



**Accountability and Governance Board
July 2025**

Financial Outturn 2024/25

PURPOSE OF REPORT

1. To provide those charged with governance with details of the financial outturn for 2024/25.

BACKGROUND

2. This report details the outturn position for both revenue (paragraph 11) and capital (paragraph 14) for 2024/25.

HEADLINES

3. The financial position of the Force was closely managed and reported throughout the year. Through diligent cost management and collaboration with wider colleagues we were able to deliver the force priorities and realise a force revenue underspend of £18.1m which is 2.45% of the total budget of £736.8m. Underspends in pay related expenditure were forecasted from the end of the first quarter and continued throughout the year particularly in police officer and staff pay where vacancies were most prevalent especially in the first half of the year. The force benefitted from reduced pressures on utilities costs such that significant underspends were noted in premises related expenditure of £4.9m. The force also received £4.5m additional income from the proactive short-term investments in a much-improved interest rate environment.
4. The force outturn of an underspend of £18.1m was broadly in line with values reported in the most recent budget monitoring report. This highlights the quality of budget monitoring completed during the year and the strength of relationships that finance colleagues have built within the business. Whilst this level of underspend does not take away the medium to long term financial pressures, it does provide further opportunities to invest in force priorities and resilience.
5. Throughout the year we have been mindful of the future investments required, including the replacement of systems such as the Operational Policing Solution; decarbonisation plans; and the continued delivery of the estates programme and hence reserves have been earmarked for this purpose.
6. There were significant pressures noted at the start of the year due to demand factors across all policing portfolios. Since the adoption of a new operating model from April 2023 the force has made significant improvements in arrests and detections. Since April 2024 the number of arrests has increased by 8.5%. This is on top of the 24% increase that was achieved in 2023-24. The force has detected 12.7% of all crimes in 2024/25 compared to 8.2% in the previous year. The force has also sustained the improvement in its call handling performance answering more than 710,000 calls from the public on 999 with the average call being answered in 3 seconds. A further 700,000 calls were answered on the non-emergency 101 line where our average time to answer is now roughly 30 seconds. This is among the best call handling performance in the county. The force also sought to improve the quantity and quality

of its investigations. All these areas were supported with additional investments in physical assets, people resources and overtime where necessary.

7. Overspends were noted in police officer overtime, however this additional spend was to address demand pressures and manage vacancies in the Crime, Local Policing and Operations portfolio's in particular. Pressures on overtime and temporary staffing were also noted for police staff to manage business as usual activity in areas where vacancies were most prevalent. Additional one off spend was incurred in other employee costs on the back of organisational changes. Increased spends were noted in relation to payments to third parties where the force has made payments for the outcomes of the McCloud pensions remedy, however this was matched by grant income.
8. The Police and Crime Commissioner used £0.1m of reserves in 2024-25 with the closing reserves balance standing at £3.6m. Reserves will be used to deliver commissioned services in 2025/26 and the medium-term. See details in paragraph 12.
9. The Force has continued to support the national police officer Uplift Programme by maintaining police officer numbers in 2024/25. As such, the government expected the force to maintain uplift officer numbers at 8,086 and we ended the year with a police officer establishment of 8,096. Officer Uplift funding was supported by Home Office grants which have been claimed to ensure that officers have all the uniform and equipment necessary for them to perform their roles effectively.
10. Capital investment in 2024/25 was £14.9m against an original budget of £23.5m. The Force portion of this budget delivered business as usual IT and Digital and Fleet purchases as well as Body Worn Video Cameras. There was some slippage in relation to desktop services spend in IT and Digital which will be carried forward to 2025/26. Budgeted spend on the estate's strategy of £7.4m to support refurbishments of sites at Wolverhampton, Stechford and Willenhall and the new Dudley Local Policing Area Headquarters were reprioritised to enable other work to be prioritised e.g. the opening of additional cell block facilities at Bournville Lane to manage the additional number of arrests being made. The acquisition of a site at Anchorage Road to provide a continued policing footprint in the Sutton Coldfield area was completed and represents the actual capital cost on the estate's strategy in 2024-25. Some pre-build works were commenced at the above sites but funded from revenue budgets.

