



To: Business Co-Ordination Board

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

Date: 16 May 2019

REVENUE AND CAPITAL BUDGET MONITORING DRAFT OUTTURN MONTH 12 2018/19

1. Purpose

1.1 This report provides the Business Co-ordination Board (“the Board”) with the Constabulary’s and the Office of the Police and Crime Commissioner’s (“OPCC”) revenue and capital outturn at month 12 of 2018/19 and the projected full-year 2018/19 forecast outturn.

2. Recommendation

2.1 It is recommended that the Board:

- Note the month 12 draft revenue, capital and reserves position
- The relevant additions under Matters to Note in paragraph 7.1 to be approved by the PCC
- Approve the Capital carry forward requests detailed in **Appendix 5**

3. Month 12 and 2018/19 Forecast - Summary

3.1 The month 12 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 12 Year to Date (£'000)	Year-End Forecast (£'000)
Constabulary	511 underspend	511 underspend
OPCC	Nil	Nil
Use of Reserves	1,663	1,663

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. 2018/19 draft outturn – Constabulary

4.1 The budget at the end of March was underspent by £511k or 0.4% of net revenue (February was overspent by £24k or 0.1%). Underspend areas of the budget are predominantly: PCSO's £1,232k– no recruitment planned for 2018/19 and leavers mean we currently have 80fte against a budget establishment of 126.

4.2 Police staff pay & overtime £591k under – this was mainly as a result of staff being 25fte under strength on LP, and

4.3 Overspend areas of the budget are: -

Police officer overtime £494k 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 (£456k)

Police Pay & Allowances £340k, includes planned over recruitment and this fluctuates as a result of moves between collaboration, and

Supplies and Services, Transport and Premises are forecast £848k underspent.

Collaboration, see **Appendix 3** below, shows an overspend forecast of £590k. Collaboration Tri-Force forecast over spend includes £595k overspend on HR/L&D, which has been known since April 2018, offset by underspends in some areas of JPS and £273k on ICT.

Collaboration other; overspend includes £190k on Air support and £110k on ERP once the grant is taken off, offset by a small underspend on the Kings Lynn PIC.

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

5. 2018/19 draft outturn – OPCC

5.1 The 2018/19 budget for the OPCC was set at £1,280k 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 in line with budget.

A transfer of £153k relating to the under-spend on Office expenditure has been made to the Collaboration and Commissioning reserve. The main elements of this were:

- Staffing - £83k underspend, due to staffing structure changes and vacancies through the year.
- Other running costs - £70k underspend, mainly consultant's fees due to delays in Complaints Reform and Fire Governance implementation.

6. Month 12 Draft Outturn – 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 2016/17 as approved by the CFO for the PCC on 31st May 2018, and other changes subsequently approved by the Force Executive Board and/or the PCC.
- 6.2 The reported outturn is provisional and subject to the audit of the 2018/19 Annual Statement of Accounts.
- BCB is asked to note that a rigorous review of schemes for carry forward to 2019/20 has been carried out.
- 6.3 A summary of spend against the 2018/19 Capital Programme for the twelve months ending 31st March 2019, and the financing of this, is shown at **Appendix 3**.
- 6.4 A scheme by scheme breakdown of outturn is set out at **Appendix 4**.
- 6.5 **Appendix 5** contains the rationale for requests for carry forward of expenditure. The schemes approved in-year to be funded by Revenue Contribution to Capital Outlay (RCCO) are £447k Capital element of Transport Income and £60k relating to Vehicles purchased in year by ERSOU.
- 6.6 **Appendix 3** shows that 72% of the 2018/19 Capital Programme has been spent during the financial year, compared with previously reported forecast of an outturn 84%. The decrease between forecast and provisional outturn is largely as a result of Estates spend being delayed.

7. Matters to note

- 7.1 To cover the overspend of £119k on the Athena scheme and £416k on the BCH ERP Purchase, an addition of £535k to the 2018/19 Capital Programme is proposed to the PCC with 432k funded from the ICT Development Reserve and 99k coming from the Capital Receipts Reserve. Approval is needed by the PCC.
- 7.2 An £60k addition to the 2018/19 Capital Programme is proposed for the over-spend of 2018/19 ERSOU Capital Spend funded by RCCO within the Chief Constables delegated limit.
- 7.3 Net underspending against the 2018/19 Capital Programme is £314k, as set out in **Appendix 2** below.

