

Introduction

I am pleased to introduce the Summary Statement of Accounts for the 2021/22 financial year. This summary document sets out the consolidated version of the financial position for both the single entity statements of the Police and Crime Commissioner for Cumbria and the consolidated group position, incorporating the statements of the Chief Constable of Cumbria Constabulary. 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.

This summary statement of accounts is taken from the Chief Finance Officers Narrative Report to the full statement of accounts. Its purpose is to offer readers a guide to the most significant matters reported in our statement of accounts. It sets out our overall financial position and a series of mini statements summarising and explaining the primary financial statements. It includes information on our performance and value for money. A commentary is also provided to set out the major influences impacting our income and expenditure in the current and future financial years.

By providing this information we aim to support our readers with an understandable and informative narrative on those matters most significant to our financial position and our financial and non-financial performance. This narrative report is provided as part of the overall publication of the financial statements and also as a standalone report. It can be accessed through the Commissioner's website: www.cumbria-pcc.gov.uk together with the single entity statements of the Chief Constable.

Statutory Framework

The Police and Crime Commissioner 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 also 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.

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.

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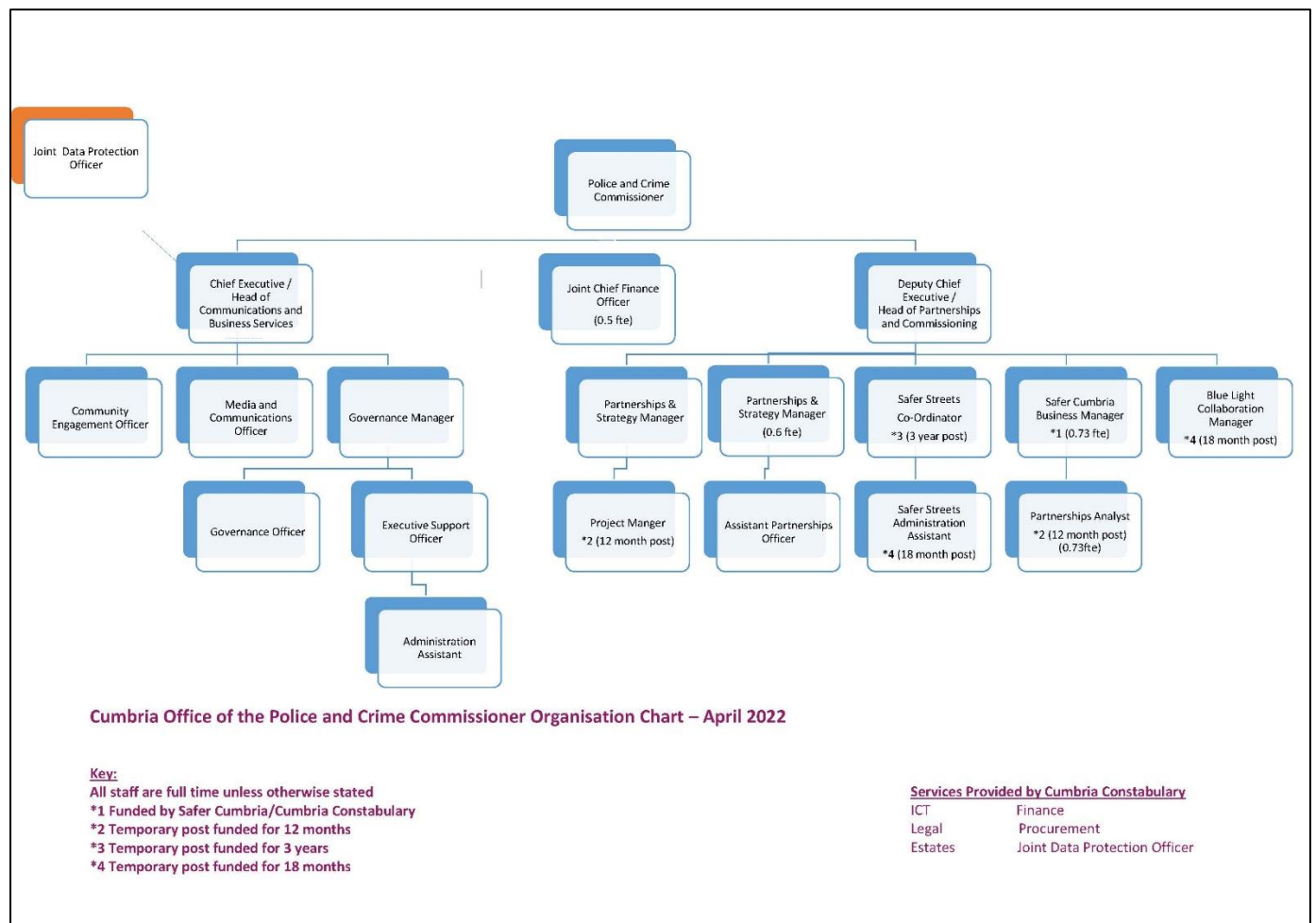
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The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

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. The Commissioner decides the budget, allocating assets and funds to the Chief Constable.

This, in addition to the powers of the Commissioner to set the strategic direction for policing, 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 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 the group accounts.

Our Organisation



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The Police and Crime Commissioner is supported by an office of 17.8 FTE staff, this includes two statutory officers.

The Chief Constable is accountable to the Commissioner and has responsibilities to support the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan. Both entities have appointed a Joint Audit Committee and a Joint Ethics and Integrity Panel. The Committee and Panel comprise independent members to oversee arrangements for governance, including financial reporting and the arrangements for integrity and ethical behaviour. Four Custody Visiting Panels fulfil the statutory requirement for independent review of custody. Membership of the panels at the end of 2021/22 were: Barrow 8, Kendal 10, North Cumbria 10 and West Cumbria 8.

