



Police & Crime Commissioner for Cleveland
Cleveland Police Headquarters
Ladgate Lane
Middlesbrough
TS8 9EH

Email: pcc@cleveland.pnn.police.uk
 Website: <http://www.cleveland.pcc.police.ukj>

Police and Crime Commissioner:
 Chief Executive & Monitoring Officer:

Barry Coppinger
 Simon Dennis BA, Solicitor

Tel: 01642 301653
 Tel: 01642 301653

PCC Scrutiny, Delivery & Performance Meeting

Date: 20 June 2018
Time: 1000-1300
Venue: PCC Conference Room

Agenda

		Presented by
1.	Apologies For Absence	
2.	Declaration of conflict of interest/disclosable pecuniary interest	
3.	Notes of the previous meeting on 11 April 2018	
4.	Cleveland Police - Corporate Financial Monitoring Report to 31 st March 2018	Jo Gleeson
5.	OPCC - 2017/18 Budget Monitoring – Outturn Report for 2017-2018	Michael Porter
6.	Cleveland Police - Corporate Financial Monitoring Report to 31 st May 2018	Jo Gleeson
7.	OPCC - 2018/19 Budget Monitoring – Report to the end of May 2018	Michael Porter
8.	Cleveland Police - Update on the Cleveland Police Long Term Financial Plan (LTFP) 2018/19 to 2021/22	Jo Gleeson
Comfort Break		
9.	Control Room Review and the 101 Service	Ciaran Irvine
10.	Protecting Vulnerable People - Update	
11.	Digital Stop and Search – Privacy International Report	

12.	PCC Questions	
13.	Any Other Business	
14.	Date of next meeting – 12 September 2018	



Scrutiny, Delivery & Performance Meeting

11 April 2018

10am

PCC's Conference Room, Police HQ, Ladgate Lane

Present

Steve Bell – Economic Crime Inspector, Cleveland Police
Barry Coppinger - Police and Crime Commissioner
Simon Dennis - Chief Executive and Monitoring Officer, OPCC
Joanne Hodgkinson – Deputy Chief Executive, OPCC
Simon Nickless – Deputy Chief Constable, Cleveland Police
Elise Pout, Standards and Scrutiny Manager, OPCC
Ann-Marie Salwey – Specialist Crime Superintendent, Cleveland Police
Glen Ward – Force Crime Registrar, Cleveland Police

Apologies for absence

1. No apologies were received.

Declarations of Conflict of Interest/Disclosable Pecuniary Interest.

2. None declared.

Notes of the Previous Meeting

3. The notes of the following meeting were approved for publication.
 - i. 28 February 2018

Audits and Inspections – Joint Targeted Area Inspection – Multi-agency Response to the Abuse and Neglect in Stockton on Tees

4. Updates from inspection reports are a standard item on the Scrutiny, Delivery and Performance meeting agenda in order to ensure that the PCC is kept up to date with any issues/actions arising from such inspections.
5. Between the 20 and 24 November 2017 Ofsted, the Care Quality Commission (CQC) and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and HMI Probation undertook a joint inspection of the multi-agency response to abuse and neglect in Stockton-on-Tees. The report that was produced noted that the local partnership of agencies had a strong shared commitment to tackling neglect exemplified by the developing children's hub. A number of key strengths were identified including evidence of highly effective practice.
6. Areas For Improvement (AFI) were also identified and the PCC focussed attention on the AFI that involved the Force, either individually or in its partnership capacity. Information was sought on the following:
 - i. The Force's response to the AFIs as outlined in the inspectors' report and details of how the Force will work with its partners to deliver them.
 - ii. The caseload with regard to safeguarding children is increasing, the Force was asked to provide an update on staffing and resources in PVP and include details of how any staffing issues were being addressed.
7. Superintendent Salwey explained how the AFIs had been set out in a letter from the inspectors. It was noted that the inspectors don't come back to review progress with AFIs but that information will be used in future

inspections. In order to monitor AFIs this was done through a number of channels included the HMIC monitoring group, public protection group, an action plan, which was governed by the Assistant Chief Constable, Adrian Roberts, and formal actions are monitored through the Local Safeguarding Children's Board (LSCB) framework.

8. The areas for improvement were as follows:
 - i. Although there was evidence of a shift in the police towards a more explicit focus on the reduction of risk and vulnerability, this had not yet been translated into consistent improvements in operational delivery across all areas of practice where the police come into contact with children. Much of the work to improve was at a very early stage or not yet fully implemented and, as a consequence, the intended benefits had not been fully realised.
 - ii. While it is positive that Cleveland Police have developed additional training for officers, inspectors found that inconsistencies remain in the quality of child safeguarding decision-making at the front line, including when children are suffering from neglect. Incidents were often dealt with in isolation rather than consideration been given to the previous history of events and the wider context of the children's vulnerability.
 - iii. The police Niche system allows the use of flags to highlight areas of vulnerability. However when a child had previously been subject to a child protection plan or when they are a child in need, flags were not routinely used.
 - iv. Senior leaders, supervisors and managers in the police were not currently able to test the effectiveness of practice at every stage of a child's engagement with the service. While multi-agency audits are used, this is not replicated on a single agency basis within the police. The absence of routine scrutiny of this nature and quality of decision making was inhibiting the potential to strengthen intervention with children.
 - v. Cleveland Police are experiencing difficulties managing demand linked to vulnerability and in the protection of children in particular. This needs close monitoring to ensure that staffing levels in Protecting Vulnerable People (PVP) and children's hub remain appropriate to demand.
 - vi. There is no process within the police to ensure compliance in the submission of referral forms when a child may be in need or at risk of significant harm, some checking mechanisms exist, but the gap meant that children were potentially being exposed to periods of risk without the appropriate intervention from key agencies.
 - vii. Partnership agencies are not consistently made aware of children living in potentially neglectful environments by Cleveland Police.
 - viii. Child protection support officers within the PVP hub are expected to research previous history of domestic abuse incidents. Sampling by inspectors demonstrated an inconsistent approach and incidents were often considered in isolation with little recognition of the escalating risk for children.
9. It was noted that there had been an undertaking to 'back-fill' vacant posts and there was an acknowledgement that staffing levels must stabilise in order to provide increased resilience within the team.
10. The area of highest demand was within the child abuse team. That high level of demand had put pressure on the team, despite best efforts to deliver a good service. There were other complexities that also needed to be taken into account which also placed demands on the team which included: the need for third party material; hospital trips; and volume. It was noted that support had been received from the Executive Team who were fully sighted on the issues.
11. In order to manage the demand, the Force was reviewing it using a demand tool, which was proving positive at the time of writing but the overall outcome was still to be seen. Additional support was also being given to

sergeants in terms of training for crimes of this level, giving people more power to make decisions, and support from the executive level to make sure that the demand was being managed.

12. The corporate team were looking at the Strategic Threat and Risk Assessment (STRA) in order to gain a further understanding of demand, abstractions and staffing. Certain abstractions had been made in order to deal with legacy issues but it was noted that if the analysis resulted in a need for more staff then it would be addressed. Processes were also being considered in order to establish the effect on workloads. It was an area that the Force was keeping alert to especially if projected demand was set to increase.

Actions

13. That a further update be received in 3 months' time to allow for the results of the work to understand and manage demand to be concluded.
14. That the findings from the inspection be as a springboard for a wider discussion on vulnerability which can be used in the refresh of the Police and Crime Plan.

Audits and Inspections – National Child Protection Post Inspection review

15. At the Scrutiny, Delivery and Performance Meeting on 25 October 2017 the PCC received details about Her Majesty's Inspection of Constabulary Fire and Rescue Service (HMICFRS) report published a report on 21 September regarding the national inspection of child protection. HMICFRS inspectors found that the force was committed to protecting children and this was reflected in the police and crime plan. The strong commitment was seen in Chief Constable, the chief officer team and the PCC.
16. However, HMICFRS discovered some weaknesses in the force's approach to child protection. As a result of the inspection the PCC sought, in the first instance, an assurance that the areas for concern that were highlighted for immediate action had been dealt with and information on the force's plans to address the recommendations.
17. The PCC considered the action plan that had been produced at the time and was satisfied significant effort had been put in to creating the action plan and was assured that any immediate concerns, as highlighted within the inspection report, had been dealt with swiftly.
18. As the force was due to host the post inspection follow up activity in June 2018, the PCC sought a verbal update on the progress with the actions contained within the Force's action plan.
19. It was noted that the recommendations had been broad in their nature. The Force had undertaken an exercise to review and consider other force's action plans and had taken areas of best practice in other areas including, for example, Gloucester. The area where most improvement was needed was children in detention and that had been dealt with. Emergency Duty Team provision had improved especially the coverage of gaps during overnight periods.
20. Concentrated training had been given which had included initiatives such as 'adopt a shift' and videos which provided details on the links between missing from home and Child Sexual Exploitation (CSE). The inspection had found that where there was a high risk to people the response from the Force had been very good. The inspectors were very impressed with the aspect at VEMT group that considered repeat victims. Where improvements were needed was in the areas of low, medium risk and, no apparent risk. Force incident managers did a good job in terms of risk assessment, but given the fact that it made up a large slice of the demand the Force noted that they needed to ensure that the right resources were there to match that demand. A missing task group had been set up to ensure that the Force had the right data to be able to map out that demand including details on what harm people were coming to and where the hotspots were.
21. It was noted that in order to ensure a consistency of oversight, the problem solving team undertook a lot of work around the high demand cases but more preventative work was needed. Especially with children's homes and undertaking better assessments, the Force were working with the Children's Society in order to ensure that this happened and significant progress was being made.

22. Another improvement that the force was working on was with Public Protection Notices and Occurrence Enquiry Log (OEL)s, although this work was dependent on the NICHE upgrade, which had only taken place in March. It was anticipated that this would bring improvements in the way of a consistent oversight. A training plan for staff will be in place by the time of the inspection with a timetable and programme for completion will be established by July.
23. The Chief Constable was also the national lead for children missing from home and consideration would be taken of best practice from forces around the country to ensure that the Force was up to date with national best practice.

Actions

24. That the force provide a post meeting note in relation to the Niche update
25. That the Force provides the PCC with an update after the inspection.

Fraud and Cybercrime Update

26. The Force and the PCC received details of the latest Fraud and Cyber Profiles created by the National Fraud Intelligence Bureau (NFIB), that provides an overview of the fraud and cyber landscape in the force area identifying the extent of harm and nature of offending. Work to prevent this type of crime and protect people from it takes place nationally, regionally and locally. The Force has hosted a regional symposium on cyber crime and fraud and the NETIC group have met to consider developing a business case to establish scope for collaboration. As such it is considered timely for the Force to provide a comprehensive update to the PCC.
27. To provide the PCC with a report and presentation to include the following:
 - i. How the Force is responding to latest crime profiles and assessment that are detailed in the NFIB reports;
 - ii. Bespoke content for consideration by the PCC for inclusion into the refresh of the Police and Crime Plan, which is currently taking place, to include suggested objectives for consideration, that would benefit Cleveland and the region in terms of better outcomes for the area;
 - iii. How prepared are we locally for cyber-attacks both against the Force and local businesses; and
 - iv. What does the Force see as the challenges for the future and how does the Force intend to deal with them?
28. It was noted that when the report is received the information within it is already 6 months old so the information won't be looked at in isolation. The top frauds in the area were currently cheque, card etc. online banking, application fraud (for loans, mortgages etc.), mandate fraud (bogus invoices – cyber malware attack). When the report was received, the Force undertake a campaign and considers how to share the information with the local community using social media, leaflets etc., focusing on the top three fraud types. The Force also use Social media to re-tweeting national messages and ensure connectivity across the north east.
29. The force links with the private sector and national banks and had recently taken part in North East Forum, a conference held at Teesside University, which aimed to up-skill staff to deal with fraud, especially within the neighbourhood teams who dealt with the low level cyber-crimes.
30. The Chief Executive asked what the Force were doing in relation to working with the private sector to harness that talent? The force did have an interface with private sector and it was noted that the sector was far more advanced than the Force in this area. The Force was linking in with the Banks and Small to Medium Enterprises (SMEs) in order to push out the message and highlight the dangers of how it cyber fraud could devastate a small business.
31. The Deputy Chief Constable also noted that it was important to consider what victim care looked like and that a lot of work was undertaken with VCAS in order to prevent people becoming repeat victims. Visits are undertaken to vulnerable people and the level of service victims receive is good.

32. Also being considered within the STRA was workforce planning. To consider, for example, what should a fraud investigator look like? Then enabling the balance between protection and capability and getting the appropriate level of resourcing as well as connecting with the private sector and volunteers. Consideration would also be given as to what would be right to investigate on a local, regional level and national level and to work with the national fraud network in order to be able to link with the financial influencers.
33. The Force were to undertake some work to consider why Cleveland has lower levels than others of cyber-crime/fraud? The Force had good links with Action Fraud which was useful given the complexities with where the offenders were located.
34. The PCC was particularly interested in how prepared the Force are in terms of a malicious attack on their IT systems. It was noted that the Force checked their IT protocols on a regular basis. Staff were well briefed on IT security, for example training staff about not clicking on unknown attachments and consider the veracity of emails from unknown senders.
35. With regard to information sharing with external organisations, it was noted that they are classed as the data controller, the Force seeks assurances that there were information sharing agreements in place. As data controllers those organisations would be liable for any security breaches. Arrangements with third parties are checked to ensure a level of security and the Force were reassured by recognition at a national level from the information commissioner's office is that they will work with Forces and OPCC offices to develop locally appropriate solutions.
36. In terms of attacks on other local public sector organisations, the Assistant Chief Constable, Adrian Roberts, was the deputy chair of the Local Resilience Forum (LRF). The forum had recently hosted a cyber-resilience exercise, which involved a mock cyber-attack. The LRF agencies got together to discuss what to do and they considered the plans they had in place for such an attack.
37. The Business Community also recognised the risks of a cyber-attack, the larger companies had plans in place, but this was not replicated as much within the SMEs. It was also recognised that there was a lack of reporting in this area due to the 'embarrassment' factor.
38. It was noted that one of the best ways to engage with the business community was to take events to them, for example the Force had provided a micro hacking event, which took about an hour, and which attracted 10-15 business around the table to show a demonstration of just how simple it was to crack passwords and access systems.
39. The importance of preventative work and advice was recognised as was the need to push the work of the 'scambassadors'.

