

The Police and Crime Commissioner for Cumbria

Financial Summary 2020/21 as at 30 June 2020

Public Accountability Conference 19 August 2020



Group Revenue Budget

Group Overspend £0.67m (0.60%) ↓

Constabulary Overspend £0.63m (0.47%),

PCC Overspend £0.04m (0.02%)



Constabulary Revenue Budget

Overspend £0.63m (0.47%) ↓

Increased Expenditure £441k (0.32%),

Reduced Income £188k (3.42%)

(see pages 3 and 4)



Capital Budget

The capital programme for 2020/21 is currently reporting to be on track with no forecast variances.

(see page 5)



Operation lectern - Covid 19

The current forecast combined revenue and capital spend on the Constabulary COVID 19 response (Op. Lectern) is £632k

(revenue £632k, capital £0k).

(see page 6 for more details)



Operation Uplift

The current forecast combined revenue and capital spend on Operation Uplift is £1.919m

(revenue £1.919m, capital £0k).

(see page 7 for more details)



Treasury Management

Investment balance 30/06/20 £4.31m ↓

(Down 40% from £7.24m at 31/03/20).

It should be noted that the balance increased to £24.3m on 03/07/20 when the pension top up grant was received.

The current investment income forecast is shown as on budget at £96k.

(See separate report on the agenda for more details)

PCC Revenue Budget 2020/21 as at 30 June 2020

Description	Revised Budget	Forecast Expenditure / (Income)	Forecast (Under)/ Overspend	Forecast (Under)/ Overspend
	2020/21	2020/21	2020/21	2020/21
	£'000s	£'000s	£'000s	%
Office of the Police and Crime Commissioner	823	805	(18)	(2.19%)
Other PCC Budgets	(22,119)	(22,064)	55	(0.25%)
Movements To / (From) Reserves	(1,365)	(1,365)	0	0.00%
Total OPCC Budgets	(22,661)	(22,624)	37	(0.16%)
Funding Provided to the Constabulary	132,876	133,506	630	0.47%
Net Expenditure	110,215	110,882	667	0.61%
External Funding	(110,216)	(110,216)	0	0.00%
Total	(1)	666	667	

The balance on the police property act fund as at 30 June 2020 was £53k. 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 -£18k Includes reductions in staffing (£4k), training & conferences (£2k), transport (£3k) and printing and other running costs (£9k).

Other PCC Budgets +£55k Additional expenditure on Premises (£69k) mostly on additional cleaning due to COVID 19 and small overspends utilities and maintenance. These additional costs are partially offset by reduced expenditure on property insurance (£14k).

Funding Provided to the Constabulary +£630k The overspend is in the main due to additional spend in response to COVID 19 (PPE, sanitisers, ICT cost, overtime etc.) totalling £632k.

Savings to in-year budgets as a result of reduced activity in areas such as travel, fuel and training during the covid pandemic are estimated at £521k, these are however offset by reductions in core income of £512k. Additional Contributions to local and national collaborations has increased (£138k).

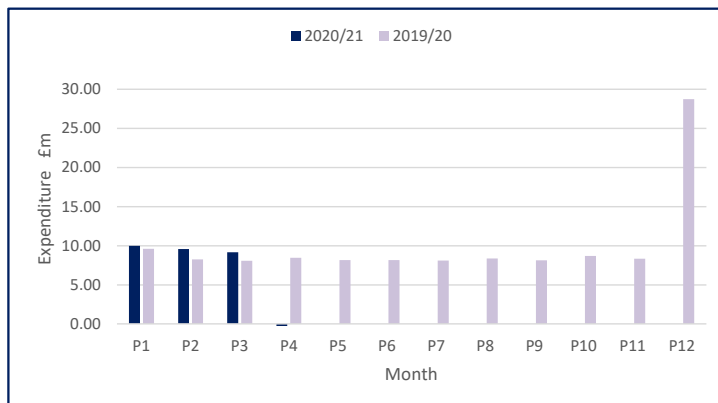
Pages 3 and 4 provide a more detailed analysis of the Constabulary revenue budget position.

