



**STRATEGIC POLICING AND CRIME BOARD
3 November 2015**

Financial Monitoring 2015/16

PURPOSE OF REPORT

1. This report presents the estimated revenue outturn position for 2015/16, and the capital expenditure position based upon actual spending to September 2015.

BACKGROUND

2. At the meeting of this Board on 7 July the revised revenue budget for 2015/16 was agreed which fully reflected the Programme of Work. To allow for more transparent monitoring of the change programme some presentational changes, which do not alter the overall bottom line, have been made to report the cost of change separately in financial monitoring reports to the Board. Furthermore, it is reasonable to expect that as the change programme is delivered some expenditure items will move between financial years. Therefore, by reporting change projects separately any funding adjustments between financial years can be managed through dedicated reserves and still ensure robust financial control of the cost of individual and collective projects.

ESTIMATED OUTTURN 2015/16

Police Force

3. At the Police Force level the estimated outturn shows an underspend £4.1m or 0.8% of the budget.
4. The estimated outturn on pay budgets is broadly in line with the position presented in the last report, with the exception of a slightly higher overspend on Other Employee Expenses resulting from staff exits within the Front Office project. This additional cost can be absorbed from savings elsewhere in the delegated budget.

5. The underspend which is forecast on Premises arises from a number of one off in year savings being achieved from carbon credits which were paid in advance in 2014/15 (£0.4m), rates rebates in relation to Lloyd House (£0.3m) and electricity savings from a change to the way electricity bills are determined (£0.4m), The remaining savings are from reduced spending in year on improvements and alterations due to the change programme work being undertaken.
6. The forecast savings within Supplies and Services are from in year savings on external support required by Forensics and reduced spending on Airwave since the change of billing arrangements under the contract. The variance on Capital Financing is due to investments maturing during the year that had been taken out over longer periods with higher returns.
7. An over achievement of External Income is currently being forecast which has resulted from a number of sources including Speed Awareness, Prosecution Costs, , Liquidated Damages and Legal Recharges. Some of these items are one off, whilst others are projected to exceed the current budget.

Change Programme

8. Some current inflight projects have been delayed which will create an underspend in year of £0.8m that will not need to be carried forward. Most notably these include the new custody suites and Driver Behaviour. The costs and implementation plan of new projects included in the programme of work will be confirmed over the next few months as Detailed Business Cases are completed, and as a result some costs that have been budgeted in 2015/16 may need to be re-profiled into 2016/17.
9. The remaining change programme underspend relates to risk provisions for projects agreed this financial year and will be allocated across the life of the project. As such this provision will be carried forward and earmarked to be released to the projects as required.

10. The estimated outturn compared to the current budget is shown below:-

	2015/16 Base Budget £000	Budget Presentation Adjs £000	2015/16 Current Budget £000	2015/16 Outturn Forecast £000	2015/16 Variance £000
<u>Police Force</u>					
Police pay	347,505	161	347,666	347,758	92
Police Community Support Officers	15,816	1	15,817	15,380	-437
Support staff pay	99,441	0	99,441	98,743	-698
Other employees expenses	2,057	-17	2,040	3,036	996
Sub Total	464,819	145	464,964	464,917	-47
Premises	23,127	-3,992	19,135	17,269	-1,866
Transport	7,984	-17	7,967	8,143	176
Supplies and services	54,836	-16,311	38,525	37,935	-590
Agency	4,453	43	4,496	4,710	214
Capital Financing Costs	3,816	0	3,816	3,155	-661
External income	-28,060	2,603	-25,457	-26,806	-1,349
Sub Total Police Force	530,975	-17,529	513,446	509,323	-4,123
Change Programme	0	17,529	17,529	15,064	-2,465
Total Force Incl Change Prog	530,975	0	530,975	524,387	-6,588
<u>PCC</u>					
Office of the PCC	2,667	0	2,667	2,667	0
CSF Expenditure	6,969	0	6,969	6,969	0
Invest to Save	500	0	500	500	0
Sub Total Office of the PCC	10,136	0	10,136	10,136	0
Total Revenue Budget	541,111	0	541,111	534,523	-6,588
Contribution from Budget Reserve	-14,742	0	-14,742	-10,698	4,123
Contribution from Earmarked C/F Reserve	-2,795	0	-2,795	-2,795	0
Contribution to Earmarked C/F Reserve (Projects)	0	0	0	2,465	2,465
Total Revenue Budget	523,574	0	523,574	523,574	0

CAPITAL OUTTURN 2015/16

11. The current budget is £50.1m, and year to date spend totals £18.2m. At the half way stage in the year, expectations are that the full capital allocation will be mostly spent.
12. The slippage on the NWOW budget is as a result of delays experienced in the move from Walsall police station and some of the spending on Lloyd House falling into 2016/17 rather than this financial year as originally anticipated.
13. The Driver Standards variance is as a result of User Acceptance Testing on devices being unlikely to complete until early 2016 meaning that full costs won't be spent until early in 2016/17.
14. The completion date for the Western Custody is now expected to be around the end of November 2015. The delay will only effect the spend profile and all costs will still fall within 2015/16 with any operational and staffing impacts being managed by Criminal Justice services. Lloyd House and the Central Custody block are still on track and will continue to be closely monitored and reported.
15. The budgets for IIP will be allocated as business cases are approved.

	2015/16 Original Budget £000	Rephasing, C/fwd & Virements £000	2015/16 Current Budget £000	2015/16 Actual To Date £000	2015/16 Outturn Forecast £000	2015/16 Outturn Variance £000
<i>Central Justice Services</i>	11,996	1,393	13,389	7,763	13,389	0
<i>NWOW (inc. Lloyd House)</i>	18,000	1,265	19,265	8,744	17,800	-1,465
<i>ICT – Business as Usual</i>	595	1,098	1,693	295	1,128	-565
<i>Mobility</i>	2,500	-2,004	496	112	400	-96
<i>Driver Standards</i>	1,200	0	1,200	0	50	-1,150
<i>Vehicles</i>	4,150	0	4,150	782	4,150	0
<i>Equipment</i>	200	0	200	56	200	0
<i>IIP Projects</i>	0	35	35	23	23	-12
<i>Other Grant Funded Spend</i>	0	0	0	82	135	135
<i>Counter Terrorism</i>	0	2,175	2,175	358	2,175	0
Total Approved Schemes	38,641	3,962	42,603	18,215	39,450	-3,153
<u>Subject to Approval</u>						
<i>IIP</i>	7,500	-5,100	2,400	0	2,400	0
<i>Estates Strategy</i>	2,500	-2,500	0	0	0	0
Total Capital Schemes	48,641	1,452	50,093	3,031	41,850	-3,153

FINANCIAL IMPLICATIONS

16. This report solely deals with financial issues.

LEGAL IMPLICATIONS

17. The production of the PCC's Accounts is governed by the Local Government Act 1982 and Regulations made under that Act. The Local Government Act 1988 requires the PCC to make arrangements for the proper administration of its financial affairs

RECOMMENDATIONS

18. The Board is asked to note the contents of this report.

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David Wilkin
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