



To: Business Co-Ordination Board

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

Date: 13 December 2018

REVENUE AND CAPITAL BUDGET MONITORING OUTTURN MONTH 7 2018/19

1. Purpose

1.1 This report provides the Business Co-ordination Board (“BCB”) with the Constabulary’s and the Office of the Police and Crime Commissioner’s (“OPCC”) revenue and capital outturn at month 7 of 2018/19 and the projected full-year 2018/19 forecast outturn.

2. Recommendation

2.1 It is recommended that BCB:

- Note the month 7 revenue outturn and the projected full-year 2018/19 forecast outturn.
- Note the month 7 capital position and approve the changes in the funding from reserves.
- To approve the addition of £94k for air conditioning at HQ.
- To approve an addition of £172k for the HQ car park extension. This will be reimbursed by Highways Agency but not until 2020.
- To approve an addition of £100k for the ERSOU building and a reduction of £3.470m from the Southern Police Station project which will not commence until next year. This will be added to the 2019/20 Capital Programme.

3. Month 7 and 2018/19 Forecast - Summary

3.1 The month 7 outturn and projection to year-end for 2018/19 for the Constabulary and the OPCC is summarised in **Table 1** below.

Table 1

Revenue 2018/19	Month 7 Year to Date (£'000)	Year-End Forecast (£'000)
Constabulary	403 underspend	385 underspend
OPCC	160 underspend	160 underspend
Use of Reserves	N/A	1,531

3.2 Further detail on the Constabulary and OPCC revenue outturn and the capital outturn is presented in sections 4, 5 and 6 below.

4. Month 7 Outturn and 2018/19 Forecast – Constabulary

4.1 Month 7 projections are informed by forecasts provided to Finance by budget holders and up to date officer/staff pay analysis. Underspend areas of the budget are predominantly: PCSO's £1,167k – no recruitment planned for 2018/19 and leavers mean we currently have 87 against a budget establishment of 126.

4.2 Police staff pay & overtime £451k underspend – this was mainly as a result of staff being 28fte under strength on Local Policing.

4.3 Overspend areas of the budget are: -

- Police officer overtime £345k forecast overspend mainly as a result of the new Local Policing structure becoming business as usual, and Athena. Bank holidays spend is expected to be in line with budget (£450k).
- Police Pay & Allowances £214k, this fluctuates as a result of moves within collaboration and recruitment, and
- Supplies and Services is £38k, this is a reduction from last months forecast of £343k, which is mainly due to a review of Local Policing Review non pay costs.
- Collaboration see **Appendix 3** below shows an overspent forecast at £545k. Collaboration Tri-Force forecast overspend includes £300k on HR/L&D partly offset by a forecast underspend of £40k on ICT. Collaboration other forecast overspend includes £190k on Air support and £106k on Enterprise Resource Platform (ERP).

4.4 A breakdown of this position is shown at **Appendix 1**.

5. Month 7 Outturn and 2018/19 Forecast – OPCC

- 5.1 The 2018/19 budget for the OPCC was set at £1,273k which was approved by the Police and Crime Commissioner (the “Commissioner”) prior to the commencement of the financial year.
- 5.2 The forecast year-end position is a £160k underspend. The main reason for the variances are:
- Staffing - £91k underspend, due to staffing structure changes and vacancies through the year.
 - Consultant fees - £92k underspend due to delays in Complaints Reform and Fire Governance implementation.
- 5.3 There have been areas of overspend in other budget lines such as advertising staff, external training courses, rail travel, legal costs, subscriptions and internal audit, which accounts for the overall forecast underspend.

6. Month 7 Outturn and 2018/19 Forecast – Capital

- 6.1 Budgeted capital payments for 2018/19 comprise the original Capital Programme approved by the Police and Crime Commissioner (PCC) on 1st March 2018, with amendments for schemes brought forward from 2017/18 as approved by the Chief Finance Officer for the PCC on 31st May 2018, and other changes subsequently approved by the Force Executive Board and/or the PCC.
- 6.2 A summary of spend against the 2018/19 Capital Programme for the seven months ending 31st October 2018, and the financing of this, is shown at **Appendix 2**.
- 6.3 The capital programme shown in appendix 2 incorporates the following matters to note:
- The Organisational Support BCH ERP Purchase project shows a full year forecast overspend of £596k which is our 31.35% share of the full costs (actual spend and commitments to end of October is £555k).
 - The full year forecast for the Athena project is £321k against a carry forward unapplied grant of £155k which is showing a projected overspend of £166k. These costs are as a result of additional project costs including £164k under the main Northgate contract to provide Technical Data refresh and implementation support.
 - To cover the air conditioning at HQ, an addition to the 2018/19 Capital Programme of £94k is proposed to the PCC, which is to be funded from Capital Receipts Reserve.
 - An addition to the 2018/19 Capital Programme of £172k is proposed to the PCC to cover the extension to HQ car park. This is funding required in advance, pending reimbursement from the Highways Agency as part of the compulsory purchase of the land as part of the A14. This money may not be received until 2020 and we propose to take this from the Capital Receipts Reserve.

