

The PFCC For Cumbria
Financial update 2023/24
Quarter 1
As at 30th June 2023

Report Date:

31ST July 2023

Report to:

PCC Executive Team 08/08/2023

Group Revenue Budget

Overspend £155k (0.12%)

Increased Expenditure +£1.153m (0.69%),

Increased Income -£0.998m (0.60%)

See page 3

OPFCC Revenue Budget

Underspend £1.049m (5.40%)

Reduced Expenditure £0.598m (4.38%),

Increased Income £0.451m (1.36%)

See page 3

Constabulary Revenue Budget

Overspend £1.204m (0.83%)

Increased Expenditure £1.751m (1.17%),

Increased Income -£0.547m (10.55%)

See pages 4-7

Executive Summary

The combined forecast revenue budget position for the PFCC and Constabulary as at the end of June is £155k overspend.

The June forecast overspend is comprised of an overspend on Constabulary budgets of £1.204m and an underspend on PFCC budgets of £1.049m.

It should be noted that the recent announcement in relation to the Police Officer Pay Award is **not** included in these figures. The potential impact is outlined in the Key Themes section on page 4 and will be included in future forecasts.

See pages 4-7 for further details of the Constabulary position.

Capital Budget

Budget / Forecast £9,080k / £8,881k

Expenditure at Qtr1 is (£75k)

Profiling to future years £52k

Budget changes requiring PCC approval £147k

Net Budget changes to note £199k

See pages 8-9

Treasury Management

Investment balance 30/06/2023 £10.434m ↓

(Down 19% from £12.940m at 31/03/23).

The current income forecast is £750k against an income budget of £400k and reflects the recent increases in investment interest rates.

See separate report on the agenda.

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend
	2023/24	2023/24	2023/24	2023/24
	£'000s	£'000s	£'000s	%
Office of the Police, Fire and Crime	922	922	0	0.00%
Other PFCC Budgets	(15,451)	(16,500)	(1,049)	6.79%
Movements To / (From) Reserves	(5,274)	(5,274)	0	0.00%
Total OPFCC Budgets	(19,803)	(20,852)	(1,049)	5.30%
Funding Provided to the Constabulary	144,741	145,945	1,204	0.83%
Net Expenditure	124,938	125,093	155	0.12%
External Funding	(124,938)	(124,938)	0	0.00%
Total	0	155	155	

Key Themes:

- Overall forecasted overspend of £155k (0.12%).
- Overtime pressures for officers (+£350k) and, to a lesser extent, staff (+£188k) in all Commands / Directorates.
- The impact of the recently announced Police Officer Pay Award is **not** included in the above figures.
- Inflation remains stubbornly high with a resultant impact on supplies.

The balance on the police property act fund as at 30 June 2023 was **£58k**. 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 on budget.

Other PCC Budgets -£1.049m

Reduced expenditure on capital financing -£600k due to the decision to delay borrowing for capital.

Increased interest / investment income -£350k due to rising interest rates and the decision to delay borrowing.

Increase in grants & contributions income -£101k due to increased Home Office grants for LEDS partly offset by under recovery of income.

These underspends are partly offset by increased other costs, largely estates costs of +£2k.

Funding Provided to the Constabulary Overspend £1.204m The overspend in the main arises from overspends on police officer pay budgets caused by changes in the profile of recruitment for police officers as the Constabulary continues to maintain operation uplift numbers. Smaller overspends on staff pay and supplies and services. These overspends are offset to a degree by forecast underspends on PCSO pay and increased income mainly due to Op. Safeguard.

Pages 4 to 7 provide a more detailed analysis of the Constabulary revenue budget position.

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

Constabulary – Revenue Budget 2023/24 (1)

Subjective Analysis (by expenditure type)

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend
	2023/24 £'000s	2023/24 £'000s	2023/24 £'000s	2023/24 %
Constabulary Funding				
Police Officers	98,411	100,119	1,708	1.74%
Police Community Support Officers	2,257	2,029	(228)	(10.10%)
Police Staff	28,271	28,419	148	0.52%
Other Employee Budgets	3,138	3,069	(69)	(2.20%)
Transport Related Expenditure	2,527	2,550	23	0.91%
Supplies & Services	11,244	11,503	259	2.30%
Third Party Related Expenses	4,076	3,986	(90)	(2.21%)
Total Constabulary Funding	149,924	151,675	1,751	1.17%
Income	(5,183)	(5,730)	(547)	10.55%
Total Constabulary Funding Net of Income	144,741	145,945	1,204	0.83%

Risks

- The forecast overspend of £1.204m will need to be funded from the budget support reserve if not found within the year. This will impact on the potential to apply these reserves to reduce the savings requirement for future years.
- Inflation remains stubbornly high with a resultant impact on supplies.
- Pensions Remedy, we have recently been advised of additional costs from the pension provided in respect of pensions remedy totalling £355k which is not budgeted. It is expected that £162k of this will be payable in 2023/24.
- A number of budget pressures and priorities are emerging which still need to be developed and costed. These include additional estates related schemes, increased demand for analytical capability, increased demand for vehicles. Once firm decisions have been made, these items will be incorporated into the forecasts and MTFE going forward.

