

Chief Constables' Council

NPCC 2019/20 Budget and Funding

17 January 2019/Agenda item: 28.1

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1. PURPOSE

- 1.1. This paper proposes a budget for the National Police Chiefs' Council (NPCC) Central Office for 2019/20 and sets out the funding contribution requested from Funding Parties.
- 1.2. Chief Constables are asked to approve the 2019/20 budget and agree to the funding contributions of £1,358k to sustain the activity of the NPCC Central Office.

2. BACKGROUND

- 2.1. During 2018/19, turnover of staff and the transition to a new core finance and support system has resulted in inconsistent reporting of NPCC financial data.
- 2.2. However, all financial data has been appropriately recorded and an overall projected spend against budget for 2018/19 is available and has been provided.
- 2.3. Inconsistent allocation within specific cost centres and funding streams currently restricts the reliability of any analysis within budget groups. Therefore, analysis of overall budget spend and 2018/19 year-end projections has been completed, with consideration of operational requirements for 2019/20 where appropriate.
- 2.4. Based on overall data, a £20k underspend has been projected against the 2018/19 NPCC budget. During Q3 2018/19 reserves of £90k has been reported by NPCC's finance.
- 2.5. These may be subject to change during the close of 2018/19.
- 2.6. The processes for recording and reporting the NPCC budget are currently under review, with a view to streamlining the operational processes, governance and data reporting of NPCC's budget. This will



provide a significantly more comprehensive overview of spending trends, emerging issues and budget requirements.

2.7. The NPCC proposes to set a mid-year review of annual budget requirements, factoring in uplifted financial data and considering income generated and funding contribution requirements. This review would serve to ensure appropriate management of any surplus reserves, recharging requirements or reallocation of NPCC budget within funding groups.

3. 2019/20 PROPOSED BUDGET

3.1. Force funding contributions for the NPCC Central Office have remained largely static during the last three financial years¹ (2016/17, 2017/18 and 2018/19).

3.2. It is proposed that overall NPCC expenditure will require a budget increase of £29K (2.0%) in 2019/20, due mainly to higher total staffing costs.

Expenditure	Category	2018/19 Outturn	2018/19 Budget	Var.	2019/20 Budget	Variance to 2018/19 Budget	
	1. Staffing Total	995,786	1,025,670	-29884.44	1,046,183	20,513	2.00%
	2. Travel& Subsistence	28,829	15,000	13828.64	15,465	465	3.10%
	3. Training	4,424	6,000	-1576.00	6,000	0	0.00%
	4. Accommodation Total	257,549	264,000	-6451.48	271,920	7,920	3.00%
	5. Legal	551	10,000	-9448.63	10,000	0	0.00%
	6. Office Costs (Total)	145,390	32,000	113390.09	32,000	0	0.00%
	7. IT (Total)	-23,123	40,000	-63123.44	40,000	0	0.00%
	8. Telephony	5,739	5,000	739.21	5,000	0	0.00%
	9. MPS Service Charge	3,993	42,000	-38006.67	42,000	0	0.00%
	Total	1,419,137	1,439,670	-20,533	1,468,568	28,898	2.01%

3.3. Staffing (1)

3.3.1. As of January 2019, the NPCC Central Office is now operating with a full establishment, as well as currently employing one temporary support staff (currently contracted to early 2019).

3.3.2. A year end underspend of £29k has been projected against 'staffing costs' for 2018/19. This estimate is based on current spending and is largely due to a number of posts remaining vacant for extended periods during recruitment.

3.3.3. Underspend in this area does not therefore accurately represent a reserve of available funding.

3.3.4. The majority of other posts within the NPCC Central Office will see increases in salary cost from spinal point development, as well as the general increases in police pay (salary and on costs) which have been accounted for within the proposed 2% increase on 2018/19.

3.3.5. It is anticipated that the need for temporary staff will continue into 2019/20 to provide sufficient resource to undertake distinct project work. A portion of projected reserves have been earmarked to fund this work.

3.4. Travel & Subsistence (2)

3.4.1. Inconsistent use of the 'travel' cost centres include a number of misallocated transactions.

3.4.2. These are currently being reviewed and corrected.

3.4.3. Proposed 2019/20 budget is based on previously agreed allocation of funds (2018/19), factoring in general increases in travel costs (at 3.1%) and the likelihood of travel during 2019/20.

¹ MOD contributions were corrected and reduced from £29k to £10k in 2017/18.

3.5. Training (3)

3.5.1. Proposed training budget has been maintained at £6k in support of potential Public Relations and Communications Association (PRCA) training opportunities, as well as potential 'business support' training requirements.

3.6. Accommodation (4)

3.6.1. Accommodation costs for 2019/20 have been estimated as per previously agreed increases ('NPCC 2018/19 Budget and Funding') and have been calculated at a 3.0% increase on 2018/19.

3.7. Legal Services (5)

3.7.1. Legal services obtained during 2018/19 are yet to be billed and projected year end cost is therefore expected to be higher. Maintaining a sufficient reserve in line with 2018/19, for legal advice not routinely covered by service agreements, has been proposed at £10k.

3.8. Office Costs (Total) (6)

3.8.1. Inconsistent use of the 'office' and 'consumables' cost centres have resulted in a number of misallocated transactions.

3.8.2. These are currently being reviewed and corrected.

3.8.3. Estates changes within the NPCC Central Office have been agreed in 2018/19, with work commencing in 2019/20. Funding for these changes has been earmarked from current reserves.

