

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

## **Revenue & Capital Monitoring 2023/24 (Q3)**

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



# 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:<br>Summary Q3 2023/24 Revenue Position | Year to Date   |                |                                      | Forecast Outturn |                |                |
|---|----------------|----------------|--------------------------------------|------------------|----------------|----------------|
|   | Budget<br>£m   | Actual<br>£m   | Variance<br>(Better)/<br>Worse<br>£m | Budget<br>£m     | Forecast<br>£m | Variance<br>£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            |
| <b>Total Pay Costs</b>                          | <b>78.9</b>    | <b>80.3</b>    | <b>1.4</b>                           | <b>131.1</b>     | <b>132.8</b>   | <b>1.8</b>     |
| <b>Total Non-Pay Costs</b>                      | <b>38.6</b>    | <b>52.7</b>    | <b>14.1</b>                          | <b>58.8</b>      | <b>81.5</b>    | <b>22.8</b>    |
| <b>Total Expenditure</b>                        | <b>117.5</b>   | <b>133.0</b>   | <b>15.5</b>                          | <b>189.9</b>     | <b>214.4</b>   | <b>24.5</b>    |
| 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)          |
| <b>Total Income &amp; Funding</b>               | <b>(117.5)</b> | <b>(133.0)</b> | <b>(15.5)</b>                        | <b>(189.9)</b>   | <b>(214.4)</b> | <b>(24.5)</b>  |
| <b>(Surplus)/ Deficit</b>                       | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>                           | <b>0.0</b>       | <b>0.0</b>     | <b>0.0</b>     |



# Revenue Monitoring 2023/24 (Q3) – Detailed Table

| <b>Table 2<br/>Detailed Q3 2023/24 Revenue Position</b> | <b>23/24 Latest<br/>Budget</b> | <b>Budget<br/>(Q3 YTD)</b> | <b>Actual<br/>(Q3 YTD)</b> | <b>Variance<br/>YTD<br/>+Deficit /<br/>(Surplus)<br/>£m</b> | <b>Projected<br/>Outturn<br/>+Deficit /<br/>(Surplus)<br/>£m</b> | <b>Projected<br/>Variance<br/>+Deficit /<br/>(Surplus)<br/>£m</b> | <b>Notes</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                           | 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)         |
| <b>Total Pay</b>  | <b>131.1</b>                   | <b>78.9</b>                | <b>80.3</b>                | <b>1.4</b>  | <b>132.8</b>   | <b>1.8</b>  |              |
| <b>Non-Pay</b>  |                                |                            |                            |   |  |   |              |
| 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   |              |
| <b>Total Non-Pay</b>                                    | <b>58.8</b>                    | <b>38.6</b>                | <b>52.7</b>                | <b>14.1</b>   | <b>81.5</b>  | <b>22.8</b>   |              |
| <b>Total Expenditure</b>                                | <b>189.9</b>                   | <b>117.5</b>               | <b>133.0</b>               | <b>15.5</b>   | <b>214.4</b>   | <b>24.5</b>   |              |
| <b>Income</b>   |                                |                            |                            |   |  |   |              |
| 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   |              |
| <b>Total Income</b>                                     | <b>(189.9)</b>                 | <b>(117.5)</b>             | <b>(133.0)</b>             | <b>(15.5)</b>   | <b>(214.4)</b>   | <b>(24.5)</b>   |              |
| <b>Underlying Deficit</b>                               | <b>0.0</b>                     | <b>0.0</b>                 | <b>0.0</b>                 | <b>0.0</b>  | <b>0.0</b>   | <b>0.0</b>  |              |

