

Force Resources Scrutiny Meeting
Thursday 18 December 2014
11:00am, Conference Room, Hoffmanns Way

Present:-

Lindsay Whitehouse, Deputy Police and Crime Commissioner (DPCC) for Essex	LW
Charles Garbett, Treasurer, OPCC	CG
Carly Fry, AD Performance and Scrutiny, OPCC	CF
Abbey Gough, Financial Analysis and Scrutiny Officer, OPCC	AG
James Cook, Finance Lead for Evolve Programme, EP	RJ
Debbie Martin, Chief Finance Officer	DM
Denise Breckon, Chief Accountant	DB
Mark Gilmartin, Director of Support Services,	MG
Nick Alston, Police and Crime Commissioner	NA
Stephen Kavanagh, Chief Constable	SK

	Item	Action	Owner	Date for Completion
1.	<p>Matters arising</p> <p>MG said that MAG agreement would be passed to CG.</p> <p>Apologies None</p>			
2.	<p>Notes of previous finance scrutiny meeting</p> <p>Amendments to minutes noted.</p>			
3.	<p>Monthly Force Finance Performance Reports:</p> <p>Budgetary control report month 8, with three month financial forecast Medium term financial plan.</p> <p>LW requested that the column heading in Appendix C were renamed to show the forecast month rather than '+ one month'.</p> <p>FCR: LW referenced that the Resources Scrutiny meeting had previously been informed that the costs for FCR would not be increasing further. MG stated that the £142k cost increase was the increase that was spoken about in September, and the £142k was not a further increase in cost.</p> <p>Pension: CG questioned the £400k change and why they were so large. DM stated that this related back to August when it was established that the amount hadn't been charged to SAP. £300k related to 2013/14 arrears and the £400k was budgeted for the 2014/15 financial year however the amendments had already been made to SAP so there was no need for further adjustments, therefore the £400k for the Local Government Pension Scheme was not required.</p> <p>Income:</p>	DB to rename Appendix C headings	DB	22 nd January

<p>LW asked about additional income and where this is accounted for. MG explained that all additional income would be offset against overspends elsewhere in the accounts.</p> <p>DM highlighted that there was an over recovery of income in some areas and further work was being done on the Magistrates Courts income.</p> <p>Capital:</p> <p>CG noted that there was still low capital spends in 2014/15; out of £7.48m only £2.2m had been spent and asked what the operational impacts of this low spend was.</p> <p>MG emphasised that he expected 80% of capital to be spent at the end of the financial year, with Transport spend expected to be 100%, IT 85-90% and the Estates programme significantly lower.</p> <p>MG highlighted that the discussion had been held before and that EP were committed to ensuring that planned spend was achieved in the year it was set; however there was a degree of flexibility so that budget holders don't have to spend monies just so the funding is not lost.</p> <p>CG noted the year on year, continual level of optimism in the capital forecast which does not materialise. MG noted that most spend was made up of bids for one year and it was often unlikely that the spend would be made within the April to March financial year.</p> <p>Southend Custody:</p> <p>CG informed the meeting that the cost of Southend was now £9.8m with some further costs to be finalised, the final cost would be approximately £10m. These costs were expected to form part of next month's capital programme; tenders for the project were due in February.</p> <p>MG noted that the recent tender exercise for the FCR and Fingerprint Lab had resulted in competitive bids.</p> <p>Appendix A:</p> <p>NA noted the large difference between budget and forecast overrun for Supplies and Services and Agency Costs. DM noted that the main increases were due to Operation Echo and Attfield; these costs were expected to be one off costs in</p>			
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	<p>2014/15. Currently no there have been no virements resulting in a number of overspends, this would be matched by using the General Reserve.</p> <p>DM confirmed that further work was taking place surrounding the Op Echo costs before a claim could be made to the Home Office.</p> <p>DB noted that there was income received of £4.6m some of which related to collaboration work with Kent also there were a number of staff who EP wouldn't know where they would be based and therefore the budget would be based on establishment and then adjustments made after. NA noted that the category of Supplies and Services would be more accurately named Collaborative Costs because of the nature of the content.</p> <p>JC confirmed that Agency Costs were likely to be in the region of £9m and does include third party costs. NA asked for Kent recharge costs to be stripped out and leave true agency costs remaining.</p>	<p>DM to compile costs and send through to NA/CG</p> <p>DB to change the category to Collaborative Costs</p> <p>JC to make changes to reflect the costs</p>	<p>DB</p> <p>DB</p> <p>JC</p>	<p>22nd January</p> <p>22nd January</p> <p>22nd January</p>
4.	<p>2015/16 Budget Proposal</p> <p>LW noted that that on the 4th December a number of questions were asked surrounding the revenue costs, variance and the implication on the budget.</p> <p>CG noted that work on the Estates programme may begin by the end of 2015 and therefore the budget proposal may need to be adjusted. CG confirmed that government grant estimate of £172.8m was correct and this has resulted in an £8.5m reduction in government grant. This is only a provisional estimate and forces can object to the grant set, the final figure will be issued towards the end of January 2015.</p> <p>Council Tax Collection Fund: DB stated that the council tax collection in previous years had been £100k - £400k this year it was predicted to be £1.6-1.7m. It is expected that this will be a one off amount due to previous year exemptions and discounts. DB said that the tax base was to be finalised.</p> <p>CG said that it was possible to look again at the revenue cost pressures and</p>			

	<p>whether there was any way to reduce these costs further.</p> <p>Headcount: NA queried why EP has both an establishment figure and strength figure for staff and officers; and that EP should have one number. NA asked about the reduction in officer numbers and the recruitment of police staff, SK noted that this related to changes in custody arranges such as the civilianisation of custody roles. NA noted that EP need to be sure of the headcount numbers and asked for the reconciliation to be carried out as a priority.</p> <p>JC said that the use of establishment was historical and was used in many public bodies to set the budget. DM said that EP has the budget for 96% of the establishment and not the remaining 4%. NA noted that he needed to be convinced by EP that carrying 'extra' posts was necessary</p> <p>NA asked whether there was any further saving opportunities in the current budget in order to allow monies to be moved to General Reserves.</p> <p>JC said that EP operated a five year saving plan and must be certain that they are acting in the interest of the next four-five years and not just for short term gain.</p> <p>MG stated that it is not possible to know what level of stress the organisation can take. It was agreed that further pressures would not be built into the budget for 2015/16 however if an underspend was shown for 2015/16 this would be moved to the General Reserve in order to provide additional monies for coming years.</p> <p>NA requested:</p> <p>Reconciliation of the headcount (including a discussion of affordable levels of staffing, and how many staff are ex-officers) Managed underspend process for 15/16 Strength figures be used for future officer, staff and PCSO headcount.</p>	<p>JC to complete reconciliation of establishment/strength headcount for officers, PCSOs and staff.</p> <p>MG to oversee this</p>	<p>JC</p> <p>MG</p>	<p>8th January</p> <p>8th January</p>
7.	Any Other Business			

8.	Date of Next Meeting Next Resources Scrutiny Meeting Thursday 22 nd January, 10am Hoffmanns Way			
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