Our Goals

The Commissioner sets the strategic direction for policing and wider interventions within the Police and Crime Plan. The vision for our plan is that Cumbria remains a safe place to live, work and visit, where the public has a say in policing and organisations and community groups work together to address the causes of crime, as well as the consequences. Key priorities include a focus on victims, reducing anti-social driving, preventing rural crime, reducing drug use and drug-related crimes, and preventing cyber-crime.

We work to achieve this by holding the Chief Constable to account for the delivery of effective policing and by commissioning a range of activity and interventions with the Constabulary and our wider partners. The Police and Crime Commissioner launched his Police and Crime Plan 'Keeping Cumbria Safe' in November 2021 setting out our future strategy and goals.

Our People

Our people are the most important resource we have in achieving our goals. Our values commit to having an empowered staff who are high performing, professional and have high levels of satisfaction in their roles. The Commissioner's Office and Constabulary perform well in relation to the gender diversity of the workforce. At Chief Officer Level, excluding the elected Police and Crime Commissioner, 67% of the single entity Chief Officers are female as are 100% of senior managers. A breakdown by gender of the number of men and women across the organisation at the end of the financial year and the number of men and women who were managers is set out below.

Actual Employees as at 31 March 2022	PCC		Total FTE
	Male FTE	Female FTE	
PCC Single Entity			
Chief Officers	0.5	1.0	1.5
Senior Management	0.0	1.0	1.0
All Other Employees	1.0	14.3	15.3
Total PCC Employees	1.5	16.3	17.8
Group			
Chief Officers	7.0	3.0	10.0
Senior Management	11.0	6.0	17.0
All Other Employees	997.8	950.8	1,948.6
Total Group Employees	1,015.8	959.8	1,975.6

Chief Executive Report

The Commissioner has nearly finished his sixth year in Office.

During the year the Commissioner has been able to further embed his Police and Crime Plan with the support of the Constabulary and partners. This has helped establish effective relationships with key local government, criminal justice, health and third sector partners to develop initiatives and commission activities to reduce crime, support victims and enhance community safety and criminal justice.

The Police and Crime Plan contains the police and crime objectives, which all contribute toward achieving the Commissioner's overall aim 'to make Cumbria an even safer place'. Objectives are monitored through a performance framework and Public Accountability Conferences; a public meeting where the Commissioner holds the Chief Constable to account. This structure has been in place for several years and works well.

The Commissioner has continued to provide a range of services for victims and specific services for victims of sexual violence, domestic violence and perpetrator programmes. During the Covid-19 pandemic, the Commissioner also secured additional funding to help local charities supporting victims of domestic abuse and sexual violence develop and adapt the delivery of their services during the outbreak to ensure victims continued to receive the support they need.

The Commissioner has well established financial and governance frameworks necessary to fulfil statutory, regulatory and best practice requirements, supported

by the relevant professional bodies for local government and policing. This benefits from continuous development to ensure the office continues to meet the highest standards.

Public consultation and engagement are paramount to the Commissioner as he is the 'voice' for the people of Cumbria for policing. A wide range of diverse opportunities are available for the public to speak directly to the Commissioner, when the Commissioner is out in the community or by speaking to groups directly. This is further supported by the public contacting the Commissioner by email and letter, with more than 612 people contacting the Commissioner in this way during 2021/22. The main themes raised in this year were in relation to the overall anti-social behaviour, police service dissatisfaction and anti-social driving.

The Commissioner undertook a successful public consultation for the increase in the council tax precept for 2022/23, with 822 respondents and 60% supporting the proposal. As a result of the public consultation, the views of the Chief Constable and the unanimous support of the Police and Crime Panel, the Commissioner took the decision to increase council tax precept by £7.77 for a Band B property.

The Commissioner has continued to hold the Chief Constable to account at regular Public Accountability Conferences and weekly 1-2-1s with the Chief Constable focusing on performance in terms of crime and anti-social behaviour.

This is further supported by the independent inspectorate; Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), external and internal auditors to assist in his scrutiny of governance, finance, risks and internal control. In conjunction with the Constabulary the Commissioner also operates a Joint Audit Committee and an Ethics and Integrity Panel.

The Commissioner's staff embrace the fast-moving pace of the Office and this is evident from the work that is on-going with the Commissioner launching several key strategic campaigns in support of the Police and Crime Plan and commissioning developments. The Office is well placed to deal with the new challenges that we are expecting in 2022/23 and in the future as the role of the Commissioner continues to develop with additional responsibilities.

Particular attention is being directed to the impact of local government reform in Cumbria from 2023/24. The OPCC submitted a business case to the Home Office to take responsibility for Fire Service governance and work from 01/04/2023 which was subsequently approved by the Home Secretary in July, the PCC is now proceeding to enact an implementation plan to this effect. Also the OPCC is developing effective engagement with the new unitary authorities to ensure continuity of services.

Finance Review

2021/22 Grant Settlement and Budget

The Commissioner set a combined net revenue budget of £115.112m for 2021/22 on 19 February 2021. Funding of this amount came from the Police Grant

settlement (£68.490m) and income from Council Tax (£46.622m). Government grant income increased by 6.3% from 2020/21 as a result of funding to recruit an additional 49 officers as the second phase of the Government's Uplift Programme to recruit 20,000 additional officers nationally by 2022/23. The budget represented an increase of the Council Tax precept by 2.47%, taking the Commissioner's proportion of the band D equivalent tax to £272.16 per annum. The effect of the increase is to support the medium term financial forecast and maintaining existing policing services as the grant settlement made no provision for the inflation. The budget provided funding for the Chief Constable of £136.973m comprising a £142.234m expenditure budget to support policing and an income budget of (£5.261m). The Commissioner's budget provided £2.216m for Commissioned Services, to provide funding for partnership working across the Commissioner's wider community safety, crime reduction and victim support responsibilities and £0.847m for the Office of the Police and Crime Commissioner.

