



Police & Crime Commissioner for Cleveland
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Report of the Police and Crime Commissioner to the Chair and Members of the Cleveland Police and Crime Panel

21st October 2014

Police and Crime Commissioner's Financial Plans

1.0 Purpose of Report

1.1 To provide members with an update on the progress against the 2014/15 budget and an update on the progress of the development to the Long Term Financial Plan.

2.0 Background

2.1 On the 18th February 2014 the PCC agreed the revenue Budget for 2014/15 which was based on the receipt of income totalling £134,253k. This report is to provide the Panel with an update on all areas of the budget, including forecasts of how much income will actually be received during the year, the progress against the budget to date and forecasts on the expenditure for the remainder of the financial year.

2.2 At the same time as setting the budget for 2014/15 the PCC also set out projections of both income and expenditure for the next 3 financial years. This paper is to provide Members of the Panel with an update on the progress against the delivery of those plans.

3.0 2014/15 Budget Monitoring – Report to the end of September 2014

3.1 As Members will see from the report attached at Appendix 1 progress against the 2014/15 budget is progressing well, savings are being delivered ahead of schedule throughout all areas of the organisation. These savings result from the implementation of new operating models ahead of their original timeframes, while at the same time costs and

contracts that support frontline services are being squeezed to deliver increasing levels of value for money.

3.2 The forecast position as at the end of September 2014 is summarised in the table below:

	Original 2014/15 Budget	Revised 2014/15 Budget	Forecast Spend in 2014/15	2014/15 Forecast (Under)/ Overspend
Funding	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Total Funding	(134,253)	(134,994)	(135,565)	(570)
Office of the PCC Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Total Planned Expenditure	885	885	745	(140)
PCC Initiatives/Victims and Witness	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
PCC Initiatives	1,510	1,510	1,510	(0)
Victims and Witnesses Services	258	508	508	0
Total Planned Expenditure	1,768	2,018	2,018	(0)
Corporate Costs	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Total Corporate Costs	9,160	9,160	8,860	(300)
Police Force Planned Expenditure	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Police Pay	70,558	70,565	68,450	(2,115)
Police Overtime	1,354	1,401	1,401	0
Staff Pay	6,441	6,441	6,441	0
Police Community Support Officer Pay	4,416	4,416	4,056	(360)
Pay Total	82,769	82,823	80,348	(2,475)
Major Contracts Total	22,426	22,425	22,125	(300)
Non-Pay Budgets				
Other Pay and Training	276	298	298	0
Injury and Medical Police Pensions	2,360	2,360	2,360	0
Premises	3,811	3,811	3,761	(50)
Supplies and Services	5,645	5,972	6,664	692
Transport	1,762	1,762	1,762	0
External Support	2,356	2,356	2,239	(117)
Non-Pay	16,210	16,560	17,085	525
Total Planned Force Expenditure	121,405	121,808	119,558	(2,250)
(Surplus)/ Deficit	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
(Surplus)/ Deficit	(1,035)	(1,124)	(4,384)	(3,260)
Planned Transfers to/(from) General Fund	(680)	(680)	(680)	0
Contribution to Capital Programme	800	825	825	0
Planned Transfers to Earmarked Reserves	915	979	979	0
Net (Surplus)/ Deficit After Reserves	0	0	(3,260)	(3,260)

3.3 The current year underspend will be incorporated into future updates of the LTFP and will help to support the priorities of the organisation in future years.

4.0 Long Term Financial Plan Update

- 4.1 As Members will see from the report attached at Appendix 2, delivery of the savings that were factored into the 2014/15 budget have been delivered, and as reported in section 3 of this report have in many areas been exceeded. Also included in the report at Appendix 2 is an update on the progress against the savings factored into the balanced plan for 2015/16 and the progress that has been made in the delivery of them so far.
- 4.2 As you would expect further work is on going on the future financial plans, these build on the savings expected to be delivered in 2014/15 and also on the plans to deliver additional savings for future years to ensure a balanced position can be achieved.
- 4.3 I will be considering the details of the latest plans during October and this will be provided to the sub group, set up by this panel, to scrutinise my financial plans. However to provide the Panel with a update on the progress made to date the table at Appendix 3 provides an overview of where we expect the current plans to develop to.

5.0 Conclusion

- 5.1 While there is significant uncertainty as to what the level of future funding available to me will be, plans are well advance to balance the budget for both 2015/16 and 2016/17. Savings made during the current financial year should help to support a consistent level of resources to the Chief Constable over the next 2 years to support the Orbis operating model that is currently being implemented.
- 5.2 Significant levels of savings will still need to be delivered both for 2015/16 and beyond to ensure this can happen.
- 5.3 It is important to realise that should the actual levels of funding available to me be lower than currently modelled and planned, whether as a result of higher cuts to Government Grant levels or lower than expected levels of precept income, then all plans will need to be re-visited.

Barry Coppinger

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