

To: Finance and Resources Committee
From: Chief Constable and Treasurer
Date: 20th October 2009

REVENUE AND CAPITAL BUDGET MONITORING 2009/10

1. Purpose

- 1.1 This report updates the Committee on spend against the approved 2009/10 Revenue Budget and Capital Programme for the 5 months ended 31st August 2009.

2. Overview – Revenue

- 2.1 The revenue budget for 2009/10 was approved at the Police Authority's meeting on 13th February 2009:-

	£m	%
Budget Requirement	125.6	
<i>Financed by</i>		
Police Grant	48.5	38.6
General Government Grants	32.5	25.9
Council Tax	44.6	35.5

- 2.2 A detailed statement of actual spend against budget is set out at Appendix 1 and a summary is given at Table 1 below.
- 2.4 The figures are also presented with an indicative forecast of outturn. Such forecasts should be approached with caution, particularly so early in the financial year. The forecasting exercise has, however, revealed a number of budgetary pressures (para. 3.4 below). The cumulative effect of these pressures is a forecast marginal overspend of £0.6m or 0.5% of Net Revenue Budget.
- 2.3 Attention is also drawn to the revised format of Appendix 1. The reason for the revision is to provide a more usable report with a greater use of summarisation and explanatory notes to draw out the key variances.

3. Significant Variances - Revenue

Table 1 (all figures £'000)

Variance to July		2009/10 Budget	2009/10 Budget YTD to Aug 09	2008/09 Actual to Aug 09	Variance	Variance %	Projected Outturn
-0.2	Police Officer Pay & Allowances	55.6	22.4	22.1	-0.2	-1.1%	0.0
0.2	Police Officer Overtime	3.0	1.1	1.3	0.2	18.5%	0.4
0.0	PCSO Pay & Overtime	5.6	2.3	2.3	0.0	-0.3%	0.0
0.0	Police Staff Pay & Overtime	31.1	12.9	12.9	0.0	0.2%	0.1
0.1	Other Employee Expenses	1.6	0.6	0.7	0.1	22.0%	0.1
0.0	Total Employee Costs	97.0	39.3	39.4	0.1	0.3%	0.7
-0.1	Net Cost of Police Pensions	14.4	6.0	5.9	0.0	-0.8%	-0.1
0.0	Premises Costs	4.2	2.0	2.0	0.0	-1.9%	0.0
0.0	Transport	2.0	0.9	0.9	0.0	2.0%	0.2
0.2	Supplies and Services	19.2	7.5	7.7	0.2	2.4%	-0.1
0.2	Gross Revenue Expenditure	133.8	54.5	54.6	0.1	0.2%	0.7
-0.3	Income	-11.3	-4.5	-4.6	-0.2	3.7%	-0.1
0.0	Capital Financing Costs	1.5	0.0	0.0	0.0	-9.8%	0.0
0.0	Contributions +to / -from Reserves	-1.2	0.0	0.0	0.0	0.0%	0.0
0.0	Hosted Service & Holding Accounts	-0.2	-0.2	-0.2	0.0	5.7%	0.0
0.0	Net Budget Requirement	125.6	51.0	51.1	0.0	0.1%	0.6
<i>0.0</i>	<i>Police Officer Overtime less rechargeable operations</i>	<i>3.0</i>	<i>1.1</i>	<i>1.2</i>	<i>0.1</i>	<i>7.3%</i>	<i>0.4</i>

- 3.1 The budget at the end of August is broadly in balance at a marginal overspend of £40k. Underspending at the same point last year stood at £1.4m confirming the fact that 2009/10 will be a far more challenging year for budget management than 2008/09.
- 3.2 Principal variances against budget include underspending against Police and Police Staff pay budgets offset by overspending on Police Staff overtime and agency staff and a range of goods and services. A subjective expenditure report is set out at Appendix 1 together with detailed notes which also highlight variances in staffing budgets, particularly police pay and overtime (notes 1 and 2) and police staff pay and overtime (notes 3 and 4).
- 3.3 In addition, the notes to Appendix 1 provide detailed breakdowns of expenditure on consultancy, legal and audit costs (note 6), subscriptions and contributions (note 7), an analysis of the spend on interpreters (note 9) and a breakdown of collaboration costs (note 10).
- 3.4 The figures are also presented with an indicative forecast of outturn which has revealed a number of budgetary pressures as follows:
- 3.4.1 There is an accruing overspend on electricity such that the budget is predicted to be £80k overspent at the year end;
- 3.4.2 An overspend of £160k on vehicle fuel is predicted following recent price increases;
- 3.4.3 Spending on interpreters is running ahead of budget and an overspend of £231k is predicted for the year; and

