

ORIGINATOR: CHIEF CONSTABLE

PAPER NO: AP14/27

**SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL –
29 APRIL 2014**

SUBJECT: FINANCIAL MONITORING AS AT 28 FEBRUARY 2014

SUMMARY:

1. This report covers the financial overview of the Constabulary Revenue Budget, Capital Budget, Investments and Balance Sheet as at 28.2.14.

RECOMMENDATION:

1. The Accountability and Performance Panel is asked to note the contents of this report.

1. CONSTABULARY REVENUE BUDGET

- 1.1 The total Constabulary Revenue Budget forecasts an under-spend of £1,235k as at month 11. The main variances producing the current forecast under-spend are explained below. The split between permanent and in-year variances are provide in the following table:

	Permanent (Over)/Under spend £k (To be removed next year)	In-year (Over)/Under spend £k
Income		350
Police Pay	50	455
Police Overtime		(120)
Police Pensions		(135)
Staff Pay	304	796
Other Employee Costs		(145)
Premises		(400)
Vehicle Fuel		(80)
Transport	110	
Supplies and Services	271	(121)
Total	735	600

Income

Specific Grants

- 1.2 The forecast deficit of £200k relates to lower than budgeted income in relation to Proceeds of Crime Act (Incentivisation) receipts and the Counter Terrorism Grant, which is due to in-year vacancies and delays in replacement.

Other Grants, Reimbursements and Contributions.

- 1.3 There is a forecast surplus of £400k. Major variances are mutual aid income received in excess of expenditure and secondment income. Significant operations to date are G8 and Operation Solentina (Northern Ireland).

Customer and Client Receipts

- 1.4 The forecast surplus of £100k primarily relates to Driver Awareness Courses. Appendix A provides an updated position regarding Safecam. There is also higher than anticipated income relating to Police Reports.

Interest Received

- 1.5 There is a forecast surplus of £50k relating to interest, primarily due to higher cash balances as a result of delays in capital expenditure, together with slightly higher interest rates than forecast.

Salary Costs

Police Pay

- 1.6 Police Pay is forecasting an under-spend of £505k, due to the actual strength of officers being lower than the budgeted establishment in collaborated departments, in particular within Protective Services. This has been addressed mid-year with the recruitment plan. Appendix B portrays the monthly budget and actual cost of Police Officer Basic Pay. This includes the effect of the shared costs with Norfolk.

Police Pensions

- 1.7 There is a forecast over-spend of £135k within Police Pensions, relating to injury pensions and two medical retirements, which will be funded by the pension reserve.

Staff Pay

- 1.8 Due to the number of vacancies held, Staff Pay is forecast to be under-spent by £1,100k. There are three major areas:
- (i) The Performance Department and Criminal Justice, where vacancies are being held prior to the implementation of the new structure when permanent savings (£304k) will be released.
 - (ii) Protective Services – Crime, due to vacancies in areas such as Scientific Services and the Economic Crime Unit. The majority of these have now been filled.
 - (iii) The Control Room, where there has historically been a high turnover of control room operators.

Other Employee Costs

- 1.9 The forecast over-spend of £145k relates to recruitment costs, removal expenses and compensation payments.

Other Costs

Premises Costs

- 1.10 The forecast over-spend of £400k relates to higher costs than budgeted in Building Maintenance and Facilities costs. This is due to the impact of Landmark House and the dual running costs where stations have not yet closed, together with the approval of additional building work to be undertaken in order to tackle the backlog and advance priority maintenance work.

Vehicle Fuel

- 1.11 The projected over-spend of £80k includes higher than budgeted expenditure within Transport, County Policing and Protective Services.

Transport

- 1.12 The forecast under-spend of £110k within Transport costs primarily relates to staff travel (in particular Specials), casual user allowances and vehicle equipment.

Supplies and Services

- 1.13 The forecast under-spend is £50k, which primarily relates to lower than budgeted costs within Forensics and Interpreters.

Savings

- 1.14 Budgeted savings for 2013/2014 are £3.6m, including forecasted additional savings in excess of budget of £0.4m.

2. CAPITAL

- 2.1 The Capital budget for 2013/14 is £10.387m, comprising the current programme of £5.282m plus slippage from 2012/13 of £5.105m.
- 2.2 A summary of capital schemes is provided at Appendix C, which indicates that actual expenditure so far is £4.238m with a further £2.302m committed. The forecast under-spend is £4.739m, of which £3.608m will be required as slippage, following strategic decisions and consequential re-profiling of the expenditure for some schemes.
- 2.3 Appendix C includes an analysis of Capital Receipts. The forecast is lower than anticipated due to delays in sales including Ipswich, Eye and Aldeburgh Police Stations. It is anticipated that this income will be received next financial year.

3. INVESTMENTS

- 3.1 At the end of February, investments totalled £17.6m, the breakdown of which is provided in Appendix D.

4. BALANCE SHEET

- 4.1 The Balance Sheet is provided at Appendix E.

5. FINANCIAL IMPLICATIONS

- 5.1 As per the report.

6. OTHER IMPLICATIONS AND RISKS

- 6.1 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
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	N/A
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