

Report to the Commissioner's Performance and Delivery Board

Date: 6 December 2017

Title: Finance

From: Chief Constable



EXECUTIVE SUMMARY

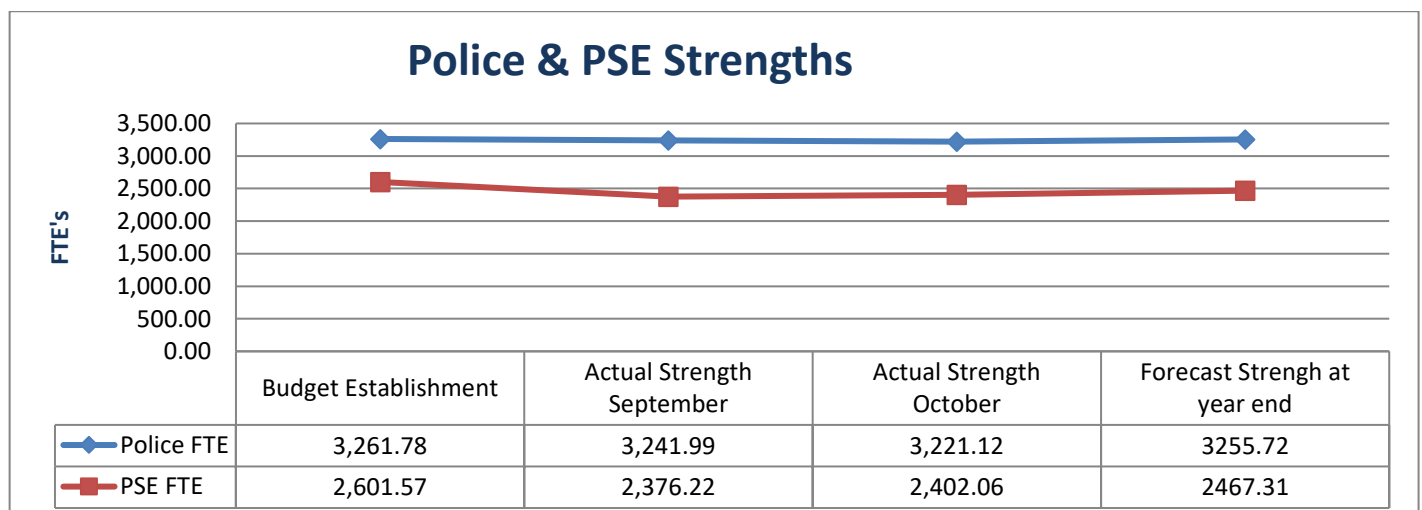
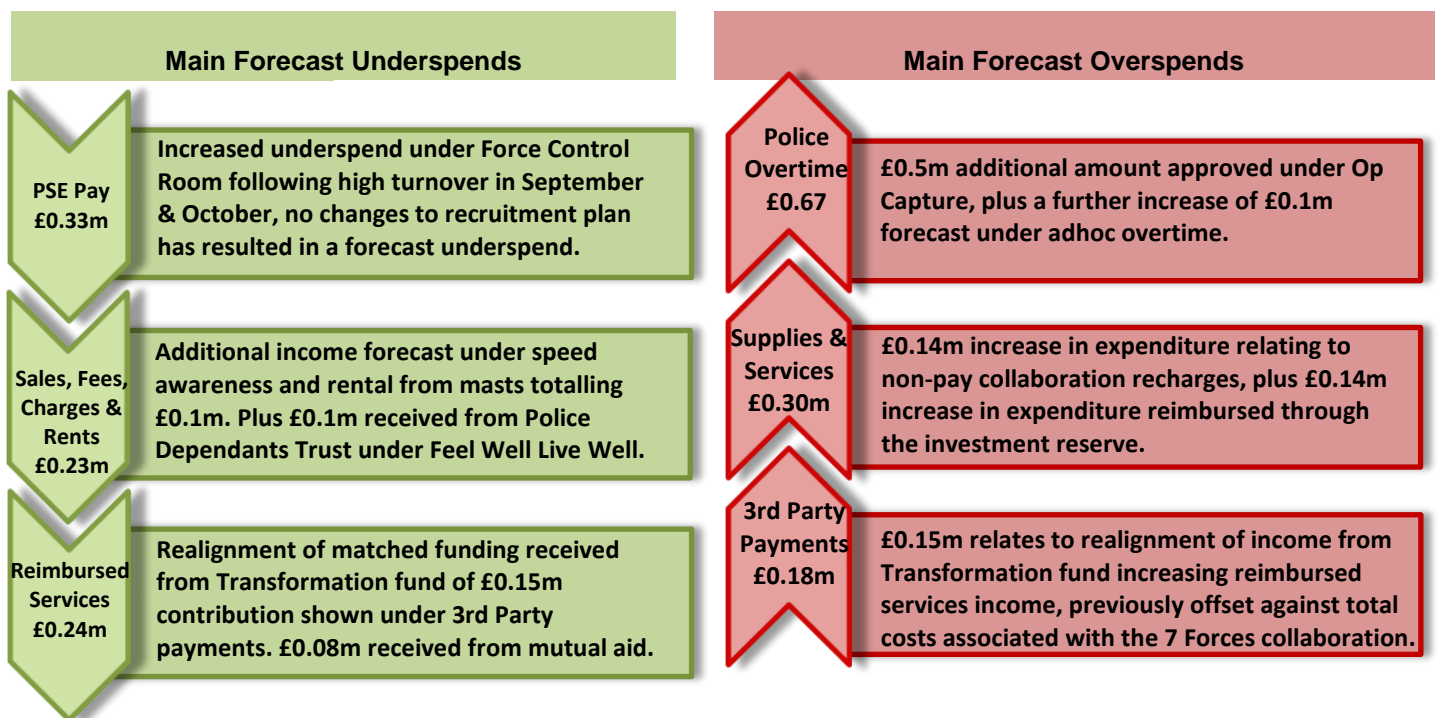
- The following report has been shared with Chief Officers on 14 November 2017 and thereafter with the Office of the Police and Crime Commissioner. The report is the standard monthly financial monitoring paper produced by the Finance Department on the sixth working day following the end of the month and is produced in consultation with all budget holders force-wide. This report is based on actual expenditure and income from April 2017 to October 2017 and forecasts thereafter for both revenue and capital.
- The force-wide forecast for revenue is an under-spend of £0.4m against the annual budget of £281.1m representing an under-spend of 0.15%. Although individual budget classifications within the following report show sizeable over or under-spends these are managed across the entirety of budgets and the organisation to ensure overall spending is controlled and scrutinised by the Finance Officers, Chief Accountant and Chief Finance Officer prior to being reported to Chief Officers and the Police and Crime Commissioner's CFO. Examples of these over / under-spends are where departments such as the Force Control Room (FCR) have an under-spend on police staff pay following higher than budgeted turnover and overtime is offered to compensate the resource gaps these vacancies then leave.
- The revenue under-spend has increased from £0.2m as at the end of September 2017 primarily due to revisions to the pay forecast for the FCR following high turnover in September and October; additional income has also been received from rental agreements with mobile telecoms providers. These are described in the report below.
- The Investment forecast, comprising expenditure on the capital programme and other long term business improvement initiatives, is forecast to spend £19.1m against the agreed budget of £24.9m for the 2017/18 financial year representing 77% delivery against the budget. All bar £0.5m of this under-spend follows re-profiling of schemes into the following financial year caused by a combination of national delays for schemes such as the Emergency Services Mobile Communications Programme (ESMCP), global shortages of some IT equipment and extensive and complex procurement processes. As with the revenue budget all forecasts are made in conjunction with programme / project managers and discussed at the quarterly Capital Management Board as well as monthly at the Chief Officer Strategic Meeting.
- The monthly financial monitoring report follows in full.

