



To: Business Co-Ordination Board

From: Chief Finance Officer, Constabulary and Chief Finance Officer, PCC

Date: 21 September 2016

REVENUE BUDGET MONITORING OUTTURN MONTH 4 2016/17

1. Purpose

1.1 This report provides the Business Co-Ordination Board ("BCB") with the Constabulary's and the Office of the Police and Crime Commissioner's ("OPCC") revenue outturn at month 4 of 2016/17 and the projected full-year 2016/17 forecast outturn.

2. Recommendation

2.1 BCB is recommended to note the month 4 outturn and the projected full-year 2016/17 forecast outturn.

3. Month 4 and 2016/17 Forecast - Summary

3.1 The month 4 outturn and projection to year-end for 2016/17 for the Constabulary and the OPCC, and the projected use of the budget assistance reserve are summarised in Table 1 below.

Table 1 (all figures £'000)

Revenue 2016/17	Month 4 Year-To-Date	Year-End Forecast
Constabulary	£635k underspend	£596k underspend
OPCC	£7k underspend	£113k underspend
Use of reserves	n/a	£1,980k (equal to budget)

3.2 Further detail on the Constabulary and OPCC revenue outturn is presented in sections 4 and 5 below, respectively.

4. Month 4 Outturn and 2016/17 Forecast - Constabulary

4.1 Month 4 projections are informed by detailed forecasts provided to the Finance Department by budget holders along with up to date officer/staff pay analysis. The budget at the end of July 2016 was underspent by £635k or 1.5% of net revenue. The forecast full-year 2016/17 underspend is £596k. A breakdown of this outturn is shown in Table 2 below.

Table 2 (all figures £'000)

Chief Constable's Revenue Budget end of July 2016/17							
£'000	Notes	2016/17 Budget	2016/17 YTD Budget	M4 YTD Actual	M4 YTD Variance	Full-Year Forecast	Full-Year Forecast Variance
Local Policing Expenditure							
Police Officer Pay & Allowances		45,101	14,946	15,022	75	45,101	0
Police Officer Overtime		789	210	279	69	862	73
PCSO Pay & Overtime		4,972	1,646	1,484	-163	4,614	-359
Police Staff Pay		14,092	4,670	4,542	-128	13,911	-181
Police Staff Overtime		165	48	53	5	160	-5
Other Employee Expenses		4	0	2	2	4	-1
Premises Costs		22	7	4	-3	11	-11
Transport		366	122	95	-26	296	-70
Supplies & Services		2,556	657	472	-185	2,633	78
Total Local Policing Expenditure		68,066	22,308	21,953	-355	67,591	-476
Organisational Support Expenditure							
Police Officer Pay & Allowances		1,487	489	403	-86	1,487	0
Police Officer Overtime		1,109	252	207	-45	1,047	-61
Police Staff Pay		4,056	1,344	1,397	53	4,112	56
Police Staff Overtime		0	0	11	11	31	31
Other Employee Expenses		101	28	36	8	118	17
Premises Costs		3,669	2,038	2,018	-21	3,572	-97
Transport		703	29	28	-1	682	-21
Supplies & Services		4,570	1,095	1,215	119	4,391	-180
Total Organisational Support Expenditure		15,695	5,276	5,314	38	15,440	-255
Net Cost of Police Pensions		12,209	4,211	4,111	-100	12,055	-154
Gross Revenue Expenditure		95,970	31,795	31,378	-417	95,086	-884
Income		-1,794	-645	-742	-96	-2,031	-237
BCH Collaboration		28,591	9,676	9,470	-206	28,488	-103
Other Collaborations and Partnerships		4,561	736	819	84	4,895	334
Seconded Officers		0	63	63	0	0	0
Carry Forwards		-1,080	0	0	0	-1,080	0
Revenue Contribution to Capital Outlay (RCCO)		1,212	0	0	0	1,506	294
Policing Budget Delegated to Chief Constable		127,460	41,624	40,989	-635	126,864	-596
*Police Officer Overtime less Rechargeable Elements		1,898	463	486	24		
<i>Note: Figures may not cast due to rounding</i>							

4.2 A detailed subjective report is set out at Appendix 1, together with notes giving a commentary on significant budget heads.

