

Chief Constables' Council

NPCC 2018/19 Budget and Funding

25 January 2018/Agenda item: 22.1

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Disclosable under FOIA 2000:	Yes
Authors:	Nicole Higgins
Force/organisation:	NPCC
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Attachments at paragraph	2.2 and 3.1.1

1. PURPOSE

- 1.1. This paper proposes the budget plan for the National Police Chiefs' Council (NPCC) Central Office for 2018/19 and sets out the contributions that will be requested from Funding Parties.
- 1.2. Chief Constables are asked to approve the 2018/19 budget and note the contribution of £1,331,631 to sustain the activity of the NPCC Central Office.

2. 2018/19 FUNDING REQUIREMENTS

- 2.1 NPCC is requesting contributions from funding parties at the same level as 2017/18 with an additional contribution from the Ports Police Chief Officers' Association who were approved as an additional party to the s22A Collaboration at Chief Constables' Council in April 2017.
- 2.2 The attachment at Appendix 1 details the contribution of all forces as agreed in January 2017 and forms the basis of the contribution for 2017/18, 2018/19 and 2019/20 as detailed in the revised s22A agreement.
- 2.3 Chief constables are asked to note that funding contribution from Police Scotland is still being clarified and that an update will be given following further consultation. The position therefore remains unchanged and no funding has been budgeted for 2018/19.
- 2.4 NPCC will carry forward funds to cover the contribution for Scotland to meet the budget requirements.

3. NPCC CENTRAL OFFICE BUDGET 2018/19

2017/18 Forecast Outturn and 2018/19 Budget (based on p8 actuals)



Category	2017/18 Outturn	2018/19 Budget	Variance to 2017/18 Outturn	
EXPENDITURE				
Staffing Total	992,514	1,025,670	33,157	3.3%
Travel and Subsistence	14,882	15,000	118	0.8%
Training	6,090	6,000	-90	-1.5%
Accommodation Total	259,466	264,000	4,534	1.7%
Legal	19,428	10,000	-9,428	-48.5%
Office Costs Total	33,891	32,000	-1,891	-5.6%
IT Total	39,249	40,000	751	1.9%
Phones	4,489	5,000	511	11.4%
MPS Service Charge	40,000	42,000	2,000	5.0%
Grand Total	1,410,009	1,439,670	29,662	2.1%
INCOME				
Category	2017/18 Outturn	2018/19 Budget	Variance to 2017/18 Outturn	
Funding	-1,325,540	-1,331,614	-6,074	
2016/17 Underspend	-40,006	-100,000	-59,994	
Service Charge CPI	-67,000	-37,000	30,000	
ACRO	0	0	0	
ACPO Reserves	-80,000	0	80,000	
Total Income	-1,512,546	-1,468,614	43,932	-2.9%
Forecast Underspend	-102,537	-28,944		

3.1 Expenditure.

- 3.1.1 Expenditure to support the NPCC Central Office in 2018/19 is detailed in Appendix 2 with explanatory notes. The forecast outturn is based on p8 actuals.
- 3.1.2 Expenditure will increase by £30K (2%) due mainly to increased staffing costs. Savings are expected in other areas.
- 3.1.3 Staffing costs will rise by £33K (3.3%) due to a 9% increase in permanent staff pay and related costs. This is partially offset by a reduction in secondment costs (required to cover vacancies in 2017/18). The increase reflects a 1% pay increase, annual progress increments and a re-grading of a key communications post.
- 3.1.4 Rent at 10 Victoria Street has now been agreed and is largely responsible for the underspend in 2017/18. The NPCC had been advised to accrue for a 50% increase in accommodation costs and did so in 2016/17 and 2017/18. It has subsequently been agreed that there will be a 3% increase rising to 3.3% over 5 years. Forecasts underspend of £65K represents the difference. The 1.7% increase in accommodation costs therefore reflects the 3% increase which is offset by no further accommodation costs for the Chair from December 2017.
- 3.1.5 Legal costs are budgeted at 48% below 2017/18. In 2017/18 legal costs for the UCPI Inquiry will be lower than anticipated, however the cost of the s22A advice was higher. This will result in a £10K underspend. The s22A is now complete and the UCPI costs are not expected to rise, therefore a reduction of 48% is budgeted.

