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Acting Police and Crime Commissioner  
Chief Executive & Monitoring Officer:

Lisa Oldroyd  
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Tel: 01642 301861

## **PCC Scrutiny, Delivery & Performance Meeting**

**Date:** 2 November 2020  
**Time:** 1400-1700  
**Venue:** Teams (link to follow)

### **Agenda**

		<b>Presented by</b>
1.	Apologies For Absence	
2.	Declaration of conflict of interest/disclosable pecuniary interest	
3.	Notes of the previous meeting – 21 September	
4.	Police and Crime Plan – Focus on Reducing Offending and Re-offending	Cleveland Police
5.	Force Control Room	Cleveland Police
6.	Service Improvement – to end of September	Cleveland Police
7.	Covid Response	Cleveland Police
8.	Investigatory Powers Commissioner's Office Report	Cleveland Police
9.	Brexit Preparedness	Cleveland Police
10.	Financial Updates A – OPCC B – Cleveland Police	OPCC/ Cleveland Police
11.	Any Other Business	

12.	Date of next meeting – 7 December 2020	
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## **Scrutiny, Delivery & Performance Meeting**

Monday 22 September

14:00

Via Conference Call

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### **Present**

Lisa Oldroyd – Acting Police and Crime Commissioner for Cleveland  
Simon Dennis - Chief Executive and Monitoring Officer, OPCC  
Amanda Wilkinson – Strategic Contracts and Governance Manager  
Elise Pout - Standards and Scrutiny Manager, OPCC  
Michael Porter – Chief Finance Officer, OPCC  
Richard Lewis – Chief Constable, Cleveland Police  
Helen McMillan – Deputy Chief Constable, Cleveland Police  
Lisa Orchard – Assistant Chief Constable, Cleveland Police  
Steve Graham – Assistant Chief Constable, Cleveland Police  
Jo Gleeson – Chief Finance Officer, Cleveland Police  
Sandra Kilvington – Force Control Room, Cleveland Police  
John Wrintmore – Chief Constable’s Staff Officer, Cleveland Police  
Ciaron Irvine – Chief Superintendent, Cleveland Police  
Louise Solomon – Head of Corporate Services, Cleveland Police  
Lynne Swift – Human Resources Director, Cleveland Police  
Kirsty D’Souza – HMICFRS  
Nils Robinson – HMICFRS  
Charlotte Rumins – Community Hub Advisor, Cleveland Police

### **Apologies for absence**

Will Green – Head of Corporate Communications, Cleveland Police  
Lisa Theaker – Chief of Staff, Cleveland Police  
Liz Byrne – Service Improvement Team, Cleveland Police  
Ian Arundale – Deputy Chief Constable, Cleveland Police  
Hannah Smith – Commissioner’s Officer for Communication and Information, OPCC

### **Declarations of Conflict of Interest/Disclosable Pecuniary Interest.**

1. None declared.

### **Notes of the Previous Meeting**

2. The minutes of the previous meeting were approved as an accurate record.
3. It was noted that there had been an action noted to share information in respect of vacancies in Force Control Room, JG received a final report from Louise Solomon highlighting the vacancies, this report has now been sent to MP and EP.
4. Continuous improvement plans for FCR were also required to be circulated following the previous meeting, EP has now received those as requested.

### **Police and Crime Plan Objective – A better deal for Victims**

- **Focus on Vulnerability**
- **Operation Phoenix 2**
- **Operation Encompass**

5. The Acting Police and Crime Commissioner raised a number of questions to the Force prior to the meeting. The questions which have been raised are provided throughout the minutes in italics for information.

*Vulnerable People – Could the PCC have a performance overview on the following, to include what is working well and what needs to improve and how that improvement work is taking place*

1. *How well are you identifying vulnerable people?*
2. *How well are you protecting vulnerable people?*

*VCOP – In November 2019 we were told that this was an area where improvements were still required although it had been recognised that the force had put in place the means by which they would understand compliance as well as raising investigative standards. This was to be reviewed again at the end of the financial year 2020 by the Force.*

*Could the Force provide the PCC with an update on VCOP compliance rates, how the force is ensuring the quality of the work in this area and confirmation that victims are receiving a better service?*

6. JW provided a verbal overview of the document which had been provided prior to the meeting. In respect of DVPN and DVPO, in April 2020 a dedicated position was created within the Safeguarding Department to address issues across the force in relation to the collective understanding around Domestic Violence Protection Notices (DVPN) and the subsequent application through the court process to secure Domestic Violence Protection Orders. Since the post holder has taken up their position, Cleveland Police have made significant improvements. It was noted that DVPO training is now provided to student officers and development is ongoing to produce an NCALT package. Weekly training and support is also provided to IRT. There has been a renewed approach to the DVPN, the documents have been reviewed and there is now an electronic system in place which is being reviewed by neighbouring forces.
7. It was noted that a dedicated Sarah's Law/Clare's Law officer was appointed in February as part of the DA solutions team with responsibility to complete, deliver and manage outstanding disclosures. A new Standard Operating Procedure (SOP) has been written covering the end to end process from initial request through to disclosure. This has been included onto IMap which shows all the Clare's Law disclosures which are waiting service.
8. An overview was provided in relation to PPN submissions, it was noted that there had been a dip in PPN submissions in August. LOr noted that this dip had been anticipated but the position has improved significantly since March 2019. There is a greater understanding across the force in relation to PPN submissions. It was noted that this increase in performance has been acknowledged by the executive partners within Children Services and work continues to improve quality of documentation.
9. LOr noted that it is acknowledged by the force that although the position in respect of DVPNs and the use of conditional bail has improved there are still longer term improvements which can be made. It was noted that the force are looking to train staff within Safeguarding in additional areas to ensure that there are no gaps in capabilities should any staff be required to self-isolate as a result of Covid-19.
10. SD queried what the emerging themes are from the quality dip sampling in respect of PPNs, LOr noted that the emerging themes are that GP details and school details are occasionally missing, the voice of the child is also missing in some cases. These early indications are being fed back to staff as areas for improvement through the Delivery and Assurance Board.
11. The quality of VCOP is monitored using a dip-sample completed by Inspectors. The question set in use, is based on the question set used by the Ministry of Justice on VCOP compliance across criminal justice agencies. LOr noted that the force are aware that further improvements are required to ensure VCOP compliance. EP queried

what the force are aiming for in terms of the VCOP compliance figure, LOr agreed to provide further information to EP following the meeting.

12. **Action** - LOr to provide further information to EP following the meeting in relation to the force's aim VCOP compliance figures.

*Safeguarding Review – could the Force provide an update on the review within the PVP Support Team?*

13. An update on the Safeguarding Review was provided. It was noted that the project is progressing well and will result in a restructure and integration of the PVP Support Hub staff, existing MACH staff and CA.VA officers being 'place based' and integrated within the multi partnership arrangements. It was noted that the review is due to be completed in November, this will then be fed into the Delivery and Assurance Group for Safeguarding prior to going to the Executive Board and the OPCC.
14. It was noted that Operation Encompass is due to be re-launched with the mnemonic CHERISH. A poster campaign will take place and video messages will be provided to all staff. Liaison is ongoing with the force Information Security Manager in relation to Information Sharing Agreements to ensure the force are maximising the operation to support and safeguard children/families of Cleveland. It was noted that there is a meeting scheduled for 25 September for DCI Fenny and Bob Williams to develop and enhance the process and to include disclosure to Health partners in addition to education.

*Vulnerability desk – have the Force received any feedback (either formally or informally) from frontline officers who have experience of working with the desk.*

*Does the Force think that Domestic Abuse Victims are getting a better response as a result of the desk's input?*

15. Kath Galloway provided a report prior to the meeting in respect of the Vulnerability Desk. It was noted that all of the original aims and objectives on implementation of the desk have either been achieved or are making substantial inroads to completion i.e. reduces the rate of outcome 16. There are also objectives such as 'up skill the front line staff in evidence-led policing' which are being supported by the launch of the RIS and the roll out of DA Matters in the Autumn so are difficult to measure in terms of actual success of the desk.
16. It was noted that the domestic abuse crime arrest rate continues to improve, in May this rose to 46%, 16% above the same time last year. The force have a structured performance framework now in place in which any team or individual can monitor and drill down into. This framework sits on both the executive log and the daily pacesetter so performance and demand can be managed daily.
17. The Vulnerability Desk is at present remaining as it is, focussing on all domestic abuse incidents and associated issues. The vulnerability desk are continuing to audit missing PPN's at the moment and returning to officers with advice for completion and compliance. It was noted that the Vulnerability Desk will more interlinked with the FCR going forward.
18. MP asked that the cumulative figures for the five month period be clarified further, LS agreed to follow this up and provide a corrected version if it is found that the data within the report is incorrect.
19. **Action** – LS to provide MP with a corrected version of the cumulative figures for DA reporting if those contained within the table are incorrect.

*Operation Phoenix 2 – To provide a brief overview on what is working well and what learning has been implemented as a result of Operation Phoenix 1*

20. A report was provided by C/Insp Jon Grainge prior to the meeting, JW provided an overview of the key points from within the report. Op Phoenix 2020 was structured to build on the improvements made through Phoenix 2019, a simplified structure was therefore proposed with Bronze leads for the three key work streams of Crime,

Safeguarding and Proactivity, and Silver support from Intel, Corporate Comms, Control Room and Finance functions.

21. £200K was allocated to the Operation at the outset, which was split into two amounts; £100k for Phase 1 dated from 6 July to 16 August, and £100k for Phase 2 from 17 August to 25 September. The initial funding was divided between the three Bronze leads; £30K to Crime, £30K to Safeguarding and £40K to Proactivity. Bronzes were tasked with allocating overtime to achieve the aims within their plans, and this was split between various departments. During Phase 2 a decision was taken to incorporate the Control Room into the operation, with a view to overtime being allocated to officers focussed on screening out crimes, aiming to reduce the demand on the Control Room and Local Policing.
22. As of week 10, the following has been achieved: £330K illegal drugs recovered, 211 arrests, 95 vehicles seized, 23 weapons seized, 18 Cat A warrants and 63 Clare's / Sarah's Law completed. However, since the start of the operation, there has been an increase in the number of live crimes, the number of outstanding suspects, and the number of people wanted on warrant. Although at the outset the operation sought to reduce all these, the starting figures for all these areas were at a low point due to COVID restrictions, and activity undertaken during lockdown.
23. £155K of the proposed £200K budget has been spent, or is allocated to be spent within the next week. A meeting between Supt Anderson as Silver, and Gold, will take place in the coming week with a view to extend Phoenix activity beyond the proposed end date, with a consistent weekly review. The level of communications and positive response from the community suggest the operation has been well received and contributed to confidence in Cleveland Police. Future operations are likely to benefit from the ongoing investment into Local Policing, and the focus which can be maintained on proactive work across the three work streams.
24. SD asked how it is known that the results referred to within the report are referable to the additional resources provided as a result of Operation Phoenix, SG noted that some of the results may have come from neighbourhood policing and therefore they may not have been funded wholly as additional resources from Operation Phoenix but they would fall under the command structure and co-ordination of the Operation. The final report and next steps in respect of Operation Phoenix are to be brought to the next Scrutiny, Delivery and Performance Meeting.

### **Force Control Room Update**

25. Prior to the meeting, the Acting PCC issued the following query to the force:

*Following the update at the last meeting the PCC would like assurance about the work taking place in the following areas, to include what will be different and by when*

1. *Staffing and shift patterns*
2. *999 and 101 Abandonment Rates*
3. *Staff numbers and training*
4. *Performance Management*

26. A written update was provided prior to the meeting and Sandra Kilvington attended to provide a verbal overview on the key points from the update. It was noted that the latest staffing figures show that the FCR are almost at establishment although this includes 13 staff who start with the force on 12 October. A recruitment campaign is due to start in October for March's intake, the advert has been written in line with national guidance.
27. The shift pattern refresh is due to go live at the beginning of January, depending upon the position with Covid restrictions. Another venue for FCR staff training is being sourced to ensure there is a fall back option should the rule of 6 remain in force at the point training is required. SK noted that everybody will be trained in the first instance in call handling as that is the core function of the role, the career progression plan then allows staff to choose between specialising in crime recording or dispatch, this will be supported with line managers' rationale.

It was noted that the Equality, Diversity and Inclusion team have been engaged with HR in respect of Positive Action for the recruitment process.

28. In respect of 999 and 101 abandonment rates, improvements have been made in both areas. The figures for August show that there has been a slight improvement in our 101 abandon rate which was 22.8% in July and is now 22.1% in August. The 999 has risen from 2.9% in July to 3.5% in August, we know that a large proportion of these calls have been from yellow phones outside of police buildings, which has taken sometime to reroute. This work has now been completed, so it is expected that there will be an improvement during September.
29. There are five members of staff waiting to be call taker trained and seven waiting to be tutored on dispatch following a course in June this year. After the cohort in October, the FCR will have twelve vacancies, however the caveat is that whilst completing the flexible working applications some staff have reduced from 37 hours per week to 25 hours. This will therefore create some FTE's when added together.
30. In respect of performance management, a total of 64 calls were monitored by FCR Supervisors for THRIVE compliance and call quality. 78% (50 incidents demonstrated the use of the THRIVE template. This is an increase on July's audit. A further 6% (4) incidents showed that the THRIVE had been considered. There were 6 incidents where the use of the template or THRIVE analysis was not required. The remaining 4 incidents has no THRIVE template used and this has been raised with the staff member's supervisor. Of the 64 calls monitored, 72% (46) calls demonstrate a full and appropriate use of THRIVE which is an increase on July's figures. Unfortunately 18 calls had at least one aspect of the THRIVE analysis fail.
31. These failures most commonly relate to one aspect and this is Investigation, with only 80% being recorded. This is closely followed by Vulnerability which achieved compliance rate of 84%. On the positive both of these are higher than July. Investigation has increase of 14% and Vulnerability increased by 15%.
32. Overall the calls are completed to an acceptable level however there are still issues around the confirmation of names and phone numbers. This has been provided in feedback to staff from the supervisors. Although there has been a good improvement in identifying vulnerability, further work is still required to enable us to achieve 100% compliance in all areas.
33. SD queried what has been done with the yellow phones and why this will have an impact on the figures, SK noted that the yellow phones were routed to a force emergency line which was reported through Power BI to be included within the 999 figures. The yellow phones should not provide an emergency line for the public, they should however provide a route into the force. It was noted that there had been a fault with the yellow phones which causes them to create a higher number of figures per button press. The yellow phone no longer has a 999 level priority attached to it, it instead is shown as a call through to the control room.
34. SD queried whether the force remain committed to yellow phones, SK noted that there first needs to be an understanding of the demand and usage across the force estate. Public consultation is then to be launched to gain an understanding of how communities want to engage with Cleveland Police. SK noted that promotion is also to be launched in relation to the fact that calling 101 no longer has a cost attached.
35. It was noted that a new 101 message has been recorded and gone live, the previous message was lengthy and could potentially have contributed to the abandonment rates in the past.
36. MP noted that the first paragraph notes that following the cohort in October FCR will almost be at establishment but the third paragraph indicates that here will be around 12 vacancies. SK noted that the vacancies arise as a result of the additional FTE following the introduction of flexible working. It was noted that SK is happy at the number in respect of call handling, crime recording and dispatch but SK intends to approach the Executive for an increase in staffing in respect of learning and development.
37. EP noted that the abandonment rates are still higher than last year's by comparison and asked that the rates remain on the agenda for discussion under the next meeting to consider whether there is an improvement in September's figures.