The capital budget was set at £7.265m including schemes approved in the year and the effect of the 2021/22 capital outturn position. Capital expenditure is made up broadly of expenditure on assets that have a useful life of beyond one year. Approximately 37% of the programme related to investment in ICT, with the remainder being made up estates works, the cyclical replacement of fleet vehicles and operational equipment. The budget was funded from a combination of capital grants (£1.0m) and direct contributions from revenue (£3.1m) and borrowing (£1.1m).

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The table below shows the summary revenue budget for 2021/22 as set on 19 February 2021, the revised budget (taking into account budget changes made during the year) and the outturn position. The presentation below 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 below will not reconcile directly to the Summary Comprehensive Income and Expenditure statement on page 8. References to the PCC relate to the Police and Crime Commissioner.

Summary Budget and Outturn

Summary Budget & Outturn	Base	Revised		(Under)/
	Budget	Budget	Outturn	Overspend
	2021/22	2021/22	2021/22	2021/22
	£000s	£000s	£000s	£000s
Constabulary Budget	136,981	133,606	133,233	(373)
Office of the PCC	846	977	937	(40)
Other PCC Budgets	13,006	12,906	13,001	95
Grants/Contributions	(35,118)	(33,319)	(33,572)	(253)
Net Expenditure before reserves movements	115,715	114,170	113,599	(571)
To/(From) Reserves	(603)	942	1,513	571
Net Expenditure	115,112	115,112	115,112	0
Government Grants	(68,490)	(68,490)	(68,490)	0
Council Tax	(46,622)	(46,622)	(46,622)	0
Total External Funding	(115,112)	(115,112)	(115,112)	0

The Constabulary gross expenditure budget is made up of funding for employee costs £126.5m (of which Police Officers comprise £97.1m), transport costs of £2.4m and supplies/other costs of £13.3m. The Commissioner's budgets comprise the costs of running his office £0.8m and the net position on a range of

other costs. These include estates costs £4.6m for premises used by the Constabulary and Commissioner, Commissioned Services and Sexual Assault support £2.2m to deliver the Police and Crime Plan and budgets to finance capital expenditure and the costs of technical accounting adjustments. PCC other budgets also include the costs of insurance and past pension costs.

In-Year Financial Performance

Revenue Expenditure: The out-turn position for 2021/22 is an underspend of (£571k). The overall underspend is made up of an underspend of (£198k) on the budgets managed by the Commissioner and underspend of (£373k) on those held by the Constabulary. The core underspend equates to 0.5% of the revised net budget of £115.112m, which is within the target for the revenue expenditure to be within 1% of the budget at out-turn.

In overall terms budgets managed by the Commissioner were (£198k) under budget. This was largely attributable to a combination of a small saving in the costs of the Office of the Police and Crime Commissioner (£40k), reductions in premises costs (£153k), support for the capital programme (£246k) and increased grants in relation to Uplift, Safer Streets, Covid and apprenticeships £253k and reductions in the bad debt provision (£4k) offset by increased costs of insurance £52k, increased contributions to provisions for insurance and legal claims £447k.

In 2021/22 the Constabulary was (£373k) under-budget. The officer pay budget was overspent by

£2.5m because of changes to the workforce plan and pressure on overtime budgets.

However, this was more than offset by savings on police staff (£0.8m), non-staff costs (£1.1m) and additional income (£1.1m). The net under-spend was largely attributable to budgets, which were intended to support recovery from Covid-19, not being spent in the year due to the pro-longed nature of the pandemic.

The impact of Covid-19 on the budget for 2021/22 was broadly neutral with expenditure on PPE and enforcement activities and lost income being offset by Government grants and indirect savings.

It is intended that the majority of the group underspend of (£571k) will be allocated to a Covid-19 recovery reserve. Detailed outturn reports which explain the full range of variances can be found on the budget and finance section of the Commissioner's website.

The Commissioner maintains the Police Property Act Fund. The 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 the Criminal Courts Act 1973. Community groups and individuals can submit applications for funding on a quarterly basis. During 2021/22 awards totaling £67k were made. As at 31 March 2022 the Police Property Act fund balance stood at £49k.

The 2021/22 Capital Expenditure Outturn amounted to £5.4m against a revised budget of £8.7m. Whilst the variance of 38% against planned expenditure was significantly above the target of 8%, there were continuing extenuating circumstances in 2021/22, as the pandemic has continued to impact on global supply

chains particularly for vehicles. There have also been delays in delivering projects some of which are attributable to strategic options appraisal. Nevertheless, progress was made in capital investment during 2021/22 including up-grading the digital infrastructure and provision of mobile devices to facilitate a significant proportion of the workforce operating remotely, the purchase of a commercial kennel facility for police dogs, cyclical replacement of the vehicle fleet (including catch up) and Taser replacement.

The Financial Statements

This section of the narrative report provides an explanation of the various parts of the financial statements alongside a high-level summary and narrative on the financial position. The aim of the statements are to demonstrate to the reader the overall financial position of the Commissioner 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 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 Commissioner's website. 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

The Comprehensive Income and Expenditure Statement (CIES) shows the cost of policing and other services provided in the year and the income from government grants and council tax that fund those services. The CIES is shown on page 33 of the full statement of accounts. An expenditure and income analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in note 6 on page 52.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2021/22 £000s	Gross Income 2021/22 £000s	Net Expenditure 2021/22 £000s
Cost of Police Services	135,328	(14,529)	120,799
Cost of Services	135,328	(14,529)	120,799
Other Operating Expenditure	21,360	(21,430)	(70)
Financing Costs and Investment Income	34,905	(3,864)	31,041
Council Tax and Grant Income	0	(121,422)	(121,422)
(Surplus)/Deficit on the Provision of Services	191,593	(161,245)	30,348
Other Comprehensive Income and Expenditure			(38,582)
Total Comprehensive Income and Expenditure			(8,234)

The statement shows that the net cost of providing services in the year amounted to £120.799m, which is predominantly the costs of policing.

