



ORIGINATOR: PCC's CHIEF FINANCIAL OFFICER and CHIEF CONSTABLE'S CFO

PAPER NO. AP13/23

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL

SUBJECT: 2012-2013 OUTTURN

SUMMARY:

1. This submission covers the 2012-2013 Revenue and Capital Outturn.

RECOMMENDATION:

1. The Accountability and Performance Panel is asked to consider the content of this report.

1. REVENUE BUDGET SUMMARY

The total Revenue Budget outturn is an under-spend of £2.304m (2% of the total revenue budget), comprising £2.138m Constabulary and £0.166m Office of the PCC. This position is prior to any movements to and from reserves, including carry forwards. The net position, subject to approval of carry forwards of £0.289m, is an under-spend of £2.015m.

2. CONSTABULARY REVENUE BUDGET

Appendix A provides a summary of the total income and expenditure. The main variances producing the under-spend of £2.138m are included in table 1 below.

Table 1

No.	Description	Under/(over) spend (k)		Variance as a percentage of full year budget
		Recurring	Non-recurring	
1.	Income	(100)	347	0.20%
2.	Police Pay	282		0.56%
3.	Police Pension	71		0.62%
4.	Police Overtime	(21)		1.12%
5.	Staff Pay	205		0.52%
6.	Indirect Employee Costs	23	(80)	(10.71%)
7.	Premises	(133)		2.94%
8.	Transport	13		0.42%
9.	Supplies and Services	244	1,217	10.77%
10.	Capital Financing Costs		70	0.01%
	Total	584	1,554	

Income

- 2.1 There is an overall surplus of £247k, which includes £48k relating to the Incentivisation (Asset Recovery) scheme. £199k relates to offsetting income, primarily a surplus in mutual aid of £428k in relation to the Olympics and lower than budgeted receipts in Private Employment and Speed Awareness (£189k recommended to be transferred from the Safety Camera Partnership Reserve).

Salary Costs

- 2.2 The year-end underspend for salary costs, covered by items 2 to 6 in the table above, is £480k. This is broken down as follows:

Police Pay

- 2.3 Appendix B portrays the average monthly police officer strength for 2012/13. The average strength for the year was 1173 FTEs compared to the budgeted average of 1176 FTEs. The year-end under-spend on Police Pay is £282k.

Police Pension

- 2.4 As a consequence of the under-spend in Police Pay, there is an under-spend in Police Pensions of £71k, which is due to lower employer contributions than budgeted. It is

recommended that this is transferred to the specific Pension Reserve, in accordance with current practice.

Police Overtime

- 2.5 There is a small over-spend of £21k, primarily due to additional costs relating to bank holiday overtime.

Staff Pay

- 2.6 Due to the number of vacancies held, Staff Pay is under-spent by £205k. This relates to temporary savings in advance of permanent establishment changes as business cases in relation to the Change Programme are implemented, partly offset by agency and overtime where cover has been essential.

Indirect Employee Costs

- 2.7 The over-spend of £57k primarily relates to redundancy costs of £80k, offset by an under-spend in training. It is recommended that the Change Reserve is utilised to cover the costs of Redundancy in line with the approved use of the reserve.

Other Costs

- 2.8 Premises costs are overspent by £133k, which relates primarily to the Facilities Management contract, in particular temporary dual running costs of Landmark House and Ipswich Police Station.

- 2.9 There is a small under-spend of £13k within transport costs, which relates to lower expenditure than budgeted in vehicle equipment and travel costs.

- 2.10 Supplies and services costs are under-spent by £1.461m. The primary reasons for this are listed in paragraphs 2.10.1 to 2.10.4 below.

2.10.1 ICT - £502k relates to reduced costs relating to the network, telephone rental and annual software licences and support, which have been identified as revenue savings within the Business Support Review.

2.10.2 Forensic and Medical - £540k continues the trend of under spending in these areas seen in 2011/12. Costs have reduced due partly to the implementation of the Police Investigation Centres, enabling a reduction in future years' budgets.

2.10.3 Police Investigation Centres - £288k relates to the penalties against the PIC contract, primarily due to ICT issues which have now been resolved.

2.10.4 Other - £131k – lower expenditure than budgeted in areas such as printing and stationery, clothing and detainee related expenses.

Savings

- 2.11 Budgeted savings for 2012/13 are £7.3m. The under-spends outlined above are in addition to this saving requirement. The savings analysis is provided in Appendix C, which indicates a shortfall of £650k. This relates primarily to delays in implementation of the National Police Air Service and Specialist Ops collaboration.

3. OFFICE OF THE PCC BUDGET REVENUE OUTTURN 2012/13

3.1 The Office of the PCC Budget for 2012/13 is £1.187m (including £45k within revenue funding of capital).

3.2 The end of year outturn shows an under-spend of £166k summarised as follows:

Employee/Police Authority Members' costs	£41k
Transport costs	£ 4k
Supplies and Services	£40k
Third Party Payments (Audit services)	£39k
Contingency	£42k

3.3 The PCC's Contingency Reserve balance at 1 April 2012 was £275k. As set out in the Medium Term Financial Plan 2013-2017, the balance will be reduced to £50k by transferring £225k to the General Reserve, together with the 2012/13 under-spend of £166k (see Appendix E).

4. CAPITAL

4.1 Appendix D provides a breakdown of the Capital Programme outturn for 2012/13. Approved expenditure excluding grant funded schemes and the Joint Property Project totals £9.158m, against which expenditure of £4.385m has been incurred, providing an overall under-spend of £4.773m.

4.2 Having reviewed the individual projects which will continue into 2013/14, it is recommended that slippage of £4.452m is approved. The most significant schemes contributing to this include PHQ Security, Estates Downsizing programme, ICT schemes including Airwave, Athena, Storm and ERP, and Vehicle Replacement.

5. RESERVES

5.1 Recommended transfers to and from reserves are provided in Appendix E.

6. FINANCIAL IMPLICATIONS

6.1 As per the report.

7. OTHER IMPLICATIONS AND RISKS

7.1 There are no other implications and risks.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes, Author of report
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	No
Have human resource implications been considered?	N/A
Is the recommendation consistent with the objectives in the Police and Crime Plan?	N/A
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	N/A
Has communications advice been sought on areas of likely media interest and how they might be managed?	N/A
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	N/A