

Report of the Chief Financial Officer

POLICE AUTHORITY SECRETARIAT AND MEMBERS ALLOWANCES FINANCIAL POSITION

1. Purpose of Report

To report on the financial position of the Police Authority Secretariat and Members Allowances budget to the end of December 2011. Also to provide a budget forecast for the Police Authority for 2011/12.

Recommendations

1. Members to note this report.

2. 3rd Quarter Budget Position

During the third quarter of this financial year the Police Authority reported a £123,720 surplus against a year to date budget of £558,750 i.e. 22.1% of the budget.

The major variances include:

- £19,883 surplus for "Support Staff Salary Cost" – the vacant post for Treasurer is causing a surplus in this area.
- £18,094 surplus for "Legal costs" – the expenditure under this heading is ad hoc and is fairly difficult to forecast due to the nature of the costs. It is anticipated that this budget will either be on target or report a surplus at year end but it will be monitored continuously throughout the year to ensure that any indications of a possible deficit are highlighted as soon as practicable.
- £24,242 surplus for "Other Miscellaneous Payments" – this budget provides a contingency for expenditure that occurs during the year. This type of expenditure can vary greatly from one year to the next and is therefore very difficult to forecast. For the moment the budget is reporting a surplus and there is no evidence to suggest that this would not be the case at the year end.
- £17,071 surplus for "Advertising Other than Staff" – Expenditure within this heading occurs on an ad-hoc basis, however, it is worthy to note that last financial year the cost was reported as £3,068, compared to this year's budget of £28,004. This budget is historically utilised for statutory advertisements, the need for which has declined in recent years, or due to technological advances the statutory obligations are now met by electronic means e.g. the Police Authority website.

3. Year-End Forecast

The year-end forecast indicates a planned surplus at the year-end of £199,211 against a budget of £943,472 i.e. 21.1%.

It is always difficult to predict the financial outcome based on part year expenditure; therefore a few assumptions have been made as follows:

- It is assumed expenditure is equally distributed through the year, unless specifically mentioned below
- Other Miscellaneous Payments – As this relates to ad hoc expenditure it is assumed that if no expenditure is incurred during the year then an amount equivalent to £30,000 would be transferred to the reserves of the Authority to safeguard against any future financial pressures.

Members are asked to note the content of the Budget Monitoring Report in [Appendix A](#).

4. Cost Reduction Plan 2011/2012

The Cost Reduction Plan 2011/2012 has been incorporated into the budget, and the budget figures in Appendix A reflect the reduced budget. The areas of the budget that were significantly affected by the cost reduction plan are highlighted below:

- The Central Printing budget was reduced by £13,000. In the third quarter of this financial year no expenditure was incurred in this area. The annual budget for 2011/2012 is £5,700 in 2010/2011 the outturn figure was £1,068 and therefore it is reasonable to assume that the expenditure in this area will continue to fall below budgeted levels and so achieving the cost reduction target set for the year.
- The Legal costs budget was reduced by £10,000. The projected outturn is reported as £16,855 compared to a reduced budget of £41,000. There are current legal cases ongoing which once paid for are expected to utilise the projected surplus in this area, the Authority does not expect, at this stage, for the expenditure to exceed the annual budget and therefore based on these assumptions the cost reduction target set for the year will be met.
- The budget for Member's subsistence was reduced by £5,000. Records to date have reported expenditure of only £715 in the third quarter of the year. In last financial year the outturn figure was £439, and therefore if the expenditure trend remains constant then it is expected that the year-end expenditure will fall within the reduced budget of £1,196.
- The budget for the Members Attendance Allowance was reduced by £8,772. Expenditure is currently in line with the reduced budget and it is reasonable to assume that the year-end expenditure will fall in line with the reduced budget.
- The budget for the Special Responsibility Allowance was reduced by £11,548. Expenditure is slightly higher than the budget due to a change in eligibility of some of the members of lead status since budget setting. However, the increase is not significant and will have very little effect on the overall budget position.
- The budget for Subscriptions to Other Bodies was reduced by £5,000. Cost reductions have been achieved by renegotiating costs with the Association of Police Authorities; this has reduced the annual subscription from £20,447 in 2010/2011 to £12,220 in 2011/2012. The figures in Appendix A indicate that the projected expenditure is in line with the reduced budget.

5. Reserves Position

The Police Authority carried forward a sum of £100,000 from the 2010/2011 budget. The reserve now stands at £80,000, with £20,000 being transferred to the PCC transitional contingency. £15,000 of the remaining balance has been allocated for Communication costs leaving the Authority with unallocated reserves of £65,000 as follows:

Details	£
Balance c/f 1 st April 2011	100,000
Transfer to PCC transitional contingency	-20,000
Balance as at 31st December 2011	80,000
<u>Allocations</u>	
Communications	15,000
Unallocated	65,000
Balance as at 31st December 2011	80,000

6. Impact Consideration

Implication	Impact Considered (Yes/No)	Impact Identified (paragraph reference)
Legal	Yes	N/A
Financial	Yes	N/A
Race and Equality	Yes	N/A
Human Rights	Yes	N/A
Environmental and Sustainability	Yes	N/A
Risk Analysis	Yes	N/A
National Park Implications	Yes	N/A

7. Appendices

[Appendix A](#) – Police Authority Budget Monitoring Statement for period ending 31st December 2011, including Year End Forecast