In addition to showing the cost of services, the CIES also sets out net financing costs of £31.041m. The most significant element of financing costs comprise pension charges £30.512m. These charges are calculated in accordance with generally accepted accounting practices and do not all need to be funded in the 2021/22 financial year. Financing costs also

include the costs of borrowing (capital financing). These costs are extremely low other than those that fund the Workington PFI building. This is because the capital programme is funded internally using cash reserves to reduce investment risk and reflect the relatively low interest rates available on investing such balances. At the end of the financial year £22.107m (inclusive of PFI contract) of the capital programme is funded by the use of cash backed internal reserves rather than borrowing from the open market. At some point in the future, due to a planned reduction in reserves, the Commissioner will need to consider external borrowing.

Showing expenditure and income within this statement in accordance with generally accepted accounting practices results in expenditure exceeding income (a deficit on the provision of services) by £30.348m. A further accounting adjustment of (£38.582m) income through the 'other comprehensive income and expenditure' line results in an overall position on the statement of a surplus of (£8.234m). This is an accounting surplus that is taken to Unusable Reserves. Page 6 of this summary sets out the out-turn position based on the management accounts and excluding the technical accounting entries required for the CI&ES. The management accounts show an underspend of (£571k) against the 2021/22 budget.

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Movement in Reserves Statement

This statement shows the different reserves held by the Commissioner. These are analysed into 'Usable Reserves' and 'Unusable Reserves'. Usable reserves can be used to fund expenditure. They may help to pay for future costs or reduce the amount we need to raise in council tax to meet our expenses. Unusable Reserves are principally technical accounting adjustments. The Movement in Reserves Statement shows the opening balance on all reserves at the start of the year, movements in year and the closing balance. The Movement in Reserves statement is shown on pages 35-36 in the full statement of accounts. The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2021 £000s	Movements 2021/22 £000s	Balance 31/03/2022 £000s
Police Fund	3,600	0	3,600
Earmarked Revenue Reserves	13,659	1,519	15,178
Earmarked Capital Reserves	4,294	0	4,294
Capital Receipts	2,181	168	2,349
Capital Grants Unapplied	5,792	(916)	4,876
Total Usable Reserves	29,526	771	30,297
Unusable Reserves	(1,482,908)	7,463	(1,475,445)
Total Reserves	(1,453,382)	8,234	(1,445,148)

Movements in usable reserves for 2021/22 show a net balance of £0.771m. This is the cumulative position recording the amounts we have drawn down from and contribute to specific (earmarked) reserves to help fund expenditure during the year. There are separate accounts to record our receipt and use of income from the sale of property and government grants for capital expenditure. A capital receipt of (£168k) arose in the year as a result of the sale of surplus police house (£259k) less capital receipts applied to finance capital expenditure and costs of sale £91k.

At the end of the year, the Police Fund at 31 March 2022 stands at £3.6m and provides for unplanned financial risks. Earmarked revenue reserves are £15.178m. These reserves provide for a number of specific operational contingencies, one off budget/project costs and funding to meet future liabilities in respect of insurances and the PFI contract. The balance of capital reserves as at 31 March 2022 was £4.294m, capital reserves are those set aside to fund the capital programme, the majority of which is planned to be fully applied by 2022/23. Further detail on earmarked reserves is provided within note 8 to the statement of accounts on pages 57-58.

At the 31st March 2022 we have negative unusable reserves of (£1,475m). Unusable reserves provide a mechanism through which transactions are entered into the accounts in accordance with accounting standards. They also provide the means to manage differences in the timing and calculation of those transactions and the actual expenditure or income we need to charge to our accounts. For example, our properties are regularly re-valued. When this happens any increase in their value is shown in a revaluation reserve. The reserve 'records' the additional income we may receive when the property is sold, but it is 'unusable' until we decide to dispose of the property and achieve a sale. When we sell, the revaluation reserve will be reduced by any increase in value that was recorded before sale. The actual income we receive will be shown in our usable capital receipts reserve, where it can be used to fund new capital expenditure. The balance on our unusable reserves reflects the position following the required accounting transactions.

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The cumulative position for unusable reserves includes reserves of:

- £49.562m in respect of the revaluation reserve and capital adjustment account, recording accounting transactions for our capital assets.
- (£1,521m) in respect of negative pensions reserves. The pensions reserves record accounting transactions for the Police and Local Government Pension Schemes. The change in the balance on these reserves in 2021/22 is positive and is as a result of changes in actuarial assumptions that have increased scheme liabilities.

The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2022) of the Commissioner's assets and liabilities. The balance sheet is shown on page 37 in the full statement of accounts. The table below sets out a summary balance sheet.