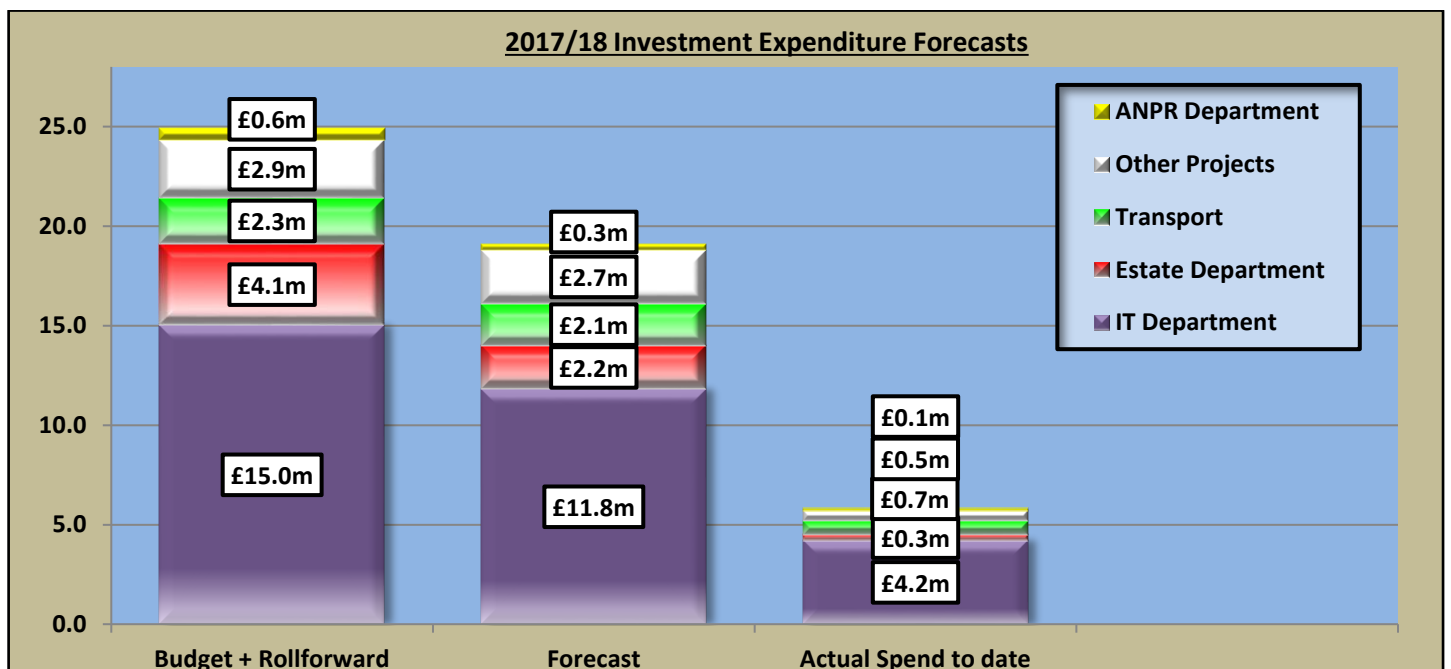
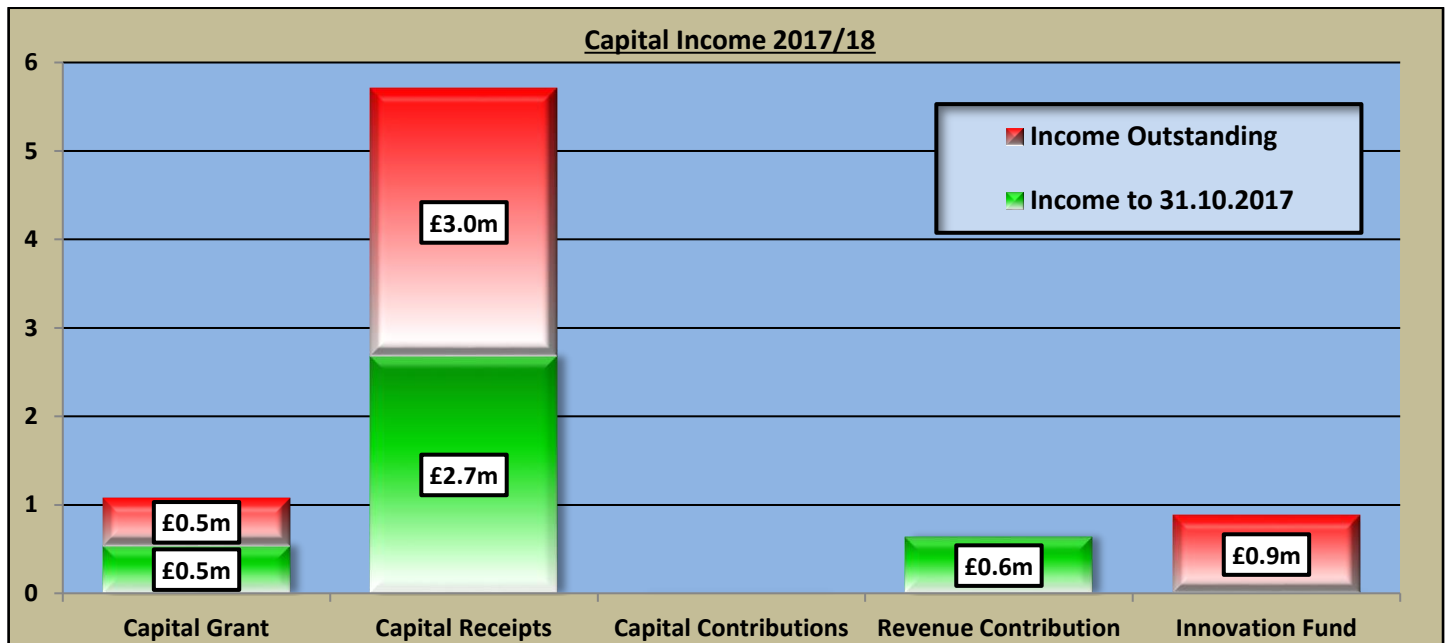
Revenue Summary - Financial Year to October 2017

