



**To:** Business Co-Ordination Board

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

**Date:** 14 March 2017

## REVENUE BUDGET MONITORING OUTTURN MONTH 9 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 9 of 2016/17 and the projected full-year 2016/17 forecast outturn.

### 2. Recommendation

2.1 BCB is recommended to note the month 9 outturn and the projected full-year 2016/17 forecast outturn.

### 3. Month 9 and 2016/17 Forecast - Summary

3.1 The month 9 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 9 Year-To-Date	Year-End Forecast
Constabulary	£1,252k underspend (1.4%)	£540k underspend (£736k underspend month 6)
OPCC	£32k underspend	£80k (£72k underspend month 6)
Use of reserves	n/a	£1,360k (original budget £1,980k)

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

**4. Month 9 Outturn and 2016/17 Forecast - Constabulary**

- 4.1 The budget at the end of September was underspent by £1,252k (£889k month 6) or 1.4% of net revenue.
- 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 9 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 £349k, police pensions £369k and income £613k.
- 4.5 Overspending areas of the budget include Other Collaborations – Sexual Assault Referral Centre: planned overspend on building alterations £227k and capital contributions from revenue £317K.
- 4.6 The predicted full-year outturn is an underspend of £540k (£736k month 6).
- 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 December 2016/17					M9	M9
M8 Variance	£'000	Notes	2016/17 Budget	2016/17 YTD Budget	2016/17 Actual	Variance	Forecast	Forecast Variance
	<b>Local Policing Expenditure</b>							
210	Police Officer Pay & Allowances		45,101	33,779	33,958	178	45,300	199
279	Police Officer Overtime		789	497	822	325	1,019	230
-347	PCSO Pay & Overtime		4,972	3,721	3,328	-393	4,471	-501
-405	Police Staff Pay		13,952	10,450	10,118	-332	14,054	102
19	Police Staff Overtime		165	117	126	10	194	29
1	Other Employee Expenses		4	4	5	1	7	2
-5	Premises Costs		22	16	12	-4	11	-11
89	Transport		366	244	204	-41	302	-64
37	Supplies & Services		2,556	1,559	1,537	-22	2,541	-15
<b>-122</b>	<b>Total Local Policing Expenditure</b>		<b>67,926</b>	<b>50,387</b>	<b>50,109</b>	<b>-278</b>	<b>67,898</b>	<b>-29</b>
	<b>Organisational Support Expenditure</b>							
-196	Police Officer Pay & Allowances		1,487	1,110	916	-194	1,235	-253
-333	Police Officer Overtime		1,109	775	425	-351	830	-279
359	Police Staff Pay		4,235	2,878	3,334	456	4,260	25
31	Police Staff Overtime		0	0	36	36	44	44
25	Other Employee Expenses		101	57	96	39	154	53
-35	Premises Costs		3,669	2,915	2,888	-27	3,643	-25
-140	Transport		703	287	266	-21	696	-7
174	Supplies & Services		4,304	2,128	2,454	325	4,742	438
<b>-114</b>	<b>Total Organisational Support Expenditure</b>		<b>15,608</b>	<b>10,151</b>	<b>10,414</b>	<b>263</b>	<b>15,604</b>	<b>-4</b>
-204	Net Cost of Police Pensions		12,015	9,130	8,863	-267	11,646	-369
<b>-441</b>	<b>Gross Revenue Expenditure</b>		<b>95,549</b>	<b>69,668</b>	<b>69,387</b>	<b>-281</b>	<b>95,148</b>	<b>-401</b>
-412	Income		-1,683	-1,333	-1,818	-485	-2,296	-613
-259	BCH Collaboration		28,940	21,359	20,803	-557	28,871	-69
12	Other Collaborations and Partnerships		4,561	2,213	2,284	71	4,788	227
0	Seconded Officers		0	130	130	0	0	0
0	Carry Forwards		-1,080	0	0	0	-1,080	0
0	RCCO		0	0	0	0	317	317
<b>-1,100</b>	<b>Policing Budget Delegated to Chief Constable</b>	2.1	<b>126,287</b>	<b>92,037</b>	<b>90,785</b>	<b>-1,252</b>	<b>125,747</b>	<b>-540</b>
-135	*Police Officer Overtime less Rechargeable Elements		1,898	1,272	1,166	-106		
	<i>Note: Figures may not cast due to rounding</i>							

## 5. Month 9 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 December 2016 year-to-date outturn is an underspend versus budget of (£21k month 6); the prediction to year-end is an £80k underspend (£87k underspend month 6) compared with budget mainly due to the following:

- Staffing (£72k) – due to staffing changes and vacancies
- Printing and stationery (£2k)
- Advertising for staff (£2k)
- Rents and leases (£16k) and travel/car allowances (£3k)
- 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 9 outturn and the projected full-year 2016/17 forecast outturn.

