



**ORIGINATOR: PCC CFO and CC CFO**

**PAPER NO. AP14/40**

**SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL -  
18 JUNE 2014**

**SUBJECT: 2013-2014 OUTTURN**

**SUMMARY:**

1. This submission covers the 2013-2014 Revenue and Capital Outturn and proposed carry forwards.

**RECOMMENDATION:**

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

## 1. REVENUE BUDGET SUMMARY

- 1.1 The total Revenue Budget outturn is an under-spend of £1.045m (0.94% of the total revenue budget), comprising under-spends of £0.172m Constabulary, £0.208m Office of the PCC and £0.665m Capital Financing. This position is prior to any movements to and from reserves, including carry forwards. The net position, subject to approval of carry forwards for specific purposes of £0.209m, is an under-spend of £0.836m.

## 2. CONSTABULARY REVENUE BUDGET

- 2.1 Appendix A provides a summary of the total income and expenditure. The main variances producing the under-spend of £0.172m 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		287	0.23
2.	Police Pay	50	468	1.01
3.	Police Overtime		(181)	(11.33)
4.	Police Pension		122	1.08
5.	Staff Pay	304	790	3.16
6.	Indirect Employee Costs		(136)	(30.15)
7.	Premises		(750)	(16.70)
8.	Vehicle Fuel		(80)	(7.02)
9.	Transport		(50)	(2.64)
9.	Supplies and Services	271	(587)	(2.23)
10.	Corporate		(336)	(49.19)
	<b>Total</b>	<b>625</b>	<b>(453)</b>	<b>0.15</b>

### Income

- 2.2 There is an overall surplus of £0.287m, which includes £0.101m relating to the Incentivisation (Asset Recovery) scheme. There is a surplus in mutual aid of £0.186m in relation to G8 and Operation Solentina.

### Salary Costs

- 2.3 The year-end under-spend for salary costs, covered by items 2 to 6 in the table above, is £1.417m. This is broken down as follows:

### Police Pay

- 2.4 The year-end under-spend on Police Pay is £0.518m. Appendix B portrays the monthly budget and actual cost of Police Officer Basic Pay. This includes the effect of the shared costs with Norfolk.

### Overtime

- 2.5 There is an over-spend of £0.181m, due to additional expenditure being incurred primarily within County Policing Command on both normal and bank holiday duties. The additional amount in relation to bank holidays was agreed in-year.

### Police Pension

- 2.6 As a consequence of the under-spend in Police Pay, there is an under-spend in Police Pensions of £0.122m, which is due to lower employer contributions than budgeted. This excludes the cost of 3 medical retirements during the year of £0.253m. It is recommended that these costs are funded from the specific Pension Reserve, in accordance with the Reserves Strategy approved by the PCC on 22 January 2014 (Decision number 1-2014).

### Staff Pay

- 2.7 Due to the number of vacancies held, Staff Pay is under-spent by £1.094m. There are three major areas:
- 2.7.1 The Joint Performance & Analysis department and Criminal Justice, where vacancies are being held prior to the implementation of the new structure when permanent savings (£0.304m) will be released.
  - 2.7.2 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.
  - 2.7.3 The Control Room, where there has historically been a high turnover of control room operators.

### Indirect Employee Costs

- 2.8 The over-spend of £0.136m primarily relates to redundancy costs, early retirement costs and compensation payments. It is recommended that the Change Reserve is utilised to cover the additional costs of redundancy of £0.081m in line with the approved use of the reserve.