## **Covid Recovery Plans**

38. The Acting PCC raised the following questions to the force prior to the meeting:

*In 22 June we were told that there was a recovery plan in place to return the Force to a new normal, which fed into the Force Gold structure and the Tactical Coordinating Group meeting structure. At that time it was noted that criminal justice backlogs and training delays were currently having the biggest impact locally and the impact on vulnerability, domestic abuse and child abuse was not known at that time.*

*Point 10 in the recovery plan highlighted excessive overtime and workforce planning was questioned in respect of operation Phoenix and quarantine after periods of annual leave. It was noted that the Force were trying to gather a strategic overview of annual leave to ensure the Force are able to operate as business as usual.*

*Are there any issues of concern which need to be brought to the PCCs attention in this area with regards to the impact of Covid and the return to the new normal?*

*Are FPNs still being issued and has the Force done any analysis of the FPNs that have been given out, in terms of proportionality?*

39. SG noted that driver training is now back on board and officer safety training has been put back into place. In terms of safeguarding, it was noted that there has been hidden harm over lockdown as people have been isolating in their own homes, referral figures may begin increasing as the schools have now gone back.
40. It was noted that an additional ten days annual leave carry over has been allowed for this year, next year an additional five days will be allowed and the following year the force will be back in their original position in respect of annual leave. The caveat with this is that any annual leave can only be authorised if there is sufficient cover in place.
41. It was noted that there are still provisions in place to allow for FPNs to be issued. However, these had reduced over recent time following the easing of a number of the Covid restrictions. The report on the issuing of FPNs is to be taken to the Strategic IAG in respect of this. The report considered whether those who had been issued with FPNs had a history of offending over the last five years.  
Data in relation to hotspot areas and specific demographics were also collated as part of the report.
42. SG noted that recently there have been challenges in respect of testing. Locally, Hartlepool and Middlesbrough are on the Government 'Areas of Concern' watch list. The five Tees Valley local authority Chief Executives have met to consider additional measures which can be put into place in respect of education and hot spot areas such as pubs and restaurants. It was agreed that it is right to stand the SCG up again, chaired by SG on a weekly basis.
43. The key focus for the Local Resilience Forum is in relation to the shared situation awareness and preparedness for a second wave and entering a period where Covid is no longer the only health related risk as flu season begins. It was noted that there has been a move from recovery back into response, the key areas of focus are around resourcing. It is likely that demand will likely remain as it currently is as the current trend with local lockdown measures and that the hospitality and night time economy remains operational until 10pm.
44. LO queried when it is likely that the FCR will consider a move back to the fall back site, if at all. It was noted that SK has introduced a one way system within the FCR. SK is also making enquiries with IT to provide members of staff with laptops to allow them to work from home and take 101 calls. LS noted that all members of staff who are able to work from home if they have the equipment to do so have now been equipped to do so, the issue arises with staffing where 7 and 14 day isolation periods are required for those staff who are unable to work from home.
45. It was noted that the OPCC had previously been involved in the SCG and briefings were provided in relation to the LRF, it was asked that this approach be taken again.

## **Drone Update**



46. The Acting PCC raised the following question with the force prior to the meeting:

*Can the PCC have a brief update on the introduction of the Drone Service, for example what incidents has it been deployed to and has it been successful.*

47. A detailed summary was provided in writing prior to the meeting. JW provided an overview of the key points within the meeting. It was noted that since May drones have been operating 07:00 x 19:00 daily, a full 24 hours drone cover is not possible with the current pilot numbers and training as highlighted in the full report.

48. As of 16 September 2020 drones have been requested on 106 occasions and have been deployed 52 times with the majority of drone deployments being in response to missing from homes. They have not been available on 44 occasions due to a lack of pilots or inclement weather.

49. Some examples of other incidents where they have been deployed are:

- Arrest of various offenders including persons found committing offences such as burglary.
- Re capturing persons unlawfully at large for example a male wanted for firearms offences and another who was hiding from police on the rooftops of shops on Redcar high-street.
- Rural crime patrols at Eston Hills dealing with off road bikes and fires
- Locating the body of a male at the foot of Huntcliffe. Although the male was deceased, had he not been found and he could have potentially been lost to the sea, causing further distress for the family.
- Drones have also been deployed to assist partner agencies with their prosecutions such as the environment agency or Harbour Police.

50. SD asked how the deployments compare with what had been expected to get out of the drones and how is it known that the deployments were effective in what has occurred. SG noted that the deployments had previously just been recorded but they are now being recorded and monitored in line with guidance from NPAS, SG noted that overall the deployments are fulfilling what had been expected. SD queried if more is known about public perceptions of drones locally, SG noted that the overall response via social media is positive but further detail on public views is to be provided outside of the meeting.

### **Sopra Steria Update**

51. CI joined the meeting to provide an update in relation to the Sopra Steria transition. It was noted that the building is in good shape and a nice place for staff to work, the St Mark's House element of the project is now considered to be delivered.

52. SD asked whether there is anything mention in terms of Covid working practices for those staff returning from Sopra Steria to Cleveland Police. CI noted that within Sopra Steria staff have been working from home in the majority, as part of the induction CI has advised staff that there will be no changes at all in these working practices in the initial phase and there will be a low level of physical building occupation in the first phase to allow the force to put support in place for staff.

53. In terms of IT, the Oracle Enterprise solution has been fully deployed, this has been heavily integrated into the work of Fusion. Work is to be progressed in respect of the duties management system going forward. A replacement system for the service desk has been procured and will be implemented from 1 October, the system will provide better problem resolution for staff.

54. Detailed work is progressing in respect of TUPE. HR and finance and payroll work has been conducted over the last couple of weekends, over 200 members of staff profiles are now fully complete.

55. At the start of due diligence it was hoped to close down the transition phase at 1 October and to move into the transformation work but there have been some delays with planning for the transformation work. Work is required in the first couple of months after the transition to ensure the staff are in 'Cleveland-ised' roles. All of the contracts are to be appropriately managed and tracked through and there will be a period of recruitment as a result of members of staff leaving their former roles and not transferring across.

**Any Other Business**

56. RL noted that there is an engagement event on 25 September with partners which will take place via Zoom.

**Date of Next Meeting**

57. The next Scrutiny, Delivery & Performance meeting is scheduled for 2 November 2020.



## PCC Scrutiny, Delivery and Performance

Monday 2 November 2020

### Agenda Item 4 - Police and Crime Plan Objective – Theme Reducing Offending and Re-offending

*The last update to the Scrutiny, Delivery and Performance meeting on this theme was received on 18 November 2019*

*It was noted that there was a refreshed selection process for the IOM cohort. In maximising the use of the Liaison and Diversion Service in custody it was noted that support would be provided to individuals on release as well as in custody and peer mentor opportunities were also being progressed for engaging with hard to reach offenders, regardless of the investigation's outcome. It was confirmed that the Reducing Reoffending Group was the strategic oversight going forward. We were assured regarding DVPNs and DVPOs.*

- 1. Substance misuse continues to be a significant factor in offending behaviour, which was also noted in the Neighbourhood Policing survey and through our community engagement that drug dealing in communities is of significant concern, can the force provide details of how they are responding to these concerns.**

#### Neighbourhood response

Drug dealing presents distinguishable threats to our communities. Most pressing is the violence associated with street-level drug dealing. Also salient is the close link between drug use and street crime.

Neighbourhood Teams are proactively responding to community concerns in attempt to disrupt street dealing and drugs activity. Reacting to and building on community intelligence has seen our Neighbourhood Teams execute a significant number of drugs warrants and recovered substantial levels of drugs, cash, weapons and the arresting of offenders.

Neighbourhood Teams regularly conduct both plain clothed and high visibility patrols in known drug hotspots across the County which has led to significant arrests for drug related crimes. In addition officers have increasingly stopped and searched a number of individuals which has led to positive arrests.

Our Neighbourhood Teams are working closely with our partners and have successfully had closure orders implemented on a number of premises. This has sent out a clear message to our communities that we will look to close premises linked to drugs and the ASB closely associated with it.

The CET has worked closely with the Neighbourhood Teams around the exploitation of children and vulnerable adults targeted for cucking purposes. This has resulted in the identification of

children and vulnerable adults being exploited or intimidated by OCG`s and ensuring the appropriate safeguarding.

Neighbourhood Policing teams along with our internal and external partners continue to target and disrupt our OCG`s. Each OCG has a bespoke disruption plan based on the four P approach,

- Pursue
- Prevent
- Protect
- Prepare

This four P Plan approach has yielded significant results this year with the dismantling of one Tier OCG which was linked to firearms and the exploitation of children and vulnerable adults. Our partners from Trade & Standards have implemented premise closure orders on retail premises linked to OCG`s on the back of intelligence sharing amongst partner agencies during MARSOC`s.

A key element of the four P plans is around **Prepare**. NPT and Early Intervention have delivered a package to all schools around CCE and County Lines, starting with those in the highest harm/demand areas. The ethos is to stop the new generation of children replacing our adult OCG members.

On the back of co-ordinated intelligence tasking`s via our HUB Intelligence Unit our CDSOU continues to target vehicles linked to the distribution of drugs both regionally and nationally. Equally CDSOU has made a number of arrests and vehicle seizures in relation to drug drivers.

Cleveland Police continues to seek Serious Crime Prevention Orders against those offenders convicted of a `serious offence.` This orders are seen to work and can have considerable disruption on our priority offenders.

### **Community Safety Perspective**

In relation to the Community Safety side, we have the PPO Unit who work with PPO`s, many of whom will be committing their offending due to the underlying issues of substance dependence. This is addressed with the PPO`s through a multi-agency, problem solving approach, working alongside CRC and local treatment services, to address the needs of the individual.

We do have Project Adder coming to Middlesbrough which is a joint PHE and Police project with a significant amount of funding allocated by the Home Office. We are waiting for HR to advertise the Coordinator role for this project which will see a Chief Insp and an Analyst seconded to Project Adder for 2-3 years. A further summary document on Project Adder can be provided if required.

*In May 2020 it was noted that taking the last 12 months data into account, the end of month cumulative average for the number of detainees released and under investigation is 2,470 and the question was asked about what were the force doing to actively bring this number down in terms of managing investigations effectively and efficiently, and how many of these ongoing RUI`s exceed a 6 month period?*

### **2. Could the Force provide an update position regarding RUI levels and if that number reported in May is reducing?**

RUI and bail now form part of the Force`s Performance Management Framework which is now embedded across all teams.

RUI is scrutinised monthly by the ACC at the Crime and Investigations Assurance and Delivery Group. As a result the number of suspects Released Under Investigation has reduced from 2571 in April to 1810 in October.

This has been achieved in part by providing greater focus around those investigations where suspects are released under investigation and looking to reach finalisation more quickly, partly by resolving some administrative errors with old records and partly through the increased use of police bail to impose conditions on suspects who are released before charge to provide greater support to victims and witnesses.

## **Divert**

### **3. Could the Force update the PCC on the use of out of court disposals and links with the Cleveland Divert scheme and how this has assisted with case management during lockdown.**

The Divert Team has continued to operate successfully through lockdown but has had challenges with limitations to face to face contact/visits and partner agency staff working from home.

It has been recognised that our management structures to support OoCD have been inconsistent so in the Spring it was decided that all OoCD and the Divert Scheme should come under the supervision of the Custody Management Team.

Since that time we have recruited another full time PC to promote the use of all OoCD and to manage an increased workload in this area which will be of great benefit as the whole Criminal Justice System recovers from the impacts of the pandemic.

We are also working with Restorative Cleveland to recruit a new RJ Coordinator. The successful applicant will be part of the Custody Management/OoCD team and deliver training to officers, promote the use of RJ and manage cases.

## **Agenda Item 5 - Force Control Room**

### **1) Following the update at the last meeting the PCC would like an update about the work taking place in the following areas, to include what will be different and by when**

***i. Staffing and shift patterns –***

***ii. 999 and 101 Abandonment Rates – are rates improving?***

***iii. Staff training – how is this taking place?***

***iv. Performance Management***

### **2) Follow up on this question as asked at the meeting on 19 August - Force Control Room has been back under the control of the Force, earlier than planned at the Force's request, for over a year now. In addition to this a significant amount of additional public money has been invested in this area. Can the provide a written report covering the following information:**

- Progress in delivering the additional resources
- The impact on service delivery to the public of this additional investment
- How the overall costs of the Force Control Room in Cleveland compare, in Value for Money terms, to others within the country.

Verbal update by T/Supt Galloway supported by attached written update.



October scrutiny.docx

### Agenda Item 6 - Service Improvement Programme and Overall Change Programme

- 1) Could the Force provide a written summary of the Service Improvement Programme up to the end of September 2020?
- 2) Could the Force provide a written overview of the non-service improvement change work which is currently planned or taking place within the Force?
- 3) Can an update be provided on the first 30 days of the return to the Force of Sopra Steria services?