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

Constabulary – Revenue Budget 2020/21 (1)

Description	Revised Budget	Forecast Expenditure / (Income)	Forecast (Under)/ Overspend	Forecast (Under)/ Overspend %	Forecast (Under)/ Overspend @ MAY-20 to JUN-20	Change in Forecast MAY-20
	2020/21 £'000s	2020/21 £'000s	2020/21 £'000s	2020/21 %	£'000s	£'000s
Constabulary Funding						
Police Officers	93,820	94,214	394	0.42%	232	162
Police Community Support Officers	2,272	2,335	63	2.77%	68	(5)
Police Staff	24,214	23,963	(251)	(1.04%)	(44)	(207)
Other Employee Budgets	1,832	1,767	(65)	(3.55%)	(52)	(13)
Transport Related Expenditure	2,435	2,133	(302)	(12.40%)	(186)	(116)
Supplies & Services	11,557	12,021	464	4.01%	587	(123)
Third Party Related Expenses	2,246	2,384	138	6.14%	119	19
Total Constabulary Funding	138,376	138,817	441	0.32%	724	(283)
Income	(5,499)	(5,311)	188	(3.42%)	524	(336)
Total Constabulary Funding Net of Income	132,877	133,506	629	0.47%	1,248	(619)

Revenue Expenditure Month by Month



Command / Directorate	Adjusted Budget	Forecast Outturn	Forecasted Variance	%
Staff Pay				
Corporate Support	110,995,516	111,355,133	359,617	0.3%
Departmental Spend				
Chief Officers	754,531	798,302	43,771	5.8%
Crime Command	2,344,924	2,250,412	(94,512)	-4.0%
Territorial Policing Command	3,409,771	3,402,777	(6,994)	-0.2%
Special Constabulary	57,949	66,804	8,855	15.3%
Corporate Support	5,316,367	5,041,953	(274,414)	-5.2%
ICT & IMS Portfolio	5,338,595	5,406,812	68,217	1.3%
Corporate Improvement	184,006	184,006	0	0.0%
Legal Services	66,650	66,864	214	0.3%
SECONDED				
Seconded	(11,429)	(10,643)	786	-6.9%
Seconded - TITAN	(15,247)	(15,247)	(0)	0.0%
EARMARKED				
Earmarked - Chief Officers	0	0	0	0.0%
Earmarked - Crime Command	29,501	29,501	(0)	-0.0%
Earmarked - Territorial Policing	119,753	13,240	(106,513)	-88.9%
Earmarked - Sellafield	(54,380)	(54,380)	0	0.0%
Earmarked - People Department	321,097	321,097	0	0.0%
Earmarked - Force Charity	0	0	0	0.0%
Earmarked - Force Gymnasiums	0	0	0	0.0%
Earmarked - Safety Camera / Road Safety	250	237,878	237,628	95051.2%
Earmarked - Op Lectern	0	572,598	572,598	0.0%
PROJECT				
Projects - Crime Command	0	0	0	0.0%
Projects - Territorial Policing	133,260	133,260	0	0.0%
Projects - Estates & Fleet	11,938	11,938	0	0.0%
Projects - Learning & Development	78,030	78,030	0	0.0%
Projects - ICT	850,794	860,241	9,447	1.1%
Projects - Corporate Improvement	201,148	201,148	0	0.0%
Projects - Business Transformation	635,774	635,774	0	0.0%
Projects - Op Uplift	2,108,310	1,918,591	(189,719)	-9.0%
Grand Total	132,877,108	133,506,088	628,981	0.5%

Departmental Variances

The above table shows departmental variances according to current budget responsibility and is of limited use. With the implementation of the new finance and procurement system (Oracle Fusion) in October and the associated move to cost centre management, this should be more useful in the future.

Constabulary – Revenue Budget 2020/21 (2)

Pay Expenditure

Police Officers +£394k Changes to the workforce plan including starting 10 FTE above budgeted FTE and acting and temporary promotions and additional spend re Op. Lectern (£41k) offset somewhat by savings on other overtime (£45k).

PCSOs +£63k Changes to the workforce plan including starting 1 FTE above budgeted FTE and profile of leavers.

Police Staff -£251k Op. Uplift underspend (£215k) and other normal workforce plan changes (£143k) offset by additional spend in respect of Op. Lectern (£47k) and other overtime (Comms Centre etc.) £60k.

Income

Income +£188k The reduction in income arises, in the main due to the effect of COVID-19 on activities for which we would normally receive income: Driver Awareness Income (£247k), Costs Awarded to Police (£120k), Kendal Calling and other events (£130k) and reduced Canteen Income (£66k). In addition we are forecasting a reduction in POCA income of £23k based on recent returns. This is offset by estimated reimbursement from central government of our expenditure on 'medical grade PPE' (£250k), abnormal loads income (£115k) and other reimbursements of service (£31k).

Non-Pay Expenditure

Other Employee -£65k Includes reductions on training (£85k on training and £10k training equipment). This is offset by additional welfare costs due to Op. Lectern (£14k), Op. Uplift recruitment (£10k) and redundancy costs (£10k).

