

For Information / Consideration / Comment / Decision (delete as appropriate)	
Public/Non Public*	Public
Report to:	Strategic Resources & Performance
Date of Meeting:	4th March 2020
Report of:	Chief Constable Guildford
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Agenda Item:	14

Revenue Report for Period 9; Quarter 3 2019/20.

1. Purpose of the Report

- 1.1 The purpose of this report is to provide an update on the financial outturn position for revenue as at 31st December 2019 (Period 9, Quarter 3).

2. Recommendations

2.1 Recommendation 1

It is recommended that the contents of the report and virements approved under delegated arrangements for Period 9 2019 shown in Appendix B are noted.

2.2 Recommendation 2

That the Police and Crime Commissioner approve the virements of greater than £100k which have been recommended by the Chief Constable as set out in Appendix C. These virements will be reflected in the outturn position once fully approved. There are none in this period.

2.3 Recommendation 3

That the Police and Crime Commissioner note the overspend position and consider any action that might be required as set out in Appendix D.

2.4 Background

The net revenue budget for 2019/20 is £206,283k. This is split between the Force £201,308k and the Office of the Police and Crime Commissioner (OPCC) £4,975k.

Finance in conjunction with the organisation has continued to review the outturn position. At the end of December 2019 the projected year end outturn is £206,792k, which represents an over spend of £509k against the budget, an increase of £40k against Period 8. Please also refer to section 8 of this report which identifies risk issues in respect of this report.

3. Reasons for Recommendations

- 3.1 To update the Chief Officer Team and the Office of the PCC on the Force's projected outturn position for 2019/20 and also to comply with good financial management and Financial Regulations.

4. Summary of Key Points

Executive Summary

- 4.1 The review during Period 9 of revenue expenditure is forecasting an over spend in the Force budget of £509k; and an on budget position within the OPCC. Any underspends realised within the OPCC during the year will be transferred to OPCC's commissioning reserve.

In addition to the comments in the Period 8 report the slight increase in over spend reflects ongoing reviews on pay budgets, the inclusion of grant amounts for ARV Uplift, Cyber Crime and Operation Uplift and a review of the Futures Board.

Monitoring continues to be problematic and errors in the data continue to be reported. It should be noted that outturn monitoring in relation to all pay has been completed this month, however payroll and general ledger continue to be out of balance at the present time, accuracies between departments are also irreconcilable and inconsistent, however this is unlikely to be resolved by year end and will therefore need to be addressed as part of the year end process.

The table below shows the projected Force (including externally funded and seconded officers/staff) variances against the 2019/20 budget plus approved virements (revised budget) as at the end of December 2019.

Variances greater than £10k are explained in more detail within section 4 of this report, unless there is no movement between last month's variance and this month's variance.

Data explaining the variance between original budget and revised budget can be found in Appendix A. Data explaining the virements can be found in Appendix B and Appendix C.

Nottinghamshire Police Group Position as at the end of December 2019, by Department.

Over spends are shown as + numbers, whilst under spends are shown as () numbers. No adjustments have been made for rounding.

	Revised Budget £'000	Forecast Outturn £'000	FO-RB Variance £'000
Local Policing			
County	43,195	42,540	(656)
City	29,460	28,727	(733)
Contact Management	16,166	16,050	(116)
	88,821	87,317	(1,504)
Crime & Operational Services			
Public Protection	12,465	11,966	(499)
Operational Support	10,280	11,116	836
Intelligence	9,170	8,980	(189)
Serious & Organised Crime	7,400	6,861	(539)
Archive & Exhibits	1,115	1,184	69
Other	255	476	222
	40,684	40,583	(101)
Corporate Services			
Technical Accounting	12,382	12,007	(375)
Information Services	11,595	11,332	(263)
Estates	6,287	7,148	861
Fleet	3,234	3,538	304
People Services	1,781	1,909	128
PSD	1,575	1,556	(19)
Futures Board	789	629	(160)
Command	1,263	1,481	218
Corporate Development	1,120	931	(189)
Corporate Communications	843	677	(166)
Finance	691	796	105
Information Management	531	441	(90)
Other smaller budget departments	215	238	23
	42,307	42,682	376
Collaboration			
EMSOU Operations	13,494	13,612	118
EMCJS	9,071	9,065	(6)
EMSOU Services	4,169	4,401	231
MFSS	2,567	3,029	461
ESN	186	186	0
EMSCU	153	149	(4)
	29,641	30,441	800
Home Office Grants & Partnerships			
Knife Crime	0	547	547
ARV Uplift	(107)	0	107
Cyber Crime	0	0	0
Op Uplift	0	247	247
Externally Funded Projects	(38)	0	38
	(144)	794	939
Force Total	201,308	201,817	509
OPCC	4,975	4,975	0
Group Total	206,283	206,792	509

4.2 Local Policing – under spend (£1,504k) an increase of £154k on last month.

The increase in under spend predominantly reflects the latest pay forecasts, and additional income in respect of foreign national registrations and a recharge to Mansfield District Council.

