



Resource, Risk & Estates (Police) Committee

Date: MONDAY, 5 FEBRUARY 2024

Time: 10.00 am

Venue: COMMITTEE ROOMS GUILDHALL

Members: Alderman Timothy Hailes (Chair) Alderman Professor Emma Ephem
Tijs Broeke (Deputy Chair) Helen Fentimen
Deputy James Thomson Deputy Randall Anderson
Andrew Lentin Michael Landau (External Member)
Dawn Wright

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes of the Resource Risk and Estates Committee on the 27 November 2023.

For Decision
(Pages 5 - 10)

4. **PUBLIC OUTSTANDING REFERENCES**

Joint report of the Town Clerk and Commissioner.

For Discussion
(Pages 11 - 12)

5. **CITY OF LONDON POLICE REVENUE AND CAPITAL BUDGET 2024-25**

Report of the Commissioner.

For Discussion
(Pages 13 - 36)

6. **REVENUE AND CAPITAL MONITORING UPDATE – Q3 2023/24**

Report of the Commissioner.

For Discussion
(Pages 37 - 72)

7. **CHIEF FINANCE OFFICER (CFO) AND CHIEF OPERATING OFFICER (COO) UPDATE**

Joint report of the Commissioner and the Police Authority Treasurer.

For Discussion
(Pages 73 - 74)

8. **HR MONITORING UPDATE Q3**

Report of the Commissioner.

For Discussion
(Pages 75 - 108)

9. **INTERNAL AUDIT UPDATE**

Report of the Chamberlain.

For Discussion
(Pages 109 - 110)

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

11. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

12. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

13. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Resource Risk and Estates Committee on 27 November 2023.

For Decision
(Pages 111 - 112)

14. **SECURITY REPORT: INFORMATION SECURITY - "PROTECTING FROM WITHIN"**

Report of the Commissioner.

For Discussion
(Pages 113 - 126)

15. **FUTURE POLICE ESTATES MEMBER UPDATE**

Report of the Commissioner.

For Discussion
(Pages 127 - 142)

16. **FUTURE POLICE ESTATE PORTFOLIO COMBINED DASHBOARD**

Report of the City Surveyor.

For Discussion
(Pages 143 - 144)

17. **REVENUE AND CAPITAL BUDGET 2024/25 NON PUBLIC APPENDICES**

Report of the Commissioner, to be read in conjunction with item 6.

For Decision
(Pages 145 - 148)

18. **CITY OF LONDON POLICE RISK REGISTER UPDATE**

Report of the Commissioner. To be read in conjunction with confidential appendix at item 21

For Discussion
(Pages 149 - 200)

19. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

20. **ANY OTHER NON PUBLIC BUSINESS THAT THE CHAIR CONSIDERS URGENT**

Part 3 - Confidential Agenda

21. **CITY OF LONDON POLICE RISK REGISTER**

Report of the Commissioner (confidential appendix to be read in conjunction with item 18)

For Discussion

RESOURCE, RISK & ESTATES (POLICE) COMMITTEE Monday, 27 November 2023

Minutes of the meeting of the Resource, Risk & Estates (Police) Committee held at
on Monday, 27 November 2023 at 2.00 pm

Present

Members:

Alderman Timothy Hailes (Chair)
Helen Fentimen
Michael Landau (External Member)
Andrew Lentin

Officers:

Richard Riley - Police Authority Director
Polly Dunn - Town Clerk's Department
Alistair Cook - City of London Police Chief Finance Officer and Police Authority Treasurer

City of London Police

Paul Betts - Assistant Commissioner City of London Police
Alix Newbold - City of London Police
Mark Paddon - City of London Police
Sue Penn - City of London Police
Steven Reynolds - City of London Police
Gary Brailsford- Hart - City of London Police
Martin O'Regan - City of London Police
Hayley Williams - City of London Police

1. APOLOGIES

Apologies were received from Deputy James Thomson, Dawn Wright, Deputy Randall Anderson and Tijs Broeke.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

RESOLVED – That, the public and non-public summary of the minutes of the meeting held on 6 September 2023 be agreed as an accurate record.

4. PUBLIC OUTSTANDING REFERENCES

The Committee received a report of the Commissioner and Town Clerk on the outstanding references from the previous meeting. There was one outstanding reference relating to the Force Risk Register which was covered in the non-public section of the meeting.

RESOLVED – That, the report be noted.

5. **CHIEF FINANCE OFFICER (CFO) AND CHIEF OPERATING OFFICER (COO) UPDATE**

The Committee received a report of the Commissioner which provided an update on the main CFO and COO issues and areas of development from the last quarter.

During the discussion the following points were noted

- The Corporate Services review final model has been agreed. The Chair welcomed the constructive engagement with staff on this work.
- The Chair expressed the need for properly costed business cases, sequenced in a way that are deliverable and affordable in relation to City of London Police projects and programmes going forward. The absolute requirement for this was acknowledged by the City of London Police.

RESOLVED – That, the report be noted.

6. **Q2 CAPITAL AND REVENUE BUDGET MONITORING 2023-24**

The Committee received a report of the Commissioner of Police concerning the City of London Police's revenue and capital monitoring position at quarter two for 2023/24.

During the discussion the following points were noted

- The Chair noted the budget outcome as a consequence of the staff vacancy model, and the fundamental strategic issue this will present once these vacancies are filled.
- Members were assured that good progress is being made in areas of mitigations, including £5million worth of savings related mitigations.
- The committee was assured that the ambition is to recruit into all police vacancies.
- A member requested an outline of non-permanent savings, should the level of new officer intake be reduced in future years.
- The Chair and Members expressed concern that low spend is currently listed against numerous project lines, and questioned the confidence of officers that this spend will be achieved by the final quarter. Officers provided assurance that there is work being done to gain understanding of when these budget lines will be spent, and that future projects will have more robust financial plans to outline when costs will be incurred.
- A Member outlined the risk of losing any budget that remains unspent, and requested more detail to highlight the lines which are likely to be spent in the next quarter update.
- FCCRAS was noted as a significant challenge in terms of revenue and capital.

RESOLVED – That, the report be noted.

7. **Q2 WORKFORCE MONITORING REPORT- 2023-24**

The Committee received a report of the Commissioner of Police concerning the City of London Police Human Resources Monitoring Data for quarter two 2023-2024.

During the discussion the following points were noted

- The Chair expressed thanks for the improved dataset provided to the committee.
- Officers assured the Committee that confidence levels were relatively high that police officer recruitment goals will be achieved by March 2024, given the learning taken from the Police Uplift Programme. This is monitored monthly through the Force's People Board.
- Work is being undertaken to ensure the vetting capacity is able to meet the increased recruitment intake.
- A Member asked about diversity within the City of London Police Force in the context of other forces in the country. Officers are reconsidering the wording of job adverts and working with an external agency to address this within officer and staff recruitment. Officers are working with HR teams in other forces to identify good practice and share successes and strategies to impact these diversity levels.
- The Commissioner commented that whilst increasing diverse workforce representation in forces is not an issue across England and Wales outside of the Capital, it is a consistent issue in the London based Forces (CoLP, BTP, MPS)
- A member noted a correlation between high ethnicity diversity and low gender diversity and queried if this information could be shown highlighting each dataset separately in the next quarter update.

RESOLVED – That, the report be noted.

8. **CHANGE PORTFOLIO UPDATE - CITY OF LONDON POLICE**

A presentation was given to the Committee covering the vision of the Change Portfolio office within City of London Police.

During the discussion the following points were noted

- The Chair considered that recognising current deficiencies was a critical first step to fixing them. The Chair noted concerns about the capacity and capability to execute this plan and was keen to see how this work aligns with the Corporation review.
- A Member asked how structured updates on this work can be reported to the Board. It was agreed that this will be incorporated the CFO & COO joint report.

RESOLVED – That, the report be noted.

9. **RISK REGISTER UPDATE**

The Committee received a report of the Commissioner of Police concerning current profile of force risks.

During the discussion the following points were noted

- A Member questioned the risk level of not delivering the FCCRAS on time, an officer confirmed that this risk level will possibly be changed once formally confirmed by the FCCRAS Service Board and Procurement Committee.

RESOLVED – That, the report be noted.

10. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

11. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There were no items of urgent business.

12. EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

13. NON-PUBLIC MINUTES

RESOLVED - That, the non-public minutes of the meeting held on 6 September 2023 be agreed as an accurate record.

14. POLICE MEDIUM TERM FINANCIAL PLAN (MFTP) UPDATE

The Committee received a report which outlined the medium-term financial plan of the City of London Police.

15. FUTURE ESTATE PORTFOLIO COMBINED DASHBOARD - NOVEMBER 2023

The Chair moved to consider this report in conjunction with items 16 and 17. The committee received reports which covered elements of the Police Estate.

16. SALISBURY SQUARE DEVELOPMENT - RIBA STAGE 5 UPDATE

RESOLVED – That, the report be noted.

17. GUILDHALL YARD EAST DECANT

RESOLVED – That, the report be noted.

18. SECURITY REPORT: INFORMATION SECURITY (DEEP DIVE)

The Committee received a report which outlined a deep dive into information security within the City of London Police, following information breaches in PSNI, Norfolk/Suffolk, the Metropolitan Police Service and Greater Manchester Police.

19. RISK REGISTER UPDATE - APPENDICES

RESOLVED – That, the report be noted.

20. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

21. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other urgent business to be considered.

The meeting ended at 15:56

Chairman

**Contact Officer: Kezia Barrass
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Resource, Risk & Estates Committee [COLPAB] –Public Outstanding References

2/2023/P	27 November 2023 Item 6- Q2 Capital and Revenue Budget Monitoring	A member requested an outline of non-permanent savings, (should the level of new officer intake be reduced in future years).	Commissioner	Complete- Narrative has been added into the mitigations table 5 to cover sustainability of the savings as appropriate.
3/2023/P	27 November 2023 Item 7- Q2 Workforce Update	A member noted a correlation between high ethnicity diversity and low gender diversity and queried if this information could be shown highlighting each dataset separately in the next quarter update.	Commissioner	Complete- The data sets are taken from national data for all forces and it has not been possible to adapt this data. The Force is not really clear on the basis of this query as articulated.

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Agenda Item 5

Committee(s): Resources, Risks & Estates Committee Police Authority Board	Dated: 5 February 2024 7 February 2024
Subject: Revenue and Capital Budget 2024/25	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Commissioner of Police Pol 10-24	RREC – For Information PAB - For Decision
Report author: Mark Paddon, Deputy Chief Finance Officer Steven Reynolds, Deputy Chief Finance Officer Alistair Cook, Chief Finance Officer	

Summary

This report presents the revenue and capital budget for 2024/25 following the Provisional Government Settlement being announced on 14 December 2023. Confirmation of the final Police Settlement is not expected until the end of January 2024 and a verbal update will be provided of any changes impacting the proposed 2024/25 budget.

The following paper provides details of the provisional police settlement, local funding via the Business Rates Premium (BRP), mitigations to achieve a balanced budget, income and funding, capital requirements and use of reserves.

Overall, the budget provides for a core establishment of 953 full time equivalent (FTE) Police Officers (plus 30 Regional Organised Crime Unit posts), 537 (FTE) Police Staff and 216 temporary funded roles (£149m) and non-pay (£59.7m) budgets totalling £208.7m. These resources are provided to deliver Policing Plan priorities for both territorial policing and national lead functions, in areas such as fraud and cybercrime, with strong support for victim care.

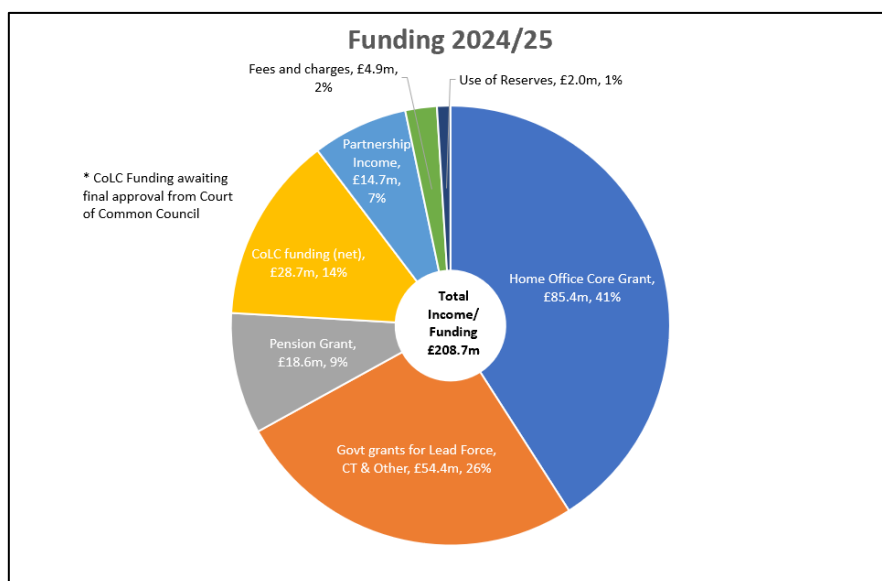
Table 1 provides a summary of the 2023/24 and the proposed revenue budget for 2024/25.

Table 1 Summary Revenue Budget 2023/24 and 2024/25	23/24 Latest Budget £M	24/25 Projected Budget £M	24/25 vs 23/24 Budget £M
Expenditure	189.9	208.7	18.8
Income	(88.9)	(94.6)	(5.7)
Core Funding (Chief Officer cash limited budget)	(101.0)	(114.1)	(13.1)
Income & Core Funding (net of capital charges)	(189.9)	(208.7)	(18.8)
(Surplus)/Deficit	-	-	-

The 2024/25 budget shows an increase of £18.6m compared to 2023/24 which is mainly due to additional core Government Grant income of £8.7m, a net increase over 2023/24 of £1.5m in Business Rates Premium (BRP) allocation, of which £1m is ringfenced for Secure City run costs,

and £5.8m of specific Government funding largely for combatting economic and cybercrime. A full breakdown of funding is shown in figure 1 below.

Figure 1: 2024/25 Funding Breakdown



The draft budget includes 'funded' provision for the launch of the new Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS), in 2024/25 plus a £1.5m provision against risk to programme timelines, which overall represents a reduction in core contribution to this service.

Whilst the 2024/25 budget is shown as balanced, the latest Medium Term Financial (MTFP), as presented to members of the Resource, Risks and Estates Committee in November 2023 and Police Authority Board (PAB) in December 2023, identified £15.5m of additional inflationary and other pressures impacting the 2024/25 budget. These pressures are summarised in Table 2 below.

Table 2 – 2024/25 MTFP Budget Pressures

2024/25 Budget Pressures (Revenue)	2024/25 £'m
Reduction in BRP funding for exceptional costs	2.1
Officer Pay Inflation	4.1
Staff Pay Inflation	2.9
London Allowance Increase	1.1
Non-Pay inflation	2.3
Cyclical Maintenance/Replacement and SRP Schemes	1.3
Increase in Capital Financing Provision	1.7
Total Pressures	15.5

The MTFP, which was presented Members prior to the 2024/25 Police Settlement being communicated assumed that Home Office funding would increase by £5.6m in line with Year 3 Spending Review commitments, provide extra funding for the 2024/25 officer pay award and increase in the City's Precept grant (in lieu of the City's inability to precept) to recognise precept flexibility for other forces. While the subsequent Home Office announcement has provided for £0.3m more funding than expected (para 11), though with heightened risk arising from increased ringfencing, further mitigations are required to deliver a balanced budget in 2024/25.

In balancing its finances over the last two years, CoLP has delivered major savings, with cumulative, budgeted savings over the last few years of £15m (14.1% of the 2023/24 Net

Revenue Budget) - including pay and overtime reductions, non-pay savings and increased charges for funded work. However, the options for CoLP to make further savings and achieve a balanced budget in 2024/25 are limited by the requirement to maintain officer numbers at national head count levels, contractual obligations and the level of savings delivered in recent years, without impacting operational policing. Table 3 below summaries the mitigations which have been included in the proposed 2024/25 budget, including a £2.9m increase in the contribution from

CoLP Capital Programme	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
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funded work towards inflation and overheads, further pay and non-pay savings of £3.5m and a £2.6m allocation from the 2023/24 Business Rates Premium (BRP) increase (£2.1m sustained BRP from 2023/24 and an increase of £0.4m).

Table 3 – 2024/25 Budget Mitigations

2024/25 Budget Mitigations	2024/25 £m
Increase in Home Office Core Funding (excluding Pension inc and Uplift)	5.9
Reduction in Action Fraud exceptional costs	0.5
Higher proportion of more junior PCs	0.8
Increased recharging of costs to funded activities and change	3.1
Non-pay savings: professional fees, release of inflationary provision & other	1.8
Adjustment for phasing of staff recruitment to full establishment	0.8
Allocation from 2023/24 Business Rates Premium (BRP) increase	2.6
Total	15.5

Capital Programme 2024/25

A summary of forecast capital expenditure and funding for 2021/22 to 2025/26 is shown in table 4 below. This shows a proposed capital programme for 2024/25 of £10.345m, comprising £2.358m on cyclical replacements, £6.256m on projects which commenced in prior years (FCCRAS for £4.763m and £1.493m on other projects) and £1.731m for new prioritised projects commencing in 2024/25. These new projects will be subject to business case approvals, supported by assessments on deliverability and affordability. The proposed capital programme is broken down and further explained in paragraphs 35 to 59 of this report.

The table also shows a forecast outturn for 2023/24 of £18.609m which is explained in a third quarter (Q3) budget monitoring report on this agenda.

Cyclical Replacement	1,000	545	815	2,358	700	5,418
FCCRAS	3,970	5,392	16,913	4,763		31,038
Other Projects 2023/24 and prior	2,960	1,194	881	1,493		6,528
Proposed New Projects 2024/25				1,731	492	2,223
Max. available for 2025/26					3,808	3,808
TOTAL CAPITAL EXPENDITURE	7,930	7,131	18,609	10,345	5,000	49,015
Funding						
City Fund loan facility (FCCRAS)		2,392	3,296			5,688
City Fund loan facility (other projects)	2,941	1,401	1,445	1,896		7,863
Home Office (FCCRAS)	3,970	3,000	11,217	2,804		20,991
City Fund		110	179			289
City ULEZ loan	1,000					1,000
POCA	19	38	12	645		714
Direct revenue financing		190	2,460	5,000	5,000	12,650
TOTAL FUNDING	7,930	7,131	18,609	10,345	5,000	49,015

Table 4 – CoLP Capital Programme

Police Authority Board

The proposed 2024/25 Police Authority Board (PAB) budget is also shown in Table 13 below. A £1m budget was established in 2022/23 which is funded from the local business rates premium.

Recommendations

Members of RREC are asked to:

Note the report and:

- the 2024/25 City of London Police (CoLP) Revenue Budget;
- the 2024/25 CoLP Capital Programme; and
- the 2024/25 Police Authority Budget;

Members of the Police Authority Board are asked to approve:

- the 2024/25 CoLP Revenue Budget;
- the 2024/25 CoLP Capital Programme; and
- the 2024/25 Police Authority Budget

Main Report

Relevance to the Policing Plan

1. The primary purpose of the development of the budget and Medium-Term Financial Plan (MTFP) is to direct resources to deliver the objectives set out in the Force's Policing Plan:
 - To keep those who live, work and visit the City safe and feeling safe
 - To protect the UK from the threat of economic and cybercrime
 - To put the victim at the heart of everything that we do
2. The development of the 2024/25 budget is focused on the Policing Plan, building on the 2023/24 the business planning process, to ensure that finite resources are allocated to enable delivery of the above key objectives.
3. The Force's commercial strategy, introduced in 2019 and refreshed in 2023/24, was designed to assist in the delivery of a sustainable budget going forward through seeking full cost recovery from funded units and commercial / non-core / change activity wherever possible. In the 2024/25 budget additional income of £3.0m through recharging of costs has been included as part of a package of measures to close the budget gap, noting the cash flat nature of a number of National Lead Force grants. The affordability and sustained resourcing of funded/non-core activities will be dependent on securing this uplift in funding which is a key risk to the delivery of the Policing Plan. Work will continue in 2023/24 and 2024/25 to drive income recovery from funded work through engagement with funders to ensure deliverables are commensurate with the financial resources being made available.

National Context, Police Funding Settlement and Core Funding

4. The Force continues to operate in an environment of considerable uncertainty and financial challenge. While the 2023/24 budget was balanced by a combination of increased local funding from the 2022/23 Business Rates Premium increase and additional City of London Police (CoLP) mitigations. Since then, CoLP has experienced or forecast a range of new pressures including:
 - Pay and non-pay inflation in 2023/24 being significantly above assumptions – creating £6.5m of pressure for 2024/25 and future years.
 - a £1.1m increase in pay costs due to the decision to increase the London Allowance for officers from September 2023 in response to the Met Police lead.
 - a £1.3m increase in the cyclical maintenance and supplementary revenue requirements in 2024/25 to sustain the facilities at New Street and Bishopsgate pending the creation of the Future Police Estate.
 - a reduction in local business rates funding of £2.1m in 2024/25 relating to exceptional costs identified in 2022/23.
 - A transition to Direct Revenue Financing (DRF) of CoLP's future capital expenditure from 2024/25 of £5m per annum plus an annual provision of £1m for the repayment of internal borrowing; noting that the £1.7m pa increase would still be required to increase current loan repayment arrangements assuming a higher level of borrowing.

Police Funding Settlement

5. On 14th December 2023 the Home Office announced the provisional police funding settlement. Table 6 provides a line by line breakdown of the provisional settlement compared to 2023/24. The key points are :
 - Police Uplift Programme (PUP) ringfence – the expected £1m increase for Spending Review year 3 has been added in full to the Police Uplift ringfence, which puts £3.1m funding at risk (vs £2m in 23/24).

- Additional recruitment top up grant – City’s officer uplift target has been increased by 10 (from 986 to 996 headcount), with £0.5m additional funding being provided (which will be fully offset by additional costs).
As in 2023/24 a key concern remains that the Home Office settlement has increased the level risk to police finances through the ringfencing of core funding which is subject to maintaining officer uplift targets. The Home Office have confirmed that performance against the 996 target will be measured on 31 September 2024 and 31 March 2025. Any shortfall against the maintenance level of 996 will be subject to £40,000 per officer being withheld from the Uplift grant, up to a maximum tolerance of 30 officers; this means that if CoLP were to miss the uplift target by 30 at both checkpoints, the entire £3.1m grant would be lost.
- Pay award grant – City received extra funding during 23/24 of £2.4m for part-year effect of the 2023 officer pay award (7%). The £3.8m full year effect has been rolled into core grant for 24/25. The allocation of this grant was based on funding formula shares and so it does not provide for the increased costs of National or funded resourcing.
- Precept grant (in lieu of City’s inability to precept) - has increased by £1m which is slightly higher than the £0.8m expected - linked to Government providing increased Precept flexibility elsewhere (of £13 rather than £10).
- Pensions grant - Home Office is allocating £260m additional funding to policing in respect of recent decision to increase employer pension contributions for officers from 31% to 35.3% from April 2024. CoLP is getting an extra £2.4m pensions grant from this, which provides for the cost increase for CoLP’s ‘established’ officers. This includes existing, ‘established’ officer roles for its National Lead Force and other funded work but not its ‘temporary’ or growth roles.
- National & International Capital City (NICC) grant (provided to City and Met Police) - has remained cash flat at £4.8m since April 2019. The NICC grant was awarded to recognise the cost of additional policing activity arising from events and demonstrations related to the City’s historic location and national and international status, excluding the costs of counter terrorism activity which is subject to a separate specific grant.
- Anti-Social Behaviour (ASB) and Hotspot Funding, each force has been allocated £1m of non-core grant funding in 2024/25. The administration and use of this funding will be co-ordinated by the Police Authority Team taking into account Home Office guidance on the scope of the funding stream, specification criteria and delivery plan requirements. Given the uncertainty at this stage about the allocation of the funding the 2024/25 budget excludes any related expenditure and associated income. This is on the basis that the activities supported by this funding stream will be additional and therefore, will have a net nil effect on the budget.

Local Funding – Business Rates Premium

6. In recognition of major MTFP budgetary pressures arising from inflation, exceptional Action Fraud costs, the loss of some key grants and acknowledgement that historically local funding for the City of London Police (CoLP) was significantly below national average, a 0.4p increase in the BRP was approved by the Court of Common Council in March 2022 for policing and other security measures, coupled with a CoLP commitment to deliver £6.1m additional mitigations £6.6m of BRP funding was allocated to CoLP, including a ‘one off’ £2.1m allocation for exceptional costs, taking the total BRP allocation to the Force in 2023/24 to £27.5m. This excluded:
 - £1m of BRP funding for the Police Authority Board and
 - £1m of BRP funding for the Security City Programme (SCP).

7. While there have been increases in BRP in recent years, continued increases in precepts elsewhere mean that CoLP remains below the national average even when taking into account the benefit of rent free accommodation provided by the City Corporation and the Precept Grant. The proposed 2024/25 budget, therefore, assumes that the £6.6m of BRP funding from 2023/24 is sustained in 2024/25 with a £0.5m increase required to deliver a balanced budget. It is anticipated that this will be funded from the 0.2p increase in the BRP approved by the Court in March 2023. The total BRP allocation to the Force in 2024/25 is expected to be £28.9m including £1m of BRP funding for the Secure City Programme. This excludes £1m of BRP funding for the Police Authority Board which is detailed at para 48.
8. The estimated annual operating cost of the Secure City Programme (SCP) is expected to be c.£2m which will be funded through a combination of £0.4m existing police resources (through decommissioning the current Information management system (IMS) and disaster recovery system (DRS), £1m of BRP funding, up to £0.5m of funding from the City's on-street parking reservice and a potential future contribution from City Bridge Foundation (subject to evidencing positive impact on policing the bridges). Following implementation delays it is now expected that the SCP will move to an operational phase during 2024/25 with responsibility for managing the programme transferred to CoLP. All programme income and expenditure will be ringfenced in CoLP's revenue budget.
9. The grants awarded as part of the police funding settlement and from the City of London Corporation constitute "core" funding and is held by the Police Authority until the end of the financial year. Historically this has been referred to as the "Chief Officer's Cash Limited Budget" for local authority accounting purposes and provide an in-year Net Budget of £114.1m, an increase of £13.1m from 2023/24, after adjusting for internal loan repayment of £1.0m which is shown as negative financing for Local Authority budgeting. Of the £13.1m increase, £8.7m relates to an increase in Home Office core funding, £1m relates to BRP funding for the Secure City Programme, a £0.5m increase in the baseline BRP funding and a £2.9m reduction in capital financing costs due to the planned repayment of the legacy Action Fraud and ULEZ vehicle replacement loans from the Force's General Reserve in 2023/24.