- 3.4.4 Interest rates in the economy are such that a shortfall in interest earned on cash balances of £260k is predicted.
- 3.5 Interpreters' costs will be the subject of a separate report to FEB in November in order to understand where additional costs are falling and what can be done to address overspending. Other areas of overspending are being closely monitored and spending scrutinised in order to identify compensating savings from other budgets.

4. 2009/10 Capital Monitoring

Table 2 – 2009/10 Capital Programme

All figures £'000	Brought Forward from 2008/09	2009/10 Capital Programme	Previously Authorised		2009/10 Capital Programme	Actual & Committed YTD	%
			Additions and Deletions	Virements			
Capital Payments:-							
Land and Buildings	3,614	3,445	2,030		9,089	5,941	65.4%
IS/IT & Comms Operations Support	1,008	3,203	-178		4,033	2,381	59.0%
IS/IT & Comms Support Services	210	380			590	280	47.4%
Vehicles	-	1,500	-100		1,400	1,155	82.5%
Capital Staffing	-	200			200	0	0.0%
Allocable Budget	-	-	123		123	0	0.0%
TOTAL	4,832	8,728	123	-	15,435	9,757	63.2%
Capital Financing:-							
Capital Grants		1,583			1,583	793	50.1%
Revenue Contributions to Capital Outlay					-		
Capital Receipts / Reserves		394	1,175		1,569	191	12.2%
Other Sources of Funding					-	*	
Use of Reserves			700		700	*	
Borrowing	4,832	6,751			11,583	*	
TOTAL	4,832	8,728	1,875		15,435	984	

*year end adjustments

Note: figures may not cast due to roundings

4.1 Capital Payments

4.1.1 **Capital Payments** – Table 2 above shows that 63% of the 2009/10 Capital Programme has been spent and committed at the end of August, principally because of spending on a number of significant buildings projects brought forward, including: Cambourne Police Station (£1.5m); Copse Court refurbishment (£1.3m), HQ remodelling (£1.0m) and planned major repairs (£0.7m). In addition, actual and committed expenditure had reached £1.5m on the Microsoft Migration project and £1.0m on the vehicle replacement programme by the end of August.

4.1.2 It should be noted that Superintendents' cars are replaced in line with the Force car replacement policy, either on costs of servicing or mileage, and the costs of replacement are included in the fleet capital programme.

4.2 Capital Financing

4.2.1 Capital resources received to date include grants from Central Government (£793k) and receipts from the sale of vehicles and property of £191k which have been added to receipts brought forward of £2.3m.

4.3 **Capital Virements**

4.3.1 On 15th September 2009 Capital Panel recommended the following capital virements for the Committee's approval:

4.3.2 **From** three projects with a total budget of £373k which will not be pursued during the financial year:

- the Asset Tracking Service Management Tool project – budget £90k
- the Hardware Refresh Phase II project – budget £250k
- the Scenes of Crime (SOCRATES) Upgrade project budget - £33k

4.3.3 **To** Force Control Room infrastructure improvements – budget £250k – and £123k to meet emerging capital pressures (i.e. unallocated at this time).

5. **Recommendation**

5.1 The Committee is asked to:

- a) approve the capital virements as recommended by Capital Panel on 15th September 2009 and set out at para. 4.3 above; and
- b) to note the report.

