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| For Information | |
| Public | |
| Report to: | Strategic Resources & Performance Meeting |
| Date of Meeting: | 16th July 2014 |
| Report of: | Business & Finance |
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| Agenda Item: | 6 |

Revenue Budget Management Report 2014-15: April 2014

1. Purpose of the Report

- 1.1 The purpose of the report is to provide an update on the financial position against the 2014-15 budget for the year ending March 2015.

2. Recommendations

- 2.1 That the report is noted.

3. Reasons for Recommendations

- 3.1 To update the Chief Officer Team and the Office of the PCC on the Force's budgetary position for 2014-15.

4. Summary of Key Points

- 4.1 The full year net revenue budget for 2014-15 is £193.800m. This is split Office of the Police and Crime Commissioner (OPCC) £4.496m and the Force Budget £189.304m.

Actual net expenditure for April was £16.676m against a budget of £16.500m. The resulting position against the budget was an over spend of £0.176m. This represented an under spend of £0.004m in OPCC and an over spend of £0.180m against the Force budget.

Details of the under spend in the OPCC are in note 4.11.

The budget includes an efficiency target of £12.700m for the year, of which the month included £0.540m. Appendix 3 sets out the position in detail. The budget also includes a saving of £0.165m (£2.000m for the full year) relating to Designing the Future, the costs associated with this project will be reviewed on a quarterly basis with the potential to be transferred to capital or reserves. Where variances have been caused by designing the future activities this is referred to in the paragraphs below. There has been a good progress in the month towards meeting the efficiency challenge.

This report gives consideration to the significant variances against the budget for the Force and OPCC and Appendix 1 sets out the position in detail.

- 4.2 Police pay and allowances expenditure was £8.657m. This represented a £0.006m over spend against the budget. This overspend was largely due to the Designing the Future budget saving of £0.018m, offset by savings on pension and National Insurance. During the month there were 10 leavers, being 6 retirements, 3 resignations and 1 medical retirement.
- 4.3 Police officer overtime expenditure was £0.433m. This represented a £0.052m over spend against the budget. The budget included an efficiency challenge of £0.088m. This variance was mainly within City, County and OSD. The full impact of the April Easter Bank Holidays can only be evaluated when payments are made. These payments will be made over the next two months. Accruals for payment have been made to budget.
- 4.4 Police staff pay and allowances expenditure was £4.236m. This represented a £0.099m over spend against the budget. The budget included an efficiency challenge of £0.239m and a Designing the Future saving of £0.064m. The main areas of over spend are Contact Management where they are running above establishment, Human Resources and Finance.
- 4.5 Police staff overtime expenditure was £0.020m. This represented a £0.018m under spend against the budget. This saving was in County, Contact Management and Crime & Justice.
- 4.6 Equipment, furniture and material costs were £0.022m. This represented a £0.035m under spend against the budget. This under spend was largely due to the budget phasing of expenditure on firearms and public order equipment.
- 4.7 Clothing & uniform costs were £0.095m. This represented a £0.050m over spend against the budget. The over spend was largely due to an accrual raised for redundant stock transferred to Cooneen when they took over the uniform supply contract last year. This calculation is currently being challenged by EMSCU so may reduce.
- 4.8 Miscellaneous costs were £0.151m. This represented a £0.027m over spend against the budget. The over spend was largely due to the efficiency target of £0.035m, partly offset by small savings across numerous lines of expenditure.
- 4.9 Supplies and services costs were £0.363m. This represented a £0.046m over spend against the budget. The over spend was largely due to an over spend on forensic/DNA sampling costs; consultancy fees for the IS transformation project. The latter has been partly offset within other income where we have recharged other partners; and legal fees.
- 4.10 Collaboration contributions were £0.540m. This represented a £0.021m under spend against the budget. This is the cash contribution made to other forces who are leading the collaboration activity. This variance is largely due

to the regional savings that have been passed back to the forces from 2013-14.

- 4.11 The OPCC costs were £0.093m. This represents £0.004m under spend against the restated budget. This is largely due to miscellaneous expenses and supplies and services, partly offset by over spends on staff salaries.
- 4.12 Externally Funded projects have a budgeted income of £4.720m for the full year. Appendix 2 shows the detail of the combined income and expenditure for these projects.

