

RAG Status	
This Period	Last Period



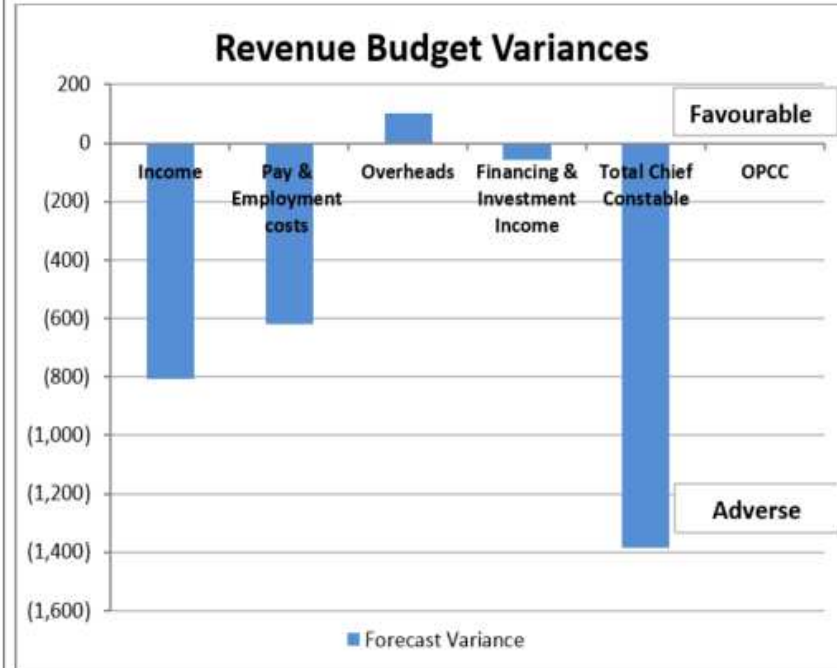
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2020/21 QUARTER 2 FINANCIAL REPORT- OVERVIEW

The overall revenue spend is forecast to be £143.0m against a budget of £141.6m, an adverse variance of £1.384m or 0.98%, based on information up to 30 September 2020. This is primarily as a result of lost income as a result of covid and the number of major ops experienced so far this year. The first claim for lost income has been submitted and further claims will be made throughout the year. If the variance is still adverse at the year end this will reduce the General Fund Balance to £3.577m, equivalent to 2.53% of Net Revenue Expenditure. This is well below the minimum level therefore the Force have been tasked with developing an action plan to address the position and bring back on budget by the year end.

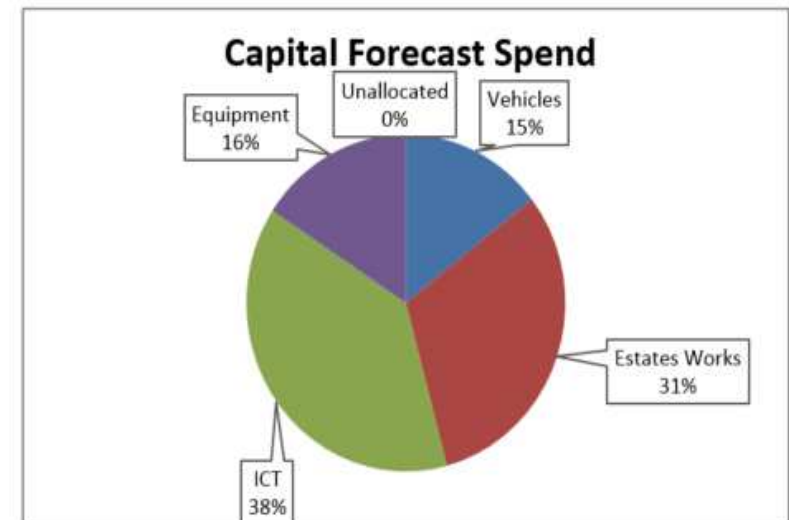
The graph below summarises the predicted revenue variances for the year.



CAPITAL

The Capital Programme is currently predicting expenditure of £9.093m against a revised budget of £10.465m for the year, a favourable variance of £1.372m. This variance relates to slippage as a result of the pandemic and associated delays to projects. Underspends previously identified have been moved to a central pot to enable reinvestment in new capabilities as the year progresses. £0.8m of this remains unallocated and is shown as a favourable variance until committed.

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



As a result of the favourable variance, borrowing is expected to be nearly £1.5m less than the revised budget and almost half that planned in the original budget.

Further information on both the revenue budget, capital programme and reserves can be found on the following pages.

RAG Status	
This Period	Last Period



TRANSFORMING FOR THE
FUTURE

Funding &
Resources

NET REVENUE EXPENDITURE

BUDGET V FORECAST 2020/21

2020/21	Original Budget	Revised Budget	Full year Forecast	Variance fav / (adverse)	Ref	Revenue Forecast Commentary
	£000's	£000's	£000's	£000's		
Chief Constable						
Income	(17,539)	(20,041)	(19,233)	(808)	R1	<p>R1. The Covid 19 Pandemic has significantly impacted on the receipts from the Driver Awareness Scheme and other income streams. A lost income claim of over £500,000 has been made for April to July which is due to be paid in December but this is not fully reflected in the forecast. 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 are currently forecast to be 0.5% overbudget. This is partly as a result of the recruitment of new officers ahead of schedule. Officer overtime is currently predicting an overspend of £400,000. In addition major operations is showing an overspend of £230,000 which may need to be funded from the Major Ops reserve at year end.</p> <p>R3. Savings are being forecast in both supplies and services and IT projects as a result of Covid. Budget has been increased for PFI costs and carry forwards from 19/20</p> <p>R4. Investment income remains under pressure as a result of the reduction in interest rates.</p> <p>R5. Budget has been updated to reflect agreed carry forward requests from 2019/20</p>
Pay & Employment costs	120,175	120,693	121,312	(619)	R2	
Overheads	34,285	36,949	36,848	101	R3	
Financing & Investment Income	2,349	2,724	2,782	(58)	R4	
Total Chief Constable	139,270	140,325	141,709	(1,384)		
OPCC	2,212	2,212	2,212	0		
Total Net Revenue Expenditure	141,483	142,537	143,921	(1,384)		
Reserves	132	(922)	(922)	0	R5	
Net Budget	141,615	141,615	142,999	(1,384)		

