

Resources, Risks and Estates Committee (RREC)- 6 September 2023  
Police Authority Board (PAB)- 20 September 2023

## **Revenue & Capital Monitoring 2023/24 (Q1)**



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

# Revenue Monitoring 2023/24 (Q1) – Headlines

**Revenue:** Overall, an outturn breakeven position is forecast at Q1 with a higher provision (£1.4m) for the revenue financing of capital expenditure.

Embedded within the forecast, however, are a number of other compensating variances including:

- a 4% higher than budgeted officer pay award, net of Home Office funding, plus a £1,000 increase in the London Allowance for all officers up to and including the rank of Chief Superintendent and an allowance for Uplift over-recruitment (£1.3m);
- higher than budgeted other employee costs including, injury awards, commuted pension lump sums & agency costs (£0.5m) due to an under provision compared to the 2022/23 outturn and current levels of spend;
- an increase in overtime of £0.5m due to funded work, other operational activities and recoverable events (Table 4); and
- £0.5m higher than budgeted transfer to reserve in respect of Asset Recovery Incentivisation Scheme/Proceeds of Crime Act receipts.

Since the 2023/24 budget was set Government Grant income has increased by some £21.4m 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 £18.2m will be transferred to other police forces and will be expensed through third party payments in the 2023/24 budget.

Taking into account the additional grant funding referred to above, the cost pressures at Q1 have been largely offset by:

- net salary savings of £0.9m due to continuing vacancies against the budgeted staff establishment (Table 2);
- £1.5m of grant funding for unbudgeted staff posts due to new National Lead Force funding.
- underspends of £0.6m mainly in relation to firearms equipment purchase due to recruitment delays;
- A forecast underspend of £0.2m against transport related budgets due to an overprovision for the ATOC travel scheme; and
- £1.2m of additional recharges to funded work in accordance with the Force's Income Strategy, however, this may be eroded by the officer and staff pay awards where grant agreements are cash flat;



# Revenue Monitoring 2023/24 (Q1) – Headline Variance Analysis

**Police Officer Pay:** Overspend (£1.3m). The Q1 forecast was prepared prior to the Government pay announcement in respect of Officer pay but anticipated a higher than budget pay award (£0.8m) and included an allowance (£0.5m) for exceeding the 986-officer headcount target. The impact of the pay award, increase to the London Allowance and additional Home Office funding will be incorporated fully into the Q2 outturn.

In July 2023, the Government announced a 7% pay award for Police Officers with effect from 1 September 2023. This is 4% higher than had been provided in the 2023/24 budget and unmitigated would represent a significant cost pressure in 2023/24 and beyond. While Home Office has committed additional grant funding (£330m in 23/24) with the intention of it funding 2023 officer and staff pay award impacts above 2.5%, the allocation mechanism for 23/24 (which is in line with funding formula shares) significantly disadvantages the City given its diverse funding landscape (including £11.2m of Capital City and Precept grant funding as well as £50m+ of specific grants which support National Lead Force work and have been subject to ‘flat cash’ settlements over many years). In total these separate funding streams provide for approximately 30% of the workforce and an early assessment suggests that the additional grant allocation mechanism will add a further cost pressure of c.£0.75m this year and, if continued, £1.3m per annum to future years. The Police Authority Chair and Commissioner have written to raise concerns with Ministers, asking for reconsideration of the allocation formula for 24/25.

A further cost pressure arises from the decision to increase the London Allowance by £1,000 in response to Metropolitan Police taking this measure. The pressure is estimated to be £0.8m in 2023/24 (£1.4m full year effect). The combination of these pay pressures are more containable this year while staff numbers are on a trajectory towards full establishment but will add significant downstream pressure to the Police MTFP (noting intent to identify additional CoLP mitigations for the London Allowance increase).

**Staff Pay:** The outturn at Q1 is forecast to be an underspend of £0.9m, however, this includes £1.545m of unbudgeted staff costs which are related to additional National Lead Force funding which was confirmed after the 2023/24 budget was set. The forecast underspend against the budgeted staff establishment is therefore some £2.5m.



# Revenue Monitoring 2023/24 (Q1) – Headline Variance Analysis

The 2023/24 budget provided for a 2% pay award for staff and set aside a contingency of £0.6m in the event of a higher than assumed pay award. Whilst pay negotiations continue, as an interim measure the £1,000 “winter payment” from 2022/23 has been consolidated into the staff pay scales with effect from 1 July 2023. Given wider public sector pay announcements, the Q1 staff pay forecast has factored in the £1,000 pay award, applied a further 2% uplift to staff pay and assumed that the full £0.6m contingency will be required; taken together this equates to a c6% pay award. Due to the current level of staff vacancies, it is expected that a 6% pay award can be met within the 2023/24 budget (alongside the officer pay impacts), however, with progressive increases in staff numbers towards an establishment of 517, this creates a c£1.1m per annum medium-term financial plan pressure which will need to be mitigated.

**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. Current projections indicate that the 996-headcount target will be met but this will be closely monitored through internal governance processes.

**Budget Virements:** several budget virements have been processed in Q1 to more accurately align the 2023/24 budget to outturn. Detailed explanations are provided in Table 3. The adjustments are reclassifications of income and expenditure and do not represent a change in scope of the budgeted activities. It is not envisaged that there will be any further refinements so that the budget monitoring is reported against a consistent basis across Q1-Q4.

**Overtime:** overspend £0.5m as at Q1, which includes £192k of “recoverable” overtime. Following a £2m overspend against budget in 2022/23 measures have been put in place to control overtime and this continues to be reported to the Force’s Strategic Finance Board on a monthly basis – See Table 4. 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 (Q1) – Headline Variance Analysis

## **2023/24 Mitigations target = £8.6m**

Current projections suggest that with substitute mitigations (recharging to funded work) £9.0m of mitigations will be delivered, which is £0.3m over target. Details of progress against the mitigation targets are shown in table 6. Whilst there is risk to delivering on the full £0.3m of rank/supervisory ratios in 2023/24, £0.18m of saving are expected from the outcome of the Corporate Services Review and a further update will be given at Q1. The current forecast overachievement is related to the ability to recharge costs to new funding agreements, work is required to determine whether this will be impacted by recent pay announcement, particularly where funding remains static.

