



**STRATEGIC POLICING AND CRIME BOARD  
7th November 2017**

**Financial Monitoring 2017/18**

**PURPOSE OF REPORT**

1. This report presents the estimated revenue and capital outturn position for 2017/18.

**BACKGROUND**

2. This revenue and capital monitoring report shows the current forecast outturn position for 2017/18 at the halfway point in the year. As has been done in previous years the WMP2020 projects are being reported separately and are closely monitored via Force Organisational Change Board (OCB) meetings.

**ESTIMATED OUTTURN 2017/18**

3. At the Police Force level the estimated outturn (paragraph 13) shows an underspend of £0.1m or just 0.02% of the budget.
4. The forecast outturn on pay budgets show a total underspend of £0.5m, however there are significant variances that contribute to this underspend.
5. For both Police Officers and PCSOs underspends are forecast at £2.1m and £1.8m respectively. The recruitment of new staff into the People & Organisational Development directorate has meant that the profile of recruitment for both officers and PCSOs has been revised. This has caused some in year underspending on the budget as recruit numbers are not as high early in the year as had been anticipated within the budget. Within police officer pay the transfer of officers to externally funded areas such as CTU and ROCU have also caused in year underspends. The forecast position on police pay does not include any underspends that may arise as a result of funding for the ARV uplift as the position for 2017/18 is not yet clear. When more information is known the forecast will be updated and may potentially increase the underspend.
6. A pressure on police officer pay is the police pay award of 1% plus 1% non-consolidated which came into effect from September 2017. This non-consolidated element is not included in the Medium Term Financial Plan and is forecast to cost

£1.7m in 2017/18 with annual cost of £3m. In addition, it has been agreed to pay police staff the same pay award as police officers. The financial impact of this decision is £0.6m in 2017/18 with an annual cost of £1m. Both the additional costs relating to police officer and police staff are included in the outturn projections.

7. For police staff pay is an overspend of £3.4m is forecast. In addition to the increased pay award this is principally due to high levels of temporary staff. To cope with summer demand and delays in permanent recruitment, a number of Police Staff Investigators were recruited on temporary contracts which has caused most of the overspend approximately £2m. The permanent recruitment of these staff will enable officer posts to be released to frontline duties and the recruitment is now complete. Most staff will be due to start by the end of December 2017 and the temporary contracts will be ended. The other temporary staff costs that cause approximately £1m of the overspend are those who are supporting WMP2020 projects, these costs will be met by in year underspends in 17/18 and are then included within the medium term financial plan.
8. The forecast overspend within Supplies and Services of £0.9m derives from a number of areas. IT and Digital are expected to be overspent by £0.4m due to additional software demands and price increases. Force CID are expected to overspend on coroner led post mortems of £0.2m. Force wide overspends are then expected on doctors' fees, accommodation and hospitality and presentations of £0.1m each.
9. An over achievement of External Income of £1.4m is currently being forecast which has resulted from a number of sources including, Police Led Prosecutions (£0.5m), fees and charges (£0.4m) seconded officers (£0.3m), Mutual Aid (£0.1m) and other smaller areas totalling £0.1m. Some of these items are one off, whilst others are projected to exceed the current budget.
10. The Force is undertaking an Efficiency and Effectiveness Review with panels due to be completed around Christmas. This review will look to re-align budgets in certain areas for example, those where income is being over-achieved, to provide further savings or re-investment opportunities for the Force.
11. Project related costs are expected to overspend by £0.8m. This is principally due to delays in the achievement of savings and additional ICT costs within the Next Generation Enabling Services (NGES) programme. Other projects are currently forecast on budget.
12. The 2017/18 current budget includes the allocations of agreed carry forwards from 2016/17. These were £1.4m for the Office of the PCC, £5.0m for WMP2020 projects and £5.1m for other business as usual areas mainly in the supplies and services subjective grouping.

