**Performance and Resources Scrutiny Programme 2019/20**

**Report to: the Office of the Police, Fire and Crime Commissioner for Essex**

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| **Title of Report:** | **2018/19 Investment supporting the Police & Crime Plan – Year End monitoring** |
| **Classification**  | **Official** |
| **Agenda Item Number** | **8.0 ii** |
| **Chief Officer** | **Dr Vicki Harrington** |
| **Date Paper was Written** | **10th June 2019** |
| **Version Number** | **0.3** |
| **Report from:**  | **Essex Police** |
| **Date of Meeting:** | **27th June 2019** |
| **Author on behalf of Chief Officer:** | **Paul Nagle** |
| **Date of Approval:** | **17 June 2019** |

1. **Purpose of Report**

This is an overarching paper on the investments we have made from the 2018/19 Budget to support the Police & Crime Plan and the expenditure from that investment at year end.

1. **Recommendations**

Report is for the Board to note.

1. **Executive Summary**

Of the **£9.611m** new investments identified in 2018/19 budget; **£8.443m** are green risk where the investment has been fully utilised, **£1.104m** for Capital Programme – Revenue Consequence is assessed as amber risk due to slippage in the Capital Programme and **£0.064m** is no longer required.

Changes since the 31st January 2019 P&R Board investment monitoring report are the updates on the two Capital Programmes – Revenue Consequences and an in-year change in relation Fire collaboration investment where £9k of the £0.2m investment is now no longer required.

**4.0 Introduction/Background**

The Police Precept increase of 7.62% for 2018/19 was approved by the Essex Police, Fire and Crime Panel on the 22nd January 2018. The PFCC agreed savings and investment plans within the 2018/19 budget.

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| **Table 1 - 2018/19 Budget** |
|   | **£m** |
| Original Budget - Budget Book Net Expenditure (prior year) | 268.9  |
| Adjustment from prior year activity agreed at Budget Setting | 0.6  |
| **Opening Budget Requirement** | **269.5**  |
|   |   |
| Unavoidable Cost Pressure | 1.5  |
| ***New Investment*** | ***9.6***  |
| Short Term one-off costs  | 2.3  |
| Transfer to / (from) Reserves - one off costs | 0.8  |
| Removal of one-off costs - Short Term budget already in base budget | (2.8) |
| **Budget Requirement - before Savings & Efficiencies** | **283.7**  |
| Government Funding | **(169.6)** |
| Council Tax | **(106.2)** |
| Council Tax - surplus on Collection Fund | **(1.6)** |
| **Total Funding** | **(277.4)** |
|   |   |
| **Annual (Shortfall) / Surplus before cashable Savings & Efficiencies Plans** | **(3.5)** |
| **Funded by:** |
| **Strategic Change Savings & Efficiencies Plan (S&EP) - cashable** | **(3.5)** |

Table 1 shows the summary budget requirement agreed for 2018/19, the movement in the budget from 2017/18 and within it the £9.611m re-occurring new investments.

**5.0 2018/19 New investment**

The 2018/19 investment and status of investment is summarised in Table 2 below.

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| **Table 2** | **Month 9****2018/19** | **Year End****2018/19** |
|   | **£m** | **£m** |
| Investment plans – Red | Nil | Nil |
| Investment plans – Amber – Revenue Consequences of Capital Programme  | 1.104 | 1.104 |
| Investment plans – Green | 8.452 | 8.443 |
| Investment plans – no longer required | 0.055 | 0.064 |
| **Total new investment – agreed for 2018/19** | **9.611** | **9.611** |
| Investments plans agreed from 17/18– Green | 0.195 | 0.195 |
| Investment plans agreed from 17/18 – no longer required | 0.118 | 0.118 |
| **Total new investment from 2017/18 – (outstanding from 2017/18 but still required)** | **0.313** | **0.313** |
|  |  |  |
| **Total re-occurring investments** | **9.924** | **9.924** |

For 2018/19, new investment of **£9.611m** was agreed as set out in the 2018/19 budget. See Appendix 1 for a detailed breakdown of the 2018/19 investments, their purpose and the year- end position in terms of 2018/19 expenditure and 2019/20 on-going impact.