BIBLIOGRAPHY

Source Document (s)	Contact Officer	Location
Budget Report Police Authority Agenda 13 th February 2009	Niki Howard Director of Finance T. (01480) 425049 E. niki.howard@cambs.pnn.police.uk John Hummersone Treasurer T. (01638) 667090 E. john@hummersoneconsulting.co.uk	Cambridgeshire Police Headquarters, Hinchingsbrooke Park, Huntingdon, Cambridgeshire, PE29 6NP.
<p>Originating Officer Nicola Howard, Director of Resources</p> <p>Is it considered that this report contains 'exempt information' and should be considered in private? NO</p> <p>If the answer is "YES", please state the nature of the exempt information and the relevant clause(s) in Part 1 of Revised Schedule 12A to the Local Government Act 1972</p> <p>.....</p> <p>The attached report has been cleared with the undermentioned officers: (delete as appropriate)</p> <p>Chief Executive/Chief Constable/Treasurer</p> <p>Others</p> <p>Submitted on6th October 2009</p> <p>A report will not be sent to the Authority unless this box has been satisfactorily completed and all necessary consultation carried out - the responsibility for which rests with the originator (except for consultation with the Chairman and this will be undertaken by the Chief Executive).</p>		

Appendix 1

CAMBRIDGESHIRE POLICE AUTHORITY - MONTHLY FINANCIAL REVIEW PERIOD ENDING AUGUST 2009

SUBJECTIVE REPORT

July Var £'000		Notes	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Forecast of Outturn £'000
Employee Costs							
-212	Police Officer Pay & Allowances	1	55,649	22,371	22,131	-240	-
152	Police Officer Overtime*	2	3,036	1,119	1,325	207	420
-60	Sub-total Police Officers		58,685	23,490	23,457	-33	420
-7	PCSO Pay & Overtime		5,637	2,342	2,334	-8	-6
-111	Support Staff Pay	3	30,761	12,712	12,556	-156	-375
80	Support Staff Overtime	4	218	74	166	92	182
71	Agency Staff		103	95	180	85	329
39	Sub-total Police Staff		31,081	12,881	12,903	22	136
8	Training		1,344	408	432	24	-
72	Other Employee Allowances	5	303	167	270	103	103
80	Other Employee Costs		1,646	575	702	127	103
10	Total Employee Costs		97,049	38,169	38,179	11	652
Police Authority Police Pension Costs							
-21	Pensions - Notional Employer Contributions- Expenditure		11,766	4,902	4,908	5	-12
-39	Injury Pensions		2,149	1,075	1,020	-54	-44
-	Ill-Health Retirement Capital Charge - Expenditure		480	-	-	-	-
-60	Total Police Authority Police Pension Costs		14,395	5,977	5,928	-49	-56
Premises Costs							
2	Building Repairs, Alterations & Maintenance		903	307	303	-5	-
53	Utility Costs		984	344	392	49	78
-31	Rent & Rates		1,416	1,072	1,025	-47	-45
-8	Other Premises Costs		103	40	31	-9	-
-22	Cleaning		782	260	233	-27	-
-5	Total Premises Costs		4,188	2,023	1,984	-39	33
Transport Costs							
19	Vehicle Running Costs		1,397	584	619	35	160
-4	Hired Transport		58	29	24	-5	-
-13	Travel Expenses		594	247	234	-13	-
2	Total Transport Costs		2,049	860	878	17	160

July Var £'000		Notes	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Forecast of Outturn £'000
Supplies & Services							
-28	Computing Costs		3,245	1,623	1,603	-20	-50
38	Communications Costs		2,917	1,276	1,292	16	40
63	Consultancy, Legal & Audit Costs	6	2,435	748	764	16	40
1	Forensic Science Service Costs		1,990	736	736	-	50
11	Insurance and Risk Management		1,169	560	571	11	-
21	Subscriptions & Contributions	7	962	373	419	46	20
-14	Equipment & Materials		993	407	351	-55	-10
-38	Clothing, Uniforms & Laundry		869	180	163	-17	-80
-7	Equipment - Helicopter		828	224	186	-39	-
112	Other Supplies & Services	8	811	261	386	125	150
9	Printing, Stationery & General Office Expenses		775	300	303	3	-48
79	Interpreters	9	506	207	310	103	231
-5	Informants, Identity Parades & Vetting		461	109	108	-1	-
1	Catering		348	99	99	-0	-
4	Police National Computer Charges		306	153	157	4	-
-7	Conference & Seminar Costs		271	117	101	-16	-
-5	Staff Subsistence Expenses		168	65	63	-2	-
4	Doctors - Medicals and Prisoners		72	29	30	1	-
-3	Police Authority Allowances & Expenses		38	16	14	-3	-
7	Mutual Aid		-	-	8	8	-402
242	Total Supplies & Services		19,167	7,485	7,664	179	-59
231	GROSS REVENUE EXPENDITURE	10	136,849	54,514	54,632	118	730
Income							
0	Special Government Grants		-8,985	-3,436	-3,437	-0	-
-25	Sales, Fees & Charges		-1,017	-286	-303	-17	-
-103	Other Grants & Contributions	11	-259	-171	-267	-96	-200
15	Rental Income		-323	-191	-116	75	190
66	Interest on Balances		-300	-100	-12	88	260
-71	Charges for Police Services		-232	-190	-267	-77	-185
-18	Other Income		-120	-51	-63	-12	-50
-127	Costs Recovered	12	-95	-35	-163	-128	-150
-262	Total Income		-11,332	-4,460	-4,628	-167	-135
-32	NET REVENUE EXPENDITURE		125,517	50,054	50,005	-49	595
-	Capital Financing Costs		1,459	10	10	-1	-
-	Contributions +to / -from Reserves		-1,169	-	-	-	-
Holding Accounts and Hosted Services							
-9	Seconded Officers Net Recharge		-	-	-9	-9	-11
0	Hosted Services		-191	-150	-150	-0	-
-40	NET BUDGET REQUIREMENT		125,616	51,032	51,071	39	584
42	<i>*Police Officer Overtime less rechargeable operations</i>			1,119	1,216	97	