# 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.

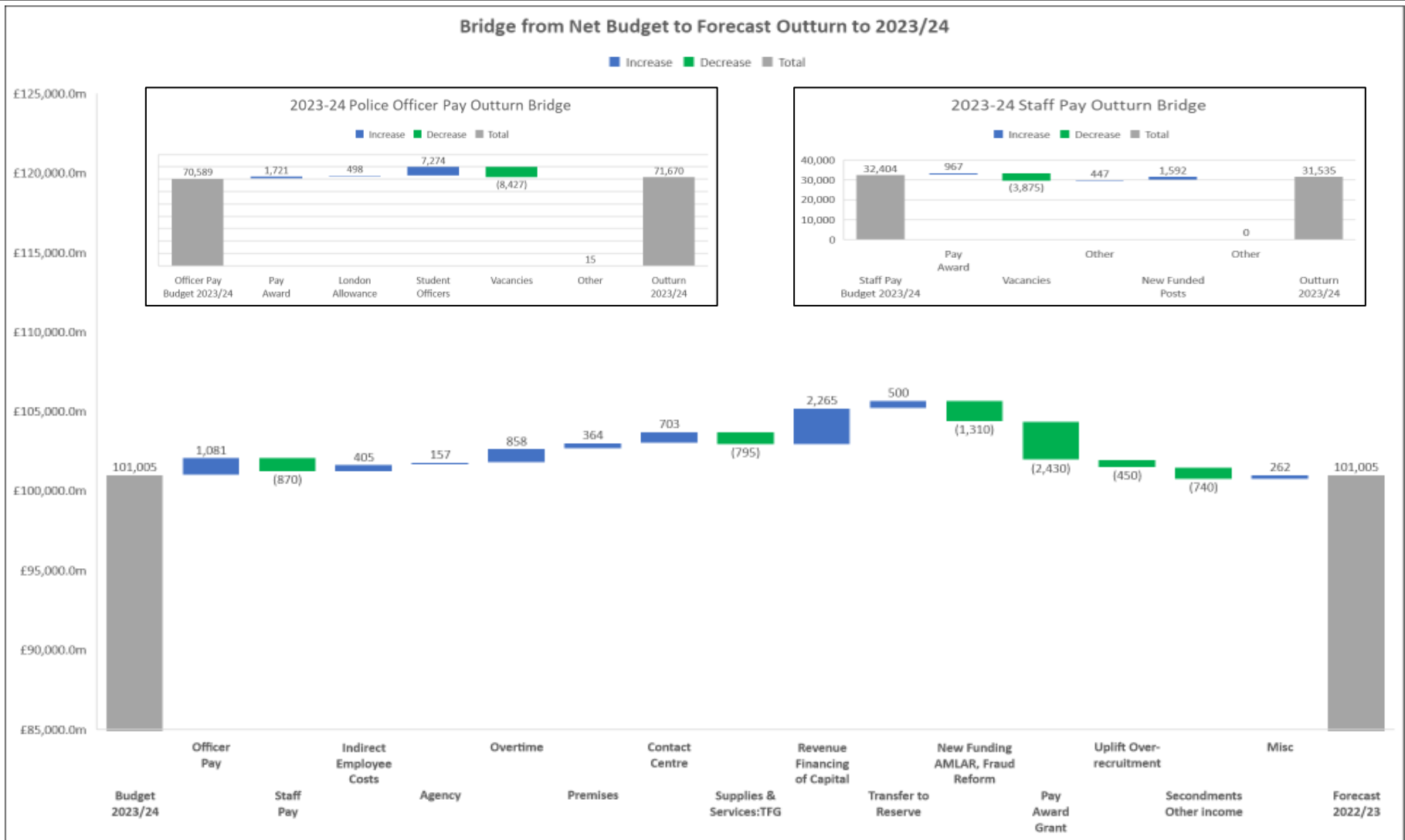
**(ix) Specific Grants: £23.4m overachievement.** This mainly relates to additional grant income in respect of Enhanced Cyber Reporting Service (ECRS), Anti Money Laundering Act Regulation (AMLAR) & Fraud Reform (£20.5m), the Home Office pay award grant (£2.4m) and Uplift Over recruitment (£0.45m).