Summary Balance Sheet	Balance	Balance
	31/03/2021	31/03/2022
	£000s	£000s
Property, Plant & Equipment	64,359	70,080
Long Term Assets	2,307	1,590
Current Assets	25,639	29,063
Current Liabilities	(18,130)	(19,801)
Long Term Liabilities	(1,527,557)	(1,526,080)
Net Liabilities	(1,453,382)	(1,445,148)
Usable Reserves	29,526	30,297
Unusable Reserves	(1,482,908)	(1,475,445)
Total Reserves	(1,453,382)	(1,445,148)

The balance sheet shows property, plant and equipment assets, which include the Commissioner's estate, fleet of vehicles and ICT/communications equipment, with a value of £70.080m. Of this, land and buildings comprise £60.029m. Long terms assets are

comprised of intangible assets (predominantly computer software) £1.590m. Current assets are principally made up of investments £8.003m, debtors £15.220m, inventories £0.470m and cash £5.370m and have a total value of £29.063m. Investments are made in accordance with the Commissioner's treasury management strategy and support the management of reserves and cash flows. Debtors' balances are primarily made up of institutional debtors, for example central government, and prepayments. This means that the risk of not receiving the debt remains low. The Commissioner has a good collection record in respect of debtor invoices raised for services provided. During 2021/22 six debtor invoices with a combined total of £2,048 were authorised to be written off as not collectable. The provision for impaired or doubtful debts stands at £10,118 against the future risk that not all outstanding invoices will prove to be 100% collectable, this figure is reduced from previous years. The Commissioner's debtors include a share of the debtors recorded by the 6 Cumbrian District Council's in respect of council tax. This debt amounts to £3.902m and is reduced by the Commissioner's share of their respective bad debt provisions of £1.852m. See note 14 to the statement of accounts (Page 72).

Balance sheet liabilities are amounts owed by the Commissioner. They include creditors, PFI debt, pensions and finance lease liabilities. They are split between short term (current) and long term liabilities, the current liabilities being those amounts due to be paid within 1 year. The most significant element of current liabilities are short term creditors which total (£13.521m) and short term loans of (£6.0m).

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The combined short and long term liability on the PFI scheme amount to (£4.198m) at 31st March 2022. Long term liabilities are the most significant figure on the balance sheet, showing a balance of (£1,526m) ((£1,528m) in 2020/21). The main element of this amount is a pension's deficit of (£1,521m) ((£1,522m) in 2020/21) for the Local Government Pension Scheme (LGPS) and the Police Pension Scheme. However, this deficit will be funded over a number of years, with financial support from Central Government, meaning that the financial position of the Commissioner remains healthy.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash held in bank accounts and changes in Money Market funds. Money Market funds are an alternative way of depositing cash to earn interest. The cash can be withdrawn from the fund without having to give notice and they are therefore referred to as cash equivalents.

The statement shows how the Commissioner generates and uses cash and cash equivalents. Cash flows are classified within the cash flow statement as arising from operating activity, investing activity and financing activity. The statement is shown on pages 38-39 of the full statement of accounts. The table below sets out a summary cash flow statement.

Summary Cash Flow Statement	Cash flows 2020/21 £000s	Cash flows 2021/22 £000s
Cash & Cash Equivalents 1 April	(1,271)	(5,482)
Net Cash Flow from:		
Operating Activity	(5,159)	(2,865)
Investing Activity	766	8,771
Financing Activity	182	(5,794)
Cash & Cash Equivalents 31 March, made up of:	(5,482)	(5,370)
Bank Accounts	(684)	(719)
Money Market Funds	(4,798)	(4,651)

The table shows a cash inflow of (£2.865m) from operating activity. This is the net of our cash income including government grants, council tax and charges for services, less how much cash has been paid out, for example for salaries and goods that have been purchased. Cash flows from investing activity show an outflow of £8.771m and primarily represents the net balance of investment deposits less the amount of cash received when the investment comes to the end of its term. Investment activity provides a way to manage resources that will be used to fund future expenditure, earning interest on any balances. Investment activity also includes cash flows from the purchase and sale of capital assets (e.g. property). Cash flows arising from financing activities show a net cash inflow of (£5.794m), this being amount of cash received in relation to financing and borrowing. At the balance sheet date the Commissioner had two short term loans totalling (£6.0m), these loans were to cover short term cash flow liquidity over the year end and were repaid in mid April 2022. The Commissioner has no other borrowing other than that which relates to finance leases and the PFI agreement. An amount of £206k was paid to reduce those debts during the year.

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The Commissioner's cash flow statement shows an overall balance of (£5.370m), compared to (£5.482m) in 2020/21, reflecting an decrease in cash and cash equivalents of £0.112m over the year. At the end of the year (£4.651m) of the Commissioner's cash deposits was held in money market funds and (£0.719m) in banks.

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 the contributions that have been made during the year to the pension fund. 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. These are either transferred contributions, where members join the Constabulary and pension scheme during the year, through transfer from another police force, and transfer in their existing pension benefits. Other contributions also include additional payments made by the employer to cover the cost of ill-health retirements. The fund records the pensions (benefits) that are paid out of the fund to its members. Any difference between the contributions received into the fund and the amount being paid out is met by government grant. This means the police pension fund always balances to nil.

Summary Police Pension Fund	Pension Fund A/C 2020/21 £000s	Pension Fund A/C 2021/22 £000s
Contributions - Employer	(13,519)	(14,043)
Contributions - Officers	(5,842)	(6,049)
Contributions - Other	(331)	(186)
Benefits Payable	38,862	41,279
Other Payments	20	359
Net Amount Payable	19,190	21,360
Contribution from Home Office	(19,190)	(21,360)
Net Amount Payable	0	0

The statement identifies contributions into the fund of (£14.043m) from the Constabulary (employer) and (£6.049m) from police officers. Employer contribution rates in 2021/22 were at 31%. In total £41.279m of pensions have been paid out of the fund. The balance between contributions and those pensions' benefits of £21.360m has been funded by Home Office. The full police officer pension fund account is shown on pages 97 to 98 of the financial statements accompanied with a page of explanatory notes.

Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements. 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 Police and Crime Commissioner and the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

Business Review

During 2021/2022, the Commissioner has continued with several programmes and initiatives working with the Constabulary and wider partners to deliver the key priorities within the Police & Crime Plan as well as responding to the Covid-19 pandemic.

In 2021/22, significant work has been undertaken with NHS England to develop a specification for the delivery and commissioning of the Sexual Assault Referral Centre (SARCs), to secure a service for victims of all ages in the county. Following a successful procurement exercise, this new contract is now in place and continues to provide a 'front door' to support following rape and sexual assault, as well as forensic-medical examination and crisis support for the whole county at the purpose-built centre in Penrith.