Verbal update to be provided by Liz Byrne supported by attached documents



SIT Programme v0-8 23102020.xlsx SIT Progress Report September 2020.doc

### Agenda Item 7 - Covid Update

- 1) Could the Force provide a full and detailed report from the Force as employer on the following:
  - i. Covid Secure Working Practices overall; and
  - ii. HSE Notice of Contravention dated 12 October 2020 - Response to Notice of Contravention, details of the Force's plan for sustained embedding and ensuring AFIs identified by HSE and improvement in Covid Secure working practices; plus the approach to supporting encouraging compliance by police personnel and the system put in place for dealing with breaches.

Please see attached documents in support of verbal update by ACC Graham



HSE Response to NOC LPP.pdf Risk Assessment Covid-19 Cleaning Re Inspection Findings C'

### Agenda Item 8 – Investigatory Powers Commissioner's Office Report

- 1) Could ACC Lisa Orchard give a short verbal update for noting in respect of this Investigatory Powers Commissioner's Office (IPCO) inspection report?

Please see attached summary report of inspection finding – please note, this is a sensitive document.



## **Agenda Item 9 – Brexit Preparedness**

- 1. All forces have had Force Readiness Assessments made Force Readiness Assessments include an action plan and check list for forces to complete. Could a copy of the local assessment be provided to the PCC?**
- 2. Forces were asked to undertake ‘Back Record Conversion’, the transferring of high-level alerts and individuals from the SISII system and re-logging them onto Interpol – running both systems simultaneously. Could the Chief Constable provide assurance that he has been sighted on the Force’s Back-Record Conversion activity locally?**
- 3. All Forces have identified local operational risks associated to EU-Exit, could the PCC be sighted on the local risks?**

Verbal Update by ACC Graham

**Report of the Chief Finance Officer of the PCC  
To the Acting Police and Crime Commissioner for Cleveland**

**2<sup>nd</sup> November 2020**

**Status: For Information**

**2020/21 Budget Monitoring – Report to the end of August 2020**

**1. Executive Summary**

**1.1 Purpose of the Report**

On the 17<sup>th</sup> February 2020 the PCC agreed the revenue Budget for 2020/21 which was based on the receipt of income totalling £155,475k. This report is to provide the PCC with an update on all areas of the budget, including forecasts of how much income will actually be received during the year, the progress against the budget to date and forecasts on the expenditure for the remainder of the financial year.

**2. Recommendations**

The Acting PCC is asked to note:

- 2.1 The Office of the PCC's budget of £900k is expected to underspend by £55k during 2020/21.
- 2.2 The Corporate Services budget of £10,000k is expected to underspend slightly, by £60k, at this point of the financial year.
- 2.3 The £3,735k to support PCC Initiatives and Victims and Witnesses Services, including £1,550k to invest in Neighbourhood Policing is forecast to underspend by £300k at this stage of the financial year.
- 2.4 It is currently forecast that the income received by the PCC will be £200k less than the revised budget.
- 2.5 The Force is currently forecasting to overspend by £165k and have a number of other pressures that may increase this further.
- 2.6 The total forecast outturn at the end of August is that there will be an overall underspend of £50k.

**Updates on previously approved recommendations from the PCC:**



- 2.7 In the finance report at the end of Quarter 1 the PCC asked for updates on 3 areas of significant investment within staffing within the force. The questions and the updates provided are included below:
- 2.8 **Question:** The Force Control Room has been back under the control of the Force, earlier than planned at the Force's request, for over a year now. In addition to this a significant amount of additional public money has been invested in this area. With this in mind it is recommended that the PCC requests a report from the Force covering the following:
- Progress in delivering the additional resources
  - The impact on service delivery to the public of this additional investment
  - How the overall costs of the Force Control Room in Cleveland compare, in Value for Money terms, to others within the country.
- 2.9 **Force Response:** The latest staffing figures show that we are nearly at establishment, however this includes 13 who start with the force on the 12th October. Once these 13 staff start there will still be 12 Police Officer vacancies with the FCR.
- 2.10 **Further Questions:** – There is still further assurance required in this area across the 3 bullet points above.
- 2.11 In addition the PCC may want to further consider the following:
- Do the vacancies referred to above need to be filled by Police Officers?
  - As of September 2020 there are now 40 more Staff working in the FCR than there were in September 2019 (25 more Staff and 15 more Police Officers) and yet overtime across the FCR is 50% more (or £50k higher) than at the same point last year.
  - Why is overtime higher given all of the additional resources?
  - Given the work of the last few months it is however difficult to see how these additional resources are improving performance within the FCR – this re-iterates the importance of further work in relation to the second bullet point in the original question.
- 2.12 **Question:** It is now 6 months since the 2020/21 budget was approved and even longer since the Force set out the need for 24 additional posts to provide resilience in a number of areas highlighted by the HMICFRS review in relation to the most vulnerable in the communities in Cleveland. It is therefore recommended that the PCC ask the Force to provide:
- Details of how many of these crucial posts have been filled.
  - What the plans and timeframes are to fill the remaining posts.
  - What the impact of these roles has been against the initial reasons for the roles being required to provide this Resilience, and
  - What has been the impact of any delays in filling these roles?
- 2.13 **Force Response:** To date 11 of these posts have been filled and recruitment is underway for a further three with successful candidates identified and start dates either agreed or pending. Nine of the remaining ten posts, all of which sit within the Domestic Abuse Solutions Team and PVP Support Hub, are currently on hold due to ongoing review work being undertaken in partnership with Process Evolution to better understand the investigative and support resources required within this area of business. This work is due to conclude in late November after which the posts will be reviewed and recruitment activity will commence accordingly.

- 2.14 The Operational Security Advisor post is no longer required and the funding available for this post has now been reallocated to fund the workforce modernisation of the Force Crime Registrar role. Recruitment for this role is now complete and the successful candidate (who is already fully accredited) is due to commence in mid-October. Given the current position of the Force in relation to crime data integrity this is a critical position and will provide much needed continuity in a role which requires a significant level of knowledge in relation to crime recording processes and associated legislation.
- 2.15 **Question:** The Force have identified the need for 64 FTE growth posts that result from Operation Uplift. As with the 'Resilience' posts it has now been 6 months since the 2020/21 budget was set and therefore this would be an opportune time for the Force to provide an update in terms of recruitment against these 64 FTE posts, including how many have been filled, when the remaining posts will be filled and/or whether some of these posts are now no longer needed and if so why.
- 2.16 **Force Response:** Whilst an initial post list was developed, this has been subject to ongoing review by the CC Chief Finance Officer and Head of Corporate Services over the course of the year and updated/refined as and when existing business requirements have been clarified and new requirements identified. This has enabled the Force to manage new resource requirements without the need for additional funding.
- 2.17 To date, 24 of the 64 posts have been filled and recruitment is underway for a further 21 with successful candidates identified and start dates pending in four of these roles. Some recruitment delays have been experienced due to Covid and the need to prioritise activity alongside police officer recruitment in line with capacity within the Recruiting Team. Recruitment into the remaining 19 roles is yet to commence, although preparatory work is underway in a number of areas to update role profiles and grade roles where required.
- 2.18 It should be noted that a number of the vacant Uplift posts fall within business areas currently delivered by Sopra Steria and whilst the need for increased capacity in these areas is anticipated, this cannot be fully determined until these areas return under Cleveland Police management and more detailed workload analysis can be undertaken. Work has already commenced in some areas i.e. ICT and Learning and Development with further required post October 2020.
- 2.19 The Uplift post list remains subject to monthly review to ensure that once business requirements are finalised, posts are filled promptly.

### **3. Reasons**

- 3.1 When setting the budget for the financial year 2020/21 the PCC allocated the income forecast to be received during the year, of £155,475k, into the following areas:
- £900k to run the Office of the PCC
  - £3,735k to support PCC Initiatives and Victims and Witnesses Services
  - £10,000k for Corporate Services
  - £137,805k to the Police Force

- £3,365k to the Capital Programme
- This will be supported by £330k from Earmarked Reserves.

The following sections will look at the above areas in more detail and provide updates and forecasts for each area, including any changes that have been made since the original budget was approved and set.

### 3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £155,475k during 2020/21 from the areas summarised in the table below, the in-year changes, the actual levels of income forecast to be received and variances are shown below. In addition to current year figures the comparator figures for 2019/20 is also shown.

2019/20 Budget	In Year Changes	2019/20 Revised Budget	2019/20 Outturn	Variance	Summary of Income to be Received by the PCC	2020/21 Budget	In Year Changes	2020/21 Revised Budget	2020/21 Forecast Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(46,497)	0	(46,497)	(46,497)	(0)	Police Grant	(50,148)	0	(50,148)	(50,148)	0
(38,756)	0	(38,756)	(38,756)	0	RSG/National Non Domestic Rate	(41,486)	0	(41,486)	(41,486)	0
<b>(85,253)</b>	<b>0</b>	<b>(85,253)</b>	<b>(85,253)</b>	<b>0</b>	<b>Government Grants</b>	<b>(91,634)</b>	<b>0</b>	<b>(91,634)</b>	<b>(91,634)</b>	<b>0</b>
(38,784)	0	(38,784)	(38,784)	(0)	Precept	(40,844)	0	(40,844)	(40,844)	0
(800)	0	(800)	(800)	0	Council Tax Freeze Grant	(800)	0	(800)	(800)	0
(6,868)	0	(6,868)	(6,868)	(0)	Council Tax Support Grant	(6,868)	0	(6,868)	(6,868)	0
<b>(46,452)</b>	<b>0</b>	<b>(46,452)</b>	<b>(46,453)</b>	<b>(0)</b>	<b>Precept related funding</b>	<b>(48,513)</b>	<b>0</b>	<b>(48,513)</b>	<b>(48,513)</b>	<b>0</b>
(7,291)	(517)	(7,808)	(8,924)	(1,116)	Specific Grants	(8,513)	(1,437)	(9,949)	(9,949)	0
(2,893)	(1,295)	(4,188)	(4,766)	(577)	Partnership Income/Fees and Charges/Misc Income	(3,316)	0	(3,316)	(3,116)	200
<b>(10,184)</b>	<b>(1,812)</b>	<b>(11,996)</b>	<b>(13,689)</b>	<b>(1,693)</b>	<b>Other Funding</b>	<b>(11,829)</b>	<b>(1,437)</b>	<b>(13,266)</b>	<b>(13,066)</b>	<b>200</b>
<b>(141,890)</b>	<b>(1,812)</b>	<b>(143,702)</b>	<b>(145,395)</b>	<b>(1,693)</b>	<b>Total</b>	<b>(151,975)</b>	<b>(1,437)</b>	<b>(153,412)</b>	<b>(153,212)</b>	<b>200</b>
(3,475)	291	(3,184)	(3,195)	(11)	Special Grant	(3,500)	0	(3,500)	(3,500)	0
<b>(145,365)</b>	<b>(1,521)</b>	<b>(146,886)</b>	<b>(148,590)</b>	<b>(1,704)</b>	<b>Total Overall Funding</b>	<b>(155,475)</b>	<b>(1,437)</b>	<b>(156,912)</b>	<b>(156,712)</b>	<b>200</b>

### 3.3 In Year Changes

The PCC was successful in bidding for additional funding of £1,437k for the following areas, this income has been added to the income budget with the corresponding expenditure budgets also set.

- Safer Streets Fund - £1,035k
- Emergency Funding for Victims Services - £402k

### 3.4 Income Forecasts

As you would expect, the vast majority of the income the PCC will receive during 2020/21 has already been agreed and little or no variances will be expected against the originally budgeted figures for Government Grant funding or Precept related funding.

3.5 The areas where variances may occur will predominantly be in relation to Partnership Funding, Fees and Charges and Miscellaneous Income with some variances possible against Specific Grants.

3.6 Specific Grants

3.7 At this stage of the financial year we are not expecting any significant variance against this area.

3.8 Other Income

3.9 As discussed previously there are a number of areas in relation to income that have been, and continue to be, impacted by covid-19.

3.10 The estimate is that changes to traffic volumes is likely to impact on driver training courses and other areas of income from traffic related activity, such as accident reports, by circa £265k in the current year.

3.11 Given the current absence of supporters as football matches then there is also an expectation that the funding received from this source, as well of from Horse Racing will be lower than expected. The pressure at this stage is estimated at £100k although this will increase to £124k if there is no return of supporters by the end of the financial year.

3.12 In addition to this lower interest rates are expected to reduce the interest received on cash balances by around £56k.

3.13 The above and other small pressures are offset to a certain extent by an expected over recovery of income against the secondment income budget of £140k.

3.14 At this stage therefore an overall pressure of £200k is forecast against income.

3.15 Potential to recover some of these losses

3.16 The Government have recognised that all PCC's have lost income on expected sales, fees and charges against their 2020/21 budgets as a result of the pandemic. In response to this, the Home Office is setting up this scheme to enable PCC's to recover 75p in every £1 of lost income once a 5% deductible has been absorbed by PCCs. This scheme applies exactly the same principles and methodology as the local authorities' income loss recovery scheme being led by the Ministry for Housing, Communities and Local Government.

3.17 The details of this scheme and how it is applicable to the areas of lost/reduced income in Cleveland is being worked through and a claim will be prepared for the PCC to authorise in line with guidance.

### 3.18 The Office of the PCC

The 2020-21 budget of £900k for the Office of the PCC is split into the following areas:

<b>PCC Budget</b>	<b>Original 2020/21 Budget</b>	<b>Budget YTD</b>	<b>Spend YTD</b>	<b>Over/ (Under) spend YTD</b>	<b>2020-21 Forecast Outturn</b>	<b>2020-21 Forecast Over/(Under)</b>
<u>Category of Spend</u>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Staff Pay and Allowances (Incl. NI and Pension)	816	340	306	(34)	766	(50)
Other Pay and Training	5	2	4	1	5	0
Supplies and Services	229	96	47	(49)	229	0
Transport	10	4	0	(4)	5	(5)
Miscellaneous Income	(160)	(67)	(10)	57	(160)	0
<b>Total Budget</b>	<b>900</b>	<b>375</b>	<b>347</b>	<b>(28)</b>	<b>845</b>	<b>(55)</b>

### 3.19 Position as at the end of August 2020

The table above shows the forecast position for 2020-21. Forecasts show that expenditure for 2020/21 is expected to be slightly below budget primarily as a result of savings from the new ways of working that are expected to result in lower spend on travel, printing, stationery, accommodation and areas of a similar nature.

