

## Dorset Police and Crime Panel

### Police & Crime Plan Monitoring Report – Q2 2018/19

RAG Status	
This Period	Last Period



TRANSFORMING FOR THE  
FUTURE

Funding &  
Resources

#### Q2 OVERVIEW

There are continued pressures on revenue expenditure. In the first half year, net expenditure accounts for 51% of the annual budget. The Force has implemented changes to reduce Police Officer overtime which continues to run higher than budget. Underspends in police staff are currently offsetting overspends, and overheads are forecast to exceed budget.

Both Capital expenditure and capital receipts forecasts are lower than original budget, and are closely balanced with some slight pressure on the underlying need to borrow for capital purposes.

The lower opening balances, as a consequence of the 2017/18 outturn, have impacted on the forecast closing reserves levels with general balances likely to be at the minimum targeted level, leaving little headroom to deal with any unforeseen shocks.

#### NET REVENUE EXPENDITURE

R1	Total Chief Constable spend is forecast to be £98k below the Revised Budget.
R2	This will achieve a balanced Net budget position after a contribution to maintain the General Balances Reserve at 3% of Net Revenue Expenditure.
R3	Income has been affected by a cut in counter terrorism grant (despite a national increase), which is masked by forecast increases in other grants including for the Victims Bureau and the Maple project, from the OPCC.
R4	Pay and Employment costs are forecast to be marginally lower (0.6%) than the Revised Budget in total although within this there is higher Officer overtime, offset by lower staff costs.
R5	Overheads are forecast to be c.3% over budget. Resource Control Board has reviewed a detailed analysis of contractual and discretionary costs and actions are being taken to reduce costs.
R6	Savings are being monitored monthly against targets. 37% of savings have been secured and the forecast is that £100k is at risk of not being delivered in the year.

#### RESERVES

Total Usable Reserves are forecast to be £6.5m at the year end which is £1.9m lower than the Original Budget. The forecast Capital Receipts Reserve is £2.3m lower than budgeted, which is partially being offset by £0.4m higher forecast total Revenue Reserves.

The General Fund balance, taken together with the Revenue Support Fund, is targeted to maintain a minimum balance equivalent to 3% of Net Revenue Expenditure, in line with the Reserves Strategy.

The draft Reserves Strategy for 2019 will be considered by the Independent Audit Committee in December and will be intrinsic to the Budget and Medium Term Financial Strategy to be presented to the Panel in February.

#### CAPITAL EXPENDITURE AND FINANCING

C1	The total capital expenditure forecast for 2018/19 is £6.5m which is £1.4m less than the Original Budget.
C2	Some slippage in ICT projects and digital camera upgrades.
C3	Some of the Fleet budget has been re-allocated to 2019/20
C4	Capital receipts available are forecast to be lower than the original budget mainly because of some disposals will take longer than originally predicted.
C5	It is proposed to release the balance of the capital financing reserve at the end of 2018/19.
C6	Direct revenue contributions have been reduced reflecting the reclassification of some Estates spend as revenue.
C7	The current forecasts produce a small increase in the underlying need to borrow although this will be reduced by any slippage.
C8	The capital receipts reserve will be utilised to fund capital expenditure in accordance with the capital funding strategy.