5. Month 4 Outturn and 2016/17 Forecast - OPCC

- 5.1 The 2016/17 budget for the OPCC was set at £1.229m which was approved by the Police and Crime Commissioner (the “Commissioner”) prior to the commencement of the financial year.
- 5.2 The July 2016 year-to-date outturn is an underspend versus budget of £7k; the prediction to year-end is a £113k underspend compared with budget mainly due to the following:
- Staffing (£74k) – due to staffing changes and vacancies as set out in the budget strategy paper at agenda item 7 of the 21 September 2016 BCB
 - Printed materials (£2k)
 - Advertising for staff (£2k)
 - Rents and leases (£13k) – due to the move of the OPCC from Cambourne to Police HQ at Hinchingsbrooke in July 2016.
- 5.3 2016/17 grant spending was budgeted at £1,300k for community safety grants and £981k for victim support grants; forecast grant spend in 2016/17 remains in line with budget.

6. Recommendation

- 6.1 BCB is recommended to note the month 4 outturn and the projected full-year 2016/17 forecast outturn.

Appendix 1

Chief Constable's Revenue Budget end of July 2016/17							
	Note	2016/17 Budget £'000	2016/17 YTD Budget £'000	M4 YTD Actual £'000	M4 YTD Variance £'000	Full-Year Forecast £'000	Full-Year Forecast Variance £'000
Employee Costs							
Category							
Police Officer Pay & Allowances	2	46,589	15,435	15,425	-11	46,589	0
Police Officer Overtime		1,898	463	486	24	1,909	11
Sub-total Police Officers		48,486	15,898	15,911	13	48,498	12
PCSO Pay & Overtime	3	4,972	1,646	1,484	-163	4,614	-359
Support Staff Pay	4	18,148	6,014	5,905	-110	17,951	-197
Support Staff Overtime		165	48	64	16	190	26
Agency Staff		0	0	34	34	73	73
Sub-total Police Staff		18,313	6,062	6,002	-60	18,215	-98
Training	5	0	0	1	1	13	13
Other Employee Allowances		105	28	37	9	108	3
Other Employee Costs		105	28	38	10	121	16
Total Employee Costs		71,876	23,635	23,435	-200	71,448	-429
Police Pension Costs							
Pensions - Notional Employer Contributions- Expenditure		9,764	3,255	3,187	-67	9,691	-73
Injury Pensions		2,295	956	924	-32	2,214	-80
Ill-Health Retirement Capital Charge - Expenditure		150	0	0	0	150	0
Total Police Pension Costs	6	12,209	4,211	4,111	-100	12,055	-154

Appendix 1 (Cont)

