

For Information	
Public	Public
Report to:	Strategic Resources & Performance
Date of Meeting:	18th September 2020
Report of:	Chief Constable
Report Author:	Tracey Morris
E-mail:	Tracey.morris@nottinghamshire.pnn.police.uk
Other Contacts:	Mark Kimberley
Agenda Item:	14

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Quarter 1 2020/21 Revenue Year to Date Position.

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the forecast financial outturn position for revenue for the financial year 2020/21.

2. Recommendations

- 2.1 That the Force Executive Board and the Office of the Police and Crime Commissioner notes the outturn position as detailed in the report.

3. Reasons for Recommendations

- 3.1 To update the Office of the PCC on the Force's forecast outturn position for 2020/21 as at the end of quarter 1 and also to comply with good financial management and Financial Regulations.

4. Summary of Key Points

4.1 Summary

As reported in the 2020/21 budget £3m ring fenced Performance Grant in relation to the uplift of an extra 20,000 officers nationally was reported. The grant has been approved and the income is being received monthly this is to alleviate any cash flow issues that may have been caused through Covid-19.

At the end of Q1 the force has incurred additional costs/loss of income of £304k in relation to Covid-19 as well as £300k in relation to orders that have been delayed, the cost of which should have been incurred during 2019/20. These costs along with additional overtime spends would have resulted in a much larger overspend position than that being reported, however the considerable savings on vacant staff posts have off-set much of those costs.

- 4.2 The total net expenditure budget approved by the OPCC for 2020/21 was set at £221.6m, this is split between Police and OPCC as per the table below.

Net expenditure budget	Police £m	PCC £m	Total Base £m
Employee	142.9	0.9	143.7
Premises	6.1	0.0	6.1
Transport	6.1	0.0	6.2
Comms & Computing	8.9	0.0	8.9
Supplies & Services	9.8	-	9.8
Agency & Contract Services	12.9	5.6	18.4
Pension	34.5	0.1	34.6
Capital Financing	8.5	-	8.5
Income	(13.1)	(1.5)	(14.6)
Grand Total	216.5	5.1	221.6

4.3 Detail

The review of revenue expenditure shows a forecasted outturn position of £143k overspend for Police and an on budget position within the OPCC. This report will review each of the expenditure areas relating to the Police element of the budget.

Expenditure Type	Total Base £'000	Virements £'000	Revised Budget £'000	Q1 Outturn £'000	Variance Over/(Under) £'000
Employee	142,858	1,468	144,326	144,458	132
Premises	6,118	58	6,176	6,596	419
Transport	6,144	0	6,144	5,905	(238)
Comms & Computing	8,915	770	9,685	10,154	469
Supplies & Services	9,834	132	9,966	10,774	808
Agency & Contract Services	12,763	5	12,768	11,872	(895)
Pension	34,460	331	34,791	34,878	87
Capital Financing	8,482	1,000	9,482	9,448	(34)
Income	(13,054)	(3,729)	(16,784)	(17,389)	(605)
	216,519	35	216,554	216,696	143

Employee costs include pay, allowances and overtime but excludes pension contributions.

The current forecast is an overspend of £132k and this relates to an underspend on staff pay of (£605k) representing a higher number of vacant posts, an overspend on officer £145k and PCSO £150k pay reflecting a lower than planned natural attrition rate. Overtime is currently predicted to overspend at around £453k, this is partly due to the 2 hours self-approval process not yet being removed from the system.

The costs of the EMSCU (East Midlands Strategic Commercial Unit) who were budgeted within Agency & Contracted Services £859k, these costs are due to the delay on implementing the LLP transfer which are off-set by additional income, leaving the original net budget of £150k unchanged.

Premises costs include the running and upkeep costs of the estate.

The current forecast is an overspend of £419k. The overspend is due to retaining buildings for longer than expected, Worksop and Holmes House being the main costs at £110k. An additional £27k relates to additional cleaning costs due to Covid-19.

The force is now incurring costs for regional buildings which sit within our County, these costs are being recharged back to the region £208k.

Transport costs, includes the cost of running the force fleet and other travel costs.

Current forecast is an underspend of (£238k). (£155k) saving has been achieved reflecting the lower than planned cost of diesel and petrol and a reduced level of mileage claims made by employees. These reductions are off-set by an increase in vehicle repairs and tyres, reflecting a higher specification fleet. There has been a higher number of written off vehicles, some of the cost of these will be recouped through insurance claims in due course.

£240k of this relates to a decision by the Speed Camera Partnership no to replace some of the existing fleet, an opposite entry to reserves is shown in Capital Financing.

Communications and Computing costs includes the costs of the information technology estate incorporating call charges, software licences, upgrades, networking, airwave and postage costs.

Current forecast is an overspend of £469k and this relates to £308k increase of costs from the Home Office, a rise of 19% on previous years. £115k of orders that were delayed due to Covid-19 and now impact on the 2020/21 financial year; £96k of costs in relation to increase in airwave and Niche costs reflecting the growth in officer numbers. These costs have been off-set by savings of (£319k) in relation to closing of systems and phone/data lines no longer required. The balance of £200k relates to various contract renewals being higher than anticipated.

Supplies and Services costs includes all non-pay operational costs.

Current forecast is an overspend of £808k, the majority of this reflects an increase in insurance premiums of £310k. A fee of £219k has been incurred in respect of Avon and Somerset Police opting out of the MFSS (Multi Force Shared Services) Collaboration. £250k efficiency saving allocated here will be incurred in other areas, it is anticipated that this will be achieved in full across the force.

As a result of increase insurance premiums the contribution to the Insurance reserve will be reduced by £310k.

The force will incur an additional £230k of professional fees and consultant's fees re EMSCU which is off-set in income.

Agency and Contracted Services costs includes collaboration charges, partnership costs and mutual aid charges.

Current forecast is an underspend of (£895k). MFSS costs have reduced, £342k of this is a reduction in the GEN 2 costs with inflation and relative growth being £326k lower than expected.

A new delivery model was approved at the PCC board, resulting in a reduction in the regional charges for EMSOU (East Midlands Special Operations Unit) of £227k.

Pension costs include payments for employees along with pensions payrolls for ill health and injury pensions.

The forecast currently shows an overspend of £87k. An accrual for £150k has been made in respect of pension remedy compensation claims, which is off-set by a saving on staff standard pension contributions reflecting the current vacant posts in the organisation.

Capital Financing includes the transfers in and out of reserves, contributions to capital financing, MRP (Minimum Revenue Provision) charges and interest costs.

Current outturn position is (£34k) underspend. The MRP has been increased by £332k to reflect the shorter lifetimes of assets that have been funded by borrowing, capital receipt contributions are also expected to be lower. This is off-set by £327k transfer to general reserves which is mainly in respect of the £240k change in decision relating to the Speed Camera van replacements.

Income includes grants, partnership funding, fee income and seconded officers' recharges.

Currently forecast to increase by (£605k). (£1,218k) reflects the income due to off-set the EMSCU charges. (£213k) off-sets costs of regional buildings; (£174k) additional income generated from investment interest, this is off-set by £278k loss of income for sporting events and Speed Camera Team £297k as a result of Covid-19. A reduction of £320k income from the Speed Camera Partnership, mainly as the result of a decision not to replace vehicles is off-set by reduced contribution to capital financing.

5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within item 4.

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 of the accounts is problematic and errors in the data continue to be reported.

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 monthly basis.

12. Appendices

12.1 None