

Report of the Chief Finance Officer of the PCC to the Police and Crime Commissioner for North Yorkshire

12th February 2019

Status: For Information

Revenue and Capital Budget Monitoring 2018-19

1. Executive Summary

1.1 Purpose of the Report

In February 2018 the PCC agreed the revenue Budget for 2018/19 which was based on the receipt of income totalling £156,923k. This report is to provide the PCC with the position to the end of December 2018, of the financial performance against the budget for the financial year 2018/19.

2. Recommendations

The PCC is asked to note:

- 2.1 The Office of the PCC's budget is currently forecast to breakeven.
- 2.2 The Corporate Services budget, originally set at £22,018k and revised to £22,199k, is forecast to under spend by £375k.
- 2.3 The Partnerships & Commissioning Budget, originally set at £3,979k and revised to £4,420k is forecast to underspend by £40k.
- 2.4 There is a forecast over recovery on the Income budget of £280k which is expected to lead to an underspend.
- 2.5 The Force is forecasting an under spend of £505k.
- 2.6 In addition to the above there is a projected net overspend on reserves/projects of £140k.
- 2.7 The total forecast under spend for 2018/19, after 9 months of the financial year, is therefore £1,120k which is £280k lower than reported in October – the reasons for this are discussed in the report. It is worth keeping in mind that when the 2018/19 budget was set this was balanced by using £1.8m from General Reserves.

3. Reasons

3.1 When setting the budget for the financial year 2018/19 the PCC allocated the income forecast to be received during the year, of £156,923k, into the following areas:

- £1,011k to run the Office of the PCC
- £3,979k for Commissioned Services and Community Safety Initiatives
- £1,963k for Policing Priorities
- £22,018k for Corporate Services
- £127,764k to the Police Force
- £1,492k to the Capital and Revenue Development Programme
- £1,724k from Earmarked Reserves to support Projects of £2,219k
- This will be supported by £1,800k from General Reserves

The following sections will look at the above areas in more detail and discuss the outturn for each area.

3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £156,923k during 2018/19 from the areas summarised in the table below, the in-year changes, the actual levels of income forecast to be received and variances are shown below. In addition to current year figures the comparator figures for 2016/17 and 2017/18 is also shown:

2016/17 Revised Budget	2016/17 Outturn	Variance	2017/18 Revised Budget	2017/18 Outturn	Variance	Summary of Income to be Received by the PCC	2018/19 Budget	In Year Changes	2018/19 Revised Budget	2018/19 Forecast Outturn	Variance
£000s	£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(68,723)	(68,723)	0	(67,762)	(67,762)	0	Government Grants	(67,762)	0	(67,762)	(67,762)	0
(63,563)	(63,563)	0	(66,029)	(66,029)	0	Precept	(69,661)	0	(69,661)	(69,661)	0
(2,152)	(2,152)	0	(2,152)	(2,152)	0	Council Tax Freeze Grant	(2,152)	0	(2,152)	(2,152)	0
(5,746)	(5,746)	0	(5,746)	(5,746)	0	Council Tax Support Grant	(5,746)	0	(5,746)	(5,746)	0
(71,460)	(71,460)	0	(73,927)	(73,927)	0	Precept related funding	(77,559)	0	(77,559)	(77,559)	0
(2,928)	(3,309)	(381)	(4,089)	(4,149)	(60)	Specific Grants	(2,900)	(924)	(3,824)	(3,961)	(137)
(7,563)	(6,631)	932	(10,451)	(8,210)	2,241	Partnership Income/Fees and Charges/Misc Income	(8,702)	(437)	(9,139)	(9,282)	(143)
(10,491)	(9,940)	551	(14,540)	(12,359)	2,181	Other Funding	(11,602)	(1,361)	(12,963)	(13,243)	(280)
(150,674)	(150,123)	551	(156,229)	(154,048)	2,181	Total	(156,923)	(1,361)	(158,283)	(158,563)	(280)

3.3 In Year Changes

Additional income of £1,361k has been recorded and increased the budget set in February. This is new income which has also resulted in additional expenditure budgets for the organisation. The main areas of this additional income are within Specific Grants, £924k, and are for the following areas:

- Violence Against Women and Girls - £487k
- Alcohol Monitoring Pilot - £139k
- Disclosure and Barring Service - £117k
- Improved Experience for Victims - £40k

3.4 The increased income budget in other areas is predominantly as a result of the receipt of mutual aid income.

3.5 Income Forecasts

As you would expect, the vast majority of the income the PCC will receive during 2018/19 has already been agreed and little or no variances will be expected against the originally budgeted figures for Government Grant funding or Precept related funding.

3.6 The areas where variances may occur will predominantly be in relation to Partnership Funding, Fees and Charges and Miscellaneous Income with some minor variances possible against Specific Grants.

3.7 Secondment Income

The main driver for the underspend on Partnership Funding, Fees and Charges and Miscellaneous Income is as a result of additional secondments that have been agreed above those that were in the original budget and the receipt of additional Mutual Aid Income. These 2 areas are offset by a projected shortfall in income on Driver Training Income (see below) and combine to generate the vast majority of the underspend forecast in this area.

