



Police & Crime Commissioner for Cleveland
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Chief Executive & Monitoring Officer:

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PCC Scrutiny, Delivery & Performance Meeting Agenda

Date: Monday 19 August, 2019

Time: 1500-1700

Venue: Cleveland Room 1

		Presented by
1.	Apologies For Absence	PCC
2.	Declaration of conflict of interest/disclosable pecuniary interest	PCC
3.	Minutes of the previous meeting and update on actions	PCC
4.	Scrutiny Tracker <ul style="list-style-type: none">- Update required on Operation Phoenix and results to date- Note updates and confirm dates for further review	Chief Constable
5.	Objective – Investing in Our Police <ul style="list-style-type: none">- Presentation of the Chief Constable’s Strategic Assessment – response to the PCC Strategic Direction- Responses provided to Scrutiny questions	Chief Constable
6.	Finances – Summary of Financial Progress <ul style="list-style-type: none">- Key risks confirmed – PCCCFO Budget Monitoring Report- Noting of CC Budget Monitoring reports	CCCFO/CE
7.	Forward Plan for Scrutiny	OPCC Standards and Scrutiny Manager
8.	Any Other Business	
9.	Date of next meeting – 2 September 2019	



Scrutiny, Delivery & Performance Meeting

1 July 2019

13:00-16:00

Cleveland Room 2

Present

Liz Byrne – Assistant Chief Executive, OPCC

Barry Copping – Police and Crime Commissioner

Simon Dennis – Chief Executive and Monitoring Officer, OPCC

Richard Lewis – Chief Constable, Cleveland Police

Amanda Oliver – Temporary Deputy Chief Constable, Cleveland Police

Steven Graham – Temporary Assistant Chief Constable, Cleveland Police

Elise Pout – Standards and Scrutiny Manager, OPCC

Charlotte Rumins – Community Hub Advisor, OPCC

Apologies for absence

Louise Drummond – Head of Performance, Quality and Review, Cleveland Police

Joanne Gleeson – Chief Finance Officer, Cleveland Police

Declarations of Conflict of Interest/Disclosable Pecuniary Interest.

1. None declared.

Notes of the Previous Meeting

2. The notes of the following meeting were approved for publication.
 - i. 14 May 2019

Focus on Victims and the commitments within the Police and Crime Plan Priority 2– A Better Deal for Victims

3. Extracts of a Cleveland Police Force Control Room call, which had been the subject of a recent complaint received by the PCC's complaints service team, were played within the meeting. The PCC asked Force representatives for their views on the call and what they felt the response should've been. All attendees agreed that more should have been done to assist the caller and the service provided was not of the standard they would expect. The Chief Constable acknowledged that improvements needed to be made, immediate changes had been made already but time was required to develop these and sustain them.
4. It was noted that the Executive team are planning to implement a refreshed training programme for Control Room staff to build upon their initial training and improve the quality of the service that the public receive.
5. The wider Force operating model is also to be considered by the Executive to ensure the resources are allocated efficiently based on the demands.

PCC Scrutiny Questions

6. The PCC put the following questions to the Force in advance of the meeting
7. Based on the current risks to victims clarification is required on the following
 - What have been the immediate changes introduced to safeguard vulnerable victims since the Chief Constable has started at Cleveland Police?
 - What will be the governance framework and priorities for medium term plans to improve services to victims
 - What does success look like as a result of immediate changes and longer term measures such as compliance to VCOP, Victims First and Witness Charter?
 - Will there be a strategic lead purely for victims and if not how will this responsibility be discharged?
8. **Improving Service to Victims** – In asking for clarification on the immediate changes the Chief has implemented to safeguard victims, it was noted that Pacesetter meetings were now chaired by either the T/DCC or T/ACC with a strong focus on vulnerability, domestic abuse incidents and missing from homes. The Force were also currently trialling a local policing Chief Inspector daily demand manager sitting within the Force Control Room to respond specifically to domestic incidents and manage risk dynamically throughout the day. Fewer 999 calls are abandoned and they were answered as a priority following a technical fix to the system.
9. The Executive team were developing a refreshed governance framework the aim of which would clearly illustrate which Force meetings linked together and where the responsibility sat for each of the key demands with strategic leads being identified where appropriate. The governance structure was to focus on vulnerability, repeat victimisation and support for internal staff to ensure immediate improvements were made where required.
10. Discussions took place in relation to a strategic lead purely for victims and it was confirmed that this would form part of the incoming T/ACC's criminal justice portfolio.

Actions - Chief Constable to share briefing document, updated with immediate actions and to reflect how immediate action will be measured

DCC to provide Asst CE emerging performance framework by Friday 12 July

DCC to provide how VCOP is currently monitored within the force to enable national returns to be completed by the OPCC

CC to confirm details of the strategic lead for Victims when ACC will be in place

11. Operation Encompass. Due to the requirement to safeguard children and as a result of funding provided to Cleveland Police for Operation Encompass the PCC requested a status update as to how this is being supported and managed.
12. An update was provided by CC Lewis on behalf of Superintendent Lisa Theaker, it was noted that the team now had two members of staff in post.

13. The data provided had previously had less of an impact as in some cases it had not been possible to notify the school ahead of the start of the school day. It was noted that process improvements had been identified and it was planned that they will be worked upon over the coming months to ensure the service was as effective as possible. A meeting had been arranged to evaluate the current effectiveness and efficiency and identify further improvements, a further update would be provided to the PCC following this.

Actions

The Chief constable was to provide information to the PCC to clarify:

- the volume and backlogs
- performance management measures that will confirm that the service is working effectively

Asst CE to review the service through strategic planning to determine whether this continues with the force or an alternative commissioned service in future financial years

14. **Support to Internal Staff** – Since the topic was discussed at the previous Scrutiny, Delivery and Performance meeting on 14 May the Force were asked to confirm how internal victims had been supported and provide an assurance that the level of confidence in that that support is sufficient in terms of wellbeing and confidence in the Force.
15. It was confirmed that the Force had adopted the nationally recognised seven point support plan for officers who were assaulted on duty to ensure they are treated with the same amount of care as if a member of the public was assaulted.
16. The Force is investing in TRIM (Trauma Risk Management) training for officers to act as a counsellor role to assist colleagues who are regularly attending traumatic incidents and to manage the associated risks. This approach is used in other areas of the country and a measurable impact on officer and staff wellbeing has been observed.

Actions - DCC to reconvene the People Intelligence Board (PIB)

17. Since the adoption of the Domestic Abuse in the workplace policy what has been the outcomes so far?
18. It is hoped that the number of Bluelight mental health champions within the Force will increase over the coming months and there are plans in place for training to be provided to them. T/DCC Oliver has begun consultation with the Cleveland Police Women's Network to gather their views on what more can be done to support internal victims of domestic abuse. It was noted that there is a national Domestic Abuse in the Workplace policy and this document is to be shared with Rachelle Kipling from the OPCC for information.

Action – National Domestic Abuse in the Workplace policy document to be shared with Rachelle Kipling. And the CC to provide written response to the PCC's question by 5 July 2019

19. **Victims Right to Review** – Since the Scrutiny, Delivery and Performance meeting on 16 January where the Victims Right of Review was discussed, it was agreed that the PCC would receive information on the on-going implementation of the project

which was yet been received. Clarification was required as to the status and progress of this work?

20. CC Lewis agreed to provide a written response to the PCC by close of play Friday 5th July 2019.
21. **Police Officer Recruitment Process** – An update was provided to the PCC in relation to the current Police Officer recruitment process and it was noted that it is hoped there will be eighty new officers recruited within the 2019/20 financial year. The PCC asked whether there are any plans for PCSO recruitment and it was noted that this is not part of the current plan but will likely be considered in the future once demand mapping has been conducted.

Action That the PCC be regularly updated on the progress on the recruitment of the extra officers

Any Other Business

22. None raised.

Report of the Chief Finance Officer of the PCC To the Police and Crime Commissioner for Cleveland

19th August 2019

Status: For Information

2018/19 Budget Monitoring – Outturn Report for 2018-2019

1. Executive Summary

1.1 Purpose of the Report

On the 28th February 2018 the PCC agreed the revenue Budget for 2018/19 which was based on the receipt of income totalling £134,644k. This report is to provide the PCC with the final position of the financial performance against the budget for the financial year 2018/19. The financial information contained within the report could be subject to change as a result of the annual audit, if any changes are required an update will be provided to the PCC

2. Recommendations

The PCC is asked to note:

- 2.1 The Office of the PCC's budget for the year was originally £860k; which then reduced to £831k, spend against this revised budget totalled £764k resulting in an underspend of £68k.
- 2.2 The Corporate Services budget of £9,475k, which was revised down to £9,324k, overspent by £30k in terms of Core activities; however £708k was required to be added to the Insurance/Legal Provision to meet continuing increases in costs in this area. This has resulted in a £738k overspend in this area.
- 2.3 The £3,939k to support PCC Initiatives and Victims and Witnesses Services, including £1,450k to invest in Neighbourhood Policing, underspent by £443k.
- 2.4 The PCC received £3,577k of additional income during the year that resulted in increased expenditure over and above that which was envisaged when the budget was set.
- 2.5 The PCC received a further £1,518k of income in 2018/19, which led to an underspend of the same amount, that was neither included within the original budget nor used for additional expenditure during the year.
- 2.6 The Force have reported a breakeven position for the year. The Force financial performance is covered elsewhere on today's agenda.
- 2.7 The Outturn before Reserves was an underspend of £1,282k

3. Reasons

3.1 When setting the budget for the financial year 2018/19 the PCC allocated the income forecast to be received during the year, of £134,644k, into the following areas:

- £860k to run the Office of the PCC
- £3,939k to support PCC Initiatives and Victims and Witnesses Services
- £9,475k for Corporate Services
- £119,770k to the Police Force
- £1,400k to the Capital Programme
- £150k to Earmarked Reserves
- This will be supported by £950k from General Reserves

The following sections will look at the above areas in more detail and provide updates and forecasts for each area, including any changes that have been made since the original budget was approved and set.

3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £134,644k during 2018/19 from the areas summarised in the table below, the in-year changes, the actual levels of income received and variances are shown below. In addition to the final figures for 2018/19 the comparator figures for 2017/18 are also shown.

2017/18 Budget	In Year Changes	2017/18 Revised Budget	2017/18 Outturn	Variance	Summary of Income to be Received by the PCC	2018/19 Budget	In Year Changes	2018/19 Revised Budget	2018/19 Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(46,973)	1,466	(45,508)	(45,508)	0	Police Grant	(45,508)	0	(45,508)	(45,508)	(0)
(36,526)	(1,466)	(37,992)	(37,992)	0	RSG/National Non Domestic Rate	(37,992)	0	(37,992)	(37,992)	0
(83,500)	0	(83,500)	(83,500)	0	Government Grants	(83,500)	0	(83,500)	(83,500)	(0)
(32,656)	0	(32,656)	(32,656)	0	Precept	(34,582)	0	(34,582)	(34,582)	0
(800)	0	(800)	(800)	0	Council Tax Freeze Grant	(800)	0	(800)	(800)	0
(6,868)	0	(6,868)	(6,868)	0	Council Tax Support Grant	(6,868)	0	(6,868)	(6,868)	0
(40,324)	0	(40,324)	(40,324)	0	Precept related funding	(42,251)	0	(42,251)	(42,251)	0
(5,217)	(759)	(5,976)	(7,275)	(1,299)	Specific Grants	(6,157)	(2,643)	(8,800)	(9,743)	(943)
(2,664)	(1,331)	(3,996)	(4,314)	(318)	Partnership Income/Fees and Charges/Misc Income	(2,737)	(934)	(3,671)	(4,247)	(576)
(7,881)	(2,091)	(9,972)	(11,589)	(1,616)	Other Funding	(8,894)	(3,577)	(12,471)	(13,989)	(1,518)
(131,705)	(2,091)	(133,796)	(135,412)	(1,616)	Total	(134,644)	(3,577)	(138,222)	(139,740)	(1,518)

- 3.3 In terms of overall income the PCC received £139,740k during 2018/19 which was £4,327k (or 3.2%) higher than 2017/18.
- 3.4 The total income received was £5,095k (or 3.8%) more than the original 2018/19 budget was based on. It is therefore really important to understand where this funding has come from.
- 3.5 Specific Grants
£3,586k more in Specific Grants, than originally budgeted for, were received in 2018/19. This was predominantly as a result of receiving a Special Home Office Grant of £2,945k relating to Operation Pandect and the award of £362k of additional funding won through PCC bids for Female Offender Work and Early Intervention Work.
- 3.6 In addition to this a number of Specific Grants from the Home Office, that were not confirmed at budget setting, covering Prevent, Prisoner Intelligence and Incentivisation Funding totalling £222k were received in year.
- 3.7 Although £3,586k of additional Specific Grants were received and spent in the Specific Areas required by the Grant not all of the posts/costs incurred in delivering against these specific grants were backfilled by the Force. This was especially the case with the Special Grant where £604k could have been used to improve, or add to, service deliver in year.
- 3.8 Other Income Streams
In total the PCC received £1,510k more in terms of 'Other Funding' than was expected when the original budget was set. Of this £934k was additional income that incurred additional expenditure and £576k was over recovery of income which generated an under spend.
- 3.9 The £934k of income, in this area, that increased the budget, were made up as follows:
- Capital Grant - £524k (Budget versus accounting treatment)
 - Mutual Aid - £162k
 - Cyber Crime Grant - £96k
 - Road Safety Funding - £63k
 - Other - £89k
- 3.10 The underspend recorded against 'Partnership Income, Fees and Charges and Misc Income', as shown in the table at 3.2, of £576k, is made up of a number of areas but the main areas which contributed to the total were as follows:
- Mutual Aid - £57k – there are elements of costs incurred in providing Mutual Aid to other Police Forces that are done within 'Core' hours and as such don't incur any additional costs beyond those budgeted for. However as these are being provided to another Force then the costs are reimbursed.

- Legal Service income - £80k – the recovery of legal fees but also the ability to recover costs for Police Led Prosecutions has increased the fees recovered in this area.
- Higher Interest Received on Cash Balances - £62k
- Fleet - £80k
- Road Safety Income - £43k
- The costs reimbursed for providing CRB services was £58k higher than budgeted.

3.11 The above movements and underspends will be kept under review during 2019/20 and incorporated in both forecasts for 2019/20 but also into budgeting for 2020/21 as appropriate.

3.12 The Office of the PCC

The 2018-19 budget of £860k for the Office of the PCC was split into the following areas:

Original 2017/18 Budget	Budget YTD	Actual Outturn	2017-18 Actual Over/(Under)	PCC Budget	Original 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD
£000	£000	£000	£000	Category of Spend	£000	£000	£000	£000
645	645	661	16	Staff Pay and Allowances (Incl. NI and Pension)	680	680	684	4
5	5	10	5	Other Pay and Training	5	5	11	6
239	189	172	(17)	Supplies and Services	215	215	192	(23)
11	11	7	(4)	Transport	10	10	9	(1)
(50)	(83)	(80)	3	Miscellaneous Income	(50)	(79)	(133)	(55)
850	767	770	3	Total Budget	860	831	764	(68)

3.13 Actual expenditure during the year was £764k, which was slightly less than 2017/18 and an overall underspend of £68k against the revised budget. Much of this underspend was as a result of higher levels of income for staff secondments and income received from staff costs charged to other organisations.

3.14 Corporate Services

Corporate Services budgets include the costs of the PFI contracts, strategic contract management, asset management costs, treasury management and planning.

