

To: Finance and Resources Committee

From: Chief Constable and Treasurer

Date: 14th December 2009

REVENUE MONITORING 2009/10

1. Purpose

1.1 This report updates the Committee on spend against the approved 2009/10 Revenue Budget for the 7 months ended 31st October 2009.

2. Overview

2.1 The Committee will recall that 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.

2.3 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 trends (para. 3.4 below). The cumulative effect of these trends is a forecast overall overspend in the region of £0.3m or 0.3% of Net Revenue Budget.

3. Significant Variances

Table 1 (all figures £'000)

Variance to Sep		2009/10 Budget	2009/10 Budget YTD to Oct 09	2009/10 Actual to Oct 09	Variance	Variance %	Projected Outturn
-0.3	Police Officer Pay & Allowances	55.6	31.5	31.2	-0.3	-0.9%	-0.5
0.3	Police Officer Overtime	3.0	1.7	1.9	0.2	13.4%	0.5
0.0	PCSO Pay & Overtime	5.6	3.3	3.3	0.0	-1.1%	0.0
0.0	Police Staff Pay & Overtime	31.3	18.0	18.1	0.0	0.3%	0.1
0.0	Other Employee Expenses	1.6	1.0	0.9	0.0	-1.2%	0.0
0.1	Total Employee Costs	97.3	55.5	55.4	-0.1	-0.1%	0.1
0.0	Net Cost of Police Pensions	14.4	8.3	8.3	0.0	-0.2%	0.0
0.0	Premises Costs	4.2	2.6	2.7	0.0	1.2%	0.0
0.0	Transport	2.1	1.2	1.3	0.1	6.4%	0.1
0.4	Supplies and Services	19.5	11.0	11.2	0.3	2.6%	0.6
0.4	Gross Revenue Expenditure	137.4	78.5	78.9	0.3	0.4%	0.8
-0.2	Income	-11.9	-7.1	-7.4	-0.3	4.8%	-0.6
0.0	Capital Financing Costs	1.5	0.3	0.2	-0.1	-32.6%	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	0.0	0.0	0.0	0.0%	0.0
0.2	Net Budget Requirement	125.6	71.8	71.7	-0.1	-0.2%	0.3
0.2	Police Officer Overtime less rechargeable operations	0.0	1.7	1.7	0.1	4.7%	

Note: numbers may not cast due to roundings.

- 3.1 The budget at the end of October is broadly in balance at a marginal underspend of £135k or 0.2% of Net Revenue Budget. 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 8), subscriptions and contributions (note 9), an analysis of the spend on interpreters (note 11) and a breakdown of collaboration costs (note 12).
- 3.4 The figures are also presented with an indicative forecast of outturn. The forecasting exercise has revealed a number of budgetary trends as follows:

- 3.4.1 Total employee costs are forecast to outturn at -£88k or -0.1% of budget with overspends on overtime and agency staff offsetting underspends on basic pay;
- 3.4.2 There is an accruing overspend on electricity such that the budget is predicted to be £148k overspent at the year end;
- 3.4.3 An overspend of £141k on vehicle fuel is predicted following recent price increases;
- 3.4.4 Predicted underspending for the year on computing costs has been revised to £138k, offset by overspending on communications costs and on equipment and materials;
- 3.4.5 Spending on interpreters is running ahead of budget and an overspend of £278k is predicted for the year; and
- 3.4.6 Interest rates in the economy are such that a shortfall in interest earned on cash balances of £260k is predicted.

4. Bad Debt write off

- 4.1 The Committee's approval is required to write off a debt of £5,454.70 due from M A Concerts, a music promotions company, which has gone into liquidation since the invoice was issued on 23rd September 2008.

