

# The Police and Crime Commissioner for Cumbria

## Financial Summary 2022/23 as at 30 September 2022 (Quarter 2)

Public Accountability Conference 2 November 2022



### Group Revenue Budget

**Overspend £765k (0.63%)**

Increased Expenditure +£990k (0.61%),

Increased Income -£225k (1.07%)

See page 2



### Commissioner's Revenue Budget

**Underspend £82k (0.44%)**

Increased Expenditure £216k (1.24%),

Increased Income £298k (0.19%)

See page 2



### Constabulary Revenue Budget

**Overspend £847k (0.60%)**

Increased Expenditure £774k (0.53%),

Reduced Income £73k (1.26%)

See pages 3-5



### Capital Budget

**Budget / Forecast £7,794k**

Expenditure at mid-year point is £823k

Profiling to future years £993k

Budget changes approved Qtr2 £80k

Budget changes to note £26k

See page 6



### Treasury Management

**Investment balance 30/09/22 £22.033m ↑**

(Up 322% from £5.224m at 30/06/22).

The current investment income forecast is £300k 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 30 September 2022

Description	Revised Budget	Forecast Expenditure / (Income)	Forecast (Under)/ Overspend	Forecast (Under)/ Overspend	Forecast (Under)/ Overspend	Change in Forecast
	2022/23 £'000s	2022/23 £'000s	2022/23 £'000s	2022/23 %	@ JUN-22 £'000s	Sep-22 £'000s
Office of the Police and Crime Commissioner	833	831	(2)	(0.24%)	(21)	15
Other PCC Budgets	(17,398)	(17,478)	(80)	0.46%	(247)	167
Movements To / (From) Reserves	(2,106)	(2,106)	0	0.00%	0	0
<b>Total OPCC Budgets</b>	<b>(18,671)</b>	<b>(18,753)</b>	<b>(82)</b>	<b>0.44%</b>	<b>(268)</b>	<b>186</b>
Funding Provided to the Constabulary	140,370	141,217	847	0.60%	715	132
<b>Net Expenditure</b>	<b>121,699</b>	<b>122,464</b>	<b>765</b>	<b>0.63%</b>	<b>447</b>	<b>318</b>
External Funding	(121,699)	(121,699)	0	0.00%	0	0
<b>Total</b>	<b>0</b>	<b>765</b>	<b>765</b>		<b>447</b>	<b>318</b>

### Key Themes:

- Overall forecasted overspend of £765k (0.63%).
- PCC budgets forecast to underspend by £82k. Constabulary forecast to overspend by £847k.
- Overtime pressures for officers (+£872k) and, to a lesser extent, staff (+£36k) in all Commands / Directorates.
- The impact of the Police Officer and recently announced reopened Police Staff pay awards have been reflected in the figures.
- Rising inflation is impacting on non-staff budgets, particular pressure is being seen on vehicle fuel budgets (+£163k) and premises utilities shown within OPCC budgets (+£259k).
- The main changes from the figures reported for quarter 1 relate to the inclusion of the pay award and the removal of the forecast in relation to redundancy & termination costs.
- The figures provided do not yet include the impact of the potential reversal of the increase in national insurance rates. We are awaiting further guidance but this could reduce the forecast overspend by approx £270k.

The balance on the police property act fund as at 30 September 2022 was £18k. 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 -£2k** This is largely as a result of reduced staffing costs in the OPCC which are being partly offset by increases in consultants and audit fees.

#### Other PCC Budgets -£80k

Increased expenditure on Premises +£95k mostly as a result of increased expenditure in relation to premises repair and maintenance £98k, Utilities £259k and other premises costs £10k which are being partly offset by a refund of rates -£255k as a result of a rating re-evaluation and reduced cleaning costs as a result of a new contract -£19k.

Increases in insurance costs following a re-tender exercise £120k.

Increase in investment income -£290k, recent increases in interest rates have provided a forecast increase in investment income.

**Funding Provided to the Constabulary Overspend £847k** The overspend in the main arises from a combination of overspending on police officer pay budgets caused by increasing officer numbers to ensure the Constabulary meets its target in relation to the final phase of the uplift programme and, in particular, continuing pressure on overtime. The pay award for officers and staff has recently been agreed and whilst the police officer pay award is largely covered by additional Home Office grant there has been no such grant announced in respect of the police staff pay award. Vehicle fuel costs are also reporting an overspend of £163k due to increased pump prices.