Action

40. That the Force would work with the PCCs office to ensure suitable text for inclusion into the Police and Crime Plan refresh.

The Best Use of Stop and Search/Use of Force

41. Cleveland Police signed up to the Best Use of Stop and Search Scheme (BUSS) launched by the Home Secretary and the scheme commenced on the 30 November 2014. The aim of the scheme was to improve transparency in the use of stop and search powers, to improve trust and confidence in the police by ensuring the provision of a quality service ensuring that intelligence is utilised to focus stop search activity professionally and appropriately against those individuals who cause the most harm to communities.
42. The HMICFRS Legitimacy Inspection Dec 17 included an Area for Improvement (AFI) which stated that the Force should improve the external scrutiny of its data; involve young people in the scrutiny arrangements and offer those scrutinising the force appropriate training on the use of police powers. It also kept in place an AFI

from the 2015 inspection which said that the Force should continue with the improvements it has started to ensure that all stop and search records include sufficient reasonable grounds to justify the lawful use of the power and that officers fully understand the grounds required to stop and search a person.

43. Stop and Search and Use of Force have been areas of focus at the Tactical Performance Group and further analysis was being carried out to break down statistics at ward level. In addition a stop and search action group has been established to address performance issues and areas of poor performance raised by HMICFRS.
44. The PCC therefore sought information on the following:
 - i. The work that had been undertaken to implement improvements as a result of the AFIs above;
 - ii. A position statement with regards to the current issues around stop and search and use of force;
 - iii. An assurance that the force's use of stop and search and use of force was carried out appropriately and justifiably; and
 - iv. An update on the actions arising from the stop and search action group which took place on 19 March 2018.
45. A new force lead, Superintendent Cooney, has been assigned to oversee the issue of stop and search. There were approximately 60-85 stop and searches per month and that number had previously been significantly higher. It was acknowledged that there was a balance to strike between the confidence of staff to undertake stop and searches and protecting the public. In order to do so there are fortnightly meetings to maintain that focus. Because there are such low numbers the Force could quality assure each one in order to be able to bring out the lessons learnt. In doing so the Force have identified one team who are particularly good and that it was important to recognise that. As a result a 'how to video' was being developed using best practice from that team. Cleveland was one of the first forces to develop a stop search training package.
46. In respect of the AFI from HMICFRS, the Force has been working with a local youth organisation in order to progress the use of young people in the scrutiny process. In addition to the AFI, scrutiny, beyond that of the PCCs office, takes place in a number of other ways, for example Stop and Search is a constant agenda item on the Independent Advisory Group (IAG).
47. The 'Ride Along' policy is being refreshed. Due to the low numbers of stop and searches people attending won't always necessarily witness a stop and search taking place due to the low numbers.
48. One of the main areas which needed improvement was the area of compliance and the depth of information that officers were detailing on the grounds for the Stop and Search. It was found that the smart works app which was used to contain the information contained a box that was too small for the amount of text that was needed by officers, so this was easily fixed by increasing the size of the text box.
49. Further work was also being undertaken to analyse the compliance rate on the grounds that were used. It was found that the force was 85% compliance, but to put it in context the 15% non-compliance rate could be 1 or 2 people. The HMIC compliance rate was set at 95% but with such low numbers one person could alter the compliance rate substantially.
50. The intention was to create Stop and Search Scrutiny Panels for adults and young people to examine a random selection of provide valuable feedback on Stop Search. The Scrutiny Panel will also be informed of any issues in relation to complaints regarding Stop and Search powers. Stop and search champions have been established who can provide support and guidance on the use of stop and search. At the time of the meeting the Force was not aware of any stop and search compliance complaints in the last 12 months.
51. It was recognised that the Force were compliant with the national schemes. Further work was to be undertaken to ensure that the intelligence supported the levels of stop and search in a particular ward and to engage with communities to ensure that it felt right to them. It was noted that disproportionality might not necessarily be a bad thing as long as it was justified and communities knew the reason for it. The Force wanted to ensure that the intelligence was targeting stop and search in the right place and at the right time.

Action

52. That the information be noted.

Crime Data Integrity

53. The HMICFRS Inspection of the Integrity of the Force's Crime Data was due to be published in July. Following the inspection, a number of areas for improvement emerged from the recent HMICFRS debrief.
54. In advance of the publication the PCC would like to seek an assurance from the Force in respect of any safeguarding issues, to ensure that they have been identified and dealt with and the steps that are being taken by the Force to address any areas of improvement that had been identified in the inspection, prior to the publication of the inspection report.
55. The Force outlined that the initial HMICFRS findings had mirrored internal findings around violent crime and domestic abuse. An action plan had been produced which was key to improvements being made. Positive benefits were being seen already. For example processes had been improved around the closure of an incident which are of a better quality and consistency. One to one discussions were taking place with staff which were having a positive impact.
56. The Protecting Vulnerable People team (PVP) were undertaking a testing of their processes and work was taking place to help call takers with empathy. There were a number of key data points being monitored and an improvement plan was being implemented, examples of other work taking place was as follows
- i. Call taker monitoring focusing on domestic abuse incidents without specific crime keywords, this is being done to ensure the incident log reflects the actual call.
 - ii. Ensuring the incident is opened with the correct code, specifically a crime code as this starts the victim's journey off correctly. Staff have been briefed and a pop up has been added in Storm to remind staff. Since this work has been done we have seen an increase in the number of domestic abuse incidents opened with a crime code.
 - iii. Daily domestic abuse audits are now being carried out to ensure the incident is reviewed in a timely manner so if any service recovery is required this can be actions swiftly. Also the auditor is providing one to one feedback to the member of staff who has closed the incident incorrectly.
 - iv. The number of staff closing incidents had increased, control room are reinforcing the requirements for dedicated closure officers are the only staff who can close a non-crime domestic abuse incident, we are starting to see the number doing this go down which is a positive indicator.
 - v. Desktop review of the domestic abuse incidents HMIC highlighted by a subject matter expert, with further planned deeper scrutiny work, looking at areas for improvement and also testing the current processes.
 - vi. Master classes for incident resolution team supervisors/managers are being planned with Harbour to up skill our staff in understanding and actively managing domestic abuse incidents.
 - vii. Work is underway to implement the new Niche vulnerability package which includes domestic abuse DASH risk assessment form, which provides better governance and an opportunity to remind staff.
 - viii. Staff training has already been planned as discussed at the Domestic Abuse group, including coercive and control and the College of Policing Vulnerability package both will include the key legislative updates staff require.
 - ix. Longer term sustainability is a key requirement that is being work upon which includes work such as Everyone Matters, Blue Light, and demand management.
57. Superintendent Dave Sutherland had undertaken a monitoring process with which then fed into the Domestic Abuse action plan. Another key piece of work was the master classes that had been provided for first and second line managers.
58. The Force Crime Registrar (FCR) was directly line managed by the Deputy Chief Constable and provided weekly updates. The FCR was also investigating for any weaknesses in the connectivity between mapping

demand and quality, through performance meetings, recording, deployment, links to VCAS and the on-going management of investigations.

Action

59. That a representative from the OPCC be invited to attend the next NCRS compliance group meeting.

Proposed Inquiry into Disclosure in Criminal Cases

60. The Attorney General is currently undertaking a review of disclosure following a discussion at the National Criminal Justice Board on 30th November 2017. The provisional timeline for this review was that it was to report back to the national Criminal Justice Board before the Summer Recess. The Justice Committee has also recently announced an inquiry into the disclosure of evidence in criminal proceedings, the findings of which will feed into the Attorney-General's review.
61. In light of the above and the publishing of the National Disclosure Improvement Plan the PCC would like to seek assurance that the force is addressing this issue with a forward focus and as such would like an update from the Force on the following:
- i. Confirmation of the Force's disclosure champion at chief officer level;
 - ii. Confirmation of the region's force disclosure expert to the National Police Disclosure Working Group;
 - iii. Confirmation of the tactical disclosure lead at chief superintendent/ superintendent level;
 - iv. How the Force are ensuring compliance with the National Disclosure Improvement Plan;
 - v. Details of where the force is in terms of developing a joint CPS/Police disclosure improvement plan that reflects local issues and national agreed priorities;
 - vi. How the product will feed into the Local Criminal Justice Partnership; and
 - vii. An update on the Force's contribution to the national response around disclosure and how is the force learning from other forces experiences in this area and using that best practice.
62. The Force was considering specific disclosure champions across all service areas. The Director of Collaborative Legal Services, Xanthe Tait, was involved at a regional a national level to ensure that the Force was prepared for any future enquiry. Discussions had taken place at the Management Board and the Force had a good insight as to what needed to be taken forward.
63. It was noted that updates would be taken to the Local Criminal Justice Partnership and as Joint Chair the Police and Crime Commissioner would be able to seek assurances through that Board.
64. The Force confirmed that a compliance level had been established with checks and balances but that for added assurance the Force would reconsider the national action plan to ensure that there were no gaps.

Action

65. That the information was noted.

Any Other Business - None

Final

Report of the Chief Finance Officer to the Chief Constable



CLEVELAND POLICE

14th May 2018

Corporate Financial Monitoring Report to 31st March 2018

Introduction

This report provides assurance that the revenue and capital plans for 2017/18 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 2018. 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 2018

The overall year-end revenue is an overspend of £350k (0.29%) of the total annual budget.

Revenue	Annual Budget £000s	Actual Outturn £000s	%	Previous Forecast £000s	Change £000s
Pay Budgets					
Police Pay & Allowances	68,786	498	0.7%	490	8
PCSO Pay & Allowances	4,369	(84)	(1.9%)	(35)	(49)
Staff Pay & Allowances	10,473	(115)	(1.1%)	(200)	85
Total Pay & Allowances	83,628	299	0.4%	255	44
Total Non-Pay Budgets	36,707	51	0.1%	65	(14)
Total Expenditure	120,335	350	0.3%	320	30

The overspend on Police pay and allowances relates to both the cost of the extra 1% bonus payment to Police Officers that was approved by the Home Office in September along with the overtime costs associated with reassurance patrols, Operation Cotton and general and bank holiday overtime pressures within commands. The 2017/18 cost of the Police Officer bonus is approximately £320k.

The year-end underspend on PCSO pay is £84k, an increase on the underspend of £49k on the forecasted position reported in the previous month. This is as a result of increased funding from the forecasted position in Period 11 from the OPCC for the Neighbourhood and School Liaison roles, and additional leaver and maternity savings, offsetting the additional 1% lump sum payment.

The year-end underspend on staff is £115k, a decrease of £85k from the forecasted position in period 11. This is due to the additional 1% lump sum payment been applied for the 2017/18 staff pay rise.

The year-end overspend for non-pay budgets is £51k (0.14%) made up of many variances as detailed in this report. The main overspends are for Insurance (£200k over) and professional fees (£272k over). These have remained consistent with previous month's reports, relating to the increase in the renewal premiums as a result of the Ogden ruling that took effect from the end of March 2017 and further legal advice and associated barrister's fees. The year-end overspend on the Custody Budget line of £130k is due to additional costs associated with the TUPE contract costs and the Police Pension costs overspend of £185k is a result of the force absorbing the costs of one of the medical retirements due in March.

These are offset with underspends for Premises (£137k) due to estate work been prioritised with the Community Safety Hub, Transport (£138k) through savings on vehicle repairs, maintenance and petrol, Computing (£118k) with resolution of the PNN2/PNN3 connections orders & savings against I2 Analytical and IT Health Checks, and Other Equipment (£109k) from savings against the equipment refresh programme.

Capital Monitoring Statement to 31st March 2018

Capital	Annual Budget	Actual Outturn		Previous Forecast	Change
	£000s	£000s	%	£000s	£000s
Estates Schemes	12,149	(334)	(2.8%)	(9)	(325)
Equipment Replacement	313	(25)	0.0%	0	(25)
ICT Schemes	2,454	(760)	(31.0%)	13	(773)
Fleet Replacement	2,075	(313)	(15.1%)	0	(313)
Innovation Fund Schemes	0	0	0.0%	0	0
Provision for Business Cases	0	0	0.0%	0	0
Total Capital	16,991	(1,432)	(8.4%)	4	(1,436)

As can be seen from the table above the year end underspend for capital expenditure stands at £1.4m on the Budget, a change of £1.4m on the forecasted position reported in Period 11. This is due in the main to work connected with the Community Safety Hub and associated Cloud Based Data Centre slipping into 2018/19 and the reduced requirement within the Fleet Write-Offs budget. The full breakdown of the capital spend can be seen in Appendix 5.

At 31st March there were 12 schemes from the original capital budget totalling £790k which have been identified as being deferrable and will be re-provided for in 2018/19 through a revised business case and a further £400k of saving identified against the IL4 Confidential Network, Control Room Fallback, the Fleet programme, Oracle Upgrade and Kinesense that do not need to be re-provided.

A revenue contribution to capital of £65k has been provided for the Grangetown LDC, Body Worn Video, Key Management System and Intelligent Call Handling schemes. Additional funding of £138k has been also been provided for Experian – Date of Birth Appendage, NERSOU accommodation, TSU Equipment and additional vehicles for the Neighbourhood command and Camera Safety Partnership team.