Expenditure was £0.382m, this represented a £0.103m under spend against the restated budget, which was mainly phasing on overtime.

Income received was £0.518m, which represented £0.031m more income to the budget reflecting mainly due to the Speed Camera project. Due to a change in accounting policy income for several specific projects will only be transferred to or from reserves at the year end.

The main projects managed by the Force are:

- Speed Cameras - revenue comes from the Nottingham City and County Council, the Highways Agency, NDROS and AA Drivetech.
- SPOC Training – income generated from NPIA training courses.
- POCA Incentivisation - can be used “to further drive up performance on asset recovery and, where appropriate, to fund local crime preventing priorities for the benefit of the community”.
- Homicide Working Group – funding originated from the The Mayor's Office for Policing and Crime (MOPC) which replaced the Metropolitan Police Authority.
- Offender Health Project - this is a fund (received in March 2013) from the Department of Health to assist with the transfer of commissioning of healthcare in custody suites to the NHS.
- Business Crime - this is from the Chamber of Commerce to fund the Business Crime Hub, based in the Chamber of Commerce offices.
- Community Neighbourhood Protection Service (CNPS) - this is a fund from Nottingham City Council to fund 22 police officers, 1 staff FTE, and 15 police vehicles to support Community Protection.

5. Financial Implications and Budget Provision

- 5.1 As explained in the body of the report.

6. Human Resources Implications

6.1 Not applicable.

7. Equality Implications

7.1 Not applicable.

8. Risk Management

8.1 As explained in the body of the report.

9. Policy Implications and links to the Police and Crime Plan Priorities

9.1 The report demonstrates good financial management and governance.

10. Changes in Legislation or other Legal Considerations

10.1 Not applicable.

11. Details of outcome of consultation

11.1 Not applicable.

12. Appendices

12.1 Appendix 1 - Business & Finance April 2014
Appendix 2 - Business & Finance April 2014 Externally Funded
Appendix 3 - Business & Finance April 2014 Efficiencies


