

REQUEST FOR DMPC DECISION – PCD 399

Title: MOPAC/MPs Financial Performance Provisional Outturn 2017/18

Executive Summary:

This paper reports the provisional revenue outturn position of MOPAC/MPs, and requests approval for transfers to and from reserves.

Recommendation:

That the DMPC

1. Notes the 2017/18 revenue provisional outturn financial position
2. Notes previously approved use of reserves
3. Approves new transfers to and from reserves as set out in paragraph 2.4
4. Approve the budget movements set out in paragraph 2.7

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Sybil Henderson

Date

24/5/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. As part of MOPAC's and MPS corporate governance arrangements regular monthly and in-depth quarterly monitoring processes are in place to track spend against budget and the achievement of planned savings and income targets.
- 1.2. In line with the Scheme of Delegation and Consent the DMPC is responsible for the approval of all MPS proposed budget movements and virements in excess of £500,000 which are highlighted on a monthly basis as part of the monthly budget monitoring report, and approval of all transfers to and from reserves.

2. Issues for consideration

Provisional Revenue Outturn

- 2.1. Taking account of the use of reserves, the MOPAC/MPS provisional revenue outturn is a net underspend of £13.7m (0.4% of gross budget)
- 2.2. The detail of the revenue outturn, variances against budget and reporting against planned savings will be reported as part of the 2017/18 annual accounts.
- 2.3. The outturn includes the underspend of £10.8m against budgeted reserves funding that had been expected to be used in this financial year to meet one-off change expenditure which has slipped to 2018/19.

Reserves

- 2.4. The proposed new transfers to and from reserves are:
 - New additional transfers to reserves of £12.2m;
 - Quarter 4 Police Officer Pay underspend to reserves £9.9m. To note the total police officer, pay underspend transferred to reserves during 2017/18 will be £27.1m.
 - National Collaborative Procurement Programme 2018/19 £1.4m
 - MOPAC re-profiling of projects £0.9m
 - New additional transfers from reserves of £3.3m;
 - Corporate exit reserves £2m
 - Application of POCA reserve funding £0.2m
 - National Collaborative Procurement Programme Quarter 4 spend £1.1m
 - The transfer to reserves of £13.7m from the provisional underspend to reserves in relation to fund previously formally agreed initiatives
 - Strengthening Local Policing (SLP), as agreed by DMPC (PCD 323) £4.6m
 - Covert Policing Management Platform, as agreed by DMPC (PCD 364) £3.2m
 - Additional borrowing costs to support Central Estates Strategy, as agreed by DMPC (PCD 335) £0.9m
 - Data Analytics, subject to future DMPC approval, £5.0m.

- 2.5. If approved the table below sets out the budgeted and proposed levels of earmarked reserves as at 31/3/18

	Budget £m	Provisional Outturn £m	Variance £m
Opening balance	193.0	193.0	0
Transfers to/(from)	(60.9)	(38.7)	(22.2)
Closing balance	132.1	154.3	(22.2)

- 2.6. Any new calls on reserves will require a specific DMPC decision.

2.7. **Budget Movements**

- Realignment of police staff pay budgets;
 - £5.8m transfer to running costs- relating to use of interim resource in Transformation Directorate
 - £4.0m transfer to police overtime
- Reclassification of running costs in Major Change Programme of £1.2m to Capital Financing in recognition of capital spend funded from revenue
- Reduction of £4.6m against running expenses to amend over-allocation of reserves made when 2017/18 budget was set.

3. Financial Comments

- 3.1. As this is a financial report the financial implications are contained within the body of the report.

4. Legal Comments

- 4.1. Under section 3 (6) of the Police Reform and Social Responsibility Act, MOPAC is under a duty to secure the maintenance of an efficient and effective police force. Under paragraph 7 of schedule 3 of the 2011 Act MOPAC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of its functions. Under section 79 of the Act, MOPAC must have regard to the Policing Protocol when exercising its functions. The Policing Protocol provides that PCCs (including MOPAC) as recipient of all funding, must determine how this money is spent.
- 4.2. MOPAC/MPS as statutory bodies must only budget for activities that fall within its statutory powers. Under the Scheme of Delegation and Consent the DMPC must approve any budget movement for £500,000 or above. Under Financial Regulations all decisions in relation to the transfer in and out of reserves will be made by the DMPC.

5. Equality Comments

- 5.1. There are no equality and diversity implications arising from this report.

6. Background/supporting papers

- 6.1. None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – No

ORIGINATING OFFICER DECLARATION:

Head of Unit: The MOPAC CFO has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

R. Lawrence

Date

24/5/18