

NORTHUMBRIA POLICE AND CRIME COMMISSIONER

Key Decisions

Title and Reference

Capital Monitoring Report 2015/16 – Quarter 3
(PCC/ 203/2016)

Summary

The approved capital estimate for the financial year 2015/16 provided for total capital spend of £14.415m including carry forward from 2014/15. The forecast capital outturn estimate for 2015/16 is £10.488m.

Recommendation/ Findings:

To note the forecast.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 22.01.16

Title and Reference**Revenue Monitoring Report 2015/16 – Quarter 3****Summary**

The forecast outturn for net revenue expenditure for 2015/16 at 31 December 2015 is £267.422m compared to £269.039m, a projected underspend of £1.617m. (0.6%)

Recommendation/ Findings:

The Commissioner is requested to approve the Revised Budget and the revised use of reserves and note the outturn for 2015/16 and actual expenditure position as at 31 December 2015.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature**Date 22.01.16**

Report Title: Revenue and Capital Monitoring 2015/16 – Quarter 3
Report of: Joint Chief Finance Officer

1. PURPOSE OF REPORT

1.1. The purpose of the report is to provide an update on the 2015/16 Quarter 3 Revenue and Capital monitoring position for the Chief Constable and the Police and Crime Commissioner.

2. RECOMMENDATIONS

2.1. To note the 2015/16 Quarter 3 financial forecasts.

3. 2015/16 GROUP OUTTURN FORECAST
Revenue

3.1. As at 31 December 2015 the 2015/16 revenue outturn is projected to be £1.617 million lower than budget as summarised below.

Revenue Monitoring - Quarter 3 Position			
	Approved Budget 2015/16 £m	Projected Outturn 2015/16 £m	Variance 2015/16 £m
Group Position			
Chief Constable	258.187	257.293	(0.894)
Police and Crime Commissioner	10.852	10.129	(0.723)
Net Expenditure	269.039	267.422	(1.617)
Central Government Grant Income	(226.915)	(226.915)	0.000
Council Tax Precept	(32.904)	(32.904)	0.000
Central Grant and Precept Total	(259.819)	(259.819)	0.000
Appropriations (to) / from reserves	9.220	7.603	(1.617)

This is further analysed below.

Revenue Budget	Approved Budget 2015/16	Profiled to December 2015	Actual Spend to December 2015	Variance Actual Spend less Profiled Budget	Projected Outturn 2015/16	Variance Projected Outturn less Approved Budget
	£m	£m	£m	£m	£m	£m
Chief Constable (P2)	258.187	198.586	198.759	0.173	257.293	(0.894)
PCC (P3)	10.852	3.795	3.572	(0.223)	10.129	(0.723)
Total	269.039	202.381	202.331	(0.050)	267.422	(1.617)

Reserves

3.2. The anticipated general reserves forecast as at 31 March 2016 are shown in the table below.

General Reserve / Capital Development Reserve	General Reserve 2015/16 £m	Capital Development Fund 2015/16 £m	Total 2015/16 £m
Opening Balance	21.8	0.9	22.7
Planned Use of Reserve	(8.3)	(0.9)	(9.2)
Forecast Under Spend	1.6	0.0	1.6
Closing Balance	15.1	0.0	15.1

3.3. Based on our current plans we will be able to maintain the general reserves at a level well above the 2% minimum (£5 million) in accordance with our reserves policy.

Capital Receipts Reserve

3.4. The MTFs includes the anticipation of significant capital receipts from the sale of property to fund the capital programme and reduce the capital financing requirement.

3.5. The capital receipts reserve records the receipts and application of them. The latest forecast has been updated to reflect the position on the capital programme as at 31 December 2015 and the revised profile for capital receipts. Capital financing estimates were updated to reflect the capital outturn for 2014/15 to revise the forecast for 2015/16.

Capital Receipts Reserve	2015/16	2016/17	2017/18	TOTAL
	£m	£m	£m	£m
Opening Reserve (1 April)	0.0	0.0	11.0	0.0
Capital Receipts Anticipated	4.5	16.6	7.2	28.3
Used to fund capital	(4.5)	(5.6)	(4.2)	(14.3)
Used to fund MRP	0.0	0.0	0.0	0.0
Closing Reserve (31 March)	0.0	11.0	14.0	14.0

3.6. There is a significant risk to the MTFs if the capital receipts anticipated are less and / or the timing of receipts are later than expected. We have added "Failure to dispose of HQ site and other estate assets as valued within the MTFs and annual budget 2015/16" along with controls to mitigate to the Joint Strategic Risk Register and the MTFs risks too.

Capital Programme

3.7. The capital programme budget forecast expenditure in 2015/16 is £10.488 million.

	Revised Capital £m	Forecast Outturn £m	Variance Forecast to Budget
Capital Spend Programme	14.865	10.488	(4.377)
Capital Receipts	(10.407)	(4.521)	5.886
Grant Receipts	(2.942)	(3.007)	(0.065)
(Surplus) / Shortfall	1.516	2.960	
Prudential Borrowing	(1.516)	(2.960)	

3.8. The revised capital programme and affordability will be taken into account in the revised MTFS.

Prudential Indicators

3.9. The key prudential indicators were within the agreed limits as at the end of Quarter 3.

4. MEDIUM TERM FINANCIAL STRATEGY (MTFS) RISKS

- 4.1 The MTFS sets out the key financial issues facing the Police and Crime Commissioner over the period 2015/16 to 2017/18 and provides options for delivering a sustainable revenue budget and capital programme over the medium term.
- 4.2 The MTFS also included a comprehensive risk assessment that assessed the likelihood and impacts of a range of financial and other risks to the plan.
- 4.3 As part of good practices we review and monitor the MTFS risks during the year and the outcome of the latest review is satisfactory.
- 4.4 A revised MTFS is being prepared for 2016/17 to 2019/20.