



Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°008/ 2021)

TITLE: Approval of The Commissioner's Revenue Budget Provisional Outturn 2020/21

Executive Summary:

The attached report presents the revenue budget financial outturn for the Commissioner for the 2020/21 financial year. Total net expenditure amounts to £109.696m compared to an approved budget of £110.199m. This is a net variance of £503k (0.46%). The variance represents an underspend of £616k in relation to funding provided to the Constabulary and an overspend of £113k on budgets managed by the OPCC. The forecast variation of a combined £503k underspend represents a reduction in the forecast variance of £753k compared to the £250k reported as at 31 December 2020.

Recommendation:

- The Commissioner is asked to note the combined provisional outturn position of an underspend of £503k for the financial year 2020/21.
- The Commissioner is asked to approve the transfer of £53k of this underspend into earmarked reserves to provide a budget carry forward for 3 items of expense that were committed in 2020/21 but were unable to be delivered during the year due to the covid pandemic (HQ Minor Estates Works £50k, £1.8k Awards Ceremony & Gifts, £1.5k payroll/HR System Training). It is requested that the remaining £450k underspend be transferred to a Covid-19 renewal and recovery reserve to meet future potential costs arising from the pandemic. In the event that this reserve is not required, it is proposed that any remaining balance be transferred to an ESN reserve.

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/~~do not approve~~ the recommendation above

Police & Crime Commissioner / ~~Chief Executive~~ (delete as appropriate)

Signature:

Date: 02 June 2021



Cumbria Office of the Police and Crime Commissioner Report

Title: Commissioner's Revenue Budget Monitoring 2020/21 Quarter 4 and Provisional Outturn 2020/21

Date: 2 June 2021

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 2020/21. 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 £109.696m compared to an approved budget of £110.199m. This is a net variance of £503k (0.46%). The variance represents an underspend of £616k in relation to funding provided to the Constabulary and an overspend of £113k on budgets managed by the OPCC. The variation of £503k represents a reduction in the forecast variance of £753k compared to the £250k overspend reported as at 31 December 2020.

2. Recommendation

2.1. The Commissioner is asked to note the combined provisional outturn position of an underspend of £503k for the financial year 2020/21.

2.2. The Commissioner is asked to approve the transfer of £53k of this underspend into earmarked reserves to provide a budget carry forward for 3 items of expense that were committed in 2020/21 but were unable to be delivered during the year due to the covid pandemic (HQ Minor Estates Works £50k, £1.8k Awards Ceremony & Gifts, £1.5k payroll/HR System Training). It is requested that the remaining £450k underspend be transferred to a Covid-19 renewal and recovery reserve to meet future potential costs arising from the pandemic. In the event that

this reserve is not required, it is proposed that any remaining balance be transferred to an ESN reserve.

3. Revenue Expenditure

- 3.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £109.696m, and is £503k (0.46%) under the approved budget of £110.199m. The forecast underspend position is made up of an overspend of £113k in respect of budgets controlled by the Commissioner and an underspend of £616k 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 2020:

Description	Revised Budget 2020/21 £'000s	Provisional Outturn 2020/21 £'000s	Provisional (Under)/ Overspend 2020/21 £'000s	Provisional (Under)/ Overspend 2020/21 %	Projected (Under)/ Overspend @ DEC-20 £'000s	Change in Forecast DEC-20 to MAR-21 £'000s
Office of the Police and Crime Commissioner	812	822	10	1.23%	0	10
Other PCC Budgets	(19,331)	(19,274)	57	-0.29%	296	(239)
Movements To / (From) Reserves	(630)	(584)	46	-7.30%	0	46
Total OPCC Budgets	(19,149)	(19,036)	113	-0.59%	296	(183)
Funding Provided to the Constabulary	129,348	128,732	(616)	-0.48%	(46)	(570)
Net Expenditure	110,199	109,696	(503)	-0.46%	250	(753)
External Funding	(110,199)	(110,199)	0	0.00%	0	0
Total	0	(503)	(503)		250	(753)

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 over budget by £10k or 1.23% (previously on budget at December). The overspend is largely as a result of overspend on supplies and services which are offset by underspends on staffing on staffing.
- 3.4. The Other PCC Controlled Budgets came in over budget by £57k or 0.29% (previously over budget by £296k at December). The net overspend is made up of the following lines:

- Increased estates costs £26k. This is largely as a result of increases in rates & rates (£11k), cleaning and domestic as a result on enhanced cleaning during the pandemic (£117k) offset to a degree by savings on repairs and maintenance (£43k) and utilities (£58k).
- Increased insurance costs of £52k as a result of increased applied to employee and transport policies by the insurer on renewal in November.
- A reduction in the amount of investment income received in the year £81k, this is due in the main to decisions to invest prudently in the context of Covid and Brexit uncertainty.
- A reduction in the provision for bad and doubtful debts of £4k.