## Dorset Police and Crime Panel

### Police & Crime Plan Monitoring Report – Q2 2018/19

RAG Status	
This Period	Last Period



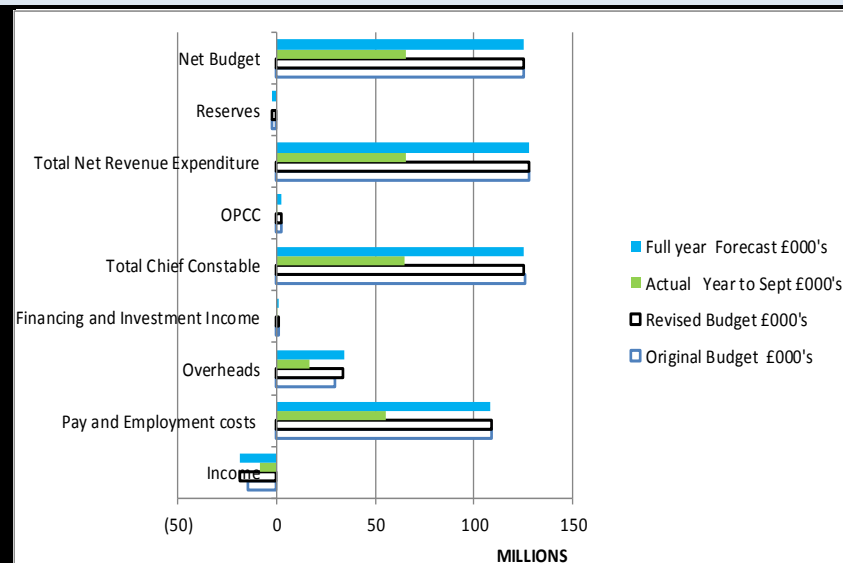
TRANSFORMING FOR THE  
FUTURE

Funding &  
Resources

#### NET REVENUE EXPENDITURE

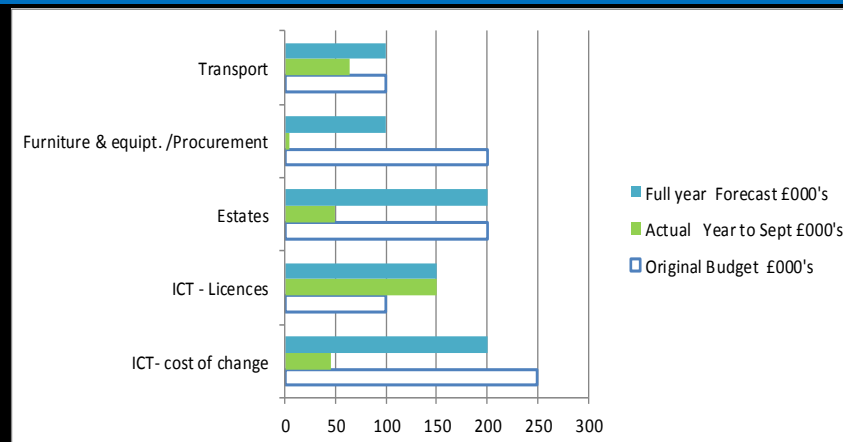
##### BUDGET V FORECAST 2018/19

2018/19	Original Budget	Revised Budget	Actual Year to Sept	Full year Forecast	Variance (fav) /adverse	ref
Chief Constable	£000's	£000's	£000's	£000's	£000's	£000's
Income	(14,144)	(18,247)	(8,235)	(18,814)	(567)	R3
Pay and Employment costs	109,144	109,048	55,644	108,344	(704)	R4
Overheads	29,379	33,391	16,957	34,541	1,150	R5
Financing and Investment Income	1,199	1,362	537	1,385	23	
Total Chief Constable	125,578	125,554	64,903	125,456	(98)	R1
OPCC	2,277	2,154	764	2,154	-	
Total Net Revenue Expenditure	127,855	127,708	65,667	127,610	(98)	
Reserves	(2,339)	(2,193)	0	(2,095)	98	R2
Net Budget	125,516	125,515	65,667	125,515	0	



#### SAVINGS TARGETS

Savings	Original Budget	Actual Year to Sept	Full year Forecast
	£000's	£000's	£000's
ICT- cost of change	250	45	200
ICT - Licences	100	150	150
Estates	200	50	200
Furniture & equipt. /Procurement	200	5	100
Transport	100	64	100
Total	850	314	750





