

The Police and Crime Commissioner for Cumbria

Financial Summary 2022/23 as at 31 December 2022 (Quarter 3)

Public Accountability Conference 16 February 2023



Group Revenue Budget

Overspend £71k (0.06%)

Increased Expenditure +£579k (0.36%),

Increased Income -£508k (1.28%)

See page 2



Commissioner's Revenue Budget

Overspend £34k (0.21%)

Increased Expenditure £372k (2.2%),

Increased Income £338k (1.0%)

See page 2



Constabulary Revenue Budget

Overspend £37k (0.03%)

Increased Expenditure £207k (0.14%),

Increased Income £170k (2.71%)

See pages 3-5



Capital Budget

Budget / Forecast £6.701m

Expenditure at Qtr 3 is £2.058m

Profiling to future years £1.306m

Budget changes approved Qtr3 £0.639m

Budget changes to note £0.014m

See page 6



Treasury Management

Investment balance 31/12/22 £17.744m ↓

(Down 20% from £22.033m at 30/09/22).

The current investment income forecast is £380k against a budget of £10k and reflects the recent increase in investment interest rates.

See separate report on the agenda.

PCC Revenue Budget 2022/23 as at 31 December 2022

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend	Projected (Under)/Overspend	Change in Forecast
	2022/23	2022/23	2022/23	2022/23	@ SEP-22	SEP-22 to Dec-22
	£'000s	£'000s	£'000s	%	£'000s	£'000s
Office of the Police and Crime Commissioner	753	762	9	1.20%	(2)	11
Other PCC Budgets	(17,218)	(17,193)	25	-0.15%	(80)	105
Movements To / (From) Reserves	(1,810)	(1,810)	0	0.00%	0	0
Total OPCC Budgets	(18,275)	(18,241)	34	-0.19%	(82)	116
Funding Provided to the Constabulary	139,974	140,011	37	0.03%	847	(810)
Net Expenditure	121,699	121,770	71	0.06%	765	(694)
External Funding	(121,699)	(121,699)	0	0.00%	0	0
Total	0	71	71		765	(694)

Key Themes:

- Overall forecasted overspend of £71k (0.06%).
- PCC budgets forecast to overspend by £34k (0.19%). Constabulary forecast to overspend by £37k (0.03%).
- Overtime pressures for officers (+£1,095k) and, to a lesser extent, staff (+£109k) in all Commands / Directorates.
- Rising inflation is impacting on non-staff budgets, particular pressure is being seen on vehicle repair & maintenance (+£143k), vehicle fuel budgets (+£124k) and premises utilities shown within OPCC budgets (+£195k).
- The main changes from the figures reported for quarter 2 relate to police officer pay, the reversal of the National Insurance rates (approx £270k), changes in the work force plan and changes following the forcewide restructure.
- Over quarter 3 police staff pay has also reduced and income increased, whilst pressure has increased on non-pay budgets as a result of inflation.
- Reversal of the increase in national insurance rates (approx £270k) has reduced the forecast overspend.
- Following the budget decision to borrow £3m in lieu of revenue contributions to capital, the final outturn position for the group is expected to be an underspend of around £3m which could be used to balance the budget in 2023/24. This will be reflected in the OPCC figures at the end of the year as they hold the capital financing budgets.

The balance on the police property act fund as at 31 December 2022 was £61k. Details of the awards made from this fund to community bodies can be found on the Commissioners website.

<https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

Expenditure & Income Variances

Office of the PCC +£9k This is largely as a result of reduced staffing costs in the OPCC which are being offset by increases in training and conferences, consultants and audit fees.

Other PCC Budgets +£25k

Increased expenditure on Premises +£99k mostly as a result of increased expenditure in relation to premises repair and maintenance £126k, Utilities £195k, cleaning costs £5k and other premises costs £14k which are being partly offset by reduced rates -£242k as a result of a refund from a rating re-evaluation.

Increases in insurance costs following a re-tender exercise £124k and increased costs associated with settling 3rd party claims of £139k.

Increase in investment income -£370k, recent increases in interest rates have provided a forecast increase in investment income.

Funding Provided to the Constabulary Overspend £37k The Constabulary is forecasting to be pretty much on budget. An overspend on police officer pay budgets as a result of continuing pressure on overtime is being largely offset by changes to the profile of recruitment for police officers which will see the constabulary meet its operation uplift target of recruiting an additional 68 FTE police officers in 2022/23 and reductions in police staff pay as a result of a high level of vacancies. Vehicle repair and maintenance and fuel costs are currently experiencing pressure as a result of the higher rates of inflation.