3.8 Driver Training Income

The 2017/18 Outturn report highlighted that the recharges made for speed awareness courses were responsible for the greatest single underachievement of income. The recharges generated £2.1m less income than was forecast in comparison to a £4.2m income budget.

3.9 The driver training income was been re-assessed for 2018/19 and the budget has been set at £3.1m, which is £1m less than the budget set in 2017/18, but also £1m higher than the actual level of income received in 2017/18.

3.10 The income received in the first 9 months of the year totals £2,109k, which is around £300k less than forecast. A number of vacancies within the unit have now materialised which will lead of lower levels of activity and therefore income, with only 10 out of the 12 Safety Camera Vans currently in operation while new staff are recruited and trained. The forecast is that the income will be lower by around £390k by the end of the year. This will continue to be closely monitored throughout the year and plans adjusted accordingly.

3.11 This under recovery of income will be offset to some extent by the reduced expenditure on staff.

3.12 In addition to this forecast the Force has been approached by Highway England with a request to enforce average speed camera's placed on both the A64 and the A1M. This has the potential to generate around £100k of income beyond that included within the current budget and this is helping to mitigate some of the shortfall in income.

3.13 The Office of the PCC

The 2018-19 budget for the PCC is £1,011k and at this stage of the financial year the forecast is for the budget to break even. There are however a number of pressures that are being managed within this budget and the development of the Complaints and Recognition team is yet to impact on the current expenditure.

3.14 Corporate Services

The Corporate Services budget for 2018/19 was set at £22,018k as per the table below. The table also shows the position to the end of December along with the actual outturns for 2016/17 and 2017/18:

Revised 2016/17 Budget	2016/17 Actual Spend	2016-17 Actual Over/(Under)	Revised 2017/18 Budget	2017/18 Final Spend	2017-18 Actual Over/(Under)	Corporate Services Budget	Original 2018/19 Budget	Revised 2018/19 Budget	Budget YTD	2018/19 Spend to December	Over/(Under) to date	Forecast (Under) / Over Spend
£000s	£000s	£000s	£000s	£000s	£000s	Category of Spend	£000s	£000s	£000s	£000s	£000s	£000s
6,928	6,542	(386)	7,233	6,869	(364)	Staff Pay	7,183	7,093	5,315	5,358	43	78
228	89	(139)	250	86	(164)	Other Non Salary	79	79	59	33	(27)	(21)
4,794	4,461	(333)	4,533	4,492	(41)	Premises	4,387	4,411	3,534	3,360	(174)	(78)
8,426	7,555	(871)	8,492	8,440	(52)	Supplies and Services	8,843	9,515	7,183	6,415	(768)	(442)
152	815	663	635	821	186	Transport	620	706	530	586	57	85
569	382	(187)	510	354	(156)	Asset Management	906	395	297	299	3	3
21,097	19,844	(1,253)	21,653	21,062	(591)	Total Budget	22,018	22,199	16,918	16,052	(866)	(375)

3.15 The Corporate Services Budget has increased by £181k from the Original Budget, this reflects the establishment of budgets from the additional income referenced elsewhere in this report.

3.16 This overall area is projecting an underspend of £375k by the year end, with the main reasons for this underspend discussed below.

3.17 Corporate Services – Staff Pay

The staff pay budget in this area was set on the basis of 221 FTE posts, however with an allowance for 23 FTE vacancies. This is a vacancy rate of just over 10%, which as reported at the time of budget setting would appear very high and would need to be managed closely throughout the year

3.18 A significant amount of work has been undertaken in this area, and continues, to drive out savings through the review of each post that becomes vacant.

- 3.19 As at the end of December there were 186.5 FTEs employed in this area with a further 5 FTEs on agency contracts. This has resulted in a small over spend to date and a forecast overspend by the end of the year in this area however work will continue throughout this year and beyond to deliver efficiencies from all areas of this budget.
- 3.20 Premises
The 2018/19 budget for this area reflected the additional costs to the organisation which was expected to result from the Judicial Review of the sale of Newby Wiske and therefore the additional costs to the organisation, and ultimately the public of North Yorkshire, from this building not being sold during 2017/18.
- 3.21 The 2018/19 budget assumed that the sale would be delayed to such an extent that the PCC would have to pay for these additional costs for 6 months of the 2018/19 financial year with these totalling £169k. It is now looking likely that this process will conclude during the 2018/19 financial year and therefore further costs of £150k are forecast which would have resulted in a forecast overspend in this area of nearly £100k. However a Rates rebate received during the year has mitigated the overspend and led to a small forecast underspend.
- 3.22 Supplies and Services
The Forecast under spend of £440k primarily represents those savings that have been highlighted within various area of the Corporate Services budget that have been 'captured' and removed from other budgets. This primarily relates to savings within the Asset Management budget of nearly £500k. This results from a review of leases that the organisation previously held for Safety Camera Van equipment, Loans taken out at lower interest rates than forecast and an overall review of this area of expenditure.
- 3.23 Commissioned Services
The PCC allocated a budget of £3,979k to invest in Commissioned Services including Community Safety Initiatives, Victims and Witnesses services and wider Partnership working during 2018/19. In line with clarity around additional funding and grants the budget has increased by £441k to £4,420k. Spend to the end of October is £730k under budget, further work will be done on this area as the year progresses although initial thoughts are this is as a result of the timing of payments for Commissioned services to third parties.
- 3.24 Policing Priorities Fund
A Policing Priorities fund was established in setting the 2018/19 budget, under investments in Service Improvements and Development to enhance the service important to the public of North Yorkshire. It was funded through the additional capacity that has been provided, in 2018/19, through the better than expected funding settlement and specifically the additional Precept funding that will be received from the increase of £11.50 per year for a Band D property in 2018/19.