The Commissioner has continued to fund Remedi to deliver restorative justice services across Cumbria for victims of crime and provide a programme of meditation for victims of antisocial behaviour. Restorative justice gives victims the chance to explain the impact of the offence, upon them and others close to them, and ask the offender direct questions. It holds offenders to account for what they have done and helps them to take responsibility and make amends for their behaviour.

During 2021/22 In partnership with the Constabulary have helped to reduce reoffending via the Adult Out of Courts Cumbria Disposal Framework. The Offender Management programme is known as 'The Pathways Programme', which is delivered by commissioned provider Remedi. In the first year of delivery, Pathways

has received 314 referrals with equal spread of referrals across the county.

The Commissioner continued to fund Keep Safe to deliver a consistent crime prevention advice and target hardening service available for all victims of crime. This service aims to reduce the likelihood of victims being revictimised and helps victims to recover from crime and anti-social behaviour by helping to reduce the victims' feelings of fear so they can feel safer within their own homes.

In June 2021 the Commissioner secured £311,358, then in December a further £22,263 from the Home Office Safer Streets Fund Round 2 to help reduce the number of burglary offences in the St Michael's ward of Workington. With the funding, the Commissioner has supplied thousands of pounds worth of crime prevention measures and home security equipment free of charge to any home within the area. The equipment ranges from door chains, locks, letterbox security, new doors and windows, security lights, back yard doors and outbuilding security measures, all installed by skilled local tradespeople.

The funding also provided 1300 home security packs including property marking kits to residents giving them the opportunity to have a conversation with our Safer Streets Team about keeping their properties safe, report any issues and be signposted for additional support if needed. The funding also provided police officers with UV torches to aid identification of stolen property and counterfeit documents. CCTV has been provided to St Michael's Nursery and Infant School to help them feel safer and provide evidence to the police as the school is in the heart of the burglary, drug related and anti-social behaviour hotspots, is on the

route from the train station to the town centre, and has previously been subject to intruders causing fear.

Street lighting has been upgraded in the burglary hotspot streets to improve visibility and aid identification of suspects. In Vulcan Park new lighting has been installed and a CCTV system provided to Workington Town Council to increase feelings of safety, encourage legitimate use of the park and also to provide opportunities for surveillance, detection and prevention of crime and anti-social behaviour.

In October 2021 the Commissioner secured £191,584 from the Home Office Safer Streets Fund Round 3 to reduce violence against women and girls and increase feelings of safety for women and girls and all people in public spaces in Whitehaven. In Castle Park new lighting has been installed and a CCTV system provided to Copeland Borough Council to increase feelings of safety, encourage legitimate use of the park and also to provide opportunities for surveillance, detection and prevention of crime and anti-social behaviour. Four additional CCTV cameras have been installed in areas around the town identified as being of concern to women and girls and to police. Active Bystander Training has been provided to schools and colleges in the area to give young people the awareness and skills to recognise when a situation is not right and provide the tools to help them decide how to step up safely and take action to prevent the incident from escalating and/or to assist the victim. This training focused on preventing sexual offences occurring but can be transferred to other scenarios such as bullying and anti-social behaviour. Nearly 1400 young people have received this training with positive outcomes reported. A media campaign, both physical and online, has been run locally and countywide to raise awareness of sexual

crimes and issues around consent and to encourage reporting.

In November 2021, the Commissioner secured £116,925 from the Home Office Safety of Women at Night (SWaN) fund to prevent crimes which disproportionately affect women and girls in public spaces at night and in the night-time economy in Carlisle. A Safer Streets Team has been established of volunteers and paid staff employed by Carlisle City Council. The Safer Streets Team will be deployed from a mobile multi-agency Welfare Hub on Saturday nights in the busy areas of Carlisle to support all people but especially women who need additional help. The Cumbria Night Safety Charter has been developed and will be rolled out to businesses that operate in the night-time economy. This is a voluntary pledge to ensure that staff are trained and know how to respond to reports of women being at risk, and to be able to spot predatory behaviour and respond appropriately. A production for secondary schools has been created by the University of Cumbria to support the delivery of the PHSE curriculum following Ofsted's review of sexual abuse in schools and colleges published in June 2021. This film was premiered at a VAWG seminar hosted by the University in March 2022 attended by secondary schools, Carlisle College and university students. The project was supported by a Crimestoppers physical and online media campaign to raise awareness of sexual crimes and harassment of women and to encourage reporting.

The Commissioner and probation services have developed the Women's Outreach Services. to provide information, advice, support, training, education in a safe trusted space across the county in 3 locations, together with outreach North & South.

Multiple challenges addressed over a wide range of issues such as health, violence, abuse, employment, education, rights & CJ issues. The services & activities provided by the Women's Centre's vary according to need but include 1:1 holistic support, drug alcohol support, counselling, DA programmes, group work, courses & workshops, drop-in sessions & signposting as required to specialist services. All 3 centre's work well individually & are supportive of each other for combined activity. Each centre has good engagement from referring agencies including HAWCs, Police, NHS. The Criminal Justice Teams are delivering "Women First" with good partnership links to NWPS & their local offices. The Outreach locations have facilitated good links with local authority & housing which aids positive transition around homeless prevention work

The Commissioner continues to lead on the implementation of the Quality Assessment Framework, to review how criminal justice agencies comply with the national Victims' Code of Practice and to drive improvements in specific areas through this process. The Commissioner's Victim's Advocate conducted review of compliance of a dip sample of cases against the Code and the team has also shared its good practice with other counties.