3.8.4. Proposed 2019/20 budget is based on previously agreed allocation of funds.

3.9. IT (Total) (7)

3.9.1. Inconsistent use of the 'IT' related cost centres have resulted in a number of misallocated transactions.

3.9.2. These are currently being reviewed and corrected.

3.9.3. Proposed 2019/20 budget is based on previously agreed allocation of funds. With the majority of IT services and provisions established and in place, it is not anticipated that a significant increase in IT related cost should be expected. Whilst current fiscal year data is under review, recommendation is to maintain current allocations at previous levels, to be reviewed when appropriate (£40k, 2018/19).

3.10. Telephony

3.10.1. No significant changes are foreseen in regard to NPCC telephony requirements.

3.11. MPS Service Recharge

3.11.1. Service costs have been maintained in line with 2018/19 costs.

4. 2019/20 FUNDING REQUIREMENTS

Income	Funding	-1,357,568
	NPCC Reserves	-54,000
	NPCC 2018/19 Underspend	-20,000
	Service Charge CPI	-37,000
	Total Income	1,468,568

- 4.1. The NPCC is requesting contributions from funding parties using the same funding model agreed in 2018/19.
- 4.2. Details of the proportion split and contribution per force/organisation is available in Appendix 1.
- 4.3. Chief constables are asked to note that funding contributions from Police Scotland were not budgeted for in 2018/19 (as per recent years, whilst negotiations over collaboration and funding have taken place).
- 4.4. The intention of Police Scotland to contribute to funding for the NPCC has been made in writing in Q3 2018/19, with details yet to be finalised. As such, the position remains unchanged in relation to funding and no Police Scotland funding has been budgeted for 2019/20 at this stage.
- 4.5. In addition to funding contributions, further income may be available if the projected £20k 2018/19 underspend is realised, and current reserves of £90k can be retained into 2019/20.
- 4.6. From the estimated reserves, £11k has been earmarked for estates work within the NPCC Central Office (3.8.3) and £25k for temporary staff costs (3.3.6), with an estimated £54k carried forward.
- 4.7. NPCC will also endeavour to carry forward funds from 2018/19 underspend and existing reserves to cover the contribution of Police Scotland (in the interim whilst an agreement is finalised) and to meet the budget requirements for 2019/20.
- 4.8. CPI Service Charge has been calculated in line with 2018/19 at £37k.

5. CONCLUSION

- 5.1. Chief Constables' Council are asked to consider and approve:
 - 5.1.1. Funding contributions from Parties.
 - 5.1.2. The NPCC central budget for 2019/20.

Sara Thornton

Chief Constable

NPCC Chair

Appendix 1 PROPOSED NPCC FUNDING CONTRIBUTIONS 2019/20

Policing Bodies Funding Parties	2018/19 Funding Contribution	Percentage of Total (FSS Share)	Variance
Total	1,203,462	100.00%	23,009
Avon & Somerset	26,610	2.21%	509
Bedfordshire	10,494	0.87%	201
Cambridgeshire	12,057	1.00%	231
Cheshire	18,015	1.50%	344
City of London	3,094	0.26%	59
Cleveland Police	14,599	1.21%	279
Cumbria	10,050	0.84%	192
Derbyshire	16,729	1.39%	320
Devon & Cornwall	27,867	2.32%	533
Dorset	9,759	0.81%	187
Durham	13,665	1.14%	261
Dyfed-Powys	8,135	0.68%	156
Essex	26,503	2.20%	507
Gloucestershire	8,854	0.74%	169
Greater Manchester	68,264	5.67%	1,305
Gwent	12,348	1.03%	236
Hampshire	30,976	2.57%	592
Hertfordshire	18,031	1.50%	345
Humberside	19,164	1.59%	366
Kent	28,678	2.38%	548
Lancashire	30,455	2.53%	582
Leicestershire	17,572	1.46%	336
Lincolnshire	9,544	0.79%	182
Merseyside	39,923	3.32%	763
Metropolitan Police	295,669	24.57%	5,653
Norfolk	13,083	1.09%	250
North Wales	11,980	1.00%	229
North Yorkshire	11,459	0.95%	219
Northamptonshire	11,260	0.94%	215
Northumbria	37,349	3.10%	714
Nottinghamshire	20,973	1.74%	401
South Wales	27,070	2.25%	518
South Yorkshire	30,501	2.53%	583
Staffordshire	17,985	1.49%	344
Suffolk	10,601	0.88%	203
Surrey	15,213	1.26%	291
Sussex	25,384	2.11%	485
Thames Valley	35,526	2.95%	679
Warwickshire	8,089	0.67%	155
West Mercia	18,215	1.51%	348

West Midlands	71,696	5.96%	1,371
West Yorkshire	50,279	4.18%	961
Wiltshire	9,743	0.81%	186

Other Police Organisations	2018/19 Funding Contribution	Variance
Total	154,106	2947
BTP	30,501	583
MOD	10,195	195
CNC	3,094	59
Isle of Man	3,094	59
Cyprus	3,094	59
Guernsey	3,094	59
Jersey	3,094	59
Gibraltar	3,094	59
Army	15,293	293
RAF	5,098	98
Navy	3,094	59
Ports Police	3,094	59
PSNI	68,264	1305
Scotland	TBC	TBC

	2018/19 Funding Contribution	Variance
Total	1,357,568.40	25,954.40
Policing Bodies Funding Parties	1,203,462.15	23,008.15
Other Police Organisations	154,106.25	2,946.25