

**OFFICE OF THE POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE
DECISION RECORD**

Decision Record Number: **20/2013**

Title: **OPCC Budget 2013/14**

Executive Summary:

The OPCC has been working on a provisional budget for 2013/14. There is now a need to consider and approve a detailed budget for the year and in addition to determine the allocation of uncommitted funding within the base budget.

Commissioner Comments:

The Commissioner noted the position and requested further reports on a Community Safety Fund and/or Crime Reduction Grant scheme or contingency be submitted at the earliest opportunity. He also asked the Chief Executive to review and report back on the policies in place in relation to travel.

Decision:

- (a) That the projected outturn in 2012/13 showing an underspend of £223,694 be noted,
- (b) That the budget set out in Appendix 1 for 2013/14 be approved, and
- (c) That proposals be brought forward for a Community Safety Fund and /or Crime Reduction Grant Scheme or contingency to utilise the unallocated permanent budget of £187,615 in 2013/14 together with the temporary monies from the underspend in 2012/13.

Background Report: Open

Police and Crime Commissioner for Humberside

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct.

Any such interests are recorded below.

The above decision has my approval.

Signature

Matthew Grove

Date 26.06.13

**POLICE AND CRIME COMMISSIONER
FOR HUMBERSIDE**

SUBMISSION FOR DECISION

OPEN

Title: OPCC Budget 2013/14

Date: 26 June 2013

1. Executive Summary

The OPCC has been working on a provisional budget for 2013/14. There is now a need to consider and approve a detailed budget for the year and in addition to determine the allocation of uncommitted funding within the base budget.

2. Recommendations

- (a) The projected outturn in 2012/13 showing an underspend of £223,694 be noted,
- (b) The budget set out in Appendix 1 for 2013/14 be approved
- (c) Proposals be brought forward for a Community Safety Fund and /or Crime Reduction Grant Scheme or contingency to utilise the unallocated permanent budget of £187,615 in 2013/14 together with the temporary monies from the underspend in 2012/13.

3. Background

The base budget for 2012/13 for the Police Authority was established following an exercise undertaken in 2010/11 aimed at achieving savings of 5% a year in 2010/11 and 2011/12.

This target was successfully achieved and after taking account of minor allocations from contingency, the base budget for 2012/13 was £1.418m.

In view of the uncertainty at the time, when the budget was considered, it was based on the full year costs of the Police Authority although it was acknowledged that the actual spend would eventually reflect the

change to the OPCC. It was recognised however that costs of the PCC and any Deputy PCC could be contained within this budget. It was clear that this expenditure would be more than covered by savings in members' costs, allowances and other related expenditure and reduced costs as a result of decisions to delete and hold posts vacant and not to commit expenditure in the run up to abolition.

The Police Authority budget was monitored throughout 2012/13 and whilst it was clear that there would be an underspend, it was suggested that should be retained pending the outcome of the election. This was aimed at providing the incoming PCC with options to address issues not included in the original budget. It would also leave open opportunities to progress initiatives from any carried forward of underspending to 2013/14 or to make a contribution to reserves.

In November 2012 you inherited a base budget for 2012/13 from the Police Authority of £1.418m in connection with the cost of the Police Authority up to abolition and expenditure on your Office for the remainder of the financial year.

It should be noted that the budget for 2013/14 will need to be reviewed in light of decisions in connection with the Stage 2 transfer of staff. As there will already be budget provision for the costs of the staff involved, any changes to the revenue estimates will need to be made by way of virement between the Force and the OPCC and vice versa.

4. Provisional Outturn 2012/13

The provisional outturn for 2012/13 is also set out in Appendix 1. This shows an underspend of £223,694. This compares with a forecast underspend in the final budget monitoring report for the year of £200k. Whilst provision was retained in the year to accommodate any spending plans of an incoming PCC, in the event, there has been little additional spending since you took office.