8. Recommendation

8.1 It is recommended that BCB:

- Note the month 12 draft revenue, capital and reserves position
- The relevant additions under Matters to Note in paragraph 7.1 to be approved by the PCC
- Approve the Capital carry forward requests detailed in **Appendix 5**

Revenue Budget – Constabulary result (draft)

Appendix 1

Chief Constable's Revenue Budget Outturn 2018/19					
M11 Variance £'000	£'000	Full Year budget £'000	YTD budget £'000	YTD Actual £'000	Variance £'000
	Force in-house Expenditure				
294	Police Officer Pay & Allowances	46,469	46,469	46,809	340
456	Police Officer Overtime	1,864	1,864	2,358	494
-1,100	PCSO Pay & Overtime	4,467	4,467	3,235	-1,232
-468	Police Staff Pay & Overtime	19,411	19,411	18,820	-591
26	Premises Costs	4,175	4,175	4,162	-14
169	Transport	2,103	2,103	1,759	-344
-57	Supplies & Services	6,207	6,207	5,717	-490
-680	Total In-house Expenditure	84,697	84,697	82,859	-1,837
-43	Net Cost of Police Pensions	11,470	11,470	11,869	398
-723	Gross Revenue Expenditure	96,167	96,167	94,728	-1,439
73	Income	-1,241	-1,241	-1,143	98
471	BCH Collaboration	34,058	34,058	34,427	370
203	Other Collaborations and Partnerships	4,362	4,362	4,581	220
0	Capital Accounting & Reserve moves	-908	-908	-668	240
24	Policing Budget Delegated to Chief Constable	132,437	132,437	131,926	-511
<i>Note: Figures may not cast due to rounding</i>					

Reserves transfers	£000
Carry Forwards	(893)
Athena implementation costs	(249)
Offer 1% non consolidated	(165)
Casulty Reduction Coordinator	(39)
CTC Surplus moved to reserves	227
Morris paid from CR Reserve	(53)
	<u>(1,172)</u>
RCCO	508
Seconded Officers	(4)
Per Report	<u>(668)</u>

Revenue Budget – Group Result (draft)

Chief Constable's Revenue Budget Outturn 2018/19					
	Original Budget £'000	Full Year Budget £'000	YTDB £'000	Actual 8.4.19 £'000	Variance £'000
NET BUDGET REQUIREMENT	132,323	132,437	132,437	131,926	-511
PCC Revenue Budget outturn 2018/19					
Office of the Police and Crime Commissioner					
Commissioner and Deputy	132	132	132	132	0
Police Staff	772	772	772	689	-83
Premises Costs	1	1	1	3	3
Legal fees	12	12	12	11	-1
External Audit Fees	30	30	30	23	-7
Internal Audit Fees	67	67	67	68	1
Independent Audit Committee	14	14	14	14	0
Other Running Costs	252	252	252	175	-77
Transfer to Collaboration & Commissioning reserve				153	153
Total Office Expenditure	1,280	1,280	1,280	1,268	-12
Victims Services					
Victims Services Grant distributed	987	1,090	1,090	1,349	259
Victims Services additional grant				-259	-259
Other Grants/Funding					
Community Safety & Crime Reduction Grants	1,276	1,293	1,293	1,293	0
Casualty reduction support	0	0	0	191	191
Transfer to Casualty Reduction reserve				-191	-191
VAWG - grant received	0	-133	-133	-274	-141
VAWG - spend	0	133	133	274	141
Offender Hub PTF Grant	0	0	0	12	12
	2,263	2,383	2,383	2,394	12
Capital Financing Costs:-					
Interest	414	300	300	447	147
Minimum Revenue Provision (MRP)	774	774	774	744	-30
Transfer to Estates Development Reserve				-116	-116
Total Capital Financing Costs	1,188	1,074	1,074	1,074	0
Contributions +to / -from Reserves	-1,801	-1,920	-1,920	-1,920	0
Premises					
Properties Investments	64	64	64	128	64
Transfer to Estates Development Reserve				-64	-64
Net Budget Requirement (Total)	135,317	135,317	135,317	134,806	-511
Victims Services Grant received	-987	-987	-987	-987	0
Total	134,330	134,330	134,330	133,819	-511

Reserves transfers - PCC	£
From Budget Reserve	(1,801)
From Carry forwards	(119)
	<u>(1,920)</u>

Budget Assistance Reserve - movt	£000
Budgeted Reserves Funding	(1,802)
Group result (underspend)	511
Athena Implementation	(249)
officer 1% non consolidated	(165)
Additional Precepts	54
Per reserves note	<u>(1,651)</u>