Key Themes:

- Police officer pay (+£1.7m) largely due to the in year changes to the workforce plan and recruitment of police officers early in the year as part of the continued maintenance of higher officer numbers as a result of the governments 'operation uplift' programme. The increased costs include changes to the rank structure, recruiting earlier than originally planned, increases as a result of pensions auto enrolment, temporary arrangements in the Chief Officer Team and increased national insurance associated with the forecast overspend on overtime.
- Overtime pressures for officers (+£0.3m) and staff (+£0.2m) in all Commands / Directorates.
- Additional income (-£0.5m) in relation to Op Safeguard, which assumes the scheme will continue for much of the current financial year.
- Pay Award, the above figures **do not** currently include the financial impact of the pay award which was recently announced at 7% for police officers. The budget contains provision of 3% from September. It is estimated that the financial impact would be £1.8m for police officers and £0.4m for police staff (assuming they are awarded a similar percentage) over and above the 3% provided in the budget. It is expected that the Home Office are to provide additional funding to

Constabulary – Revenue Budget 2023/24 (2)

Objective Analysis (by command/directorate)

Command / Directorate	Revised Budget 2023/24 £'000s	Forecast Outturn 2023/24 £'000s	(Under) / Overspend 2023/24 £'000s	(Under) / Overspend 2023/24 %
Pay Budgets				
Core Police Pay	92,830	94,217	1,387	1.49%
Core PCSO Pay	2,250	2,022	(228)	-10.13%
Core Police Staff Pay	25,296	25,286	(10)	-0.04%
Sub Total Pay Budgets	120,376	121,525	1,149	0.95%
CORE COMMAND BUDGETS				
Chief Officer Group	640	927	287	44.84%
Corporate Support Directorate	5,139	5,064	(75)	-1.46%
Crime & Intelligence Command	2,495	2,458	(37)	-1.48%
Cumberland BCU	1,691	1,709	18	1.06%
Digital Data & Tech Command	6,577	6,495	(82)	-1.25%
Legal Services Directorate	(171)	(150)	21	-12.28%
Marketing & Communications	210	214	4	1.90%
Operations Command	2,013	2,453	440	21.86%
Standards, Insight & Performance Command	8	29	21	262.50%
Westmorland & Furness BCU	2,679	2,764	85	3.17%
Sub Total Core Command Budgets	21,281	21,963	682	3.20%
SECONDED	0	0	0	0.00%
EARMARKED	872	245	(627)	-71.90%
PROJECT	2,212	2,212	0	0.00%
Grand Total	144,741	145,945	1,204	0.83%

Variance Narrative

A high-level explanation of the main budget variance by department / command is provided on pages 6-7.

Constabulary – Revenue Budget 2023/24 (3)

Pay Budgets

Police Officer Pay +£1.387m The current forecast overspend is largely attributable to in year changes to the workforce plan as the Constabulary works to maintain the operation uplift police officer numbers. The increase includes changes to the rank structure and recruiting officers early in the year to safeguard officer numbers in respect of our commitment to the overall uplift programme. In addition, increased costs have arisen as a result of auto-enrolment into the pension schemes, temporary arrangements in the Chief Officer Team and increased national insurance on the forecast overtime overspend.

PCSO Pay -£228k Largely as a result of current vacancies and no planned PCSO recruitment until the end of 2023/24.

Police Staff Pay -£10k Largely as a result of increased vacancies.

Core Command Budgets

Chief Officer Group +£287k Largely as a result of +£300k for the increased income target placeholder which will be moved to other commands / directorates as required. +£100k mainly due to the budget setting placeholder for the 50% procurement savings, partly offset by -£115k overtime budget placeholder.

