

**THE OFFICE OF POLICE AND CRIME COMMISSIONER  
FOR DERBYSHIRE**

**DECISION RECORD**

<b>Request for PCC Decision</b>	<b>Received in OPCC Date: 27 November 2017</b>	<b>OPCC Ref: 48/17</b>
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**REVISED REVENUE BUDGET**

**Executive Summary:**

The revised budget position for 2017/18 was presented as per the attached report, set out in Appendix A.

**Decision**

- i. The previous changes made to the budget (paragraph 2.2) were noted.
- ii. An 'in principle' decision was taken to balance any overspending on the 2017/18 revenue budget from the Operational Funding and Investment Reserve at the year end, should this arise. The final outturn yet to be determined (paragraph 2.3)
- iii. The forecast outturn position and variances were noted and any relevant actions taken. (paragraphs 2.4 to 2.12)

**Declaration**

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for the Police and Crime Commissioner for Derbyshire. Any such interests are recorded below.

(Recorded interests: Patron of Sporting Futures, as declared on the Register of Disclosable Interests and Hospitality Gifts) and Derby City Councillor.

The above request has my approval.

**Signature**

Hardyal Dhindsa

**Date 27 November 2017**

**PUBLICATION SCHEME CONSIDERATIONS**

**Is the related Section B report to be published**    **Yes**

The report contains commercially sensitive information.

**Is the publication of this approval to be deferred**    **No**

If Yes, provide reasons below

**Date to be deferred to –**

NB Statutory Instrument 2011/3050 (as amended by SI 2012/2479) states that: *all decisions made by a PCC are in the types of information that must “be published as soon as practicable after it becomes available to the elected local policing body”.*

**OFFICER APPROVAL**

**Chief Executive or Nominee:**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

Name    Andrew Dale

Date 27 November 2017

**STRATEGIC GOVERNANCE BOARD**  
**MONDAY, 27<sup>TH</sup> NOVEMBER 2017**  
**JOINT REPORT OF THE CHIEF CONSTABLE AND CHIEF FINANCE OFFICER**

**10F REVISED REVENUE BUDGET**

**1. PURPOSE OF THE REPORT**

To present the Revised Budget position for 2017/18.

**2. INFORMATION AND ANALYSIS**

Overview and Context

- 2.1 The expected financial position for 2017/18, as set out in this report, is very untypical for Derbyshire Constabulary. At this stage, there is a prospect of a relatively small over-spend of less than 1% of our budget.
- 2.2 Since 2010 the Constabulary has made significant budget reductions of some £37m and this is now placing considerable pressure on our policing budgets.
- 2.3 Operationally the force is having a busy year as it has tried to reshape the way it delivers operational policing as well as managing a significant anti-fracking protest. Alongside this we have also faced increased pressure on calls for service within our control room. All of this has impacted on our resources and spending levels with additional staffing cost, especially around overtime as we have tried to adjust to this level of demand.
- 2.4 Elsewhere we have continued to invest in new IS and perhaps not surprisingly after a period of austerity, our estate now needs considerable investments. Again these areas will impact on the year-end financial position.
- 2.5 Nevertheless it is important to view the financial position in context, we project that our spending will be no more than 1% above budget. We also have set

aside reserves to help us manage peaks in demand the new pressures identified above, at least in the short to medium term.

