

Issue	Panel Update	Actions/Recommendations
Monthly Financial Monitoring	<p>The Panel received summary financial and capital expenditure performance report for the period 8.</p> <p>The Group's financial performance to the end of September shows an underspend of circa £2.3m against the profiled 2020/21 budget.</p> <p>The forecast outturn for the year at £211.8m is £580k below the original budget. This forecast is marginally better than the previous month. The Panel noted forecasting is becoming more consistent and welcomed the more detailed analysis in the monthly reporting pack.</p> <p>Pay is underspent by £3.0m year to date. Whilst Police Officer pay is in line with budget, there are underspends in Police Staff costs (partly offset by agency staff costs) and PCSOs.</p> <p>Non-Pay, including contracted and capital financing costs, is underspent by £0.01m, within this figure is £0.470m spend relating to the national procurement of PPE which is being reimbursed by central government and reflected in the income forecast. The Panel noted the detailed analysis of Covid related costs and grant income.</p> <p>The Group savings target for the year is £3.4m with £2.9m (86%) already delivered through budgets. There is high confidence of delivery against all remaining savings, or alternative mitigations being put in place. The Panel welcomed the early delivery of most of the savings projects.</p> <p>The Group has actual spend and commitments of £11.0m on capital schemes to the end of period 8. Included in this spend is payment for NICHE go-live and the costs of a planned programme to replace eighty vehicles, the life of which have exceeded seven years. The remaining capital programme for the year is £8.3m.</p> <p>The General Reserves remain at £6.4m, 3% of the 2020/21 net revenue budget. During the year, the forecast is to increase specific reserves by £3.85m, giving the Group a total of £20.3m in general and specific reserves at year-end. This was welcomed by the Panel given significant emerging uncertainties.</p> <p>A welcome addition to the monthly monitoring report is an update on procurement contracts. This enables the Panel to see the recent contract awards as well as advance notice of emerging major procurements. The report also includes a risk assessment for each of the existing major commercial contracts.</p>	<p>The Panel welcomed the clarity of the analysis of the Group's financial performance.</p> <p>Looking ahead the Panel will continue to closely monitor the underlying financial performance, the revenue reserves position and the demands of the capital programme.</p>
MTFS update	<p>The Panel received a draft paper and presentation on the MTFS and the draft precept recommendation.</p> <p>ETAP will recall that the original draft MTFS from the Autumn suggested there would be significant financial gaps facing the Commissioner in the next three years. For 2021/22 this gap was then forecast to be in the range of £5.5m to £8.7m.</p>	<p>The Panel will continue to monitor the medium-term financial position.</p>

	<p>The latest MTFS position for the period to 2021/22 indicates that this funding gap has been resolved for the coming budget year. The main drivers of this improvement are a combination of the chancellors pay freeze, increased precept opportunity, new savings identified and additional treasury management savings. There are small future funding gaps. However, given the current spending review is for one year only these gaps are predicated on cost and income inflation assumptions that will be reviewed once the 2022 Spending Review has concluded.</p> <p>ETAP will be receiving the full MTFS paper so the detail has not been summarised in this short paper.</p> <p>The Finance Panel's focus was on future risks in particular the scale of the capital programme, the impact of future pay and pension increases and the impact of the officer uplift programme. The Panel welcomed the relatively strong level of reserves maintained throughout the MTFS period despite increased investment in officer numbers, ICT and other capital assets.</p>	
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Alan Edwards

ETAP Finance Panel Chair