



Constabulary Report to OPCC

TITLE OF REPORT:	Revenue Budget Monitoring 2021/22 Quarter 4 to March 2022 and Provisional Outturn
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DATE OF MEETING:	Public Accountability Conference 23 June 2022
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ORIGINATING OFFICERS:	Michelle Bellis, Deputy Chief Finance Officer
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PART 1 or PART 2 PAPER:	PART 1 (OPEN) and PART 2 (CLOSED)
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<p>Executive Summary:</p> <p>The attached report provides details of the provisional outturn on the Constabulary's revenue budget for 2021/22. The figures quoted at this stage are reported as provisional as the final accounts are still subject to audit but it is not envisaged that there will be any significant changes.</p> <p>The figures show net revenue expenditure on Constabulary controlled and managed budgets amounting to £133.233m which represents an underspend of £373k (0.28%) against the approved adjusted budget of £133.606m.</p> <p>The underspend is made up of an overspend on expenditure budgets of £717k (0.51%) and additional income totalling £1.090m (17.6%).</p> <p>The final underspend of £373k represents an increase of £362k compared to the projected underspend reported at the end of Quarter 3 at 31 December of £11k.</p> <p>The principal changes in the last quarter of the financial year related to increases in expenditure on police officer pay and overtime, offset by increased income and by budgets set aside for innovation initiatives, covid recovery and capital financing not being utilised by the year end.</p>

<p>Recommendation:</p> <p>The Commissioner is asked to note the Constabulary revenue budget provisional outturn for 2021/22.</p>

MAIN SECTION

1. Introduction and Background

- 1.1 The purpose of this report is to provide information on the provisional revenue outturn for 2021/22. Total net expenditure amounts to £133.233m which is £373k below the approved budget. This represents a movement of £362k when compared to the forecast underspend reported at the end of Quarter 3 of £11k
- 1.2 The total budget is based on the funding arrangement between the Commissioner and the Chief Constable. This was approved and signed off by both the Chief Constable and the Police & Crime Commissioner.
- 1.3 The approved funding amounted to £141.434m, which is made up of a net revenue budget of £136.973m plus a plant and equipment capital budget of £4.461m. This report deals solely with the revenue funding. The original approved funding has subsequently been amended by a number of budget adjustments. The revised net revenue budget stands at £133.606m.

2. Revenue Expenditure

- 2.1 The provisional outturn of net revenue expenditure for 2021/22 is £133.233m, which is £373k (0.28%) below the approved adjusted budget of £133.606m, which represents a movement of £362k compared to the underspend forecast as at 31 December 2021 (£11k). The provisional outturn is made up of an overspend on expenditure of £717k (0.51%) and additional income of £1.090m (17.60%).
- 2.2 In a change for 2021/22, the monthly reporting to Chief Officers and quarterly reporting to the Public Accountability Conference is now presented on an objective (by command/department) basis rather than subjectively (by category of spend) as in previous years. The principal variances at the end of the financial year, together with comparatives as reported at December, are outlined in the table below:

Subjective Basis

Command / Directorate	Revised Budget £'000s	Provisional Outturn £'000s	(Under) / Overspend £'000s	(Under) / Overspend %	DEC-21 Variance £'000s	Change in Variance £'000s
Staff Pay						
Core Police Pay	84,218	85,391	1,173	1.39%	899	274
Core PCSO Pay	1,887	1,919	32	1.69%	23	9
CORE						
Chief Officer Group	1,191	879	(312)	-26.19%	(76)	(236)
Crime & Safeguarding Command	10,602	10,957	355	3.35%	59	296
Operations & Neighbourhood Policing Command	7,476	7,618	142	1.91%	(32)	174
Insight & Performance Command	2,048	2,055	7	0.32%	23	(16)
Corporate Support Directorate	8,794	8,013	(781)	-8.88%	(379)	(402)
Digital Data & Tech Command	9,868	9,000	(868)	-8.79%	(509)	(359)
Legal Services Directorate	235	246	11	4.67%	0	11
Marketing & Communications	614	588	(26)	-4.25%	(32)	6
SECONDED	(23)	(17)	6	-26.71%	0	6
EARMARKED	1,144	909	(235)	-20.59%	2	(237)
PROJECT	5,552	5,675	123	2.21%	11	112
Grand Total	133,606	133,233	(373)	-0.28%	(11)	(362)

A more detailed analysis of the figures in the above table is provided at **Appendix A**. Commentary on specific variances is provided in the paragraphs below.

