

Agenda Item 6c

Meeting	Police and Crime Panel
Date	4 th June 2020
Report Title	Covid 19 Impact on Finances
Report presented by	Angus Macpherson, Police and Crime Commissioner
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PURPOSE OF REPORT

- 1 This paper informs the panel of the current financial impact that Covid 19 is having on Wiltshire Police.

BACKGROUND

- 2 Since the start of the calendar year the cost of Covid 19 has been monitored. Separate codes have been set up with the intention that costs can be tracked and if appropriate funding claims can be made. The costs incurred are reported weekly to the Force Covid 19 Gold Group and to the bi-weekly Commissioners Monitoring Board.

CURRENT COSTS

- 3 The table below shows the costs incurred to the end of April 2020. PPE (Personal Protective Equipment) is the highest cost so is shown separately below;

	To March 2020	April 2020
PPE	£0.027m	£0.083m
Staffing Payments	£0.003m	£0.024m
Other Costs	£0.015m	£0.085m
Total Cost	£0.045m	£0.192m

- 4 Other costs include equipment to allow staff to work from home, fleet cleaning and forensic retainer's costs.
- 5 Staffing costs have been contained due to low levels of abstraction. The current 5% abstraction level is being monitored and managed closely by both line managers and the overseeing Gold Group. An overtime strategy has been produced, under current demand the need for overtime should be minimal at this abstraction rate.

NATIONAL FUNDING POSITION

- 6 The Government have not formally agreed any police funding for Covid costs. However on the 6 May 2020 a request for information was received from the Home Office, this contained the following pointers;

- a) *HM Treasury agree to increase flexibility on half of the £168m ring-fenced grant for the Police Uplift Programme to help meet forces' Covid-19 cashflow pressures.*
- b) *From June, your force will be able to draw down its allocation of this funding on a monthly basis to meet a proportion of its additional Covid-19 related spending as well as officer recruitment where it continues to take place.*
- c) *The 20,000 officer uplift remains a top Government priority, and we encourage forces to continue using the ring-fenced grant for this purpose where they are able to, while recognising the need to be flexible and supportive of other unexpected financial challenges at this difficult time.*
- d) *However, this £84m is also intended to relieve immediate pressures on cashflow and support forces for whom recruitment may have slowed due to Covid-19 disruption. It is therefore not "earmarked" exclusively for Covid-19 expenditure, nor will it represent the total money available to forces for Covid-19 pressures, but should be regarded as an early payment against those costs where they are needed and where recruitment has slowed due to the pandemic.*
- e) *Ministers across Government are clear on the importance of policing's contribution to the overall national response, and stand by their commitment to ensuring that forces will get the financial support they need to see through these extraordinary circumstances. Ministers are clear that expenditure incurred by one service on behalf of others will be spread equitably. We have been working together across Home Office, APCC and NPCC finance leads to agree our next steps on capturing ongoing financial pressures on policing and jointly design the following commission.*
- f) *Your estimates will be critical for building an overall case for the policing sector's future funding needs to feed into the Government's overall financial strategy to deal with the impacts of Covid-19.*
- g) *We are aware that some forces have taken on financial liability on behalf of other forces, such as for the procurement of PPE. Home Office officials will work with the Treasury to address specific refunding arrangements to the forces concerned for spending such as this.*

7 From the above it is considered that a balancing out of PPE costs will occur. It is considered that there is a good chance that specific grant will be provided for PPE to resolve the issue of some forces buying PPE for the national good. Wiltshire have not done this however we have volunteered as part of the South West region to provide short term procurement services if necessary.

8 The funding of other costs is not clearly stated. It however is giving Forces the flexibility to use Uplift grant to cover cashflow issues in the short term. It is not clear if the only additional funding will be the 'repurposing' of any Uplift grant.

WILTSHIRE FUNDING POSITION

9 Wiltshire were awarded an Uplift grant of up to £1.384m to recruit 49 officers, 50% of this is £0.692m.

- 10 Wiltshire remain on track to hit the Uplift headcount target of 1074 (1046 fte) (this includes secondments). The recruitment is planned throughout the year with 2 intakes planned in the last 3 months of the financial year. This may lead to some funding slippage. The lack of certainty in this statement exists because no grant forms have been issued to date from the Home Office.
- 11 With current demand the estimated cost to Wiltshire Police is circa £0.108m (excluding PPE). So assuming the current spending levels occur until September the cost estimate (including 2019-20 costs) is £0.666m.

RISK ASSESSMENT

- 12 The PCC obviously would wish to recover all Covid 19 costs incurred. If this was not achievable it is expected that some of this cost can be covered by some of the 'repurposed' Uplift Grant. If this was not the case the PCC would look to reserves to cover the cost in 2020-21. The reserves at the end of March 2020 include a general reserve at 2.5% (equates to £3.1m) and a Chief Constables Operational Reserve of 1% (equates to £1.208m).
- 13 There is a risk that policing demand will increase and in line with this costs will increase. This is partly mitigated by the Covid 19 Governance Structure with significant financial decisions made by the Gold group. This Gold Group is chaired by the Deputy Chief Constable with the Deputy Chief Executive being part of this group.

RECOMMENDATIONS

- 14 The Panel are asked to note the uncertain funding position but appreciate that costs are being closely managed and monitored.