#### Revised Budget 2017/18

- 2.6 The proposed revised budget for 2017/18 is set out at Appendix A to this report. The statement consolidates the impact of all budget adjustments that have been identified and actioned as part of the process of continuous monitoring of the revenue budget position to date. As such it reflects the current assessment of the expected financial outturn for the year to 31 March 2018.
- 2.7 For completeness the proposed Revised Estimates have been built up from the original Base position approved at the Precept meeting in February.
- 2.8 During the course of the year other adjustments have been made to the approved budget, as follows:
- **Virements between budget headings to reflect re-allocations and re-prioritisations in the use of existing resources.** These movements are itemised at Table 1 of Annex B
  - **Allocations of £0.361m from the Carry Forwards reserve to pay for approved items.** These items are listed at Table 2 of Annex B.
  - **Allocations from and to the Price Contingency for cost increases and reductions that are price-related.** No requirements for price-related adjustments have been identified during the year to date. Therefore money has been released from the Contingency to fund the costs of the additional, unconsolidated 1% pay award made to Police Officers from September 2017. In addition it is proposed to set aside a further sum from the Contingency in anticipation of a similar award being made to Police Staff. The impact of these allocations, set out at Table 3 of Annex B, is to take £0.609m from the Contingency, leaving £0.204m available to assist with various overspendings identified within this report.
- 2.9 In addition to these adjustments it is assessed that a further £1.274m will need to be taken from the Operational Funding & Investment Reserve to

cover anticipated expenditure for the year to 31 March 2018. This will leave sufficient flexibility within remaining budgets to allow formations with under-spends to retain some resources for use in the next financial year, in line with usual force policy.

- 2.10 In addition the force has faced a number of specific operational demands during the year which has consumed resources, for example, policing of the 'fracking' protests in Clay Cross during the summer and the requirement to mount additional patrols in response to terrorist incidents. As a result of changes to the Policing Model our police officer establishment reduced by some 30 police officer posts. This in turn enabled a number of new posts to be created to address new and emerging risks, particularly around vulnerability. The investment in mobile office was a key part of enabling these changes to be made and managing the impact on local policing.
- 2.11 The base budget set in February was underpinned by a contribution of £1.024m from the Operational Funding & Investment Reserve to cover the deficit in funding. This was reduced to £0.601m by savings identified after the Precept-setting meeting, for example from the force's required contributions to NPAS and to national-level IT services. The Revised projections as set out in this report indicate that the required Reserves contribution will rise to £1.765m. However, this position is dependent on expenditure requirements in the remainder of the year and an assessment of carry-forward commitments that exist at the end of the financial year.
- 2.12 It should also be noted that the total contribution includes funding of £0.250m for the Intranet Replacement project. The opportunity has been taken to build the expected development costs into the revised Revenue Budget although this initiative was always intended to be funded via a contribution from Reserves.
- 2.13 Details of how the total overspend is made up are set out at Table 4 of Annex B. The key variances in the overall position are as follows:
- 2.14 **An overspending against Police Officer Pay & Oncosts of £0.787m.** This includes provision for additional overtime commitments totalling £0.901m. £0.288m of this has been incurred on the policing of the M1 motorway

improvements and is offset by income, leaving £0.613m to be met by the force. £0.263m of this remainder relates to specific operations and a further £0.272m is attributable to territorial policing in South Division. In the latter case, it is hoped that the demand for overtime can be managed downward in the remainder of the year, resulting in a reduced overspend. Police officer pay and oncosts are projected to be underspent by £0.114m, which has been helped by the fact that there was almost no call on the £0.450m provision for pension auto-enrolment. Enhanced recruitment in the early part of the year and reduced wastage means that the auto-enrolment saving is covering what would otherwise be a small overspend on pay and oncosts.

- 2.15 **A predicted overspend on Police Pension costs (£0.272m).** The number of ill-health retirements is expected to be nine during the year, compared to six provided for in the budget.
- 2.16 **An overspend against Police Staff salary and oncost budgets (£0.147m).** This includes funding for the part-year costs of 20 new Police Staff Investigator posts and for additional staffing within Information Services.
- 2.17 **Net additional resources added to Supplies & Services' budgets (£0.677m),** including:
- £0.250m for the Chief Constables' Investment Fund
  - £0.250m for the Intranet Replacement project
  - £0.260m arising from the investment in new or upgraded IT systems
- 2.18 **Unused Price Contingency of £0.204m has been removed.** The principle call on the Contingency during this year has been the additional 'unconsolidated' 1% pay award for Police Officers which was not anticipated when the budget was set.
- 2.19 **Additional income of £0.603m,** including £0.285m from the Highways Agency for policing the M1 motorway improvements and £0.094m from new agreements with football clubs for policing their matches.