## **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 7, with revenue expenditure funded from the POCA reserve estimated to be £2.064m as detailed in Table 8. A further £0.287m of capital expenditure is also forecast to be met from the POCA Reserve in 2023/24, with the impact on Reserves shown in Table 9.

**Police Authority Board (PAB):** The forecast outturn for the Police Authority Board Team is £1m against an annual budget of £1m (breakeven position). The forecast includes provisions for potential Corporation recharges, hearing costs and some jointly funded work with the Force (eg demand analysis) in addition to expenditure relating to a small grant giving programme.



# Revenue Monitoring 2023/24 (Q1) – Summary Table

The Q1 forecast revenue outturn is a breakeven position with a higher provision for the revenue financing of capital projects. Other key variances are set out in the following slide deck.

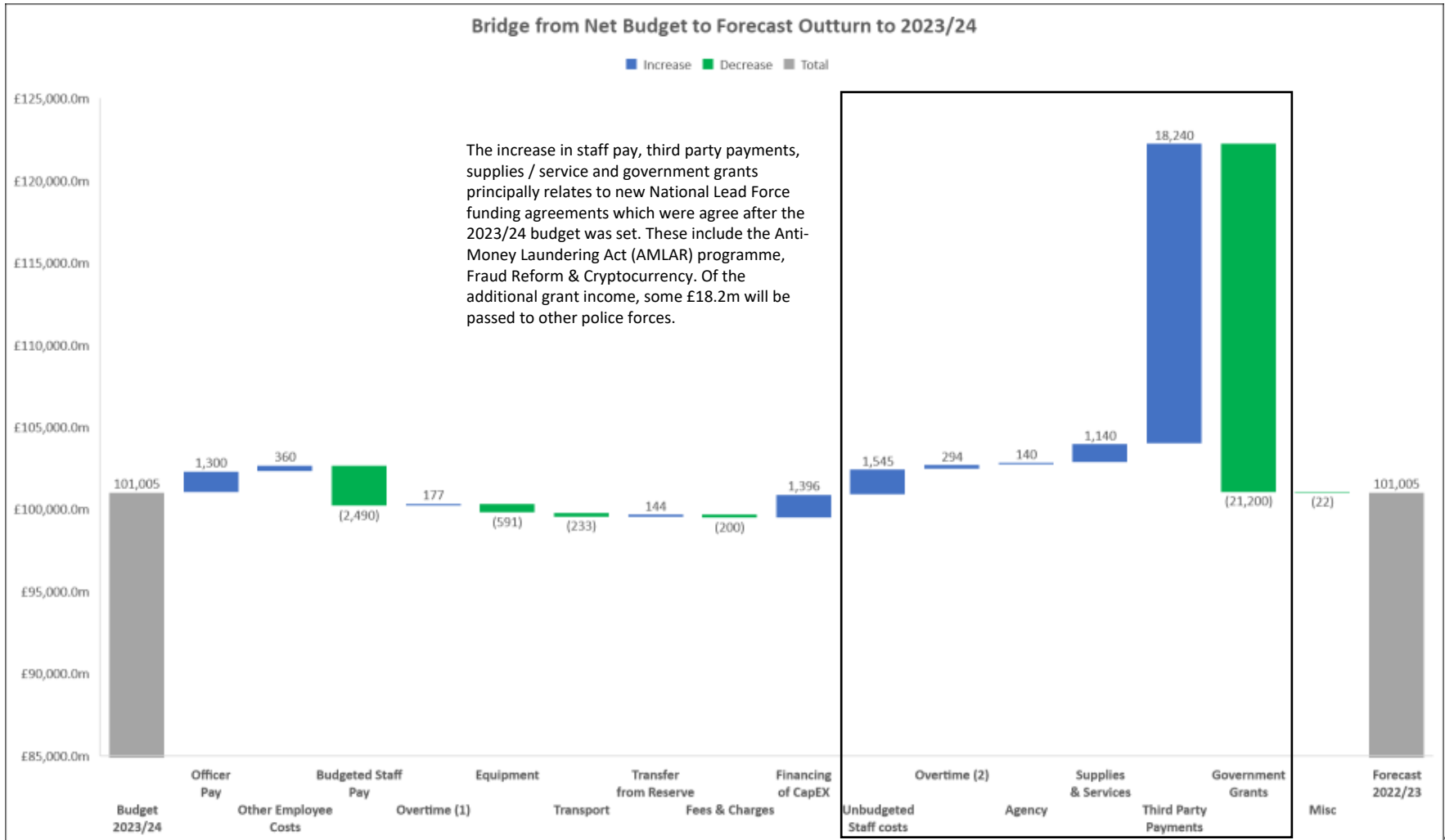
Table 1: Summary Q1 2023/24 Revenue Position	Year to Date			Forecast Outturn		
	23/24 Latest Budget	23/24 Actual	Variance +Deficit / (Surplus)	23/24 Latest Budget	23/24 Forecast	Projected Variance +Deficit / (Surplus)
	£m	£m	£m	£m	£m	£m
Officers pay cost	17.3	16.6	(0.7)	70.6	71.9	1.3
Staff Pay cost	8.1	7.0	(1.1)	32.4	31.5	(0.9)
Overtime	0.3	0.3	(0.1)	2.2	2.6	0.4
Other pay costs	0.6	0.8	0.1	25.9	26.4	0.5
<b>Total Pay Costs</b>	<b>26.3</b>	<b>24.6</b>	<b>(1.7)</b>	<b>131.1</b>	<b>132.4</b>	<b>1.2</b>
Total Non-Pay Costs	12.9	5.5	(7.4)	61.3	81.7	20.4
<b>Total Expenditure</b>	<b>39.3</b>	<b>30.2</b>	<b>(9.1)</b>	<b>192.4</b>	<b>214.0</b>	<b>21.6</b>
Income	(16.1)	(8.0)	8.1	(86.7)	(108.5)	(21.8)
Funding	(25.3)	(24.2)	1.1	(101.0)	(101.0)	0.0
Use of reserves	0.0	0.0	0.0	(2.2)	(2.1)	0.1
Other	0.0	0.0	0.0	(2.4)	(2.4)	0.0
<b>Total Income &amp; Funding</b>	<b>(41.4)</b>	<b>(32.2)</b>	<b>9.1</b>	<b>(192.4)</b>	<b>(214.0)</b>	<b>(21.6)</b>
<b>(Surplus)/ Deficit</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>



