



**STRATEGIC POLICING AND CRIME BOARD
1 October 2013**

**Revenue Monitoring and Procurement Activity
– August 2013**

PURPOSE OF REPORT

1. This report sets out the revenue monitoring position as at August 2013 and gives an overview of the Procurement activity from January to March 2014.

2013/14 REVENUE OUTTURN FORECAST

2. As part of the routine budget monitoring cycle the annual budget will be revised at the half year point to update budgets reflecting any changes in assumptions since the budget was originally set. The revised budget will be presented to this Board at its meeting in November.
3. As we approach this halfway point in the financial year, in depth reviews of forecast outturn positions have been carried out with a view to being reflected in the revised budget. For centrally held pay budgets this review has meant that the original assumptions made in setting the budget have been tested to ensure they remain valid. As a result of this exercise the underspend within pay budgets has increased by £5.6m to £24.1m as shown in paragraph 8.

Additional Leavers

4. One of the most significant causes of underspend within the pay budgets is the continued trend of both Police Officers and Police staff leaving the organisation. For Police Officers there have been 29 more leavers than planned and estimated within earlier forecasts which equates to approximately £1.5m for a full year. For Police Staff no leavers had been forecast due to the unpredictability of leaving dates, however, having gathered data for the year to date there have been an average of 12 police staff leavers each month. The forecast now reflects this to the end of the year generating an additional £1.8m underspend.
5. In addition to leavers, the effects of officers on maternity leave impacts on underspends within police pay as after 18 weeks basic pay is reduced to SMP only. To date the underspend against just the basic pay budget for Officers on maternity leave is £0.7m.

Recruitment

6. At the time of setting the 2012/13 budget some assumptions were made around profiling of the recruitment for new PCSO and Police staff posts. For Police staff it was assumed that all of the 100 workforce mix posts would be new entrants to the Force, however, there have been a number of internal transfers. Where external recruitment has been made to these posts it has been slightly later than originally assumed meaning the in year underspend has increased.
7. The PCSO pay underspend has increased by £0.9m because the planned recruitment profile had slipped. The process was deliberately delayed to avoid placing an advert over the summer period or around the time of religious festivals, ensuring that it would be as accessible as possible to all individuals who may have an interest in applying.
8. The breakdown of the pay budgets is shown below:-

Description	Current Budget £,000	Actuals YTD £,000	Variance YTD £,000	Estimated Outturn £,000	Outturn Variance to Budget £,000
Officer Pay	346,608.9	139,389.1	-4,841.6	331,402.9	-15,206.0
Staff Pay	88,011.9	36,095.5	-2,211.5	82,624.6	-5,387.3
PCSO Pay	20,536.6	7,099.4	-1,457.5	17,012.3	-3,524.3
Total Central Pay	455,157.4	182,584.0	-8,510.6	431,039.8	-24,117.6

9. The savings highlighted within pay continue the theme of securing reductions required early for the next financial year. Based upon these assumptions future staffing levels are likely to be significantly below affordable levels. This gives the flexibility to consider workforce mix or recruitment opportunities. However, any opportunities must be considered in the light of uncertain future financial settlements and the longer term implications of decisions made.

10. The overall budget position, including pay and non pay budgets, is an estimated under spend of £26.9m. The breakdown across ACPO portfolios is shown in the table below.

Description	Current Budget £,000	Actuals YTD £,000	Variance YTD £,000	Estimated Outturn £,000	Outturn Variance to Budget £,000
LPU's	3,889.4	1,456.2	-48.0	3,798.2	-91.2
ACC Local Policing and Service Improvement	1,210.0	447.7	-39.5	1,118.2	-91.8
ACC Operations	12,774.0	3,622.6	148.6	13,109.3	335.3
ACC Crime	9,062.3	4,123.3	56.5	9,525.9	463.6
ACC Protection	6,802.0	-1,015.9	-1,215.8	5,643.2	-1,158.8
DCC Thompson	1,553.2	758.6	159.2	1,564.8	11.6
Director of Resources	29,990.3	9,258.5	-301.0	29,852.7	-137.6
Chief Information Officer	12,189.6	5,978.8	377.2	11,600.6	-589.0
Sub Total Force Level	77,470.8	24,629.9	-862.7	76,212.9	-1,257.9
Central Pay	455,157.4	182,584.0	-8,510.6	431,039.8	-24,117.6
Central Budgets	24,157.8	44.2	-835.8	22,646.5	-1,511.3
Sub Total	479,315.2	182,628.2	-9,346.5	453,686.3	-25,628.9
TOTAL	556,786.0	207,258.0	-10,209.1	529,899.3	-26,886.7
West Midlands Office for Policing and Crime	1,884.0	620.2	-141.7	1,873.5	-10.5
CSF Expenditure*	7,319.0	2,587.5	2,587.5	7,319.0	0.0
CSF Grant	-6,969.0	-1,742.3	-1,742.3	-6,969.0	0.0
TOTAL	559,020.0	208,723.5	-9,505.5	532,122.8	-26,897.2

*Includes £350,000 for non-recurring invest to save schemes funded via reserves.