The repayment of these legacy loans will facilitate the transition to Direct Revenue Financing (DRF) of CoLP's future capital expenditure from 2024/25 of £5m per annum).

10. Funding for the Force also includes £94.6m of specific government grants, partnership income, fees and charges and the use of reserves (2023/24: £88.9m). This is an increase of £5.7m compared to 2023/24 and is mainly due to:

Government Grant income - £3.3m increase mainly due to:

- Fraud & Cyber Crime Reporting & Analysis Service (FCCRAS) revenue net of a reduction in core legacy fraud grants - £2.5m increase
 - Anti-money Laundering Act (AMLAR) funding - £3.4m increase
 - Fraud Reform - £1.9m increase
 - Asset Recovery Incentivisation Scheme – Cryptocurrency - £1.7m increase, and
- Less:
- A reduction in the Pension Deficit grant - £4.4m this is matched by a reduction in expenditure and reflects the current 6 year pension deficit forecast.
 - Exclusion of £2m of income and expenditure relating to the Regional Organised Crime Units (ROCU) Uplift funding which does not form part of CoLP's budget.

Partnership Funding – 1.3m increase

- Insurance, credit card and intellectual property fraud - £0.5m increase
- Secure City programme - £0.5m increase
- Common Policing services (secondments) - £0.3m increase

Fees and Charges - £1.3m

- Mainly due to a £1.2m increase in recharging of staff costs to capital (change) projects. This is in accordance with the 2023 Corporate Services Review design principles with roles being aligned to demand drivers and funded workstreams.

11. Subject to the final settlement Table 6 sets out the overall revenue funding envelope which will be available to resource policing services in support of the Policing Plan.

Table 6 – Funding and Income

2024/25 Funding	2023/24 £m	2024/25 £m	Change £m (Better)/Worse
Core grant	(62.5)	(66.3)	(3.8)
Council Tax Freeze Grant	(0.3)	(0.3)	0.0
NICC Grant	(4.8)	(4.8)	(0.0)
Precept Grant	(6.5)	(7.4)	(0.9)
Pensions Grant	(0.8)	(3.2)	(2.4)
Ringfenced Uplift Funding	(2.0)	(3.1)	(1.1)
Uplift Additional Recruitment Top Up	0.0	(0.5)	(0.5)
Less £0.2m Council Tax Freeze Grant to City Fund	0.2	0.2	0.0
Sub-Total police grant funding	(76.7)	(85.4)	(8.7)
Business Rates Premium	(27.5)	(28.0)	(0.5)
Corporation - Contact Centre	(0.7)	(0.7)	0.0
Secure City	0.0	(1.0)	(1.0)
Sub-Total Business Rates Premium/CoL funding	(28.2)	(29.7)	(1.5)
Total Core Funding	(104.9)	(115.1)	(10.2)
Specific Grants	(69.7)	(73.0)	(3.3)
Partnership Funding	(13.3)	(14.6)	(1.3)
Fees and Charges	(3.6)	(4.9)	(1.3)
Use of Reserves	(2.2)	(2.0)	0.2
Sub-Total Income and use of Reserves	(88.8)	(94.5)	(5.7)
Gross Funding & Income	(193.7)	(209.6)	(15.9)
Less Capital Financing Charges	3.9	1.0	(2.9)
Net Funding & Income	(189.9)	(208.7)	(18.8)

* this excludes £30.9m of National Lead Force grants which are transferred to other forces to support their fraud, cybercrime and anti-money laundering activities.

Revenue Budget for 2023/24, Projected Outturn and 2024/25 Budget

12. The proposed 2024/25 budget has been prepared within the resources set out above. Table 7 below summarises the 2023/24 net revenue budget, projected year end outturn and variances and the 2024/25 budget. Underspends / positive variances are shown in brackets.

Table 7 – Revenue Budgets 2023/24 & 2024/25

CoLP Revenue Budgets 2023/24 and 2024/25	23/24	23/24	23/24	23/24	24/25	24/25 vs 23/24 Budget
	Latest Budget £'m	Actuals Q3 £'m	Projected Outturn Q3 £'m	Variance vs Budget (Better)/Worse £'m	Projected Budget £'m	(Better)/Worse £'m
Police Officer Pay	70.6	52.8	71.7	1.1	80.7	10.1
Police Staff Pay	32.4	22.8	31.5	(0.9)	42.7	10.3
Police Officer Overtime	2.1	1.9	2.8	0.7	2.6	0.6
Police Staff Overtime	0.1	0.2	0.2	0.2	0.2	0.1
Temp/Agency	0.8	0.8	1.0	0.2	1.1	0.3
Other Employee Related Exp.	2.1	1.8	2.6	0.5	3.0	0.9
Pension Deficit	23.0	0.0	23.0	0.0	18.6	(4.4)
Total Pay	131.1	80.3	132.8	1.8	149.0	18.0
Premises	2.9	2.9	3.3	0.4	4.3	1.3
Transport	2.7	0.5	2.7	(0.0)	2.8	0.1
Supplies and Services	37.1	30.1	37.0	(0.1)	34.1	(3.0)
Third Party Payments	12.3	19.0	32.0	19.6	9.5	(2.8)
COL Support Services	3.3	0.1	3.3	0.1	3.4	0.1
Capital Charges	0.5	0.0	2.7	2.3	5.1	4.6
Transfer to Reserve	0.0	0.0	0.5	0.5	0.5	0.5
Total Non-Pay	58.8	52.7	81.5	22.8	59.6	0.8
Total Expenditure	189.9	133.0	214.4	24.5	208.7	18.8
Specific Grants	(69.7)	(42.8)	(93.1)	(23.4)	(73.0)	(3.3)
Partnerships	(13.4)	(8.2)	(14.2)	(0.8)	(14.7)	(1.3)
Fees & Charges	(3.5)	(2.2)	(3.5)	(0.0)	(4.9)	(1.3)
Transfer from Reserves	(2.2)	(0.0)	(2.5)	(0.3)	(2.0)	0.2
Income	(88.9)	(53.2)	(113.4)	(24.5)	(94.6)	(5.7)

Core Funding	(101.0)	(79.7)	(101.0)	(0.0)	(114.1)	(13.1)
Total Income & Core Funding	(189.9)	(133.0)	(214.4)	(24.5)	(208.7)	(18.8)
Net (Under)/Overspend	0.0	0.0	0.0	0.0	0.0	0.0

Revenue Budget for 2023/24 and Projected Outturn

13. The 2023/24 Quarter 3 revenue outturn is presented as a separate paper on today's agenda. This shows a breakeven outturn position, with both expenditure and income expected to be £214.4m. This compares to original expenditure and income budget of £189.9m. The variance of £24.5m is mainly due to additional specific grants being received in year for Lead Force activities, (£20.4m) of which £19.4m is to support resourcing in other forces, £2.9m of Home Office funding to support officer and staff pay increases/ additional officer recruitment and a £0.8m increase in partnership income. Other key variances include:

- A £1.1 overspend against Officer Pay offset by vacancies and rank ratio saving due to a higher proportion of student officers of £1.2m;
- £0.9m underspend on staff pay mainly due to vacancies;
- an increase in overtime of £0.9m due to funded work and other operational activities;
- A £0.5m overspend in injury awards, commuted pension lump sums & apprenticeship levy budgets due to an under provision compared to the 2022/23 outturn;
- A £0.4m pressure against premises budgets due to several backdated electricity charges at Bishopsgate;
- A £0.7m overspend in relation to the Action Fraud Contact Centre;
- £0.5m higher than budgeted transfer to reserve in respect of Asset Recovery Incentivisation Scheme/Proceeds of Crime Act receipts; and
- A £2.3m contribution to the financing of capital expenditure.

These cost pressures have been largely offset by:

- A £0.8m supplies and services savings mainly due to lower equipment purchases in Local Policing (£0.5m) and other general underspends.
- receipt of a £2.4m Home Office Pay award grant
- £1.3m of other income, including an Uplift over-recruitment grant and secondment / other income.

Proposed Revenue Budget for 2024/25

14. The proposed 2024/25 budget has been prepared within the resources set out in Table 6 above. Overall there is an increase of £18.8m between the 2023/24 latest approved budget and the 2024/25 original budget. Further details of support services and capital charges are shown in Appendix 1. The significant movements, budgetary assumptions, risks and opportunities are explained below:

Risks and Opportunities

15. There are a number of financial risks and opportunities which may impact the 2024/25 budget. These include:

- The increased ringfencing of Government Grants, with dependency on maintaining officer uplift levels.
- Pay awards and non-pay inflation being higher than estimated.
- Loss of income sources.
- Progress on cost recovery from funded work particularly in relation to National Lead Force funding where some agreements are cash flat and which provides an element of the City's officer uplift target.
- FCCRAS implementation and any implications arising from the updated detailed delivery plan.
- The levels of recruitment needed to deliver against both the financial and operational Policing Plan, in particular achieving the staff recruitment trajectory as a risk to realising available National Lead Force funding.
- The ability to deliver the mitigations included within the budget within the timeframes set and also the level needed whilst delivering the required levels of service.
- The ability of the Force to deliver the Capital Programme.

Pay and Workforce Planning

16. The pay budget for 2024/25 is £149m, this is an increase of £18m from 2023/24. The main factors for the increase include:

- the impact of pay inflation being significantly higher than anticipated in 2023/24 being baked into subsequent year's pay – £6.5m, (Officers £4.2m and Staff £2.7m); pay inflation assumptions of 3% for officers from September 2023 and 3% for police staff from July 2023 incorporating 1% pay and progression.
- the full year impact of the decisions to increase the London Allowance for Police Officers by £1,000 - £1.1m;
- a £2.4m increase in Police Officer Pension contributions due to the decision to increase employer pension contributions for officers from 31% to 35.3% from April 2024. A Home Office grant has been made available to offset this additional cost.
- An officer adjustment provision of £0.5m has been included in the 2024/25 budget to manage the headcount impact of the additional 10 Uplift posts and the risk of overshooting against the 996 target which will require careful workforce management.
- a £9.5m increase in Officer (£1.9m) and Staff costs (£7.6m) relating to funded activities including the Anti-Money Laundering Act Regulations (AMLAR), Enhanced Cyber Reporting (ECRS), FCCRAS and Fraud Reform. This includes growth in overhead recovery – which in particular contributes to the £2.25m increase in external funding to Corporate Services costs, delivering a £1m saving to core budgets net of cost increase).
- Of the £9.5m increase, £3m was previously provided for under National Lead Force supplies and services budgets in 2023/24 as a placeholder whilst elements of programme delivery were finalised. These budgets will now transfer to pay in 2024/25.
- an increase in overtime budgets of £0.7m, due the impact of pay inflation on baseline overtime budgets of £0.15m, a £0.45m increase in relation to funded work and £0.1m to fund specific ongoing overtime pressures in the Custody Team in the provision of a 24 hour service. Overtime continues to be monitored through the Force's internal Strategic Finance Board.

- Agency budgets have increased by £0.3m This relates to the NPCC Cybercrime programme and is fully funded from grant funding.
- Other employee expenditure has increased by £0.9m, this is mainly due the creation of a £0.3m provision to fund apprenticeship levy charges, £0.3m increase in injury award budgets to align with current costs and £0.2m of increase training. Of this increase £0.3m is funded from funded/non-core activities.
- a £4.4m decrease in the pension deficit provision. This is to align the budget with the current 6 year pension forecast and is offset by a corresponding reduction in Home Office grant income.

17. The 2024/25 pay budget is based upon the following full time equivalent (FTE) numbers:

Table 8 – Workforce Establishment

	Officer FTE	Staff FTE	Total FTE
2023/24 Baseline	939.0	514.9	1,453.9
SOC Uplift (Regional Organised Crime Units)	30.0	0	30.0
NPCC Cybercrime	9.0	2.8	11.8
Changes 2023	5	0.2	5.2
Corporate Services Review	0	19.1	19.1
Establishment at 1st April 2024	983.0	537.0	1,520.0

18. The NPCC Cyber Portfolio (11.8FTE) and 30 FTE Police Uplift SOC posts are shown in the overall establishment in Table 8 and are included in the Home Officer Uplift headcount target of 996. The Cyber Portfolio team and the Police Uplift SOC posts are funded from specific grants and claimed in arrears from Home Office. Of the 30 SOC posts, 2 will be employed directly by CoLP and the remaining 28 are based in the Regional Organised Crime Units (ROCU). The majority of the Cyber Portfolio will be recruited via seconded officers and agency staff. The budget also assumes a further 216 temporary funded roles mainly related to delivery of NLF lead force activities.

19. The budget assumes resourcing levels for 2024/25 will increase by 24.3 Full Time Equivalent (FTE) posts. Of these changes 5.2 FTE relate to establishment changes agreed via the Force's People Board in September 2023 following confirmation of long term funding. The remainder attributable to outcome of the Corporate Services review. As noted above, whilst there has been an increase in staff resources this will be funded from external sources and change, thereby delivering a £1m saving to core budgets. No changes have been made to the Officer FTE as a result of the additional headcount target being increase by 10 to 996, however, this position is being assessed, noting that there are a number of part time roles in Force which count as 1 when measuring achievement against the Uplift target of 996.

20. Pay inflation assumptions remain one of the largest areas of risk. Whilst a 3% Officer and 3% Staff pay award assumptions are in line with National Police Crime and Commissioner (NPCC) Finance discussions and the City of London Corporation's current guidance, every 1% increase in pay increases the Force's cost pressures by £1.2m (£0.8m officers, £0.4m staff). While it is expected that inflation will reduce in 2024, where additional funding is

provided by the Home Office to meet inflationary and other pressures above the annual settlement funding, this funding continues to be distributed on the basis of core grant shares. The consequence for the Force is that this excludes £57.1m of specific National Lead Force grants which in many cases have remained cash flat. Engagement is taking place with the Home Office on this matter.

21. Furthermore, although the Police settlement provided a £8.7m increase in funding, as noted above, £3.1m of the overall funding is now ringfenced and dependent on performance in maintaining the year 3 and additional officer (top up) uplift target. This significantly increases the amount of ringfence from current year and adds significant risk to realisation of the additional funding. The continuation of ringfencing and severity of penalty for non-achievement means that there is a risk to affordability. The requirement to maintain the uplift headcount target of 996 will require careful workforce management to minimise the financial risk of under or over shooting against target.

Non-Pay

22. The premises budget for 2024/25 is £4.3m, an increase of £1.3m from 2023/24. The principle reason for the increase is to allow for cyclical maintenance works at Bishopsgate and New Street to prolong the operational viability of these site ahead of delivery of the Future Police Estates programme.

23. A breakdown of the £34.1m Supplies and Services budget is shown in Appendix 2. The decrease from 2023/24 of £3.0m is mainly due:

- a £3m transfer from supplies and services to pay relating to funded activities including ECRS, AMLAR and Fraud Reform. These 2023/24 supplies and services budget were a placeholder pending determination of programme delivery structures.
- a £0.5m reduction in exceptional supplies and services costs relating to the Action Fraud service pending transition to the FCCRAS. This comprises an anticipated £2m full year reduction in exceptional costs net of a ringfenced £1.5m risk provision to allow for finalisation of programme launch timelines in 2024/25.
- The release of a £1m non-pay ringfenced inflationary risk provision to facilitate the transition to Direct Revenue Financing of capital expenditure.
- These decreases are offset by a £1.5m increase in costs relating to the running of the Secure City Programme (SCP) which is due to transfer to CoLP in 2024/25.

24. The third party payments budget for 2024/25 is £9.5m a decrease of £2.8m from 2023/24. Third party payments budgets include the cost of IT services £6.1m as well as providing for payments to other forces for seconded officers. The £2.8 reduction relates to a change in revenue recognition for Home Office funds transferred to other Regional Organised Crime Units (ROCU) and other forces for economic fraud and cybercrime activities connected to the Legacy Fraud grant. With the exception of this element, the redistribution of National Lead Force grants has been unbudgeted and managed through the Force's revenue account. This has distorted the monitoring with Home Office income and third party expenditure is consistently reporting outside of the approved budget. A breakdown of third party funding is show in Annex 2.

25. In 2024/25 it is expected that the Force will transfer some £30.9m of Home Office funds to other forces including the Legacy Fraud Grant, AMLAR, Fraud Reform and the National

Cyber Security Programme. For 2024/25 these transactions will be ringfenced from the Force's revenue account and reported separately.

26. The capital charges budget for 2024/25 is £5.1m an increase of £4.6m from 2023/24. This increase is due to the planned transition to Direct Revenue Financing (DRF) of capital expenditure from 2024/25. This is facilitated by the decision to repay the remaining balance on the legacy Action Fraud loan (£2m) and the ULEZ (0.6m) vehicle replacement loan from the Forces General Reserve in 2023/24. This will release £2.9m per annum of negative financing adjustments from the core resource base (Table 6) which taken together with other supplies and services reductions will allow for up to £5m per annum revenue financing of capital expenditure. The expectation is that this will help mitigate the downstream borrowing risk for CoLP and City Fund finances. There will remain, however, points at which additional internal borrowing from the City Corporation will be required in order to meet the costs of the capital programme. A forecast of this is shown in the capital section of this report.
27. In addition to the £5m DRF provision, a further £1m payment, (shown as a negative financing adjustment against core funding in Table 6) will continue to be made to pay down internal borrowing from the City Corporation. This is to be reviewed annually.

Income

28. The force receives income and funding from a range of sources, with total budgeted income amounting to £209.7m in 2024/25 as detailed in Appendix 3, to this report. Due to the sensitive nature of the various funding streams, this is presented as a non-public appendix. CoLP funding primarily comes from its Home Office core grant, amounting to £85.4m for 2024/25 (40.7% of all income) Other specific Government grants total £73m (34.8% of all income), which includes funding for discharging CoLP's National Lead Force for Fraud & Cyber roles and a grant to cover CoLP's contribution to the Officer Pension Scheme deficit. Total Government grants amount to £158.4m in 2024/25, 75.5% of all funding.
29. Unlike other Police and Crime Commissioners (PCCs) The City Corporation does not have the ability to raise funding through a Council, instead, the City provides funding through a Business Rates Premium (BRP), which is expected to be £28m for 2024/25 (13.4%). In 2024/25 the City Corporation will also provide £0.7m of funding towards the contact centre (0.3%) and £1m BRP funding for the Secure City Programme (0.5%).
30. Partnership income totals £14.7m in 2024/25 (7.0% of all income), comprising funding from third parties in support of the fight against fraud and economic crime.
31. Income from fees and charges is estimated to be £4.8m in 2024/25 (2.3% of all income) and is largely derived from training delivered through the Economic Crime Academy, salaries recharged to capital and change projects.
32. As set out in the 2023 Income Strategy Report, charging for service is a complex area and as a minimum any charge must recover all direct costs. Wherever possible, however, CoLP will seek to recover full cost using a Full Economic Cost Recovery Model. Applying this model remains critical in 2024/25 to delivering £3.1m of additional income to meet mitigation targets.

Business Unit Control Totals 2024/25

33. Taking together workforce number and the proposed 2024/25 revenue estimate, Table 9 below provides a breakdown of budgeted staffing numbers, business unit control totals for 2024/25 and a summary of the functions included within each unit.

Table 9 – Business Unit Control Totals 2024/25

2024-25 Budget by Business Area	TOTAL COLP	Local Policing	Specialist Ops	National Lead Force	Corp Services	Central Inc & Exp
Budgeted FTE						
Officer	953	390	308	164	90	1
Staff	537	74	169	109	185	0
Total Establishment	1,490	464	477	273	275	1
Officer	48	0	13	35	0	0
Staff	168	1	17	150	0	0
Total Temporary	216	1	30	185	0	0
Total Budgeted FTE	1,706	465	507	458	275	1
Budgeted £m						
Pay Costs	149.0	35.7	34.7	32.1	21.8	24.7
Non Pay Costs	59.6	2.7	2.8	25.0	17.0	12.0
Total Expenditure	208.7	38.5	37.5	57.1	38.8	36.7
Income	(94.6)	(6.7)	(8.5)	(51.0)	(6.8)	(21.5)
Net Budget	114.1	31.7	29.0	6.1	32.0	15.2
Functions Including		Sector Response Taskforce Contact	Intelligence Investigation Forensics CJS	Funded Units FCCRAS / NFIB NLF Fraud NLF Cyber	Chief Officers CFO COO Prof & Trust	Pension Def POCA Recharges Unalloc roles Temp roles

*Excludes 30 Regional Organised Crime Unit Posts.

34. As shown in Table 9 above, sector policing (Local Policing and Specialist Operations) accounts for 57% of the core funded full time equivalent (FTE) staffing numbers and 53.2% of the net budget. Corporate Services and Central Income and Expenditure consists of 16% of the workforce and 41.4% of the net budget. The remaining 27% of the workforce are employed in National Lead Force (NLF) operations and supported by up to 185 temporary funded roles. Whilst NLF only accounts for £6.1m (or 5.4%) of core funding in 2024/25, it is expected that £51 m of it's in year activities will be financed outside of the core Home Office and local BRP funding.

Capital Programme 2024/25

35. The CoLP Capital Programme comprises projects developed and managed by the Force, which are either funded directly from the Force's own resources or via a City Corporation loan facility capped at £5m per annum. The revenue budget makes provision for principal and interest repayment. In addition, substantial capital funding is received from the Home

CoLP Capital Programme	21/22	22/23	23/24	24/25	25/26	Total
	£000	£000	£000	£000	£000	£000

Office towards FCCRAS.

36. The proposed Capital Programme for 2024/25 is shown in table 10 below and amounts to £10.345m. This comprises £2.358m on cyclical replacements, £6.256m on projects which commenced in prior years and £1.731m for new prioritised projects commencing in 2024/25. Two of the projects proposed to commence in 2024/25 are not expected to conclude until 2025/26 with additional spend of £0.492m forecast in that year. All proposed new projects will be subject to approval of business cases. The table also shows a forecast outturn for 2023/24 of £18.609m which is explained in a third quarter (Q3) budget monitoring report on your agenda today.

37. In addition to the CoLP funded projects, the City of London Corporation funds some strategic CoLP projects, comprising the Secure City Programme and the Accommodation Strategy and a few legacy projects that predate 2020/21 which are now nearing completion.

38. In order to show the full cost of the FCCRAS project, table 10 also shows all years back to 2021/22 when this project commenced.

Cyclical Replacement						
Fleet (car)		340	332	358	300	1,330
Fleet (horsebox) (para 39)				400		400
Fleet (motorbikes)		205				205
IT (para 40)				1,200	400	1,600
Firearms (para 41)				400		400
Other (para 42)	1,000		483			1,483
Sub-total: Cyclical Replacement	1,000	545	815	2,358	700	5,418
Projects						
FCCRAS (para 43)	3,970	5,392	16,913	4,763		31,038
Action Fraud	2,041					2,041
Power BI (para 44)		98	5	645		748
BWV		181	49	79		309
Forensic Network and Storage		175	157			332
CAID	19	14	7			40
TFG Armoury		20	139			159
ICAV			238	10		248
Covert Camera System		23	20	63		106
Covert Surveillance Equipment		88	68	91		247
Barbican Airwave Coverage			27			27
Other/Prioritisation and feasibility(para 45)	900	595	171	605		2,271
Sub-total: 23/24 and Prior Year Projects	6,930	6,586	17,794	6,256	700	37,566
Proposed New Projects 2024/25						
Command and Control (para 46)				707		707
Multi-Agency Police Peer Support (MAPPS) (para 47)				148		148
Digital Investigation and Intelligence Project (NPTP) (para 48)				14		14
Out of Court Disposal (OoCD) (para 49)				163		163
Tackling Organised Exploitation (TOEX) Programme (para 50)				7		7
E-Discovery (para 51)				292	208	500
Digital Asset Management (para 52)				60		60
Forensic Case and Quality Management System (para 53)				216	284	500
Joint ERP Solution (para 54)				10		10
Digital Case File (para 55)				12		12
HO Biometrics Case File (para 56)				24		24
Rape Response Review (para 57)				1		1
Role-based Access (para 58)				77		77
Sub-total: Proposed New Projects 24/25	-	-	-	1,731	492	2,223
Funding for new projects in 2025/26					3,808	3,808
Sub-total: All CoLP Projects	6,930	6,586	17,794	7,987	4,300	43,597
TOTAL CAPITAL EXPENDITURE	7,930	7,131	18,609	10,345	5,000	49,015
Funding						
City Fund loan facility (FCCRAS)		2,392	3,296			5,688
City Fund loan facility (other projects)	2,941	1,401	1,305	1,896		7,543

Home Office (FCCRAS)	3,970	3,000	11,217	2,804		20,991
City Fund		110	179			289
City ULEZ loan	1,000					1,000
POCA	19	38	12	645		714
Direct Revenue Financing (DRF)		190	2,600	5,000	5,000	12,790
TOTAL FUNDING	7,930	7,131	18,609	10,345	5,000	49,015

Table 10 – Proposed Capital Programme 2024/25

39. **Horsebox:** There was a delay purchasing the horsebox in 2022/23 due to the limited supplier selection nationally. £285k has been committed to date but won't be spent until 2024/25 due to long delivery lead times. Further costs will be incurred as the build progresses and it is anticipated that the full £400k will be spent in 2024/25.