3.15 The Corporate Services budget for 2018/19 was set at £9,475k there are a number of changes that occur at the end of the financial year to ensure the 'proper' accounting treatment for the Capital element of the PFI projects which impacts on the 'Revised 2018/19 Budget' in the table below. These have had no impact on the outturn

Original 2017/18 Budget	Revised 2017/18 Budget	2017/18 Outturn	2017-18 Over/ (Under)	Corporate Services Budget	Original 2018/19 Budget	Revised 2018/19 Budget	2018/19 Actual Spend	2018-19 Over/ (Under)
£000s	£000s	£000s	£000s	Category of Spend	£000s	£000s	£000s	£000s
330	361	363	2	Staff Pay and Allowances (Incl. NI and Pension)	465	584	565	(19)
99	99	95	(4)	Supplies and Services	94	94	1,014	920
1	1	5	4	Transport	1	1	12	11
1,770	590	568	(22)	PFI - Uralay Nook	1,820	577	563	(14)
5,145	1,588	1,599	11	PFI - Action Stations	5,240	1,654	1,509	(145)
1,605	5,838	5,740	(98)	Asset Management	1,855	6,414	6,399	(15)
8,950	8,478	8,371	(107)	Total Budget	9,475	9,324	10,062	737

- 3.16 This area had been reported a small underspend of £45k in previous reports, however there have been a couple of non-recurring costs charged to this area at the end of the financial year.
- 3.17 The most significant of which is a charge to increase the Provision for Legal and Insurance claims by £708k. The PCC currently has a provision for known claims against the Force, from both third parties and employees, totalling £4.1m.
- 3.18 The need to increase this provision has resulted in an overspend in this area of £737k.
- 3.19 The continuing need to provide higher costs and additional funding to meet claims against the Force, is a recurring and significant risk, both in terms of finance and reputation for the organisation. This will limit the ability to invest in front line services because of the need to retain funding and balances to mitigate these known risks but just as importantly those actions and behaviours that have not resulted in claims against the Force yet but are likely to in the future.
- 3.20 This is a trend that needs to be addressed with some urgency.
- 3.21 PCC Initiatives and Victims and Witnesses Services
The PCC allocated a budget of £3,939k to support Community Safety and PCC Initiatives, deliver Victims and Witnesses services and also invest in Neighbourhood Policing during 2018/19. £982k was allocated to the Community Safety and PCC Initiatives budget, £1,508k to Victims and Witnesses Services and £1,450k to invest in Neighbourhood Policing. The Outturn position as at the end of March 2019 is as per the below table:

PCC Initiatives and Victims and Witnesses	Original 2018/19 Budget	Current 2018/19 Budget	Spend YTD	Over/ (Under) spend YTD
Category of Spend	£000s	£000s	£000s	£000s
PCC Initiatives	982	1,148	992	(156)
Investment in Neighbourhood Policing	1,450	149	0	(149)
Victims and Witnesses Services	1,508	1,289	1,161	(127)
Community Safety Fund	0	81	81	(0)
Total Budget	3,939	2,667	2,234	(433)

- 3.22 Just over £1,300k was transferred to the Force to meet the costs of the additional investment in Neighbourhood Policing that was requested by the PCC. The underspend of £149k in this area was in line with forecasts throughout the year as not all roles were filled throughout the year.
- 3.23 In addition to the original allocations to this area the PCC had a Community Safety Fund Earmarked Reserve of £322k at the start of 2018/19 with the intention that around £150k per annum would be released from this reserve per year. £81k of this was spent in 2018/19 in line with decisions made by the PCC and therefore only £81k was transferred from the Reserve.
- 3.24 The £156k underspend on the PCC Initiatives budget resulted primarily from:
- An underspend of £60k on the Arrest Referral scheme, which was decommissioned during the year to be replaced by the Divert project.
 - A £21k underspend in the contribution made to the Local Criminal Justice Board staffing as one post was funding via income from other partners.
 - A £20k underspend on a proposed contribution to the MACH as it was not in place during 2018/19.
- 3.25 The £127k underspend on the Victims and Witnesses Services resulted primarily from:
- Vacancies in Domestic Abuse Referral and Victim Referral resulting in an underspend of £42k
 - A £46k underspend on Domestic Abuse Whole System approach as certain costs were budgeted for already.

4. Police Force

- 4.1 The vast majority of the funding available to the PCC has been provided to the Police Force. The Force was initially allocated a budget of £119,770k for 2018/19.
- 4.2 The budget increased significantly during the year, by a net amount of £3,533k, as a result predominantly of increases from the following areas:
- £2,341k in relation to the Historical Investigation Unit work

- £1,453k allocated from the PCC to fund the additional investment in Neighbourhood Policing (£1,301k), with a further £152k provided to meet other roles such as Arrest Referral Worker, Restorative Justice Co-ordinator and IOM research officer)
- Income from various areas including Mutual Aid and Camera Safety - £400k

4.3 These additions were offset by the Force asking for funds to be transferred to reserves totalling £730k relating to:

- Airwaves Equipment - £166k
- Digital Forensics - £245k
- Change - £125k
- Collaborations - £194k

4.4 The summary of all of these changes and the outturn against the revised budget is shown in the table below:

	Original 2018/19 Budget	Revised 2018/19 Budget	Actual Spend in 2018/19	2018/19 Final (Under)/ Overspend
Police Force Financial Summary				
<u>Police Force Planned Expenditure</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>Pay</u>				
Police Pay	64,043	65,833	65,274	(559)
Police Overtime	1,402	1,836	2,340	504
Staff Pay	10,525	11,555	11,517	(38)
Police Community Support Officer Pay	4,360	4,714	4,381	(334)
Pay Total	80,330	83,938	83,512	(426)
<u>Major Contracts</u>				
Outsourcing Contract	17,900	18,089	18,090	1
Custody and Medical Contract	2,466	2,446	2,435	(12)
Major Contracts Total	20,366	20,535	20,525	(10)
<u>Non-Pay Budgets</u>				
Other Pay and Training	756	892	907	14
Injury and Medical Police Pensions	2,787	2,763	3,122	359
Premises	3,662	3,717	3,680	(37)
Supplies and Services	7,455	7,431	8,163	732
Transport	1,456	1,539	1,478	(61)
External Support	2,958	2,486	1,915	(571)
Non-Pay Total	19,074	18,829	19,266	437
Total Planned Force Expenditure	119,770	123,303	123,303	0

4.5 Further details on how the Force managed their finances during 2018/19, including the expenditure against the Capital Budget are included elsewhere on today's agenda.

4.6 It is however important to recognise that while the Force have reported a breakeven position the PCC would have made available at least £800k more to the Force, for front line service delivery, had it been possible for the Force to backfill

all of the roles where people transferred into the Historical Investigation Unit and if the additional Neighbourhood Policing Roles had been filled throughout the year.

4.7 It is also worth reflecting on where the underspends within the Force's budget materialised, and these are:

- Police Pay - £560k underspend, even without the transfer of additional funds of £604k in relation to the HIU income. Had this £1,164k been spent then the Force could have delivered circa 40,000 hours of additional Policing services during 2018/19.
- PCSO Pay - £334k underspend. Had this all been spent then the Force could have delivered circa 19,000 hours of additional Community Support services during 2018/19.

4.8 While this would then have led to a reported £900k over spend, it would have been possible to consider funding some of the £359k overspend on Injury and Medical Pensions from an Earmarked Reserve, it would have been possible to fund some of the Police Overtime overspend, that resulted from the work on Major Incidents, from the Collaboration reserve and the £730k of transfers into reserves, referred to in 4.3 could have been revisited.

4.9 Surplus/Deficit Before Funding Capital and Transfers to/from Reserves

The Budget set in February 2018 expected the following to happen:

- There would be a small surplus of £600k
- Supported by £950k from General Reserves
- This would allow a contribution to Capital of £1,400k
- And £75k to be transferred to the PFI reserve and £75k to the Insurance Reserve.

4.10 In terms of the Outturn position, the small budgeted surplus of £600k, before reserves transactions, turned out to be a surplus of £3,377k before Reserves transactions.

4.11 Just under £1.5m of reserves transactions were then processed these covered the following areas:

- £730k of Reserves Transfers from the Force Budget as set out in 4.3
- £244k to the Commissioning Reserve, from the underspend in this area.
- £515k in relation to a Technical Accounting adjustment for the Capital Grant as referred to in 3.9

4.12 The total Outturn before additional movements on Reserves, against the Revised 2018/19 Budget, was an under spend of £1,282k.

4.13 As a result of this underspend, only £81k of the £950k that was planned to be transferred from General Fund was required. This was known when the 2019/20

budget was set. This enabled additional support of £850k to be provided to the 2019/20 budget that otherwise would not have been possible.

4.14 £375k has been added to the Force's change reserve, making this £500k in total, to meet the forecast costs of the project to transition the services currently provided by Sopra Steria to the Force, in line with the decision made by the PCC.

4.15 Reserves

In setting the 2018/19 budget it was forecast that Reserves would be at the following levels by the 31st March 2019:

- General Fund - £5,065k
- Earmarked Reserves - £3,453k

4.16 Pulling together the planned and budgeted reserves movements, those that have been possible as a result of the in-year underspend and those that have happened during the financial year as part of business as usual then the overall position on all of the usable reserves available to the PCC is shown in the table below:

	Balance at 31 March 2018 £000	Tranfers In 2018/19 £000	Tranfers Out 2018/19 £000	Balance at 31 March 2019 £000
Funding for projects & programmes over the period of the current MTFP				
Direct Revenue Funding of Capital	(1,669)	(2,277)	287	(3,659)
Community Safety Initiatives Fund	(322)		81	(241)
PCC Change Reserve	(50)	(50)		(100)
Digital Forensics	0	(245)		(245)
Airwaves Project	0	(166)		(166)
CP Change Reserve	0	(500)		(500)
Commissioning Reserves	(366)	(229)	25	(569)
Road Safety Initiatives Fund	(658)			(658)
Sub Total	(3,065)	(3,466)	393	(6,137)
Funding for projects & programmes beyond the current MTFP				
PFI Sinking Fund	(213)	(75)		(288)
Incentivisation Grant	(412)	(100)		(512)
Police Property Act Fund	(40)	(36)	12	(63)
Sub Total	(665)	(211)	12	(863)
General Contingency				
Legal/Insurance Fund	(500)	(175)	244	(431)
Injury Pension Reserve	(245)			(245)
Urly Nook TTC	(81)			(81)
NERSOU	(45)	(101)		(146)
Collaboration Reserve	(942)	(93)		(1,036)
Pay Reserve	(1,700)		700	(1,000)
Revenue Grants Unapplied	(137)			(137)
Sub Total	(3,649)	(370)	944	(3,076)
				0
Total Earmarked Reserves	(7,379)	(4,047)	1,349	(10,077)
General Reserves	(6,073)	(868)	950	(5,992)
Unapplied Capital Grants	(1,003)	(514)		(1,517)
Total Usable Reserves	(14,455)			(17,586)

4.17 The overall level of Usable Reserves has increased by £3,130k, or nearly 22%, during 2018/19.

4.18 These reserves are planned to reduce in 2019/20 and beyond, as part of the current balanced Long Term Financial Plan.

5. Overall Budget Summary

5.1 The following table summarises the finances for the PCC for 2018/19 showing the original budget, the revised budget, spend against the revised budget and ultimately the (under) and over spends against the revised budget.

	Original 2018/ 19 Budget	Revised 2018/ 19 Budget	Actual Spend in 2018/ 19	2018/ 19 Final (Under)/ Overspend
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Government Grant	(83,500)	(83,500)	(83,500)	(0)
Council Tax Precept	(34,582)	(34,582)	(34,582)	0
Council Tax Freeze Grant	(800)	(800)	(800)	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	0
Funding for Net Budget Requirement	(125,750)	(125,750)	(125,750)	0
Specific Grants	(6,157)	(8,800)	(9,743)	(943)
Partnership Income/Fees and Charges	(2,737)	(3,671)	(4,247)	(576)
Total Funding	(134,644)	(138,222)	(139,740)	(1,518)
Office of the PCC Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	680	680	684	4
Non Pay Expenditure	180	151	80	(71)
Total Planned Expenditure	860	831	764	(68)
PCC Initiatives/ Victims and Witness	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	2,589	1,378	1,073	(305)
Victims and Witnesses Services	1,350	1,290	1,161	(128)
Total Planned Expenditure	3,939	2,668	2,234	(433)
Corporate Costs	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	465	584	565	(19)
Non Pay Expenditure	95	95	1,026	931
PFI's	7,060	2,231	2,072	(159)
Asset Management	1,855	6,414	6,399	(15)
Total Corporate Costs	9,475	9,324	10,062	737
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Police Pay	64,043	65,833	65,274	(559)
Police Overtime	1,402	1,836	2,340	504
Staff Pay	10,525	11,555	11,517	(38)
Police Community Support Officer Pay	4,360	4,714	4,381	(334)
Pay Total	80,330	83,938	83,512	(426)
Major Contracts Total	20,366	20,535	20,525	(10)
Non-Pay Budgets				
Other Pay and Training	756	892	907	14
Injury and Medical Police Pensions	2,787	2,763	3,122	359
Premises	3,662	3,717	3,680	(37)
Supplies and Services	7,455	7,431	8,163	732
Transport	1,456	1,539	1,478	(61)
External Support	2,958	2,486	1,915	(571)
Non-Pay	19,074	18,829	19,266	437
Total Planned Force Expenditure	119,770	123,303	123,303	0
(Surplus)/Deficit	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
(600)	(2,096)	(3,377)	(1,282)	
Transfers to/(from) General Fund	(950)	(941)	(940)	0
Transfers to/from Capital	1,400	1,390	1,390	0
Transfers to/(from) Earmarked Reserves	150	1,647	2,061	414
Net (Surplus)/Deficit After Reserves	0	0	(868)	(868)

5.2 **Looking Forward into 2019/20**

5.3 There is a real risk that the underspends that materialised in 2018/19 are repeated in a similar way in 2019/20.

5.4 The £1m of funding set aside to invest in frontline services will not all be spent in year, based on current recruitment plans – an underspend of circa £400k is likely.

5.5 In terms of PCSOs, the 2019/20 budget has funding to support 131 FTEs throughout the year. There were however only 128 FTEs in post at the end of 2018/19 and plans for 24 FTE PCSOs to become Police Officers from July 2019. Unless these posts are then subsequently recruited to then it is likely that an underspend of at least £400k will develop in this area.

5.6 **'Optimal' Resource Model**

5.7 As part of the 2019/20 budget setting process the PCC was provided with an overview, from the Force, of the Gap in terms of resources, between the current operating model and the 'Optimal Model'.

5.8 The work showed that there was a Gap of 142 FTE Police Officers to get to the 'Optimal' Model. Through a review of Police Officer roles, that do not require warranted powers, the Force's plan is to release 44 Police Officers into different roles and then have non-warranted staff employed into those previous roles. The funding for this is all incorporated in the current LTFP.

5.9 This has reduced the gap to the 'Optimal' model to 98 FTEs.

5.10 The PCC has then made available a further £1m to further close this gap in 2019/20, and beyond, by 24 FTEs. Leaving the remaining gap at 74 FTEs.

5.11 Given the financial outturn for 2018/19, the likely financial performance in 2019/20 and the learning from this year then the PCC is in a position, financially, to provide funding to the Force, based on all current assumptions, to further close and potentially eliminate this gap.