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	Change in Forecast
	2022/23	2022/23	2022/23	2022/23	@ JUN-22	to Sep-22
	£'000s	£'000s	£'000s	%	£'000s	£'000s
<b>Constabulary Funding</b>						
Police Officers	97,625	98,939	1,314	1.35%	1,260	54
Police Community Support Officers	1,917	1,868	(49)	(2.56%)	(20)	(29)
Police Staff	26,818	26,764	(54)	(0.20%)	(225)	171
Other Employee Budgets	3,205	2,996	(209)	(6.52%)	51	(260)
Transport Related Expenditure	2,379	2,452	73	3.07%	25	48
Supplies & Services	10,906	10,561	(345)	(3.16%)	(302)	(43)
Third Party Related Expenses	3,309	3,353	44	1.33%	(29)	73
<b>Total Constabulary Funding</b>	<b>146,159</b>	<b>146,933</b>	<b>774</b>	<b>0.53%</b>	<b>760</b>	<b>14</b>
<b>Income</b>	<b>(5,789)</b>	<b>(5,716)</b>	<b>73</b>	<b>(1.26%)</b>	<b>(45)</b>	<b>118</b>
<b>Total Constabulary Funding Net of Income</b>	<b>140,370</b>	<b>141,217</b>	<b>847</b>	<b>0.60%</b>	<b>715</b>	<b>132</b>

## Key Themes:

- Overall forecasted overspend of £847k (0.60%).
- Overtime pressures for officers (+£872k) and, to a lesser extent, staff (+£36k) in all Commands / Directorates.
- The impact of the Police Officer and recently announced reopened Police Staff pay awards have been reflected in the figures.
- Rising inflation is impacting on non-staff budgets, particular pressure is being seen on vehicle fuel budgets (+£163k) and premises utilities shown within OPCC budgets (+£259k).
- The main changes from the figures reported for quarter 1 relate to the inclusion of the pay award and the removal of the forecast in relation to redundancy & termination costs.
- The figures provided do not yet include the impact of the potential reversal of the increase in national insurance rates. We are awaiting further guidance but this could reduce the forecast overspend by approx £270k.

## Constabulary - Objective Analysis

Command / Directorate	Revised Budget	Forecast Outturn	(Under) / Overspend	(Under) / Overspend
	2022/23	2022/23	2022/23	2022/23
	£'000s	£'000s	£'000s	%
<b>Pay Budgets</b>				
Core Police Pay	86,548	86,831	283	0.33%
Core PCSO Pay	1,910	1,862	(48)	-2.51%
Core Police Staff Pay	23,758	23,740	(18)	-0.08%
<b>Sub Total Pay Budgets</b>	<b>112,216</b>	<b>112,433</b>	<b>217</b>	<b>0.19%</b>
<b>CORE COMMAND BUDGETS</b>				
Chief Officer Group	880	929	49	5.57%
Corporate Support Directorate	4,192	3,880	(312)	-7.44%
Crime & Intelligence Command	2,123	1,946	(177)	-8.34%
Cumberland BCU	1,601	1,821	220	13.74%
Digital Data & Tech Command	6,047	5,772	(275)	-4.55%
Legal Services Directorate	(192)	(165)	27	-14.06%
Marketing & Communications	223	201	(22)	-9.87%
Operations Command	2,378	2,834	456	19.18%
Standards, Insight & Performance Command	(70)	5	75	-107.14%
Westmorland & Furness BCU	3,065	3,210	145	4.73%
<b>Sub Total Core Command Budgets</b>	<b>20,247</b>	<b>20,433</b>	<b>186</b>	<b>0.92%</b>
<b>SECONDED</b>	<b>(13)</b>	<b>(13)</b>	<b>0</b>	<b>0.00%</b>
<b>EARMARKED</b>	<b>761</b>	<b>986</b>	<b>225</b>	<b>29.57%</b>
<b>PROJECT</b>	<b>7,166</b>	<b>7,385</b>	<b>219</b>	<b>3.06%</b>
<b>Grand Total</b>	<b>140,377</b>	<b>141,224</b>	<b>847</b>	<b>0.60%</b>

# Please note that due to the forcewide restructure which became effective on 05/09/22, it has not been possible to provide quarter 1 comparators by department/command.

