



To: Business Co-Ordination Board

From: Interim Chief Finance Officer, OPCC and Chief Finance Officer, Constabulary

Date: 19 July 2018

REVENUE AND CAPITAL BUDGET DRAFT OUTTURN 2017/18

1. Introduction

- 1.1 This report provides the Business Co-ordination Board (the “Board”) with an update on year-end position of the Cambridgeshire Police and Crime Commissioner (the Commissioner).
- 1.2 The capital and revenue reported outturn is provisional and subject to the audit of the 2017/18 Annual Statement of Accounts.

2. Recommendation

- 2.1 The Board is asked to note the:
 - a) provisional outturn for revenue in 2017/18 and the carry forward requests;
 - b) provisional outturn for the capital programme and the carried forward requests;
and
 - c) earmarked reserves position as at 31 March 2018.

3. Draft Revenue Outturn 2017/18

- 3.1 At year-end the draft revenue budget was overspent by £1.852m. This year-end position had been forecast and will be met by a contribution from the Budget Assistance Reserve. Table 1 provides a breakdown of the year-end position, split between the Constabulary, the Office of the Police and Crime Commissioner and specific grants.

Table 1: Revenue Outturn 2017/18

	Budget 2017/18	Year-End Outturn(£'000)	Variance (£'000/%)
Constabulary	126,252	128,040	1,788/ 1.4%
OPCC	1,194	1,098	(96)/8%
Grants, Capital Financing and costs of surplus properties	3,514	3,608	(94)/2.6%
TOTAL	130,959	132,811	1,852 / 1.4%

4. Draft Outturn 2017/18 - Constabulary

4.1 This summary position for the Constabulary is shown below. A detailed breakdown of the figures displayed below can be found at Appendix 1.

	Full Year Budget 2017/18	Outturn 2017/18	Variance £/%
Local Policing	75,259	73,712	(1,547)/ 2.05%
Organisational Support	15,984	20,378	4,394/ 27.5%
Collaboration	37,535	37,558	23/ 0.06%
Total Expenditure	128,778	131,648	
Income	-1,435	-2,194	(759)/ 52.9%
Carry Forwards	-1,091	-1,089	2/ 0%
Reserves	0	-326	(326)/100%
TOTAL CONSTABULARY BUDGET	126,252	128,040	1,788/1.4%

- 4.2 At year-end, Police Officer pay and allowances were underspent. This position was owing to Police Officer numbers being below the budgeted establishment whilst the process of recruiting and training new Police Officers was completed. At 31st March 2018, Police Officer numbers were 1,115 including 30 new officers that started in March 2018, against a budgeted position of 1,091.
- 4.3 As a result of the Police Officer turnover and subsequent vacancies, the Police Officer Overtime budget was overspent by £694k.
- 4.4 PCSO pay and overtime was £667k underspent. This was the result of a shortfall in strength against establishment. At year-end, there were 107 PCSOs against a budgeted establishment of 150.
- 4.5 The budget for Support Staff pay was set incorporating a significant vacancy factor of £2.9m to enable a balanced budget to be set. This approach was planned with stringent monitoring of the position throughout the financial year. The Budget Assistance Reserve was earmarked to offset the overall budget pressure. In addition, staff costs associated with the Disclosure and Barring Service (DBS), along with the associated income were not budgeted.
- 4.6 Premises Costs were £110k overspent. This was primarily due to the revaluation of rates on buildings.
- 4.7 Transport Costs were £574k overspent. This was due to a new contract with Chiltern Transport Consortium and associated transfer costs that had not been incorporated into the budget.
- 4.8 Supplies & Services was overspent by £0.5m. Key areas of overspend were insurance (claims handling and Insurance fund), Clothing, the cost of computer equipment in the new Demand hub and Equipment & materials across the force.
- 4.9 Overall, collaboration expenditure was very close to that budgeted at the financial year-end. Joint Protective Services was underspent by £331k owing to Major Crime Unit (MCU) and Roads Policing Unit (RPU). This underspend was offset by spending pressures against other collaborated services that included additional ERP set up costs, local custody costs and HR/L&D costs.
- 4.10 There are a number of carry forward requests from the Constabulary, which are detailed in Appendix 2. The majority of these are the carry forward of unspent grant budgets, which if not carried forward and spent, would require repayment to the grant paying body. Other carry forwards are where there is a contractual obligation in place. The total of all carry forwards are £1.012m.