40. **IT replacement:** Current Surface Pros and Laptops are coming to their end of life and require replacing. A provision of £1.2m has been included in the 2024/25 budget to replace up to 1,168 devices, with a further £400k provision included in 2025/26 to replace a further 386 devices which will reach end of life in that year.

41. **Firearms replacement:** A provisional sum of £400k is provided for the replacement of the current fleet of carbines and their sighting systems due to them approaching their end of useful and economic life. Replacement is subject to evaluation and submission of a business case for consideration.

42. **Other cyclical replacement:** This comprises an order of 960 handsets at a cost of £331k to replace those of officers and support staff who have active handsets, and £152k to fund a refurbishment of the 6th floor of New Street to be used as a new L&OD training space for officers. Works commenced on 16th January 2024 and will be completed during March 2024.

43. **FCCRAS:** This project is due to be completed in 2024/25. Overall, against a total project budget of £30.986m, forecast outturn expenditure is £31.038m, representing a forecast overspend of £52k.

44. **Power BI:** Phase 1 was completed in 2022/23 at a cost of £98k. The Strategic Outline Business case for Phase 2 showed a total cost of £650k, phased over 2 years, with £350k in 2023/24 and £300k in 2024/25. Due to a delay in the tender process which won't be completed until February 2024 the majority of the spend will now take place in 2024/25.

45. **Prioritisation and feasibility funding:** £776k was approved to progress the overarching management of change for CoLP, alongside the quick-time progression of some pipeline projects prior to their Gateway 2 attainment (Command and Control, Project Themis and E-Discovery). Due to delays in the identification of suitable candidates and vetting, and a delay to Project Themis owing to MPS re-evaluation of priorities, only £171k is expected to be spent in 2023/24, with the balance being spent in 2024/25.

Proposed New Projects 2024/25

46. **Command and Control:** Project to replace the current command and control systems which will shortly become obsolete. This is a joint collaboration with the MPS.

47. **Multi-Agency Police Peer Support (MAPPS):** The replacement of Violent and Sexual Offenders Register (ViSOR) functionality with a new system to aid investigation.

48. **Digital Investigation and Intelligence Project (NPTP):** A national programme enhancing digital investigations and intelligence.
49. **Out of Court Disposal (OoCD):** Introduction of a new system to allow for the efficient management of out of court disposals which is required through a change in Government policy.
50. **Tackling Organised Exploitation (TOEX) Programme:** A national programme to focus on a cohesive approach to cross border crime.
51. **E-Discovery:** New technology to support electronic discovery in investigations.
52. **Digital Asset Management:** A new technology solution to allow for the seamless transfer of files digitally.
53. **Forensic Case and Quality Management System:** Implementation of an updated forensics system introducing greater automation.
54. **Joint ERP Solution:** A programme of change, managed by the Corporation but locally delivered, to introduce a new finance and HR system that are interlinked.
55. **Digital Case File:** A national programme to implement a new case file completion system using digital advances to drive efficiencies.
56. **Home Office Biometrics Case File:** A national programme to design and implement advances in biometric evidence gathering such as mobile fingerprint analysis.
57. **Rape Response Review:** National operating model transforming how rapes are investigated.
58. **Role Based Access:** Automated permission based access to different tools/information.

Capital Programme 2025/26

59. Table 10 above also shows an indicative position for the following year 2025/26 based on the annual £5m Direct Revenue Financing (DRF) allowance from the revenue budget to fund projects. The table shows £700k allocated to the ongoing cyclical replacement of IT and Fleet and £492k for the conclusion of the projects proposed to commence in 2024/25. The balance of the £5m DRF is shown as funding available for new projects in 2025/26 (£3.808m).

Reserves

60. The forecast Force reserves position for 2024/25 is summarised in Table 11 below.

Table 11 – CoLP Reserves

CoLP Reserves	Opening Balance	Q3 Forecast Additions	Forecast Spend	Forecast Closing	Forecast Additions	Forecast Spend	Forecast Closing
---------------	-----------------	-----------------------	----------------	------------------	--------------------	----------------	------------------

	01-Apr-23 £m	2023/24 £m	2023/24 £m	Balance 31-Mar-24 £m	2023/24 £m	2023/24 £m	Balance 31-Mar-24 £m
General reserve	(9.2)	0.0	2.6	(6.6)	0.0	0.0	(6.6)
Earmarked reserves:							
POCA	(7.4)	(0.5)	2.6	(5.3)	(0.5)	2.6	(3.2)
Emerg Svs Mobile Tech	(0.3)	0.0	0.0	(0.3)	0.0	0.0	(0.3)
Sub-total - Earmarked reserves	(7.7)	(0.5)	2.6	(5.6)	(0.5)	2.6	(3.3)
TOTAL RESERVES	(16.9)	(0.5)	5.2	(12.2)	(0.5)	2.6	(10.1)

*Balances in brackets denotes reserve held.

61. Over the medium term CoLP's reserve strategy aims to maintain a general reserve that supports management of CoLP's strategic and medium-term financial risks to: 1) cope with unforeseen events and emergencies, 2) as a contingency to respond to uncertainty in the economic climate, 3) to provide flexibility in managing future years budget pressures and 4) to balance cashflow fluctuations without calling upon additional local grant and/or loan funding. The proposed 2024/25 budget does not anticipate use of the general reserve, however, this is subject to inflation and other pressures not increasing above current budgetary assumptions. The Force's reserves policy, in line with Home Office expectations, is to maintain a General Reserve of 5% of net revenue expenditure (NRE). In 2024/25 this is equivalent to £5.8m compared to a forecast reserve of £6.6m. However, given the specific funding risks associated with National Lead force status it is considered appropriate to hold a general reserve equivalent to 5.7% of NRE.

62. POCA relates to the National Asset Recovery Incentivisation Scheme (ARIS), where relevant agencies get back a proportion of what they recover. It is expected that the funds are used to improve performance on asset recovery and to fund local crime fighting priorities for the benefit of the community in the following categories:

- Asset Recovery Work
- Crime Reduction projects
- Community Projects
- Miscellaneous

63. The opening balance at the start of 2023/24 was £7.4m and includes an unusually large receipt of £7.1m which was received at the end of 2021/22 from Operation Neutron. Given the significance of the reserve and requirement for sound governance it was determined that through the budget setting process the Police Authority will approve planned level of commitment and annual spend against POCA funds.

64. The use of POCA is subject to full business case development, project prioritisation and assessment of affordability. Updates on expenditure have been reported quarterly to this Committee and a benefits realisation paper is expected during Q4 2023/24. At this stage the POCA reserve is forecast to fund £2m of revenue expenditure in 2024/25 comprising £1.5m in relation to asset recovery / civil recovery activities, £0.5m to fund other relevant expenditure and £0.645m toward the PowerBI project.

Table 12 – Proceeds of Crime Act Reserve (POCA)

POCA Bids	Asset Recovery £'000	Crime Reduction £'000	Community Projects £'000	Misc £'000	Total £'000	Police Authority Board – 2024/25 Revenue Budget
Asset Recovery Team (Revenue)	1,300				1,300	
Civil Recovery Team (Revenue)	200				200	
Other (Revenue)				500	500	
Power BI Phase 2 (Capital)		645			645	
Total	1,500	645	-	500	2,645	

et

65. The proposed 2024/25 revenue budget for the Police Authority Board Team is shown below. This provides for 9.5 full time equivalent employees and appropriate non pay budget to support delivery of its primary role in making sure the City of London Police runs an effective and efficient service by holding the Commissioner to account; to ensure value for money in the way the police is run, and to set policing priorities taking into account the views of the community. In 2023/24 the PAB Team established a small grant programme to add value in targeted priority areas, which is expected to continue in 2024/25. In additional £0.1m additional Government grant income relating to the serious violence programme. The Police Authority Team will also work with local agencies and manage the bidding processes for the use of £1m of Hotspot funding announced in the Provisional Police Settlement. This will take into account Home Office guidance on the scope of the funding, specification criteria and delivery plan requirements.

Table 13 – Police Authority Board Revenue Budget 2024/25

PAB Team Revenue Budgets	23/24	23/24	23/24	23/24	24/25 vs 23/24 Budget
	Latest Budget	Actuals	Projected Outturn	Variance vs Budget (Better)/Worse	
2023/24 and 2024/25	£'m	Q3 £'m	Q3 £'m	£'m	(Better)/Worse £'m
Staff Pay	0.7	0.5	0.7	0.0	0.8 0.1
Other Employee Exp.	0.0	0.0	0.0	0.0	0.0 0.0
Total Pay	0.7	0.5	0.7	0.0	0.8 0.1
Supplies and Services	0.3	0.0	0.4	0.1	0.3 0.0
Total Non-Pay	0.3	0.0	0.4	0.1	0.3 0.0
Total Expenditure	1.0	0.5	1.1	0.1	1.1 0.1

Government Grants		(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Income	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Core Funding	(1.0)	(0.5)	(1.0)	0.0	(1.0)	(0.0)
Total Income & Core Funding	(1.0)	(0.5)	(1.1)	(0.1)	(1.1)	(0.1)
Net (Under)/Overspend	0.0	0.0	0.0	0.0	0.0	0.0

List of Appendices:

- 1 Support Services and Capital Charges
2. Supplies and Services and Third Party Expenditure Analysis
3. Income & Funding Streams – **Non-Public**
4. MTFP Pressures, Mitigations and Funding Streams – **Non-Public**

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Support Services and Capital Charges

Support Services & Capital Charges from/to the City of London Police	Original Budget 2023/24 £'000	Draft Budget 2024/25 £'000	Note Ref
Support Services and Capital Charges			
City Surveyor's Employee Recharge	86	91	
Insurance	435	454	
IT Recharges – Chamberlain	277	6	
Capital Charges	3,452	3,841	
Capital Contras	(3,452)	(3,841)	
Admin Buildings	1,336	1,276	(i)
Support Services	1,123	1,538	(ii)
Total	3,257	3,365	
Recharges Within Fund			
Car Park Recharge P&T	55	49	
Licence fees – Port Health & Environmental Services Committee	18	18	
Total	73	67	
Recharges Across Funds			
Policing the Bridges	(305)	(305)	
Remembrancer's Recharge - Policy & Resources - City's Cash	28	28	
Total	(277)	(277)	
TOTAL POLICE	3,053	3,155	

Notes:

- (i) Share of Guildhall premises costs based on floor area. Variations reflect the phasing of the cyclical works programme
- (ii) Support Services covers charges from the Chamberlains, Comptroller and City Solicitor, Town Clerk and City Surveyor's departments

Appendix 2
Supplies and Services analysis

Category	23/24 Latest Budget £m	23/24 Actuals Q3 £m	23/24 Projected Outturn Q3 £m	23/24 Variance vs. Budget £m	24/25 Projected Budget £m	24/25 vs 24/25 Budget £m
NFIB/Action Fraud/NPCC	24.3	22.2	26.4	2.1	21.1	(3.2)
Catering	0.0	0.1	0.1	0.1	0.1	0.1
Computer Licences	2.3	1.6	1.6	(0.6)	1.7	(0.6)
Consultants Fees	0.3	0.2	0.4	0.0	0.4	0.1
Equipment, Furniture & Materials	2.1	1.4	1.8	(0.2)	2.3	0.2
Internal Legal Fees	0.4	0.1	0.5	0.1	0.4	(0.0)
IT Maintenance/Support/Software	0.1	0.7	0.7	0.6	0.7	0.6
Legal Fees	0.1	0.2	0.3	0.2	0.2	0.1
Licences	0.2	0.2	0.3	0.1	0.3	0.1
Management Fees	0.1	0.0	0.1	(0.0)	0.1	0.0
Medical Fees	0.3	0.0	0.3	0.0	0.3	0.0
Other/Misc	1.6	0.3	1.0	(0.6)	0.6	(1.0)
Postage	0.1	0.0	0.0	(0.1)	0.1	(0.0)
Professional Fees	4.0	1.3	1.8	(2.2)	4.0	0.0
Security	0.3	0.6	0.5	0.2	0.4	0.2
Storage/Removal Fees	0.2	0.1	0.2	(0.0)	0.2	(0.0)
Subscriptions	0.1	0.1	0.1	0.0	0.1	0.0
Subsistence (not training related)	0.3	0.2	0.2	(0.1)	0.3	(0.0)
Telephones/Mobile Phones	0.3	0.5	0.3	(0.0)	0.3	0.0
Uniform/Clothing	0.1	0.4	0.5	0.4	0.6	0.6
	37.1	30.1	37.0	(0.1)	34.1	(3.0)

Note: current year professional fees "actuals" include sums to be capitalised before the end of the financial year.

Third Party Payments analysis

Category	23/24 Latest Budget £m	23/24 Actuals Q3 £m	23/24 Projected Outturn Q3 £m	23/24 Variance vs. Budget £m	24/25 Projected Budget £m	24/25 vs 24/25 Budget £m
NLF: Other	0.0	0.1	0.1	0.1	0.0	0.0
NLF: Other Bodies	5.3	13.6	25.1	19.7	2.3	(3.0)
NLF: Seconded Officers/Staff	0.2	0.1	0.1	(0.1)	0.1	(0.1)
Total Lead Force	5.5	13.7	25.2	19.7	2.4	(3.1)
Forensic Services	0.2	0.2	0.2	(0.0)	0.3	0.0
IT SLA	5.9	3.3	5.8	(0.0)	6.1	0.2
Other	0.1	0.5	0.1	0.0	0.1	0.0
Other Bodies	0.5	0.3	0.5	(0.0)	0.5	(0.0)
Seconded Officers/Staff	0.1	0.0	0.1	(0.0)	0.1	0.0
Total Other CoLP	6.8	4.2	6.7	(0.1)	7.1	0.2
				0.0	0.1	0.1
	12.3	18.0	31.9	19.6	9.5	(2.8)

Agenda Item 6

Committee(s): Resources, Risks and Estates Committee (RREC) Police Authority Board (PAB)	Dates: 05/02/2024 07/02/2024
Subject: Revenue and Capital Monitoring Update – Q3 2023/24	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Commissioner of Police Pol 11-24	Information
Report author: Chief Finance Officer & Deputy CFOs	

Summary

This covering report accompanies a slide pack detailing the City of London Police’s revenue and capital monitoring position at quarter three (Q3) for 2023/24.

Revenue:

1. At the end of Q3 2023/24 both expenditure and income are forecast to be the £214.4m, resulting in a breakeven position (summarised in Slide 1-11), this compares to an original expenditure and income budget of £189.9m. The variance of £24.5m is mainly due to additional specific grants being received in year for Lead Force activities, (£20.4m) of which £19.4m is to support resourcing in other forces, £2.9m of Home Office funding to support officer and staff pay increases. As at Q2, whilst the Q3 revenue outturn position is assessed to be breakeven, embedded within the forecast, are a number of assumptions and dynamic variables which may impact to the final outturn position.

Pay:

2. In line with other Police Forces, the budget and Medium Term Financial Plan (MTFP) for 2023/24, assumed a 3% pay increase for officer and 2% for staff. Against this backdrop, the Government in July 2023 announced a 7% increase in police officer pay for the majority of officers from 1 September 2023. For CoLP this is a £1.7m cost pressure above plan. Whilst, the Home Office has announced £330m of additional funding to mitigate the impact of both an officer and staff pay awards above a baseline 2.5% increase. The Force’s share of the grant in 2023/24 has been confirmed as £2.4m. The funding distribution methodology, however, is based on current core grant allocations which excludes £11.3m of Capital City and

Precept grant funding as well as £50m of specific grants which support National Lead Force activities. In total this funding provides for approximately 30% of the workforce and an early assessment suggests that allocating the grant in line with funding formula shares will add a further cost pressure of c.£0.75m this year and, if continued, £1.3m per annum to future years. A representation has been made to the Secretary of State in relation to the funding distribution methodology.

3. In addition to the national pay award, a further £0.5m cost pressure has arisen due to an £1,000 increase in the London Allowance mirroring the Metropolitan Police Service's decision to enhance police officer pay. Whilst it is considered that the 2023/24 pressure of wage price inflation can be met through in year underspends - principally staff vacancies due to in-year structural factors – the full year impact of an increase in the London Allowance is some £1.1m, which taken together with the pay pressures highlighted above presents a significant Medium-Term Financial Plan (MTFP) risk as the staff numbers move on a trajectory towards full establishment.

Uplift Maintenance:

4. The maintenance of police officer numbers remains a key risk for 2023/24 with £2m of ringfenced funding in 2023/24. The funding is dependent on the maintaining an officer headcount of 986 with Home Office measure points at the end of September 2023 and March 2024. The Force has also committed to recruit an additional 10 officer to assist with the achievement of national targets. For each additional post, the Home Office has agreed to provide £15,000 in September and £30,000 in March 2024. However, any shortfall against the 986 target in September and March will result in £40,000 being withheld from the ringfenced funding up to a maximum of 20 officers at each measurement point. The September 2023 target was met, and current projections (Slide 11) indicate that the 996-headcount target will be achieved at 31 March but this will be closely monitored through internal governance processes.

Action Fraud Contact Centre:

5. As Members may recall the Q2 forecast included a £1.1m risk of overspend in relation to Action Fraud Contact Centre staffing. This overspend was largely due to the ongoing impact of inflation and other costs pressures and the corresponding effect on affordability where funding agreements are cash flat, combined with improved recruitment outcomes taking staffing numbers up to and at times above expected levels. Whilst an overspend is still forecast at Q3, it is now expected that the overspend on 'central' resources will reduce to £0.7m. This will be monitored closely for the remainder of 2023/24. This overspend will mainly be limited to 2023/24, however there is some risk for 24/25 given the current programme replanning exercise (for which a risk provision has been built into the proposed budget – separate item on this agenda).

In support of the Q3 monitoring position:

- **Slide 12-13** provides a breakdown of overtime in Q3 by business area, highlighting an indicative overspend of some £097m. Following a £2m overspend in 2022/23 measures have been implemented to control overtime but the outturn is also dependent on external events and the forecast will be developed each month accordingly.
- **Slides 14-16** provides an outturn summary for each of the business areas. The narrative highlights that whilst the Force is operating at headcount target levels the development of student officers means the allocation is heavily towards Local Policing, with vacancies in other areas.
- **Slide 17** provides a breakdown of the Force's £8.6m mitigations target for 2023/24, commentary on achievement and sustainability. Current projections suggest that whilst in total the mitigations target will be met or exceeded there are some specific risks to fully realising all of the mitigations in 2023/24, particularly in relation to Action Fraud costs, rank/ratio savings and the impact of pay awards on the ability to recover full cost from funded activities where grants are "cash flat".
- **Slides 18-20** gives an overview of historic receipts from the Asset Recovery Incentivisation Scheme (ARIS), a forecast for 2023/24 of £0.5m and a schedule of approved Proceeds of Crime Act (POCA) funded revenue projects and expected spend in 2023/24. A summary of the benefits and outcomes of the POCA funded initiatives will be provide at a future meeting of this Committee.
- **Slide 21** provides an update on the Force's reserves position including a revised drawdown from the Proceeds of Crime Act (POCA) reserve £2.6m (Q2: £2.9m) for schemes which have been reviewed and approved by the Chief Officer Team and a proposed £2.6m drawdown from the General Reserve to repay the remaining balance on the Action Fraud loan (£2m) and the ULEZ vehicle replacement loan (£0.6m).
- **Slide 22** details the forecast outturn against the £1m Police Authority Board Team budget for 2023/24. Overall the Q3 outturn forecast is expected to an underspend of £265k, after allowing for potential hearing costs, some jointly funded work with the Force and some small grant giving activities, which the PAB Team has been trialling for the first time. This is mainly due to an ongoing vacancy in the team and underspends on supplies and services budgets as policy priorities are developed and refined.

Capital:

Capital expenditure at CoLP comprises three main elements:

6. **CoLP Capital Programme** – comprising projects developed and managed by the Force, which are either funded directly from the Force's own resources, from Home Office funding or via a City Corporation loan facility capped at £5m per annum.

The total CoLP Capital Programme budget for 2023/24 totals £25.344m. The forecast outturn for the year is £18.609m, which represents an underspend of £6.735m. The forecast comprises actual spend to 31st December (Q3) of £9.485m, commitments of £0.769m and further forecast spend of £8.246m by year end.

The underspend is largely due to rephasing of FCCRAS milestones of £4.639m to 2024/25. The underspend is also partly due to delayed use of the prioritisation and feasibility funding provision (£0.829m), a delay to the Power BI project (£0.430m) and the delivery of the horsebox (£0.400m).

7. **Strategic projects** – funded by the Corporation, comprising the Secure City Programme and the Accommodation Strategy (Decant Programme). Expenditure to the end of Q3 of 2023/24 amounted to £870k.
8. **Legacy projects** – again funded by the Corporation, comprising a few legacy schemes which are now nearly complete and due to be finalised. Expenditure to the end of Q3 of 2023/24 amounted to £320k.

In support of the Q3 capital monitoring position:

- **Slide 23** provides a summary of the monitoring headlines at Q3;
- **Slide 24** provides a breakdown of forecast CoLP capital spend against each project in 2023/24;
- **Slides 25-26** provide notes on variations to budget;
- **Slide 27** provides a breakdown of how the capital spend will be funded;
- **Slides 28-29** provide a breakdown of CoLP capital projects underway and the phasing of expenditure across all years through to their completion; and
- **Slide 30** provides further details on the strategic and legacy projects.

Monitoring of the Capital Programme

Capital expenditure and project delivery progress will be reported each quarter to the Resources, Risks & Estates Committee and the Police Authority Board.

Recommendations

Members of the Resources, Risks & Estates Committee and the Police Authority Board are asked to note the revenue and capital monitoring position at Q3 and forecast outturn for 2023-24 as set out in this covering report and accompanying slide pack.

Appendices

2023/24 Q3 revenue and capital monitoring slide pack (of 30 slides as referred to in this covering report).

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Resources, Risks and Estates Committee (RREC)
Police Authority Board (PAB)

Revenue & Capital Monitoring 2023/24 (Q3)

Dates: 05/02/2024
07/02/2024



A local service with a national role, trusted by our communities to deliver policing with professionalism, integrity and compassion

Revenue Monitoring 2023/24 (Q3) – Headlines

Revenue: Overall, a outturn breakeven position with a higher provision (£2.3m) for the direct revenue financing (DRF) of capital expenditure (Q2: Breakeven, with a £1.9m DRF contribution)

Contained in the forecast are several other key variances:

- A £1.1 overspend against Officer Pay due to a 4% higher than budgeted officer pay award (£1.7m), plus a £1,000 increase in the London Allowance for officers (£0.5m), totalling 2.2m has been offset by vacancies and rank ratio saving due to a higher proportion of student officers of £1.2m;
- £0.9m underspend on staff pay mainly due to vacancies
- an increase in overtime of £0.9m due to funded work and other operational activities (Table 3);
- A £0.5m overspend against injury awards, commuted pension lump sums & apprenticeship levy budgets due to an under provision compared to the 2022/23 outturn;
- A £0.4m pressure against premises budgets due to several backdated electricity charges at Bishopsgate;
- A £0.7m risk of overspend in relation to the Action Fraud Contact Centre. This is an improvement from the Q2 forecast where a £1.1m overspend was predicted. This overspend position is mainly due to the ongoing impact of inflation and other costs pressures and the corresponding effect on affordability where funding agreements are cash flat, combined with improved recruitment outcomes taking staffing numbers up to and at times above expected levels. Further mitigations including seeking further grant cover is being pursued.
- £0.5m higher than budgeted transfer to reserve in respect of Asset Recovery Incentivisation Scheme/Proceeds of Crime Act receipts.
- A £2.3m contribution to the financing of capital expenditure.

These cost pressures have been largely offset by:

- A £0.8m supplies and services savings mainly due to lower equipment purchases in Local Policing (£0.5m) and other general underspends.
- receipt of a £2.4m Home Office Pay award grant
- £1.3m of other income, including an Uplift over-recruitment grant and secondment / other income.



Revenue Monitoring 2023/24 (Q3) – Headlines

Since the 2023/24 budget was set Government Grant income has increased by some £23.4m; £2.4m pay award grant and £0.5m officer uplift over recruitment) Of this £20.5m due to new funding for National Lead Force (NLF) Activities such as the Anti-Money Laundering Act Regulations (AMLAR) and cybercrime / cryptocurrency grants. Of this £19.4m will be transferred to other police forces and will be expensed through supplies and service (£3.2m) third party payments (£16.2m) in the 2023/24 budget. The remaining £1.1m will fund temporary growth in CoLP's staffing establishment and contribute towards overhead cost recovery.

2023/24 Mitigations target = £8.6m, expected £9.1m

Current projections suggest that with substitute mitigations (recharging to funded work) £8.6m of mitigations will be delivered. Table 5 indicates that while there is risk to delivering in full both the reduction in Action Fraud exceptional costs (£0.7m risk) and the rank/supervisory ratios (£0.2m risk), with substitute savings the mitigations target of £8.6m will be exceeded.

Asset Recovery Incentivisation Scheme (ARIS) / Proceeds of Crime Act (POCA)

Receipts from the ARIS scheme are expected to be c£0.5m in 2023/24 – see table 6, slide 17, with revenue expenditure funded from the POCA reserve estimated to be £2.695m as detailed in Table 7, with the impact on Reserves shown in Table 7, slide 20.

