



**Police & Crime Commissioner for Cleveland
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Chief Executive & Monitoring Officer:

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PCC Scrutiny, Delivery & Performance Meeting

Date: Monday 22 June 2020

Time: 1400-1700

Venue: Conference Call –

Dial in: **0203 463 9741**
Simon - **81664260** then #
Chairperson
passcode:
Participant **67475520** then #
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Agenda

		Presented by
1.	Apologies For Absence	
2.	Declaration of conflict of interest/disclosable pecuniary interest	
3.	Notes of the previous meeting	
POLICE AND CRIME PLAN OBJECTIVE - INVESTING IN OUR POLICE		
4.	Financial Updates 1) Q1 update OPCC 2) Q1 Update Cleveland Police	Cleveland Police/OPCC
5.	Covid Recovery Plans	ACC Graham – verbal update
6.	Service Improvement Programme – Update	C/Supt Theaker – verbal update

7.	Force Control Room Impact of the Single Online Home	ACC Graham – verbal update
8.	Sopra Steria Update	C/Supt Irvine & Nicola Tranter – verbal update
9.	Neighbourhood Posts – update	ACC Graham – verbal update
10.	Any Other Business	
11.	Date of next meeting – 10 August 2020	



Scrutiny, Delivery & Performance Meeting

Thursday 14 May

10:00am

Remotely – Via Conference Call

Present

Barry Coppinger – Police and Crime Commissioner for Cleveland
Richard Lewis – Chief Constable, Cleveland Police
Steve Graham – Assistant Chief Constable, Cleveland Police
Liz Byrne – Service Improvement Team, Cleveland Police
John Bent – Service Improvement Team, Cleveland Police
Lisa Theaker – Chief of Staff, Cleveland Police
Ciaron Irvine – Chief Supt., Cleveland Police
Elise Pout – Standards & Scrutiny Manager, OPCC
Nicola Tranter – Business Transformation Manager, Cleveland Police
Simon Dennis – Chief Executive & Monitoring Officer, OPCC
Hannah Smith – Commissioner’s Officer for Communication and Information, OPCC
Jo Gleeson – Chief Finance Officer, Cleveland Police
John Wrintmore – Chief Constable’s Staff Officer, Cleveland Police
Charlotte Rumins – Community Hub Advisor, OPCC (Minutes)

Apologies for absence

1. Apologies for absence were received from DCC Ian Arundale, ACC Lisa Orchard and Lynne Swift.

Declarations of Conflict of Interest/Disclosable Pecuniary Interest.

2. None declared.

Notes of the Previous Meeting

3. The notes of the following meeting were approved for publication.

i. 6 April 2020

4. Discussions took place in relation to video conferencing abilities, it was noted that the Force are moving towards piloting Microsoft Teams. It was noted that NY have Teams up and running in the OPFCC, Force and Fire & Rescue Service. Teams partially works on Cleveland hardware but the experience differs between machines with some machines unable to utilise the audio and visual functionality of the system.

Service Improvement Team Update

5. The Service Improvement Team progress report was circulated prior to the meeting amongst the agenda. LB noted that the delivery groups are beginning week commencing 18 May bringing the team to phase 0. Discussions have begun taking place in relation to NPT delivery and further work is required to explore the numbers to ensure flexibility for response.

6. There are currently gaps in the enabling services but it was noted that Lynne Swift is now in post and discussions will be taken forward with her in relation to workforce planning, learning & development and change interventions.

7. LB noted that further work is required through the commands to evidence the improvements that have been made in relation to the HMICFRS causes for concern.
8. The unknown impact of Covid-19 was also discussed, current sickness abstraction is low and not an issue for the Force. The impact of relaxing social distancing measures is currently unknown in terms of demand. BC noted that it had been discussed nationally that approximately 80% of the population will remain unaffected by Covid-19 and queried whether this is represented within the Force. SG noted that sickness abstraction levels have remained low and figures have not been representative of the initially forecasted worst case scenario.
9. JB noted that the red status on the progress report is to reflect the fact that decisions and sign off are required in relation to the areas of change and that progress is being made in respect of the areas.
10. BC noted that the Service Improvement Team and programme of work is to be embedded within the Police and Crime Plan. LB noted that the role of PCC Scrutiny within each of the delivery groups is to be considered and developed further to ensure the messages from Scrutiny are properly digested within the Force. Output to the public from the Scrutiny programme is also to be considered further to ensure key messages from the programme reach members of the public.
11. SD noted that he had an informal catch up with Audit Committee members on 13 May 2020 and had outlined progress in respect of the Service Improvement Team, feedback received from members in relation to the progress was positive. Members had requested further materials following the discussions and SD agreed to discuss this further with LB and SIT colleagues following the meeting.
12. SD queried whether feedback was received from HMICFRS in response to the detailed submission to the PPOG. LT noted that formal written feedback has not been provided but they have met with the Home Office and HMICFRS and brief initial feedback on the document has been provided orally.

Sopra Steria Update

13. CI provided an update on the transfer of the Sopra Steria contract back to Cleveland Police, a definitive end date of 30 September 2020 was noted.
14. It was noted that two meetings are taking place in relation to the contract, one which is internal and one which is held jointly with Sopra Steria to measure progress against the programme objectives and ensure the transition is as smooth as possible.
15. Staff who are currently employed by Sopra Steria are engaged with the process to ensure they are aware of what they can expect over the coming months. Engagement is also taking place with Unison and the Police Federation to ensure the transition is completed sensitively and appropriately.
16. It was noted that the majority of Sopra Steria staff work within the Shared Service Centre, access to this site will terminate from 30 September and St Marks House has been purchased by the PCC in its place. Refurbishment of St Marks House is underway and Covid-19 has meant that some contractors have been able to access the site earlier than expected. Staff are also agile enabled as a result of the Covid-19 response and will remain so following the transition back to Cleveland Police.
17. Further investment is required in some areas, such as ICT, prior to transfer to ensure the level of service received under the Sopra Steria contract is as consistent as possible with the service that will be received post transfer.
18. Overall, the team are on track to deliver by 30 September but the risk in relation to Covid-19s impact on the supply chain for furniture and electronics was noted.
19. SD queried whether the assessment has changed in relation to the smoothness of the transition and whether the programme will deliver on time. RL noted that the risk was highlighted to HMICFRS to ensure they are aware

of the potential challenge that the transition could pose, the position in recent weeks has led to an increase in confidence that the transition will be delivered smoothly and on time.

20. This item is to be revisited in a future Scrutiny meeting.

Issues in Localities

21. A written update was provided prior to the meeting detailing ongoing issues in each of the four local authority areas. It was noted that hate crime continues to fall at present, this may increase over the coming weeks and months as lockdown measures are released.
22. Reports had been received of break-ins to NHS staff cars within James Cook Hospital car park. The police provided a rapid response to these issues and arrested the perpetrator the day following the reports.
23. Wider Force tensions were discussed and it was noted that Preston Park has been highlighted as a site for an upcoming protest with approximately 5 attendees confirmed at present.
24. BC expressed his thanks to JW for the written report which was provided prior to the meeting.

Demand

25. SG provided an overview on demand, demand generally is down but the Force are receiving a large amount of Covid-19 related calls. A rise has been identified in serious violence and serious criminal activity. Deployment of armed response cars has increased as a result over the last few days. As the time of the meeting it was reported that crime was down by approximately 20% as a result of Covid-19.
26. BC noted that the daily log produced by Chris Baxendale is useful. SG noted that recovery should start from day one, a recovery group is running alongside the Covid-19 meeting structure. Organisational learning has been identified as a result of the lockdown and some changes such as an increase in agile working will be carried forward into the 'new normal'.

Released Under Investigation

27. LT noted that there is an increase in RUIs which in the main can be attributed to the interim protocol which has been introduced by CPS to reduce the impact on them and the Courts. John Morgan has done work around this and has begun driving the use of pre-charge bail. Scrutiny of this is conducted through the Investigations Delivery Board.

Sickness & Wellbeing

28. SG noted that there has been a reduction in sickness figures, stress and anxiety remains the biggest concern for the Force. Preparations have been made ahead of winter for the provision of flu jabs to members of staff. The Oscar Kilo van has been secured for the wellbeing service and visits are made across the force.
29. BC queried whether there is a backlog building up of leave, SG noted that a block had initially been placed on leave but this was removed when the sickness abstraction was identified as lower than anticipated. It was noted that a number of people are starting to cancel leave as their holidays and plans have been cancelled, this is being monitored and staff are being encouraged to take leave from a wellbeing perspective to ensure they are able to have some time away from work. Monitoring is also taking place of leave balance backlogs for those who are nearing retirement from the Force.

Public Questions for the Force

30. It was noted that no public questions were received for the Force for this meeting.

Any Other Business

31. No items were raised for discussion under any other business.

Date of Next Meeting

32. The next Scrutiny, Delivery and Performance Meeting will be held on 22 June 2020.

Agenda Items 5,6,7,8,9

Agenda Item – 5 Covid Recovery Plans

1. Could the Force provide an update on their Covid recovery plan and how will this plan link with the work of other partners and the Local Resilience Forum?

Agenda Item – 6 Service Improvement Programme Update

1. The PCC would like a monthly update on the progress of the Service Improvement Programme to include what's working, what isn't, what will be different and by when?

Agenda Item -7 Force Control Room Update

1. Since the last update on 8 March the PCC would like an update on the Force Control Room to include:
 - a. The impact of demand on the control room since the introduction of covid legislation
 - b. We are starting to hear anecdotal evidence of issues with 101, looking at the log there are occasions where call abandonment rates are reaching 20%, could the Force provide an explanation for this?
 - c. What has been the effect on the Force of the introduction of the Single On Line Home reporting system, has this created additional demand or assisted with the capacity to deal with demand of the 999 and 101 services?
 - d. It was noted at the last update that the increase in precept for 2018/19 had been utilised by the Control Room but the full establishment of additional 41 staff have not yet been recruited and ongoing training was taking place. Have the posts been filled and what impact has the covid situation had on the ability to be able to recruit and train staff?