**(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.

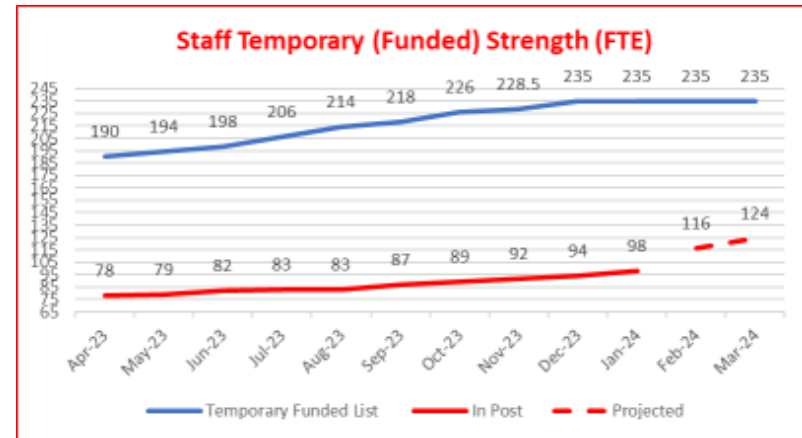
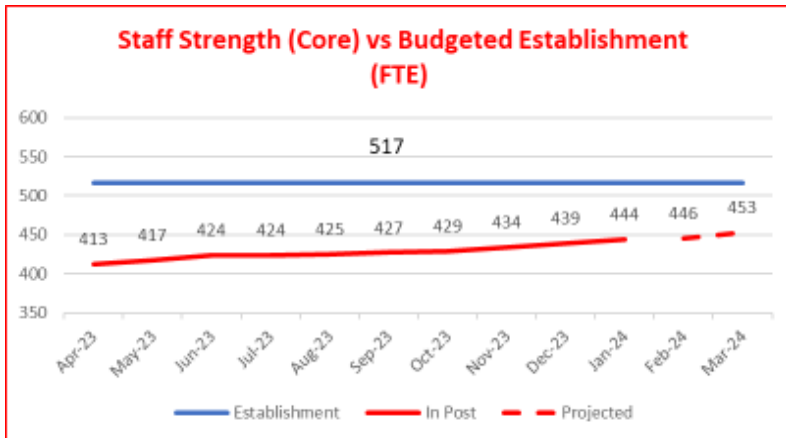
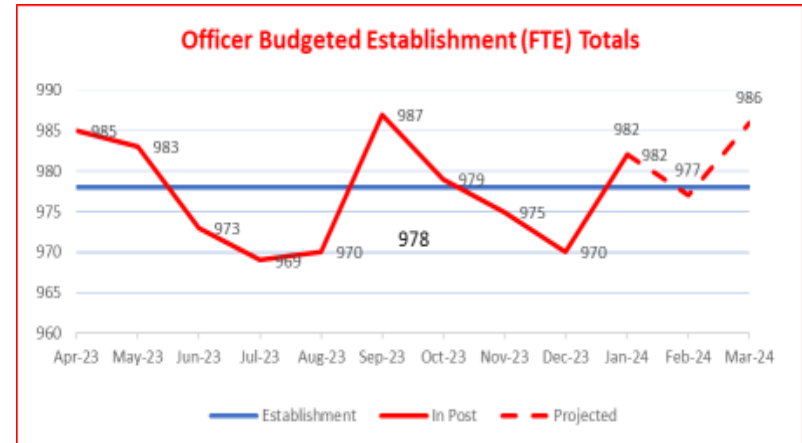
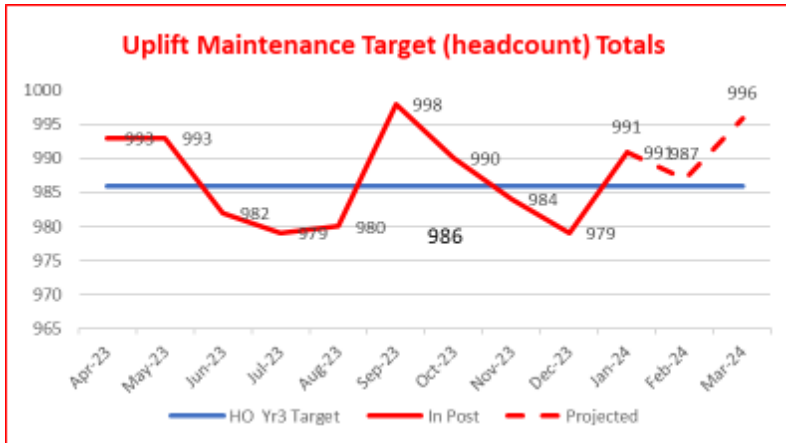


# Revenue Monitoring 2023/24 (Q3) – Bridge Analysis



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

# 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.

| <b>Table 3: Overtime by Business Area<br/>2023-24</b> | <b>2023-24<br/>Budget<br/>£000s</b> | <b>2023-24 Actual*<br/>£000s</b> | <b>2023-24 Q3<br/>Forecast<br/>£000s</b> | <b>2023-24 Variance<br/>Outturn vs Budget<br/>£000s</b> |
|---|-------------------------------------|----------------------------------|--|---|
| 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   |
| <b>Grand Total</b>                                    | <b>2,151</b>                        | <b>2,119</b>                     | <b>3,010</b>                             | <b>859</b>  |