Subjective Category	Full Year Budget £000's	Actual to Date £000's	Full Year Forecast £000's	Variance Over/Under £000's	Variance Over/Under September £000's
Police Pay	£172,835	£95,516	£170,680	(£2,155)	(£2,040)
PSE Pay	£77,537	£42,160	£76,762	(£775)	(£450)
Other Pay Costs	£6,323	£4,565	£9,012	£2,689	£2,773
Total Pay	£256,695	£142,242	£256,454	(£241)	£282
Police Overtime	£5,316	£4,224	£7,350	£2,033	£1,365
PSE Overtime	£864	£888	£1,355	£491	£443
Total Overtime	£6,180	£5,112	£8,705	£2,524	£1,807
Premises	£20,960	£20,158	£21,158	£197	£184
Transport	£6,518	£3,994	£6,448	(£69)	(£126)
Supplies & Services	£20,602	£21,746	£29,948	£9,347	£9,044
Third Party Payments	£7,270	£5,680	£5,753	(£1,517)	(£1,695)
Bad & Doubtful Debts	£0	£0	£0	£0	£0
Total Running Expenses	£55,350	£51,578	£63,307	£7,958	£7,407

Capital financing and contributions	£0	£2	£2	£2	£2
Pension Administration Costs	£0	(£5,183)	£7	£7	£7
Expenditure Sub-Total	£318,225	£193,750	£328,475	£10,249	£9,506
Income					
Sales, Fees, Charges & Rents	(£2,912)	(£5,629)	(£4,116)	(£1,204)	(£979)
Interest / Investment Income	(£410)	(£38)	(£329)	£81	£153
Reimbursed Services	(£10,041)	(£5,872)	(£12,702)	(£2,661)	(£2,424)
Transfers to Revenue and Capital Reserves	(£4,276)	£2,594	(£11,018)	(£6,742)	(£6,699)
Total Net Expenditure	£300,587	£184,805	£300,310	(£277)	(£443)
Overseas Funding / Partnership Funding	(£19,435)	(£12,880)	(£19,580)	(£145)	£220
Overall Total	£281,152	£171,924	£280,730	(£422)	(£223)

£0.4m Forecast revenue underspend (0.15% of the total budget), an increase in underspend of £0.2m from September.





New Opportunities

- Increase in interest rates may increase the income on the PCC's cash reserves by a small amount.
- Review of externally funded cost centres may lead to additional savings in force through offsetting additional centralised costs associated with departments.
- Mobile Policing could see fewer Police Officer journeys which could result in lower costs.

New Risks

- The Home Secretary's speech week commencing 30/10 strongly suggests austerity measures will continue in Policing.
- Likelihood of further increase of £300k in underspend (and funding) following DSP review in November 2017 and the change in Defence Secretary may reduce funding.
- Continued austerity measures affecting organisational partners may push more demand and cost to Kent Police.