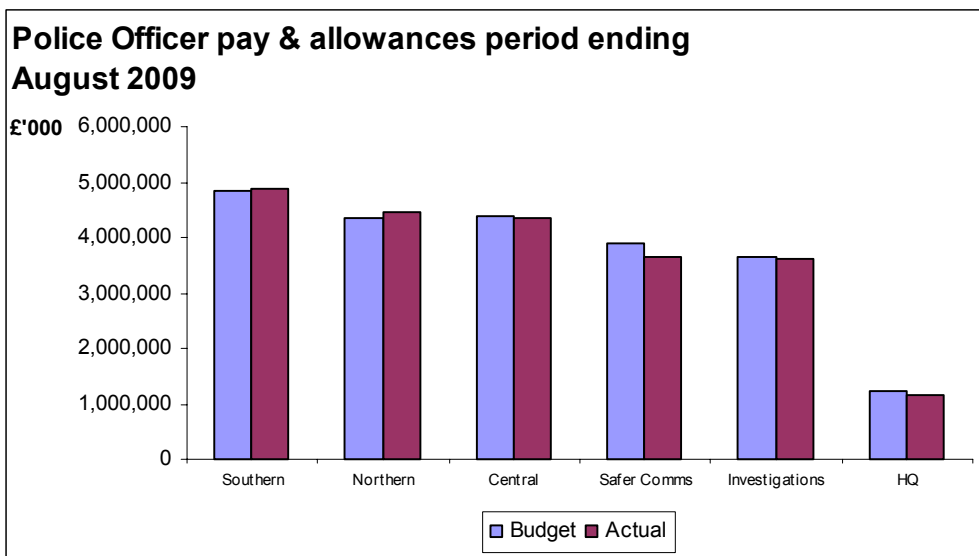
Note: figures may not cast due to roundings

1 **Police Officer Pay & Allowances**

1.1 Police Officer pay and allowances budgets are underspent by £240k at the end of August. Underspending arises because leavers in the period have generated savings which exceed the costs of the 31 recruits who joined on 6th July. The underspend is expected to reverse as further recruitment rounds are projected to take strength above establishment and Police Officer pay and allowances budgets are forecast to break even at the year end.