Agenda Item – 8 Sopra Steria Update

1. The PCC would like a monthly update on the progress regarding the position with the return of in-house services from Sopra Steria.

Agenda Item -9 Neighbourhood Posts

1. Could the Force provide an update on the status of the following PCC funded posts within Communities & Partnerships: 6 Crime Prevention Coordinators, 1 Community Cohesion Officer, 1 Refugee & Asylum Seeker Coordinator, 2 Police Staff Investigators – Hate Crime, 4 Early Intervention Coordinators, 3 School Liaison Officers?

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

22nd June 2020

Status: For Information

2019/20 Budget Monitoring – Outturn Report for 2019-2020

1. Executive Summary

1.1 Purpose of the Report

On the 20th February 2019 the PCC agreed the revenue Budget for 2019/20 which was based on the receipt of income totalling £145,365k. This report is to provide the PCC with the final position of the financial performance against the budget for the financial year 2019/20. The financial information contained within the report could be subject to change as a result of the annual audit, if any changes are required an update will be provided to the PCC

2. Recommendations

The PCC is asked to note:

- 2.1 The Office of the PCC's budget for the year was originally £880k; which then increased to £898k, spend against this revised budget totalled £824k resulting in an under spend of £74k.
- 2.2 The Corporate Services budget of £9,920k, which was revised down to £9,653k, underspent by £34k.
- 2.3 The £5,440k to support PCC Initiatives and Victims and Witnesses Services, including £2,430k to invest in Neighbourhood Policing, underspent by £186k.
- 2.4 The PCC received £1,521k of additional income during the year that resulted in increased expenditure over and above that which was envisaged when the budget was set.
- 2.5 The PCC received a further £1,704k of income in 2019/20, which led to an under spend of the same amount, that was neither included within the original budget nor used for additional expenditure during the year.
- 2.6 The Force have reported an overspend for the year of £512k. The Force financial performance is covered elsewhere on today's agenda.
- 2.7 The Outturn before Reserves was an underspend of £1,487k

3. Reasons

3.1 When setting the budget for the financial year 2019/20 the PCC allocated the income forecast to be received during the year, of £145,365k, into the following areas:

- £880k to run the Office of the PCC
- £5,440k to support PCC Initiatives and Victims and Witnesses Services
- £9,920k for Corporate Services
- £128,215k to the Police Force
- £2,120k to the Capital Programme

This will be supported by £950k from General Reserves and £260k from Earmarked Reserves

The following sections will look at the above areas in more detail and provide analysis and commentary for each area based on the actual levels of spend against the budget.

3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £145,365k during 2019/20 from the areas summarised in the table below, the in-year changes, the actual levels of income received and variances are shown below. In addition to current year figures the comparator figures for 2018/19 is also shown

2018/19 Budget	In Year Changes	2018/19 Revised Budget	2018/19 Outturn	Variance	Summary of Income to be Received by the PCC	2019/20 Budget	In Year Changes	2019/20 Revised Budget	2019/20 Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(45,508)	0	(45,508)	(45,508)	(0)	Police Grant	(46,497)	0	(46,497)	(46,497)	(0)
(37,992)	0	(37,992)	(37,992)	0	RSG/National Non Domestic Rate	(38,756)	0	(38,756)	(38,756)	0
83,500)	0	(83,500)	(83,500)	(0)	Government Grants	(85,253)	0	(85,253)	(85,253)	0
(34,582)	0	(34,582)	(34,582)	0	Precept	(38,784)	0	(38,784)	(38,784)	(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)
42,251)	0	(42,251)	(42,251)	0	Precept related funding	(46,452)	0	(46,452)	(46,453)	(0)
(6,157)	(2,643)	(8,800)	(9,743)	(943)	Specific Grants	(7,291)	(517)	(7,808)	(8,924)	(1,116)
(2,737)	(934)	(3,671)	(4,247)	(576)	Partnership Income/Fees and Charges/Misc Income	(2,893)	(1,295)	(4,188)	(4,766)	(577)
(8,894)	(3,577)	(12,471)	(13,989)	(1,518)	Other Funding	(10,184)	(1,812)	(11,996)	(13,689)	(1,693)
134,644)	(3,577)	(138,222)	(139,740)	(1,518)	Total	(141,890)	(1,812)	(143,702)	(145,395)	(1,693)
					Special Grant	(3,475)	291	(3,184)	(3,195)	(11)
					Total Overall Funding	(145,365)	(1,521)	(146,886)	(148,590)	(1,704)

3.3 In terms of overall income the PCC received £148,590k during 2019/20 which was £8,851k (or 6.3%) higher than 2018/19.

3.4 The total income received was £3,225k (or 2.2%) more than the original 2019/20 budget was based on. It is therefore really important to understand where this funding has come from.

3.5 Specific Grants

£1,633k more in Specific Grants, than originally budgeted for, were received in 2019/20. £517k was additional income that was used for additional spend while £1,116k was for spend that was already included within the budget

3.6 In terms of the £1,116k underspend in this area this was reported throughout the year as follows:

3.7 Loan Charges Grant – the PCC receives a Loan Charges grant that relates to debt incurred before 1990. In setting the budget for 2019/20 it was assumed that £100k would be received in this year, which would be the penultimate year of this grant. With the final grant payment to be received in 2020/21 of £1.1m. We now know that the final payment of £1.213m will be received during 2020/21, in cash terms, but is applicable to 2019/20 in accounting terms.

3.8 In accounting terms the PCC will record £1.1m more income in 2019/20 than expected but will have £1.1m less than expected in 2020/21. This will be 'smoothed' across the financial years through the movements on General Fund.

3.9 In terms of the additional Specific Grants received in year that lead to additional expenditure, £345k related to Operation Uplift, £125k related to additional seized assets and £17k related to additional Cyber Crime funding.

3.10 Other Income Streams

In total the PCC received £1,872k more in terms of 'Other Funding' than was expected when the original budget was set. Of this £1,295k was additional income that incurred

additional expenditure and £577k was over recovery of income which generated an under spend.

- 3.11 The £1,295k of income, in this area, that increased the budget, were made up as follows:
- Capital Grant - £526k (Budget versus accounting treatment)
 - Secondments - £350k
 - Mutual Aid - £118k
 - ANPR funding - £110k
 - Other - £191k
- 3.12 The underspend recorded against 'Partnership Income, Fees and Charges and Misc Income', as shown in the table at 3.2, of £577k, is made up of a number of areas but the main areas which contributed to the total were as follows:
- Secondment Income - £163k
 - Mutual Aid - £50k – there are elements of costs incurred in providing Mutual Aid to other Police Forces that are done within 'Core' hours and as such don't incur any additional costs beyond those budgeted for. However as these are being provided to another Force then the costs are reimbursed.
 - Legal Service income - £27k – the recovery of legal fees but also the ability to recover costs for Police Led Prosecutions has increased the fees recovered in this area.
 - Higher Interest Received on Cash Balances - £69k
 - Fleet - £62k
 - Road Safety Income - £63k
 - The costs reimbursed for providing CRB services was £32k higher than budgeted.
- 3.13 The above movements and underspends will be kept under review during 2020/21 and incorporated in both forecasts for 2020/21 but also into budgeting for 2021/22 as appropriate.

3.14 The Office of the PCC

The 2019-20 budget of £880k for the Office of the PCC was split into the following areas:

Original 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	PCC Budget	Original 2019/20 Budget	Final 2019/20 Budget	Actual Spend	2019-20 Over/(Under) Spend
£000	£000	£000	£000	Category of Spend	£000	£000	£000	£000
680	680	684	4	Staff Pay and Allowances (Incl. NI and Pension)	743	781	781	0
5	5	11	6	Other Pay and Training	5	89	81	(9)
215	215	192	(23)	Supplies and Services	203	181	168	(13)
10	10	9	(1)	Transport	10	10	7	(3)
(50)	(79)	(133)	(55)	Miscellaneous Income	(81)	(164)	(214)	(49)
860	831	764	(68)	Total Budget	880	898	824	(74)

- 3.15 Actual expenditure during the year was £824k, which was £60k higher than 2018/19 however £84k was spent on one-off restructuring costs during the year. Removing these costs then recurring expenditure reduced by £24k year on year.
- 3.16 An overall underspend of £74k is reported against the revised budget. Much of this underspend was as a result of higher levels of income for staff secondments and income received from staff costs charged to other organisations.
- 3.17 Corporate Services
Corporate Services budgets include the costs of the PFI contracts, strategic contract management, asset management costs, treasury management and planning.
- 3.18 The Corporate Services budget for 2019/20 was set at £9,920k there are a number of changes that occur at the end of the financial year to ensure the 'proper' accounting treatment for the Capital element of the PFI projects which impacts on the 'Revised 2019/20 Budget' in the table below. These have had no impact on the outturn

Original 2018/19 Budget	Revised 2018/19 Budget	2018/19 Actual Spend	2018-19 Over/ (Under)		Original 2019/20 Budget	Revised 2019/20 Budget	2019/20 Outturn	2019-20 Over/ (Under) Spend
£000s	£000s	£000s	£000s	<u>Corporate Services Budget</u>	£000s	£000s	£000s	£000s
465	584	565	(19)	Category of Spend	600	694	651	(43)
94	94	1,014	920	Staff Pay and Allowances (Incl. NI and Pension)	114	114	151	36
1	1	12	11	Supplies and Services	1	1	14	13
1,820	577	563	(14)	Transport	1,830	621	622	1
5,240	1,654	1,509	(145)	PFI - Urlay Nook	5,325	1,710	1,709	(1)
1,855	6,414	6,399	(15)	PFI - Action Stations	2,050	6,513	6,472	(41)
9,475	9,324	10,062	737	Asset Management	9,920	9,653	9,619	(34)
				Total Budget				

