

## Constabulary Revenue Budget Monitoring 2019/20

Forecast as at 31 December 2019 to Public Accountability Conference 19 February 2020

## Constabulary Summary at December 2019

The current forecast of net expenditure amounts to £122.487m compared to a revised budget of £121.883m. The variance amounts to a forecast overspend of £0.604m (0.50%) and is made up of a forecast overspend on expenditure budgets of £0.718m (0.56%), an increase in income of £0.114m (1.69%). Once income of £0.242m provided by the Government in 2019/20 in relation to Operation Uplift is included the forecast overspend is reduced to £0.362m (0.30%).

The forecast overspend represents an increase of £74k compared with the overspend of £0.288m reported as at the end of September 2019. The major changes between September and December are principally in relation to the assumptions made with regard to the police officer recruitment in response to the government's proposed increase in police officer number (Operation Uplift) and around central funding for provided in relation to these additional costs. These changes are offset by reductions in expenditure on ICT, credits from previous years in connection to our custody medical contracts, savings on equipment and other services, vehicle repairs and maintenance, external training and PCSO costs. Forecast income from refunds and mutual aid has also increased since September.

Description	Revised Budget 2019/20 £'000s	Forecast Expenditure /(Income) 2019/20 £'000s	Forecast (Under)/ Overspend 2019/20 £'000s	Forecast (Under)/ Overspend 2019/20 %	Forecast (Under)/ Overspend @ SEP-19 £'000s	Change from SEP-19 to DEC-19 £'000s
Constabulary Funding						
Police Officers	86,063	86,688	625	0.73%	417	208
Police Community Support Officers	2,738	2,551	(187)	-6.83%	(157)	(30)
Police Staff	22,480	22,440	(40)	-0.18%	(49)	9
Other Employee Budgets	1,792	1,816	24	1.34%	102	(78)
Transport Related Expenditure	2,314	2,264	(50)	-2.16%	20	(70)
Supplies & Services	10,984	11,343	359	3.27%	554	(195)
Third Party Related Expenses	2,253	2,240	(13)	-0.58%	(28)	15
<b>Total Constabulary Funding</b>	<b>128,624</b>	<b>129,342</b>	<b>718</b>	<b>0.56%</b>	<b>859</b>	<b>(141)</b>
Income	(6,741)	(6,855)	(114)	1.69%	(29)	(85)
<b>Total Constabulary Funding Net of Income</b>	<b>121,883</b>	<b>122,487</b>	<b>604</b>	<b>0.50%</b>	<b>830</b>	<b>(226)</b>
Op Uplift Funding Assumptions	0	(242)	(242)	0.00%	(542)	300
<b>Adjusted Constabulary Funding</b>	<b>121,883</b>	<b>122,245</b>	<b>362</b>	<b>0.30%</b>	<b>288</b>	<b>74</b>

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### Current Forecast

The forecast constabulary overspend is due to a number of factors across several different headings.

In relation to the Government's pledge to recruit an additional 20,000 officers nationally, known as Operation Uplift, forces have been requested to commence the recruitment of officers as quickly as possible to ensure that the Government's target of recruiting the additional officers by the end of 2022/23 is achieved. This report includes £989k of expenditure currently expected to be incurred in 2019/20 to service Operation Uplift and includes the direct costs of the additional officers in relation to pay, uniform and equipment, recruitment costs and enabling police staff posts such as trainers. The Home Office has given Cumbria a target of recruiting an additional 51 officers by March 2021, which is expected to be substantially achieved by March 2020.

The Government has announced that Cumbria will receive additional funding of £242k towards the cost of Operation Uplift.

The figures are based on the indicative plan for new recruits of 27 FTE in September, 2 intakes of 18 FTE in November a single additional intake of 18 FTE in January and the planned intake of 18 FTE PCDA recruits in February, plus an increase in transferees without a corresponding reduction in intake numbers.

**Appendix A** provides a graphical presentation of planned intakes of police officers included in the above assumptions.