## Appendix 1

Chief Constable's Revenue Budget end of December 2016/17							FORECAST	
M8 Variance		Note	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	M9 Projection £'000	M9 Proj var £'000
	<b>Employee Costs</b>							
	<b>Category</b>							
15	Police Officer Pay & Allowances	2	46,589	34,889	34,874	-15	46,534	-55
-55	Police Officer Overtime		1,898	1,272	1,247	-26	1,848	-49
<b>-40</b>	<b>Sub-total Police Officers</b>		<b>48,486</b>	<b>36,161</b>	<b>36,121</b>	<b>-41</b>	<b>48,382</b>	<b>-104</b>
-347	PCSO Pay & Overtime	3	4,972	3,721	3,328	-393	4,471	-501
-165	Support Staff Pay	4	18,187	13,328	13,284	-43	18,133	-54
42	Support Staff Overtime		165	117	162	46	237	73
126	Agency Staff		0	0	167	167	181	181
<b>4</b>	<b>Sub-total Police Staff</b>		<b>18,352</b>	<b>13,444</b>	<b>13,614</b>	<b>169</b>	<b>18,552</b>	<b>200</b>
8	Training	5	0	0	9	9	16	16
17	Other Employee Allowances		105	61	92	31	144	39
<b>26</b>	<b>Other Employee Costs</b>		<b>105</b>	<b>61</b>	<b>101</b>	<b>40</b>	<b>161</b>	<b>55</b>
<b>-357</b>	<b>Total Employee Costs</b>		<b>71,916</b>	<b>53,387</b>	<b>53,163</b>	<b>-225</b>	<b>71,566</b>	<b>-350</b>
	<b>Police Pension Costs</b>							
-140	Pensions - Notional Employer Contributions- Expenditure		9,570	7,178	7,023	-155	9,340	-230
-64	Injury Pensions		2,295	1,912	1,840	-72	2,206	-89
0	Ill-Health Retirement Capital Charge - Expenditure		150	40	0	-40	100	-50
<b>-204</b>	<b>Total Police Pension Costs</b>	<b>6</b>	<b>12,015</b>	<b>9,130</b>	<b>8,863</b>	<b>-267</b>	<b>11,646</b>	<b>-369</b>