5. Draft Outturn 2017/18 – OPCC and Corporate Costs

5.1 Table 3 – OPCC and Corporate Costs Summary

	Full Year Budget 2017/18	Outturn 2017/18	Variance £/%
Commissioner and Staff	893	771	(122)/ 10.8%
Supplies and Services	302	327	25/ 16.6%
Transfer to Reserves	0	96	96/100%
TOTAL OPCC	1,194	1,194	
Corporate Costs and Grants	2,262	2,470	41/ 3.2%
Property in Capital Financing Costs	1,213	1,161	(52)/ 4.1%
Costs of surplus properties	39	174	135/ 346%
Reserves	0	-197	(293)/ 100%
TOTAL	3,514	3,608	94/ 4.5%

5.2 Key revenue variances in year are due to the staffing budget which included a Director of Finance post which was filled by Interim CFO and Interim Head of Finance and an admin post that was covered by agency staff.

5.3 Property investments were overspent by £135k which were running costs of properties such as Bridge Street and other others due to be disposed of.

6. Draft Outturn 2017/18 – Capital

Table 4 – Capital Programme

All figures £'000	B/Fwd from previous years	Original 2017/18 Capital Programme	Previously Authorised Programme Amendments	Revised 2017/18 Capital Budget	Outturn 2017/18	%
Capital Payments:-						
Land & Buildings	590	555	1,295	2,440	1,629	66.8%
IT & Communications	209	1,571	(215)	1,565	977	62.4%
Fleet	378	1,889	-	2,267	1,854	81.8%
Collaboration	427	692	466	1,585	1,242	78.3%
Schemes approved subject to further business case	-	3,594	-	3,594	-	0.0%
TOTAL	1,604	8,301	1,546	11,451	5,702	49.8%

All figures £'000	B/Fwd from previous years	Original 2016/17 Capital Programme	Previously Authorised Programme Amendments	Revised 2017/18 Capital Budget	Total Spend	Applied	Transfer to Capital Carry Forward Reserve
Capital Financing:-							
Capital Grants	-	506	165	671	649	483	166
Capital Grants (Athena)	-	-	155	155	98	98	8
ESMCP Grant (RCCO)	-	263	-	263	119	119	-
Budget Assistance Reserve	-	3,881	(2,035)	1,846	1,534	1,534	807
Estates Development Reserve	-	-	1,080	1,080	437	437	63
Capital Reserve	-	-	2,000	2,000	1,376	1,376	544
Carry Forward Reserve	1,604	-	-	1,604	1,049	1,049	555
Capital Receipts	-	-	-	-	-	-	-
Vehicle Receipts (RCCO)	-	150	-	150	97	97	-
RCCO - approved in-year by Chief Constable	-	-	181	181	343	343	30
Borrowing	-	3,500	-	3,500	-	0	-
TOTAL	1,604	8,301	1,546	11,451	5,702	5,536	2,173

Note: figures may not cast due to roundings

* year end adjustments

6.1 A detailed breakdown on a scheme by scheme basis of the capital programme is shown at Appendix 3. At year-end the programme is showing a 50% underspend. However, £3.5m of this (30%) relates to the Cambridgeshire Southern Police Station scheme. An explanation of the remaining material underspends in the programme are detailed below.

6.2 Explanation for variances:

Wisbech Fire Station Extension (£362k underspend)

This project has experienced some delays owing to planning and utility issues. It will progress through 2018/19.

ICT Consolidated Workstream (£410k underspend)

ICT Capital for Cambs recorded approximately a £600k underspend for financial year 17/18. One of the main reasons for this was in relation to ICT consolidated workstreams line. ICT was allocated £850k to cover the various infrastructure convergence projects as part of the continued work to align ICT services across BCH. £410k was not spent owing to delays in progressing the physical data centre redevelopment. This had been planned to be completed within the financial year but following feedback from consultants and changes to scope it was felt this could not be achieved and it was agreed to defer until 18/19.