The table below summarises the revenue outturn for 2024/25 including the OPCC and Regional and National Services:

	Budget £,000	Outturn £,000	Outturn Variance to Budget £,000
Revenue			
Force inc. Change Programme	736,818	718,752	-18,066
Office of the PCC inc. Commissioned Services	9,565	9,707	142
Regional and National Services	17,994	17,634	-360
Total Revenue before Reserves	764,376	746,092	-18,283
Net Use of Other Reserves	-10,304	7,657	17,961
Net Use of Budget Reserves	-692	-370	322
Total Revenue after Reserves	753,380	753,379	0
Capital			
Force (Principally IT and D and Fleet)	12,637	9,465	-3,172
CTU and firearms	3,463	4,528	1,065
Estates Strategy	7,430	909	-6,521
Total Capital	23,530	14,902	-8,628
Total Revenue before Reserves plus Capital	787,906	760,994	-26,911

REVENUE OUTTURN 2024/25

11. The revenue outturn for the Police Force (excluding Change Programme project costs) was an underspend of £15.2m (2.1% of total budget). The Change Programme was underspent by £2.8m, this was a result of some estates works being reprioritised to manage the wider estates programme effectively. The detailed position is shown below along with further explanations of those areas where a variance to budget is notable.

	Note	Budget £,000	Outturn £,000	Outturn Variance to Budget £,000
Police Force by Account				
Police Pay	A	463,711	454,703	-9,008
Police Overtime	A	18,164	24,758	6,593
PCSO Pay	B	11,796	11,474	-322
PCSO Overtime	B	20	46	26
Police Staff Pay	C	174,173	171,427	-2,746
Police Staff Overtime	C	2,039	3,513	1,473
Temporary Staff	D	887	1,984	1,097
Other employees expenses	D	15,904	18,597	2,693
Sub Total		686,693	686,501	-192
Premises	E	32,754	27,848	-4,906
Transport	F	11,089	10,960	-129
Supplies and services	G	66,500	64,968	-1,532
Third Party Payment	H	17,017	22,388	5,371
Capital Financing Costs	I	16,351	8,823	-7,528
External income	J	-105,705	-112,010	-6,305
Total Police Force (Exc. WMP Change Programme)		724,700	709,478	-15,222
Change Programme	K	12,118	9,274	-2,844
Total Police Force (Inc. Change Programme)		736,818	718,752	-18,066

- A. Police pay was underspent by £9m which was significantly offset by overspends of £6.6m in police overtime. The pay underspend was driven by 2 factors. Firstly, an additional number of police leavers across the year meant that there were regularly vacancies in the forecast. Secondly, the profiling of new recruits weighted entrants towards quarter 3 and 4. Police Overtime was under pressure across all portfolios but noted most acutely in the Crime, Change and Contact and Local Policing portfolios. The additional spend helped to address force priorities relating to improving the quality of investigations (especially in child and adult investigation following HMICFRS review) and to sustain improvements in call handling. increased spend was also noted in direct response to the additional number of arrests being made such that pressures were noted in response policing in Birmingham and in Custody. These have been addressed as part of 2025/26 budget setting work.
- B. PCSO pay costs were underspent by a relatively modest £0.3m with a small number of PCSO posts being vacant throughout the year. The Force Executive ensured that the recruitment of police officer posts in support of the national uplift target were prioritised to optimise the service offer to the public. The underspend in pay was offset in part by additional overtime worked by PCSO's which supported activity in relation to Knife Crime operations across the Local Policing portfolio.
- C. The £2.7m underspend on police staff pay was as a result of vacancies across the force, most notably in the Crime portfolio but also impacting enabling areas including Corporate Asset Management, IT & Digital, Information Management and People Services. This was offset in part by additional spend on police staff overtime to ensure that services continue to be delivered effectively along with demand pressures in areas such as Force Contact where overtime supported performance gains delivered in the last year to be sustained. The combined impacts of these issues resulted in police staff overtime being overspent by £1.5m.
- D. Temporary staff costs were overspend by £1.1m which is linked to the vacancies that provided underspends in police staff pay. In areas such as IT and D where vacancies may put critical services at risk the force has used temporary staffing solutions to support these services. Temporary staff have also been used in some areas such as County Lines which are grant funded. Other employee expenses were overspent by £2.7m. Of this £1.6m was due to an increase in the number of officers returning on ill health grounds. The remainder was a result of payments to staff leaving the organisation as a result of organisational change in Force Contact, Corporate Asset Management and People Services.
- E. Premises costs were underspent by £4.9m. This was due to significant reductions in the cost of gas and electricity across the year. This was offset in part by increased rental costs of some properties and higher spends against reactive maintenance and improvements and alterations which have been necessary to support estates work outside the core estates strategy.
- F. Transport costs were underspent by £0.1m. This was due to lower fuel prices than had been budgeted during the year and some This was offset in part by overspends on third party motor insurance claims and marginally higher travel expense claims from officers and staff.
- G. Supplies and services were underspent by £1.5m. The most significant areas of movement from budget are IT licences, IT support and maintenance and uniform and equipment. These have delivered underspends of in excess of £6m in part through negotiated contract renewals. These were then offset by: increased provisions for national enquires; and higher spends on; forensics costs; doctors statements; interpreters; specialist operational costs; dangerous dogs and professional services. The majority of this spend has a direct correlation to the increase in the number of arrests made and subsequent investigation costs and have been addressed as part of setting the budget for 2025-26.

