

Dorset Police and Crime Panel

Police & Crime Plan Monitoring Report – Quarter 4 2020/21

RAG Status	
This Period	Last Period



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FUTURE

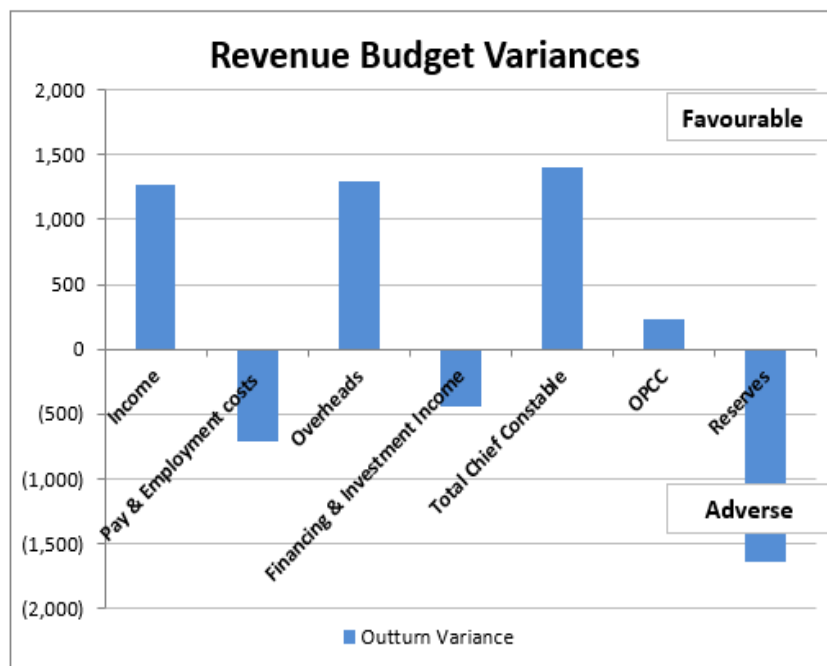
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2020/21 QUARTER 4 FINANCIAL REPORT- OVERVIEW

The overall revenue spend for the year is on budget at £141.6m. This is after contributions to earmarked reserves, primarily because of additional grants announced or confirmed at the end of the financial year. This is a significant improvement on the position forecast during the year resulting from proactive action taken in response to the pressures of the Covid Pandemic.

Following the agreed transfer of the Major Operations Reserve, the General Fund Balance is now £5.699m, equivalent to 4.02% of Net Revenue Expenditure. This is comfortably between the minimum level of 3% and maximum of 5%.

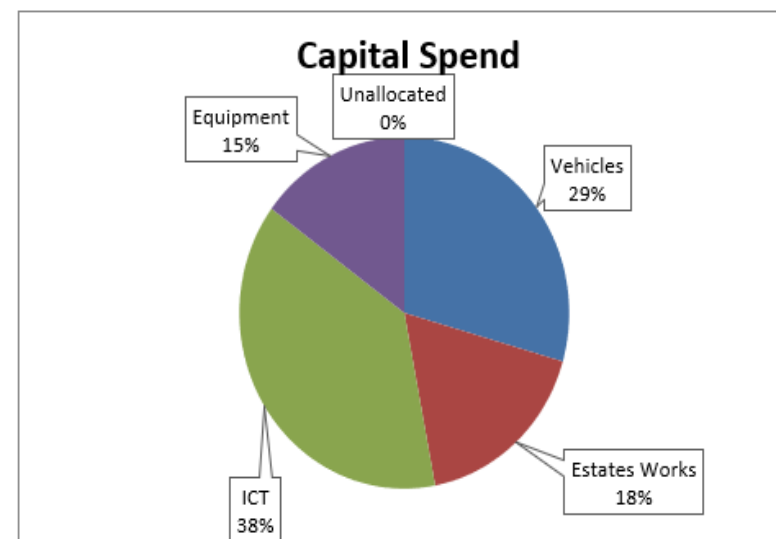
The graph below summarises the revenue variances for the year.



CAPITAL

The capital expenditure for the year totalled £6.289m against the revised budget of £9.446m for the year, a favourable variance of £3.157m. Of this variance, £2.815m relates to further slippage and £0.342m is an underspend.