3.20 In addition to this some small turnover in staff is likely to lead an under spend while vacancies are filled.

3.21 At this stage a small underspend of £55k is forecast.

### 3.22 Corporate Services

Corporate Services budgets include the costs of the PFI contracts, strategic contract management, asset management costs, treasury management and planning.

3.23 The Corporate Services budget for 2020/21 was set at £10,000k, as per the table below which also shows the forecast spend and outturn at this stage of the year.

<b>Corporate Services Budget</b>	<b>Original 2020/21 Budget</b>	<b>Revised 2020/21 Budget</b>	<b>Budget YTD</b>	<b>Spend YTD</b>	<b>Over/ (Under) spend YTD</b>	<b>2020/21 Forecast Outturn</b>	<b>2020-21 Forecast Over/ (Under)</b>
<u>Category of Spend</u>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Staff Pay and Allowances (Incl. NI and Pension)	780	780	325	305	(20)	748	(32)
Supplies and Services	79	79	33	41	8	81	2
Transport	1	1	0	0	(1)	1	0
PFI - Urlay Nook	1,855	1,855	773	773	0	1,855	0
PFI - Action Stations	5,410	5,410	2,254	2,272	18	5,396	(14)
Asset Management	1,875	1,875	781	875	94	1,859	(16)
<b>Total Budget</b>	<b>10,000</b>	<b>10,000</b>	<b>4,167</b>	<b>4,266</b>	<b>99</b>	<b>9,940</b>	<b>(60)</b>

3.24 A small underspend of £60k is currently forecast in this area is predominantly related to lower than forecast interest payable and slightly smaller forecast costs on one of the PFI schemes due to lower inflation rates.

3.25 In addition to this some small turnover in staff is likely to lead an under spend on pay while vacancies are filled

### 3.26 PCC Initiatives and Victims and Witnesses Services

The PCC allocated an original budget of £3,735k to support Community Safety and PCC Initiatives, deliver Victims and Witnesses services and invest in Neighbourhood Policing. £1,414k was allocated to the Community Safety and PCC Initiatives budget, £821k to Victims and Witnesses Services, and £1,550k to invest in Neighbourhood Policing.

- 3.27 Since the original budget was set the PCC was successful in bidding for additional funds totalling £1,437k
- 3.28 £402k of COVID- 19 Emergency Funding for PCC-Commissioned Services was secured to support Charities who the PCC commissions to deliver services within Cleveland.
- 3.29 In addition to this £1,035k has been secured from 3 bids into the Safer Streets Fund. This £1,035k was awarded out of an allocation of only £22.4m nationally and therefore Cleveland secured over 4.6% of the funding available – which is more than 4 times the amount that would generally be awarded to Cleveland via an allocation made via the usual Funding Formula.
- 3.30 The Safer Streets Fund aims to stop offences that blight communities and cause misery to victims from happening in the first place.
- 3.31 Following a bidding process, grants were provided to PCCs in England and Wales for projects to improve security in areas particularly affected by acquisitive crimes such as burglary, vehicle theft and robbery.
- 3.32 The money will go towards measures proven to cut crime. These include simple changes to the design of streets such as locked gates around alleyways, increased street-lighting and the installation of CCTV
- 3.33 The £1,035k awarded to Cleveland is for the following 3 schemes:
- £480k for Newport area in Middlesbrough
  - £445k for Burney Valley area in Hartlepool
  - £110k for South Bank area in Redcar and Cleveland
- 3.34 The budgets have been added to the below summary

<b>PCC Initiatives and Victims and Witnesses</b>	<b>Original 2020/21 Budget</b>	<b>Current 2020/21 Budget</b>	<b>Budget YTD</b>	<b>Spend YTD</b>	<b>Over/ (Under) spend YTD</b>	<b>2020/21 Forecast Outturn</b>	<b>2020-21 Forecast Over/ (Under)</b>
<b>Category of Spend</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
PCC Initiatives	1,364	2,399	1,000	269	(731)	2,594	195
Investment in Neighbourhood Policing	1,500	1,500	625	0	(625)	912	(588)
Victims and Witnesses Services	821	1,223	509	632	122	1,316	93
Community Safety Fund	50	50	21	0	(21)	50	0
<b>Total Budget</b>	<b>3,735</b>	<b>5,172</b>	<b>2,155</b>	<b>900</b>	<b>(1,255)</b>	<b>4,872</b>	<b>(300)</b>

3.35 The Investment in Neighbourhood Policing budget was to fund the following:

- 6 additional Police Officer Roles
- 22 Police Staff Roles
- 15 PCSO roles.

3.36 Currently 5 of the Police Staff Roles are vacant resulting in a forecast underspend. However the largest part of the under spend, on the Neighbourhood Policing line, relates to PCSOs. This funding from the PCC allowed the Force to increase the number of PCSOs from 116 FTEs to 131 FTEs, however the recently completed review of Neighbourhood Policing by the Force indicated that they only needed 106 FTEs. As such the Force do not need this additional funding to pay for the PCSOs that are included within their structures.

3.37 As result of these expected underspend additional investments have been made in the following areas:

- £40k to provide 2 Victim Care and Support workers in the Control Room.
- £24k to establish a Youth Commission in Cleveland.
- £72k additional support to Local Safeguarding Children's Boards.
- £77k for continued support of the HAT programme.

3.38 As a result the current forecast is that this area of budget is forecast to underspend by £300k.

#### **4. Police Force**

4.1 The vast majority of the funding available to the PCC has been provided to the Police Force. The Force was initially allocated a budget of £137,805k for 2020/21, this has since reduced by £134k, to £137,671k. This is as a result of contributions to the Capital Programme totalling £183k offset by the release of £49k from the 'Change' Earmarked Reserve to fund some costs of the transformation within the Force Control Room.

4.2 The summary of how this is forecast to be spent, including forecast outturns are included in the table below:

<b>Police Force Financial Summary</b>	<b>Original 2020/21 Budget</b>	<b>Revised 2020/21 Budget</b>	<b>Forecast Spend in 2020/21</b>	<b>2020/21 Forecast (Under)/ Overspend</b>
<b>Police Force Planned Expenditure</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Pay</b>				
Police Pay	75,622	75,402	75,611	209
Police Overtime	1,860	1,871	2,421	550
Staff Pay	24,841	24,508	23,933	(575)
Police Community Support Officer Pay	3,524	3,519	3,382	(137)
<b>Pay Total</b>	<b>105,847</b>	<b>105,300</b>	<b>105,347</b>	<b>46</b>
<b>Non-Pay Budgets</b>				
Other Pay and Training	870	1,256	1,260	4
Injury and Medical Police Pensions	3,177	3,177	3,224	47
Premises	3,887	3,937	3,757	(180)
Supplies and Services	19,622	19,096	19,680	584
Transport	1,514	1,467	1,488	21
External Support	2,887	3,438	3,081	(357)
<b>Non-Pay Total</b>	<b>31,958</b>	<b>32,371</b>	<b>32,490</b>	<b>118</b>
<b>Total Planned Force Expenditure</b>	<b>137,805</b>	<b>137,672</b>	<b>137,836</b>	<b>165</b>

4.3 The details underpinning these forecasts are included within the report from the Force which is covered elsewhere on today's agenda.

#### 4.4 Reserves

The 2020/21 budget was to be supported by £330k from Reserves. This is made up of the following transactions:

- £50k to the PFI Reserve.
- £290k from the Commissioning Reserves
- £90k from the Collaboration Reserve.

4.5 In addition to this, £3,365k was to be used to support the Capital Programme during 2020/21.

4.6 Current forecast for movements on Earmarked and General Reserves to the end of 2020/21 are included within the table below:



	<b>Balance at 31 March 2020 £000</b>	<b>Tranfers In 2020/21 £000</b>	<b>Tranfers Out 2020/21 £000</b>	<b>Balance at 31 March 2021 £000</b>
<b>Funding for projects &amp; programmes over the period of the current MTFP</b>				
Direct Revenue Funding of Capital	(2,053)	(3,547)	1,738	(3,862)
Community Safety Initiatives Fund	(114)		91	(23)
PCC Change Reserve	(16)			(16)
Digital Forensics	(245)			(245)
Airwaves Project	(166)			(166)
CP Change Reserve	(1,155)		900	(255)
Commissioning Reserves	(314)		200	(114)
Road Safety Initiatives Fund	(658)		150	(508)
<b>Sub Total</b>	<b>(4,719)</b>	<b>(3,547)</b>	<b>3,079</b>	<b>(5,187)</b>
<b>Funding for projects &amp; programmes beyond the current MTFP</b>				
PFI Sinking Fund	(363)	(75)	25	(413)
Incentivisation Grant	(530)	(80)	80	(530)
Police Property Act Fund	(124)			(124)
<b>Sub Total</b>	<b>(1,017)</b>	<b>(155)</b>	<b>105</b>	<b>(1,067)</b>
<b>General Contingency</b>				
Legal/Insurance Fund	(506)			(506)
Injury Pension Reserve	(162)			(162)
Uray Nook TTC	(81)			(81)
NERSOU	(160)			(160)
Collaboration Reserve	(1,001)		90	(911)
Pay Reserve	(1,000)			(1,000)
Major Incident Reserve	(543)			(543)
Revenue Grants Unapplied	(100)			(100)
<b>Sub Total</b>	<b>(3,553)</b>	<b>0</b>	<b>90</b>	<b>(3,463)</b>
<b>Total Earmarked Reserves</b>	<b>(9,289)</b>	<b>(3,702)</b>	<b>3,274</b>	<b>(9,717)</b>
<b>General Reserves</b>	<b>(5,042)</b>		<b>0</b>	<b>(5,042)</b>
<b>Unapplied Capital Grants</b>	<b>(2,043)</b>	<b>(176)</b>	<b>2,219</b>	<b>0</b>
<b>Total Usable Reserves</b>	<b>(16,374)</b>			<b>(14,759)</b>
<b>Capital Receipts Reserve</b>	<b>0</b>	<b>(3,309)</b>	<b>3,309</b>	<b>0</b>

## 5. Overall Budget Summary for 2020/21

5.1 At the end of August 2020 the follow table summarises the finances of the PCC, including forecasts of the expected outturn in each area.

	<b>Original 2020/21 Budget</b>	<b>Revised 2020/21 Budget</b>	<b>Forecast Spend in 2020/21</b>	<b>2020/21 Forecast (Under)/ Overspend</b>
<b>Funding</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Government Grant	(91,634)	(91,634)	(91,634)	0
Council Tax Precept	(40,845)	(40,844)	(40,844)	0
Council Tax Freeze Grant	(800)	(800)	(800)	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	0
<b>Funding for Net Budget Requirement</b>	<b>(140,146)</b>	<b>(140,146)</b>	<b>(140,146)</b>	<b>0</b>
Specific Grants	(8,513)	(9,949)	(9,949)	0
Partnership Income/Fees and Charges	(3,316)	(3,316)	(3,116)	200
<b>Total Funding</b>	<b>(151,975)</b>	<b>(153,412)</b>	<b>(153,212)</b>	<b>200</b>
Special Grant	(3,500)	(3,500)	(3,500)	0
<b>Total Overall Funding</b>	<b>(155,475)</b>	<b>(156,912)</b>	<b>(156,712)</b>	<b>200</b>
<b>Office of the PCC Planned Expenditure</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Total Planned Expenditure</b>	<b>900</b>	<b>900</b>	<b>845</b>	<b>(55)</b>
<b>PCC Initiatives/Victims and Witness</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	2,466	3,949	3,556	(393)
Victims and Witnesses Services	1,269	1,223	1,316	93
<b>Total Planned Expenditure</b>	<b>3,735</b>	<b>5,172</b>	<b>4,872</b>	<b>(300)</b>
<b>Corporate Costs</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	780	780	748	(32)
Non Pay Expenditure	80	80	82	2
PFI's	7,265	7,265	7,252	(13)
Asset Management	1,875	1,875	1,859	(16)
<b>Total Corporate Costs</b>	<b>10,000</b>	<b>10,000</b>	<b>9,940</b>	<b>(60)</b>
<b>Police Force Planned Expenditure</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Pay</b>				
Police Pay	75,622	75,402	75,611	209
Police Overtime	1,860	1,871	2,421	550
Staff Pay	24,841	24,508	23,933	(575)
Police Community Support Officer Pay	3,524	3,519	3,382	(137)
<b>Pay Total</b>	<b>105,847</b>	<b>105,300</b>	<b>105,347</b>	<b>46</b>
<b>Non-Pay Budgets</b>				
Other Pay and Training	870	1,256	1,260	4
Injury and Medical Police Pensions	3,177	3,177	3,224	47
Premises	3,887	3,937	3,757	(180)
Supplies and Services	19,622	19,096	19,680	584
Transport	1,514	1,467	1,488	21
External Support	2,887	3,438	3,081	(357)
<b>Non-Pay</b>	<b>31,958</b>	<b>32,371</b>	<b>32,490</b>	<b>118</b>
<b>Total Planned Force Expenditure</b>	<b>137,805</b>	<b>137,672</b>	<b>137,836</b>	<b>165</b>
<b>(Surplus)/Deficit</b>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
	<b>(3,035)</b>	<b>(3,169)</b>	<b>(3,219)</b>	<b>(50)</b>
Planned Transfers to/(from) General Fund	0	0	0	0
Contribution to Capital Programme	3,365	3,365	3,365	0
Planned Transfers to/(from) Earmarked Reserves	(330)	(379)	(379)	0
<b>Net (Surplus)/Deficit After Reserves</b>	<b>(0)</b>	<b>(182)</b>	<b>(232)</b>	<b>(50)</b>

5.2 At this stage of the financial year a small under spend of £50k is forecast, however this is before any assessment, and claim, has been made in relation to the recently announced Income Loss Recovery Scheme. In addition to this the Force have noted a number of potential areas of pressure within their current forecast, especially in relation to costs of any future major incidents, which may impact on this overall position.