Group Usable Reserves

Reforecast at Month 12		Balance 31 March 2018	Forecast 2018/19		Balance 31 March 2019		
Account code	Description	£000	Added to Reserve £000	Tfr between Reserves £000	Applied - Revenue £000	Applied - Capital £000	TOTAL £000
1 RG101	Revenue Carry Forward Reserve	1,012	1,231		(1,012) (g)		1,231
2 RG103	Insurance Reserve	862					862
3 RG202	III-Health Retirement Reserve	398					398
4 RG205	Capital Reserve	1,285		(339)		(277) (d)	669
5 RG104	Drug Forfeiture (Operational) Reserve	116	30				146
6 RG102	Budget Assistance Reserve	4,216			(1,651) (a)		2,565
7 RG106	Capital Carry Forward Reserve	2,173		918		(1,600) (b)	1,491
8 RG203	Road Casualty Reduction & Support Fun	1,582	227		(245)		1,564
9 RG204	Collaboration & Commissioning Reserv	260	153		(39)		374
10 RG201	ICT Development Reserve	432				(432) (c)	-
11 RG206	Estates Development Reserve	2,939			(180)	(94) (f)	2,665
	Total Earmarked Reserves	15,275	1,641	579	(3,127)	(2,403)	11,965
12 RH101	General Reserve	7,198					7,198
	Total General and Earmarked Reserves	22,473	1,641	579	(3,127)	(2,403)	19,163
13 RD101 + RD103	Capital Receipts Reserve	1,913	2,521	(579)		(1,215) (e)	2,640
	Total Usable Reserves	24,386	4,162	0	(3,127)	(3,618)	21,803
Use of capital funds							
Budget Assistance Reserve - movt		£000	Applied - Capital		£000		
	Budgeted Reserves Funding	(1,802)	Carry Forward Reserve		1,600 (b)		
	Group result (underspend)	511	ICT		432 (c)		
	Athena Implementation	(249)	Capital Reserves		277 (d)		
	officer 1% non consolidated	(165)	Capital Receipts		1,215 (e)		
	Additional Precepts	54	Estates Reserves		94 (f)		
	(a) (1,651)						
Revenue Carry Forward Reserve - movt		£000	Capital funded from reserves		3,618		
	Constabulary	893	Capital grants (in year)		845		
	PCC	119	RCCO		507		
	(g) 1,012		Borrowing		170		
			Capital expenditure 18/19		5,140		

Underspending and Overspending Schemes

Appendix 2

All figures £'000	Underspend (-)/ Overspend (+)
Overspends	
Conversion - Replacement SARC	1
Telematics	39
2018/19 JPS ERSOU	5
Org Support ICT Infrastructure for BCH - WAN	3
Body Worn Video Replacement	1
Athena	119
Custody Virtual Courts	7
Org Support BCH ERP Purchase	416
Sub-total	591
Underspends	
Demand Hub - Building Works	(149)
HQ VEU Building	(7)
Vehicle Replacement Programme	(347)
BCH In-Cell Conferencing Facilities	(22)
Replacement of SAN (ICT area network)	(3)
ICT Office Relocation Works	(4)
JPS Equipment Replacement Rolling Programme	(32)
ESN - ICCS	(6)
ESMCP Devices and Fitting	(214)
Sub-total	(784)
Schemes not released in-year	
CRM - In FBC and will go to JCOB	(94)
Delegated Chief's Budget	(26)
Sub-total	(120)
Total net underspend	(314)

Summary of Capital Expenditure and Financing at 31st March 2019

Appendix 3

	B/Fwd from previous years	Original 2018/19 Capital Programme	Previously Authorised Programme Amendments	Revised 2018/19 Capital Budget	Outturn 2018/19	%
All figures £'000						
Capital Payments:-						
Land & Buildings	796	4,000	-2,552	2,245	970	43%
IT & Communications	873	1,215	188	2,276	2,159	95%
Fleet	413	1,700	-	2,113	1,805	85%
Other Collaboration	91	140	161	392	206	53%
Schemes approved subject to further business case	-	394	-283	111	-	0%
TOTAL	2,173	7,449	-2,486	7,137	5,140	72%