3.25 The process for allocating this fund has started to be allocated, in line with proposals and business cases, and the table below reflects the movement on the fund to date and those expected in the remainder of the financial year:

	£000s
Policing Priorities Fund	1,900
<u>Allocations to date:</u>	
Transform 2020	414
Force Control Room	1,204
Revised CRDP Budget as at June 2018	282
<u>Allocations to be made:</u>	
Victims Commissioning	282
Forecast Balance at year end	0

3.26 Progress and delivery of those areas funded will be monitored throughout the year and updates provided.

4. Police Force

4.1 The vast majority of the funding available to the PCC has been provided to the Police Force. The Force was allocated a budget of £127,764k for 2018/19, this has increased by £1,752k, to £129,516k, to reflect the additional funding of £1,204k, provided by the PCC, from the Policing Priorities Fund, to invest in improved performance and service delivery within the Control Room. Other areas of increased budget result from the additional income that has been reported on elsewhere which has a corresponding impact on the expenditure budget.

4.2 The summary of how this is forecast to be spent, including spend to the end of October are included in the table below. The comparators to both 2016/17 and 2017/18 are also shown:

Revised 2016/17 Budget	Actual Spend in 2016/17	2016/17 (Under)/Overspend	Revised 2017/18 Budget	2017/18 Final Spend	Over / (Under) Spend	Police Force Financial Summary	Original 2018/19 Budget	Revised 2018/19 Budget	Budget YTD	2018/19 Spend to December	Over / (Under) to date	2018/19 Forecast Outturn
£000s	£000s	£000s	£000s	£000s	£000s		£000s	£000s	£000s	£000s	£000s	£000s
						Police Force Planned Expenditure						
						Pay						
69,862	71,108	1,246	71,405	71,103	(302)	Police Pay	73,540	73,541	55,166	52,957	(2,209)	(2,550)
1,082	3,070	1,988	1,850	3,392	1,542	Police Overtime	2,070	2,182	1,659	1,478	(181)	(0)
6,326	5,906	(420)	6,717	6,287	(430)	PCSO Pay (incl Overtime)	6,605	6,583	4,937	4,924	(14)	(0)
27,050	25,829	(1,221)	28,659	28,202	(457)	Staff Pay (incl Overtime)	26,280	28,224	21,038	21,185	148	500
104,320	105,913	1,593	108,631	108,984	353	Pay Total	108,495	110,530	82,800	80,544	(2,256)	(2,050)
						Non-Pay Budgets						
930	1,166	236	1,381	1,582	201	Other Pay and Training	1,535	1,522	1,142	989	(152)	45
3,167	3,682	515	3,239	3,810	571	Injury and Medical Police Pensions	3,699	3,699	2,774	2,532	(243)	(150)
79	65	(14)	65	82	17	Premises	54	76	57	72	15	17
11,256	10,219	(1,037)	11,741	12,250	509	Supplies and Services	12,321	11,782	8,819	8,943	124	1,600
2,258	1,971	(287)	1,767	2,096	329	Transport	1,660	1,894	1,421	1,420	(0)	33
17,690	17,103	(587)	18,193	19,820	1,627	Non-Pay Total	19,269	18,974	14,213	13,957	(256)	1,545
122,010	123,016	1,006	126,824	128,804	1,980	Total Planned Force Expenditure	127,764	129,504	97,013	94,501	(2,512)	(505)

4.3 The following sections consider the various areas of the budget and provide a commentary and analysis as required:

4.4 Police Pay

The Budget for Police Pay for 2018/19 is £2.4m (or 3.5%) higher than the expenditure in this area in 2017/18. This reflects the impact of the higher pay award made in September 2017 and an allowance for a 2% pay award in 2018. It also addressed a number of pressures that materialised during 2017/18.

4.5 The budget also assumed that just over £750k would be delivered in savings within the Police Officer pay budget from a review of the Rank structure within the Force.

4.6 In terms of average FTEs the budget assumed that on average the Force would have 1,380.5 FTEs in place throughout 2018/19.

