

To September 2016 (Quarter 1 to Quarter 2)

Headlines

The current forecast of net expenditure amounts to £108.326m compared to a revised budget of £107.445m.

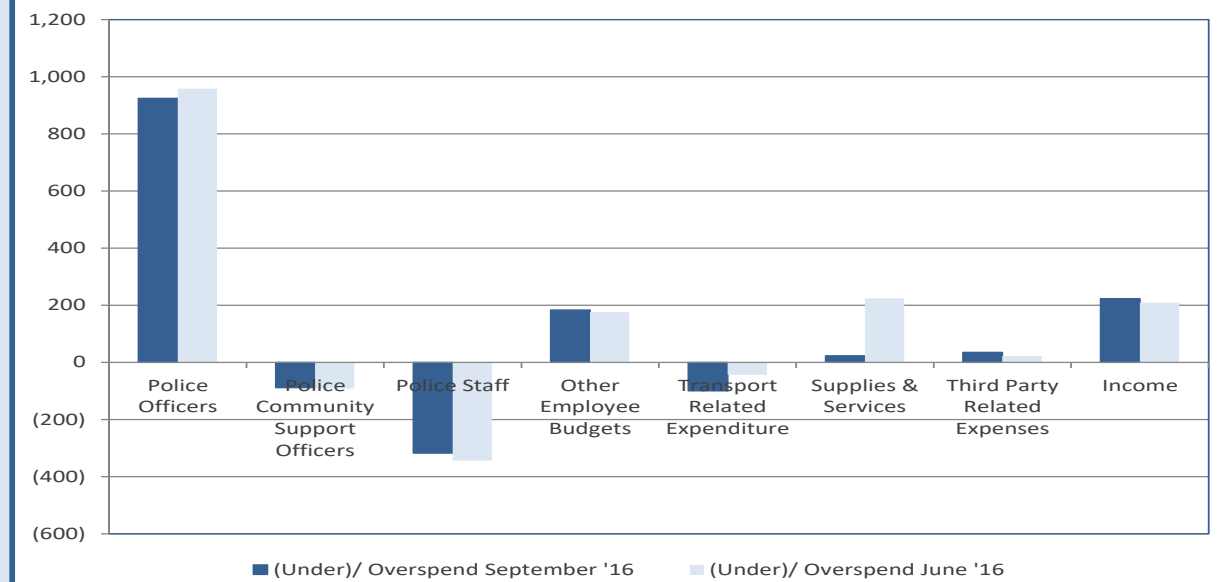
The variance amounts to a forecast overspend of £881k (0.82%) and is made of a forecast overspend on expenditure budgets of £658k (0.58%) and a forecast under recovery of income of £223k (4.02%).

The forecast overspend at September has reduced by £228k when compared to the figure reported as at the end of June of £1.109m.

The overspend is made up by overspends on some categories totalling £1.388m which are being partially offset by underspends on others totalling £507k.

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend	Forecast (Under)/Overspend	Change in Forecast
	2016/17	2016/17	2016/17	2016/17	@ JUN-16	to SEP-16
	£'000s	£'000s	£'000s	%	£'000s	£'000s
Constabulary Funding						
Police Officers	75,569	76,493	924	1.22%	958	(34)
Police Community Support Officers	2,814	2,725	(89)	-3.16%	(92)	3
Police Staff	18,953	18,635	(318)	-1.68%	(344)	26
Other Employee Budgets	1,891	2,074	183	9.68%	176	7
Transport Related Expenditure	2,143	2,043	(100)	-4.67%	(44)	(56)
Supplies & Services	9,680	9,703	23	0.24%	224	(201)
Third Party Related Expenses	1,942	1,977	35	1.80%	22	13
Total Constabulary Funding	112,992	113,650	658	0.58%	900	(242)
Income	(5,547)	(5,324)	223	-4.02%	209	14
Total Constabulary Funding Net of Income	107,445	108,326	881	0.82%	1,109	(228)

Analysis of Under and Overspend by Category



The Constabulary overspend has arisen as a result of budget pressures which have emerged since the budget was set in February 2016. The constabulary is continuing to seek to manage expenditure during 2016/17 within the overall funding envelope provided, should this not be possible, a number of options are being developed including the use of the Chief Constable's contingency, use of reserves and potential capital underspends.

The overspend is largely as result of Police Officer Pay (£924k) of which, £333k arises as a result of in year changes against the WFP and £524k in respect of pressure on overtime budgets. In addition, pressure on income budgets amounting to £223k has arisen largely as a result of planned income for special policing services slipping into the 2017/18 financial year. Other employee budgets are showing the pressures of the increased level of recruitment, agency staffing and redundancy/pension costs for which there is no budget.

These overspends are being offset to a degree by underspends on police staff costs which have arisen as a result of increased levels of vacant posts, savings delivered early in respect of the change programme and increased levels of maternity leave.

Change between June and September

Whilst the forecast outturn reported still represents an overspend, the current forecast overspend has reduced by 20% when compared to that reported in June. The main reasons for this reduction are as a result of positive actions taken by the Constabulary to manage the budget. These actions include a range of measures, the significant ones being:

- A review of workforce planning has been undertaken to look at the options for making changes to the timing of recruitment for the remainder of the year. This has facilitated changes which place a small delay on intakes during the latter part of the year which has a positive impact on the budget
- Supplies and services budgets have been brought back in line by making a number of decisions around estates and other projects that have an impact on the revenue budget. A number of these have been re-profiled during 2016/17 with the effect of reducing costs.

There are a number of smaller reductions, for example transport related expenditure, and some smaller areas of budget pressures but overall the financial position shows an improvement compared to the forecast at quarter 1. The Constabulary's finance team continues to work with budget holders to identify options to reduce costs in year.