

**ORIGINATOR: CHIEF CONSTABLE**

**PAPER NO:AP14/54**

**SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL –  
13 AUGUST 2014**

**SUBJECT: FINANCIAL MONITORING AS AT 30 JUNE 2014**

**SUMMARY:**

1. This report covers the financial overview of the Constabulary Revenue Budget, Capital Budget and Investments as at 30 June 2014.
2. The forecast revenue position provides a forecast year-end under-spend of £90k.
3. The forecast capital position provides a forecast year-end under-spend of £1.2m, primarily due to the regional Athena project.
4. The objective to make efficient use of resources and achieve savings in the current financial year is currently being met.

**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 (see Appendix A) forecasts a year-end under-spend of £90k as at month 3. The main variances producing the current forecast under-spend are explained below. The split between permanent and in-year variances are provided in the following table:

	<b>Permanent (Over)/Under spend £k (To be removed next year)</b>	<b>In-year (Over)/Under spend £k</b>
Police Pay		350
Police Overtime		(160)
Staff Pay		200
Premises	(100)	(100)
Supplies and Services		(100)
<b>Total</b>	<b>(100)</b>	<b>190</b>

### **Income**

- 1.2 There are currently no significant variances within Income.

### **Salary Costs**

#### **Police Pay and Allowances**

- 1.3 Police Pay is forecasting an under-spend of £350k, based on the planned reduction of officer numbers throughout the year. This planned reduction does not impact on the ability to meet the objectives of the Police and Crime Commissioner's Police and Crime Plan.

#### **Police Overtime**

- 1.4 There is a forecast over-spend in Police Overtime of £160k, due to additional expenditure being incurred in relation to Operation Cannington.

#### **Police Pensions**

- 1.5 There have been two medical retirements to date which are causing an in-year over-spend. The cost of these is 148k and will be funded by the pension reserve.

#### **Staff Pay**

- 1.6 Due to the number of vacancies held, primarily within Protective Services (Crime) and the Contact and Control Centre (CCR), staff pay is forecast to be under-spent by £200k.

### **Other Costs**

#### **Premises Costs**

- 1.7 The forecast over-spend of £200k relates to higher expenditure on facilities costs than budgeted. This is due to the ongoing running costs of buildings originally planned to be disposed of following the move to Landmark House. The buildings

have either been retained for operational reasons, or are in the process of being sold. The budgetary position will be addressed through the planning cycle for the 2015/16 budget.

### Supplies and Services

- 1.8 The forecast over-spend is £100k, which relates to increased insurance premiums. This is due to the general hardening of the insurance market and insurers withdrawing from the police market, particularly in relation to motor insurance.

## **2. CAPITAL**

- 2.1 The Capital budget for 2014/15 is £6.241m (increased from £6.186m – see 2.3 below), comprising the current programme of £3.018m plus slippage from 2013/14 of £3.223m.
- 2.2 A summary of capital schemes is provided at Appendix B. Actual and committed expenditure totals £1.677m as at the end of June. The forecast under-spend at year-end of £1.2m primarily relates to Project Athena.
- 2.3 The Enterprise Resource Planning (ERP) Project has an overall approved budget consisting of capital and revenue. The PCC Chief Financial Officer (CFO) has agreed a movement of £55k from revenue to fund capital as some data migration resource is now identified as capital. The overall ERP budget is unchanged.

## **3. INVESTMENTS**

- 3.1 At the end of June, investments totalled £12.3m, the breakdown of which is provided in Appendix C.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 Financial implications are set out in Sections 1 to 3 of this report.

## **5. OTHER IMPLICATIONS AND RISK**

- 5.1 There are no other implications and risks. No changes are required to the PCC Risk Register.

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