Demand Hub (£371k underspend)

The other project that showed significant underspend was the Demand Management Software and Workforce Management Software. These projects were delayed due to the decision to move the Police Service Centre to create a single 'Demand Hub' at Police Headquarters. This resulted in ICT needing to upgrade the telephony systems and thus a decision was taken to delay the implementation of these systems due to the integration with the telephony solutions.

7. Reserves

Table 5: Reserves position

	Balance 1/4/17	Added to Reserve	Actual usage	Balance 31/3/18
Usable Reserves				
Carry Forward Revenue Reserve	1,089	1,012	(1,089)	1,012
Drug Forfeiture (Operational) Reserve	78	38	-	116
Budget Assistance Reserve	8,414	-	(4,354)	4,060
Road Casualty Reduction & Support Fund (*)	1,348	402	(168)	1,582
Collaboration & Commissioning Reserve	270	-	(10)	260
ICT Development Reserve	432	-	-	432
Estate Development Reserve	3,439	-	(500)	2,939
Contingency Reserves				
Insurance Reserve	996	-	(134)	862
Ill-Health Retirement Reserve	398	-	-	398
Capital Reserves				
Capital Reserve	3,205	-	(1,920)	1,285
Capital Receipts Reserve	1,209	705	-	1,914
Capital Carry Forward Reserve	1,604	2,173	(1,604)	2,173
Total Earmarked Reserves	22,482	4,330	(9,779)	17,033
General Reserve	7,198	-	-	7,198
Total Usable Reserves	29,680	4,330	(9,779)	24,231

- 7.1 Table 5 outlines the reserves position at the end of 2017/18 after the impact of the provisional outturn and all reserves adjustments. The position reported here is in overall alignment with the reserves strategy adopted as part of the MTFS 2018/19 to 2021/22 and will be further refreshed as part of the review of the MTFS as part of the budget setting process for 2019/20.

Appendix 1

High Level Constabulary Budget

Chief Constable's Revenue Budget Outturn 2017/18						
Variance £'000		Revised OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Paragraph reference
-673	Employee Costs					
	Sub-total Police Officers	48,347	48,347	47,711	-636	4.2
-592	PCSO Pay & Overtime	4,969	4,969	4,302	-667	4.4
2,716	Sub-total Police Staff	14,725	14,725	17,706	2,981	4.5
213	Other Employee Costs	126	126	345	219	
1,665	Total Employee Costs	68,167	68,167	70,063	1,897	
	Police Pension Costs					
-287	Total Police Pension Costs	11,487	11,487	11,290	-197	
Variance £'000		Revised OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	
256	Premises Costs					
	Total Premises Costs	3,816	3,816	3,927	110	4.6
195	Transport Costs					
	Total Transport Costs	860	860	1,434	574	4.7
575	Supplies & Services					
	Total Supplies & Services	6,913	6,913	7,377	464	4.8
2,404	GROSS REVENUE EXPENDITURE	91,243	91,243	94,091	2,848	
	Income					
-668	Total Income	-1,435	-1,435	-2,194	-760	
1,736	NET REVENUE EXPENDITURE	89,808	89,808	91,896	2,088	
Variance £'000		Revised OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	
	Collaboration and Partnerships	1,307	1,307	1,367	59	4.9
	Joint Protective Services	14,446	14,446	14,114	-331	
	Organisational Support	13,328	13,328	13,391	63	
	Operational Support	4,286	4,286	4,477	192	
	Other Collaboration & Partnerships	4,169	4,169	4,209	40	
322	Total Collaborated and Partnerships	37,535	37,535	37,558	23	
0	Holding Accounts and Hosted Services					
	Seconded Officers Net Recharge	0	0	-13	-13	
0	Carry Forwards	-1,092	-1,092	-1,089	3	
	Athena Implementation costs - to reserves			-136	-136	
	RCCO			181	181	
	Transfer to reserves			-358	-358	
2,059	NET BUDGET REQUIREMENT	126,251	126,251	128,040	1,788	
	*Police Officer Overtime less Rechargeable Elements	1,862	1,862	2,427	565	
	<i>Note: Figures may not cast due to rounding</i>					