Police Authority Board (PAB): The forecast outturn for the Police Authority Team budget as at Q3 2023/24 is an underspend of £264.6k (2022/23: underspend £447k). This is due to a vacancy in the PAB Team, underspends against supplies and services budgets and the inclusion of a £75k Home Office grant for serious violence prevention which was not included in the original budget; this funding is to facilitate joint working between local agencies to plan, prevent and reduce serious violence.

Key variances at Q3 are explained in slides 4-9 with an accompanying “bridge” analysis on slide 10.



Revenue Monitoring 2023/24 (Q3) – Summary Table

Table 1: Summary Q3 2023/24 Revenue Position	Year to Date			Forecast Outturn		
	Budget £m	Actual £m	Variance (Better)/ Worse £m	Budget £m	Forecast £m	Variance £m
Officers pay cost	52.3	52.8	0.5	70.6	71.7	1.1
Staff Pay cost	23.6	22.8	(0.8)	32.4	31.5	(0.9)
Overtime	1.0	2.1	1.1	2.2	3.0	0.9
Other pay costs	1.9	2.6	0.6	25.9	26.6	0.7
Total Pay Costs	78.9	80.3	1.4	131.1	132.8	1.8
Total Non-Pay Costs	38.6	52.7	14.1	58.8	81.5	22.8
Total Expenditure	117.5	133.0	15.5	189.9	214.4	24.5
Income	(47.4)	(53.2)	(5.9)	(86.7)	(110.9)	(24.2)
Funding	(70.1)	(79.7)	(9.6)	(101.0)	(101.0)	0.0
Use of reserves	0.0	0.0	0.0	(2.2)	(2.5)	(0.3)
Total Income & Funding	(117.5)	(133.0)	(15.5)	(189.9)	(214.4)	(24.5)
(Surplus)/ Deficit	0.0	0.0	0.0	0.0	0.0	0.0



Revenue Monitoring 2023/24 (Q3) – Detailed Table

Table 2 Detailed Q3 2023/24 Revenue Position	23/24 Latest Budget	Budget (Q3 YTD)	Actual (Q3 YTD)	Variance YTD +Deficit / (Surplus) £m	Projected Outturn +Deficit / (Surplus) £m	Projected Variance +Deficit / (Surplus) £m	Notes
	£m	£m	£m	£m	£m	£m	
Pay							
Officers	70.6	52.3	52.8	0.5	71.7	1.1	(i)
Staff	32.4	23.6	22.8	(0.8)	31.5	(0.9)	(ii)
Overtime	2.2	1.0	2.1	1.1	3.0	0.9	(iii)
Agency	0.8	0.3	0.8	0.4	1.0	0.2	
Police Officer Pension	23.0	0.0	0.0	0.0	23.0	0.0	
Indirect employee costs	2.1	1.6	1.8	0.2	2.6	0.5	(iv)
Total Pay	131.1	78.9	80.3	1.4	132.8	1.8	
Non-Pay							
Premises Costs	2.9	1.9	2.9	1.1	3.3	0.4	(v)
Transport Costs	2.7	2.0	0.5	(1.5)	2.7	(0.0)	
Supplies and Services	37.1	27.8	30.1	2.3	37.0	(0.1)	(vi)
Third Party Payments	12.3	6.8	19.0	12.2	32.0	19.6	(vii)
Unidentified Saving	0.0	0.0	0.0	0.0	0.0	0.0	
CoL Support Services	3.3	0.1	0.1	0.0	3.3	0.1	
Capital Charges	0.5	0.0	0.0	0.0	2.7	2.3	(viii)
Transfer to Reserves	0.0	0.0	0.0	0.0	0.5	0.5	
Total Non-Pay	58.8	38.6	52.7	14.1	81.5	22.8	
Total Expenditure	189.9	117.5	133.0	15.5	214.4	24.5	
Income							
Specific Grants	(69.7)	(35.0)	(42.8)	(7.8)	(93.1)	(23.4)	(ix)
Partnerships	(13.5)	(9.6)	(8.2)	1.4	(14.3)	(0.8)	(x)
Fees & Charges	(3.5)	(2.4)	(2.2)	0.2	(3.5)	(0.0)	
Transfer from Reserves	(2.2)	(0.3)	(0.0)	0.3	(2.5)	(0.3)	(xi)
CoLP Core Funding	(101.0)	(70.1)	(79.7)	(9.6)	(101.0)	0.0	
Total Income	(189.9)	(117.5)	(133.0)	(15.5)	(214.4)	(24.5)	
Underlying Deficit	0.0	0.0	0.0	0.0	0.0	0.0	

Revenue Monitoring 2023/24 (Q3) – Variance Analysis

Police Uplift Maintenance: £2m of ringfenced funding in 2023/24 is dependent on the maintaining an officer headcount of 986 with check points at the end of September 2023 and March 2024. The Force has also committed to recruit an additional 10 officer to assist with the achievement of national targets. For each additional post, the Home Office have agreed to provide £15,000 in September and £30,000 in March 2024. However, any shortfall against the 986 target in September and March will result in £40,000 being withheld from the ringfenced funding up to a maximum of 20 officers at each check point.

As shown in slide 11, the 996-headcount target was achieved September 2023 and it is expected the target will be met in March 2024. This has secured 50% of the ringfenced funding above plus £0.3m of funding to support the over-recruitment target of 10 officers. The maintenance of Officer numbers will continue to be closely monitored through internal governance processes. For 2024/25 the additional 10 officers which were part of the over-recruitment have been rolled into the Force's Uplift target along with a £0.5m grant.

(i) Police Officer Pay: Overspend £1.1m (Q2 £1.4m). The Q3 forecast overspend is mainly due to the combination of a 7% officer pay award from September 2023 (£1.7m) and £1,000 increase in the London Allowance (0.5m) from the same date, total £2.2m. Whilst these cost pressures can be met through in year savings – principally staff vacancies - and additional Home Office pay award grant income (see below). The full year impact of an increase in the London Allowance (£1.1m) taken together with the these pay pressure highlight a downstream Medium Term Financial Plan (MTPF) pressures which has been reflected in the 2024/25 budget. The £2.2m cost increase, due to wage price inflation has been partially offset by net £1.2m of savings due to vacancies. (£8.4m core posts less £7.2m of student officer recruitment). These officer vacancies have been held to ensure that the Force remains within its agreed officer establishment (978 FTE) and as counterweight to recruiting a higher number of student officers. Most of the student officers (124) are attached to Local Policing which has resulted the adverse outturn (£4.1m overspend) in this business area (see slide 13).



Revenue Monitoring 2023/24 (Q3) – Variance Analysis

(ii) Staff Pay: The outturn at Q3 is forecast to be an underspend of £0.9m (Q1: £0.9m). The outturn assumptions include a £1.4m pay pressure due to the c7% staff pay award, plus £1.6m of unbudgeted expenditure relating to ECRS, AMLAR, Fraud Reform, POCA and fees and charges which were agreed after the 2023/24 budget was set. These additional pay cost are fully funded through additional Government grants and other income. Embedded in the net underspend, therefore, is £3.9m saving due to continuing staff vacancies as reflected in slide 9. A workforce plan has been developed to progress staff recruitment from 423 FTEs in September to the budgeted establishment of 517.

Home Office Pay Award Grant In June 2023, the Home Office confirmed that it would provide additional funding for policing over the Spending Review period of £330 million in 2023-24 and £515 million in 2024-25 to support an increase in pay for all police staff and officers above 2.5%. The Force will receive £2.4m in 2023/24 and a further £3.8m is expected in 2024/25. As noted at Q2, the funding distribution methodology, however, is based on current core grant allocations which excludes £11.3m of Capital City and Precept grant funding as well as £50m of specific grants which support National Lead Force activities. In total this funding provides for approximately 30% of the workforce and an early assessment suggests that allocating the grant in line with funding formula shares will add a further cost pressure of c.£0.75m this year and, if continued, £1.3m per annum to future years.

(iii) Overtime: overspend £0.9m as at Q3, which includes £0.5m of recoverable events. This is an increase of £0.18m against the Q2 forecast. The eventual outturn, however, will be influenced by a range of external events and therefore remains a key risk area. Recognising this risk and following a £2m overspend against budget in 2022/23 additional measures have been put in place to control the approval of overtime and regular monitoring reports are presented the Force's Strategic Finance Board– See Table 3. As noted above, overtime remains a key risk due to the influence of external events and therefore the forecast will be developed each quarter.



Revenue Monitoring 2023/24 (Q3) – Variance Analysis

(iv) Indirect Employee Costs: £0.5m overspend. This is due to an under provision for injury awards and apprenticeship levy costs in the 2023/24 budget, these will be reviewed in the 2024/25 budget setting process.

(v) Premise costs: £0.4m overspend. This is mainly due to the to several backdated energy bills being received in Q2, due to a faulty meter in Bishopsgate.

(vi) Supplies and Services: £0.1m underspend (Q2 £4.2m overspend). The change in forecast is mainly due to £3.2m of unbudgeted expenditure in connection with NPCC Cybercrime and £1m for Anti Money Laundering Act Regulation (AMLAR) being forecast within third party payments in Q3 rather than supplies and services. The Q3 forecast also includes a £0.4m reduction in the Action Fraud Contact Centre (Q2 £1.1m) overspend. This overspend position is mainly due to the ongoing impact of inflation and other costs pressures and the corresponding effect on affordability where funding agreements are cash flat, combined with improved recruitment outcomes taking staffing numbers up to and at times above expected levels. The Q2 forecast also included £0.6m of underspends on supplies and services budgets by the Tactical Firearms Group (TFG) due to recruitment delays in this Specialist Unit which has suppressed expenditure equipment and training, this has now reduced to by £0.1m to £0.5m. The remaining change in forecast (£0.6m) is principally due to the release of a central inflationary provision (£0.5m) with cost increases fully embedded within business area forecasts.



Revenue Monitoring 2023/24 (Q3) – Variance Analysis

(vii) Third Party Payments: £19.6m overspend. Of this £19.4m relates to transfer payments to other forces and Regional Organised Crime Units (ROCU) for National Lead force activities with the expenditure matched by an increase in Home Office grant income.

(viii) Capital Charges: £2.3m overspend: This variance is due to a higher planned contribution to the financing of capital expenditure. This is balance of any forecast outturn underspend and proposed to minimise internal borrowing and reduce future borrowing risks.

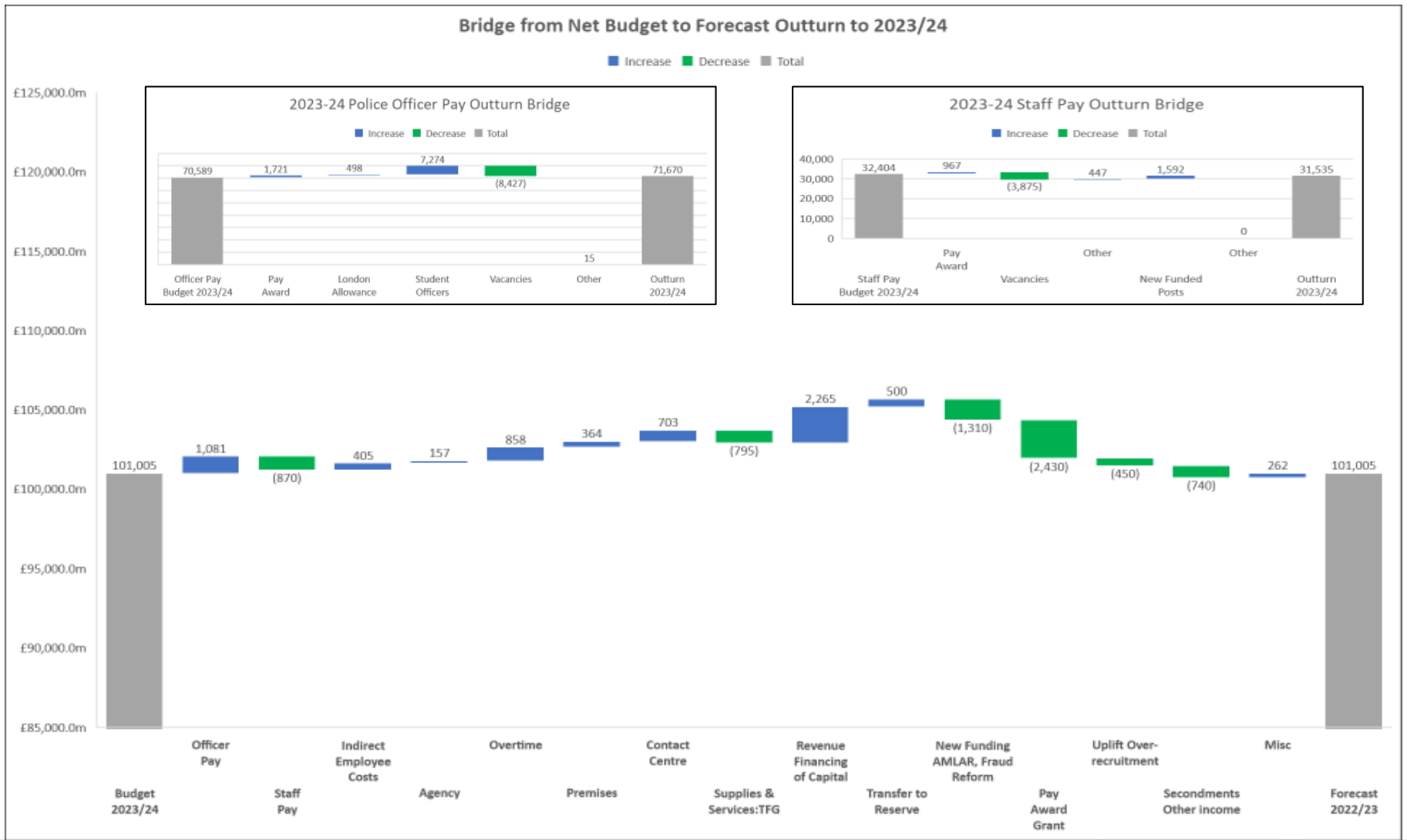
(ix) Specific Grants: £23.4m overachievement. This mainly relates to additional grant income in respect of Enhanced Cyber Reporting Service (ECRS), Anti Money Laundering Act Regulation (AMLAR) & Fraud Reform (£20.5m), the Home Office pay award grant (£2.4m) and Uplift Over recruitment (£0.45m).

(x) Partnership Income £0.8m overachievement: This positive variance is mainly due to additional income arising from project OLAF £160k, secondments £440k and Op Safeguard £160k which is relates to the use of three cells at Bishopsgate by other forces (BTP, MPS).

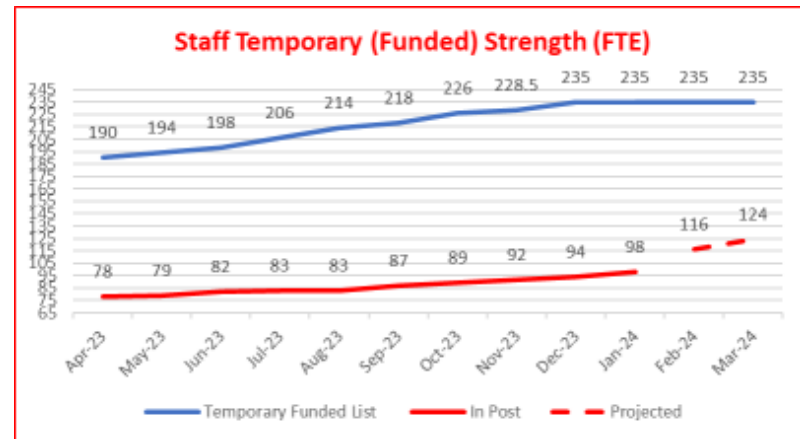
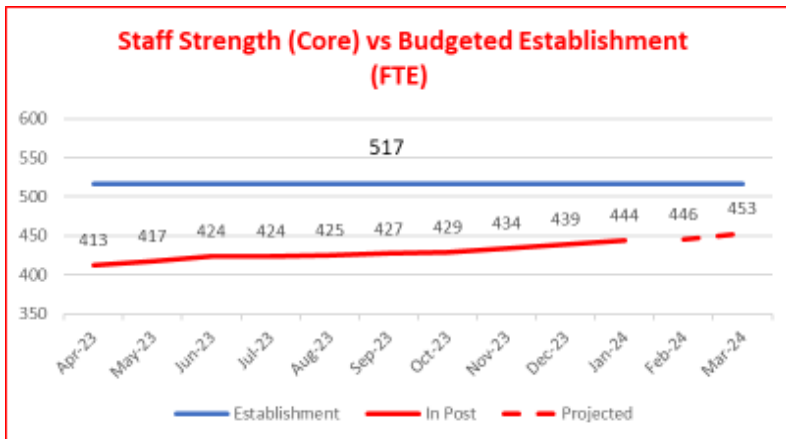
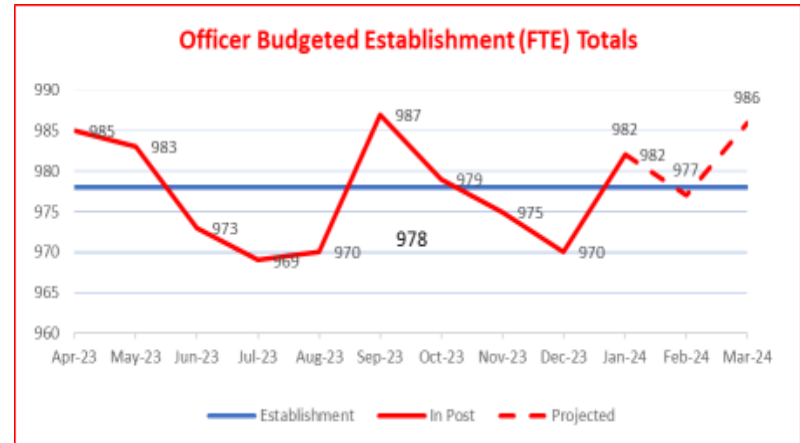
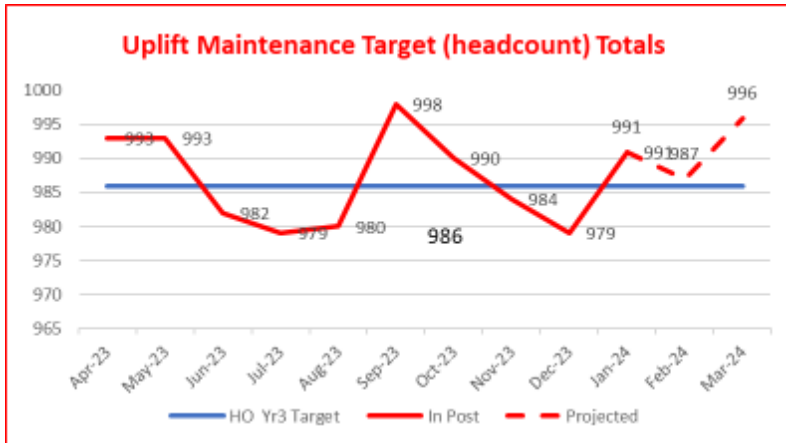
(xi) Transfer from Reserve £0.4m overspend: This is mainly due to additional used of Asset Recovery Incentivisation Scheme (ARIS) by the Force as a Proceeds of Crime Act (POCA) agency. The relevant expenditure is set out in slide 18.



Revenue Monitoring 2023/24 (Q3) – Bridge Analysis



Revenue Monitoring 2023/24 (Q3) – Workforce Dashboard



Overtime 2023/24 (Q3)

The overtime budget for 2023/24 totals £2.151m as shown in Table 3 below. The forecast outturn is an overspend of £0.86m. This is an increase of £0.14m compared to Q2. The forecast overspend is attributable to a combination of factors including supporting the student officers in undertaking their duties and backfilling of vacant roles in specialist unit, increased investigations/intelligence, Criminal Justice System activities in Specialist and National Lead Force operations. The revised outturn also includes the impact of the 2023/24 Officer and Staff pay awards which have increased pay by c7%.

Overtime is reported to the Force's Strategic Finance Board on a monthly basis and measures have been put in place to contain overtime in 2023/24, following a £2m outturn overspend in 2022/23.

The final 2023/24 outturn will be dependent on the number of unexpected policing events. Members of this committee will recall that Home Office funding is only available where costs exceed a threshold of 1% of core funding. In the case of the City of London Police the threshold is some £770k per event. Whilst Home Office rules allow for the recovery of overtime, above the £770k threshold, this is for specific one-off events. Work is currently in progress to assess whether there is scope to approach the Home Office, in conjunction with other forces, on recovering overtime on an 'aggregate' event basis i.e. annual protest activity.

Table 3: Overtime by Business Area 2023-24	2023-24 Budget £000s	2023-24 Actual* £000s	2023-24 Q3 Forecast £000s	2023-24 Variance Outturn vs Budget £000s
Local Policing	813	1,120	1,070	257
Specialist Operations	242	528	592	350
National Lead Force	320	376	513	193
Corporate Services	0	84	59	59
Central Income & Expenditure	776	11	776	0
Grand Total	2,151	2,119	3,010	859

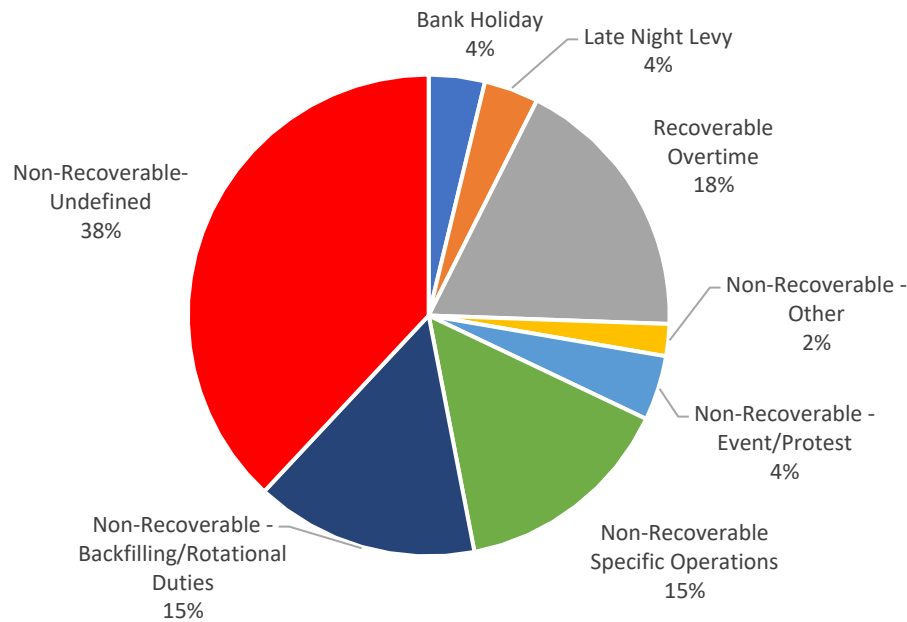
*Net total includes £622k 22/23 accrual for overtime claims to be paid in 23/24. Actual overtime = £2.741m



Overtime 2023/24 (Q3) – By Recorded Type

The figure below analyses actual overtime charged to CoLP budgets between April and December 2023.

Actual Overtime by Type - April to December 2023



Overtime Category	£'000
Bank Holiday	103
Late Night Levy	100
Recoverable Overtime	497
Non-Recoverable - Other	59
Non-Recoverable - Events/Protest	119
Non-Recoverable - Specific Operations	408
Non-Recoverable - Backfilling/Rotational Duties	411
Non-Recoverable - Undefined	1,043
Total Overtime April 2023 to December 2023	2,741



Business Area Summaries 2023/24 (Q3)

Revenue outturn summaries for each of the business areas is shown in Table 4 below:

Table 4: Q3 2023/24 Department Revenue Summaries	23/24 Latest Budget	Budget (Q3 YTD)	Actual (Q3 YTD)	Date +Deficit / (Surplus)	Projected Outturn +Deficit / (Surplus)	Projected Variance +Deficit / (Surplus)	Notes
	£m	£m	£m	£m	£m	£m	
	Local Policing	29.5	22.4	24.9	2.5	33.6	
Specialist Operations	27.0	21.2	21.4	0.2	25.2	(1.8)	(ii)
National Lead Force	6.8	5.1	26.2	21.0	7.7	0.9	(iii)
Corporate Services	29.0	19.6	23.9	4.3	29.2	0.1	(iv)
Central Income & Expenditure	8.7	1.8	(16.6)	(18.4)	5.5	(3.3)	(v)
Total	101.1	70.1	79.7	9.6	101.1	0.0	

(i) Local Policing: £4.1m overspend. This is mainly due to £6.5m student officer pay linked to the Uplift programme, an increase in officer pay of £0.9m due to the 2023/24 pay award (7%) and increase in London Allowance, a forecast overtime overspend of £0.3m due to the learning curve effect of carrying a high number of student officers and the requirement to back fill vacancies in the Tactical Firearms Group (TFG) and an Income shortfall of £0.15m based on projected drop in training and seminars offered by the TFG team to the Ministry of Defence and other forces. These cost pressures (£7.9m) have been partially offset by vacancies in Local Policing (LP) of £3.5m and £0.4m of savings against supplies and services budgets.

The balance of the student pay cost will be met from officer vacancies across the other business areas.



Business Area Summaries 2023/24 (Q3) continued

(ii) Specialist Operations (SO): £1.8m underspend. Combined officer and staff pay is forecasted to underspend by £0.6m which includes supernumerary and unbudgeted externally funded roles (£0.72m) for ECRS, AMLAR & Fraud Reform. Pay assumptions also factor a pay award of 7% for Officers +£1k London Allowance (£0.76m) and £4,000 for Staff inclusive of £1,000 per spinal point increase announced by CoL profiled from July (£0.39m) which are offset by officer and staff vacancies of some £2.3m. Overtime remains a significant risk (£0.35m) within SO and the forecast will be developed through each quarter in parallel with governance reviews within SO Senior Leadership Team (SLT) to ensure correct special segments are allocated, potentially increasing recoverability. Government Grants are set to receive circa £0.9m above budget largely through increased funding agreed within 2023/24 for growth posts in AMLAR, ECRS, Drug Testing on Arrest, PUP & Fraud Reform. Furthermore, Other Grants and Customer Client Receipts is forecasted to recover £0.4m over budget through increased recovery on Driver Safety Courses, Op Safeguard (Custody Cells) and x4 secondments.