## Appendix 1 (Cont)

Variance £'000		Note	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	M9 Projection £'000	M9 Proj var £'000
	<b>Premises Costs</b>							
-25	Building Repairs, Alterations & Maintenance		774	545	518	-27	753	-22
-74	Utility Costs		995	615	550	-65	900	-95
49	Rent & Rates		1,327	1,323	1,365	42	1,384	57
-4	Other Premises Costs		72	54	50	-4	65	-7
15	Cleaning		523	395	417	23	553	30
<b>-40</b>	<b>Total Premises Costs</b>	<b>7</b>	<b>3,691</b>	<b>2,931</b>	<b>2,900</b>	<b>-31</b>	<b>3,654</b>	<b>-36</b>
	<b>Transport Costs</b>							
-39	Vehicle Running Costs		1,391	958	917	-41	1,342	-49
5	Hired Transport		8	15	17	2	13	5
-17	Travel Expenses		403	272	249	-23	376	-27
0	Vehicle Recharges		-733	-714	-713	0	-733	0
<b>-51</b>	<b>Total Transport Costs</b>	<b>8</b>	<b>1,069</b>	<b>531</b>	<b>470</b>	<b>-62</b>	<b>998</b>	<b>-70</b>
	<b>Supplies &amp; Services</b>							
165	Computing Costs		508	-100	181	281	870	361
-20	Communications Costs		125	44	25	-19	98	-27
-11	Consultancy, Legal & Audit Costs		424	261	251	-10	409	-15
0	Forensic Science Service Costs		465	-41	4	45	520	55
159	Insurance and Risk Management	9	982	717	858	142	1,198	217
-3	Subscriptions & Contributions		302	204	169	-35	225	-78
32	Equipment & Materials		921	326	356	29	963	42
-71	Clothing, Uniforms & Laundry		372	227	124	-103	250	-122
10	Other Supplies & Services		364	257	271	14	387	23
-47	Printing, Stationery & General Office Expenses		313	240	197	-42	258	-55
-25	Interpreters		380	315	284	-31	348	-32
-9	Informants, Identity Parades		126	83	75	-9	112	-14
-41	Catering		158	119	72	-46	109	-49
0	Police National Computer Charges		665	499	506	7	665	0
0	Conference & Seminar Costs		17	12	15	2	17	1
0	Staff Subsistence Expenses		100	69	69	0	104	4
5	Doctors - Medicals and Prisoners		787	567	575	8	799	12
69	Mutual Aid		-150	-113	-41	71	-50	100
<b>211</b>	<b>Total Supplies &amp; Services</b>		<b>6,860</b>	<b>3,688</b>	<b>3,991</b>	<b>303</b>	<b>7,282</b>	<b>423</b>
<b>-441</b>	<b>GROSS REVENUE EXPENDITURE</b>		<b>95,549</b>	<b>69,668</b>	<b>69,387</b>	<b>-281</b>	<b>95,146</b>	<b>-403</b>
	<b>Income</b>							
-52	Sales, Fees & Charges		-561	-280	-323	-44	-642	-80
-210	Other Grants & Contributions	10	-656	-608	-899	-291	-1,001	-344
-28	Rental Income		-100	-115	-148	-33	-142	-42
-20	Interest on Balances		-90	-68	-85	-18	-126	-36
-107	Charges for Police Services		-155	-173	-273	-100	-275	-120
10	Other Income		-120	-90	-85	5	-107	14
-5	Costs Recovered		0	0	-5	-5	-5	-5
<b>-412</b>	<b>Total Income</b>		<b>-1,683</b>	<b>-1,333</b>	<b>-1,818</b>	<b>-485</b>	<b>-2,296</b>	<b>-613</b>
<b>-853</b>	<b>NET REVENUE EXPENDITURE</b>		<b>93,866</b>	<b>68,335</b>	<b>67,568</b>	<b>-766</b>	<b>92,850</b>	<b>-1,016</b>

