

RAG Status	
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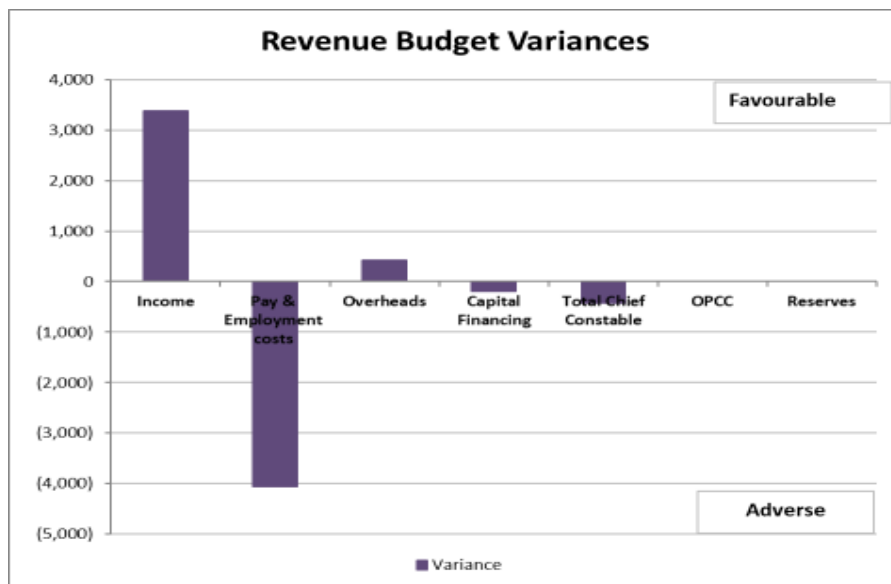


## 2023/24 QUARTER 3 FINANCIAL REPORT- OVERVIEW

The overall revenue spend is forecast to be £163.3m against a budget of £162.9m, an adverse variance of £0.43m or 0.26%, based on information up to 31 December 2023. This is an improved position compared to the Q2 forecast of a £1.89m adverse variance.

If the variance is still adverse at the year end this will reduce the General Fund Balance to £5.529m, equivalent to 3.39% of Net Revenue Expenditure. This would be above the minimum level of reserves however the Force continues to work on bringing the year end outturn back in line with the budget.

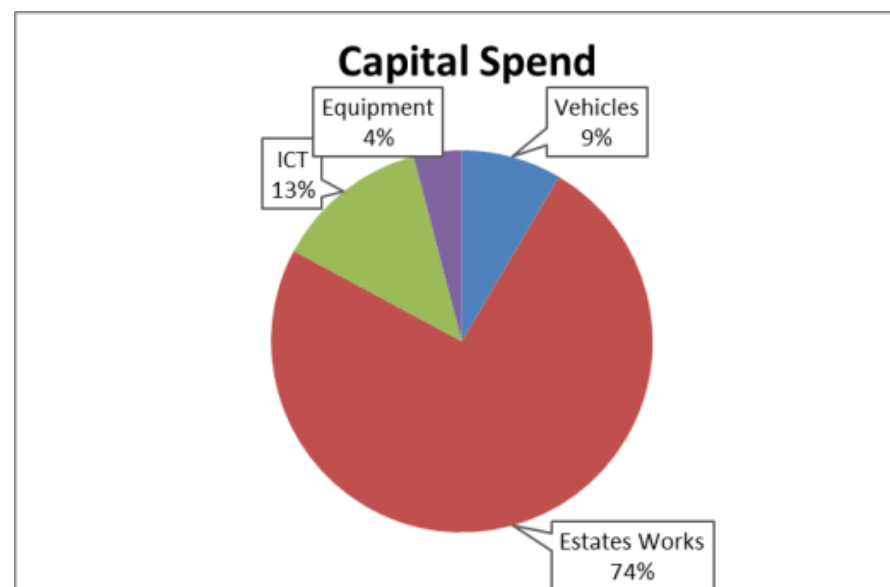
The graph below summarises the forecast revenue variances for the year to 31 March 2024.



## CAPITAL

The Capital Programme is currently predicting expenditure of £17.570m against a revised budget of £18.406m for the year, after removing the slippage which has been built into 2024/25. The variance of £0.836m is made up of further slippage of £0.5m and forecast underspends of £0.3m. This will reduce the borrowing required in 2023/24

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
	£000's	£000's	£000's	£000's	£000's		
<b>Chief Constable</b>							
Income	(24,895)	(28,556)	(18,154)	(31,943)	3,387	R1	R1. Overall variance relates to additional uplift recruitment offsetting addition pay costs, grant relating to the Bibby Stockholm operation, increased regional contributions and Increased interest received as a result of higher rates and cashflow. This more than offsets the additional interest payable forecast below.
Pay & Employment costs	135,821	139,352	105,674	143,406	(4,054)	R2	R2. The additional costs of the extra 27 officers are forecast here, as well as the £1.2m savings built into the budget which have not yet been delivered. The impact of the pay award (net of the grant received) is also forecast here. Overtime budgets are still under pressure but not as much as in previous years.
Overheads	44,738	44,984	33,100	44,562	422	R3	R3. Increased costs of business rates have now been exceeded by reductions in utilities and some maintenance. Increased costs of equipment, body armour and pension administration fees are being offset by savings in IT licences and network costs, regional collaboration costs and fuel savings.
Capital Financing	4,649	4,836	266	5,022	(186)	R4	R4. Increased interest costs for temporary borrowing forecast at year end as a result of continued high interest rates.
<b>Total Chief Constable</b>	<b>160,312</b>	<b>160,616</b>	<b>120,886</b>	<b>161,047</b>	<b>(431)</b>		
OPCC	2,968	3,054	1,562	3,054	0		
<b>Total Net Revenue Expenditure</b>	<b>163,280</b>	<b>163,670</b>	<b>122,448</b>	<b>164,101</b>	<b>(431)</b>		
Reserves	(406)	(796)	(390)	(796)	0		R5. The forecast variance of £0.431m is equivalent to 0.26% of the total net budget. If this position were to be the final outturn position this would reduce the General Reserves to 3.39%, which is still in excess of the minimum level of 3%. The Force are still working hard to address the forecast variance and the position is monitored closely by the Resource Control Board each month.
<b>Net Budget</b>	<b>162,874</b>	<b>162,874</b>	<b>122,058</b>	<b>163,305</b>	<b>(431)</b>	<b>R5</b>	