	Note	2016/17 Budget	2016/17 YTD Budget	M4 YTD Actual	M4 YTD Variance	Full-Year Forecast	Full-Year Forecast Variance
		£'000	£'000	£'000	£'000	£'000	£'000
Premises Costs							
Building Repairs, Alterations & Maintenance		774	249	231	-18	685	-89
Utility Costs		995	228	228	0	995	1
Rent & Rates		1,327	1,369	1,369	0	1,327	0
Other Premises Costs		72	24	17	-6	57	-15
Cleaning		523	176	176	0	520	-3
Total Premises Costs	7	3,691	2,045	2,022	-24	3,583	-108
Transport Costs							
Vehicle Running Costs		1,391	444	425	-19	1,341	-49
Hired Transport		8	3	7	4	6	-2
Travel Expenses		403	134	121	-13	363	-40
Vehicle Recharges		-733	-429	-429	0	-733	0
Total Transport Costs	8	1,069	151	124	-28	978	-91
Supplies & Services							
Computing Costs		515	88	111	23	581	66
Communications Costs		125	17	4	-14	97	-28
Consultancy, Legal & Audit Costs		424	88	74	-15	401	-24
Forensic Science Service Costs		465	2	2	0	520	55
Insurance and Risk Management		1,012	517	517	0	1,010	-1
Subscriptions & Contributions		274	94	91	-3	263	-11
Equipment & Materials		1,167	207	148	-58	1,021	-146
Clothing, Uniforms & Laundry		372	53	53	0	370	-2
Other Supplies & Services		375	128	137	8	389	13
Printing, Stationery & General Office Expenses		313	100	98	-2	307	-6
Interpreters		380	127	117	-10	349	-31
Informants, Identity Parades		126	28	25	-2	112	-14
Catering		158	28	32	4	167	9
Police National Computer Charges		665	-8	-8	0	665	0
Conference & Seminar Costs		17	6	5	0	14	-2
Staff Subsistence Expenses		100	34	32	-1	109	8
Doctors - Medicals and Prisoners		787	254	259	5	799	12
Mutual Aid		-150	-9	-9	0	-150	0
Total Supplies & Services	9	7,126	1,753	1,687	-66	7,024	-102
GROSS REVENUE EXPENDITURE		95,970	31,795	31,378	-417	95,088	-882
Income							
Sales, Fees & Charges		-642	-68	-66	2	-638	5
Other Grants & Contributions	10	-656	-416	-494	-79	-817	-160
Rental Income		-100	-36	-36	0	-100	0
Interest on Balances		-90	-38	-38	0	-90	0
Charges for Police Services		-155	-2	-20	-18	-231	-76
Other Income		-150	-86	-86	0	-153	-3
Costs Recovered		0	0	-2	-2	-3	-3
Total Income		-1,794	-645	-742	-96	-2,031	-237
NET REVENUE EXPENDITURE		94,176	31,150	30,637	-513	93,056	-1,120

Appendix 1 (Cont)

	Note	2016/17 Budget £'000	2016/17 YTD Budget £'000	M4 YTD Actual £'000	M4 YTD Variance £'000	Full-Year Forecast £'000	Full-Year Forecast Variance £'000
Collaboration and Partnerships							
Collaboration Set up costs		0	0	-2	-2	0	0
Collaboration - Athena	11	270	116	116	0	270	0
Change team	11	1,178	272	273	0	1,178	0
Collaboration - General		-117	30	79	49	0	117
Joint Protective Services							
Collaboration - Armed Policing Unit		2,418	700	641	-59	2,239	-179
Collaboration - Counter Terrorism & Domestic Extremism		632	172	172	0	632	0
Collaboration - Counter Terrorism & Domestic Extremism Grants		0	229	229	0	0	0
Collaboration - Cameras, Tickets and Collisions		0	130	36	-94	-436	-436
Collaboration - Dogs		755	245	253	8	771	16
Collaboration - Major Crime Unit		3,141	915	860	-55	2,952	-189
Collaboration - Operational Planning		297	135	137	2	303	6
Collaboration - Roads Policing Unit		4,762	1,500	1,438	-62	4,517	-244
Collaboration - Scientific Services Unit/Visual Evidence		2,478	850	816	-34	2,390	-87
Collaboration - Protective Services Command		199	100	129	29	271	73
Collaboration - Force Resilience		155	86	85	0	155	0
Cameras, Tickets and Collisions underspend - to reserves	12					436	436
Revenue Contribution to Capital Outlay for approval	13					213	213
Organisational Support							
Collaboration - Human Resources and Learning & Development	14	3,721	1,180	1,180	0	3,721	0
Collaboration - Information Management Department						25	25
Collaboration - ICT		6,718	2,448	2,448	0	6,755	36
Collaboration - Procurement		290	273	273	0	289	-1
Collaboration - Professional Standards Unit		946	185	185	0	946	0
Collaboration - Information Assurance		66	22	20	-2	61	-5
Operational Support							
Collaboration - Firearms Licensing		192	77	68	-9	166	-26
Collaboration - Criminal Justice/Custody phase 1	15	250	0	49	49	418	167
Collaboration - Public Contact		117	8	2	-6	93	-24
Collaboration - Local Criminal Justice Board		123	3	0	-3	121	-3
Other Collaboration & Partnerships							
Collaboration - Air Support		489	117	117	0	489	0
Collaboration - Eastern Regions Special Operations Unit		2,359	423	423	0	2,359	0
Collaboration - Kings Lynn PIC		913	134	134	0	913	0
Collaboration - Regional Collaboration		171	-17	-17	0	171	0
Sexual Assault Referral Centre	16	629	78	145	67	963	334
Total Collaborated and Partnerships		33,152	10,412	10,289	-122	33,383	231
Holding Accounts and Hosted Services							
Seconded Officers Net Recharge		0	63	63	0	0	0
Carry Forwards		-1,080	0	0	0	-1,080	0
Revenue Contribution to Capital Outlay		1,212	0	0	0	1,506	294
NET BUDGET REQUIREMENT		127,460	41,624	40,989	-635	126,864	-596
*Police Officer Overtime less Rechargeable Elements		1,898	463	475	12		
<i>Note: Figures may not cast due to rounding</i>							