4.3 Crime and Operational Services – under spend (£101k) a reduction of £352k on last month.

The increase in under spend predominantly reflects the latest pay forecasts, this is off-set by a reduction in expected pathology fees, and a reduction in casual user spend.

4.4 Corporate Services – over spend £376k a reduction of £242k on last month.

4.4.1 Technical Accounting – under spend (£375k) an increase of £210k.

This change reflects income from NCC in respect of Brexit; income from partners in respect of the memorial garden; and a reduction in the outturn for redundancy payments.

4.4.2 Information Services – under spend (£263k) an increase of £162k

This change reflects the final release of the provision held against the departmental restructure.

4.4.3 Fleet – over spend £304k an increase of £148k

The increase in overspend is a result of purchases against Op Uplift, additional costs for damage and fuel increases.

4.4.4 Futures Board – under spend £160k

The Futures Board was designed to provide budget for a range of projects under the leadership and direction of the DCC. A review has taken place and it is proposed that the money set aside for NEP developments which have since been delayed be transferred to a reserve account to be drawn on in future years.

4.5 Collaboration and Partnerships – over spend £800k an increase of £233k

4.5.1 EMCJS – under spend (£6k) a reduction of £127k

The reduction in under spend predominantly reflects the latest pay forecasts along with paying back the regional underspend from 2018/19.

4.5.2 EMSOU Services – over spend £231k, an increase of £64k

The change in position is the result of paying back the regional underspend from 2018/19.

4.6 OPCC – on budget

The OPCC is projecting an on budget position, any underspends within the OPCC during the year will be transferred to the OPCC's reserve and OPCC's Grant and Commissioning reserve.

4.7 Grant Funding

This section of the report shows grant funded projects for 2019/20. The use of grant to match expenditure in the outturn figures are shown as income in the tables reported under item 4.1 the detail of which is shown below. The Force has plans to spend the entire grant within the areas identified for each project. The tables now show the grant allocated against the forces core budget, see item 4.1. The tables also show actual year to date spend and committed spend.

4.7.1 Op Scorpion – Grant £1,540k

The Home Office have requested a mid-period financial outturn position in a different format. The force accounts have been amended to reflect this position, which has caused some unexpected anomalies within the system.

As costs have been incurred the comparison with core budgets has been realigned, it is expected that £629k of the operational costs are covered within the forces core budget, whilst £911k of costs are new and planned as part of the operation, this will continue to be subjective mainly due to overtime costs. It is still anticipated that the project will overspend against the grant to the value of £547k. This is a reduction against the figure reported last month, due to further analysis of overtime and realignment of staff and officer salaries.

Home Office Knife Crime Surge Grant	Core	New	Total Grant	Outturn	Balance
	£'000	£'000	£'000	£'000	£'000
Location targeting: prevention & enforcement in hotspot areas	124	258	382	765	(383)
Individual targeting: intelligence & targeted activity	34	155	188	153	35
Investigative response	471	210	681	885	(204)
Equipment & technology	0	289	289	283	5
	629	911	1,540	2,087	(547)

4.7.2 ARV Uplift – Grant £263k

The ARV project is expected to spend to full grant allowance by the end of the financial year.

Home Office ARV Uplift Funding Grant	Core	New	Total Grant	Outturn	Balance
	£'000	£'000	£'000	£'000	£'000
RAPT, TST, TAPT related overtime & staffing	236	-181	55	55	0
Armoury Improvement		52	52	52	0
Glock 17 Gen 5 Pistol Set		6	6	6	0
New Shields		10	10	10	0
Mobile ANPR		34	34	34	0
Taser Uplift		33	33	33	0
1 x duty planning staff	27		27	27	0
Targetry proposals		26	26	26	0
Method of entry rig and shelter		20	20	20	0
	263	0	263	263	0

4.7.3 Cyber Crime – Grant £137k

The financial system now accurately reflects the figures in the table below. The project is on track to deliver as per the grant allocation.