### **3. RECOMMENDATIONS**

- 3.1 The previous changes made to the budget are noted (paragraph 2.2)
- 3.2 An 'in principle' decision is taken to balance any overspending on the 2017/18 revenue budget from the Operational Funding and Investment Reserve at the year end, should this arise. The final outturn yet to be determined (paragraph 2.3)
- 3.3 The forecast outturn position and variances are noted and any relevant actions are taken. (paragraphs 2.4 to 2.12)

### **4. IMPLICATIONS**

	LOW	MEDIUM	HIGH
Crime & Disorder			X
Environmental	X		
Equality & Diversity	X		
Financial			X
Health & Safety	X		
Human Rights	X		
Legal	X		
Personnel		X	
Risk			X

The main risk within this report stem from the uncertainty around the funding settlement. The grant allocation for Derbyshire Police will not be known until mid - December 2015.

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### **ATTACHMENTS**

A&B Revised Budget position for 2017/18 and supporting analysis tables.

2017/18 Revised Estimates by Major Budget Heading

Budget Heading	2017/18 Approved Estimates	Closing The Risk Gap Changes	Other Changes to Base Budgets	Adjusted Base Estimates	Allocation From C.Fwds	Budget including Carry-Fwds	Part Year Inflation	Revised Budget Adjustment	2016/17 Revised Budget
Office of the PCC	1,072,000		0	1,072,000	0	1,072,000	4,100	0	1,076,100
Budgets under control of the PCC	1,434,097		0	1,434,097	40,000	1,474,097	0	(255,000)	1,219,097
Police Officer Pay & On Costs	87,153,600		5,000	87,158,600	0	87,158,600	423,100	787,300	88,369,000
Police Staff Pay & On Costs	38,148,300		(10,000)	38,138,300	0	38,138,300	182,000	147,300	38,467,600
Other Employee Expenses	489,900		11,500	501,400	7,000	508,400	0	21,500	529,900
Police Pensions	2,460,100		0	2,460,100	0	2,460,100	0	272,400	2,732,500
Premises	8,201,500		(1,500)	8,200,000	0	8,200,000	0	143,900	8,343,900
Transport	3,587,900		108,000	3,695,900	0	3,695,900	0	(133,000)	3,562,900
Supplies & Services	13,149,400		(391,600)	12,757,800	34,900	12,792,700	0	677,400	13,470,100
Agency	1,187,900		(1,000,000)	187,900	0	187,900	0	30,400	218,300
Pay & Price Contingency	812,700		0	812,700	0	812,700	(609,200)	(203,500)	0
Debt Charges	771,500		0	771,500	0	771,500	0	(200)	771,300
Revenue Contribution to Capital	1,665,100		0	1,665,100	0	1,665,100	0	0	1,665,100
Government Grants	(2,988,800)		0	(2,988,800)	0	(2,988,800)	0	0	(2,988,800)
General Income	(2,705,900)		0	(2,705,900)	0	(2,705,900)	0	(603,300)	(3,309,200)
Interest Receipts	(76,000)		0	(76,000)	0	(76,000)	0	0	(76,000)
Contribution to Reserves	7,500		0	7,500	0	7,500	0	259,700	267,200
Contribution from Reserves	(1,300,900)		551,000	(749,900)	(361,300)	(1,111,200)	0	18,600	(1,092,600)
<b>Core Budgets</b>	<b>153,069,897</b>	<b>0</b>	<b>(727,600)</b>	<b>152,342,297</b>	<b>(279,400)</b>	<b>152,062,897</b>	<b>0</b>	<b>1,163,500</b>	<b>153,226,397</b>
BCU Funding	318,200		0	318,200	33,000	351,200	0	0	351,200
Contributions to East Mids Collaboration	9,566,400		860,800	10,427,200	0	10,427,200	0	0	10,427,200
Contributions to National Policing	754,700		(550,200)	204,500	0	204,500	0	0	204,500
Other Grants	50,000		0	50,000	24,000	74,000	0	0	74,000
Partnerships	511,500		(5,000)	506,500	222,400	728,900	0	0	728,900
Secondments	0		0	0	0	0	0	0	0
<b>Total Before Allocation of Underspend</b>	<b>164,270,697</b>	<b>0</b>	<b>(422,000)</b>	<b>163,848,697</b>	<b>0</b>	<b>163,848,697</b>	<b>0</b>	<b>1,163,500</b>	<b>165,012,197</b>
Contribution to General Reserve	0		0	0	0	0	0	0	0
Contribution to Operational Funding Reserve	(1,023,550)		422,000	(601,550)	0	(601,550)	0	(1,163,500)	(1,765,050)
<b>TOTAL BUDGET</b>	<b>163,247,147</b>	<b>0</b>	<b>0</b>	<b>163,247,147</b>	<b>0</b>	<b>163,247,147</b>	<b>0</b>	<b>0</b>	<b>163,247,147</b>



