



Cumbria Office of the Police and Crime Commissioner Report

Title: Commissioner's Revenue Budget Monitoring 2017/18 Quarter 4 and Provisional Outturn 2017/18

Date: 10 May 2018

Originating Officer: Michelle Bellis – Deputy Chief Finance Officer

Report of the Joint Chief Finance Officer

1. Purpose of the Report

1.1. The purpose of this report is to provide information on the provisional revenue outturn for 2017/18. Total net expenditure amounts to £96.421m compared to an approved budget of £96.178m. This is a net variance of £0.243m (0.25%), and comprises £233k over recovery of Income and £476k overspend on expenditure. The variance represents an underspend of £41k in relation to funding provided to the Constabulary and an overspend of £284k on budgets managed by the OPCC. The forecast variation of £0.243m represents a reduction in the forecast overspend of £805k compared to the £1.048m reported as at 31 December 2017.

2. Recommendation

- 2.1. The Commissioner is asked to note the combined provisional outturn position of an overspend of £0.243m, for the financial year 2017/18.
- 2.2. The Commissioner is asked to approve the financing of this overspend through a drawdown of the budget support earmarked reserve.

3. Revenue Expenditure

- 3.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £96.421m, and is £0.243m (0.25%) over the approved budget of £96.178m. The forecast overspend position is made up of an overspend of £0.284m in respect of budgets controlled by the Commissioner (made up of a net overspend on expenditure of £0.312m offset by the over recovery of grant and investment income of £0.016m and additional drawdown from reserves £0.012m).
- 3.2. The principal variances at the end of the financial year are outlined in the table below with comparative figures reported as at December 2017:

Description	Revised	Provisional	Provisional	Provisional	Forecast	Change in
	Budget	Outturn	(Under)/	(Under)/	(Under)/	Forecast
	2017/18	2017/18	Overspend	Overspend	Overspend	DEC-17 to
	£'000s	£'000s	2017/18	2017/18	@ DEC-17	ADJ-18
			£'000s	%	£'000s	£'000s
Office of the Police and Crime Commissioner	784	756	(28)	-3.57%	(23)	(5)
Other PCC Budgets	(14,817)	(14,493)	324	-2.19%	63	261
Movements To / (From) Reserves	(1,432)	(1,444)	(12)	0.84%	0	(12)
Total OPCC Budgets	(15,465)	(15,181)	284	-1.84%	40	244
Funding Provided to the Constabulary	111,643	111,602	(41)	-0.04%	1,008	(1,049)
Net Expenditure	96,178	96,421	243	0.25%	1,048	(805)
External Funding	(96,178)	(96,178)	0	0.00%	0	0
Total	0	243	243		1,048	(805)

A more detailed analysis of the figures in the above table (not rounded) is provided at **Appendix**

A. Commentary on specific variances is provided in the paragraphs below.

- 3.3. The budget for the Office of the Police and Crime Commissioner came in under budget by £28k or 3.57% (previously £23k or 2.93% at December). The underspend is largely as a result of underspends on staffing as a result of maternity leave and restructure of the OPCC management team.
- 3.4. The Other PCC Controlled Budgets came in over budget by £324k or 2.19% (previously over budget by £63k or 0.39% at December). The net overspend is made up of overspends on the following expenditure lines:
- An increased contribution at year end to the Constabulary balance sheet provision in respect of legal claims of a net £281k.

- Increased estates costs £62k. Including additional spend on repairs and maintenance and utilities.

These underspends are being partially offset by underspends on the following budget lines. Significantly:

- A reduction in the cost of insurance premiums and broker fees £6k as a result in the re-tender of insurance contracts in November 2017.
- A slight increase in the amount of investment income received in the year £15k.

