

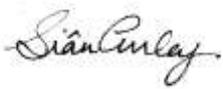
OFFICE OF THE POLICE AND CRIME COMMISSIONER	
LEAD CHIEF OFFICER:	Nigel Stephens
TITLE:	Finance Report to 30th June 2016
DATE:	20 th July 2016
TIMING:	Routine
PURPOSE:	For monitoring
1.	<u>RECOMMENDATION</u>
1.1	To consider the Revenue and Capital financial performance as at the 30 th June 2016.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	This report shows the group financial performance as at 30 th June 2016, which shows savings of £1,171,000 against budget.
2.2	As part of the Staying Ahead Programme, the 2016/17 budget proposal included a requirement for £4,350,000 of in-year efficiency schemes against the CSR target.
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	Revenue Income and Expenditure (Appendices 1a and 2)
3.2	At the 30 th June 2016, the Revenue account shows savings of £1,171,000 (Appendix 1a, Line 32), for the first quarter of the 2016/17 financial year.
3.3	Police Officer Salaries and Allowances show total savings against budget of £1,108,000 (Appendix 1a, Line 1). The authorised budget reflects the new operating model, together with non-recurrent funding for transitional roles and the Staying Ahead Programme. As the programme advances, the non-recurrent posts will be rationalised and savings will be moved to the Identified Savings (Appendix 1a, Line 16).
3.4	At the end of June 2016, the actual police officer establishment stood at 1,128.7 wte, 61.3 wte below the authorised operating model of 1,189.0 wte. This is consistent with flight-path profiling.
3.5	Police Staff Salaries and Allowances show total overspendings of £409,000 (Appendix 1a, Line 2). This is the net position of savings from vacant posts from being below the current authorised establishment (£410,000), which has been offset by redundancy payments (£801,000) arising from the implementation of new operating structures, as part of the Staying Ahead Programme. The additional overspending (£18,000) is primarily due to Tutor Payments within the First Point of Contact Centre (£7,000) and Holiday Pay entitlements (£9,000) as a result of the Bear Scotland high court ruling. Additional savings and termination payments are anticipated during 2016/17. Savings through structure remodelling will be recognised as recurring efficiencies and moved to the Identified Savings (Appendix 1a, Line 16).

3.6	At the end of June 2016, the actual establishment stood at 760.6 wte (including 101.0 wte Welsh Government funded PCSOs and 35.6 wte Force funded PCSOs), against the current authorised establishment of 840.4 wte. The vacancies are partly offset by 30 wte temporary agency staff currently in Force.
3.7	At the end of June 2016, the PCSO Salaries and Allowances showed savings of £224,000 which are as a result of being 33.4 wte below the authorised establishment of 170.0 wte. The current vacancies, and those that are anticipated to arise in the PCSO establishment during the year, are expected to allow the authorised establishment to be reduced to 130.0 wte.
3.8	To provide further information with respect to the workforce numbers, Appendix 2 shows an analysis of both Police Officer and Police Staff establishments by Service Area.
3.9	Police Officer Overtime and Enhancements have overspent by £45,000 (Appendix 1a, Line 16) to the end of June 2016. This reflects the overtime worked up to the end of May 2016. The overtime worked continues to undergo scrutiny by the Chief Officer Team to understand the cause and effect.
3.10	At the end of June 2016, Police Staff and PCSO Overtime and Enhancements showed savings of £93,000. These reflect a minor overspending on Overtime of £9,000 and significant savings of £102,000 relating to enhancement savings arising from vacant posts.
3.11	Other Employee Related Costs (Appendix 1a, Line 7) show overspendings of £189,000 to the end of the quarter. Savings have been made in relation to Medical Costs (£10,000) and Training costs £9,000, but these have been offset by overspendings in relation to Police Medical Retirements (£129,000), Police Injury Gratuity Payments (£24,000), Police Injury Pensions (£11,000) and Employee Insurance Premiums (£41,000).
3.12	Premises Costs show savings of £161,000 (Appendix 1a, Line 8). This reflects savings in Rents (£95,000), Utilities (£92,000), Maintenance Contracts (£24,000) and Insurance (£19,000). These are partially offset by overspending in Property Maintenance (£81,000), which is predominately due to dilapidation settlements on the ending of the lease for Block A, Mamhilad (£92,000). Some of these savings are due to timing, but all of these variances will be monitored throughout the year to identify recurring saving opportunities.
3.13	Transport Costs (Appendix 1a, Line 9) show savings of £60,000. The main contributors are Fuel Costs (£38,000), Fleet Repairs (£34,000), Insurance (£19,000), Vehicle Hire (£13,000) and Police Vehicle Recovery (£9,000). These are partially offset by small overspendings on Mileage (£9,000) and Travel and Subsistence (£5,000).
3.14	At the end of June 2016, Supplies and Services show savings of £131,000 (Appendix 1a, Line 10). The principal areas of savings are Uniforms (£58,000), Professional Services (£29,000), Operational Equipment (£26,000), Forensic Science (£21,000), Police Surgeons and Pathology (£17,000), Printing, Postage and Stationery (£16,000), and Communications (£6,000). These are partly offset by overspending on Insurance Premiums (£30,000) and Legal Expenses (£14,000). Some of these variances are considered to be due to