# Revenue Monitoring 2023/24 (Q1) – Detailed Table

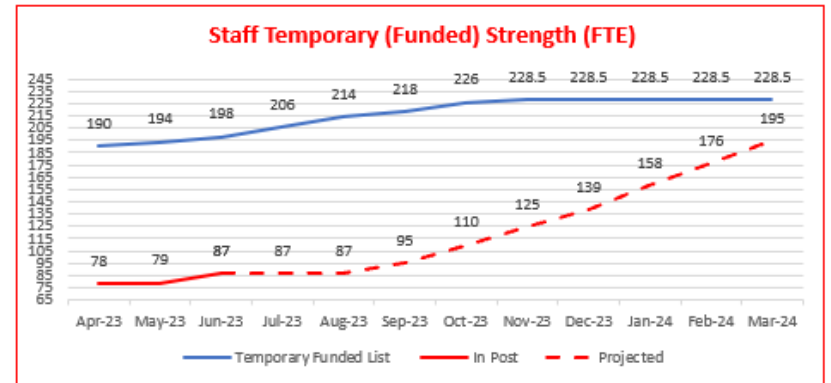
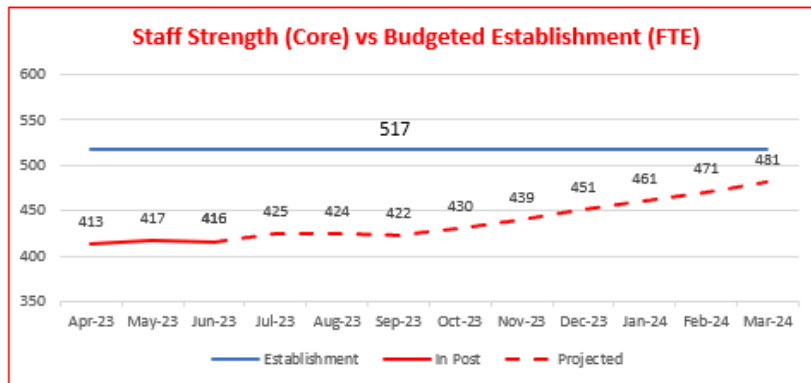
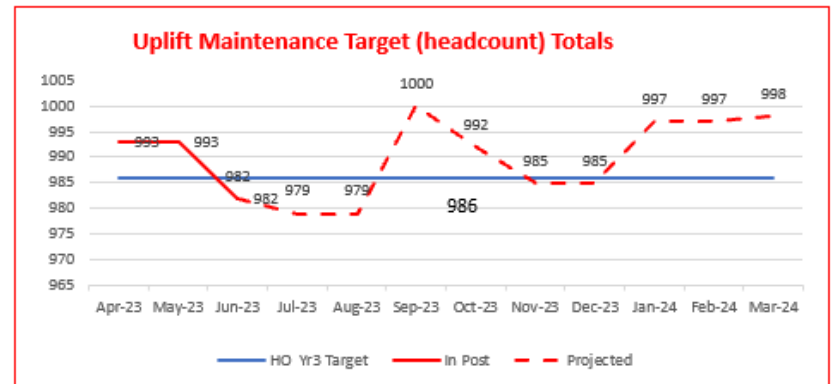
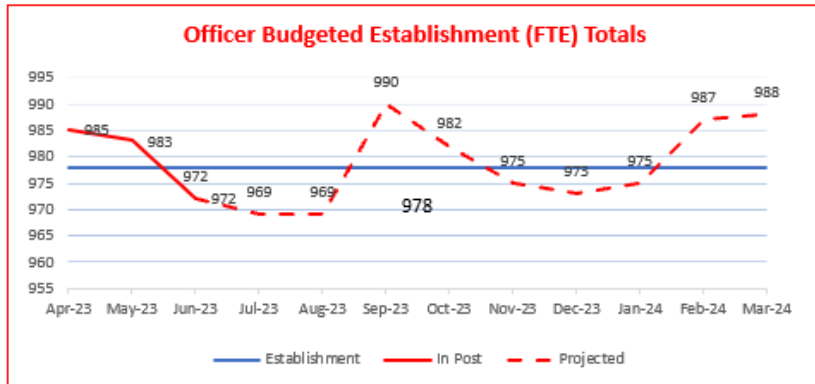
<b>Table 2: Detailed Q1 2023/24 Revenue Position</b>	<b>23/24 Latest Budget</b>	<b>Budget (Q1 YTD)</b>	<b>Actual (Q1 YTD)</b>	<b>Variance to Date +Deficit / (Surplus)</b>	<b>Projected Outturn +Deficit / (Surplus)</b>	<b>Projected Variance +Deficit / (Surplus)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Pay</b>						
Officers	70.6	17.3	16.6	(0.7)	71.9	1.3
Staff	32.4	8.1	7.0	(1.1)	31.5	(0.9)
Overtime	2.2	0.3	0.3	(0.1)	2.6	0.5
Agency	0.8	0.1	0.2	0.1	0.9	0.1
Police Officer Pension	23.0	0.0	0.0	0.0	23.0	0.0
Indirect employee costs	2.1	0.5	0.6	0.1	2.5	0.4
<b>Total Pay</b>	<b>131.1</b>	<b>26.3</b>	<b>24.6</b>	<b>(1.7)</b>	<b>132.4</b>	<b>1.3</b>
<b>Non-Pay</b>						
Premises Costs	2.9	1.2	1.0	(0.3)	3.0	0.0
Transport Costs	2.7	0.7	0.5	(0.2)	2.5	(0.2)
Supplies and Services	37.2	9.3	4.1	(5.1)	37.6	0.4
Third Party Payments	12.3	1.6	(0.2)	(1.8)	30.6	18.2
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	0.0
Capital Charges *	2.9	0.0	0.0	0.0	4.3	1.4
Transfer to Reserve	0.0	0.0	0.0	0.0	0.5	0.5
<b>Non-Pay</b>	<b>61.3</b>	<b>12.9</b>	<b>5.5</b>	<b>(7.4)</b>	<b>81.6</b>	<b>20.3</b>
<b>Total Expenditure</b>	<b>192.4</b>	<b>39.3</b>	<b>30.2</b>	<b>(9.1)</b>	<b>214.0</b>	<b>21.6</b>
<b>Income</b>						
Specific Grants	(69.8)	(11.7)	(5.1)	6.6	(91.1)	(21.2)
Partnership	(13.5)	(3.2)	(2.1)	1.1	(13.4)	0.1
Fees & Charges	(3.4)	(0.8)	(0.9)	(0.1)	(4.1)	(0.6)
Transfer from Reserves	(2.2)	(0.4)	0.0	0.4	(2.1)	0.1
CoLP Core Funding	(101.0)	(25.3)	(24.2)	1.1	(101.0)	0.0
Capital Charges Contras *	(2.4)	0.0	0.0	0.0	(2.4)	0.0
<b>Total Income</b>	<b>(192.4)</b>	<b>(41.4)</b>	<b>(32.2)</b>	<b>9.1</b>	<b>(214.0)</b>	<b>(21.6)</b>
<b>Underlying Deficit</b>	<b>0.0</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>