Appendix 1: Period 1 Year to Date Expenditure Against Budget



April 2014
Total Force

| | Full year | | | Year to Date | | | | | | | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------|----------------|------|---------------------|--------------|----------------|---------------------|----------------|----------------|----------------|
| | Force Budget | OPPC | Total | Force Budget | | | Note | OPCC | | | Total | | | |
| | Agreed Budget £m | Agreed Budget £m | Agreed Budget £m | Agreed Budget £m | Actual £m | Variance £m | | Agreed Budget £m | Actual £m | Variance £m | Agreed Budget £m | Actual £m | Variance £m | |
| Police pay & allowances | 104.292 | - | 104.292 | 8.651 | 8.657 | 0.006 | 4.2 | - | - | - | | 8.651 | 8.657 | 0.006 |
| Police overtime | 2.855 | - | 2.855 | 0.381 | 0.433 | 0.052 | 4.3 | - | - | - | | 0.381 | 0.433 | 0.052 |
| Police staff pay & allowances | 47.723 | 0.680 | 48.402 | 4.137 | 4.236 | 0.099 | 4.4 | 0.057 | 0.067 | 0.010 | | 4.193 | 4.303 | 0.109 |
| Police staff overtime | 0.487 | 0.001 | 0.487 | 0.038 | 0.020 | (0.018) | 4.5 | 0.000 | - | (0.000) | | 0.038 | 0.020 | (0.018) |
| Other employee expenses | 0.536 | 0.014 | 0.551 | 0.049 | 0.060 | 0.011 | | 0.001 | 0.000 | (0.001) | | 0.050 | 0.061 | 0.010 |
| Total pay & allowances | 155.893 | 0.695 | 156.587 | 13.256 | 13.405 | 0.150 | | 0.058 | 0.068 | 0.010 | | 13.313 | 13.473 | 0.159 |
| Other operating expenses | | | | | | | | | | | | | | |
| Premises running costs | 5.708 | 0.001 | 5.708 | 0.531 | 0.529 | (0.002) | | 0.001 | 0.003 | 0.003 | | 0.531 | 0.532 | 0.001 |
| Transport allowances | 0.715 | 0.027 | 0.742 | 0.058 | 0.041 | (0.017) | | 0.002 | (0.000) | (0.003) | | 0.060 | 0.041 | (0.019) |
| Transport costs | 5.627 | - | 5.627 | 0.481 | 0.466 | (0.015) | | - | - | - | | 0.481 | 0.466 | (0.015) |
| Equipment, furniture & materials | 0.417 | 0.002 | 0.419 | 0.057 | 0.022 | (0.035) | 4.6 | 0.001 | (0.000) | (0.001) | | 0.058 | 0.021 | (0.036) |
| Expenses | 0.166 | 0.003 | 0.169 | 0.014 | 0.015 | 0.001 | | 0.001 | 0.000 | (0.000) | | 0.015 | 0.016 | 0.001 |
| Clothing, uniform & laundry | 0.416 | 0.000 | 0.416 | 0.045 | 0.095 | 0.050 | 4.7 | 0.000 | - | (0.000) | | 0.045 | 0.095 | 0.050 |
| Printing & stationery | 0.524 | 0.010 | 0.534 | 0.045 | 0.043 | (0.003) | | 0.001 | 0.001 | (0.000) | | 0.046 | 0.043 | (0.003) |
| Comms & computing | 5.669 | 0.012 | 5.681 | 0.522 | 0.519 | (0.003) | | 0.001 | 0.000 | (0.001) | | 0.523 | 0.519 | (0.003) |
| Miscellaneous expenses | 0.585 | 0.017 | 0.602 | 0.124 | 0.151 | 0.027 | 4.8 | 0.010 | 0.005 | (0.005) | | 0.135 | 0.156 | 0.022 |
| Supplies & services | 3.447 | 0.047 | 3.494 | 0.317 | 0.363 | 0.046 | 4.9 | 0.006 | 0.001 | (0.005) | | 0.323 | 0.363 | 0.040 |
| Collaboration contributions | 6.966 | - | 6.966 | 0.561 | 0.540 | (0.021) | 4.10 | - | - | - | | 0.561 | 0.540 | (0.021) |
| Partnership contributions | 0.411 | - | 0.411 | 0.025 | 0.042 | 0.017 | | - | - | - | | 0.025 | 0.042 | 0.017 |
| Community safety grant | - | 3.500 | 3.500 | - | - | - | | - | - | - | | - | - | - |
| Agency/contract services | 0.577 | 0.183 | 0.761 | 0.050 | 0.048 | (0.002) | | 0.016 | 0.016 | (0.000) | | 0.066 | 0.064 | (0.002) |
| Pensions | 3.903 | - | 3.903 | 0.325 | 0.320 | (0.005) | | - | - | - | | 0.325 | 0.320 | (0.005) |
| Capital financing | 4.051 | - | 4.051 | 0.379 | 0.379 | - | | - | - | - | | 0.379 | 0.379 | - |
| Joint authorities | 0.032 | - | 0.032 | - | (0.003) | (0.003) | | - | - | - | | - | (0.003) | (0.003) |
| | 39.214 | 3.802 | 43.015 | 3.535 | 3.571 | 0.035 | | 0.039 | 0.025 | (0.014) | | 3.574 | 3.596 | 0.022 |
| Total expenditure | 195.106 | 4.496 | 199.603 | 16.791 | 16.976 | 0.185 | | 0.097 | 0.093 | (0.004) | | 16.888 | 17.069 | 0.181 |
| Other | | | | | | | | | | | | | | |
| Special services | (0.319) | - | (0.319) | (0.023) | (0.028) | (0.005) | | - | - | - | | (0.023) | (0.028) | (0.005) |
| Fees, report & charges | (0.342) | - | (0.342) | (0.029) | (0.026) | 0.003 | | - | - | - | | (0.029) | (0.026) | 0.003 |
| Other operating income | (0.271) | - | (0.271) | (0.015) | (0.015) | (0.000) | | - | - | - | | (0.015) | (0.015) | (0.000) |
| Income | (4.871) | - | (4.871) | (0.321) | (0.324) | (0.003) | | - | - | - | | (0.321) | (0.324) | (0.003) |
| | (5.803) | - | (5.803) | (0.388) | (0.393) | (0.005) | | - | - | - | | (0.388) | (0.393) | (0.005) |
| | 189.304 | 4.496 | 193.800 | 16.403 | 16.583 | 0.180 | | 0.097 | 0.093 | (0.004) | | 16.500 | 16.676 | 0.176 |

