



STRATEGIC POLICING AND CRIME BOARD 5 November 2013

Revised Revenue Budget 2013/14

PURPOSE OF REPORT

1. The purpose of this report is to provide an update on changes to the 2013/14 Revenue Budget.

BACKGROUND

2. The revenue budget set in February 2013 represented the third year of the current spending review period in which savings of £126m were required. The budget included specific proposals for recruiting 50 PCSOs against existing vacancies in addition to providing funding to allow some limited workforce mix opportunities.
3. During the current Spending Review period annual budgets have been based on a prudent assessment of the timelines to implement major service changes, and employment turnover and retirement rates, but in practice it has been possible to make savings earlier than anticipated. This approach has worked well, but the unavoidable consequence is that in year underspends occur as the spending activity is reduced or ceased in the financial year before it is required as a budget reduction. To manage this effectively, a Revised Budget has been prepared in the autumn to ensure the overall budget remains an effective and accurate monitoring and control mechanism.
4. There are no material variations since the last report in revenue or capital spending forecasts for 2013/14.

REVISED BUDGET

5. Since May 2013 the routine revenue monitoring process has identified and reported upon underspending across all areas of pay, currently forecast to be £24m. The revised budget has removed these savings which were mostly attributable to achieving savings ahead of plans.
6. In addition to pay savings, underspends are also forecast in supplies and services around forensic submissions and centralised budgets within Shared Services. Within capital financing costs, an in year reduction to budget has been made which reflects the levels of investments and borrowing in relation to the current capital programme and investment portfolio. These underspends have allowed a

redirection to fund the overtime contingency required for Operation Glendale (EDL protest), and Derwent / Clockface/Islip (reassurance work), additional police officer ill health retirements, in year redundancy costs, and increases in insurance premiums.

7. Taking into account all of these changes the proposed revised 2013/14 budget is set out in the appendix.
8. The base budget required £2m contribution from the Budget Reserve. However, the changes to the revised budget mean the force will now contribute £25m to the Budget Reserve which will support the medium term financial position and proposals for the 2014/15 budget.
9. Future funding levels still remain uncertain and the financial settlement is not expected until mid December 2013. Some additional uncertainties arise around the potential top slicing of revenue grant to fund IPCC changes and the Innovation Fund.

FINANCIAL IMPLICATIONS

10. This report deals solely with financial issues.

LEGAL IMPLICATIONS

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

RECOMMENDATIONS

12. The Board is asked to note the report.

Mike Williams
PCC's Chief Finance Officer

David Wilkin
WMP Director of Resources

2013/14 Revised Budget

	Base Budget £,000	Pay Adjustments £,000	Other Adjustments £,000	Revised Budget £,000
<i>Police pay</i>	371,814	-15,206	1,958	358,566
<i>Police Community Support Officers</i>	20,971	-3,524	2	17,449
<i>Support staff pay</i>	97,187	-5,387	190	91,990
<i>Other employees expenses</i>	1,652	0	749	2,401
Sub total	491,624	-24,117	2,899	470,406
<i>Premises</i>	22,103	0	0	22,103
<i>Transport</i>	9,061	0	185	9,246
<i>Supplies and services</i>	43,807	0	-3,924	39,883
<i>Agency</i>	3,902	0	224	4,126
<i>Capital Financing Costs</i>	5,628	0	-2,203	3,425
<i>External income</i>	-21,960	0	49	-21,911
<i>CTU</i>	2,621	0	0	2,621
Police Force	556,786	-24,117	-2,770	529,899
<i>Office of the PCC</i>	1,884	0	0	1,884
<i>CSF Grant Income</i>	-6,969	0	0	-6,969
<i>CSF Expenditure</i>	7,319	0	0	7,319
Total Revenue Budget	559,020	-24,117	-2,770	532,133
<i>Financing Provision</i>	-556,670	0	0	-556,670
<i>Reserve contribution to(+)/ from(-)</i>	-2,350	24,117	2,770	24,537
Total Revenue Budget	0	0	0	0

Note: The base budget has been revised to split CTU onto a separate reporting line. This is to recognise the separate reporting arrangements to ACPO TAM. Given the size of the CTU budget the separation prevents any distortion to Force funded budgets and assists in giving clarity within monitoring.