

<b>For Information</b>	
<b>Public</b>	
<b>Report to:</b>	<b>Strategic Resources and Performance</b>
<b>Date of Meeting:</b>	<b>10<sup>th</sup> May 2019</b>
<b>Report of:</b>	<b>Mark Kimberley</b>
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<b>Agenda Item:</b>	

## Provisional Revenue Outturn Report 2018/19

### 1. Purpose of the Report

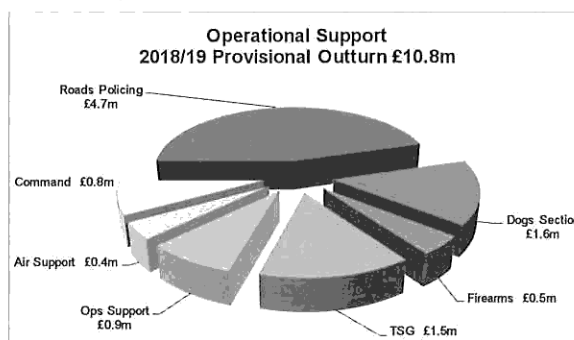
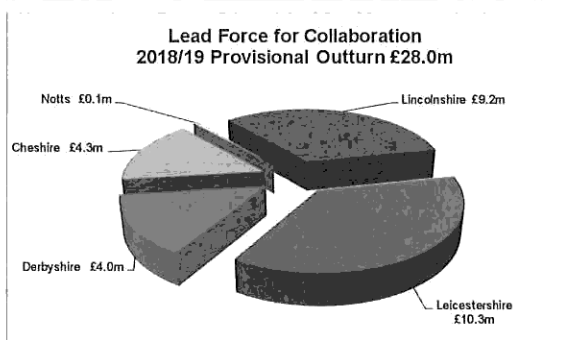
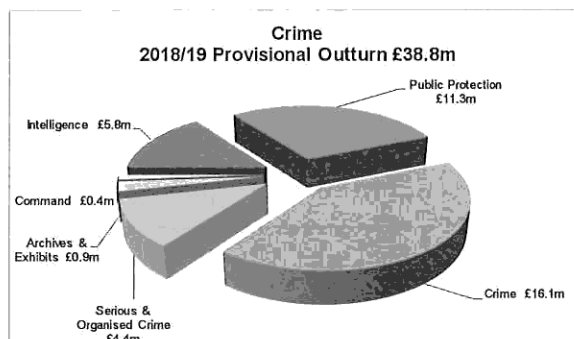
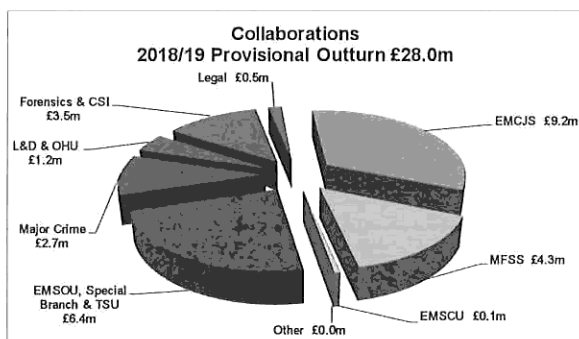
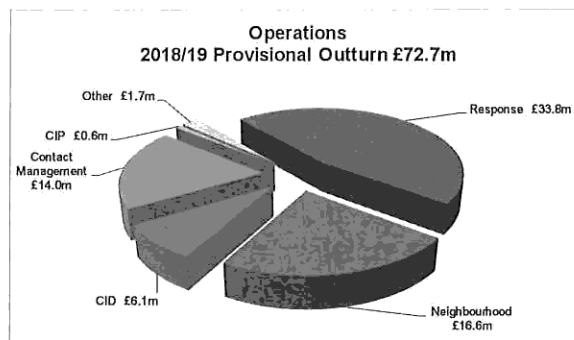
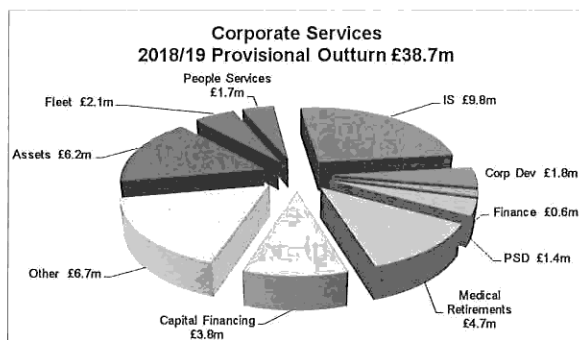
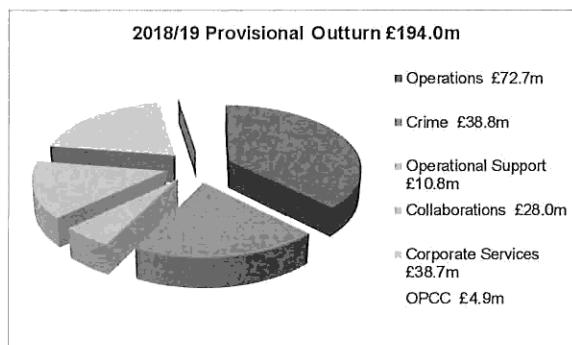
- 1.1 The purpose of this report is to provide an update on the provisional financial outturn position against the original budget for Nottinghamshire Police as at 31<sup>st</sup> March 2019.

