

RAG Status	
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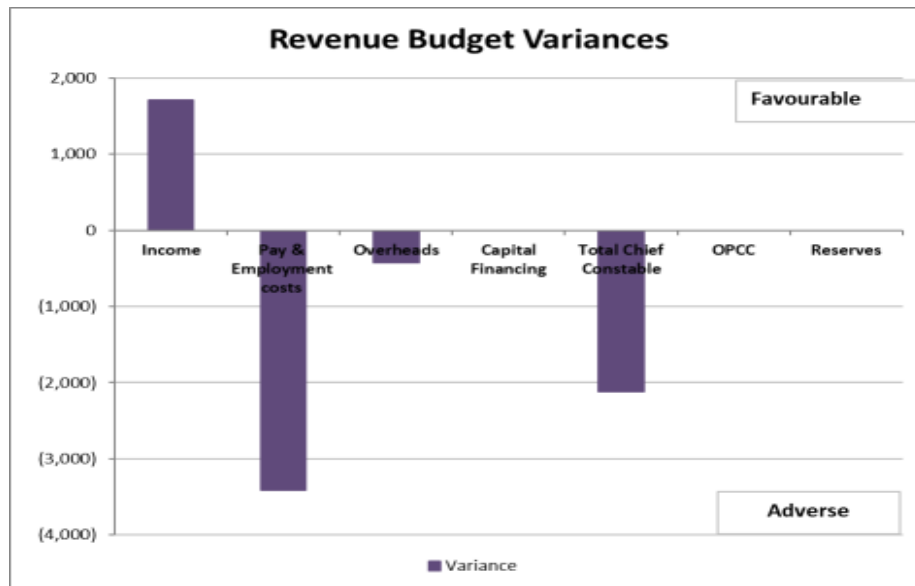


## 2023/24 QUARTER 1 FINANCIAL REPORT- OVERVIEW

The overall revenue spend is forecast to be £165.0m against a budget of £162.9m, an adverse variance of £2.1m or 1.3%, based on information up to 30 June 2023. This is before any account is taken of the pay award announced over the summer.

If the variance is still adverse at the year end this will reduce the General Fund Balance to £3.836m, equivalent to 2.36% of Net Revenue Expenditure. This would be below the minimum level of reserves therefore the Force is working to address the spend in order to bring the year end outturn back in line with the budget.

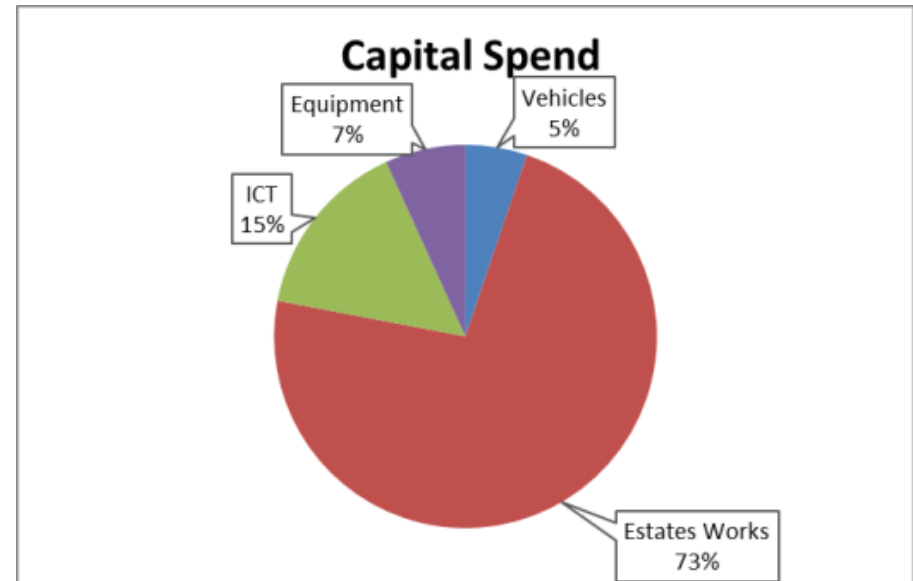
The graph below summarises the revenue variances for the year to 31 March 2024.