5.12 For 2021/22 onwards the Force's current balanced financial plan includes an increase in Core Police Officer posts of 41 FTEs. It is suggested that the PCC provides enough funding in 2020/21 to bring forward this increase by one year. This would require an additional, one off, £1.3m, to be added to the £1m that has been made available for 2019/20.

- 5.13 This one –off additional funding will be made available as a result of the under spend in 2018/19, on both revenue and capital.
- 5.14 This would then leave a recurring funding gap of 33 FTE Police Officers required to resource the 'Optimal' Model. At an estimated, initial cost, of £1.2m.
- 5.15 It is suggested that the PCC provides the funding to enable this to happen, in line with delivery by the Force. This is to be funded as follows:
- The MTFP previously assumed that the £1m referred to in 5.10 would increase to £1.4m in 2020/21. This £400k extra can be released to fund this additionality.
 - As highlighted in this report the PCC has received £576k more income in 2018/19 than expected. This over recovery has been considered, income budgets reviewed and a recurring £800k per annum added to the income budget to reflect a less conservative approach in this area.
- 5.16 This means that the Force would have sufficient financial resources, to deliver the 'Optimal Model' in 2020/21. The recruitment and delivery of this will need to be planned and considered.

6. Implications

6.1 Finance

There are no financial implications other than those mentioned above.

6.2 Diversity & Equal Opportunities

There are no issues arising from this report to bring to the attention of the PCC.

6.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

6.4 Sustainability

This report is part of the process to establish sustainable annual and medium term financial plans and maintain prudent financial management.

6.5 Risk

The 2018/19 accounts have not yet been Audited and therefore the outturn within this report is subject to any amendments that result from that process.

7. Conclusion

7.1 In reality all aspects of the budget underspent, to some degree, and this is predominantly a reflection of how well managed the finances are across the organisation. It provides assurance and re-assurance that the longer term plans of the organisation will not be put at risk from unexpected in-year overspends.

7.2 The area of concern however, when underspends occur, are the missed opportunities to have delivered more, and improved both services and service

delivery at a time of clear need, and reduce some of the gaps in service delivery that have been indicated.

- 7.3 As referenced in this report there is a risk that these underspends continue into 2019/20 and plans need to be put in place to ensure the maximum benefit is delivered from the resources available to the organisation both in 2019/20 and beyond.
- 7.4 With this in mind, and drawing on the financial outturn for 2018/19, the initial view of what is likely to happen financially in 2019/20 and the challenges that the Force faces, there is an opportunity to provide additional financial resources to help with delivering the best possible services to the people of Cleveland.

Michael Porter
PCC Chief Finance Officer

Report of the Chief Finance Officer of the PCC To the Police and Crime Commissioner for Cleveland

19th August 2019

Status: For Information

2019/20 Budget Monitoring – Report to the end of June 2019

2. Executive Summary

1.2 Purpose of the Report

On the 20th February 2019 the PCC agreed the revenue Budget for 2019/20 which was based on the receipt of income totalling £145,365k. This report is to provide the PCC with an update on all areas of the budget, including forecasts of how much income will actually be received during the year, the progress against the budget to date and forecasts on the expenditure for the remainder of the financial year.

2. Recommendations

The PCC is asked to note:

- 2.8 The Office of the PCC's budget of £880k is expected to underspend by £35k during 2019/20.
- 2.9 The Corporate Services budget of £9,920k is expected to underspend slightly, by £45k, at this point of the financial year.
- 2.10 The £5,440k to support PCC Initiatives and Victims and Witnesses Services, including £1,430k to invest in Neighbourhood Policing and £1,000k to increase the Police Officer Establishment is forecast to underspend by £250k at this stage of the financial year; which includes a projected cost of £250k for Operation Phoenix.
- 2.11 It is currently forecast that the income received by the PCC will be £1,075k more than the revised budget.
- 2.12 The Force is currently forecasting to overspend by £115k.
- 2.13 The total forecast outturn at the end of June is that there will be an overall underspend of £550k however this is before the impact of the 2019/20 Pay Awards.

3. Reasons

3.1 When setting the budget for the financial year 2019/20 the PCC allocated the income forecast to be received during the year, of £145,365k, into the following areas:

- £880k to run the Office of the PCC
- £5,440k to support PCC Initiatives and Victims and Witnesses Services
- £9,920k for Corporate Services
- £128,215k to the Police Force
- £2,120k to the Capital Programme

- This will be supported by £950k from General Reserves and £260k from Earmarked Reserves.

The following sections will look at the above areas in more detail and provide updates and forecasts for each area, including any changes that have been made since the original budget was approved and set.

3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £145,365k during 2019/20 from the areas summarised in the table below, the in-year changes, the actual levels of income forecast to be received and variances are shown below. In addition to current year figures the comparator figures for 2018/19 is also shown.

2018/19 Budget	In Year Changes	2018/19 Revised Budget	2018/19 Outturn	Variance	Summary of Income to be Received by the PCC	2019/20 Budget	In Year Changes	2019/20 Revised Budget	2019/20 Forecast Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(45,508)	0	(45,508)	(45,508)	(0)	Police Grant	(46,497)	0	(46,497)	(46,497)	0
(37,992)	0	(37,992)	(37,992)	0	RSG/National Non Domestic Rate	(38,756)	0	(38,756)	(38,756)	0
(83,500)	0	(83,500)	(83,500)	(0)	Government Grants	(85,253)	0	(85,253)	(85,253)	0
(34,582)	0	(34,582)	(34,582)	0	Precept	(38,784)	0	(38,784)	(38,784)	0
(800)	0	(800)	(800)	0	Council Tax Freeze Grant	(800)	0	(800)	(800)	0
(6,868)	0	(6,868)	(6,868)	0	Council Tax Support Grant	(6,868)	0	(6,868)	(6,868)	0
(42,251)	0	(42,251)	(42,251)	0	Precept related funding	(46,452)	0	(46,452)	(46,452)	0
(6,157)	(2,643)	(8,800)	(9,743)	(943)	Specific Grants	(7,291)	0	(7,291)	(8,291)	(1,000)
(2,737)	(934)	(3,671)	(4,247)	(576)	Partnership Income/Fees and Charges/Misc Income	(2,893)	(409)	(3,303)	(3,378)	(75)
(8,894)	(3,577)	(12,471)	(13,989)	(1,518)	Other Funding	(10,184)	(409)	(10,594)	(11,669)	(1,075)
(134,644)	(3,577)	(138,222)	(139,740)	(1,518)	Total	(141,890)	(409)	(142,299)	(143,374)	(1,075)
					Special Grant	(3,475)	0	(3,475)	(3,475)	0
					Total Overall Funding	(145,365)	(409)	(145,774)	(146,849)	(1,075)

3.26 In Year Changes

Only minor changes to the core budget, totalling £409k, have been made to the income budget, at this stage, resulting primarily from an increase of £59k, relating to the Driver Training Income to set the non-pay budget for this area of work and £350k in relation to Secondment income.

3.27 In terms of the secondment income, the budget assumes, from a financial perspective that £352k of income will be received from Police Officers who are on secondment and this would equate to around 6/7 FTEs. The report from the Force shows that there are currently 15 Police Officers on secondment.

3.28 While the additional income from the Secondments is being made available to the Force to support back fill of those secondments it is perhaps worth the PCC understanding why secondments are at this level, given the resource challenges and vacancies that currently exist within the Force.

3.29 The budget available to the Force for 2018/19 has therefore increased by £409k to reflect these income changes.

3.30 Income Forecasts

As you would expect, the vast majority of the income the PCC will receive during 2019/20 has already been agreed and little or no variances will be expected against the originally budgeted figures for Government Grant funding or Precept related funding.

3.31 The areas where variances may occur will predominantly be in relation to Partnership Funding, Fees and Charges and Miscellaneous Income with some variances possible against Specific Grants.

3.32 Specific Grants

3.33 There is a large forecast over recovery of income in this area of £1m and therefore it is important to understand this further:

3.34 Loan Charges Grant – the PCC receives a Loan Charges grant that relates to debt incurred before 1990. In setting the budget for 2019/20 it was assumed that £100k would be received in this year, which would be the penultimate year of this grant. With the final grant payment to be received in 2020/21 of £1.1m. We now know that the final payment of £1.213m will be received during 2020/21, in cash terms, but is applicable to 2019/20 in accounting terms.

3.35 In accounting terms the PCC will record £1m more income in 2019/20 than expected but will have £1m less than expected in 2020/21. This will be 'smoothed' across the financial year through the movements on General Fund.

3.36 Notification after setting the 2019/20 has been received that grants for Prevent - £54k and Heroin and Crack action grant - £44k will be received. These grant generate a further underspend of £98k in total.

3.37 There is also a timing difference of £213k relating to the receipt of the Youth Intervention Fund. The budget assumed £437k would be received in 2019/20 however £213k of this was received last year and therefore an overspend is being recorded in this area.

3.38 The £213k received last year however has been earmarked and will be released from Reserves so that the full project will be delivered in line with the bid and award of funding.

3.39 In addition to the above overall underspend on Specific Grants there is a small forecast over recovery on other income of £75k. This is after increasing the income budget for those areas referred to in 3.3.

3.40 The Office of the PCC

The 2019-20 budget of £880k for the Office of the PCC is split into the following areas:

Original 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	PCC Budget	Original 2019/20 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2019-20 Forecast Outturn	2019-20 Forecast Over/(Under)
£000	£000	£000	£000	Category of Spend	£000	£000	£000	£000	£000	£000
680	680	684	4	Staff Pay and Allowances (Incl. NI and Pension)	743	186	200	15	708	(35)
5	5	11	6	Other Pay and Training	5	1	0	(1)	4	(2)
215	215	192	(23)	Supplies and Services	203	51	28	(23)	205	3
10	10	9	(1)	Transport	10	2	1	(2)	10	0
(50)	(79)	(133)	(55)	Miscellaneous Income	(81)	(20)	(47)	(27)	(82)	(1)
860	831	764	(68)	Total Budget	880	220	182	(38)	845	(35)

3.41 Position as at the end of June 2019

The table at 3.17 above shows the forecast position for 2019-20. Forecasts show that expenditure for 2019-20 is expected to be slightly below budget primarily as a result of the secondment, on a part time basis, of the Chief Executive to support the PFCC in North Yorkshire.

3.42 At this stage a small underspend of £35k is forecast

3.43 Corporate Services

Corporate Services budgets include the costs of the PFI contracts, strategic contract management, asset management costs, treasury management and planning.

3.44 The Corporate Services budget for 2019/20 was set at £9,920k, as per the table below which also shows the forecast spend and outturn at this stage of the year.

Original 2018/19 Budget	Revised 2018/19 Budget	2018/19 Actual Spend	2018-19 Over/ (Under)	Corporate Services Budget	Original 2019/20 Budget	Revised 2019/20 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2019/20 Forecast Outturn	2019-20 Forecast Over/ (Under)
£000s	£000s	£000s	£000s	Category of Spend	£000s	£000s	£000s	£000s	£000s	£000s	£000s
465	584	565	(19)	Staff Pay and Allowances (Incl. NI and Pension)	600	600	(16)	(16)	0	600	0
94	94	1,014	920	Supplies and Services	114	114	29	(67)	(96)	114	(1)
1	1	12	11	Transport	1	1	0	2	2	11	10
1,820	577	563	(14)	PFI - Urray Nook	1,830	1,830	458	300	(158)	1,823	(8)
5,240	1,654	1,509	(145)	PFI - Action Stations	5,325	5,325	1,331	1,339	7	5,319	(7)
1,855	6,414	6,399	(15)	Asset Management	2,050	2,050	512	514	1	2,010	(41)
9,475	9,324	10,062	737	Total Budget	9,920	9,920	2,314	2,071	(243)	9,875	(45)

3.45 A small underspend of £45k is currently forecast in this area is predominantly related to lower than forecast interest payable.

3.46 The underspend from 2018/19, along with delays in the delivery of some of the capital programme from 2018/19 has resulted in higher cash balances. As a result this means that the loan forecast to be needed to support the Capital programme in 2019/20 will no longer need to be taken out in the current year, although it is still expected to be needed in future years.

3.47 PCC Initiatives and Victims and Witnesses Services

The PCC allocated an original budget of £5,440k to support Community Safety and PCC Initiatives, deliver Victims and Witnesses services, invest in Neighbourhood Policing and increase the Police Officer establishment during 2019/20. £1,823k was allocated to the Community Safety and PCC Initiatives budget, £1,087k to Victims and Witnesses Services, £1,430k to invest in Neighbourhood Policing and £1m to increase the Police Officer establishment. The position as at the end of June is as per the below table:

<u>PCC Initiatives and Vicitms and Witnesses</u>	Original 2019/20 Budget	Current 2019/20 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2019/20 Forecast Outturn	2019-20 Forecast Over/ (Under)
<u>Category of Spend</u>	£000s	£000s	£000s	£000s	£000s	£000s	£000s
PCC Initiatives	1,823	1,823	456	81	(374)	1,756	(68)
Investment in Neighbourhood Policing	2,430	1,836	459	0	(459)	2,270	(160)
Victims and Witnesses Services	1,087	1,087	272	163	(108)	1,065	(22)
Community Safety Fund	100	100	25	18	(7)	0	0
Total Budget	5,440	4,846	1,211	263	(949)	5,090	(250)

3.48 The Force have put plans in place to increase the Police Officer Establishment by 24 FTEs during the current year – however by the time that the recruitment takes place the forecast cost of these new recruits in 2019/20 is expected to be circa £600k. This would have resulted in a forecast underspend of £410k on this line as there is also a couple of current vacancies within the wider Neighbourhood Policing investment fund.

3.49 The Force has however started work on Operation Phoenix which is described as a 'major campaign focused on protecting the vulnerable, targeting criminals and tackling serious violence.'

3.50 'Operation Phoenix will see an improved public service, more help for vulnerable people; such as those suffering domestic abuse and more officers tackling serious violence.'

3.51 The Operation is 'about working smarter and focussing on certain key areas – such as vulnerability, violent crime and outstanding workloads –providing additional resources to get the job done.'

3.52 It is expected that the Force will look to access £250k of the underspend from this area to support this Operation which has reduced the forecast underspend .

4. Police Force

4.19 The vast majority of the funding available to the PCC has been provided to the Police Force. The Force was initially allocated a budget of £128,215k for 2019/20,

this has since increased by £1,003k, to £129,218k. This is as a result of setting the expenditure budget for costs associated with the Driving Training scheme, additional budgets providing from secondments, as referred to earlier in this report and £594k to support the recruitment of 24 additional Police Officers. The summary of how this is forecast to be spent, including forecast outturns are included in the table below:

	Original 2019/20 Budget	Revised 2019/20 Budget	Forecast Spend in 2019/20	2019/20 Forecast (Under)/ Overspend
Police Force Financial Summary				
<u>Police Force Planned Expenditure</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<u>Pay</u>				
Police Pay	67,662	68,606	68,726	120
Police Overtime	1,468	1,468	1,773	305
Staff Pay	14,550	18,427	18,367	(60)
Police Community Support Officer Pay	4,055	4,050	3,650	(400)
Pay Total	87,735	92,552	92,517	(35)
<u>Major Contracts</u>				
Outsourcing Contract	18,490	14,554	14,579	25
Custody and Medical Contract	2,491	2,471	2,426	(45)
Major Contracts Total	20,981	17,025	17,005	(20)
<u>Non-Pay Budgets</u>				
Other Pay and Training	744	757	772	15
Injury and Medical Police Pensions	2,993	2,997	3,072	75
Premises	3,501	3,498	3,598	100
Supplies and Services	7,534	7,866	8,081	215
Transport	1,471	1,459	1,424	(35)
External Support	3,257	3,063	2,863	(200)
Non-Pay Total	19,498	19,641	19,811	170
Total Planned Force Expenditure	128,215	129,218	129,333	115

- 4.20 A small overspend of £115k is forecast by the Force at this early stage of the financial year, which is covered in a report from the Force elsewhere on today's agenda.
- 4.21 It is expected that this forecast overspend will reduce as the year develops.
- 4.22 It is important to recognise that the forecasts do not include the impact of the recently announced Police Pay Award settlement for 2019/20.
- 4.23 The award of a 2.5% pay award, which is 0.5% higher than was allowed for within the 2019/20, is expected to result in an increased cost on Police Pay of circa £200k in 2019/20 and £350k per annum thereafter.
- 4.24 The PCC has a Pay Reserve, which was set up to manage this type of scenario, totalling £1m. This reserve will be released, as needed this year, to support these

additional costs, and any that may result from a higher settlement for Police Staff too.