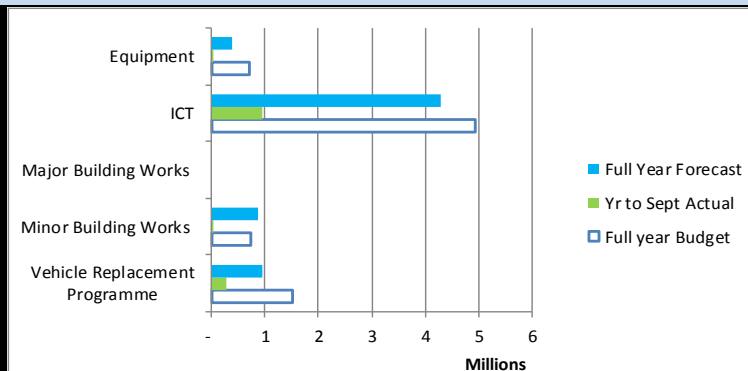
TRANSFORMING FOR THE  
FUTURE

Funding &  
Resources

### CAPITAL EXPENDITURE AND CAPITAL FINANCING

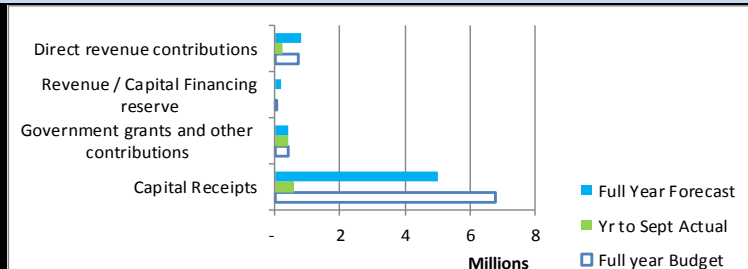
#### BUDGET V FORECAST 2018/19

2018/19	Full year Budget	Yr to Sept Actual	Full Year Forecast	Variance (Fav )/ Adverse £000's	Ref
	£000's	£000's	£000's	£000's	
<b>Opening Capital Financing Requirement</b>	<b>32,784</b>	<b>32,781</b>	<b>32,781</b>	<b>3</b>	
<b>Capital Investment</b>					
Vehicle Replacement Programme	1,516	275	942	(574)	C3
Minor Building Works	731	32	860	129	
Major Building Works	-	-	-	-	
ICT	4,931	941	4,289	(642)	C2
Equipment	720	7	389	(331)	C2
<b>Total Capital Investment Programme</b>	<b>7,898</b>	<b>1,255</b>	<b>6,480</b>	<b>(1,418)</b>	<b>C1</b>



#### CAPITAL FINANCING

Sources of Finance					
Capital Receipts	6,773	606	5,037	(1,736)	C4
Government grants and other contributions	412	412	412	0	
Revenue / Capital Financing reserve	4	-	203	199	C5
Direct revenue contributions	709	237	792	83	C6
	<b>7,898</b>	<b>1,255</b>	<b>6,444</b>	<b>(1,454)</b>	
MRP	527	265	530	3	
PFI repayments	1,906	953	1,906	0	
Statutory repayment of loans fund	120	60	120	0	
<b>Closing Capital Financing Requirement</b>	<b>30,231</b>	<b>31,503</b>	<b>30,261</b>	<b>30</b>	

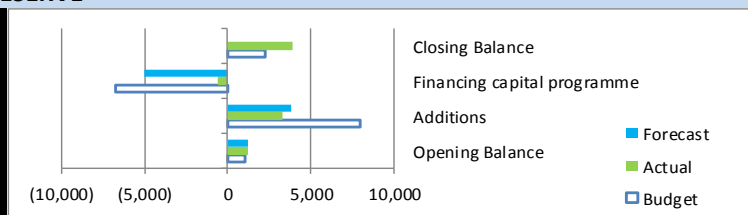


#### Explanation of Movements in year

Increase in the underlying need to borrow	-	-	36	36	C7
Decrease in the underlying need to borrow	(2,553)	(1,278)	(2,556)	(3)	
<b>Net Increase/(decrease) in CFR</b>	<b>(2,553)</b>	<b>(1,278)</b>	<b>(2,520)</b>	<b>33</b>	