## CAPITAL

The Capital Programme is currently predicting expenditure of £19.711m against a revised budget of £24.795m for the year. The variance of £5.084m is made up of slippage of £4.822m and forecast underspends of £0.262m. As a result borrowing is forecast to be £5.084m less than budgeted.

The graph below shows the current allocation of the forecast spend for 2023/24.



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

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## REVENUE BUDGET MONITORING

2023/24	Original Budget	Revised Budget	Actual to Date	Forecast Outturn	Variance fav / (adverse)	Ref	Revenue Commentary
Chief Constable	£000's	£000's	£000's	£000's	£000's		
Income	(24,895)	(24,885)	(2,605)	(26,594)	1,709	R1	R1. Additional income from Uplift as a result of the planned recruitment of an extra 17 officers in excess of the uplift target, and additional interest receivable following increases in interest rates and more positive cashflow.
Pay & Employment costs	135,821	135,859	34,747	139,270	(3,411)	R2	R2. The additional costs of the extra 17 officers are forecast here, as well as the £1.2m savings built into the budget which have not yet been delivered. Overtime budgets are still under pressure but not as much as in previous years. Ill health retirements are forecast to be higher than budgeted based on Q1 numbers but this may reduce as we go through the year.
Overheads	44,738	44,859	9,528	45,281	(422)	R3	R3. The forecast overspend on overheads relates to higher than budgeted business rates and increased costs of equipment, body armour and pension administration fees. These are partially offset by savings in IT licences and network costs.
Capital Financing	4,649	4,649	73	4,649	0		
<b>Total Chief Constable</b>	<b>160,312</b>	<b>160,482</b>	<b>41,743</b>	<b>162,606</b>	<b>(2,124)</b>		
OPCC	2,968	3,054	395	3,054	0		
<b>Total Net Revenue Expenditure</b>	<b>163,280</b>	<b>163,536</b>	<b>42,138</b>	<b>165,660</b>	<b>(2,124)</b>		R4. The forecast variance of £2.124m is equivalent to 1.3% of the total net budget. If this position were to be the final outturn position this would reduce the General Reserves to 2.36%, below the minimum level of 3%. The Force are therefore working hard to address the forecast variance. The position is monitored closely by the Resource Control Board each month.
Reserves	(406)	(662)	(256)	(662)	0		
<b>Net Budget</b>	<b>162,874</b>	<b>162,874</b>	<b>41,882</b>	<b>164,998</b>	<b>(2,124)</b>	<b>R4</b>	

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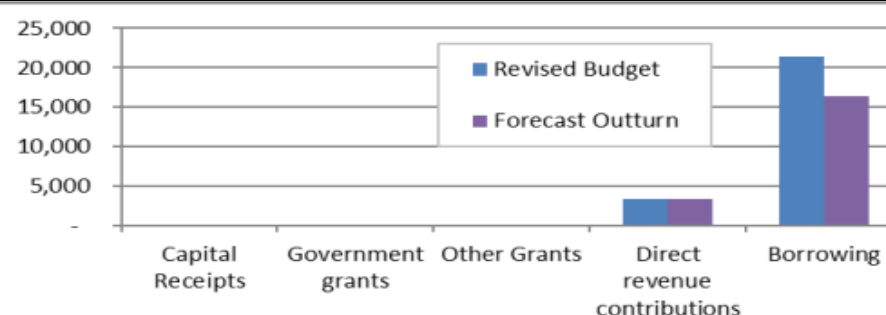