- 3.19 A small underspend was forecast throughout this year primarily relating to a reduction in interest payable resulting from a forecast loan not being taken out during the year. The year-end position was in line with forecasts with an underspend of £34k.
- 3.20 PCC Initiatives and Victims and Witnesses Services
The PCC allocated a budget of £5,440k to support Community Safety and PCC Initiatives, deliver Victims and Witnesses services and also invest in Neighbourhood Policing during 2019/20. £1,923k was allocated to the Community Safety and PCC Initiatives budget, £1,087k to Victims and Witnesses Services and £2,430k to invest in Neighbourhood Policing. The Outturn position as at the end of March 2020 is as per the below table:

	Original 2019/20 Budget	Revised 2019/20 Budget	2019/20 Outturn	2019/20 Over/ (Under) spend
<u>PCC Initiatives and Victims and Witnesses</u>	£000s	£000s	£000s	£000s
<u>Category of Spend</u>				
PCC Initiatives	1,823	1,663	1,530	(133)
Investment in Neighbourhood Policing	2,430	18	0	(18)
Victims and Witnesses Services	1,087	1,028	992	(36)
Community Safety Fund	100	78	78	(0)
Total Budget	5,440	2,786	2,600	(186)

- 3.21 Over £2.6m of the original £5.44m budget in this area was transferred to the Force:

- £1,370k to meet the costs of the additional Police Officer, PCSO and Staff Posts that the PCC funds in Neighbourhood Policing, Safeguarding, Restorative Justice and Integrated Offender Management
- £1,039k was made available to the Force, to permanently increase the Force establishment by 24 FTEs and then to accelerate the recruitment of the Uplift Officers – this was in addition to the £345k grant provided from the Government.
- £220k was also provided to support the costs of Operation Phoenix.

3.22 Some small underspends occurred across the remaining budgeted areas but none that resulted from reductions in service delivery from the plans.

4. Police Force

4.1 The vast majority of the funding available to the PCC was provided to the Police Force. The Force was initially allocated a budget of £128,215k for 2019/20.

4.2 The budget increased significantly during the year, by a net amount of £3,824k, as a result predominantly of increases from the following areas:

- £2,629k allocated from the PCC to fund the additional investment in Neighbourhood Policing, Police Officer Uplift and Op Phoenix as referred to in 3.21 above.
- Income from various areas including Op Uplift Grant, Secondment Income, Mutual Aid and Camera Safety - £965k
- Release of reserves and provisions - £290k

4.3 The summary of all of these changes and the outturn against the revised budget is shown in the table below:

Police Force Financial Summary	Original 2019/20 Budget	Final 2019/20 Budget	Final Spend in 2019/20	2019/20 (Under)/ Overspend
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Pay				
Police Pay	67,662	69,423	69,496	73
Police Overtime	1,468	2,128	3,549	1,421
Staff Pay	14,550	18,752	17,349	(1,403)
Police Community Support Officer Pay	4,055	4,457	4,015	(442)
Pay Total	87,735	94,759	94,408	(351)
Major Contracts				
Outsourcing Contract	18,490	14,554	14,446	(108)
Custody and Medical Contract	2,491	2,471	2,405	(66)
Major Contracts Total	20,981	17,025	16,851	(174)
Non-Pay Budgets				
Other Pay and Training	744	1,242	1,823	581
Injury and Medical Police Pensions	2,993	3,147	3,419	271
Premises	3,501	3,564	3,763	199
Supplies and Services	7,534	8,118	8,305	187
Transport	1,471	1,573	1,585	13
External Support	3,257	2,611	2,398	(213)
Non-Pay Total	19,498	20,254	21,292	1,037
Total Planned Force Expenditure	128,215	132,039	132,551	512

- 4.4 Further details on how the Force managed their finances during 2019/20, including the expenditure against the Capital Budget are included elsewhere on today's agenda.
- 4.5 The PCC's attention is drawn to the underspend on PCSO's – this is the second year in a row that there has been a significant underspend in the area. In 2018/19 the underspend was £334k (the equivalent of 19,000 hours) and has increased further in 2019/20 to £442k – this is equivalent to around 24,500 hours of additional neighbourhood policing and engagement that could have taken place in 2019/20 had all of the PCSO posts been filled in line with budget.
- 4.6 The Force set a staff pay budget for 2019/20, before the transfer back of the Control Room, of 423 FTEs, this was 114 FTEs higher than the previous year. This significant increase was predominantly affordable as the PCC opted for a £24, or 10.6%, increase in the Precept for 2019/20 combined with a plan from the Force for a reduction of 16 PCSOs from those budgeted for in 2018/19.
- 4.7 A significant area for planned investment and recruitment was the Force Control Room however there have been significant delays in the recruitment into both this area and the wider force. These delays in recruitment were still evident at the end of 2019/20 where there were still 64 FTE staff vacancies.
- 4.8 The significant underspend in this area has been absorbed by a significant overspend on Police Overtime of £1.4m – this is nearly 70% more than the revised budget. The report from the Force details why this has happened - with the vast majority of this overspend resulting from a significant number of major incidents during 2019/20 - it is fortunate that

the Force were able to resource and fund these in this way however resourcing major incidents seems to be a recurring problem without a recurring solution and therefore a potential risk for future years unless the approach is changed.

4.9 Surplus/Deficit Before Funding Capital and Transfers to/from Reserves

The Budget set in February 2019 expected the following to happen:

- There would be a small surplus of £910k.
- A further £950k would be transferred from General Reserves and £260k from Earmarked Reserves.
- This would support a contribution to Capital of £2,120k

4.10 In terms of the Outturn position, the small budgeted surplus of £910k, before reserves transactions, turned out to be a surplus of £2,997k before Reserves transactions.

4.11 A net £600k transfer to reserves were processed during the year, these covered many areas the main ones being:

- A net £127k transfer from revenue into the Capital Programme.
- £526k in relation to a Technical Accounting adjustment for the Capital Grant as referred to in 3.11

4.12 The total Outturn before additional movements on Reserves, against the Revised 2019/20 Budget, was an under spend of £1,487k.

4.13 As a result of this underspend, the £950k that was transferred from General Fund has in effect been repurposed and added to the Change Reserve to support the significant change activity that is currently underway within the Force, such as the return of the services provided currently by Sopra Steria and also the Service Improvement work linked to the HMICFRS assessments.

4.14 As mentioned earlier in this report the spend on Major Incidents has been a significant strain on the finances of the organisation in a similar way to that is in undoubtedly impacting on the human resources in terms of being able to meet these demands. With this in mind the remaining underspend has been used to establish an Earmarked Reserve for Major Incidents of £543k.

4.15 Reserves

In setting the 2019/20 budget it was forecast that Reserves would be at the following levels by the 31st March 2020:

- General Fund - £5,023k
- Earmarked Reserves - £4,794k
- Unapplied Capital Grant - £164k

4.16 Pulling together the planned and budgeted reserves movements, those that have been possible as a result of the in-year underspend and those that have happened during the financial year as part of business as usual then the overall position on all of the usable reserves available to the PCC is shown in the table below:

	Balance at 31 March 2019 £000	Tranfers In 2019/20 £000	Tranfers Out 2019/20 £000	Balance at 31 March 2020 £000
Funding for projects & programmes over the period of the current MTFP				
Direct Revenue Funding of Capital	(3,659)	(2,603)	4,209	(2,053)
Community Safety Initiatives Fund	(241)	(22)	150	(114)
PCC Change Reserve	(100)		84	(16)
Digital Forensics	(245)		0	(245)
Airwaves Project	(166)		0	(166)
CP Change Reserve	(500)	(950)	295	(1,155)
Commissioning Reserves	(569)	(5)	260	(314)
Road Safety Initiatives Fund	(658)		0	(658)
Sub Total	(6,137)	(3,579)	4,998	(4,719)
Funding for projects & programmes beyond the current MTFP				
PFI Sinking Fund	(288)	(75)		(363)
Incentivisation Grant	(512)	(125)	107	(530)
Police Property Act Fund	(63)	(78)	17	(124)
Sub Total	(863)	(278)	124	(1,017)
General Contingency				
Legal/Insurance Fund	(431)	(75)		(506)
Injury Pension Reserve	(245)	(67)	150	(162)
Uralay Nook TTC	(81)			(81)
NERSOU	(146)	(14)		(160)
Collaboration Reserve	(1,036)	(87)	122	(1,001)
Pay Reserve	(1,000)			(1,000)
Major Incident Reserve	0	(543)		(543)
Revenue Grants Unapplied	(137)		37	(100)
Sub Total	(3,076)	(786)	309	(3,553)
Total Earmarked Reserves	(10,077)	(4,643)	5,431	(9,289)
General Reserves	(5,992)		950	(5,042)
Unapplied Capital Grants	(1,517)	(526)		(2,043)
Total Usable Reserves	(17,586)			(16,374)

- 4.17 The overall level of Usable Reserves has reduced by £1,212k, or nearly 7%, during 2019/20 however are nearly £6.4m, or 64% higher than predicted when setting the 2019/20 budget.
- 4.18 A significant proportion of this relates to delays/slippage in the capital programme which means that reserves are £3.9m higher than forecast. Beyond this the establishment of the change reserve has added nearly £1.2m to reserves, with a further £0.5m added for the Major Incident reserve.
- 4.19 These reserves are planned to reduce in 2020/21 and beyond, as part of the current balanced Long Term Financial Plan. As with the commentary above much of the reduction will be dependent on the timely delivery of the capital programme.