11. The vast majority of devolved areas are forecasting spend in line with budget, however, there are a number of key over and under spends to be highlighted and these will be monitored and acted upon, as necessary, through the routine budget control processes.

Over

- Community Justice and Custody
- Force CID
- Fleet Services
- Public Protection

Under

- Force Contact
- Forensic Services
- Property Services
- ICT
- Capital Financing
- Shared Services

12. A subjective breakdown of the budget and outturn forecast is shown in Appendix 1.

Procurement Activity from January to March 2014

13. Over the next 12 months there are 71 contracts in their primary term i.e. excluding available extension periods, due for renewal. Of these renewals 27 are due for award or prerequisite approval to award in the January – March 2014 quarter. These contracts are shown at Appendix 2.

FINANCIAL IMPLICATIONS

14. This report deals solely with financial implications.

LEGAL IMPLICATIONS

15. There are no direct legal implications from this report.

RECOMMENDATIONS

16. The Board is asked to note the report.

Mike Williams
PCC's Chief Finance Officer

David Wilkin
WMP Director of Resources

Appendix 1 – Subjective Breakdown

Subjective Breakdown	Original Budget £,000	Actuals YTD £,000	Variance YTD £,000	Estimated Outturn £,000	Outturn Variance to Budget £,000
Police Pay	390,340.7	158,749.3	- 3,948.2	377,946.8	- 12,393.9
Police Community Support Officers	20,971.1	7,281.9	- 1,455.9	17,476.4	- 3,494.7
Support Staff Pay	102,951.5	42,256.8	- 2,138.3	97,830.4	- 5,121.1
Other employee Expenses	1,866.5	1,019.1	233.5	2,507.4	640.9
Premises	24,008.1	8,176.4	- 37.2	23,955.4	- 52.7
Transport	9,834.3	2,840.7	- 176.8	9,901.4	67.1
Supplies & Service	47,439.7	15,789.6	- 218.1	45,814.5	- 1,625.2
Agency	3,986.7	- 538.6	- 1,187.6	4,535.7	549.0
Capital Financing	5,628.1	- 2,597.1	0.6	3,411.3	- 2,216.8
External Income	- 50,240.7	- 25,719.9	- 1,281.2	- 53,480.1	- 3,239.4
Police Force	556,786.0	207,258.1	- 10,209.1	529,899.3	- 26,886.7
Office of the Police & Crime Commissioner	1,884.0	620.2	- 141.7	1,873.5	- 10.5
CSF Expenditure	7,319.0	2,587.5	2,587.5	7,319.0	0.0
CSF Grant	- 6,969.0	- 1,742.3	- 1,742.3	- 6,969.0	0.0
Total Revenue Budget	559,020.0	208,723.6	- 9,505.5	532,122.8	- 26,897.2

Note: This analysis includes spending on externally funded budgets and as a result there will be variations on individual budget lines when compared to the responsibility analysis shown in the main report.

Appendix 2 – Procurement Activity for the January to March 2014.

Estimated Contract Values of >£1m

Telephony - Single Telephone Number, Line Rental & Call Charges
Manned Security Guarding Services
Electricity NHH - Non Half Hourly less than 100kW demand

Estimated Contract Values of <£1m

National Asset Tracking / National Image Transfer - Maintenance of
National Ballistics Identification System (IBIS) - Purchase and Support of
Temporary Agency Staff
Planned Preventative Maintenance (PPM) - Mechanical & Electrical Equipment at Police HQ
Air Conditioning Equipment - Maintenance of
Photographic Hardware
Ammunition -Supply of
Integrated Custody Information system (ICIS)-Support and maintenance
Photographic Materials & Chemicals
Telephones & Ancillary Equipment - Supply of
Breath Testing Equipment
Network Access Control Solution (NAC) - Maintenance of
Briefing & Tasking (Corvus/BATS) - Maintenance
Property Asset Manager Software (assetmanager.net) - Purchase & Support of
HOLMES - Annual Support of
M3 Software (HOMLES) Maintenance
Crimescan (Cyclops) - Maintenance & Support of
Civil Claims Litigation Software - Maintenance of
Covert Operations Management System (COPS) System - Support of
First Aid Consumables & Equipment
Mapping Software (Route Finder Pro / MapInfo Pro) - Licences
Pegasus System Support
Single Non Emergency Number (101) - Contribution to