(iii) National Lead Force: £0.9m overspend. Officer and staff pay is forecast to underspend by £1.2m. This includes £0.5m of unbudgeted funded roles, £0.9m of pay pressures relating to wage price inflation and £0.2m of additional overtime costs (£0.1m of which will be recoverable) offset by £2.8m of savings due to vacancies (54 NLF vacancies). The NLF forecast also includes £0.9m of additional recharges for overhead costs attributable to funded activities. The forecast outturn for supplies and services includes a £0.7m risk of overspend in relation to the Action Fraud Contact Centre. This overspend position is mainly due to the ongoing impact of inflation and other costs pressures and the corresponding effect on affordability where funding agreements are cash flat, combined with improved recruitment outcomes taking staffing numbers up to and at times above expected levels; this is a reduction of £0.4m compared to Q2. Further mitigations including seeking further grant cover is being pursued. Customer, client receipts are forecast to be £0.4m lower than expected due to fewer Crime Academy training courses being accessed in 2023/24.



Business Area Summaries 2023/24 (Q3) continued

(iv) Corporate Services: £0.1m overspend. Officer and staff pay is forecast to underspend by £0.1m against a budget of £29.1m. This includes £0.7m of unbudgeted funded roles and £0.7m of pay pressures relating to both the Officer (£0.2m) and Staff pay (£0.5m) awards and an increase in temporary staff costs (£0.3m), net of a £1.3m of saving due to vacancies. Premises costs are forecast to be overspent by £0.4m; this was due to a faulty meter which has now been fixed. Government grant income is £0.7m above budget due to NLF funded roles and NLEDS.

(v) Central Expenditure & Income (CE&I): £3.3m underspend. This division of service is used to manage indirect income and expenditure items which relate to all business areas. In 2023/24 the CE&I budget included several provisions including an allowance to mitigate against a higher-than-expected staff pay award (£0.6m), an officer adjustment factor (£0.5m) to manage the Uplift risk of over recruitment against the 986 Officer target, an allowance for market forces supplements not captured in the salary estimates (£0.3m) and £1m for wider inflationary pressure. In Q3, budgets totalling £2m, have been released as the impact of the cost pressures is incorporated into the outturn forecasts of the other business areas. The Q3 forecast also includes an increase in government grant funding of £2.9m relating to the 2023/24 - Home Office pay award £2.4m and £0.45m Uplift over-recruitment incentive. Plus £0.9m of additional overhead cost recovery from funded work, an underspend against six unallocated Officer posts of £0.3m and lower than anticipated expenditure on the rail travel scheme (£0.2m). This total positive variance of £6m is offset by £0.4m of pension injury and apprenticeship levy costs and an increase in the capital financing contribution of £2.3m to mitigate downstream borrowing risks.



Mitigations 2023/24 (Q3)

The 2023/24 revenue estimate included £8.6m of mitigations to deliver a balanced budget. Overall, whilst there is some risk that the anticipated (£2m) reduction in Action Fraud exceptional costs and rank ratio savings (£0.3m) will not fully materialise, it is expected that with substitute savings the mitigations target of £8.6m will be achieved. A summary of progress against each of the 2023/24 budget mitigations is shown in Table 5 below along with commentary on sustainability into future years.

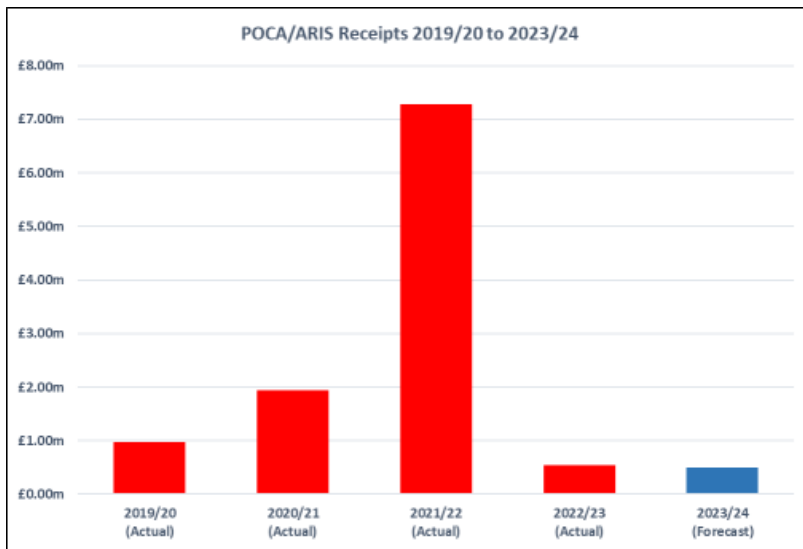
Table 5:	Target	Forecast	Comments	RAG
2023/24 Mitigations Plan	£m	£m		
Reduction in Action Fraud exceptional costs	2.0	1.3	£0.7m risk of overspend in relation to the Action Fraud Contact Centre. This overspend position is mainly to the ongoing impact of inflation and other costs pressures and the corresponding affect on affordability where funding agreements are cash flat. Sustainability of saving into 2024/25 dependent on FCCRAS Delivery Implementation Plan.	
Higher Police Funding Settlement for 2023/24	1.5	1.5	Incorporated into 2023/24 Home Office funding settlement. Mitigation reflects difference between MTFP assumptions and final grant award for 2023/24. The higher Home Office funding is baked into core funding, and is therefore ongoing subject to any future funding review revisions.	
Increased use of the POCA Reserve	1.3	1.3	Continued use of POCA reserve to support the work of the Assest Recovery Team. Sustainability of this mitigation is dependent on the uncommitted balance held in the POCA reserve after 2024/25.	
Reduction in officer establishment to align with operational policing model	1.0	1.0	Achieved. Officer headcount reduced from 998 to 978 following planned reduction in Counter Terrorism funding from 2023/24. Sustained into 2024/25.	
Higher proportion of more junior PCs	0.6	0.8	Expected to be achieved through workforce planning and continued student officer recruitment. The impact of this mitigation is expected to reduce as the current cohort of students become fully fledged officers and move into substantive roles with the associated career progression.	
Increased recharging of costs to funded activities	0.5	0.9	Expected to be achieved. The increased recharging of overheads costs to funded / non-core activities aligned to demand drivers, in tandem with a better contribution from funders to pay and other inflation is a key feature of the Force's Income Strategy and is critical to balancing the MTFP.	
Non-pay savings: agency costs, professional fees and other	0.4	1.2	£0.4m removed from 2023/24 non-pay budget. Agency and professional fees budgets will be closely monitored as the financial year progresses to confirm achievement. While the £0.4m removed from the 23/24 budget will be sustained into 24/25, the additional supplies and services savings represent a one-off in year saving.	
Improvements in Officer rank / supervisory ratios	0.3	0.1	The forecast is based on current Corporate Services Review proposals which will be confirmed at Q3 once the consultation has been concluded.	
Saving to be identified	1.0	1.0	Achieved. National Non-Domestic rating appeal in relation Bishopsgate and New Street confirmed £1m annual reduction in rates which has been applied to the unidentified savings requirement. The NNDR saving is sustainable as no further revaluation is expected.	
Total	8.6	9.1	Overall assessed to be green as the forecast outturn is expected to be within budget despite some of the 2023/24 mitigations targets falling short of expectations.	

Proceeds of Crime Act (POCA)/ Asset Recovery Incentivisation Scheme (ARIS) 2023/24 (Q3)

The principal driver for Asset Recovery Incentivisation Scheme (ARIS) is to seek repatriation of funds to victims as detailed in the Proceeds of Crime Act (POCA). ARIS receipts should be used to drive up performance on asset recovery or, where appropriate, to fund local crime fighting priorities for the benefit of the community. Typically, the use of ARIS funds by POCA Agencies falls into four main categories: Crime Reduction, Community Projects, Asset Recovery work and Miscellaneous.

POCA/ARIS receipts vary significantly year on year as demonstrated in Table 6 and accompanying bar chart below.

In 2023/24 ARIS/POCA receipts are forecast to be £0.5m.



	2019/20 (Actual) (£m)	2020/21 (Actual) (£m)	2021/22 (Actual) (£m)	2022/23 (Actual) (£m)	2023/24 (Forecast) (£m)	Total (£m)
Q1	0.04	0.17	0.06	0.13	0.13	0.53
Q2	0.53	1.22	0.37	0.06	0.05	2.22
Q3	0.33	0.41	6.77	0.03	0.03	7.58
Q4	0.08	0.15	0.08	0.32	0.29	0.91
Total	0.98	1.94	7.28	0.54	0.50	11.24

2021/22 includes a significant ARIS/POCA receipt from Operation Neutron.



Proceeds of Crime Act Funded Expenditure 2023/24 (Q3)

Table 7 below provides a summary of those revenue workstreams which are expected to be funded from the Proceeds of Crime Act (POCA) Reserve. In 2023/24 £2.6m of revenue and £12k of capital expenditure is expected to be funded from the POCA Reserve. The impact of this on the reserve position is shown in slide 20.

Column A shows the total commitment per priority area which may span more than one year and column C shows the planned expenditure in the current financial year (2023/24). An explanatory note follows on slide 18.

Table 7: Q3 2023/24 POCA Funded Expenditure	A	B	C	D	E	F
	Total Approved Budget	Prior Years Spend	Forecast Spend 2023/24 Q3	Total Prior year & 23/24 Forecast Spend	Balance Remaining Total Budget vs Total Forecast Spend	Notes
	£'000	£'000	£'000	£'000	£'000	
Safer City Partnership	150	100	50	150	0	(i)
Total Community Projects	150	100	50	150	0	
Asset Recovery Team	3,900	1,081	1,254	2,335	(1,565)	(ii)
Civil Recovery Team	600	0	200	200	(400)	(iii)
Total Asset Recovery	4,500	1,081	1,454	2,535	(1,965)	
Covert Tasking Budget	288	35	42	77	(211)	(iv)
Operation Creative	200	0	138	138	(62)	(v)
National Protect Coordination and Regional Support	335	0	144	144	(191)	(vi)
Streamlined Forensic Reporting	30	20	9	29	(1)	(vii)
Stakeholder Engagement Manager	200	0	53	53	(147)	(viii)
DANY (District Attorney New York)	550	241	276	517	(33)	(ix)
NFIB Service Delivery Team (SDT) - Quality Assurance	150	0	150	150	0	(x)
NFIB - Continuous Improvement	220	11	178	189	(31)	(xi)
Op Reframe - Police Boxes	74	34	0	34	(40)	(xii)
Total Crime Reduction	2,047	341	990	1,331	(716)	
NLF: People Strategy	93	0	94	94	1	(xiii)
Total Miscellaneous	93	0	94	94	1	
Total Revenue Funding	6,790	1,522	2,588	4,110	(2,680)	
Power BI Phase 2	650	0	5	5	(645)	
Child Abuse & Image Database (CAID)	53	33	7	40	(13)	
Total Capital Funding	703	33	12	45	(658)	
Grand Total	7,493	1,555	2,600	4,155	(3,338)	

Proceeds of Crime Act Funded Expenditure 2023/24 (Q3)

Notes:

- i. Contribution to Safer City Partnership from ARIS receipts
- ii. Funding of Asset Recovery Team was agreed for an initial period of three years 2022/23 to 2024/25 of £1.3m per annum. 2023/24 is year 2
- iii. Total funding of £600k was agreed from 23/24 to drive civil recovery activities across a period of three years at £200k pa.
- iv. An overtime/tasking budget for Covert/SIU was agreed for a period of 3 years, totalling £287.5k. 2023/24 is Year 2.
- v. Operation Creative is an Initiative, designed to disrupt and prevent websites from providing unauthorised access to copyright content, a budget of £200k has been agreed to support this project.
- vi. The National Protect and Regional Support initiative is a project to establish of a national hub to tackle volume fraud.
- vii. In 2021/22 £30k of funding was agreed to support the enhancement of streamlined financial investigation reporting across CoLP.
- viii. The stakeholder and engagement project seeks to inform the future delivery of the National Fraud Intelligence Bureau (NFIB).
- ix. The DANY project supports the secondment of two officers to the District Attorney's Office in New York until 31.03.24.
- x. Funding has been agreed to enable NFIB Quality Assurance Testing to support the continuous improvement of the Action Fraud victim support service.
- xi. NFIB – continuous improvement project is a pilot scheme to determine success or risk factor with the dissemination of information based on a vulnerability, viability and solvability approach.
- xii. This is an initial scoping project assessing the potential for the introduction of digital police boxes. Further progression will be subject to further business case development.
- xiii. NLF People Strategy – Project designed to implement initiatives to improve recruitment and retention of staff within economic crime across the UK

A summary of benefits and outcomes of these POCA funded initiatives will be provided to this Committee. An assessment of forward income projections will also be developed to ascertain the extent to which asset recovery activities can be supported using POCA receipts.



Reserves 2023/24 (Q3)

Police Reserves are set out in Table 8 below:

Based on the Q3 position, it is expected that Reserves will reduce by £5.3m from an opening balance of £16.9m to £12.2m. This is due to ARIS/POCA funded activities and the proposal to repay the remaining balance on the Action Fraud loan (£2m) and the ULEZ vehicle replacement loan (£0.6m). The repayment of these loans from the General Reserve will help to mitigate downstream loan repayment pressures and accelerate the transition to revenue financing of the capital programme, whilst maintaining a General Reserve of more than 5% of Net Revenue Expenditure (NRE)

The Force's Reserve Strategy set a general reserve target of 5% of gross revenue expenditure to mitigate unforeseen events. The forecast balance, after repayment of the above loans, is £6.6m or 5.7% of net revenue expenditure (NRE) in 2024/25. Typically, the Home Office expect that forces general reserves will not exceed 5% of NRE, however, due to the specific risks of the Force's National Lead status holding a General Reserve more than 5% of NRE is considered appropriate. The adequacy and any requirement to draw upon the General Reserve, will be kept under review.

Table 8: 2023/24 Use of Reserves	Opening Balance 2023/24	Transfer to Reserve 2023/24	Projected Spend 2023/24	Projected Closing Balance 2023/24
	£'m	£'m	£'m	£'m
Proceeds of Crime Act (POCA)	(7.4)	(0.5)	2.6	(5.3)
General Reserve	(9.2)		2.6	(6.6)
Emergency Services Mobile Technology	(0.3)		0.0	(0.3)
Total	(16.9)	(0.5)	5.2	(12.2)



Police Authority Team Revenue Budget 2023/24 (Q3)

Table 9 sets out the Police Authority Team budget and forecast outturn for 2023/24.

Table 9: Police Authority Team Budget 2023/24	23/24 Latest Budget	Budget (Q3 YTD)	Actual/ Committed (Q3 YTD)	Variance YTD +Deficit / (Surplus)	Projected Outturn +Deficit / (Surplus)	Projected Variance +Deficit / (Surplus)
	£'000	£'000	£'000	£'000	£'000	£'000
Pay						
Staff	698.0	523.5	464.8	(58.7)	660.0	(38.0)
Indirect employee costs	17.0	17.0	4.4	(12.6)	8.0	(9.0)
Total Pay	715.0	540.5	469.2	(71.3)	668.0	(47.0)
Non-Pay						
Supplies and Services	285.0	213.8	53.4	(160.4)	142.4	(142.6)
Non-Pay	285.0	213.8	53.4	(160.4)	142.4	(142.6)
Total Expenditure	1,000.0	754.3	522.6	(231.7)	810.4	(189.6)
Government Grants	0.0	0.0	(38.0)	(0.0)	(75.0)	(75.0)
Net Expenditure	1,000.0	754.3	484.6	(231.7)	735.4	(264.6)

The forecast outturn for the Police Authority Team budget as at Q3 2023/24 is an underspend of £264.6k (2022/23: underspend £447k). This is due to a vacancy in the PAB Team, underspends against supplies and services budgets and the inclusion of a £75k Home Office grant for serious violence prevention which was not included in the original budget; this funding is to facilitate joint working between local agencies to plan, prevent and reduce serious violence.

The outturn underspend is reduced compared to 2022/23, one reason for this is that the Police Authority Team has been trialling, for the first time, the provision of grants to fund specific crime reduction initiatives. Overall, it is expected that the £1m budget will be fully utilised in 2024/25 as the staffing model moves towards full capacity and policy priorities are further developed. Discussion will be held with the Chamberlain to determine to whether any underspend at year end should be transferred to reserves or released back into the Business Rates Premium pool.



Capital Monitoring 2023/24 (Q3 to 31 December 2023) - Headlines

- The CoLP Capital Programme comprises projects developed and managed by the Force, which are either funded directly from the Force’s own resources, from Home Office funding or via a Corporation loan facility.
- The total CoLP Capital Programme budget for 2023/24 amounts to £25.344m as shown in table 10 below. The forecast outturn for the year totals £18.609m, which represents an underspend of £6.735m. The underspend is largely due to rephasing of FCCRAS milestones of £4.639m to 2024/25. The underspend is also partly due to delayed use of the prioritisation and feasibility funding provision (£0.829m), a delay to the Power BI project (£0.430m) and the delivery of the horsebox (£0.400m). A breakdown of the capital programme is shown in table 11 on slides 23 to 25 and how it is funded is shown on slide 26.

Table 10 - CoLP Capital Programme 2023/24	2023/24 Budget £'000	2023/24 Expenditure			2023/24 Forecast Outturn (A+B+C) £'000	2023/24 Variance: Budget vs Forecast Outturn £'000
		(A) Actuals to 31 st Dec £'000	(B) Commitments £'000	(C) Further Forecast Spend £'000		
Total CoLP Capital Programme 2023/24	25,344	9,485	769	8,246	18,609	(6,735)

- The table above shows the capital budget for 2023/24 only, however, many projects are phased over more than just the one year. Slides 27 to 28 provide a summary of all CoLP capital projects underway and their phasing. The total budget for each project is shown, across all phased years of its implementation, and is compared to its forecast outturn spend. The total budget for all projects is £36.188m, which compares to a forecast outturn cost of £35.773m, representing an underspend of £0.415m.
- For completeness, included within the capital programme noted above, are CoLP projects which are deemed to be revenue in nature, referred to as Supplementary Revenue Projects (SRP), amounting to a budgeted £181k in 2023/24.
- In addition to the CoLP funded projects, the City of London Corporation funds some strategic CoLP projects, comprising the Secure City Programme and the Accommodation Strategy – Decant Programme (£870,000 spend at Q3) and a few legacy projects that predate 2020/21, which are now nearing completion (£320,000 spend at Q3). Slide 29 provides further details.



CoLP Capital Programme 2023/24

The CoLP Capital Programme budget for 2023/24 amounts to £25.344m as shown in table 11 below. The forecast outturn for the year is £18.609m, which represents an underspend of £6.735m. The outturn forecast comprises actual spend to 31st December of £9.485m, commitments of £0.769m and further forecast spend of £8.246m by year end. The underspend is largely due to rephasing of FCCRAS milestones of £4.639m to 2024/25. The underspend is also partly due to delayed use of the prioritisation and feasibility funding provision (£0.829m), a delay to the Power BI project (£0.430m) and the delivery of the horsebox (£0.400m).

Table 11 - CoLP Capital Programme 2023/24	2023/24 Budget £'000	2023/24 Expenditure			2023/24 Forecast Outturn (A+B+C) £'000	2023/24 Variance: Bud. v Forecast Outturn £'000	Notes
		(A) Actuals to 31 st Dec £'000	(B) Commitments £'000	(C) Further Forecast Spend £'000			
FCCRAS	21,552	8,800	-	8,113	16,913	(4,639)	(i)
Cyclical replacement - Mobile phone refresh	331	-	331	-	331	0	(ii)
- Other	169	-	152	-	152	(17)	(iii)
Power BI	435	-	-	5	5	(430)	(iv)
ICAV	240	186	15	37	238	(2)	
Prioritisation and feasibility funding	1,000	6	165	-	171	(829)	(v)
Horsebox	400	-	-	-	-	(400)	(vi)
Body Worn Video	119	24	3	22	49	(70)	(vii)
CoLP Vehicle Replacement	397	281	46	5	332	(65)	
Forensic Network and Storage	257	96	7	46	149	(108)	(viii)
Covert Camera System	84	18	2	-	20	(64)	
Covert Surveillance Equipment	159	32	36	-	68	(91)	
Child Abuse Image Database (POCA)	20	7	-	-	7	(13)	
Armoury Improvements (SRP)	139	109	12	18	139	-	
Barbican Airwave Project (SRP)	30	27	-	-	27	(3)	
CoLP Forensic Storage (SRP)	12	8	-	-	8	(4)	
Total CoLP Capital Programme 2023/24	25,344	9,485	769	8,246	18,609	(6,735)	

CoLP Capital Programme 2023/24

Notes to table 11:

- i. **FCCRAS:** The forecast underspend of £4.639m is largely due to rephasing of milestone payments to 2024/25. The total project budget of £30.986m remains unchanged whilst forecast outturn expenditure is £31.038m, representing a forecast overspend of £52,000.
- ii. **Mobile Phone Refresh:** An order of 960 handsets has been agreed and delivered, which will replace the handsets of those officers and support staff who have active handsets. Spend to date is shown as zero as an invoice is awaited from O2.
- iii. **Other cyclical replacements:** £152k has been approved to fund a refurbishment of the 6th floor of New Street to be used as a new L&OD training space for officer training. Work commenced 16 January 2024 and is expected to complete during March 2024.
- iv. **Power BI Phase 2:** A strategic outline business case has been prepared which shows a total cost of £650k, phased over two years, with £350k in 2023/24 and £300k in 2024/25. Due to a delay in the tender process which won't be completed until February 2024 spend will now all take place in 2024/25.
- v. **Prioritisation and feasibility funding:** £6k has been spent to date with a further £165k committed to be spent in 2023/24. The balance of the £776k approved to progress the overarching management of change for CoLP, alongside the quick-time progression of some pipeline projects prior to their Gateway 2 attainment (Command and Control, Project Themis and E-Discovery) will be spent in 2024/25. The delay is due to the identification of suitable candidates and vetting, leading to these staff not being embedded into the workforce in time to conclude their contracted days prior to the end of the financial year. In addition, Project Themis has been delayed due to MPS re-evaluation of priorities and confirmation of delivery timeframes are still awaited.



CoLP Capital Programme 2023/24

Notes to table 11 continued:

- vi. Horsebox:** There was a delay purchasing the horsebox in 2022/23 due to the limited supplier selection nationally. No spend is forecast in the current year 2023/24 due to long delivery lead times. However, there is a commitment to spend £285k in 2024/25 and, with further costs to be incurred as the build progresses, it is anticipated that the full £400k budget will be spent in 2024/25.
- vii. Body Worn Video:** Whilst the project went live on 26th September 2023, an underspend of £70k is expected in 2023/24 largely due to change requests but this sum is expected to be fully spent in 2024/25.
- viii. Forensic Network and Storage:** These projects are now complete. Overall, there is an underspend of £108k, largely due to lower than anticipated hardware costs, reduced software costs and professional fees being lower due to the reduced complexity in the delivery of the initial projects.



Funding of the 2023/24 CoLP Capital Programme

Table 12 – Funding of the CoLP Capital Programme 2023/24	Forecast Outturn 2023/24 £'000	City Loan £'000	Home Office £'000	CoLP Direct Revenue Financing £'000	CoLP POCA £'000	City Fund £'000
FCCRAS	16,913	3,313	11,200	2,400	-	-
Mobile Phone Refresh	273	273	-	-	-	-
Other Cyclical Replacement	210	210	-	-	-	-
Power BI	5	-	-	-	5	-
ICAV	238	238	-	-	-	-
Prioritisation and feasibility funding	171	171	-	-	-	-
Horsebox	-	-	-	-	-	-
Body Worn Video	49	49	-	-	-	-
CoLP Covert Camera System	20	20	-	-	-	-
Covert Surveillance Equipment	68	68	-	-	-	-
Forensic Storage and Network	149	149	-	-	-	-
Fleet Vehicle Replacement	332	153	-	-	-	179
Child Abuse & Image Database	7	-	-	-	7	-
Armoury Improvements (SRP)	139	79	-	60	-	-
Barbican Airwave Coverage (SRP)	27	27	-	-	-	-
CoLP – Forensic Storage (SRP)	8	8	-	-	-	-
Capital Funding 2023/24	18,609	4,758	11,200	2,460	12	179



Summary of CoLP Capital Projects Underway & Their Phasing [1 of 2]

Previous slides show the capital budget for 2023/24 only, however, many projects are phased over more than just the one year and table 13 below provides a **summary of all CoLP capital projects underway and their phasing**. The total budget for each project is shown, across all phased years of its implementation, and is compared to its forecast outturn spend. The total budget for all CoLP projects underway totals £36.188m, which compares to a forecast outturn cost of £35.773m, representing an underspend of £0.415m.