The graph below shows the allocation of the spend for 2020/21.



As a result of the favourable variance, borrowing is £2.4m less than the revised budget and less than a third of that planned in the original budget. Additional contributions were made from the revenue budget for the capital spend relating to Uplift and regional contributions towards forensics.

The pandemic had a variety of impacts on the Force and subsequently its finances. Whilst some of the capital projects have had to be delayed it is pleasing that the overall financial position is breakeven. Further information on both the revenue budget, capital programme and reserves can be found on the following pages.

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NET REVENUE EXPENDITURE

BUDGET V DRAFT OUTTURN 2020/21

2020/21	Original Budget	Revised Budget	Draft Outturn	Variance fav / (adverse)	Ref	Revenue Forecast Commentary
Chief Constable	£000's	£000's	£000's	£000's		
Income	(17,539)	(21,652)	(22,922)	1,270	R1	<p>R1. Three grants were either received late in March or notified after the year end but must be included within the accounts for the year. These include a Covid Grant of nearly £0.5m, a grant towards the costs of ESN both in the current year and future years totalling £0.3m and the Local Tax Income Guarantee Grant of £0.1m which is budgeted for in 2021/22. Most of these grants have been transferred to the Budget Management Reserve. The budget has been increased to reflect PFI income from Fire, offset by an increase in costs within Overheads. Previously these costs were netted off within Overheads.</p> <p>R2. Pay costs ended the year 0.6% overbudget, primarily as a result of officer overtime which increased as a result of increased sickness and self isolation requirements from Covid 19 and the high levels of demand. The use of the Major Operations Reserve helped to offset some of the costs of operations during the year.</p> <p>R3. Savings were achieved in supplies and services, transport and IT projects as a result of Covid. The budget has been increased for PFI costs and carry forwards from 19/20.</p> <p>R4. There were additional contributions to the capital programme from the Uplift Grant to fund the purchase of vehicles and equipment.</p> <p>R5. The breakdown of the transfers to and from reserves is shown on a later page.</p>
Pay & Employment costs	120,175	120,853	121,565	(712)	R2	
Overheads	34,285	38,551	37,261	1,290	R3	
Financing & Investment Income	2,349	2,778	3,226	(448)	R4	
Total Chief Constable	139,270	140,530	139,130	1,400		
OPCC	2,212	2,257	2,020	237		
Total Net Revenue Expenditure	141,483	142,787	141,150	1,637		
Reserves	132	(1,172)	465	(1,637)	R5	
Net Budget	141,615	141,615	141,615	0		

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CAPITAL EXPENDITURE AND CAPITAL FINANCING

BUDGET v DRAFT OUTTURN 2020/21

2020/21	Original Budget £000's	Revised Budget £000's	Draft Outturn £000's	Variance Fav / (Adverse) £000's
Capital Investment				
Vehicles	1,448	1,605	1,853	(248)
Estates Works	5,510	2,605	1,103	1,502
ICT	5,686	3,479	2,396	1,083
Equipment	365	1,430	937	493
Slippage / Savings	(900)	0	0	0
Unallocated	0	327	0	327
Total Capital Programme	12,109	9,446	6,289	3,157

Capital Programme Commentary

Despite concerns at Q3 that not all vehicles would be delivered by year end, the opposite occurred where more were delivered than anticipated, therefore the 2021/22 budget will be reduced accordingly. The budget was increased in respect of the Uplift grant.

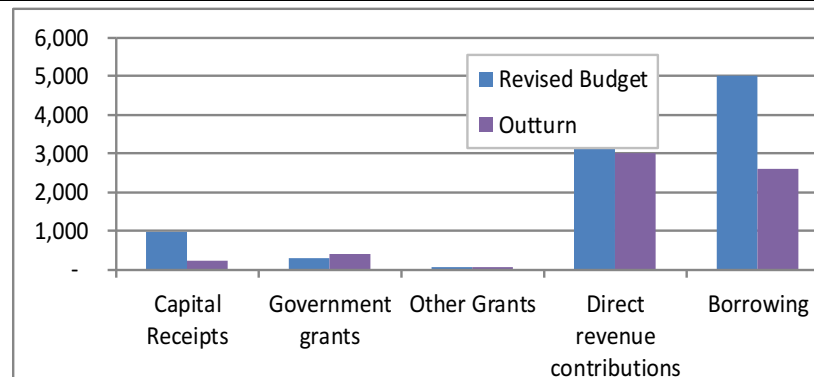
Additional funding from the unallocated budget was agreed during Q4 to complete the outstanding works at Ferndown although the majority of this work would be completed in 2021/22. As identified at Q3, 2 estates projects will slip into 2021/22.