4.25 If the higher pay awards are not reflected in future Government Grant settlements then further savings will be needed in future years to be able to contain these costs within the resources available to the PCC.

4.26 Reserves

The 2019/20 budget was to be supported by £1,210k from Reserves. This is made up of the following transactions:

- £75k to the PFI Reserve.
- £75k to the Insurance/Legal Reserve
- £150k from the Community Safety Fund
- £260k from the Commissioning Reserves
- £950k from the General Fund.

4.27 In addition to this, £2,120k was to be used to support the Capital Programme during 2019/20.

4.28 Current forecast for movements on Earmarked and General Reserves to the end of 2019/20 are included within the table below, this includes not using the £950k from General Reserve in the current, the release of the additional Commissioning Reserves for the Youth Intervention Fund and the expected release of funds for the higher than expected Police Pay Award.

	Balance at 31 March 2019 £000	Tranfers In 2019/20 £000	Tranfers Out 2019/20 £000	Balance at 31 March 2020 £000
Funding for projects & programmes over the period of the current MTFP				
Direct Revenue Funding of Capital	(3,659)	(2,120)	5,779	0
Community Safety Initiatives Fund	(241)		150	(91)
PCC Change Reserve	(100)		100	0
Digital Forensics	(245)		245	0
Airwaves Project	(166)		166	0
CP Change Reserve	(500)		250	(250)
Commissioning Reserves	(569)		489	(81)
Road Safety Initiatives Fund	(658)			(658)
Sub Total	(6,137)	(2,120)	7,454	(804)
Funding for projects & programmes beyond the current MTFP				
PFI Sinking Fund	(288)	(75)		(363)
Incentivisation Grant	(512)	(80)	80	(512)
Police Property Act Fund	(63)			(63)
Sub Total	(863)	(155)	80	(938)
General Contingency				
Legal/Insurance Fund	(431)	(75)		(506)
Injury Pension Reserve	(245)			(245)
Urday Nook TTC	(81)			(81)
NERSOU	(146)			(146)
Collaboration Reserve	(1,036)			(1,036)
Pay Reserve	(1,000)		285	(715)
Revenue Grants Unapplied	(137)		28	(109)
Sub Total	(3,076)	(75)	313	(2,838)
	0			0
Total Earmarked Reserves	(10,077)	(2,350)	7,847	(4,580)
General Reserves	(5,992)	(950)	950	(5,992)
Unapplied Capital Grants	(1,517)	(526)	754	(1,289)
Total Usable Reserves	(17,586)			(11,862)

5. Overall Budget Summary

5.17 At the end of June 2019 the follow table summarises the finances of the PCC, including forecasts of the expected outturn in each area.

	Original 2019/20 Budget	Revised 2019/20 Budget	Forecast Spend in 2019/20	2019/20 Forecast (Under)/ Overspend
Funding	£000s	£000s	£000s	£000s
Government Grant	(85,253)	(85,253)	(85,253)	0
Council Tax Precept	(38,784)	(38,784)	(38,784)	0
Council Tax Freeze Grant	(800)	(800)	(800)	0
Council Tax Support Grant	(6,868)	(6,868)	(6,868)	0
Funding for Net Budget Requirement	(131,706)	(131,706)	(131,706)	0
Specific Grants	(7,291)	(7,291)	(8,291)	(1,000)
Partnership Income/Fees and Charges	(2,893)	(3,303)	(3,378)	(75)
Total Funding	(141,890)	(142,299)	(143,374)	(1,075)
Special Grant	(3,475)	(3,475)	(3,475)	0
Total Overall Funding	(145,365)	(145,774)	(146,849)	(1,075)
Office of the PCC Planned Expenditure	£000s	£000s	£000s	£000s
Total Planned Expenditure	880	880	845	(35)
PCC Initiatives/Victims and Witness	£000s	£000s	£000s	£000s
PCC Initiatives	3,576	3,759	3,531	(228)
Victims and Witnesses Services	1,864	1,087	1,065	(22)
Total Planned Expenditure	5,440	4,846	4,596	(250)
Corporate Costs	£000s	£000s	£000s	£000s
Staff Pay	600	600	600	0
Non Pay Expenditure	115	115	125	9
PFI's	7,155	7,155	7,141	(14)
Asset Management	2,050	2,050	2,010	(41)
Total Corporate Costs	9,920	9,920	9,875	(45)
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	67,662	68,606	68,726	120
Police Overtime	1,468	1,468	1,773	305
Staff Pay	14,550	18,427	18,367	(60)
Police Community Support Officer Pay	4,055	4,050	3,650	(400)
Pay Total	87,735	92,552	92,517	(35)
Major Contracts Total	20,981	17,025	17,005	(20)
Non-Pay Budgets				
Other Pay and Training	744	757	772	15
Injury and Medical Police Pensions	2,993	2,997	3,072	75
Premises	3,501	3,498	3,598	100
Supplies and Services	7,534	7,866	8,081	215
Transport	1,471	1,459	1,424	(35)
External Support	3,257	3,063	2,863	(200)
Non-Pay	19,498	19,641	19,811	170
Total Planned Force Expenditure	128,215	129,218	129,333	115
(Surplus)/Deficit	£000s	£000s	£000s	£000s
(910)	(910)	(2,200)	(1,290)	
Planned Transfers to/(from) General Fund	(950)	(950)	0	950
Contribution to Capital Programme	2,120	2,120	2,120	0
Planned Transfers to/(from) Earmarked Reserves	(260)	(260)	(470)	(210)
Net (Surplus)/Deficit After Reserves	(0)	0	(550)	(550)

5.18 At this early stage of the financial year an under spend of £550k is forecast. This doesn't however include the costs for the impact of higher pay awards, although this will be covered from Reserves as needed.

6. Implications

6.1 Finance

There are no financial implications other than those mentioned above.

6.2 Diversity & Equal Opportunities

There are no issues arising from this report to bring to the attention of the PCC.

6.3 Human Rights Act

There are no Human Rights Act implications arising from this report.

6.4 Sustainability

This report is part of the process to establish sustainable annual and medium term financial plans and maintain prudent financial management.

6.5 Risk

The expenditure budgets are very tight and are being actively managed to deliver against the priorities and plans whilst staying within budget. The capacity to absorb unexpected costs and pressures, such as the recently announced higher than expected Police Pay Awards is therefore very limited, especially on a recurring basis.

7. Conclusion

- 7.1 Small underspends have begun to develop in many areas, most of which couldn't have been predicted when setting the 2019/20 budget and many of which will ultimately have little impact on service delivery for the public.
- 7.2 However filling PCSO vacancies and increasing the establishment of Police Officers will have an impact if these are not achieved and currently both of these are proving a challenge for the Force.
- 7.3 This is neither a new nor isolated challenge and is likely to be a challenge in future years too unless the Force have excellent plans in place to deliver against the recruitment and resourcing needs.
- 7.4 The PCC should seek assurances from the Force, along with detailed plans to ensure that the Force can deliver in these vital areas. This will become extremely important if the PCC asks the Force to deliver more than they are currently planning to deliver, in terms of recruitment, to close the gap between the current levels of resourcing and the level of resources the Force have indicated they need to delivered against their 'Optimal Model'

Michael Porter
PCC Chief Finance Officer

Report of the Chief Finance Officer to the Chief Constable

11th July 2019



Corporate Financial Monitoring Report to 30th June 2019

Introduction

This report provides assurance that the revenue and capital plans for 2019/20 are being delivered, that financial risks to the plan are being monitored and managed, and that remedial action is being taken where necessary.

Summary Headlines

The tables below set out the forecast outturn position as at 30th June 2019. The forecast incorporates the impact of actions agreed to deliver financial targets.

Budget Monitoring Summaries to 30th June 2019

The year-end forecast is for an overspend of £115k, a change of £195k from Period 2 report.

Revenue	Annual Budget	Forecast Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Pay Budgets					
Police	70,554	425	0.6%	190	235
PCSO	4,055	(400)	(9.9%)	(400)	0
Staff	18,406	(60)	(0.3%)	(100)	40
Total Pay & Allowances	93,015	(35)	(0.0%)	(310)	275
Total Non-Pay Budgets	36,203	150	0.4%	230	(80)
Total Expenditure	129,218	115	0.1%	(80)	195

The Long term Financial Plan (LTFP) for 19/20 required savings of £45k. This has been achieved via a review of the requirements of the Body Armour replacement programme and a corresponding reduction in the budget in Period 2.

Capital Monitoring Statement to 30th June 2019

Capital	Annual Budget	Forecast Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Estates Schemes	2,187	2	0.1%	2	0
Equipment Replacement	392	4	0.0%	0	4
ICT Schemes	5,446	0	0.0%	0	0
Fleet Replacement	807	0	0.0%	0	0
Total Capital	8,832	6	0.1%	2	4

As can be seen from the table above the capital expenditure programme is forecast to overspend by £6k, an increase of £4k from period 2. This relates to the cost of refurbishment of the Learning Development Centre (£2k) and additional requirements within the Occupational Health Case Management system.

Revenue Budget

On 20th February 2019, the PCC allocated the Force a revenue budget of £128,215k for 2019/20. Changes to the budget are set out at Appendix 1 resulting in a revised budget of £129,218k. A detailed analysis of expenditure for the year is given at Appendix 2.

Key Risks

The key risks to the delivery of a balanced revenue budget were set out in the LTFP and are restated at Appendix 3. These risks will be monitored at least monthly throughout the year. The major risks are:

- The Chief Constable of Cleveland currently has 93 claims lodged against him with the Central London Employment Tribunal in respect of the challenge to the Police Pension Scheme 2015. These cases were brought due to changes to public sector pensions in 2015, which also affected other public sector schemes including the police pension scheme. The Government appealed to the Supreme Court against this decision, but this was unsuccessful and we are awaiting further details of the financial implications of this ruling.
- The number and cost of historic case reviews in any one year is unpredictable.
- The additional revenue costs should pay awards be higher than those assumed within the LTFP.
- A cyber-attack on key forensic supplier has resulted in temporary withdrawal of their services and is likely to result in higher than expected forensic costs during the 2019/20 financial year.

Police Pay & Allowances

The forecast year-end position against the police pay budget is for an overspend of £425k due to a £305k pressure on overtime and £120k on police pay. The change of £235k from Period 2's report is primarily due to an increase in overtime of £185k, £100k due to the movement of a recruitment cohort from January to November and £15k increase on the under achievement of sickness and maternity pay. This has been offset with an additional early retirement (£40k) and a reduction in the pressure from Promotions, Temporary Promotions and Acting of (£25k).

The year-end forecast for Police Officer pay is £120k, with £100k relating to the change in the recruitment profile, an increase of £60k in national insurance costs on Unsocial hours and Overtime, a £255k pressure from Promotions, Temporary Promotions and Acting, £50k additional requirements within the executive team during the period of transition, an under achievement of sickness and maternity pay of £105k. This has been offset with

savings of (£210k) from early retirements and (£240k) through resignations and medical retirements

The year-end forecast for police overtime is for a £305k overspend as a result of the Teesport protests £110k, specialist operations for local policing of £95k, overtime to be incurred during the implementation of the new processes within the Force Control Room £30k and £70k on general overtime.

Police Pay breakdown

Description	Full Year Amount £000s	Change from periods 2 to 3 £000s
Early retirement	-210	-40
Increase in Unsocial & NI on overtime	60	0
Acting & Temp promotion	255	-25
Leavers/Medical	-240	0
Backfill DCC/ACC	50	0
Maternity/Sickness Savings	105	15
Recruitment Profile	100	100
Overtime	305	185
Total	425	235

The budget was set on the basis of having an average of 1,233 FTE police officers throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. Further funding has been confirmed from the PCC for an additional 6 posts to bring the total budget to 1239 FTE. This has now increased with the additional 24 officers giving a total of 1263. The revised budget comprises 1046 FTE in Core Policing, 149 in collaborations, 49 in Home Office Special Grant funded posts, 13 on secondment and 6 in PCC funded posts. As at the 30th June the total number of officers in post is 1,190 FTE with 988 FTE in Core Policing (including the 6 funded by the OPCC), 142 FTE in collaborations, 45 FTE in Home Office Special Grant Funded posts and 15 on secondments.

The forecasted recruitment of 93 officers on top of an additional 24 officers that the PCC has funded results in a forecasted year-end establishment of 1267 officers.

Police Officer Attrition	As At 30/06/19	Forecast to March	As At 31/03/20 Total	To 31/03/20 LTFP	Variance to LTFP
FTE at 1st April	1209		1209	1239	-30
Additional PCC Funding	0	24	24	24	0
Retirements	-8	-31	-39	-31	-8
Medical Retirements	-5	-3	-8	-8	0
Other Leavers	-6	-6	-12	-12	0
Other changes	-1	0	-1	0	-1
Recruitment	1	93	94	51	43
Total	1190	77	1267	1263	4

Police Community Support Officers Pay & Allowances

The forecast year-end position against the PCSO pay budget is for an underspend of (£400k) unchanged from Period 2, as a result of the recruitment of 24 PCSO's into Police Officers roles and the delay in their replacements.

PCSO Pay breakdown

Description	Full Year Amount £000s
Police Officer Recruitment	-625
Leaver	-25
Vacant post	-55
Shift Allowance	-10
PCSO Recruitment	350
Other	-35
Total	-400

The budget was set on the basis of having an average of 116 FTE PCSOs (plus an additional 15 FTE funded by the PCC) throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. The actual number of PCSOs in post as at 30th June was 128 FTE, with 114 in core posts and 14 in the OPCC funded posts.

PCSO Attrition	As At 30/06/19	Forecast to March	As At 31/03/20 Total	01/04/19 to 31/03/20 LTFP	Variance to LTFP
FTE at 1st April	126		126	131	-5
Leavers	-1	-24	-25	0	-25
Other changes	3	0	3	0	3
Recruitment	0	24	24	0	24
Total	128	0	128	131	-3

It is anticipated that there will be a recruitment of PCSO's comprising 24 officers in October 2019. The proposed recruitment plans are subject to change once the outcomes of the current structural review are known.

Police Staff

The forecast year-end position against the police staff pay budget is for an underspend of £60k, a reduction of £40k from period 2 as a result of the forecasted overtime costs within the Force Control Room. The budget has been increased by £3,936k for the return of the Force Control Room staff from Sopra Steria. The budget has been re-allocated from the Sopra Steria contract charges line in Non-Pay.