Table 13 - Summary of all CoLP capital projects underway and their phasing	Budgeted Project Cost £'000	Prior Year Actuals £'000	2023/24 Forecast Outturn £'000	2024/25 Forecast Spend £'000	2025/26 Forecast Spend £'000	Forecast Project Outturn £'000	Variance (Better) / Worse £'000	Notes
FCCRAS	30,986	9,362	16,913	4,763	-	31,038	52	
Cyclical replacement								
- Mobile phone refresh	331	-	331	-	-	331	-	
- Other	169	-	152	-	-	152	(17)	
Power BI	650	-	5	645	-	650	-	
ICAV	338	-	238	10	-	248	(90)	(i)
Prioritisation and feasibility funding	1,000	-	171	605	-	776	(224)	(ii)
Horsebox	400	-	-	400	-	400	-	
Body Worn Video	313	185	49	79	-	313	-	
CoLP Vehicle Replacement	920	523	332	58	-	913	(7)	
Forensic Network and Storage	393	136	149	0	-	285	(108)	(iii)
Covert Camera System	155	71	20	63	-	154	(1)	
Covert Surveillance Equipment	247	88	68	91	-	247	-	
Child Abuse Image Database (POCA)	53	33	7	-	-	40	(13)	(iv)
Armoury Improvements (SRP)	191	52	139	-	-	191	-	
Barbican Airwave Coverage (SRP)	30	-	27	-	-	27	(3)	
CoLP – Forensic Storage (SRP)	12	-	8	-	-	8	(4)	
TOTAL COST OF PROJECTS UNDERWAY	36,188	10,450	18,609	6,714	-	35,773	(415)	

Summary of CoLP Capital Projects and Their Phasing [2 of 2]

Notes for table 13:

- i. **ICAV** – A budget of £90k was awarded 2-3 years ago, but the project didn't start at that time. The £248k approved in July 2023 should have superseded the £90k budget, however in the capital system it was added to it. There will therefore be a £90k underspend over the life of the project.
- ii. **Prioritisation and feasibility funding** – of the £1m seed funding only £776k was allocated. Of this £776k, it is anticipated that £171k will be spent in 2023/24 with the balance utilised in 2024/25, therefore leaving an underspend of £224k.
- iii. **Forensic Network and Storage:** These projects are now complete. Overall, there is an underspend of £108k, largely due to lower than anticipated hardware costs, reduced software costs and professional fees being lower due to the reduced complexity in the delivery of the initial projects.
- iii. iv. **Child Abuse Image Database:** This project is now complete. The underspend of £13k was due to hardware costs being lower than anticipated.



Strategic and Legacy Projects 2023/24

Strategic Projects

To the end of the third quarter of 2023/24, to the 31st of December 2023, £870k has been spent on strategic projects funded by the Corporation, all of which was on the Secure City Programme.

Legacy Projects

There are several legacy projects mainly dealing with significant IT infrastructure and accommodation, which are now nearly complete and due to soon be finalised. These projects are funded by the City of London Corporation, albeit the fleet project is loan funded by the City and this will be fully repaid by CoLP by the end of 2023/24. To the end of the third quarter of 2023/24, to the 31st of December 2023, expenditure on these projects amounted to £320k, as summarised in table 14 below.

Table 14 - Legacy projects 2023/24	Total Project Budget	Approved Budget Drawdown	2023/24 Spend to date (inc. commitments)	Total Project Spend to Q3 2023/24	Variance: Total Project Budget vs Total Project Spend	Notes
	£'000	£'000	£'000	£'000	£'000	
Information Technology	13,402	13,402	-	12,601	(801)	
Fleet	1,800	1,800	319	1,737	(63)	(i)
Accommodation – decant programme	15,947	14,718	-	13,718	(2,229)	
Ring of Steel (IMS / DRS)	2,569	2,569	1	2,221	(348)	
Total legacy projects	33,718	32,489	320	30,277	(3,441)	

- i. **Fleet:** To be compliant with ULEZ requirements in the City, the Corporation provided the Force with a loan of £1.8m to introduce ULEZ compliant vehicles. £1.7m has been spent against this, including £319,000 in 2023/24 to the end of Q3. Final spend of £11k is expected in 2024/25.



Committee: Resources, Risk & Estates Committee (RREC)	Dated: 05/02/2024
Subject: Chief Finance Officer (CFO) and Chief Operating Officer (COO) update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Commissioner of Police & Police Authority (PA) Treasurer Pol 05-24	For Information
Report author: Chief Finance Officer & CoLP Chief Operating Officer	

Summary

This report provides RREC with a brief update on the main CFO and COO issues and areas of development from the last quarter.

Recommendations

Members are asked to note the report.

Main Report

Corporate Services Review

Implementation of the new model commenced on 27 November 2023. Recruitment has commenced which will be supported by a paid for advertising campaign by the agency used for the Police Uplift Programme. Individuals who are at risk (7) are being supported through redeployment with tailored support from the Corporation's organisational learning team.

Workforce planning

A recruitment plan for police staff has been developed which aims to achieve full establishment for police staff by November 2024. This is being facilitated by a temporary uplift in recruitment and vetting officers. This plan sits alongside the police officer recruitment and retention plan to maintain numbers. As of mid-January 2024, phase 1 of a training needs assessment is almost complete with training needs submitted from 80% of the force. This will help to inform future strategic workforce planning.

The Home Office provisional settlement for 2024/25 has a new maintenance target of 996 (headcount) which includes the additional (10) recruitment allocation from 2023/24. Financial penalties will continue to apply for failure to achieve this headcount measured at two points in the year. The workforce plan for 2024/25 is being reviewed accordingly.

Change Portfolio

Following completion of the project prioritisation process, a portfolio plan is in development which is determining a confirmed pipeline of change for 2024/25. The plan will set out funding, and the project management and enabling function resources required.

A focus on savings and self-funded projects has been introduced to drive organisational efficiency. A more robust grip on financial planning and tracking of projects is being implemented with a close working relationship between the Change Portfolio Office and Finance.

A renewed focus on ongoing and open projects has been instigated, in an effort to housekeep, raise standards and expedite delivery. This is complemented by introduction of a team training pathway and structured management approach.

Finances

This finance update is intentionally brief as the main financial developments are covered by the Q3 and 24/25 budget papers on this agenda. For the core, local policing budget for 24/25, a combination of funding settlement increases and additional CoLP mitigations have largely offset £15.5m of pay award and other pressures. There is, however, a significant risk in relation to funding for the National Lead Force not being inflation linked which has been escalated to Home Office Ministers by the Commissioner and Police Authority Chair. Police Authority Board Members will be kept updated on the outcome of that process.

Agenda Item 8

Committee(s): Resource Risk and Estates Committee- <i>For information</i>	Dated: 5 February 2024
Subject: Q3 Workforce Monitoring Report- 2023-24	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Commissioner of Police Pol 06-24	For Information
Report author(s): Paul Betts, Assistant Commissioner; Kelly Harris, Interim HR Director; Rebecca Scrace, HR Performance Information	

Summary

The Force has previously provided an HR Monitoring Report bi-annually to this Committee, but it was agreed with Members that this report would now be provided quarterly at each Resource Risk and Estates Committee (RREC).

The report sets out the City of London Police ('the Force') Human Resources Monitoring Data for Q3 2023/24 between 1st October 2023- 31st December 2023.

Recommendation

Members are asked to note the report.

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HR Monitoring Report

Q3 - October 2023 to December 2023



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Contents

1. Summary
2. Workforce Establishment
3. Diversity (Gender and Ethnicity)
4. Recruitment
5. People Turnover
6. Sickness
7. Appendix 1 - Key Terms
8. Appendix 2 – Operating Establishment
9. Appendix 3 – Recruitment Rules



Summary

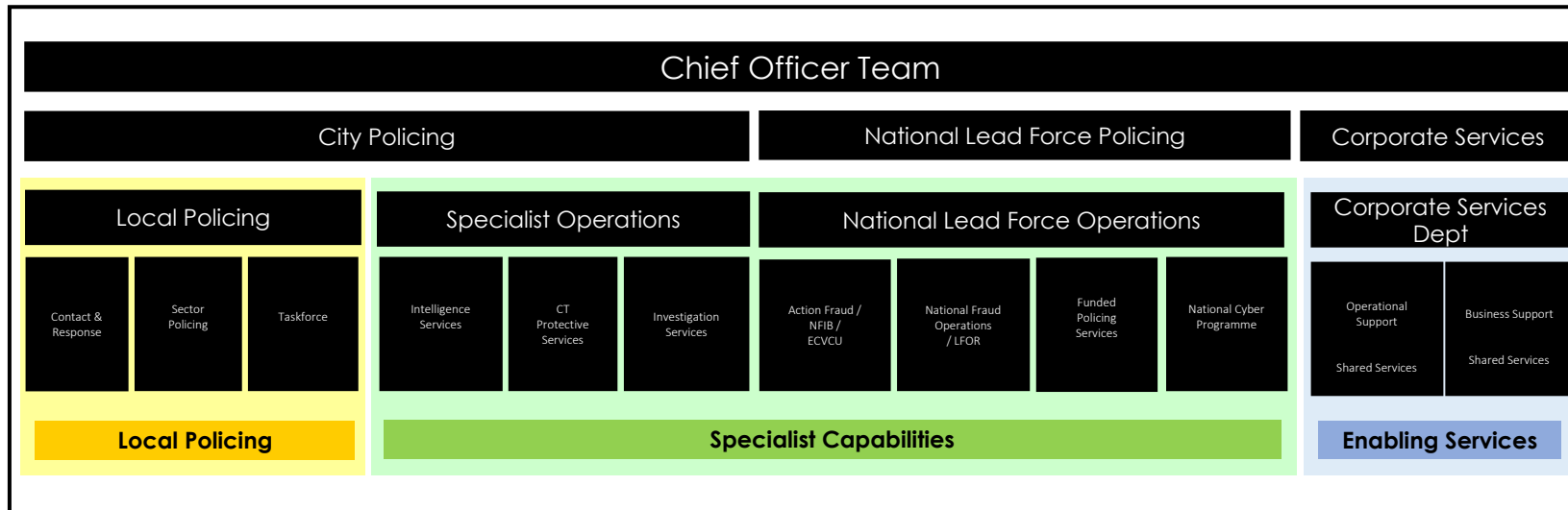
- This report sets out the City of London Police ('the Force') Human Resources workforce monitoring data for Q3 2023/24 between **1st October to 31st December 2023** for the Resource Risk and Estates Committee (RREC). The report covers:
 1. **Workforce:** Our Establishment for officers and staff incorporates all the Uplift numbers and details our future position. Focused recruitment activity throughout 2022/23 enabled us to meet our uplift requirements and this continues to be the focus in 2023/24.
 2. **Recruitment:** The recruitment strategy for 2023 through to 2026 has been written to include Staff and Specials (Slide 17). The plan reflects how we will monitor our workforce numbers each month ensuring we achieve our uplift headcount commitment, but also recruit to priority roles including: detectives and firearms officers.
 3. **People Turnover:** During the reporting period, 24 Police Officers and 7 Police Staff left the force, this equates to a 2.4% and 1.3% turnover rate, respectively. The national data for 2022/23 showed Officer leaver rate for England and Wales was 6.6% excluding transfers (7.5% including transfers), the force had a leaver rate of 9.5 which is higher than the national average. This can be attributed to higher levels of retirements, probationer leavers, which had been predicted looking at previous trends, and activity attributed to the ROCU programme.
 4. **Sickness:** The average working days lost per worker for Officers was 4.77 days and for Staff was 5.18 days (April 2023 – December 2023). Using Home Office national measures (converted to days instead of hours), the absence rate in the reporting period was 2.47% for officers and 2.71% for staff. National sickness data via iQuanta is no longer being updated, 2021/22 data showed the national percentage of contracted hours lost to sickness for officers was 4.6% and staff was 5%, the Force contracted hours lost for officers was 4.4%, and for staff was 4.8%, which at the time was lower than the national average.
- This report will be provided quarterly with some information presented bi-annually (Grievance/Employment Tribunal (ET) statistics, Wellbeing and Occupational Health (OH) Q1 and Q2 data to the November Committee and Q3 and Q4 data to the May Committee).
- Detailed force diversity data is now being presented to the Professional Standards and Integrity Committee as part of the quarterly Equality and Inclusion Updates.



Workforce Establishment Headlines

- The Force has a clear understanding of its budgeted core establishment, operational model establishment and supernumerary posts.
- Our Police Officer model establishment numbers are within our budgeted core establishment (subject to rank review)
- Our Police Staff model establishment numbers are within our budgeted core establishment.
- HR and Finance continue to work on a Resource Model that shows permanent core establishment and temporary funded posts across the organisation. This model provides a clearer understanding of our workforce, funding streams, recruitment activity and reporting of vacancies.
- A recruitment plan has been developed which aims to have all police staff posts filled by November 2024 (see Slide 19).

OPERATING MODEL:



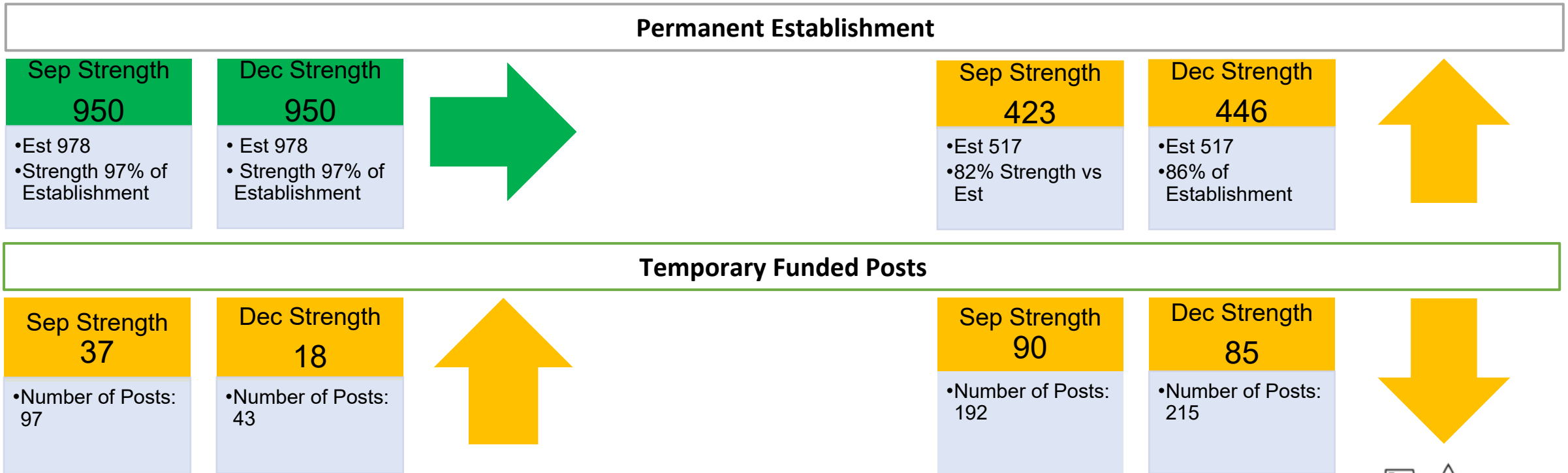
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Workforce Establishment

The graphic below shows establishment vs strength (FTE) for the workforce between September 2023 and December 2023. Officer strength has decreased as planned. Staff strength has increase by 3.4%. Strength has been separated between permanent establishment strength and temporary funded (TF) strength (see Appendix 1). HR and Finance continue to improve classification of posts to match across reporting and the HR system; TF posts funded by a held established posts have been removed from December's posts/strength to prevent double counting of posts.

Officers

Staff



Workforce Establishment

- As of 31 December 2023, the Force has an overall strength of 968 (FTE) Police Officers, against our agreed budgeted establishment of 978 (Force Strength Indicator, FSI, December 2023). The Establishment is based on the agreed force structure models.
- The strength of Police Staff is currently 531 (FTE) against our budgeted establishment of 517 (FTE). These figures are inclusive of Police Community Support Officer's (PCSO) and staff on fixed-term contracts in Temporary Funded posts.
- The People Board, which is chaired by the Assistant Commissioner Operations and Security, oversees all workforce planning activity within the Force and reviews the force structure to ensure that we continue to operate in line with financial boundaries and is aligned to our Policing Plan 2022-2025. The Force's Workforce Plan is aligned to the financial position and the City of London Policing Plan 2022-25.
- A robust framework has been implemented to monitor the number of agency staff roles and continues to be closely monitored by the People Board.
- Any establishment changes or Temporary Funded recruitment is scrutinised at the People Board before it can be signed off, any additions to establishments will be added with a new budget in April of each year. The Corporate Services Review has been completed and implementation commenced on 27 November 2023.
- Our data at the People Board has been developed further and now uses a RAG rating to reflect operational risks around the force and within each team. The RAG rating is as follows:



Over 100%
(close monitoring)



90% and above
(no action required)



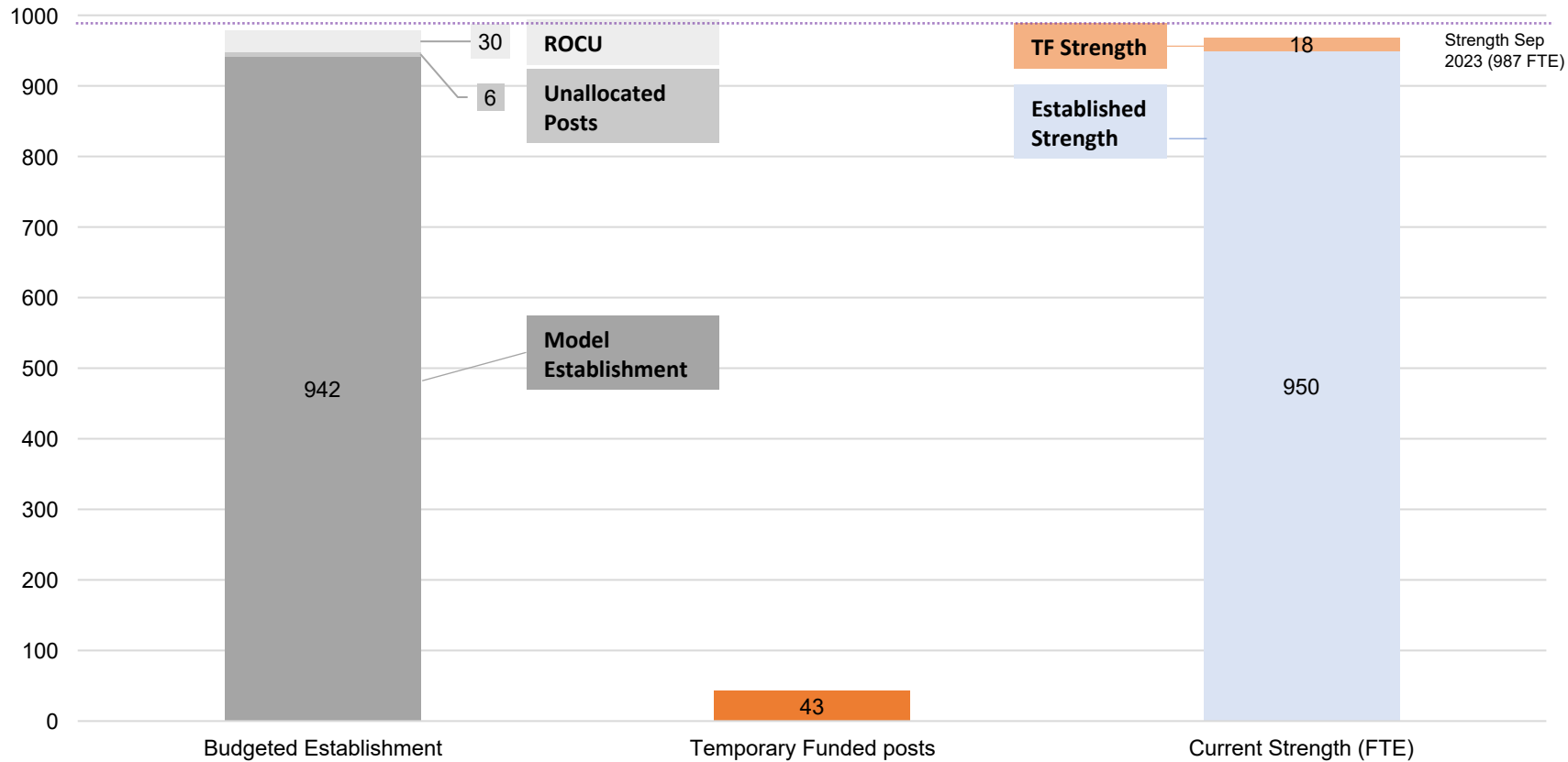
Between 70-90%
(close monitoring)



Below 70%
(further understanding
needed - action
required)



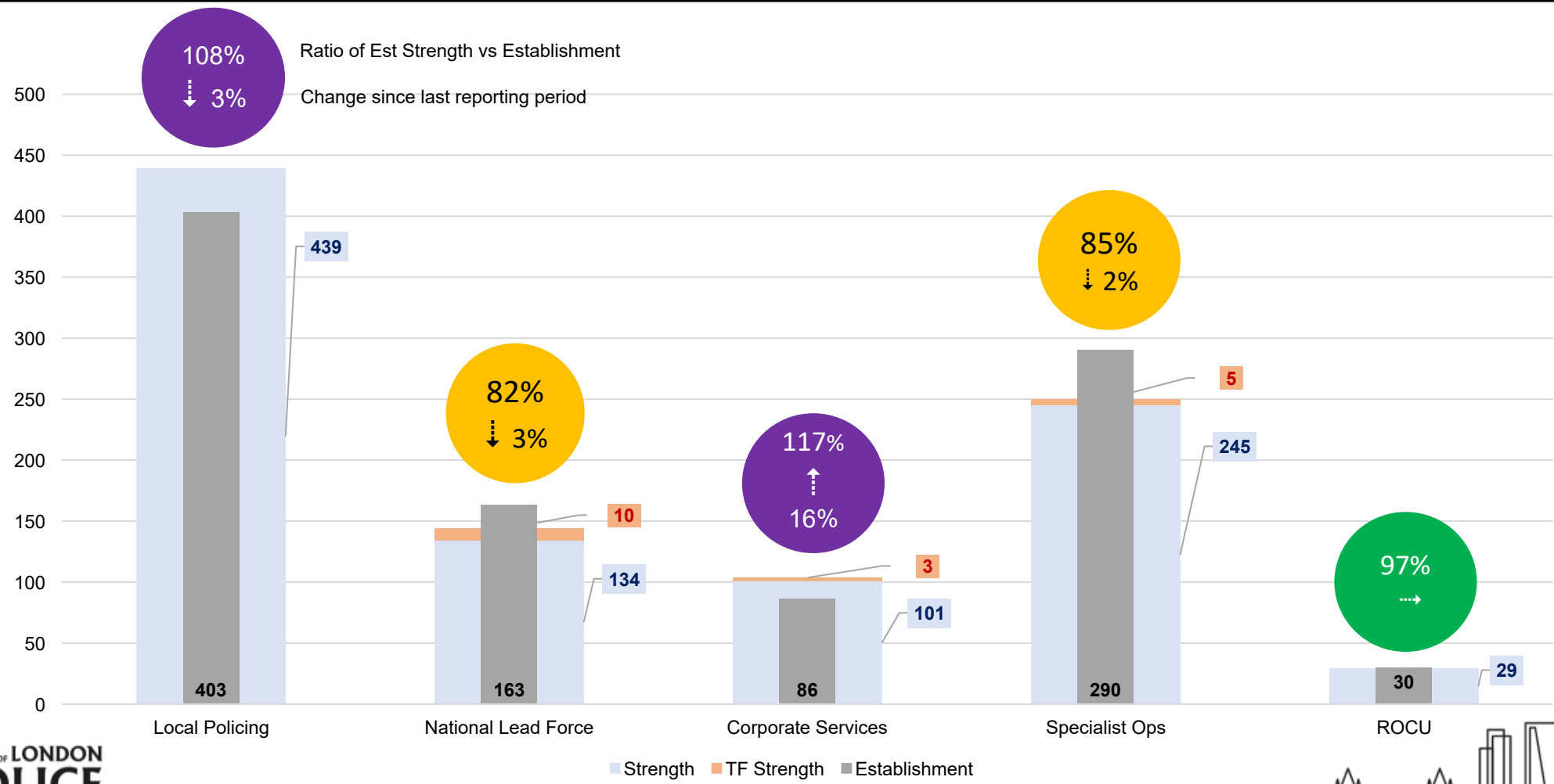
Officer Operational Model Establishment FTE



- **Budgeted Establishment: 978 FTE**
- **Budgeted Establishment made up of:** Model Establishment (942), Unallocated Posts (6) of which 5 have now been assigned to Corporate Services, and ROCU allocation (30)
- **Temporary Funded (TF) posts: 43**
 - TF posts sit above budgeted establishment external funded e.g., NextGen, DCPCU OLAF, NPCC Cyber Crime, Op Neutron, SOCT and ART. [49 TF posts funded by holding a post elsewhere [majority Student Officer Trainers in L&OD and Response] have been removed this quarter to prevent double counting of posts.]
- **Officer Total Strength: 968 FTE = 950 FTE Established Strength & 18 FTE TF Strength**
- **Current overall established strength against budget: 97%**

