



## Cumbria Office of the Police and Crime Commissioner Report

Police and Crime Panel 11<sup>th</sup> October 2016

**TITLE OF REPORT:** Commissioner's Revenue Budget Monitoring 2016/17 Quarter 1  
(June 2016)

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**PART 1 or PART 2 PAPER:** PART 1 (OPEN)

### Executive Summary:

The attached report provides an update of the Commissioner's financial position for 2016/17 based on the actual and committed spending for the first three months, to June 2016, plus a forecast for the remainder of the year.

The current forecast of net expenditure amounts to £96.805m compared to an approved budget of £95.675m. This is a net variance of £1.130m (1.18%) and comprises £248k under achievement of income and £882k overspend on expenditure.

The forecast position is made up of £1.110m overspend in respect of funding provided to the Constabulary (made up of anticipated under recovery of income of £209k and a forecast overspend on expenditure of £901k) plus a £20k overspend in respect of budgets controlled by the Commissioner (made up of a forecast underspend on expenditure of £19k and a forecast under achievement of income £39k).

### Recommendation:

The Police and Crime Panel are asked to note the latest estimate of the Commissioner's revenue budget position for 2016/17.

## 1. Purpose of the Report

- 1.1. The purpose of this report is to provide an update on the Commissioner's revenue budget monitoring position for 2016/17 based on actual and committed spending for the first three months to June 2016 plus a forecast for the remainder of the year. The current forecast of net expenditure amounts to £96.805m compared to an approved budget of £95.675m. This is a net variance of £1.130m (1.18%) and comprises £248k under achievement of income and £882k overspend on expenditure.

## 2. Revenue Expenditure

- 2.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £96.805m, and is £1.130m (1.18%) over the approved budget of £95.675m. The forecast position is made up of £1.110m overspend in respect of funding provided to the Constabulary (made up of anticipated under recovery of income of £209k and a forecast overspend on expenditure of £901k) plus a £20k overspend in respect of budgets controlled by the Commissioner (made up of a forecast underspend on expenditure of £19k and a forecast under achievement of income £39k).
- 2.2. The principal variances at the end of quarter 1 (30 June 2016) are outlined in the table below:

Description	Revised Budget	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend	Explanation Paragraph
	2016/17 £'000s	2016/17 £'000s	2016/17 £'000s	2016/17 %	
Office of the Police and Crime Commissioner	759	742	(17)	-2.23%	3.3
Other PCC Budgets	(13,025)	(12,988)	37	-0.28%	3.4
Funding Provided to the Constabulary	107,157	108,267	1,110	1.04%	3.5
Movements To / (From) Reserves	784	784	0	0.00%	
<b>Net Expenditure</b>	<b>95,675</b>	<b>96,805</b>	<b>1,130</b>	<b>1.18%</b>	
External Funding	(95,675)	(95,675)	0	0.00%	
<b>Total</b>	<b>0</b>	<b>1,130</b>	<b>1,130</b>		

A more detailed analysis of the figures in the above table is provided at **Appendix A**. Commentary on specific variances is provided in the paragraphs below.

- 2.3. The budget for the Office of the Police and Crime Commissioner is forecasting to come in under budget by £17k. The forecast underspend is largely as a result of the temporary secondment of the partnerships and strategy manager role to support the delivery of the sexual assault referral centre (The Bridgeway).
- 2.4. The Other PCC Controlled Budgets are forecast to come in over budget by £37k. The variance is largely as a result of a forecast reduction of investment income (£40k) in the anticipation that the Bank of England may cut interest rates from August 2016. A reduction from the current level of 0.50% was widely forecast from July but was narrowly avoided with financial commentators now suggesting a reduction from August is likely.
- 2.5. The Commissioner provides funding of £107.157m to the Chief Constable to operate the Constabulary under the terms of a funding arrangement. The Chief Constable is currently forecasting an overspend of £1.110m (1.04%) against this budget. The forecast overspend is made up of £901k overspend on expenditure budgets plus an anticipated shortfall of income of £209k. The Constabulary forecasts include the financial impact of a number of Chief Officer decisions to respond to emerging service pressures which have arisen since the budget was set in February 2016. These pressures include criminal justice arrangements, training and development, ICT and staffing in a number of functions. The Constabulary have had discussions with the Commissioner and PCCCFO regarding the financial impact of these pressures and will continue to seek to manage expenditure during 2016/17 within the funding envelope provided by the Commissioner. In the event that this is not possible, a number of options are being developed which could include the use of the Chief Constable's contingency, virements of capital underspends and the drawdown of reserves. Further discussions with the Commissioner and PCCCFO will take place as and when required.
- 2.6. 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 30 June 2016, the fund amounted to £71k. In quarter 1 (April to June) awards to successful applicants totalling £3.2k were made and details of these are shown in **Appendix B**. Further

details of the funding allocations can be found on the Commissioner's website  
<http://www.cumbria-pcc.gov.uk/working-for-you/property-fund.aspx>