2017/18 Capital amendments	£000s
CORE VET	(40)
Stockton HQ Rewire	(40)
Billingham Station Rewire	(40)
Livelihoods (CJS)	(20)
Investigative Analytical Software	(40)
ICCS	(200)
VM Ware	(50)
Grangetown LDC	(45)
Mobile Device Replacement	(220)
Thin Client Improvement	(25)
Date Quality - Date of Birth Appendage	(20)
DSE Audit Equipment	(50)
Total Deferred Schemes	(790)
IL4 Confidential Network	(205)
Control Room Fallback	(50)
Fleet Replacement Savings	(30)
Kinesense	(15)
Oracle Upgrade	(100)
Total savings	(400)
Grangetown LDC	28
Body Worn Video	14
Key Management system	7
Intelligent Call Handling	16
Total revenue contribution to Capital	65
Experian - Date of Birth Appendage	20
NERSOU Accommodation & TSU Equipment	39
Neighbourhood Vehicles	34
Camera Safety Partnership Vehicles	45
Total Additional Funding	138
Grand Total	(987)

Revenue Budget

On 27th February 2017, the PCC allocated the Force a revenue budget of £119,835k for 2017/18. Changes to the budget are set out at Appendix 1 resulting in a revised budget of £120,335k. 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 Tribunal is unlikely to consider the substance of the claims until later in 2018.
- The number and cost of historic case reviews in any one year is unpredictable.
- The Employment Tribunal ruling that the use of Regulation A19 was discriminatory was successfully upheld by the Court of Appeals. The Staff Side submitted an application to the Supreme Court for leave to appeal which has been refused.
- The additional revenue costs should pay awards be higher than those assumed within the LTFP.

Police Pay & Allowances

The year-end overspend against the police pay budget is £498k a change of £8k from Period 11 forecast. The split on the overspend is £302k for overtime and £196k for police pay. This includes the 1% pay bonus of £320k which has been partially offset by earlier retirements of Officers.

The budget was set on the basis of having an average of 1,274 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 1280 FTE. The split including the PCC funded posts is 1120 FTE in Core Policing and 160 in collaborations. As at the 31st March the total number of officers in post is 1,263 FTE with 1111 FTE in Core Policing, 140 FTE in collaborations and 12 on secondments.

Core Police Officer Attrition	As At 31/03/18	To 31/03/18 LTFP	Variance to LTFP
LTFP at 1st April	1130	1120	10
Retirements	-59	-50	-9
Medical Retirements	-6	-8	2
Other Leavers	-16	-12	-4
Recruitment	62	70	-8
Total	1111	1120	-9

The year-end variance against Police Officer overtime is £302k overspend, split between collaborations (£137k) and Core (£165k). The year-end position is partly due to the extra patrols linked with the Manchester & London incidents. It has been confirmed that the costs of extra patrols which accounts for approximately £75k will not be recovered from the Government.

Police Community Support Officers Pay & Allowances

The year-end underspend against the PCSO pay budget is £84k, an increase of £49k on the forecasted pay position in Period 11. This is as a result of increased funding from the forecasted position in Period 11 from the OPCC for the Neighbourhood and School Liaison roles, additional leaver and maternity savings, but this is partly offset with the additional 1% lump sum payment.

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 was 139 FTE.

The PCC has provided additional funding in 2017-18 for an additional 15 FTE roles that have been agreed to enhance neighbourhood policing.

PCSO Attrition	As At 31/03/18	01/04/17 to 31/03/18 LTFP	Variance to LTFP
LTFP at 1st April	125	122	3
Leavers	-16	-12	-4
Recruitment	30	48	-18
Total	139	158	-19

Police Staff

The year-end underspend against the police staff pay budget is £115k a decrease of £85k from the position reported in Period 11. This is due to the additional 1% lump sum payment been applied for the 2017/18 staff pay rise.

The staff pay budget was set based on having 285 FTE police staff in post at the 1st April (plus an additional 22 FTE funded by the PCC). As at the 31st March actual FTE in post were 263 with an additional 19 posts that the PCC has provided extra funding for to enhance neighbourhood policing.

The recruitment for the other vacant posts identified in the 2017/18 budget, for other vacancies that have arisen during the year and additional posts that have been agreed at the Towards 2020 board as part of workforce modernisation are underway with forecasted start dates in early 2018/19.

Non-Pay Budgets

The year-end position against the non-pay budget is an overall overspending of £51k.

The major variances are set out below:

Sopra Steria - £94k overspend

The year-end position is an overspend of £94k. This is an increase of £64k from the previous forecasted position at period 11. This is attributed to the additional 1% lump staff payment due in 2017/18.

Premises, Fuel, Light and Power - £137k underspend

The year-end position is an underspend of £137k relating to savings identified by the Estates Team due to capacity issues whilst they prioritise the work associated with bringing the CCSH and the LDC on line within the timeframes required.

Custody - £130k overspend

The year-end position is for an overspend of £130k due to the new contract price for the outsourced medical services and to the TUPE information provided by the previous Custody Contract provider not been fully complete. On the actual transfer of staff the costs were higher by £195k per annum. Through working closely with the supplier these costs have been reduced to £144k per annum, with £108k of additional costs requiring payment in 2017/18.

Other Police Pension Costs - £185k overspend

The year-end position is for an overspend of £185k due to the force absorbing an additional £75k charge for one of the two medical retirements at the end of the year and opting to keep the funds

in the medical provision for future years. This is on top of £80k of backdated Injury on Duty pension claims charged in this financial year and additional £30k of sanction charges due to the high number of retirements in 2017/18.

Transport - £138k underspend

The year-end position for transport is an underspend of £138k due to savings against vehicle repairs and maintenance, general travel, tyres, petrol and vehicle hire.

External Support - £19k underspend

The year-end position for External Support is for an underspend of £19k as a result of reduced charges for the South Tees CHUB.

National IT Charges - £38k underspend

The year-end position for National IT charges is for an underspend of £38k as a result of reduced Home Office charges for ACPO Criminal Records Office (ACRO) and Prison Recalls & Licences.

Insurance - £200k overspend

The year-end position for insurance is an overspend of £200k. This is due to the increase in the renewal premiums as a result of the Ogden ruling that took effect from the end of March 2017 and has had a major impact on our insurance premiums in regards to our public and employer liability premiums.

Communications - £30k underspend

The year-end position for Communications is for an underspend of £30k due to an in-year credit received for the Mobile Telephone line rental charges and reduced Mobile Telephone usage charges.

Forensics - £26k underspend

The year-end position for Forensics is for an underspend of £26k as a result of reduced SPOC charges in year.

Maintenance Agreements - £11k underspend

The year-end position is for an £11k underspend against Maintenance Agreements relating to the late supply of licences in connection with the ICCS capital scheme.

Computing - £118k underspend

The year-end position for Computing is for an underspend of £118k. This is in the main due to the final resolution of the PNN2 /PNN3 connection resulting in the cancellation of two accruals, savings identified within ICT against I2 Analytical services & the reduction in the number of IT Health checks to be carried out during the year.

Surgeons & Medical Costs - £80k overspend

The year-end position for Surgeons & medical costs is for an overspend of £80k due to increase in-year charges for Pathologists and Occupational Health Treatments.

Professional Fees - £272k overspend

The year-end position for professional fees is for an overspend of £272k as a result of further legal advice and associated barristers fees.

Other Equipment & Furniture - £109k underspend

The year-end position for other equipment & furniture is for an underspend of £109k due to savings identified against the equipment refresh programme.

External Training, Seminars - £24k underspend

The year-end position for External Training is for an overall underspend of £24k. The £12k overspend recorded against training is offset by a £22k underspend on the apprentice levy and £14k underspend on the Everybody Matters and Leadership Development programmes.

Office Equipment & Expenses - £22k underspend

The year-end position for Office Equipment & Expenses is for an underspend of £22k as a result of savings identified against stationery (£25k) and photocopier charges (£14k), offsetting an overspend on external storage charges (£17k).

Agency Staff - £17k overspend

The year-end position for Agency staff is for an overspend of £17k as a result of agency staff being used to cover resource shortfalls in Executive and Legal departments.

Other - £172k underspend

The year-end position for other costs is for an underspend of £172k, as a result of a reduced requirement for the Development Fund, Interpreters, Diving Support, Witness Protection and the Drug referral scheme initiative.

Uniform - £48k underspend

The year-end position for Uniforms is for an underspend of £48k in connection with the reduction in recruitment numbers and body armour costs to come from 2018/19 budget.

Collaborations

Cleveland, Durham and North Yorkshire Dogs Unit (CDNYDU)

The Cleveland budget for the joint unit was £846k. The year-end position is to breakeven.

Cleveland Durham Specialist Operations Unit (CDSOU)

The Cleveland budget for the joint unit is £4,836k. The year-end position is for a £17k overspend as a result of additional overtime costs incurred in the year.

Cleveland and North Yorkshire Major Incident Team (CNYMIT)

The Cleveland budget for the joint unit was £1,638k. The year-end position is to breakeven.

North East Region Specialist Operations Unit (NERSOU)

The Cleveland budget for NERSOU was set at £1,662k. The year-end position for NERSOU is to breakeven.

National Police Air Services (NPAS)

The Cleveland budget for NPAS was set at £826k. The year-end position for NPAS is to breakeven.

Capital Budget

On 27th February 2017, the PCC allocated the Force a capital budget of £14,615k for 2017/18. Two Schemes totalling £429k were utilised from this budget in 2016/17. In addition, schemes totalling £3,792k were brought forward from 2016/17 bringing the approved 2017/18 budget to

£17,978k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year resulting in a revised capital budget of £16,991 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 2017/18			
	Budget	Over/ (Under)	
	£000s	£000s	%
Estates Schemes			
NERSOU Accomodation	88	0	0%
Amoury Relocation	35	(9)	-25%
	123	(9)	-7%
Equipment Schemes			
NERSOU TSU Equipment	22	0	0%
Body Worn Video Replacement	64	0	0%
	86	0	0%
ICT Schemes			
Telephony Refresh	0	6	100%
LAN Refresh (Non HQ)	465	5	1%
Blade Architecture	260	2	1%
iMap Development	1	(0)	-11%
Interview Recording Equipment	10	(0)	-1%
Smartworks Mobile Applications	55	(1)	-1%
Oracle	50	(6)	-12%
LIMA	30	(1)	-2%
National Image Transfer Project	15	(3)	-21%
E-Recruitment	20	(9)	-45%
	906	(7)	-1%
Fleet Replacement Scheme			
Fleet Replacement 2016/17	271	(6)	-2%
Fleet Replacment 2017/18	1,335	(22)	-2%
Fleet Replacement - CSP	45	0	0%
	1,651	(28)	-2%
Total	2,766	(44)	-2%

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

Schemes Slipped into 2018/19			
	Budget	C/Fwd	
	£000s	£000s	%
Estates Schemes			
Community Safety Hub	11,423	304	3%
Thornaby Fire Station	155	7	5%
Grangetown LDC	448	14	3%
	12,026	326	3%
Equipment Schemes			
ANPR Replacement Programme	140	9	7%
Key Management System	87	16	19%
	227	26	11%
ICT Schemes			
Cloud Based Data Centre	967	565	58%
EMSCP	50	37	74%
Desktop Replacement Programme	125	41	33%
Microsoft Licensing	100	70	70%
Intelligent Call Handling	111	37	33%
ICCS	195	0	0%
	1,548	749	48%
Fleet Replacement Schemes			
Write off / Uneconomical Repairs	256	152	59%
Black Box Replacement	168	133	79%
	424	285	67%
Total	14,225	1,385	10%

Points to note are:

Cleveland Community Safety Hub (CCSH) – Total budget of £11,423k

Building works for the CCSH commenced in March and the building is planned to be operational in July 2018. The budget is closely monitored by the Project Board and expenditure follows contractual obligations which have now been re-phased to mirror the changes in the scope of the scheme. The majority of this year's budget is linked to the construction and IT infrastructure, with current spending mirroring the re-phased budget. The funding for the remaining construction and IT infrastructure, along with the fixture & fitting has been moved into 2018/19.

Other Estates Schemes

Learning & Development Centre – Budget £448k

There has been a total of £434k charged for this scheme in 2017/18, resulting in an in year underspend of £14k, which will be carried forward to 2018/19 to complete the refurbishment of the lecture theatre and toilets. Additional funding of £28k was added in 2017/18 to the schemes capital budget as a revenue contribution to capital to cover additional work required to bring the refurbishment up to standard.

Force Armoury – Budget £35k

The work on the relocation of the Force Armoury has now been completed with £26k spent to date leaving an underspend of £9k as a result of negotiated reduction in costs.

Thornaby Fire Station – Budget £155k

The majority of the work for the refurbishment of Thornaby Fire Station has now been completed with £148k of charges in 2017/18. The £7k underspend from 2017/18 will be carried forward into 2018/19. Further orders are to be raised in early 2018/19 to cover the cost of the Office furniture, Bike shelter & Body Armour storage.

Equipment Schemes

ANPR Equipment – Budget £140k

There has been £131k spent year to date. The delivery of the national programme has been delayed due to issues identified following installation at Durham Police. This has resulted in a delay in the installation for Cleveland and the requirement for the £9k underspend to be carried forward to the 2018/19 programme to cover any problems identified during the go-live process.

TSU Equipment – Budget £22k

This TSU Equipment capital scheme has been completed on budget

Body Worn Video – Budget £64k

This scheme has been completed on budget following a £14k revenue contribution to Capital.

Key Management System – Budget £87k

There has been £71k spent year to date, with the remaining £16k underspend carried forward into 2018/19. Orders are to be placed in early 2018/19 to resolve the door issues at Kirkleatham, Stockton and M8.

ICT schemes

As in previous years the complexities involved with the CCSH and the ICT requirements will have an effect on the delivery of the key ICT schemes.

ICCS – Budget £195k

A revised option paper was presented to the Towards 2020 board to assess the cost and risk involved with this scheme. The recommended option of installing the ICCS system in the CSH would result in a delay in the implementation of the scheme and an overall forecasted overspend of £85k, with a proportion of the costs to be deferred into the next financial year. 40% of the charges have been paid on award of the contract with the remainder split over the rest of the contract which will slip into 2018/19. The additional licencing costs that have been captured by the ICT team have been picked up out of existing revenue budgets. There was no additional spend in this financial year, with £200k of this year's budget being removed from the 2017/18 budget and allocated to 2018/19 to finance the residual milestone payments.

LAN Refresh (Non HQ) – Budget £465k

This scheme is now completed with a total spend of £470k against the budget of £465k leaving a small overspend of £5k in this financial year as a result of additional resource costs.

Cloud Based Data Centre – Budget £967k

The Cloud Network has been successfully accepted into service and is now efficiently used as part of the IT Service. All targeted applications have been successfully migrated across, with some

additional Applications having also been migrated. The £565k underspend on the budget will be carried forward with the wider CSH scheme.