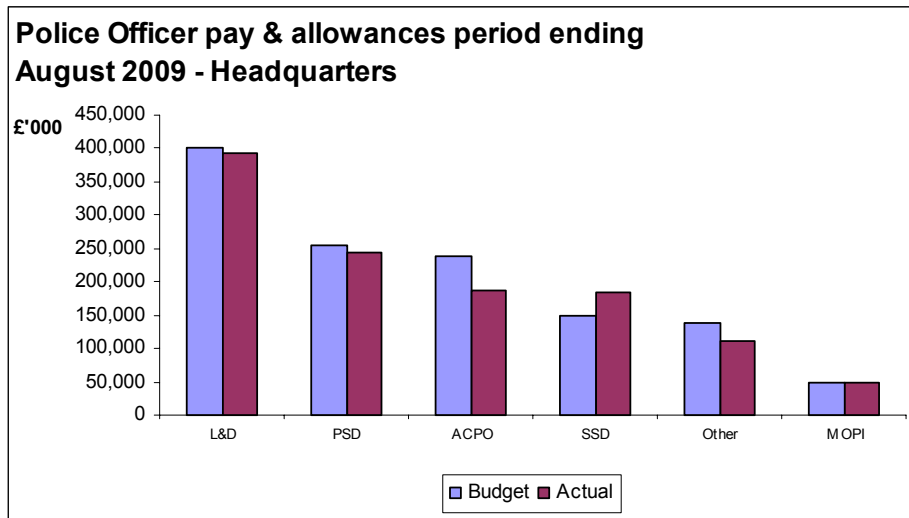
1.2 Graph 1 below sets out underspending by Division / Department.

Graph 1



1.3 A breakdown of underspending across the Headquarters department is set out at Graph 2 below:

Graph 2



2 Police Officer Overtime

2.1 Police Officer overtime is overspent by £207k at the end of August. However, the figures include some £109.6k in respect of rechargeable operations which reduces the overspend to £97k demonstrating continued budgetary control across the organisation.

2.2 Graph 3 and Table 3 below sets out spend against budget by Division / Department:

Graph 3

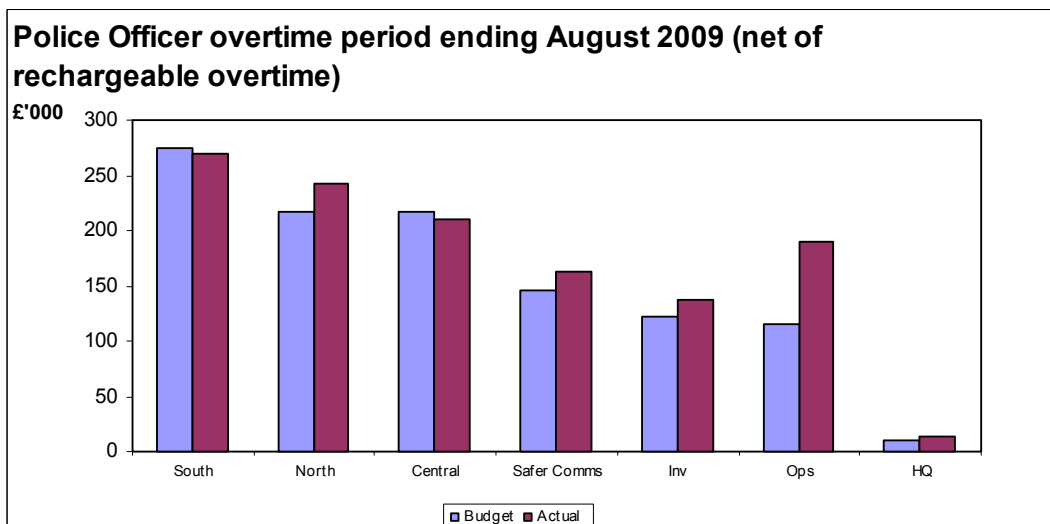


Table 3 (all figures £'000) – Police Officer overtime period ending August 2009 (net of rechargeable overtime)

	Budget	Actual	Variance	%
Ops	117	188	71	63.7%
North	221	240	19	10.5%
Safer Comms	149	162	13	10.7%
Inv	124	137	13	12.6%
HQ	10	14	4	48.5%
South	279	267	-12	-2.4%
Central	221	209	-12	-3.6%
Total	1,119	1,216	97	8.6%

2.3 Table 4 below sets out rechargeable overtime incurred to date:

Table 4 (all figures £'000) – Rechargeable Police Officer overtime period ending August 2009