The staff pay budget in the LTFP was set based on having 423 FTE police staff in post at the 1st April. This has now increased by 129 FTE for the Force Control Room staff giving a total FTE of 552. The budgeted FTE split is 465 FTE in core policing, 30 FTE in collaborations, 31 FTE in HIU and 26 FTE funded by the PCC for the enhancement of Neighbourhood Policing. As at the 30th June actual FTE in post were 463, with 389 FTE in core staff posts, 29 FTE in collaborations, 22 FTE in HIU and 23 FTE in the PCC funded Neighbourhood roles.

The recruitment for the other vacant posts identified in the 2019/20 budget is underway with forecasted start dates throughout 2019/20.

Non-Pay Budgets

The forecast year-end position against the non-pay budget is an overspending of £150k, a reduction of (£80k) from Period 2.

The major variances are set out below:

Non-Pay Summary

Description	Full Year Amount £000s	Change from periods 2 to 3 £000s
Steria Charges	25	(25)
Premises	100	0
Custody	(45)	(45)
Other Police Pension Costs	75	75
Transport	(35)	10
External Support	(200)	(125)
National IT Charges	5	5
Insurance	80	0
Change and Contingency	0	10
Communications	30	5
Forensics	70	0
Maintenance Agreements	(10)	0
Computing	35	0
Surgeons & Medical Costs	(5)	(5)
Other Equipment & Furniture	10	0
Agency Staff	5	0
Other	10	15
Total	150	(80)

Steria Charges - £25k overspend

The forecasted year-end position for Steria charges is for an overspend of £25k, (a £25k reduction from period 2) relating to the procurement of additional Oracle database and

software Licences following the return to the force of the control room staff. The budget has been reduced by £3,936k following the return of the Control Room staff to the Force.

Premises - £100k overspend

The forecasted year-end position for premises is for an overspend of £100k, (unchanged from period 2), due to increased costs for the contract cleaning in-line with the revised living wage rise and the rates charge for the CSH.

Custody - £45k underspend

The forecasted year-end position for Custody is for an underspend of (£45k) as a result of the revised contract price that comes into effect from July 2019.

Other Police Pension - £75k overspend

The year-end forecasted position for Other Police Pension is for a £75k overspend due to the increased contribution to the Ill-Health Pension Capital Equivalent for the officers that have been medically retired in this financial year. Reserves are available to be released by the PCC if required at year end to fund the overspend.

Transport – (£35k) underspend

The forecasted year-end position for Transport is for an underspend of (£35k), (a reduction of £10k from period 2) due to a reduction in the savings identified against petrol and vehicle repairs and maintenance.

External Support – (£200k) underspend

The forecasted year-end position for External Support is for an underspend of (£200k), (an increase on the underspend of £125k) relating to savings identified against the NERSOU Police Transformation Project (£180k) and (£20k) for the North East Fingerprint Bureau.

National IT Charges - £5k overspend

The forecasted year-end position for National IT charges is for an overspend of £5k as a result of increased charges relating to Minerva.

Insurance - £80k overspend

The forecasted year-end position for Insurance is for an overspend of £80k, (unchanged from period 2) as a result of an increase in the cost of the premiums following the return to the Force of the Control Room staff and the change in the policy excess on the motor Insurance.

Communications - £30k overspend

The forecasted year-end position for Communications is for an overspend of £30k, (an increase of £5k from period 2) relating to Landline telephone and airwaves usage charges.

Forensics - £70k overspend

The forecasted year-end position for Forensics is for an overspend of £70k (unchanged from period 2) due to the higher levels of usage and an increase in the contract price. A cyber-attack on the key forensic supplier has resulted in the temporary withdrawal of

their services and could result in further costs. This has been raised as a risk in appendix 3.

Maintenance Agreements – (£10k) underspend

The forecasted year-end position is for an underspend of (£10k), (unchanged from period 2) relating to savings identified against the charges for the ICCS system.

Computing - £35k overspend

The forecasted year-end position for Computing is for an overspend of £35k, (unchanged from period 2) relating to additional charges for the PSNP service.

Surgeons and Medicals - £5k underspend

The forecasted year-end position for Surgeons & Medicals is for an underspend of (£5k), due to a reduced requirement for medical examinations.

Other Equipment & Furniture - £10k overspend

The forecasted year-end position for Other Equipment and Furniture is for an overspend of £10k, (unchanged from period 2) as a result of additional equipment requirements within Occupational Health & Standards & Ethics departments.

Agency Staff - £5k overspend

The forecasted year-end position for Agency Staff is for an overspend of £5k, (unchanged from period 2) due to the temporary reception staff at the CSH.

Other – £10k overspend

The forecasted year-end position for Other is for an overspend of £10k, (an increase of £15k from period 2) due to a £20k pressure on interpreter fees offset with (£10k) savings identified against the Development fund.

Collaborations

Cleveland, Durham and North Yorkshire Dogs Unit (CDNYDU)

The Cleveland budget for the joint unit is £879k. The forecasted year-end position is to breakeven.

Cleveland Durham Specialist Operations Unit (CDSOU)

The Cleveland budget for the joint unit is £5,279k. The forecasted year-end position is to breakeven.

Cleveland and North Yorkshire Major Incident Team (CNYMIT)

The Cleveland budget for the joint unit is £1,825k. The forecasted year-end position is to breakeven.

North East Region Specialist Operations Unit (NERSOU)

The Cleveland budget for NERSOU is £1,950k. The forecasted year-end position for NERSOU is to breakeven.

National Police Air Services (NPAS)

The Cleveland budget for NPAS is £822k. The forecasted year-end position for NPAS is to breakeven.

Capital Budget

On 20th February 2019, the PCC allocated the Force a capital budget of £6,134k for 2019/20 plus £811k of schemes that were deferred from 2018/19 for a total approved in the LTFP of £6,945k. In addition, a further scheme was deferred at the 2018/19 year-end for £150k and schemes totalling £1,737k were brought forward from 2018/19 bringing the approved 2019/20 budget to £8,832k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year are set out at Appendix 4, with a full breakdown of schemes shown at Appendix 5.

Key Risk

The key risk to delivery of the capital programme has been slippage against the delivery plan. Although funding is earmarked for each scheme and can be re-provided the following year, the resources required to deliver the schemes in the new financial year places a greater burden on the delivery teams.

Update on Key Schemes

Points to note are:

Cleveland Community Safety Hub (CCSH) – Total budget of £316k

Building works for the CCSH commenced in March 2017 and the building became operational in July 2018. The budget is closely monitored by the Project Board and expenditure follows contractual obligations which were re-phased to mirror the changes in the scope of the scheme. The majority of the work on the Community Safety Hub was completed in 2018/19 with the final contract payments and the removal of the excess soil scheduled during 2019/20. A total of £34k has been spent to date on additional works and contractual payments.

Other Estates Schemes

Learning & Development Centre – Budget £15k

The work on the LDC refurbishment has been completed with a £2k overspend on the £15k budget due to minor price changes.

Billingham station rewire – Budget £51k

A total of £1k has been spent to date on the final elements of the first phase from 2018/19. The plan is for the second phase to commence work in late 2019/20.

Stockton HQ Rewire – Budget £40k

The £40k provision for Stockton rewire is no longer required this financial year and has been returned to the OPCC.

Equipment Scheme

ANPR Replacement Programme – Budget £230k

There has been £6k spent year to date. The procurement exercise is being administered by Durham Police with a tender award expected in November 2019.

Occupational Health Case Management System – Budget £40k

There is a forecasted £4k overspend on the Occupational Health Case Management System as a result of additional MI Database requirement and delays in the scheme. The contract has now been awarded with delivery anticipated by the end of Q2 2019/20.

ICT schemes

As in previous years the complexities involved with the ICT requirements will have an effect on the delivery and timing of the key ICT schemes. The schemes that have commenced to date are:

ESMCP – Budget £66k

Delays in the national programme have meant that the program of work in Cleveland will be delayed. This will be monitored during the year.

Desktop Replacement Programme – Budget £77k

A total of £1k has been spent to date on Laptops at the end of June 2019. The remainder of this budget is to be utilised in conjunction with the wide Mobile Agility Project.

Microsoft Licensing – Budget £86k

A total of £2k has been spent on licences at the end of June 2019, with a commitment of £76k for additional licences. The remaining £8k will be held for future use depending on the force's mobile device requirements.

Corevet – Budget £12k

A total of £7k has been spent on the Software Implementation for the Corevet Scheme. The scheme went live in June 2019, with a purchase order raised for the remaining £5k to cover the annual licence.

Automated PDR – Budget £11k

A total of £2k has been spent at the end of June 2019 on the ICT resourcing elements of this scheme. ICT are confirming the final resourcing elements with a potential for an underspend.

Mobile Agility Project – Budget £1,045k

A total of £274k has been spent on the mobile phones and mobile applications. The laptops purchased in 2018/19 are currently being built ready for issue. Orders for £385k have been raised covering the Smartphone licencing and maintenance and resourcing elements of the project.

DFU Servers – Budget £8k

Costs of £2k have been incurred at the end of June with a further £1k in commitments for additional Tapes and licences with delays due to a national shortage.

CMP Upgrade/Refresh – Budget £40k

An additional scheme for the upgrade of the CMP equipment has been approved by the OPCC with funding provided from Proceed Of Crime Act Income.

Fleet schemes

Write-Offs/Uneconomical Repairs – Budget £181k

A total of £34k has been spent on 2 vehicles as at the end of June 2019 with orders being raised for a further 4 vehicles with a total value of £54k with delivery anticipated in Q2 2019/20.

Fleet Replacement – Budget £580k

From the Fleet Replacement capital programme a total of £60k on 3 vehicles has been spent at the end of June. Further orders for 28 vehicles have been placed for a total of £446k with delivery anticipated throughout the year.

Joanne Gleeson
Chief Finance Officer
11th July 2019

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		128,215
Camera Enforcement Unit	Apr-19	59
Additional Police Officers	May-19	594
Secondment Police Officer Contribution	May-19	350
Funding allocation at Month 3		129,218

Budget Monitoring Statement to 30th June 2019

	Annual Budget	Budget to Date	Actual to date	Variance to Date	Forecast Outturn
	£000s	£000s	£000s	£000s	£000s
<u>Pay Budgets</u>					
Police Pay & Allowances	69,006	16,776	16,718	(58)	120
Police Overtime	1,548	529	912	383	305
Total Police Pay & Allowances	70,554	17,305	17,630	325	425
PCSO Pay & Allowances	4,050	1,013	1,071	58	(400)
PCSO Overtime	5	1	0	(1)	0
Total PCSO Pay & Allowances	4,055	1,014	1,071	57	(400)
Staff Pay & Allowances	18,347	4,607	3,863	(744)	(100)
Staff Overtime	59	15	30	15	40
Total Staff Pay & Allowances	18,406	4,622	3,893	(729)	(60)
Total Pay & Allowances	93,015	22,941	22,594	(347)	(35)
<u>Non Pay Budgets</u>					
Steria Charges	14,554	3,638	3,840	202	25
Premises	3,498	873	882	9	100
Custody	2,491	623	609	(14)	(45)
Other Police Pension Costs	3,022	755	815	60	75
Transport	1,459	365	381	16	(35)
External Support	1,393	448	167	(281)	(200)
National IT Charges	963	241	217	(24)	5
Insurance	1,100	275	781	506	80
Change & Contingency	274	68	49	(19)	0
Communications	949	237	196	(41)	30
National Police Air Service	352	88	79	(9)	0
Forensics	972	243	199	(44)	70
Maintenance Agreements	441	110	134	24	(10)
Computing	876	219	338	119	35
Surgeons & Medical Costs	322	81	69	(12)	(5)
Professional Fees	753	188	197	9	0
Other Equipment & Furniture	1,042	261	171	(90)	10
External Training, Seminars	753	188	190	2	0
Office Equipment & Expenses	231	58	34	(24)	0
Agency Staff	5	1	7	6	5
Other	422	106	100	(6)	10
Uniform	331	94	49	(45)	0
Total Non-Pay	36,203	9,160	9,504	344	150
Total Expenditure	129,218	32,101	32,098	(3)	115
<u>Memo Information</u>					
CDNYD	879	218	224	6	0
CDSOU	5,279	1,317	1,307	(10)	0
CNYMIT	1,825	452	446	(6)	0
NERSOU	1,950	487	418	(69)	0
NPAS	822	206	198	(8)	0

Appendix 3

Long Term Financial Plan (LTFP) 2019/20 to 2022/23 – Assessment of Risks

Risk	Detail	Mitigation
Changes to the future funding formulas for Police Forces.	<p>The Policing Minister is committed to reforming the police funding formula and will bring forward proposals for public consultation.</p> <p>The current assumptions do not factor in any adverse impact as a result of a revised formula.</p> <p>Based on what is currently known of the proposals, this is a prudent assumption; however, it does present a potential risk.</p> <p>Current indications are that no changes will be made before the new CSR which is due in 2020.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Future year's funding is lower than forecast.	The Police settlement was for a one year period. This presents a potential risk if funding was to change dramatically as a result of external issues such as Brexit.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Pay awards are higher than those assumed in the LTFP.	<p>The LTFP assumes that pay will rise by 2% from September 2019.</p> <p>A movement of 1% would have a whole year impact on pay and contracts of approximately £1.1M over a full financial year.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
A higher than forecast level of major incidents.	The number and cost of major incidents in any one year in unpredictable.	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The Joint CNYMIT has introduced additional resilience into the system. The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.	Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought	Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police

Risk	Detail	Mitigation
	in. Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material underspending.	staff investigators along with a further recruitment of transferee Police Officers.
National mandation.	In recent years there has been national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force.	There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known. The PCC may absorb any additional costs in total or part through the use of reserves or other income.
Police Pension Scheme 2015.	Test case on new pension scheme with risk due to Gender/Race inequality. The case is in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015. The court of Appeal ruled in December 2018 that the Government's changes to pension with regard to judges and firefighters were discriminatory on the grounds of age. These cases were brought due to changes to public sector pensions in 2015, which also affected other public sector schemes including the police pension scheme. The Government's appeal to the Supreme Court was unsuccessful and this ruling could have significant implications however costs and funding implications are as yet unknown.	Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 93 claims from Police Officers. No further detail is available on the impact to the Chief Constable but should there be a financial impact, more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Employment Tribunals.	An earmarked reserve has been set up to cover the cost of implementation.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Allard V the Chief Constable of Cornwall.	A court determination in the case of Allard v the Chief Constable of Cornwall in respect of historic on-call payments for specific staff groups has created a significant financial pressure for forces nationally. A Provision has been created to mitigate the force against the costs that the	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.

Risk	Detail	Mitigation
	Allard judgement made this determination on.	
Historic Case Review	Further work will take place in regards to historic case reviews following the establishment of the Cold Case Unit within the CNYMIT.	More radical options will be developed including further reductions in officers, PCSO and staff numbers and the use of further inter-force collaborations.
Forensic Supplier	Cyber-attack on our key forensic supplier resulted in the temporary withdrawal of their services. Alternative suppliers are being sourced which could have significant financial implications however costs are as yet unknown.	There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude. Should this prove insufficient more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.