### 2. Recommendations

- 2.1 It is recommended that the outturn position for each legal entity and the net position for the Group is noted:

<b>Entity</b>	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variance to Budget £'000</b>
Force	188,189	189,043	854
OPCC	4,911	4,911	
	<b>193,100</b>	<b>193,954</b>	<b>854</b>

- 2.2 It is recommended that the Commissioner approves the transfer from the Medium Term Financial Plan (MTFP) reserve to meet the above overspend.



### 3. Reasons for Recommendations

3.1 To update the Chief Officer Team and the Office of the PCC on the Force's outturn position for 2018/19 in line with good financial management and Financial Regulation requirements.

**4. Summary of Key Points**

**The Force**

- 4.1 The provisional outturn for the Force is £189,043k which is an overspend of £854k against the revised budget. Year on year the Force expenditure has increased by £6,123k or 3.3% from £182,920k.

It is recommended that this overspend is met from reserves. Appendix A provides a more detailed position.

The provisional outturn for the OPCC is £4,911k. This balances to the actual budget, after accounting for a post transferred from the Force to the OPCC during the year (£20k) and a transfer to reserves of underspends by partners in relation to grants and commissioning of £780k, with a small underspend on the OPCC office budget of £27k.

The figures in this report are subject to external audit by EY during June and will therefore remain provisional until the satisfactory conclusion of that audit.

Nottinghamshire Police Group Provisional Total  
2018/19 Budget Variance Analysis

