

Dorset Police and Crime Panel

Police & Crime Plan Monitoring Report – Q3 2018/19

RAG Status	
This Period	Last Period



TRANSFORMING FOR THE
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Q3 OVERVIEW

There are continued pressures on revenue expenditure. In the third quarter of the year, net expenditure accounts for 76% 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. The forecast closing balance on the Capital Receipts reserve is £0.5m.

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 close to 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 £47k above the Revised Budget.
R2	The impact of the forecast overspend is reflected as an ultimate call on reserves although a balanced budget position is the target.
R3	Income has been affected by a cut in counter terrorism grant (despite a national increase), which is masked by increases in other grants.
R4	Pay and Employment costs are forecast to be marginally lower (0.4%) than the Revised Budget in total although within this there is higher Officer overtime, offset by lower staff costs.
R5	Overheads are now forecast to be c.4% over budget.
R6	Savings are being monitored monthly against targets. 79% 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 £7.1m at the year-end which is £1.2m lower than the Original Budget. The forecast Capital Receipts Reserve is £1.7m lower than budgeted, which is partially being offset by £0.5m 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 Reserves Strategy for 2019 is now presented with the Budget and Precept report which is being considered elsewhere on this agenda.

CAPITAL EXPENDITURE AND FINANCING

C1	The total capital expenditure forecast for 2018/19 is £5.718m which is £2.180m 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	Financing requirement from Capital receipts is lower reflecting the lower capital expenditure forecast.
C5	Direct revenue contributions were increased in year to fund approved additional capital expenditure.
C6	The capital receipts reserve will be utilised to fund capital expenditure in accordance with the capital funding strategy.

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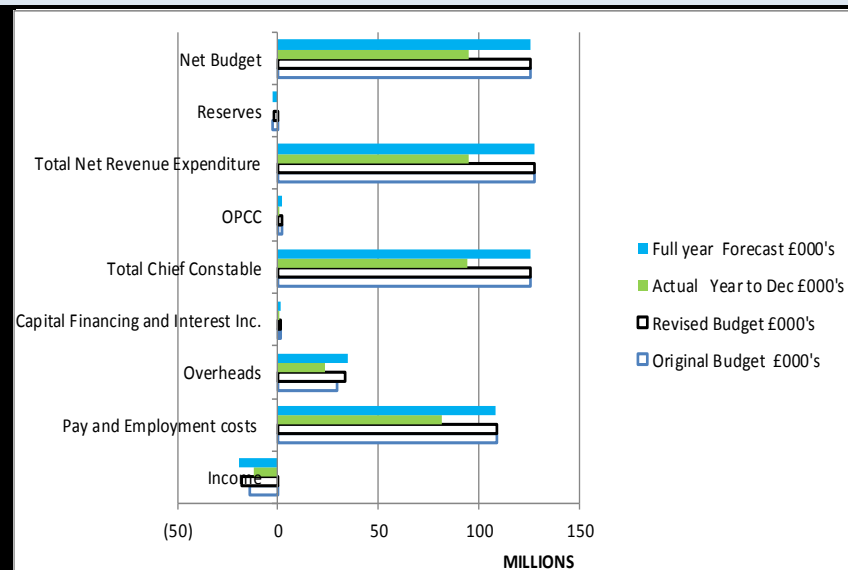
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NET REVENUE EXPENDITURE