## 6 Challenges for 2021/22 and beyond

6.1 As mentioned in the 2019/20 Outturn report the biggest financial challenge, resulting from COVID-19, for the organisation is likely to materialise in 2021/22 with a likely recurring, but

smaller impact in the years thereafter. The impact is expected to come from reduction in Council Tax payments.

- 6.2 In 2020/21 the budget is built on the receipt of £40.8m from the 4 local councils in Cleveland who collect the Police Precept, as part of the council tax bill, and pay this over to the PCC in line with the legislation that dictates how this happens. The £40.8m is a product of the agreed level of Police Precept – which is £260.54 for a Band D property - multiplied by the calculated level of Band D properties in Cleveland – which is 156,117.
- 6.3 The calculated level of Band D properties is made up from a number of assumptions including house building in year, households entitlement to council tax support, which leads to lower council tax bills, and collection rates (i.e. the ability of the councils to actually collect the amount of tax owed from all households).
- 6.4 While the actual amount paid to the PCC will be £40.8m in 2020/21, as per the budget set, it is likely that those factors referred to above will reduce the amount that the Councils collect on behalf of Policing. The result of this is that in setting the Precept for 2021/22 the council's will determine whether the amounts they paid to the PCC in 2020/21 equated to the amounts that they collected from council tax payers.
- 6.5 This assessment of the Council Tax Collection Fund happens each year – and in each of, at least, the last 17 years there has been a collective surplus on the fund – i.e. the councils have collected more than was included within the budget – this surplus is then paid to the PCC in the following year as per the legislation.
- 6.6 Similarly, if there was a collection fund deficit then the PCC would have to pay this deficit back to the councils in the following year. Given the current circumstances then it is very difficult to image a scenario where there isn't a significant deficit on the collection funds across the councils that will need to be re-paid by the PCC in 2021/22.
- 6.7 In addition to this impact it is also likely that the calculated number of Band D properties in 2021/22 will be lower than currently forecast, which is an annual growth of 1% from the previous year's base. All of the same reasons that will impact in 2020/21 are likely to continue into, at least, 2021/22 in terms of assessing the calculated number of Band D properties in Cleveland.
- 6.8 What is the likely Financial Impact
- 6.9 While it is clearly too early to be precise, and much can, and will, change over the coming months it is important to start to plan for the financial impact. Most of the national work would seem to indicate that collection rates are between 5% and 6% lower across Council Tax than would otherwise be expected in 2020/21, with further concerns that this might increase as current levels of support are reduced.
- 6.10 A 5.5% deficit across Council Tax equates to approximately £2.2m for Policing in Cleveland.
- 6.11 The Government have recognised the challenge and have provided the flexibility to all billing and major precepting authorities (including police and fire authorities) to phase the deficit over a fixed period of three years.
  - The phased amount will be the entire collection fund deficit for 2020-21 as estimated on the 15 January 2021 for council tax and in the 2021-22 NNDR1 for business rates.

- The deficit will be phased in three equal and fixed amounts across the financial years 2021-22, 2022-23 and 2023-24.
- The amounts to be paid off during 2021-22 will therefore be only 1/3rd of each authority's share of the estimated 2020-21 deficit.

6.12 A 5.5% deficit on the collection fund in 2020/21 would therefore equate to a £750k charge in each of the next 3 years. Which equates to a £930k reduction against our planning assumption as we forecast a £180k surplus each year.

6.13 In addition to this impact it is also likely that the calculated number of Band D properties in 2021/22 will be lower than currently forecast, which was for an annual growth of 1% from the previous year's base.

6.14 Revised Planning Assumptions:

Until more information is available scenarios are starting to be developed based on the following assumptions:

6.15 Scenario 1:

This scenario assumes a 1.75% reduction in the Tax Base in 2021/22, followed by larger increases, than previously forecast, in the years that follow. This is based on the assumption that the need for Council Tax Support reduces over the medium term and that by 2024/25 the Tax Base recovers to where it was previously forecast to reach.

Council Tax Assumptions						
	Feb 2020 LTFP			Oct 2020 LTFP		
	Tax Base	Collection Fund Surplus	Band D Increase	Tax Base	Collection Fund Surplus	Band D Increase
2020/21	+1%	£180k	+1.99%	-1.75%	-£730k	+1.99%
2021/22	+1%	£180k	+1.99%	+1.5%	-£550k	+1.99%
2022/23	+1%	£180k	+1.99%	+2.0%	-£550k	+1.99%
2023/24	+1%	£180k	+1.99%	+2.0%	£180k	+1.99%

6.16 The impact of these revised assumptions on the income received from the Police element of the Council Tax bill, in comparison to the February 2020 forecast position, is as follows:

<b>Council Tax Income Forecast</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at February 2020	(42,070)	(43,321)	(44,631)	(45,966)
As at October 2020	(40,020)	(41,612)	(43,311)	(45,831)
Forecast Reduction in Income	2,050	1,710	1,320	135

6.17 If this scenario materialised it would result in over £2m less Council Tax income next year than forecast and over £5.2m less across the next 4 years than was included in the February 2020 plans.

6.18 Scenario 2:

6.19 This scenario assumes a 3% reduction in the Tax Base in 2021/22, followed by larger increases, than previously forecast, in the years that follow. This is based on the assumption that the need for Council Tax Support reduces over the longer term and that by 2026/27 the Tax Base recovers to where it was previously forecast to reach.

<b>Council Tax Assumptions</b>						
	<b>Feb 2020 LTFP</b>			<b>Oct 2020 LTFP</b>		
	<b>Tax Base</b>	<b>Collection Fund Surplus</b>	<b>Band D Increase</b>	<b>Tax Base</b>	<b>Collection Fund Surplus</b>	<b>Band D Increase</b>
2020/21	+1%	£180k	+1.99%	-3.0%	-£730k	+1.99%
2021/22	+1%	£180k	+1.99%	+2.0%	-£550k	+1.99%
2022/23	+1%	£180k	+1.99%	+2.0%	-£550k	+1.99%
2023/24	+1%	£180k	+1.99%	+2.0%	£180k	+1.99%

6.20 The impact of these revised assumptions on the income received from the Police element of the Council Tax bill, in comparison to the February 2020 forecast position, is as follows:

<b>Council Tax Income Forecast</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at February 2020	(42,070)	(43,321)	(44,631)	(45,966)
As at October 2020	(39,500)	(41,271)	(42,951)	(45,481)
Forecast Reduction in Income	2,570	2,050	1,680	485

6.21 If this scenario materialised it would result in over £2.5m less Council Tax income next year than forecast and nearly £6.8m less across the next 4 years than was included in the February 2020 plans.

6.22 The financial plans will be kept under review and as more information is available will be updated – this will include scenario planning. At this stage however no changes have been made to the current plans.

6.23 Reserves

6.24 As included within this report the PCC is forecast to have general reserves of just over £5m at the end of the current financial year, plus other Earmarked Reserves of £9.7m and therefore some limited capacity, if needed, to help support the organisation during these unprecedented times.

6.25 The current financial plans do not rely on any use of these general reserves already and therefore could be used to provide some limited support to the organisation if it needs to adjust future plans to meet a reduced financial envelope for future service delivery.

## **7 Implications**

7.1 Finance

There are no financial implications other than those mentioned above.

7.2 Diversity & Equal Opportunities

There are no issues arising from this report to bring to the attention of the PCC.

7.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

7.4 Sustainability

This report is part of the process to establish sustainable annual and medium term financial plans and maintain prudent financial management.

7.5 Risk

7.6 The previous financial report highlighted a number of areas of under spend within the Forces' budget that resulted from a significant number of staff vacancies. The vacancies themselves are not ultimately the risk however the reason for these roles being funded are closely linked to a number of areas of significant service delivery, such as the Force Control Room, the required Resilience to deliver against the areas of Vulnerability highlighted by HMICFRS and to manage the delivery of the increase in Police Officers and once these Officers are all deployed the additional work that this is likely to produce.

7.7 An update was provided from the Force on all of these however the Acting PCC may want further/additional updates to add further assurance in line with the original questions.

7.8 Looking forward into the next financial year, and beyond, there is a significant likelihood that the forecast income from Council Tax will be significantly less than previously forecast. Plans are being developed on how this will be managed from a financial perspective but it is important to recognise that the current plans of the organisation may need to be significantly altered if the lost funding from Council Tax is not offset by additional funding from the Government.

## **8 Conclusion**

8.1 The Force set out in their report to the end of June a forecast underspend of £750k but with a plan to spend this on the following 5 priority areas:

- Operation Phoenix
- Investment in Leadership Training
- Major Incident Demand Pressures
- Conclusion of a Legal Challenge
- Permanent Deputy Chief Constable enabling a handover period.

8.2 The costs are now factored into the Force position, which is reporting a small overspend of £165k but with continuing pressures across Major Incident demands.

8.3 This small Force overspend is offset by some underspends elsewhere most notably that the Force no longer need the additional funding that the PCC was going to provide, of circa £500k, to fund 15 PCSOs given the assessment of need that the Force has undertaken as part of the Neighbourhood Policing review.

8.4 In overall terms the total budget available to the PCC for 2020/21 is forecast to underspend by £50k.

8.5 Beyond 2020/21 the potential pressures that are likely from reduced levels of Council Tax income, in comparison to those previously planned, are being modelled to inform the future financial plans. This is likely to have a significant impact on the plans for 2021/22 if this shortfall is not met by additional Government funding.

Michael Porter  
PCC Chief Finance Officer

# Report of the Chief Finance Officer to the Chief Constable



10 September 2020

## Corporate Financial Monitoring Report to 31st August 2020 and LTFP Update 2020/21-2024/25

### Introduction

This report provides assurance that the revenue and capital plans for 2020/21 are being delivered, that financial risks to the plan are being monitored and managed, and that remedial action is being taken where necessary. It also provides an update on the current LTFP and the pressures that are being identified.

### Summary Headlines

The tables below set out the forecast outturn position as at 31st August 2020. The forecast incorporates the impact of actions agreed to deliver financial targets. The projected overspend for the financial year is £165K. This represents a £816K movement from previous period. In the main the difference is due to now incorporating the agreed investment plans that's were agreed by the Force in May 2020.

#### Revenue Budget Projected Outturn Statement as at 31st August 2020

Revenue	Annual Budget £000s	YTD Budget £000s	YTD Variance £000s	Forecast Outturn £000s	%	Previous Forecast £000s	Change £000s
<b>Pay Budgets</b>							
Police	75,402	31,154	(325)	209	0.3%	0	209
Police Overtime	1,871	874	446	550	29.4%	180	370
Staff	24,508	8,456	(453)	(575)	(2.3%)	(803)	228
PCSO	3,519	1,466	(123)	(137)	(3.9%)	(80)	(57)
<b>Total Pay &amp; Allowances</b>	<b>105,300</b>	<b>41,951</b>	<b>(456)</b>	<b>46</b>	<b>0.0%</b>	<b>(703)</b>	<b>749</b>
<b>Total Non-Pay Budgets</b>	32,371	16,654	(1,147)	119	0.4%	53	66
<b>Total Expenditure</b>	<b>137,672</b>	<b>58,605</b>	<b>(1,603)</b>	<b>165</b>	<b>0.1%</b>	<b>(650)</b>	<b>816</b>

The overspend of £165K comprises a forecast underspends on all pay and allowance budgets of £46K and a forecast overspend non pay costs of £119K.

### Pay Budgets

A key point to note in relation to the pay budgets is that the Force has ambitious plans to recruit both Officers and Staff in 2020/21 and is prioritising this recruitment to address the areas of greatest need. Covid-19 has and will continue to have an impact on the speed of recruitment and numbers of Officer and Staff we can recruit in the period. Plans are in place to deliver the Police Officer recruitment, however the significant number of staff vacancies in the base budget will present a greater challenge and this is reflected in the forecast underspend on staff pay.

### Covid-19



The on-going impact of the Covid-19 pandemic has presented the Force with both financial and operational challenges. The unbudgeted costs incurred to date total £440K, analysed as £66K on Covid-19 related overtime & National Insurance costs and £374K on PPE, hygiene product costs, additional cleaning costs and provision of meals. It is projected that the cost associated with Covid-19 will rise to £750K over the remaining financial reporting period. The Force has submitted a grant claim to the Home Office for the costs of medical grade PPE and has subsequently received funding of £145K. This income has been included in the forecast resulting in a net impact of Covid expenditure of £605K.

Nationally Police Forces continue to make submissions to the Government for additional funding to address the cost incurred in relation to the pandemic. If these negotiations prove successful, the projected outturn would then be revised to an underspend of (£440K) compared with the current forecast overspend of £165K. We will endeavour to provide updates in future reports on the progress of these negotiations.

It should be noted that the effect of the pandemic will have varying impacts on different areas of the Force. A reduction in the "night time economy" will / may reduce demand, however this may well be offset by the increases in Domestic and neighbourhood related incidents. These trends will require careful analysis to ensure accurate forecasting is maintained and resources flexed where appropriate to mitigate any impact.

### **Major Incidents**

In addition to the financial and operational risks associated with Covid-19, the Force is also facing significant pressures in relation to major incident budgets, as at the end of the reporting period we currently have 27 on-going investigations including Op Brandon, Chesterfield, Chard and 3 new investigations in the period. The budget is under significant pressure. (See Police overtime section of the report for analysis).

### **Agreed Investment Plans Update:**

Based on the assumptions in the Period 2 CFM report the executive agreed to invest resources in the following areas i.e. those areas which have been identified as a significant risk, areas which support the drive for service improvement and those areas of concerns contained in the HMICFRS report. All costs of the proposed investment plans are included within the current forecast.

#### ***Operation Phoenix (2);***

Finance have provided all costing's for £200K of the proposed operations within Op Phoenix (2). The Operations began on the 7<sup>th</sup> July and to date have incurred £137K against this initial allocation. Monitoring will continue to ensure spend remains within the agreed budgets

#### ***Investment in Leadership***

Finance has liaised with SIT project Manager in order to obtain an outline of the programme and initial costs. It is anticipated that the scoping work, development of the programme and initial resources will be in the region of £150K. This is within the budget allocated. It is anticipated that future investment will be built into the current LTFP to ensure the investment is mainstreamed.