5. Recommendation

- 5.1 The Committee is asked to:
 - a) approve the write off of £5,454.70 due from M A Concerts (para. 4.1 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 Finance</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>The attached report has been cleared with the undermentioned officers: (delete as appropriate)</p> <p>Chief Executive/Chief Constable and Treasurer</p> <p>Others</p> <p>Submitted on ...30th November 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 OCTOBER 2009

SUBJECTIVE REPORT

Sep	Var		Notes	OFYB	YTDB	Actual	Variance	Forecast of Outturn
£'000	£'000			£'000	£'000	£'000	£'000	£'000
Employee Costs								
-274		Police Officer Pay & Allowances	1	55,643	31,506	31,223	-283	-464
273		Police Officer Overtime*	2	3,037	1,659	1,882	223	498
-1		Sub-total Police Officers		58,680	33,165	33,105	-60	34
-15		PCSO Pay & Overtime		5,638	3,312	3,276	-36	-39
-146		Support Staff Pay	3	30,979	17,828	17,686	-142	-204
99		Support Staff Overtime	4	222	114	236	122	126
82		Agency Staff		148	104	173	68	129
35		Sub-total Police Staff		31,349	18,046	18,094	49	51
-31		Training		1,344	730	656	-74	-95
76		Other Employee Allowances	5	299	222	284	63	138
45		Other Employee Costs		1,642	952	941	-11	43
65		Total Employee Costs		97,310	53,816	53,668	-59	88
Police Authority Police Pension Costs								
23		Pensions - Notional Employer Contributions- Expenditure		11,766	6,863	6,906	42	-
-52		Injury Pensions		2,149	1,433	1,378	-55	-
-		Ill-Health Retirement Capital Charge - Expenditure		480	-	-	-	-
-28		Total Police Authority Police Pension Costs		14,395	8,296	8,283	-13	-
Premises Costs								
-6		Building Repairs, Alterations & Maintenance		902	458	463	5	-7
75		Utility Costs		984	574	721	148	94
-51		Rent & Rates	6	1,416	1,199	1,083	-116	-88
-11		Other Premises Costs		104	47	44	-2	-4
-32		Cleaning		780	351	347	-4	-5
-23		Total Premises Costs		4,186	2,628	2,659	31	-9
Transport Costs								
60		Vehicle Running Costs		1,397	817	913	96	141
-7		Hired Transport		58	38	28	-10	-16
-17		Travel Expenses		599	336	326	-10	22
35		Total Transport Costs		2,054	1,191	1,267	77	146

Sep Var £'000		Notes	OFYB £'000	YTDB £'000	Actual £'000	Variance £'000	Forecast of Outturn £'000
Supplies & Services							
-142	Computing Costs	7	3,245	2,064	1,926	-138	-357
42	Communications Costs		2,917	1,729	1,714	-15	129
115	Consultancy, Legal & Audit Costs	8	2,444	1,110	1,273	163	167
1	Forensic Science Service Costs		1,990	1,016	943	-73	-19
10	Insurance and Risk Management		1,169	913	915	2	3
133	Subscriptions & Contributions	9	1,201	735	818	82	143
59	Equipment & Materials		1,018	532	609	77	173
-42	Clothing, Uniforms & Laundry		869	372	273	-99	-95
5	Equipment - Helicopter		828	483	478	-5	11
83	Other Supplies & Services	10	822	480	526	47	111
-8	Printing, Stationery & General Office Expenses		787	386	386	-1	-27
157	Interpreters	11	506	263	458	195	278
-0	Informants, Identity Parades & Vetting		461	178	209	30	-0
-21	Catering		347	139	151	12	1
4	Police National Computer Charges		306	230	235	5	7
-36	Conference & Seminar Costs		272	165	143	-21	-18
-4	Staff Subsistence Expenses		168	91	88	-3	16
26	Doctors - Medicals and Prisoners		72	41	55	14	47
-2	Police Authority Allowances & Expenses		38	23	18	-5	-4
14	Mutual Aid		-	-	17	17	17
394	Total Supplies & Services		19,461	10,950	11,235	285	584
285	GROSS REVENUE EXPENDITURE	12	137,406	76,881	77,113	320	809
Income							
-120	Special Government Grants	13	-9,344	-5,520	-5,677	-157	-269
-33	Sales, Fees & Charges		-1,058	-510	-550	-40	-122
-38	Other Grants & Contributions		-401	-284	-357	-74	-216
97	Rental Income		-323	-232	-136	95	192
130	Interest on Balances	14	-300	-150	-17	133	260
-163	Charges for Police Services		-232	-213	-376	-164	-183
6	Other Income		-120	-91	-90	0	-1
-122	Costs Recovered	15	-95	-53	-189	-136	-221
-242	Total Income		-11,874	-7,052	-7,394	-342	-560
42	NET REVENUE EXPENDITURE		125,532	69,829	69,718	-110	250
-2	Capital Financing Costs	16	1,459	316	214	-103	-
-	Contributions +to / -from Reserves		-1,169	-	-	-	-
Holding Accounts and Hosted Services							
-9	Seconded Officers Net Recharge		-10	-	-10	-10	1
-	Hosted Services		-205	-	-	-	-
189	NET BUDGET REQUIREMENT		125,606	71,804	71,670	-135	251
158	<i>*Police Officer Overtime less rechargeable operations</i>			1,659	1,748	88	