3.1.6 Phone charges are anticipated to rise by 11% due to upgrades to existing handsets.

3.1.7 The MPS Service charge for hosting NPCC is under review and a 5% provision has been applied to cover potential increases

3.2 Income.

3.2.1 Total income for 2018/19 is expected to be £43K below 2017/18, this is due to £37K additional service charge received in 2017/18 from Police CPI relating to 2016/17 occupancy.

3.2.2 Income from individual Funding Parties will remain at the same level as 2017/18; it will include a also contribution from the Ports Police Chief Officers' Association.

3.2.3 £80K income is planned from ACPO reserves in 2017/18. If this is delayed beyond the year end, it will be planned as income in 2018/19 and the underspend for this year reduced accordingly.

3.2.4 £100K is forecast to be carried forward due mainly due to reduced accommodation spend accommodation costs and £20K higher than anticipated income. If the £80K from ACPO reserves is not forthcoming, this will be reduced to £20K and the £80k will be budgeted as income in 2018/19. The net result being the same for the 2018/19 budget income figure.

3.2.5 ACRO receipts for 2017/18 of £25K were budgeted to cover UPCI legal costs, since there was no expenditure, no request was made.

3.2.6 Income in 2018/19 is expected to be £29K higher than expenditure which will allow a small contingency.

4. CONCLUSION

4.1. Chief Constables' Council are asked to:

- i. Note the continued level of funding contributions from Parties in line with the 3 year Financial Plan in the revised s22A.
- ii. Approve the NPCC central budget plan for 2018/2019

Sara Thornton

Chief Constable

NPCC Chair

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Appendix 1 NPCC FUNDING PARTIES' CONTRIBUTIONS 2018/19

Policing Bodies Funding Parties	2018/19 Funding Contribution	Percentage of Total (FSS Share)
Avon & Somerset	26,101	2.2%
Bedfordshire	10,293	0.9%
Cambridgeshire	11,826	1.0%
Cheshire	17,671	1.5%
City of London	3,035	0.3%
Cleveland Police	14,320	1.2%
Cumbria	9,858	0.8%
Derbyshire	16,409	1.4%
Devon & Cornwall	27,334	2.3%
Dorset	9,572	0.8%
Durham	13,404	1.1%
Dyfed-Powys	7,979	0.7%
Essex	25,996	2.2%
Gloucestershire	8,685	0.7%
Greater Manchester	66,959	5.7%
Gwent	12,112	1.0%
Hampshire	30,384	2.6%
Hertfordshire	17,686	1.5%
Humberside	18,798	1.6%
Kent	28,130	2.4%
Lancashire	29,873	2.5%
Leicestershire	17,236	1.5%
Lincolnshire	9,362	0.8%
Merseyside	39,160	3.3%
Metropolitan Police	290,016	24.6%
Norfolk	12,833	1.1%
North Wales	11,751	1.0%
North Yorkshire	11,240	1.0%
Northamptonshire	11,045	0.9%
Northumbria	36,635	3.1%
Nottinghamshire	20,572	1.7%
South Wales	26,552	2.2%
South Yorkshire	29,918	2.5%
Staffordshire	17,641	1.5%
Suffolk	10,398	0.9%
Surrey	14,922	1.3%
Sussex	24,899	2.1%
Thames Valley	34,847	3.0%
Warwickshire	7,934	0.7%
West Mercia	17,867	1.5%
West Midlands	70,325	6.0%
West Yorkshire	49,318	4.2%
Wiltshire	9,557	0.8%
Policing Bodies Funding Parties	1,180,454	100.0%

Other Police Organisation Funding Parties	Contribution
BTP	29,918
MOD	10,000
CNC	3,035
Isle of Man	3,035
Cyprus	3,035
Guernsey	3,035
Jersey	3,035
Gibraltar	3,035
Army	15,000
RAF	5,000
Navy	3,035
Ports Police	3,035
Other Police Organisation Funding Parties	84,201
PSNI	66,959
Scotland	TBC
Other Police Organisations	151,160