	Original Budget £k	Allocation of Efficiencies £k	Revised Budget £k	Actual £k	Variance £k	Note
<b>Pay &amp; allowances</b>						<b>4.2</b>
Officer	100,864	-	100,864	101,245	380	
Staff	40,561	-	40,561	40,615	54	
PCSO	6,635	-	6,635	6,042	(593)	
	<b>148,061</b>	-	<b>148,061</b>	<b>147,902</b>	<b>(159)</b>	
<b>Overtime</b>						<b>4.3</b>
Officer	3,418	-	3,418	4,938	1,520	
Staff	642	-	642	632	(10)	
PCSO	51	-	51	40	(11)	
Police staff overtime	<b>4,111</b>	-	<b>4,111</b>	<b>5,610</b>	<b>1,499</b>	
Other employee expenses	2,049	-	2,049	2,390	341	<b>4.4</b>
Medical retirements	4,695	-	4,695	4,735	40	
	<b>158,916</b>	-	<b>158,916</b>	<b>160,637</b>	<b>1,721</b>	
<b>Other operating expenses</b>						
Premises costs	5,873	-	5,873	6,462	589	<b>4.5</b>
Transport costs	5,308	-	5,308	5,650	341	<b>4.6</b>
Comms & computing	8,265	-	8,265	7,536	(729)	<b>4.7</b>
Clothing, uniform & laundry	612	-	612	609	(3)	
Other supplies & services	4,878	(250)	4,628	5,404	776	<b>4.8</b>
Custody costs & police doctor	1,437	-	1,437	1,513	76	<b>4.9</b>
Forensic & investigative costs	2,135	(50)	2,085	1,931	(154)	<b>4.10</b>
Partnership payments	6,569	-	6,569	6,520	(49)	
Collaboration contributions	9,622	-	9,622	11,386	1,764	<b>4.11</b>
Capital financing	4,139	-	4,139	3,801	(339)	<b>4.12</b>
<b>Total expenditure</b>	<b>207,754</b>	<b>(300)</b>	<b>207,454</b>	<b>211,448</b>	<b>3,995</b>	
<b>Income</b>						<b>4.13</b>
Seconded officers & staff income	(3,119)	-	(3,119)	(2,752)	367	
Externally funded projects income	(4,270)	-	(4,270)	(4,600)	(330)	
PFI grant	(1,858)	-	(1,858)	(1,858)	(0)	
OPCC	(1,320)	-	(1,320)	(987)	334	
EMSCU	(855)	-	(855)	(920)	(65)	
Investment interest	(64)	-	(64)	(249)	(185)	
Other	(2,868)	-	(2,868)	(6,130)	(3,262)	
	<b>(14,354)</b>	-	<b>(14,354)</b>	<b>(17,495)</b>	<b>(3,141)</b>	
<b>Efficiencies</b>						
Procurement	(250)	250	-	-	-	
Forensics	(50)	50	-	-	-	
	<b>(300)</b>	<b>300</b>	-	-	-	
	<b>193,100</b>	-	<b>193,100</b>	<b>193,954</b>	<b>854</b>	

**4.2 Pay & allowances**

**Police officer** pay was £101,245k for the year which was an overspend of £380k against the budget and a year on year increase of £2,640k or 2.7%, partially reflecting the increased number of Police Officers employed in year.

This position results from an early decision to bring cohorts in early compared to the original budget phasing as a result of higher attrition rates in the latter part of the previous year, and the additional cost of transferees compared to new recruits.

In year attrition rates then reduced significantly which prompted a decision to delay recruitment in the remaining part of the year. Although this action ensured final numbers were in line with the budgeted, the fewer number of new recruits and corresponding higher number of experienced officers has a higher pay cost.

The budget assumed a closing position at the end of March 2019 of 1,940 FTE's (including 61 externally funded or seconded FTE's), whereas at actual closing position was 1,941 FTE's (including 45 externally funded or seconded FTE's) which was 1 FTE above the original budget. The reduced number of externally funded/seconded posts results in lower income and is reflected in the net income outturn.

**Police staff** pay was £40,615k for the year, which was an overspend of £54k against the budget; but a reduction year on year of £593k or 1.4%.

The outturn reflects a reduction in externally funded and seconded staff of £22k which has been reflected by reduced income.

**PCSO** pay was £6,042k for the year, which was an under spend of £593k against the budget; but an increase year on year of £57k or 1.0%. During the year 10 new PCSO's were recruited, and at the end of March 2019 there were 177 FTE's which was 30 FTE's less than budgeted.

Police staff at the end of March 2019 was 1,159 FTE's (including 70 externally funded and seconded FTE's) which was 59 FTE's below budget.

