



To: Business Co-Ordination Board

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

Date: 18 September 2019

REVENUE AND CAPITAL BUDGET MONITORING MONTH 4 2019/20

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 monitoring at month 4 of 2019/20 and the projected full-year 2019/20 forecast outturn.

2. Recommendation

2.1 It is recommended that the Board:

- Note the month 4 revenue and capital position

3. Month 4 and 2019/20 Forecast - Summary

3.1 The month 4 monitoring and projection to year-end for 2019/20 for the Constabulary and the OPCC is summarised in **Table 1** below.

Table 1

Group Result - Month 4 2019/20						
	Full Year Budget	YTDB M1-4	Actual M1-4	Variance	Forecast M4	Variance
Constabulary	143,206	50,616	49,382	(1,234)	141,772	(1,434)
OPCC office costs	1,276	466	414	(53)	1,276	-
Grants funding	2,254	808	1,115	307	2,254	-
Corporate costs	1,222	178	5	(173)	1,222	-
	147,958	52,069	50,916	(1,153)	146,524	(1,434)

3.2 Table 1 shows an initial forecast £1.4m underspend for the year at this stage.

However some additional pressures of £0.8m yet to be fully validated, have been identified, see below, which may reduce this estimate to £0.6m underspend.

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

4. 2019/20 Month 4 – Constabulary

4.1 The budget at the end of July was underspent by £1,234k or 2% of net revenue (June was underspent by £998k or 2%).

4.2 The assumption of a forecast £1.4m underspend was based on the following main components, as follows:

- Police Officer Pay, allowances and Pensions, £924k underspend.
 - As at the end of July, Local policing was 26fte under strength.
 - A full year of budget was provided for additional sergeants who are now only estimated for the latter half of the year.
 - The number of officers is estimated at 1,497 by the end of March.
- Police Officer Overtime, £852k overspend
 - There is a mix of overtime for Athena and for roles covering the reduced establishment above, which mitigates some of the impact of under-spend for officer pay.
- PCSO's, 137k underspend
 - Currently 76.92fte against a budget of 80fte
- Police Staff Pay & overtime £474k.
 - As at the end of July, Local Policing was 22fte under the new strength for 19/20
- Supplies and Services, £550k underspend
 - Use of consultants for Local policing estimated at £130k, only £50k incurred.
 - Forensics cost, budgeted on previous year's spend which has not materialised.
 - Subscriptions and contributions, 200k underspent.
- Collaboration, 629k, made up of £124k underspend and CTC additional income of £492k
 - The £124k underspend is mainly savings in APU £167k, MCU £120k, RPU £219k offset by Custody costs £291k and Athena 84k.

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

- 4.4 The following list of additional pressures totalling £839.3k. This has yet to be fully validated so has not yet informed the estimated outturn:

National programmes;

- £88.5k re Single Online Home (ICT)

7 Force;

- £101.4k made up of £21.3k for Driver Management System, £32k re ICT consultants and £48.1k for Procurement consultants and structure

BCH;

- £479.4k made up of £360k re HR restructuring costs, £69.4k re Driver management (motor ins agreements), £30.0k Digital innovation budget and £20.0k ARM licences,

Local;

- £170k made up of £160k re Scientific support DFU upgrade and £10k for Drones.

5. 2019/20 month 4 – OPCC

- 5.1 The 2019/20 budget for the OPCC was set at £1,276k 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 estimated to be in with budget. At month 4 there was an under-spend of 53k. Further detail is provided at **Appendix 2**

6. Month 4 – Capital

- 6.1 A summary of spend against the 2019/20 Capital Programme for the four months ending 31st July 2019, and the financing of this, is shown at **Appendix 4**. This shows a capital spend of £5.3m for the first 4 months against a revised full year capital budget of £11.3m.
- 6.2 *Capital Payments*
- 6.2.1 The Land and Buildings projects have a total actual and committed spend of £1,605k (29%) against a budget of £5,518k. The major projects being the Southern Police Station project (£370k) and the HQ VEU Building project (£532k).
- 6.2.2 The total actual and committed spend for the IT and Communications projects is £2,126k (58%) against a budget of £3,698k. The major projects being the Infrastructure-Storage project (£473k), the Smartphones project (£364k) and BCH ERP Purchase project (£474k).
- 6.2.3 The Fleet projects are managed by Chiltern Transport Consortium and have an actual spend and commitment of £1,394k (91%) against a budget of £1,525k.