- 2.3 The provisional outturn variance reported for 2021/22 is £362k different to the variance forecast as at the end of December (Qtr. 3). The main reasons for this difference will be explained in the remainder of Section 2 heading by heading.

The quarterly reported variances for 2021/22 together with the comparators for 2020/21 are summarised in the table below:

Constabulary Reported Variance	(Under) / Overspend	
	2020/21	2021/22
	£000s	£000s
Quarter 1 to 30 June	63	N/A
First period Reported in 2021/22 to 31 July	N/A	224
Quarter 2 to 30 September	122	-187
Quarter 3 to 31 December	-46	-11
Quarter 4 to 31 March (Year-end)	-616	-373

2.4 **Core Police Officer Pay and Allowances** came in over budget by £1,173k (£899k as at December).

The primary reason for the increased expenditure on police officer pay relates to restructure, including increase in senior ranks (Chief Supt, Supt etc) together with a forecast increase in actual numbers of police officers above budgeted levels in response to the Government's operation uplift target (£958k), employer's NI on additional overtime (£118k) and additional allowances (£97k).

Appendix B provides more detailed analysis in relation to police officer pay budgets and outturn for 2021/22.

Police Overtime is now reported in the individual commands and departments and is explained in the paragraphs below. In overall terms however, the police officer overtime budget have come under considerable pressure during 2021/22. A detailed analysis of the overtime position by command/department is provided for information at **Appendix C**.

Appendix D provides more detailed analysis in relation to police staff pay budgets and outturn for 2021/22.

2.5 **Core PCSO Pay and Allowances** came in over budget by £32k (£23k as at December). During 2021/22 there were no intakes of PCSO recruits whilst the focus was to deliver new police officers as part of the Government's operation uplift programme. The overspend relates to changes in the profile of PCSO leavers during the latter part of 2020/21 and in 2021/22 which meant that the actual numbers of PCSOs exceeded the budgeted figures for the year.

2.6 **Chief Officer Group** budgets underspent by £312k mainly due to reductions police staff pay (£6k), travel costs (£18k), supplies & services (£5k), payments to third parties (£53k), covid recovery fund – (£250k), balance of innovation fund (£220k) offset by increased NPCC contributions (£10k), increased apprenticeship levy (£224k) and training & conferences (£10k)

2.7 **Crime & Safeguarding** budgets overspent by £355k. In the main as a result of increases in staff pay (£33k), police officer overtime (£476k), staff overtime (£21k), agency staffing (£12k), operational equipment (£79k), collaborations (£174k) plus reduced income from other forces (£90k), increased

transport costs (£73k) and increased forensic costs (£43k). These increases are offset to a degree by savings on training (£64k), investigative expenses (£15k), custody (£58k), confiscated animals (£69k), custody medical (£31k), abnormal loads (£20k), accommodation & subsistence £15k), fees & charges (£36k) and additional POCA income (£336k).