5. Overall Budget Summary

- 5.1 The following table summarises the finances for the PCC for 2019/20 showing the original budget, the revised budget, spend against the revised budget and ultimately the (under) and over spends against the revised budget.

	Original 2019/20 Budget	Revised 2019/20 Budget	Actual Spend in 2019/20	2019/20 (Under)/ Overspend
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Government Grant	(85,253)	(85,253)	(85,253)	0
Council Tax Precept	(38,784)	(38,784)	(38,784)	(0)
Council Tax Freeze Grant	(800)	(800)	(800)	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	(0)
Funding for Net Budget Requirement	(131,706)	(131,706)	(131,706)	(0)
Specific Grants	(7,291)	(7,808)	(8,924)	(1,116)
Partnership Income/Fees and Charges	(2,893)	(4,188)	(4,766)	(577)
Total Funding	(141,890)	(143,702)	(145,395)	(1,693)
Special Grant	(3,475)	(3,184)	(3,195)	(11)
Total Overall Funding	(145,365)	(146,886)	(148,590)	(1,704)
Office of the PCC Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Total Planned Expenditure	880	898	824	(74)
PCC Initiatives/Victims and Witness	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	3,576	1,758	1,608	(151)
Victims and Witnesses Services	1,864	1,028	992	(36)
Total Planned Expenditure	5,440	2,786	2,600	(186)
Corporate Costs	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	600	694	645	(48)
Non Pay Expenditure	115	115	170	55
PFI's	7,155	2,331	2,331	0
Asset Management	2,050	6,513	6,472	(41)
Total Corporate Costs	9,920	9,653	9,619	(34)
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Pay				
Police Pay	67,662	69,423	69,496	73
Police Overtime	1,468	2,128	3,549	1,421
Staff Pay	14,550	18,752	17,349	(1,403)
Police Community Support Officer Pay	4,055	4,457	4,015	(442)
Pay Total	87,735	94,759	94,408	(351)
Major Contracts Total	20,981	17,025	16,851	(174)
Non-Pay Budgets				
Other Pay and Training	744	1,242	1,823	581
Injury and Medical Police Pensions	2,993	3,147	3,419	271
Premises	3,501	3,564	3,763	199
Supplies and Services	7,534	8,118	8,305	187
Transport	1,471	1,573	1,585	13
External Support	3,257	2,611	2,398	(213)
Non-Pay	19,498	20,254	21,292	1,037
Total Planned Force Expenditure	128,215	132,039	132,551	512
(Surplus)/Deficit	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Planned Transfers to/(from) General Fund	(950)	(950)	(950)	0
Contribution to Capital Programme	2,120	2,247	2,247	0
Planned Transfers to/(from) Earmarked Reserves	(260)	213	1,700	1,487
Net (Surplus)/Deficit After Reserves	(0)	(0)	0	0

5.2 Looking Forward into 2020/21

5.3 In approving the 2020/21 budget I provided an analysis of the robustness of the budget and an assessment of the adequacy of the reserves held by the PCC.

5.4 Given the significant events and impact on the organisation resulting from COVID-19 I thought it would be helpful to re-consider the 2020/21 budget to help inform the decisions and plans of the PCC and Force over the coming months.

5.5 Will there be an impact on the Income that the PCC has built the 2020/21 budget on?

- 5.6 In the report on the Robustness of the 2020/21 budget I concluded, in relation to income, that the total funding that the 2020/21 budget is based upon, can be described as very secure and the PCC can take a high level of assurance that the budget is based on robust income assumptions.
- 5.7 The 2020/21 budget is based on the receipt of £155.5m of which, I would describe, £146.6m (or just over 94%) as 'guaranteed' and not linked to any claims/activity. However there are a number of elements of the remaining £8.8m, or just under 6%, that are likely to be impacted, or could be impacted during the year.
- 5.8 Areas where income will be reduced and an estimate of value
- 5.9 Interest rates have been reduced by 0.65% so far and this is expected to reduce income received on cash balances by circa £60k across the year.
- 5.10 Secondments – the Force have 3 Officers (Ch Supt, Supt and Ch Insp) who were expected to be on secondment to HMICFRS throughout most of, if not all of, 2020/21. It is expected that the Inspection programme will be paused during 2020/21, however only 1 of these Officers will return to Force. The impact on the finances of the PCC is therefore manageable. This will need to be monitored in case other secondments are ended.
- 5.11 Special Services Income – the PCC receives income for services provided to some sporting events, such as Policing football matches and providing resources for Horse Racing meetings. The budget expects that the income from these events would total £124k. Given the pause on supports being able to attend sporting events then it is likely that some/all of this income will not be received as there will be no/less events to police. Given that the cost recovery element relates to Officer within the football grounds and that no supporters will be allowed in then there is a risk that none of this income will be received.
- 5.12 Driver Training Income – people who are caught speeding, along with some other driving related offences, are given an opportunity to undertake a Driver Training Course. Some of the fees that the drivers pay for these courses are provided to the PCC to cover the costs of work involved. Currently the PCC receives around £35k per month in income from these courses. Clearly the volume of traffic on the roads has reduced considerably due to increased working from home and self-isolation, amongst other things, with a reduction in speeding and other offences likely to follow.
- 5.13 In addition to this these courses stopped for a period of time altogether, although some are now possible via video conferencing. It would therefore be reasonable to expect a reduction in income in this area – assume a 6 month pause costing around £210k in reduced income. It is unlikely that there will be any real impact on the expenditure side of things to contra this as much is related to staff costs.
- 5.14 It would appear therefore that **there is circa £400k of income that is now unlikely to be received** that is included in the Budget for 2020/21 however I would expect that most, if not all of this, will be recovered from other areas.
- 5.15 Areas where Expenditure might be significantly different to the 2020/21 Budget
- 5.16 Staff Pay
- 5.17 When setting the 2020/21 budget it was highlighted that there were only 491 FTE Police Staff employed by the Force at the end of December 2019 – this is 144 FTEs lower than the

proposed 2020/21 Staff establishment of 635 FTEs. A 10% vacancy factor was included within the budget to recognise that it would take some time to recruit this level of staffing especially given the other recruitment needs elsewhere.

- 5.18 Since this point the number of Police Staff have reduced to 488 at the end of March, although there is expected to be an overall increase of around 20, based on known starters and leavers, by the start of April. It is likely to prove exceptionally difficult to recruit over the next 4 months (at least), if we assume that all staff recruitment is therefore delayed by 4 months then this would lead to **an underspend of circa £1.2m against the staff pay budget.**
- 5.19 PCSO Pay
- 5.20 Given the ask in terms of the Neighbourhood Policing Review is for 106 FTE PCSOs and that as at the end of March 2020 there were 101 FTEs in place then what are the revised plans in relation to recruitment and what will be the impact on the overall budget. **If no recruitment happens in 2020/21 then an under spend of circa £450k would materialise,** although this would be split between Force and PCC budgets based on current allocations and vacancies.
- 5.21 Non-pay budgets
- 5.22 It would seem logical that there will be a general reduction in spend on non-pay 'core' budgets – areas such as employee travel, mileage, expenses, external training/conferences, accommodation, stationery, printing, photocopying, gas, electricity, hire vehicles, building repairs and maintenance etc.
- 5.23 However there are likely to be increases in mobile phone charges as well as expected additional costs in the following areas:
- Cost of laptops and remote conferencing specifically purchased to allow for remote working due to Covid-19
 - PPE
 - Deep cleaning of offices, custody and vehicles.
 - Provision of meals for Officers and staff on duty and unable to work from home.
- 5.24 All costs relating to COVID-19 are being collated and reported to the Home Office, so far costs totalling just over £400k have been incurred to the end of May. Of this £400k around £100k have already been 'picked up' within the 2019/20 outturn included within this report.
- 5.25 Now that the provision of meals has come to an end then **if spend continues in line with the first few months then an unbudgeted spend of circa £1m, on Covid-19 specific expenditure would occur across 2020/21.**
- 5.26 This is clearly subject to significant change and will be closely monitored through the financial year.
- 5.27 In overall terms most of the additional costs and underspends are likely to net off to such an extent that there should be a financial problem for the PCC or Force during 2020/21 however this will clearly need to be closely monitored and managed.

5.28 **Beyond 2020/21**

- 5.29 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.
- 5.30 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.
- 5.31 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).
- 5.32 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.
- 5.33 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.
- 5.34 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.
- 5.35 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.
- 5.36 A 5% deficit on the 2020/21 collection fund, coupled with a 2.5% reduction in the council tax base in 2021/22 (as opposed to a 1% increase) would result in council tax income being about £3.6m lower in 2021/22 than the current financial plan assumes. Even allowing for some pick up in the overall economy thereafter and therefore a reduced need for Council Tax Support and a return of house building, it would not be unreasonable to expect that future Council Tax receipts, from a Policing perspective, could be circa £2m per year lower than the current financial plans assume.
- 5.37 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.

5.38 As included within this report the PCC has general reserves of just over £5m and therefore capacity, if needed, to help support the organisation during these unprecedented times. The current financial plans do not rely on any use of these general reserves already and therefore could be used to support the organisation if it needs to adjust future plans to meet a reduced financial envelope for future service delivery.

6. Implications

6.1 Finance

There are no financial implications other than those mentioned above.

6.2 Diversity & Equal Opportunities

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

6.3 Human Rights Act

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

6.4 Sustainability

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

6.5 Risk

The 2019/20 accounts have not yet been Audited and therefore the outturn within this report is subject to any amendments that result from that process.

7. Conclusion

7.1 While an underspend of circa £1.5m may seem significant it is important to recognise that £1.1m of this relates to the timing of the receipt of one grant, which was budgeted to be received in 2020/21, but for accounting terms is applicable to 2019/20 even though the cash won't be received until 2020/21.

