



**STRATEGIC POLICING AND CRIME BOARD
3 December 2013**

**October Revenue Monitoring and Budget
Review Update**

PURPOSE OF REPORT

1. This report shows the forecast financial outturn based on the position at the end of October 2013.

2013/14 REVENUE OUTTURN FORECAST

2. At the last meeting of the Board a Revised Budget for 2013/14 was agreed. This made a number of changes to reflect underspends on pay budgets and other variances on non-pay budgets arising through the year. These changes have now been reflected in this report.
3. The breakdown of the pay budgets is shown below. The forecast pay position shows spend in line with budget reflecting the revised budget changes.

Description	Current Budget £,000	Actuals YTD £,000	Variance YTD £,000	Estimated Outturn £,000	Outturn Variance to Budget £,000
Officer Pay	331,402.8	194,504.7	1,362.7	331,239.2	-163.6
PCSO Pay	17,012.3	9,836.5	-87.3	17,001.4	-10.9
Staff Pay	82,624.7	49,443.6	1,251.3	82,658.4	33.7
Total Central Pay	431,039.8	253,784.8	2,526.7	430,898.9	-140.9

4. The overall budget position, including pay and non-pay budgets, is an estimated under spend of £1.1m, after revised budget changes. 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	2,023.4	-73.2	3,763.0	-126.4
ACC Local Policing and Service Improvement	1,120.0	693.1	69.4	1,109.0	-11.0
ACC Operations	13,131.0	5,990.4	-1,807.9	13,058.3	-72.7
ACC Crime	9,579.8	5,398.9	-1,337.2	10,076.1	496.3
ACC Protection	5,802.0	4,350.5	-1,410.8	5,753.5	-48.5
DCC Thompson	1,893.2	1,503.4	413.8	1,969.3	76.1
Director of Resources	29,970.3	14,173.5	-1,400.3	29,712.0	-258.3
Chief Information Officer	12,710.8	7,082.5	-199.4	12,013.0	-697.8
Sub Total Force Level	78,096.5	41,215.7	-5,745.4	77,454.3	-642.2
Central Pay	431,039.8	253,784.8	2,526.7	430,898.9	-140.9
Central Budgets	20,763.0	3,220.1	-5,276.9	20,491.2	-271.8
Sub Total	451,802.8	257,004.9	-2,750.2	451,390.1	-412.7
TOTAL	529,899.3	298,220.6	-8,495.6	528,844.4	-1,054.9
West Midlands Office for Policing and Crime	1,884.0	916.2	-148.5	1,790.8	-93.2
CSF Expenditure	7,319.0	5,681.2	5,681.2	7,319.0	0.0
CSF Grant	-6,969.0	-1,742.3	-1,742.3	-6,969.0	0.0
TOTAL	532,133.3	303,075.8	-4,705.2	530,985.2	-1,148.1

5. 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
- Vehicle Recovery
- Human Resources

Under

- Operations
- ICT
- Casualty Reduction Partnership
- Corporate Services
- Fleet Services
- POCA Income

BUDGET REVIEW UPDATE

6. The Budget Review process commenced in October 2013, the panels consist of two elements. A Service Review panel and a Budget Review panel. Phase 1 contained the following workbooks:
- Traffic 24/7 (Operations)
 - Traffic Proactive (Operations)
 - Traffic Collision Investigation (CMPG)
 - CMPG (CMPG)
 - Camera Enforcement (Operations)
 - Vehicle Management (Fleet Services)
 - Workshops (Fleet Services)
7. As a result of the IIP process the decision has been made to put the budget review process on hold until May 2014, we are currently drafting up a revised timetable.
8. After the Service Review panel Traffic 24/7, Proactive, Collision Investigation and CMPG were taken off line and a separate Roads Policing review is taking place, the results of this review will feed back into the budget review process in May / June 2014 when the process re-starts.
9. Camera Enforcement, Vehicle Management and Workshops continued to the Budget Review panel in November 2013.
10. The recommendation from the remaining workbooks in phase 1 is that all service areas maintain current service levels. The following changes have occurred as part of the zero based budget (ZBB) and resources change proposals.
11. The savings proposed as part of the ZBB exercise of £800k, as listed in the table below, form part of the planned savings for 2014/15 and as such are included within the budget consultation assumptions which are currently being progressed.
12. The savings identified within Fleet Services are mainly due to reductions in spending on vehicle fuel. This saving arises from the introduction of fuel cards, lower than anticipated fuel price rises and changes in the way the Force operates reducing the number of miles being driven.