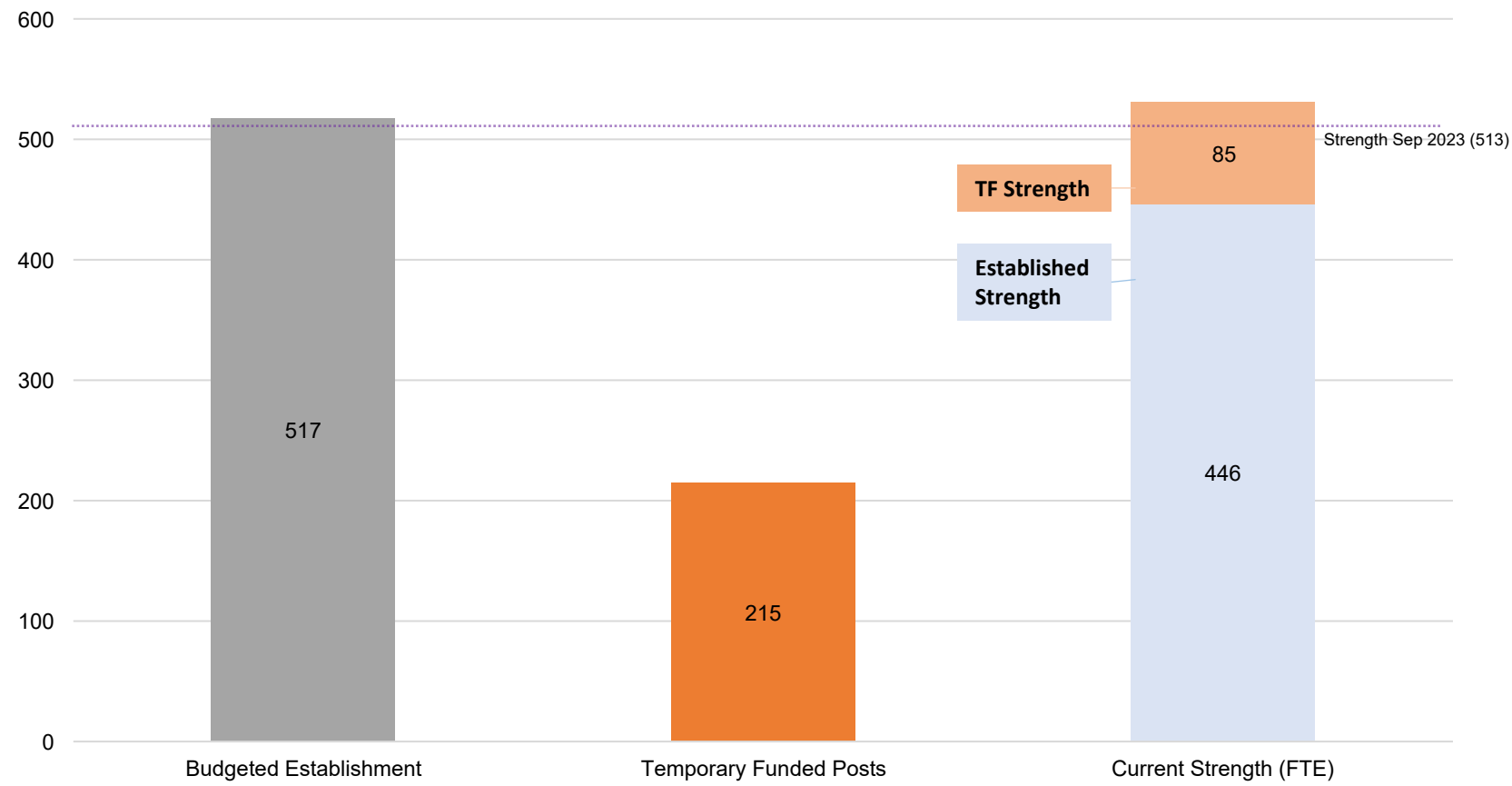


Officer Strength vs Establishment FTE (rounded)



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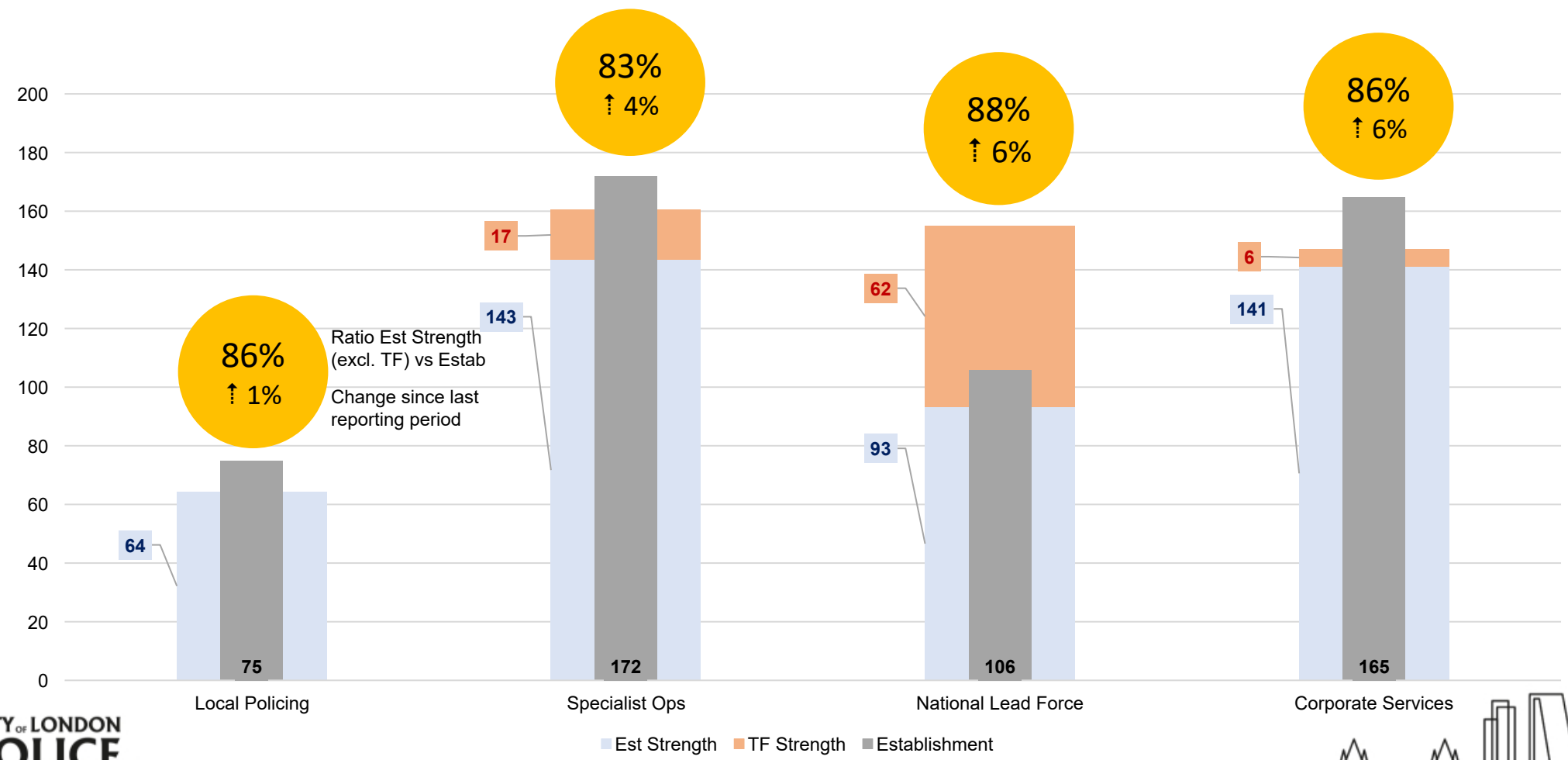
Staff Operational Model Establishment FTE



- **Budgeted Establishment:** 517
- **Current Established Strength:** 446 FTE
- **Current vacancies of Established posts:** 71 FTE
- **TF posts:** 215 (not all these roles are filled, most relate to NLF funded roles)
- **Current TF Strength:** 85 FTE
- **Total Staff Strength:** 531 FTE



Staff Strength vs Establishment FTE (rounded)



A local service with a national role, trusted by our communities to deliver policing with professionalism, integrity and compassion

23/24 Budget & Workforce Alignment

	TOTAL COLP	Local Policing	Specialist Operations	National Lead Force	Corporate Services	Central Income & Expenditure
Budgeted FTE						
Officers	978	403	290	193	86	6
Staff	517	75	172	106	164	0
Total	1495	478	462	299	250	6
Budgeted £m						
Pay Costs	131.1	33.3	30.6	22.4	18.3	26.5
Non Pay Costs	60.9	2.7	2.5	34.4	13.8	7.5
Total Expenditure	192.0	36.0	33.1	56.8	32.1	34.0
Income	(91.0)	(6.5)	(6.1)	(50.0)	(3.1)	(25.3)
Net Budget	101.0	29.5	27.0	6.8	29.0	8.7
Functions incl.		Sector Response Taskforce Contact	Intelligence Investigation Forensics CJS	Funded Units AF / NFIB NLF Fraud NLF Cyber	Chief Officers CFO COO Prof & Trust	Pension Def POCA Recharges Unalloc roles Temp roles

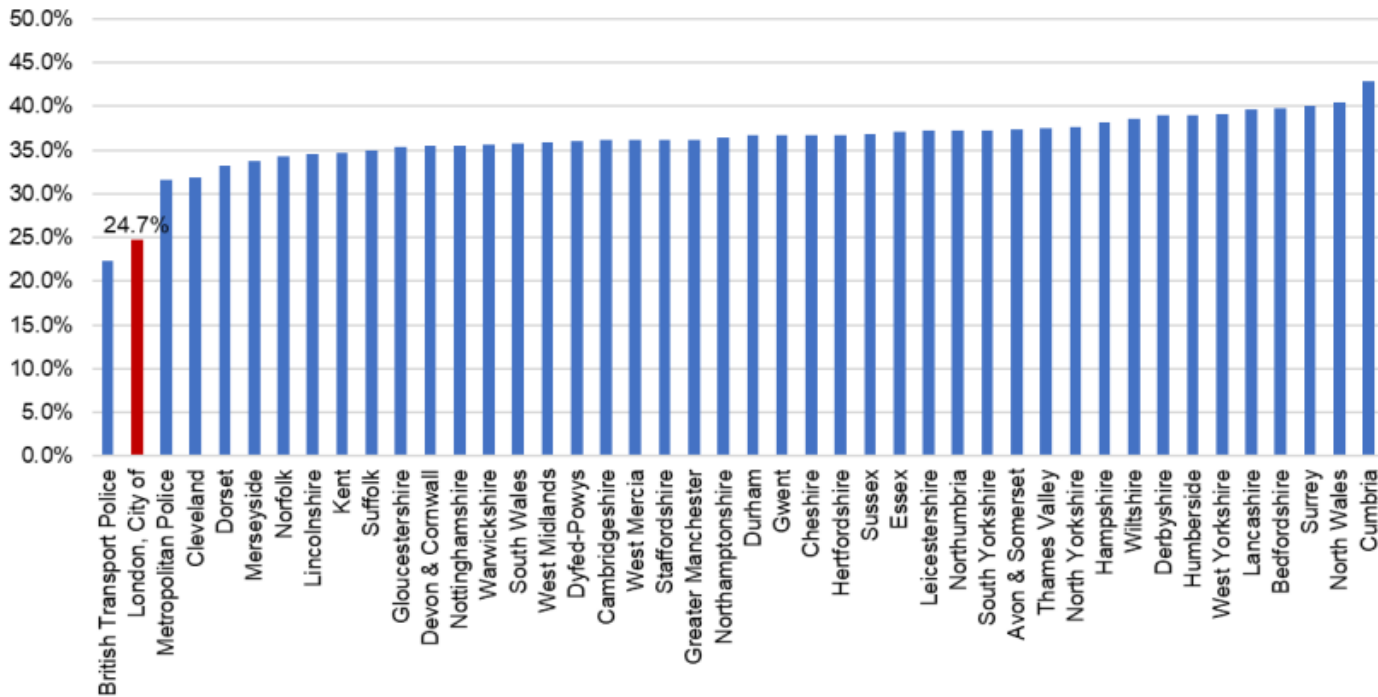
1. Officer affordability dependent on rank - and probationer vs transferee – mix
2. No vacancy factor assumed for officers due to ringfenced nature of Home Office uplift funding
3. Staff establishment of 517 FTE, plus natural vacancy factor of 15.



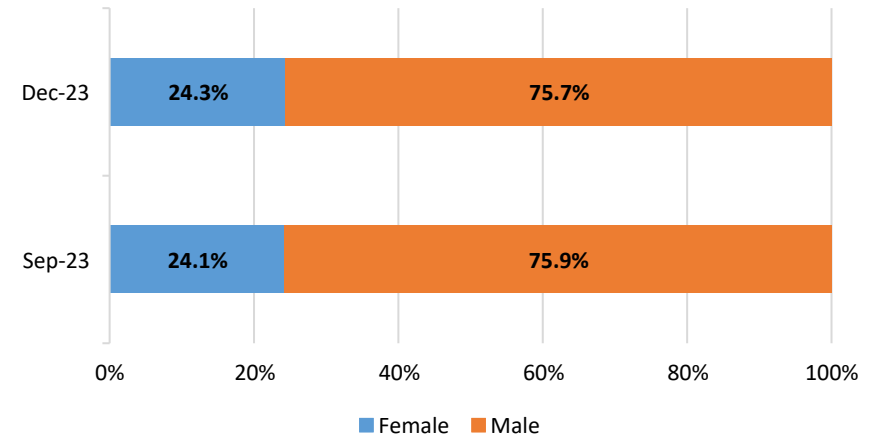
Diversity: Officer Gender

Officer gender profile is slightly increased by 0.2% with 24.3% female of 979 total officer headcount, compared to 24.1% in September 2023. 14.5% of all officer joiners (48 officers incl. transfers) between April 2023 and December 2023 were female, 17% of 12 Student Officers recruited over the same period were female.

National Comparison Female Officers (% of Headcount) - 31 March 2023



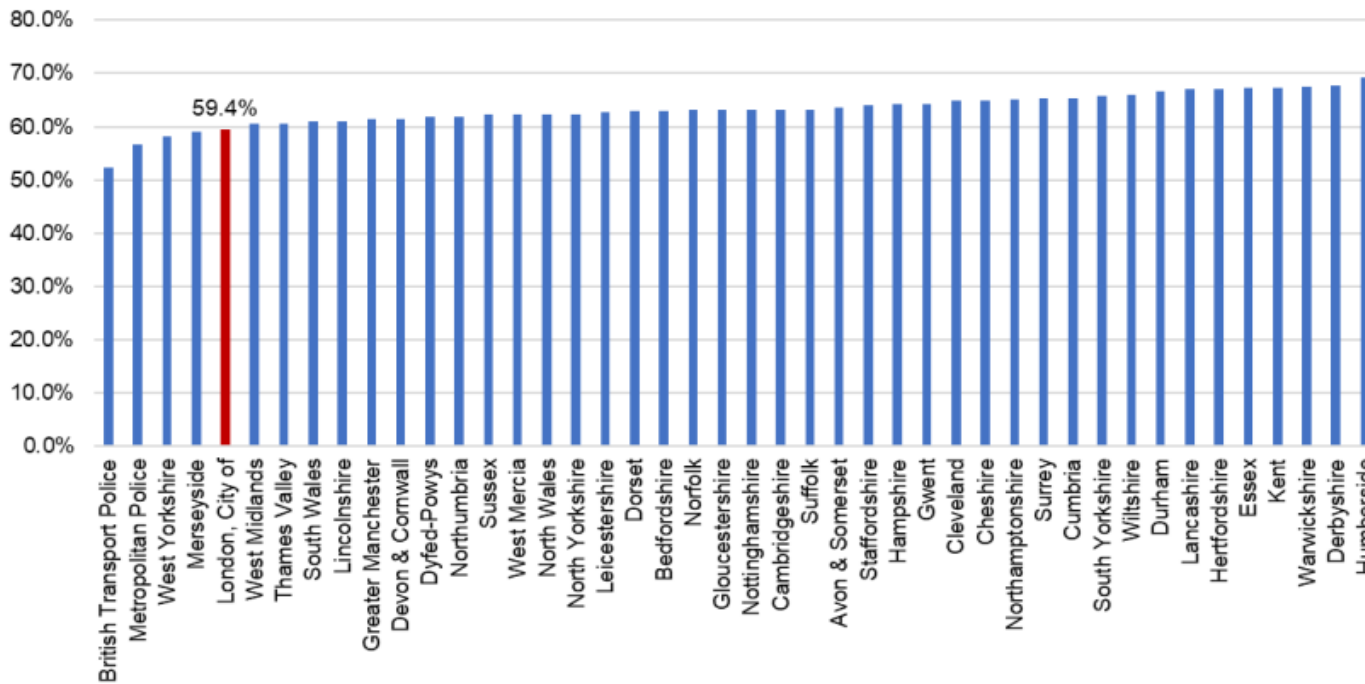
Officer Gender December 2023 % comparison to September 2023



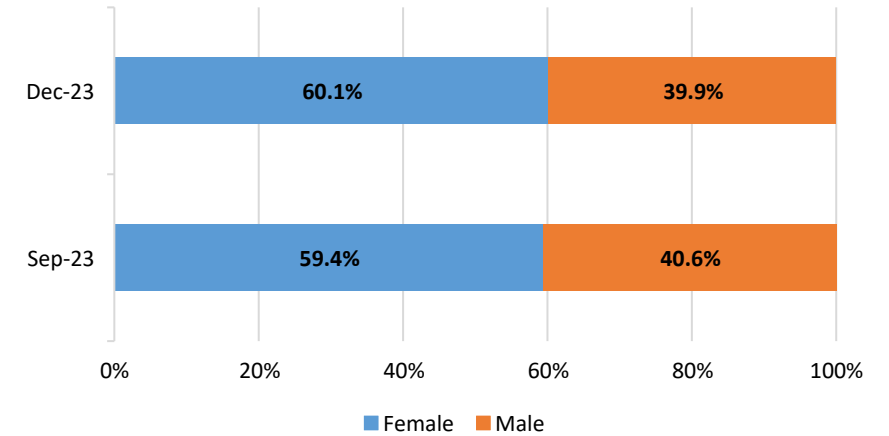
Diversity: Staff Gender

Staff gender profile has slightly increased since the last reporting period, the female profile at the end of December was 60.1% of 547 total Staff headcount (increased from 59.4% female).

National Comparison Female Staff (% of Headcount) - 31 March 2023



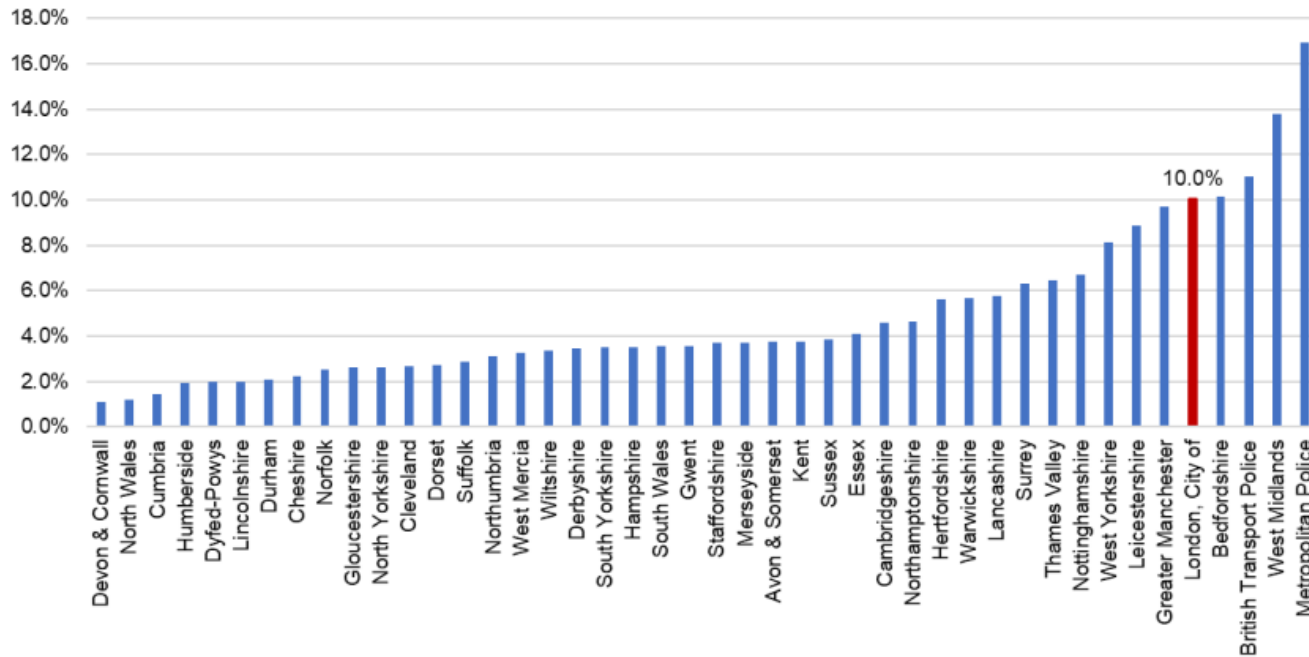
Staff Gender December 2023 % comparison to September 2023



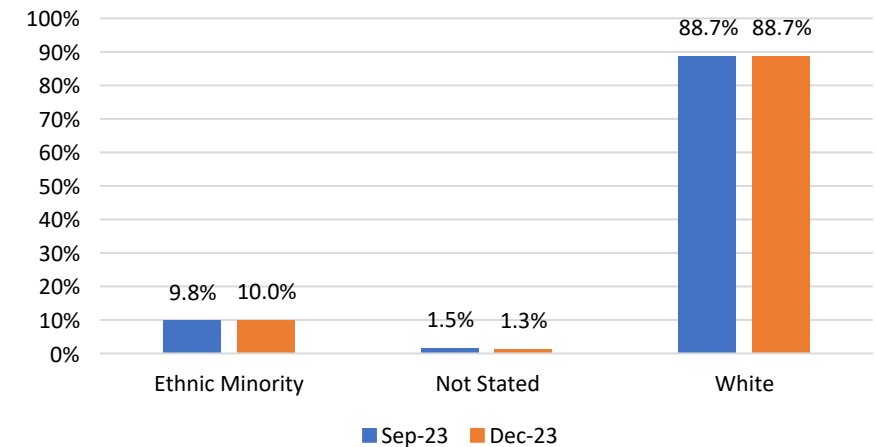
Diversity: Officer Ethnicity

Officer Ethnicity profile has slightly increased from 9.8% in September 2023 to 10% of a total 979 Officer headcount identifying from an ethnic minority background. 8.3% of all officer joiners between April – December 2023 were from an ethnic minority background and 25% of student officers were ethnic minorities. Of 98 ethnic minority officers, 24% are female and 76% male. CoLP diversity is towards the ‘higher’ end of ethnic diversity among other forces but is low compared to the City population, it is difficult to confirm a correlation between ethnicity and gender diversity.

National Comparison Ethnic Minority Officers (% of headcount) - 31 March 2023



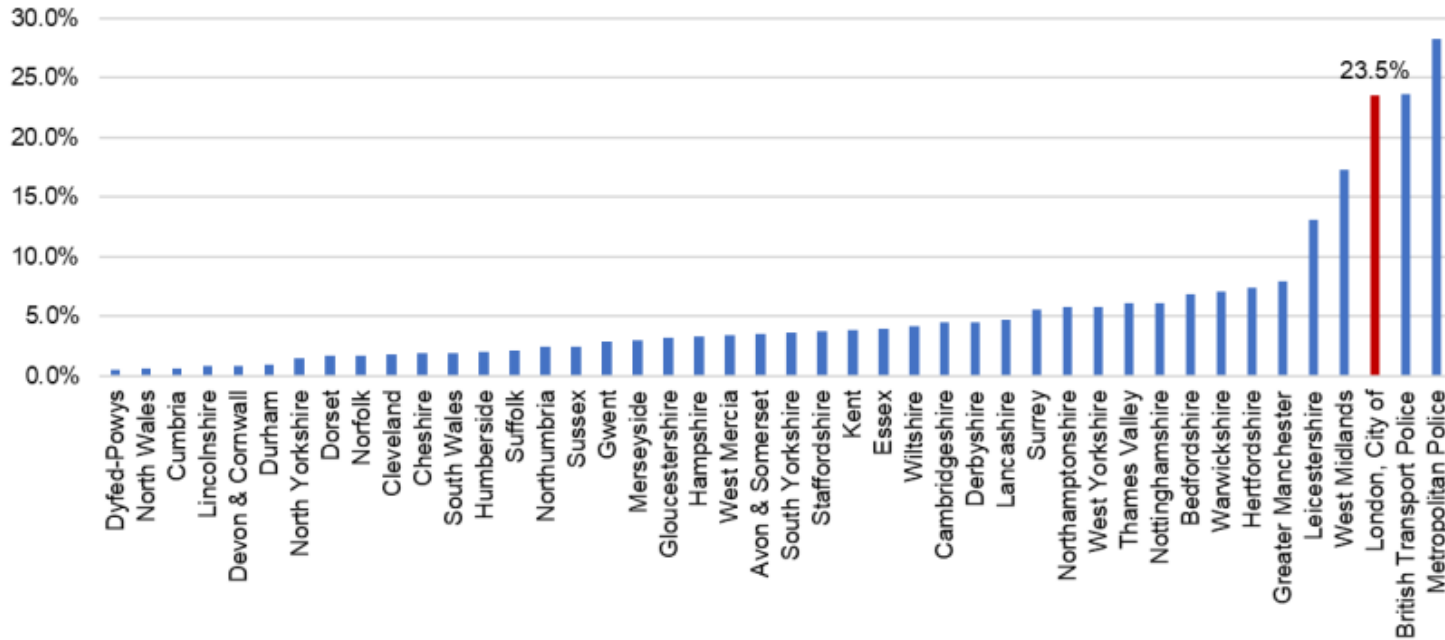
Officer Ethnicity Profile December 2023 % comparison to September 2023



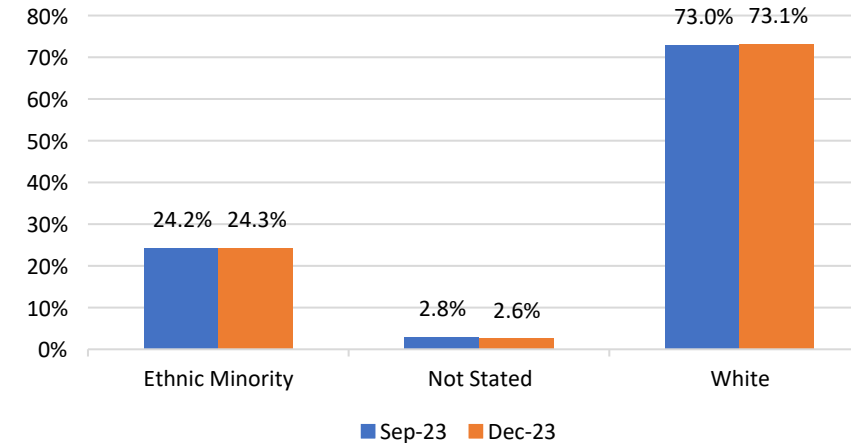
Diversity: Staff Ethnicity

Staff Ethnicity profile has increased by 0.1% since the last reporting period to 24.3% of an increased 547 total headcount (previously 529). Of 133 ethnic minority staff, 64% are female and 36% male.