7.2 Excluding this one grant then the overall budget would have underspent by £0.4m or just 0.3%. This is reflective of the tight control and pro-active financial management that occurs across the PCC and Force.

7.3 It is important to reflect the challenges and pressures that the Force has faced financially, especially in relation to the volume and costs of investigation and resourcing major incidents and this is something that will need to be closely monitored as the underspend in 2019/20 that have paid for these additional pressures and overspend might be absorbed by the costs be incurred for covid-19 related work.

7.4 The financial outturn provides no unexpected challenges that require the current financial plans of the PCC to be refined. There are challenges ahead for 2020/21 but none at this stage that require a revision to the current plans that the Force have set out and it is therefore vitally important that delivery against these plans does not slow down and/or stop as there is no current financial requirement for this to happen.

7.5 Beyond 2020/21 there are likely to be wider challenges in terms of finances however these will be kept under constant review and options drawn up as more details become available.

Michael Porter
PCC Chief Finance Officer

Report of the Chief Finance Officer to the Chief Constable



1st May 2020

Corporate Financial Report for the Financial Year 2019/ 2020

Introduction

This purpose of the report is to note the outturn position for revenue and capital plans for the financial year 2019/20. Furthermore to provide an update on the current progress with regard the production of the 2019/2020 Annual Statement of Accounts.

Summary Headlines

The table below set out the draft outturn position of £512k overspend as at 31st March 2020. This represents a movement of £137k since period 11.

A significant contributing factor to the increase in the overspend is and will continue to be in 2020/21 the impact of the Covid-19 pandemic. The purchase of sanitizers, wipes, associated PPE, provision of meals and overtime within the Force Control room in March resulted in additional expenditure of £120k. The overall impact for the OPCC and Force taking account capital expenditure and loss of income is £200K.

As reported throughout the year the Force faced significant pressures in relation to the cost of policing a high number of Major incidents (27). This increased demand has contributed in no small measure to the £522K overspend the Force is reporting.

The Government and relevant accounting bodies' have reviewed the statutory deadline for the production of the Annual Statements and have extended the national timetable to allow for the impact of Covid-19. Internally we have assessed the risk and continued to work to our original timetable with completion of the accounts by the end of May 2020.

We have had some challenges in receiving external data from partners eg: Pension valuation, collection fund information. In the event this information was received in late May and early June and has allowed us to complete the work on the statement of accounts in early June.

We have advised our external auditors of this and we have agreed the proposed dates for the audit of the accounts remain unaltered. As such the audit will begin at the end June.

Revenue Budget Outturn Statement as at 31st March 2020

The year-end draft position is for an overspend of £512k an increase of £147k from the Period 11 report.

Revenue Budget Outturn Statement as at 31st March 2020

Revenue	Annual Budget	Draft Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Pay Budgets					
Police	71,550	1,660	2.3%	1,577	83
PCSO	4,461	(447)	(10.0%)	(473)	26
Staff	18,897	(1,089)	(5.8%)	(969)	(120)
Total Pay & Allowances	94,909	124	0.1%	134	(10)
Total Non-Pay Budgets	37,130	388	1.0%	241	147
Total Expenditure	132,039	512	0.4%	375	137

The overspend on Police pay and allowances of £1,660k comprises a £239K overspend on Police pay, mainly relating to the additional 0.5% on the core police pay rise, £90K cost of HIU Officers working on Force Operations and not attracting grant funding, plus increase in the "holiday pay" allowance (Bear Scotland legal case) as a result of the overspend on Police overtime.

The pressure on Police overtime is reported as £1,421k, a decrease of £74k from period 11. As reported in period 11 the key drivers for this overspend continue to be the costs incurred on Major incidents (27), an additional £45K was incurred on new and current MI's in period 12.

As noted in previous reports the overspend also contains costs in relation to the Teesport Protests, specialist operations for local policing, continued CNYMIT operations undertaken by our officers and the use of Police Officers to support the Force Control room operations due to the delay in recruitment into the 41 vacant staff posts.

The delay in recruitment within the Force control room has resulted in Police Officers supporting the Force control operations on overtime. It was anticipated that the overtime costs would reduce as the new staff became operational this has yet to materialise, the over spend has increased slightly to £208K in March from £200k in Period 11. This is an area of concern and will require close scrutiny in 2020/21. A series of financial reviews are planned with the Force Control Room manager throughout the new financial year.

The (£444k) underspend on PCSO's relates to delays in the recruitment to the vacant posts, the decision not to undertake any recruitment for the remainder of this financial year and the movement of PCSO's into Police office roles. Plus a (£3K) underspend on overtime.

The (£1,089k) underspend on Staff pay and allowances is due in the main to the revised recruitment profile within the Force Control room. The savings resulting for these delays (£880K) have been utilised to offset the pressures incurred from the increase in the pay rise (Police and Staff), for overtime incurred in the continuation of the work on the previous year's CNYMIT operations where Cleveland Police Officers were used due to capacity issues within the unit and on Staff / Police overtime relating to the Force Control Room operations.

The overspend on Non-Pay budgets is £388k and is detailed further in this report. The main reason for the increase of £147k from period 11 is the Covid-19 expenditure related to PPE and supplies of £100k. Other areas of increased expenditure in the period are professional fees, Major incidents and Pathology costs.

In addition the draft outturn also includes costs associated with the Governments agenda to increase the number of Police Officers by 20,000 nationwide. This uplift programme within Cleveland has been accelerated with the support of the OPCC to ensure that the benefit to the Force and impact on communities is delivered as soon as is practicable. This will result in an additional 73 Officers, growth in support staff and associated non pay costs to facilitate front line policing. The cost of this uplift is projected to be £660K for Police Officers and this funding has been provided by the OPCC. Additional non pay cost amounting to £130k has also been funded by the OPCC via the uplift grant.

Capital Monitoring Statement to 31st March 2020

Capital	Annual Budget	Forecast Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Estates Schemes	1,787	(413)	(23.1%)	3	(416)
Equipment Replacement	558	(246)	(44.1%)	4	(250)
ICT Schemes	3,069	(505)	(16.5%)	(9)	(496)
Fleet Replacement	807	(57)	(7.1%)	0	(57)
Total Capital	6,221	(1,221)	(19.6%)	(2)	(1,219)

As can be seen from the table above the year end underspend for capital expenditure is £1,221k, a change of £1,219k from the position reported at the end of February 2020. This is due in the main to work connected with the New Building for Office Accommodation, retention payments for the Community Safety Hub, delays in the ANPR Replacement Programme and the Workforce Agility programmes slipping in to 2020/21. The full breakdown of capital spend can be seen in Appendix 5.

Revenue Budget

On 20th February 2019, the PCC allocated the Force a revenue budget of £128,215k for 2019/20. Changes to the budget are set out at Appendix 1 resulting in a revised budget of £132,039. A detailed analysis of expenditure for the year is given at Appendix 2.

Key Risks

The key risks that have impacted on the draft outturn position were set out in the LTFP and are restated at Appendix 3. 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 full organisational and financial impact of Covid-19 is as yet unknown and this will be monitored via the Force Gold Group and the financial impact reported via monthly CFM's.

Police Pay & Allowances

The forecast year-end position against the police pay and allowances is for an overspend of £1,660K (£1,577k in Period 11) due to a £1,421k pressure on overtime and a overspend of £239k on Police pay. The change of £83k from Period 11's report is primarily due to £90K cost of HIU Officers working on Force Operations and not attracting grant funding, plus increase in the "holiday pay" allowance as a result of the overspend on Police overtime and additional costs of the movement of Officers between collaborations and core functions.

The year-end forecast for Police Officer pay is £239k overspend, with £155k relating to the increase in pay rise, an increase of £217k in national insurance costs on Unsocial hours and Overtime, a £280k pressure from Promotions, Temporary Promotions and Acting, £40k additional requirements within the executive team during the period of transition, an under achievement of sickness and maternity pay of £125k and a movement of officers from collaborative posts to the Core policing of £316k. This has been offset with savings of (£519k) from early retirements, (£360k) through resignations and medical retirements and (£15k) from changes to the recruitment profile.

The year-end forecast for police overtime is for a £1,421k overspend as a result of the Teesport protests £110k, specialist operations for local policing of £150k, overtime to be incurred during the transition / implementation of the new processes within the Force Control Room of £208k, and £953k on Major incidents and general overtime. This does not include any overtime costs associated with Operation Phoenix which is being funded separately by the OPCC.

Police Pay breakdown

Description	Full Year Amount £000s	Change from period 11 to 12 £000s
Overtime	1,421	-74
Acting & Temporary promotion	280	0
Additional 0.5% pay rise	155	0
Movement of Officers between Core & Collaboration roles & HIU	316	90
Maternity/Sickness Savings	125	0
Increase in Unsocial & NI on overtime & Holiday pay	217	67
Backfill DCC/ACC	40	0
Early retirement	-519	0
Leavers/Medical	-360	0
Recruitment Profile	-15	0
Total	1660	83

The budget was set on the basis of having an average of 1,233 FTE police officers throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. Further funding has been confirmed from the PCC for an additional 6 posts to bring the total budget to 1239 FTE. The PCC has agreed to fund an additional 24 officers in year giving a revised total of 1263. The revised budget comprises 1046 FTE in Core Policing, 149 in collaborations, 49 in Home Office Special Grant funded posts, 13 on secondment and 6 in PCC funded posts. As at the 31st March the total number of officers in post is 1,336 FTE with 1,149 FTE in Core Policing (including the 30 funded by the OPCC), 130 FTE in collaborations, 43 FTE in Home Office Special Grant Funded posts and 14 on secondments.