## Variance Narrative

A high level explanation of the main budget variances by department/command is provided on page 4 & 5.

# Constabulary – Revenue Budget 2022/23 (2)

## Pay Budgets – Key Themes

Pay budgets at £112m (excluding overtime) account for 80% of the overall Constabulary budget. The forecast as at 30 September is for an overspend of just £217k (0.19%) across combined police officer, PCSO and police staff pay.

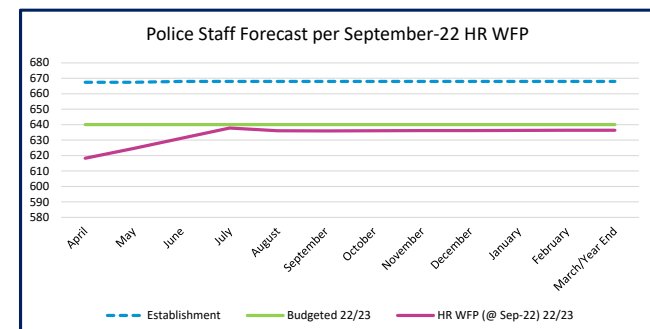
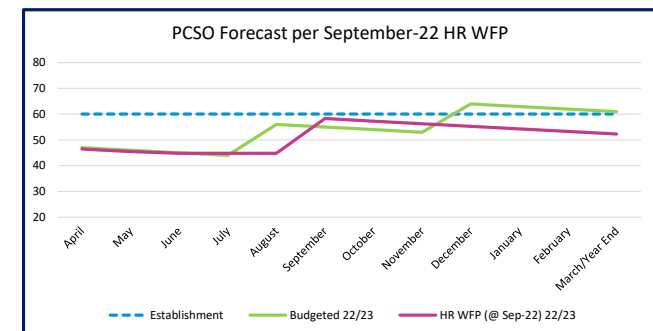
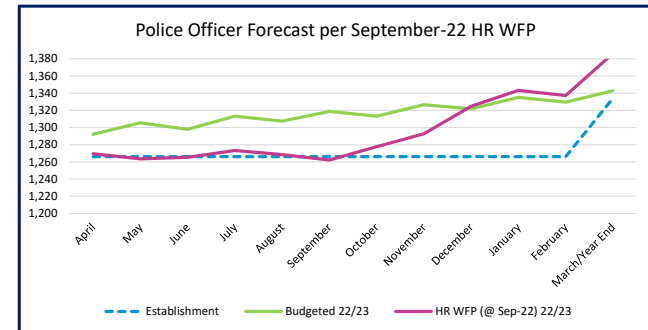
The budget forecasts include the pay awards for police officers and recently re-negotiated for police staff. The impact of the police officer pay award has largely been neutralised by an additional Home Office grant, there has been no such additional grant in relation to police staff pay to date.

**Police Pay +£283k**- The overspend on police officer pay £283k (0.33%) is largely as a result of small changes to the workforce plan as a result of the 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.

**PCSO Pay -£48k** - The underspend on PCSOs £48k (2.51%) reflects changes to the planned intake which will see the average actual PCSOs over the year fall to 51 FTE compared to a budgeted 54 FTE.

**Police Staff Pay -£18k** – The underspend on Police Staff £18k (0.08%) 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 6 months of the year provided in the HR WFP at 30 September.



# Constabulary – Revenue Budget 2022/23 (3)

## Operational Commands

**Chief Officer Group +£49k** largely as a result of increased contributions to third parties £52k (in relation to the initial secondment of the DCC from Merseyside and variations in national contributions e.g. and increase of £10k in relation to Op. Opal), increased expenditure on overtime £2k and training & conferences £4k which are being partially offset by reductions in travel related costs of £10k.

**Crime & Intel Command -£177k** Mainly as a result of increased income in relation to proceeds of crime £272k, reductions in training expenditure £2k and third party related spend of £5k. These underspends are being offset to a degree by overspends in relation to police officer overtime £13k, police staff overtime £2k, agency staff £14k, transport expenses £5k and supplies & services £68k (of which the most significant are forensics £9k, CHIS £34k, expert witness £10k).