Appendix 2

Revenue Carry Forward Requests

Carry Forwards to 2018/19			
CARRY FORWARD OF GRANT AND PARTNERSHIP FUNDING			
Description	Department	£'000	Narrative
Asset recovery incentivisation	Local Policing	170	<p>Grants are where we have been awarded funds for a specific purpose and the project is not completed. The money is for committed spend i.e. victim services grant.</p> <p>Partnership Funding is where we act as bankers for a partnership and the money is not Cambridgeshire's to spend i.e. ACPO Women's Bank Account - we hold the money on behalf of the national group.</p>
Victims services Grant	PCC	103	
CCJB	Corporate	87	
Football Grants	Local Policing	83	
Victim & Witness Hub	Local Policing	47	
Substance Misuse	Local Policing	40	
IOM	Local Policing	39	
POCA	Local Policing	38	
Restorative Justice	Local Policing	27	
ACPO Women's Group Funds	ACPO	23	
SARC	Local Policing	23	
Crime & Disorder Grant	PCC	16	
Other Carry Forward <£5k	Local Policing	13	
Cadets	Local Policing	13	
Op Anglian	Corporate	7	
Cambs Award Ceremony	Corporate Comms	6	
East Cambs CSP	Local Policing	6	
Bikesafe	RPU	4	
Modern Slavery PTF	PCC	1	
Sub Total		745	

CARRY FORWARD OF UNDERSPENDING			
Description	Department	£'000	Narrative
Taser	Local Policing	42	The only underspend we carry forward is where expenditure was committed prior to year-end and has not been fully spent.
Agile - Demand Hub	Agile	42	
Process Evolution	CDD	23	
Sub Total		107	

CARRY FORWARD OF COLLABORATED UNITS			
Description	Department	£'000	Narrative
ERSOU	Collaboration	160	As above
Sub Total		160	

Appendix 3

Scheme by Scheme Capital Report to 31st March 2018

Notes at Para.	Scheme Title	Job Code	Budget B/Fwd	Original Capital Programme as amended*	Proposed Programme Amendments	Revised Capital Budget 2017/18 (D+E+F)	Actual YTD	Commitments YTD	Committed & Spent YTD (H+I)	Expected Outturn 2017/18	Variance at year end (K-G)	Predicted C/Fwd 2017/18	Estimated (Under)/Over-spend (L+M)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Fleet												
	Vehicle Replacement Programme	C8010	268	1,300	-	1,568	1,568	-	1,568	1,568	-	-	-
	New Vehicle Equipment	C8011	110	400	-	510	217	-	217	217	(293)	293	-
	Telematics	C8105	-	189	-	189	69	-	69	69	(120)	120	-
	Fleet Total		378	1,889	-	2,267	1,854	-	1,854	1,854	(413)	413	-
	Collaboration												
	JPS Equipment Replacement Rolling Programme	C8028	125	-	-	125	65	-	65	65	(60)	60	-
	Org Support BCH ERP Purchase	BCHCAG	-	247	-	247	153	-	153	153	(94)	94	-
	Org Support ICT Infrastructure for BCH - Identity	C8053	8	-	-	8	8	-	8	8	-	-	-
	Org Support ICT Infrastructure for BCH - WAN	C8060	123	-	-	123	156	-	156	156	33	-	33
	IMD DP FOI	C8062	11	-	-	11	10	-	10	10	(1)	-	(1)
	BCH Property Management System	C8063	9	-	-	9	-	-	-	-	(9)	9	-
	Org Support ICT Infrastructure for BCH - Email Archiving	C8065	1	-	-	1	-	-	-	-	(1)	-	(1)
	JPS ANPR	C8071	150	140	-	290	221	-	221	221	(69)	69	-
	ESN - ICCS	BCHCAA	-	263	-	263	119	-	119	119	(144)	144	-
	Digital Interview Recording Equipment Refresh	C8102	-	42	-	42	43	-	43	43	1	-	1
	Org Support ICT Infrastructure for BCH - Data Centre	C8116	-	181	-	181	188	-	188	188	7	-	7
	Org Support ICT Infrastructure for BCH - Exchange Servers	C8117	-	21	-	21	9	-	9	9	(12)	-	(12)
	tuServ - Athena Integration (Phases 1&2)	C8118	-	38	-	38	38	-	38	38	-	-	-
	tuServ Biometrics	C8119	-	30	-	30	32	-	32	32	2	-	2
	Seven Forces PSD Monitoring System	C8120	-	56	-	56	26	-	26	26	(30)	30	-
	BCH In-Cell Conferencing Facilities	C8123	-	140	-	140	118	-	118	118	(22)	22	-
	Ersou capital expenditure	C8104	-	-	-	-	56	-	56	56	56	-	56
	Collaboration Total		427	1,158	-	1,585	1,242	-	1,242	1,242	(343)	428	85
	Schemes Approved Subject to Further Business Case												
	CRM / Contact		-	94	-	94	-	-	-	-	(94)	-	(94)
	Parkside Custody Replacement		-	3,500	-	3,500	-	-	-	-	(3,500)	-	(3,500)
	Grand Total		1,604	9,847	-	11,451	5,702	-	5,702	5,702	(5,749)	2,154	(3,595)