National Comparison Ethnic Minority Staff (% of Headcount) - 31 March 2023



Staff Ethnicity Profile December 2023 % comparison to September 2023



Recruitment

We have continued to recruit against our workforce strategy and achieved our Police Officer headcount in September, the first measure from the Home Office since we achieved the Police Officer Uplift in March. Our next student officer intake is in March 24, when the force will welcome 14 direct entry detective student officers. We are starting to plan the entry routes we will utilise for our student's next year including the new PCEP course the College of Policing is launching, in replacement of the old non degree pathway IPLDP. We have continued to recruit transferee officers into our priority roles such as Public Protection and Firearms ensuring we have the right balance of experienced officers and new talent joining the force.

Recruitment Strategy Initiatives

Entry Routes	<ul style="list-style-type: none"> • Strategy currently includes a mixture of uniform and detective IPLDP and Pre-Join.
Increasing Diversity, Capacity and Customer Experience	<ul style="list-style-type: none"> • 'Buddy' system: Supporting under-represented candidates through the recruitment & onboarding process • A new reasonable adjustments process was trialled during the promotion boards for Sergeants and Inspectors. Due to the positive feedback received, this will now be utilised across all recruitment, improving the experience for candidates requiring any reasonable adjustment. • New vocal coach training has been scheduled for early in the new year to assist any officers or staff who are planning to go for a promotion within the next 12 months, developing presentation skills, effective communication, how to manage your speech in pressured environments.
Resources	<ul style="list-style-type: none"> • Additional recruitment and vetting resources have been recruited to support the volume of recruitment over the next 3 financial years. • Additional resources have been hired to support the project across Learning & Organisational Development (L&OD), OH and Corporate Communications.
Attraction Strategy introduced	<ul style="list-style-type: none"> • Our social medial content is continuing to provide excellent candidate engagement • We are engaging with a wide variety of advertising platforms as well as external partners, such as universities who have offered the Professional Policing Degree. • Use of external advertising via Indeed and Crooton. • A new Grade E recruitment manager has been hired to oversee the attraction strategy and the roll out of the new ATS recruitment system, they are due to start in March 24.



Recruitment

Our workforce plan tracker (below) shows the profile for 2023/24 – 2025/26 and reflects our attrition and intake numbers. This has been designed to meet the target Officer headcount of 996 by March 2024. 11 Student Officer joined in September; a further intake of student officers is planned for March.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	23/24	24/25	25/26
Headcount Start Month	1,007	995	993	982	979	980	998	990	984	979	990	989	1,007	996	986
Target Headcount (986)	986	986	986	986	986	986	986	986	986	986	986	986	986	986	986
Increase / (Decrease) in FTE															
Retirement	(4.0)	(3.0)	(3.0)	(1.0)	(2.0)	-	(3.0)	(3.0)	(4.0)	(3.0)	(5.0)	(5.0)	(36)	(42)	(42)
Other			(1.0)	-		(1.0)							(2)	(1)	(1)
Medicals	-	-	-	-	-	-	-	-	-	-	-	(1.0)	(1)		
Transfer Out	(2.0)	(2.0)	-	(3.0)	(1.0)	(2.0)	(2.0)	-	(2.0)	(4.0)	(4.0)	(4.0)	(26)	(28)	(28)
Resignations incl Probationers	(6.0)	(3.0)	(9.0)	(4.0)	(2.0)	(3.0)	(3.0)	(4.0)	(2.0)	-	(2.0)	(1.0)	(39)	(30)	(30)
Secondment out not paid by COLP	-	-	-	-	-	-	-	-	-	-	-	(2.0)	(2)	(6)	(6)
End of Contracts	(1.0)	-	-	(1.0)	(1.0)	-	-	-	(1.0)	-	-	(1.0)	(5)	(4)	(4)
New Probationers	-	-	-	-	-	11	-	-	-	-	-	14	25	28	28
Transfers In / Other (returners/rejoiners)	1	6	2	6	7	13	-	-	4	16	10	9	74	64	70
Sgt Promotions (including Internals approx. 17)										2			2	6	9
Insp Promotions (including Internals approx. 10)								1	-				1	3	5
Total Increase / (Decrease)	(12)	(2)	(11)	(3)	1	18	(8)	(6)	(5)	11	(1)	9	(9)	10	1
Headcount End Month	995	993	982	979	980	998	990	984	979	990	989	998	998	986	986
FTE End Month	985	983	972	969	970	988	980	974	969	980	979	988	988	976	976
FTE Establishment (978)	978	978	978	978	978	978	978	978	978	978	978	978	978	978	978
Staff Leavers (Established posts)	(5)	(4)	(3)	(3)	(1)	(4)	(3)	(2)	(2)	(4)	(5)	(5)	(40)	(65)	(65)
Staff Recruitment (Established posts)	11	6	10	3	3	7	5	5	7	9	12	12	90	70	65
Staff Strength (Established posts)	413	416	423	424	426	427	430	433	438	443	450	457	457	497	
Staff Leavers (Temporary posts)	-	(1)	(1)	-	-	(1)	-	-	-	-	(2)	(1)	(6)	(20)	(20)
Staff Recruitment (Temporary posts)	4	2	4	2	-	3	1	5	2	5	9	9	46	93	20
Total Staff FTE (End month)	492	496	506	508	510	515	518	526	533	543	557	572	572	650	650
Specials Recruitment												12	12	36	36

Recruitment: Staff Plan

The force has an overall police staff establishment of 517 posts. Of which, 23 of these have been frozen to fund temporary posts, therefore this recruitment strategy aims to recruit to the 494 active posts within the current establishment. The force also in addition 235 Temporary Funded Staff posts, separate resources have been allocated to recruit to vacancies within this model. Three recruitment proposals were presented at People Board in October 23, and agreed the plan (slide 19) based on the balance of demands on the recruitment and vetting teams from Police Officer and Specials recruitment. The extract (slide 19) only focusses on permanent staff establishment vacancies. The aim is to start the new FY at 93% strength, rising incrementally up to 100% by November 24. The police staff leavers have been profiled based on 5 years of leavers data, to give the overall recruitment required each month.

There are several variables which we have already accounted for when designing the strategy, but some which we will need to continue to monitor closely for their impact

- A proportion of the vacant roles identified are within Corporate Services (CSD). The new model has now been finalised and implementation has commenced. Recruitment will start in January 2024.
- The impact of the volume of the recruitment requirements for the new Action Fraud reporting system. Additional resources have been supported and recruitment has begun for these; however, staff working across BAU to support the uplift ambition will be abstracted to support and train these additional resources (mitigated by using a 28hr rather than 35hr working week when producing the data).
- Recruitment into the new roles across the new model for Action Fraud could see internal candidates apply, increasing the attrition against the BAU strength and therefore increase the volume of recruitment required against this strategy
- Speed of recruitment for the additional HR and Vetting Officers. Recruitment has commenced for these roles with the ambition of the additional support starting in March 24. Interim demand to achieve the numbers will be managed via overtime.



Recruitment: Staff Plan

Below is the staff recruitment plan 2024/25 for established permanent vacancies. This follows on from slide 17, which provided an overview of staff recruitment for 2023/24.

Established	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Start Month FTE	456.53	459.53	464.53	470.53	473.53	478.53	485.53	492.2
Target Est FTE	517	517	517	517	517	517	517	517
<u>Increase / (Decrease) in FTE</u>								
Leavers	-7	-5	-5	-7	-5	-5	-5	-6
New Joiners	10	10	10	10	10	12	10.67	11
Returner	0	0	1	0	0	0	1	0
Movement to/from Temp								
<u>Total Increase / (Decrease)</u>	3	5	6	3	5	7	6.67	5
End Month FTE Established	459.53	464.53	470.53	473.53	478.53	485.53	492.2	497.2
% Strength to Establishment	93.0%	94.0%	95.2%	95.9%	96.9%	98.3%	99.6%	100.6%



Recruitment: Risks and Priorities

Recruitment activity is being managed in relation to all officer and staff posts across the force. The completion of the Corporate Services review has led to prioritisation of staff roles to ensure key vacancies are filled whilst managing the demand into vetting and HR. Recruitment is due to commence early next year on the posts which form part of the FCCRAS and Fraud Reform projects and additional support staff have recruited into HR and Vetting to support this uplift in Police Staff. Separate governance has been set up with the forces Service Delivery Director to oversee FRRCAS recruitment, whereas the BAU is monitored via People Board.

Risks identified by Uplift Programme to maintain target

Attrition higher than projected levels	This is being monitored via the Exiting and Retention Meetings. The force has begun to adopt the National Leavers Framework recommended by the former uplift team with the aim of improving retention for officers and staff across the force.
Volume of vetting	Demand profiling for the BAU roles is has being undertaken to identify resource requirements and recruitment has taken place support the maintenance of uplift numbers and additional demands from BAU. Further demand profiling to support the additional uplift from the FCCRAS project is also being undertaken.
Tutoring constables	L&D created a Tutoring Plan: a force wide approach to tutoring larger cohorts
Attraction for Police Staff	Work on Job Families has begun with Korn Ferry to update the way we grade, evaluate and compensated.



Recruitment continued

- We have just launched the latest promotions boards for Chief Inspectors with the advert closing on the 14th January and the boards taking place at the end of February.
- The Vetting Unit within Professional Standards has introduced a new IT System which allows candidates to complete their vetting forms online, moving away from a postal submission. This system indicates to applicants where there are gaps in the information, therefore streamlining and quickening the submission process. The vetting process is being reviewed regarding how it can be improved further now the IT system is embedded to make the process even more efficient.

JOINERS

- A total of 5 police officers transferred into the force during the reporting period. 48 officers in total have joined CoLP between April and December 2023.
- A total of 25 police staff joined the force in substantive and fixed-term roles during the reporting period. 80 staff joined in total between April and December 2023.



People Turnover

During the period (October – December 2023), 24 Police Officers left the force, this equates to a 2.4% turnover rate. A total of 79 Officers left the force, this is a turnover rate of 8%. Compared to the same period in 2022 where 78 Officers left the force (8.4%), the number of leavers is similar in 2023/24. Current attrition predictions suggest the total leavers for 2023/24 will be similar to 2022/23. Reasons for leaving are provided in the tables below, so far, the main reason for leaving has been resignation. The Force is seeing an upwards trend in resignations, which is also seen at a national level*.

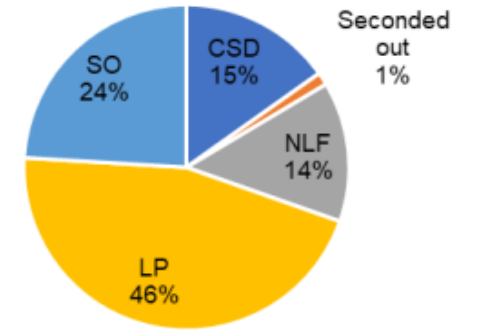
Of the 79 Police Officers that left the force, the majority left from Local Policing (36) and Specialist Operations (19). 20 officers left during their probation. The number of leavers varies per month, on average 9 leavers left between April and December 2023 and mostly from constable rank.

Police Officers – Reasons for Leaving (per Financial Year)

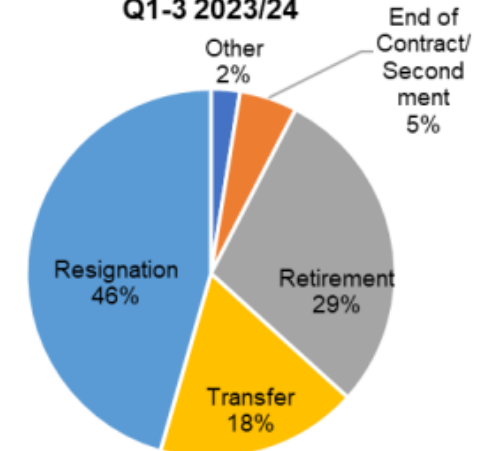
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Q1-3
Other	0	0	0	1	0	1	1
Dismissed	1	1	0	0	0	1	1
End of Contract/ Secondment	1	0	0	4	1	11	4
Medical Retirement	2	0	2	1	0	2	0
Retirement	35	37	31	29	42	43	23
Transfer	9	17	22	14	26	20	14
Resignation	26	7	22	21	27	34	36
Total	74	62	77	70	96	112	79

The Retention and Exiting Working Group continues to review the exiting process to better understand why people are leaving and develop retention strategies. From the exit interviews for both Officers and Staff (April 2021 – December 2023), found another job and retirement were the main reasons for leaving. Between April – December 2023, those that completed the survey were positive towards their role, working on unique projects, servicing the public and their team. Areas which scored lower across the survey included feelings towards career development and training, communication and morale, remunerations and wellbeing.

Officer Leavers by Directorate Q1-3 2023/24



Officer Reasons for Leaving Q1-3 2023/24



*[Police workforce, England and Wales: 31 March 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

People Turnover

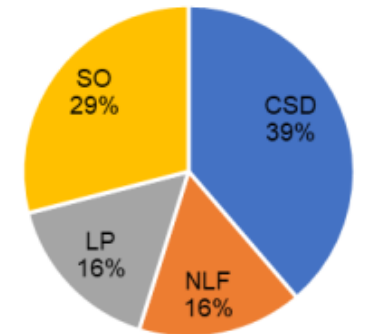
During the reporting period, 7 Police Staff left the force, this equates to 1.3% turnover rate. A total of 31 Police Staff left the force in quarter 1-3, a 5.8% turnover rate. The number of leavers is significantly lower compared to the same period in 2022/23 in which 70 Staff left (14%). Currently trends and predicted leavers suggest a reduced number of leavers in 2023/24 compared to 2022/23.

Police Staff – Reasons for Leaving (per Financial Year)

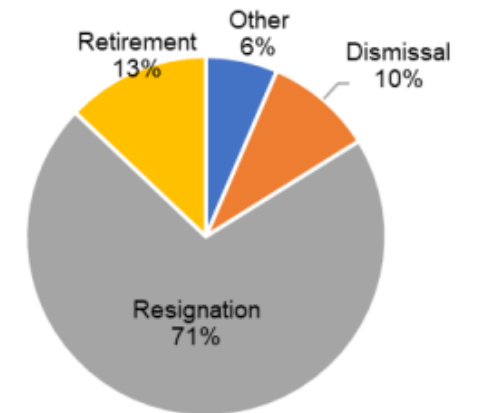
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 Q1-3
Other	1	1	0	1	0	0	2
Dismissed	2	1	1	2	0	3	3
Medical	0	0	0	0	0	0	0
Retirement	5	10	6	7	8	11	4
Transfer	2	0	0	0	0	0	0
Resignation (incl. FTC)	42	49	44	25	52	61	21
Resignation joined Police	7	2	0	0	2	2	1
Redundancy	1	1	0	0	0	0	0
End of Secondment	0	1	0	0	1	1	0
Total	60	65	51	35	63	78	31

The main reason for leaving was resignation, the majority of leavers were from Grades C and D. 54% of leavers had over 7 years' service.

Staff Leavers by Directorate Q1-3 2023/24



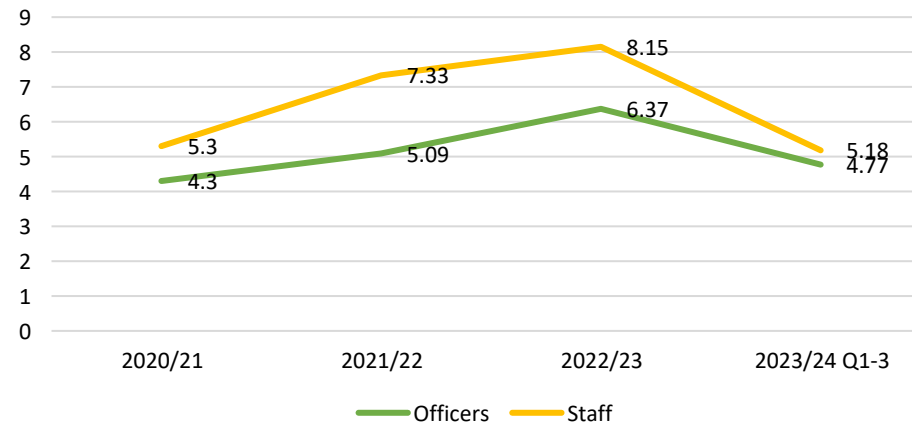
Staff Reasons for Leaving Q1-3 2023/24



Sickness

- The Home Office (HO) & His Majesty's Inspectorate of Constabulary & Fire Rescue Services (HMICFRS) monitor sickness absence by working hours lost against 'percentage of contracted hours'. During April – December 2023, the force's sickness absence rate was 2.47% for Officers, and 2.71% for Police Staff (calculation converted to days: working days lost / contracted days available).
- The average working days lost for Police Officers is 4.77 days and for Police Staff is 5.18 days during this period. In comparison to Q1-Q3 2022/23, average days lost is lower in 2023/24 (Q1-3 2022/23 reported: Officers – 4.73, Staff – 6.5 average days lost). The graph below shows the total average days lost by financial year since 20/21 and shows Q1-3 for 2023/24.

FY Comparison of Average Sickness Days Lost by Employee Headcount



Health & Safety

There has been an increase in the overall number of Health and Safety Incidents reported during the past quarter in comparison to previous quarters in 2023/24.



Notably, there has been an increase in the number of assaults reported, in addition to the increase over 2023/24 a comparison with the previous year shows an increase of 14 assaults reported in Q3 2022/23 to 44 reports received during Q3 2023/24. This is thought to be due to ongoing work to raise awareness of assault reporting requirements.

There was one RIDDOR reportable incident during the past quarter, when a Police Officer was struck by a vehicle after he had stopped to assist a broken-down vehicle, the officer sustained a fracture. The officer was mounted on a stationary marked, motorcycle with blue lights flashing, and was wearing high-visibility outerwear and issued motorcycle kit. This RTC occurred in an MPS area and is currently being investigated by them.



Appendix 1: Key Terms

Budgeted Establishment (FTE) – The number of Full Time Equivalent posts that our current budget can afford.

Operational Model Establishment (FTE) – The number of Full Time Equivalent posts that are currently allocated in our operational model.

Current Strength (FTE) – This is the current number of Full Time Equivalent people we have sitting in posts. Strength related to roles filled for established posts and Temporary Funded (TF) posts.

Current Headcount (People) – This is the actual number of people we have in the organisation either part time or full time. (NB this is the figure used for the National Workforce Data Tracker, previously Uplift Programme)

Temporary Post funded from budgeted establishment – a temporary role that is funded by money already accounted for within the budgeted establishment.

Temporary Post funded from existing post not backfilled – a temporary role that is funded by holding a substantive funded post vacant.



Appendix 2: Operating Establishment

Operating establishments in four areas at 31 December 2023:

- Local Policing
- Specialist Operations
- National Lead Force
- Corporate Services



Local Policing Establishment vs Current Strength (FTE)

Function	Officer Establishment	Officer Strength Established & Temporary Funded	Staff Establishment	Staff Strength Established & Temporary Funded
Neighbourhood Policing	101	80	6	7
Response & VCU	76	171	9	7
Taskforce	200	162	15	12
Contact & SMT	26	26	45	38
Total Local Policing	403	439	75	64



Specialist Operations Establishment vs Current Strength (FTE)

Function	Officer Establishment	Officer Strength Established & Temporary Funded	Staff Establishment	Staff Strength Established & Temporary Funded
Intelligence Services	104	91	73	74
Investigation Services	147	121	25	22
Forensic Services	7	8	29	24
Criminal Justice System	27	26	45	40
SO SMT (Supt above)	5	7	0	0
Total Specialist Ops	290	253	172	160



National Lead Force Establishment vs Current Strength (FTE)

Function	Officer Establishment	Officer Strength Established & Temporary Funded	Staff Establishment	Staff Strength Established & Temporary Funded
Funded Units	65	62	10	10
NLF Fraud	50	39	15	23
NLF Coordination	11	7	8	7
NFIB	18	21	46	76
Action Fraud	0	0	24	35
NPCC Cybercrime	9	7	3	4
NLF SMT (NLF Ops) & Officer Secondments	10 (4 Secondments)	8 (3 Secondments)	0	0
Total National Lead Force	163	144	106	155



Corporate Services Establishment vs Current Strength (FTE)

Function	Officer Establishment	Officer Strength Established & Temporary Funded	Staff Establishment	Staff Strength Established & Temporary Funded
Chief Officer Team	5	6	2	3
HQ Services	27	23	40	32
Support Services	2	4	66	59
IMS and IT (Incl. Business Insights)	4	4	41	32
Professionalism and Trust	48	67	16	21
Total Corporate Services	86	106 (incl. 2 secondments)	165	151 (incl. 4 secondments)



Appendix 3: Recruitment Delegation – Strategic Workforce Planning

- 1. Internal Police Officer Recruitment** – (approval level LRPM only) Posts that are funded through either core funding or external/national funding can and should be recruited to with LRPM approval only. Due to the Force being at or over establishment of officers every effort should be made to develop and recruit internally, including specialist skills such as Detective and Firearms.
- 2. External Police Officer Recruitment** – (approval level People Board) Any request for an external advert for Police Officers must be approved by People Board and if approved the post(s) would need to be accounted for in our transferee numbers across the next 12 months which are limited and will only be considered after point 1 above has been exhausted.
- 3. Police Officer posts that are temporary** – (approval level People Board) These are not in the established model and **should be exceptional** and approved by Commander level/Police Staff Equivalent before coming to People Board.
- 4. Police Staff posts other than Corporate Services** (funded externally / national funding / Core funded i.e. in establishment) – (approval level LRPM only). Police Staff vacancies other than Corporate Services Posts can be recruited to internally and externally with LRPM approval. A careful balance of developing our own staff and bringing new capacity and capability into the organisation should be considered.
- 5. Police Staff posts in Corporate Services** during the review (approval level People Board), these need to be carefully considered as we go through change to mitigate any risk of redundancies.
- 6. Police Staff posts that are temporary** – (approval level People Board) These are not in the established model and **should be exceptional** and approved by Commander level/Police Staff Equivalent before coming to People Board.
- 7. Any suggested conversion of posts** from Staff to Officer or Officer to Staff must come to People Board for decision.



Committee(s)	Dated:
Resource Risk and Estates (Police) Committee	05/02/2024
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Head of Internal Audit	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity comprising; recently completed work, work in progress, Audit recommendation implementation and the future programme of Audit work. One Audit review was completed during this period resulting in a Substantial Assurance opinion. Following a proactive drive in relation to Internal Audit recommendation implementation, 30 recommendations were reviewed and closed. As a result, the City of London Police currently has no open Internal Audit recommendations.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. This report provides an update on the work of Internal Audit and intended future coverage.

Work Completed

City of London Police – Premises Management – Substantial Assurance

2. The focus of the audit was obtaining assurance that the Force has adequate arrangements in place for effective Facilities Management in support of the City of London’s corporate contract provision, ensuring that services are delivered on a timely basis and to an adequate standard.
3. The conclusion of this Audit was delayed as a result of the long-term sickness absence of a member of the Audit Team and challenges arising from completing this work during the transition to a new corporate contract. The Final Audit Report was issued in October 2024, providing a Moderate assurance opinion with 4 Amber recommendations raised. The follow-up review was completed in November and confirmed management action taken to address all issues raised, a revised Substantial assurance opinion has been provided.

Internal Audit Follow-up Reviews

4. In November 2024, Internal Audit undertook an end-to-end review of all open Internal Audit recommendations across the City of London Police and Police Authority. This activity examined 30 recommendations arising from 14 separate Internal Audit reviews, all recommendations have been closed with the vast majority having been implemented and a small number being no longer relevant.
5. There are currently no open Internal Audit recommendations for the City of London Police.

Work in Progress

6. Police Income – Cost Recovery and Collection: Owing to capacity constraints within the Police Finance team, this Audit will now be delivered in two parts. The first element of the review is almost complete, examining the income strategy and governance arrangements, this will be reported in the next update to this Committee. The remaining aspects of the Audit focus on transactional testing and more specific examination of a sample of income streams, the exact timing of the remaining work is yet to be determined, this may now form part of the 2024/25 programme of work.
7. Police Employees: This Audit has been initiated and is expected to be completed. Fieldwork is in progress and is anticipated to be completed in February, subject to finalising the timeline with Force colleagues.

Forward Programme of Work

8. The proposed forward programme of Internal Audit work for the City of London Police for 2024/25 includes the following:
 - Police Accommodation Programme (oversight, delivery and completeness)
 - Information and Data Handling
 - Risk Management
 - Workforce Planning
9. While the Chairs of Police Authority Board and Resource Risk and Estates Committee have been consulted, the programme of work is subject to the consideration of the Police Leadership Team and may change as a result.

Corporate & Strategic Implications

10. Internal Audit work is designed to provide assurance as to the adequacy of the City of London Police system of internal control and governance arrangements.

Conclusion

11. Members should note the report.

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