**Cumberland BCU +£220k** This is largely as a result of forecast increases in police officer overtime £399k, agency staff £2k and reductions in income from football and events £8k. These overspends are being offset to a degree by forecast underspends in relation to transport related expenditure £130k and supplies & services £54k (largely reductions in clothing & uniform offset by increases in equipment).

**Operations Command +£456k** Largely as a result of increases in police officer overtime £196k, room hire £8k, transport related spend (largely fuel) £58k and supplies & services £232k (largely uniform and equipment) and reduced income on abnormal loads £72k. These overspends are offset to a degree by underspends in relation to police staff overtime £3k, training £42k and increased income in relation to re-imbursed services £59k.

**Standards, Insight & Performance Command +£75k** This overspend is mainly as a result of increases in police officer overtime £16k, police staff overtime £12k, training £2k and reduced income in relation to firearms licences £76k. These overspends are being offset to a degree by underspends on transport costs £7k, supplies & services (mainly consultants) £20k.

**Westmorland & Furness BCU +£145k** The main variances are increased spend in relation to police officer overtime £219k, police staff overtime £16k which are being partly offset by savings in relation to transport £6k and supplies & services £54k (largely reductions in clothing/uniform, custody costs offset by increases in equipment) and increased income in relation to football and events £18k.

## Support Directorates

**Corporate Support Directorate -£312k** The main variances relate to a reduction in the forecast spend in relation to redundancy/termination £216k, agency staff £28k, supplies & services £257k (efficiency savings £155k, accommodation & subsistence £67k) and increased income £81k (training courses, catering and rates refund). These underspends are offset to a degree by overspends on police officer overtime £15k, police staff overtime £15k, injury pensions £5k, relocation expenses £26k and increases in transport related expenses (largely fuel & accident damage) £167k.

**Digital Data and Tech Command -£275k** Reduced spend on training £17k, transport costs £10k, supplies & services £245k and third party spend £10k. These underspends are being offset by a reduction of fees and charges income £6k.

**Legal Services +£27k** This is largely due to reduced income in relation to costs awarded to the police.

**Marketing and Communications -£22k** The underspend has largely arisen due to underspends in relation to non-staff advertising £24k, website costs £16k and training £4k which are being offset by increases in printing £26k (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 +£225k** Largely as a result of reduced income forecast in relation to the Driver Awareness Scheme (**Safety Camera Partnership**) of £255k offset by smaller underspends across a number of schemes.

**Projects +£219k** This largely relates to forecast spend in relation to operation uplift. A further piece of work is to be undertaken to try to mainstream this into core budgets whilst retaining the ability to report spend to Home Office as required.