Transport - £302k The reduction in transport spend is largely due to savings on fuel (£198k). This results from free fuel from BP (Apr to Jun) and overall reduced mileage. Vehicle hire and other travel expenses are also reduced (£104k) and relate to reduced travel due to changes in activity levels as part of our response to COVID-19.

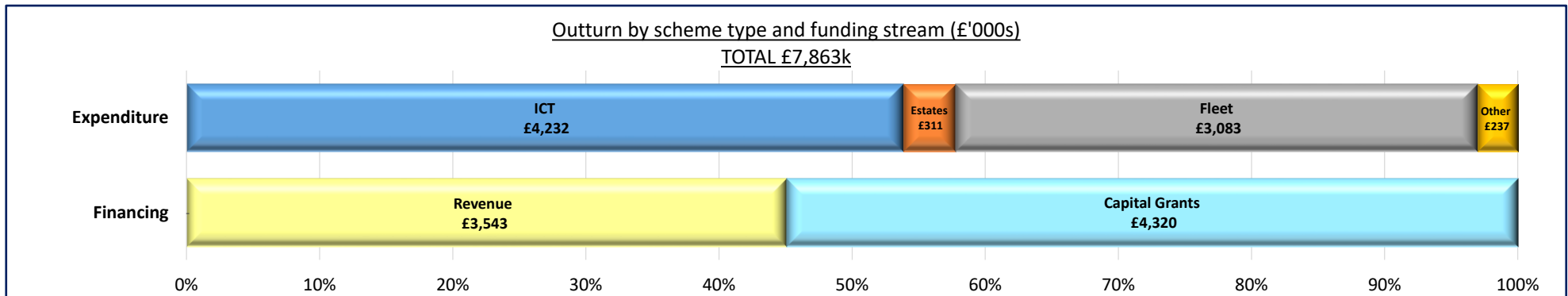
Supplies & Services +£464k The increase on supplies and services arises in the main due to spend on Op. Lectern (£731k re PPE, First Aid, ICT, Office Equipment etc.). In addition increased spend on Operational Equipment (£30k) and consultancy (£8k). Offsetting these costs are underspends on Catering (£78k), Accommodation & Subs (£67k), Custody (£37k), Confiscated animals (£25k) and Forensics (£100k).

Third Party Payments +£138k New contributions re LRF manager, NPoCC SIB funding, an increase in our contributions to national ICT costs, increase in our NPAS contribution, and an extension to Op. Elter.

Key Assumptions

- Police Pay award of 2.5% from September 2020 (now agreed)
- PCSO / Staff Pay award of 2.5% from September 2020 (TBC)

Capital Budget 2020/21



Capital Budget

	Capital Budget 2020/21 £000s
Capital Budget 2020/21 (approved 19/02/20)	7,553
Impact of 2019/20 Outturn (approved 20/05/20)	258
New Schemes Approved/Drawdown	52
Budgets Changes - Approved	0
Approved Adjusted Budget 2020/21	7,863
Forecast Capital Expenditure 2020/21	7,863
Forecast Variation	0

Capital Receipts

The financing of the capital programme for 2020/21 includes an anticipated capital receipt of £450k in respect of the Hunter Lane site. The covid 19 outbreak has delayed progress but negotiations are continuing to secure this sale.

ICT

A number of ICT schemes are being considered in light of the current working situation and the recovery plans. The largest scheme – Converged Infrastructure £2.3m – is currently in the planning stages and will consider the ICT infrastructure on premise versus moving to a cloud solution.

Estates

The estates teams have been heavily involved in the Covid 19 response and this combined with the unavailability of contractors during the lockdown period has delayed aspects of the capital programme. Work is now progressing to bring this back on track.

Fleet

The Fleet team (in conjunction with the Strategic Vehicle Group) have redrafted the 2020/21 replacement program in relation to Roads Policing, Armed Response, TPAC and Territorial Policing Vehicles. These changes have been facilitated within the approved budget.

Operation Lectern (Covid 19 response) 2020/21

The current forecast financial impact in respect of the Constabulary Covid-19 response is set out below.