Home Office Cyber Crime Grant	Core	New	Total Grant	Outturn	Balance
	£'000	£'000	£'000	£'000	£'000
Employee costs	99	3	102	102	0
Crypto currency equipment		2	2	2	0
Technology Equipment		23	23	23	0
Travel & accommodation for Cyber Team		10	10	10	0
	99	38	137	137	0

4.8 Efficiencies

The 2019/20 efficiency target in order to achieve a balanced budget is £3,300k as per the table below:

Efficiencies Target for 2019/20		
	Target £'000	Outturn* RAG Assessment
Pay & Expenses		
Ongoing staff pay savings	1,500	Green
Overtime	500	Red
	2,000	
Non Pay		
Procurement	300	Amber
Comms & Computing	300	Amber
Capital Financing	300	Red
Supplies & Services	200	Green
Income	200	Green
	1,300	
Total Savings	3,300	(2,200) Amber

*Unable to assess due to MFSS quality issues.

Savings targets/achievements are captured in the outturn summary at 4.1.

Finance is constantly reviewing all efficiency targets with the organisation to identify any possible risks or opportunities to delivering the yearend target.

5 Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within item 4.1 and Appendix A.

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 Monitoring continues to be problematic and errors in the data continue to be reported. It should be noted that outturn monitoring in relation to pay continues to be reviewed, however payroll and general ledger continue to be out of balance at the present time, accuracies between departments are also irreconcilable and inconsistent.

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 on a monthly basis.

12. Appendices

12.1 Appendix A - Revenue Report to December 2019 CIPFA format.

12.2 Appendix B - Virements approved under delegated arrangements.

12.3 Appendix C – Virements greater than £100k requiring PCC approval.

12.4 Appendix D - Outturn movements.

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.

Nottinghamshire Police Group Position as at the end of December 2019, by CIPFA format.

The table shows the original budget and approved virements to represent the revised budget. Over spends are shown as + numbers, whilst under spends are shown as () numbers. No manual adjustments have been made for rounding.

	Budget £'000	Virements £'000	Revised Budget (RB) £'000	Forecast Outturn (FO) £'000	FO-RB Variance £'000
Pay & Allowances					
Police Officer	107,907	380	108,287	106,458	(1,830)
Police Staff	43,151	867	44,018	43,058	(960)
PCSO	5,723	0	5,723	5,679	(44)
	156,781	1,248	158,028	155,195	(2,834)
Overtime					
Police Officer	4,016	65	4,081	5,158	1,077
Police Staff	743	(3)	740	717	(23)
PCSO	60	99	159	151	(8)
	4,819	161	4,980	6,026	1,046
Other Employee Expenses					
Medical Retirements	4,929	0	4,929	4,482	(447)
Other Employee Expenses	2,156	13	2,169	2,195	26
	7,085	13	7,098	6,677	(421)
Total Pay & Allowances	168,685	1,421	170,106	167,898	(2,208)
Non Pay					
Collaboration Contributions	10,246	266	10,511	11,346	835
Comms & Computing	8,683	43	8,726	9,149	423
Other Supplies & Services	5,853	211	6,064	6,267	203
Premises	5,767	53	5,820	6,735	916
Transport	5,652	68	5,720	6,070	350
Capital Financing	4,335	0	4,335	4,601	266
Forensic & Investigative costs	2,090	12	2,102	2,078	(24)
Custody costs & Police Doctor	1,483	(1)	1,482	1,532	50
Partnership Payments	1,312	(185)	1,127	1,352	225
Clothing, Uniform & Laundry	527	2	529	680	151
Income	(13,325)	(1,889)	(15,214)	(15,892)	(677)
Total Non-Pay	32,623	(1,421)	31,202	33,919	2,717
OPCC	4,975	0	4,975	4,975	0
TOTAL GROUP POSITION	206,283	0	206,283	206,792	509

Nottinghamshire Police Group Position as at the end of December 2019, by Department.

The table shows the original budget and approved virements to represent the revised budget. Over spends are shown as + numbers, whilst under spends are shown as () numbers. No manual adjustments have been made for rounding.