**Revenue Budget Monitoring 2016/17 – Quarter 1 to June 2016**

Description	Base Budget	Revised Budget	Budget To Date	Actual To Date	Forecast Outturn	Forecast (Under)/Overspend	Forecast (Under)/Overspend
	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	£	£	£	£	£	£	%
<b>Office of the Police and Crime Commissioner</b>	<b>759,283</b>	<b>759,283</b>	<b>192,202</b>	<b>176,933</b>	<b>742,363</b>	<b>(16,920)</b>	<b>-2.23%</b>
<b>Other PCC Budgets</b>							
Commissioned Services Budget	2,250,000	2,250,000	194,276	113,867	2,250,000	0	0.00%
Sexual Assault Support Services	333,169	(214,261)	(233,872)	(356,125)	(214,261)	0	0.00%
PCC Efficiency Savings Identified In-year	0	0	0	0	0	0	0.00%
Estates	3,528,742	3,601,092	1,160,348	1,545,340	3,599,509	(1,583)	-0.04%
Insurances	570,437	570,707	324,448	334,528	570,540	(167)	-0.03%
LGPS Past Service Cost	799,000	0	0	0	0	0	0.00%
Provisions for Insurance & Legal Liabilities	196,175	196,175	0	0	196,175	0	0.00%
Technical Accounting	418,582	418,582	0	0	418,582	0	0.00%
Capital Financing	5,885,890	5,385,350	4,869,602	4,869,602	5,385,350	0	0.00%
Grants & Contributions	(25,092,302)	(25,132,444)	1,706,527	1,582,294	(25,133,607)	(1,163)	0.00%
Interest/Investment Income	(100,000)	(100,000)	(1,000)	2,873	(60,000)	40,000	-40.00%
	<b>(11,210,307)</b>	<b>(13,024,799)</b>	<b>8,020,329</b>	<b>8,092,379</b>	<b>(12,987,712)</b>	<b>37,087</b>	<b>-0.28%</b>
<b>Total Police &amp; Crime Commissioner Directly Controlled</b>	<b>(10,451,024)</b>	<b>(12,265,516)</b>	<b>8,212,531</b>	<b>8,269,311</b>	<b>(12,245,349)</b>	<b>20,167</b>	<b>-0.16%</b>
Constabulary Funding	111,243,556	112,393,254	23,684,548	24,291,720	113,294,357	901,102	0.80%
Constabulary Income	(4,638,551)	(5,236,590)	(1,184,339)	(933,860)	(5,027,453)	209,137	-3.99%
<b>Total Constabulary Funding</b>	<b>106,605,005</b>	<b>107,156,664</b>	<b>22,500,209</b>	<b>23,357,860</b>	<b>108,266,904</b>	<b>1,110,240</b>	<b>1.04%</b>
<b>Total Approved Budget</b>	<b>96,153,981</b>	<b>94,891,149</b>	<b>30,712,740</b>	<b>31,627,171</b>	<b>96,021,555</b>	<b>1,130,407</b>	<b>1.19%</b>
Transfers To/(From) Earmarked Revenue Reserves	(646,966)	615,867	43,950	43,950	615,867	0	0.00%
Transfers To/(From) Capital Reserves	167,769	167,769	167,769	167,769	167,769	0	0.00%
Transfers To/(From) General Revenue Reserves	0	0	0	0	0	0	0.00%
Aggregated External Financing	(95,674,784)	(95,674,784)	(23,918,640)	(20,907,700)	(95,674,784)	0	0.00%
<b>Net Requirement</b>	<b>0</b>	<b>0</b>	<b>7,005,819</b>	<b>10,931,190</b>	<b>1,130,407</b>	<b>1,130,407</b>	

## Appendix B

**Police Property Act Awards - Quarter 1 June 2016**

<b>Award To</b>	<b>Amount Awarded £</b>
The Bowness and Windermere Community Care Trust	625
1 <sup>st</sup> Border Scout Group	500
Beacon Hill Community Bike Group	500
Cockermouth After School Scheme	478
Community Speed Watch Group	200
Friends of Lightburn Park	300
Mirehouse Residents Group	350
Aspatria Hornets RLFC	250
<b>Total</b>	<b>3,203</b>

Further details of the funding allocations can be found on the Commissioner's website [www.cumbria-pcc.gov.uk/working-for-you/property-fund.aspx](http://www.cumbria-pcc.gov.uk/working-for-you/property-fund.aspx)