#### **4.3 Overtime**

Overtime was £5,610k for the year, which was an overspend of £1,499k against the budget; and an increase of £82k or 1.5% on last year. The main drivers of the overspend were:

- Op Palmitate at £250k
- Increased number of firearms discharged resulting in officers being called in at short notice.
- OS at £338k which is partly offset within income from the ARV uplift fund
- Seconded and externally funded officers/staff of £109k which has been offset by income.
- City, County & SOC at £604k driven costs within CID
- Higher summer demand within response
- Higher levels of custody overtime, £136k, however there are now firm plans in place to get the sergeant numbers up to establishment so this will prevent this excessive overtime from continuing in 2019-20.

#### **4.4 Other employee costs**

Other employee costs were £2,390k for the year, which was an overspend of £341k against the budget. The overspend was due to additional training needs in OS, (off-set by funding from the ARV uplift grant and from the Border Agency), and redundancy payments for EMSOU indexers and control room managers.

Pension strain costs are also higher than anticipated £91k.

#### **4.5 Premises costs**

Premises costs were £6,462k for the year, which was an overspend of £589k against the budget. The over spend is largely due to a backlog of historic utility invoices being processed and actual costs being greater than reserves. In addition inflation in year was higher than expected, reflecting a volatile market subject to national and international influences.

Maintenance costs have also shown an increase as buildings are reconfigured/age.

#### **4.6 Transport costs**

Transport costs were £5,650k for the year, which was an overspend of £341k against the budget. This was largely due to vehicle repairs £124k, increase in fuel costs £143k, and an increase in vehicle insurance £48k. Some increases in repair costs were off-set by increased income from insurance claims.

#### **4.7 Comms & Computing**

Comms & computing was £7,536k for the year, which was an underspend of £729k against the budget. This reflects savings as a result of rationalising systems that are no longer required.

The Home Office have also revised their charges during 2018/19 resulting in a saving.

Capital funded refreshes/replacements have reduced the need for ad hoc replacement expenditure.

#### **4.8 Other Supplies & Services**

Other supplies & services was £5,404k for the year, which was an overspend of £776k against the budget.

Costs shared with Northamptonshire Police in respect of MFSS Fusion developments were £198k higher than expected due to a delayed implementation date.

Costs of vehicle recovery have also increased, but this will be off-set with £199k of additional income.

#### **4.9 Custody costs & police doctor**

Custody costs and police doctor costs were £1,513k for the year, which was an overspend of £76k against the budget. Main reasons are higher than budgeted clothing and consumable costs and the re-alignment of police surgeon costs between SARC and Custody.

#### **4.10 Forensics & Investigative Costs**

Forensics & investigative costs was £1,931k for the year, which was an underspend of £154k against the budget. This was largely due to savings on translators.

#### **4.11 Collaboration Contributions**

Collaboration contribution costs was £11,386k for the year, which was an overspend of £1,764k against the budget.

This is largely due to increased costs of implementing Oracle Fusion of £1.700k and this has been partially funded from a reserve contribution in year of £1.400k, shows as income from the OPCC.

#### **4.12 Capital financing**

Capital financing was £3,801k for the year, which was an underspend of £339k against the budget. This saving is due to lower interest charges of £153k as a result of reduced borrowing; and a reduction in the Minimum Revenue Provision (MRP) of £186k as a result of the actual 2017/18 capital spend being lower than budgeted assumption.

#### **4.13 Income**

Income for the year was £17,495k, which was £3,141k above budget. This is broken down as follows approximately:

The £3,141k of additional earned income was largely due to:

- £1,400k contribution from reserves to off-set Oracle Fusion costs
- £199k Vehicle recovery
- £149k Apprentice officer training
- £94k Insurance monies received
- £185k Investment interest
- £228k Mutual Aid

- £450k ARV income (off-set by costs within overtime and training)
- £108k Border agency training
- £132k BWV Income

#### 4.14 Efficiencies

The 2018/19 efficiency target in order to achieve a balanced budget is £300k as per the table below:

<b>Efficiencies Target for 2018/19</b>	<b>Target</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>
Procurement	250	295
Forensics	50	35

The procurement savings was included within other supplies & services for budget purposes and has been reversed out in the June forecast on the basis that the savings will be delivered across numerous lines of expenditure.