### CAPITAL BUDGET MONITORING

2023/24	Original Budget	Revised Budget	Actual to Date	Forecast Outturn	Variance Fav / (Adverse) £000's	Capital Programme Commentary
	£000's	£000's	£000's	£000's	£000's	
<b>Capital Investment</b>						
Vehicles	924	1,121	(15)	1,026	95	<p>Most vehicle orders for 2023/24 have been placed and delivery slots confirmed by suppliers but are still subject to change. The placing of early bulk orders have achieved discounted rates resulting in a small underspend being forecast.</p> <p>The Estates forecast variance is primarily slippage relating to the demolition elements of the new HQ project which will now take place in 2024/25 (the build elements remain on schedule), the firing range refurbishment which has experienced design delays and is not due to start until January 2024 and other Extended Futures projects as a result of time and resource constraints.</p> <p>The ICT variance is also primarily slippage relating to PRISM projects such as SMART Storm, Contact Centre replacement and the regional Digital Asset Management System (DAMS) project, as well as national projects such as ESN. There are small underspends on ICT projects which have now completed and remaining costs are revenue.</p> <p>The equipment variance relates to slippage in the taser replacement programme which is not forecast to be required this year.</p>
Estates Works	15,123	18,046	1,118	14,347	3,699	
ICT	3,537	4,763	377	2,998	1,765	
Equipment	637	1,365	47	1,340	25	
Slippage	(500)	(500)	0	0	(500)	
Unallocated	0	0	0	0	0	
<b>Total Capital Programme</b>	<b>19,721</b>	<b>24,795</b>	<b>1,527</b>	<b>19,711</b>	<b>5,084</b>	

### CAPITAL FINANCING

Sources of Finance					
Capital Receipts	-	-	-	-	0
Government grants	-	-	-	-	0
Other Grants	23	72	-	72	0
Direct revenue contributions	3,288	3,288	332	3,288	0
Borrowing	16,410	21,435	1,195	16,351	5,084
<b>Total Capital Funding</b>	<b>19,721</b>	<b>24,795</b>	<b>1,527</b>	<b>19,711</b>	<b>5,084</b>



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## USABLE RESERVES

2023/24	Opening Balance at 1/4/23	Budgeted transfer to/(from) reserves	Commitments to transfer to/(from) reserves	Actual Transfer to/(from) reserves	Forecast Closing Balance at 31/3/24
Reserve	£000's	£000's	£000's	£000's	£000's
Budget Management Fund	1,616	(562)	(306)	(256)	1,054
Police and Crime Plan Reserve	1,028	0	0	0	1,028
OPCC Legal Reserve	220	0	0	0	220
OPCC Reserve	377	0	0	0	377
Regional Collaboration Reserve	34	0	0	0	34
Forensic Capability Network Reserve	256	0	0	0	256
Workforce Change Reserve	643	0	0	0	643
Uplift Reserve	549	(200)	(200)	0	349
Learning & Development Reserve	46	0	0	0	46
PEQF Reserve	375	0	0	0	375
<b>Total Earmarked Reserves</b>	<b>5,144</b>	<b>(762)</b>	<b>(506)</b>	<b>(256)</b>	<b>4,382</b>
General Fund Balance	5,860	100	100	0	5,960
<b>Total Revenue Reserves</b>	<b>11,004</b>	<b>(662)</b>	<b>(406)</b>	<b>(256)</b>	<b>10,342</b>
Capital Receipts Reserve	379	0	3,033	0	3,412
<b>Total Usable Reserves</b>	<b>11,383</b>	<b>(662)</b>	<b>2,627</b>	<b>(256)</b>	<b>13,754</b>

### Reserves Commentary

- The Budget Management Reserve holds the underspend from 22/23 of £706,000, the Innovation Fund Balance and the unspent carry forward requests which may be required in 2023/24. These will be transferred from the reserve as they are required.
- At this early stage of the year no other transfers have been made to or from earmarked reserves
- The General Fund Balance is budgeted to increase to £5.960m at 31 March 2024, equivalent to 3.66% of Net Revenue Expenditure. This would be above the minimum level of reserves, but below the maximum of 5%, however this does not factor in the current forecast position. If this variance is still present at the year end the General Fund Balance would be reduced to 2.36% and would need to be addressed as part of the budget for 2024/25
- The capital receipt from the sale of Bargates has now been received. A final check is being made to determine if any further costs of sale should be offset against this receipt. No commitments have yet been made on what these receipts should be used for.