

Nottinghamshire

POLICE & CRIME COMMISSIONER

From: Margaret Monkton

Tel:

Date: January 2013

DMR

2013/011

Ref:

PART ONE

EXECUTIVE DECISION MAKING REPORT

**NOTTINGHAMSHIRE OFFICE OF THE POLICE AND CRIME
COMMISSIONER**

TITLE OF SCHEME OR SERVICE

Quarter Two 2012-13 Budget Management Reports

CLEARED BY

Chief Operating Team

DECISION:

To approve the forecast financial position for the financial year ending March 2013 and approve the budget virements, as at the end of Quarter Two.

EXECUTIVE SUMMARY:

The net expenditure budget for 2012-13 is £191.838m. The budget was restated at quarter one to £191.261m. The year to date restated budget to September 2012 was £95.061m. Actual net expenditure to September 2012 was £94.392m, which represented a £0.669m under spend against the restated budget, details can be found in Revenue Budget Management Report 2012-13: Year to September 2012.

The Quarter Two restated budget is to deliver net expenditure of £189.188m which is £2.649m better than the budget and £2.073m better than the Quarter One restated budget. The details are summarised in Appendix 1 and 2.

Nottinghamshire Police and Crime Commissioner

The above request has my approval.

Signature:

Date:

30/1/13

1. How does the proposal address the Police and Crime Plan priorities?

This demonstrates good financial management and governance.

2. What local needs are you expecting to meet?

N/A

3. What outcomes are expected to be achieved?

The delivery of an under spend of £2.073m versus the 2012-13 budget authorised by the Police Authority.

**4. What consultations have taken place with those affected by the proposal?
What did they say?**

N/A

5. Have you considered all reasonable courses of action and options?

N/A

6. What will be the impact be on performance and risk?

The Quarter Two forecast has been produced in conjunction with the Finance business partners and reflects the operational needs of the organisation to deliver a saving versus the agreed budget without creating operational risk.

7. What are the resource implications and will the proposal achieve greater efficiency and value for money?

The proposal will provide increased value for money.

8. Provide any supplementary information to support your proposal

See appendix 1 and 2 should provide sufficient information to describe the main movements from the Quarter One forecast.

9. Public Access to Information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation.

10. Any Further Action Required:

ORIGINATING OFFICER'S NAME AND CONTACT DETAILS

Margaret Monckton
Assistant Chief Officer Resources

Finance and Business Committee
11th November 2012
Report of Assistant Chief Officer Resources

Quarter Two 2012-13 Budget Management Report

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to report to the members the forecast position for the financial year ending March 2013.

2. RECOMMENDATION

- 2.1 That the members agree the forecast financial position for the financial year ending March 2013 and approve the budget virements, as at the end of Quarter Two.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To allow the members to monitor the management of revenue expenditure against the Quarter Two restated budget in the financial year 2012-13.

4. SUMMARY OF KEY POINTS

4.1 Background

The net expenditure budget for 2012-13 is £191.838m. The budget was restated at quarter one to £191.261m. The year to date restated budget to September 2012 was £95.061m. Actual net expenditure to September 2012 was £94.392m, which represented a £0.669m under spend against the restated budget, details can be found in Revenue Budget Management Report 2012-13: Year to September 2012.

4.2 Forecast Position to 31st March 2013

The Quarter Two restated budget is to deliver net expenditure of £189.188m which is £2.649m better than the budget and £2.073m better than the Quarter One restated budget. The details are summarised in Appendix 2.

4.3 Virements Due to Operational Activities

Note 1 – £1.053m saving in Police Pay and Allowances. This is mainly due to the timing of leavers and vacancies, which has been offset by the £0.115m recruitment of 15 officers from January 2013 and £0.283m increased costs on Special Priority Payment (SPP) for claims relating to prior years and the implementation of an on-call allowance for Police Officers which was part of the Winsor review.

Note 2 - £1.060m saving in Police staff pay & allowances. This is due to the phasing of the recruitment of the 56 new PCSO posts throughout the latter half of 2012-13 and the delay in the civilianisation of posts within Crime and Justice and Operational Support Department.

Note 3 - £0.200m increase in Other employee expenses. This is due to restructuring costs £0.146m and pension strain £0.152m.

Note 4 - £0.177m saving in Communications and computing. This is mainly due to £0.185m transfer from Communications and computing to Supplies and Services for the costs for obtaining data from mobile phones for investigative purposes (see note 6).

Note 5 - £0.180m saving in Miscellaneous expenses. This is largely due to savings on insurance.

