



STRATEGIC POLICING AND CRIME BOARD
18 September 2018

Financial Monitoring 2018/19

PURPOSE OF REPORT

1. This report presents the estimated revenue and capital outturn position for 2018/19.

BACKGROUND

2. This revenue and capital monitoring report shows the current forecast outturn position for 2018/19 based upon actual spend to the end of August 2018. 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 2018/19

3. The first part of this financial year has seen some significant demand placed upon the Force which is reflected in the outturn predictions shown in this report.
4. This report also reflects changes made to the budgets as a result of agreements from OCB in relation to the change programme.
5. At the Police Force level the estimated outturn (paragraph 14) shows an overspend of £2.1m or 0.04% of the budget.
6. The overspend is mostly attributable to a forecast overspend within Police staff pay. This is mainly due to the fact that at the time the budget was set the prevailing vacancy level was applied to the budget as a representative turnover factor. Since setting the budget recruitment has increased due to the filling of workforce mix posts and over recruitment to areas such as Force Contact to ensure that service delivery has not been affected during peak demand times. Although not reflected in the current forecast, it is anticipated that as we progress through the year the vacancy level may increase again as savings related to change programmes and the Efficiency and Effectiveness Reviews (EERs) begin to be realised. Work is being undertaken to analyse the police staff pay position and this will be reviewed as part of the revised budget process.

7. Within Police Officer pay the underspend arises due to the number of officers leaving the organisation and variances on to the profile of new recruits. Officer overtime shows a slight overspend but this relates to mutual aid and secondments which is offset by the over achievement of external income shown in paragraph 14. With officer overtime there are some areas that are currently overspending, namely Force CID and Operations. Both of these areas relate to the unusually high demand that has been experienced so far this financial year for both firearms and homicide.
8. The underspend in PCSO pay is due to the level of vacancies in the PCSO establishment.
9. The forecast overspend within Supplies and Services of £1.4m is the worst case scenario based on an assumption that the higher demand continues for the remainder of the year. This may not be the case and the predicted overspend could reduce, however it currently shows the position if demand remains and reflects higher than budgeted forensic and coroners costs.
10. Within Supplies and Services there is also an overspend on the resourcing area and this reflects the costs which are not currently budgeted for in relation to recruitment and promotion processes and Police Now recruits.
11. There is also an underspend of £2.0m predicted on the WMP2020 change programme. This is because of a forecast underspend within the NGES programme, however, more work needs to be done to identify whether this is slippage and will move to other projects upon the closure of NGES of an underspend that can be reinvested.
12. Additional functionality for the Connect programme was approved through the appropriate governance and the costs of this will be incurred over the life of the project. The costs of this additional functionality are not included in this report and will be reflected in the revised budget which will be presented to Board later in the year.

13. The detailed outturn position is shown below:-

	2018/19 Current Budget	2018/19 Forecast Outturn	2018/19 Variance to Current Budget
	£000	£000	£000
<u>Police Force</u>			
Police pay	336,538	335,017	-1,521
Police Overtime	12,536	12,775	239
Police Community Support Officers	14,038	12,962	-1,076
Police Community Support Officers Overtime	10	10	0
Support staff pay	107,146	112,420	5,274
Support staff overtime	746	947	201
Other employees expenses	9,405	9,482	77
Sub Total	480,419	483,613	3,194
Premises	17,155	17,325	170
Transport	6,126	6,155	30
Supplies and services	35,291	36,646	1,355
Third Party Payment	19,071	19,201	131
Capital Financing Costs	4,049	4,049	0
Recharges	372	445	73
External income	-40,996	-41,487	-491
Sub Total Police Force (Exc. WMP 2020 project costs)	521,486	525,948	4,462
WMP2020 project costs	28,729	26,343	-2,386
Sub Total Police Force (Inc. WMP 2020 project costs)	550,215	552,291	2,076
<u>PCC</u>			
Office of the PCC	13,467	13,467	0
Sub Total Office of the PCC	13,467	13,467	0
Total Revenue Budget	563,682	565,758	2,076
PCC - Invest to Save Opportunities	-2,039	-2,039	0
PCC Carry Forward from 2017/18	-3,120	-3,120	0
Project Carry Forward from 2017/18	-10,200	-10,200	0
CTU Carry Forward from 2017/18	-185	-185	0
Contribution from Budget Reserve	-12,850	-14,926	-2,076
Total Revenue Budget	535,288	535,288	0

CAPITAL OUTTURN 2018/19

14. At this early point in the year it is forecast that the capital budget of £23.5m will be fully spent. This position is likely to change as time progresses and the change programme updates for the latest view on project spending and any slippage.
15. The in-year capital position is detailed below:-

	2018/19 Current Budget £000	2018/19 Outturn Forecast £000	2018/19 Variance to Current Budget £000
WMP2020			
Connect	2,521	2,521	0
ESMCP	6,274	6,274	0
Data Driven Insight (DDI)	1,736	1,736	0
New ways of Investigating	296	296	0
New ways of Responding	1,155	1,155	0
Next Generation Enabling Services	329	329	0
Smarter Responding	1,476	1,476	0
Other WMP2020	1,251	1,251	0
Total WMP 2020	15,038	15,038	0
Business As Usual			
Fleet	3,598	3,598	0
IT & Digital	2,180	2,180	0
Equipment	1,200	1,200	0
CTU	1,469	1,469	0
Total Business As Usual	8,447	8,447	0
Total Capital Spend	23,485	23,485	0

FINANCIAL IMPLICATIONS

16. This report solely deals with financial issues.

LEGAL IMPLICATIONS

17. 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

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

Mark Kenyon
Chief Finance Officer to the PCC

Neil Chamberlain
Director of Commercial Services