#### ***Major Incident investigation pressures;***

As noted above the Major Incident budget is under significant pressure. Therefore and given the previous year's trends it is felt prudent to allocate an additional £200K to mitigate future risk. The

current headroom to fund on-going and future incidents equates to £38K for the remainder of the year. (See Police overtime section of the report for analysis).

### ***Reinstatement of Essential User Allowance (EUA) for Dogs Handlers;***

Following the conclusion of a legal challenge in respect of the above, EUA has been reinstated for the Dogs handlers from 2015, the estimated cost plus backdated mileage is £100K. All the costing has been completed and the payments have been processed in the August pay period. The actual cost is £100K and covers the EUA, backdated mileage claims and National insurance costs. This is included within the forecast.

### ***Resilience pressures;***

The Force has completed its recruitment of a permanent DCC; DCC Helen McMillian starts her role on the 15<sup>th</sup> August 2020. DCC Arndule will continue in his role to support a handover to DCC McMillian and complete his work in relation to current litigation and on-going disciplinary work. The early appointment of the new DCC will increase Police pay cost by an additional £50K above that which has been allocated. This is included in the Police pay forecast.

### **Capital investment programme**

The current projection for the Capital investment programme is detailed below and it is forecast to underspend by £56K in this financial year (a change of £60k from P4). This is dependent upon the availability of equipment, fleet vehicles and contractors to undertake the planned programme of work which is currently restricted due to the implications of Covid-19. The full breakdown of capital spend can be seen in Appendix 5.

#### **Capital Monitoring Statement to 31st August 2020**

Capital	Annual Budget	YTD Budget	YTD Variance	Forecast Outturn		Previous Forecast	Change
	£000s	£000s	£000s	£000s	%	£000s	£000s
Estates Schemes	1,151	655	(27)	(60)	(5.2%)	0	(60)
Equipment Schemes	370	188	(84)	4	1.1%	4	0
ICT Schemes	4,760	2,080	68	0	0.0%	0	0
Fleet Schemes	813	339	(253)	0	0.0%	0	0
Other Schemes	441	160	(160)	0	0.0%	0	0
<b>Total Capital</b>	<b>7,535</b>	<b>3,422</b>	<b>(456)</b>	<b>(56)</b>	<b>(0.7%)</b>	<b>4</b>	<b>(60)</b>

### **Revenue Budget**

On 28<sup>th</sup> February 2020, the PCC allocated the Force a revenue budget of £137,805K for 2020/21. The revised budget for the year is £137,672K analysis of the movements is detailed in appendix 1. A detailed analysis of expenditure by category for the year is given at Appendix 2.

### **Key Risks**

The key risks to the delivery of a balanced revenue budget were set out in the LTFP and are restated at Appendix 3. These risks will be monitored at least monthly throughout the year. The major risks are:

- The Chief Constable of Cleveland currently has 95 claims lodged against him with the Central London Employment Tribunal in respect of the challenge to the Police Pension Scheme 2015. These cases were brought due to changes to public sector pensions in 2015, which also

affected other public sector schemes including the police pension scheme. The Government appealed to the Supreme Court against this decision, but this was unsuccessful and we are awaiting further details of the financial implications of this ruling.

- The number and cost of historic case reviews in any one year is unpredictable.
- A recent decision at the court of appeal in regards to Evans & Ashcroft V CC of South Wales Police will affect injury retired officers who may have had their injury pensions over deducted since 2010. Our pension administrators, XPS, are currently completing the force's assessment and have identified 214 affected officers. Their initial indication in terms of financial magnitude is that this judgement could cost the force in the region of £100k although this is subject to change as the full assessment is not as yet completed. As this is only an indicative cost this report does not include any provision for this nor does it include any predictions for future costs associated with this judgement. As further information is made available the CFM will be updated.
- A decision by the DCC's overseeing the CNYMIT unit has resulted in cross border support being temporarily suspended in order to cope with the current demand experienced by the unit. The financial impact of this decision is difficult to quantify. However it will result in any additional costs associated with a new incidents that are not covered by the unit being retained by the home Force.
- The organisational and financial impact of Covid-19 continues to be felt by the organisation and is continually reviewed and monitored via the Force Gold Group and the financial impact reported via monthly CFM's.

## Police Pay & Allowances

The Police pay and allowances budget represents 55% of the total Force budget and includes the costs associated with employees pay, allowances for example: Dog handler's allowances and expenses. It also covers the costs associated with employing Officers, employer's pension contributions and national insurance contributions.

The table below provides a summary of the current Police Officer numbers on the payroll against the planned establishment as per the Long term financial plan. The Force has budgeted for an average of 1,390 FTE in the financial year, it is anticipated that the position at the end of the financial year will be in excess of this in order to achieve the average of 1,390 through-out the financial period.

Police Officer Attrition	As At 31/08/20	Forecast to March	As At 31/03/2021 Total	To 31/03/21 LTFP	Variance to LTFP
FTE at 1st April	1312		1312	1339	-27
Retirements	-15	-30	-45	-31	-14
Medical Retirements	-3	-5	-8	-8	0
Other Leavers	-14	-21	-35	-12	-23
Other changes	0	1	1	0	1
Recruitment	85	101	186	102	84
<b>Total</b>	<b>1365</b>	<b>46</b>	<b>1411</b>	<b>1390</b>	<b>21</b>

The current projection for Police pay is an overspend of £209K from breakeven position a £209K move from period 4. The analysis is measured against the baseline budget and the assumptions therein, as such movements in recruitment profiles, change of retirement dates and resignations all impact on the forecasted position.

The change to the position can be analysed as follows:-

- 1) The movement of Officers from collaborations posts into core funded posts at a cost of £86K.
- 2) Additional costs linked to changes in recruitment profile and an increase of 6 transferees in November have resulted in increase in costs of £100K.
- 3) Additional costs linked to Officers joining the pension scheme has resulted in additional forecasted cost of £23K for the financial year.

However, it should be noted that the impact of the movement of Officers between "Core policing" and the Collaborations can have a significant impact on the forecast. These will continue throughout the reporting periods but the forecast aims to smooth this impact and project an overall position in respect of police pay.

## **Police Pay Overtime**

The Police overtime budget represents 1.3% of the total Force budget. The overtime budget supports operations across the Force, in areas such as Major incidents, planned operations, and reactive overtime and is categorised as normal and Bank holiday overtime.

The general overtime expenditure forecast is for a £610K overspend, an increase of £370K from period 4. This comprises a pressure on normal overtime (inclusive of MI additional funding & Operation Phoenix 2) of £610K of which £66K is the projected spend related to Covid-19 and £544K on other operational spend. Following the easing of lockdown the increase in demand on Response (IRT) has been significant and this along with resourcing and Policing of the BLM and related protests in prior periods has resulted in the in the projected overspend. The increase in demand is a key risk to the forecast and this has continued in August. The Force has set up a Gold group to look at the options available in order to bolster those operational areas which are under the severest pressure, namely IRT and Force control room.

We have received plans for the resourcing of all the Bank Holidays for this financial year and we are currently projecting a breakeven position.

Within the overall Overtime budget is an element set aside to fund overtime in relation to Policing football matches (£88K). Discussions have taken place with relevant parties to establish the requirement for this budget. Current guidance suggests that attendances will be limited to home supporters only and these numbers will be significantly reduces, thus reducing overall risk. However, it is anticipated that an additional Police presence maybe required on match days around the Town in order to provide reassurance. Therefore we are intending to ring-fencing £28K of this budget in order to fund future demand and release £60K to help address the pressures within IRT and Force control room or support future pressures on Major incidents (see below). This will reduce the overall pressure on overtime to £550K.

As noted in the summary section of the report a key risk to the forecast is the impact of Major incidents. The 2020/21 Major Incidents budget was £256K with a further £200K allocated in period 2 giving a revised budget of £456K.

The period 5 (YTD) spend on Major Incidents is £418K, this leaves a balance of £38K for the remainder of the financial year to cover the cost of on-going operations and any further incidents. Since last reported there has been a further 2 new major incidents costing £19k. The majority of the £376K spend relates to Op Chesterfield (£209.4K), Op Warwick (£47.5K), Op Stalbridge/Allendale (£32.9K) and Op Amble (£33K).

In order to provide an indication of the possible financial risk for the remainder of the year we have analysed the costs incurred in the corresponding period in 2019/2020.

In the period from 01/09/19 to 31/03/20 there were an additional 21 incidents with a total cost of £565K, of which the biggest spends were against the following incidents;

- Op Enfield (SSI) Incident - £100,360
- Op Chard - £99,730
- Op Chesterfield - £71,914
- Op Poole - £43,890
- Op Morpeth - £43,168

The above 5 incident total £359K of the £565K cost incurred (16 incidents at a cost of £206K). This highlights the difficulty in forecasting the costs of MI's, which are not solely driven by the volume of incidents but also by the type and complexity of each incident.

Based on the above it is highly likely that the Force will incur further costs on MI's in the range of £200K to £400K.

The OPCC holds a Major incident reserve (£543K) to help smooth the impact of Major incidents on the base budget. We will continue to closely monitor these costs and liaise with the OPCC as and when required.

## **Police Community Support Officers Pay & Allowances**

The Police Community Support Officers and allowances budget represents 2.5% of the total Force budget and includes the costs associated with employees pay, allowances for example: weekend working. It also covers the costs associated with employing PCSO's, employer's pension contributions and national insurance contributions.

The table below provides a summary of the current PCSO Officer numbers on the payroll against the planned establishment as per the Long term financial plan. The Force has budgeted for an average of 101 FTE in the financial year. (With an additional 15 funded by the OPCC).

PCSO Attrition	As At 31/08/20	Forecast to March	As At 31/03/21 Total	To 31/03/21 LTFP	Variance to LTFP
FTE at 1st April	101		101	116	-15
Leavers	-12	-2	-14	0	-14
Other changes	0	1	1	0	1
Recruitment	0	14	14	0	14
<b>Total</b>	<b>89</b>	<b>13</b>	<b>102</b>	<b>116</b>	<b>-14</b>

The current projection for PCSO pay is for an underspend of (£137K) an increase of (£57K) since previous period. This relates to a number of resignations occurring earlier than was forecast.

**Note:** The PCC funding will be released to funded PCSO's recruitment above the core 101 funded in the Force budget.

## Police Staff

The Police Staff pay and allowances budget represents 17.8% of the total Force budget and includes the costs associated with employees pay, allowances for example: shift allowances and expenses. It also covers the costs associated with employing Police Staff, employer's pension contributions and national insurance contributions.

The staff pay budget in the LTFP was set based on 634 FTE police staff. This includes additional posts for uplift and resilience in order to support frontline policing and the growth in Police Officer numbers.

It should be noted that in the budget planning process it was anticipated that recruiting to this level of Police support staff would be a challenge. Therefore the base line budget for the year was set including a 10% vacancy factor. As at the end of August the Force employed 531 staff and had plans in place for net recruitment into a further 53 positions (72 new roles less 19 leavers). A further 50 posts remain vacant (a reduction of 6 since period 4) and this is driving the projected underspend of (£575K). This is movement of £228K from period 4. The movement is as a result of a net increase in recruitment and the projected impact of auto pension enrolment on the staff pay £64K.

## Non-Pay Budgets

The Non-pay budget represents 23.4% of the total Force budget and is forecast to overspend by £119K (a movement of £66K from the previous period) a summary of the overspend is detailed in the table below and in the supporting narrative below the table.

Non Pay Analysis of Forecast outturn	Forecast as at Period 4	Forecast as at Period 5	Movement from Prior Period £000s
<b>OTHER PAY &amp; TRAINING</b>			
<i>Temporary / Contract Costs</i>	0	0	0
<i>Apprentice Levy - Staff</i>	0	0	0
<i>PCSO / Staff Overtime</i>	6	4	(2)
<b>POLICE PENSIONS</b>	40	47	7
<b>PREMISES</b>	(145)	(181)	(36)
<b>SUPPLIES &amp; SERVICES</b>			
<i>Cov-id 19 Expenditure</i>	482	482	0
<i>General Equipment / Supplies / Professional Fees</i>	126	137	11
<b>TRANSPORT</b>			
<i>Petrol</i>	(51)	(50)	1
<i>General Travel</i>	(7)	(3)	4
<i>Car Allowance</i>	(13)	74	87
<b>EXTERNAL SUPPORT</b>			
<i>NEFB</i>	38	38	0
<i>Contributions Police Transformation Fund : NERSOU</i>	(400)	(400)	0
<i>Home Office ICT Charges</i>	11	5	(6)
<b>STERIA CONTRACT</b>	0	0	0
<b>CUSTODY CONTRACT</b>	(34)	(34)	0
<b>Total</b>	<b>53</b>	<b>119</b>	<b>66</b>

*Other pay & Training – £4K overspend – movement of £2K*

Other pay & Training expenditure represents 3.3% of the Non-pay budget and includes PCSO and Staff Overtime, Apprentice levy costs, training related expenses and other employee related costs.

*Police Pensions - £47K overspend - movement of £7K*

Police Pensions expenditure represents 9.9% of the Non-pay budget and includes the costs of Injury on duty pensions, injury awards and the contributions required by the Force to supplement the pension fund in respect of the above. This also includes the cost of ill health retirements for which the Force has budgeted for 8, we have already had 5 this financial year.

The forecast overspend relates to the additional cost of backdated pensions, incurred in the first three months of the year.

*Premises – (£181K) underspend - movement of (£36K)*

Premises expenditure represents 12.0% of the Non-pay budget and includes the costs of running and maintaining the Force estate.

There are no pressures identified at present within the planned and re-active maintenance budgets and all current plans are on schedule. However, further analysis of the current costs of utilities i.e.: Gas, electricity and water charges, indicate that there will be savings of (£145K) against the current budgets. Additional analysis of the planned maintenance budgets has identified additional savings of (£36K).

Supplies & Services - £619K overspend - movement of £11K

Supplies & Services expenditure represents 28.4% of the Non-pay budget. This encompasses items such as uniforms, forensics, ICT and telecommunications, insurance costs, professional fees and office equipment.

The forecast overspend comprises the unbudgeted cost of Covid-19 related supplies of £482K and a overspend across supplies and services of £137K. The forecast overspend has increased by £11K from the position reported at period 4.