- 4.7 Given the higher than expected leavers at the end of last year and this continued trend into 2018/19 then this average number of FTEs is not going to be met. At the end of December the Force had 1,349 FTE Police Officers.
- 4.8 Plans are in place to recruit a further 76 FTE Police Officers during 2018/19, in addition to those who joined in September and October, with 20 FTE's of these planned to be seconded from other Force Areas.
- 4.9 If these recruitment plans are delivered, and leavers occur in line with forecasts, then the Force expects to have circa 1,398 FTEs at the end of the current financial year.
- 4.10 This would lead to an average of around 1,350 FTE Police Officers throughout 2018/19 which is around 30 FTEs lower than budgeted and is forecast to lead to an underspend on Police Pay of around £1.1m.
- 4.11 The reason that this forecast underspend is lower than the £1.4m that you would expect, for this level of vacancies, is predominantly because there are currently 7 FTE Sgts more than budgeted – and a forecast that, on average across 2018/19, there will have been 13 Sgts over budget – as the budgeted cost between a PC and Sgt is just over £10k per FTE then this is driving higher costs than would have been expected.
- 4.12 The ratio of Sgts to PC's is something that has been highlighted as part of the HMICFRS VfM analysis where North Yorkshire is an outlier. As at the end of December there was 1 Sgt for each 4.76PC's – the national average, in 2017/18, was 1 Sgt per 4.9 PC's.
- 4.13 The budgeted establishment, if delivered in terms of actuals, would put North Yorkshire in line with National Averages and reduce current levels of expenditure without impacting on the overall number of Police Officers.
- 4.14 In addition to this underspend there are also a number of other factors that are leading to higher levels of forecast underspend on Police Pay.
- 4.15 In previous years we have highlighted the significant price difference between a new Police Officer coming into the organisation and one either at the top of the PC scale or seconded into the organisation at the top of the PC scale – this price difference is about £20k per annum per FTE. The higher levels of leavers and therefore the greater number of new Police Officer recruits this year – at almost 100 FTE's – is having a greater impact on average PC pay costs, by lowering them, than factored into the 2018/19 budget.
- 4.16 There are a number of other areas that could be impacting on the average levels of pay costs experienced during the first 9 months of 2018/19 and it will be important to understand them fully for future forecasting and future budget setting.

- 4.17 These 'price' variances are forecast to add £1.5m to the forecast £1.1m underspend on Police Pay, due to lower than average FTEs, meaning that the forecast for this area, is for a £2.5m underspend, which is in line with the October forecast.
- 4.18 This area will clearly continue to be given some significant focus to ensure the accuracy of this forecast given that it has such a significant impact on the overall forecast.
- 4.19 The Police Pay forecast factors in that Police Officers were awarded a 2% pay increase from the 1st September 2018 and that the current non-consolidation bonus was not consolidated when this award was made.
- 4.20 Police Overtime
Over £3m has been spent on Overtime in each of the last 3 financial years which has resulted in a significant overspend in this area. Significant work was undertaken towards the end of the last financial year and greater controls have been put in place to ensure that this doesn't continue.
- 4.21 So far in 2018/19 this hard work seems to be resulting in much better financial controls and Police Overtime is operating within the overall budget set for this area.
- 4.22 As at the end of December there is a forecast breakeven position on overtime which will need to be closely monitored as the year progresses but at this stage plans are in place and being delivered against which provides confidence for overall budget management.
- 4.23 PCSO Pay
The 2018-19 Budget is based on an Establishment of 200 FTEs. As at the end of December there are 194 FTEs employed by the Force, as a result of a number of leavers over the last few months.
- 4.24 The current forecast is that there will be on average 199 FTE PCSOs employed throughout 2018/19 resulting in a forecast breakeven position for 2018/19. This is however dependent on the timing of both future leavers and the level of the staff pay award for 2018/19.
- 4.25 Staff Pay - Force
Before the additional investment in the Force Control Room the Force had an indicative Staff Establishment of 906 FTE staff. However the balanced budget assumed that vacancies totalling 68 FTEs would be held on average through 2018/19 and beyond.
- 4.26 This left a core budget to fund 838 FTEs before the additional funding of £1.2m was provided from the Policing Priorities Fund for an additional 39 FTE posts within the Force Control Room. The Force therefore has sufficient funding to pay for circa 877 FTEs.

- 4.27 As at the end of December the Force had 872 FTEs in post – which is 5 FTEs below budget. It has been assumed that starters and leavers will balance out across the remainder of the year at this stage which is resulting in a forecast overspend in this area of £200k. After further pressures around overtime (£70k) and agency costs (£220k) are taken into account this results in a forecast overspend of £500k at this point of the year.
- 4.28 Significant work has been undertaken in this area to reduce and manage down the number of staff posts filled within the Force, work will need to continue in this area to deliver further efficiencies and savings through this year and beyond and also to ensure that services can continue to be delivered with this reduced level of staffing.
- 4.29 The forecasts set out in this report assume a 2% increase in both PCSO and Staff pay (across both the PCC and Chief Constable as separate employers) from 1st September 2018. This level of pay award has now been agreed and will be paid to staff during January and February.
- 4.30 Non – Pay Budgets
Work continues around non-pay budgets to drive out savings and also provide further reassurance around certain areas. There are a few areas worthy of note at this time.
- 4.31 Injury and Medical Pensions
2017/18 was the 3rd year in a row where this budget overspent by around £500k. This was reflected in the budget for 2018/19 and as a result of this the budget is forecast to be sufficient to fund the expected costs.
- 4.32 Given the current number of Police Officers being assessed and or who have applied for Medical Retirement being less than has previously been the case then there is a current forecast for an underspend in this area of £150k. This will continue to be monitored across the year and is an area that could change.
- 4.33 Given the variable nature of some of the costs that arise in this area then it is proposed to use the current forecast underspend to establish an Earmarked Reserve to manage this area in the future without the need to continue to increase future years' budgets based on worst case scenario planning.
- 4.34 Supplies and Services
In setting the 2018/19 budget certain assumptions were made on including savings that had been included within approved business case – predominantly these related to MAUDs and Operational Mobile Working. At this stage of the financial year it has been assumed that it is now unlikely that these savings will be made in the current year and have therefore recognised this pressure within this forecast.
- 4.35 As a result this forecast for supplies and services, of an overspend of £1,600k, assumes that savings of £370k will not be delivered from these areas,