Blade Architecture – Budget £260k

The remaining kit required to complete the scheme has been delivered, resulting in a minor overspend of £2k. The ICT team are currently undergoing the build & test phase for the M8 servers, with the build of the CSH servers linked to the CSH Datacentre migration plan in 2018/19.

Oracle Upgrade – Budget £50k

A health check of the Oracle system to ascertain the requirements and associated risks needed to maintain or upgrade the system was completed, with an Oracle business consultant being procured to provide a strategic view of the Oracle system. Due to capacity issues within the ICT team in accommodating the full planned upgrade work, it has been confirmed that £100k of this Capital project can be relinquished back to the OPCC. Of the remaining £50k budget, £44k has been spent in 2017/18, leaving a £6k underspend.

ESMCP – Budget £50k

Costs of £13k have been incurred in 2017/18 on regional ESMCP resources. Delays in the national programme has meant that the links that were needed have not been installed, resulting in an in-year underspend of £37k, which will be carried forward to 2018/19.

Interview Training Equipment - £10k

The design supply and installation of an interview room solution has been completed within the £10k budget as at the end of February.

Microsoft Licensing – Budget £100k

A total of £30k has been spent in 2017/18, with the remaining £70k to be carried forward into 2018/19 when orders for additional licences are to be placed in early April.

Desktop Replacement – Budget £125k

A total of £84k has been spent in 2017/18 on replacement desktop equipment. Orders were placed for additional laptops, but due to delays in delivery result in the £41k underspend been carried forward into 2018/19.

Intelligent Call Handling – Budget £111k

A revised business case was submitted and approved by the management board to amend this capital scheme to an Intelligent Call Handling & Call-back system. The forecasted costs from the business case are £111k and a procurement exercise was carried out in November. The evaluation of returned tenders took place in December with the award of contract made as swiftly as possible after the exercise.

Milestone 1 payment was made at end of March for £74k for the delivery of system software and hardware. The remaining for £37k has been carried forward into 2018/19 when the installation and training orders will be delivered during the first quarter of 2018/19.

National Image Transfer Project – Budget £15k

This scheme has now been completed with a small underspend of £3k as a result of less expensive equipment found during the procurement process.

E-Recruitment – Budget £20k

The e-recruitment system went live in January with dual running of the new and old system to ensure that everything is running smoothly before the current system is disabled. The cost of the system charged to date is £8k with a further £3k purchase order raised in March 18 for some

additional work. This provides a saving of £9k, which is due to the development of an in-house careers site.

DSE Audit Capability – Budget £50k

The procurement of the system was completed in 2017/18, with a direct award to the supplier being confirmed. The final delivery and implementation of the system was delayed until the end of May 18, resulting in the full £50k budget been carried forward and implemented in early 2018/19.

Experian – Date of Birth Appendage - £20k

This scheme has been deferred until 2018/19 due to the complex data analysis required and on-going capacity issues within the ICT teams.

Fleet schemes

Fleet Replacement – Budget £1,651k (Including Camera Safety Partnership)

Of the 2017/18 fleet programme, all of the sixty-one vehicles ordered have been received and are now operational. An additional 2 vehicles were ordered and received in year as part of the Camera Safety Partnership. This has resulted in an underspend of £28k.

Write-Offs/Uneconomical Repairs – Budget £256k

A total of £104k has been spent in 2017/18 on write-offs vehicles. Orders have been placed for a further 5 vehicles for a total of £95k, with delivery expected in 2018/19. The full underspend of £152k is to be carried forward to 2018/19.

Black Box Replacement – Budget £168k

A total of £35k has been spent in 2017/18 on vehicle data recorders. Other priorities within the ICT team, has meant the purchase of the Black Box back up servers and system has been delayed, with the £133k underspend been carried forward to 2018/19.

Joanne Gleeson
Chief Finance Officer
14th May 2018

Appendix 1

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		119,835
Camera Safety Partnership	Apr-17	63
Custody Contract	May-17	(415)
Mutual Aid - Football & Operations Newtown & Custodian	Sep-17	45
Neighbourhood - Police Services	Jan-18	20
Mutual Aid - Football & Operations Grasabbey & Teal	Jan-18	73
Revenue Contribution to BWV Capital scheme	Jan-18	(14)
Mutual Aid - Football & BVI	Jan-18	97
Mutual Aid - Football	Mar-18	106
DBS Funding	Mar-18	14
Revenue Contribution to Capital scheme	Mar-18	(71)
Year end Movement in Reserves	Mar-18	(676)
PCC Funded Neighbourhood Roles	Mar-18	1,114
Grant Funding	Mar-18	144
Funding allocation at Month 12		120,335

Budget Monitoring Statement to 31st March 2018

	Annual Budget	Budget to Date	Actual to date	Variance to Date
	£000s	£000s	£000s	£000s
Pay Budgets				
Police Pay & Allowances	66,910	66,910	67,106	196
Police Overtime	1,876	1,876	2,178	302
Total Police Pay & Allowances	68,786	68,786	69,284	498
PCSO Pay & Allowances	4,364	4,364	4,284	(80)
PCSO Overtime	5	5	1	(4)
Total PCSO Pay & Allowances	4,369	4,369	4,285	(84)
Staff Pay & Allowances	10,387	10,387	10,263	(124)
Staff Overtime	86	86	95	9
Total Staff Pay & Allowances	10,473	10,473	10,358	(115)
Total Pay & Allowances	83,628	83,628	83,927	299
Non Pay Budgets				
Steria Charges	17,162	17,162	17,256	94
Premises	3,531	3,531	3,394	(137)
Custody	2,543	2,543	2,673	130
Other Police Pension Costs	2,545	2,545	2,730	185
Transport	1,518	1,518	1,380	(138)
External Support	1,048	1,048	1,029	(19)
National IT Charges	873	873	835	(38)
Insurance	810	810	1,010	200
Change & Contingency	470	470	435	(35)
Communications	834	834	804	(30)
National Police Air Service	391	391	391	0
Forensics	817	817	791	(26)
Maintenance Agreements	295	295	284	(11)
Computing	847	847	729	(118)
Surgeons & Medical Costs	291	291	371	80
Professional Fees	393	393	665	272
Other Equipment & Furniture	554	554	445	(109)
External Training, Seminars	768	768	744	(24)
Office Equipment & Expenses	225	225	203	(22)
Agency Staff	21	21	38	17
Other	466	466	294	(172)
Savings Programme	0	0	0	0
Uniform	305	305	257	(48)
Total Non-Pay	36,707	36,707	36,758	51
Total Expenditure	120,335	120,335	120,685	350
Memo Information				
CDNYDU	846	846	846	0
CDSOU	4,836	4,836	4,853	17
CNYMIT	1,638	1,638	1,638	0
NERSOU	1,662	1,662	1,662	0
NPAS	826	826	826	0

Long Term Financial Plan (LTFP) 2017/18 to 2020/21 – Assessment of Risks

Risk	Detail	Mitigation
<p>Future year's funding cuts assumed in the LTFP are too low.</p>	<p>The Police settlement was one year only so no certainty about future funding at Force level has been received.</p>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.</p>
<p>Changes to the future funding formulas for Police Forces.</p>	<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>	<p>More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.</p>
<p>Pay awards are higher than those assumed in the LTFP.</p>	<p>The LTFP assumes that pay will rise by 1% from September 2017.</p> <p>A movement of 1% would have a whole year impact on pay and contracts of approximately £1M</p>	<p>The Emergency Budget in 2015 announced that public sector pay increases would be capped at 1% for the following four years.</p> <p>The Home Office have confirmed that there will be a 1% pay raise for Police Officers and included an additional 1% bonus to be taken from existing budgets. The 1% pay cap will also be lifted for future years. Any in year pressure will be subsidised by the OPCC via the use of reserves and underspends.</p> <p>The staff side trade unions have accepted a 1% pay award plus a 1% bonus to be paid in a lump sum. The PCC has agreed to fund this extra bonus payment out of reserves should this become necessary.</p>
<p>A higher than forecast level of costly major incidents.</p>	<p>The number and cost of major incidents in any one year is unpredictable.</p>	<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.</p> <p>The PCC may absorb any additional costs in total or part through the use of reserves or other income.</p>
<p>The continued acceleration of Police Officer and PCSO leavers above the planned profile outstripping our ability to recruit.</p>	<p>Pay budgets have been set based on assumptions in respect of officers and staff leaving and additional recruits being brought in.</p>	<p>Should a capacity gap emerge, service levels will be delivered through targeted overtime and the continued employment of police staff</p>

Risk	Detail	Mitigation
	Should the number of leavers outstrip our ability to recruit this could result in capacity gaps and generate a material under spending.	investigators.
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	National test case on new pension scheme with risk due to Gender/Race inequality	Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 93 claims from Police Officers. This case is not likely to be heard until later in 2018.
Employment Tribunals	An earmarked reserve has been set up to reduce the in-year revenue costs associated with such tribunals.	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 Reviews	Further work will be 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.
Employment Tribunal ruling that A19 retirements are unlawful due to age discrimination.	Cleveland has 49 appeals by ex-officers that are currently stayed pending the appeal hearing. Any damages awarded by the Tribunal may be of sufficient magnitude to result in the General fund support to revenue not being available and future allocations being reduced. Although, the recent Court of Appeals Tribunal upheld that the use of regulation A19 was lawful, the Staff Side has applied to the Supreme Court for leave to appeal the ruling.	The Force has achieved its target officer numbers, is recruiting again and no longer needs to use A19. The circumstances in Cleveland were different to those forces involved in the test case. Negotiate with the Home Office for additional funding should appeal be lost. More radical options will be developed including further reductions in officer, PCSO and staff numbers, inter-force collaboration and blue light collaboration.

Changes to Capital Funding	Month Added	Change
		£000s
Funding Allocation in LTFP		14,615
Schemes bfwd from 2016/17		3,792
Schemes allocated to 2016/17 from 2017/18 Budget		(429)
Total Capital funding		17,978
CORE VET	Apr-17	(40)
Stockton HQ Rewire	May-17	(40)
Fleet Replacement	May-17	(30)
Livelinks (CJS)	Jun-17	(20)
IL4 Confidential Network	Jun-17	(205)
Experian - Date of Birth Appendage	Aug-17	20
Billingham Station Rewire	Aug-17	(40)
Control Room Fallback	Sep-17	(50)
Investigative Analytical Software	Nov-17	(40)
Kinesense	Dec-17	(15)
Oracle Upgrade	Dec-17	(100)
ICCS	Dec-17	(200)
VM Ware	Jan-18	(50)
Thin Client Improvement	Jan-18	(25)
Grangetown LDC	Jan-18	(45)
Mobile Device Replacement	Jan-18	(220)
Grangetown LDC	Mar-18	28
Body Worn Video	Mar-18	14
Key Management System	Mar-18	7
Intelligent Call Handling	Mar-18	16
Fleet Replacement	Mar-18	34
Camera Safety Partnership	Mar-18	45
NERSOU Accomodation & TSU Equipment	Mar-18	39
Data Quality - Date of Birth Appendage	Mar-18	(20)
DSE Audit Equipment	Mar-18	(50)
Funding allocation at Month 12		16,991

Capital Monitoring Statement to 31st March 2018				
	Annual Budget	Budget to Date	Actual to Date	Variance to Date
	£000s	£000s	£000s	£000s
Estates Schemes				
Cleveland Community Safety Hub	11,423	11,423	11,119	(304)
Grangetown LDC	448	448	434	(14)
Armoury Relocation	35	35	26	(9)
NERSOU Accomodation	88	88	88	0
Thornaby Fire Station	155	155	148	(7)
Total Estates Schemes	12,149	12,149	11,814	(334)
Equipment Replacement				
TSU Equipment - NERSOU	22	22	22	0
ANPR	140	140	131	(9)
Body Worn Video Replacement	64	64	64	0
Key Management System	87	87	71	(16)
Total Equipment Schemes	313	313	288	(25)
ICT Schemes				
Telephony Refresh	0	0	6	6
Expansion of Storage Area Network	0	0	(3)	(3)
ICCS Replacement	195	195	195	(0)
LAN Refresh (Non HQ)	465	465	470	5
iMap Development	1	1	1	(0)
Cloud Based Data Centre	967	967	402	(565)
Blade Architecture	260	260	262	2
Oracle Upgrade	50	50	44	(6)
EMSCP	50	50	13	(37)
Mobile Device Replacement	0	0	0	0
Interview Training Equipment	10	10	10	(0)
2017/18 Desk Top Replacement Programme	125	125	84	(41)
Microsoft Licensing	100	100	30	(70)
Smartworks Mobile Applications	55	55	54	(1)
LIMA (Scientific Support)	30	30	29	(1)
Intelligent Call Handling	111	111	74	(37)
National Image Transfer Project	15	15	12	(3)
E-Recruitment	20	20	11	(9)
Total ICT Schemes	2,454	2,454	1,694	(760)
Fleet Replacement				
Write off / Uneconomical Repairs	256	256	104	(152)
Black Box Replacement	168	168	35	(133)
Fleet Replacement	1,606	1,606	1,578	(28)
Fleet Replacement - CSP	45	45	45	0
Total Fleet Replacement	2,075	2,075	1,762	(313)
Provision for Business Cases	0	0	0	0
TOTAL CAPITAL	16,991	16,991	15,559	(1,432)

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

20th June 2018

Status: For Information

2017/18 Budget Monitoring – Outturn Report for 2017-2018

1. Executive Summary

1.1 Purpose of the Report

On the 27th February 2017 the PCC agreed the revenue Budget for 2017/18 which was based on the receipt of income totalling £131,705k. This report is to provide the PCC with the final position of the financial performance against the budget for the financial year 2017/18. 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 £850k; £83k of this has been transferred to reserves to fund change in future years and to support the ECINs project, leaving a revised budget of £767k. Expenditure against this revised budget was £770k, leaving a small overspend of £3k.
- 2.2 The Corporate Services budget of £8,950k, which was revised down to £8,477k, underspent by £106k; this was in line with reporting throughout 2017/18.
- 2.3 The £3,245k to support PCC Initiatives and Victims and Witnesses Services, including £1,250k to invest in Neighbourhood Policing, underspent by £557k predominantly due to it taking longer than expected to recruit and fill these new Neighbourhood Policing posts – which contributed to £295k not being required by the Force.
- 2.4 The PCC received £2,091k 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 £1,616k of income in 2017/18, which led to an under spend of the same amount, that was neither included within the original budget nor used for additional expenditure during the year. Much of this was from the award of a Special Grant from the Home Office, in year, of £1,227k.
- 2.6 The Force overspent by £350k, with around £320k of this resulting from the 1% non-consolidated unfunded bonus awarded to Police Officers, by the Government, from September 2017. The Force financial performance is covered elsewhere on today's agenda.

