



**To:** Business Co-Ordination Board

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

**Date:** 16 December 2016

## REVENUE BUDGET MONITORING OUTTURN MONTH 6 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 6 of 2016/17 and the projected full-year 2016/17 forecast outturn.

### 2. Recommendation

2.1 BCB is recommended to note the month 6 outturn and the projected full-year 2016/17 forecast outturn.

### 3. Month 6 and 2016/17 Forecast - Summary

3.1 The month 6 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 6 Year-To-Date	Year-End Forecast
Constabulary	£889k underspend	£736k underspend
OPCC	£21k underspend	£87k underspend
Use of reserves	n/a	£1,980k (to be partially offset by underspend)

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

**4. Month 6 Outturn and 2016/17 Forecast - Constabulary**

- 4.1 The budget at the end of September was underspent by £889k or 1.4% of net revenue (August £549k or 1.0%).
- 4.2 A detailed subjective report is set out at Appendix 1, together with notes giving a commentary on significant budget heads.
- 4.3 Month 6 projections are informed by detailed forecasts provided to Finance by budget holders along with up to date officer/staff pay analysis.
- 4.4 Underspending areas of the budget comprise pay budgets £385k, police pensions £299k, non-pay £95k, income £410k and Bedfordshire, Cambridgeshire and Hertfordshire Collaboration £185k.
- 4.5 Overspending areas of the budget include Other Collaborations – Sexual Assault Referral Centre: planned overspend on building alterations £345k and capital contributions from revenue £294K.
- 4.6 The predicted full-year outturn is an underspend of £736k, however the understanding demand software will be purchased in the near future and as a result the year-end Force forecast will reduce by about c. £300k as a result.
- 4.7 A breakdown of this outturn is shown in Table 2 below.
- 4.8 A detailed subjective report is set out at Appendix 1, together with notes giving a commentary on significant budget heads.

Table 2 (all figures £'000)

Chief Constable's Revenue Budget end of September 2016/17								
£'000	Notes	2016/17 Budget	2016/17 YTD Budget	2016/17 Actual	Variance	Full-Year Forecast	Full-Year Forecast Variance	
<b>Local Policing Expenditure</b>								
Police Officer Pay & Allowances		45,101	22,457	22,647	190	45,180	79	
Police Officer Overtime		789	451	498	48	844	55	
PCSO Pay & Overtime		4,972	2,474	2,206	-267	4,558	-414	
Police Staff Pay		14,092	7,017	6,716	-301	14,189	97	
Police Staff Overtime		165	75	86	11	34	-130	
Other Employee Expenses		4	1	2	0	4	0	
Premises Costs		22	10	5	-5	10	-12	
Transport		366	179	138	-40	300	-65	
Supplies & Services		2,556	995	1,033	38	2,481	-75	
<b>Total Local Policing Expenditure</b>		<b>68,066</b>	<b>33,659</b>	<b>33,332</b>	<b>-326</b>	<b>67,601</b>	<b>-466</b>	
<b>Organisational Support Expenditure</b>								
Police Officer Pay & Allowances		1,487	737	625	-111	1,196	-292	
Police Officer Overtime		1,109	393	349	-43	1,051	-58	
Police Staff Pay		4,095	1,884	2,105	221	4,179	84	
Police Staff Overtime		0	0	17	17	160	160	
Other Employee Expenses		101	32	41	9	135	34	
Premises Costs		3,669	2,360	2,328	-32	3,615	-54	
Transport		703	85	74	-10	691	-11	
Supplies & Services		4,529	1,625	1,642	17	4,652	122	
<b>Total Organisational Support Expenditure</b>		<b>15,693</b>	<b>7,114</b>	<b>7,181</b>	<b>67</b>	<b>15,678</b>	<b>-15</b>	
Net Cost of Police Pensions		12,209	6,221	6,045	-176	11,910	-299	
<b>Gross Revenue Expenditure</b>		<b>95,968</b>	<b>46,994</b>	<b>46,559</b>	<b>-435</b>	<b>95,189</b>	<b>-779</b>	
Income		-1,683	-928	-1,162	-235	-2,093	-410	
BCH Collaboration		28,521	14,198	13,770	-428	28,336	-185	
Other Collaborations and Partnerships		4,561	1,140	1,349	209	4,906	345	
Seconded Officers		0	153	153	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	
<b>Policing Budget Delegated to Chief Constable</b>	2.1	<b>127,499</b>	<b>61,558</b>	<b>60,669</b>	<b>-889</b>	<b>126,763</b>	<b>-736</b>	
*Police Officer Overtime less Rechargeable Elements		1,898	843	788	-55			
<i>Note: Figures may not cast due to rounding</i>								