- 2.8 **Operations & Neighbourhood Policing** budgets overspent by £142k. The main reasons for the increase are increased police officer overtime (£323k), staff overtime +£34k (CCR), training & conferences +£25k, custody costs +£20k, office equipment +£61k, consultancy fees +£10k, accommodation & subsistence +£18k, collaboration payments +£33k other expenditure +£8k and reduced income fees and charges and football +£27k. Offset by reduced spend on staff pay -£186k, fuel and other travel costs -£112k, operational equipment -£29k, clothing and uniform -£91k and increases in other income -£34k
- 2.9 **Insight & Performance** budgets overspent by £7k. This is largely due to increased spend on agency staffing (£16k), subscriptions (£32k), police officer overtime (£28k), police staff overtime (£11k), printing (£3k), CHIS expenses (£34k) and reduced firearms licensing income (£61k). Offset by reduced spend on staff pay (£19k), training (£22k), fuel and other transport costs (£14k), comms auto charges (£29k), accommodation & subsistence (£5k) and consultancy fees (£19k) and reduced TITAN collaboration payments (£66k).
- 2.10 **Corporate Support Directorate** budgets underspent by £781k. The main variances are reduced spend on staff pay (£95k), agency costs (£42k), recruitment costs (£51k), welfare costs (£59k), training costs (£40k), fuel and other travel costs (£10k), increased training income (£207k), increased other income (£86k), reduced consultants fees (£45k) (McCloud Pensions), office/operational equipment (£2k), catering charges (£33k), banking costs (£4k), management of change (£177k), police officer pensions (£63k). Partially offset by police officer overtime (£10k), staff overtime (£6k), legal costs (£18k), accommodation & subsistence (£54k), increased uniform (£39k).
- 2.11 **Digital Data and Tech Command** budgets underspent by £868k this was mainly as a result of reduced spend on staff pay due to high levels of vacancies (£293k), computing & communications (£269k), accommodation, subsistence and travel (£36k), reimbursement of costs (£65k), disclosure income (£15k) and the balance of the DDAT contingency (£390k), offset by increases on PNC / PND and national ICT charges (£113k) and an overspend on consultants fees (£80k).

- 2.12 **Legal Services** budgets overspent by £11k. The main reasons being, reduced income on costs awarded to police (£14k), increased court and legal costs (£50k) offset by reduced training, conferences & travel (£3k), reduced printing (£2k), additional reimbursed income (£14k) and reduced spend on staff pay (£34k).
- 2.13 **Marketing and Communications** budgets underspent by £26k. The main reason for this were reductions in training (£5k), accommodation, subsistence and travel (£3k), advertising (non-staff) – (£29k) and reduced spend on website (£14k) which were offset to a degree by increased staff costs (£25k).
- 2.14 **Seconded** budgets overspent by £6k reflecting that some costs of employing secondees not able to be recovered from partner organisation .
- 2.15 **Earmarked** budgets underspent by £235k. this is the main is as a result of underspends due to additional income from Mutual Aid including COP26 (£468k), reduced expenditure on Op Lectern (£194k) and a forecast underspend on Junior Citizen Scheme (£7k). Offset by overspend on Appleby Fair (£211k) due to additional cost of officer overtime and loss of income from Driver Awareness Scheme Safety Camera Partnership (£220k).
- 2.16 **Project** budgets overspent by £123k. This is as a result of the increased cost of implementation of new Constabulary website / On-line home (£21k) due to additional project management costs, front loading of recruitment of Op Uplift officers, offset by reductions in uplift staff costs (£349k), and cyber crime (£11k). Offset by reduced costs of BI Publisher project (£46k), ICT Projects (£130k), plan zero (£30k) and Leadership & Skills Project (£53k).

3. Sponsorship Activity

- 3.1 Under the terms of the funding arrangement, the Chief Constable is required to include in the annual revenue outturn report details of sponsorship activity undertaken/received in the year. Chief Officers responsibilities with regard to sponsorship are set out in section C13 of the Financial regulations and include:

- To determine whether gifts, loans or sponsorship will be accepted
- To ensure there are guidelines in place for staff with regard to gifts, loans and sponsorship and that all staff are aware of and operate within the guidelines.

- To ensure guidelines provide that the Joint CFO is advised of any gifts, loans or sponsorship prior to acceptance to ensure that decision making takes into consideration any financial implications including those pertaining to insurance and taxation.

3.2 During 2021/22 there were no new items of sponsorship which have been notified as accepted. The Constabulary does however continue to utilise a vehicle provided by DSG Ltd Morecambe for use by the community safety team in the south of the county, this vehicle is replaced on a regular basis.