The main reasons for the underspend were as follows:-

Expenditure Heading	Underspend/ (Overspend) £	Comments
Pay, NI and Superannuation	12,422	The part year costs of the PCC and the DPCC have been accommodated in the original budget due to delaying an appointment and deleting two posts.
Indirect Employee Expenses	7,816	This related to training costs and reflects a contingency provision relating to the change in governance procedures but in the event this was not taken up.
Premises Costs	4,227	During the year there were additional costs in respect of the building (£4k) and rates (£2k – under estimate) which were more than offset by savings in respect of electricity (£6k) and gas (£5k). There was overprovision in for energy costs in the 2011/12 accounts when arrangements for control of payments were passed over to the Force.
Transport	(2,047)	This now incorporates the costs of the PCC/DPCC which are paid through the payroll.
Supplies and Services	68,640	This covers a range of expenditure headings with the main areas for savings being equipment and furniture (£2k), computer consumables (£2k - due to changes to printing arrangements), printing (£3k), printing publications (£25k – due to there being no need to publish local policing summaries and leaflets in connection with the budget), photocopies (£6k), postages (£4k), consultants (£9k – due to an element of contingency not taken up), conference expenses (£2k), consultation expenses (£5k) and subscriptions (£8k -due to most of the main payees reducing costs e.g. APA, ACPO etc.) The only areas to overspend to any degree were catering (£1k), advertising (£0.6k) and volunteers costs (£0.5k)
Members Expenses	105,530	Savings on members' expenses which were included for a full year, including allowances, NI, transport, training, subsistence, conferences and Chair's allowances.
Support Services	26,826	Internal Audit (£11k – due in part to the audit days on collaborative working being paid for from the regional budgets) and External Audit (£16k – from a combination of fee reductions and credits from previous years).
Income	282	
TOTAL UNDERSPEND	223,694	

5. Proposed Budget 2013/14

It has been possible to draw up a provisional budget for 2013/14 by examining the spending incurred in 2012/13 and the change in nature of the way in which the OPCC operates in comparison with the Police Authority and spending trends generally. Details of the proposed budget are set out in Appendix 1.

Based on a review of the position post in 2012/13, a number of budgets across a range of individual headings have been amended.

Premises Costs

The estimate assumes that the OPCC will continue to be based at Pacific Exchange. These costs will need to be reviewed and revised if the building is sold. At the same consideration would need to be given as to how to apply the sales proceeds. Capital receipts would be available to supplement the funding suggested in this report for a Community Safety Fund/Crime Reduction Grant Scheme but this would be limited to supporting only capital expenditure.

Members Costs

The major change to the budget relates to the costs associated with the Police Authority's members in terms of allowances (including NI), transport, conferences, subsistence and other costs. The budgeted costs for this expenditure in a full year were estimated at £224k. This compares with the pay costs of the PCC and the DPCC in a full year that is estimated at £154k.

As the PCC and the Chief Constable have appointed a Joint Independent Audit Committee there will be associated costs for members' allowances and travelling. The costs of the Committee are estimated to be £11k.

Public Consultation

As a result of the decision 8/2013 in connection with mass consultation/public opinion services, the budgeted costs for consultation show a significant reduction on the £87k provision in 2012/13.

Within the proposed budget set out at Appendix 1, the actual costs of your Office in 2013/14 are estimated to be £1,230,255. 13.2% less than the base budget for the Police Authority.

This leaves a balance of £187,615 available as permanent budget provision to support new initiatives that you may want to promote. Alternatively, this amount could be used to make a contribution towards the savings target identified within the MTFS.

You have previously commented on your intention to create a Community Safety Fund and/or a scheme of Crime Reduction Grants so that you can seek bids for funding that will support the delivery of your Police and Crime Plan objectives. You may want to use the available funding for this purpose.

Alternatively, you could consider making contributions to the Partnership Reserve or set aside monies in a contingency fund to enable you to meet the costs of future spending pressures for which there is currently no budget provision.

In 2013/14, all expenditure supported from the Community Safety Fund Grant and Partnership Reserve will be held outside of the budget for the OPCC and will be controlled separately. A separate detailed submission has been provided in connection with the grants that you have approved to date from these sources and ongoing commitments.

6. Options

There are options to approve the budget proposals set out in this report or to amend the estimated expenditure. This could include recasting the budget over expenditure headings or reducing the overall budget to contribute to the additional savings targets.