Police Officer Attrition	As At 31/03/20	Forecast to March	As At 31/03/20 Total	To 31/03/20 LTFP	Variance to LTFP
FTE at 1st April	1209		1209	1239	-30
Additional PCC Funding	24	0	24	24	0
Retirements	-48	0	-48	-31	-17
Medical Retirements	-10	0	-10	-8	-2
Other Leavers	-31	0	-31	-12	-19
Other changes	-9	0	-9	0	-9
Recruitment	201	0	201	51	150
Total	1336	0	1336	1263	73

Police Community Support Officers Pay & Allowances

The forecast year-end position against the PCSO pay and allowances is for an underspend of (£447k) a £26k change from period 11. As detailed below:-

PCSO Pay Breakdown

Description	Full Year Amount £000s	Change from period 11 to 12 £000s
Overtime	(3)	0
Police Office Recruitment	(328)	0
Leaver	(39)	0
Vacant post	(55)	0
Shift Allowance	(10)	0
PCSO Recruitment	0	0
Other	(12)	26
Total	(447)	26

The budget was set on the basis of having an average of 116 FTE PCSOs (plus an additional 15 FTE funded by the PCC) throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. The actual number of PCSOs in post as at 31st March is 101 FTE, with 93 in core posts and 8 in the OPCC funded posts.

PCSO Attrition	As At 31/03/20	Forecast to March	As At 31/03/20 Total	To 31/03/20 LTFP	Variance to LTFP
FTE at 1st April	126		126	131	-5
Leavers	-23	0	-23	0	-23
Other changes	-2	0	-2	0	-2
Recruitment	0	0	0	0	0
Total	101	0	101	131	-30

The savings made by the reduced recruitment of PCSOs has been released to support the pressures across the Force.

Police Staff

The forecast year-end position against the police staff and allowances is for an underspend of (£1,089k), a change of (£120k) from period 11. Delays in the recruitment of additional staff into the Force Control Room and across the Force have resulted in this saving. It should be noted that a portion of the forecast saving was held in reserve throughout the year to offset any additional pressures across the Force this has now been released. The (£1,089K) underspend comprises (£1,226K) underspend on staff pay and a £137k pressure on Staff overtime relating to the forecasted overtime costs within the Force Control Room. The budget has been increased by £3,936k for the return of the Force Control Room staff from Sopra Steria. The budget has been re-allocated from the Sopra Steria contract charges line in Non-Pay.

The staff pay budget in the LTFP was set based on having 423 FTE police staff in post at the 1st April. This has now increased by 129 FTE for the Force Control Room staff giving a total FTE of 552. The budgeted FTE split is 465 FTE in core policing, 30 FTE in collaborations, 31 FTE in HIU and 26 FTE funded by the PCC for the enhancement of Neighbourhood Policing. As at the 31st March FTE in

post were 488, with 415 FTE in core staff posts, 28 FTE in collaborations, 26 FTE in HIU and 19 FTE in the PCC funded Neighbourhood roles.

Non-Pay Budgets

The forecast year-end position against the non-pay budget is an overspending of £388k, an increase of £147k from Period 11.

The major variances are set out below:

Non-Pay Summary

Description	Full Year Amount £000s	Change from period 11 to 12 £000s
Steria Charges	(125)	(3)
Premises	199	12
Custody	(64)	2
Other Police Pension Costs	272	(38)
Transport	28	90
External Support	(200)	44
National IT Charges	12	(0)
Insurance	(16)	(96)
Change and Contingency	(51)	(53)
Communications	(11)	(27)
Forensics	35	(40)
Maintenance Agreements	(6)	(13)
Computing	39	16
Surgeons & Medical Costs	50	45
Professional Fees	25	29
Other Equipment & Furniture	77	72
External Training, Seminars	22	22
Agency Staff	4	(0)
Other	155	82
Uniforms	(55)	4
Total	388	147

Steria Charges – (£125k) underspend

The draft year-end position for Steria charges is for an underspend of (£125k), (£3k changed from period 11) this primarily relates to income/ recharge to SopraSteria for disputed contract costs and savings on the 50:50 shared costs offsetting the procurement of additional Oracle database and software Licences following the return to the force of the control room staff. The budget has been reduced by £3,936k following the return of the Control Room staff to the Force.

Premises - £199k overspend

The draft year-end position for premises is for an overspend of £199k, (£12K increase from period 11), the increase reflects a further increase in utilities costs. We have previously reported the increase in costs of the utility charges at M8 and CSH, the contract cleaning in-line with the revised living wage rise and the rates charge for the CSH have contributed to the overspend. In addition the estates re-active maintenance budgets have seen significant costs in the financial

period in respect of the Learning and Development Centre floor & roof and the failure of gates at RPU & Covert site have contributed to this overspend.

Custody – (£64k) underspend

The draft year-end position for Custody is for an underspend of (£64k), (£2K reduction from Period 11) as a result of the revised contract price that came into effect from July 2019 and additional credits in prior period.

Other Police Pension - £272k overspend

The draft year-end forecasted position for Other Police Pension is for a £272k overspend, (a decrease of £38K from period 11) following the release of £150K from injury pension reserve, due to the increased contribution to the Ill-Health Pension Capital Equivalent costs for the officers that have been medically retired in this financial year and backdated injury pension awards and the associated impact on pensions. It should be noted the balance on the injury pension reserve stands at £95K for use in future years.

Transport – £28K overspend

The draft forecasted year-end position for Transport is for an over spend of £28k, (an increase of £90K from period 11). This relates to the transport costs associated with the costs of Major incidents and planned operations.

External Support – (£200k) underspend.

The draft year-end position for External Support is for an underspend of (£200K), (a £44K decrease from period 11), relating to savings identified against the NERSOU Police Transformation Project (£200k), (£24k) for the North East Fingerprint Bureau and (£80K) on other External support. Offset by a pressures on South & North Tees CHUB of £14k and the cost of external Mutual aid £90K.

National IT Charges - £12k overspend

The draft year-end position for National IT charges is for an overspend of £12k (unchanged from period 11), as a result of increased charges relating to Minerva and NABIS.

Insurance – (£16k) underspend

The draft year-end position for Insurance is for an underspend of £16k, (a £96K changed from period 11), this comprises an increase in the cost of the premiums following the return to the Force of the Control Room staff and the impact of the change in the policy excess on the motor Insurance policy. These costs are offset by the release of the insurance provisions to cover the costs of settlements and professional fees incurred in the financial period.

Communications – (£11k) underspend

The draft year-end position for Communications is for an underspend of £11k, (a £27k increase from period 11), this primarily relates to an increase in the underspend on telephone Landline due to review of costs and credits for cancellations of old lines.

Forensics - £35k overspend

The draft year-end position for Forensics is for an overspend of £35k (a £40K decrease from period 11), due to the higher levels of usage relating to Major incidents and the costs associated with "Drug driving tests" offset by decrease in the contract price for the remainder of the year and the receipt of a back-dated credit following the review of costs.

Maintenance Agreements – (£6k) underspend

The draft year-end position is for an underspend (£6k), (a £13K decrease from period 11) relating to savings identified against the charges for the ICCS system, offsetting an increase in the charges for the Text-burst system and the costs of Idea-drop agreement.

Computing - £39k overspend

The forecasted year-end position for Computing is for an overspend of £39k, (an increase of £16K from period 11) primarily relating to an additional costs for VM ware and additional revenue costs associated with capital schemes.

Surgeons and Medicals – £50k overspend

The forecasted year-end position for Surgeons & Medicals is for an overspend of £50k (a increase of £45K from period 11) the impact of occupational health and counselling services, additional pathology costs and the increase in recruitment and associated pressure on the medical costs have all contributed to this position.

Professional Fees – £25k overspend

The draft year-end position for Professional Fees is for a £25k overspend (a increase of £29K from period 11) this comprises a pressure on legal advice and associated barristers fees a proportion of which has been funded by amounts previously set aside in the insurance reserve/ provision, £20K for recruitment expenses; £8k for a training skills audit, £7k in HR through medical and injury on duty reports and the cost of service reviews billed for in March £25k. Offset by general underspends across the Force on professional fees.

Other Equipment & Furniture – £77K overspend.

The draft year-end position for Other Equipment and Furniture is £77K overspend. (£72K increase from period 11). This includes elements of expenditure PPE to support the Covid-19 activity.

External Training – £22k overspend

The draft year-end position for External Training is breakeven (a change of £22K from period 11). The £22K overspend reflects the additional costs associated with the Forces contribution to the Apprentice Levy fund. This was previously offset by underspends on training budgets but these have reduced in March.

Agency Staff - £4k overspend

The draft year-end position for Agency Staff is for a £4k overspend, (unchanged from period 11) due to the temporary reception staff at the CSH.

Other – £155k overspend

The draft year-end position for Other is for an overspend of £155k, (a change of £82K from period 11) due to a £85k pressure on interpreter fees, Relocation fees / subsistence fees £45K and Cov-19 related expenditure of £25K.

Uniform – (£55K) underspend

The draft year end position is (£59k) underspend, (a change of £4k from period 11), it should be noted that the OPCC funded £72K of uniform costs from the uplift fund for new recruits.

Collaborations

As noted above the final collaboration outturn positions have yet to be finalised, however it is assumed that these will be breakeven or any underspends will be placed in reserves to smooth

any future years variations and any overspend will be funded for current reserves prior to any additional contribution from the Force.

Cleveland, Durham and North Yorkshire Dogs Unit (CDNYDU)

The Cleveland budget for the joint unit is £879k. The forecasted year-end position is to breakeven.

Cleveland Durham Specialist Operations Unit (CDSOU)

The Cleveland budget for the joint unit is £5,279k. The forecasted year-end position is to breakeven.

Cleveland and North Yorkshire Major Incident Team (CNYMIT)

The Cleveland budget for the joint unit is £1,825k. The forecasted year-end position is to breakeven.

North East Region Specialist Operations Unit (NERSOU)

The Cleveland budget for NERSOU is £1,950k. The forecasted year-end position for NERSOU is to breakeven.