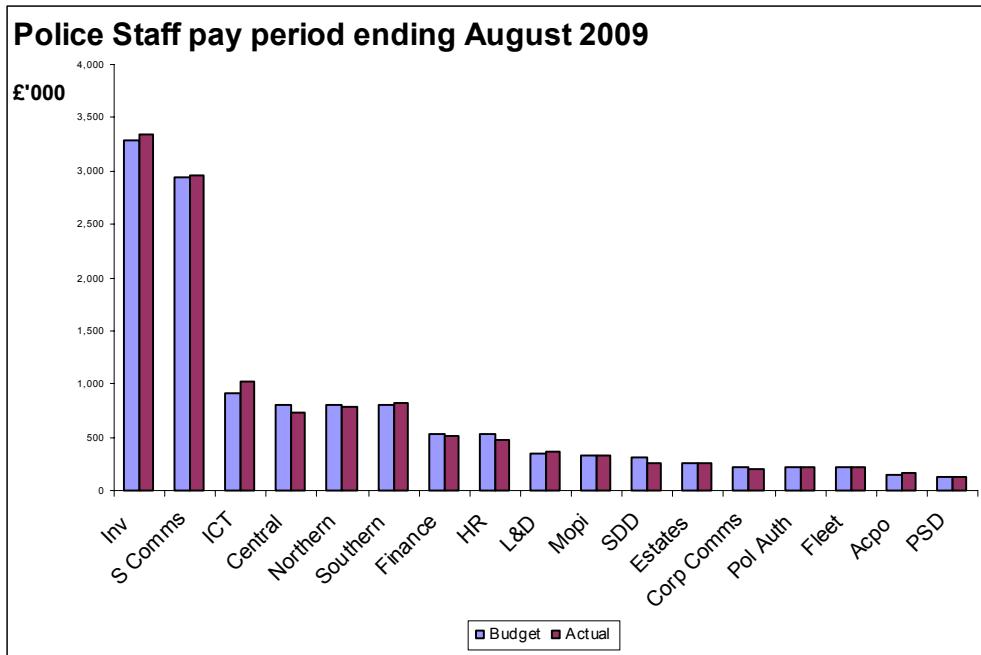
Operation	
Barium	43.3
Glencoe	33.3
Browse	8.7
Pathway	8.0
Strawberry Fair	7.5
Midsummer Fair	6.9
Repetition	1.9
Total	109.6

3 Police Staff

- 3.1 Police Staff pay is £156k underspent at the end of August after budgets have been reduced by the required turnover factor of 3.7%, compared with an underspend of £1.2m at the same point last year.
- 3.2 An analysis of support staff vacancies, which are running at 47.27 fte to date, is set out at Appendix 2. It should be noted that budget holders will need to hold vacancies throughout the year in order to meet the 3.7% turnover factor.
- 3.3 It should be noted that general underspending is net of an overspend in ICT which reached £114k at the end of August (July: £104k), although a year end transfer of staff costs to the capital account may well reduce the outturn variance.

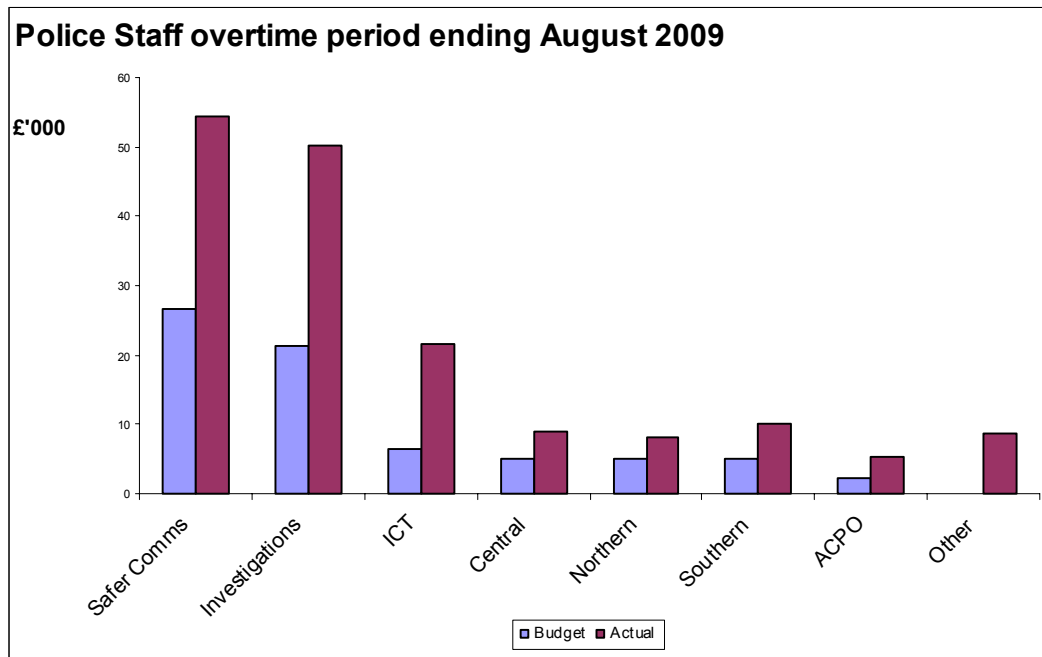
- 3.4 It should also be noted that underspending on Police Staff to the end of August has been more than offset by spending on overtime (para. 4 below) and agency staff such that an overspend on total Police Staff related costs of £20k has been recorded.
- 3.4 Graph 4 sets out spend against budget by Division / Department.