6.2.4 The remaining Other Collaboration projects have an actual spend and commitment of £177k (66%) against a total budget of £269k.

6.3 *Capital Financing*

6.3.1 Capital resources received from last year include an ESMCP Home Office grant (£187k) and a Highways Agency contribution (£157k) towards the new HQ VEU Building.

6.3.2 A further contribution of £273k has been received in July from the Highways Agency towards the new VEU Building.

6.3.3 Vehicle receipts are no longer physically received as they now remain in Chiltern and are reinvested.

Matters to Note

6.4.1 The ICT DAMS Project is no longer to be funded from the Capital Programme and will go through Revenue instead. This will leave an outturn of nil spend and an £83k underspend on the 2019/20 Capital Programme.

6.4.2 It has been agreed that £18k from the capital budget on the ICT Networks Project will be used to cover subscription costs of Zscaler through revenue. This will leave an under-spend of £18k on the 2019/20 Capital Programme.

6.4.3 To cover the additional spend of £61k on the HQ new car park, an addition to this project is proposed, to be funded by a matching reduction in the HQ Major Repairs project.

6.4.4 Anticipated spend on the Athena project is £121k against budget of £247k, leaving an under-spend of £126k.

6.4.5 At this stage, there is an over-spend on the BCH ERP purchase of £474k with an indication of further costs to be incurred. This would potentially need to be funded from reserves at year end.

7. Recommendation

7.1 It is recommended that BCB:

- Note the month 4 revenue and capital position.

Appendix 1 - Revenue Budget – Constabulary result

Chief Constable's Revenue Budget Month 4 2019/20							
M3 Variance £'000		Full Year budget £'000	YTD budget £'000	YTD Actual £'000	Variance £'000	M4 Projection £'000	M4 Proj var £'000
	Force in-house Expenditure						
-515	Police Officer Pay & Allowances	50,160	16,533	15,839	-694	49,236	-924
183	Police Officer Overtime	2,000	729	914	186	2,852	852
-9	PCSO Pay & Overtime	2,903	956	935	-21	2,766	-137
-175	Police Staff Pay & Overtime	20,329	6,696	6,626	-70	19,855	-474
14	Premises Costs	4,280	2,241	2,264	23	4,401	120
-6	Transport	2,804	730	664	-65	2,711	-92
-107	Supplies & Services	6,095	1,613	1,453	-160	5,545	-550
-614	Total In-house Expenditure	88,571	29,497	28,695	-802	87,366	-1,205
-176	Net Cost of Police Pensions	14,991	5,142	4,896	-247	15,045	55
-790	Gross Revenue Expenditure	103,562	34,639	33,591	-1,048	102,411	-1,150
-53	Income	-766	-479	-528	-49	-846	-80
-146	BCH Collaboration	36,733	15,720	15,606	-114	36,118	-616
-9	Other Collaborations and Partnerships	4,567	752	730	-23	4,554	-13
0	Capital Accounting & Reserve moves	-889	-16	-17	0	-465	425
-998	Policing Budget Delegated to Chief Constable	143,206	50,616	49,382	-1,234	141,772	-1,434
	<i>Note: Figures may not cast due to rounding</i>						