Pages 3, 4 and 5 provide a more detailed analysis of the Constabulary revenue budget position.

Constabulary – Revenue Budget 2022/23 (1)

Constabulary - Subjective Analysis

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend	Forecast (Under)/Overspend @ SEP-22	Change in Forecast SEP-22 to Dec-22
	2022/23 £'000s	2022/23 £'000s	2022/23 £'000s	2022/23 %	£'000s	£'000s
Constabulary Funding						
Police Officers	97,859	98,291	432	0.44%	1,314	(882)
Police Community Support Officers	1,917	1,924	7	0.37%	(49)	56
Police Staff	26,852	26,583	(269)	(1.00%)	(54)	(215)
Other Employee Budgets	3,211	3,162	(49)	(1.53%)	(209)	160
Transport Related Expenditure	2,378	2,588	210	8.83%	73	137
Supplies & Services	10,805	10,640	(165)	(1.53%)	(345)	180
Third Party Related Expenses	3,220	3,261	41	1.27%	44	(3)
Total Constabulary Funding	146,242	146,449	207	0.14%	774	(567)
Income	(6,268)	(6,438)	(170)	2.71%	73	(243)
Total Constabulary Funding Net of Income	139,974	140,011	37	0.03%	847	(810)

Constabulary - Objective Analysis

Command / Directorate	Revised Budget 2022/23 £'000s	Forecast Outturn 2022/23 £'000s	(Under) / Overspend 2022/23 £'000s	(Under) / Overspend 2022/23 %	Sep-22 Forecast £'000s	Sep-22 Variance £'000s	Change in Variance £'000s
Pay Budgets							
Core Police Pay	92,017	91,376	(641)	-0.70%	86,831	283	(924)
Core PCSO Pay	1,910	1,917	7	0.37%	1,862	(48)	55
Core Police Staff Pay	24,117	23,830	(287)	-1.19%	23,740	(18)	(269)
Sub Total Pay Budgets	118,044	117,123	(921)	-0.78%	112,433	217	(1,138)
CORE COMMAND BUDGETS							
Chief Officer Group	923	687	(236)	-25.57%	929	49	(285)
Corporate Support Directorate	4,128	4,216	88	2.13%	3,880	(312)	400
Crime & Intelligence Command	2,529	2,355	(174)	-6.88%	1,946	(177)	3
Cumberland BCU	1,762	2,085	323	18.33%	1,821	220	103
Digital Data & Tech Command	5,606	5,724	118	2.10%	5,772	(275)	393
Legal Services Directorate	(192)	(159)	33	-17.19%	(165)	27	6
Marketing & Communications	232	181	(51)	-21.98%	201	(22)	(29)
Operations Command	1,940	2,443	503	25.93%	2,834	456	47
Standards, Insight & Performance Command	(57)	15	72	-126.32%	5	75	(3)
Westmorland & Furness BCU	2,881	3,188	307	10.66%	3,210	145	162
Sub Total Core Command Budgets	19,752	20,735	983	4.98%	20,433	186	797
SECONDED	(13)	(13)	0	0.00%	(13)	0	0
EARMARKED	705	768	63	8.94%	986	225	(162)
PROJECT	1,486	1,398	(88)	-5.92%	7,385	219	(307)
Grand Total	139,974	140,011	37	0.03%	141,224	847	(810)

Key Themes:

- Overall forecasted overspend of £37k (0.03%).
- Overtime pressures for officers (+£1,095k) and, to a lesser extent, staff (+£109k) in all Commands / Directorates.
- Rising inflation is impacting on non-staff budgets, particular pressure is being seen on vehicle repairs & maintenance budgets (+£143k), vehicle fuel budgets (+£124k) and premises utilities shown within OPCC budgets (+£195k).
- The main changes from the figures reported for quarter 2 relate to police officer pay, the reversal of the National Insurance rates (approx £270k), changes in the work force plan and changes following the forwider restructure.
- Over quarter 3 police staff pay has also reduced and income increased, whilst pressure has increased on non-pay budgets as a result of inflation.
- Reversal of the increase in national insurance rates (approx £270k) has reduced the forecast overspend.
- Following the budget decision to borrow £3m in lieu of revenue contributions to capital, the final outturn position for the group is expected to be an underspend of around £3m which could be used to balance the budget in 2023/24. This will be reflected in the OPCC figures at the end of the year as they hold the capital financing budgets.

Variance Narrative

A high level explanation of the main budget variances by department/command is provided on page 5.

