

Committee: Police	Date: 23rd September 2013
Subject: Budget Monitoring First Quarter 2013/14	Public
Report of: Commissioner of Police POL 45/13	For Information

Summary

This report is presented for the information of Members as to the financial position of the Force at the end of Quarter 1 2013/14.

This report advises Members that:

At the end of Quarter 1 the Force's net revenue expenditure is £0.3m under profile. This is mainly due to a prior year's refund on Business Rates for New Street. To date, Police Officer strength is reducing in line with the required savings for the year. The revenue budget is forecast to under spend by £0.4m at the end of 2013/14.

There are two main risks to the budget for 2013/14:

- Grant income of £7.3m (budgeted) has not yet been agreed;
- The budget is predicated on a specific number of Police Officer leavers, which, if not achieved could result in an over spend on salaries.

At the end of the first quarter the Force's capital expenditure is £0.6m, which relates entirely to projects which were rephased from 2012/13 to 2013/14.

Recommendations

- It is recommended that Members note the contents of this report.

Main Report

Background

1. A joint report of the Chamberlain and Commissioner of Police on the Revenue and Capital budgets 2013/14 was agreed by this Committee on 18th January 2013. Financial performance is monitored on a monthly basis and reported to Committee quarterly.

Current Position – Revenue

2. Details of revenue expenditure and income against profiled budget as at the end of Quarter 1 are set out in Appendix A.
3. Members will note that the Force's net revenue budget is £0.3m (2%) under spent.
4. The under spend mainly relates to premises costs due to a Business Rates refund for New Street, and lower than anticipated utilities costs for Police buildings. There are a number of other minor variations in expenditure which are offset by an equivalent variation in income.
5. Employee costs are broadly on profile as police officer numbers are falling in line with the requirement to fulfil the savings targets included in the budget.
6. The Force is currently forecasting an under spend at year end of £0.4m (1%), mainly due to the reduction in expenditure on non pay costs. If the forecast under spend is realised it will reduce the transfer from the Police Reserve from £2.1m to £1.7m. However, there are two main risks to the budget for the current financial year:
 - Grant income of £7.3m (budgeted) has not yet been agreed as shown in Appendix C.
 - Containing Police Officer payroll costs within budget is dependent upon the current level of leavers continuing for the remainder of the financial year.

Current Position - Capital

7. Capital expenditure to date is £0.6m as set out in Appendix B. The expenditure relates entirely to projects that were rephased from 2012/13 to 2013/14.

8. In 2012/13, £519,000 of the Home Office capital grant was not required and this has been carried forward to 2013/14. This will allow careful planning of the Capital programme in order to maximise funding available for larger projects such as the Ring of Steel and Project Athena (replacement of the Force's Crime and Intelligence systems). These larger Capital schemes require extensive preparatory work in advance of each stage of the project.

Conclusion

9. The Force Revenue budget is under spent by £0.3m as at the end of Quarter 1. Capital expenditure is £0.6m to date.

Background Papers:

Pol 77/11 and 04/13 – Revenue and Capital Budgets 2012/13 and 2013/14

Appendices

Appendix A – Revenue Budget Monitoring to 30 June 2013

Appendix B – Capital Programme Monitoring to 30 June 2013

Appendix C – Grant Agreement Risks

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