

**To December 2017  
(Quarter 2 to Quarter 3)**

**Headlines**

The current forecast of net expenditure amounts to £97.226m compared to a revised budget of £96.178m.

The variance amounts to a forecast overspend of £1,048k (1.09%) and is made up as follows:

- A forecast overspend of £40k (0.25%) in respect of the Commissioner’s budgets.
- A forecast overspend on Constabulary budgets of £1,008k (0.90%) of which, £1,046k (0.88%) represents an overspend on expenditure budgets offset by additional income of £38k (0.59%).

The forecast overspend has increased by £123k (13.30%) compared to the position reported at the end of Quarter 2 (September) of £925k.

**Police Property Act**

The balance in the Police Property Act Fund at the end of December was £70k. During Quarter 3 awards were made to successful applicants totalling £20k.

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Forecast (Under)/Overspend	Change in Forecast
	2017/18 £'000s	2017/18 £'000s	2017/18 £'000s	2017/18 %	@ SEP-17 £'000s	SEP-17 to DEC-17 £'000s
Office of the Police and Crime Commissioner	784	761	(23)	-2.93%	(26)	3
Other PCC Budgets	(16,214)	(16,151)	63	-0.39%	39	24
Movements To / (From) Reserves	(776)	(776)	0	0.00%	0	0
<b>Total OPCC Budgets</b>	<b>(16,206)</b>	<b>(16,166)</b>	<b>40</b>	<b>-0.25%</b>	<b>13</b>	<b>27</b>
Funding Provided to the Constabulary	112,384	113,392	1,008	0.90%	912	96
<b>Net Expenditure</b>	<b>96,178</b>	<b>97,226</b>	<b>1,048</b>	<b>1.09%</b>	<b>925</b>	<b>123</b>
External Funding	(96,178)	(96,178)	0	0.00%	0	0
<b>Total</b>	<b>0</b>	<b>1,048</b>	<b>1,048</b>		<b>925</b>	<b>123</b>

**Overview**

The overspend on the Commissioner’s own budgets arises principally as a result of forecast overspend on premises related costs (£53k), insurance premiums (£6k) and Grants (£4k). The overspend on premises related costs includes additional spend on rates, additional fire risk assessments carried out on the police estate following the fire at Grenfell Tower in London and additional spend on repairs & maintenance. These are partially offset by forecast underspends on the costs of the Office of the PCC (£23k).

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 and assumed 1% increase for PCSOs and staff 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.

**Changes between September and December**

The forecast overspend has increased by £123k (13.30%) from £925k at September to £1,048k as at December. Since September the forecast overspend on the Commissioner’s own budgets has increased by £27k. This is largely as a result of a forecast increase in premises repairs and maintenance (£24k).

The increase in forecast overspend in respect of funding provided to the Constabulary is largely as a result of increases to police pay (£139k), PCSO pay (£74k) and reduced income from specialist policing services etc. (£32k). This is offset by a forecast increase in the underspend on staff pay (£151k).