## 5. Month 6 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 September 2016 year-to-date outturn is an underspend versus budget of £21k; the prediction to year-end is an £87k underspend compared with budget mainly due to the following:

- Staffing (£73k) – due to staffing changes and vacancies as set out in the budget strategy paper at agenda item 7 of the 21 September 2016 BCB
- Printing and stationery (£5k)
- Advertising for staff (£2k)

- Rents and leases (£13k) and travel/car allowances (£12k) – due to the move of the OPCC from Cambourne to Police HQ at Hinchingsbrooke in July 2016.
- These savings are partially offset by internal and external audit fees being higher than originally budgeted (£16k)

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 6 outturn and the projected full-year 2016/17 forecast outturn.

## Appendix 1

Chief Constable's Revenue Budget end of September 2016/17						FORECAST	
		OFYB	YTDB	Actual	Variance	Full-year Forecast	Full-year Forecast Variance
	Note	£'000	£'000	£'000	£'000	£'000	£'000
<b>Employee Costs</b>							
<b>Category</b>							
Police Officer Pay & Allowances	2	46,589	23,194	23,273	79	46,376	-213
Police Officer Overtime		1,898	843	848	4	1,894	-3
<b>Sub-total Police Officers</b>		<b>48,486</b>	<b>24,037</b>	<b>24,120</b>	<b>83</b>	<b>48,270</b>	<b>-216</b>
PCSO Pay & Overtime	3	4,972	2,474	2,206	-267	4,558	-414
Support Staff Pay	4	18,187	8,901	8,762	-139	18,281	94
Support Staff Overtime		165	75	103	28	194	29
Agency Staff		0	0	59	59	87	87
<b>Sub-total Police Staff</b>		<b>18,352</b>	<b>8,977</b>	<b>8,924</b>	<b>-52</b>	<b>18,562</b>	<b>210</b>
Training	5	0	0	3	3	15	15
Other Employee Allowances		105	33	40	7	124	19
<b>Other Employee Costs</b>		<b>105</b>	<b>33</b>	<b>43</b>	<b>10</b>	<b>139</b>	<b>34</b>
<b>Total Employee Costs</b>		<b>71,916</b>	<b>35,520</b>	<b>35,294</b>	<b>-227</b>	<b>71,529</b>	<b>-386</b>
<b>Police Pension Costs</b>							
Pensions - Notional Employer Contributions- Expenditure		9,764	4,882	4,754	-128	9,552	-212
Injury Pensions		2,295	1,339	1,291	-48	2,208	-87
Ill-Health Retirement Capital Charge - Expenditure		150	0	0	0	150	0
<b>Total Police Pension Costs</b>	6	<b>12,209</b>	<b>6,221</b>	<b>6,045</b>	<b>-176</b>	<b>11,910</b>	<b>-299</b>