The Commissioner's Victims' Advocate also continued to champion the cause for victims, and importantly, help drive up standards. This included conducting assurance visits to service providers, observing service delivery and dip sampling cases to gain additional assurance in relation to the quality of service victims receive. This has resulted in quality work being recognised, specific actions for improvement being picked up in an action plan and contract management

processes for each commissioned service being focused on pertinent issues.

The commissioner has continued to fund the county-wide Domestic Abuse Perpetrator Programme "Turning the Spotlight". The programme received 306 referrals in 2021/22. Positive outcomes included 100% of clients reporting improved understanding of healthy relationship and how to maintain one.

In addition, the commissioner has provided funding to the "Step Up" programme for families experiencing child-on-parent or guardian violence. The Step-up child on parent programme has received 45 referrals for the period of April 2021 to March 2022 with 66.6% of referrals reporting an improvement behaviour and relationships.

The Commissioner, working with partners, continually raises awareness around anti-social driving in response to what residents said is one of their main local concerns. The engagement focuses on raising awareness of the Fatal Four (no seatbelts; speeding; distracted driving and drug/drink driving) as well as any other trends that arise throughout the year e.g. pedestrian safety, motorbike/cyclist safety. The Commissioner has delivered a rural crime campaign, which has been influenced by current issues raised by the Constabulary and National Farmers Union (NFU), with all partners working together to promote rural safety and prevent rural crime. Working with Get Safe Online, the Commissioner has continued to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet.

Funding has been provided to TRAC Psychological Limited to support work with young people and their parents who have created or shared indecent images (nude or semi nude images) of themselves or other young people with the outcome that:

- The young people have an appreciation of the impact and potential risks of requesting, taking and sharing images;
- The young people understand what is and is not involved in a healthy relationship
- The young people do not take or share further indecent images (measured in terms of not coming to the attention of the Police or School again).

This pilot intervention is currently being reviewed to understand the level of need and impact.

Performance

The Commissioner has an open and transparent Accountability Framework to assess how well the objectives in the Police & Crime Plan are being achieved.

During 2021/22, the Police and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of reference agreed in advance with the Panel Chair.

Within the Office of the Police & Crime Commissioner (OPCC) Strength Based Conversation Performance Reviews have been replaced by Personal Development Reviews and continued to be carried out with all staff. During 2021/22, a review of this process was undertaken to ensure it remains appropriate and

flexible. To support this, the OPCC Training Plan sets out the overall training plan for the office and cascades into individual responsibilities. In 2021/22, specific training has been provided for staff in the areas of Code of Ethics, risk management, governance, equality, contract management, youth engagement and the budget. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

Performance Report

We measure our performance across a number of key themes reflecting the priorities in the Police and Crime Plan. These are Effective Policing, Community Safety, Criminal Justice, Customer/Victim Satisfaction and Finance & Value for Money.

- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Police Effectiveness, Efficiency and Legitimacy (PEEL) Inspections: The PEEL Inspections judge the efficiency, effectiveness and legitimacy of the Constabulary in keeping people safe and reducing crime. The latest HMICFRS Inspection took place last Autumn/Winter 2021. Her Majesty's Chief Inspector of Constabulary, Andy Cooke, said: "I congratulate Cumbria Constabulary on its performance in keeping people safe and reducing crime, although it needs to improve in some areas to provide a consistently good service. HMICFRS graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas. The force's management of registered sex offenders was rated as excellent, but how the force handles calls

from the public and its neighbourhood policing resourcing required improvement.

The following data has been provided by Cumbria Constabulary:

- For 2021/22 overall crime increased by 20%, which equates to an increase of 6,172 crimes over the 12-month period to 31st March 2022. This could be equated to entering the post pandemic phase with increased mobility, retail and recreational venues reopening.
- The crime which experienced the greatest increase was 'Violence against the person' which raised by 3,282 (+24%) crimes. Within this broad category certain crime types such as homicides and death or serious injury as a result of unlawful driving decreased, whereas violence without injury, violence with injury and harassment increased. Hate incident increased by the largest percentage (+40%) from 101 cases during the last period to 142 cases in this period. In percentage terms, crimes such as Hate Incident (+40%), Sexual Offences (+39%), Robbery (+25%) all rose by the largest percentages.
- The only crime type to decrease this year was Drug Offences falling by 166 cases. (-15%)
- Reports of Rape increased by 66 (15%) and other sexual offences increased by 414 (52%)

Community Safety

- Antisocial behaviour (ASB) decreased during 2021/22. There were 6,858 incidents in 2021/22, with a total decrease of 4,393 cases (-40%).

- Hate crimes and incidents continue to be closely monitored. During 2021/22, the number of crimes with a hate marker increased from 681 to 873 which equated to a rise of 28%. The constabulary and partners continue to work to encourage reporting hate crime.
- Work has also targeted increased reporting for domestic violence. During 2021/22 Domestic Abuse Safeguarding Referrals increased by 8% from 7,860 to 8,495.

Criminal Justice

- All recorded offences are assigned an outcome based on a national framework for crime. Crime outcomes are classed as positive where the offender is either charged or summonsed, receives an out of court disposal or where the Crown Prosecution Service (CPS) or police determine it is not in the public interest to prosecute. In all cases the crime outcome represents positive police activity in detecting the crime. Positive crime outcome performance for 2021/22 was 14%.

Customer and Victim Satisfaction

- Performance in customer and victim satisfaction is measured through regular independent surveys following police contact. This is supplemented by the process for police complaints that includes independent sampling of complaint files and scrutiny of local to national comparatives against complaints upheld.
- The latest figures for public confidence in the local police service was 79.4% (a slight increase from 78.5% in 2020/21).

- When allegations are made against the police, those resolved locally perform well against national comparative timescales.