### Other Costs

- 2.9 Premises costs are over-spent by £0.750m, which 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.
- 2.10 Fuel is over-spent by £0.080m due to higher than budgeted expenditure within Transport, County Policing and Protective Services.
- 2.11 There is an over-spend of £0.050m within transport costs, which relates to higher expenditure than budgeted in vehicle repairs, spares and equipment.
- 2.12 Supplies and services costs are over-spent by £0.316m. The primary reasons for this are as follows:

- 2.12.1 Consultancy Costs – over-spend of £0.189m due to additional services agreed in-year.
- 2.12.2 Contribution to Insurance provision – over-spend of £0.202m to cover the increased amount required in relation to claims within the insurance provision. The insurance provision is money set aside to cover claims that the Constabulary is liable to pay in the future, based on information provided by our Insurance brokers.
- 2.12.3 Interpreters/Translation fees - £0.104m under-spend within Custody.
- 2.12.4 Forensics – £0.182m under-spend due to lower Forensic submissions than budgeted.
- 2.12.5 Legal Expenses £0.115m over-spend due to unavoidable additional expenditure in relation to two significant legal cases.
- 2.12.6 Clothing & Uniforms £0.147m over-spend due to joint uniform rationalisation.
- 2.12.7 Equipment and IT costs in relation to Safecam - £0.103m under-spend contributes to the overall under-spend in Safecam of £0.181m.
- 2.12.8 Other smaller offsetting variances provide the remaining over-spend of £52k.

#### Savings

- 2.13 Budgeted savings for 2013/14 were £3.6m. The under-spends outlined above are in addition to this saving requirement. The savings analysis is provided in Appendix C, which indicates an over-achievement of £0.464m. This relates primarily to additional savings resulting from collaborative activity.

### **3. PCC REVENUE BUDGET**

#### Office of the PCC Budget (£1.257m)

- 3.1 The Office of the PCC Budget for 2013-14 was £1.257m.
- 3.2. The end of year under-spend of £208k is summarised as follows:

	£k
Employee costs (vacancies)	61
Transport costs (travel expenses)	8
Supplies and Services (various areas)	22
Third Party Payments (audit services)	12
Contingency (not spent)	<u>105</u>
Total underspend (£k)	<u>208</u>

#### Crime and Disorder Grants (£700k)

- 3.3 In accordance with Section 9 of the Police Reform and Social Responsibility Act 2011, the PCC awarded a number of crime and disorder grants (totalling £700k) which, in the opinion of the PCC will secure, or contribute to securing, crime and disorder reduction in Suffolk.

- 3.4 Details of the individual grants awarded to various organisations, are available on the PCC's website.

#### Ministry of Justice (MoJ) Victims' Service Grant (£269k)

- 3.5 In the latter part of 2013/14, the MoJ announced pre-cursor funding (£269k) in regard to preparing for local commissioning and building restorative justice capacity and capability, in advance of the PCC having responsibility for the commissioning of victims' services from October 2014.
- 3.6 The MoJ have confirmed that any sums not spent in 2013/14 in any policing area will be allocated to that policing area to spend in 2014/15, which in the case of Suffolk amounts to £262k.

### **4. CAPITAL PROGRAMME**

- 4.1 Appendix D provides a breakdown of the Capital Programme outturn for 2013/14. The approved budget excluding grant funded schemes totals £9.602m, against which expenditure of £4.780m has been incurred, providing an overall under-spend of £4.822m.
- 4.2 Having reviewed the individual projects which will continue into 2014/15, it is recommended that slippage of £2.713m is approved. The most significant schemes contributing to this include Athena, Estates Downsizing, Enterprise Resource Planning (ERP) system and Storm. Additional slippage of £0.510m relates to specific grant funded schemes, the majority relating to the joint Mobile Computer Working project.
- 4.3 Of the £0.653m under-spend on revenue capital financing, £0.434m relates to additional receipts in relation to the helicopter transfer to the National Police Air Service.

### **5. RESERVES**

- 5.1 Recommended transfers to and from reserves are summarised in Appendix E and are consistent with the principles set out in the Reserves Strategy approved by the PCC on 22 January 2014 (Decision 1-2014).

### **6. FINANCIAL IMPLICATIONS**

- 6.1 As per the report.

### **7. OTHER IMPLICATIONS AND RISKS**

- 7.1 There are no other implications and risks.

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
Has legal advice been sought on this submission?	N/A
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
Have all relevant ethical factors been taken into consideration in developing this submission	N/A