- In order to cover Cambridgeshire's share of the purchase of ERSOU's new building, an addition of £100k to the 2018/19 Capital Programme is proposed to the PCC, which is to be funded from the Capital Estates Reserve.
- A reduction of £3.470m from the 2018/19 Capital Programme is proposed to the PCC for the Southern Police Station project which will not commence until next year. This will be added to the 2019/20 Capital Programme.

6.4 Capital resources received to date include grants from Central Government (£253k), a contribution from Peterborough City Council (£415k) towards an expansion of Thorpe Wood Police Station and a capital receipt of £65k, being the sale of Werrington property. We have also received £2.3m following the sale of Bridge Street.

7.0 Recommendation

7.1 It is recommended that BCB:

- Note the month 7 revenue outturn and the projected full-year 2018/19 forecast outturn.
- Note the month 7 capital position and approve the changes in the funding from reserves.
- To approve the addition of £94k for air conditioning at HQ.
- To approve an addition of £172k for the HQ car park extension. This will be reimbursed by Highways Agency but not until 2020.
- To approve an addition of £100k for the ERSOU building and a reduction of £3.470m from the Southern Police Station project which will not commence until next year. This will be added to the 2019/20 Capital Programme.

Appendix 1

Chief Constable's Revenue Budget October 2018/19							
M6 Variance £'000	£'000	Full Year budget £'000	YTD budget £'000	YTD Actual £'000	Variance £'000	M7 Projection £'000	M7 Proj var £'000
	Force in-house Expenditure						
-119	Police Officer Pay & Allowances	46,480	27,080	27,016	-63	46,694	214
252	Police Officer Overtime	1,864	1,021	1,279	258	2,209	345
-475	PCSO Pay & Overtime	4,467	2,581	2,009	-572	3,300	-1,167
-367	Police Staff Pay & Overtime	19,411	11,294	10,868	-426	18,961	-451
-25	Premises Costs	4,175	2,734	2,715	-18	4,136	-40
244	Transport	2,103	1,271	1,225	-46	2,215	112
-67	Supplies & Services	6,207	2,847	2,877	31	6,246	38
-557	Total In-house Expenditure	84,708	48,827	47,990	-837	83,759	-948
-68	Net Cost of Police Pensions	11,470	6,806	6,772	-35	11,576	106
-625	Gross Revenue Expenditure	96,178	55,633	54,761	-872	95,335	-842
68	Income	-1,241	-1,116	-1,055	61	-1,059	182
378	BCH Collaboration	34,047	22,396	22,685	289	34,395	348
171	Other Collaborations and Partnerships	4,362	1,586	1,704	119	4,559	197
0	Capital Accounting & Reserve moves	-908	162	162	0	-1,178	-270
-8	Policing Budget Delegated to Chief Constable	132,437	78,661	78,258	-403	132,052	-385
	<i>Note: Figures may not cast due to rounding</i>						

Summary of Capital Expenditure and Financing at 31st October 2018

Appendix 2

All figures £'000	B/Fwd from previous years	Original 2018/19 Capital Programme	Previously Authorised Programme Amendments	Proposed Programme Amendments	Revised 2018/19 Capital Budget	Actual & Committed YTD	%	Expected Outturn 2018/19	Expected Outturn % of Revised Capital Budget	Predicted C/Fwd 2018/19	Estimated Year End Position
Capital Payments:-											
Land & Buildings	796	4,000	85	-3,104	1,777	722	40.6%	1,223	68.8%	404	150
IT & Communications	873	1,215	188	-	2,276	1,874	82.3%	3,013	132.4%	19	-756
Fleet	413	1,700	-	-	2,113	1,615	76.4%	2,113	100.0%	-	-
Other Collaboration	91	140	155	-	386	253	65.6%	386	100.0%	-	-
Schemes approved subject to further business case	-	394	-240	-	154	-	0.0%	-	0.0%	-	-
TOTAL	2,173	7,449	188	-3,104	6,706	4,464	66.6%	6,735	100.4%	423	-606