- 2.7 The Outturn before Reserves was an underspend of £1,926k
- 2.8 This underspend has enabled the bolstering of Earmarked Reserves to manage some of the expected risks that the organisation faces, from the potential for higher pay awards and continuing costs of legal cases, while also putting some funds into Capital Reserves to replace those that were not possible last year as a result of the overspend in 2016/17.
- 2.9 After taking into account all aspects of the financial performance, including transfers to the Capital programme and reserve movements the impact on the General Fund is that £58k of the underspend against budget has been transferred to General Fund. It is important however to recognise that the budget for 2017/18 was supported by transferring £2m out of General Reserves and therefore the overall balance on the General Reserve has reduced by £1,942k in 2017/18.

3. Reasons

- 3.1 When setting the budget for the financial year 2017/18 the PCC allocated the income forecast to be received during the year, of £131,705k, into the following areas:
- £850k to run the Office of the PCC
 - £8,950k for Corporate Services
 - £3,245k to support PCC Initiatives and Victims and Witnesses Services, including £1,250k to invest in Neighbourhood Policing.
 - £119,835k to the Police Force
 - £750k to the Capital Programme

This was to be supported by £1,925k from Reserves

The following sections will look at the above areas in more detail and discuss the outturn for each area.

3.2 Income and Funding

The PCC set the budget based on receiving income and funding of £131,705k during 2017/18 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 2017/18 the comparator figures for 2016/17 are also shown.

2016/17 Budget	In Year Changes	2016/17 Revised Budget	2016/17 Outturn	Variance	Summary of Income to be Received by the PCC	2017/18 Budget	In Year Changes	2017/18 Revised Budget	2017/18 Outturn	Variance
£000s	£000s	£000s	£000s	£000s	Funding	£000s	£000s	£000s	£000s	£000s
(46,152)	0	(46,152)	(46,152)	0	Police Grant	(46,973)	1,466	(45,508)	(45,508)	0
(38,532)	0	(38,532)	(38,532)	0	RSG/National Non Domestic Rate	(36,526)	(1,466)	(37,992)	(37,992)	0
(84,684)	0	(84,684)	(84,684)	0	Government Grants	(83,500)	0	(83,500)	(83,500)	0
(31,642)	0	(31,642)	(31,641)	1	Precept	(32,656)	0	(32,656)	(32,656)	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
(39,310)	0	(39,310)	(39,310)	1	Precept related funding	(40,324)	0	(40,324)	(40,324)	0
(6,506)	(373)	(6,879)	(6,675)	204	Specific Grants	(5,217)	(759)	(5,976)	(7,275)	(1,299)
(2,760)	(2,376)	(5,136)	(5,625)	(489)	Partnership Income/Fees and Charges/Misc Income	(2,664)	(1,331)	(3,996)	(4,314)	(318)
(9,266)	(2,749)	(12,015)	(12,300)	(285)	Other Funding	(7,881)	(2,091)	(9,972)	(11,589)	(1,616)
(133,260)	(2,749)	(136,009)	(136,294)	(285)	Total	(131,705)	(2,091)	(133,796)	(135,412)	(1,616)

3.3 In terms of overall income the PCC received £135,412k during 2017/18 which was £882k lower than 2016/17.

3.4 The total income received was £3,707k (or 2.8%) more than the original 2017/18 budget was based on. It is therefore important to understand where this funding has come from.

3.5 Specific Grants

£2,058k more in Specific Grants, than originally budgeted for, were received in 2017/18. This was predominantly as a result of receiving a Special Home Office Grant of £1,227k relating to Operation Pandect and the award of £379k of Police Transformation funding in relation to Domestic Abuse – A Whole System Approach.

3.6 Other Income Streams

In total the PCC received £1,649k more in terms of 'Other Funding' than was expected when the original budget was set. Of this £1,331k was additional income that incurred additional expenditure and £318k was over recovery of income which generated an under spend.

3.7 The £1,331k of income, in this area, that increased the budget, were made up as follows:

- Capital Grant - £873k (Budget versus accounting treatment)
- Mutual Aid - £271k
- Road Safety Funding - £84k
- Other - £104k

3.8 The underspend recorded against 'Other Funding', as shown in the table at 3.2, of £318k, is made up of a number of areas but the main areas which contributed to the total were as follows:

- Mutual Aid - £60k – 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 - £60k – the recovery of legal fees but also the ability to recover costs for Police Led Prosecutions has increased the fees recovered in this area.
- Income received from use of Police Custody Cells by Immigration generated £19k more than budgeted
- The costs reimbursed for providing CRB services was £62k higher than budgeted.

3.9 The above movements and underspends will be kept under review during 2018/19 and incorporated in both forecasts for 2018/19 but also into budgeting for 2019/20 as appropriate.

3.10 The Office of the PCC

The 2017-18 budget of £850k for the Office of the PCC was split into the following areas:

Original 2016/17 Budget	Budget YTD	Actual Outturn	2016-17 Actual Over/(Under)	PCC Budget	Original 2017/18 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD
£000	£000	£000	£000	Category of Spend	£000	£000	£000	£000
620	620	657	37	Staff Pay and Allowances (Incl. NI and Pension)	645	645	661	16
5	5	18	13	Other Pay and Training	5	5	10	5
262	262	238	(23)	Supplies and Services	239	189	172	(17)
11	11	13	2	Transport	11	11	7	(4)
(48)	(73)	(89)	(16)	Miscellaneous Income	(50)	(83)	(80)	3
850	825	838	13	Total Budget	850	767	770	3

3.11 Actual expenditure during the year was £770k, which was £68k, or 8%, less than 2016/17. This reduced expenditure has provided the opportunity to set aside some funding to support the ECINs project in 2018/19 and also provide a small reserve for future change costs should they be needed.

3.12 Corporate Services

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

3.13 The Corporate Services budget for 2017/18 was set at £8,950k 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 2017/18 Budget' in the table below. These have had no impact on the outturn

Original 2016/17 Budget	Revised 2016/17 Budget	Budget YTD	2016/17 Outturn	2016-17 Over/ (Under)	Corporate Services Budget	Original 2017/18 Budget	Revised 2017/18 Budget	Spend YTD	Over/ (Under) spend YTD
£000s	£000s	£000s	£000s	£000s	Category of Spend	£000s	£000s	£000s	£000s
295	253	253	241	(12)	Staff Pay and Allowances (Incl. NI and Pension)	330	361	363	2
39	39	39	195	156	Supplies and Services	99	99	95	(4)
1	1	1	1	(0)	Transport	1	1	5	4
1,770	555	555	552	(3)	PFI - Urlay Nook	1,770	590	568	(22)
5,120	1,787	1,787	1,614	(173)	PFI - Action Stations	5,145	1,588	1,599	11
1,625	5,268	5,268	5,252	(16)	Asset Management	1,605	5,838	5,740	(98)
8,850	7,903	7,903	7,855	(48)	Total Budget	8,950	8,478	8,371	(106)

- 3.14 The final underspend of £106k in this area is in line with forecasts throughout the year and result primarily from taking out loans to fund the capital programme later in the year than initially planned when setting the 2017/18 budget, leading to lower interest payable.
- 3.15 The costs in this area will increase significantly over the next couple of years as the temporary borrowing to support the expenditure on the Community Safety Hub (CSH) takes effect in advance of the receipt of the Capital Receipts from the sale of Ladgate Lane.
- 3.16 Borrowing at the end of 2017/18 was just under £29m, which will increase to just over £31m in 2018/19, as the final loan for the completion of the CSH is taken out. This should be seen in comparison to borrowing of £14m that the organisation had in 2010/11. This temporary increase in loans, which is in line with the current plans of the organisation, will return to a more sustainable level by 2022/23 of circa £18m. Between now and then the Capital Plans do not expect any additional borrowing to take place and it is unlikely that the organisation could afford to do so.

3.17 This area will be managed very closely over the coming years to ensure current plans are delivered.

3.18 PCC Initiatives and Victims and Witnesses Services

The PCC allocated a budget of £3,245k to support Community Safety and PCC Initiatives, deliver Victims and Witnesses services and also invest in Neighbourhood Policing during 2017/18. £1,156k was allocated to the Community Safety and PCC Initiatives budget, £839k to Victims and Witnesses Services and £1,250k to invest in Neighbourhood Policing. The Outturn position as at the end of March 2018 is as per the below table:

	Original 2017/18 Budget	Current 2017/18 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD
<u>PCC Initiatives and Victims and Witnesses</u>	£000s	£000s	£000s	£000s	£000s
Category of Spend					
PCC Initiatives	1,156	1,068	1,068	879	(189)
Investment in Neighbourhood Policing	1,250	296	296	1	(294)
Victims and Witnesses Services	839	834	834	760	(74)
Community Safety Fund	0	128	128	128	0
Total Budget	3,245	2,325	2,325	1,768	(557)

- 3.19 Just over £950k 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 £294k in this area was in line with forecasts throughout the year as the timing of the recruitment into the new 43 roles took more time than initially expected.
- 3.20 In addition to the original allocations to this area the PCC had a Community Safety Fund Earmarked Reserve of £450k at the start of 2017/18 with the intention that £150k per annum would be released from this reserve over the next 3 years. £128k of this was spent in 2017/18 in line with decisions made by the PCC and therefore only £128k was transferred from the Reserve.
- 3.21 Beyond this some new services commissioned by the PCC only went live during 2017/18 and therefore a full years' worth of costs were not incurred, such as the ASB Victims Service and Restorative Justice Services, in addition to this vacancies were held in other

areas, such as Arrest Referral, pending a review of the service and Domestic Abuse Referral Workers, pending a decision to move this service to the Force.

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 £119,835k for 2017/18; this was then reduced by £415k as the savings from the recent procurement for Custody was then set aside to replenish reserves that were unexpectedly used in 2016/17.
- 4.2 There has then been an increase of £915k, to £120,335k, much of this increase results from the funding provided by the PCC for additional posts within the Force, such as the investment in Neighbourhood Policing, the Arrest Referral Team and investment in Restorative Justice.
- 4.3 Beyond this, additional budgets were provided from the income received from Mutual Aid and also for some Grants. The summary of how this was forecast to be spent, including forecast outturns are included in the table below:

	Original 2017/18 Budget	Revised 2017/18 Budget	Actual Spend in 2017/18	2017/18 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	66,740	66,910	67,106	196
Police Overtime	1,375	1,876	2,178	301
Staff Pay	9,755	10,387	10,263	(124)
Police Community Support Officer Pay	4,255	4,364	4,284	(80)
Pay Total	82,125	83,538	83,830	292
<u>Major Contracts</u>				
Outsourcing Contract	17,139	17,162	17,256	94
Custody and Medical Contract	2,938	2,523	2,654	131
Major Contracts Total	20,077	19,685	19,910	225
<u>Non-Pay Budgets</u>				
Other Pay and Training	380	859	883	24
Injury and Medical Police Pensions	2,435	2,508	2,691	183
Premises	3,620	3,531	3,394	(136)
Supplies and Services	7,035	6,402	6,364	(39)
Transport	1,576	1,518	1,380	(138)
External Support	2,587	2,294	2,232	(62)
Non-Pay Total	17,633	17,112	16,944	(167)
Total Planned Force Expenditure	119,835	120,335	120,685	350

- 4.4 To meet the financial targets set by the PCC in setting the 2017/18 budget, the Force's budget included a requirement to deliver savings of £500k, these savings were delivered.
- 4.5 The actual overspend was predominantly driven by the unexpected higher pay award for Police Officers and Staff which the PCC agreed to fund. Further details on how the Force managed their finances during 2017/18, including the expenditure against the Capital Budget are included elsewhere on today's agenda.
- 4.6 Outturn before Reserves
The total Outturn before movements on Reserves, against the Revised 2017/18 Budget, was an under spend of £1,927k, this was predominantly driven by the notification of a successful Special Grant application late in the financial year which resulted in the receipt of £1,227k of income that was not expected when the year began.
- 4.7 It is worth contrasting this to the £1,910k over spend that was reported in 2016/17 and had to be funded from reserves.
- 4.8 As a result of this underspend, £500k has been transferred into Capital Funding, which was the area significantly impacted by the over spend last year.
- 4.9 In addition to this there are 2 areas which I have previously highlighted as likely areas of financial risk for the organisation, these are future pay awards and the continuing costs of legal and insurance claims made against the Force.
- 4.10 With this in mind I have transferred £1,150k from the 2017/18 underspend, and released the £550k Job Evaluation Reserve to create a Pay Reserve totalling £1.7m. This should mitigate the costs of higher than expected increases in pay awards from requiring any significant in year or reactionary measures, as this reserve could meet any additional costs in either 2018/19 or 2019/20.
- 4.11 In terms of the Insurance/Legal reserve, £218k from the 2017/18 under spend has been added to this new reserve, when this is combined with £282k that has been released from the Insurance Provision in 2017/18 then a reserve of £500k is in place to manage any costs from this area that can't be contained within the current budget.
- 4.12 It is important to recognise however that if these claims and settlements were not required then this £500k could be released to provide frontline services and/or investments elsewhere within the organisation.
- 4.13 Reserves
The 2017/18 budget was to be supported by £1,925k from Reserves. This is made up of the following transactions:
- £75k to the PFI Reserve.
 - £2,000k from the General Fund.