# Revenue Monitoring 2023/24 (Q1) – Bridge Analysis





# Revenue Monitoring 2023/24 (Q1) – Workforce Dashboard



# Budget Virements 2023/24 (Q1)

To more accurately align the 2023/24 budget to forecast outturn, several adjustments have been made to the budget as shown below. The changes are reclassifications of expenditure rather than a change in scope of activities and are for information.

Table 3: 2023/24 Budget Virements	23/24 Original Budget £m	23/24 Latest Budget £m	Change £m	Explanation
<b>Pay</b>				
Officers	73.2	70.6	(2.6)	Seconded staff from 28 Proactive Economic Crime Team/ Regional Organised Crime Units were included within the Officer budget but will be expensed through third party payments.
Staff	28.7	32.4	3.7	Staff posts relating to the Fraud Reform and FCCRAS (revenue) were budgeted under supplies and services but will be expensed via payroll.
Overtime	2.1	2.2	0.1	Reallocation of Local Policing budget following management team review.
Agency	0.8	0.8	0.0	
Police Officer Pension	23.0	23.0	0.0	
Indirect employee costs	2.1	2.1	0.0	
<b>Total Pay</b>	<b>129.9</b>	<b>131.1</b>	<b>1.2</b>	
<b>Non-Pay</b>				
Premises Costs	4.2	2.9	(1.3)	Reduction in National Non-Domestic Rates (NNDR) budget following successful appeal to the Valuation Office (£1m) & removal of provision for Middlesex Street and other rent (£0.3m)
Transport Costs	2.8	2.7	(0.1)	Reallocation of Local Policing budget following management team review.
Supplies and Services	40.6	37.2	(3.4)	Staff posts relating to the Fraud Reform and FCCRAS (revenue) were budgeted under supplies and services but will be expensed via payroll. In addition to £0.1m Illicit Grant funds to Supplies & Services Crime Academy and £0.1m other.
Third Party Payments	9.6	12.3	2.7	Seconded staff from 28 Proactive Economic Crime Team/ Regional Organised Crime Units included were included within the Officer budget but will be expensed through third party payments. In addition to £0.1m Illicit Grant funds to Supplies & Services Crime Academy.
Unidentified Saving	(1.0)	0.0	1.0	Removal of budget mitigation following successful NNDR appeal.
CoL Support Services	3.2	3.3	0.0	
Capital Charges	2.9	2.9	0.0	
Transfer to Reserve	0.0	0.0	0.0	
<b>Non-Pay</b>	<b>62.3</b>	<b>61.3</b>	<b>(1.0)</b>	
<b>Total Expenditure</b>	<b>192.2</b>	<b>192.4</b>	<b>0.2</b>	
<b>Income</b>				
Specific Grants	(69.9)	(69.8)	0.1	Reclassification. National Fraud Initiative Test Manager role to be funded from Proceeds of Crime Act (POCA) reserve.
Partnership	(13.7)	(13.5)	0.2	Reclassification. District Attorney's Office New York expenditure to be funded from Proceeds of Crime Act (POCA) reserve.
Fees & Charges	(3.4)	(3.4)	0.0	
Transfer from Reserves	(1.8)	(2.2)	(0.4)	Reclassification from Government Grants and Partnership Income.
CoLP Core Funding	(101.0)	(101.0)	(0.0)	
Capital Charges Contras	(2.4)	(2.4)	0.0	
<b>Total Income</b>	<b>(192.2)</b>	<b>(192.4)</b>	<b>(0.2)</b>	
<b>Difference</b>	<b>- 0.00</b>	<b>0.0</b>	<b>0.0</b>	

# Overtime 2023/24 (Q1)

The overtime budget for 2023/24 totals £2.151m as shown in Table 4 below. The forecast outturn is an overspend of £0.471m, however, included within this are £0.192m of “recoverable” overtime events including: funded work (£105k), other major crimes (£57k) and the King’s Coronation (£30k).

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 £700k per event.