13. The detailed outturn position is shown below:-

	<b>2017/18 Current Budget</b>	<b>2017/18 Forecast Outturn</b>	<b>2017/18 Variance to Current Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Police Force</u></b>			
Police pay	353,527	351,396	-2,131
Police Community Support Officers	13,249	11,391	-1,858
Support staff pay	99,050	102,462	3,412
Other employees expenses	2,118	2,185	67
<b>Sub Total</b>	<b>467,944</b>	<b>467,434</b>	<b>-510</b>
Premises	17,111	17,259	148
Transport	7,937	7,896	-41
Supplies and services	47,741	48,669	928
Agency	5,382	5,408	26
Capital Financing Costs	3,342	3,342	0
External income	-26,482	-27,886	-1,404
WMP2020 project costs	23,362	24,119	757
<b>Sub Total Police Force</b>	<b>546,337</b>	<b>546,241</b>	<b>-96</b>
<b><u>PCC</u></b>			
Office of the PCC	2,132	2,132	0
CSF Expenditure (LA's)	3,863	3,863	0
Other Commissioning	3,300	3,300	0
<b>Sub Total Office of the PCC</b>	<b>9,295</b>	<b>9,295</b>	<b>0</b>
<b>Total Revenue Budget</b>	<b>555,632</b>	<b>555,536</b>	<b>-96</b>
Contribution from Budget Reserve	-18,184	-18,088	96
2016/17 Agreed Carry Forward	-11,508	-11,508	0
<b>Total Revenue Budget</b>	<b>525,940</b>	<b>525,940</b>	<b>0</b>

## CAPITAL OUTTURN 2017/18

14. The current budget is £28.1m, and year to date spend totals £2.3m. Forecast outturns for WMP2020 projects are under review through OCB and budgets will be re-profiled where appropriate to reflect a more accurate expectation of timing of spend.
15. The underspend of £0.7m expected on the Operational Policing Solution (OPS) project budget is due to the likelihood that the OPS product delivery will continue into 2018/19. Any underspend on the project at the end of this year is expected to be carried forward into the next financial year.
16. The underspend on New Ways of Responding is due to the carryforward of a budget for creating a CORVUS link which can now be completed within a wider piece of work on application developments for mobile technology. Hence £0.2m is no longer expected to be required.
17. The business as usual capital expenditure is largely on target. The other funded areas which were not budgeted represent spend for firearms vehicles.
18. The in-year capital position is detailed below:-.

	<b>2017/18 Original Budget £000</b>	<b>2017/18 Adjs £000</b>	<b>2017/18 Current Budget £000</b>	<b>2017/18 Outturn Forecast £000</b>	<b>2017/18 Variance to Current Budget £000</b>
<b>WMP2020</b>					
<i>Operational Policing Solution</i>	1,660	5,726	7,386	6,660	-726
<i>Next Generation Enabling Services</i>	0	2,366	2,366	2,366	0
<i>New ways of responding</i>	696	1,534	2,230	2,030	-200
<i>New ways of investigating</i>	2,100	135	2,235	2,235	0
<i>Other WMP2020</i>	2,036	1,407	3,443	3,443	0
<b>Total WMP 2020</b>	<b>6,492</b>	<b>11,168</b>	<b>17,660</b>	<b>16,734</b>	<b>-926</b>
<b>Business As Usual</b>					
<i>Fleet</i>	3,000	1,600	4,600	4,600	0
<i>ICT</i>	550	3,837	4,387	4,187	-200
<i>Equipment</i>	200	97	297	400	103
<i>CTU</i>	0	1,160	1,160	1,160	0
<i>Other funded areas</i>	0	0	0	160	160
<b>Total Business As Usual</b>	<b>3,750</b>	<b>6,694</b>	<b>10,444</b>	<b>10,507</b>	<b>63</b>
<b>Total Capital Spend</b>	<b>10,242</b>	<b>17,862</b>	<b>28,104</b>	<b>27,241</b>	<b>-863</b>

## **FINANCIAL IMPLICATIONS**

19. This report solely deals with financial issues.

## **LEGAL IMPLICATIONS**

20. The production of the PCC's Accounts is governed by the Local Government Act 1982 and Regulations made under that Act. The Local Government Act 1988 requires the PCC to make arrangements for the proper administration of its financial affairs

## **RECOMMENDATIONS**

21. The Board is asked to note the contents of this report.

Mark Kenyon  
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