Appendix 4

Changes to Capital Funding	Month Added	Change
		£000s
2019-20 Capital Programme		6,134
Schemes deferred from 2018/19		811
Funding Allocation in LTFP		6,945
Additional Scheme deferred from 2018/19		150
Schemes carried forward from 2018/19		1,737
Total Capital funding		8,832
CMP Upgrade/Refresh		40
Stockton Rewire- deferred		(40)
Funding allocation at Month 3		8,832

Appendix
5

Capital Monitoring Statement to 30th June 2019					
	Annual Budget	Budget to	Actual to	Variance to	Forecast
	£000s	Date	Date	Date	Outturn
		£000s	£000s	£000s	£000s
Estates Schemes					
Cleveland Community Safety Hub	316	0	34	34	0
Grangetown LDC	15	15	17	2	2
Billingham Station Rewire	51	0	1	1	0
Estates Replacement Windows	25	0	0	0	0
Emergency lighting & Fire alarms	20	0	0	0	0
Car park refurbishments	10	2	0	(2)	0
Proposed new building for office accomodation	1,750	0	0	0	0
Total Estates Schemes	2,187	17	52	35	2
Equipment Replacement					
ANPR Replacement Programme	230	61	6	(55)	0
TASER	57	14	0	(14)	0
NERSOU TSU	25	6	5	(1)	0
Investigate Analytical Software	40	10	0	(10)	0
Occupational Health Case Management System	40	10	0	(10)	4
Total Equipment Schemes	392	101	11	(90)	4
ICT Schemes					
EMSCP	66	18	1	(17)	0
2017/18 Desktop Replacement Programr	77	19	1	(18)	0
Microsoft Licensing	86	22	2	(20)	0
Corvet	12	12	7	(5)	0
Intelligent Call Handling	4	4	0	(4)	0
Digital Interview Recording Equipment	500	125	0	(125)	0
Networked CCTV Solution	150	37	0	(37)	0
Windows Server Upgrade	25	6	0	(6)	0
ACESO Replacement	103	26	0	(26)	0
Web Based Mapping/Gazatter Service	25	25	0	(25)	0
Automated PDR	11	11	2	(9)	0
Mobile Agility Project	1,045	276	274	(2)	0
DFU Servers	8	8	2	(6)	0
Replacement DCS system	100	25	0	(25)	0
Power BI Professional Desktop	31	8	0	(8)	0
ERP discovery, procurement &	750	188	0	(188)	0
Workforce agility phase 2 & 3	1,000	0	0	0	0
Digital evidence management (DEMS)	400	100	0	(100)	0
Digital evidence transfer (DETS)	50	13	0	(13)	0
Digital First	100	25	0	(25)	0
Single on-line home	50	13	0	(13)	0
National identity access management (NAIM)	100	25	0	(25)	0
National law enforcement database programme (NLEDP)	50	13	0	(13)	0
ICT Capital Resource	663	0	0	0	0
CMP Upgrade/Refresh	40	0	0	0	0
Total ICT Schemes	5,446	999	289	(710)	0
Fleet Replacement					
Write off / Uneconomical Repairs	181	54	34	(20)	0
Black Box Replacement	10	10	10	0	0
Fleet Replacement	580	123	60	(63)	0
NERSOU vehicles	36	9	9	0	0
Total Fleet Replacement	807	196	113	(83)	0
TOTAL CAPITAL	8,832	1,313	465	(848)	6

Report of the Chief Finance Officer to the Chief Constable

23rd May 2019



Corporate Financial Monitoring Report to 31st March 2019

Introduction

This report provides the final outturn position for 2018/19. It confirms that the finances have been monitored and managed, the revenue plan has been delivered and gives the final position in respect of capital. There may be some changes as a result of the audit of the Statement of Accounts. Any material changes will be reported.

Summary Headlines

The previous period 12 report was provided before the final accounts adjustments were made and this report incorporates the technical adjustments that were required for the Statement of Accounts. The outturn position for the force remains unchanged. There have been movement in the collaborations and insurance reserves which have been matched by a budget allocation by the PCC.

Revenue Budget Monitoring Summary to 31st March 2019

The overall year-end revenue is breakeven position.

Revenue	Annual Budget £000s	Actual Outturn £000s	%	P11 Outturn £000s	Change £000s
Pay Budgets					
Police	67,669	(55)	(0.1%)	(105)	50
PCSO	4,719	(336)	(7.1%)	(320)	(16)
Staff	11,622	22	0.2%	45	(23)
Total Pay & Allowances	84,010	(369)	(0.4%)	(380)	11
Total Non-Pay Budgets	39,293	369	0.9%	380	(11)
Total Expenditure	123,303	0	0.0%	0	0

The only adjustments to the accounts were;

- The insurance's charges have increased by £243k as a consequence of the actuarial review of the potential insurance liabilities. This movement has been matched by a budget increase from the PCC. The difference can be seen in Appendix 2 under Insurance
- The collaboration reserve has been increased by £101k in respect of NERSOU, which will be used in future years for the collaboration. The difference can be seen in Appendix 2 under External Support.

There has been expenditure slippage across several projects, primarily Digital Forensics' (£245k), Commissioning Services for Wellbeing (£240k) and PSI's (£125k) and Airwave Project reserve (£166k), for which the PCC has agreed to create reserves which will be utilised in 2019/20.

Capital Budget Monitoring Summary to 31st March 2019

The capital outturn position for the force remains unchanged from the position reported in the previous period 12 report.

Capital Monitoring Statement to 31st March 2019

Capital	Annual Budget	Actual Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Estates Schemes	3,341	(298)	(8.9%)	24	(322)
Equipment Replacement	300	(49)	(16.2%)	(6)	(43)
ICT Schemes	3,054	(1,269)	(41.6%)	(29)	(1,240)
Fleet Replacement	700	(179)	(25.5%)	0	(179)
Provision for Business Cases	0	0	0.0%	0	0
Total Capital	7,395	(1,795)	(24.3%)	(11)	(1,784)

As can be seen from the table above the year end underspend for capital expenditure is £1,795k, a change of £1,784k on the forecasted position reported in Period 11. This is due in the main to work connected with the Community Safety Hub and Mobile Agile Project slipping into 2019/20 and the reduced requirement within the Fleet Write-Offs budget. The full breakdown of the capital spend can be seen in Appendix 5.

Joanne Gleeson
Chief Finance Officer
23rd May 2019

Appendix 1

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		119,770
Camera Enforcement	May-18	63
HIU Funding	Aug-18	2,009
Revenue Contribution to Fleet Capital	Sep-18	-7
Mutual Aid	Oct-18	117
HIU Funding	Jan-19	332
SARC Ormesby Medical Village	Mar-19	12
Neighbourhood Overtime	Mar-19	10
PCC Funded Neighbourhood Roles	Mar-19	1,453
Digital Forensic Reserve	Mar-19	-245
Airwave Project Reserve	Mar-19	-166
Commissioning Services Reserve - (Wellbeing)	Mar-19	-240
Commissioning Services Reserve - (PSI HIU)	Mar-19	-125
CSH Relocation Mileage	Mar-19	50
Grant Funding	Mar-19	153
OP Pandect Reserve	Mar-19	-13
NERSOU Reserves	Mar-19	-26
Football & Mutual Aid	Mar-19	67
CDSOU Reserve	Mar-19	-53
Year-end Movement in Reserves (change from original P12 Report)	Mar-19	142
Funding allocation at Month 12		123,303

Budget Monitoring Statement to 31st March 2019

	Annual Budget	Budget to Date	Actual to date	Variance to Date
	£000s	£000s	£000s	£000s
<u>Pay Budgets</u>				
Police Pay & Allowances	65,833	65,833	65,274	(559)
Police Overtime	1,836	1,836	2,340	504
Total Police Pay & Allowances	67,669	67,669	67,614	(55)
PCSO Pay & Allowances	4,714	4,714	4,381	(333)
PCSO Overtime	5	5	2	(3)
Total PCSO Pay & Allowances	4,719	4,719	4,383	(336)
Staff Pay & Allowances	11,555	11,555	11,537	(18)
Staff Overtime	67	67	107	40
Total Staff Pay & Allowances	11,622	11,622	11,644	22
Total Pay & Allowances	84,010	84,010	83,641	(369)
<u>Non Pay Budgets</u>				
Steria Charges	18,089	18,089	18,090	1
Premises	3,717	3,717	3,680	(37)
Custody	2,466	2,466	2,452	(14)
Other Police Pension Costs	2,787	2,787	3,147	360
Transport	1,539	1,539	1,478	(61)
External Support	1,344	1,344	1,202	(142)
National IT Charges	836	836	828	(8)
Insurance	1,313	1,313	1,437	124
Change & Contingency	284	284	359	75
Communications	837	837	958	121
National Police Air Service	352	352	352	0
Forensics	890	890	936	46
Maintenance Agreements	391	391	370	(21)
Computing	806	806	828	22
Surgeons & Medical Costs	286	286	407	121
Professional Fees	809	809	608	(201)
Other Equipment & Furniture	730	730	918	188
External Training, Seminars	804	804	769	(35)
Office Equipment & Expenses	228	228	217	(11)
Agency Staff	36	36	44	8
Other	448	448	351	(97)
Uniform	301	301	231	(70)
Total Non-Pay	39,293	39,293	39,662	369
Total Expenditure	123,303	123,303	123,303	0
<u>Memo Information</u>				
CDNYD	874	874	854	(20)
CDSOU	5,013	5,013	4,939	(74)
CNYMIT	1,707	1,707	1,735	28
NERSOU	1,793	1,793	1,792	(1)
NPAS	798	798	811	13

Changes to Capital Funding	Month Added	Change
		£000s
Funding Allocation in LTFP		6,094
Schemes deferred from 2017/18		580
Schemes carried forward from 2017/18		1,470
Total Capital funding		8,144
Revenue Contribution to Capital - Fleet	Sep-18	7
DFU Servers	Sep-18	46
Black Box	Sep-18	(123)
Stockton Rewire (deferred to 2019/20)	Sep-18	(40)
Mobile device replacement	Sep-18	(550)
Smartworks Mobile Applications	Sep-18	(180)
Livelinks (CJS)	Sep-18	(20)
Digital Interview Recording Equipment (deferred to 2019/20)	Sep-18	(500)
Cyber Security Improvements	Sep-18	(60)
Exchange Upgrade	Sep-18	(100)
EMSCP (deferred to 2019/20)	Sep-18	(63)
Locard replacement	Dec-18	(100)
ACESO replacement (deferred to 2019/20)	Dec-18	(103)
Control Room Solution Improvements	Dec-18	(50)
		(40)
Investigate Analytical Software (deferred to 2019/20)	Dec-18	
Billingham Rewire (deferred to 2019/20)	Dec-18	(40)
Windows Server Upgrade (deferred to 2019/20)	Jan-19	(25)
Mobile Working Project	Jan-19	1,463
VM Ware	Jan-19	(50)
Thin Client Improvement	Jan-19	(50)
Networked CCTV Solution (deferred to 2019/20)	Jan-19	(150)
Occupational Health Case Management System (deferred to 2019/20)	Jan-19	(40)
Billingham Rewire	Jan-19	40
CSH staff Relocation	Mar-19	(50)
Revenue Contribution to Capital - Taser	Mar-19	29
Funding allocation at Month 12		7,395

Capital Monitoring Statement to 31st March 2019				
	Annual Budget	Budget to Date	Actual to Date	Variance to Date
	£000s	£000s	£000s	£000s
Estates Schemes				
Cleveland Community Safety Hub	3,210	3,210	2,914	(296)
Grangetown LDC	59	59	44	(15)
Thornaby Fire Station	7	7	21	14
Billingham Station Rewire	40	40	39	(1)
Estates Replacement Windows	25	25	25	0
Total Estates Schemes	3,341	3,341	3,043	(298)
Equipment Replacement				
TSU Equipment - NERSOU	25	25	25	(0)
ANPR	35	35	(8)	(43)
Body Worn Video Replacement	100	100	99	(1)
Key Management System	16	16	13	(3)
X Ray Machine	20	20	18	(2)
TASER	104	104	104	0
Total Equipment Schemes	300	300	251	(49)
ICT Schemes				
ICCS Replacement	285	285	262	(23)
Experian-Date of Birth Appendage	20	20	20	0
Cloud Based Data Centre	564	564	544	(20)
EMSCP	24	24	22	(2)
Desktop Replacement Programme	155	155	78	(77)
Microsoft Licensing	219	219	133	(86)
Intelligent Call Handling	37	37	32	(5)
DSE audit capability	50	50	55	5
Corvet	40	40	28	(12)
National ICT Enablement	50	50	0	(50)
Backup Infrastructure Expansion Shelf	30	30	75	45
Web Based Mapping/Gazetter Service	25	25	0	(25)
Automated PDR	46	46	35	(11)
Mobile Working Project	1,463	1,463	463	(1,000)
DFU Servers	46	46	38	(8)
Total ICT Schemes	3,054	3,054	1,785	(1,269)
Fleet Replacement				
Write off / Uneconomical Repairs	258	258	177	(81)
Black Box Replacement	10	10	0	(10)
Fleet Replacement	432	432	343	(89)
Fleet Replacement - CSP	0	0	1	1
Total Fleet Replacement	700	700	521	(179)
Provision for Business Cases	0	0	0	0
TOTAL CAPITAL	7,395	7,395	5,600	(1,795)

Report of the Chief Finance Officer to the Chief Constable

9th May 2019



Corporate Financial Monitoring Report to 31st March 2019

Introduction

This report provides assurance that the revenue and capital plans for 2018/19 have been delivered, that financial risks to the plan have been monitored and managed, and that remedial action has been taken where necessary.

Summary Headlines

The tables below set out the outturn position as at 31st March 2019. The final outturn incorporates the impact of actions agreed to deliver financial targets. This may be subject to some minor changes during the year end final accounts process.

Budget Monitoring Summaries to 31st March 2019

The overall year-end revenue is breakeven position.

Revenue	Annual Budget	Actual Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Pay Budgets					
Police	67,669	(55)	(0.1%)	(105)	50
PCSO	4,719	(336)	(7.1%)	(320)	(16)
Staff	11,622	22	0.2%	45	(23)
Total Pay & Allowances	84,010	(369)	(0.4%)	(380)	11
Total Non-Pay Budgets	39,151	369	0.9%	380	(11)
Total Expenditure	123,161	0	0.0%	0	0

The underspend on Police pay and allowances of (£55k) comprises an underspend of (£559k) on Police pay due to an increase in the number of retirements than was originally forecasted, the movement of Officers between core policing and collaborated units and a change in the recruitment profile. This has been offset by an overspend of £504k on police overtime relating to the charges for non-CNYMIT officers working overtime on the Major Incidents, additional costs of policing during the Football World cup and ICMT overtime stabilisation actions.

The underspend on PCSO pay and allowances of (£336k) is due to the leavers not being replaced.

The overspend on Police staff pay and allowances of £22k is made up of £40k of overtime relating to Major Incidents and Legal team offset with a (£18k) underspend on staff pay. A reserve of £125k has been created from the 2018/19 budget for PSI's in the Major Incident and Organised Crime Teams which are to be incurred in 2019/20.

The year-end overspend on Non-Pay budgets is £369k (0.9%) made up of many variances detailed in this report. The main overspendings comprise of an increase in pension costs of £360k, an increase in the insurance related vehicle repair costs of £124k, £121k within communications for mobile and landline phone charges and £188k on Other Equipment & Furniture for a Legal Case system and additional laptops. This is offset with savings identified under External Support (£142k) and (£201k) on Professional Fees.