<b>Table 4: Overtime by Business Area 2023/24</b>	<b>2023-24 Budget £000s</b>	<b>2023-24 Actual* £000s</b>	<b>2023-24 Forecast £000s</b>	<b>2023-24 Variance £000s</b>
Local Policing	813	148	889	76
Corporate Services	0	27	21	21
Specialist Operations	242	74	321	79
National Lead Force	320	43	614	294
Central Income & Expenditure	776	(10)	776	0
<b>Grand Total</b>	<b>2,151</b>	<b>283</b>	<b>2,622</b>	<b>471</b>

*\*Net total includes £622k 22/23 accrual for overtime claims to be paid in 23/24*

*with actual overtime processed in Q1 being £905k i.e. £622k plus £283k*



# Business Area Summaries 2023/24 (Q1)

Revenue outturn summaries for each of the business areas is shown in Table 5 below:

Table 5: Q1 2023/24 Busines Area Revenue Summaries	23/24 Latest Budget £m	Budget (Q1 YTD) £m	Actual (Q1 YTD) £m	Variance to Date +Deficit / (Surplus) £m	Projected Outturn +Deficit / (Surplus) £m	Projected Variance +Deficit / (Surplus) £m	Notes
Local Policing	27.9	7.0	7.8	0.8	30.6	2.8	1
Specialist Operations	26.9	6.7	7.2	0.4	24.6	(2.4)	2
National Lead Force	6.8	1.7	(2.6)	(4.3)	5.9	(0.9)	3
Corporate Services	30.8	7.0	7.3	0.2	30.3	(0.5)	4
Central Income & Expenditure	8.6	0.7	2.5	1.8	9.6	1.0	5
<b>Total</b>	<b>101.0</b>	<b>23.2</b>	<b>22.1</b>	<b>(1.1)</b>	<b>101.0</b>	<b>(0.0)</b>	

**Local Policing:** Overspend £2.8m - Police pay is forecast to overspend by £3.15m due £6.24m of student officer costs, which have been partially offset by vacancies against the budgeted establishment of £3.1m. Overtime is projected to overspend by £76k due to the learning curve effect of student officers and to mitigate vacancies in tactical firearms team (TFG). There is a risk that if the number of protest follows the trend of last year, the expected overtime variance could increase significantly; pre-emptive measures have been put in place by the senior leadership team to contain overtime. Supply and Services has projection of £542km underspend this is mainly driven by firearms equipment purchases due to the recruitment drag in this specialist Unit and correspondingly there is an income shortfall is forecast of £153k based on a projected reduction in training and seminars offered by the TFG team.



# Business Area Summaries 2023/24 (Q1) continued

**Specialist Operations:** Underspend £2.4m – this is due to significant levels of Officer/Staff vacancies (x70) against the budgeted establishment (£0.8m) after incorporating £0.715m of unbudgeted staff costs which will be offset from Enhanced Cyber Reporting System (ECRS), AMLAR and Fraud Reform funding. Overtime remains a significant risk and the forecast will be developed through each quarter in parallel with governance reviews within Specialist Operations senior leadership team. Savings are forecasted to be achieved in supplies and services (£0.1) mainly due to Cyber Griffin growth plans (£0.25m) for national work currently on hold offset against inflationary increases in contracts, AMLAR training spend and a slippage in the refurbishment of the discrete offsite parking facility (£0.15m). Government grants are forecast to be £0.7m above budget largely through increased funding agreed within 23/24 for growth posts in AMLAR, ECRS, Drug Testing on Arrest & Fraud Reform. Furthermore, Other Grants and Customer Client Receipts are forecasted to recover £0.5m over budget through increased recovery on Driver Safety Courses, Op Safeguard (Custody Cells) and x4 secondments.

**National Lead Force:** Underspend £0.9m principally relating to officer and staff underspends due to vacancies. The outturn forecast also includes £20.7m of new funding Fraud Reform £4.7m Anti Money Laundering Act Regulations (AMLAR) £3.3m and Cybercrime Cryptocurrency £12.7m. Of this new funding £18.2m will be passed to other Police Forces with the remainder applied to additional supplies and services spend (£1m), additional overtime £0.3m and £1.2m as a contribution to overhead costs recovery.

**Corporate Services:** Underspend £0.5m – this is mainly due to staff vacancies (£0.8m) offset by additional agency costs to backfill specialist staff vacancies £0.33m. The forecast outturn in staff pay incorporates £0.455m of unbudgeted staff costs which will be offset from Enhanced Cyber Reporting System (ECRS), AMLAR and Fraud Reform funding.

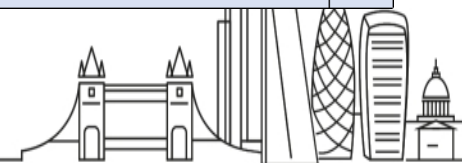
**Central Expenditure & Income:** Overspend £1m – this is principally due to £0.8m being included for a higher than budgeted officer pay ward, a £1.4m higher provision for revenue funding capital expenditure offset by £1.2m of addition income from recharging to new funded work.



# Mitigations 2023/24 (Q1)

The 2023/24 revenue estimate included £8.6m of mitigations to deliver a balanced budget. Current forecast suggest that the mitigations target will be exceeded due to the additional recharging of cost to funded activities and progress against each of the mitigations is shown in Table 6 below.

Table 6: 2023/24 Mitigations Plan	Target £m	Forecast £m	Comments	RAG
Reduction in Action Fraud exceptional costs	2.0	2.0	Projecting achievement subject to finalisation of exit costs	Yellow
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.	Green
Increased use of the POCA Reserve	1.3	1.3	Continued use of POCA reserve to support the work of the Assest Recovery Team.	Green
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.	Green
Higher proportion of more junior PCs	0.6	0.6	Expected to be achieved through workforce planning and continued student officer recruitment.	Green
Increased recharging of costs to funded activities	0.5	1.2	Expected to be achieved. Q1 outturn forecast assumes £1.1m of additional recharging to new funded activities, including NLF Fraud, the Anti-Money Laundering Act and Cybercrime Cryptocurrency. This forecast is to be reviewed during Q2 to ascertain the pay award impact on available funding.	Green
Non-pay savings: agency costs, professional fees and other	0.4	0.4	Removed from 2023/24 budget. Agency and professional fees budgets will be closely monitored as the financial year progresses to confirm achievement.	Green
Improvements in Officer rank / supervisory ratios	0.3	0.0	£180k of rank ratio savings are included in the Corporate Services review, however, it is uncertain at this stage whether any savings will accrue to 2023/24. Additionally a review of Sergeant and Inspector ratios across the force is underway and a further update will be presented at Q2.	Yellow
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.	Green
<b>Total</b>	<b>8.6</b>	<b>9.0</b>		

