



Nottinghamshire

POLICE & CRIME COMMISSIONER

Budget 2013-14

1 BUDGET 2013/14

The PCC is preparing for continuing reductions in funding over the existing Comprehensive Spending Review and the next. This budget is based on this premise and has to be taken within the context of the longer term plans of the PCC.

1.1. Provisional Funding Levels

The provisional funding levels have been set by the Home Office and the Department of Communities and Local Government. This anticipated Funding is shown below.

	2013/14 £m
Core Grants and Funding	
Police Grant & RSG	(137.5)
Council Tax Freeze Grant (2011-12)	(1.3)
Community Safety Grant	(2.8)
Total Core Grants	(141.6)
Precept	(48.5)
Surplus 2011/12	(0.1)
Council Tax Support Grant	(8.4)
Total Financing Available	(198.6)
Previous expenditure before known efficiencies	196.6
In year increases	8.9
Net Expenditure	205.5
Annual Shortfall before efficiencies	6.9

1.2 Cost Inflation

An inflation adjustment is applied to a number of different elements of the forecast these are;

- Pay awards, allowances and on costs – this includes an assumption of a 1% pay award to staff from 1st September 2013 and clawback on grant from 2014/15 onwards.
- MRP, financing and interest on loans – Based on the PCCs latest financing

- Supplies & Services – the inflation has been calculated based on fuel inflation of 2.5%, gas and electricity at 7.5% and all other expenditure at 2.7%.

This inflation adjustment equals £3.6m in 2013/14

1.3 **Additional In Year Increases**

As well as the cost inflation increases in outlined in section 1.2, there area number of additional in year increases in 2013/14, some in part to the creation of the role of the Police and Crime Commissioner and the associated expenditure to the additional grants being received.

The PCC has made the decision to mainstream the DIP funding and the costs of drug testing equipment. The PCC has also agreed to maintain 2012/13 levels of community safety funding for 2013/14.

There are additional pressures from increased NPIA costs, funding to support recruitment, and funding to support key additional investigations.

The additional in year increases are summarised in the table below.

	2013/14 £m
DIP Funding and CSP Costs	0.8
Community Safety Grant Expenditure	3.5
Additional Pressures	1.1
	5.4

1.4 **Efficiencies**

There have been a number of efficiencies identified that will deliver £8.6m of savings in 2013/14. These include the following:

- Collaboration - Full year savings of existing projects and part year savings on new projects;
- Procurement – Driving savings through regional procurement;
- Estates – Continued work to reduce the estates portfolio and reduce operating costs;
- Corporate Services – Improvements in systems, processes and staff;
- Fleet – Reduction in operational costs;
- Operational efficiencies – Driving savings from the teams supporting front line policing;

- Vacancy rate – recognition that times of change bring significant recruitment challenges which can lead to posts not being filled for a period of time.
- Commissioners Office – As per the Commissioner's pledge to reduce cost.

These are summarised in the table below.

	2013-14 £m
Collaboration	0.5
Procurement	2.0
Estates	1.0
Corporate Services	1.0
Fleet	0.2
Operational efficiencies	1.0
Income generation	
Vacancy rate	2.8
Commissioners Office	0.1
TOTAL	8.6

1.5 External Funding

There is an assessment of the financial risk in respect of external funding currently taking place. In 2012/13 65 officers and 28 staff are funded through this external funding (excluding DIP funding) and are not added within the expenditure and workforce plans. This could be an additional pressure in 2013/14 and future years as funding pressures mount for partners.

2 RECRUITMENT AND LEAVERS

The Police & Crime Commissioner has made a promise to increase frontline policing by 150 officers and 100 Police Community Support Officers (PCSO's).

This is a major investment in frontline policing for the people of Nottinghamshire. It is planned that 150 police officers will be recruited in 2013-14 and it is also planned that 35 PCSO's will be recruited in 2013-14.

There will recruitment of 47 staff to support the release of officers to front line duties.

There were significantly higher than forecast Police Officer leavers in 2012/13, which will result is officer numbers being approximately 30 down on budget at 31st March 2013. The forecasted leaver numbers have been increased in line

with the higher attrition rate seen in 2012/13 and the percentage of officers that leave when they are eligible for retirement. This estimate stands at 85%, the same as the previous years forecast.