#### 5. Financial Implications and Budget Provision

5.1 The financial information relating to this item is contained within 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 Please see attached Appendix A.

#### 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 March 2019  
Appendix A (ii) – Analysis of the 2018/19 Estimated Outturn



## Appendix A

## Nottinghamshire Police

### Revenue Budget Monitoring as at March 2019



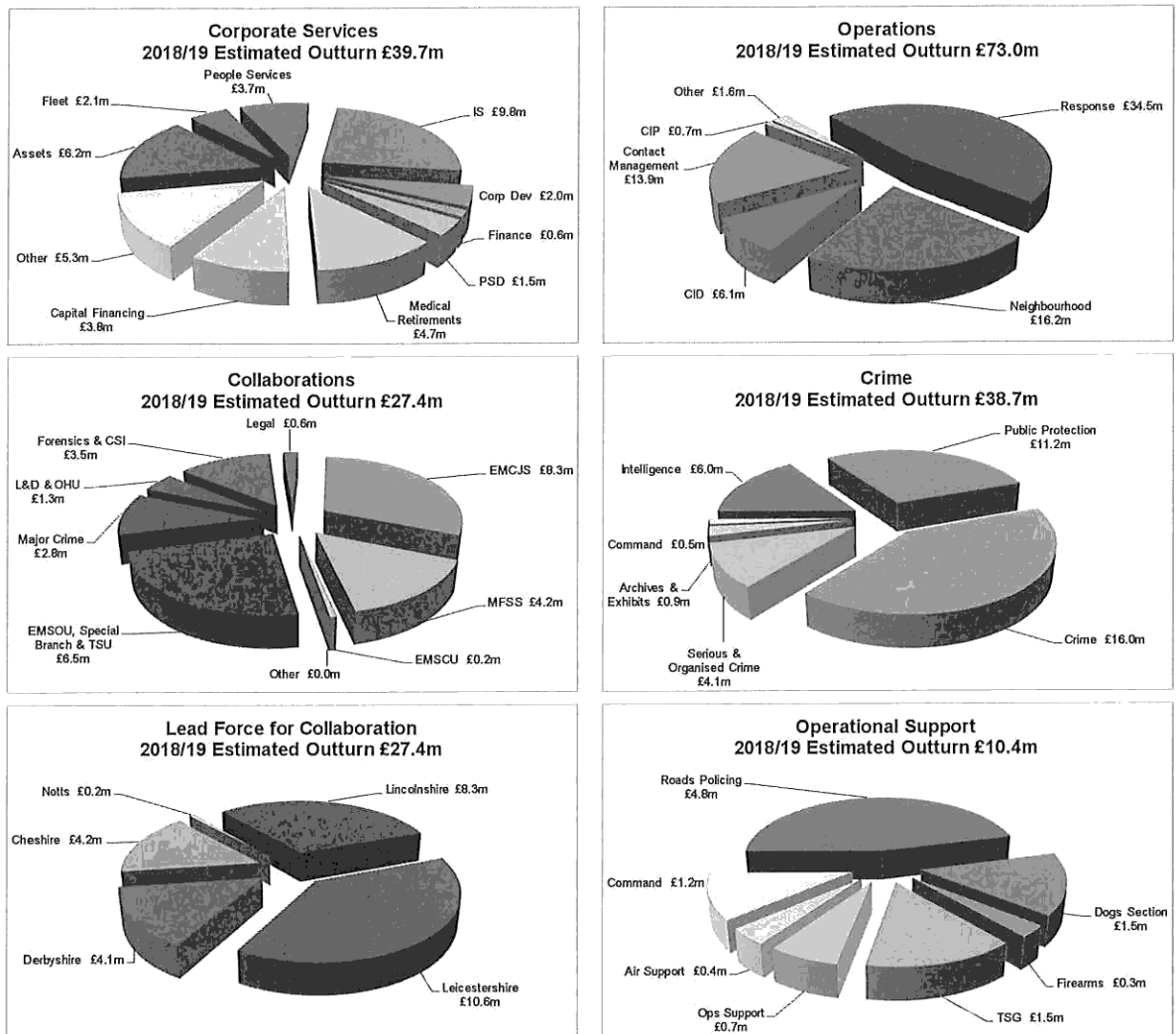
NOTTINGHAMSHIRE  
**POLICE**  
PROUD TO SERVE