4. Bad and Doubtful Debts

4.1 In accordance with the funding arrangement, this revenue outturn report is required to include details of bad debts written off during the year and any provision for bad and doubtful debts made at 31 March 2022.

During 2021/22 there were six write offs totalling £2,048 of debtor invoices that were approved for write off by the Joint Chief Finance Officer Roger Marshall.

4.2 At 31 March 2022 a provision for bad and doubtful debts has been established for an amount of £10,118. This provision relates to 6 debtor invoices for which uncertainty exists as to whether the debt will be recovered. The provision has reduced slightly from that provided in previous years. As in 2020/21, in response to the coronavirus outbreak, a more detailed analysis of all debt outstanding at 31 March 2022 was undertaken and as a result of this exercise it was deemed prudent to set aside the above amount bad a doubtful debts. The sum of £10,118 provided represents 1.4% of the total outstanding debt at the year end. A schedule of these doubtful debts is provided at **Appendix E (Note Appendix E to be Part 2 Paper for Public Accountability Conference)**.

4.3 At 31 March 2022 the accounts receivable (debtors system) recorded that there were 106 invoices outstanding with a combined total of £730k arising from 70 separate customers. Of this sum, £508k (70%) relates to invoices that a classed as current as they have not yet met their due date. A further analysis of debtors as at 31 March 2022 is provided at **Appendix F. (Note Appendix F to be Part 2 Paper for Public Accountability Conference)**.

5. Supplementary Information

5.1 Appendices to this report are provided as follows:

- Appendix A – Constabulary Revenue Budget monitoring as at the end of 2021/22.
- Appendix B – Police Officer Pay Further Analysis.
- Appendix C – Police Officer Overtime Analysis 2021/22.
- Appendix D – Police Staff Pay Further Analysis.
- Appendix E – Calculation of Provision for Bad & Doubtful Debts at 31 March 2022 (Part 2).
- Appendix F – Analysis of Debts at 31 March 2022 (Part 2).

The Chief Constable for Cumbria Constabulary**Revenue Budget Monitoring Full Year 2021/22 – Objective Analysis (by Command/Department)**

Command / Directorate	Revised Budget £'s	Provisional Outturn £'s	(Under) / Overspend £'s	(Under) / Overspend %	DEC-21 Variance £'s	Change in Variance £'s
Staff Pay						
Core Police Pay	84,217,749	85,390,570	1,172,822	1.39%	898,745	274,077
Core PCSO Pay	1,887,278	1,919,266	31,988	1.69%	23,207	8,781
CORE						
Chief Officer Group	1,190,610	878,848	(311,763)	-26.19%	(76,079)	(235,684)
Crime & Safeguarding Command	10,602,037	10,957,175	355,138	3.35%	59,026	296,112
Operations & Neighbourhood Policing Command	7,475,633	7,618,221	142,588	1.91%	(32,688)	175,276
Insight & Performance Command	2,048,297	2,054,794	6,497	0.32%	23,483	(16,986)
Corporate Support Directorate	8,794,565	8,013,224	(781,341)	-8.88%	(379,072)	(402,269)
Digital Data & Tech Command	9,867,782	9,000,392	(867,389)	-8.79%	(508,959)	(358,430)
Legal Services Directorate	235,057	246,026	10,970	4.67%	(253)	11,222
Marketing & Communications	613,679	587,583	(26,096)	-4.25%	(31,516)	5,420
SECONDED	(23,390)	(17,143)	6,247	-26.71%	(293)	6,540
EARMARKED	1,144,428	908,825	(235,603)	-20.59%	2,050	(237,653)
PROJECT	5,552,374	5,675,169	122,795	2.21%	11,088	111,707
Grand Total	133,606,098	133,232,950	(373,149)	-0.28%	(11,261)	(361,888)

The Chief Constable for Cumbria Constabulary**Revenue Budget Monitoring Full Year 2021/22 – Subjective Analysis (by spend type)**