The net result of the additional officers and the leavers is a net saving of £0.1m in 2013/14.

3 FUNDING PROPOSAL

The proposal is to increase the council tax by 1.95% in 2013/14 to generate additional precept of £1.0m

4 REVENUE BUDGET 2012-13

Annex 1 details the proposed budget for 2013-14. The proposed revenue budget is £196.9m. .

	Budget 2012-13	
	£m	Note
Total Financing Available	-197.6	Section 1
Precept Increase	-1.0	Section 3
Total Income	-198.6	
Net Expenditure	205.5	Section 1
Total Savings and Efficiencies	-8.6	Section 1
Net Expenditure	196.9	
Net Surplus	-1.7	
TOTAL NET EXPENDITURE	196.9	Annex 1

5 CAPITAL PROGRAMME AND FINANCING

The proposed Capital Programme for 2013-14 totals £7.856m with borrowing of £4.5m. The borrowing has been assumed to take place mid year at 4.0% with a cost of £0.2m. The cost of borrowing and MRP have been accounted for in the revenue budget proposed.

The Capital programme for 2012-12 programme of has an estimated slippage of £2.511m, this will be confirmed at year end with a request to approve slippage at that stage.

6. COLLABORATION

Nottinghamshire is part of regional collaboration with Derbyshire, Leicestershire, Lincolnshire and Northamptonshire. This has been successful and new areas of collaboration are being developed to drive out further savings and provide resilience in the services provided. The budget of £32.9m has been approved by the regional Police & Crime Commissioners and they have tasked the CFO's with delivering further savings in the medium term financial plan.

The Nottinghamshire element of the regional budget totals £9.8m (27.3%) and this has been included in the proposed budget for 2013-14.

2013/14 Budget (£m)

	Total Budget 2013/14
Payroll	
Police - Pay & Allowances	104.6
Police - Pay & Allowances - Overtime	3.3
S. Staff - Pay & Allowances	49.8
S. Staff - Pay & Allowances - Overtime	0.5
Other Employee Expenses	1.2
	159.3
Other operating expenses	
Premises Running Expenses	5.1
Transport Allowances	0.8
Transport Costs	4.1
Equipment/Furniture/Materials Expenses	0.4
	0.1
Clothing/Uniform/Laundry	0.5
Printing/Stationery/G. Expense	0.4
Comms & Computing	6.0
Miscellaneous Expenses	1.6
Other Supplies & Services	3.0
Agency/Contract Services	10.8
Other operating expenditure	(0.2)
Pensions	3.3
Capital Financing	3.8
Joint Authorities	0.7
	40.4
Total expenditure	199.7
Income	
Aid To Organisations	(0.4)
Fees, Reports & Charges	(0.4)
Other Income	(2.0)
	(2.8)
Total	196.9

Workforce Movements Budget 2012/13 v Budget 2013/14

	2012/13 Total fte's	2013/14 Total fte's	Movements fte's
Police Officers			
Local Policing	1,618	1,622	4
Crime and Justice	414	455	41
Corporate Services	36	33	(3)
	2,068	2,110	42
Police Staff			
PCSO	331	340	9
Other Police Staff	1,318	1,259	(59)
	1,649	1,599	(50)
TOTAL	3,717	3,709	(8)

Workforce Plan fte's

	2013/14				
	Local Policing fte's	Specialist Services fte's	Corporate Services fte's	Region fte's	Total fte's
Police Officers					
Opening balance	1,535	374	32	97	2,038
Restructure	15	(18)	1	2	-
Retirement / Leavers	(78)	-	-	-	(78)
Recruitment	150	-	-	-	150
	1,622	356	33	99	2,110
Police Staff					
Opening balance	428	408	380	33	1,249
Restructure	-	-	(37)	-	(37)
Recruitment	39	5	-	3	47
Recruitment	467	413	343	36	1,212
PCSOs					
Opening balance	305	-	-	-	305
Recruitment	35	-	-	-	35
	340	0	0	0	340
Opening Balance	2,268	782	412	130	3,592
Movement	161	(13)	(36)	5	117
Closing Balance	2429	769	376	135	3709