	Budget £'000	Virements £'000	Revised Budget £'000	Forecast Outturn £'000	FO-RB Variance £'000
Local Policing					
County	43,081	115	43,195	42,540	(656)
City	29,450	10	29,460	28,727	(733)
Contact Management	16,479	(313)	16,166	16,050	(116)
	89,010	(189)	88,821	87,317	(1,504)
Crime & Operational Services					
Public Protection	12,438	27	12,465	11,966	(499)
Operational Support	10,156	124	10,280	11,116	836
Intelligence	9,191	(22)	9,170	8,980	(189)
Serious & Organised Crime	7,313	87	7,400	6,861	(539)
Archive & Exhibits	1,078	38	1,115	1,184	69
Other	(47)	302	255	476	222
	40,129	556	40,684	40,583	(101)
Corporate Services					
Technical Accounting	12,776	(394)	12,382	12,007	(375)
Information Services	11,272	324	11,595	11,332	(263)
Estates	6,235	52	6,287	7,148	861
Fleet	2,876	358	3,234	3,538	304
People Services	1,715	66	1,781	1,909	128
PSD	1,635	(61)	1,575	1,556	(19)
Futures Board	1,280	(491)	789	629	(160)
Command	1,235	28	1,263	1,481	218
Corporate Development	1,628	(508)	1,120	931	(189)
Corporate Communications	833	10	843	677	(166)
Finance	671	20	691	796	105
Information Management	0	531	531	441	(90)
Other smaller budget departments	215	0	215	238	23
	42,372	(65)	42,307	42,682	376
Collaboration					
EMSOU Operations	13,781	(286)	13,494	13,612	118
EMCJS	9,066	5	9,071	9,065	(6)
EMSOU Services	4,195	(26)	4,169	4,401	231
MFSS	2,418	150	2,567	3,029	461
ESN	186	0	186	186	0
EMSCU	153	0	153	149	(4)
	29,798	(158)	29,641	30,441	800
Home Office Grants & Partnerships					
Knife Crime	0	0	0	547	547
ARV Uplift	0	(107)	(107)	0	107
Cyber Crime	0	0	0	0	0
Op Uplift	0	0	0	247	247
Externally Funded Projects	(0)	(38)	(38)	0	38
	(0)	(144)	(144)	794	939
Force Total	201,308	(0)	201,308	201,817	509
OPCC	4,975	0	4,975	4,975	0
Group Total	206,283	(0)	206,283	206,792	509

Virements Period 9 - Approved under delegated arrangements

Expenditure Type	Description	Amount £
Other Employee Costs	ACC contingency fund used to cover Guns, Knives and Evidence Conference.	260.00
Pay & Employment Costs	ACC contingency fund used to cover Guns, Knives and Evidence Conference.	(260.00)
OVERALL MOVEMENT		-

Virements Period 9 - Requiring PCC approval.

Nothing to report this period.

Outturn Movements Period 9- 2019/20

Expenditure Type	Description	Amount £
Agency & Contract Services	Various minor changes reflecting P9 out-turn monitoring	(3,015.00)
	Revised out-turn position from MAPPA Q3	11,366.20
	Pay back 18-19 regional under spend	89,060.00
	DSNP lines re ESN (see income)	30,000.00
		127,411.20
Employee Costs	Revised out-turn position for Futures Board	(80,000.00)
	Reduced out-turn in respect of redundancy costs	(70,000.00)
	Reduced out-turn in respect of PMAB Hearings	(20,000.00)
	Various minor changes reflecting P9 out-turn monitoring	2,844.58
		(167,155.42)
Pay & Employment Costs	Increase in payroll out-turn reflected through ongoing monitoring	513,395.29
Supplies & Services	Revised out-turn position for Futures Board	(100,139.55)
	Review of Pathology Fees	(62,000.00)
	Various minor changes reflecting P9 out-turn monitoring	6,942.33
	Revised out-turn position for Command & Control Project Team	(119,506.00)
	Removal of the outturn provision in respect of the IS restructure	(150,000.00)
		(424,703.22)
Pension	Decrease in payroll out-turn reflected through ongoing monitoring	(100,904.38)
Property Related	Various minor changes reflecting P9 out-turn monitoring	134.32
	Increase in utility costs	33,250.00
		33,384.32
Transport Related	Review of repairs and hire car usage	(2,783.24)
	Review of contractor costs in line with repricing exercise	58,305.00
	Vehicles purchased for Interceptors	47,238.73
	Reduction in casual user mileage and air travel spend	(52,400.79)
		50,359.70
Income	Various minor changes reflecting P9 out-turn monitoring	4,447.55
	External Funding Income	55,504.80
	Increased rental income, partly off-set increased property related costs	(100,000.00)
	Income for NCC in respect of Brexit	(10,000.00)
	Income from Home Office in respect of DSNP (see Agency & Contract Services)	(30,000.00)
	Recharge of officer to MDC	(31,250.00)
	Reduce outturn for football income.	119,558.42
		8,260.77
OVERALL OUTTURN MOVEMENT IN P9		40,048.26
PREVIOUS OUTTURN MOVEMENT		469,037.96
TOTAL OUTTURN MOVEMENT		509,086.22