- H. Third Party Payments captures the costs of collaborative arrangements and public liability insurance. The overspend in this area was due to a growth across the force's public liability insurance and to compensation payments to officers impacted by the McCloud pension judgement. This £3m cost was met with additional grant income and explains part of the variance in external income.
- I. Capital financing costs which include revenue contributions to deliver the capital programme, interest payable and interest receivable were underspent by £7.5m. This was due to a significant growth in interest receivable where rates remained higher throughout the year than had been forecast at the start of the last financial year. This enabled the force to generate an additional £4.6m of interest on short-term investments. The remaining underspend was a result of Revenue Contributions to Capital Outturn (RCCO) being lower than budgeted as some capital spend in fleet and IT and Digital was delayed either through delivery timelines (fleet vehicles) or planned delays to achieve other works (IT and Digital).
- J. External Income was greater than budgeted by £6.3m, the most notable of these are:
- £3m grant income to support the compensation payments to officers impacted by the McCloud pensions remedy
 - £0.8m additional income received in relation to abnormal loads grants to support technology work in force
 - £0.4m roads policing additional income received for the recovery of vehicles through the work of the road harm prevention team.
 - £0.4m additional income from policing football and events.
- K. The underspend on the Change Programme of £2.8m is due to work on the Estates Programme where some projects have been reprioritised or work refined such that the majority of work to take place during 2025-26 (e.g. Ridgpoint House) or where projects have been completed for less than budget (e.g. Lloyd House restack and Aston refurbishment).

The Office of the Police and Crime Commissioner 's (OPCC) outturn was an overspend of £0.1m and this will be recognised as a use of OPCC reserves which stand at £3.6m on 31 March 2025. The table below summarises the outturn for the Office for the Police and Crime Commissioner.

		Budget £,000	Outturn £,000	Outturn Variance to Budget £,000
Office of Police and Crime Commissioner				
Office of Police and Crime Commissioner	A	3,247	3,296	49
Commissioned Services				
Community Safety Funding	B	3,692	4,310	618
Intervention and Prevention	C	1,775	1,607	-168
Specific Commissioned Areas Expenditure		2,378	2,378	0
Specific Commissioned Areas Income		-2,378	-2,378	0
Active Citizens		0	177	177
My Communities fund		-10	-10	0
Victim Services Expenditure		6,834	6,641	-193
Victim Services Income		-6,298	-6,298	0
Violent Crime Reduction Unit Expenditure	D	6,177	5,836	-341
Violent Crime Reduction Unit Income		-5,852	-5,852	0
Total Commissioned Services		6,318	6,411	93
Total Office of the Police and Crime Commissioner		9,565	9,707	142

12. The Office of the Police and Crime Commissioner 's (OPCC) outturn was an overspend of £0.1m and this will be recognised as a use of OPCC reserves which stand at £3.6m on 31 March 2025. The table below summarises the outturn for the Office for the Police and Crime Commissioner.

