

For Information / Consideration / Comment / Decision (delete as appropriate)	
Public/Non Public*	
Report to:	Accountability Board
Date of Meeting:	22nd November 2022
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Agenda Item:	

Revenue Outturn Report 2022/23 as at the end of September.

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the financial outturn position for revenue for 2022/23 as at the end of September.

2. Recommendations

- 2.1 Recommendation 1
It is recommended that the contents of the report are noted.

3. Reasons for Recommendations

- 3.1 To update the Accountability Board on the Force's outturn position for 2022/23 as at the end of September, and to comply with good financial management and Financial Regulations.

4. Summary of Key Points

- 4.1 The Chief Constables revenue budget is £236,431k, outturn at the end of 2022/23 is currently forecast to be £525k overspent.
- 4.2 Summary by spend type:

Spend Type	Original Budget £'000	Virements £'000	Working Budget £'000	Outturn £'000	Variance £'000
Agency & Contract Services	16,621	394	17,015	17,297	282
Capital Financing	5,072	438	5,510	5,961	451
Comms & Computing	10,675	(134)	10,542	10,740	198
Employee	159,785	1,001	160,786	162,030	1,244
Income	(16,825)	(3,030)	(19,855)	(23,442)	(3,587)
Pensions	37,786	276	38,062	38,716	654
Premises	8,423	4	8,427	8,737	309
Supplies & Services	10,468	1,051	11,520	12,440	921
Transport	4,425	0	4,425	4,477	52
Total	236,431	0	236,731	236,956	525

4.3 Several unexpected, unbudgeted items have been brought our attention during the first half of the financial year. These are detailed in section 5.

5 Financial Implications and Budget Provision
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5.1 Increase in Officers.

The budget was approved and costed to account for an FTE establishment of 2,337 by 31st March 2023.

An additional 31 officers will be recruited as part of Government’s 20,000 uplift, this will be funded through a grant of £620k.

As the officers will start towards the end of the year, the balance on the grant will be carried forward into 2023/24 to off-set the additional costs that will impact on that year.

In addition to this the Chief Constable will recruit an additional 19 officers (bringing forward recruitment from 23/24) this will mean a total of 50 additional officers in 2022/23, we will use the above grant to fund these officers, along with associated uniform and IT costs.

Date		22/23 March
Cohort 1 (25 officers)	Uplift	47,660
Cohort 2 (6 officers)	Uplift	3,010
Cohort 3 (19 officers)	B/F	9,532
IT Costs		93,517
Uniform Costs		50,000
Total Cost		203,719
Total Grant	Uplift	(620,000)
<u>22/23 Costs</u>		<u>203,719</u>
Transfer to provision		(416,281)

5.2 Pay Awards

Within the budget a Police Officer pay award was included of 2%, confirmation has been received that each scale point will be increased by £1,900 per annum, effective 1st September 2022. This increase has been calculated to an across-the-board average increase of 5.1% for all officers.

The financial impact on 2022/23 will be around an extra £3.85m of which the force will receive funding of £1.25m, thus creating an in-year shortfall of £2.6m.

If we assume, for now, an additional 1.5% that staff may get from September this would add a further £0.5m of cost that is unlikely to be funded.

In total an additional cost of £3.1m to find in year.

5.3 **Overtime**

In 2021/22 it was reported that a cost of £1,326k was incurred at the end of the year in respect of the unpredictable nature of Police Officer elected bank holidays, it is anticipated that the force will incur a similar cost this financial year. As the cost was not identified until after the budget for 2022/23 was agreed and published it has not been included, it is expected a cost of £1,200k could be incurred, some of the cost from 2021/22 was off set with mutual aid income.

5.4 **Inflation**

A safeguard against increased fuel rises was built into the budget, however current information would suggest that these costs will rise above the safeguard budgeted.

Across gas, electric, petrol and diesel this amounts to an unbudgeted cost of £751k.

5.5 **Insurance**

The Insurance premiums have been renewed for the financial year. This shows an increase in costs of £724k. Some of this could be offset against reducing the contributions to the insurance provision.

5.6 **Staff Pay**

A staff vacancy rate of 3% was built into the budget allowing for a percentage of staff posts to be vacant during the year. We are expected to underspend by a further (£2,500k) due to high staff turnover and difficulty in recruiting to vacant posts.

5.7 **Grant and other Income**

Performance Uplift grant of (£2,400k) will be received at the end of the financial year.

£300k receipts from sales of vehicles will not be achieved as vehicles are being kept longer than anticipated due to market supply chain issues. As a result capital expenditure is also likely to be lower.

5.8 **London Bridge**

The estimated costs of Operation London Bridge (state funeral of HM Queen Elizabeth II) amount to £1,154k, this will be offset by mutual aid recharges of an estimated £408k, leaving an impact of £746k.

5.9 Change in National Insurance Rates

The government has reversed the decision to increase national insurance contributions by 1.25%. The decision to increase the rates came into effect in April and will be reversed on 6th November. This creates an in year saving of £819k, which has been off set with rephasing of officer cohorts, transferees and promotion boards, an increase in officer overtime due to demand and an additional cohort of 20 PCSO's to start in January.

5.10 Summary

<u>Summary</u>	<u>£'000</u>
Payawards	3,100
Overtime	2,354
Inflation	751
Insurance	724
Sale of Vehicles reverse	300
Uplift	(2,400)
Staff Pay	(2,500)
In-Year Savings	(646)
Addnl Income Generation	(658)
Investment Interest	(500)
	<u>525</u>

6 Human Resources Implications

6.1 There are no immediate Human Resource implications arising from this report.

7 Equality Implications

7.1 There are no equality implications arising from this report.

8 Risk Management

8.1 There are no risk management implications arising from this report.

9 Policy Implications and links to the Police and Crime Plan Priorities

9.1 There are no policy implications arising from this report.

10 Changes in Legislation or other Legal Considerations

10.1 There are no changes in legislation or other legal considerations that are relevant to this report.

11 Details of outcome of consultation

11.1 The figures included in this report are presented to the Force Executive Board monthly.

12. Appendices

12.1 There are no appendices to report.

13. Background Papers (relevant for Police and Crime Panel Only)

NB: See guidance on public access to meetings and information about meetings for guidance on non-public information and confidential information.