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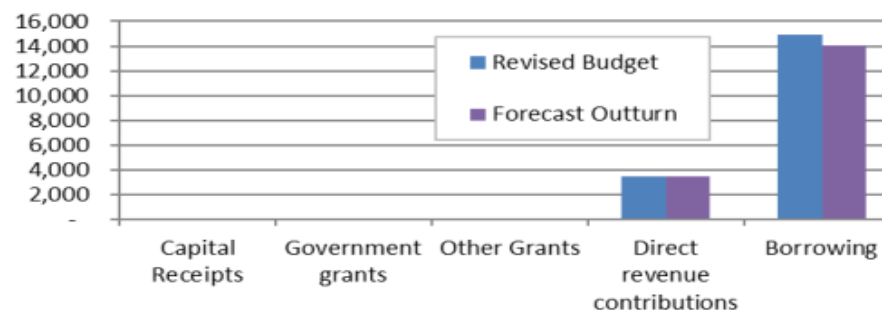


## CAPITAL BUDGET MONITORING

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	795	1,494	(373)	Slippage of £6.55m forecast at Q2 has been removed from the revised budget and built into the 2024/25 budget.
Estates Works	15,123	13,779	7,557	13,060	719	Some manufacturers are now forecasting improved lead times and some 2024/25 vehicles are now predicting to be delivered before the year end. Whilst early order prices have been honoured, new orders being placed are seeing significant increased costs, some as high as 24%.
ICT	3,537	2,584	1,164	2,299	285	The Firing Range project is now not expected to start until April 2024, and underspends in the roofing projects are to be carried forward towards the costs of other roofing works in 2024/25.
Equipment	637	1,271	315	717	554	Some further slippage in IT projects has been identified in Q3 alongside underspends in projects totalling £198,000.
Slippage	(500)	(349)	0	0	(349)	Underspends are forecast where equipment is not required this year. In addition, there is some new spend relating to regional schemes which will be funded by additional revenue contributions.
Unallocated	0	0	0	0	0	
<b>Total Capital Programme</b>	<b>19,721</b>	<b>18,406</b>	<b>9,831</b>	<b>17,570</b>	<b>836</b>	

## CAPITAL FINANCING

Sources of Finance					
Capital Receipts	-	-	-	-	0
Government grants	-	-	-	-	0
Other Grants	23	72	23	72	0
Direct revenue contributions	3,288	3,453	2,528	3,453	0
Borrowing	16,410	14,881	7,280	14,045	836
<b>Total Capital Funding</b>	<b>19,721</b>	<b>18,406</b>	<b>9,831</b>	<b>17,570</b>	<b>836</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	Reserves Commentary
Reserve	£000's	£000's	£000's	£000's	£000's	
Budget Management Fund	1,616	(696)	(340)	(390)	886	<ul style="list-style-type: none"> <li>Of the forecast balance held in the Budget Management Reserve at 31 March 2024, £295,000 has been identified as no longer being required for its original purpose. £200,000 of this is being used as part of the 2024/25 budget. The remaining balance is committed to projects likely to complete in 24/25.</li> <li>£770,000 has been committed to the Violence Reduction Unit by the PCC so this will be transferred into its own reserve from the Police and Crime Plan Reserve</li> <li>An additional £30,000 is planned to be transferred to the OPCC Legal Reserve at the year end and then maintain at this level</li> <li>The balance on the Forensic Capability Network Reserve will be used to fund costs incurred this year as per the agreement with the Home Office</li> <li>No other transfers are currently forecast however this will be reviewed at the year end</li> <li>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 3.39% and still above the minimum level.</li> <li>The capital receipt from the sale of Bargates has now been received. No commitments have yet been made on what these receipts should be used for.</li> </ul>
Police and Crime Plan Reserve	1,028	0	(770)	0	258	
Violence Reduction Reserve	0	0	770	0	770	
OPCC Legal Reserve	220	0	30	0	250	
OPCC Reserve	377	0	0	0	377	
Regional Collaboration Reserve	34	0	0	0	34	
Forensic Capability Network Reserve	256	0	(256)	0	0	
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>(896)</b>	<b>(766)</b>	<b>(390)</b>	<b>3,988</b>	
General Fund Balance	5,860	100	100	0	5,960	
<b>Total Revenue Reserves</b>	<b>11,004</b>	<b>(796)</b>	<b>(666)</b>	<b>(390)</b>	<b>9,948</b>	
Capital Receipts Reserve	379	0	3,033	0	3,412	
<b>Total Usable Reserves</b>	<b>11,383</b>	<b>(796)</b>	<b>2,367</b>	<b>(390)</b>	<b>13,360</b>	