

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 6th July 2022

Subject: 2021/22 Outturn position

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Purpose of the Report:

The purpose of this report is to present the outturn report for 2021/22 for Warwickshire Police and the OPCC.

Recommendation:

For the JASC to note the outturn position for 2021/22.

Background:

The force produce monthly budget monitoring reports for the PCC known as Money Matters. Reports tend to be more detailed on a quarterly basis, with slightly lighter touch documents produced in the intervening months. The report is discussed at the monthly Performance and Governance Board meetings, attended by the PCC and Chief Constable and their staff. Interim and more regular discussion takes place on a weekly basis between the Treasurer and Director of Finance and his staff on topical issues and also at weekly Holding to Account meeting between the PCC and Chief Constable. The report is comprehensive, covering revenue, capital and reserves, and includes a detailed commentary on variances. The report has been provided to JASC so that they are fully informed on the outturn position which will be used to determine year end reserve transfers and the basis of the Statement of Accounts for the PCC and Warwickshire Police which will be brought to this Committee for consideration later in the year.

Executive summary

The final 2021/22 outturn shows an increased underspend to that forecast previously. Net expenditure after income is £112.846m which is £2.424m less than core funding, consisting of government grant including the one-off local council tax support grant and collection fund grant, as well as the precept. The £115.270m of funding, is £0.080m less than previously reported reflecting the actual grant, as opposed to being based on estimates, received from the government under the tax income guarantee scheme to cover collection fund deficits. This grant is un-ringfenced and has been paid irrespective of the local

recovery in collection rates. The improved position compared to the previous forecast will result in £2.424m being contributed to reserves to manage future risk, fund capital investment and transformational change.

JASC has specific responsibilities in regard to financial reporting, but the following also appear in their terms of reference with specific regard to financial management, which it is felt support the requirement to report the outturn position to the Committee:

On a timely basis report to the PCC and Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.

Report to the PCC and the Chief Constable its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

The attached reports is lengthy and detailed, however, it also contains its own executive summary at section 3 which is an informative overview of the year end position, and for that reason is not reproduced here. As a result of the improved outturn, the year end reserve balance shows a healthier position than previously forecast with total reserves at year end being some £15m. This includes an increase in the general reserve from £5m to £6m, to reflect the increasing gross expenditure and commercial income risk, and this remains in line with the reserve strategy. The outturn position for capital outlines one of underspending, but budget will be slipped into 2022/23 to meet costs as they fall due.

The Commissioner has discussed the report with the Chief Constable and has approved it. All recommendations are detailed within the report.

The 2022/23 budget been set with no routine reliance on reserves as a move to deliver on the financial strategy of setting a good and balanced budget. This will help to ensure that despite the challenges faced from increasing inflation for pay and non-pay in addition to other financial challenges, the force will remain resilient and sustainable across the medium term financial plan.