although work will continue to assess how these can be delivered in future years.

- 4.36 In addition to this, and as reported previously, around £140k of supplies and services savings are now not expected and costs of around £60k have been highlighted in relation to work around YaTH Collaboration that are higher than those included within the budget.
- 4.37 Pressures have been reported in relation to Forensics of £250k and also in relation to expected costs that are likely to result in increases to the insurance fund as a result of additional claims (currently estimated at £330k) and estimated payments that are now expected in relation to Employment Tribunals and also the potential cost of back dated claims for on-call allowances, which add a further potential pressure of £260k.
- 4.38 Further work will need to be undertaken in relation to these areas to ensure all of the items are accurately captured. The organisation however needs to be mindful of the costs to the organisation when things go wrong and that these can ultimately lead to payments out of the organisation via a claim against the organisation and/or a settlement awarded against the organisation.

4.39 Overall Summary as at December 2018

At the end of December 2018 the follow table summarises the finances of the PCC, including forecasts of the expected outturn in each area and shows that at this stage of the financial year and overall forecast under spend of £1,120k is being projected.

	Actual Spend in 2015/16	Actual Spend in 2016/17	Actual Spend in 2017/18	Original Budget 2018/19	Current Budget 2018/19	Budget to December 2018	Spend to December 2018	(Under)/ Over Spend to December	Forecast (Under) / Over Spend by Year End
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Funding									
Funding for Net Budget Requirement	(137,821)	(140,183)	(141,689)	(145,320)	(145,320)	(107,295)	(106,598)	697	0
Specific Grants	(3,452)	(3,309)	(4,149)	(2,900)	(3,824)	(2,879)	(2,646)	234	(137)
Partnership Income/Fees and Charges	(6,063)	(6,631)	(8,210)	(8,702)	(9,139)	(6,876)	(7,289)	(413)	(143)
Total Funding	(147,336)	(150,123)	(154,048)	(156,923)	(158,283)	(117,051)	(116,533)	518	(280)
Office of the PCC Planned Expenditure									
Total Planned Expenditure	741	908	974	1,011	1,011	759	684	(74)	0
Commissioned Services									
Total Commissioned Services	2,808	3,348	3,450	3,979	4,420	3,298	2,533	(765)	(40)
Policing Priorities Fund									
Total Policing Priorities Fund				1,963	345	259	0	(259)	(60)
Corporate Costs									
Staff Pay	6,972	6,542	6,869	7,183	7,093	5,315	5,358	43	78
Other Non Salary	158	89	86	79	79	59	33	(27)	(21)
Premises	4,534	4,461	4,492	4,387	4,411	3,534	3,360	(174)	(78)
Supplies and Services	7,929	7,555	8,440	8,843	9,515	7,183	6,415	(768)	(442)
Transport	753	815	821	620	706	530	586	57	85
Asset Management	302	382	354	906	395	297	299	3	3
Total Corporate Costs	20,648	19,844	21,062	22,018	22,199	16,918	16,052	(866)	(375)
Police Force Planned Expenditure									
Pay									
Police Pay	69,267	71,108	71,103	73,540	73,541	55,166	52,957	(2,209)	(2,550)
Police Overtime	3,021	3,070	3,392	2,070	2,182	1,659	1,478	(181)	(0)
PCSO Pay (incl Overtime)	6,074	5,906	6,287	6,605	6,583	4,937	4,924	(14)	(0)
Staff Pay (incl Overtime)	25,646	25,829	28,202	26,280	28,224	21,038	21,185	148	500
Pay Total	104,008	105,913	108,984	108,495	110,530	82,800	80,544	(2,256)	(2,050)
Non-Pay Budgets									
Other Non Salary	695	1,166	1,582	1,535	1,522	1,142	989	(152)	45
Injury and Medical Police Pensions	3,838	3,682	3,810	3,699	3,699	2,774	2,532	(243)	(150)
Premises	47	65	82	54	76	57	72	15	17
Supplies and Services	8,710	10,219	12,250	12,321	11,782	8,819	8,943	124	1,600
Transport	1,912	1,971	2,096	1,660	1,894	1,421	1,420	(0)	33
Non-Pay Total	15,202	17,103	19,820	19,269	18,974	14,213	13,957	(256)	1,545
Total Planned Force Expenditure	119,210	123,016	128,804	127,764	129,504	97,013	94,501	(2,512)	(505)
(Surplus)/Deficit before Planned Reserves/	(3,929)	(3,008)	242	(188)	(805)	1,195	(2,764)	(3,959)	(1,260)
Planned Transfers to/(from) General Fund				(1,800)	(1,800)	(600)	(600)	0	0
Contribution to Capital Programme	2,045	3,452	2,970	1,492	1,585	1,189	1,189	(0)	0
Projects	0	3,327	5,045	2,219	2,481	1,897	786	(1,111)	(280)
Planned Transfers to/(from) Earmarked Reserves	(99)	(3,508)	(6,438)	(1,724)	(1,461)	(1,894)	(853)	1,040	420
Final/Forecast Over/(Under) Spend	(1,983)	263	1,819	0	(0)	1,787	(2,242)	(4,029)	(1,120)