TABLE B1 - Other Virements between Budget headings			
Budget Heading	Formation	Amount	Comments
Police Staff Pay & Oncosts	Force	(292,100)	CTRG posts - savings utilised for purchase of vehicles
Police Staff Pay & Oncosts	Force	(32,900)	CTRG post allocated to Joint HR Service Centre
Police Staff Pay & Oncosts	Crime Support	(176,100)	CSI Managers transferred to Regional Units
		(501,100)	
Training - External Courses	South Division	1,000	Re-prioritisation of formation budgets
Hire of Rooms	South Division	(500)	Re-prioritisation of formation budgets
Fleet and Travel Costs	South Division	(15,900)	Re-prioritisation of formation budgets
Fleet and Travel Costs	Operational Support	(10,000)	Re-prioritisation of formation budgets
Vehicle and Travel Costs	Executive	4,700	Re-prioritisation of formation budgets
Vehicle and Travel Costs	Corporate Services	(2,000)	Re-prioritisation of formation budgets
Vehicle Commissioning	Assets	69,500	Running costs of 26 additional vehicles for new response model
		46,300	
Misc Supplies & Services	South Division	15,400	Re-prioritisation of formation budgets
Misc Supplies & Services	Operational Support	10,000	Re-prioritisation of formation budgets
Professional Fees	Crime Support	47,000	Transfer of resources to meet demand as approved by DoF&BS
External Examination of mobile phones	Crime Support	40,000	Transfer of resources to meet demand as approved by DoF&BS
Misc Supplies & Services	Executive	(4,700)	Re-prioritisation of formation budgets
Misc Supplies & Services	Corporate Services	2,000	Re-prioritisation of formation budgets
Misc Supplies & Services	Criminal Justice	(2,100)	Re-prioritisation of formation budgets
		107,600	
Forensics Services costs	Crime Support	(87,000)	Transfer of resources to meet demand as approved by DoF&BS
Revenue Contribution to Capital Outlay	Assets	222,600	Approved purchase of 26 additional vehicles for new response model
Contributions to East Midlands Collaboration	EM Forensics	176,100	CSI Managers transferred to Regional Units
Contributions to East Midlands Collaboration	Joint HR Service Centre	32,900	CTRG post within HR SC
		209,000	
Criminal Justice Board costs	Criminal Justice	(11,400)	
Partnership Analyst Posts	Corporate Services	11,400	
Community Cohesion Post	Corporate Services	(5,000)	
Stop Hate Partnership	Corporate Services	5,000	
Nottingham Prison Partnership	Corporate Services	2,100	
		13,500	
<b>Total Other Changes to Base Budgets</b>		<b>0</b>	
TABLE B2 - Use of Carry-Forwards from 2016/17			
Budget Heading	Formation	Amount	Comments
Training - External Courses	Crime Support	7,000	CTRG2 Funding
Fleet and Travel Costs	North Division		Operation Harwood
Mobile Services	Crime Support	7,800	NIT Project
Hardware Purchase	Crime Support	5,200	NIT Project
Livescan System Changes	Criminal Justice	7,900	Cost Increase
		20,900	
BCU Fund	North Division	33,000	
