



To: Business Co-Ordination Board

From: Chief Finance Officer, OPCC and Chief Finance Officer, Constabulary

Date: 30th April 2020

FINANCIAL ARRANGEMENTS AND IMPACT OF COVID CRISIS ON CAMBRIDGESHIRE CONSTABULARY

1. Purpose

1.1 This report provides the Business Co-ordination Board (“the Board”) with an overview of the financial arrangements and impact of the Covid crisis on the Constabulary. The report is based on known intelligence at the time of writing. Given the pace of change and the response required to the crisis the impact is likely to change before the crisis resides. Therefore the report is intended to provide the Board with the assurance that arrangements are in place to manage the financial implications of the crisis.

2. Recommendation

2.1 It is recommended that the Board note and comment on the report.

3. Background

3.1 Cambridgeshire Constabulary’s role during the Covid crisis has predominantly been two-fold:

- 1) Maintaining the policing of the county during the crisis; and
- 2) Supporting the Covid lockdown through appropriate policing measures underpinned by the 4E’s (Engage, Explain, Encourage and lastly Enforce).

As part of the response the Constabulary has been exposed to a number of additional costs and pressures that are currently being managed.

3.2 The Constabulary has also worked with other public sector organisations as part of the county’s multi-agency response to the crisis maintaining core business as well as stepping out of the traditional policing role and responsibilities to support the national emergency effort where needed.

4. Cost Identification

- 4.1 At an early stage the Constabulary has set up a specific job code in its financial, procurement and duty management systems so that as many specific costs can be coded and easily identified with reports being produced from the general ledger. An instruction has been issued to the workforce to ensure Covid related costs are appropriately coded. However, this only represents some of the costs that have been required and there are other notable areas of expenditure, which are being managed and underwritten at either a national or regional basis.
- 4.2 Given the pace at which developments are occurring these additional costs are captured through the Chief Officer team interpreting and responding to the national and regional arrangements. These are fed into and discussed on a daily basis by the Senior Leadership Team every morning at an 8am briefing. Subsequently information is then managed through the Gold and Silver command structure.
- 4.3 In addition a Gold command structure across our collaborated units with Bedfordshire and Hertfordshire is similarly tracking costs, which the Constabulary's Gold command links in to.

5. Reporting

- 5.1 Currently the Home Office has not requested a submission from police forces at this stage on the additional costs being incurred. Some work was done early on in the crisis at a national level by the National Police Chief's Council finance network to identify likely costs. This was coordinated through Durham Police and there are ongoing discussions in respect of this with the Home Office.

6. Additional Funding

- 6.1 Unlike other parts of the public sector police forces have not had any commitment in writing from government that additional Covid costs will be reimbursed or indeed additional grant as other public bodies have received. Therefore the Constabulary has not yet received any additional funding to cover Covid related costs. There is an expectation amongst police forces that there will be recognition of the extra costs and funding provided by government although there is currently no formal commitment in place.
- 6.2 Some grants are being released earlier by the Home Office (Pensions Grant) to support police forces with their cashflow needs during the crisis.

7. Potential Impact

- 7.1 Undoubtedly the Constabulary is therefore facing a risk of additional costs, especially as the need for PPE escalates, with no extra funding. This could have an adverse impact on the budget available for policing the county with budgets becoming tighter and a risk that the Constabulary cannot maintain service levels effectively ultimately leading to higher crime throughout the county.
- 7.2 Ultimately the Constabulary would seek to manage these additional costs within its revenue budget but there may come a point where an overspend is incurred. This

would result in the unplanned use of reserves which would have to be raised to the OPCC and the Acting PCC.

8. Financial Forecasts to the End of June

- 8.1 Additional costs incurred from the start of March to date by the Constabulary are estimated to be £400k before considering the impact on savings proposals. The two main areas of spend have been on IT to enable remote working and PPE for Officers; and
- 8.2 Additional costs are forecast to be around £1,100k by the end of June again before considering the impact on savings proposals.
- 8.3 Despite the crisis the Constabulary has been able to manage the resourcing implications and continues to do so. To date the abstraction of Officers has been manageable which has meant that policing levels have been maintained and the Force continue the day job of fighting crime whilst responding to the Covid crisis.
- 8.4 Clearly the longer the crisis continues and the longer term implications that may result, these costs could continue to escalate particularly in respect of the ongoing requirements for PPE.

9. Other Issues/Risks

- 9.1 There have been in the last couple of weeks some contradictory messages coming from the national versus regional procurement of PPE with at times some unclear or changing arrangements being communicated. This lack of clarity could lead to a scenario where levels of PPE are not being optimised across all blue light services and especially health.
- 9.2 One issue the lockdown measures has created is an increase in domestic abuse which the Constabulary has had to deal with.
- 9.3 The Constabulary is also concerned that once the lockdown measures start to be lifted, and this is not done in a considered and measured way, there will be increases in crime rates that will put added pressure on the Constabulary whilst in a Covid recovery phase.
- 9.4 Longer term implications on the Council Tax collection rates are also a concern to future funding and financial planning for the Constabulary. Coupled with uncertainty around the funding settlement for the 2021/22 financial year, the Covid crisis has created new financial planning risks that need to be managed.
- 9.5 During this period of Covid, a necessary working practice to Contract standing orders has been made. 7Force Procurement will send any contracts that require signature to a SPOC within the OPCC with an authorisation form. Once agreed by the APCC or Chief Executive then 7Force Procurement may use an electronic signature on contracts instead of a seal during this lockdown time.