*Approved Capital Programme + / - previously authorised additions, deletions & virements

Note: figures may not cast due to roundings

Notes at Para.	Scheme Title	Job Code	Budget B/Fwd	Original Capital Programme as amended*	Proposed Programme Amendments	Revised Capital Budget 2017/18 (D+E+F)	Actual YTD	Commitments YTD	Committed & Spent YTD (H+I)	Expected Outturn 2017/18	Variance at year end (K-G)	Predicted C/Fwd 2017/18	Estimated (Under)/Over-spend (L+M)
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Fleet												
	Vehicle Replacement Programme	C8010	268	1,300	-	1,568	1,568	-	1,568	1,568	-	-	-
	New Vehicle Equipment	C8011	110	400	-	510	217	-	217	217	(293)	293	-
	Telematics	C8105	-	189	-	189	69	-	69	69	(120)	120	-
	Fleet Total		378	1,889	-	2,267	1,854	-	1,854	1,854	(413)	413	-
	Collaboration												
	JPS Equipment Replacement Rolling Programme	C8028	125	-	-	125	65	-	65	65	(60)	60	-
	Org Support BCH ERP Purchase	BCHCAG	-	247	-	247	153	-	153	153	(94)	94	-
	Org Support ICT Infrastructure for BCH - Identity	C8053	8	-	-	8	8	-	8	8	-	-	-
	Org Support ICT Infrastructure for BCH - WAN	C8060	123	-	-	123	156	-	156	156	33	-	33
	IMD DP FOI	C8062	11	-	-	11	10	-	10	10	(1)	-	(1)
	BCH Property Management System	C8063	9	-	-	9	-	-	-	-	(9)	9	-
	Org Support ICT Infrastructure for BCH - Email Archiving	C8065	1	-	-	1	-	-	-	-	(1)	-	(1)
	JPS ANPR	C8071	150	140	-	290	221	-	221	221	(69)	69	-
	ESN - ICCS	BCHCAA	-	263	-	263	119	-	119	119	(144)	144	-
	Digital Interview Recording Equipment Refresh	C8102	-	42	-	42	43	-	43	43	1	-	1
	Org Support ICT Infrastructure for BCH - Data Centre	C8116	-	181	-	181	188	-	188	188	7	-	7
	Org Support ICT Infrastructure for BCH - Exchange Servers	C8117	-	21	-	21	9	-	9	9	(12)	-	(12)
	tuServ - Athena Integration (Phases 1&2)	C8118	-	38	-	38	38	-	38	38	-	-	-
	tuServ Biometrics	C8119	-	30	-	30	32	-	32	32	2	-	2
	Seven Forces PSD Monitoring System	C8120	-	56	-	56	26	-	26	26	(30)	30	-
	BCH In-Cell Conferencing Facilities	C8123	-	140	-	140	118	-	118	118	(22)	22	-
	Ersou capital expenditure	C8104	-	-	-	-	56	-	56	56	56	-	56
	Collaboration Total		427	1,158	-	1,585	1,242	-	1,242	1,242	(343)	428	85
	Schemes Approved Subject to Further Business Case												
	CRM / Contact		-	94	-	94	-	-	-	-	(94)	-	(94)
	Parkside Custody Replacement		-	3,500	-	3,500	-	-	-	-	(3,500)	-	(3,500)
	Grand Total		1,604	9,847	-	11,451	5,702	-	5,702	5,702	(5,749)	2,154	(3,595)

