

NOT PROTECTIVELY MARKED

Committee: Police	Date: 6 th December 2013
Subject: Budget Monitoring Year to Date October 2013/14	Public
Report of: Commissioner of Police POL	For Information

Summary

This report is presented for the information of Members as to the financial position of the Force at the end of month 7 - October 2013.

This report advises Members that:

- a) Year to date month 7 - October 2013, the Force's net revenue expenditure is in line with budget profile.
- b) The 2013/14 year end forecast for the revenue budget is an over spend of £0.4m which is an improvement of £1.7m compared to the original budget which assumed a contribution from general reserves of £2.1m.
- c) There is only one main risk to the budget for 2013/14 and this is that the budget is predicated on a specific number of Police Officer leavers which, if not achieved, could result in an over spend on salaries.
- d) At the end of October 2013, the Force's capital expenditure is £0.7m against a programme for the year of £2.7m. Of the £0.7m to date, £0.6m relates to projects which were rephased from 2012/13 to 2013/14. Significant progress is expected on the capital programme during the remainder of the financial year with the outturn anticipated to be close to budget.

Recommendations

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

NOT PROTECTIVELY MARKED

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 four times a year.

Current Position – Revenue

2. Details of revenue expenditure and income against profiled budget as at the end of October 2013 are set out in Appendix A.
3. Members will note that the Force's net revenue year to date spend is in line with year to date budget.
4. 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.
5. The 2013/14 year end forecast for the revenue budget is an over spend of £0.4m which is an improvement of £1.7m compared to the original budget which assumed a contribution from general reserves of £2.1m. This favourable movement of £1.7m comprises an increase of £3.4m in Government grant for Dedicated Security Posts partly offset by additional costs mainly relating to staffing for Regional Intelligence, National Lead Force, Fraud Academy and Support Services.
6. With regard to the grant for Dedicated Security Posts, it had been feared that in the current year (2013/14) the funding would reduce from £8.4m to £5m as the City Police is currently benefiting from a protection mechanism (damping) in the distribution formula. That fear was not realised as the grant has been maintained at £8.4m but the risk of a reduction going forward remains.
7. Members will note from Appendix C that other grant income of £7.6m has been confirmed by Home Office but is awaiting formally signed agreements.

Current Position - Capital

8. As set out in Appendix B, Capital expenditure to date is £0.7m against a programme for the year of £2.7m. Of the £0.7m to date, expenditure of £0.6m relates to projects that were rephased from 2012/13 to 2013/14 and expenditure of £0.1m relates to the vehicle replacement programme for 2013/14.
9. Significant progress is expected on the capital programme during the remainder of the financial year with the outturn anticipated to be close to budget.
10. In 2012/13, £0.5m of the Home Office capital grant was not required and this has been carried forward to 2013/14. This will be used towards the funding of the projects that have been rephased from 2012/13.

Conclusion

11. The Force Revenue budget is at break-even as at the end of October 2013. Capital expenditure is £0.7m to date.

Background Papers:

POL/12/XX – Revenue and Capital Budgets 2012/13 and 2013/14

Appendices

Appendix A – Revenue Budget Monitoring to 31 October 2013

Appendix B – Capital Programme Monitoring to 31 October 2013

Appendix C – Grant Agreement Risks

Contact:

Eric Nisbett, Director of Corporate Services

0207 6012202

Eric.nisbett@cityoflondon.pnn.police.uk