The ICT budget variance is entirely slippage into next year. In addition to the slippage forecast at Q3 there were a couple of contractual issues which led to slippage, one in relation to procurement which delayed the start of the project and the other related to contractor delivery which delayed payments.

The main slippage within equipment is in relation to the Digital Camera upgrade where there have been some technical issues at 2 sites and we are still awaiting Home Office approval before the work on Red Light sites can be completed.

CAPITAL FINANCING

Sources of Finance				
Capital Receipts	-	955	226	729
Government grants	110	304	404	(100)
Other Grants	-	47	47	0
Direct revenue contributions	2,111	3,142	3,014	128
Borrowing	9,888	4,998	2,598	2,400
Total Capital Funding	12,109	9,446	6,289	3,157



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USABLE RESERVES

BUDGET V DRAFT OUTTURN 2020/21

2020/21	Opening Balance at 1/4/20	Budgeted transfer to/(from) reserves	Actual Transfer to/(from) reserves	Balance at 31/3/21	Variance against budgeted transfer	Reserves Commentary
Reserve	£000's	£000's	£000's	£000's	£000's	
Budget Management Fund	914	(914)	323	1,237	(1,237)	<ul style="list-style-type: none"> The balance on the Budget Management Fund is made up of the balance of the Innovation Fund (£337,000), the balance of 3 grants received or notified late in the year (£785,000) and approved carry forward requests totalling £115,000. A contribution of £250,000 from the Major Operations reserve to offset costs in 2020/21 was made and the remaining balance was transferred to General Reserves as previously reported. The remaining commissioning balance was transferred to the Police and Crime Plan reserve to fund outstanding commitments from the previous Commissioner and to enable additional commissioning to support the new Plan going forwards. Carry forwards on regional programmes we administer totalling £260,000 have been approved and transferred into the reserve. Transfers are in line with the budget for the Workforce Change reserve and the Uplift reserve. No transfers were made to the Learning and Development Reserve. The cost of the Police Education Qualification Framework (PEQF) was slightly higher than forecast in Q3 so the contribution to the reserve was slightly lower as a result. Funds set aside for legal costs which OPCC has a legal duty to provide were not spent during the year as a result of delays to proceedings. A dedicated reserve will ensure the funds are available when required.
Major Operations Reserve	988	(988)	(988)	0	0	
Police and Crime Plan Reserve	776	0	141	917	(141)	
Regional Collaboration Reserve	345	(270)	(85)	260	(185)	
Workforce Change Reserve	926	(283)	(283)	643	0	
Uplift Reserve	0	200	200	200	0	
Learning & Development Reserve	46	0	0	46	0	
PEQF Reserve	157	130	108	265	22	
OPCC Legal Reserve	0	0	96	96	(96)	
Total Earmarked Reserves	4,152	(2,125)	(488)	3,664	(1,637)	<ul style="list-style-type: none"> Transfers to the General Fund were as per the budget and the agreed transfer of the Major Operations Reserve. No further transfers were required at year end. The General Fund Balance is now equivalent to 4.02% of net revenue expenditure. Following the year end capital funding review, there were less shorter life assets to be funded from capital receipts therefore only £226,000 was used to fund the capital programme. There were a small number of vehicle sales which generated capital receipts during the year.
General Fund Balance	4,746	953	953	5,699	0	
Total Revenue Reserves	8,898	(1,172)	465	9,363	(1,637)	
Capital Receipts Reserve	955	0	(199)	756	199	
Total Usable Reserves	9,853	(1,172)	266	10,119	(1,438)	