Totals	2016/17 Contribution	Percent age of Total Funding
Policing Bodies Funding Parties	1,180,454	89%
Other Police Organisations	151,160	11%
Total Funding	1,331,614	100%

Appendix 2: 2017/18 Forecast Outturn and 2018/19 Budget (based on p8 actuals)

Category	2017/18 Outturn	2017/18 Budget	Var.	2018/19 Budget	Variance to 2017/18 Outturn		Notes
EXPENDITURE							
Staffing Total	992,514	996,298	-3,784	1,025,670	33,157	3.3%	1
Travel& Subsistence	14,882	15,000	-118	15,000	118	0.8%	
Training	6,090	6,000	90	6,000	-90	-1.5%	
Accommodation Total	259,466	325,000	-65,534	264,000	4,534	1.7%	2
Legal	19,428	30,000	-10,572	10,000	-9,428	-48.5%	3
Office Costs Total	33,891	36,200	-2,309	32,000	-1,891	-5.6%	
IT Total	39,249	38,000	1,249	40,000	751	1.9%	4
Phones	4,489	5,000	-511	5,000	511	11.4%	5
MPS Service Charge	40,000	40,000	0	42,000	2,000	5.0%	6
Grand Total	1,410,009	1,491,498	-81,489	1,439,670	29,662	2.1%	
INCOME							
Category	2017/18 Outturn	2017/18 Budget	Var.	2018/19 Budget	Variance to 2017/18 Outturn		Notes
Funding	-1,325,540	-1,325,544	4	-	-6,074		7
2016/17 Underspend	-40,006	-31,408	-8,598	-100,000	-59,994		8
Service Charge CPI	-67,000	-30,000	-37,000	-37,000	30,000		
ACRO	0	-25,000	25,000	0	0		9
ACPO Reserves	-80,000	-80,000	0	0	80,000		10
Total Income	-1,512,546	-1,491,952	-20,594	-	43,932	-2.9%	
Forecast Underspend	-102,537			-28,944			

Income	Notes
1. Staffing Costs	Staffing costs will rise by £33K (3.3%) due to a 9% increase in permanent staff pay and related costs. This is partially offset by a reduction in secondment costs (required to cover vacancies in 2017/18). The increase reflects a 1% pay increase, annual progress increments and a re-grading of a key communications post.
2. Accommodation	The NPCC had been advised to accrue for a 50% increase in accommodation costs and did so in 2016/17 and 17/18. It has subsequently been agreed that there will be a 3 % increase rising to 3.3% over 5 years. Forecasts underspend of £65K represents the difference. The 1.7% increase in accommodation costs therefore reflects the 3% increase which is offset by no further accommodation costs for the Chair from December 2017.
3. Legal	Legal costs are budgeted at 48% below 2017/18. In 2017/18 legal costs for the UCPI Inquiry will be lower than anticipated, however the cost of the s22A advice was higher. This will result in a £10K underspend. The s22A is now complete and the UCPI costs are not expected to rise, therefore a reduction of 48% is budgeted.
4. IT	IT costs are predominantly a support and maintenance charge and reflect a potential increase.
5. Phones	£500 increase to replace old headsets.
6. MPS Service Charge	The MPS Service charge for hosting NPCC is under review and a 5% provision has been applied to cover potential increases.

Expenditure	Notes
7. Funding Parties	Income from individual Funding Parties will remain at the same level as 2017/18; it will also include a contribution from the Ports Police Chief Officers' Association.
8. 2017/18 Underspend	£100K is forecast to be carried forward due to accommodation costs and £20K higher than anticipated income. If the £80K from ACPO reserves is not forthcoming, this will be reduced to £20K and the £80k will be budgeted as income in 2018/19. The net result being the same for the 2018/19 budget income figure.
9. ACRO	ACRO receipts for 2017/18 of £25K were budgeted to cover UPCI legal costs, since there was no expenditure, no request was made.
10. ACPO Reserves	ACRO receipts for 2017/18 of £25K were budgeted to cover UPCI legal costs, since there was no expenditure, no request was made.