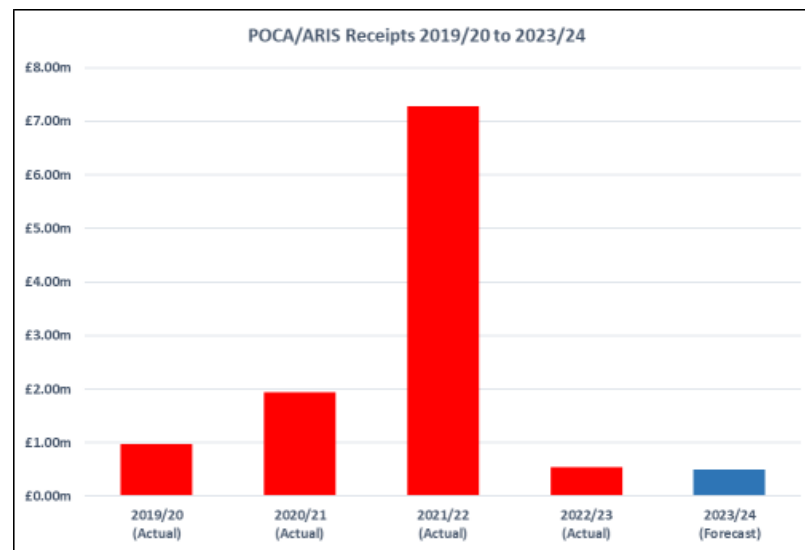


# Proceeds of Crime Act (POCA)/ Asset Recovery Incentivisation Scheme (ARIS) 2023/24 (Q1)

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). It is expected that ARIS/POCA receipts are used to further enhance the response to asset recovery, crime reduction, community projects and other schemes. POCA/ARIS receipts vary significantly year on year as demonstrated in in Table 7 and accompanying bar chart below.

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

<b>Table 7:</b> ARIS/POCA Receipts	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
<b>Total</b>	<b>0.98</b>	<b>1.94</b>	<b>7.28</b>	<b>0.54</b>	<b>0.50</b>	<b>11.24</b>



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



# Proceeds of Crime Act Funded Expenditure 2023/24

Table 8 below provides a summary of those revenue workstreams which will be funded from the Proceeds of Crime Act (POCA) Reserve in 2023/24. In addition to the £2.064m below a further £287k of capital expenditure will be funded from the POCA Reserve (Table 14).

<b>Table 8: 2023/24 POCA Funded Expenditure</b>	<b>Asset Recovery £'000</b>	<b>Crime Reduction £'000</b>	<b>Community Projects £'000</b>	<b>Misc £'000</b>	<b>Total £'000</b>	<b>Description</b>
Asset Recovery Team	1,257				1,257	Funding of Asset Recovery Team for a period of three years. Maximum requirement = £3.9m or £1.3m per annum
Civil Recovery Team	203				203	Funding of Civil Recovery Team for a period of 3 years. Total Requirement = £508k 2023/24 is Year 2
Covert Tasking Budget	115				115	Overtime/Tasking budget for Covert/SIU for 3 years. Total requirement = £287.5k. 2023/24 is Year 2
Streamlined Forensic Reporting			10		10	Funding of SFR reporting for 3 years. Total requirement = £30k. 2023/24 is Year 3.
Stakeholder Engagement Manager				54	54	Project to improve and oversee stakeholder engagement both locally and nationally in line with engagement strategy.
NLF: DANY (District Attorney New York)		275			275	DANY secondment contribution costs towards 2 x officers on secondment in New York until 31.03.24
NLF: NFIB Service Delivery Team (SDT) - Quality Assurance Testing (QAT) fees		150			150	A contribution towards in-house system tester costs in order to give the force more direct control of testing timetables, and assist develop in-house capability.
<b>Total</b>	<b>1,575</b>	<b>425</b>	<b>10</b>	<b>54</b>	<b>2,064</b>	





# Reserves 2023/24 (Q1)

Police Reserves are set out in Table 9 below:

Based on the Q1 position, it is expected that Reserves will reduce by £1.85m from an opening balance of £16.94m to £15.09m as a result of ARIS/POCA funded activities. Due to the forecast underspend on supplies and services at Q1, the £351k drawdown from the General Reserve approved by the Police Authority Board in June 2023 has been omitted at this stage but the requirement to drawdown will be reviewed in subsequent reporting periods.

The Forces Reserve Strategy set a general reserve target of 5% of gross revenue expenditure (192.3m) to mitigate unforeseen events, the balance of £9.25m is 4.8% of gross revenue expenditure. The adequacy and any requirement to draw upon the General Reserve, as a result of emerging pressures, will be kept under review.

<b>Table 9: 2023/24 Use of Reserves</b>	<b>Opening Balance</b>	<b>Transfer to Reserve</b>	<b>Projected Spend</b>	<b>Projected Closing Balance</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Proceeds of Crime Act (POCA)	(7.40)	(0.50)	2.35	(5.54)
General Reserve	(9.25)		0.00	(9.25)
Emergency Services Mobile Technology	(0.29)		0.00	(0.29)
<b>Total</b>	<b>(16.94)</b>	<b>(0.50)</b>	<b>2.35</b>	<b>(15.09)</b>



# Police Authority Team Revenue Budget 2023/24 (Q1)

Table 10 sets out the Police Authority Team budget for 2023/24.

<b>Table 10 Police Authority Team Revenue Budget 2023/24</b>	<b>23/24 Latest Budget</b>	<b>Budget (Q1 YTD)</b>	<b>Actual (Q1 YTD)</b>	<b>Variance to Date +Deficit / (Surplus)</b>	<b>Projected Outturn +Deficit / (Surplus)</b>	<b>Projected Variance +Deficit / (Surplus)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Staff	0.7	0.2	0.2	(0.0)	0.7	(0.0)
<b>Total Pay</b>	<b>0.7</b>	<b>0.2</b>	<b>0.2</b>	<b>(0.0)</b>	<b>0.7</b>	<b>(0.0)</b>
Supplies and Services	0.3	0.1	0.0	(0.1)	0.3	0.0
<b>Non-Pay</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.0</b>
<b>Total Expenditure</b>	<b>1.0</b>	<b>0.3</b>	<b>0.2</b>	<b>(0.1)</b>	<b>1.0</b>	<b>(0.0)</b>

The outturn forecast at the end of Q1 is to budget and includes provisions for potential Corporation recharges, hearing costs and areas of jointly funded work with the force (eg demand analysis). In addition, a small grant giving programme has been established in line with other Police and Crime Commissioner areas. The aim of the grants programme is to add targeted investment in Policing Plan priority areas. The bids approved by the Police Authority Board in July 2023 include behavioural change for domestic abuse perpetrators, victim awareness courses for offenders and diversion / referral pathways for individuals with substance misuse issues. The total of bids approved to date is £26,000.