## Appendix 1 (Cont)

Variance £'000		Note	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	M9 Projection £'000	M9 Proj var £'000
	<b>Collaboration and Partnerships</b>							
12	Collaboration Set up costs	11	0	-50	16	66	161	161
-1	Collaboration - Athena	12	270	293	293	0	267	-3
-8	Change team	12	1,178	716	708	-8	1,166	-12
86	Collaboration - General		-117	0	97	97	50	167
	<b>Joint Protective Services</b>							
-157	Collaboration - Armed Policing Unit		2,418	1,810	1,659	-151	2,228	-189
-5	Collaboration - CT & DE		632	314	314	0	631	-1
0	Collaboration - CT & DE Grants		0	253	253	0	0	0
-302	Collaboration - CTC		0	150	-187	-337	-432	-432
1	Collaboration - Dogs		755	521	521	0	760	5
-199	Collaboration - Major Crime Unit		3,141	2,020	1,891	-129	2,927	-214
20	Collaboration - Operational Planning		297	360	384	24	329	32
-191	Collaboration - RPU		4,762	3,350	3,167	-183	4,484	-278
-49	Collaboration - Scientific Services Unit/Visual Evidence		2,478	1,950	1,850	-100	2,360	-118
55	Collaboration - Protective Services Command		199	260	328	68	269	70
-18	Collaboration - Force Resilience		155	227	212	-15	125	-30
	Surplus generated by CTC - to reserves	13					432	432
	RCCO for approval	14					198	198
	<b>Organisational Support</b>	15						
87	Collaboration - HR and L&D		3,915	2,796	2,849	53	3,998	82
	Collaboration - IMD						25	25
9	Collaboration - ICT		6,944	5,204	5,204	0	6,949	5
249	Collaboration - Procurement		290	631	631	0	283	-7
0	Collaboration - Professional Standards Unit		946	333	327	-6	931	-15
-3	Collaboration - Information Assurance		66	65	65	0	57	-9
	<b>Operational Support</b>							
30	Collaboration - Firearms Licensing		122	133	154	21	166	44
134	Collaboration - CJ/Custody phase 1	16	250	0	95	95	422	172
4	Collaboration - Public Contact		117	0	4	4	121	4
-1	Collaboration - LCJB		123	-26	-15	11	123	0
	<b>Other Collaboration &amp; Partnerships</b>							
0	Collaboration - Air Support		489	352	351	0	489	0
0	Collaboration - ERSOU		2,359	992	992	0	2,359	0
0	Collaboration - Kings Lynn PIC		913	554	554	0	913	0
0	Collaboration - Regional Collaboration		171	102	101	0	171	0
0	SARC	17	629	264	269	5	695	66
<b>-247</b>	<b>Total Collaborated and Partnerships</b>		<b>33,501</b>	<b>23,572</b>	<b>23,086</b>	<b>-486</b>	<b>33,659</b>	<b>158</b>
	<b>Holding Accounts and Hosted Services</b>							
0	Seconded Officers Net Recharge		0	130	130	0	0	0
0	Carry Forwards		-1,080	0	0	0	-1,080	0
0	RCCO		0	0	0	0	317	317
<b>-1,100</b>	<b>NET BUDGET REQUIREMENT</b>		<b>126,287</b>	<b>92,037</b>	<b>90,785</b>	<b>-1,252</b>	<b>125,746</b>	<b>-541</b>
<b>-135</b>	<b>*Police Officer Overtime less Rechargeable Elements</b>		<b>1,898</b>	<b>1,272</b>	<b>1,166</b>	<b>-106</b>		
	<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 December is forecast at £0.5m underspend for the financial year.

- 2 **Police Officer pay and allowances** is currently forecast as being £55k underspent. This is primarily due to a reduced intake in October and November against expectation.
- 3 **PCSO pay and overtime** is forecast at £501k underspent. This is the result of a shortfall in strength (128) against establishment (150). Recruitment is scheduled towards the end of the financial year but we are unlikely to achieve full strength for a while.
- 4 **Support Staff pay** is forecast at £54k underspent, this excludes all staff posts in the collaborated units. A comprehensive investigation into vacancies and the requirement for these posts in future is currently underway.
- 5 **Training** budget is now collaborated. Minimal cost is expected on this category for non-collaborated training.
- 6 **Police Pensions** are expected to underspend. As the forecast underspend on police officers increases, so will the pensions underspend.
- 7 **Premises** - currently expecting a small underspend, primarily as a result of reduced utility costs. This includes the likely costs of ongoing agile working schemes.
- 8 **Transport Costs** includes underspends expected on fuel. Travel expenses are expected to reduce as a result of an increase in agile working.
- 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.
- 10 **Other Grants & Contributions** underspend is offset by spends in other areas of Supplies & Services
- 11 **Collaboration Set up costs** there is an increased spend expectation due primarily to the collaboration of Criminal justice, Custody and IMD.
- 12 **Collaboration Change team and Athena** - currently spend is estimated to balance to budget, but may change once we have an accurate forecast for ESMCP.
- 13 **Surplus generated by CTC – to reserves** is shown separately as the forecast underspend on CTC is used exclusively to fund road safety schemes.
- 14 **RCCO for approval** – this is using part of the JPS forecast underspend to fund JPS capital schemes.
- 15 **Collaboration – Organisational Support** is currently forecast as £82k overspent. HR/L&D budget has now been set, and ICT will not be fully collaborated from a budget perspective until 2017/18. IMD budget is still in the main force budget as collaboration has not happened yet.



- 16 **Collaboration – CJ/Custody phase 1** includes the phase 1 budget and forecasts including the senior management team. The budget is expected to follow in Month 10.
- 17 **Collaboration – SARC** this relates to the refurbishment of the new building, alongside premises and ongoing costs for the unit. This is only this Force's share of this project and is an OPCC approved draw on reserves (if required).