Note: figures may not cast due to roundings

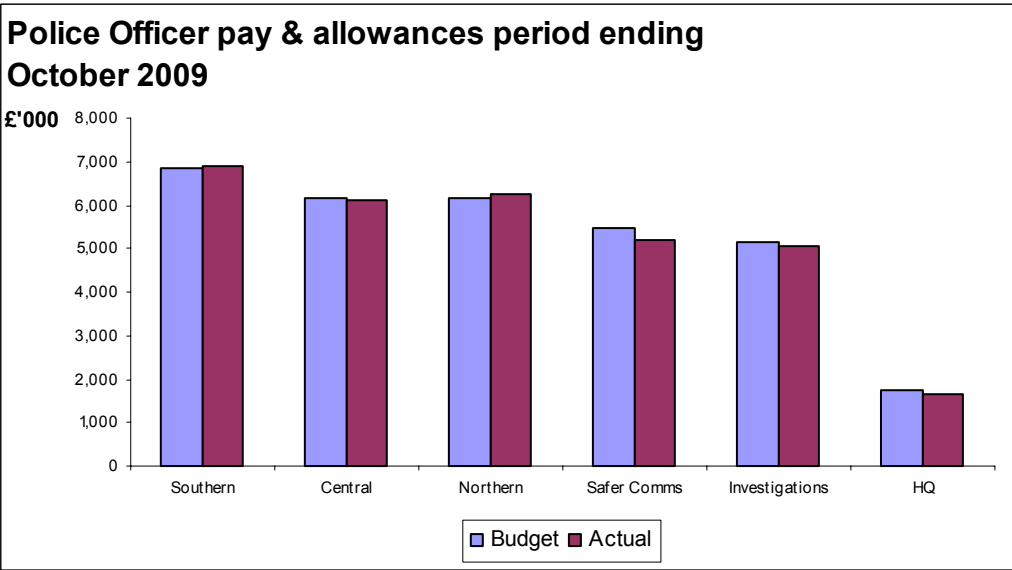
Notes to Appendix 1

1. Police Officer Pay & Allowances

1.1 Police Officer pay and allowances budgets are underspent by £283k at the end of October. Underspending arises because leavers in the period have generated savings which exceed the costs of the 31 recruits who joined on 6th July. Projecting current costs forward and accounting for planned recruitment produces a forecast underspend of £464k or 0.8% of budget for the year.

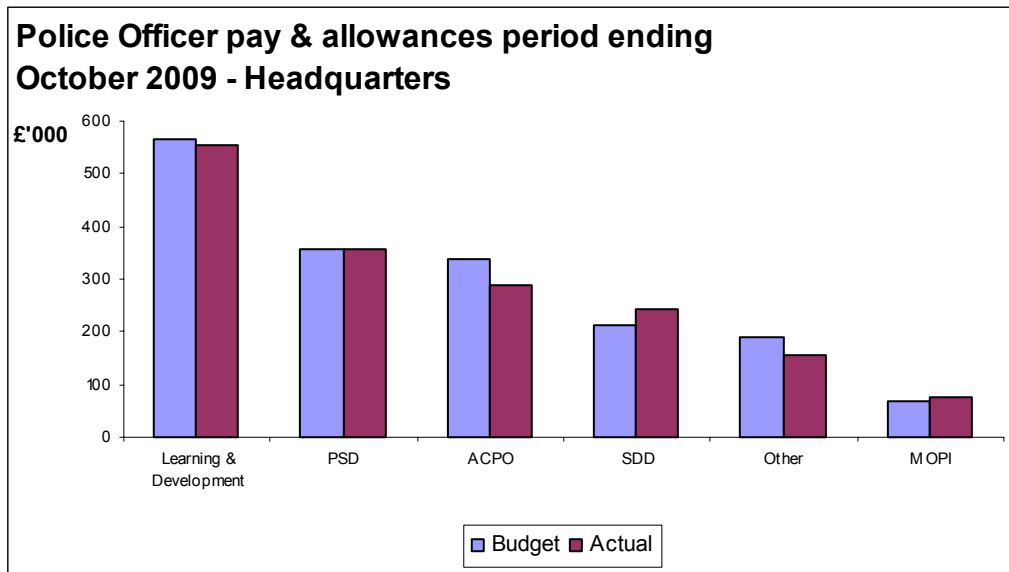
1.2 Graph 1 below sets out underspending by Division.