Graph 4



- 4 **Police Staff Overtime** - spending on police staff overtime is £92k ahead of budget at the end of August (July £80k). The principal overtime spends are in Safer Communities, Investigations and ICT as set out in Graph 5 below.

Graph 5



- 5 **Other employee allowances** - spending in this area is £103k ahead of budget largely as the result of the capital costs of early retirement charged to the Strategic Development Department.
- 6 **Consultancy, Legal & Audit Costs** - a breakdown of expenditure included in this line is set out below:

	YTDB	Actual	Variance
	£'000	£'000	£'000
Consultants - Non-Operational	469	466	-3
External Audit Fees	59	65	6
Consultants - Operational	73	60	-13
Pensions Administration	0	54	54
Legal Fees - Commercial	32	36	4
Legal Fees - Civil	33	31	-2
Internal Audit	30	30	0
Payroll Support	6	24	18
Police Authority Treasurer	22	19	-3
Legal Fees - Criminal	23	-20	-43
Total	748	764	17

6.1 An analysis of expenditure on non-operational consultancy is set out below:

	£'000
Medical & Forensic Services	334
IT Consultancy	72
Estates Consultancy	27
Other Consultancy	15
HR & Training Consultancy	18
Total	466

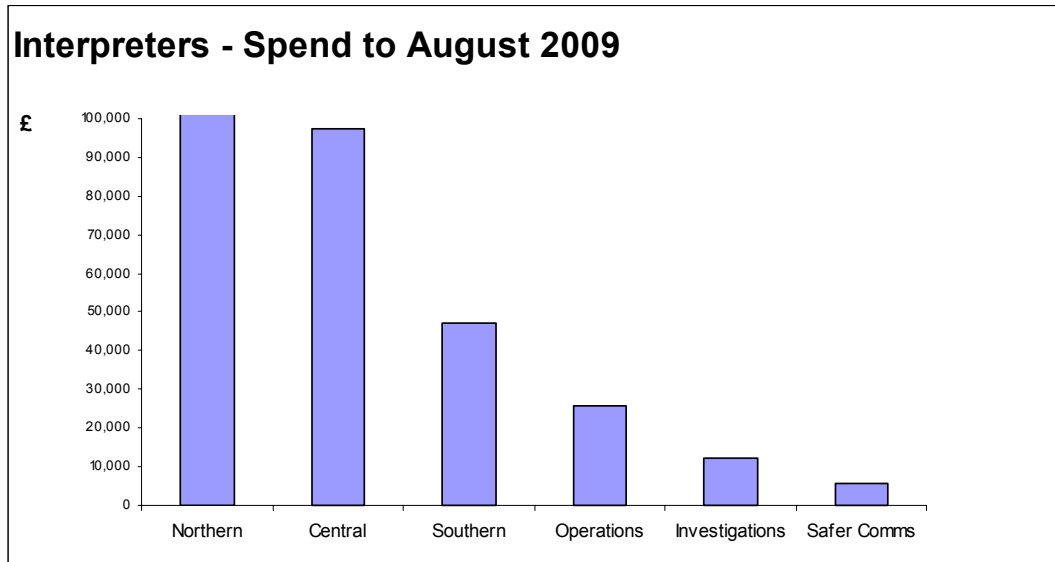
7 **Subscriptions & Contributions** - a breakdown of expenditure recorded against this line is set out below:

	YTDB £'000	Actual £'000	Variance £'000
Contributions - General	170	171	1
Contributions - ACPO Initiatives	38	99	62
Subscriptions - Corporate	48	51	3
Grant - Other	40	40	0
Contributions - partnerships & projects other	9	31	22
Subscriptions - General	8	10	3
Contributions - C & D Partnerships	15	9	-6
Subscriptions - Professional	11	8	-3
Contributions - Youth Offending Team	28	0	-28
Contributions - Crimestoppers	8	0	-8
Total	373	419	46

8 **Other supplies and services** - expenditure against this line includes some £78k interest on backdated police officer pension commutations resulting from the recent Home Office changes to the commutation factors. The Force has reclaimed this expenditure from the Home Office.