Contributions to National Policing	POCA Project		
Criminal Justice Board costs	Criminal Justice	24,000	
NICE - Friends of New Mills	OPCC	40,000	
		64,000	
Partnerships	North Division	1,200	Crime & Disorder
Partnerships	North Division	1,800	HPBC Community Safety Crime Prevention
Partnerships	North Division	400	DDDC Community Safety Crime Prevention
Partnerships	North Division	300	Juice Bike
Partnerships	North Division	3,300	Community Safety - Intoxication Project
Partnerships	North Division	10,500	Rural Policing / Farmwatch
Partnerships	North Division	6,200	Op Graze (Stray Horses)
Partnerships	North Division	6,800	Youth Diversion Clay Cross
Partnerships	North Division	700	NEDDC - NE Community Safety P'Ship
Partnerships	North Division	500	NEDDC - Op Rhubarb
Partnerships	North Division	500	Alfreton Young Peoples Cycle Maintenance
Partnerships	North Division	56,300	SMART
Partnerships	North Division	200	Kickr Chesterfield South SNT
Partnerships	North Division	500	Eckington Youth Diversion Project
Partnerships	North Division	200	Equip Office at Bolsover DC for Comm Safety Sgt
Partnerships	North Division	500	Grassmoor Youth Activities
Partnerships	North Division	500	Poolsbrook/Duckmanton
Partnerships	South Division	1,200	SDDC - Op Edgware 2
Partnerships	South Division	37,000	SMART Fund
Partnerships	South Division	1,800	Ace Project (Crucial Crew)
Partnerships	South Division	20,000	Staff Development
Partnerships	South Division	15,000	Superintendents Threat and Risk Fund
Partnerships	South Division	3,000	Op Luzon
Partnerships	South Division	2,000	Op Scarlet 2012
Partnerships	South Division	25,000	Inspectors Fund - LPU
Partnerships	South Division	5,000	Inspectors Fund - Response
Partnerships	South Division	12,000	Inspectors Fund - CID
Partnerships	South Division	5,000	Vulnerability
Partnerships	South Division	5,000	Divisional Business Improvement Fund
Partnerships	Corporate Services	14,000	
		236,400	
<b>Total Allocations from 2016/17 Carry Forwards</b>		<b>361,300</b>	
			-40,000 Agresso P4 - NICE Fund
			-123,400 Agresso P3
			-43,400 Agresso P5
			-154,500 Adj list
			-361,300 Difference is NICE fund
TABLE B3 - Part Year Inflation			
Budget Heading	Formation	Amount	Comments
Police Staff Pay & Oncosts	Office of the PCC	4,100	Add 1% Police Staff Pay Award 7 Months
Police Officer Pay & Oncosts	Force	423,100	1% Unconsolidated Bonus
Police Staff Pay & Oncosts	Force	182,000	Add 1% Police Staff Pay Award 7 Months
Vehicle Fuel	Formations		Reduced fuel 'pump' prices being paid
Vehicle Insurance	Force		Increase to premiums required by providers
Subscriptions	Force		Increased levy from Police ICT Company (50% share)
Public / Employer Liability insurance	Force		Increase to premiums required by providers
<b>Total Price Inflation changes</b>		<b>609,200</b>	
<b>Reduction to Price Contingency</b>		<b>(609,200)</b>	
TABLE B4 - Revised Budget Adjustments			