	B/Fwd from previous years	Original 2018/19 Capital Programme	Previously Authorised Programme Amendments	Revised 2018/19 Capital Budget	Applied	Transfer to Capital carry forward Reserve
All figures £'000						
Capital Financing:-						
Capital Grants	166	506	173	845	845	-
ESMCP Grant (RCCO)	-	214	33	247	-	-
Carry Forward Reserve	2,007	-	-22	1,985	1,600	573
ICT	-	161	119	280	432	-
Capital Reserves	-	1,030	100	1,130	277	339
Capital Receipts	-	1,888	387	2,275	1,215	579
Estates Reserve	-	-	-	-	94	-
RCCO	-	150	-145	5	507	-
Borrowing	-	3,500	-3,130	370	170	200
TOTAL	2,173	7,449	-2,485	7,137	5,140	1,691

Note: figures may not cast due to roundings

Scheme by Scheme Budgetary Control Report to 31st March 2019

Scheme Title	Job Code	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Revised Capital Budget 2018/19 £'000	Actual YTD £'000	Variance at year end £'000	C/Fwd 2018/19 £'000	(Under)/Over spend £'000
Land & Buildings								
Wisbech Fire Station Ext for Police Purposes	C8068	362	-	362	37	(325)	325	0
Major Repairs Planned	Various	-	585	585	297	(288)	288	0
HQ Lead Decontamination and Prevention	C8106	63	-	63	20	(43)	43	0
Demand Hub - Building Works	C8114	371	-	371	177	(194)	45	(149)
Southern Police Station	C8121	-	370	370	170	(200)	200	(0)
Section 106 Electrical Works	C8124	-	-	-	(2)	(2)	-	(2)
Conversion - Replacement SARC	C8066	-	-	-	1	1	-	1
HQ Car Park Extension	C8127	-	172	172	164	(8)	8	(0)
HQ Air Conditioning	C8126	-	94	94	-	(94)	94	-
ERSOU Enterprise House Purchase	B8188	-	100	100	100	-	-	-
Exercise Yard at Thorpe Wood	C8128	-	28	28	-	(28)	28	-
Taser Cabins at Monks Wood	C8129	-	90	90	3	(87)	87	(0)
HQ VEU Building	C8130	-	10	10	3	(7)	-	(7)
Land & Buildings Total		796	1,449	2,245	970	-1,274	1,118	-156
Fleet								
Vehicle Replacement Programme	C8010	293	1,700	1,993	1,646	(347)	-	(347)
Telematics	C8105	120	-	120	159	39	-	39
Fleet Total		413	1,700	2,113	1,805	(308)	-	(308)
Non ICT Collaboration								
JPS ANPR	C8071	69	190	259	90	(169)	169	-
BCH In-Cell Conferencing Facilities	C8123	22	-	22	-	(22)	-	(22)
2018/19 JPS ERSOU	C8104	-	111	111	116	5	-	5
Non ICT Collaboration Total		91	301	392	206	(186)	169	(17)

Scheme by Scheme Budgetary Control Report to 31st March 2019 – cont'd

Scheme Title	Job Code	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Revised Capital Budget 2018/19 £'000	Actual YTD £'000	Variance at year end £'000	C/Fwd 2018/19 £'000	(Under)/Over spend £'000
ICT Collaborated								
Replacement of SAN (ICT area network)	C8110	3	-	3	0	(3)	-	(3)
Org Support ICT Infrastructure for BCH - Identity	C8053	-	-	-	-	-	-	-
Org Support ICT Infrastructure for BCH - WAN	C8060	-	-	-	3	3	-	3
BCH Property Management System	C8063	9	-	9	6	(3)	3	(0)
Rolling Replacement Mobile Technology	C8051	-	440	440	328	(112)	112	(0)
Systems Infrastructure / UNIX Platform	HC8021	-	163	163	86	(77)	77	(0)
DFU Storage	C8125	-	80	80	69	(11)	11	(0)
Body Worn Video Replacement	HC8086	-	94	94	94	1	-	1
IPT Telephony System	HC8090	-	10	10	-	(10)	10	-
Analytical Tools (iBase)	HC8030	-	6	6	6	(0)	-	(0)
Network EOL Switches	C8115	31	197	228	228	0	-	0
ICT Consolidated Workstreams	C8111	410	(133)	277	170	(107)	107	0
tuServ Biometrics	C8119	-	-	-	0	0	-	0
ICT Office Relocation Works	C8122	14	-	14	10	(4)	-	(4)
ICT Collaboration Total		467	857	1,324	1,000	(323)	320	(3)
ICT Other								
Covert Equipment Renewal	C8022	18	50	68	34	(34)	34	0
JPS Equipment Replacement Rolling Programme	C8028	60	95	155	123	(32)	-	(32)
Athena	C8035	-	155	155	274	119	-	119
Custody Virtual Courts	C8049	8	-	8	15	7	-	7
Demand Management Software	C8097	20	-	20	-	(20)	20	-
Workforce Management Software Upgrade	C8098	32	-	32	32	(0)	-	(0)
ESN - ICCS	BCHCAA	144	33	177	171	(6)	-	(6)
Org Support BCH ERP Purchase	BCHCAG	94	-	94	510	416	-	416
Seven Forces PSD Monitoring System	C8120	30	-	30	(0)	(30)	30	-
ESMCP Devices and Fitting	HC8039	-	214	214	-	(214)	-	(214)
ICT Other Total		406	547	953	1,158	206	84	290
Schemes Approved Subject to Further Business Case								
CRM - In FBC and will go to JCOB		-	94	94	-	(94)	-	(94)
Delegated Chief's Budget		-	26	26	-	(26)	-	(26)
Grand Total		2,173	4,972	7,145	5,140	-2,005	1,691	-314