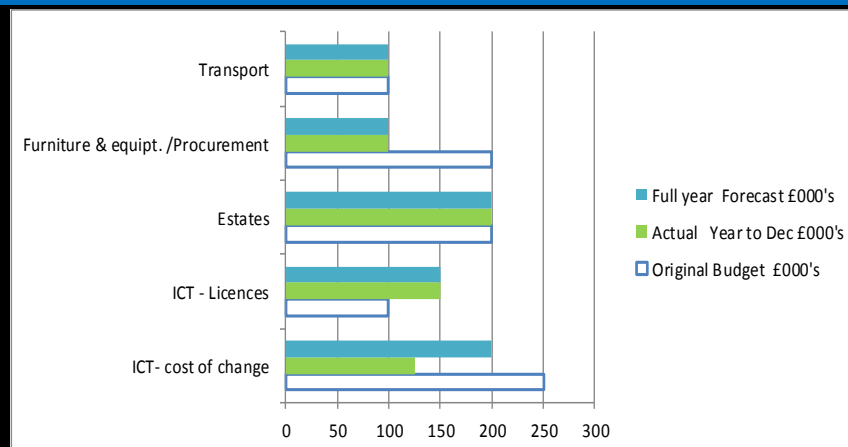
BUDGET V FORECAST 2018/19

2018/19	Original Budget	Revised Budget	Actual Year to Dec	Full year Forecast	Variance (fav) /adverse	ref
	£000's	£000's	£000's	£000's	£000's	
Chief Constable						
Income	(14,144)	(18,247)	(11,629)	(19,175)	(928)	R3
Pay and Employment costs	109,143	109,048	81,727	108,559	(489)	R4
Overheads	29,379	33,471	23,474	34,832	1,361	R5
Capital Financing and Interest Inc	1,199	1,282	454	1,385	103	
Total Chief Constable	125,577	125,554	94,026	125,601	47	R1
OPCC	2,277	2,154	1,091	2,154	0	
Total Net Revenue Expenditure	127,854	127,708	95,117	127,755	47	
Reserves	(2,339)	(2,193)	0	(2,240)	- 47	R2
Net Budget	125,515	125,515	95,117	125,515	-	



SAVINGS TARGETS

Savings	Original Budget	Actual Year to Dec	Full year Forecast	
	£000's	£000's	£000's	
ICT- cost of change	250	125	200	
ICT - Licences	100	150	150	
Estates	200	200	200	
Furniture & equipt. /Procurement	200	100	100	
Transport	100	100	100	
Total	850	675	750	R6



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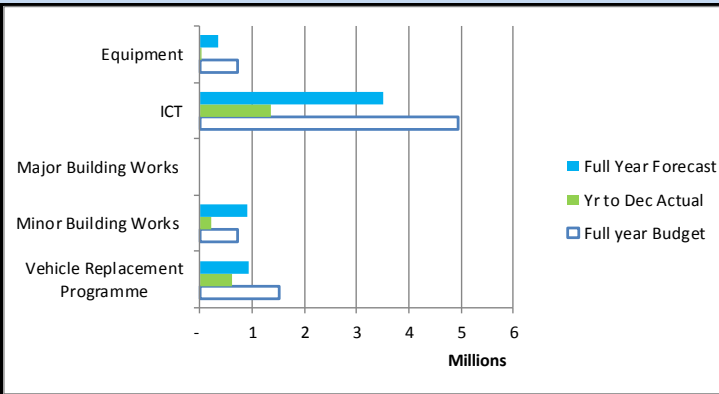
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CAPITAL EXPENDITURE AND CAPITAL FINANCING

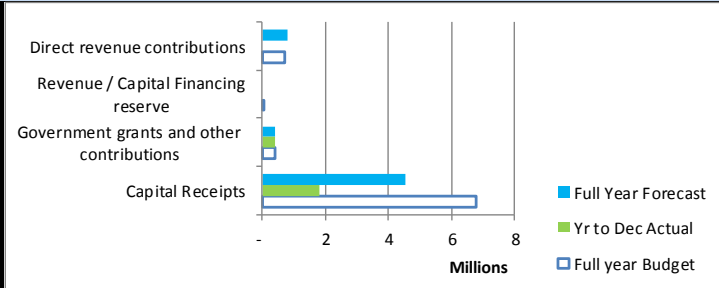
BUDGET V FORECAST 2018/19

2018/19	Full year Budget	Yr to Dec Actual	Full Year Forecast	Variance (Fav) / Adverse	Ref
	£000's	£000's	£000's	£000's	
Opening Capital Financing Requirement	32,784	32,781	32,781	3	
Capital Investment					
Vehicle Replacement Programme	1,516	625	942	(574)	C3
Minor Building Works	731	217	910	179	
Major Building Works	-	-	-		
ICT	4,931	1,347	3,508	(1,423)	C2
Equipment	720	20	358	(362)	C2
Total Capital Investment Programme	7,898	2,209	5,718	(2,180)	C1



CAPITAL FINANCING

Sources of Finance					
Capital Receipts	6,773	1,797	4,514	(2,259)	C4
Government grants and other contributions	412	412	412	0	
Revenue / Capital Financing reserve	4	-	-	(4)	
Direct revenue contributions	709	-	792	83	C5
	7,898	2,209	5,718	(2,180)	
MRP	527	530	530	3	
PFI repayments	1,906	1,430	1,906	0	
Statutory repayment of loans fund	120	90	120	0	
Closing Capital Financing Requirement	30,231	30,732	30,225	(6)	