5. Capital and Revenue Development Programme (CRDP)

5.1 The last 4 years have seen both significant slippage and underspending against the Capital and Revenue Development Programme.

5.2 An overall summary of the CRDP programme for 2017/18 was set out as below, in the 2017/18 Outturn report that was reported to Executive Board in May 2018, which in summary showed the significant level and volume of changes that occurred throughout 2017/18, the result of which was:

- A programme that started at £14.4m
- This increased to £24.6m as a result of slippage from the previous years and a review of the initial budget.
- In year additions, deletions and underspends then reduced this to £22.9m
- Of this £22.9m, £5.1m was then slipped into 2018/19 and £2.1m declared as at underspend.
- Of the £15.7m budget remaining after this, a further £0.8m was asked to be slipped at the year end.
- This left the final budget for 2017/18 at £14.9m against which spend totalled £13.7m and therefore a further £1.2m of underspends was identified and declared.

5.3 It is important that this level of change, slippage and underspending isn't reflected going forward and significant work has been undertaken, and will continue, to minimise this for 2018/19.

5.4 The Outturn report in May showed that additional slippage of £793k occurred in the final couple of months of 2017/18. As a result this was not included within the 2018/19 approved CRDP budget of £10,347k.

5.5 These carry forwards are now reflected in the revised 2018/19 budget along with those areas that have since been approved and added to the programme. The impact of these changes are summarised in the table below.

2018/19 CRDP Programme	£000s
CRDP Budget as approved Feb 2018	10,347
Slippage from 2017/18	793
New Schemes	882
Total approved CRDP Schemes as at December 2018	12,023
Slippage into Future Years	(2,545)
Revised CRDP Budget as at October 2018	9,478
Forecast Spend in 2018/19	8,712
Forecast Underspend	(766)

- 5.6 As mentioned previously a thorough review and update of the CRDP programme was to be undertaken and has continued given that expenditure versus budget had slowed and also in preparation for future year's budget setting and to inform the current financial picture.
- 5.7 As a result of this review £2,545k of budgets have been slipped into future years to reflect when expenditure is now expected to take place and/or why schemes are further reviewed.

2018/19 Slippage	£k
6106 - Fleet	(270)
6151 - Origin	(28)
6259 - Estates Vale House	(127)
6410 - IS Strategy	(28)
6427 - ANPR	(60)
6447 - ANPR	(506)
6448 - OMW	(523)
6455 - Boroughbridge	(120)
6476 - Fire Detection Custody Suites	(8)
6532 - Estates Fulford	(170)
6534 - Estates Tadcaster	(39)
6538 - Estates Leyburn	(297)
6560 - Estates Athena House	(31)
6569 - Harrogate Roof Repairs	(32)
6575 - NICHE	(20)
6586 - Bridge Road	(29)
6590 - FCR	(27)
6596 - Estates Unallocated	(230)
Total Slippage to date	(2,545)

- 5.8 In addition to those areas highlighted as slippage there have also been a number of budgets that have been indicated as either not required and/or not required at this stage or where further work is needed to determine the future project requirements. Full details of the entire CRDP budget referenced above are set out at Appendix A, which also includes spend to date versus budget to date and the current forecast Outturn.
- 5.9 After a good start to delivery against the CRDP budget, expenditure seems to have slowed significantly during July to December, with expenditure to the end of December only £4,225k which is significantly less than the budget to date of £8,160k.
- 5.10 Work has been undertaken with Project Managers and Budget Holders to assess whether plans are in place to deliver their schemes this financial year and to reassess some schemes. With forecasts seeming to suggest that around £4.5m will be spent in the last 3 months of the financial year, which is more than the spend in the first 9 months.

- 5.11 Given the experience of the last few years it is likely that this will happen and therefore further significant slippage and/or underspend are likely by the end of the financial year.
- 5.12 The overall financial basis and visibility across all areas within the CRDP programme has increased significantly which should put both the organisation and the Executive Board in a stronger position to make fully informed decisions, this however hasn't translated into improved performance/delivery of the overall programme and how this is delivered/managed in the future will need to be further considered.