Analysis Lvl 1	Subjective Analysis Lvl 1	Adjusted Budget	Forecasted Actual	Forecasted Variance	
Expenditure	Police Officer Pay	0	4,373	4,373	
	PCSO Pay	0	764	764	
	Police Staff Pay	0	31,034	31,034	
	Police Officer Overtime	0	36,794	36,794	
	PCSO Overtime	0	2,861	2,861	
	Police Staff Overtime	0	17,644	17,644	
	Other Employee Expenses	0	14,440	14,440	
	Premises Related Expenditure	0	59,224	59,224	
	Transport Related Expenditure	0	2,739	2,739	
	Supplies & Services Related Expenditure	0	731,343	731,343	
	Internal Recharges Expenditure	0	159	159	
	Expenditure Total		0	901,376	901,376
	Income	Reimbursed Services - Other Public Bodies	0	(264,400)	(264,400)
Reimbursed Services - Other		0	(5,154)	(5,154)	
Income Total		0	(269,554)	(269,554)	
Grand Total		0	631,822	631,822	
Savings due to Response to COVID-19 Total		0	0	(520,613)	
Loss of Income due to COVID-19 Total		0	0	512,000	
Total Effect of COVID-19 on Constabulary		0	631,822	623,209	

Subjective Analysis Lvl 1	Adjusted Budget	Forecasted Actual	Forecasted Variance
Supplies & Services Related Expenditure			
Office Equipment, Furniture & Materials	0	11,742	11,742
Catering Contract	0	0	0
Clothing, Uniform & Laundry	0	436	436
Custody Costs	0	690	690
Forensic Costs	0	2,781	2,781
Police Doctors & Surgeons	0	323,000	323,000
Communications & Computing	0	390,437	390,437
Specialist Operational Equipment (incl Dogs & Firearms)	0	1,309	1,309
Consultants Fees	0	600	600
Banking & Treasury costs	0	345	345
Other Miscellaneous	0	3	3
	0	731,343	731,343

The forecast spend in respect of the Constabulary's COVID-19 response assumes the current level of additional cleaning and purchase of PPE to at least Sep'20.

Forecast spend also includes £331k of ICT hardware purchases.

Forecast Income relates to reimbursement of costs received from where we have purchased PPE kit on behalf of other forces or public services.

Breakdown of op Lectern Supplies & Services

- Police Doctors & Surgeons £323k of First Aid / PPE equipment.
- Communications & Computing £390k includes ICT Hardware Purchases £331k (laptops etc.), additional licensing £38k and Network Hardware Purchases £13k

In mid-July it was confirmed that expenditure on 'medical grade PPE' would be reimbursed by central government. The management accounts position at June assumes £250k will be received based on actual spend to 30 June plus estimated spend July to September.

Impact on Core Budgets

With reduced activity levels in some areas the following savings on core budgets are anticipated based on the assumption that the reduced activity continues until at least the end of September:

- Appleby Fair £109k
- Training £55k
- Vehicle Hire, Mileage & Public Transport £93k
- Accommodation & Subsistence £67k
- Vehicle Fuel £197k
- **Total Potential Savings £521k**

These savings are offset by a forecast reduction in routine income of £512k.

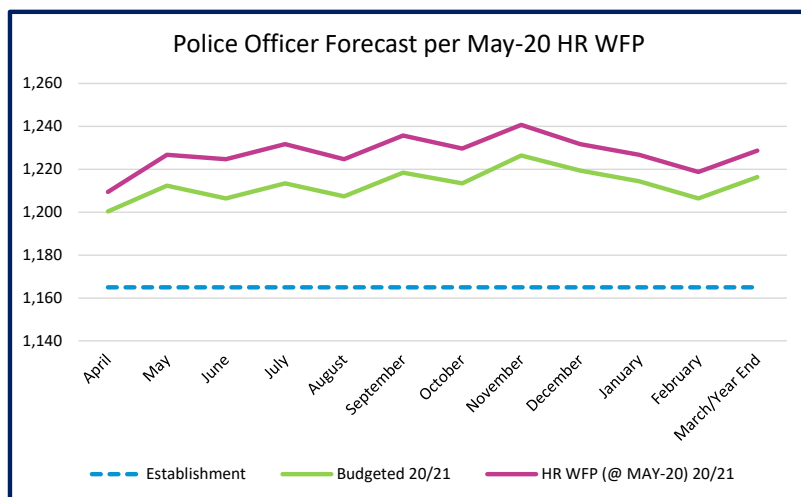
Operation Uplift 2020/21

Analysis Lvl 1	Subjective Analysis Lvl 1	Adjusted Budget	Forecasted Actual	Forecasted Variance
Expenditure	Police Officer Pay	1,653,310	1,604,308	(49,002)
	Police Staff Pay	400,000	185,000	(215,000)
	Police Officer Overtime	0	23,512	23,512
	Police Staff Overtime	0	521	521
	Other Employee Expenses	55,000	65,000	10,000
	Transport Related Expenditure	0	250	250
	Supplies & Services Related Expenditure	0	40,000	40,000
Expenditure Total		2,108,310	1,918,591	(189,719)
Grand Total		2,108,310	1,918,591	(189,719)

The forecast spend on Op Uplift assumes we will have recruited an additional 51 FTE officers by Mar-21.