National Police Air Services (NPAS)

The Cleveland budget for NPAS is £822k. The forecasted year-end position for NPAS is to breakeven.

Capital Budget

On 20th February 2019, the PCC allocated the Force a capital budget of £6,134k for 2019/20 plus £811k of schemes that were deferred from 2018/19 for a total approved in the LTFP of £6,945k. In addition, a further scheme was deferred at the 2018/19 year-end for £150k and schemes totalling £1,737k were brought forward from 2018/19 bringing the approved 2019/20 budget to £8,832k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year resulting in a revised capital budget of £6,221k are set out at Appendix 4, with a full breakdown of schemes shown at Appendix 5.

Key Risk

The key risk to delivery of the capital programme has been 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.

Update on Key Schemes

The following table sets out the schemes that have been completed during the year. This has resulted in an underspending of £7k.

Schemes completed in 2019/20	Annual Budget	Over/(under)	
	£000s	£000s	%
Estates Schemes			
Learning and Development Centre	15	2	13%
Billingham Station Rewire	51	-1	-2%
Estates Replacement Windows	25	1	4%
Emergency lighting & Fire alarms	20	2	10%

Total Estates Schemes	111	4	4%
Equipment Replacement			
NERSOU TSU	25	-1	-4%
Investigate Analytical Software	96	0	0%
Total Equipment Schemes	121	-1	-1%
ICT Schemes			
EMSCP	24	2	8%
Corvet	12	0	0%
Automated PDR	11	-9	-82%
Power BI Professional Desktop Client/Report Server	31	0	0%
CMP Upgrade/Refresh	40	0	0%
SAN disk refresh	138	0	0%
Total ICT Schemes	256	-7	-3%
Fleet Replacement			
Black Box Replacement	10	0	0%
NERSOU vehicles	36	-3	-8%
Total Fleet Replacement	46	-3	-7%
TOTAL	534	-7	-1%

The following table sets out those schemes that have not completed during the year and total £1.214m. This has been confirmed as being carried forward to 2020/21.

Schemes slipped into 2020/21	Annual Budget	Carry Forward	
	£000s	£000s	%
Estates Schemes			
Cleveland Community Safety Hub	316	96	30%
Car park refurbishments	10	5	50%
Proposed new building for office accommodation	1,350	316	23%
Total Estates Schemes	1,676	417	25%
Equipment Replacement			
ANPR Replacement Programme	340	199	59%
TASER	57	6	11%
Occupational Health Case Management System	40	40	100%
Total Equipment Schemes	437	245	56%
ICT Schemes			
Microsoft Licensing W10 requirements	78	47	60%
Digital Interview Recording Equipment	22	22	100%
Body worn Video	0	-22	0%
Networked CCTV Solution	150	3	2%
ACESO Replacement	103	89	86%
Workforce Agility Project Phase 1	963	178	18%
DFU Servers	8	5	63%
Replacement DCS system	100	15	15%
ERP discovery, procurement & mobilisation	750	21	3%
Workforce Agility Phase 2 & 3	461	41	9%
Digital evidence management (DEMS)	161	95	59%
National identity access management (NIAM)	17	4	24%

Total ICT Schemes	2,813	498	18%
Fleet Replacement			
Write off / Uneconomical Repairs	181	29	16%
Fleet Replacement	580	25	4%
Total Fleet Replacement	761	54	7%
TOTAL CAPITAL	5,687	1,214	21%

Estates Schemes

Cleveland Community Safety Hub (CCSH) – Total budget of £316k

Building works for the CCSH commenced in March 2017 and the building became operational in July 2018. The budget is closely monitored by the Project Board and expenditure follows contractual obligations which were re-phased to mirror the changes in the scope of the scheme. The majority of the work on the Community Safety Hub was completed in 2018/19 and a total of £220k was paid in 2019/20 for contract payments and the removal of excess soil. Retention payments are still to be made and £96k has been agreed to be carried forward into 2020/21 to meet these obligations.

Learning and Development Centre – Budget £15k

The work on the Learning Development Centre refurbishment has been completed with a £2k overspend on the £15k budget due to minor price changes.

Billingham station rewire – Budget £51k

The work rewiring Billingham Police Station has been completed resulting in an underspending of £1k.

Estates Replacement Windows – Budget £25k

The scheme has been completed and payments totalling £26k made for the replacement windows. This resulted in a £1k overspend.

Emergency Lighting and Fire Alarms – Budget £20k

Work on the Emergency Lighting and Fire Alarms commenced in December 2019 and payments totalling £22k have been made. The minor variances on work within the scheme has resulted in a £2k overspend.

Car park refurbishments – Budget £10k

The estates team have assessed the refurbishment work required and spent £5k before work was halted due to the removal of contractors from site due to the Covid 19 restrictions. The under spend of £5k has been carried forward to 2020/21 as work has already been planned and commissioned for this budget.

Proposed new building for Office Accommodation – Budget £1,350k

A new Office Accommodation building has been procured and expenditure totalled £1,034k up to 31 March 2020. The remaining budget of £316k will be utilised to refurbish the building which has been agreed to be carried forward and will be closely controlled by the project team. This will be added to the £400k of the original budget which had already been deferred into 2020/21 for the continued refurbishment.

Equipment Scheme

ANPR Replacement Programme – Budget £340k

Equipment totalling £141k was purchased in 2019/20 and has been installed. 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 June 2020. The underspent budget of £199k has been carried forwards into 2020/21 and will be used to fund the additional equipment.

Taser – Budget £57k

There has been £51k spent to date and additional orders have placed but not delivered in 2019/20. The underspending of £6k has been carried forward into 2020/21 to fund the additional Tasers.

Investigate Analytical Software – Budget £96k

The budget for this scheme was increased by £56k from revenue contributions and has been fully spent. The software has been delivered and is operational.

Occupational Health Case Management System – Budget £40k

The procurement of the case management system has been completed but the system has yet to be delivered. The budget of £40k has been carried forward into 2020/21 to fund the system.

ICT schemes

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

EMSCP – Budget £24k

The national scheme is not expected to be progressed until 2024 and £42k of the original budget was returned to the OPCC during 2019/20 to reflect this. The only costs in year are for resourcing of £26k which is an overspending of £2k.

Microsoft Licensing – Budget £78k

Orders have been placed in February and March 2020 totalling £31k to purchase new licences for software which will no longer run since the upgrade from Windows 7 to Windows 10. Work is ongoing to ensure that all applications are able to run and the underspending of £47k has been carried forward to fund the remaining licences.

Corevet – Budget £12k

The budget has been fully spent and the Corevet system is now fully operational.

Digital Interview Recording Equipment – Budget £22k

The scheme has been fully scoped and the procurement has been undertaken. The order has been placed with delivery 2020/21. £478k of the original budget was requested to be carried forward into 2020/21 in January 2020 and the underspending of £22k in year will be used to offset the Body Worn Video expenditure.

Body Worn Video – Budget £0k

The order for Body Worn Video has been placed and £22k has been spent. There is a budget of £200k for this scheme in 2020/21 and it has been agreed by the OPCC that this expenditure could be incurred in 2019/20 and offset against the underspending on the Digital Interview Recording Equipment.

Networked CCTV Solution – Budget £150k

The solution has been procured and is being implemented and £147k spent. IT equipment totalling £3k has been ordered but not delivered and the underspending of £3k has been carried forward for the IT equipment purchase.

ACESO Upgrade – Budget £103k

Due to the delays with the national procurement, a decision has been taken to purchase outside of this national exercise. Delivery of 2 kiosks totalling £14k has taken place and the underspending of £89k has been agreed to be carried forward and will be used to fund additional kiosks.

Automated PDR – Budget £11k

A total of £2k has been spent on the ICT resourcing elements of this scheme and the scheme is now complete resulting in a (£9k) underspending.

Workforce Agility Project Phase 1 – Budget £963k

A total of 390 laptops and 630 mobile phones have been distributed to Officers under Phase 1 of the Agile project totalling £785k. The development of the apps is ongoing and the under spend of £178k has been carried forward and will be used to fund additional agile equipment.

DFU Servers – Budget £8k

Costs of £3k have been incurred and the under spend of £5k has been carried forward to 2020/21 when the scheme will be completed.

Replacement DCS System – Budget £100k

Orders for £85k have been placed and delivered and further work is ongoing to assess the internet connections to ensure that the DCS system can function efficiently which will utilise the remaining budget. This work is ongoing and the under spend of £15k has been carried forward and will be used for any upgrade that is required.

Power BI Professional Desktop – Budget £31k

The Power BI system is operational with payment made in March 2020 for £31k.

ERP discovery, procurement & mobilisation – Budget £750k

This is currently on-going and the contract has been signed. The scheme will be delivered by October 2020, with £870k budget allocated in 2020/21 and the first stage payments have been made totalling £729k. The under spend of £21k has been agreed to be carried forward and will be used to fund the next part of the scheme.

Workforce Agility Phase 2 & 3 – Budget £461k

The project to deliver the additional Laptops and Mobile phones commenced in December 2019 and orders have been placed. A phased delivery of this hardware has been planned and £420k of equipment was delivered by 31 March 2020. The under spend of £41k has been agreed to be carried forward and will be used for the hardware that is due to be delivered in 2020/21.

Digital Evidence Management System (DEMS) – Budget £161k

The procurement of the contract has been completed and the order placed for the system. A total of £66k was spent in 2019/20 and the underspending of £95k has been agreed to be carried forward into 2020/21 when the scheme will be fully delivered.

National Identity Access Management - Budget £17k

This is the NEP security scheme and is dependent upon the National NEP scheme. Expenditure in 2019/20 totalled £13k and the under spend of £4k has been agreed to be carried forward into 2020/21.