Appendix 2 - Revenue Budget – Group Result

PCC Revenue Budget Month 4 2019/20						
£'000	Revised 2019/20 Budget	YTD Budget	Actual	Variance	Forecast M4	Forecast Variance
Chief Constable's Delegated Policing Budget	143,206	50,616	49,382	(1,234)	141,772	(1,434)
Section 1						
Office of the Police and Crime Commissioner Commissioner and Deputy	135	45	44	(0)	135	-
Police Staff	754	249	236	(12)	754	-
Premises Costs	1	0	1	0	1	-
Legal fees	73	24	2	(23)	73	-
External Audit Fees	23	8	-	(8)	23	-
Internal Audit Fees	70	17	17	(1)	70	-
Independent Audit Committee	9	3	3	(0)	9	-
Other Running Costs	210	120	112	(9)	210	-
Total Office Expenditure	1,276	466	414	(53)	1,276	-
Section 2						
Victims Services						
Victims Services Grant distributed	1,091	489	560	71	1,091	-
Victims Commissioning Grant distributed					-	-
Other Grants/Funding	(342)				(342)	-
Community Safety & Crime Reduction Grants	1,500	319	441	122	1,500	-
Casualty reduction support	-	-	47	47	-	-
VAWG - grant received	(133)	(33)	-	33	(133)	-
VAWG - spend	139	33	66	33	139	-
Offender Hub PTF Grant					-	-
Victims Services Grant received					-	-
Total Grant funding	2,254	808	1,115	307	2,254	-
Section 3						
Capital Financing Costs:-						
Revenue Contribution to Capital						
Interest	513	171	6	(165)	513	-
Minimum Revenue Provision (MRP)	714	-	-	-	714	-
Finance Lease Costs						-
Total Capital Financing Costs	1,227	171	6	(165)	1,227	-
Section 4						
Premises						
Properties Investments	(5)	7	(1)	(8)	(5)	-
OPCC BUDGET	4,752	1,452	1,534	81	4,752	-
Net Budget Requirement (Total)	147,958	52,069	50,916	(1,153)	146,524	(1,434)

Appendix 3 - Collaboration

CC Revenue Budget Month 4 2019/20								
Variance £'000		Note	Full Year Budget £'000	YTDB M1-4 £'000	Actual M1-4 £'000	Variance £'000	Forecast M4 £'000	Variance £'000
	Collaboration and Partnerships							
10	Collaboration Set up costs	1	0	0	10	10	10	10
0	ERP set up costs	1	93	174	183	9	93	0
23	Collaboration - Athena	1	288	94	124	30	372	84
0	Collaboration - Athena AMO	2	135	0	0	0	135	0
-20	Change team	1	240	204	183	-20	167	-73
0	Collaboration - General	1	236	-167	-167	0	236	0
	Joint Protective Services							
-50	Collaboration - Armed Policing Unit	1	2,686	878	847	-31	2,518	-167
0	Collaboration - CTP	1	702	346	342	-4	690	-12
12	Collaboration - CTC Expenditure	1	1,370	230	259	29	1,437	67
-70	Collaboration - CTC Income	1	-1,370	-187	-322	-135	-1,862	-492
0	Collaboration - Dogs	1	896	306	305	-1	894	-1
-30	Collaboration - Major Crime Unit	1	3,148	593	566	-27	3,028	-120
0	Collaboration - Operational Planning	1	366	284	286	2	374	8
-79	Collaboration - RPU	1	3,969	1,302	1,227	-75	3,749	-219
5	Collaboration - Scientific Services Unit/Visual Evidence	1	2,970	907	906	-1	2,967	-3
8	Collaboration - Protective Services Command	1	231	446	460	15	267	36
0	Collaboration - Force Resilience	1	122	85	85	0	122	1
	Organisational Support							
10	Collaboration - HR and L&D	1	5,093	1,951	1,974	23	5,150	57
-10	Collaboration - IMD	1	919	719	711	-8	889	-31
0	Collaboration - Payroll	1	152	135	135	0	152	0
3	Collaboration - Procurement	1	321	375	370	-5	307	-14
-30	Collaboration - Professional Standards Unit	1	1,190	340	303	-37	1,079	-111
	Operational Support							
24	Collaboration - Firearms Licensing	1	201	125	163	38	283	82
-2	Collaboration - CJ phase 1&2	1	780	-56	-61	-5	763	-17
8	Collaboration - CJ/Custody SMT	1	313	-38	-27	11	352	40
30	Collaboration - Custody local	1	4,029	1,251	1,325	75	4,320	291
0	Collaboration - Public Contact	1	352	-61	-61	0	350	-1
10	Collaboration - ICT	1	7,439	5,538	5,533	-5	7,409	-30
0	Collaboration - LCJB	1	0	-56	-56	1	0	0
	Other Collaboration & Partnerships							
0	Collaboration - Air Support	2	567	142	142	0	567	0
10	Collaboration - ERSOU	2	2,449	565	575	10	2,493	44
0	Collaboration - Kings Lynn PIC	2	769	42	43	0	769	0
0	Collaboration - Regional Collaboration	2	266	4	3	0	266	0
-18	SARC	2	380	0	-33	-33	324	-56
	Total BCH Collaboration	1	36,733	15,720	15,606	-114	36,117	-616
	Total Other Collaborated and Partnerships	2	4,567	752	730	-23	4,554	-13
-156	Total Collaborated and Partnerships		41,300	16,472	16,336	-137	40,671	-629
Reserve Adjusted								
	Surplus generated by CTC - to reserves						425	425