Corporate Support Directorate -£75k Mainly due to reduced expenditure -£43k for DHEP training due to intake number changes, increased income -£39k for UCLAN recharges (relating to subcontracting part of PCDA on behalf of UCLAN), -£30k efficiency savings relating to the saving on National Insurance due to uptake for the shared cost AVC scheme, reduced expenditure of -£18k for relocation costs and -£16k for the external assessment centres, -£10k insurance income relating to written off ARV which is partly offset by +£44k accident damage, +£33k overtime in estates & fleet and other minor overspends of +£4k in other areas.

Crime & Intel Command -£37k Mainly as a result of increased income -£102k relating to proceeds of crime, -£19k relating to Forensic services and -£8k reduced Livescan costs partly offset by +£92k increased expenditure on police officer and staff overtime.

Cumberland BCU +£18k Mainly due to increased expenditure on officer and staff overtime +£44k, +£6k protective clothing partly offset by -£8k specialist operational equipment, -£8k fuel, increased income of -£7k football match income and reduced expenditure of -£7k vehicle hire and other minor underspends totalling -£2k.

Digital Data and Tech Command -£82k Underspends -£47k relating to PNC (no charges had been provided prior to budget setting this has now come in under budget) , -£25k relating to Chronicle, -£5k in communications and computing, and other minor underspends totalling -£5k.

Legal Services +£21k Largely due to +£21k increased court costs due to number of current cases.

Constabulary – Revenue Budget 2023/24 (4)

Marketing and Communications +£4k Largely relates to increased costs for single online home +£10k partly offset by reduced website costs -£2k and other minor underspends totalling -£4k.

Operations Command +£440k Largely as a result of increases in overtime +£340k (relating to staff shortages in CCR, overtime in MSG and dogs), +£56k confiscated animals, +£12k specialist operational equipment, +£11k accommodation and subsistence, +£6k temporary toilets and other minor overspends totalling +£15k.

Standards, Insight & Performance +£21k Largely as a result of increased expenditure +£18k for Police officer and staff overtime, and other minor overspends totalling +£3k.

Westmorland & Furness BCU +£85k Mainly due to increased costs +£79k relating to annual indexation costs on the custody medical contract, +£32k increased overtime expenditure for Police officers and staff, +£16k increased vehicle hire costs, +£15k Interpreters and translator costs, +£11k increased costs relating to detained persons, partly offset by -£22k reduced expenditure for specialist operational equipment, -£12k reduced expenditure for accommodation and subsistence, -£10k increased income relating to policing of football matches, -£8k reduced expenditure relating to car allowances and travel expenses and other minor underspends totalling -£16k.

Seconded, Earmarked Funds and Projects

Seconded On budget

Earmarked Funds -£627k Largely as a result of additional income for Op Safeguard -£486k and underspends on the Driver Awareness Scheme (Safety Camera Partnership) of -£128k (mainly due to vacancies) partly offset by minor variances on other earmarked funds totalling -£13k.

Projects On budget

Capital Budget 2023/24 (1)