Appendix 2: Period 1 Year to Date Expenditure Against Budget

| April 2014 | |  NOTTINGHAMSHIRE POLICE PROUD TO SERVE | | |
|-----------------------------------|---------------------|---|----------------|----------------|
| External Funded | | | | |
| | Full year | Year to Date | | |
| | Agreed Budget £m | Budget £m | Actual £m | Variance £m |
| Police pay & allowances | 1.712 | 0.150 | 0.130 | (0.020) |
| Police overtime | 0.261 | 0.104 | 0.006 | (0.098) |
| Police staff pay & allowances | 1.611 | 0.136 | 0.119 | (0.017) |
| Police staff overtime | 0.011 | 0.001 | (0.001) | (0.002) |
| Other employee expenses | 0.035 | 0.002 | 0.002 | (0.000) |
| Total pay & allowances | 3.629 | 0.393 | 0.255 | (0.138) |
| Other operating expenses | | | | |
| Premises running costs | 0.235 | 0.021 | 0.020 | (0.002) |
| Transport allowances | 0.009 | 0.001 | 0.001 | 0.001 |
| Transport costs | 0.080 | 0.008 | (0.022) | (0.030) |
| Equipment, furniture & materials | 0.029 | 0.002 | 0.005 | 0.003 |
| Expenses | 0.003 | 0.000 | 0.000 | 0.000 |
| Clothing, uniform & laundry | 0.002 | 0.000 | (0.000) | (0.000) |
| Printing & stationery | 0.020 | 0.002 | 0.001 | (0.001) |
| Comms & computing | 0.322 | 0.027 | 0.121 | 0.094 |
| Miscellaneous expenses | 0.008 | 0.001 | 0.001 | 0.000 |
| Supplies & services | 0.018 | 0.000 | 0.000 | 0.000 |
| Collaboration contributions | 0.358 | 0.030 | - | (0.030) |
| Partnership contributions | - | - | - | - |
| Community safety grant | - | - | - | - |
| Agency/contract services | 0.007 | 0.001 | 0.000 | (0.001) |
| Pensions | - | - | - | - |
| Capital financing | - | - | - | - |
| Joint authorities | - | - | - | - |
| | 1.091 | 0.093 | 0.127 | 0.034 |
| Total expenditure | 4.720 | 0.486 | 0.382 | (0.103) |
| Other | | | | |
| Special services | - | - | - | - |
| Fees, report & charges | - | - | - | - |
| Other operating income | - | - | - | - |
| Income | (4.720) | (0.477) | (0.287) | 0.189 |
| | (4.720) | (0.477) | (0.287) | 0.189 |
| | - | 0.009 | 0.095 | 0.086 |