- A. A modest overspend in office costs of £0.05m. This was due to increased professional fees for the cost of external audit, and the costs of engagement with the public and other stakeholders to create the Police and Crime Plan. This was a planned use of reserves.
- B. An overspend in Community Safety Funding of £0.6m. Activity in year was as planned but includes some expenditure which relates to prior year work resulting in an overspend.
- C. An underspend in Intervention and Prevention initiatives of £0.2m. This relates to a number of crime reduction and prevention projects and these will be re-phased into 2025/26.
- D. An underspend on the Violence Reduction Unit of £0.3m. This relates primarily to legacy funds which will be carried forward to 2025/26.

13. The table below details the contribution to / from reserves for 2024/25.

- A. The Uniform and Equipment Reserve will reduce by £1.6m as funding is transferred from IT and Digital reserves for unused infrastructure work to support the new RMS project within the change programme reserve.
- B. The Budget Reserve will see a net contribution of £4.3m as a result of force underspend in year.

- C. The Carry Forward Reserve be increased by £0.7m to reflect agreed carry forwards of budget into 2025-25 much of which supports operational equipment and training needs.
- D. The Regional and National Reserve will see a net contribution of £3.1m. This is made up of underspends in NaBIS and Safer Roads for West Midlands and a one off CTU underspend to be used to fund capital expenditure in 2025-26.

The use of £2.2m reserves will support additional work programme since the 25/26 budgets were set. These include £1.1m for work at C3 to enable the crime desk to work from the same location as the rest of force contact and benefit from that co-location, £0.5m for further works at Chase Avenue to provide suitable public contact facilities and CCTV coverage and £0.6m as the contracted value of work to provide additional firearms facilities at C3 were greater than originally budgeted.

CAPITAL OUTTURN 2024/25

14. The capital programme outturn was £14.9m against an original budget of £23.5m, (an underspend of £8.6m). A summary of the outturn for the capital programme is detailed below.

		Budget £,000	Outturn £,000	Outturn Variance to Budget £,000
Fleet Vehicles	A	5,779	4,688	-1,091
IT and Digital	B	5,536	3,081	-2,455
CTU		2,840	3,425	585
Firearms		623	674	51
Estates Strategy	C	7,430	909	-6,521
Change Programme		1,322	2,125	803
Total Capital Programme		23,530	14,902	-8,628

Funded by:				
Capital Grants	D	2,970	3,538	568
Revenue Contributions		12,514	10,359	-2,155
Borrowing/Capital Receipts	D	8,046	1,005	-7,041
Total		23,530	14,902	-8,628

- A. £1.1m underspend on Fleet vehicles where orders have been placed in Q4 but delivery is expected in the new financial year. Budgets will be carried forward to support this expenditure in 2025-26
- B. There was a £2.5m underspend on IT and Digital capital for desktop services and infrastructure. An element of this will be carried forward with expenditure planned in 2025-26.
- C. The estates strategy is underspend by £6.5m as projects at Ridgpoint House Wolverhampton, Stechford and Dudley have undergone pre-construction work to date which has been charged to revenue. Capital work has now been prioritised for 2025-26.
- D. The funding of the capital programme has largely been funded through revenue contributions and capital grants. Capital receipts will be used to fund the programme in 2025-26 and 2024-25 to fund the acquisition of the Sutton Coldfield premises.

FINANCIAL IMPLICATIONS

15. This report solely deals with financial issues.

LEGAL IMPLICATIONS

16. The production of the PCC's Accounts is governed by the Local Government Act 1982 and Regulations made under that Act. The Local Government Act 1988 requires the PCC to make arrangements for the proper administration of its financial affairs.