Capital Monitoring Statement to 31st March 2019

Capital	Annual Budget	Actual Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Estates Schemes	3,341	(298)	(8.9%)	24	(322)
Equipment Replacement	300	(49)	(16.2%)	(6)	(43)
ICT Schemes	3,054	(1,269)	(41.6%)	(29)	(1,240)
Fleet Replacement	700	(179)	(25.5%)	0	(179)
Provision for Business Cases	0	0	0.0%	0	0
Total Capital	7,395	(1,795)	(24.3%)	(11)	(1,784)

As can be seen from the table above the year end underspend for capital expenditure is £1,795k, a change of £1,784k on the forecasted position reported in Period 11. This is due in the main to work connected with the Community Safety Hub and Mobile Agile Project slipping into 2019/20 and the reduced requirement within the Fleet Write-Offs budget. The full breakdown of the capital spend can be seen in Appendix 5.

Revenue Budget

On 28th February 2018, the PCC allocated the Force a revenue budget of £119,770k for 2018/19. Changes to the budget are set out at Appendix 1 resulting in a revised budget of £123,161k. A detailed analysis of expenditure for the year is given at Appendix 2.

Key Risks

The key risks to the delivery of a balanced revenue budget were set out in the LTFP and are restated at Appendix 3. These risks have been monitored at least monthly throughout the year. The major risks are:

- The Chief Constable of Cleveland currently has 93 claims lodged against him with the Central London Employment Tribunal in respect of the challenge to the Police Pension Scheme 2015. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015. The Court of Appeal ruled in December 2018 that the Government's changes to pensions with regard to judges and firefighters were discriminatory on the grounds of age. These cases were brought due to changes to public sector pensions in 2015, which also affected other public sector schemes including the police pension scheme. This ruling

could have significant implications however costs and funding implications are as yet unknown.

- The unprecedented number of major incidents that have occurred within Cleveland during 2018/19 resulted in officers being redirected from their substantive roles.
- The number and cost of historic case reviews in any one year is unpredictable.
- The Force is robustly defending a mixture of Employment Tribunals and general litigation claims. The outcome of which is unknown currently. The Force in conjunction with the OPCC has allocated a level of resources to help mitigate the financial risk associated with these claims. However the cost of any settlement can vary significantly and as such this presents a significant financial challenge to the Force.
- The Force is the subject of an on-going investigation in relation to one data breach. The financial penalty for this breach has not yet been determined and it is not included in this outturn, but still represents a financial risk to the force.

Police Pay & Allowances

The year-end position against the total police pay and allowances budget is an underspend of (£55k). This is consists of an underspend on police pay of (£559k) due to an increase in the number of retirements than was originally forecasted and a change in the recruitment profile. This is offset with £504k overspend on overtime incurred for non-CNYMIT officers working on major incidents £369k, additional costs of policing the Football World cup £40k, ICMT overtime stabilisation £63k and £32k other.

Police Pay breakdown

Description	Full Year Amount £000s	Change from periods 11 to 12 £000s
Changes in Retirement Profile	-170	0
Officers move from Core to Collaboration	-409	56
Resignations	-245	0
Back Fill DCC/CC	105	35
Medical	-60	0
Maternity/Sickness Savings	50	0
Other Changes	170	10
Police overtime - Major Incidents	369	-61
Police overtime - World Cup	40	0
Other Overtime Pressure	95	10
Total	-55	50

The budget was set on the basis of having an average of 1,230 FTE police officers throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. Further funding was confirmed from the PCC for an additional 6 posts to bring the total budget to 1236 FTE. The budget split including the PCC funded

posts is 1042 FTE in Core Policing, 147 in collaborations, 40 in Home Office Special Grant Funded posts and 7 on secondment. As at the 31st March the total number of officers in post is 1,209 FTE with 1009 FTE in Core Policing, 145 FTE in collaborations, 44 FTE in Home Office Special Grant Funded posts and 11 on secondments.

Core Police Officer Attrition	As At 31/03/19	2018/19 LTFP	Variance to LTFP
FTE at 1st April	1111	1087	24
Retirements	-56	-45	-11
Medical Retirements	-8	-8	0
Other Leavers	-18	-12	-6
Move to HIU	-46	0	-46
Other changes	-10	0	-10
Recruitment	36	20	16
Total	1009	1042	-33

Police Community Support Officers Pay & Allowances

The year-end position against the total PCSO pay and allowances budget is an underspend of (£336k).

The budget was set on the basis of having an average of 132 FTE PCSOs (plus an additional 15 FTE funded by the PCC) throughout the year with a changing number each month in accordance with the leaver and recruitment profiles. The actual number of PCSOs in post as at 31st March is 127 FTE, with 113 in core posts and 14 in the OPCC funded posts.

PCSO Attrition	As At 31/03/19	2018/19 LTFP	Variance to LTFP
FTE at 1st April	139	135	4
Leavers	-13	0	-13
Other changes	-3	0	-3
Recruitment	4	12	-8
Total	127	147	-20

Police Staff

The year-end position against the total police staff pay and allowances budget is for a £22k overspend.

The overspend on Police staff pay and allowances of £22k is made up of an underspend of (£18k) on staff pay and an overspend of £40k on overtime. The overtime relates to £23k

on Major Incidents, £10k in Legal and £7k in other areas. A reserve of £125k has been created from this year's budget for PSI's in the Major Incident and Organised Crime Teams which are to be incurred in 2019/20.

The staff pay budget was set based on having 318 FTE police staff in post at the 1st April. The budgeted FTE split was 257 FTE in core policing, 30 FTE in collaborations, 22 FTE funded by the PCC for the enhancement of Neighbourhood Policing and 9 FTE in other funded roles. As at the 31st March actual FTE in post were 321, with 249 FTE in core staff posts, 29 FTE in collaborations, 20 FTE in HIU, 18 FTE in the PCC funded Neighbourhood roles and 5 in other posts that the PCC is funding.

Non-Pay Budgets

The year-end position against the non-pay budget is an overall overspend of £369k, a decrease of £11k from Period 11. The overall overspending is summarised as;

Non-Pay Summary

Description	Full Year Amount £000s	Change from periods 11 to 12 £000s
Sterea Charges	1	126
Premises	(37)	(52)
Custody	(14)	(4)
Other Police Pension Costs	360	0
Transport	(61)	(46)
External Support	(142)	(42)
National IT Charges	(8)	2
Insurance	124	24
Change and Contingency	75	50
Communications	121	46
Forensics	46	(54)
Maintenance Agreements	(21)	(6)
Computing	22	32
Surgeons & Medical Costs	121	91
Professional Fees	(201)	(181)
Other Equipment & Furniture	188	118
External Training, Seminars	(35)	(35)
Office Equipment & Expenses	(11)	(11)
Agency Staff	8	(7)
Other	(97)	(37)
Uniforms	(70)	(25)
Total	369	(11)

The major variances are set out below:

Sopra Steria – £1k overspend

The year-end position is for an overspend of £1k. This is an increase of £126k from the previous forecasted position at period 11, for a one-off fee for the Police Staff Pay Award Index. £110k of savings identified from the Steria contract has been used to achieve this year's non-pay savings and as such has been removed from the budget to offset the savings budget.

Premises – (£37k) underspend

The year-end position for premises is for a (£37k) underspend (a change of £52k from period 11) due to savings identified within the repairs and maintenance budgets.

Custody – (£14k) underspend

The year-end position for custody is for an underspend of (£14k) (a £4k change from period 11) due to savings for the Provision of Medical Services.

Other Police Pension Costs - £360k overspend

The year-end position is for an overspend of £360k (unchanged from period 11) due to backdated Injury on Duty pension claims, a 3% increase linked to the average CPI increase on the monthly pension payments, an increase on the forecasted number of in-year retirements resulting in higher amounts of sanction charges and an additional 2 medical retirements.

Transport – (£61k) underspend

The year-end position is for an underspend of (£61k) (a £46k change from period 11) due to additional savings identified against vehicle repairs and maintenance offsetting an increase in fuel costs.

External Support – (£142k) underspend

The year-end position for External Support is for an underspend of (£142k) (a £42k change from period 11). The (£142k) underspend relates savings against the collaborative units, Urlay Nook, North Side Chub and NETIC contribution.

National IT Charges – (£8k) underspend

The year-end position for National IT charges is for an underspend of (£8k) (a £2k change from period 11), as a result of the Home Office decision not to charge for the ACRO & International Criminal Conviction Exchange (ICCE) in this financial year, offsetting an increase in NABIS charges.

Insurance - £124k overspend

The year-end position for Insurance is for an overspend of £124k (a £24k increase from period 11). The overspend is as a result of an increase in third party vehicle insurance claims and additional administration charges following the change in supplier.

Change and Contingency - £75k overspend

The year-end position for the change and contingency is for an overspend of £75k (a £50k increase from period 11) mainly relating to the purchase of new uniforms and boots for operational staff.

Communications - £121k overspend

The year-end position for Communications is for an overspend of £121k (a £46k increase from period 11) due to an increase in the landline phone charges and mobile phone charges.

Forensics - £46k overspend

The year-end position for Forensics is for an overspend of £46k (a £54k decrease from period 11). The overspend relates to an increase in casework fees as a result of higher levels of usage and an increase in the contract price. This is partially offset by an underspend on SPOC fees.

Maintenance agreements – (£21k) underspend

The year-end position for Maintenance agreements is for (£21k) underspend (a £6k change from period 11) due to savings identified within the maintenance agreement for the ICCS system offsetting the increased costs relating to the Textburst system.

Computing – £22k overspend

The year-end position for Computing is for a an overspend of £22k (an increase of £32k from period 11) due to additional charges for the VMWare solution and PNN2/3 connection.

Surgeons & Medical Costs - £121k overspend

The year-end position for Surgeon & Medical Costs is for an overspend of £121k (an increase of £91k) from period 11 due to increased pathologist and occupational health costs.

Professional Fees – (£201k) underspend

The year-end position for professional fees is for an underspend of (£201k) (a decrease of £181k in period 11). Savings have been made from the contributions to the collaborative units, reduction in the legal fees, Evidence Based Practice and Recruitment expenses.

Other Equipment & Furniture - £188k overspend

The year-end position for Other Equipment & Furniture is for an overspend of £188k (a £118k increase from period 11) relating to a new Legal Case Management system and additional laptops and equipment.

External Training – (£35k) underspend

The year-end position for External Training is for an underspend of (£35k).

Office Equipment & Expenses – (£11k) underspend

The year-end position for Office Equipment & Furniture is for an underspend of (£11k) due to savings identified against photocopier charges.

Agency Staff - £8k overspend

The year-end position for Agency staff is for a £8k overspend (a decrease of £7k from Period 11) due to agency staff employed at the front desk at the Community Safety Hub.

Other – (£97k) underspend

The year-end position for Other costs is for an underspend of (£97k) (a £37k increase from period 11) due to reduced requirements for Damage to property, Dangerous dogs, Drug Referral scheme, Diving Support and Witness Protection.

Uniforms – (£70k) - underspend

The year-end position for Uniforms is for an underspend of (£70k) (a £25k decrease from period 11) due to savings identified within the Body Armour replacement programme and General Uniforms.

Collaborations

Cleveland, Durham and North Yorkshire Dogs Unit (CDNYDU)

The Cleveland budget for the joint unit is £874k. The year-end position is (£20k) underspend.

Cleveland Durham Specialist Operations Unit (CDSOU)

The Cleveland budget for the joint unit is £5,013k. The year-end position is (£74k) underspend.

Cleveland and North Yorkshire Major Incident Team (CNYMIT)

The Cleveland budget for the joint unit is £1,707k. The year-end position for CNYMIT is £28k overspend.

North East Region Specialist Operations Unit (NERSOU)

The Cleveland budget for NERSOU was set at £1,793k. The year-end position for NERSOU is (£1k) underspend.

National Police Air Services (NPAS)

The Cleveland budget for NPAS was set at £798k. The year-end position for NPAS is £13k overspend.

Capital Budget

On 28th February 2018, the PCC allocated the Force a capital budget of £6,094K for 2018/19 plus £580k of schemes that were deferred from 2017/18. In addition, schemes totalling £1,470k were brought forward from 2017/18 bringing the approved 2018/19 budget to £8,144k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year resulting in a revised capital budget of £7,395k are set out at Appendix 4, with a full breakdown of schemes shown at Appendix 5.

Key Risk

The key risk to delivery of the capital programme has been slippage against the delivery plan. Although funding is earmarked for each scheme and can be re-provided the following year, the resources required to deliver the schemes in the new financial year places a greater burden on the delivery teams.

Update on Key Schemes

The following tables sets out those schemes that completed during the year.

Schemes Completed in 2018/19			
	Budget	Over/ (Under)	
	£000s	£000s	%
Estates Schemes			
Thornaby Fire Station	7	14	200%
Estate Replacement Windows	25	0	0%
	32	14	44%
Equipment Schemes			
TSU Equipment - NERSOU	25	(0)	0%
Body Worn Video Replacement	100	(1)	-1%
Key Management System	16	(3)	-19%
X Ray Machine	20	(2)	-10%
TASER	104	0	0%
	265	(6)	-2%
ICT Schemes			
ICCS Replacement	285	(23)	-8%
Experian-Date of Birth Appendage	20	0	0%
DSE audit capability	50	5	10%
National ICT Enablement	50	(50)	-100%
Backup Infrastructure Expansion Shelf	30	45	150%
	435	(23)	-2%
Fleet Replacement Scheme			
Fleet Replacement - CSP	0	1	0%
	0	1	-2%
Total	732	(14)	-3%

The following table sets out those schemes that have not completed during the year.

Schemes Slipped into 2019/20			
	Budget	C/Fwd	
	£000s	£000s	%
Estates Schemes			
Cleveland Community Safety Hub	3,210	296	9%
Grangetown LDC	59	15	25%
Billingham Station Rewire	40	1	3%
	3,309	312	9%
Equipment Schemes			
ANPR	35	5	14%
	35	5	14%
ICT Schemes			
EMSCP	24	2	8%
Desktop Replacement Programme	155	77	50%
Microsoft Licensing	219	86	39%
Intelligent Call Handling	37	5	14%
Corvet	40	12	30%
Web Based Mapping/Gazatter Service	25	25	100%
Automated PDR	46	11	24%
Mobile Working Project	1,463	1,000	68%
DFU Servers	46	8	17%
Cloud Based Data Centre	564	20	-4%
	2,619	1,246	48%
Fleet Replacement Scheme			
Write off / Uneconomical Repairs	258	81	31%
Black Box Replacement	10	10	100%
Fleet Replacement	432	83	20%
	700	174	25%
Total	6,663	1,737	28%

Estates Schemes

Cleveland Community Safety Hub (CCSH) – Total budget of £3,210k

Building works for the CCSH commenced in March 2017 and the building became operational in July 2018. The budget is closely monitored by the Project Board and expenditure follows contractual obligations which were re-phased to mirror the changes in the scope of the scheme. The majority of the work on the Community Safety Hub is now complete with the funding for the final contract payments and the removal of the excess soil has been moved into 2019/20.

Grangetown LDC – Budget £59k

A budget of £59k was allocated for 2018/19 to complete the refurbishment of the lecture theatre and toilets. Costs of £44k have been incurred in year with commitments of £10k already raised, and final work to take place in early 2019/20.

Thornaby Fire Station – Budget £7k

The majority of the work for the refurbishment of Thornaby Fire Station was completed in 2017/18. A budget of £7k was carried forward, of which £21k of costs has been incurred in year resulting in a £14k overspend due to the specialist requirements for the Bike Shelter and Body Armour storage.