8. Background papers

Non applicable

9. Contact details

Author: Andrew Bevan – Director of Finance & Resources

Email: Andrew.bevan@dyfed-powys.pnn.police.uk

Telephone: Internal 23800, External 01267 226317

APPENDIX A

POLICE AUTHORITY BUDGET MONITORING STATEMENT 2011/2012

For period to 31st December 2011 including Year End Forecast

Group	Detail	YTD Budget	Actual	Variance	Annual Budget	Projected Expenditure	Projected Variance	2010/2011 Outturn
10 - Support Staff salary	1 - Support Staff Salary Cost	224,289	204,406	19,883	299,047	272,542	26,505	266,420
12 - Support Staff NI	1 - Employers National Insurance	16,821	18,326	-1,505	22,428	24,434	-2,006	23,121
13 - Support Staff Pensions	1 - Employers Pension Contribution	29,385	26,777	2,608	39,176	35,703	3,473	36,830
57 - Vehicle Hire and Staff Expense	1 - Public Transport Staff Travel	3,928	212	3,716	5,900	283	5,617	793
	3 - Casual User Staff Expenses	1,336	378	958	2,000	504	1,496	488
	4 - Essential User Staff Expenses	1,736	1,157	578	2,600	1,543	1,057	2,345
60 - Administrative and Office Equi	0 - Repair and Purchase of Furnitu	0	0	0		0	0	59
	1 - Cleaning and Domestic Equipmen	200	123	77	300	164	136	257
	3 - Other Administrative and Offic	3,466	-83	3,550	5,200	-83	5,283	1,664
61 - Operational Equipment	0 - General Operational Equipment		0	0		0	0	62
	A - Drugs and Medical Purchases		0	0		0	0	3
62 - Clothing and Uniform Expenses	0 - Police General Uniforms		0	0		0	0	6
63 - Printing Stationery and Office	0 - Central Printing	4,275	0	4,275	5,700	0	5,700	1,068
	1 - Other Printing	0	-198	198		-198	198	1,147
	4 - General Stationery and other P	1,736	432	1,304	2,600	576	2,024	6,060
	5 - Photocopying Charges and Mater	972	46	926	1,300	61	1,239	0
	6 - Reference Books	3,467	297	3,170	5,200	396	4,804	580
	7 - Postages		0	0		0	0	13
64 - Communications and Computing C	2 - Mobile Phone Charges	136	0	136	200	0	200	0
	7 - Communications Equipment		0	0		0	0	179
	9 - Computer Software Purchases an	3,300	2,500	800	3,700	2,500	1,200	0
	A - Computer Equipment Purchases	1,936	0	1,936	2,900	0	2,900	0

Group	Detail	YTD Budget	Actual	Variance	Annual Budget	Projected Expenditure	Projected Variance	2010/2011 Outturn
	C - Computer Consumables (Tapes, D	2,730	0	2,730	4,100	0	4,100	1,500
66 - Other Professional Services	0 - Other Hired and Contracted Ser	0	990	-990	0	1,319	-1,319	1,636
	1 - Legal Costs	30,735	12,642	18,094	41,000	16,855	24,145	34,973
	4 - Interpreters Fees and Services	2,250	1,314	936	3,000	1,752	1,248	1,199
67 - Expenses Payments	0 - General Subsistence	3,202	224	2,979	4,800	298	4,502	3,599
	1 - Conference and Seminar Expense	8,024	3,343	4,680	10,700	4,458	6,242	5,576
	4 - Lay Visitors Expenses	4,000	2,966	1,034	6,000	3,954	2,046	9,227
	7 - Accommodation		106	-106		142	-142	1,679
	9 - Rail		1,584	-1,584		2,112	-2,112	751
68 - Miscellaneous Payments	0 - Press Office Expenses		0	0		0	0	279
	8 - Other Miscellaneous Payments	24,242	0	24,242	32,333	0	32,333	227
	A - Advertising other than Staff	20,997	3,926	17,071	28,004	5,235	22,769	3,068
	F - Subscriptions to other bodies	30,740	28,432	2,307	41,000	37,910	3,090	48,007
72 - Other Bodies	0 - Contribution to Other Bodies		-1	1		-1	1	0
75 - Consultancy Services	0 - Consultancy Services		0	0		0	0	1,046
78 - Other Agency and Contracted Se	0 - Internal Audit Fee	28,560	27,917	643	57,120	37,223	19,897	52,332
	2 - Bank Fees	765	0	765	1,020	0	1,020	0
	5 - Audit Commision	44,022	39,900	4,122	66,060	53,201	12,859	71,790
	6 - Recruitment Services	2,040	0	2,040	3,060	0	3,060	37,543
87 - Other Income/Recoverables	4 - Fees & Costs Recoverable	0	0	0		0	0	-211
Police Authority Sub-total		499,290	377,717	121,573	696,448	502,883	193,565	615,316

Group	Detail	YTD Budget	Actual	Variance	Annual Budget	Projected Expenditure	Projected Variance	2010/2011 Outturn
12 - NI Costs	1 - Members NI Costs	8,996	7,896	1,100	12,000	10,528	1,472	13,613
57 - Vehicle Hire and Staff Expense	5 - Members Travel Expenses	15,328	11,246	4,082	23,000	14,995	8,005	24,072
	6 - Travelling Time Allowance	5,880	4,780	1,100	7,848	6,374	1,474	8,637
67 - Expenses Payments	2 - Members Subsistence	800	715	85	1,196	954	242	439
	3 - Members Attendance Allowance	122,377	122,556	-179	163,228	163,408	-180	170,019
	6 - Special Responsibility Allowance	29,799	33,840	-4,040	39,752	45,120	-5,368	54,321
Members		183,181	181,034	2,147	247,024	241,378	5,646	271,101
Grand Total		682,471	558,750	123,720	943,472	744,261	199,211	886,417