Appendix 3: Period 1 Year to Date Efficiencies

| Year to date | | | | | | | Full Year | | |
|-------------------------------------|----------------------|----------------|--------------------------------|-----------------------|----------------|----------------------|--------------------|-----------------------|----------------|
| Actual £m | Base Budget £m | Variance £m | Budgeted Efficiencies £m | Total Budget £m | Variance £m | Base Budget £m | Efficiencies £m | Total Budget £m | |
| April 2014 | | | | | | | | | |
| Total Force (including OPCC) | | | | | | | | | |
| Police pay & allowances | 8.657 | 8.713 | (0.056) | (0.062) | 8.651 | 0.006 | 105.792 | (1.500) | 104.292 |
| Police overtime | 0.433 | 0.469 | (0.036) | (0.088) | 0.381 | 0.052 | 3.984 | (1.129) | 2.855 |
| Police staff pay & allowances | 4.303 | 4.433 | (0.130) | (0.239) | 4.193 | 0.109 | 53.375 | (4.973) | 48.402 |
| Police staff overtime | 0.020 | 0.047 | (0.028) | (0.010) | 0.038 | (0.018) | 0.604 | (0.117) | 0.487 |
| Other employee expenses | 0.061 | 0.063 | (0.002) | (0.013) | 0.050 | 0.010 | 0.751 | (0.200) | 0.551 |
| Total pay & allowances | 13.473 | 13.724 | (0.252) | (0.411) | 13.313 | 0.159 | 164.505 | (7.918) | 156.587 |
| Other operating expenses | | | | | | | | | |
| Premises running costs | 0.532 | 0.572 | (0.040) | (0.041) | 0.531 | 0.001 | 6.697 | (0.989) | 5.708 |
| Transport allowances | 0.041 | 0.060 | (0.019) | - | 0.060 | (0.019) | 0.742 | - | 0.742 |
| Transport costs | 0.466 | 0.485 | (0.020) | (0.005) | 0.481 | (0.015) | 5.887 | (0.260) | 5.627 |
| Equipment, furniture & materials | 0.021 | 0.058 | (0.036) | - | 0.058 | (0.036) | 0.441 | (0.022) | 0.419 |
| Expenses | 0.016 | 0.015 | 0.001 | - | 0.015 | 0.001 | 0.171 | (0.002) | 0.169 |
| Clothing, uniform & laundry | 0.095 | 0.078 | 0.018 | (0.032) | 0.045 | 0.050 | 0.577 | (0.162) | 0.416 |
| Printing & stationery | 0.043 | 0.046 | (0.003) | - | 0.046 | (0.003) | 0.567 | (0.033) | 0.534 |
| Comms & computing | 0.519 | 0.532 | (0.013) | (0.010) | 0.523 | (0.003) | 6.421 | (0.740) | 5.681 |
| Miscellaneous expenses | 0.156 | 0.159 | (0.002) | (0.024) | 0.135 | 0.022 | 1.933 | (1.331) | 0.602 |
| Supplies & services | 0.363 | 0.323 | 0.040 | - | 0.323 | 0.040 | 3.671 | (0.177) | 3.494 |
| Collaboration contributions | 0.540 | 0.578 | (0.038) | (0.017) | 0.561 | (0.021) | 7.166 | (0.200) | 6.966 |
| Partnership contributions | 0.042 | 0.025 | 0.017 | - | 0.025 | 0.017 | 0.411 | - | 0.411 |
| Community safety grant | - | - | - | - | - | - | 3.500 | - | 3.500 |
| Agency/contract services | 0.064 | 0.066 | (0.002) | - | 0.066 | (0.002) | 0.793 | (0.032) | 0.761 |
| Pensions | 0.320 | 0.325 | (0.005) | - | 0.325 | (0.005) | 3.903 | - | 3.903 |
| Capital financing | 0.379 | 0.379 | - | - | 0.379 | - | 4.051 | - | 4.051 |
| Joint authorities | (0.003) | - | (0.003) | - | - | (0.003) | 0.032 | - | 0.032 |
| | 3.596 | 3.702 | (0.106) | (0.128) | 3.574 | 0.022 | 46.962 | (3.947) | 43.015 |
| Total expenditure | 17.069 | 17.427 | (0.358) | (0.539) | 16.888 | 0.181 | 211.467 | (11.864) | 199.603 |
| Other | | | | | | | | | |
| Special services | (0.028) | (0.023) | (0.005) | - | (0.023) | (0.005) | (0.319) | - | (0.319) |
| Fees, report & charges | (0.026) | (0.029) | 0.003 | - | (0.029) | 0.003 | (0.342) | - | (0.342) |
| Other operating income | (0.015) | (0.015) | (0.000) | - | (0.015) | (0.000) | (0.180) | (0.091) | (0.271) |
| Income | (0.324) | (0.320) | (0.004) | (0.001) | (0.321) | (0.003) | (4.126) | (0.745) | (4.871) |
| | (0.393) | (0.387) | (0.006) | (0.001) | (0.388) | (0.005) | (4.967) | (0.836) | (5.803) |
| | 16.676 | 17.040 | (0.364) | (0.540) | 16.500 | 0.176 | 206.500 | (12.700) | 193.800 |