Constabulary – Revenue Budget 2022/23 (2)

Pay Budgets – Key Themes

Pay budgets at £117m (excluding overtime) account for 84% of the overall Constabulary budget. The forecast as at 31 December is for an underspend of £921k (0.78%) across combined police officer, PCSO and police staff pay.

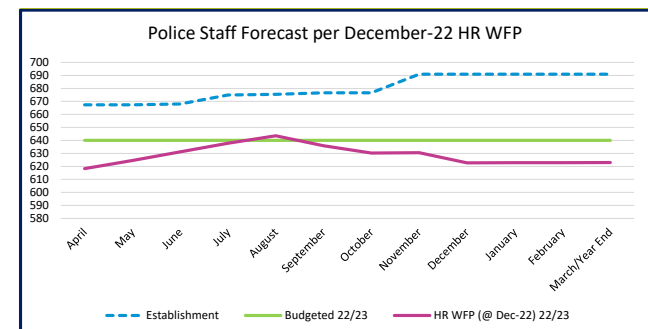
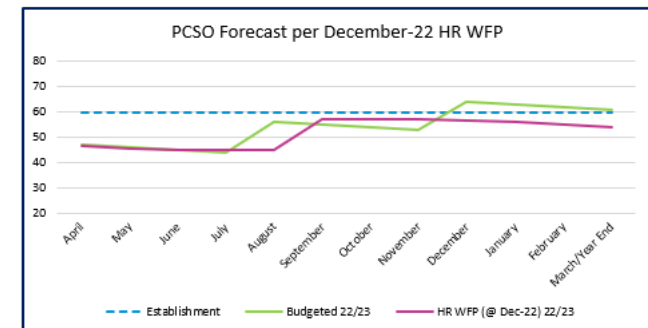
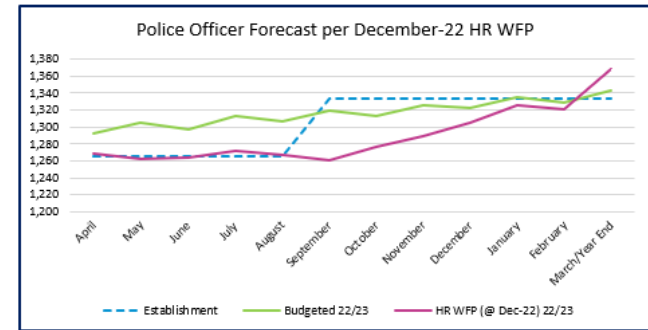
The budget forecasts include the pay awards for police officers and police staff. The impact of the police officer pay award has largely been neutralised by an additional Home Office grant, there has been no such additional grant in relation to police staff pay to date.

Police Pay -£641k - The underspend on police officer pay of £641k (0.70%) is largely as a result of small changes to the workforce plan as a result of the operation uplift recruitment, changes due to the forcewide restructure and the impact of national insurance on the forecast overspend on overtime. Although overtime is shown within individual command budgets, the associated employers national insurance is allocated to core pay lines. During the first 9 months of the year the actual numbers of police officers in post has averaged 36 less than budgeted (approx. £1m), with planned recruitments for the final quarter, which will see the Constabulary reach the operation uplift target, this average falls to 27 under and explains the forecast budget underspend. The graph illustrates this where the red line showing actual police officer numbers is below the green line which represents the budgeted profile.

PCSO Pay +£7k - The overspend on PCSOs £7k (0.39%) is largely as a result of the additional pay rise.

Police Staff Pay -£287k – The underspend on Police Staff £287k (1.19%) is largely as result of the impact higher than anticipated vacancies throughout the year which are largely offset by the increased impact of the police staff pay award.

The 3 graphs illustrate the FTE numbers included in the budget for 2022/23 (based on the WFP provided at budget setting) and the latest actual numbers and forecasts for the remaining 3 months of the year provided in the HR WFP at 31 December.



Constabulary – Revenue Budget 2022/23 (3)

Operational Commands

Chief Officer Group -£236k largely as a result of the removal of the forecast against the covid recovery contingency £250k, underspend on vehicle maintenance £3k and grants & donations £11k which are partly offset by overspends in overtime £2k, office equipment £4k other third party payments £9k, consultants fees £6k & award ceremonies £6k & catering recharges £1k.

Crime & Intel Command -£174k Mainly as a result of increased income £274k (of which £244k relates to proceeds of crime & £33k public protection), reductions in transport expenditure £10k & third party related spend of £24k (with the most significant being Forensic Services £17k), printing recharges 5k. These underspends are being offset to a degree by overspends in relation to police officer overtime £20k, staff overtime £7k, agency staff £16k, staff welfare costs £1k, training expenditure £15k, & supplies & services £80k (of which the most significant are CHIS £31k, subscriptions £38k expert witness £7k).