The police officer budget is forecast to overspend by £625k, the overspend arises through a combination of:

- Changes to the workforce plan in response to operation uplift including increased number of new recruits and, an increase in transferees £474k.
- Other changes to workforce plan including leavers & promotions, £118k
- holiday pay/pay in lieu of notice £94k
- Increase in overtime £155k
- Increase in injury pensions (backdated payments on appeal) £144k

offset by

- Pay Award at 2.5%, compared to 3% budgeted (£240k)
- an increase in the number of officers who are not members of one of the police pension schemes (£120k)

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The PCSO budget is forecast to underspend by £187k. This figure has changed from a reported underspend at November of £191k, the change reflects forecast changes in the profile of leavers during quarter.

The police staff budget is forecast to underspend by £40k. The underspend on police staff has arisen as a result of the assumptions made with regard to when vacant posts are expected to be filled (£275k) offset by a forecast increase in overtime (£65k) and the cost of additional posts created as part of operation uplift to support the recruitment of police officers (£170k).

The other employee expenses budget is forecasted to overspend by £24k. This is largely as a result of assumptions made with regards to recruitment and welfare costs associated with operation uplift (£50k), other additional recruitment costs (£25k), welfare costs (£16k), management of change (£20k), agency (£10k) offset by reductions in further education (£55k) and other training (£43k).

The transport related budget is forecasting to underspend by £50k, the primary reason for this is in relation to a forecast underspend on vehicle repair & maintenance (£40k), fuel (£9k), travel expenses (£31k) offset by an increase in car hire (£25k) and other vehicle decontamination (£5k).

The supplies and services budget is showing a forecast overspend of £359k. This is largely as a result of:

- additional expenditure in respect of police pension scheme sanction charges £30k,
- increased costs of custody provision regarding Appropriate Adult Services £57k,
- increased expenditure on uniform as a result of operation uplift £54k, offset by reductions due to changes to PCSO and specials recruitment etc. -£21k
- increased expenditure on training accommodation £255k, partly as a result of operation uplift and partly as a result in a forecast delay in when the new accommodation hostels at the Eden Deployment centre will become available.
- a forecast overspend on ICT of £402k including £75k additional cost of control room futures (additional dual running), £53k additional networks costs, £130k of additional ICT equipment as a result of operation uplift and £144k of ICT savings yet to be identified.
- A forecast increase in expenditure on witness intermediaries of £25k

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Offsetting these forecast overspends are:

- efficiency savings which have been removed from individual budget lines £152k,
- a forecast underspend on the custody medical contract of £83k,
- a forecast underspend on forensics of £43k,
- a forecast underspend on confiscated animals £14k
- forecast underspends on witness intermediaries (£6k) and boarding up (£4k).
- a forecast underspend on catering costs (£16k)
- a forecast underspend on consultancy £43k
- the fact we have not yet committed all of the force contingency £81k.

The third party payments budget is forecast to underspend by £13k. This includes a forecast reduction to our contribution to NWROCU (£35k), a reduction in forecast expenditure following the end of the training collaboration with Lancashire (£22k), offset by; additional spend on the pensions provider (£7k), contract extension to our payroll contract (£5k), an increase to National ICT charges (£6k) and an additional contribution to the national enquiry on undercover policing (£15k), other collaboration and co-working (£10k).

Income is currently forecast to exceed the budget by £114k. The forecast includes assumptions regarding income in relation to income from other forces including recharges for collaborative services (Chronicle) and mutual aid net income (£70k), income from secondments and other reimbursements of costs (£10k), disclosure income (£26k), refunds (£74k), transport trading income (£8k) and abnormal loads escort (£25k) offset by reduced net income from music events, Kendal Calling (£23k), reduced URN alarms income (£6k), partnership funding (£14k), sale of assets (£5k) and reduced POCA income (£51k).

### Potential Risk Areas

The figures provided above are based on current information as at the end of December. These forecasts include an assumption with regard to potential income in relation to special policing services and mutual aid. Should this income not be realised to the degree expected the forecast overspend could increase.

At this time the funding position of Operation Uplift remains uncertain. As indicated at the start of this report receipt of some of grant funding to meet expenditure on Operation Uplift incurred in 2021/20 is likely to be deferred until 2020/21.

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Appendix A – Proposed WFP Model 2019/20 in Response to Operation Uplift