Staffing in support of the additional recruitment and servicing the additional officers is currently forecast to underspend by £215k. This relates to requirements in Learning and Development and ICT the provision of which are currently under review.

Police Officer WFP



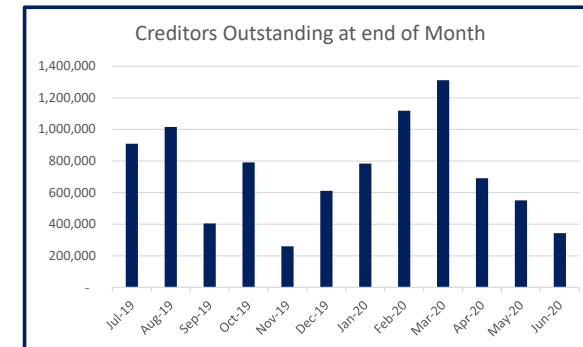
The current financial forecasts as at the end of June are based on the latest HR workforce plan as at May'20. The WFP shows the forecast actual FTE (red line) above the original budget set in Feb'20 (green line). This results in a forecast overspend on Police Officer pay it is currently forecast that police officer numbers will reach 1,228.73 FTE at Mar'21, 12.0 FTE above the budgeted figure of 1,216.4 FTE.

Other Financial Information

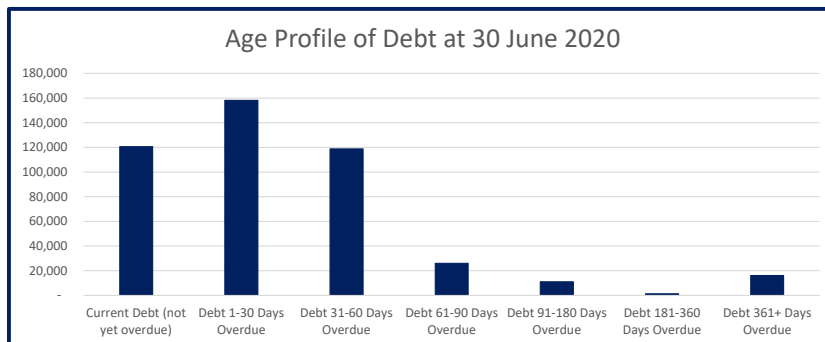
Debtors – outstanding debtors at 30/06/20 is **£452k**, this is down 59% on the balance as at 31/03/20.



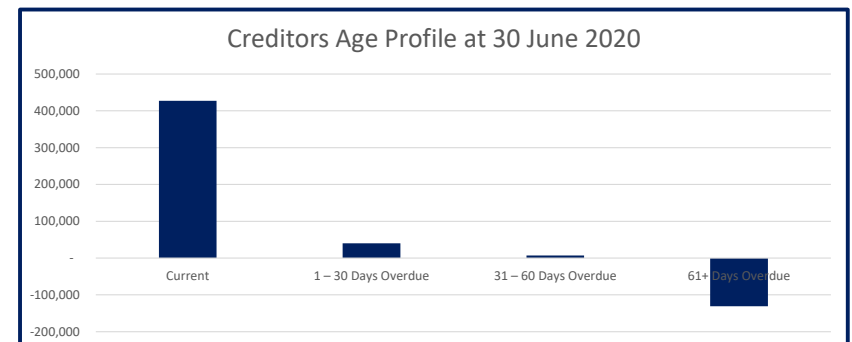
Creditors – outstanding creditors at 30/06/20 is **£343k**, this is down 74% on the balance as at 31/03/20 and largely reflects the decision to pay all suppliers within 7 days of receipt of invoice as a result of the covid-19 outbreak.



Debtor Age Profile – of the £452k outstanding at 30/06/20, 27% related to current debt, leaving 73% past its due date.



Creditor Age Profile – of the £343k outstanding at 30/06/20, 124% related to current creditors, leaving 14% past their due date and credits of 38% still to be applied against invoices.



Threats and Opportunities for 2020/21 & Beyond

Threats

- Covid-19 costs and loss of income from regular activity (e.g. policing of events, safety cameras) in responding to the pandemic.
- Covid 19 impact on wider economy, potential future loss of funding from both Council Tax and Government Grants over the medium term.
- Operation Uplift funding uncertainty.
- Pensions challenge remedy, potential impact on force budgets.
- Delay and difficulty in delivering future savings to balance the budget.

Opportunities

- Covid-19 recovery, transform ways of working.
- Business Transformation, improved support systems.
- In-year revision of MTFP planned for July 2020.