services Network and the potential re-distribution of policing resources in any review of the Police Funding Formula. Whilst the short term financial position has improved the medium term outlook for the Constabulary remains potentially challenging.

The Constabulary's budget is set in the context of a four year medium term financial forecast (MTFF), which is based on prudent assumptions and continued funding restraint. Based on the MTFF, which was prepared in February, annual savings of the order of £5m will be required to balance the budget by the end of the forecast period in 2024/25.

The Commissioner and Chief Constable recognise that, having already delivered £26m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will improve the efficiency of the Constabulary and seek to address the future gap between expenditure and income. The judicious use of reserves will also be considered as a means of balancing the budget as an interim measure. Against this background, the level of required savings highlighted in the MTFF are considered to be achievable.

In light of the financial outlook presented above and in the context of the MTFF and savings plans, the Chief

Constable and the Chief Finance Officer have reviewed the going concern position of the Constabulary and have concluded that it is appropriate to produce the Chief Constable's accounts on a going concern basis.

### Risks

The primary focus of the Constabulary's strategic risk register is closely aligned with the financial challenges faced by the Constabulary outlined above and the consequential impact of implementing change across the organisation.

The Constabulary's joint highest scoring strategic risk relates to the potential reduction in service delivery, safety and ultimately public confidence, which could result from a real terms loss of funding.

The other highest scoring risk recognises the potential threat to performance and additional cost implications of implementing the Emergency Services Network, which is a national system to replace the force's radio communications. This is likely to remain until the project is implemented, which is now scheduled for 2026.

The difficulties of providing a normal policing service if there are high levels of absences due to the Covid-19 pandemic remains a significant risk, although most officers have now been vaccinated.

Other strategic risks recognise the heavy reliance of the service on digital technology and the potential for failure due to technical complexity or cyber-crime, the lack of resilience in the Crime Command due to a shortage of trained detectives and the capacity of the

organisation to deliver the level of change in Vision 2025.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

### Change Programme

The Constabulary's Efficiency Plan remains pivotal in identifying and delivering potential savings, it now forms an integral part of the Cumbria 2025 vision project to ensure that a holistic approach to service delivery linked to changing service demand is adopted.

Current work-streams include:

- Undertaking a Capabilities Review to inform the design of a workforce to meet future policing requirements.
- Realising benefits from investments in digital technology in operational policing.
- Use of business analytics and intelligence to improve management information and generate efficiencies.
- Greater emphasis on income generation.
- Extending the concept of consolidation of operational resources into hubs, including locality based multi-agency working, with the aim of improving productivity and capacity.
- Improving the efficiency of business systems and procedures to better support operational policing.
- Exploiting opportunities for collaboration with other partners.
- A more systematic benefits realisation monitoring process.
- Use of benchmarking and Value for Money indicators to inform resourcing decisions.

- Specific reviews of business activities.

### Financial Management Code

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1<sup>st</sup> April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. However, there is a recognition that due to the global pandemic, it may be difficult for authorities to demonstrate full-compliance during 2020/21. A self assessment has been undertaken, which shows that the Constabulary largely meets the requirements of the code, however there are some areas where further work is required to ensure full compliance, most notably in relation to

- Demonstrating Value for Money.
- Balance sheet monitoring.
- Scheme of delegation and financial training
- Developing a financial resilience index.
- Application of formal options appraisal techniques.

A copy of the self-assessment is included as an appendix to the Annual Governance Statement (Appendix C).

### Acknowledgements

The financial statements were originally authorised for issue by me as Joint Chief Finance Officer, on 30 June 2021.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis 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 tight deadlines and in challenging working circumstances due to the pandemic.

**Roger Marshall**

**Joint Chief Finance Officer**

The accounts present a true and fair view of the position of the Chief Constable of Cumbria Constabulary as at 31 March 2021 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Roger Marshall CPFA

Joint Chief Finance Officer

Date: 30 June 2021