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 £223k at the end of October. However, the figures include some £135k in respect of rechargeable operations which reduces the overspend to £88k.
- 2.2 Graph 3 and Table 3 below sets out spend against budget by Division / Department:

Graph 3

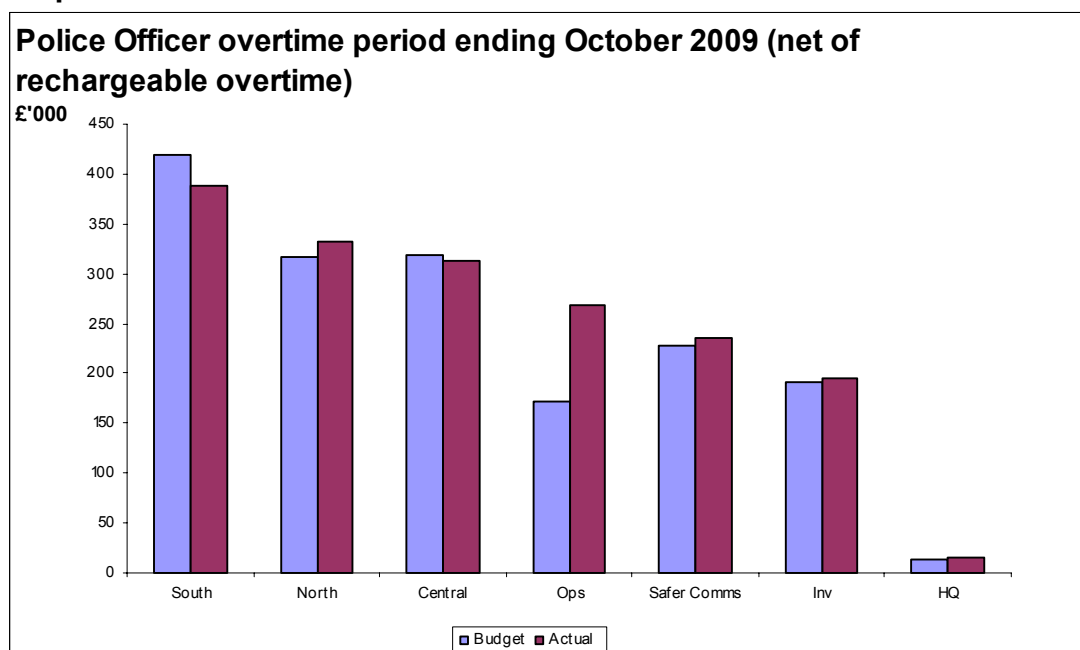


Table 3 (all figures £'000) – Police Officer overtime period ending October 2009 (net of rechargeable overtime)

	Budget	Actual	Variance	%
South	419	387	-31	-7.7%
North	316	333	17	5.4%
Central	319	313	-5	-1.7%
Ops	173	268	96	55.3%
Safer Comms	229	235	6	2.9%
Inv	190	196	5	2.9%
HQ	14	15	1	5.8%
Total	1,659	1,748	88	5.5%