4.14 In addition to this, £750k was to be used to support the Capital Programme during 2017/18.

4.15 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 2017 £000	Tranfers In 2017/18 £000	Tranfers Out 2017/18 £000	Balance at 31 March 2018 £000
Legal/Insurance Fund	0	(500)		(500)
Direct Revenue Funding of Capital	(3,241)	(1,806)	3,377	(1,669)
Injury Pension Reserve	(320)		75	(245)
PFI Sinking Fund	(138)	(75)		(213)
Incentivisation Grant	(271)	(141)	0	(412)
Urley Nook TTC	(81)			(81)
NERSOU	(153)		108	(45)
Job Evaluation Reserve	(550)		550	0
Police Property Act Fund	(43)	(51)	54	(40)
Community Safety Initiatives Fund	(450)		128	(322)
Road Safety Initiatives Fund	(629)	(84)	55	(658)
Collaboration Reserve	(389)	(553)		(942)
Pay Reserve	0	(1,700)		(1,700)
Commissioning Reserves	0	(366)		(366)
PCC Change Reserve	0	(50)		(50)
Revenue Grants Unapplied	(137)		0	(137)
Total Earmarked Reserves	(6,401)	(5,326)	4,347	(7,379)
General Reserves	(8,015)	(58)	2,000	(6,073)
Unapplied Capital Grants	(683)	(515)	195	(1,003)
Total Usable Reserves	(15,099)			(14,455)

4.16 The overall level of Usable Reserves has reduced by £644k, or 4.3%, during 2017/18.

4.17 These reserves are planned to reduce further, both in 2018/19 and 2019/20, 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 2017/18 showing the original budget, the revised budget, spend against the revised budget and ultimately the (under) and over spends against the revised budget.

	Original 2017/18 Budget	Revised 2017/18 Budget	Actual Spend in 2017/18	2017/18 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	(32,656)	(32,656)	(32,656)	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	(123,824)	(123,824)	(123,824)	0
Specific Grants	(5,217)	(5,976)	(7,275)	(1,299)
Partnership Income/Fees and Charges	(2,664)	(3,996)	(4,314)	(318)
Total Funding	(131,705)	(133,796)	(135,412)	(1,616)
Office of the PCC Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	645	645	661	16
Non Pay Expenditure	205	122	109	(13)
Total Planned Expenditure	850	767	770	3
PCC Initiatives/Victims and Witness	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	2,406	1,491	1,008	(483)
Victims and Witnesses Services	839	834	760	(74)
Total Planned Expenditure	3,245	2,325	1,768	(557)
Corporate Costs	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	330	361	363	2
Non Pay Expenditure	100	100	100	0
PFI's	6,915	2,178	2,167	(11)
Asset Management	1,605	5,838	5,740	(98)
Total Corporate Costs	8,950	8,478	8,371	(106)
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Police Pay	66,740	66,910	67,106	196
Police Overtime	1,375	1,876	2,178	301
Staff Pay	9,755	10,387	10,263	(124)
Police Community Support Officer Pay	4,255	4,364	4,284	(80)
Pay Total	82,125	83,538	83,830	292
Major Contracts Total	20,077	19,685	19,910	225
Non-Pay Budgets				
Other Pay and Training	380	859	883	24
Injury and Medical Police Pensions	2,435	2,508	2,691	183
Premises	3,620	3,531	3,394	(136)
Supplies and Services	7,035	6,402	6,364	(39)
Transport	1,576	1,518	1,380	(138)
External Support	2,587	2,294	2,232	(62)
Non-Pay	17,633	17,112	16,944	(167)
Total Planned Force Expenditure	119,835	120,335	120,685	350
(Surplus)/Deficit	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Transfers to/(from) General Fund	1,175	(1,892)	(3,818)	(1,927)
Transfers to Capital	(2,000)	(2,000)	(2,000)	0
Transfers to/(from) Earmarked Reserves	750	1,306	1,806	500
Transfers to/(from) Earmarked Reserves	75	2,586	3,954	1,368
Net (Surplus)/Deficit After Reserves	0	0	(58)	(58)

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 2017/18 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 The proposed 2017/18 budget underpinned the PCC's objectives of:

- Investing in Our Police
- A Better Deal for Victims and Witnesses
- Tackling Re-offending
- Working together to make Cleveland safer
- Securing the future of our Communities

The overall budgets have been well managed throughout the financial year. While the underspend before reserves of £1.9m may seem to contradict this point it is important to recognise that the majority of this resulted from additional income. £1.2m of which was a Special Grant from the Home Office that was successfully bid for by the PCC and notified as being awarded in December.

Other areas of over recovery of income and underspend in Corporate Services were used to manage the costs of the higher pay awards which the PCC agreed to fund so that there was no impact on the services the Force planned to deliver in 2017/18.

It was these higher than expected pay awards that resulted in the £350k overspend for the Force, without which the Force would have reported either a breakeven position or a slight underspend.

The 2017/18 underspend of £1.9m should be seen against an over spend of £1.9m in 2016/17 and therefore over the 2 years the organisation is broadly where it expected to be. The underspend in 2017/18 has enabled the organisation to set aside funding to mitigate some potential risks over the next couple of years without having to make significant and short term cuts should these risks materialise.

The financial outturn for 2017/18 therefore supports the PCC and Force to continue to deliver in line with the previously agreed Long Term Financial Plan. There is nothing from a financial perspective that has materialised during 2017/18 that requires the PCC to change the current financial plans.

V2

Report of the Chief Finance Officer to the Chief Constable

14th June 2018



CLEVELAND POLICE

Corporate Financial Monitoring Report to 31st May 2018

Introduction

This report provides assurance that the revenue and capital plans for 2018/19 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 31st May 2018. The forecast incorporates the impact of actions agreed to deliver financial targets.

Budget Monitoring Summaries to 31st May 2018

The overall year-end forecast is for a breakeven position.

Revenue	Annual Budget	Forecast Outturn	
	£000s	£000s	%
Pay Budgets			
Police Pay & Allowances	65,445	0	0.0%
PCSO Pay & Allowances	4,360	0	0.0%
Staff Pay & Allowances	10,525	(250)	(2.4%)
Total Pay & Allowances	80,330	(250)	(0.3%)
Total Non-Pay Budgets	39,503	250	0.6%
Total Expenditure	119,833	0	0.0%

The LTFP for 18/19 assumed a contingency for savings of £250k. Work is underway already to identify the £250k required in this financial year, with £120k been found from the renegotiated Insurance contract and £20K from the Mobile Phone Contract.

Capital Monitoring Statement to 31st May 2018

Capital	Annual Budget	Forecast Outturn	
	£000s	£000s	%
Estates Schemes	3,431	0	0.0%
Equipment Replacement	451	0	0.0%
ICT Schemes	3,446	6	0.2%
Fleet Replacement	816	0	0.0%
Provision for Business Cases	0	0	0.0%
Total Capital	8,144	6	0.1%

As can be seen from the table above the forecast for capital expenditure is for an overspend of £6k relating to the DSE audit equipment.

ICT are currently reviewing their capital programme in line with the revised mobile working strategy. This is expected to result in changes to several capital schemes and rephasing of other schemes.

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 £119,833k. 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. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015. The Tribunal is unlikely to consider the substance of the claims until later in 2018.
- 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.

Police Pay & Allowances

The forecast year-end position against the police pay budget is to breakeven.

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 has been confirmed from the PCC for an additional 6 posts to bring the total budget to 1236 FTE. The split including the PCC funded posts is 1089 FTE in Core Policing and 147 in collaborations. As at the 31st May the total number of officers in post is 1,245 FTE with 1048 FTE in Core Policing, 47 FTE in Home Office Special Grant Funded posts, 138 FTE in collaborations and 12 on secondments.

Core Police Officer Attrition	As At 31/05/18	Forecast to March	As At 31/03/19 Total	To 31/03/19 LTFP	Variance to LTFP
FTE at 1st April	1111		1111	1092	19
Retirements	-11	-33	-44	-45	1
Medical Retirements	-2	-5	-7	-8	1
Other Leavers	-2	-10	-12	-12	0
Move to HIU	-47	0	-47	0	-47
Other changes	-1	0	-1	0	-1
Recruitment	0	47	47	20	27
Total	1048	-1	1047	1047	0

The current variance against Police Officer overtime is £126k overspend, split between collaborations (£96k) and Core (£30k).

Police Community Support Officers Pay & Allowances

The forecast year-end position against the PCSO pay budget is for a breakeven position.

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 May was 137 FTE, with 123 in core posts and 14 in the OPCC funded posts.

The PCC has provided additional funding in 2018-19 for an additional 15 FTE roles that have been agreed to enhance neighbourhood policing.

PCSO Attrition	As At 31/05/18	Forecast to March	As At 31/03/19 Total	01/04/18 to 31/03/19 LTFP	Variance to LTFP
FTE at 1st April	139		139	135	4
Leavers	-1	0	-1	0	-1
Other changes	-1	0	-1	0	-1
Recruitment	0	13	13	12	1
Total	137	13	150	147	3

Police Staff

The forecast year-end position against the police staff pay budget is for an underspend of £250k, as a result of delays in recruitment.

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 May actual FTE in post were 296, with 240 FTE in core staff posts, 28 FTE in collaborations, 2

FTE in HIU, 20 FTE in the PCC funded Neighbourhood roles and 6 in other posts that the PCC is funding.

The recruitment for the other vacant posts identified in the 2018/19 budget and additional posts that were agreed at the Towards 2020 board as part of workforce modernisation are underway with forecasted start dates throughout 2018/19.

Non-Pay Budgets

The forecast year-end position against the non-pay budget is an overall overspending of £250k. The major variances are set out below:

Other Police Pension Costs - £80k overspend

The forecasted year-end position is for an overspend of £80k due to backdated Injury on Duty pension claims and a 3% increase linked to the average CPI increase on the monthly pension payments.

External Support - £30k overspend

The forecasted year-end position for External Support is for an overspend of £30k relating to the Tactical Training Centre.

Professional Fees - £30k overspend

The forecasted year-end position for professional fees is for an overspend of £30k as a result of further legal advice and associated barristers fees.

Savings Programme - £110 overspend

The LTFP for 18/19 assumed a contingency for savings of £250k. Work has already been completed with £120k been found from the renegotiated Insurance contract and £20K from the Mobile Phone contract, leaving £110k savings still to be made.

Collaborations

Cleveland, Durham and North Yorkshire Dogs Unit (CDNYDU)

The Cleveland budget for the joint unit was £874k. The forecasted year-end position is to breakeven.

Cleveland Durham Specialist Operations Unit (CDSOU)

The Cleveland budget for the joint unit is £5,067k. The forecasted year-end position is to breakeven.

Cleveland and North Yorkshire Major Incident Team (CNYMIT)

The Cleveland budget for the joint unit was £1,707k. The forecasted year-end position is to breakeven.

North East Region Specialist Operations Unit (NERSOU)

The Cleveland budget for NERSOU was set at £1,820k. The forecasted year-end position for NERSOU is to breakeven.

National Police Air Services (NPAS)

The Cleveland budget for NPAS was set at £798k. The forecasted year-end position for NPAS is to breakeven.

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 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 £3,260k

Building works for the CCSH commenced in March 2017 and the building is planned to be operational in July 2018. The budget is closely monitored by the Project Board and expenditure follows contractual obligations which have now been re-phased to mirror the changes in the scope of the scheme. The majority of this year's budget is linked to the furniture and the remaining IT infrastructure.

Other Estates Schemes

Learning & Development Centre – Budget £59k

There has been a total of £59k budget allocated for 2018/19 to complete the refurbishment of the lecture theatre and toilets, with work planned to commence in November 2018.

Thornaby Fire Station – Budget £7k

The majority of the work for the refurbishment of Thornaby Fire Station was completed in 2017/18. £6k of costs have been incurred by the end of May 2018 covering the Office Furniture, with the Bike shelter & Body Armour storage currently going through Procurement and Estates evaluation.

Equipment Schemes

ANPR Equipment – Budget £35k

There has been £5k spent year to date. The delivery of the national programme has been delayed due to issues identified following installation at Durham Police. The project manager has confirmed another £10k is to be spent on a Management Server by the end of July, with the remaining £20k earmarked for additional cameras and TSU equipment.

Body Worn Video – Budget £100k

The first order of Body Worn Equipment totalling £70k has been raised with an expected delivery by the end of July.

Key Management System – Budget £16k

The remedial work required to bring all the key cabinets into operational use has been completed with £13k to be charged in June and £3k to spend on licences.

ICT schemes

As in previous years the complexities involved with the CCSH and the ICT requirements will have an effect on the delivery and timing of the key ICT schemes.

ICCS – Budget £285k

Milestone 2 covering the delivery of CORTEX 7 / SP5 server infrastructure has now been paid at a cost of £89k with the ICT team working on testing the solution. Further milestones are due to be completed during June with a deadline date for full completion in July 2018.

Experian – Date of Birth Appendage – Budget £20k

A total of £20k has been spent at the end of May 2018.

ESMCP – Budget £87k

Delays in the national programme have meant that the program of work in Cleveland is not envisaged to proceed during this year. The ICT team are currently evaluating the change to the program with the only expected costs coming from the regional team.

Desktop Replacement – Budget £155k

A total of £34k has been spent at the end of May in 2018 on replacement desktop equipment. Further orders will be placed once a decision on the force's mobile solution has been confirmed.

Microsoft Licensing – Budget £219k

A total of £133k has been spent on licences at the end of May 2018, with the remaining £86k to be held for future use depending on the force's mobile device requirements.

Intelligent Call Handling – Budget £37k

£37k that was carried forward into 2018/19 for the installation of equipment and training. The scheme is on track to be delivered by September 2018.

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 £56k are due in 2018/19 resulting in an overspend of £6k.

Fleet schemes

Fleet Replacement – Budget £432k

Of the 2018/19 fleet programme, all of the scheduled vehicles have been ordered and will be delivered during the financial year. There are 3 vehicles that remain to be ordered however these are currently under review to ensure that they are still required in the format originally forecasted.

Write-Offs/Uneconomical Repairs – Budget £251k

A total of £44k has been spent on 3 vehicles by the end of May 2018 on write-off vehicles. Orders have been placed for a further 2 vehicles with delivery expected in 2018/19.