Carry Forward Requests

Carry Forward Amount requested £	Project Name	Job Code	Full details of bid/why Carry Forward requested?
325,000.00	Wisbech Fire Station Ext for Police Purposes	C8068	A final account has been requested from the Consultant advising on the aborted Fire Station extension and the balance is to be used to fund the refurbishment of the existing Police Station which is now a long term asset.
288,000.00	Major Repairs	Various	Carry forward is required to prevent slippage to the 5 year planned maintenance programme.
43,000.00	HQ Lead Decontamination and Prevention	C8106	Work is contracted and due for completion in May.
45,000.00	Demand Hub - Building Works	C8114	retention £40k and accrual £2k to c/fwd from 17/18
200,000.00	Southern Police Station	C8121	With the Option Agreement now in place site due diligence and design is progressing and the carry forward is required for the project to proceed to a formal planning application.
8,000.00	HQ Car Park Extension	C8127	Car park is substantially completed with works finishing in May.
94,000.00	HQ Air Conditioning	C8126	The project is being tendered in April/May with works awarded and completed in July.
28,000.00	Exercise Yard at Thorpe Wood	C8128	Commitment to be completed in 2019/20
87,000.00	Taser Cabins at Monks Wood	C8129	Cabin is now on site a funds required for electrical connection and fit out.
169,000.00	JPS ANPR	C8071	PO's completed, assets and civils work completed so we are ready to install cameras. We are currently waiting for section 50 road permits to be signed by the PCC.

Carry Forward Requests – cont'd

Carry Forward Amount requested £	Project Name	Job Code	Full details of bid/why Carry Forward requested?
3,000.00	BCH Property Management System	C8063	Milestone 2 is not yet completed. It has been delayed due to technical and business issues. The first part will be in April and the final Go live in July.
112,000.00	Rolling Replacement Mobile Technology	C8051	£112k laptops not delivered. Transferred £81k from C8111 to cover overspend/commitment.
77,000.00	Systems Infrastructure / UNIX Platform	HC8021	Data Centre slippage into 19/20 from C8111
11,000.00	DFU Storage	C8125	£11k to carry forward to help plug the shortfall against Laptop replacement budget
10,000.00	IPT Telephony System	HC8090	As agreed on previous email - Due to ICCS Major Incident running on so long and as I have been unable to get an agreed spec across BCH FCR's, we will look to roll-over to 2019/20 if possible, and pass to Enterprise Architecture to capture requirements and design a BCH solution.
107,000.00	ICT Consolidated Workstream	C8111	Transferred £81k to cover PO ADN1917 (£112k) against Laptop replacement and £78k to Systems Infrastructure for Data Slippage. The remainder £107k to help plug the shortfall in budget for 19/20 against Laptop replacement and general applications for potential rationalisation of IT sSolutions.
34,000.00	Covert Equipment Renewal	C8022	ICT are unable to complete the major project until at least April 2019. Although the supplier can supply the system earlier, installation relies on our ICT and so a carry forward is requested.
20,000.00	Demand Managemnt Software	C8097	We are contracted to the supplier PE and request the carry forward to build the capacity for continuous improvement team back up training by them.
30,000.00	Seven Forces PSD Monitoring System	HC8026	Non delivery on Milestone 4 & 5 elements
1,691,000.00			

Note: £200k will be met from borrowing in 19/20. The balance on the Capital Carry forward reserve is £1,491,000.