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

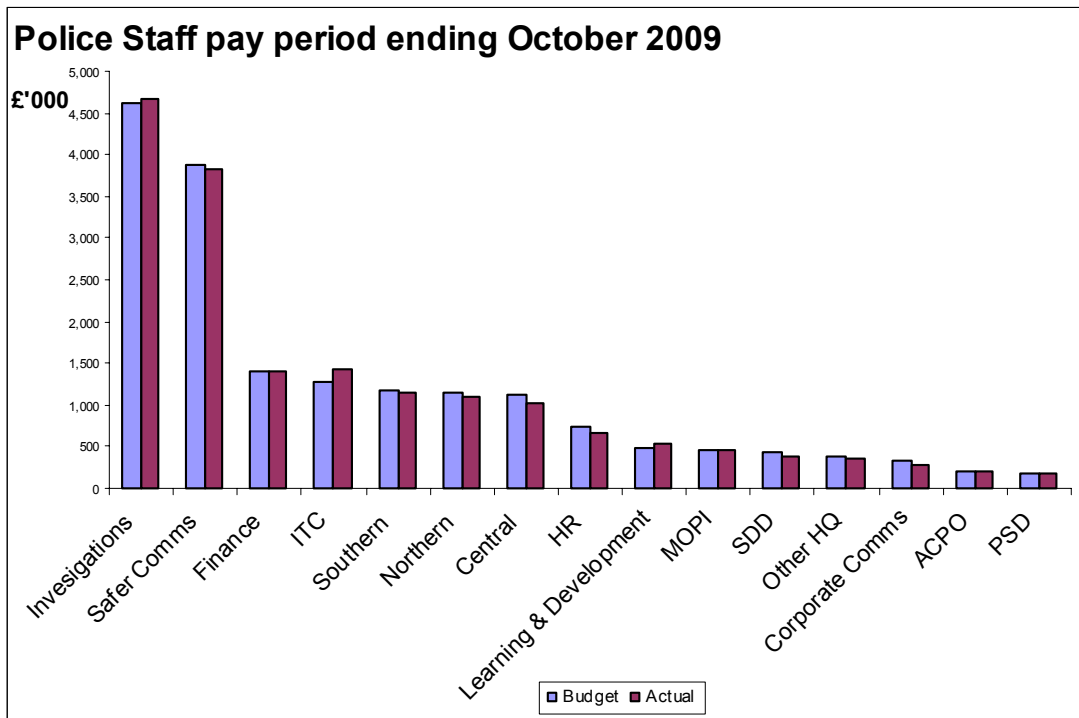
Table 4 (all figures £'000) – Rechargeable Police Officer overtime period ending October 2009

Operation	£'000
Barium	45.4
Browse	10.5
Glencoe	33.3
Repetition	1.9
Midsummer Fair	8.8
Strawberry fair 2009	8.1
Pathway	8.0
Mornington	6.1
Navan(Op Dunloy)	4.0
Paddle	8.5
Total	134.5