# Constabulary – Capital Budget 2022/23

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 Sept-22 £000s	Draft Capital Outturn £000s	Forecast Variation £000s	Of Which Budget Re-Profile	Budget Changes
<b>ICT Schemes</b>										
ICT End User Hardware Replacement (002x)	1,288	(104)	0	0	1,184	430	618	(566)	(563)	(3)
ICT Software Application Replacement (003x)	0	2	0	0	2	0	9	7	0	7
ICT Core Hardware Replacement (004x)	2,016	45	21	0	2,082	79	1,246	(836)	(786)	(50)
ICT ESN / Radio Replacement (005x)	382	50	0	0	432	7	432	0	0	0
ICT Core Infrastructure Replacement	96	0	0	0	96	0	96	0	0	0
<b>ICT Infrastructure Solution Replacement (Projects)</b>										
- Case & Custody	0	38	0	0	38	0	38	0	0	0
- Control Room Futures	608	12	0	0	620	0	620	0	0	0
- Police Works / Silverlite	33	317	0	0	350	79	350	0	0	0
- Unspecified change to National systems (D)	55	0	0	0	55	0	56	1	1	0
- National ANPR / ANPR replacements	52	79	0	0	131	0	71	(60)	(60)	0
- Anti Corruption Software	0	57	0	0	57	32	57	0	0	0
- Vetting Software	0	0	0	0	0	0	0	0	0	0
Firearms Licencing digitisation	0	0	80	0	80	0	80	0	0	0
- Record Management	1,000	0	0	0	1,000	42	500	(500)	(500)	0
General Slippage	(1,000)	0	0	0	(1,000)	0	0	1,000	1,000	0
<b>Total ICT Schemes</b>	<b>4,530</b>	<b>496</b>	<b>101</b>	<b>0</b>	<b>5,127</b>	<b>669</b>	<b>4,173</b>	<b>(954)</b>	<b>(908)</b>	<b>(46)</b>
<b>Fleet Schemes</b>										
2021/2022 Approved Strategy	0	646	0	0	646	189	646	0	0	0
2022/2023 Approved Strategy	1,106	22	0	0	1,128	0	1,200	72	0	72
Reimbursed Vehicles	85	0	0	0	85	0	0	(85)	(85)	0
<b>Total Fleet Schemes</b>	<b>1,191</b>	<b>668</b>	<b>0</b>	<b>0</b>	<b>1,859</b>	<b>189</b>	<b>1,846</b>	<b>(13)</b>	<b>(85)</b>	<b>72</b>
<b>Estates Schemes</b>										
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	0	60	0	0	0
West Cumbria Estate	600	20	0	0	620	0	620	0	0	0
Dog Section Wrey	200	167	0	0	367	3	367	0	0	0
EDC adaptations	290	16	0	0	306	1	306	0	0	0
<b>Total Estates Schemes</b>	<b>1,206</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>1,409</b>	<b>(82)</b>	<b>1,409</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Schemes</b>										
CCTV	174	0	0	0	174	0	174	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	8	25	0	0	0
Operation Lecturn	0	0	0	0	0	0	0	0	0	0
Barrow - custody services to support digital roll out	50	0	0	0	50	0	50	0	0	0
<b>Total Other Schemes</b>	<b>292</b>	<b>74</b>	<b>0</b>	<b>0</b>	<b>366</b>	<b>47</b>	<b>366</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Capital Expenditure 2022/23</b>	<b>7,219</b>	<b>1,441</b>	<b>101</b>	<b>0</b>	<b>8,761</b>	<b>823</b>	<b>7,794</b>	<b>(967)</b>	<b>(993)</b>	<b>26</b>

## Capital Expenditure

### ICT

The RMS (Mark 43) project has milestone payments scheduled for Q1 of 2023/24 hence £500k has been re-profiled, Also the Network replacement program of £785k has been re-profiled to be delivered in 2023/24. Within ICT £1m was budgeted for general re-profiling, this has been utilised in quarter 2 reducing the effect of re-profiles for the quarter and a net re-profile of £993k.

End user hardware equipment budget of £141k has been re-profiled with a net nil effect to cover the extra costs of Surface Pro's purchased in 2022/23. A further £4k has been returned as no longer required in respect of mobile ticket printers. Expenditure on hardware maintenance for the Information project, under accounting rules, is classed as revenue not capital therefore funding has been moved to revenue to match the expenditure of £49k.

The budget has been increase following the approval of the digitisation of Firearms scheme for £80k in 2022/23 along with Software Application Replacement has committed an extra £7k for Cireson work.

### Estates & Fleet

The vehicle replacement programme remains on track and most vehicles are ordered and delivery expected within the financial year. 3 x Peugeot 306's have been written off with a cost of £72k to replace them (a £32k contribution from revenue will be received due to self-insurance arrangements).

There has been a review of the Sellafeld Policing Team operational vehicles, the budget of £85k (matched by £85k revenue income contribution) is not required in 2022/23 and has been re-profiled to 2023/24, as well as increasing to £120k.

### Other

The county wide CCTV project is approaching the end of the original contract and a new contract is due to be signed at the end of October. The contract milestones will result in a re-profile of the budget and will be reflected in quarter 3 reporting once finalised.

### Financing 2022/23

Revenue Contributions £4,392k  
 General Grants £2,415k  
 Borrowing £367k  
 Reserves £620k  
**Total £7,794k**

### Re-profiling 2022/23

Capital schemes by their very nature can span one or more financial years. Profiling to future years represents schemes that are still proceeding as planned and within overall budget limits but where there is a change in the profile of spend between years

2022/23 Capital Commitments	DDaT £000s	Estates £000s	Fleet £000s	Other £000s	TOTAL £000s
Forecast Outturn	4,173	1,410	1,846	365	7,794
Spend to Sept-22	669	(82)	189	47	823
Remaining budget	3,504	1,492	1,657	318	6,971
Ordered Commitments	513	292	1,153	267	2,225
Un-committed budget	2,991	1,200	504	51	4,746