Dorset Police and Crime Panel

Police & Crime Plan Monitoring Report – Quarter 2 2020/21

RAG Status	
This Period	Last Period

CAPITAL EXPENDITURE AND CAPITAL FINANCING

BUDGET v FORECAST 2020/21

2020/21	Original Budget	Revised Budget	Forecast	Variance Fav / (Adverse)
	£000's	£000's	£000's	£000's
Capital Investment				
Vehicles	1,448	1,849	1,318	531
Estates Works	5,510	2,966	2,851	115
ICT	5,686	3,490	3,489	1
Equipment	365	1,359	1,435	(76)
Slippage / Savings	(900)	0	0	0
Unallocated	0	801	0	801
Total Capital Programme	12,109	10,465	9,093	1,372

Capital Programme Commentary

As reported last quarter, the capital programme has been revised following the impact of the Pandemic and slippage identified at Q1 has been removed from the current year and built into next years programme.

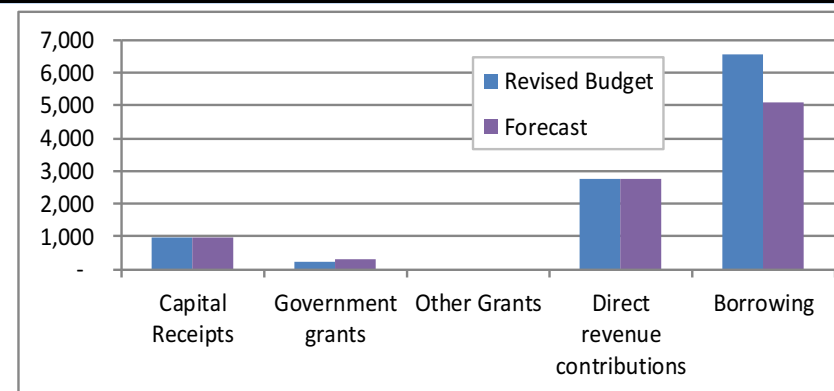
Lead times for vehicles have significantly lengthened as a result of the pandemic, resulting in predicted slippage of £531,000. Information has been difficult to obtain as some manufacturers admin staff are still on furlough therefore further slippage may still be identified.

Estates projects are on budget with the exception of one scheme which had a delayed start in 2020 as a result of covid and requires £115,000 to slip into next year.

Additional tasers within equipment are funded from additional government grant. The remaining unallocated budget is still available but no schemes are

CAPITAL FINANCING

Sources of Finance				
Capital Receipts	-	955	955	0
Government grants	110	212	304	(92)
Other Grants	-	-	-	0
Direct revenue contributions	2,111	2,764	2,764	0
Borrowing	9,888	6,534	5,070	1,464
Total Capital Funding	12,109	10,465	9,093	1,372



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FUTURE

Funding &
Resources

Dorset Police and Crime Panel

Police & Crime Plan Monitoring Report – Quarter 2 2020/21

RAG Status	
This Period	Last Period



TRANSFORMING FOR THE
FUTURE

Funding &
Resources

USABLE RESERVES

BUDGET V FORECAST 2020/21

2020/21	Opening Balance at 1/4/20	Budgeted transfer to/(from) reserves	Forecast Transfer to/(from) reserves	Forecast 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	0	(914)	0	914	<ul style="list-style-type: none"> Carry forward requests totalling £914,000 have been transferred into the 2020/21 revenue budgets A contribution from the Major Operations reserve to offset costs such as summer policing may be required later in the year but no assumption has yet been made. Projects to be commissioned from the Police and Crime Plan reserve will be finalised later in the year Carry forwards on regional programmes we administer totalling £270,000 have been transferred into the revenue budget. The draw on the Workforce Change reserve is currently predicted in line with the budget. The contribution to the new Uplift reserve for future costs of the Uplift Programme is expected to be in line with the budget. No commitments have currently been made from the Learning & Development reserve The cost of the Post Entry Qualification Framework (PEQF) were lower than budgeted in year 2 as a result of Covid and additional income from the University, therefore a further contribution to the reserve is planned. The underspend has been transferred to its own reserve to aid transparency and will be used over the course of the MTFP. The General Fund is not currently being reduced by the predicted overspend in the Revenue Budget as action is being taken to mitigate the forecast by the year end. However if the overspend does materialise at year end, this would reduce the General Fund Balance to £3,577,000 equivalent to 2.53% of net revenue expenditure. It is currently planned to use all available capital receipts to fund the capital programme but this will be reviewed at the year end to ensure the capital programme is funded in the most cost effective way.
Major Operations Reserve	988	0	0	988	0	
Police and Crime Plan Reserve	776	0	0	776	0	
Regional Collaboration Reserve	345	0	(270)	75	270	
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	0	130	287	(130)	
Total Earmarked Reserves	4,152	(83)	(1,137)	3,015	1,054	
General Fund Balance	4,746	215	215	4,961	0	
Total Revenue Reserves	8,898	132	(922)	7,976	1,054	
Capital Receipts Reserve	955	0	(955)	0	955	
Total Usable Reserves	9,853	132	(1,877)	7,976	2,009	