

ACCOUNTABILITY BOARD

Meeting to be held on 15 February 2023

Financial Position as at 31 December 2022

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EXECUTIVE SUMMARY

This report sets out the monitoring position for the Police and Crime budget for 31 December 2022. The report sets out the position for the revenue budget and the capital programme.

RECOMMENDATION

The Police and Crime Commissioner is asked to:

- Note the Revenue budget monitoring report for 31 December 2022,
- Note the position on the capital programme for 2022/23,
- Approve the revised capital programme for 2022/23 at £25.094m as set out in Paragraph 3 of this report,
- Note the position on reserves.

1. 2022/23 Monitoring Position – As at 31 December 2022

1.1 The Commissioner receives regular reports setting out the latest position on income and expenditure and forecast out turn position for the revenue and capital budget. This report sets out the latest position including:

- The position for the PCC's revenue budget for 2022/23,
- The capital programme for 2022/23 and future years, and
- The position on the PCC's reserves

2. Revenue Budget

2.1 The revenue budget position for 31 December 2022 was:

Responsibility Area	Budget	Forecast	Variance	
	£m	£m	£m	%
Constabulary:				
Staff costs	264.595	264.661	0.066	0.02
ACC Territorial Operations	7.151	9.226	2.075	29.02
ACC Crime	3.405	4.039	0.634	18.62
ACC People and Specialist Operations	5.148	5.504	0.356	6.92
Director of Resources	29.403	29.680	0.277	0.94

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Deputy Chief Constable	1.419	1.477	0.058	4.09
Sub Total	311.121	314.587	3.466	1.11
Office of the PCC	1.510	1.500	-0.010	-0.66
Communications	0.127	0.100	-0.027	-21.26
Fighting Crime	0.730	0.730	-	-
Victim and Domestic Abuse services	0.573	0.573	-	-
Sub Total	2.940	2.903	-0.037	-1.26
TOTAL DFM BUDGET	314.061	317.490	3.429	1.09
Non DFM				
Constabulary	15.502	11.322	-4.180	-26.96
Office of the PCC	8.680	8.400	-0.280	-3.23
TOTAL BUDGET	338.243	337.212	-1.031	-0.30

2.1. The main elements of forecast under and overspending are:

	£m
Vacancy savings	-1.1
Overtime	1.0
Ill-health retirements	0.5
Hire of transport	0.2
Travel and Subsistence	0.3
Under recovery of driver training income	0.3
Non-staff savings	-0.5
Pension saving (discount for advance payment of pension contributions)	-0.7
Mutual Aid	-0.7
Increased investment income	-0.3
Forecast variance	-1.0

2.2. It is forecast that the revenue budget for 2022/23 will be underspent by £1.031m (0.30% of the total budget).

2.3. The position reflects the impact of the police pay award, The position also reflects the additional grant provided by the government to meet the increase in pay for police officers.

3. Capital

3.1. The revised 2022/23 capital programme, approved by the PCC at quarter 2, was £29.574m.

3.2. Since that position was reported a number of amendments to the programme for 2022/23 have been identified as follows:

Project	£	
Pendle Police station	-3.988	Move in to 2023/24
Skelmersdale	-0.052	Move in to 2023/24

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IT programme	-0.104	Project costs moved into future years
Vehicle replacement	-0.900	Spend deferred to 2023/24
Device replacement	0.328	Funded by Uplift grant
Oracle ERP replacement	0.180	Funded by revenue contribution
Moor Farm SOCU refurbishment	0.056	Funded by Uplift grant
	-4.480	

3.3. The **Commissioner is recommended to approve** the amendments to the capital programme in 3.2 to give a **revised capital programme** for 2022/23 of **£25.094m**

3.4. The forecast for 2022/23 is spend of £22.439m against the revised budget of £25.094m:

	Revised Budget	Year-end Forecast	Slippage	Under/over spend
	£m	£m	£m	£m
IT	7.874	7.437	(0.439)	0.002
Accommodation	10.983	9.006	(1.335)	(0.642)
Other Schemes	1.477	1.236	(0.241)	0.000
Vehicle replacement	4.760	4.760	0.000	0.000
TOTAL	25.094	22.439	(2.015)	(0.640)

3.5. The **Commissioner is recommended to note the forecast underspend and slippage on the programme**. The main elements of slippage identified in the table above are:

Scheme	£m
Replace Forensic Science Platform	0.145
In Car Dashcam programme	0.235
ICCS system upgrade	0.059
HQ CPIP	0.304
Skelmersdale Police Station Refurbishment	0.063
Pendle Police Station	0.500
Minor Works	0.468
ANPR replacement	0.241
Total slippage	2.015

4. Reserves

4.1. Reserves and provisions have been set aside to manage the financial risks within the financial strategy and to provide funding to support the Commissioner's capital investment programme.

4.2. The Commissioner has an established reserves strategy (published here: <https://www.lancashire-pcc.gov.uk/transparency/financial-information/financial-strategy/>) that has made available a significant amount of funding for investment in the capital investment programme in 2022/23 and future years. This investment is key to the delivery of improvements in IT equipment and infrastructure that will in turn improve the productivity and efficiency of the force. The Commissioner's strategy also sets aside funding within his reserves to meet any one-off costs of downsizing the organisation that includes the costs of voluntary redundancy and exit from the force.

4.3. The forecast position for 2022/23 in respect of the Commissioner's reserves is set out in Annex 1. The PCC will review his reserves strategy for 2023/24 and future years during 2022/23.

5. Links to the Police and Crime Plan

6. Consultation

7. Implications

a. Legal

There are no legal comments associated with this paper.

b. Financial

The financial implications are contained with the report.

c. Equality considerations

There are no Equality comments associated with this paper.

8. Background Papers

None

9. Public access to information

Information in this form is subject to the Freedom of Information Act 2000 and other legislation.

Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made available on request should not be included in Part 1 but instead on the separate Part 2 form.

Forecast Reserves position

	Balance 1/4/2022 £m	Forecast Movement £m	Forecast 31/3/2023 £m
<u>EARMARKED RESERVES</u>			
Capital Financing Reserve	0.151	0.607	0.758
Employee/Public liability Reserve	0.685	-	0.685
Transition Reserve	4.748	-2.392	2.356
Clothing Reserves	0.028	0.064	0.092
POCA Equalisation Reserve	0.547	-	0.547
PCCA/Drugs Forfeiture Reserve	0.286	0.042	0.328
VMU Reserves	0.008	-	0.008
Operational Policing Reserve	1.691	-	1.691
Forensic collaboration reserve	0.249	-	0.249
Regional collaboration reserve	0.462	-0.462	0
Well-being reserve	0.017	-	0.017
National Driver Offender Retraining Scheme	0.841	-0.144	0.697
Road Safety Reserves	2.633	-	1.792
Total Earmarked Reserves	11.505	-2.285	9.220
Total General Reserves	12.707	1.758	14.465