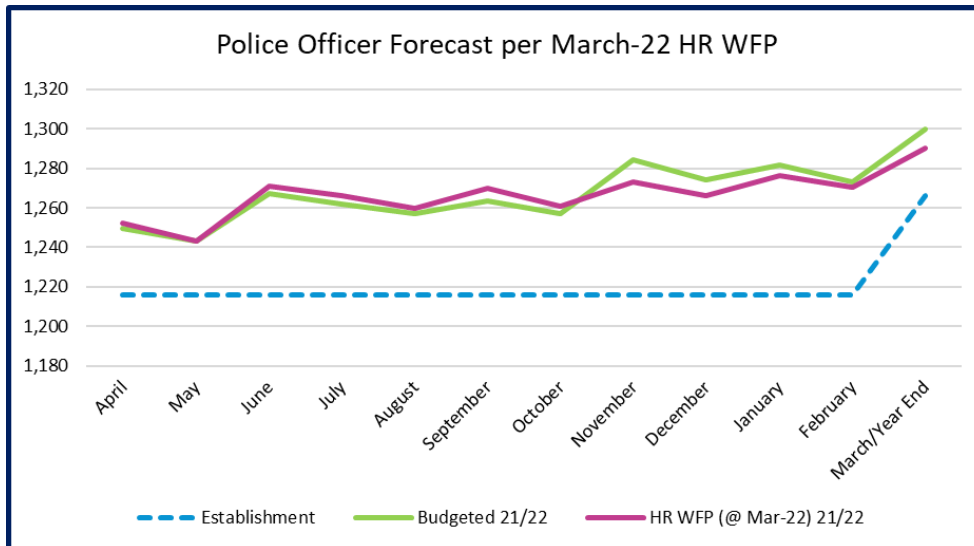
Description	Base Budget	Revised Budget	Provisional Expenditure / (Income)	Provisional (Under)/ Overspend	Provisional (Under)/ Overspend	Forecast (Under) / Overspend @ DEC-21	Change DEC-21 to Mar-22
	2021/22	2021/22	2021/22	2021/22	2021/22	@ DEC-21	DEC-21 to Mar-22
	£	£	£	£	%	£	£
Constabulary Funding							
Police Officers	97,139,153	93,061,003	95,574,579	2,513,577	2.70%	1,893,997	619,579
Police Community Support Officers	1,893,869	1,893,869	1,929,363	35,494	1.87%	28,418	7,076
Police Staff	25,287,149	25,657,519	24,861,355	(796,163)	-3.10%	(849,731)	53,568
Other Employee Budgets	2,211,809	2,887,728	2,721,766	(165,962)	-5.75%	(175,934)	9,972
Transport Related Expenditure	2,365,626	2,359,357	2,267,691	(91,665)	-3.89%	(192,705)	101,040
Supplies & Services	10,937,164	11,293,884	10,134,740	(1,159,145)	-10.26%	(369,331)	(789,814)
Third Party Related Expenses	2,404,892	2,645,138	3,025,322	380,184	14.37%	181,702	198,482
Total Constabulary Funding	142,239,662	139,798,497	140,514,816	716,319	0.51%	516,416	199,903
Income	(5,258,701)	(6,192,399)	(7,281,866)	(1,089,468)	17.59%	(527,677)	(561,791)
Total Constabulary Funding Net of Income	136,980,961	133,606,098	133,232,950	(373,149)	-0.28%	(11,260)	(361,888)

Police Officer Pay

The table below provides a greater level of detail of the final year-end figures.

Description	Base Budget 2021/22 £	Revised Budget 2021/22 £	Provisional Expenditure / (Income) 2021/22 £	Provisional (Under)/ Overspend 2021/22 £
Schedule 1				
Police Officers				
Police Officer Pay	47,489,021	47,825,884	48,024,741	198,858
Police Officer National Insurance	5,028,488	5,568,354	5,681,231	112,876
Police Officer Employers Pension Contributions	13,907,588	13,947,674	14,044,102	96,428
Police Officer Contribution to Pension Fund	26,506,000	21,360,236	21,360,236	(0)
Police Officer Allowances & Other Payments	1,364,141	1,433,701	1,558,647	124,946
Police Officer Overtime	2,125,321	2,332,624	3,705,777	1,073,153
Police Officer Turnover	(544,018)	(970,083)	0	970,083
Police Officer Ill Health & Injury Pensions	1,262,613	1,262,613	1,199,846	(62,767)
	97,139,153	92,761,003	95,574,580	2,513,577

Appendix C provides a more detailed analysis of police officer overtime and public holiday payments.



