



**STRATEGIC POLICING AND CRIME BOARD  
1st November 2016**

**Financial Monitoring 2016/17**

**PURPOSE OF REPORT**

1. This report presents the estimated revenue outturn position for 2016/17, and the capital expenditure position based upon actual spending to September 2016.

**BACKGROUND**

2. At the meeting of this Board on 6th September the revised revenue budget for 2016/17 was agreed which fully reflected the Programme of Work through the change programme. To allow for the continued transparent monitoring of the 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 2016/17**

3. At the Police Force level the estimated outturn (paragraph 13) shows an underspend £2.9m or 0.54% of the budget. This is an increase of £1.4m compared to the last report.
4. The estimated outturn on police officer pay is now expected to be £1.1m under budget. The increased underspend of £0.4m from that reported in to the last Board, arises from additional police officer leavers.
5. The forecast for police staff pay has increased by £0.3m to £0.5m compared to the last report. This is due to additional leavers from the police staff cohort which may have been driven by police staff choosing to leave in the knowledge that the pension exit cap was planned for introduction from 01 October 2016. There have also been some transfers of staff to the Counter Terrorism Unit.

6. Within other employee expenses the forecast overspend has increased from £0.2m to £0.9m since the last report. This is principally due to costs of officers and staff exiting the organisation.
7. Within transport related expenditure the forecast underspend has grown from the £0.2m previously reported to £0.6m. This is principally due to savings on vehicle fuel as a result of the greater efficiency of vehicles and the lower price of fuel in the first half of the year.
8. The forecast overspend within Supplies and Services derives from a number of areas. Legal Services are expected to be overspent by £0.3m due to additional tribunals and cases which have required the use of third party solicitors. There are then overspends of £0.1m in intelligence and Force CID resulting from the cost of forensic analysis of mobile phone data and increased requirements for coroner led post mortems respectively.
9. Agency expenditure is now forecast to be underspent by £0.2m. This is due to savings within Forensics. Indications at the half year point are that the budget for forensic submissions will not be fully utilised. However, this is being closely monitored as the nature of work means spend levels can be unpredictable.
10. Capital financing is now forecast to be overspent by £0.1m. This has been caused by a reduction in the forecast for interest receivable on investments as a result of the reduction of the interest rate by 25 basis points.
11. An over achievement of External Income of £0.4m is currently being forecast which has resulted from a number of sources including Mutual Aid, Police Led Prosecutions and additional income into Motorway Policing. Some of these items are one off, whilst others are projected to exceed the current budget.
12. The forecast underspend within projects has increased by £0.4m compared to the last report. This reflects additional savings on New Ways of Working (NWOW) project (£0.2m), Estates (£0.1m) and Digital Interview Recording (£0.1m).

13. The detailed outturn position is shown below:-

	2016/17 Current Budget	2016/17 Forecast Outturn	2016/17 Variance to Current Budget
	£000	£000	£000
<b><u>Police Force</u></b>			
Police pay	353,226	352,138	-1,088
Police Community Support Officers	12,881	12,704	-177
Support staff pay	100,820	100,334	-486
Other employees expenses	3,058	3,914	856
<b>Sub Total</b>	<b>469,985</b>	<b>469,090</b>	<b>-895</b>
Premises	16,927	16,621	-306
Transport	7,980	7,420	-560
Supplies and services	42,133	42,587	454
Agency	5,647	5,493	-154
Capital Financing Costs	3,198	3,289	91
External income	-31,354	-31,728	-374
WMP2020 project costs	21,979	20,801	-1,178
<b>Sub Total Police Force</b>	<b>536,494</b>	<b>533,573</b>	<b>-2,921</b>
<b><u>PCC</u></b>			
Office of the PCC	1,945	1,945	0
CSF Expenditure (LA's)	3,863	3,863	0
Other Commissioning	2,628	2,628	0
Victims Services expenditure	3,089	3,319	230
Victims Services income	-3,089	-3,319	-230
<b>Sub Total Office of the PCC</b>	<b>8,436</b>	<b>8,436</b>	<b>0</b>
<b>Total Revenue Budget</b>	<b>544,807</b>	<b>541,884</b>	<b>-2,921</b>
Contribution from Budget Reserve	-17,579	-15,291	2,286
Contribution to ROCU Reserve	0	635	635
<b>Total Revenue Budget</b>	<b>527,228</b>	<b>527,228</b>	<b>0</b>

## CAPITAL OUTTURN 2016/17

14. The current budget is £43.7m, and year to date spend totals £10.0m. Forecast outturns for WMP2020 projects are under review through the Organisational Change Board (OCB) and budgets will be reprofiled to reflect a more accurate expectation of timing of spend.
15. The underspend expected on the NWoW budgets is mainly due to less Capital work coming from the Estate rationalisation of the Walsall region which has now been completed with the reopening of Bloxwich.
16. The underspend on the Criminal Justice budgets has been realised now the Custody Block builds are completed and the projects are closing. The remaining budget was a provision for any issues that arose after the buildings opened and is not likely to be fully spent.
17. The Operational Policing solution has entered an analyse and build phase which may push spend back to 2017/18.
18. Within other WMP2020 projects the underspend forecast relates to changes in the Mission Support and related Intelligence project and the uncertainty regarding the Airwave Replacement plans.
19. The in year capital position is detailed below:-.

	2016/17 <i>Revised Budget</i> £000	2016/17 <i>Adjs</i> £000	2016/17 <i>Current Budget</i> £000	2016/17 <i>Outturn Forecast</i> £000	2016/17 <i>Variance to Current Budget</i> £000
<b>WMP2020</b>					
<i>NWoW (incl Lloyd House)</i>	11,279	0	11,279	9,202	-2,077
<i>Criminal Justice</i>	945	0	945	633	-312
<i>Next Generation Enabling Services</i>	4,174	-90	4,084	4,084	0
<i>Operational Policing Solution</i>	6,240	0	6,240	6,240	0
<i>Predictive Analytics</i>	0	27	27	27	0
<i>Estates Rationalisation</i>	3,000	0	3,000	0	-3,000
<i>Other WMP2020</i>	9,820	793	10,613	7,816	-2,797
<b>Total WMP 2020</b>	<b>35,458</b>	<b>730</b>	<b>36,188</b>	<b>28,002</b>	<b>-8,186</b>
<b>Business As Usual</b>					
<i>Fleet</i>	4,300	0	4,300	4,300	0
<i>ICT</i>	1,547	0	1,547	1,547	0
<i>Equipment</i>	200	0	200	200	0
<i>CTU</i>	1,455	0	1,455	1,455	0
<b>Total Business As Usual</b>	<b>7,502</b>	<b>0</b>	<b>7,502</b>	<b>7,502</b>	<b>0</b>
<b>Total Capital Spend</b>	<b>42,960</b>	<b>730</b>	<b>43,690</b>	<b>35,504</b>	<b>-8,186</b>

## **FINANCIAL IMPLICATIONS**

20. This report solely deals with financial issues.

## **LEGAL IMPLICATIONS**

21. 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**

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

Mark Kenyon  
Chief Finance Officer to the PCC

Neil Chamberlain  
T/Director of Commercial Services