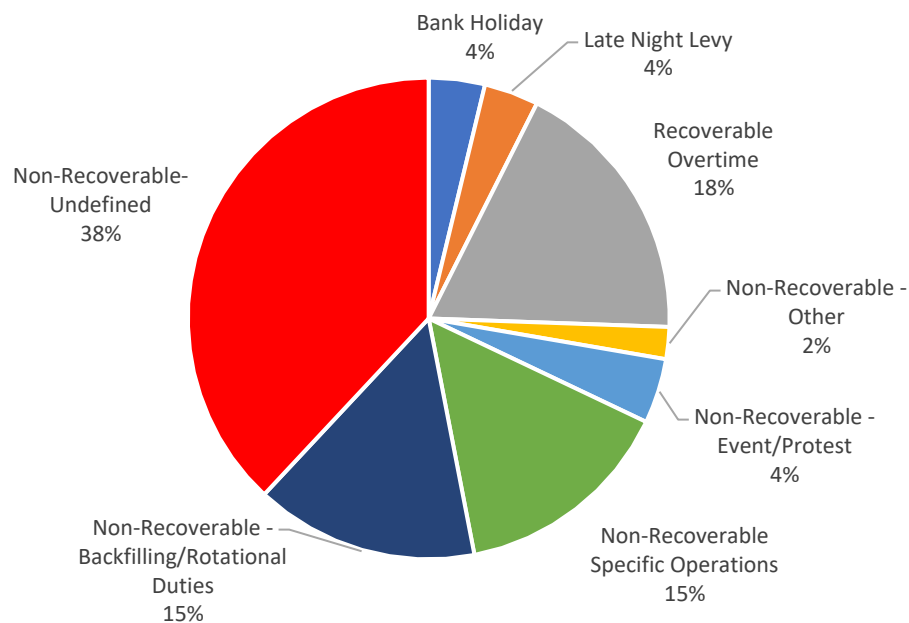
*\*Net total includes £622k 22/23 accrual for overtime claims to be paid in 23/24. Actual overtime = £2.741m*



# 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        |
| <b>Total Overtime April 2023 to December 2023</b> | <b>2,741</b> |



# Business Area Summaries 2023/24 (Q3)

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

| Table 4:<br>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)   |
| <b>Total</b>  | <b>101.1</b>        | <b>70.1</b>     | <b>79.7</b>     | <b>9.6</b>                | <b>101.1</b>                           | <b>0.0</b>                              |       |

**(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.

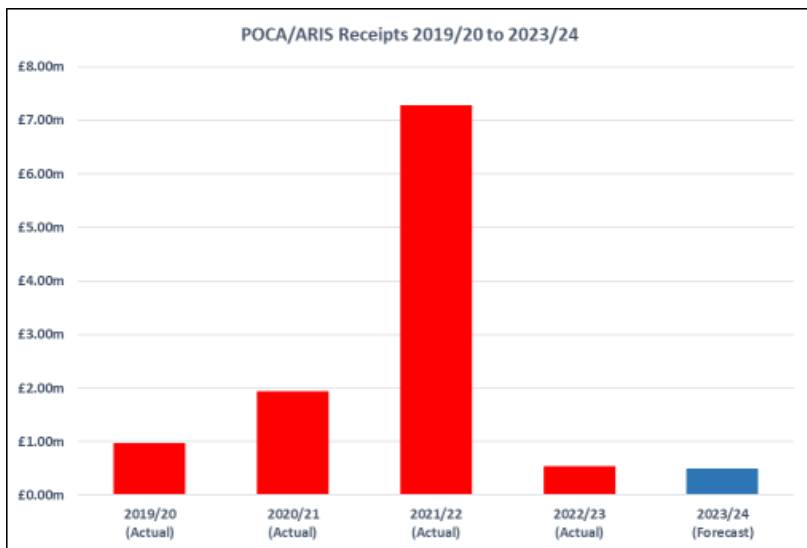
| Table 5:<br>2023/24 Mitigations Plan  | Target<br>£m | Forecast<br>£m | Comments   | RAG          |
|---|--------------|----------------|--|--------------|
| Reduction in Action Fraud exceptional costs                                 | 2.0          | 1.3            | £0.7m risk of overspend in relation 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. | 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. The higher Home Office funding is baked into core funding, and is therefore ongoing subject to any future funding review revisions.   | 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. Sustainability of this mitigation is dependent on the uncommitted balance held in the POCA reserve after 2024/25.   | 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. Sustained into 2024/25.   | Green        |
| 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.  | Green        |
| 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.  | Green        |
| 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.                      | Green        |
| 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.   | 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. The NNDR saving is sustainable as no further revaluation is expected.   | Green        |
| <b>Total</b>  | <b>8.6</b>   | <b>9.1</b>     | <b>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.</b>   | <b>Green</b> |