The proposals include the options of creating a Community Safety Fund and/or Crime Reduction Grant Scheme to take up the whole or part of the permanent provision currently unallocated and monies carried forward from 2012/13.

Given the financial pressures arising from issues on an ad hoc basis, there is an option to set up a contingency fund.

There are options to make contributions to the either the Partnership Reserve or to the Performance Improvement Reserve.

The combined funding available to you is £411,309, of which £187,615 is permanent funding; in addition to the £392,082 uncommitted balance in the Partnership Reserve, a total of £803,391.

7. Risks

The budget for the OPCC must be set in the context of the overall financial picture presented in the Medium Term Financial Strategy (MTFS). This requires additional savings to be made in each of the years from 2013/14 to 2017/18.

Information emerging since the MTFS was compiled suggests that further savings will be required, even beyond those envisaged earlier in the year. In the light of the budget cuts that may be required in future years you may consider that you will want to make reductions in the spending on your Office. There is a risk therefore in making commitments that will have ongoing revenue consequences.

The budget will be affected by the Stage 2 transfer but the risks in terms of spending should be limited as they should be capable of being contained within the existing overall budget for the Force and the OPCC. Changes to the budget will require virements between appropriate budget headings.

8. Financial Implications

The financial implications are set out in the report.

9. Legal Implications

The budget of the OPCC has been incorporated within the overall budget approved as part of the precept decision proposed to and agreed by the Police and Crime Panel. This was supported by the Medium Term Financial Strategy which provided details which showed an overall balanced budget over the period to 2017/18.

10. Equalities Implications

There are no specific equality implications arising from this report.

11. Consultation

The report reflects the views of the Senior Management Team of the OPCC and follows discussions with you and the DPCC.

The proposals to identify funding for a Community Safety Fund/ Crime Reduction Grant Scheme Crime reduction grants was included your manifesto and was discussed during the election campaign.

Financial matters are now considered at meetings with partners individually and collectively on crime and community safety initiatives which also involve the Force.

12. Media information

The issue of OPCC budgets has already been the subject of significant publicity following the publication of the Home Affairs Select Committee Report on 23 May 2013.

The proposals for a “Community Safety Fund/Crime Reduction Grant Scheme” will generate significant interest

13. Background documents

MTFS 2013/14 – 2017/18

Precept Report to the Police and Crime Panel and Decision

Budget Monitoring Reports 2012/13

14. Publication

N/A

Outturn	Humberside OPCC/Police Authority Revenue Budget 2012/13 and 2013/14	Budget 2012/13	Provisional Outturn 2012/13	Variation	2013/14 Budget Budget 2013/14
£	Subjective Heading	£	£	£	£
2011/12					
533345.79	Employees - Admin and Clerical	560340.00	556613.48	-3726.52	652709
0	Pay	500.00		-500.00	500
49713.44	O/T	52090.00	53042.80	952.80	61918
87846.25	NI	98640.00	94188.57	-4451.43	111289
0	Arrears	7250.00	2553.01	0.00	0
12103.79	Honoraria/First Aid Allowances/Occ Health			-4696.99	225
0	Maternity/Temp Staff			0.00	0
683009.27	TOTAL ADMIN AND CLERICAL	718820.00	706397.86	-12422.14	826641
	Indirect Employee Expenses				
1949.17	Training	8000.00	184.58	-7815.42	8000
1949.17	TOTAL INDIRECT EMPLOYEE EXPENSES	8000.00	184.58	-7815.42	8000
	TOTAL EMPLOYEES	726820.00	706582.44	-20237.56	834641
	PREMISES COSTS				
17686.54	Property Management	15300.00	19884.04	4584.04	15300
10642.04	Rates	9000.00	11106.50	2106.50	11500
3547.6	Electricity	5100.00	-1269.79	-6369.79	3000
2514.32	Gas	4000.00	-740.27	-4740.27	3100
134.02	Water	140.00	74.47	-65.53	140
0	Car Parking	1200.00	1200.00	0.00	1500
733.16	Buildings Insurance	730.00	729.44	-0.56	730
352.57	Refuse Collection	280.00	372.84	92.84	280
655.61	Cleaning materials	500.00	554.15	54.15	500
1144.53	Hire of Premises	200.00	312.00	112.00	700
37410.39	TOTAL PREMISES COSTS	36450.00	32223.38	-4226.62	36750
	Transport				
1936.55	Vehicle Hire & Petrol	2500.00	1347.28	-1152.72	2500
13981.04	Car allowances and Other Travel Costs	10000.00	13199.74	3199.74	13000
15917.59	TOTAL TRANSPORT	12500.00	14547.02	2047.02	15500
	Supplies and Services				
1158.14	General Purchases	6620.00	6263.17	-356.83	6620
693.51	General Purchases - Other equipment incl IT	2000.00	309.55	-1690.45	1000
0	Furniture	500.00	500.00	-500.00	500
2497.85	Communications Non Corporate	4000.00	3409.80	-590.20	3000
-270.49	-do- income -cellphones	2000.00	-122.07	77.93	-200
530.81	Computer Consumables	2000.00	78.73	-1921.27	1000
353.4	Stationery	500.00	491.10	-8.90	500
866.63	Paper	1200.00	510.97	-689.03	1200
3294.93	Printing - general	4000.00	1299.18	-2700.82	5000
11530	Printing - publications	25000.00		-25000.00	0
5944.08	Photocopies	7500.00	1637.82	-5862.18	6000