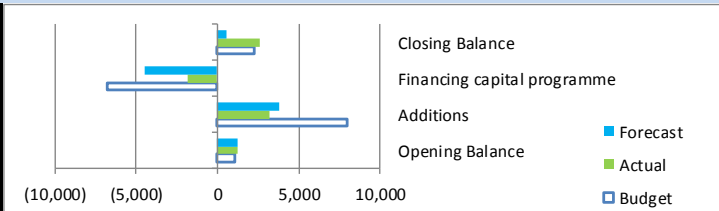


Explanation of Movements in year

Increase in the underlying need to borrow	-	-	-	-
Decrease in the underlying need to borrow	(2,553)	(2,050)	(2,556)	(3)
Net Increase/(decrease) in CFR	(2,553)	(2,050)	(2,556)	(3)

CAPITAL RECEIPTS RESERVE

2018/19	Budget	Actual	Forecast	Variance
	£000's	£000's	£000's	£000's
Capital Receipts Reserve				
Opening Balance	1,058	1,211	1,211	(153)
Additions	7,980	3,225	3,845	4,135
Financing capital programme	(6,773)	(1,797)	(4,514)	(2,259)
Closing Balance	2,265	2,639	542	1,723 C6



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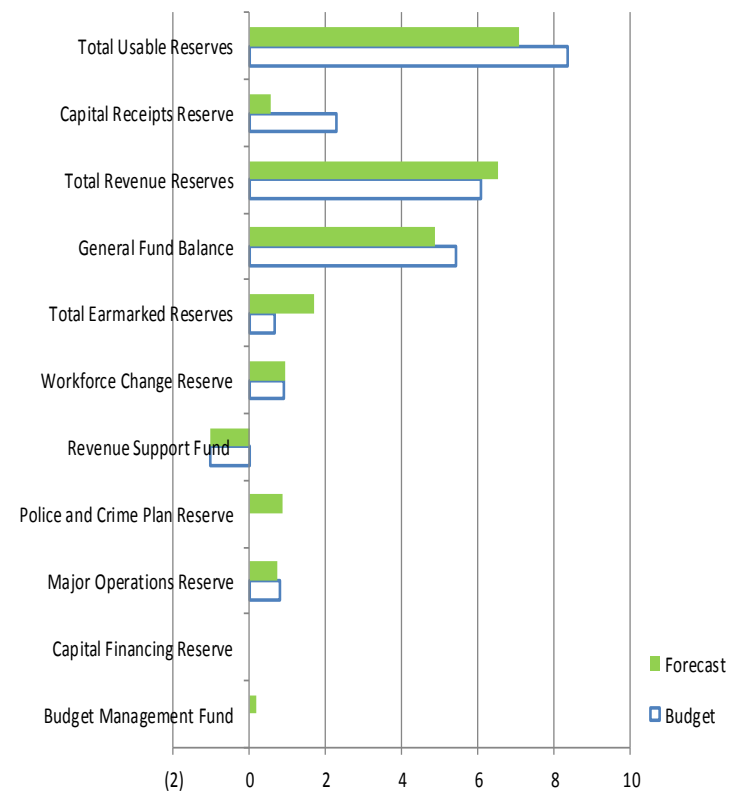
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USABLE RESERVES

BUDGET V FORECAST 2018/19

2018/19	Budget	Forecast	Variance	comment
	£000's	£000's	£000's	
Closing Balance				
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)	
Total Earmarked Reserves	670	1,679	(1,009)	
General Fund Balance	5,413	4,857	556	Opening balance lower (2017/18)
Total Revenue Reserves	6,083	6,536	(453)	
Capital Receipts Reserve	2,265	542	1,723	later forecast timing of receipts
Total Usable Reserves	8,348	7,078	1,270	



NB The Forecast General Fund Balance can be reconciled to the Forecast in the Budget & Precept report as follows: GFB forecast above = £4,857k, combined with the Revenue Support Fund which will be closed at 31-3-19 = -£1,040k, plus £47k Q3 forecast overspend which is assumed will be brought back into balance by the year end.



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