Workbooks in Scope	Baseline			Current Service			Saving / Cost		
	FTE	No. of Vehicles	Budget (£)	FTE	No. of Vehicles	Budget (£)	FTE	No. of Vehicles	Budget (£)
Camera Enforcement	11.9	5	-289,742	11.9	5	-320,542	0.0	0	-30,800
Vehicle Management	47.0	137	5,971,400	46.0	134	5,244,100	-1.0	-3	-727,300
Workshops	43.0	5	1,881,600	42.0	5	1,839,600	-1.0	0	-42,000
Total	101.9	147	7,563,258	99.9	144	6,763,158	-2.0	-3	-800,100

INNOVATION FUND

13. The Home Office is establishing a £50m innovation fund for 2014/15, which forces can bid into to drive a recognisable shift in the way policing is delivered. There is additionally a Precursor fund of £20m available for the remainder of 2013/14 for which bids will need to have been submitted by Friday 6 December 2013.
14. The fund focuses on driving innovation, collaboration with other emergency services, wider government and private sector not just other forces and improved efficiency within policing. As indicated by the Precursor fund timescales to submit bids are likely to be tight, early consideration should be given to any bids the Force may wish to place upon this fund for next year.

FINANCIAL IMPLICATIONS

15. This report deals solely with financial implications.

LEGAL IMPLICATIONS

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

RECOMMENDATIONS

1. To note the updated position on the Revenue Outturn Forecast, the budget review process and the Innovation Fund.

David Wilkin
WMP Director of Resources

Appendix 1

	Budget	Actuals YTD	Variance YTD	Estimated Outturn	Outturn variance to Budget
Police Pay	358,566.2	210,526.0	679.0	359,658.1	1,091.9
Police Community Support Officers	17,449.6	10,095.2	- 84.8	17,445.6	- 4.0
Support Staff Pay	91,990.1	55,022.9	1,438.1	92,250.4	260.3
Other employee Expenses	2,401.1	1,808.9	- 58.7	2,446.1	45.0
Premises	22,102.9	10,706.4	- 742.9	22,269.9	167.0
Transport	9,246.0	4,561.2	- 892.1	9,027.3	- 218.7
Supplies & Services	39,882.4	18,747.2	- 926.7	40,902.8	1,020.4
Agency	4,125.3	1,852.3	- 428.0	4,167.4	42.1
Capital Financing	3,425.4	- 2,976.3	- 3,804.5	3,411.4	- 14.0
External Income	- 21,911.0	- 15,467.3	- 3,027.8	- 25,355.9	- 3,444.9
Financing Provision	0.0	0.0	0.0	0.0	0.0
Counter Terrorism	2,621.3	3,344.1	- 647.3	2,621.3	0.0
Police Force	529,899.3	298,220.6	- 8,495.6	528,844.4	- 1,054.9
Office of the Police & Crime Commissioner	1,884.0	916.2	- 148.5	1,790.8	- 93.2
CSF Expenditure	7,319.0	5,681.2	5,681.2	7,319.0	0.0
CSF Grant	- 6,969.0	- 1,742.3	- 1,742.3	- 6,969.0	0.0
Total Revenue Budget	532,133.3	303,075.8	- 4,705.2	530,985.2	- 1,148.1