Billingham Station Rewire – Budget £40k

Work commenced in early February and £39k costs have been charged to date with a small carry forward to 2019/20.

Estates Replacement Windows – Budget £25k

This scheme now covers the Cleveland Police estate and will be used at locations that require their windows to be replaced. The work on the replacement windows at the Learning Development Centre has been completed on budget at the end of March 2019.

Equipment Schemes

ANPR Equipment – Budget £35k

There is an £43k underspend against budget due to the cancellation of an old Purchase Order with a value of £37.5k that is no longer required and £29k charges. £5k of the underspend is to be carried forward to 2019/20.

Body Worn Video – Budget £100k

This scheme is now completed with £99k spent on the Body Worn Video and associated docking stations, resulting in a £1k underspend. The equipment has been issued for operational use with Incident Response and Integrated Neighbourhood Teams.

Key Management System – Budget £16k

The remedial work required to bring all the key cabinets into operational use has been completed with £13k charged in July 2018, resulting in an underspend of £3k.

X-Ray Machine – Budget £20k

The new x-ray machine has been delivered and installed with a cost of £18k, resulting in an underspend of £2k.

Taser Replacement – Budget £104k

This scheme is now completed with £104k spent on the Taser Replacement following a £29k contribution from revenue.

ICT schemes

As in previous years the complexities involved with the CCSH and the ICT requirements has had an effect on the delivery and timing of the key ICT schemes. ICT have reviewed their capital programme in line with the force's mobile device and Digital Asset

Management System requirements and a total of £1,901k across thirteen schemes was not required in 2018/19. Of this £1,060k was returned to the OPCC from eight schemes and £841k from five schemes has been deferred to 2019/20. The business case for the workforce mobility was approved by the OPCC with a budget of £1,463k.

ICCS – Budget £285k

The last milestone payment was made in July 2018 with the project now successfully completed, resulting in an underspend of £23k.

Cloud Based Data Centre – Budget £564k

This scheme is closely linked to the CSH project and is closely monitored by the Project Board. At the end of March there has been £544k spent on specialist IT and Audio Visual equipment, resulting in an underspend of £20k, which will be carried forward as part of the final CSH requirements in 2019/20.

ESMCP – Budget £24k

Delays in the national programme have resulted in £63k of the original £87k already slipped into 2019/20. Of the revised budget of £24k, £22k has been spent and £2k will be carried forward to 2019/20.

Desktop Replacement – Budget £155k

A total of £78k has been spent at the end of March 2019 on replacement desktop equipment. The remainder of this budget will be used to maintain the force's laptop capability in line with the laptop refresh programme and the future IT functionality. The £77k underspend will be carried forward to 2019/20.

Microsoft Licensing – Budget £219k

A total of £133k has been spent on licences at the end of March 2019, with the remaining £86k to be held for future use in 2019/20 depending on the force's mobile device requirements.

Intelligent Call Handling – Budget £37k

£37k was carried forward into 2018/19 for the installation of equipment and training. A total of £32k has been spent to date with the remaining £5k kept for implementation of a 'queue buster solution' in 2019/20.

DSE Audit Capability – Budget £50k

The procurement of the system was completed in 2017/18, with a direct award to the supplier being confirmed. Payments totalling £55k have been paid in 2018/19 resulting in an overspend of £5k.

Corevet – Budget £40k

This scheme is progressing with an order for £34k raised in January of which £28k was charged in 2018/19. Delays in the delivery on the scheme and a change in the requirements will result in £12k being carried forward to 2019/20.

National ICT Enablement - £50k

This scheme was not required and £45k of the 2018/19 budget has been utilised to fund the overspend on the Backup Infrastructure Expansion shelf.

Backup Infrastructure Expansion Shelf – Budget £30k

A total of £75k has been spent in year resulting in an overspend on the original budget of £45k. This is due to an error in the original estimated costs. This has been rectified by utilising the National ICT Enablement budget which is no longer required.

Web Based Mapping/Gazetter Service - £25k budget

Orders for £20k have been raised with delivery scheduled for early in the 2019/20 financial year and the full budget will be carried forward.

Automated PDR – Budget £46k

The contract for the procurement of the cloud based PDR system was awarded at the start of November 2018 and is undergoing user testing with an expected go live date during Quarter 1 of 2019/20. There has been £35k spent in 2018/19 with the remaining £11k to be carried forward to 2019/20.

Mobile Working Project – Budget £1,463k

The OPCC approved a budget of £1,463k for the mobile working project. At the end of March there has been £463k spent on the delivery of the smartphones and laptops with orders placed for the mobile applications. The £1,000k underspend from this financial year will be carried forward to 2019/20.

DFU Servers – Budget £46k

An additional budget of £46k has been allocated to this year's capital programme to rectify the current storage and backup solutions issues within DFU. Costs of £38k have been incurred at the end of March with a further £3k in commitments for additional tapes and licences, which due to a national shortage will not be delivered until early 2019/20. The year-end underspend of £8k will be carried forward to 2019/20.

Fleet schemes

Write-Offs/Uneconomical Repairs – Budget £258k

A total of £177k has been spent on 13 vehicles by the end of March 2019 on write-off vehicles. An additional £7k was added to the budget from a revenue contribution to capital to cover an additional vehicle required. Orders have been placed for a further 3 vehicles with delivery expected at the start of 2019-20 financial year and £81k underspend will be carried forward to 2019/20.

Black Box – Budget £10k

A decision was made to return £123k of the original capital budget allocation to the OPCC due to the change in requirements and to utilise the funds on other force priorities. The £10k underspend from the revised budget will be carried forward to 2019/20.

Fleet Replacement – Budget £432k

Of the 2018/19 fleet programme 16 vehicles have been delivered and orders for a further 4 vehicles are to be placed at the start of 2019/20. A request will be made to carry £83k of the underspend from the 2018/19 fleet programme to be carried forward to 2019/20. The 2017/18 fleet replacement programme has been completed with a £6k underspend

which is not to be carried forward to 2019/20. An additional £1k was charged as part of the Camera Safety Partnership which is funded separately.

Joanne Gleeson
Chief Finance Officer
9th May 2019

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		119,770
Camera Enforcement	May-18	63
HIU Funding	Aug-18	2,009
Revenue Contribution to Fleet Capital	Sep-18	-7
Mutual Aid	Oct-18	117
HIU Funding	Jan-19	332
SARC Ormesby Medical Village	Mar-19	12
Neighbourhood Overtime	Mar-19	10
PCC Funded Neighbourhood Roles	Mar-19	1,453
Equipment Reserves	Mar-19	-726
Grant Funding		153
OP Pandect Resrves		-13
NERSOU Reserves		-26
Football & Mutual Aid		67
CDSOU Reserves		-53
Funding allocation at Month 12		123,161

Budget Monitoring Statement to 31st March 2019

	Annual Budget	Budget to Date	Actual to date	Variance to Date
	£000s	£000s	£000s	£000s
Pay Budgets				
Police Pay & Allowances	65,833	65,833	65,274	(559)
Police Overtime	1,836	1,836	2,340	504
Total Police Pay & Allowances	67,669	67,669	67,614	(55)
PCSO Pay & Allowances	4,714	4,714	4,381	(333)
PCSO Overtime	5	5	2	(3)
Total PCSO Pay & Allowances	4,719	4,719	4,383	(336)
Staff Pay & Allowances	11,555	11,555	11,537	(18)
Staff Overtime	67	67	107	40
Total Staff Pay & Allowances	11,622	11,622	11,644	22
Total Pay & Allowances	84,010	84,010	83,641	(369)
Non Pay Budgets				
Sterial Charges	18,089	18,089	18,090	1
Premises	3,717	3,717	3,680	(37)
Custody	2,466	2,466	2,452	(14)
Other Police Pension Costs	2,787	2,787	3,147	360
Transport	1,539	1,539	1,478	(61)
External Support	1,445	1,445	1,303	(142)
National IT Charges	836	836	828	(8)
Insurance	1,070	1,070	1,194	124
Change & Contingency	284	284	359	75
Communications	837	837	958	121
National Police Air Service	352	352	352	0
Forensics	890	890	936	46
Maintenance Agreements	391	391	370	(21)
Computing	806	806	828	22
Surgeons & Medical Costs	286	286	407	121
Professional Fees	809	809	608	(201)
Other Equipment & Furniture	730	730	918	188
External Training, Seminars	804	804	769	(35)
Office Equipment & Expenses	228	228	217	(11)
Agency Staff	36	36	44	8
Other	448	448	351	(97)
Uniform	301	301	231	(70)
Total Non-Pay	39,151	39,151	39,520	369
Total Expenditure	123,161	123,161	123,161	0
Memo Information				
CDNYD	874	874	854	(20)
CDSOU	5,013	5,013	4,939	(74)
CNYMIT	1,707	1,707	1,735	28
NERSOU	1,793	1,793	1,792	(1)
NPAS	798	798	811	13

Appendix 3

Long Term Financial Plan (LTFP) 2018/19 to 2021/22 – Assessment of Risks

Risk	Detail	Mitigation
Changes to the future funding formulas for Police Forces.	<p>The Policing Minister is committed to reforming the police funding formula and will bring forward proposals for public consultation.</p> <p>The current assumptions do not factor in any adverse impact as a result of a revised formula.</p> <p>Based on what is currently known of the proposals, this is a prudent assumption; however, it does present a potential risk.</p> <p>The earliest possible timing for the formula review is expected to be:</p> <p>Autumn 2019 work via joint working groups with HO, with a full consultation process in 2020 and implementation in 2021/22.</p>	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Future year's funding is lower than forecast.	The Police settlement is for one year although some detail has been provided for 2020/21 should certain efficiency milestones be achieved.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
A higher than forecast level of major incidents.	The number and cost of major incidents in any one year in unpredictable.	<p>There is sufficient flexibility in the plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known.</p> <p>The CNY Joint MIT has introduced additional resilience into the system.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.	Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in. Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material underspending.	Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police staff investigators along with a further recruitment of transferee Police Officers.
National mandation.	In recent years there has been	There is sufficient flexibility in the

Risk	Detail	Mitigation
	national mandation of systems e.g. Pentip, resulting in unplanned costs to the Force.	plan to absorb some additional costs depending on the magnitude and the time of year the issue becomes known. The PCC may absorb any additional costs in total or part through the use of reserves or other income.
Police Pension Scheme 2015.	Test case on new pension scheme with risk due to Gender/Race inequality. The case is in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015. The Court of Appeal ruled in December 2018 that the Government's changes to pensions with regard to judges and firefighters were discriminatory on the grounds of age. These cases were brought due to changes to public sector pensions in 2015, which also affected other public sector schemes including the police pension scheme. This ruling could have significant implications however costs and funding implications are as yet unknown.	Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 93 claims from Police Officers No further detail is available on the impact to the Chief Constable but should there be a financial impact, more radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Employment Tribunals.	An earmarked reserve has been set up to cover the cost of implementation.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Allard V the Chief Constable of Cornwall.	A recent court determination in the case of Allard v the Chief Constable of Cornwall in respect of historic on-call payments for specific staff groups has the potential to create a significant financial pressure for forces nationally.	More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.
Historic Case Review	Further work will take place in regards to historic case reviews following the establishment of the Cold Case Unit within the CNYMIT.	More radical options will be developed including further reductions in officers, PCSO and staff numbers and the use of further inter-force collaborations.
Data Breaches	The Force is the subject of an on-going investigation in relation to one Data breach. The	More radical options will be developed including further reductions in officers, PCSO and

Risk	Detail	Mitigation
	outcome of this investigation could result in a significant fine. This data breach has not been provided for in the current projections and could have a negative impact on the Forces financial position.	staff numbers and the use of further inter-force collaborations.

Changes to Capital Funding	Month Added	Change
		£000s
Funding Allocation in LTFP		6,094
Schemes deferred from 2017/18		580
Schemes carried forward from 2017/18		1,470
Total Capital funding		8,144
Revenue Contribution to Capital - Fleet	Sep-18	7
DFU Servers	Sep-18	46
Black Box	Sep-18	(123)
Stockton Rewire (deferred to 2019/20)	Sep-18	(40)
Mobile device replacement	Sep-18	(550)
Smartworks Mobile Applications	Sep-18	(180)
Livelinks (CJS)	Sep-18	(20)
Digital Interview Recording Equipment (deferred to 2019/20)	Sep-18	(500)
Cyber Security Improvements	Sep-18	(60)
Exchange Upgrade	Sep-18	(100)
EMSCP (deferred to 2019/20)	Sep-18	(63)
Locard replacement	Dec-18	(100)
ACESO replacement (deferred to 2019/20)	Dec-18	(103)
Control Room Solution Improvements	Dec-18	(50)
		(40)
Investigate Analytical Software (deferred to 2019/20)	Dec-18	(40)
Billingham Rewire (deferred to 2019/20)	Dec-18	(40)
Windows Server Upgrade (deferred to 2019/20)	Jan-19	(25)
Mobile Working Project	Jan-19	1,463
VM Ware	Jan-19	(50)
Thin Client Improvement	Jan-19	(50)
Networked CCTV Solution (deferred to 2019/20)	Jan-19	(150)
Occupational Health Case Management System (deferred to 2019/20)	Jan-19	(40)
Billingham Rewire	Jan-19	40
CSH staff Relocation	Mar-19	(50)
Revenue Contribution to Capital - Taser	Mar-19	29
Funding allocation at Month 12		7,395

Capital Monitoring Statement to 31st March 2019				
	Annual Budget	Budget to Date	Actual to Date	Variance to Date
	£000s	£000s	£000s	£000s
Estates Schemes				
Cleveland Community Safety Hub	3,210	3,210	2,914	(296)
Grangetown LDC	59	59	44	(15)
Thornaby Fire Station	7	7	21	14
Billingham Station Rewire	40	40	39	(1)
Estates Replacement Windows	25	25	25	0
Total Estates Schemes	3,341	3,341	3,043	(298)
Equipment Replacement				
TSU Equipment - NERSOU	25	25	25	(0)
ANPR	35	35	(8)	(43)
Body Worn Video Replacement	100	100	99	(1)
Key Management System	16	16	13	(3)
X Ray Machine	20	20	18	(2)
TASER	104	104	104	0
Total Equipment Schemes	300	300	251	(49)
ICT Schemes				
ICCS Replacement	285	285	262	(23)
Experian-Date of Birth Appendage	20	20	20	0
Cloud Based Data Centre	564	564	544	(20)
EMSCP	24	24	22	(2)
Desktop Replacement Programme	155	155	78	(77)
Microsoft Licensing	219	219	133	(86)
Intelligent Call Handling	37	37	32	(5)
DSE audit capability	50	50	55	5
Corvet	40	40	28	(12)
National ICT Enablement	50	50	0	(50)
Backup Infrastructure Expansion Shelf	30	30	75	45
Web Based Mapping/Gazetter Service	25	25	0	(25)
Automated PDR	46	46	35	(11)
Mobile Working Project	1,463	1,463	463	(1,000)
DFU Servers	46	46	38	(8)
Total ICT Schemes	3,054	3,054	1,785	(1,269)
Fleet Replacement				
Write off / Uneconomical Repairs	258	258	177	(81)
Black Box Replacement	10	10	0	(10)
Fleet Replacement	432	432	343	(89)
Fleet Replacement - CSP	0	0	1	1
Total Fleet Replacement	700	700	521	(179)
Provision for Business Cases	0	0	0	0
TOTAL CAPITAL	7,395	7,395	5,600	(1,795)