# 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<br>(Actual)<br>(£m) | 2020/21<br>(Actual)<br>(£m) | 2021/22<br>(Actual)<br>(£m) | 2022/23<br>(Actual)<br>(£m) | 2023/24<br>(Forecast)<br>(£m) | Total<br>(£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 (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:<br>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)    |
| <b>Total Community Projects</b>                      | <b>150</b>            | <b>100</b>        | <b>50</b>                 | <b>150</b>                              | <b>0</b>   |        |
| Asset Recovery Team                                  | 3,900                 | 1,081             | 1,254                     | 2,335                                   | (1,565)  | (ii)   |
| Civil Recovery Team                                  | 600                   | 0                 | 200                       | 200                                     | (400)  | (iii)  |
| <b>Total Asset Recovery</b>                          | <b>4,500</b>          | <b>1,081</b>      | <b>1,454</b>              | <b>2,535</b>                            | <b>(1,965)</b>   |        |
| 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)  |
| <b>Total Crime Reduction</b>                         | <b>2,047</b>          | <b>341</b>        | <b>990</b>                | <b>1,331</b>                            | <b>(716)</b>   |        |
| NLF: People Strategy                                 | 93                    | 0                 | 94                        | 94                                      | 1  | (xiii) |
| <b>Total Miscellaneous</b>                           | <b>93</b>             | <b>0</b>          | <b>94</b>                 | <b>94</b>                               | <b>1</b>   |        |
| <b>Total Revenue Funding</b>                         | <b>6,790</b>          | <b>1,522</b>      | <b>2,588</b>              | <b>4,110</b>                            | <b>(2,680)</b>   |        |
| Power BI Phase 2                                     | 650                   | 0                 | 5                         | 5                                       | (645)  |        |
| Child Abuse & Image Database (CAID)                  | 53                    | 33                | 7                         | 40                                      | (13)   |        |
| <b>Total Capital Funding</b>                         | <b>703</b>            | <b>33</b>         | <b>12</b>                 | <b>45</b>                               | <b>(658)</b>   |        |
| <b>Grand Total</b>                                   | <b>7,493</b>          | <b>1,555</b>      | <b>2,600</b>              | <b>4,155</b>                            | <b>(3,338)</b>   |        |

# 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.

| <b>Table 8:<br/>2023/24 Use of Reserves</b> | <b>Opening<br/>Balance<br/>2023/24</b> | <b>Transfer to<br/>Reserve<br/>2023/24</b> | <b>Projected<br/>Spend<br/>2023/24</b> | <b>Projected<br/>Closing<br/>Balance<br/>2023/24</b> |
|---|--|--|--|--|
|   | <b>£'m</b>                             | <b>£'m</b>                                 | <b>£'m</b>                             | <b>£'m</b>   |
| 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)  |
| <b>Total</b>                                | <b>(16.9)</b>                          | <b>(0.5)</b>                               | <b>5.2</b>                             | <b>(12.2)</b>  |