	timing, but all areas will be monitored throughout the year.
3.15	The 2016/17 budget included a requirement for £4,350,000 of efficiency scheme savings to be achieved. The majority of these have been mapped into the expenditure headings; however, £1,387,000 of savings could not be specifically identified against budget areas and are therefore reflected in Identified Recurring Savings (Appendix 1, Line 16). As these saving schemes are fully identified during the year, the appropriate budgets will be reduced.
3.16	Investment Income shows a small deficit of £2,000 to the end of the quarter. This continues to reflect the reduced level of returns being experienced in the market and the avoidance of risk in choosing investment opportunities.
3.17	At the end of June 2016, Other Income showed surpluses of £39,000. The main contributors to this are Police Specific Prosecutions (£66,000) and Firearms Licensing (£12,000), Vehicle Recovery (£8,000), Special Duties (£6,000), Reports (£6,000) Scrappage of Seized Vehicles (£5,000), Speed Awareness (£,4,000). These are partly offset by Income Generation (£43,000), Vehicle Sales (£25,000). These variances will be monitored throughout the year.
3.18	Forecast Outturn
3.19	It is planned that the initial forecast outturn for the year will be produced for the Month 5 Performance Report. This will inform forward strategic planning and the 2017/18 budget setting cycle.
3.20	Control Account Reconciliations
3.21	The financial performance and forecast outturn processes are reliant on the accuracy and validity of the information held within the financial systems. One aspect is the control account reconciliations which have not yet been completed for this financial period. This report therefore reflects the position as the transactions have been recorded and without the assurance that would normally be provided. It is planned that this will be addressed over the coming months, to allow management review and the assurance of completeness and accuracy to be gained.
3.22	Virement Summary
3.23	No new virement requests have been made in the year to date.
3.24	Capital Programme (Appendix 3)
3.25	The Revised Annual Budget on proposed schemes for 2016/17 is £5,377,000.
3.26	The Programme for 2016/17 will be funded from Home Office funding in the form of Capital Grant and Innovation Fund Grant, combined with Specific Earmarked Reserves and a Revenue Contribution.
3.27	Expenditure to date amounted to £109,000 of which £77,000 to Information Systems, £22,000 to Vehicle purchases and £10,000 related to Force Projects.
4.	<u>NEXT STEPS</u>
4.1	The financial monitoring and due diligence will continue throughout the financial year. Expenditure and forecast against both Revenue and Capital budgets will be reported at regular intervals.

5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	These are detailed in the report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no staffing / personnel implications arising from this report.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	There are no legal implications arising from this report.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This project/proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.
9.	<u>RISK</u>
9.1	The risks arising are outlined in the body of the report.
10.	<u>PUBLIC INTEREST</u>
10.1	This is a public document.
11.	<u>CONTACT OFFICER</u>
11.1	Ken Chedzey – Interim Head of Finance
12.	<u>ANNEXES</u>
12.1	Appendix 1a – Revenue Budget Performance to 30 th June 2016 – Gwent Police Group Appendix 1b – Revenue Budget Performance to 30 th June 2016 – Budgets Allocated to Chief Constable Appendix 1c – Revenue Budget Performance to 30 th June 2016 – Office of Police and Crime Commissioner
12.2	Appendix 2 – Establishment Summary at 30 th June 2016
12.3	Appendix 3 – 2016/17 Capital Programme at 30 th June 2016

For OPCC use only

Office of the Chief Constable I confirm the Financial Performance report has been discussed and approved at a formal Chief Officers' meeting. It is now forwarded to the OPCC for information .	
Signature: 	
Date: 19.07.16	
	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	√
OPCC The Chief of Staff has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	√
Legal The legal team have been consulted on this proposal.	n/a
Equalities The Equalities Officer has been consulted on this proposal.	n/a
Chief of Staff: I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.	
Signature: 	
Date: 19.07.16	
Police and Crime Commissioner for Gwent I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. The above request has my approval.	
Signature:	
Date:	