

Committee(s): Police Authority Board (PAB)	Dated: 15/02/2023
Subject: Q3 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 15a-23	For Information
Report author: Chief Finance Officer & Deputy CFOs	

Summary

This covering report accompanies a slide pack detailing the City of London Police's (CoLP) revenue and capital outturn for Q3 2022/23.

In summary, the Force is currently forecasting a revenue outturn under spend of £0.4m (-0.42% of budget). This compares to a forecast overspend of £0.5m as reported at the end of Q2 equating to a 1% positive change in net revenue expenditure. The key factors explaining the Q3 forecast are set out in Slides 2-10 with the £0.9m positive variance from Q2 principally due to:

- Increase in pay underspends of £2.37m due to vacancies and rank mix (probationer vs transferees);
- additional Home Office uplift funding of £0.38m, Q2 assumed £0.12m (£20k per officer up to 20 over target);
- Reductions in supplies, services and third party spend of £0.6m;

Offset by:

- An increase in forecast overtime £0.9m due to operational activities, backfilling due to vacancies and recoverable events.
- An increase in agency costs of £0.4m relating to support service training academy functions.
- A £0.95m increase in premises maintenance (£0.8m) and business rates expenditure (£0.15m).
- Additional forecast vehicle maintenance and fuel costs of £0.2m

Any underspend at year end will accrue to the general reserve and provide some additional mitigation to anticipated cost pressure in 2023/24. These pressure are expected to arise from the ringfencing of £2m of Home Office funding reliant on maintaining Uplift officer numbers at 986 and inflationary pressures (pay and non-pay) exceeding the Medium Term Financial Plan (MTFP) assumptions.

Slide 11 provides a breakdown of the Forces initial £6.1m mitigations target for 2022/23 and commentary on achievement. Current projections suggest that whilst it 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 12 & 14 provide an update on the Forces reserves position including an analysis of historical receipts and a 2022/23 forecast of Proceeds of Crime Act (POCA) funded expenditure (Q2: £2.8m). Noting the requirement for POCA receipts to be used for schemes which improve performance on asset recovery and or fund local crime fighting priorities. . The change in forecast is due to slippage in relation to the PowerBI project which is dependent on project management office support and IT implementation support.

Slides 15 & 16 set out progress against the Forces 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. Due to increased website development costs it is expected that the FCCRAS capital outturn will be £0.25m over budget. The full FCCRAS business case has been submitted to the Home Office with a decision expected in February 2023.

Slide 17 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 Q3 it is expected that PAB budget will underspent by some £0.42m at the end of the financial year.

Finally slide 18 provides a number of high level risk and opportunities with the 2022/23 budget and looks ahead to 2023/24. Risks and opportunities will continue to be monitored with actions developed as required.

Recommendation

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