Appendix 4 – Capital expenditure at 31 July 2019

	B/Fwd from previous years	Original 2019/20 Capital Programme	Previously Authorised Programme Amendments	Revised 2019/20 Capital Budget	Actual & Committed 2019/20	%
All figures £'000						
Capital Payments:-						
Land & Buildings	1,275	4,243	-	5,518	1,605	29%
IT & Communications	591	3,107	-	3,698	2,126	58%
Fleet	-	1,525	-	1,525	1,394	91%
Other Collaboration	169	100	-	269	177	66%
Schemes approved subject to further business case	-	300	-	300	-	0%
TOTAL	2,035	9,275	-	11,310	5,302	47%

	B/Fwd from previous years	Original 2019/209 Capital Programme	Previously Authorised Programme Amendments	Revised 2019/20 Capital Budget
All figures £'000				
Capital Financing:-				
Capital Grants	344	790	-	1,134
Carry Forward Reserve	1,491	-	-	1,491
BAR	-	38	-	38
Capital Reserves	-	669	-	669
Capital Receipts	-	2,050	-	2,050
Estates Reserve	-	1,818	-	1,818
RCCO	-	440	-	440
Borrowing	200	3,470	-	3,670
TOTAL	2,035	9,275	-	11,310

Note: figures may not cast due to roundings

Appendix 5 – Scheme by Scheme Budgetary Control Report to 31st July 2019

Notes at Para.	Scheme Title	Job Code	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Proposed Programme Amendments £'000	Revised Capital Budget 2019/20 £'000	Actual YTD £'000	Commitments YTD £'000	Committed & Spent YTD £'000	Variance at year end £'000
4.3	Land & Buildings									
	Major Repairs Planned	Various	288	500	(61)	727	150	176	326	(401)
	Conversion - Replacement SARC	C8066	-	-	-	-	-	20	20	20
	Wisbech Police Station Refurb	C8068	325	-	-	325	-	1	1	(324)
	HQ Lead Decontamination and Prevention	C8106	43	-	-	43	4	-	4	(39)
	Demand Hub - Building Works	C8114	45	-	-	45	2	42	44	(1)
	Southern Police Station	C8121	200	3,470	-	3,670	266	104	370	(3,300)
	HQ Air Conditioning	C8126	94	-	-	94	-	147	147	53
4.3	HQ Car Park Extension	C8127	8	-	61	69	39	31	70	1
	Exercise Yard at Thorpe Wood	C8128	28	-	-	28	30	1	30	2
	Taser Cabins at Monks Wood	C8129	87	-	-	87	61	-	61	(26)
	HQ VEU Building	C8130	157	273	-	430	49	483	532	102
	Land & Buildings Total		1,275	4,243	-	5,518	600	1,005	1,605	-3,913
	Fleet									
	Vehicle Replacement Programme	C8010	-	1,525	-	1,525	228	1,166	1,394	(131)
	Telematics	C8105	-	-	-	-	-	-	-	-
	Fleet Total		-	1,525	-	1,525	228	1,166	1,394	(131)
	Non ICT Collaboration									
	JPS Capital	C8028	-	100	-	100	-	21	21	(79)
	JPS ANPR	C8071	169	-	-	169	34	122	156	(13)
	JPS ERSOU	C8104	-	-	-	-	-	-	-	-
	Non ICT Collaboration Total		169	100	-	269	34	143	177	(92)

