

**To September 2017  
(Quarter 1 to Quarter 2)**

**Headlines**

The current forecast of net expenditure amounts to £97.103m compared to a revised budget of £96.178m.

The variance amounts to a forecast overspend of £925k (0.96%) and is made up as follows:

- A forecast overspend of £13k (0.08%) in respect of the Commissioner’s budgets.
- A forecast overspend on Constabulary budgets of £912k (0.81%) of which, £982k (0.83%) represents an overspend on expenditure budgets offset by additional income of £70k (1.15%).

The forecast overspend has increased by £628k (167%) compared to the position reported at the end of quarter 1 (June). Of this increase £412k relates to the part-year effect of the forecast additional 1% pay award for officers and staff, which was not included in the budget.

**Police Property Act**

The balance in the Police Property Act Fund at the end of September was £86k.  
During Quarter 1 awards were made to successful applicants totalling £21k.  
During Quarter 2 awards were made to successful applicants totalling £12k.

Description	Revised	Provisional	Provisional	Provisional	Forecast	Change in
	Budget	Outturn	(Under)/	(Under)/	(Under)/	Forecast
	2017/18	2017/18	Overspend	Overspend	Overspend	JUN-17
	£'000s	£'000s	2017/18	2017/18	@ JUN-17	SEP-17
			£'000s	%	£'000s	£'000s
Office of the Police and Crime Commissioner	784	758	(26)	-3.32%	(7)	(19)
Other PCC Budgets	(16,071)	(16,032)	39	-0.24%	47	(8)
Movements To / (From) Reserves	(908)	(908)	0	0.00%	0	0
<b>Total OPCC Budgets</b>	<b>(16,195)</b>	<b>(16,182)</b>	<b>13</b>	<b>-0.08%</b>	<b>40</b>	<b>(27)</b>
Funding Provided to the Constabulary	112,373	113,285	912	0.81%	257	655
<b>Net Expenditure</b>	<b>96,178</b>	<b>97,103</b>	<b>925</b>	<b>0.96%</b>	<b>297</b>	<b>628</b>
External Funding	(96,178)	(96,178)	0	0.00%	0	0
<b>Total</b>	<b>0</b>	<b>925</b>	<b>925</b>		<b>297</b>	<b>628</b>

**Overview**

The overspend on the Commissioner’s own budgets arises principally as a result of forecast overspend on insurance premiums (£11k) and premises related costs (£24k). The overspend on premises related costs includes additional spend on rates and additional fire risk assessments carried out on police estate following the fire at Grenfell Tower in London. These are partially offset by forecast underspends on the costs of the Office of the PCC (£26k).

With regard to the Constabulary overspend, the Constabulary is facing a number of budget pressures that have come to light since the budget was set for 2017/18. This includes additional overtime as a result of increased visible patrols to provide public reassurance following the terrorist incidents in Manchester and London, the 1% non-consolidated pay award for police officers from September 2017 and an assumed 1% non-consolidated pay award for PCSOs and staff also from September 2017.

These funding pressures have been discussed by the Chief Constable and Commissioner, and the Constabulary is currently seeking to manage expenditure during 2017/18 within the overall funding envelope provided by the Commissioner, although contingencies are held should this not be possible.

**Changes between June and September**

The forecast overspend has increased by £628k (214%) from £297k at June to £925k as at September.

Since June the forecast on the Commissioner’s own budgets has reduced by £27k. This is largely as a result of restructuring of senior posts in the OPPC (£19k) and a reduction to the forecast on premises.

The increase in forecast overspend in respect of funding provided to the Constabulary is largely as a result of increases to police pay (non-consolidated pay award (£280k) and changes to workforce plan (£560k)). This is offset by a forecast increase in the underspend on staff pay (£124k) after taking into account the assumed 1% non-consolidated pay award for staff also from September 2017.