All figures £'000	B/Fwd from previous years	Original 2018/19 Capital Programme	Previously Authorised Programme Amendments	Proposed Programme Amendments	Revised 2018/19 Capital Budget
Capital Financing:-					
Capital Grants	166	506	177	-	849
ESMCP Grant (RCCO)	-	214	33	-	247
Carry Forward Reserve	2,007	-	-22	-	1,985
ICT	-	161	-	-	161
Capital Reserves	-	1,030	-	100	1,130
Capital Receipts	-	1,888	-	416	2,304
Vehicle Receipts (RCCO)	-	150	-	-150	-
Borrowing	-	3,500	-	-3,470	30
TOTAL	2,173	7,449	188	-3,104	6,706

Note: figures may not cast due to roundings

Appendix 3

Collaboration

		Chief Constable's Revenue Budget to the end of October 2018/19						FORECAST	
M6 Variance £'000		Note	Original Budget £'000	Full Year Budget £'000	YTDB £'000	Actual £'000	Variance £'000	M7 Projection £'000	M7 Proj var £'000
	Collaboration and Partnerships								
0	Collaboration Set up costs	1	0	0	0	79	79	79	79
67	ERP set up costs	1	0	0	0	70	70	106	106
118	PTF Funding	2	0	0	0	43	43	43	43
143	Collaboration - Athena	1	184	184	184	329	144	403	218
9	Collaboration - Athena AMO	2	150	150	10	20	11	168	18
-38	Change team	1	289	289	167	145	-22	190	-99
-51	Collaboration - General	1	719	423	96	0	-96	291	-131
	Joint Protective Services								
-16	Collaboration - Armed Policing Unit	1	2,492	2,492	1,569	1,533	-36	2,426	-66
0	Collaboration - CTP	1	685	685	324	324	0	685	0
-35	Collaboration - CTC	1	0	0	-5	-74	-68	-113	-113
9	Collaboration - Dogs	1	819	819	489	505	16	838	19
-56	Collaboration - Major Crime Unit	1	3,022	3,022	1,629	1,572	-57	2,920	-102
14	Collaboration - Operational Planning	1	325	347	291	298	7	358	11
-12	Collaboration - RPU	1	4,090	4,090	2,456	2,411	-45	4,014	-75
-6	Collaboration - Scientific Services Unit/Visual Evidence	1	2,547	2,547	1,289	1,287	-2	2,545	-2
20	Collaboration - Protective Services Command	1	234	212	273	298	25	266	53
3	Collaboration - Force Resilience	1	118	118	84	88	4	125	7
	Organisational Support								
199	Collaboration - HR and L&D	1	4,644	4,644	3,336	3,531	195	4,944	300
48	Collaboration - IMD	1	830	830	673	682	9	847	16
-50	Collaboration - ICT	1	6,661	6,661	5,964	5,933	-30	6,620	-40
2	Collaboration - Procurement	1	300	300	265	265	0	300	0
-9	Collaboration - Professional Standards Unit	1	1,121	1,121	475	475	0	1,121	0
	Operational Support								
-6	Collaboration - Firearms Licensing	1	204	204	157	159	2	208	4
53	Collaboration - CJ phase 1&2	1	692	692	270	308	37	763	71
30	Collaboration - CJ/Custody SMT	1	240	240	139	140	1	243	2
73	Collaboration - Custody local	1	3,570	3,803	2,217	2,266	49	3,883	80
-2	Collaboration - Public Contact	1	290	290	65	64	-1	288	-2
-5	Collaboration - LCJB	1	35	35	-11	-4	6	46	11
	Other Collaboration & Partnerships								
72	Collaboration - Air Support	2	504	504	252	347	95	693	190
0	Collaboration - ERSOU	2	2,277	2,437	829	829	0	2,437	0
-16	Collaboration - Kings Lynn PIC	2	783	783	221	202	-20	752	-31
0	Collaboration - Regional Collaboration	2	145	145	94	93	0	145	0
-12	SARC	2	319	342	180	170	-10	320	-22
	Total BCH Collaboration	1	34,110	34,047	22,396	22,685	289	34,395	348
	Total Other Collaboration & Partnerships	2	4,178	4,362	1,586	1,704	119	4,559	197
549	Total Collaborated and Partnerships		38,288	38,408	23,982	24,390	408	38,954	545
Reserve adjusted									
	Surplus generated by CTC - to reserves	1						113	113