This chart illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result.

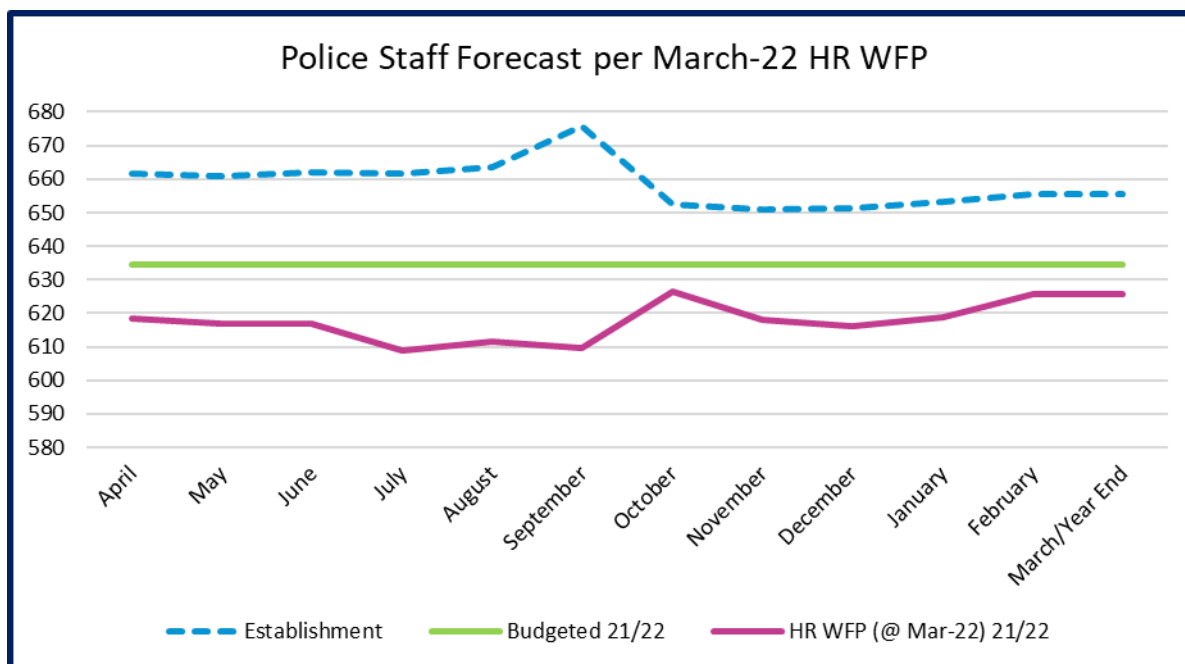
Police Officer Overtime Analysis 2021/22