There was also £0.313m of investments that were agreed but not utilised in the 2017/18 budget, these are reflected in the 2018/19 base budget. The status of these investments is also shown in Appendix 1. All investment are risk assessed according to the agreed investment being achieved in 2018/19.

Since the last report to the P&R Board on the 31st January 2019 the following three changes have been made to the investment plans:

* Fire Collaboration – (Line 18) - In month 12 a further underspend was returned of £0.009m related to funds not required for the Fire collaboration programme from the overall £0.2m investment.
* £0.499m – Revenue Consequences - Capital Programme – Approved - (Line 15)
* £0.605m – Revenue Consequences - Capital Programme – Proposed – (Line 16)

Total underspends of £0.508m against one-off and reoccurring revenue consequences from Capital Programmes is no longer required and has been returned to central funds. Revenue Consequences budgets from Capital Programmes have all been updated as part of 2019/20 budget setting.

Amber status on both the Capital Programme revenue consequences investment lines reflects slippage in the Capital Programme which is reported to the Strategic Board on a quarterly basis. It should also be noted that the force only budgets for 75% of proposed revenue consequences. Since the last month 9 update, total underspends on the IT Capital project revenue consequence’s budget have been declared in month 12.

Detailed analysis on the profiling and monitoring of the £4m police recruitment for 150 officers and £1m supporting staff and non-pay costs arising from the 150 officer uplift has been completed, and has been monitored by Corporate Finance and Strategic Change and reported as part of the Finance update to the May Performance and Resources board.

At year end there are three areas of investment that are no longer required in 2018/19

* £0.055m Additional Rents (line 8) - No formal plans to spend remainder of this £55k in-year investment as allocation was made on the assumption that Wethersfield store would be closed and a temporary replacement would be required until a permanent replacement was identified (Reported to January 2019 P&R Board).
* £0.118m Director of Finance investment – (line 20) is no longer required as there are no plans to establish and recruit to this role (Reported to January 2019 P&R Board).
* £0.009m of the £0.200m for ECFRS Collaboration programme investment – (line 18) - no longer required in year (Reported June 2019 P&R Board).

**6.0 Implications (Issues)**

Failure to deliver on agreed investments will result in the opportunities for service improvement not being realised and the positive impact on the Police & Crime Plan priorities not being realised.

**6.1 Links to Police and Crime Plan Priorities**

All investment plans are considered in their potential impact to ensure they align and are consistent with the priorities set out in the Police and Crime Plan.

**6.2 Demand**

Work undertaken by PA Consulting identified an increase in crime and demand for the force. They state ***‘The current demand analysis shows that there has been a sustained and, in many areas recently, accelerating increase in crime and incident demand***.’

Current investment in Police Officers number will start to address the findings of the PA Consulting Demand Analysis Report which concluded that significant additional staffing may be needed in Local Policing Areas to cope with increasing levels of demand and to enable a shift towards preventative policing.

**6.3 Risks/Mitigation**

If the Force fails to plan adequately, emergency measures may need to be taken which could result in reduction in service and protection for the public.

**6.4 Equality and/or Human Rights Implications**

Any impact on equality, diversity or human rights are considered within the evaluation of detailed investment proposals individually

**6.5 Health and Safety Implications**

Any health and safety implications are considered within the evaluation of detailed investment proposals individually.

**7.0 Consultation/Engagement**

There has been Unison, Police Federation and Superintendents Association representatives involved throughout the process of setting the budget and agreeing investment priorities for the force.

As the lead for local policing ACC Prophet wrote to all Essex Chief Executives to secure views on proposals to increase officer numbers in the general areas proposed. There were six replies indicating broad support for increased numbers in local policing.

**8.0 Future Work/Development**

This final report on the £9.611m investments for 2018/19 and £0.313m of investments that were agreed but not utilised in the 2017/18 budget and focuses on the year end position.

Reporting of any forecast variances on 2019/20 projected investment will be updated as financial monitoring indicates any variances from investment plans. Quarterly monitoring of 2019/20 investments will commence in July/August 2019.

**9.10.0 Decisions Required by the Police, Fire and Crime Commissioner**

There are no decisions required from the PFCC at this stage, report is for information only, and updates will continue to be presented to this board.