



**STRATEGIC POLICING AND CRIME BOARD
19 February 2019**

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 January 2019. 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.

BUDGET CHANGES 2018/19

3. The revenue and capital budget was revised during November 2018 to reflect the allocations of project budgets in line with Organisational Change Board (OCB) decisions and the effects of other changes since the original budget was set.
4. Since the budget was revised a national decision has been made to delay the implementation of the Emergency Services Mobile Communications Programme (ESMCP), as a result of this delay the revenue and capital budgets allocated for this programme has been re-provisioned for the Airwave – Mobility Refresh which has been required as a consequence of the delays to ESMCP.
5. Due to the timing of these decisions an underspend will occur during 2018/19 in both the revenue (Within WMP2020 project costs) and capital. This underspend will be carried forward into 2019/20 where most of the expenditure is due to occur for Airwave replacement devices and the Mobility Refresh.
6. Within WMP2020 projects costs there was £1.8m for the system set up of Command and Control, after further investigation this budget has now been transferred from revenue into capital.

REVENUE OUTTURN 2018/19

7. The estimated outturn shows an underspend of £4.5m or 0.78% of the budget.
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	334,316	333,697	-619
Police Overtime	14,707	14,904	197
Police Community Support Officers	13,090	13,143	53
Police Community Support Officers Overtime	10	14	4
Police staff pay	117,865	117,839	-26
Police staff overtime	1,037	1,166	129
Other employees expenses	10,501	10,523	22
Sub Total	491,526	491,286	-240
Premises	17,061	15,714	-1,347
Transport	6,366	7,258	892
Supplies and services	36,675	38,492	1,817
Third Party Payment	10,361	10,417	56
Capital Financing Costs	4,249	4,259	10
External income	-35,713	-37,179	-1,466
Sub Total Police Force (Exc. WMP 2020 project costs)	530,525	530,247	-278
WMP2020 project costs	29,577	26,185	-3,392
Sub Total Police Force (Inc. WMP 2020 project costs)	560,102	556,432	-3,670
<u>PCC</u>			
Office of the PCC	13,467	12,633	-834
Sub Total Office of the PCC	13,467	12,633	-834
Total Revenue Budget	573,569	569,065	-4,504
PCC - Invest to Save Opportunities	-2,039	-1,205	834
PCC Carry Forward from 2017/18	-3,120	-3,120	0
Project Carry Forward from 2017/18	-10,200	-10,200	0
Other Carry Forward from 2017/18	-1,410	-1,410	0
Contribution from U&E Reserve	-706	-706	0
Contribution from Budget Reserve	-20,806	-17,136	3,670
Total Revenue Budget	535,288	535,288	0

8. The underspend is mainly attributable to WMP2020 project costs and is due to delays in stage payments for the Duty Management System, delays in progression of Leadership, Development and Performance activity and as outlined above the re-provisioning of ESMCP budget into the Airwave – Mobility refresh and the timing of this re-provisioning. Underspends within WMP2020 projects will be reviewed at year end and where required carried forward into 2019/20 where the expenditure is now expected to occur.
9. Within Police Officer pay the underspend arises due to vacancies held within the Regional Organised Crime Unit (ROCU) where budgets have been retained as per the Regional Budgets agreed, any underspend to these budgets will be reviewed at year end. This report currently assumes that any variance will be returned to Force.
10. Police officer overtime is showing a small overspend, this is primarily around Firearms operations due to demand on the service.
11. The small overspend on PCSO pay is due to the forecast leavers being slightly lower than anticipated.
12. The forecast overspend on police staff overtime is across a number of areas, mainly in Force CID, Force Contact, ICT, Shared Services, Learning and Development, Professional Standards and ROCU. The overspend is being driven by a mixture of additional demand for the service, sickness absences, and project support.
13. There is a significant underspend within premises costs, this is due to rates rebates received during the year, this is an area which is continuously reviewed by the estates team.
14. The transport overspend is primarily within purchase of fuel and vehicle services, both of these budget have seen reductions of budgets this financial year resulting from the benefits of the driver behaviour project. Further work is underway in this area, to examine the impact of fuel price increases and increased mileage on the delivery of project benefits.
15. Within Supplies and Services there is an overspend in relation to recruitment and promotion processes for Police officers and Police Now recruits. This has also generated additional demand on the uniform and equipment budget from new recruits, recruitment of specials, police cadets and volunteers.
16. Also within Supplies and Services, additional demand has been put on the legal services external consultation budget for additional support of key legal work. Within force CID additional demand has been placed on the coroner's budget due to an increase in major investigations.
17. Additional income within NABIS has seen an increase in the purchase of equipment and professional services within Supplies and Services.
18. Other additional income is from overseas visitor registration fees, additional officers than anticipated being seconded out of force and additional funding awarded within the financial year for Dark Web and Cyber Crime protect and prevent within ROCU.

CAPITAL OUTTURN 2018/19

19. The capital budget of £36.9m is forecast to be underspent by £7.0m.
20. As detailed in paragraph 4 and 5 the ESMCP budget has been re-provisioned for the Airwave – Mobility Refresh, due to the timings associate with the re-provision there will be a significant underspend within the financial year that will carried forward into 2019/20 where most of the expenditure is due to occur. There are minor delays in other areas within WMP2020 that will also be carried forward into 2019/20.
21. Within BAU the £1.0m underspend against equipment is linked to modifications of buildings where further work is need to be carried out to understand what is required prior to spend commencing.
22. 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			
<i>Connect</i>	2,521	2,521	0
<i>Airwave - Mobility Refresh</i>	6,274	1,071	-5,203
<i>Data Driven Insight (DDI)</i>	1,736	1,736	0
<i>Command and Control</i>	1,831	1,831	0
<i>New ways of Investigating</i>	284	52	-232
<i>New ways of Responding</i>	2,342	2,066	-276
<i>Next Generation Enabling Services</i>	329	164	-164
<i>Smarter Responding</i>	1,476	1,341	-135
<i>Estates Strategy</i>	11,600	11,600	0
Total WMP 2020	28,393	22,383	-6,010
Business As Usual			
<i>Fleet</i>	3,598	3,598	0
<i>IT & Digital</i>	2,180	2,180	0
<i>Equipment</i>	1,200	200	-1,000
<i>CTU</i>	1,534	1,534	0
Total Business As Usual	8,512	7,512	-1,000
Total Capital Spend	36,904	29,894	-7,010

FINANCIAL IMPLICATIONS

23. This report solely deals with financial issues.

LEGAL IMPLICATIONS

24. 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

25. 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