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

- Increased Grant & Contributions £80k.
- A reduction in the contribution from revenue to fund capital expenditure £15k.
- A reduction in respect of the LGPS deficit reduction payment £10k.

- 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 £616k or 0.48% (£46k at December). The forecast underspend is made up of an underspend on expenditure budgets of £453k (previously an overspend of £3k at December) and an increase in income of £163k (previously £49k at December).

The underspend at the year-end is largely as a result of reduced expenditure on non-staff budgets such as supplies and services (£1.6m), Other employee costs (£103k), transport costs (£79k) and increased income of £163k. Much of this underspend is attributable both directly and indirectly to the impact of the Covid 19 pandemic on the Constabulary's activities.

These underspends were partially offset by additional expenditure on police pay £890k as a result of the deliberate decision to recruit the Constabulary share of the operation uplift officers ahead of target, police staff pay £140k, PCSOs £62k and third part related costs of £224k.

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 £503k. It is proposed that of this underspent balance £53k is transferred to a reserve to fund specific services that were planned for 2020/21 but were unable to be delivered due to the covid 19 pandemic (HQ Minor Estates Works £50k, £1.8k Awards Ceremony & Gifts, £1.5k payroll/HR System Training). It is proposed that the remaining underspend of £450k be transferred to a Covid-19 recovery reserve to meet any future costs arising from the pandemic. In the event that the Covid reserve is not required for this purpose, it is proposed that any remaining balance be transferred to an ESN reserve to meet future costs in this area.
- 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 2021, the fund amounted to £64k. During 2020/21 awards to successful applicants totalling £12k were made. Details of these can be found on the Commissioner's website [Successful Applicants/Grant Agreements - Cumbria Police and Crime Commissioner \(cumbria-pcc.gov.uk\)](https://www.cumbria-pcc.gov.uk/SuccessfulApplicants/GrantAgreements-CumbriaPoliceandCrimeCommissioner)

Revenue Budget Monitoring 2020/21 – Provisional Outturn

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Forecast (Under)/Overspend @ DEC-20	Change in DEC'20 to MAR-21
	2020/21 £	2020/21 £	2020/21 £	2020/21 %	£	£
Office of the Police and Crime Commissioner	811,738	821,957	10,219	1.26%	602	9,617
Other PCC Budgets						
Commissioned Services Budget	4,932,460	4,932,439	(21)	0.00%	0	(21)
Sexual Assault Support Services	(35,192)	(35,193)	(1)	0.00%	0	(1)
Council Tax Support for Care Leavers	0	0	0	0.00%	0	0
Estates	4,422,425	4,448,130	25,705	0.58%	150,169	(124,465)
Insurances	599,121	650,676	51,555	8.61%	48,728	2,827
Provisions for Insurance & Legal Liabilities	0	0	0	0.00%	12,500	(12,500)
Technical Accounting	162,657	166,415	3,758	2.31%	2,517	1,241
Capital Financing	3,933,456	3,917,977	(15,479)	-0.39%	0	(15,479)
Grants & Contributions	(33,271,385)	(33,351,862)	(80,477)	0.24%	0	(80,477)
Interest/Investment Income	(96,491)	(14,988)	81,503	-84.47%	81,491	12
	(19,330,648)	(19,273,706)	56,942	-0.29%	295,406	(238,464)
Total Police & Crime Commissioner Directly Controlled	(18,518,910)	(18,451,749)	67,161	-0.36%	296,008	(228,846)
Constabulary Funding	134,776,938	134,323,782	(453,156)	-0.34%	3,156	(456,312)
Constabulary Income	(5,428,947)	(5,591,833)	(162,885)	3.00%	(49,436)	(113,450)
Total Constabulary Funding	129,347,990	128,731,949	(616,042)	-0.48%	(46,280)	(569,761)
Total Approved Budget	110,829,080	110,280,200	(548,880)	-0.50%	249,728	(798,608)
Transfers To/(From) Earmarked Revenue Reserves	(1,229,597)	(1,183,651)	45,946	-3.74%	(0)	45,946
Transfers To/(From) Capital Reserves	0	0	0	0.00%	0	0
Transfers To/(From) General Revenue Reserves	600,000	600,000	0	0.00%	0	0
Aggregated External Financing	(110,199,483)	(110,199,483)	0	0.00%	0	0
Net Requirement	0	(502,934)	(502,934)		249,724	(752,662)