- 9 **Interpreters** - spending is some £103k ahead of budget to the end of August (July £79k). Graph 6 below sets out spending by Division / Department.

Graph 6



- 10 **Collaboration Costs** - Gross Revenue Expenditure includes the following costs recorded against the 6 Counties Collaboration cost centre:

	YTDB £'000	Actual £'000	Variance £'000
Other Grants & Contributions	79	79	-
Police Officer Pay & Allowances	24	24	-
Support Staff Pay	7	7	-
Rent & Rates	3	3	-
Travel Expenses	1	1	-
Other Employee Allowances	-	1	1
Communications Costs	1	1	-
Total	115	116	1

- 11 **Other Grants & Contributions** - the Force received an IPLDP revenue grant from the Home Office some three years ago in order to finance more recruits than the Force actually took on. To date, the Home Office has made no move to recover the excess grant received which has consequently been recognised in the Income and Expenditure account.
- 12 **Costs Recovered** - this line includes costs recovered in respect of rechargeable overtime incurred, principally on operations Glencoe and Barium (para. 2.3) above.

Appendix 2

SUPPORT STAFF VACANCIES AS AT SEPTEMBER 2009

DIVISION	TOTAL	FTE	Budgeted Fte	% of Budget	GRADE	JOB DESCRIPTION
CENTRAL	0	0	70.37	0.00		
SOUTHERN	2	1	66.43	3.01	SC6	CCTV Officer
		1			SC3/4	CIMU Operator
NORTHERN	3.5	0.5	68.62	5.10	SC3/4	CIMU Operator
		3			SC3/4	3 x Detention Officer
INVESTIGATIONS	8.81		285.26	3.09		
		1			Mb1	Spec Ops cont & Comp Manager
		0.5			Sc2/3	CEU Clerk
		0.5			Sc2/3	CTO Assistant
		3			Sc2/3	PTI Tape Librarian/Typist x 3
		1			Sc 3-5	Trainee fingerprint officer
		1			Sc4/5	Intelligence Researcher
SAFER COMMS	15.18	1.81			Sc2/3	PNC Administrators (2 Posts 67hrs, 1x37,1x30)
		0.3	220.41	6.89	SC6	Supervisor
		2			SC4	Dispatcher
		3			SC4	Call Handler
		5.11			SC3-4	Customer Services Operator
		0.77			SC3-4	Operator
		1				Civilian Investigator
		2			SC3	Firearms Licensing Administrator
		1			SC5	Firearms Licensing Officer
L&D	0	0	29.77			
HR	1.78	1	40.26	4.42	MB1	Career Development Manager
		0.78			Sc 2/3	HR assistant - Recruitment
PSD	0	0	10.5			
SDD	2	1	220.41	0.91	MB3b	PMO Manager
		1			SC6	Business Support Officer
ACPO	0	0	4			
POLICE AUTH	0	0	7.59			
FINANCE	2	1	34.72	5.76	Sc 5	Trainee accountant
		1			S01	Strategic accountant
CORP COMMS	3	1	14.36	20.89	MB1	Web Manager/Digital Comms
		1			SO2	Internal Comms
		1			SM	Head of Corp Comms
ICT	7	1	58.86	11.89	SO1	ICT Database Administrator
		1				ICT Configuration Change & Release Co-ordinator
		1				Hi-Tech Digital Media Officer
		1			SC5	ICT Service Level & Resource Analyst
		2			SO1	ICT Workstream Managers x 2
		1			MB2A	ICT communications manager
ESTATES	0	0	21.73	0.00		
MOPI	1	1	31.35	3.19	SC4	Info Access Officer
FLEET	1	1	21	4.76	SC 2/3	Driver auxiliary x 1
GRAND TOTAL	47.27	47.27				