

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decisions

Title and Reference - (PCC/58/2013)

Revenue Monitoring Report 2013/14 – Quarter 2

Summary

The forecast outturn for Total Police Expenditure for 2013/14 at 30 September 2013 is £284.839m compared with a revised budget of £287.934m, a projected underspend of £3.095m (1.1%).

Recommendation/ Findings:

The Commissioner is requested to note the forecast outturn for 2013/14 and actual expenditure position as at 30 September 2013.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 14.11.13

Information and advice provided to the Police and Crime Commissioner for Northumbria

Revenue Monitoring Report 2013/14 – Quarter 2

1. Purpose of the Report

- 1.1 To inform the Police and Crime Commissioner (the Commissioner) of the latest position with regard to the 2013/14 revenue budget and the actual level of expenditure as at 30 September 2013.

2. Revised Budget

- 2.1 The Revised Budget for the financial year 2013/14 approved in July 2013 provides for Total Police Expenditure before use of reserves of £287.934m and appropriations from reserves of £9.827m, resulting in a Budget Requirement of £278.107m. The element of the budget under the Chief Constable's direction and control is £276.742m and £11.192m under the direction of the Commissioner. Appendix A details the budget for the financial year 2013/14.

3. Chief Constable's Budget Position

- 3.1 The forecast outturn for Net Chief Constable Expenditure for 2013/14 at 30 September 2013 before the use of reserves is £274.874m compared with the revised budget of £276.742m, a projected underspend of £1.868m (0.67%). Following a detailed half year review of the Force budgets further underspends within the expenditure budgets and additional income have been identified. Details are provided in Appendix B column (5). The main reasons for the variances are provided below:-

- **Employees - Pay**

The officer and staff pay is forecasting a net underspend of £0.07m, reflecting the latest workforce profiles which include forecast leavers and recruitment. This position includes officer overtime, which is forecasting an overspend of £0.44m. However this overspend relates to rechargeable Operations (for example G8 summit in Northern Ireland) and additional funding schemes which are fully offset by income.

- **Employees - Pensions**

The main over spend in respect of Pensions relates to Ill Health Commutations which is forecasting a £0.5m over spend. This relates to a greater number of ill health retirements than was estimated.

- **Non Pay**

There are various forecast over and underspends within the Non Pay budgets, the net impact of which is an underspend of £0.53m. The key areas contributing to this underspend include;

- Increase in the Forensic Science underspend reflecting the reduced level of major incidents and direct management control of spend;
- Rates underspend which can largely be attributed to the disposal of several buildings;

- Supplies and Services budgets are reflecting underspends including Force Uniform and Equipment budgets. The underspends in these areas are predominately within the scheme of devolved financial management.

- **Income**

The income forecasts reflect additional income of £1.76m compared to the revised budget. The key areas of income which are over and above the budget include:

- Mutual Aid to Other Forces (including G8);
- Rates Rebate for Ponteland site;
- Additional Partnership funding which is fully offsetting expenditure; and
- Additional sales of Dogs, Property and Vehicles.

4. Police & Crime Commissioner's Budget Position

4.1 The forecast outturn for Net Commissioner Expenditure for 2013/14 at 30 September 2013 is £9.965m compared with the estimate of £11.192m, a projected underspend of £1.227m (11.0%). Details are provided in Appendix B column (5). The main reasons for the variances are:

- an underspend on capital financing charges of £0.333m due to slippage on the capital programme in 2012/13 and the average rate of borrowing being less than assumed in the budget;
- a dividend received in relation to Heritable Bank being £0.267m higher than estimated when the impairment was calculated; and
- an underspend in the Commissioner's office costs of £0.617m, following a realignment of budgets and reductions in external support services.

5. Use of Reserves

5.1 The revised budget proposed £9.827m use of reserves. The forecast outturn estimates a reduction in the use of reserves of £3.095m as a result of the underspend identified above. Details are set out in the table below:

	Original Estimate £000s	Revised Estimate £000s	Forecast Outturn £000s	Variance (Revised Estimate) £000s
General Reserve	3,550	3,550	422	(3,128)
Capital Development Reserve	5,724	5,724	5,724	0
Workforce Management Reserve	0	0	33	33
External Funding Reserve	0	553	553	0
Total	9,274	9,827	6,732	(3,095)

5.2 The Capital Development Reserve is being used to support the revenue cost of previous capital expenditure; the Workforce Management Reserve is being used to fund redundancy payments (as previously reported in Quarter 1); and the External Funding Reserve, created from unutilised income in 2012/13, is being used to fund expenditure on schemes for which the funding was received.

6. Actual Expenditure

6.1 Total Actual Expenditure at 30 September 2013 is £147.752m. Details of actual expenditure is provided in Appendix B column (3).

7. Conclusion

7.1 The 2013/14 forecast revenue outturn is £3.095m less than the revised budget for the year, resulting in a reduction in the use of reserves.

8. Financial Considerations

8.1 Financial implications are considered throughout this report.

9. Legal Considerations

9.1 Relevant legislation and guidance has been complied with in accounting for revenue expenditure and income.

10. Equality Considerations

10.1 There are no equality implications arising from the contents of this report.

11. Risk Management Considerations

11.1 Associated risks have been considered and recorded as appropriate.

12. Background and Supporting Papers

Revenue Monitoring 2013/14 Quarter 1 (PCC/54/2013)

Council Tax Precept and Revenue and Capital Budgets 2013/14 (PCC/12/2013)

POLICE & CRIME COMMISSIONER FOR NORTHUMBRIA

REVENUE MONITORING 2013/14 QUARTER 2 (APRIL - SEPTEMBER)

	ORIGINAL BUDGET 2013/14 £000s (1)	REVISED BUDGET 2013/14 £000s (2)	ACTUAL PAYMENTS 2013/14 £000s (3)	FORECAST OUTTURN 2013/14 £000s (4)	FORECAST VARIANCE 2013/14 £000s (5)
CHIEF CONSTABLE					
Expenditure					
Employees - Pay	205,183	205,450	108,877	205,378	(72)
Employees - Pensions	44,029	44,209	23,874	44,703	494
Non-Pay	36,995	37,101	17,963	36,570	(531)
Total Expenditure	286,207	286,760	150,714	286,650	(109)
Income	(10,018)	(10,018)	(3,607)	(11,777)	(1,759)
Net Chief Constable Expenditure	276,189	276,742	147,107	274,874	(1,868)
POLICE & CRIME COMMISSIONER					
Office of the Police & Crime Commissioner	2,266	1,586	304	1,564	(22)
Community Safety	(189)	(189)	(302)	(189)	0
Other Expenditure in support of the Force	9,115	9,200	643	8,590	(610)
Contingency / in-year underspend	0	595	0	0	(595)
Net Commissioner Expenditure	11,192	11,192	645	9,965	(1,227)
Total Police Expenditure	287,381	287,934	147,752	284,839	(3,095)
Contributions from reserves:					
General Reserve	(3,550)	(3,550)	0	(422)	3,128
Capital Financing Reserve	(5,724)	(5,724)	0	(5,724)	0
Workforce Management Reserve	0	0	0	(33)	(33)
External Funding Reserve	0	(553)	0	(553)	0
Total contributions from reserves	(9,274)	(9,827)	0	(6,732)	3,095
Budget Requirement	278,107	278,107	147,752	278,107	0