## Appendix 1 (Cont)

	Note	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Full-year Forecast £'000	Full-year Forecast Variance £'000
<b>Premises Costs</b>							
Building Repairs, Alterations & Maintenance		774	395	344	-50	697	-78
Utility Costs		995	367	346	-21	940	-55
Rent & Rates		1,327	1,329	1,352	24	1,385	58
Other Premises Costs		72	25	27	2	61	-11
Cleaning		523	254	264	9	542	19
<b>Total Premises Costs</b>	<b>7</b>	<b>3,691</b>	<b>2,370</b>	<b>2,333</b>	<b>-37</b>	<b>3,625</b>	<b>-66</b>
<b>Transport Costs</b>							
Vehicle Running Costs		1,391	660	633	-27	1,341	-50
Hired Transport		8	8	11	3	10	3
Travel Expenses		403	196	170	-26	373	-30
Vehicle Recharges		-733	-601	-601	0	-733	0
<b>Total Transport Costs</b>	<b>8</b>	<b>1,069</b>	<b>263</b>	<b>213</b>	<b>-51</b>	<b>992</b>	<b>-77</b>
<b>Supplies &amp; Services</b>							
Computing Costs		515	104	140	37	564	49
Communications Costs		125	23	7	-16	97	-27
Consultancy, Legal & Audit Costs		424	141	140	-1	410	-15
Forensic Science Service Costs		465	2	2	0	520	55
Insurance and Risk Management	9	982	504	626	122	1,198	217
Subscriptions & Contributions		302	107	112	5	299	-4
Equipment & Materials		1,139	298	197	-101	907	-233
Clothing, Uniforms & Laundry		372	87	86	-1	370	-2
Other Supplies & Services		364	183	187	4	379	15
Printing, Stationery & General Office Expenses		313	142	124	-18	259	-53
Interpreters		380	190	174	-16	349	-31
Informants, Identity Parades		126	54	49	-5	112	-14
Catering		158	64	48	-16	142	-16
Police National Computer Charges		665	364	364	0	665	0
Conference & Seminar Costs		17	8	9	1	16	-1
Staff Subsistence Expenses		100	44	48	4	107	7
Doctors - Medicals and Prisoners		787	380	386	5	799	12
Mutual Aid		-150	-75	-25	50	-61	89
<b>Total Supplies &amp; Services</b>		<b>7,085</b>	<b>2,620</b>	<b>2,674</b>	<b>54</b>	<b>7,133</b>	<b>48</b>
<b>GROSS REVENUE EXPENDITURE</b>		<b>95,968</b>	<b>46,994</b>	<b>46,559</b>	<b>-435</b>	<b>95,188</b>	<b>-780</b>
<b>Income</b>							
Sales, Fees & Charges		-561	-197	-228	-31	-639	-77
Other Grants & Contributions	10	-656	-441	-522	-81	-821	-165
Rental Income		-100	-15	-36	-21	-142	-42
Interest on Balances		-90	-57	-57	0	-90	0
Charges for Police Services		-155	-148	-246	-98	-275	-120
Other Income		-120	-70	-70	0	-123	-3
Costs Recovered		0	0	-4	-4	-3	-3
<b>Total Income</b>		<b>-1,683</b>	<b>-928</b>	<b>-1,162</b>	<b>-235</b>	<b>-2,093</b>	<b>-410</b>
<b>NET REVENUE EXPENDITURE</b>		<b>94,285</b>	<b>46,066</b>	<b>45,396</b>	<b>-670</b>	<b>93,096</b>	<b>-1,190</b>