6. Conclusion

As we move towards the end of the financial year there is a projected underspend of just over £1.1m across the entire revenue budget. However there are some areas of significant over spend and underspend within this that will need to be managed to ensure firstly that plans are delivered in the current year but also that the organisation is on a sound financial footing for future years.

Good progress has been made on Police Overtime, Driver Training/Speed Awareness Income forecasts and Medical/Injury Pensions to the extent that unlike 2017/18 none of these areas are expected to materially impact negatively on the overall outturn providing that they continue to be given the same level of focus and attention that they have been given over the previous months.

Attention and focus does however need to continue on the overall number of Police Staff within the organisation where overspends are forecast, however these are much lower than previously forecast. This was a known pressure at the start of the year and while significant work has already been undertaken, and much has already been achieved, further action is still required to ensure that further pressures are not created in 2018/19, through recruitment, and also so that a firm base exists for further transformation and future budgets.

As part of the transformation work those business cases that were expected to deliver some savings will need to be revisited and see whether they can be driven out as this has created some significant pressures within 2018/19.

In addition to this there is an indication that significant funds will need to be provided to settle claims against the Force and this will need to be understood further both in financial terms but also wider than this in terms of the actions of the organisation and the costs when things do go wrong in terms of claims.

The final area for focus is delivery against the Police Officer recruitment plans and also further detailed work on some of the significant underspends that are forecast within this area that are not driven by the number of FTEs within the Force. This understanding will be necessary to inform future budgets and validate current forecasts.

From a Capital and Revenue Development Programme perspective the encouraging start has not continued, a fuller review of this area has been undertaken which has resulted in highlighting a significant level of slippage and also underspends, however it is likely that further increases in both of these areas will materialise as the financial year comes to an end.