Transport – £21K overspend - movement of £92K

Transport expenditure represents 4.8% of the Non-pay budget and includes the costs of running and maintaining the Force fleet of vehicles, vehicle hire, car allowances and general travel costs.

The underspend comprises forecast savings on petrol (£50K), it should be noted that petrol budgets have been reduced as a result of the benefit of lower fuel prices and the benefit of the "Free fuel" provided by BP. This reduction has been reallocated to offset pressures across Home Office ICT charges. It is also forecast for a general underspend on general travel costs (£3K) offset by the back pay of Essential User Dogs allowances noted in the investment plans section above.

External Support – (£357K) underspend – movement of (£6k)

External Support expenditure represents 10.0% of the Non-pay budget and includes the costs of National mandated Home Office ICT charges, North East Fingerprint Bureau, Mutual aid costs and contributions to collaborations.

The forecast underspend of (£357K) is a moment of (£6K) from previous period and relates to a reduction in Home Office ICT charges.

Sopra Steria Contract – Breakeven – unchanged

Sopra Steria expenditure represents 23.7% of the Non-pay budget and is the contractual cost of Sopra Steria delivering a range of services on behalf of the Force. This budget is based on a 6 month charge as the services return to the Force on the 1<sup>st</sup> October 2020.

Custody Contract – (£34K) underspend – unchanged

Custody contract expenditure represents 7.8% of the Non-pay budget and is the contractual cost of delivering the Custody services. The forecast remains unaltered from period 2.

## **Collaborations**

### **Cleveland Durham Specialist Operations Unit (CDSOU)**

The Cleveland budget for the joint unit is £5,154k. The forecasted year-end position is to £65K overspend.



## **Cleveland and North Yorkshire Major Incident Team (CNYMIT)**

The Cleveland budget for the joint unit is £1,854k. The forecasted year-end position is to breakeven.

## **North East Region Specialist Operations Unit (NERSOU)**

The Cleveland budget for NERSOU is £2,332k. The forecasted year-end position for NERSOU is to breakeven.

## **National Police Air Services (NPAS)**

The Cleveland budget for NPAS is £910k. The forecasted year-end position for NPAS is to breakeven.

## **Capital Budget**

On 28<sup>th</sup> February 2020, the PCC allocated the Force a capital budget of £5,549k for 2020/21 plus £1,018k of schemes that were deferred from 2019/20 for a total approved in the LTFP of £6,567k. In addition, schemes totalling £1,214k were brought forward from 2019/20 bringing the approved 2020/21 budget to £7,781k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year are set out at Appendix 4, with a full breakdown of schemes shown at Appendix 5 and reduce the budget by £246k to £7,535k.

## **Key Risks**

There are 2 key risk to delivery of the capital programme. The first risk is general slippage against the delivery plan. Although funding is earmarked for each scheme and can be re-provided the following year, the resources required to deliver the schemes in the new financial year places a greater burden on the delivery teams. The second risk is the impact that the current restrictions due to Covid-19 are placing on the ability for contractors to undertake work and to be able to source the required equipment and vehicles.

## **Estates Schemes**

### Cleveland Community Safety Hub (CCSH) – Total budget of £96k

Building works for the CCSH commenced in March 2017 and the building became operational in July 2018. The final retention payments are currently being made with payments totalling £26k to the end of August 2020. The budget will be fully spent by the end of the financial year.

### Cleveland Community Safety Hub (CCSH) - Audio to meeting rooms – Budget £34k

There is additional audio equipment that is needed in the meeting rooms at CCSH due to issues with the sound quality of the existing equipment. This is to be financed from the contingency for equipment budget. Orders have been placed for the first 2 meeting rooms and the equipment is expected to be delivered in early October.

### St Marks House – Budget £716k

St Marks House was purchased in December 2019 and is being refurbished. Expenditure totalling £490k has been made to date. The refurbishment is nearing completion and the building will be fully operational by October 2020. The budget is currently expected to be £60k under spent but this may increase as the work is completed.

### Emergency Lighting and Fire Alarms – Budget £20k

Work has commenced and £11k has been spent to date on the scheme. The budget will be fully spent by the end of the financial year.

### Stockton Rewire- Budget £0

The original budget of £90k is not expected to be used in 2020/21 and has been requested to be carry forward to 2021/22. The work cannot be undertaken with the current restrictions due to Covid-19 and even if restrictions are lifted, there are other schemes that will take precedent in the financial year.

### Key Box replacement- Budget 10k

An order has been placed for the full budget and to date £7k has been spent on the scheme. The budget will be fully spent by the end of the financial year.

### Replacement Flooring- Budget £10k

The original budget of £80k has been reduced to £10k with £70K being returned to the PCC. The restriction on moving staff around the estate due to Covid-19 and the difficulties in securing design and delivery services from contractors means that most of the work planned will not be able to be carried out. This will be kept under review and bids will be made for future years funding if required and if the work is deliverable.

### Furniture and Chair replacements – Budget £103k

Orders have been placed for replacement of furniture and chairs but there are worldwide shortages and supply chain issues being experienced. In light of this, the scheme has been reassessed and £80k of the original £183k budget has been returned to the PCC as this will not be able to be delivered in the financial year. The replacement programme will be kept under review and bids will be made for future years funding if required. Payments totalling £92k have been made to date.

### Additional Storage at Billingham- Budget £15k

Additional storage units have been sourced and work has commenced to fit these. To date, £2k has been spent with the remaining budget already being committed to be spent in the next quarter.

## **Equipment Scheme**

### ANPR Replacement Programme – Budget £224k

Equipment totalling £27k has been paid for and orders have been placed for an additional £11k. There is an ongoing procurement exercise which is administered by Durham Police and the confirmation of the date of completion is still awaited but is expected to be in late 2020.

### Taser – Budget £81k

Grant funding of £38k has been awarded from the Home Office for the purchase of Tasers in 2020-21 which has been added to the original £43k budget. Equipment totalling £67k has been delivered and additional orders will be placed during the year for the remaining £14k budget.

### Occupational Health Case Management System – Budget £40k

The procurement of the case management system has been completed and the order placed. The 'go live' date is 27 November 2020. The cost of the system is £44k which is an overspending of £4k.

## **ICT schemes**

As in previous years the complexities involved with the ICT requirements including the availability of equipment will have an effect on the delivery and timing of the key ICT schemes.

### Monitor refresh – Budget £100k and Hardware refresh- Budget £102k

There are plans for the full utilisation of these budgets in 2020/21 and to date, orders totalling £51k have been delivered. There has been a delay in the ordering of equipment which is due to the current world-wide shortage caused by the impact of Covid-19. This will continue to be monitored closely.

#### Backup Architecture Consultancy- Budget £10k

The scheme has now been completed and the budget fully spent.

#### Data Warehouse (SOLAR refresh) – Budget £120k

Work has commenced on the full scoping of this refresh and it will link with the Service Improvement Team.

#### Covert Radio replacement – Budget £135k

The purchase of radios for the new recruits to the Force has been undertaken and £39k has been transferred from the Uplift capital budget for this equipment. This has been added to the original £96k budget. Expenditure to date totals £112k and the remaining budget will be spent by the end of the financial year.

#### NEP (National Enabling Programme)- Budget £235k

The original budget of £114k has been increased by £121k from a transfer from the ICT Capital Resource budget. The budget increase is to pay for the resource to deliver the programme. Work has commenced on the NEP with expenditure to date of £81k on the main project and £29k for the resourcing, totalling £110k. The technical pilot is due to commence in late September 2020 and the business pilot in January 2021.

#### ERP discovery, procurement & mobilisation – Budget £964k

The original budget of £891k has been increased by £72k from a transfer from the ICT Capital Resource budget. The budget increase is to pay for the additional resource to deliver the project if this is required. There has been expenditure to date of £789k which are the stage payments for the ERP installation which will be completed by October 2020.

#### Body Worn Video – Budget £200k

The order for Body Worn Video has been placed and £19k spent to date. Stage payments are being made as required by the terms of the contract. The equipment was delivered in early August and was deployed by the end of August 2020. The additional payments due under the contract will be made in September and October 2020 and the full budget will be spent.

#### ICT Capital Resource – Budget £173k

This budget is being utilised across the ICT capital programme and is to provide the required IT staff resources to deliver the Digital Capital Programme. The budget is allocated to individual capital schemes upon approval of a business case and to date £339k of the original budget of £512k has been allocated to schemes. There are plans in place to allocate the remaining £173k during the coming months.

#### Replacement desktops and laptops – Budget £50k

Of the original £100k budget, £50k has been transferred to the Agile budget to allow for new laptops to be purchased. There has been no expenditure to date for the replacement desktops and laptops and it is unlikely that the full remaining budget will be required. This will continue to be closely monitored.

#### Agile – Budgets totalling £605k

The Agile 1 and 2 original budgets have been amalgamated and an additional £50k allocated from the replacement desktop and laptop budget. In addition to the agile equipment budget of £520k, an additional £85k has been allocated from the ICT Capital Resource budget to provide the staff to ensure the scheme is progressed. To date £399k has been spent on equipment and £78k on resources, totalling £477k. Order are being placed for the remaining equipment and the scheme is still on target to be completed by the end of the financial year within budget.

#### Digital Evidence Asset Management System (DEAMS) – Budget £579k

The original budget of £518k has been increased by £61k from a transfer from the ICT Capital Resource budget. The budget increase is to pay for the additional resource to deliver the project if this is required. The application has been deployed on 1 September 2020 and stage payments are due to be made in line with the contractual arrangements. The budget will be fully spent in the financial year.

#### Digital Interview Recording Equipment – Budget £478k

The scheme has been fully scoped and the equipment is due to be fitted during September 2020. Payments totalling £269k have been made to date and the remaining stage payments as required under the contract terms will be made in the next quarter.

#### Microsoft Licencing Windows 10 (W10) requirements – Budget £47k

Testing continues across the full estate to ensure full compatibility with W10 and £9k has been spent to date to upgrade existing software to run on the W10 platform.

#### Networked CCTV Solution – Budget £3k

The solution was procured and implemented in 2019/20 and a £3k budget carried forward into 2020/21. IT equipment totalling £2k has been ordered and delivered and the remaining £1k will be spent before the end of Q3.

#### ACESO Upgrade – Budget £89k

4 new ACESO kiosks have been delivered and installed at a cost of £38k. Additional kiosks will be purchased and the budget fully spent in 2020/21.

#### DFU Servers – Budget £5k

Work has commenced on replacing the DFU Servers and £3k of the budget has been spent to date. The remaining budget will be spent by the end of the financial year.

#### National Identity Access Management - Budget £104k

This is the NEP security scheme and is dependent upon the National NEP scheme. Orders totalling £80k have been placed and £12k spent to date. The scheme is expected to be delivered by the end of the financial year.

#### Data Management Tool – Budget £40k and Data Insight Tool – Budget £110k

The specifications for these schemes has been written and the ICT impact assessment is awaited. Once this has been completed, procurement will take place for both tools which will be in place by the end of the financial year.

#### Understanding Demand package and support - Budget £250k

The package has been purchased at a cost of £247k and has been delivered. The remaining budget of £3k will be spent by the end of the financial year.

### **Fleet schemes**

### Fleet Replacement – Budget £760k

One additional van has been added to the Fleet Replacement programme and which is being funded from revenue contributions. The original budget of £743k has been increased by £17k for this and now totals £760k. A total of £64k has been spent to date. Delays to date have been due a suspension of manufacturing due to the Covid pandemic but manufacturing has now been resumed. A national single procurement contract was due to be in place but this has been delayed. An interim compliance route has now been established which should allow for all of the vehicles that are required to be purchased by the end of the financial year.

### Other schemes

#### Uplift Schemes- Budget £341k

A transfer of £39k has been made from the original £380k budget to the radio replacement budget. This is for the purchase of radios for the new police officers who have been recruited under the Uplift Programme. The remaining budget requirements are currently being analysed and further budget movements will be made. The budget is expected to be fully spent by the end of the financial year.

### Long Term Financial Plan Update 2021-22 -2024-25

The purpose of the section of the report is to provide an update on the ongoing work in relation the long term financial plan for 2021/2025 and the annual revenue and capital budgets for 2021/2022.

In the current climate there is a great detail of uncertainty around the future funding for Police Forces. The impact of Covid-19 on the economy and subsequent impact on Government Grant and precepts and other income has yet to be defined and is under review.

Therefore we are building future plans in line with those contained within the 2020/21 – 2023/24 plan and adjusting for known variations. The following assumptions underpin the expenditure plans within the Long term financial plan and annual revenue budgets:

### **Establishment projections:**

<b>Funded Establishment</b>	2020/21	2021/22	2022/23	2023/24
Core Funded Police Officers	1,334	1,380	1,430	1430
HIU	50	50	0	0
OPCC Neighbourhood Funded Police Officers	6	6	6	6
<b>Total Police Officer Establishment</b>	<b>1,390</b>	<b>1,436</b>	<b>1,436</b>	<b>1,436</b>
Core Funded PCSO's	101	116	116	116
OPCC Neighbourhood Funded PCSO's	15	15	15	15
<b>Total PCSO Establishment</b>	<b>116</b>	<b>131</b>	<b>131</b>	<b>131</b>
Core Funded Police Staff	578	578	578	578
Historic Investigation Unit	31	31	0	0
TUPE transfer (October 20).	235	235	235	235
OPCC Neighbourhood Funded Police Staff	26	26	26	26
<b>Total Police Staff Establishment</b>	<b>870</b>	<b>870</b>	<b>839</b>	<b>839</b>
<b>Total Establishment</b>	<b>2,376</b>	<b>2,437</b>	<b>2,406</b>	<b>2,406</b>

Points to note are:

- Pay awards have been assumed at 2.5% per annum from September 2020.

- It is assumed that recruitment plans will maintain the workforce numbers as detailed in the establishment tables above.
- The plan includes employer contribution rates of 31% of Police pensionable pay. However in 2020/21 the fund will be subject to a triennial review which may have a significant impact on future year's employer contribution rates.
- The Local Government Pension Scheme (LGPS) plan is based on current employers' contribution rate of 14.5% in the first three years of the plan, increasing to 17.4% in year four. Any increase in contribution rates will pose a risk to the future years of the plan should this rate increase.