## Appendix 1 (Cont)

	Note	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Full-year Forecast £'000	Full-year Forecast Variance £'000
<b>Collaboration and Partnerships</b>							
Collaboration Set up costs		0	0	28	28	7	7
Collaboration - Athena	11	270	211	204	-7	253	-17
Change team	11	1,178	494	461	-33	1,103	-75
Collaboration - General		-117	70	65	-5	0	117
<b>Joint Protective Services</b>							
Collaboration - Armed Policing Unit		2,418	1,130	1,039	-91	2,211	-207
Collaboration - Counter Terrorism & Domestic Extremism		632	224	226	2	638	5
Collaboration - Counter Terrorism & Domestic Extremism Grants		0	221	221	0	0	0
Collaboration - Cameras, Tickets and Collisions		0	150	-49	-199	-437	-437
Collaboration - Dogs		755	360	363	3	760	5
Collaboration - Major Crime Unit		3,141	1,355	1,267	-88	2,919	-221
Collaboration - Operational Planning		297	175	194	19	333	35
Collaboration - Roads Policing Unit		4,762	2,275	2,155	-120	4,487	-275
Collaboration - Scientific Services Unit/Visual Evidence		2,478	1,265	1,235	-30	2,410	-67
Collaboration - Protective Services Command		199	165	203	38	266	68
Collaboration - Force Resilience		155	146	130	-16	120	-36
Cameras, Tickets and Collisions underspend - to reserves	12					437	437
Revenue Contribution to Capital Outlay for approval	13					198	198
<b>Organisational Support</b>							
Collaboration - HR and L&D	14	3,721	1,660	1,661	0	3,721	0
Collaboration - Information Management Department						25	25
Collaboration - ICT		6,718	3,491	3,509	18	6,755	36
Collaboration - Procurement		290	417	417	0	289	-1
Collaboration - Professional Standards Unit		946	283	284	1	945	-1
Collaboration - Information Assurance		66	31	31	0	62	-4
<b>Operational Support</b>							
Collaboration - Firearms Licensing		122	75	102	27	173	51
Collaboration - Criminal Justice/Custody phase 1	15	250	0	64	64	427	177
Collaboration - Public Contact		117	0	3	3	120	3
Collaboration - LCJB		123	0	-15	-15	120	-3
<b>Other Collaboration &amp; Partnerships</b>							
Collaboration - Air Support		489	117	117	0	489	0
Collaboration - ERSOU		2,359	649	649	0	2,359	0
Collaboration - Kings Lynn PIC		913	326	326	0	913	0
Collaboration - Regional Collaboration		171	48	49	0	171	0
Sexual Assault Referral Centre (SARC)	16	629	0	181	182	967	337
<b>Total Collaborated and Partnerships</b>		<b>33,082</b>	<b>15,338</b>	<b>15,119</b>	<b>-219</b>	<b>33,241</b>	<b>159</b>
<b>Holding Accounts and Hosted Services</b>							
Seconded Officers Net Recharge		0	153	153	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
<b>NET BUDGET REQUIREMENT</b>		<b>127,499</b>	<b>61,558</b>	<b>60,669</b>	<b>-889</b>	<b>126,763</b>	<b>-736</b>
*Police Officer Overtime less Rechargeable Elements		1,898	843	788	-55		
<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 September is forecast to be a £0.7m underspend for the financial year.

- 2 **Police Officer pay and allowances** is currently forecast as being £213k underspent. This is primarily due to a reduced intake in September and November compared with expectations.
- 3 **PCSO pay and overtime** is forecast at £414k underspent. This is the result of a shortfall in strength (131) against establishment (150). Recruitment is scheduled across the financial year but we are unlikely to achieve full strength for before the end of the financial year due to the numbers actually making it through the process.
- 4 **Support Staff pay** is forecast at £94k overspent: 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, this is expected to increase in line with Police Officer spend and expected retirements.
- 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 were expected to reduce as a result of an increase in agile working and so far this is the case.
- 9 **Insurance** is forecast at £217k overspent. This is mainly as a result of claims handling fees, which can relate to claims over a number of years coming to fruition.
- 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 (Airwave replacement project).
- 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** – awaiting expenditure to go through; this is using part of the Joint Protective Services (“JPS”) forecast underspend to fund JPS capital schemes.
- 14 **Collaboration – Organisational Support** is currently forecast as £56k overspent. HR/L&D budget has now been set, and ICT will not be fully collaborated from a budget perspective until 2017/18.



- 15 **Collaboration – Criminal Justice/Custody phase 1** includes the phase 1 budget and forecasts including the Senior Management Team. The budget expected to follow in Month 7.
  
- 16 **Collaboration – Sexual Assault Referral Centre** relates to the refurbishment of the new building, alongside premises and ongoing costs for the unit. This is only this Force's share of the project and is an OPCC approved draw on reserves if required.