# Police Authority Team Revenue Budget 2023/24 (Q3)

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

| <b>Table 9:<br/>Police Authority Team Budget<br/>2023/24</b> | <b>23/24 Latest<br/>Budget</b> | <b>Budget<br/>(Q3 YTD)</b> | <b>Actual/<br/>Committed<br/>(Q3 YTD)</b> | <b>Variance YTD<br/>+Deficit /<br/>(Surplus)</b> | <b>Projected<br/>Outturn<br/>+Deficit /<br/>(Surplus)</b> | <b>Projected<br/>Variance<br/>+Deficit /<br/>(Surplus)</b> |
|--|--------------------------------|----------------------------|---|--|---|--|
|  | <b>£'000</b>                   | <b>£'000</b>               | <b>£'000</b>                              | <b>£'000</b>                                     | <b>£'000</b>  | <b>£'000</b>   |
| <b>Pay</b>   |                                |                            |   |  |   |  |
| 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)  |
| <b>Total Pay</b>   | <b>715.0</b>                   | <b>540.5</b>               | <b>469.2</b>                              | <b>(71.3)</b>                                    | <b>668.0</b>  | <b>(47.0)</b>  |
| <b>Non-Pay</b>   |                                |                            |   |  |   |  |
| Supplies and Services  | 285.0                          | 213.8                      | 53.4                                      | (160.4)  | 142.4   | (142.6)  |
| <b>Non-Pay</b>   | <b>285.0</b>                   | <b>213.8</b>               | <b>53.4</b>                               | <b>(160.4)</b>                                   | <b>142.4</b>  | <b>(142.6)</b>   |
| <b>Total Expenditure</b>                                     | <b>1,000.0</b>                 | <b>754.3</b>               | <b>522.6</b>                              | <b>(231.7)</b>                                   | <b>810.4</b>  | <b>(189.6)</b>   |
| Government Grants  | 0.0                            | 0.0                        | (38.0)                                    | (0.0)  | (75.0)  | (75.0)   |
| <b>Net Expenditure</b>                                       | <b>1,000.0</b>                 | <b>754.3</b>               | <b>484.6</b>                              | <b>(231.7)</b>                                   | <b>735.4</b>  | <b>(264.6)</b>   |

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

- 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<br>£'000 | 2023/24 Expenditure                            |                            |                                       | 2023/24 Forecast Outturn (A+B+C)<br>£'000 | 2023/24 Variance: Bud. v Forecast Outturn<br>£'000 | Notes  |
|---|-------------------------|--|----------------------------|---------------------------------------|---|--|--------|
|   |                         | ( A ) Actuals to 31 <sup>st</sup> Dec<br>£'000 | ( B ) Commitments<br>£'000 | ( C ) Further Forecast Spend<br>£'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)  |        |
| <b>Total CoLP Capital Programme 2023/24</b> | <b>25,344</b>           | <b>9,485</b>                                   | <b>769</b>                 | <b>8,246</b>                          | <b>18,609</b>                             | <b>(6,735)</b>                                     |        |



# 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 6<sup>th</sup> 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

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## 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 26<sup>th</sup> 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

| <b>Table 12 – Funding of the CoLP Capital Programme 2023/24</b> | <b>Forecast<br/>Outturn<br/>2023/24<br/>£'000</b> | <b>City Loan<br/>£'000</b> | <b>Home Office<br/>£'000</b> | <b>CoLP Direct<br/>Revenue<br/>Financing<br/>£'000</b> | <b>CoLP<br/>POCA<br/>£'000</b> | <b>City Fund<br/>£'000</b> |
|---|---|----------------------------|------------------------------|--|--------------------------------|----------------------------|
| 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                          | -                            | -  | -                              | -                          |
| <b>Capital Funding 2023/24</b>                                  | <b>18,609</b>                                     | <b>4,758</b>               | <b>11,200</b>                | <b>2,460</b>   | <b>12</b>                      | <b>179</b>                 |



# 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.

| <b>Table 13 - Summary of all CoLP capital projects underway and their phasing</b> | <b>Budgeted Project Cost<br/>£'000</b> | <b>Prior Year Actuals<br/>£'000</b> | <b>2023/24 Forecast Outturn<br/>£'000</b> | <b>2024/25 Forecast Spend<br/>£'000</b> | <b>2025/26 Forecast Spend<br/>£'000</b> | <b>Forecast Project Outturn<br/>£'000</b> | <b>Variance (Better) / Worse<br/>£'000</b> | <b>Notes</b> |
|---|--|-------------------------------------|---|---|---|---|--|--------------|
| 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)  |              |
| <b>TOTAL COST OF PROJECTS UNDERWAY</b>  | <b>36,188</b>                          | <b>10,450</b>                       | <b>18,609</b>                             | <b>6,714</b>                            | <b>-</b>                                | <b>35,773</b>                             | <b>(415)</b>                               |              |

# 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 31<sup>st</sup> 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 31<sup>st</sup> of December 2023, expenditure on these projects amounted to £320k, as summarised in table 14 below.

| <b>Table 14 - Legacy projects 2023/24</b> | <b>Total Project Budget</b> | <b>Approved Budget Drawdown</b> | <b>2023/24 Spend to date (inc. commitments)</b> | <b>Total Project Spend to Q3 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                           | 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)  |              |
| <b>Total legacy projects</b>              | <b>33,718</b>               | <b>32,489</b>                   | <b>320</b>                                      | <b>30,277</b>                            | <b>(3,441)</b>   |              |

- 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.

