

ACCOUNTABILITY BOARD

Meeting to be held on 16 November 2022

Financial Position as at 30 September 2022

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EXECUTIVE SUMMARY

This report sets out the monitoring position for the Police and Crime budget for 30 September 2022. The report sets out the position for the revenue budget and the capital programme.

RECOMMENDATION

The Police and Crime Commissioner is asked to:

- Note the Revenue budget monitoring report for 30 September 2022.
- Note the position on the capital programme for 2022/23
- Note the position on reserves

1. 2022/23 Monitoring Position – As at 30 September 2022

1.1 The Commissioner receives regular reports setting out the latest position on income and expenditure and forecast out turn position for the revenue and capital budget. This report sets out the latest position including:

- The position for the PCC's revenue budget for 2022/23,
- The capital programme for 2022/23 and future years, and
- The position on the PCC's reserves

2. Revenue Budget

2.1 The revenue budget position for 30 September 2022 was:

Responsibility Area	Budget	Forecast	Variance	
	£m	£m	£m	%
Constabulary:				
Staff costs	266.221	265.199	-1.022	-0.38
ACC Territorial Operations	7.128	9.523	2.395	33.60
ACC Crime	3.411	4.146	0.735	21.55
ACC Specialist Operations	4.973	5.356	0.383	7.70
Director of Resources	29.200	29.478	0.278	0.95
Deputy Chief Constable	1.412	1.460	0.048	3.40
Sub Total	312.345	315.162	2.817	0.90

Office of the PCC	1.501	1.501	0	0
Communications	0.126	0.126	0	0
Fighting Crime	0.740	0.740	0	0
Victim and Domestic Abuse services	0.573	0.573	0	0
Sub Total	2.940	2.940	0	0
TOTAL DFM BUDGET	315.285	318.102	2.817	0.89
Non DFM				
Constabulary	14.514	12.614	-1.900	-13.09
Office of the PCC	8.444	8.444	0	0
TOTAL BUDGET	338.243	339.160	0.917	0.27

2.1. The main elements of forecast under and overspending are:

	£m
Overtime and agency costs pressure	1.275
Hire of transport	0.316
Travel and Subsistence	0.496
Under recovery of driver training income	0.363
Other non-staff cost overspends/savings	0.412
Pay saving (vacancies)	-1.022
Pension saving (discount for advance payment of pension contributions)	-0.923
Forecast variance	0.917

2.2. It is forecast that the PCC will spend in line with the budget for 2022/23. The Constabulary are currently forecasting an overspend of £0.917m (0.27% of the total budget), however it is expected that this overspend will be reduced to a balanced budget position by the end of the financial year.

2.2.1. There are pressures on the **constabulary overtime and agency staff** budgets due, in the main, to the impact of training extractions for newly recruited officers on the delivery of operational activity. These budgets are being closely monitored and the overspend is being brought down through positive action. It is expected this pressure will be reduced further by year end.

2.2.2. The position reflects the impact of the police pay award and the anticipated further award for police staff. The position also reflects the additional grant provided by the government to meet the increase in pay for police officers.

2.2.3. Whilst a number of specific non-staff costs pressures are shown above there are a number of both under and overspendings at a low level across the constabulary budget, these are drawn together as 'other' non-staff cost pressures and savings.

2.3. Subsequent monitoring reports will reflect the progress made to reduce the forecast overspend shown above.

3. **Capital**

3.1. The revised 2022/23 capital programme, approved by the PCC at quarter 1, was £29.054m.

3.2. Amendments to the programme have been identified as follows:

Project	£	Source of funding
ICCS upgrade	0.290	Contract refund
Vehicle replacement	0.021	North-West Mass facilities funding
Vehicle replacement	0.050	NDORS income reserve
Process Automation	-0.245	Annual licences revenue budget
NLEDS	0.095	NLEDS national funding
Pronto development	0.240	Contracted development costs
ESN Airwave replacement	0.069	Funding for surveying COL locations
	0.520	

3.3. The **Commissioner is recommended** to approve the amendments to the capital programme in 3.2 to give a revised capital programme for 2022/23 of £29.574m

3.4. At 30 September 2022 £10.675m of committed spend has been identified representing 36% of the revised 2022/23 programme:

	2022/23 Revised capital programme	Committed Spend at 30.9.2022	
	£m	£m	%
ICT Strategy	7.470	3.561	48
Accommodation Strategy	14.967	3.590	24
Other Schemes	1.477	0.377	26
Vehicle Replacement	5.660	3.147	56
Total	29.574	10.675	36

3.5. The forecast spend for 2022/23 is £24.36m against the revised budget of £29.57m with the main areas of slippage forecast for the Accommodation programme (£4.19m) and the vehicle replacement programme (£0.9m)

4. **Reserves**

4.1. Reserves and provisions have been set aside to manage the financial risks within the financial strategy and to provide funding to support the Commissioner's capital investment programme.

4.2. The Commissioner has an established reserves strategy (published here: <https://www.lancashire-pcc.gov.uk/transparency/financial->

[information/financial-strategy/](#)) that has made available a significant amount of funding for investment in the capital investment programme in 2022/23 and future years. This investment is key to the delivery of improvements in IT equipment and infrastructure that will in turn improve the productivity and efficiency of the force. The Commissioner's strategy also sets aside funding within his reserves to meet any one-off costs of downsizing the organisation that includes the costs of voluntary redundancy and exit from the force.

4.3. The opening position for 2022/23 in respect of the Commissioner's reserves is set out in Annex 1. The PCC will review his reserves strategy for 2023/24 and future years during 2022/23.

5. Links to the Police and Crime Plan

6. Consultation

7. Implications

a. Legal

There are no legal comments associated with this paper.

b. Financial

The financial implications are contained with the report.

c. Equality considerations

There are no Equality comments associated with this paper.

8. Background Papers

None

9. Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation.

Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Reserves position at 30 September 2022

	1.4.22 £m	Movement £m	30.9.22 £m
<u>EARMARKED RESERVES</u>			
Capital Financing Reserve	0.151	0.267	0.418
Employee/Public liability Reserve	0.685		0.685
Transition Reserve	4.748		4.748
Clothing Reserves	0.028	0.008	0.036
POCA Equalisation Reserve	0.547		0.547
PCCA/Drugs Forfeiture Reserve	0.286	0.048	0.334
VMU Reserves	0.008		0.008
Operational Policing Reserve	1.691		1.691
Forensic collaboration reserve	0.249		0.249
Regional collaboration reserve	0.462	-0.462	0
Well-being reserve	0.017		0.017
Road Safety Reserves	2.633	-0.087	2.546
Total Earmarked Reserves	11.505	-0.226	11.279
Total General Reserves	12.707	0.245	12.952