CMP Upgrade/Refresh – Budget £40k

An additional scheme for the upgrade of the CMP equipment was approved by the OPCC with funding provided from Proceed of Crime Act Income. This has been fully delivered.

SAN disk refresh- Budget £138k

An additional scheme was approved to purchase additional storage which is to be funded from revenue contributions. This has been fully delivered.

Fleet schemes

Write-Offs/Uneconomical Repairs – Budget £181k

A total of £152k has been spent on 8 vehicles with an order being raised for a further vehicle but this was not delivered due to the Covid 19 restrictions. The under spend of £29k has been agreed to be carried forward for the purchase of this vehicle

Black Box Replacement – Budget £10k

The scheme has been completed in line with the budget.

Fleet Replacement – Budget £580k

From the Fleet Replacement capital programme a total of £555 has been spent at the end of March 2020. 35 vehicles were delivered but the final vehicle could not be delivered due to the Covid 19 restrictions. The under spend of £25k has been agreed to be carried forward for the purchase of this vehicle.

Joanne Gleeson
Chief Finance Officer
1st May 2020.

Appendix 1

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		128,215
Camera Enforcement Unit	Apr-19	59
Additional Police Officers	May-19	594
Secondment Police Officer Contribution	May-19	350
Staff Roles Transferring to PCC	Sep-19	(82)
Rose Awards contributiuion	Sep-19	3
Development Fund	Sep-19	1
OPCC Funding Opertion Op Phoenix	Nov-19	220
OPCC Police Officer	Nov-19	355
Uplift Police Officer Costs	Nov-19	660
Mutual Aid	Jan-20	211
Non Pay Uplift Funding	Mar-20	130
OPCC Staff & PCSO funding	Mar-20	1,015
Relocation costs	Mar-20	18
Release of Provison & Reserves	Mar-20	290
Funding allocation at Month 12		132,039

Draft Outturn Budget Monitoring Statement as at 31st March 2020

	Annual Budget	Budget to Date	Actual to date	Variance to Date	Outturn
	£000s	£000s	£000s	£000s	£000s
Pay Budgets					
Police Pay & Allowances	69,423	69,423	69,662	239	239
Police Overtime	2,128	2,128	3,549	1,421	1,421
Total Police Pay & Allowances	71,550	71,550	73,210	1,660	1,660
PCSO Pay & Allowances	4,457	4,457	4,013	(444)	(444)
PCSO Overtime	5	5	1	(3)	(3)
Total PCSO Pay & Allowances	4,461	4,461	4,014	(447)	(447)
Staff Pay & Allowances	18,752	18,752	17,526	(1,226)	(1,226)
Staff Overtime	145	145	283	137	137
Total Staff Pay & Allowances	18,897	18,897	17,808	(1,089)	(1,089)
Total Pay & Allowances	94,909	94,909	95,033	124	124
Non Pay Budgets					
Sterial Charges	14,554	14,554	14,429	(125)	(125)
Premises	3,564	3,564	3,763	199	199
Custody	2,491	2,491	2,427	(64)	(64)
Other Police Pension Costs	3,172	3,172	3,444	272	272
Transport	1,570	1,570	1,598	28	28
External Support	1,419	1,419	1,219	(200)	(200)
National IT Charges	903	903	915	12	12
Insurance	1,099	1,099	1,084	(16)	(16)
Change & Contingency	508	508	491	(17)	(17)
Communications	973	973	962	(11)	(11)
National Police Air Service	347	347	313	(34)	(34)
Forensics	990	990	1,025	35	35
Maintenance Agreements	463	463	456	(6)	(6)
Computing	965	965	1,004	39	39
Surgeons & Medical Costs	504	504	554	50	50
Professional Fees	782	782	806	25	25
Other Equipment & Furniture	890	890	1,003	113	113
External Training, Seminars	787	787	810	22	22
Office Equipment & Expenses	238	238	202	(36)	(36)
Agency Staff	35	35	39	4	4
Other	471	471	625	155	155
Uniform	404	404	349	(55)	(55)
Total Non-Pay	37,130	37,130	37,518	388	388
Total Expenditure	132,039	132,039	132,551	512	512
Memo Information : Draft Awaiting External confirmation					
CDNYD	879	879	879	0	0
CDSOU	5,279	5,279	5,279	0	0
CNYMIT	1,825	1,825	1,825	(0)	0
NERSOU	1,950	1,950	1,950	0	0
NPAS	822	822	822	(0)	0

Long Term Financial Plan (LTFP) 2019/20 to 2022/23 – 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 new CSR which is due in 2020.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Future year's funding is lower than forecast.	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 such as Brexit.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
A higher than forecast level of major incidents.	The number and cost of major incidents in any one year in unpredictable.	<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 Joint CNYMIT has introduced additional resilience into the system. The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p> <p>A decisions by the DCC's overseeing the unit has resulted in cross border support being temporally suspended in order to cope with the current demand experienced by the unit.</p>
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	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.

Risk	Detail	Mitigation
	material underspending.	
National mandation.	In recent years there has been national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force.	<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>
Police Pension Scheme 2015.	<p>Test case on new pension scheme with risk due to Gender/Race inequality. The case is in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015. The court of Appeal ruled in December 2018 that the Government's changes to pension with regard to judges and fire fighters were discriminatory on the grounds of age. 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's appeal to the Supreme Court was unsuccessful and this ruling could have significant implications however costs and funding implications are as yet unknown.</p>	<p>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.</p>
Evans & Ashcroft V the Chief Constable of South Wales	<p>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 yet completed. As this is only an indicative cost a provision has not been made</p>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration or the use of reserves.</p>

Risk	Detail	Mitigation
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.
Allard V the Chief Constable of Cornwall.	A court determination in the case of Allard v the Chief Constable of Cornwall in respect of historic on-call payments for specific staff groups has created a significant financial pressure for forces nationally. A Provision has been created to mitigate the force against the costs that the Allard judgement made this determination on.	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 with 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.
Covid-19	The pandemic in relation to Covid- 19 is in its early stages and the longer term impacts are unknown.	The Force has put in place mitigations in line with Government and Public Health England advice and continues to update these via daily Gold Groups and daily communications with the Officers and staff. We continue to monitor the financial implications of these controls and decisions.

Appendix 4

Changes to Capital Funding	Month Added	Change £000s
2019-20 Capital Programme		6,134
Schemes deferred from 2018/19		811
Funding Allocation in LTFP		6,945
Additional Scheme from 2018/19		1,887
Total Capital funding		8,832
CMP Upgrade/Refresh	Jun-19	40
Stockton Rewire- deferred	Jun-19	(40)
Workforce agility phase 2 and 3	Jul-19	(950)
Digital evidence transfer (DETS)	Jul-19	(50)
Digital First	Jul-19	(100)
National law enforcement database programme (NLEDP)	Jul-19	(50)
Mobile Agility Project Phase 1	Jul-19	5
San Disk refresh- funding from revenue	Sep-19	138
Investigate Analytical Software- additional funding from revenue	Sep-19	56
St Marks House- deferred	Dec-19	(400)
Single On-line Home	Jan-20	(50)
ICT Capital resource	Jan-20	(300)
Digital Interview Recording Equipment- deferred	Jan-20	(478)
National identity access management (NIAM)	Jan-20	(100)
Web Based Mapping/Gazatter Service-deferred	Jan-20	(25)
ESMCP	Jan-20	(42)
Windows Server upgrade-deferred	Feb-20	(25)
Digital evidence management (DEMS)-deferred	Feb-20	(346)
Intelligent Call Handling- deferred	Feb-20	(4)
ANPR- additional funding	Mar-20	110
Funding allocation at Month 12		6,221

**Appendix
5**

Capital Monitoring Statement to 31 March 2020

	Annual Budget £000s	Budget Date £000s	to Actual Date £000s	to Variance £000s
Estates Schemes				
Cleveland Community Safety Hub	316	316	220	-96
Learning and Development Centre	15	15	17	2
Billingham Station Rewire	51	51	50	-1
Estates Replacement Windows	25	25	26	1
Emergency lighting & Fire alarms	20	20	22	2
Car park refurbishments	10	10	5	-5
Proposed new building for office accommodation	1,350	1,350	1,034	-316
Total Estates Schemes	1,787	1,787	1,374	-413
Equipment Replacement				
ANPR Replacement Programme	340	340	141	-199
TASER	57	57	51	-6
NERSOU TSU	25	25	24	-1
Investigate Analytical Software	96	96	96	0
Occupational Health Case Management System	40	40	0	-40
Total Equipment Schemes	558	558	312	-246
ICT Schemes				
EMSCP	24	24	26	2
Microsoft Licensing W10 requirements	78	78	31	-47
Corvet	12	12	12	0
Digital Interview Recording Equipment	22	22	0	-22
Body worn Video	0	0	22	22
Networked CCTV Solution	150	150	147	-3
ACESO Replacement	103	103	14	-89
Automated PDR	11	11	2	-9
Workforce Agility Project Phase 1	963	963	785	-178
DFU Servers	8	8	3	-5
Replacement DCS system	100	100	85	-15

Power BI Professional Desktop Client/Report Server	31	31	31	0
ERP discovery, procurement & mobilisation	750	750	729	-21
Workforce Agility Phase 2 & 3	461	461	420	-41
Digital evidence management (DEMS)	161	161	66	-95
National identity access management (NIAM)	17	17	13	-4
CMP Upgrade/Refresh	40	40	40	0
SAN disk refresh	138	138	138	0
Total ICT Schemes	3,069	3,069	2,564	-505
Fleet Replacement				
Write off / Uneconomical Repairs	181	181	152	-29
Black Box Replacement	10	10	10	0
Fleet Replacement	580	580	555	-25
NERSOU vehicles	36	36	33	-3
Total Fleet Replacement	807	807	750	-57
TOTAL CAPITAL	6,221	6,221	5,000	-1,221