Joanne Gleeson
Chief Finance Officer
14th June 2018

Appendix 1

Changes to Revenue Funding	Month Added	Change
		£000s
Initial Funding Allocation		119,770
Camera Enforcement	May-18	63
Funding allocation at Month 2		119,833

Budget Monitoring Statement to 31st May 2018

	Annual Budget	Budget to Date	Actual to date	Variance to Date	Forecast Outturn
	£000s	£000s	£000s	£000s	£000s
Pay Budgets					
Police Pay & Allowances	64,043	10,580	11,046	466	0
Police Overtime	1,402	389	515	126	0
Total Police Pay & Allowances	65,445	10,969	11,561	592	0
PCSO Pay & Allowances	4,355	715	663	(52)	0
PCSO Overtime	5	1	0	(1)	0
Total PCSO Pay & Allowances	4,360	716	663	(53)	0
Staff Pay & Allowances	10,466	1,755	1,583	(172)	(250)
Staff Overtime	59	10	13	3	0
Total Staff Pay & Allowances	10,525	1,765	1,596	(169)	(250)
Total Pay & Allowances	80,330	13,450	13,820	370	(250)
Non Pay Budgets					
Steria Charges	17,900	2,983	2,794	(189)	0
Premises	3,662	611	587	(24)	0
Custody	2,466	411	414	3	0
Other Police Pension Costs	2,787	465	620	155	80
Transport	1,456	243	195	(48)	0
External Support	1,770	295	305	10	30
National IT Charges	836	139	131	(8)	0
Insurance	1,189	198	547	349	0
Change & Contingency	1,029	171	(40)	(211)	0
Communications	839	140	110	(30)	0
National Police Air Service	352	59	59	0	0
Forensics	817	136	130	(6)	0
Maintenance Agreements	349	58	70	12	0
Computing	823	137	130	(7)	0
Surgeons & Medical Costs	286	48	21	(27)	0
Professional Fees	773	129	102	(27)	30
Other Equipment & Furniture	731	122	185	63	0
External Training, Seminars	722	120	92	(28)	0
Office Equipment & Expenses	225	37	34	(3)	0
Agency Staff	10	2	1	(1)	0
Other	430	72	16	(56)	0
Savings Programme	(250)	0	0	0	110
Uniform	301	50	24	(26)	0
Total Non-Pay	39,503	6,626	6,527	(99)	250
Total Expenditure	119,833	20,076	20,347	271	0
Memo Information					
CDNYD	874	146	127	(19)	0
CDSOU	5,067	853	872	19	0
CNYMIT	1,707	283	284	1	0
NERSOU	1,820	302	483	181	0
NPAS	798	133	136	3	0

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>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 period although some detail has been provided for 2019/20 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.
Pay awards are higher than those assumed in the LTFP.	<p>The LTFP assumes that pay will rise by 2% from September 2018.</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 CNY Joint MIT 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 in. Should the number of leavers outstrip our ability to recruit this	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

Risk	Detail	Mitigation
	could result in capacity gaps and generate a material underspending.	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.	Cleveland has contributed to the NPCC legal defence of this case. Cleveland has at present 93 claims from Police Officers. This case is not likely to be heard until later in 2018.
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 be 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 interforce collaborations.

Appendix 4

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
Funding allocation at Month 2		8,144

Capital Monitoring Statement to 31st May 2018

	Annual Budget	Budget to Date	Actual to Date	Variance to Date	Forecast Outturn
	£000s	£000s	£000s	£000s	£000s
Estates Schemes					
Cleveland Community Safety Hub	3,260	1,264	1,289	25	0
Grangetown LDC	59	20	0	(20)	0
Thornaby Fire Station	7	7	6	(1)	0
Stockton HQ Rewire	40	0	0	0	0
Billingham Station Rewire	40	0	0	0	0
Stockton Replacement Windows	25	0	0	0	0
Total Estates Schemes	3,431	1,291	1,295	4	0
Equipment Replacement					
TSU Equipment - NERSOU	25	0	4	4	0
ANPR	35	6	5	(1)	0
Body Worn Video Replacement	100	0	0	0	0
Investigative Analytical Software	40	0	0	0	0
Key Management System	16	16	0	(16)	0
Occupational Health Case Management Sy	40	0	0	0	0
X Ray Machine	20	20	0	(20)	0
TASER	75	0	0	0	0
LOCARD Replacement	100	0	0	0	0
Total Equipment Schemes	451	42	9	(33)	0
ICT Schemes					
ICCS Replacement	285	48	89	41	0
Experian-Date of Birth Appendage	20	20	20	0	0
VM Ware	50	0	0	0	0
Cloud Based Data Centre	564	0	0	0	0
EMSCP	87	0	0	0	0
Mobile Device Replacement	550	0	2	2	0
Desktop Replacement Programme	155	41	34	(7)	0
Microsoft Licensing	219	69	133	64	0
Smartworks Mobile Applications	180	0	0	0	0
Intelligent Call Handling	37	37	0	(37)	0
Thin Client Improvement	50	0	0	0	0
DSE audit capability	50	0	0	0	6
Corvet	40	0	0	0	0
LiveInks	20	0	0	0	0
Digital Interview Recording Equipment	500	0	0	0	0
Networked CCTV Solution	150	0	0	0	0
Cyber Security Improvements	60	0	0	0	0
National ICT Enablement	50	0	0	0	0
Backup Infrastructure Expansion Shelf	30	0	0	0	0
Windows Server Upgrade	25	0	0	0	0
Control Room Solution Improvements	50	0	0	0	0
ACESO Replacement	103	0	0	0	0
Web Based Mapping/Gazatter Service	25	0	0	0	0
Exchange Upgrade	100	0	0	0	0
Automated PDR	46	0	0	0	0
Total ICT Schemes	3,446	215	278	63	6
Fleet Replacement					
Write off / Uneconomical Repairs	251	41	44	3	0
Black Box Replacement	133	0	0	(0)	0
Fleet Replacement	432	15	70	55	0
Fleet Replacement - CSP	0	0	1	1	0
Total Fleet Replacement	816	56	115	59	0
Provision for Business Cases	0	0	0	0	0
TOTAL CAPITAL	8,144	1,604	1,697	93	6

Appendix 5

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

20th June 2018

Status: For Information

2018/19 Budget Monitoring – Report to the end of May 2018

2. Executive Summary

1.2 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 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:

- 2.10 The Office of the PCC's budget of £860k is expected to under spend by £15k at this point in the financial year.
- 2.11 The Corporate Services budget of £9,475k is expected to underspend slightly, by £115k, at this point of the financial year.
- 2.12 The £3,939k to support PCC Initiatives and Victims and Witnesses Services, including £1,450k to invest in Neighbourhood Policing is forecast to breakeven at this early stage of the financial year.
- 2.13 It is currently forecast that the income received by the PCC will be £20k more than the original budget.
- 2.14 The Force is currently forecasting to break-even
- 2.15 The total forecast outturn after the first 2 months of the financial year is that there will be a small overall underspend of £150k. There are however a number of pressures that are currently being risk managed that could change this position over the remainder of the financial year.

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 forecast to be received and variances are shown below. In addition to current year figures the comparator figures for 2017/18 is 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 Forecast 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)	0	(6,157)	(6,227)	(70)
(2,664)	(1,331)	(3,996)	(4,314)	(318)	Partnership Income/Fees and Charges/Misc Income	(2,737)	(63)	(2,799)	(2,749)	50
(7,881)	(2,091)	(9,972)	(11,589)	(1,616)	Other Funding	(8,894)	(63)	(8,956)	(8,976)	(20)
(131,705)	(2,091)	(133,796)	(135,412)	(1,616)	Total	(134,644)	(63)	(134,707)	(134,727)	(20)

3.22 In Year Changes

Only minor changes, totalling £63k, have been made to the income budget, at this stage, resulting primarily from an increase of £63k, relating to the Driver Training Income to set the non-pay budget for this area of work.

3.23 Income Forecasts

As you would expect, the vast majority of the income the PCC will receive during 2018/19 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.

3.24 The areas where variances may occur will predominantly be in relation to Partnership Funding, Fees and Charges and Miscellaneous Income with some minor variances possible against Specific Grants. These variances have reduced significantly in recent years and it is currently expected that overall there will be limited variances on these budgets at this stage.

3.25 There is a very small forecast over recovery of income of £20k at this early stage of the financial year as a result of the expected receipt of some unbudgeted Specific grants offset by less than forecast secondment income.

3.26 Special Grant

A recent application for the continuation of a Special Grant for Operation Pandect has been submitted for £3.3m to the Home Office. This income and the expenditure associated with this are assumed to have zero impact on the overall forecast outturn. Should this bid be successful then this will have an impact on the amount of income received and the level of expenditure made during 2018/19 by the Force.

3.27 The Office of the PCC

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

Original 2017/18 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	PCC Budget	Original 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2018-19 Forecast Outturn	2018-19 Forecast Over/(Under)
£000	£000	£000	£000	Category of Spend	£000	£000	£000	£000	£000	£000
645	645	661	16	Staff Pay and Allowances (Incl. NI and Pension)	680	113	97	(16)	680	0
5	5	10	5	Other Pay and Training	5	1	1	1	10	5
239	189	172	(17)	Supplies and Services	215	36	16	(20)	212	(3)
11	11	7	(4)	Transport	10	2	1	(1)	9	(1)
(50)	(83)	(80)	3	Miscellaneous Income	(50)	(8)	(16)	(8)	(65)	(15)
850	767	770	3	Total Budget	860	143	99	(44)	845	(15)

3.28 Position as at the end of May 2018

The table at 3.8 above shows the forecast position for 2018-19. Forecasts show that expenditure for 2018-19 at this early point of the financial year is expected to

slightly lower than budget which is a result of the expected receipt of a higher than budgeted level of secondment/staff collaboration income than expected.

3.29 Corporate Services

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

3.30 The Corporate Services budget for 2018/19 was set at £9,475k, as per the table below which also shows the forecast spend and outturn at this stage of the year.

Original 2017/18 Budget	Revised 2017/18 Budget	Spend YTD	Over/ (Under) spend YTD		Original 2018/19 Budget	Revised 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2018/19 Forecast Outturn	2018-19 Forecast Over/ (Under)
£000s	£000s	£000s	£000s	<u>Corporate Services Budget</u>	£000s	£000s	£000s	£000s	£000s	£000s	£000s
				Category of Spend							
330	361	363	2	Staff Pay and Allowances (Incl. NI and Pension)	465	465	77	72	(5)	465	0
99	99	95	(4)	Supplies and Services	94	94	16	18	2	99	5
1	1	5	4	Transport	1	1	0	0	0	6	5
1,770	590	568	(22)	PFI - Uraly Nook	1,820	1,820	303	303	0	1,820	0
5,145	1,588	1,599	11	PFI - Action Stations	5,240	5,240	873	872	(1)	5,130	(110)
1,605	5,838	5,740	(98)	Asset Management	1,855	1,855	309	188	(121)	1,840	(15)
8,950	8,478	8,371	(106)	Total Budget	9,475	9,475	1,579	1,454	(126)	9,360	(115)

3.31 A small underspend of £115k is currently forecast in this area as a result of taking out loans at a lower interest rate, in March and April 2018, than expected when setting the budget in February. In addition to this an insurance rebate on the PFI contract, and contractual savings made in this area have resulted in the current forecast position.

3.32 PCC Initiatives and Victims and Witnesses Services

The PCC has 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. £1,139k was allocated to the Community Safety and PCC Initiatives budget, £1,350k to Victims and Witnesses Services and £1,450k to invest in Neighbourhood Policing. The position as at the end of May is as per the below table:

	Original 2018/19 Budget	Current 2018/19 Budget	Budget YTD	Spend YTD	Over/ (Under) spend YTD	2018/19 Forecast Outturn	2018-19 Forecast Over/ (Under)
<u>PCC Initiatives and Victims and Witnesses</u>	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Category of Spend							
PCC Initiatives	1,139	1,139	190	73	(117)	1,133	(5)
Investment in Neighbourhood Policing	1,450	1,450	242	0	(242)	1,450	0
Victims and Witnesses Services	1,350	1,350	225	30	(195)	1,356	5
Community Safety Fund	0	0	0	2	2	0	0
Total Budget	3,939	3,939	657	105	(551)	3,939	0

3.33 In addition to the original allocations to this area the PCC has a Community Safety Fund Earmarked Reserve with the intention to release £150k per annum from this reserve. This reserve will be released in line with expenditure made in this area.

3.34 Plans, including Grant agreements, where appropriate, are in place to deliver most of PCC Initiatives for 2018/19. In terms of the investment of £1,450k into Neighbourhood Policing for 2018/19, underspends are only likely in the event that posts become vacant.

4. Police Force

4.18 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, this has then been increased of £63k, to £119,833k. This is as a result of setting the expenditure budget for costs associated with the Driving Training scheme. The summary of how this is forecast to be spent, including forecast outturns are included in the table below:

Police Force Financial Summary	Original 2018/19 Budget	Revised 2018/19 Budget	Forecast Spend in 2018/19	2018/19 Forecast (Under)/ Overspend
Police Force Planned Expenditure	£000s	£000s	£000s	£000s
Pay				
Police Pay	64,043	64,043	64,043	0
Police Overtime	1,402	1,402	1,402	0
Staff Pay	10,525	10,531	10,281	(250)
Police Community Support Officer Pay	4,360	4,290	4,290	0
Pay Total	80,330	80,267	80,017	(250)
Major Contracts				
Outsourcing Contract	17,900	17,900	17,900	0
Custody and Medical Contract	2,466	2,446	2,446	0
Major Contracts Total	20,366	20,346	20,346	0
Non-Pay Budgets				
Other Pay and Training	756	526	636	110
Injury and Medical Police Pensions	2,787	2,763	2,843	80
Premises	3,662	3,662	3,662	0
Supplies and Services	7,455	7,900	7,930	30
Transport	1,456	1,456	1,456	0
External Support	2,958	2,913	2,943	30
Non-Pay Total	19,074	19,220	19,470	250
Total Planned Force Expenditure	119,770	119,833	119,833	0

4.19 Further details on how the Force are proposing to make future savings, and progress to date, are included elsewhere on today's agenda along with details of their financial performance against their plans for 2018/19.