Notes

1. **Outturn Net Budget Requirement ("NBR")**

1.1 Outturn NBR to the end of July is forecast at £0.6m underspent for the financial year.

- 2 **Police Officer pay and allowances** is currently forecast as being in line with budget. New recruits expected to offset current underspends and forecast leavers
- 3 **PCSO pay and overtime** is forecast at £359k underspent. This is the result of a shortfall in strength against establishment. Recruitment is scheduled across the financial year.
- 4 **Support Staff pay** is forecast at £197k underspent: this excludes all staff posts in the collaborated units. A comprehensive review of vacancies and the requirement of these posts in future is currently underway.
- 5 **Training** budget is now collaborated. Minimal cost is now expected on this category for non-collaborated training
- 6 **Police Pensions** are expected to underspend, but this trend will reduce significantly once new recruits start
- 7 **Premises** currently expecting a small underspend. This includes likely cost of ongoing Agile working schemes
- 8 **Transport Costs** included underspends expected on fuel. Travel expenses expected to reduce as a result of an increase in agile working.
- 9 **Supplies & Services** overall forecast underspend. This now excludes ICT and Human Resources/Learning & Development (“HR/L&D”) budgets, which have been moved to a collaboration line.
- 10 **Other Grants & Contributions** underspend on here is offset by spends in other areas of Supplies & Services
- 11 **Collaboration Change team and Athena** currently spend is estimated to balance to budget, but may change once we have an accurate forecast for Emergency Services Mobile Communications Platform.
- 12 **Cameras, Tickets and Collisions (“CTC”) underspend – to reserves** is shown separately as the forecast underspend on CTC is used exclusively to fund road safety schemes.
- 13 **Revenue Contribution to Capital Outlay (“RCCO”) for approval** – part of the Joint Protective Services (“JPS”) forecast underspend will now be used to fund JPS capital schemes.
- 14 **Collaboration – Organisational Support** is currently forecast as £55k overspent. HR/L&D budget has now been set, and ICT, which will not be fully collaborated from a budget perspective until 2017/18. Information Management Department (“IMD”) budget is still in the main force budget as collaboration has not happened yet

- 15 **Collaboration – Criminal Justice/Custody phase 1** includes the phase 1 budget and forecast. The forecast for the spend of the Senior Management Team is also included, with the budget expected to follow in Month 5
- 16 **Collaboration – Sexual Assault Referral Centre** this relates to the refurbishment of the new building, alongside premises and ongoing costs for the unit; only this Force's share of this project is shown, and is an OPCC approved draw on reserves if required.