Finance & Value for Money

- We measure our performance against targets for achieving financial outturn within a percentage of the net budget. For 2021/22 this was set at 1% for the revenue budget and 8% for the capital budget.
- Actual performance for the Group revenue was 0.5%, which was within the target.
- The capital outturn was 38% below budget, falling outside the target. Whilst this was a disappointing result, the slippage was to a large degree attributable to a combination of delays in vehicle deliveries, which were beyond our control, and of taking additional time to ensure that investment in fast moving digital technologies is spent wisely to provide long term benefits. Stretch targets will continue to be set for capital expenditure going forward as a recognised area for performance improvement.
- Historically the budget for the Commissioner and Office of the Police and Crime Commissioner was benchmarked against HMIC Value for Money profiles. Following the inclusion of fire and rescue services under the remit of HMICFRS, costs for police and crime commissioners are no longer included in the VFM comparators. It has therefore not been possible to undertake a Value for Money analysis for the Office of the Police and Crime Commissioner for 2021/22.
- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) latest PEEL inspection in 2021 assessed the Constabulary adequate in respect of use of resources.

- Outcomes against wider performance measures that indicate the effectiveness of activity and interventions are strong against the priority areas of keeping crime at low levels, reducing anti-social behaviour, bringing criminals to justice and increasing reporting of hate crime and domestic and sexual abuse.
- External audit of arrangements for Value for Money in their annual report.
- Collectively, these indicators provide assurance of Value for Money in respect of the 2021/22 financial year.

The Future Outlook

Following his re-election in 2021, Peter McCall the Police and Crime Commissioner for Cumbria launched his Police and Crime Plan covering the period to 2025. The Plan's key theme is 'Making Cumbria Even Safer' and sets the strategic direction for policing and wider aims for enhancing community safety, criminal justice and supporting victims.

The overall balance sheet at the 31st March 2022 remains healthy, which is reflected in the Medium Term Financial Forecast, which sets out the revenue budget position until 2026/27 and a capital programme, which is fully funded until 2025/26, which will support delivery of the Police and Crime Plan. The current financial position has primarily arisen as a result of positive action on behalf of the Constabulary to reduce costs in the context of real terms reductions in funding since 2010. This has enabled reserves to be maintained at a level that balances financial resilience and supports continued investment.

The Medium Term Financial Strategy and 2022/23 budget was approved in the context of the Government continuing to provide additional funding for Operation Uplift and affording Commissioners' flexibility to raise council tax above inflation. However, this is accompanied by increasing cost pressures particularly in light of the recent emergence of inflationary pressures not seen for a generation.

Against this background the 2022/23 budget provides £139.1m funding for the Chief Constable to deliver policing for Cumbria. Resources include an establishment of 1,334 Police Officers by the end of the year; representing an increase of 68, which is the highest number of officers that Cumbria has ever had. The longer term 10 year capital programme envisages a total investment of £68m principally across the estate, fleet and ICT.

Whilst the position is financially resilient in the short term, there are uncertainties which have the potential to impact negatively on the budget in the medium term. Based on the MTFF assumptions, savings will need to be delivered from 2023/24 to balance the budget. The budget gap by 2026/27 is forecast as £6.6m. The uncertain impact of inflation on future budget prospects compounds existing financial risks in relation to the adequacy and sustainability of funding beyond Operation Uplift, the cost of national policing programmes, particularly the Emergency Services Network, pensions issues and the review of the police funding formula. The required savings are considered to be challenging, but manageable.

Financial scenario modelling continues to take place on a frequent on-going basis, together with development of a savings and efficiency plan involving both the OPCC and Constabulary.

Following Local Government Reform proposals in Cumbria to be enacted from 2023/24, the Commissioner submitted a business case to the Home Office to take on governance of the Fire and Rescue Service of the county which has subsequently been agreed by the Home Secretary and is now being enacted. The financial assessment in the business case indicated that the budget is likely to be challenging but should offer opportunities for savings by integrating services with the Constabulary. The financial implications are continuing to be evaluated which will culminate in the Commissioner setting the precept for Cumbria Fire & Rescue Service for 2023/24. In addition, work is ongoing to establish effective collaborative working arrangements with the new unitary authorities in the county.

In light of the financial outlook outlined above and, in the context of the MTFF and savings plans, the Commissioner and the Joint Chief Finance Officer have reviewed the going concern position of the PCC/Group and have concluded that it is appropriate to produce the Commissioner's accounts on a going concern basis.

Financial Management Code

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting good practice in financial management in

local authorities including the policing sector. In the most recent self-assessment undertaken in March 2022, the Constabulary largely meets the requirements of the code with full compliance in thirteen out of seventeen statements and partial compliance in the remaining four. Developments have been progressed in relation to the Productivity and Efficiency Plan, balance sheet reporting, financial business partnering and contract management in 2021/22, however, there are some areas where further work is required to ensure full compliance, most notably in relation to

- Demonstrating Value for Money and identifying savings to ensure financial sustainability.
- Developing a financial resilience index.
- Application of formal options appraisal techniques.

Acknowledgements

The financial statements were originally authorised for issue by me as Joint Chief Finance Officer on 24 June 2022. Following completion of the audit, they were re-authorised by me on 23 November 2022 and were formally approved by the Commissioner on the same day.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis the Deputy Chief Finance Officer, Lorraine Holme, Sarah Walker and the wider finance team in again achieving the closure of accounts and the publication of these Statements against tight deadlines and complex financial reporting standards, in particular recognising the practical working challenges presented by the pandemic.

Roger Marshall

Joint Chief Finance Officer

The accounts present a true and fair view of the position of the Police and Crime Commissioner for Cumbria Single Entity and Group Accounts as at 31 March 2022 and its income and expenditure for the year there ended.

Signatures removed for the purposes of publishing on the website

Roger Marshall CPFA

Peter McCall

Joint Chief Finance Officer

The Police and Crime Commissioner for Cumbria

Date: 23 November 2022

Date: 23 November 2022