4.20 Reserves

The 2018/19 budget was to be supported by £1,925k from Reserves. This is made up of the following transactions:

- £75k to the PFI Reserve.
- £75k to the Insurance/Legal Reserve
- £950k from the General Fund.

4.21 In addition to this, £1,400k was to be used to support the Capital Programme during 2018/19.

4.22 These transactions will occur as a matter of course during the 2018/19 financial year. Current forecast for movements on Earmarked and General Reserves to the end of 2018/19 are included within 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
Legal/Insurance Fund	(500)	(75)		(575)
Direct Revenue Funding of Capital	(1,669)	(1,400)	1,972	(1,097)
Injury Pension Reserve	(245)			(245)
PFI Sinking Fund	(213)	(75)		(288)
Incentivisation Grant	(412)	(80)	80	(412)
Uraly Nook TTC	(81)			(81)
NERSOU	(45)			(45)
Job Evaluation Reserve	0		250	250
Police Property Act Fund	(40)			(40)
Community Safety Initiatives Fund	(322)		150	(172)
Road Safety Initiatives Fund	(658)		150	(508)
Collaboration Reserve	(942)			(942)
Pay Reserve	(1,700)		700	(1,000)
Commissioning Reserves	(366)			(366)
PCC Change Reserve	(50)		50	0
Revenue Grants Unapplied	(137)			(137)
Total Earmarked Reserves	(7,379)	(1,630)	3,352	(5,658)
General Reserves	(6,073)	0	950	(5,123)
Unapplied Capital Grants	(1,003)			(1,003)
Total Usable Reserves	(14,455)			(11,784)

5. Overall Budget Summary

5.2 At the end of May 2018 the follow table summarises the finances of the PCC, including forecasts of the expected outturn in each area.

	Original 2018/19 Budget	Revised 2018/19 Budget	Forecast Spend in 2018/19	2018/19 Forecast (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)	(6,157)	(6,227)	(70)
Partnership Income/Fees and Charges	(2,737)	(2,799)	(2,749)	50
Total Funding	(134,644)	(134,707)	(134,727)	(20)
Office of the PCC Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	680	680	680	0
Non Pay Expenditure	180	180	165	(15)
Total Planned Expenditure	860	860	845	(15)
PCC Initiatives/Victims and Witness	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	2,589	2,589	2,583	(5)
Victims and Witnesses Services	1,350	1,350	1,356	5
Total Planned Expenditure	3,939	3,939	3,939	0
Corporate Costs	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Staff Pay	465	465	465	0
Non Pay Expenditure	95	95	105	10
PFI's	7,060	7,060	6,950	(110)
Asset Management	1,855	1,855	1,840	(15)
Total Corporate Costs	9,475	9,475	9,360	(115)
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Police Pay	64,043	64,043	64,043	0
Police Overtime	1,402	1,402	1,402	0
Staff Pay	10,525	10,531	10,281	(250)
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Major Contracts				
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Non-Pay Budgets				
Other Pay and Training	756	526	636	110
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Premises	3,662	3,662	3,662	0
Supplies and Services	7,455	7,900	7,930	30
Transport	1,456	1,456	1,456	0
External Support	2,958	2,913	2,943	30
Non-Pay	19,074	19,220	19,470	250
Total Planned Force Expenditure	119,770	119,833	119,833	0
(Surplus)/Deficit	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
	(600)	(600)	(750)	(150)
Planned Transfers to/(from) General Fund	(950)	(950)	(950)	0
Contribution to Capital Programme	1,400	1,400	1,400	0
Planned Transfers to/(from) Earmarked Reserves	150	150	150	0
Net (Surplus)/Deficit After Reserves	0	0	(150)	(150)

5.3 At this earlier stage of the financial year a small underspend of £150k is forecast, however there are a number of risks being managed, budgets are very tight and a lot can happen/change between now and the end of the financial year.

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

At this stage of the financial year 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 is therefore very limited.

7. Conclusion

7.1 The proposed 2018/19 budget underpins the PCC's objectives of:

- Investing in Our Police
- A Better Deal for Victims and Witnesses
- Tackling Re-offending
- Working together to make Cleveland safer
- Securing the future of our Communities

As you would hope and expect the finances of the organisation are very tight, with the best service possible trying to be delivered within the budgetary constraints.

At this stage of the financial year a small under spend position is projected for the organisation overall, however there are a number of areas which are already under pressure and these will need to be closely monitored as the year progresses.

Michael Porter
PCC Chief Finance Officer

Report of the Chief Finance Officer of the Chief Constable to the Police and Crime Commissioner for Cleveland

20th June 2018

Status: For Information

Update on the Cleveland Police Long Term Financial Plan (LTFP) 2018/19 to 2021/22

1. Purpose

- 1.1 A stable financial position for the Force is a key enabler in order to help our communities become safer and stronger. The Long Term Financial Plan (LTFP) supports longer term planning for sustainable service delivery and demonstrates that 'Towards 2020 – Our Plan for the Future' and our operational plans are affordable.
- 1.2 The purpose of this report is to provide the Scrutiny Panel with an update on police officer establishment assumptions as well as the non-pay savings target that was incorporated within the current LTFP and which was approved by the PCC in February 2018.
- 1.3 An update on delivering the 2018/19 budget is covered by a separate paper on today's agenda.

2. Recommendations

- 2.1 The Scrutiny Panel is asked to:
- 2.2 Note the contents of the report.

3. Background

- 3.1 On the 28th February 2018 the PCC approved the LTFP 2018/19-2021/22. The LTFP is based on a series of assumptions about the future, consequently it is prudent to continually re-examine some of the key assumptions and plan for any adverse scenarios. This will provide a blend of options that build resilience into the LTFP and provide flexibility in responding to any emerging pressures.
- 3.2 This approach is consistent with our stated policy of maintaining financial stability and protecting service provision through identifying sufficient savings in order to provide the Force with the time and space to work up well considered plans for future years.
- 3.3 This report will outline how the Force will deliver on the Police Officer establishment number assumptions contained within the LTFP as well as outline

the work that is underway to find the extra £250k worth of savings that the plan requires to break even.

4. Police Officer Establishment

- 4.1 The Force set a balanced budget for 2018/19 onwards which incorporated the need to reduce the police officer establishment to an average of 1,236 fte in 2018/19 and then reduce to 1,226 fte for the remainder of the plan.
- 4.2 The average of 1,236 fte police officers was used as a base in 2018/19. This reflected the glide path for officer numbers reducing from 1,246 fte on the 1st April 2018 to 1,226 fte by the 31st March 2019. This gave the force an average over the year of 1,236 fte's.
- 4.3 The budgeted 1,236 fte's reflects a revised rank mix which incorporates the retirements of 20 fte officers in the ranks of sergeant and above. Retirements within the rank of constable will be backfilled with new recruits to maintain the overall establishment number.
- 4.4 The following table shows where the proposed changes in rank mix would be delivered. The Chief Constable has agreed in principal to the overall change in the rank mix but wishes to minimise the operational impact where possible. He has therefore requested a further review to ensure the proposed changes in supervisory rank mix best fit the operational needs of the Force. This may result in a change in the proposed delivery model but will still achieve the required reductions. It should be noted that as this plan was produced 2 sergeant roles were offset by a reduction in 3 police staff roles. The savings in this new option are comparable to the original plan and do not add any further risk to the savings target.

Table 1 Proposed Staff Changes

Unit	Sgt	Inspector	Police Staff	Total
Neighbourhoods	5			5
Custody	4			4
Organised Crime	1			1
IRT	1			1
Force Control Room	1	1		2
PHT	4	1		5
Estates (Force)			1	1
Corporate Services			2	2
Total	16	2	3	21

Original 20fte police officer supervisory role saving £1,181k

Proposed 21fte police officer & staff supervisory role saving £1,184k

5. Non-Pay Savings

- 5.1 As stated above the Force is also required to make savings in the LTFP under non-pay expenditure. For the period 2018/19 to 2021/22 a further £250k per annum has to be found on top of the reduction in supervisory roles highlighted above to allow the Force to break even.
- 5.2 Work is already underway to ensure that these savings can and will be met. Procurement has been actively working to promote savings as and when tender opportunities have arisen.
- 5.3 Two major contracts have been re-let during the first quarter of 2018/19, insurance and mobile phones. Both of these contracts have seen a substantial reduction in annual cost post the tender exercise. The insurance annual cost has been reduced by £160k per annum and the use of the new Police ICT Company mobile phone contract has allowed the Force to make annual savings of approximately £28k. The in-year saving these new contracts offer is £141k in total or a 56% contribution to the overall £250k target.

5.4 These savings show the intent of the Force but it will have to continue to work with both procurement and the finance business partners to make further non-pay expenditure savings to ensure that the full £250k savings target is achieved.

6 Implications

6.1 Finance

6.1.1 All financial implications are highlighted within the report.

6.2 Legal

6.2.1 There are no legal implications arising from this report.

6.3 Diversity & Equal Opportunities

6.3.1 There are no diversity and equal opportunities implications arising from this report.

6.4 Human Rights Act

6.4.1 There are no Humans Rights implications arising from this report.

6.5 Sustainability

6.5.1 There are no further sustainability implications arising from this report that are not already discussed.

6.6 Risk

6.6.1 There are inherent risks associated within the costings of this report. Whilst the savings due to retirements will be made as those within the roles reach their 30 years' service risks will remain until the Force can fully assess the associated issues within each of the options available in table 1 and address them appropriately. The Force will also need to continue to review all of its non-pay expenditure to ensure that where other savings can be made those savings are realised.

Joanne Gleeson
CFO to the Chief Constable
20th June 2018



Scrutiny, Delivery & Performance Meeting 20 June 2018

Control Room Review and 101 Service

Purpose of the Report

1. Cleveland Police commissioned a review of the Control Room which was jointly undertaken by Cleveland Police and its strategic partner, Sopra Steria, with support and guidance from the Business Transformation Unit. A report was produced in May 2017 which contained 70 recommendations. A year on, the PCC would like an in-depth update on the impact of those recommendations.
2. Anecdotal evidence, through a range of channels including local councillors and the Your Force Your Voice meetings, suggests that the public are still having issues getting through to the 101 service and have issues with the civility of the call handlers. Issues regarding the 101 service are regularly brought to the PCC's attention and are of concern to the Police and Crime Panel. In the last 6 months there have been 2 complaints about the call answering time for the 101 service which were received via the PCC office. The majority of other complaints around the 101 service related to complaints against the call handling staff.

Information Required

3. The PCC would therefore like detailed information on the following:
 - a. Details of the improvements that were made as a result of the control room review and the impact of those improvements, what is intended to be different and by when?
 - b. What is the current position with performance of the 101 service?
 - c. An update on the implementation of the Communications Strategy, when will this take place and what are the expected benefits; and
 - d. The PCC would also like an update to seek assurance around the business continuity plans of the control room's move to the Community Safety Hub.

Actions Arising

4. That the PCC receives regular updates on this issue either by individual briefings or through the scrutiny programme.
5. That an update on the 101 service is provided to the Police and Crime Panel in July.



**Scrutiny, Delivery & Performance Meeting
20 June 2018**

Protecting Vulnerable People - Update

Purpose of the Report

1. Over £1m has been invested in protecting vulnerable people recently and it would be useful to receive an update on the impact of that funding.
2. The Chief Constable has also recently given evidence at a Home Affairs Select Committee on 1 May which is currently considering 'Policing for the Future'. Evidence given at that meeting related to the rise in vulnerability and the capacity of the police to be able to deal with that rise. That debate therefore highlighted a number of areas regarding vulnerability for which the PPC would like further information on about Cleveland's position.

Information Required

3. Further information is required on
 - a. What has been the impact of the additional funding to protect vulnerable people?
 - b. Evidence presented to the Select Committee noted that the Chief Constable of West Yorkshire police reported that 83% of the Force's time delivering services was now spent on services that were not about crime but were predominately about vulnerability instead. The Committee also heard that despite a greater understanding of demand and better working with partner agencies, demand could be difficult to manage. The PCC is interested in the percentage of time that Cleveland Police spend on services that are not about crime and are predominantly about vulnerability and whether or not demand is being met across the Force areas.
 - c. Evidence was also presented to the committee which stated that much of the time the people who the police are dealing with required access to a timely relevant healthcare service that wasn't available. What is the current situation in Cleveland, are there adequate numbers of safe places, for people experiencing mental health problems for example, rather than taking people to custody?
 - d. There are a wide variety of initiatives to address vulnerability across different forces. Has the Force done any analysis of the impact of initiatives in Cleveland such as the liaison and diversion service, street triage and mental health worker in the control room and if so what does that analysis reveal?
 - e. The committee heard that nationally there is a perception of a lack of trust between the NHS and the Police in sharing information and this is inhibited by the Data Protection Act. What's the position in Cleveland is there an issue with sharing information about vulnerable people?

Actions Arising

4. That the current position is noted.



Scrutiny, Delivery & Performance Meeting

20 June 2018

Digital Stop and Search – Privacy International Report

Purpose of the Report

1. A recent report on digital stop and search by Privacy International was brought to the attention of the PCC via the APCC. (attached at Appendix 1) A freedom of information request was sent to all forces and Cleveland was one of 5 forces who did not respond.
2. The report noted that the police can take data from phones without a warrant or consent. Privacy International has uncovered an absence of national guidance and conflicting views between forces as to the legal basis to search, download and store personal data.

Information Required

3. The PCC is therefore seeking information on why the Force did not respond to the survey and details of the Force's policy for data extraction from mobile phones.

Actions Arising

4. That the current position is noted.



Scrutiny, Delivery & Performance Meeting

20 June 2018

PCC General Questions

Cleveland benefits statement

1. THE PCC received the personalised force benefits statement on 27 April from the police ICT Company. The PCC is seeking an assurance about what the force is paying for and what the force is getting and that the force is not paying a flat rate cost which is then divided equally between all forces and the cash benefits are shared out based on force size?

National Changes to Strategic Contracts

2. There was a recent occasion where the OPCC was required to sign a contract for Novation where the OPCC would have benefited from additional information. The PCC would like to seek an assurance that when there are national changes with respect to strategic contracts that it would be useful to discuss with the Force any areas where there are changes which may affect operational services in advance of the request for the contract to be signed.