- 3.5. The Commissioner provides funding to the Chief Constable to operate the Constabulary under the terms of a funding arrangement. The Chief Constable has reported a provisional outturn position of an underspend against this budget of £0.041m or 0.04% (£1.008m 0.90% at December). The forecast underspend is made up of an overspend on expenditure budgets of £0.165m (previously £1.046m at December) offset by over recovery of income of £0.206m (previously £0.038m at December). The underspend at the year-end is made up of savings on staff pay, a change in accounting treatment in respect of the apprenticeship levy, training costs, fuel and information communication technology together with over recovery of income in respect of reimbursements for services provided to other public bodies and police forces. This is partially offset by additional expenditure on police pay (changes to workforce plan, 1% non-consolidated pay award). The Chief Constable has provided a separate report elsewhere on this agenda which provides a specific update regarding funding provided to the Constabulary.
- 3.6. The combined provisional outturn position is for an overspend of £0.243m. It is proposed that this overspend balance is funded through the drawdown of specific reserves (as outlined in section 2 above).
- 3.7. The Commissioner maintains the police property act fund. This fund has been accumulated over a period of time as a result of the disposal of property coming into the possession of the police under the Police Property Act 1987 and the Powers of Criminal Courts Act 1973. On a quarterly basis community groups or individuals can submit applications for funding to the Commissioner, the proposals should support priorities within the Commissioner's Police and Crime Plan, have an impact on community safety and crime reduction or contribute to the delivery of the Constabulary youth strategy (e.g. diversionary activities for young people). At 31 March 2018, the fund amounted to £64k. During 2017/18 awards to successful applicants totalling £58k were made. Details of these can be found on the Commissioner's website <https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

Appendix A

Revenue Budget Monitoring 2017/18 – Provisional Outturn

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Forecast (Under)/Overspend @ DEC-17	Change in Forecast DEC-17 to ADJ-18
	2017/18 £	2017/18 £	2017/18 £	2017/18 %	£	£
Office of the Police and Crime Commissioner	784,260	756,647	(27,613)	-3.52%	(22,868)	(4,745)
Other PCC Budgets						
Commissioned Services Budget	3,609,736	3,609,736	0	0.00%	0	0
Sexual Assault Support Services	196,800	196,800	0	0.00%	0	0
Estates	3,853,496	3,915,870	62,375	1.62%	53,310	9,065
Insurances	530,694	523,978	(6,716)	-1.27%	5,596	(12,312)
LGPS Past Service Cost	0	0	0	0.00%	0	0
Provisions for Insurance & Legal Liabilities	145,000	426,000	281,000	193.79%	0	281,000
Technical Accounting	352,796	354,544	1,748	0.50%	(0)	1,749
Capital Financing	6,296,074	6,296,096	22	0.00%	22	0
Grants & Contributions	(29,725,922)	(29,726,079)	(157)	0.00%	4,239	(4,396)
Interest/Investment Income	(75,000)	(89,964)	(14,964)	19.95%	0	(14,964)
	(14,816,326)	(14,493,018)	323,308	-2.18%	63,166	260,142
Total Police & Crime Commissioner Directly Controlled	(14,032,066)	(13,736,371)	295,695	-2.11%	40,298	255,397
Constabulary Funding	117,986,363	118,152,229	165,865	0.14%	1,046,626	(880,761)
Constabulary Income	(6,343,855)	(6,549,859)	(206,004)	3.25%	(38,321)	(167,683)
Total Constabulary Funding	111,642,508	111,602,370	(40,138)	-0.04%	1,008,306	(1,048,444)
Total Approved Budget	97,610,442	97,865,998	255,557	0.26%	1,048,604	(793,047)
Transfers To/(From) Earmarked Revenue Reserves	3,291,101	3,291,101	(1)	0.00%	(0)	(0)
Transfers To/(From) Capital Reserves	(4,723,132)	(4,723,132)	0	0.00%	0	0
Transfers To/(From) General Revenue Reserves	0	(12,300)	(12,300)	0.00%	0	(12,300)
Aggregated External Financing	(96,178,411)	(96,178,411)	0	0.00%	0	0
Net Requirement	0	243,256	243,256		1,048,603	(805,347)