0 Reference Books	200.00				200
2351.47 Postages - Franking Machines	6000.00	1848.72	-200.00		3000
4081.16 General Advertising	2000.00	2582.68	-4151.28		2000
			582.68		
20856.5 External Advisers	35000.00	25943.00	-9057.00		30000
-1000 Insurance - General Accident	510.00	-720.00	-1230.00		0
6186.82 Catering	7240.00	8640.83	1400.83		3000
531.58 Hotel Accommodation	2000.00	1998.55	-1.45		2000
3574.38 Conference Expenses	5000.00	2665.95	-2334.05		3000
220182.35 Legal Fees (including Police Appeals Tribunals)	10000.00	9872.23	-127.77		10000
	87000.00	81876.70	-5123.30		38000
84609.58 Public Consultation	2500.00	2952.71	452.71		3000
3188.93 Volunteers Costs	10000.00	8805.00	-1195.00		4000
0 Miscellaneous			0.00		10000
2000 Marketing Development - website	45000.00	36818.48	-8181.52		67500
42104.55 General Subscriptions					
417515.40 TOTAL SUPPLIES AND SERVICES	257100.00	198462.10	-68637.90		200320
Members Expenses					
9256.74 NI Employers - Members	10200.00	3944.50	-6255.50		0
174084.78 Members Allowances	184000.00	107958.59	-76041.41		0
0 Members Training	2500.00	0	-2500.00		0
11878.03 Members Public Transport	20000.00	6281.28	-13718.72		0
120.53 Members Subsistence	500.00	17.28	-482.72		0
1020 Conference expenses - members	5000.00	150.00	-4850.00		0
0 Chairs Allowance	2000.00		-2000.00		0
134.14 Chairs Hospitality		318.10	318.10		0
0 Audit Committee Expenses			0.00		11044
196486.22 TOTAL MEMBERS EXPENSES	224200.00	118663.75	-105530.25		11044
Support Services					
56875 Internal Audit	69000.00	58275.00	-10725.00		68400
72403.03 District Audit	83000.00	66899.00	-16101.00		65100
40000 External Organisations/Uncommitted Balance	369450.00	369450.00	0.00		187615
169278.03 TOTAL SUPPORT SERVICES	521450.00	494624.00	-26826.00		321115
1621576.07 TOTAL EXPENDITURE	1788520.00	1565108.69	-223411.31		1419370
Income					
1185.22 Car Parking	1200.00	1477.39	277.39		1500
0.00 Grant	129230.00	129235.00	5.00		
1185.22 TOTAL INCOME	130430.00	130712.39	282.39		1500
1520390.85 NET EXPENDITURE	1658090.00	1434396.30	-223693.70		1417870

Reconciliation	
Base Budget	1417870.00
Contributions to External Organisations	1194181.30
YOT Funding	369450.00
	223688.70
	0.00
	5.00
	-129230.00
	-129235.00
	5.00
	1658090.00
	1434396.30
	223693.70