

<b>Committee:</b> Police - For Information	<b>Date:</b> 1 December 2015
<b>Subject:</b> 2015/16 Forecast Outturn for the Year as at October	<b>Public</b>
<b>Report of:</b> Commissioner of Police	<b>For Information</b>

## **SUMMARY**

### **REVENUE BUDGETS**

The full year forecast position suggests that the actual call on reserves will be £0.4m lower than the £3.6m assumed in the latest budget reported in the September update on the medium term financial plan.

### **CAPITAL BUDGETS**

The latest 2015/16 forecast of expenditure on the Capital Programme is £1.9m. Although this is largely unchanged from the budgeted £1.8m, there have been significant changes to the composition of the programme as projects have been progressed and re-prioritised since the original budgets were presented in January.

### **RESERVES**

Based on the forecast positions outlined above, the closing balance on the General reserve at 31 March 2015 will be £5.3m compared to £5m assumed in the September update on the medium term financial plan.

### **RECOMMENDATION**

Members are asked to note the contents of this report.

## **MAIN REPORT**

### **1 BACKGROUND**

- 1.1 Financial performance is monitored on a monthly basis by the Police Performance Management Group and reported to Police Committee four times a year.

### **2 REVENUE BUDGETS**

- 2.1 A summary of the full year revenue forecast as at the end of October 2015 is set out in the following table.

		Original Budget £m	Latest Adjusted Budget £m	Projected Outturn £m
	<b>Police Budget 2015/16</b>			
1	Employees	83.3	83.1	81.7
2	Other Expenditure	28.8	31.5	32.3
3	Total Income	(52.9)	(52.5)	(52.3)
4	<b>Total Net Expenditure</b>	<b>59.2</b>	<b>62.1</b>	<b>61.7</b>
	<b>Funded by</b>			
5	Core grant	(52.4)	(52.4)	(52.4)
6	Premium	(5.1)	(5.1)	(5.1)
7	Resources (Cash Limit)	(57.5)	(57.5)	(57.5)
8	Additional contribution from POCA		(1.0)	(1.0)
9	<b>Deficit</b>	<b>1.7</b>	<b>3.6</b>	<b>3.2</b>
	<b>General Reserve</b>			
10	Opening Balance at 1 April	(8.6)	(8.6)	(8.6)
11	Total Expected Use of Reserve	1.7	3.6	3.2
12	<b>General Reserve (In-Hand) at 31 March</b>	<b>(6.9)</b>	<b>(5.0)</b>	<b>(5.4)</b>
13	Minimum Reserve Level (agreed by Common Council)	(4.0)	(4.0)	(4.0)

2.2 The full year forecast position is £0.4m better than the budgeted position reported in the September update on the medium term financial plan. This is mainly attributable to:

- the delivery of £1.4m savings in employee pay budgets through effective human resource planning and vacancy management; partly offset by
- increases in non-pay budgets of £0.8m due to minor works to the police estate (although in the long term the police estate is part of the accommodation strategy, in the short term essential remedial works are required), cleaning costs and commissioning of projects to drive efficiencies.

2.3 Included within the latest income budgets are external grant funding agreements which total £32.6m. At 31 October, £28m (85%) of this funding has been formally agreed. The remainder of £4.6m principally relates to Home Office grant agreements that are pending formal confirmation.

### 3 CAPITAL BUDGETS

3.1 The latest 2015/16 forecast of expenditure on the Capital Programme is £1.9m. Although this is largely unchanged from the budgeted £1.8m, there have been significant changes to the composition of the programme as projects have been progressed and/or re-prioritised since the original budgets were presented in January. There have also been relatively minor changes in the sources of funding. An analysis of the programme and its

funding is set out in the appendix.

#### **4 RESERVES**

- 4.1 Based on this latest forecast, the contribution required from the General Reserve will be £3.2m compared to the currently budgeted £3.6m. This would leave a balance on the General Reserve of £5.4m at 31 March 2016 (£1.4m above the agreed minimum level of £4m). The next update on the Medium Term Financial Plan will be presented in January when the details of the Government's funding settlement should be known.

#### **Appendix**

- Appendix 1 – City of London Police Capital programme 2015/16

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## City of London Police Capital Programme 2015/16

Project Name	Budget	Forecast
	£'000	Outturn £'000
<b>Expenditure</b>		
Digital Interview Recorders	0	13
Mobile Working Services	0	132
Network Refresh & Upgrade' and 'Data Storage & Application Hosting'	400	431
Crime Recording and Intelligence System	700	0
Vehicle Replacement Programme 2015/16	173	250
Vehicle Replacement Programme 2014/15	0	19
Aceso Forensic Download Devices Network Solution Phase 1	0	51
Aceso Forensic Download Devices Network Solution Phase 2	0	35
Police Desktop Upgrade	0	55
Ring of Steel (Video Management System)	150	400
Telephony Refresh & Data Consolidation	0	22
HR Software Refresh	55	0
IT Server 2003 Upgrade	60	60
IL4 Infrastructure Refresh	150	129
IP Telephone Infrastructure Upgrade	0	136
HR Software Refresh (Enhancements/final phase)	88	88
ESMCP (Airwave Replacement)	0	81
Pipeline Projects	34	0
<b>Total Programme Expenditure</b>	<b>1,810</b>	<b>1,902</b>
<b>Funded By</b>		
Home Office Capital Grant	(810)	(708)
Revenue Contribution	(1,000)	(1,054)
2015/16 Allocation from Bank of England Funding	0	(80)
2015/16 Sale of Vehicles	0	(60)
<b>Total Income</b>	<b>(1,810)</b>	<b>(1,902)</b>