	2018/19 Approved Budget £'000	2018/19 Expenditure £'000	Variance £'000
<b>Local Policing</b>			
Uniformed Operations	56,635	58,077	1,442
Contact Management	14,132	14,009	(123)
Citizens in Policing	242	610	368
	<b>71,009</b>	<b>72,696</b>	<b>1,687</b>
<b>Crime &amp; Operational Support</b>			
Crime	38,698	38,837	139
Operational Support	10,165	10,812	647
	<b>48,863</b>	<b>49,649</b>	<b>786</b>
<b>Collaboration - Operational</b>			
EMCJS	8,974	9,163	189
Forensics	2,336	2,296	(40)
CSI	1,249	1,215	(34)
Special Branch	867	709	(159)
Major Crime	2,715	2,709	(6)
EMSOU CID	2,918	2,984	66
TSU	612	616	4
EMSOU SOCU	2,412	2,113	(299)
	<b>22,083</b>	<b>21,804</b>	<b>(279)</b>
<b>Corporate Services</b>			
Assets	5,684	6,170	486
Fleet	1,902	2,095	193
Finance	642	563	79
People Services	3,813	1,685	(2,128)
Information Services	10,039	9,754	(285)
Corporate Development	2,177	1,806	(371)
Corporate Communications	821	671	(150)
Command	1,025	1,141	116
PSD	1,626	1,445	(181)
Procurement	737	647	(90)
Central Codes	12,581	10,794	(1,787)
Other	993	1,939	946
	<b>42,043</b>	<b>38,710</b>	<b>(3,332)</b>
<b>Collaboration - Corporate Services</b>			
MFSS	2,155	4,303	2,148
Learning & Development	788	716	(72)
EMSCU	150	147	(3)
Force Collaboration	-	-	-
Collaboration Contributions	-	-	-
IS Transformation	-	2	2
Legal	606	510	(95)
OHU	492	503	10
	<b>4,192</b>	<b>6,181</b>	<b>1,989</b>
<b>Externally Funded</b>	-	-	-
<b>Seconded Officers</b>	-	-	-
<b>Force total</b>	<b>188,189</b>	<b>189,040</b>	<b>852</b>
<b>OPCC</b>	<b>4,911</b>	<b>4,911</b>	<b>(0)</b>
<b>Group position total</b>	<b>193,100</b>	<b>193,951</b>	<b>851</b>



Appendix A (ii)

Analysis of the 2018/19 Estimated Outturn



A year to date over spend of £3,791k against the cash flow forecast is shown in detail in Appendix A. These differences represent timing differences between the agreed estimated spend profile and latest provisions. Overall this difference has no impact in outturn over and above that reported in the above table.

The cash flow forecast is split £4,860k for the Force and £(1,070)k for the OPCC. The cash flow over spend is largely due to timing of collaboration payments £4,192k; contribution from reserves of £1,400k towards the Fusion project; and the timing of contract payments within Comms & Computing; and overtime. This is partly offset by income which is mainly due to the reversal of a year end accrual and timing of seconded/externally funded projects income partnership payments; reduction in the 2018/19 charge for the Minimum Revenue Provision (MRP); and outstanding charges from Vensons.

The year to date reduction in cash flow forecasting within the OPCC of £(1,070)k is due to the phasing of payments relating to the community safety grant, which is expected to reverse over the remainder of the financial year.