# Capital Monitoring 2023/24 (Q1) - Headlines

For the first quarter of 2023/24, to the 30<sup>th</sup> of June 2023, expenditure on CoLP capital projects totalled £577,000 as summarised in table 11 below.

The first element is the 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 Corporation loan facility. Total spend in quarter one is £256,000.

The second element are large strategic schemes funded by the Corporation, comprising the Secure City Programme and the Accommodation Strategy. Total spend in quarter one is £305,000.

The third element comprises a few legacy projects that predate 2020/21, which are also funded by the Corporation. Total spend in quarter one is £16,000.

Table 11 – Summary of capital expenditure 2023/24 – Quarter 1 (Q1)	£000
1. CoLP Capital Programme – projects managed by CoLP. Funded from either CoLP's own resources, Home Office grant or Corporation loan to be repaid (slides 3 to 7)	256
2. Strategic projects - funded by the Corporation (slides 8 and 9)	305
3. Legacy projects - funded by the Corporation (slides 8 and 9)	16
<b>Total capital expenditure 2023/24 – Q1</b>	<b>577</b>

In addition to the capital projects noted above, CoLP also undertakes projects which are deemed to be revenue in nature, referred to as **Supplementary Revenue Projects**. Spend in quarter one on these was **£99,000** (slides 27 and 28).



# CoLP Capital Programme 2023/24

The total CoLP Capital Programme budget for 2023/24 amounts to £24.8m as shown in table 12 below, comprising the original CoLP Capital Programme for 2023/24 of £23.7m, as agreed at PAB in February 2023, and £1.1m of project spend which slipped from the prior year 2022/23 into 2023/24. Q1 spend totalled £256k, whilst forecast outturn spend amounts to £21.3m, representing an underspend of £3.5m, largely due to rephasing of £2.8m FCCRAS spend to 2024/25. All variations are explained in slides 4 to 6.

<b>Table 12 - CoLP Capital Programme 2023/24</b>	<b>Budget 2023/24</b>	<b>Q1 Spend 2023/24</b>	<b>Forecast Outturn 2023/24</b>	<b>Variance: Budget vs Forecast Outturn</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
FCCRAS	21,552	136	18,800	(2,752)	(i)
Cyclical replacement - Mobile phone refresh	273	0	273	0	(ii)
- Other	227	0	227	0	(iii)
Power BI	435	0	280	(155)	(iv)
ICAV	240	0	249	9	
Other projects / seed funding	1,000	0	1,000	0	(v)
<b>Sub-total – CoLP Capital Programme 2023/24</b>	<b>23,727</b>	<b>136</b>	<b>20,829</b>	<b>(2,898)</b>	
<b>Slipped 2022/23 Projects:</b>					
Horsebox	400	0	0	(400)	(vi)
Body Worn Video	119	10	119	0	(vii)
Other 2022/23 projects	581	110	395	(186)	(viii)
<b>Sub-total – Slipped 2022/23 Projects</b>	<b>1,100</b>	<b>120</b>	<b>514</b>	<b>(586)</b>	
<b>Total CoLP Capital Programme 2023/24</b>	<b>24,827</b>	<b>256</b>	<b>21,343</b>	<b>(3,484)</b>	



# CoLP Capital Programme 2023/24

## Notes:

- i. **FCCRAS:** When the 2023/24 budget was originally set, all remaining Home Office funding of £21.6m on FCCRAS was expected to be received and spent in 2023/24. However, the Home Office has since rephased the 2023/24 contribution across two years, with £18.8m in 2023/24 and £2.2m in 2024/25. It is expected that the full £18.8m will be spent in 2023/24. The total project budget of £31.0m remains unchanged and is anticipated to be fully spent by the close of 2024/25. Q1 expenditure at £136k is lower than anticipated at this stage. This is mainly due to stage certification payments being behind schedule because of vetting delays and revisions to the Implementation Plan and Testing Strategy (£1.8m). In addition, invoices for consultancy costs were not received in Q1 (£0.3m). However, stage certification payments and invoices have largely caught up during Q2, which has resulted in the forecast of FCCRAS capital expenditure amounting to £18.8m by year-end.
- ii. **Mobile Phone Refresh:** An order of 800 handsets has been agreed, which will replace the handsets of those officers and support staff who have active handsets. A review of inactive phones will take place to determine any additional requirement.
- iii. **Other cyclical replacements:** To date nothing has been spent, however projects/costs are expected to emerge as the year progresses.
- iv. **Power BI Phase 2:** A draft strategic outline business case is being prepared which shows a total cost of £523k (tbc), phased over two years, with £280k in 2023/24 and £243k in 2024/25.
- v. **Other projects/seed funding:** To date nothing has been spent, however projects/seed funding requirements are likely to emerge during the year and utilise the provision available.
- vi. **Horsebox:** There was a delay purchasing the horsebox in 2022/23 due to the limited supplier selection nationally. An order for the horsebox was raised at the end of April 2023 and it is anticipated that delivery and spend will now take place between September and December 2024 due to manufacturing and fit out schedules.



# CoLP Capital Programme 2023/24

vii. **Body Worn Video:** Most of this project took place in 2022/23. The total project budget was £313k. The project is anticipated to go live in late September 2023 and the total cost is likely to come in just under budget.

viii. **Other 2022/23 Projects:** A breakdown of the other 2022/23 slipped projects is shown in table 13 below.