### **Non Pay Budgets**

The annualised inflation uplift for the period is between 2.0 – 5.0%. This will be allocated to specific budget heads in accordance with need e.g. business rates; utilities, RPI pension uplifts, living wage adjustment & contractual uplifts etc. and has been costed at approx. £900k in 2021/22.

All non-pay budgets have been reviewed and adjusted in respect of savings or unavoidable pressures.

The revenue consequences of the capital schemes are also factored into the budget.

### **Emerging Pressures identified within the current budget -2020/21.**

<b>BUDGET PRESSURES FOR 2021/22</b>				
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Pressures</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
NPAS	220	220	220	220
National Finger Print	35	35	35	35
Increase Apprtice Levy staff costs	40	40	40	40
XPS Pension contract Pressure	10	10	10	10
Actuary costs Pressure	10	10	10	10
St Marks R&M budget	50	50	50	50
IRT overtime	70	70	70	70
Change & Contingency	150	150	150	150
Unsocial Hours Premuim	80	80	80	80
Forensic Collision Investigation	35	64	64	64
Damage to property	14	14	14	14
Replacement Dogs budget (smoothing)	8	8	8	8
Alarms	15	15	15	15
Ill Health Pension Capital Equivalent Charge	300	300	300	300
Victims Telephone Survey	17	17	17	17
ACPO Criminal Records Office (ACRO)	11	11	11	11
Forensic Drug Testing	100	100	100	100
Power BI	10	10	10	10
Drones	10	10	10	10
SOTI licences	28	28	28	28
Occupational Health case management centre-	27	27	27	27
Development Fund for Oracle HR/ Payroll	25	25	25	25
Increase Minevra costs		7	7	7
Fleet R&M Labour / Parts /	35	25	25	25
FCIN : Additional Contribution to CDSOU	100	100	100	100
<b>Savings</b>				
Reduction of PCSO's - 10 FTE	(300)	(300)	(300)	(300)
Utilities	(100)	(100)	(100)	(100)
Petrol	(10)	(10)	(10)	(10)
<b>Net Pressures</b>	<b>990</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>

## **Emerging Risks: - Impact to be evaluated**

### **Withdrawal from Cleveland and North Yorkshire Major Incident Team (CNYMIT)**

The collaboration agreement in respect of the above has ceased with effect from the 1st October 2020. Work is on-going to define the scope and shape of the service as it returns to Cleveland. At this stage it is unclear what the financial impact of this decision will be. Finance are working closely with the Head of Crime to support this process and quantify the financial impact.

### **Force Control Room.**

The Force control room continues to be an area of concern both financially and in terms of service delivery. The Service Improvemnt Team are undertaking a review currently and any financial implications will be captured in the LTFP when available.

### **Summary Position.**

The table below summaries the position based on the assumptions below and the proposed funding arrangements in the 2020/ 2021 LTFP onwards.

Work is in progress with the OPCC and the Force to address the shortfall across the plan, the revised plan will be taken for approval in February 2021.

Projected Force Income and Expenditure	2020/21	2021/22	2022/23	2023/24
	£000's	£000's	£000's	£000's
Funding from the OPCC	(137,805)	(144,345)	(147,325)	(152,150)
Police Pay & Allowances	77,404	81,557	84,348	86,973
PCSO / Staff Pay & Allowances	28,365	35,246	35,102	37,029
Total Pay & Allowances	105,769	116,803	119,450	124,002
Non Pay Expenditure	32,036	27,542	27,875	28,148
Total Expenditure	137,805	144,345	147,325	152,150
Emerging Pressures	0	990	1,016	1,016
Planned Surplus / (Deficit)	0	(990)	(1,016)	(1,016)

### Capital programme 2021-22 -2024-25

In conjunction with corporate services a business case template has been circulated across all business areas to capture the Capital requirements for the period of the Long term financial plan. The submission dates for the business cases is the 19<sup>th</sup> October 2020. Upon receipt each case will be subject to review and a draft capital investment plan will be submitted for review by the Executive and the OPCC.

Joanne Gleeson  
Chief Finance Officer  
10th September 2020.



<b>Changes to Revenue Funding</b>	<b>Month Added</b>	<b>Change</b>
		£000s
<b>Initial Funding Allocation</b>		<b>137,805</b>
Reserves release : Employee related costs	Jun-20	49
Budgeted Contribution to Reserves : RCCO	Jul-20	(165)
RCCO : Contribution for Estates Van	Aug-20	(17)
<b>Funding allocation at 31st July 2020</b>		<b>137,672</b>

**Budget monitoring Statement as at 31st August 2020**

	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Forecast £000's
<b>A: POLICE PAY &amp; ALLOWANCES</b>	75,402	31,154	30,829	(325)	209
<b>B: POLICE OVERTIME</b>	1,871	874	1,320	446	550
<b>C: STAFF PAY &amp; ALLOWANCES</b>	24,508	8,456	8,003	(453)	(575)
<b>D: PCSO PAY &amp; ALLOWANCES</b>	3,519	1,466	1,343	(123)	(137)
<b>E: OTHER PAY &amp; TRAINING</b>	1,256	523	625	101	4
<b>F: POLICE PENSIONS</b>	3,177	1,324	1,432	108	47
<b>G: PREMISES</b>	3,937	1,643	1,451	(193)	(180)
<b>H: SUPPLIES &amp; SERVICES</b>	9,000	3,750	3,912	162	619
<b>I: TRANSPORT</b>	1,467	611	603	(8)	21
<b>J: EXTERNAL SUPPORT</b>	3,438	1,432	1,108	(324)	(357)
<b>S: STERIA CONTRACT</b>	7,575	6,320	5,362	(958)	0
<b>T: CUSTODY CONTRACT</b>	2,521	1,051	1,014	(36)	(34)
<b>Total</b>	137,672	58,605	57,003	(1,602)	166

### Long Term Financial Plan (LTFP) 2020/21 to 2023/24 – Assessment of Risks

Risk	Detail	Mitigation
Changes to the future funding formulas for Police Forces.	<p>The Policing Minister is committed to reforming the police funding formula and will bring forward proposals for public consultation.</p> <p>The current assumptions do not factor in any adverse impact as a result of a revised formula.</p> <p>Based on what is currently known of the proposals, this is a prudent assumption, however, it does present a potential risk.</p> <p>Current indications are that no changes will be made before the next CSR which is not due until 2021.</p>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.</p>
Future year's funding is lower than forecast.	<p>The police settlement was for a one year period. This presents a potential risk if funding was to change dramatically as a result of external issues.</p>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.</p>
Pay awards are higher than those assumed in the LTFP.	<p>The LTFP assumes that pay will rise by 2.5% from September 2020.</p> <p>A movement of 1% would have an impact on pay and contracts of approximately £1.1m over a full financial year.</p>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.</p>
A higher than forecast level of costly major incidents.	<p>The number and cost of major incidents in any one year is unpredictable.</p>	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p> <p>A small reserve has been established in order to reduce the financial impact of numerous major incidents in a 12 month</p>

Risk	Detail	Mitigation
		period.
The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.	Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in. Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material underspending.	Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police staff investigators along with a further recruitment of transferee Police Officers.
National mandation.	In recent years there has been national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force.	There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.  The PCC may absorb any additional costs in total or part through the use of reserves or other income.
Police Pension scheme 2015.	The Police Pension 2015 scheme has been found to be discriminatory. Work is underway to ascertain the remedies required to eliminate this discrimination. At this time the cost and magnitude of remedy is unknown but they could pose a significant financial risk to the force.	Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 95 claims from Police Officers No further detail is available on the impact to the Chief Constable but should there be a financial impact, more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration. However it is anticipated that the changes needed to eliminate the discriminatory element of these new pensions will have to be funded centrally.
Employment Tribunals	An earmarked reserve has been set up to cover the cost of implementation.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Historic Case Review	Further work will take place in regards to historic case reviews following the establishment of the Cold Case Unit within the CNYMIT.	More radical options will be developed including further reductions in officers, PCSO and staff numbers and the use of further inter-force collaborations.

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
Future of collaborations	Following the dissolution of the ISDU there is a risk that other collaborations may cease to be viable as forces withdraw. This may pose a financial risk to the force if the collaborative function had a cost saving element to them.	More radical options will be developed including further reductions in officers, PCSO and staff numbers
Tupe Transfer of staff from Sopra Steria to Cleveland Police	On the 1 <sup>st</sup> October the remaining elements of the outsourced functions with Sopra Steria will return to the Force following the expiry of the contract. The return is being managed under the name of Operation Fusion and is a joint project with the OPCC and the Force. All risks are highlighted at the governance board. The Chief Constable has raised his level of concern over the operation and has instigated further oversight to ensure a smooth transfer.	The planned return has been costed and a dedicated resource has carried out further due diligence to identify movements that have taken place since the initial decision to return the service to the Force. Further governance and oversight is taking place. Any changes to the initial business case to bring the service back into Force will be fed into the governance structures and should there be further costs than anticipated the use of reserves/contingency would need to be requested.
Recruitment of required numbers of Police Staff.	The Force has set some ambitious plans to recruit a significant number of Police Staff to support the uplift in Police Officer numbers and service improvements plans and programmes. There is a risk that in the current climate and due to the high level of on-going recruitment for both Police Officers and staff, that there may be delays in recruiting to all the Police staff positions within the plan.	The Force has set-up a monthly meeting to review the current staff vacancy list. Each role is reviewed and progress report provided indicating the stage of recruitment ie: advert, interview etc.. The financial implications of these progress reports are then reflected in monthly CFM report.

## Appendix 4

<b>Changes to Capital Funding</b>	<b>Month Added</b>	<b>£000s</b>
<b>Funding Allocation in LTFP</b>		<b>5,549</b>
Schemes deferred from 2019/20		1,018
Schemes carried forward from 2019/20		1,214
<b>Total Capital funding at 1/4/2020</b>		<b>7,781</b>
<b>Movement in year</b>		
Guisborough Lighting and Controls	May-20	9
Wet weather drone facility- budget not required	May-20	(70)
Flooring (part budget not required)	Jun-20	(70)
Furniture and Chair replacement (part budget not required)	Jun-20	(80)
Tasers- additional funding from government grant	Jun-20	38
Stockton Rewire- budget carry forward to 2021/22	Aug-20	(90)
Estates Van- funding from Revenue	Aug-20	17
<b>Funding allocation at Month 5</b>		<b>7,535</b>

<b>Appendix 5</b>					
<b>Capital Monitoring Statement to 31 August 2020</b>					
	Annual Budget	Budget to Date	Actual to Date	Variance to Date	Forecast Outturn
	£000s	£000s	£000s	£000s	£000s
<b>Estates Schemes</b>					
Emergency lighting & fire alarms	20	11	11	0	0
Car park refurbishments	15	0	0	0	0
Fixed wire testing	20	0	0	0	0
Carbon reduction	7	0	0	0	0
Stockton rewire	0	0	0	0	0
Box key replacement	10	7	7	0	0
Flooring	10	4	0	-4	0
Furniture and chair replacement	103	43	92	49	0
Kitchens	13	5	0	-5	0
Welfare facilities	15	6	0	-6	0
Security cameras LDC	18	7	0	-7	0
Guisborough Lighting and Controls	9	4	0	-4	0
Community Safety Hub	96	40	26	-14	0
Community Safety Hub- Audio to meeting rooms	34	0	0	0	0
St Marks House	716	500	490	-10	-60
Drying room - North Ormesby	50	21	0	-21	0
Additional storage - Billingham	15	7	2	-5	0
<b>TOTAL ESTATES SCHEMES</b>	<b>1,151</b>	<b>655</b>	<b>628</b>	<b>-27</b>	<b>-60</b>
<b>Equipment</b>					
NERSOU TSU	25	10	10	0	0
ANPR	224	94	27	-67	0
TASER	81	67	67	0	0
Occupational Health Case Management system	40	17	0	-17	4
<b>TOTAL EQUIPMENT SCHEMES</b>	<b>370</b>	<b>188</b>	<b>104</b>	<b>-84</b>	<b>4</b>
<b>ICT schemes</b>					
iPatrol development	50	0	0	0	0
Monitor refresh	100	42	15	-27	0
Hardware refresh	102	42	36	-6	0
IL4 confidential host refresh	25	10	0	-10	0
Backup architecture consultancy	10	10	10	0	0
Non-microsoft patching solution	47	0	0	0	0
Protective monitoring service	60	0	0	0	0
Data warehouse (SOLAR refresh)	120	0	0	0	0
Covert radio replacement	135	112	112	0	0
Application upgrade	50	0	0	0	0
NEP	235	98	110	12	0
ERP discovery, procurement & mobilisation	964	789	789	0	0
Body worn video	200	83	19	-64	0
ICT Capital Resource	173	0	0	0	0
Replacement laptops and desktops	50	21	0	-21	0
Control room router and firewall for ESMCP	60	0	0	0	0
Agile	605	252	477	225	0
DEAMS	579	0	0	0	0
Web based mapping	25	0	0	0	0
Digital Interview Recording	478	269	269	0	0
Windows Server Upgrade	25	0	0	0	0
Intelligent Call Handling	4	0	0	0	0
Microsoft Licencing W10 requirements	47	20	9	-11	0
Network CCTV Solution	3	2	2	0	0
ACESO replacment	89	37	38	1	0
DFU Servers	5	3	3	0	0
Replacement DCS system	15	0	0	0	0
NIAM	104	43	12	-31	0
Data management tool	40	0	0	0	0
Data insight tool	110	0	0	0	0
Understanding demand package and support	250	247	247	0	0
<b>TOTAL ICT SCHEMES</b>	<b>4,760</b>	<b>2,080</b>	<b>2,148</b>	<b>68</b>	<b>0</b>
<b>Fleet Schemes</b>					
Fleet replacement Programme	760	317	64	-253	0
NERSOU	53	22	22	0	0
<b>TOTAL FLEET SCHEMES</b>	<b>813</b>	<b>339</b>	<b>86</b>	<b>-253</b>	<b>0</b>
<b>Other Schemes</b>					
Development fund	100	33	0	-33	0
Uplift schemes	341	127	0	-127	0
<b>TOTAL OTHER SCHEMES</b>	<b>441</b>	<b>160</b>	<b>0</b>	<b>-160</b>	<b>0</b>