Cumberland BCU +£323k This is largely as a result of forecast increases in police officer overtime £394k, staff overtime £20k, agency staff £2k, staff welfare costs £1k, training £15k, & reductions in income from football & events £8k. These overspends are being offset to a degree by forecast underspends in relation to transport related expenditure £105k & supplies & services £5k (largely reductions in clothing & uniform offset by increases in equipment), PCSO overtime £1k, Printing recharges 5k & other income 2k.

Operations Command +£503k Largely as a result of increases in police officer overtime £302k, police staff overtime £37k, transport related spend (largely fuel) £94k & supplies & services £146k (largely uniform, equipment and accommodation) and reduced income on abnormal loads £26k. These overspends are offset to a degree by underspends in relation to training £69k & increased other income £27k (mainly reimbursed services relating to civil contingencies), printing recharges 6k & third party related expenditure 2k.

Standards, Insight & Performance Command +£72k This overspend is mainly as a result of increases in police officer overtime £22k, training £6k & reduced income in relation to firearms licences £74k. These overspends are being offset to a degree by underspends on police staff overtime £1k, transport costs £8k, supplies & services (mainly consultants) £17k and printing recharges 4k.

Westmorland & Furness BCU +£307k The main variances are increased spend in relation to police officer overtime £320k, police staff overtime £28k, transport £33k which are being partly offset by savings in relation to PCSO overtime 1k, supplies & services £41k (largely reductions in clothing/uniform, custody costs and interpreters & translators offset by increases in equipment), collaborations 6k, printing recharges 2k and increased income 24k (mainly in relation to football & events £19k).

Support Directorates

Corporate Support Directorate +£88k The main variances relate to a reduction in the forecast spend in relation to redundancy/termination £216k, and increased income £139k (training courses, catering and rates refund). These underspends are offset to a degree by overspends on police officer overtime £20k, police staff overtime £14k, relocation expenses £21k, staff welfare costs £48k training £117k and increases in transport related expenses (largely fuel & accident damage) £224k.

Digital Data and Tech Command +£118k Overspends in supplies & services £80k and third party spend £61k, reduction of fees and charges income £3k. These overspends are being partly offset by reduced spend on training £5k and transport costs £20k.

Legal Services +£33k This is largely due to reduced income in relation to costs awarded to the police.

Marketing and Communications -£51k The underspend has largely arisen due to underspends in relation to non-staff advertising £34k, website costs £19k & training £3k & recruitment costs 2k which are being offset by increases in printing £9k (as a result in the mid-year changes to the print unit).

Seconded, Earmarked Funds and Projects

Seconded £0k Forecast spend in relation to seconded staff is matched by income.

Earmarked Funds +£63k Largely as a result of reduced income forecast in relation to the Driver Awareness Scheme (**Safety Camera Partnership**) of £226k offset by smaller underspends across a number of schemes.

Projects -£88k This largely relates to forecast underspend for ICT projects (mainly Saab) £143k, Business Intelligence projects 44k and L&D projects 14k partly offset by spend in relation to operation uplift £64k, Website replacement 39k & Evidence based policing 13k.

Constabulary – Capital Budget 2022/23

Capital Expenditure

ICT

The budget for modern workspace has been re-profiled by £486k within current & future years to enable the purchase of Laptops & Docks in 2022/23, also £18k has been returned as new telephony devices are to be funded through revenue. The converged infrastructure project has returned £218k as this is no longer needed, with a further £335k being transferred to Airwave handsets to extend the warranties on current handsets, this is due to expected delays to ESN. The Airwave budget has also brought forward £50k from 23/24 to fund required handset updates.

The Control room futures and Silverlite projects have handed back £361k, due to no longer being required & the projects coming to an end.

The business case for the county wide CCTV project has been approved and moved from 'Other' capital projects into ICT (£173k) with an additional £88k moved from a reserve - totalling 261k.

Estates & Fleet

The vehicle replacement programme remains on track and most vehicles are ordered and delivery expected within the financial year, although there are time lags on certain vehicles. Fleet is currently subject to rapidly increasing prices and current commitments are showing as over budget (£78k); however, this will be reviewed in the next quarter when deliveries have taken place.

Other

As well as CCTV moving, £50k for Cell safety has moved from 'Other' capital projects into Estates, and a further £50k added (£100k total) for the Cell Alarm system at Workington.