2023/24 Programme	Approved Capital Strategy £000's	Impact of 2022/23 Outturn £000's	2023-24 In Year Changes £000's	2023-24 Working Budget £000's	Expenditure to Date £000's	Predicted Outturn £000's	Variance £000's	Transfer (incl to Revenue) £000's	Reprofile £000's
DDaT Schemes 2023/24									
End User Hardware Replacement	1,125	440	0	1,566	56	1,566	0	0	0
Service Projects	403	(122)	0	281	(80)	190	(90)	38	53
Core Infrastructure Replacement	2,297	163	0	2,459	11	2,354	(105)	105	0
ESN / Radio Replacement	19	37	0	56	(1)	56	0	0	0
Control Room Futures	168	239	0	408	17	408	0	0	0
Anti Corruption Software	0	7	0	7	0	7	0	0	0
Firearms Licencing digitisation	17	16	0	32	0	32	0	0	0
Iken to cloud (Their Cloud)	20	0	0	20	0	20	0	0	0
CID - Clio	42	0	0	42	0	42	0	0	0
Mark 43 (Record mgmt system)	599	(35)	0	564	(51)	564	0	0	0
CCTV - CountyWide	298	(113)	0	185	27	185	0	0	0
IMU Management Tool	150	(75)	0	75	0	75	0	0	0
Terian Replacement (Fastness)	10	(10)	0	0	0	0	0	0	0
SAAB Telephone replacement (to teams)	0	0	0	0	0	0	0	0	0
Locard Replacement (New)	0	0	0	0	0	0	0	0	0
Axon - CCTV Custody/Fleet	0	0	0	0	0	0	0	0	0
Total Proposed DDaT Schemes	5,148	548	0	5,695	(20)	5,499	(195)	143	53
Estates Schemes 2023/24									
Kendal PS - Roof Repairs	0	56	0	56	0	56	0	0	0
Learning Development Centre Build	0	0	0	0	(86)	0	0	0	0
Carlisle M&E plant (area 2)	0	38	0	38	0	39	1	(1)	0
West Cumbria Estate	20	0	0	20	0	20	0	0	0
Duhrrenhill Custody - CCTV Digital rollout	50	0	0	50	0	50	0	0	0
Dog Section Wrey	0	353	0	353	(1)	353	0	0	0
LDC adaption	0	32	0	32	1	32	0	0	0
Hunterlane Remedial Work	514	(250)	0	264	0	264	0	0	0
Brampton Boiler	50	0	0	50	0	50	0	0	0
Cockermouth Paving	80	0	0	80	0	80	0	0	0
Cell Safety - Workingotn	0	100	0	100	0	100	0	0	0
Total Proposed Estates Schemes	714	330	0	1,043	(86)	1,044	1	(1)	0
Vehicle Schemes 2023/24									
2022/2023 Approved Strategy	0	971	0	971	(24)	971	0	0	0
2023/2024 Approved Strategy	1,571	(750)	0	821	56	821	0	0	0
Partnership Vehicles	120	28	0	148	0	148	0	0	0
Telematics	130	0	0	130	0	130	0	0	0
Total Proposed Vehicle Schemes	1,821	249	0	2,070	31	2,070	0	0	0
Other Schemes 2023/24									
X2 Taser migration (I)	68	0	0	68	0	68	(0)	0	0
X26 Taser migration	200	0	0	200	0	200	0	0	0
Laser Scanning - Accident investigation	0	4	0	4	0	0	(4)	4	0
Total Proposed Other Schemes	268	4	0	272	0	268	(4)	4	0
Total Schemes	7,950	1,130	0	9,080	(74)	8,881	(199)	146	53

Financing 2023/24

Revenue Contributions £1,080k
 General Grants £249k
 Borrowing £6,373k
 Reserves £1,179k
Total £8,881k

Re-profiling 2023/24

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	Re-profiling This Quarter	Total £000s	% of Base Budget
DDaT Schemes	(53)	(53)	-1%
Estates Schemes	0	0	
Fleet Schemes	0	0	
Other Schemes	0	0	
	(53)	(53)	-1%

2023/24 Capital Commitments	DDaT £000s	Estates £000s	Fleet £000s	Other £000s	TOTAL £000s
Forecast Outturn	5,499	1,044	2,070	268	8,881
Spend to Jun-23	(20)	(86)	31	0	(75)
Remaining budget	5,519	1,130	2,039	268	8,956
Ordered Commitments	943	167	1,538	268	2,916
Un-committed budget	4,576	963	501	0	6,040

Actual expenditure to June-23 is negative – this relates to outstanding invoices for work completed in 2022/23

Constabulary – Capital Budget 2023/24 (2)

ICT

Orders for modern workspace have been placed including laptops and monitors but the remainder of the budget will be held until the current stocks are depleted to ensure that future orders are for the latest available models.

The scheme to replace the multifunctional printers will consider leasing as an option rather than a simple purchase. The business case will need to include additional financial analysis to allow comparison for purchasing versus leasing. The project budget is indicative and will require a full business case to be approved by the PFCC.

The business case for the Wide Access Network project requires final approval by the PFCC but interim approvals have been granted to proceed through the tender stage to the contract stage. The equipment specifications and pricing will be finalised, and the business case presented but early indications show that there are savings to the capital budget and revenue across the life of the contract.

Estates

The Estates programme consists of several life cycle replacement projects as well as larger projects for development of the dog section premises at Wreay and the continuation of the Hunter Lane redevelopment.

The funds set aside for Hunter Lane are indicative and require a business case approved by the PFCC to release to budget. The tenders returned for the work at Wreay exceed the remaining available budget so any overspend, or growth would also need PFCC approval.

Fleet

The approved vehicle replacement programme remains on track and most vehicles are ordered. Due to the long lead times experienced last year, £750k of the approved budget has been moved to 2024/25 to reflect the expected delayed receipt of the vehicles. This budget move was approved by the PFCC as part of the outturn report but if vehicles are received early the budget can be brought forward again.

Other

The scheme to replace the accident investigation equipment scheme is now complete. The balance remaining is £4k which is declared as an underspend and the corresponding funding has been returned to fund future schemes.

The two taser schemes are both fully committed and are part of five-year agreements to purchase tasers and cartridges.