3. Police Staff

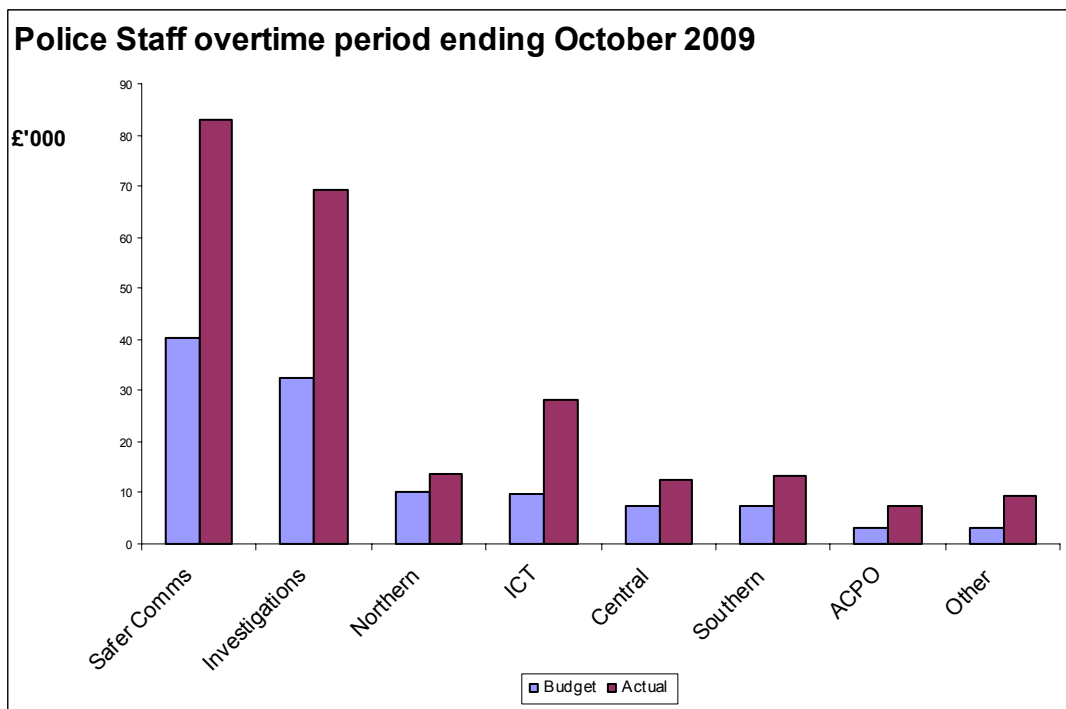
- 3.1 Police Staff pay is £142k underspent at the end of October (September £146k) after budgets have been reduced by the required turnover factor of 3.5%, compared with an underspend of £1.2m at the same point last year.
- 3.2 An analysis of support staff vacancies, which were running at 46.27 fte at the end of October, 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 General underspending is net of an overspend in ICT which reached £168k at the end of October (September: £140k), 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 October 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 £49k 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 £122k ahead of budget at the end of October (September £99k). 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 £63k ahead of budget largely as the result of the capital costs of early retirement charged to the Strategic Development Department.
6. **Rent and Rates** – underspending is £116k at the end of October because charges for Copse Court – unoccupied for much of the year – and Monks Wood – completing later than anticipated – are running behind budget.
7. **Computing Costs** are £138k behind budget at the end of October although savings are expected to be offset by spending on communications costs and equipment and materials.
8. **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	708	827	119
Legal Fees - Commercial	48	85	38
Legal Fees - Civil	131	77	-54
External Audit Fees	48	65	17
Consultants - Operational	92	56	-36
Pensions Administration	0	54	54
Payroll Support	13	41	28
Internal Audit	37	40	3
Police Authority Treasurer	31	28	-3
Legal Fees - Criminal	3	1	-2
Total	1,110	1,273	163

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

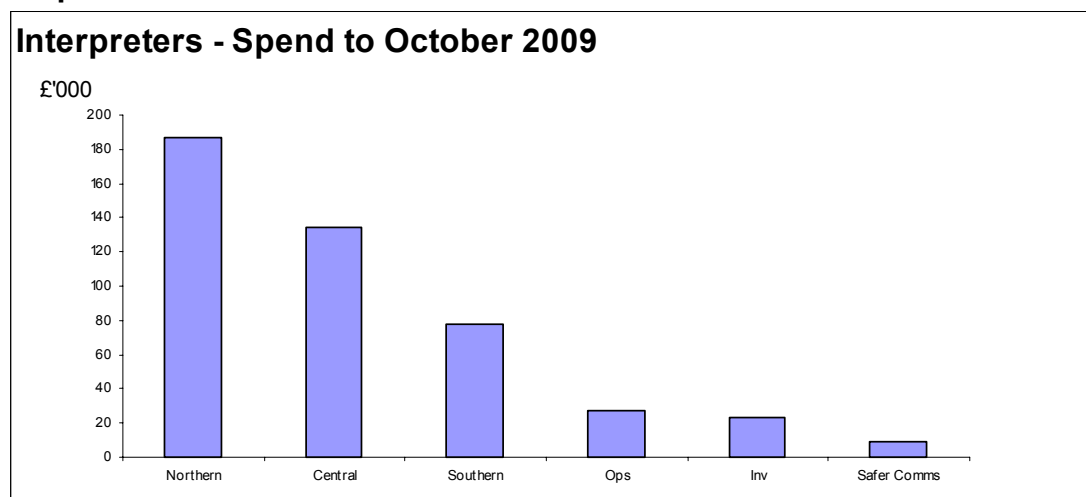
	YTDB £'000	Actual £'000	Variance £'000
Medical & Forensic Services	596	608	12
ICT Consultancy	16	139	124
Estates Consultancy	21	32	11
Other Consultancy	60	28	-31
HR & Training Consultancy	16	19	3
Total	708	827	119