<b>Table 13 - Other 2022/23 Projects</b>	<b>Total Project Budget</b>	<b>Prior Years Spend</b>	<b>Q1 Spend 2023/24</b>	<b>Forecast Spend Q2 to Q4 2023/24</b>	<b>Total Forecast Project Spend</b>	<b>Variance: Total Budget vs Total Forecast Spend</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
CoLP Covert Camera System	155	71	3	81	155	-	
CoLP Covert Surveillance Equipment	247	90	33	124	247	-	
CoLP Forensic Network	155	97	7	20	124	(31)	(i)
CoLP Forensic Storage	238	58	22	60	140	(98)	(ii)
CoLP Fleet Vehicle Replacement 2022/23	420	338	38	-	376	(44)	
Child Abuse Image Database (CAID)	53	33	7	-	40	(13)	(iii)
<b>Total Other Projects</b>	<b>1,268</b>	<b>687</b>	<b>110</b>	<b>285</b>	<b>1,082</b>	<b>(186)</b>	



# CoLP Capital Programme 2023/24

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## Notes:

- i. **CoLP Forensic Network:** This project is nearing completion. Overall, an underspend of £31k is expected, largely due to hardware costs being lower than anticipated.
- ii. **CoLP Forensic Storage:** This project is remains ongoing. It was delayed due to staff resources being required to work on alternative projects. An underspend of £98k is anticipated, due to reduced software costs and professional fees being lower due to the reduced complexity in the delivery of the project.
- iii. **Child Abuse Image Database:** This project is now complete. The underspend of £13k was due to hardware costs being lower than anticipated.



# Funding of the 2023/24 CoLP Capital Programme

Funding of the 2023/24 CoLP Capital Programme is shown in table 14 below.

<b>Table 14 – Funding of the CoLP Capital Programme 2023/24</b>	<b>Forecast Outturn 2023/24 £'000</b>	<b>City Loan £'000</b>	<b>Home Office £'000</b>	<b>CoLP Direct Revenue Financing * £'000</b>	<b>CoLP POCA £'000</b>	<b>City Fund £'000</b>
FCCRAS	18,800	7,200	11,200	400	-	-
Mobile Phone Refresh	273	273	-	-	-	-
Other Cyclical Replacement	227	227	-	-	-	-
Power BI	280	-	-	-	280	-
ICAV	249	249	-	-	-	-
Other projects / seed funding	1,000	1,000	-	-	-	-
Horsebox	-	-	-	-	-	-
Body Worn Video	119	119	-	-	-	-
CoLP Covert Camera System	84	84	-	-	-	-
Covert Surveillance Equipment	157	157	-	-	-	-
CoLP Forensic Storage	82	82	-	-	-	-
CoLP Forensic Network	27	27	-	-	-	-
Fleet Vehicle Replacement 2022/23	38	38	-	-	-	-
Child Abuse & Image Database	7	-	-	-	7	-
<b>Capital Funding 2023/24</b>	<b>21,343</b>	<b>9,546</b>	<b>11,200</b>	<b>400</b>	<b>287</b>	<b>-</b>



\*Budgeted direct revenue financing is 400k, although this will be subject to the final CoLP revenue outturn position e.g. the £400k contribution may increase if a CoLP revenue surplus is achieved.





# Strategic and Legacy Projects 2023/24

## Strategic Projects

For the first quarter of 2023/24, to the 30<sup>th</sup> of June 2023, £305k 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. For the first quarter of 2023/24, to the 30<sup>th</sup> of June 2023, expenditure on these projects amounts to £16k, as summarised in table 15 below.

<b>Table 15 - Legacy projects 2023/24</b>	<b>Total Project Budget</b>	<b>Approved Budget Drawdown</b>	<b>Q1 Spend 2023/24</b>	<b>Total Project Spend to Q1 2023/24</b>	<b>Variance: Total Project Budget vs Total Project Spend</b>	<b>Notes</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Information Technology	13,402	13,402	-	12,601	(801)	
Fleet	1,800	1,800	15	1,433	(367)	(i)
Accommodation	15,947	14,718	-	13,718	(2,229)	
Ring of Steel (IMS / DRS)	2,569	2,569	1	2,221	(348)	
<b>Total legacy projects</b>	<b>33,718</b>	<b>32,489</b>	<b>16</b>	<b>29,973</b>	<b>(3,745)</b>	



# Strategic and Legacy Projects 2023/24

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## Legacy Projects Notes

- 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. £1.4m has been spent against this, including £15,000 in 2023/24 to the end of Q1.



# Supplementary Revenue Projects 2023/24

For the first quarter of 2023/24, to the 30<sup>th</sup> of June 2023, spend on CoLP **Supplementary Revenue Projects** is £99,000 compared to a budget of £169,000 as shown in table 16 below. Table 17 (slide 28) shows how these projects will be funded.

Table 16 - CoLP Supplementary Revenue Projects – 2023/24	SRP Budget 2023/24  £'000	Q1 Spend 2023/24  £'000	Forecast Spend Q2 to Q4 2023/24 £'000	Total Forecast Spend 2023/24 £'000	Variance: Budget vs Total Forecast Spend £'000	Notes
Armoury Improvements	139	72	67	139	-	(i)
Barbican Airwave Coverage	30	27	-	27	(3)	
<b>Total CoLP SRPs</b>	<b>169</b>	<b>99</b>	<b>67</b>	<b>166</b>	<b>(3)</b>	

- i. **Armoury Improvements:** The total budget of the project is £191k. Expenditure to 30 June 2023, including spend in prior years, amounts to £124k. It is anticipated that the remaining project budget of £67k will be spent in the current financial year.



# Funding of Supplementary Revenue Projects 2023/24

Funding of forecast expenditure in 2023/24 on Supplementary Revenue Projects is shown in table 17 below.

<b>Table 17 – CoLP Supplementary Revenue Projects – Funding 2023/24</b>	<b>Total Forecast Spend 2023/24 £'000</b>	<b>City Loan £'000</b>	<b>CoLP Revenue £'000</b>	<b>CoLP POCA £'000</b>
Armoury Improvements	139	79	60	-
Barbican Airwave Coverage	27	27	-	-
<b>Total SRP Funding 2023/24</b>	<b>166</b>	<b>106</b>	<b>60</b>	<b>-</b>