*Approved Capital Programme + / - previously authorised additions, deletions & virements

Note: figures may not cast due to roundings

Appendix 4

Capital Carry Forward Requests

Scheme Title	Job Code	Revised Capital Budget 2017/18 £'000	Provisional Outturn 2017/18 £'000	Variance at Year End £'000	Requested Carry Forward £'000	Details of Carry Forward Request
Wisbech Fire Station Ext for Police Purposes	C8068	121	83	(38)	361	The project has been delayed on planning grounds but a successful planning consent is expected during April which will be followed by procurement for the construction
HQ Lead Decontamination and Prevention	C8106	90	27	(63)	63	Although the main contamination has been removed it is now necessary to investigate and remove contamination in concealed areas such as roof voids
Demand Hub - Building Works	C8114	735	364	(371)	371	Completion scheduled for completion 18/05/18
Org Support BCH ERP Purchase	C8032+BCHCAG	247	153	(94)	94	Approx £200k budget, but supplier implementation and CRM professional services slipped in 17/18, hence after grant we require a carry forward of £102k
Demand Management Software	C8097	56	36	(20)	20	Unable to purchase final element until pilot is completed and is delayed re Athena & PO commitment
Workforce Management Software Upgrade	C8098	44	12	(32)	32	To cover commitment on PO ADN0417
ICT Consolidated Workstreams	C8111	100	98	(2)	410	Request a carry forward for Phase 2 of DC Infrastructure
ICT Office Relocation Works	C8122	50	36	(14)	14	Additional request for Soundproofing of all SMT offices, was waiting to ensure that JB's office has worked. Work not completed in 17/18
Network EOL Switches	C8115	70	39	(31)	31	Requested £37k cfw for PO ADN1011 as not delivered, but only £31k remaining from budget
Replacement of SAN (ICT Area Network)	C8110	100	98	(2)	2	To cover half the commitment on PO ADN1114 of £4k
BCH Property Management System	C8063	9	0	(9)	9	£12k requested but only £9k budget. Milestone 2 is not yet completed. It has been delayed due to technical and business issues. The first part will be in April with final Go Live in July
PSD 7F Software Monitoring	C8120			0	30	Milestone 4 - Test and Milestone 5 - Deployment and Hypercare
Scheme Title	Job Code	Revised Capital Budget 2017/18 £'000	Provisional Outturn 2017/18 £'000	Variance at Year End £'000	Requested Carry Forward £'000	Details of Carry Forward Request
JPS ANPR	C8071	290	221	(69)	69	The quote for three trunk road sites are excessive and so reviewing options with contractors and Highways to bring the cost down and will be used in first 3 months of 2018/19
ESN - ICCS	BCHCAA/C8099	263	119	(144)	144	Carry forward for commitments and remainder £61k from a specific grant
Custody Virtual Courts	C8049	35	27	(8)	8	To cover commitments
Telematics	C8105	189	69	(120)	120	Ordered 200 kits that won't be delivered until April 2018.
Vehicle Replacement Programme/Equipment	C8010/C8011	510	217	(293)	293	With CTC taking over the vehicle purchases and sales we are still awaiting final figures. WE request a carry forward to cover combined both projects.
BCH In-Cell Conferencing Facilities	C8123	140	118	(22)	22	£22k carry forward requested to cover support fees of £26k both in 18/19 and 19/20
JPS Equipment Replacement Rolling Programme	C8028	125	65	(60)	60	A rolling programme to cover £2k commitment from 17/18 and plenty of other commitments next year