Note 6 - £0.138m saving in Supplies and services. This is due to the transfer of legal collaboration costs to Collaboration contributions £0.460m (see note 7), forensic charges £0.071m, consultancy fees £0.038m, subscriptions £0.030m and medical fees £0.020m. This has been offset by the transfer of obtaining data from mobile phones £0.185m (see note 4) and a contingency of £0.300m.

Note 7 - £0.622 increase in Collaboration contributions. This is due to the transfer of legal collaboration costs from Supplies and services £0.460m (see note 6) and £0.152m in Regional Operations which is mainly for Officer in Kind payments where additional costs have been incurred for not fulfilling our staffing obligations.

Note 8 - £0.108m saving in Other operating expenditure. This is due to additional income on interest earned on investments.

Note 9 - £0.616m increase in Pension costs (injury awards and medical retirement). This is due to the number of medical retirees during 2012-13 compared to budget. This value is based on a provision against the number of current claimants rather than the actual number of agreed cases.

Note 10 - £0.165m saving in Capital financing. This is due to a release of a prior year accrual.

Note 11 - £0.281m additional income in Special services. This is largely due to income received for providing Police officers to support the Olympics and Paralympics.

Note 12 - £0.481 additional income. This is largely due to radio mast income £0.112m, Home Office Loan Charges Grant £0.090m, prosecution costs recovered £0.086m, partnership local authority funding £0.054m, contribution towards a seconded officer £0.049m, contributions from other forces £0.030m, vehicle recovery £0.025m, sale of equipment £0.017m and uninsured losses recovery £0.016m.

5. FINANCIAL IMPLICATIONS AND BUDGET PROVISION

5.1 As explained in the body of the report.

6. POLICY IMPLICATIONS AND LINKS TO POLICING PLAN PRIORITIES

6.1 The report demonstrates good financial management and governance.

7. DETAILS OF CONSULTATION


7.1 This report has been prepared with information provided within the Business Partnering Team.

8. BACKGROUND PAPERS AND RELEVANT PUBLISHED DOCUMENTS

8.1 Not applicable.

REPORT AUTHOR:	David Machin – Management Accountant Manager
OTHER CONTACTS:	ACO Margaret Monckton

Appendix 2: Quarter Two Restated Budget Versus Quarter One Restated Budget

Total Force		 NOTTINGHAMSHIRE POLICE <i>Policing for you</i>			
	Agreed Budget £m	Quarter One Restated Budget £m	Virements due to Operational Activities £m	Quarter Two Restated Budget £m	Note
Police pay & allowances	108.785	108.141	(1.053)	107.088	1
Police overtime	3.368	3.404	(0.002)	3.402	
Police staff pay & allowances	42.469	41.413	(1.060)	40.353	2
Police staff overtime	0.390	0.468	0.058	0.526	
Other employee expenses	1.371	1.161	0.200	1.362	3
Total pay & allowances	156.383	154.588	(1.857)	152.731	
Other operating expenses					
Premises running costs	5.465	5.175	(0.055)	5.120	
Transport allowances	0.761	0.590	0.059	0.650	
Transport costs	4.629	4.558	0.085	4.643	
Equipment, furniture & materials	0.605	0.464	0.011	0.475	
Expenses	0.161	0.144	(0.026)	0.118	
Clothing, uniform & laundry	0.755	0.469	0.036	0.505	
Printing & stationery	0.797	0.674	0.049	0.723	
Comms & computing	5.070	5.796	(0.177)	5.619	4
Miscellaneous expenses	2.899	2.134	(0.180)	1.954	5
Supplies & services	3.867	4.032	(0.138)	3.894	6
Collaboration contributions	8.570	6.617	0.622	7.238	7
Partnership contributions	0.376	0.291	0.026	0.317	
Other Agency/contract services	(4.591)	1.052	(0.029)	1.023	
Other operating expenditure	(0.037)	(0.011)	(0.108)	(0.119)	8
Pensions	3.355	3.229	0.616	3.845	9
Capital financing	3.856	3.263	(0.165)	3.098	10
Joint authorities	0.828	0.725	(0.015)	0.710	
	37.365	39.201	0.612	39.813	
Total expenditure	193.748	193.789	(1.245)	192.544	
Other					
Special services	(0.431)	(0.993)	(0.281)	(1.275)	11
Fees, report & charges	(0.378)	(0.284)	(0.065)	(0.349)	
Income	(1.101)	(1.250)	(0.481)	(1.731)	12
	(1.910)	(2.528)	(0.828)	(3.355)	
	191.838	191.261	(2.073)	189.188	
Movement from Agreed Budget			(2.649)		