#### CAPITAL RECEIPTS RESERVE

2018/19	Budget	Actual	Forecast	Variance	
	£000's	£000's	£000's	£000's	
<b>Capital Receipts Reserve</b>					
Opening Balance	1,058	1,211	1,211	(153)	
Additions	7,980	3,286	3,826	4,154	
Financing capital programme	(6,773)	(606)	(5,037)	(1,736)	
<b>Closing Balance</b>	<b>2,265</b>	<b>3,891</b>	<b>0</b>	<b>2,265</b>	<b>C8</b>



## Dorset Police and Crime Panel

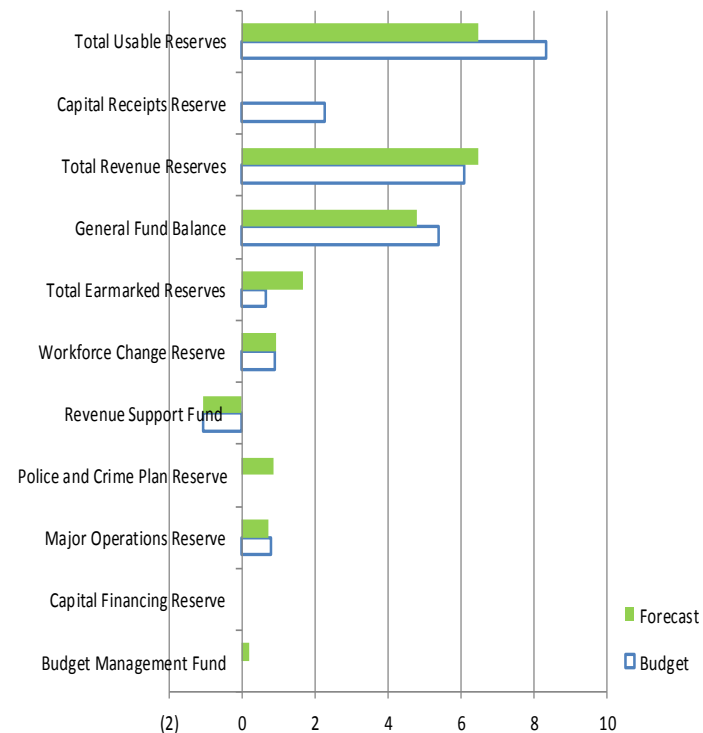
### Police & Crime Plan Monitoring Report – Q2 2018/19

RAG Status	
This Period	Last Period

#### USABLE RESERVES

##### BUDGET V FORECAST 2018/19

2018/19	Budget	Forecast	Variance	comment
Closing Balance	£000's	£000's	£000's	
Budget Management Fund	0	194	(194)	spend delayed to 2019/20
Capital Financing Reserve	0	0	0	
Major Operations Reserve	800	738	62	2017/18 utilisation higher than plan
Police and Crime Plan Reserve	0	857	(857)	utilisation will be across remaining years of Police and Crime Plan
Revenue Support Fund	(1,040)	(1,040)	0	will be charged to General balances
Workforce Change Reserve	910	930	(20)	
<b>Total Earmarked Reserves</b>	<b>670</b>	<b>1,679</b>	<b>(1,009)</b>	
General Fund Balance	5,413	4,807	606	Opening balance lower (2017/18)
<b>Total Revenue Reserves</b>	<b>6,083</b>	<b>6,486</b>	<b>(403)</b>	
Capital Receipts Reserve	2,265	0	2,265	later forecast timing of receipts
<b>Total Usable Reserves</b>	<b>8,348</b>	<b>6,486</b>	<b>1,862</b>	



TRANSFORMING FOR THE  
FUTURE

Funding &  
Resources