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

	YTDB £'000	Actual £'000	Variance £'000
Contributions - General	252	272	21
Contributions - ACPO Initiatives	116	247	132
Contributions - Youth Offending Team	56	114	58
Subscriptions - Corporate	56	62	6
Contributs - Partnerships & Projects Other	48	41	-7
Grant - Other	40	41	1
Contributs - C&D Partnerships	17	18	0
Subscriptions - Professional	15	11	-4
Subscriptions - General	119	10	-109
Contributions - Crimestoppers	16	0	-16
	735	818	82

10. **Other supplies and services** - expenditure against this line includes some £78k interest on backdated police officer commutations resulting from the recent Home Office changes to the commutation factors. The Force has reclaimed this expenditure from the Home Office.
11. **Interpreters** - spending is some £195k ahead of budget to the end of October (September £157k). Graph 6 below sets out spending by Division / Department.

Graph 6



12. **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	-
Consultancy, Legal & Audit Costs	36	-	-36
Police Officer Pay & Allowances	34	25	-9
Support Staff Pay	16	7	-9
Rent & Rates	11	3	-7
Other Supplies & Services	6	1	-5
Communications Costs	5	1	-4
Travel Expenses	2	2	-
Printing, Stationery & General Office Expenses	2	-	-1
Equipment & Materials	1	-	-1
Other Employee Allowances	-	1	1
Grand Total	190	118	-71

13. **Special Government Grants** – the Authority has benefited from a £62k grant in respect of PCSO's which was received in the prior year but applied in this following Home Office indications that clawback will not be enforced.
14. **Interest on Balances** – the Authority is currently earning interest on its cash balances at rates in the region of 0.25% which are significantly less than budget. An underecovery of £260k is predicted for the year.
15. **Costs Recovered** - this line includes costs recovered in respect of rechargeable overtime incurred, principally on operations Glencoe and Barium (para. 2.3) above.

16. **Capital Financing Costs** – the Authority has not borrowed so far this year since internal cash resources have proved adequate to fund capital expenditure to date. It is rational to use internal cash since the Authority is forsaking interest earned at 0.25% and avoiding interest payable at 4.25%. It is proposed to credit any underspending against this budget to capital reserves at the year end.

Appendix 2

SUPPORT STAFF VACANCIES AS AT OCTOBER 2009

DIVISION	TOTAL	FTE	Budgeted Fte	% of Budget	GRADE	JOB DESCRIPTION
CENTRAL	0	0	70.37	0.00		
SOUTHERN	3	1	66.43	4.52	SC6	CCTV Officer
		1			SC 2-3	Caretaker
		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
		1.81			Sc2/3	PNC Administrators (2 Posts 67hrs, 1x37,1x30)
SAFER COMMS	15.18	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	2.78	1	40.26	6.91	MB1	Career Development Manager
		0.78			SC 2/3	HR Assistant
		1			MB1	HR Manager
PSD	0	0	10.5			
SDD	2	1	220.41	0.91	MB3b	PMO Manager
		1			SC6	Business Support Officer
ACPO	0	0	4			
CORP COMMS	2	1	14.36	13.93	MB1	Web Manager/Digital Comms
		1			SM	Head of Corp Comms
POLICE AUTH	1	1	7.59	13.18	SC4	ICV Scheme Co-ordinator/Panel Support
FINANCE	2	1	34.72	5.76	Sc 5	Trainee accountant
		1			S01	Strategic accountant
ICT	5	1	58.86	8.49	MB2	Comms Manager
		1			SC5	ICT Service Level & Resource Analyst
		1			SO1	Workstream Manager
		1			SC4	ICT Configuration Change & Release Co-ordinator
		1			SC6	CCTV Retrieval & Analysis Officer
ESTATES	0	0	21.73	0.00		
MOPI	1	1	31.35	3.19	SC4	Info Access Officer
FLEET	0	0	21	0.00		
GRAND TOTAL	46.27	46.27				