Command / Directorate	Department	Base Budget 2021/22 £	Revised Budget 2021/22 £	Forecast Outturn 2021/22 £	Forecast (Under)/Overspend 2021/22 £
Chief Officer Group	Chief Officers	0	0	188	188
Chief Officer Group Total		0	0	188	188
Crime & Safeguarding Command	Crime & Safeguarding Command Management	0	0	107,585	107,585
	Investigative Standards	300,946	300,946	500,869	199,923
	PPU & Safeguarding	72,571	72,571	74,063	1,491
	Specialist Capabilities	525,203	525,203	691,210	166,008
	Forensic Services	0	0	843	843
Crime & Safeguarding Command Total		898,721	898,721	1,374,571	475,850
Operations & Neighbourhood Policing Command	Operations & Neighbourhood Policing Management	0	0	4,081	4,081
	Public Contact & Engagement	213,085	166,960	271,680	104,720
	North TPA	266,345	266,345	348,975	82,630
	South TPA	318,024	318,024	376,000	57,975
	West TPA	256,973	256,973	330,799	73,825
Operations & Neighbourhood Policing Command Total		1,054,428	1,008,303	1,331,533	323,231
Insight & Performance Command	Crime Management Support Unit	0	0	2,578	2,578
	Insight & Analysis	72,289	72,289	95,621	23,332
	Performance & Policing Futures	0	0	1,699	1,699
Insight & Performance Command Total		72,289	72,289	99,899	27,610
Corporate Support Directorate	People Department	12,468	12,468	22,458	9,990
Corporate Support Directorate Total		12,468	12,468	22,458	9,990
Digital Data & Tech Command	Information Communications Technology	0	0	936	936
Digital Data & Tech Command Total		0	0	936	936
Seconded	712600-Seconded - NPAS	11,071	399	399	0
	722000-Seconded - Metropolitan Police	0	1,779	1,779	0
Seconded Total		11,071	2,178	2,178	0
Seconded - TITAN	717570-Seconded - North West ROCU (Merseyside)	855	1,601	1,413	(188)
	717540-Seconded - North West ROCT (Merseyside)	0	1,000	939	(61)
Seconded - TITAN Total		855	2,601	2,352	(248)
Earmarked - Crime & Safeguarding	752005-Appleby Fair	73,390	73,390	240,209	166,819
	747005-CT Prevent (GMCA)	0	180	158	(22)
	747020-CT Ports	0	2,350	2,617	267
	747050-CT Prevent (Lancs)	0	885	373	(512)
	862000-One-off Mutual Aid	0	98,889	107,148	8,259
	747060-SE & RR Capability Manager	0	3,300	3,188	(112)
	747070-CT Intelligence (OMIU)	0	384	1,640	1,256
	862030-Mutual Aid - COP26	0	162,785	162,785	0
Earmarked - Crime & Safeguarding Total		73,390	342,163	518,118	175,955
Earmarked - Operations & Neighbourhood	760000-Cumbria Constabulary Nuclear Estates Team	2,100	1,360	1,360	0
	770005-Operation Latitude	0	75,135	75,135	(0)
Earmarked - Operations & Neighbourhood Total		2,100	76,495	76,495	(0)
Earmarked - Op Lectern	637005-Op Lectern (Response to Novel Coronavirus)	0	210,526	144,751	(65,775)
Earmarked - Op Lectern Total		0	210,526	144,751	(65,775)
Projects - ICT	002Q - ICT Hardware Replacement - Pocket Notebook Smart	0	5,836	5,836	0
Projects - ICT Total		0	5,836	5,836	0
Projects - Crime Command	106A - Cyber Crime - Funded	0	1,045	783	(262)
Projects - Crime Command Total		0	1,045	783	(262)
Projects - Op Uplift	102A - Op Uplift	0	0	124,838	124,838
Projects - Op Uplift Total		0	0	124,838	124,838
Earmarked - DBS	780005-Disclosure & Barring Service	0	0	840	840
Earmarked - DBS Total		0	0	840	840
Grand Total		2,125,321	2,632,624	3,705,776	1,073,153

Police Staff Pay

The table below provides a greater level of detail of the final year-end figures.

Description	Base Budget 2021/22 £	Revised Budget 2021/22 £	Provisional Expenditure /(Income) 2021/22 £	Provisional (Under)/ Overspend 2021/22 £
Police Staff				
Police Staff Pay	19,977,748	20,219,401	18,798,766	(1,420,634)
Police Staff National Insurance	1,872,605	1,915,820	1,833,812	(82,008)
Police Staff Pensions	3,629,373	3,686,694	3,478,089	(208,605)
Police Staff Allowances & Other Payments	225,341	230,283	330,846	100,563
Police Staff Overtime	218,198	240,093	377,292	137,198
Police Staff Overtime - Public Holiday	77,311	78,654	42,551	(36,104)
Police Staff Turnover	(713,426)	(713,426)	0	713,426
	25,287,149	25,657,519	24,861,355	(796,163)



The chart above illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result.