Michael Porter
PCC Chief Finance Officer

CRDP Budget Monitoring as at December 2018

APPENDIX A

Details	2018/19 Original Estimate As Per MTFP 28/2/2018	Additional Slippage from 2017/18	2018/19 New approved items and changes to budgets	2018/19 Slippage / carry forward to future years	2018/19 Revised Estimate	2018/19 Year to date budget	2018/19 Actual spend as at Dec-18	2018/19 Under / Overspend comparison to year to date budget	2018/19 Forecast as at 31/3/2019	Forecast Over/ (Under) Spend
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
DISG - Richard Jones with exception of 3 see below										
Computers & Printers	305	28	-42	0	291	209	141	68	199	(92)
Servers	109	0	0	0	109	76	0	76	35	(74)
Telephony & Communications	195	0	0	0	195	139	12	127	141	(54)
Network equipment	180	85	-85	0	180	123	11	111	41	(139)
IS Strategy inc Mob	84	0	0	-28	57	43	44	-1	57	0
MAUDS (Mobile Asset Utilisation and Deployment Strategy)	5	0	0	0	5	5	50	-46	50	46
ANPR (Automatic Number Plate Recognition Camera) (ACC Oliver)	521	70	0	-506	85	368	2	366	85	0
Mobile Policing (ACC Oliver)	1,186	-147	0	-523	516	619	353	267	516	0
Body Worn Cameras	360	-221	0	0	139	97	5	92	9	(130)
DFU (Digital Forensic Unit)	0	565	0	0	565	556	555	1	565	0
ESMCP (Emergency Services Mobile Communications Programme)	36	50	0	0	85	27	0	27	85	0
Operational Mobile Working (refresh)	754	0	0	0	754	528	0	528	1,000	246
FCR Refresh	0	0	230	0	230	173	218	-45	230	0
Total DISG	3,734	429	104	-1,057	3,210	2,961	1,393	1,569	3,013	(197)
Fleet Rolling Programme - Richard Flint										
	1,714	-86	18	-270	1,377	930	1,090	-160	1,470	93
Total Fleet Rolling Programme	1,714	-86	18	-270	1,377	930	1,090	-160	1,470	93
General Equipment Rolling Programme										
CC small items budget (JP)	110	0	-118	0	-8	0	48	-48	86	94
Logistics Capital Rolling programme (RF)	27	0	0	0	27	19	11	8	27	0
Custody- Alcohol (AO)	16	16	0	0	32	22	19	3	32	0
ANPR (Automatic Number Plate Recognition Camera) (AO)	88	0	0	-60	28	2	0	2	28	0
Roads Policing (AO)	12	0	0	0	12	8	0	8	1	(11)
Digital Forensic Unit (AO)	14	0	9	0	23	19	23	-4	23	(0)
Technical Surveillance Unit (AO)	115	19	0	0	134	95	23	72	89	(45)
CBRN (Chemical Biological Radiological and Nuclear) (AO)	5	0	0	0	5	4	0	4	5	0
CIU (Collision Investigation Unit) (AO)	96	0	0	0	96	67	2	65	96	0
CSU (Crime Support Unit) (AO)	0	1	0	0	1	1	11	-10	13	12
Firearms (AO)	20	0	-20	0	0	-6	0	-6	0	0
MCU (Major Crime Unit) (AO)	4	0	0	0	4	3	0	3	4	0
OCU (Organised Crime Unit) (DCC Cain)	12	0	0	0	12	8	0	8	12	0
Print (RF)	20	0	0	0	20	14	3	11	6	(14)
PSU (Police Support Unit) (AO)	8	0	0	0	8	6	0	6	8	0
Total General Equipment Rolling Programme	549	36	-133	-60	392	259	142	117	428	36
Estates Rolling Programme - Richard Flint (with 3 exceptions see below)										
Property and Facilities Programme	197	0	-20	0	177	124	18	106	28	(149)
Alverton Court	80	0	0	0	80	59	-181	240	-130	(210)
Athena House - Training Facility	100	0	0	-31	69	70	17	53	78	9
Ingleton	3	0	0	0	3	2	1	1	1	(2)
Boroughbridge Road	0	12	0	0	12	8	8	0	7	(5)
Vale house	375	-23	0	-127	225	126	12	115	97	(127)
Mast Improvement Works	0	120	0	-120	0	84	0	84	0	0
Fulford Road	249	0	0	-170	79	174	9	165	79	0
Force Control Room (FCRXN) - being spent with the FCR budget 6590	133	0	0	0	133	93	32	61	3	(129)
Force Control Room (DCC Cain)	740	0	0	-27	713	740	803	-63	867	153
Tadcaster	70	0	0	-39	31	49	0	49	31	0
Settle	71	0	0	0	71	50	0	50	30	(41)
Scarborough	50	102	0	0	152	107	100	6	120	(32)
Leyburn	150	147	0	-297	0	8	0	8	0	0
Richmond	13	0	0	0	13	9	0	9	13	0
Patley Bridge	0	0	0	0	0	0	0	0	20	20
Sherburn	0	0	0	0	0	0	0	0	20	20
Whitley Bridge	4	0	0	0	4	3	0	3	4	0
Acomb	19	0	0	0	19	14	0	14	0	(19)
Crosshills Local Police Station	20	0	0	0	20	14	3	11	16	(4)
Eastfields Local Police Station	15	0	0	0	15	11	0	11	19	4
Knaresborough	1	0	0	0	1	1	0	1	1	0
Malton	20	0	0	0	20	14	0	14	0	(20)
Skipton	20	0	0	0	20	14	2	12	14	(7)
Stokesley	24	0	0	0	24	17	0	17	33	9
West Ayton	25	0	0	0	25	18	0	18	5	(20)
Whitby	9	0	0	0	9	7	0	7	5	(4)
Masham	5	0	0	0	5	4	0	4	2	(3)
48 Bridge Road	29	0	0	-29	0	-9	0	-9	0	0
Police Box	5	0	0	0	5	3	0	3	3	(2)
Solberge Kennels	20	0	0	0	20	14	0	14	20	0
Harrogate	128	23	0	-32	118	105	0	105	127	9
Ripon	655	0	0	0	655	463	1	462	49	(606)
Selby	360	0	0	0	360	252	81	171	380	20
Multi Faith Room (Jane Palmer but engaging with Richard Ayre)	0	13	0	0	13	13	0	13	13	0
Custody Suite Fire Detection Systems	0	8	0	-8	0	6	0	6	0	0
Exhibits Store Phase 2 (DCC Cain)	0	3	0	0	3	3	2	1	3	0
Estates Strategy - Creditor	0	0	0	0	0	0	-80	80	-80	(80)
Estates Unallocated Slippage	0	0	0	-230	-230	0	0	0	0	230
Total Estates Rolling Programme	3,589	405	-20	-1,110	2,864	2,667	829	1,838	1,877	(987)
Other Schemes										
Origin Upgrade (RH)	0	0	126	-28	98	67	35	33	98	0
NSPIS replacement - Origin (RH)	9	0	-9	0	0	0	0	0	0	0
Modernising the Management of Information (MMI) (SW)	493	-66	0	0	427	370	274	96	272	(155)
SCV Cameras (AO)	0	0	119	0	119	93	87	6	119	0
Drones (AO)	4	0	0	0	4	3	15	-12	14	10
NICHE (SW)	140	0	0	-20	120	85	68	17	108	(12)
Vulnerability (AO)	0	54	38	0	92	85	42	43	92	0
Wellbeing (RH)	0	10	23	0	33	23	16	7	33	0
Transform 2020 (JN)	0	0	600	0	600	532	79	454	901	301
Protective Vests (RF)	0	11	0	0	11	0	0	0	11	0
Communication Strategy (LW)	0	0	15	0	15	0	57	-57	69	54
GCHQ ANPR	0	0	0	0	0	0	27	-27	0	0
National Force Specialist Cyber Crime	0	0	0	0	0	0	18	-18	47	47
CCTV Custody Upgrade	0	0	0	0	0	0	10	-10	0	0
Payroll Project	0	0	0	0	0	0	46	-46	46	46
Total Other Schemes	645	9	913	-48	1,518	1,257	773	484	1,809	291
Externally Funded Schemes										
National Citizens in Policing - Strategy	115	0	0	0	115	86	0	86	115	0
Total Externally Funded Schemes	115	0	0	0	115	86	0	86	115	0
Total Capital and Revenue Development Programme	10,347	793	882	-2,545	9,478	8,160	4,225	3,935	8,712	(765)