RECOMMENDATIONS

17. The Board is asked to note the contents of this report.

Jane Heppel
Chief Finance Officer to the PCC

Peter Gillett
Director of Commercial Services

Appendix 1: Force Contact Bank Scheme

This appendix presents information requested by the PCC on the cost of Force Contact, and reports the use of the bank scheme which has been used to flexibly manage service demand.

The table below shows the original budget, revised budget, and actual cost of Force Contact across pay, overtime, and non-pay lines. The increase between the original and revised budget reflected the transfer of officers into the Crime Desk function and operational decisions to augment staffing levels within dispatch and call handling functions to 10% over their established levels, to enable 999 and 101 calls to be answered in accordance with performance targets.

Headline Information: Force Contact - 2024/25

Force Contact	Original Budget	Revised Budget	Actual 2024/25
Overtime	992,600	1,143,100	2,582,194
Overtime - Bank	320,400	324,500	846,189
Other Expenditure	245,200	246,500	205,352

Non-Pay-Total	1,558,200	1,714,100	3,633,734
---------------	-----------	-----------	-----------

Pay	47,470,400	61,994,500	58,541,372
£200 Bonus			141,600
Pay Total	47,470,400	61,994,500	58,682,972

Revenue Total	49,028,600	63,708,600	62,316,706
----------------------	-------------------	-------------------	-------------------

The tables below summarise overtime (including bank overtime) for the last 3 years. Noting that bank overtime was used for the first time in 2022-23.

Headline Information: Force Contact - 2021/22

Force Contact	Budget (£)	Actual 2021/22 (£)
Overtime	813,200	1,038,492
Other Expenditure	128,100	122,703
Non-Pay Total	941,300	1,161,794
Pay Total	37,453,900	36,892,290
Grand Total	38,395,200	38,054,084

Headline Information: Force Contact - 2022/23

Force Contact	Budget (£)	Actual 2022/23 (£)
Overtime	1,169,300	1,340,529
Overtime - Bank	0	43,011
Other Expenditure	219,500	295,535
Non-Pay Total	1,388,800	1,679,672
Pay Total	40,999,600	41,998,890
Grand Total	42,388,400	43,678,562

Headline Information: Force Contact - 2023/24

Force Contact	Budget (£)	Actual 2023/24 (£)
Overtime	1,139,200	1,400,588
Overtime - Bank	1,159,000	1,272,659
Other Expenditure	171,600	175,025
Non-Pay-Total	2,469,800	2,848,272
Pay Total	47,858,700	46,973,207
Revenue Total	50,328,500	49,821,479

The table below then shows the value of bank overtime in each period during 2024-25. It can be seen that the use of bank overtime is linked to periods of peak demand in the summer months.

Month	(£)
April	65,494.84
May	77,172.92
June	86,810.60
July	143,771.21
August	162,763.83
September	96,753.94
October	74,280.78
November	57,256.74
December	19,327.68
January	18,392.06
February	18,116.67
March	26,047.64
Total	846,188.91

Cost Benefit analysis of the use of bank overtime

The use of bank overtime for 2024-25 cost £846k. This is the equivalent cost of an additional 15 force contact call handlers. However, the bank is designed to maximise our ability to get resources on duty when we need them, often at short notice and outside of any regular shift pattern arrangements.

To provide an example of the effectiveness of the bank scheme;

Between December and February, we spent an average of £18,612 on bank overtime which translated to about 1000 hours of work a month. Each one of these hours was when we needed extra staff and was not subject to any sickness, annual leave or any other abstraction.

That same monthly investment would be the equivalent to 4 additional staff (costed at £56,500 PA employable costs excluding all training, kit etc). Together these staff would provide a maximum of 600 hours of work, in addition, much of this would be at times where we don't require the extra staffing and of course is subject to the usual abstractions associated with staffing.

It can be concluded that the bank option provides better value for money than recruiting additional staff. However, the department is looking at specific recruitment opportunities where there is a pattern of needing extra personnel, such as recruitment of students to cover lates, weekends and holiday periods.