Capital Programme 2022/23	Original Approved Budget £000s	Impact of 2021/22 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Dec-22 £000s	Draft Capital Outturn £000s	Forecast Variation £000s	Of Which Budget Re-Profile	Budget Changes
ICT Schemes										
ICT End User Hardware Replacement (002x)	1,288	(104)	0	(3)	1,181	438	1,086	(95)	(563)	468
ICT Software Application Replacement (003x)	0	2	0	7	9	0	0	(9)	0	(9)
ICT Core Hardware Replacement (004x)	2,016	45	(29)	0	2,032	201	531	(1,501)	(948)	(553)
ICT ESN / Radio Replacement (005x)	382	50	0	0	432	421	817	385	0	385
ICT Core Infrastructure Replacement	96	0	0	0	96	0	0	(96)	(96)	0
ICT Infrastructure Solution Replacement (Projects)										
- Case & Custody	0	38	0	0	38	0	0	(38)	(38)	0
- Control Room Futures	608	12	0	0	620	62	292	(328)	0	(328)
- Police Works / Silverlite	33	317	0	0	350	142	317	(33)	0	(33)
- Unspecified change to National systems (D)	55	0	0	(55)	0	0	0	0	0	0
- National ANPR / ANPR replacements	52	79	0	0	131	0	71	(60)	(60)	0
- Anti Corruption Software	0	57	0	0	57	50	57	0	0	0
- Firearms Licensing digitisation	0	0	80	0	80	0	64	(16)	(16)	0
- Mark 43	1,000	0	(272)	0	728	43	228	(500)	(500)	0
- County Wide CCTV	0	0	262	55	317	41	317	0	0	0
Profiling Adjustment	(1,000)	0	0	0	(1,000)	0	0	1,000	1,000	0
Total ICT Schemes	4,530	496	41	4	5,071	1,398	3,780	(1,291)	(1,221)	(70)
Fleet Schemes										
2021/2022 Approved Strategy	0	646	0	0	646	456	646	0	0	0
2022/2023 Approved Strategy	1,106	22	14	76	1,218	0	1,219	1	0	1
Reimbursed Vehicles	85	0	0	0	85	0	0	(85)	(85)	0
Total Fleet Schemes	1,191	668	14	76	1,949	456	1,865	(84)	(85)	1
Estates Schemes										
Kendal Police Station - Roof	56	0	0	0	56	0	56	0	0	0
Eden Deployment Centre	0	0	0	0	0	-86	0	0	0	0
Carlisle M&E plant (area 2)	60	0	0	0	60	5	60	0	0	0
West Cumbria Estate	600	20	0	(600)	20	13	20	0	0	0
Dog Section Wrey	200	167	0	0	367	7	367	0	0	0
EDC adaptations	290	16	0	0	306	196	306	0	0	0
Cell Safety	0	0	0	0	0	0	100	100	0	100
Total Estates Schemes	1,206	203	0	(600)	809	135	909	100	0	100
Other Schemes										
CCTV	174	0	(174)	0	0	0	0	0	0	0
X2 Taser migration	68	0	0	0	68	0	68	0	0	0
Glock Pistol Replacement	0	45	0	0	45	39	45	0	0	0
Laser Scanning - Accident investigation	0	4	0	0	4	0	4	0	0	0
Operation Uplift	0	25	0	0	25	30	30	5	0	5
Barrow - custody services to support digital roll out	50	0	0	0	50	0	0	(50)	0	(50)
Total Other Schemes	292	74	(174)	0	192	69	147	(45)	0	(45)
Total Capital Expenditure 2022/23	7,219	1,441	(119)	(520)	8,021	2,058	6,701	(1,320)	(1,306)	(14)

Financing 2022/23

Revenue Contributions £3,480k

General Grants £2,843k

Borrowing £367k

Reserves £20k

Total £6,701k

Re-profiling 2022/23

Capital schemes can span one or more financial years. Profiling to future years represents schemes that are still proceeding as planned but where there is a change in the profile of spend between years

Re-Profile	Previously Reported	New Qtr 3	Total £'000s	% of Base Budget
ICT Schemes	(908)	(313)	(1,221)	-24%
Estates Schemes	0	0	0	0%
Fleet Schemes	(85)	0	(85)	-5%
Other Schemes	0	0	0	0%
	(993)	(313)	(1,306)	-15%

2022/23 Capital Commitments	DDaT £000s	Estates £000s	Fleet £000s	Other £000s	TOTAL £000s
Forecast Outturn	3,779	910	1,865	146	6,700
Spend to Dec-22	1,398	135	456	69	2,058
Remaining budget	2,381	775	1,409	77	4,642
Ordered Commitments	835	369	1,488	267	2,959
Un-committed budget	1,546	405	(78)	(190)	1,683