Notes at Para.	Scheme Title	Job Code	Budget B/Fwd £'000	Original Capital Programme as amended* £'000	Proposed Programme Amendments £'000	Revised Capital Budget 2019/20 £'000	Actual YTD £'000	Commitments YTD £'000	Committed & Spent YTD £'000	Variance at year end £'000
	ICT Collaborated									
	BCH Property Management System	C8063	3	-	-	3	6	-	6	3
	ICT Consolidated Workstreams	C8111	107	-	-	107	-	29	29	(78)
	Infrastr - digital forensics (DFU Storage-Cambs)	C8125	11	36	-	47	10	-	10	(37)
4.1	DAMS	N/A	-	83	-	83	-	-	-	-
	PC/Laptops Replacement	JC0001	112	841	-	953	120	1	121	(832)
	Printers	JC0002	-	0	-	-	-	-	-	-
	Applications - Tuserv (non IT Budget)	JC0003	-	132	-	132	-	24	24	(108)
	Applications - Search Capabilities	JC0004	-	13	-	13	-	-	-	(13)
4.2	Networks	JC0005	-	292	-	292	-	166	166	(126)
	Infrastructure - Servers	JC0006	-	70	-	70	12	27	39	(31)
	Infrastructure - Storage	JC0007	77	252	-	329	7	466	473	144
	Infrastructure - Back up	JC0008	-	0	-	-	-	-	-	-
	Telephony	JC0009	10	185	-	195	-	-	-	(195)
	Mobile Comms - Airwaves	JC0010	-	256	-	256	37	202	239	(17)
	Mobile Comms - Smartphones	JC0011	-	460	-	460	364	-	364	(96)
	Mobile Comms - BWV (Body Worn Video)	JC0012	-	5	-	5	-	5	5	(0)
	Digital Interviewing	JC0013	-	198	-	198	-	-	-	(198)
	Storm	JC0014	-	37	-	37	-	-	-	(37)
	ICT Collaboration Total		320	2,860	-	3,180	556	919	1,475	(1,622)
	ICT Other									
	Covert Equipment Renewal	C8022	34	-	-	34	4	-	4	(30)
	Athena	C8035	-	247	-	247	37	84	121	(126)
	Demand Management Software	C8097	20	-	-	20	-	-	-	(20)
	ESN - ICCS	BCHCAA	-	-	-	-	-	26	26	26
	BCH ERP Purchase	BCHCAG	-	-	-	-	173	301	474	474
	Seven Forces PSD Monitoring System	C8120	30	-	-	30	-	26	26	(4)
	ESMCP Devices and Fitting	HC8039	187	-	-	187	-	-	-	(187)
	ICT Other Total		271	247	-	518	214	438	652	134
	Schemes Approved Subject to Further Business Case									
	Delegated Chief's Budget		-	300	-	300	-	-	-	-
	Grand Total		2,035	9,275	-	11,310	1,632	3,671	5,302	-5,244

Business Information Board

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*Approved Capital Programme + / - previously authorised additions, deletions & variations

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Note: figures may not cast due to roundings