

Committee(s): Resources, Risk & Estates Committee (RREC) Police Authority Board (PAB)	Dated: 4 November 2022 24 November 2022
Subject: Q2 Revenue & Capital Budget Monitoring, 2022/23	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
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 94-22	For Information
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Summary

This covering report accompanies a slide pack detailing the City of London Police's (CoLP) revenue and capital outturn for Q2 2022/23. This is the first time the Force's periodic revenue and capital monitoring has been presented in a slide pack/dashboard format. It is intended that this style of reporting will provide a baseline which can be subsequently developed and refined for future reporting periods.

In summary, the Force is currently forecasting a revenue outturn over spend of £0.5m (0.56% of budget). This compares to a forecast overspend of £0.07m as reported at the end of Q1. Key cost pressures identified at Q2 (Slides 2-9) include:

- The impact of officer and staff pay awards of £2.1m
- Insufficient budgetary provision for the Action Fraud (AF) contract extension costs of £1.25m; while the Business Rates Premium (BRP) increase included an element for additional AF costs these were erroneously under provided when reworking the budget against the new Target Operating Model and require correction through this forecast.
- Additional estate running costs of £0.8m allowing £0.12m of inflation on energy costs.
- Additional Overtime costs of 0.6m.

These are partially offset by:

- Net pay, agency and employee related underspends of £3.0m due to the profile of recruitment.
- Additional £0.5m of Home Office funding for the 2022/23 officer pay award.
- Equipment underspends of £0.6m.
- Potential additional Uplift funding of £0.12m.

A wide range of dynamic variables, particularly in the current environment, makes forecasting challenging, however, the overspend position will be carefully monitored across Q3 to see if this will reduce naturally or if additional interventions are required.

Slide 10 provides a breakdown of the Force's initial £6.1m mitigations target for 2022/23 and commentary on achievement. Current projections suggest that whilst in total the mitigations target will be met there are some specific risks, particularly in relation to keeping overtime costs within budget as a £0.5m contribution to the mitigation plan.

Slides 11 & 12 provide an update on the Force's reserves position including a planned £2.8m drawdown from the Proceeds of Crime Act (POCA) reserve for schemes which improve performance on asset recovery and / or fund local crime fighting priorities. These schemes have been reviewed and approved by the Chief Officer Team.

Slides 12 & 13 set out progress against the Force's interim capital programme. Pending a review of the CoLP Change Portfolio, £6.936m capital budget and funding (inclusive of £3m Home Office funding) has been allocated for Fraud & Cyber Crime Reporting & Analysis Service (FCCRAS), fleet replacement and a small number of other near-term priorities. It is expected that these budgets will be fully spent or committed in year.

Slide 14 details the forecast revenue outturn position for the Police Authority Board (PAB). A £1m budget was approved in 2022/23 and funded from part of the Business Rate Premium increase. At Q2 it is expected that PAB budget will underspend by some £0.43m at the end of the financial year. Costs will increase in future years in fully establishing its Target Operating Model.

Finally slide 15 provides a number of high-level risks and opportunities with the 2022/23 budget. These will continue to be reviewed with appropriate mitigations developed where required.

Recommendation

Members are asked to note the report and details contained in the slide pack.