



COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 21 JANUARY 2011

TITLE OF REPORT: PROPOSED REVENUE AND CAPITAL BUDGETS
2011-12

REPORT NUMBER «ReportNumber»

1. PURPOSE OF REPORT

1.1 To present to the Board for its consideration, the proposed Revenue and Capital Budgets for 2011-12 and to set requisitions on the Board's Constituent Authorities, in accordance with the Grampian Combined Police Area Amalgamation Scheme.

1.2 To assist members, below is a list of Appendices referred to within this report:

Appendix A: Revenue Budget Monitoring Report 2010-11

Appendix B: Summary Budget/Reserves 2011-12

Appendix C: Detailed budget for 2011-12

Appendix D: Capital budget 2011-12 and beyond

Appendix E: Local Authority (LA) requisition

Appendix F: Glossary

Appendix G: Reconfiguration Reviews

2. RECOMMENDATION(S)

2.1 The Board is requested to consider and approve the following:

- The proposed Revenue Budget for 2011-12.
- The updated medium term policy on Reserves and Balances.
- The proposed Capital Budget for 2011-12 which includes some provisional sums pending further prioritisation and consideration of the detailed submissions and business cases.
- The requisitions on the Board's Constituent LA's, in accordance with the Grampian Combined Police Area Amalgamation Scheme.

3. FINANCIAL IMPLICATIONS

- 3.1 As this is the annual budget report, all the financial implications are set out in the body of the main report.

4. SERVICE & COMMUNITY IMPACT

- 4.1 Given the reductions in the Force budget for 2011-12, with the majority of the savings coming from the downsizing and reconfiguration of staff numbers, there is undoubtedly going to be a reduction in service delivery in some areas of the Force business. However, as set out in later paragraphs, the cuts in posts will wherever possible come from back-office Police Officer posts and in Police Staff posts ensuring where we can that front line service delivery is maintained.

5. OTHER IMPLICATIONS

- 5.1 All other implications are set out in the main body of the report.

6. REPORT

2010 COMPREHENSIVE SPENDING REVIEW (CSR)

- 6.1 In November 2010, the Scottish Government published details of the proposed funding for public bodies for 2011-12. Whilst the CSR normally covers a period of three financial years, the Scottish Government decided to provide details of the funding arrangements for only the one financial year, namely 2011-12. There is still a considerable element of uncertainty over future levels of funding but all the indications are that further cuts are inevitable in future years.
- 6.2 More recently it was announced that illustrative figures up to 2014-15 will be presented by the Finance Secretary after the Christmas recess. Indications are that this will be fairly high level summary information and will not include details of the budget for Policing.
- 6.3 From the information already provided by the Scottish Government, the total Police Grant for 2011-12 is set to reduce in cash terms by 2.57% in comparison to 2010-11. The CSR announcement for Policing was based on the proviso that LA's continued to provide sufficient funding to allow Forces to maintain Police Officer numbers at the March 2007 baseline plus each Force's share of the 1,000 extra Officers. For Grampian Police, this equates to 1,472 full time equivalents (FTE) or around 1,502 Officers (Headcount). Projected Police Officer numbers for 2011-12 and the related budget is set out in more detail later in this Report.
- 6.4 The Force will however be required to accommodate a number of inflationary and budgetary cost pressures which are estimated to amount to a further 3.4%. In real terms (taking account of these additional budgetary pressures),

the funding settlement for 2011-12 is therefore 6% less than the equivalent amount for the current financial year.

Table 1 Comprehensive Spending Review: Proposed Police Allocations

	Police Allocation 2010-11 £m	Police Allocation 2011-12 £m	
CSR 2007	94.294	-	
CSR 2010	-	91.873	
Reduction in Cash		2.421	-2.57%
Budgetary Pressures		3.205	3.4%
Real Term Reduction		5.626	-6%

- 6.5 The CSR also announced reductions in Capital Spending of around 17.9% for 2011-12. Details of capital funding and a proposed Capital Plan for 2011-12 and beyond are set out within paragraphs 6.54 to 6.60 of this report.
- 6.6 The budgetary pressures referred to above include general inflation at 3.2% (based on November 2010 information), higher increases in fuel and utility costs (around 7%), pay increments due to Officers and Staff who are not yet on the top of their scale, ⁵/₁₂ of the 2010 pay award for both Police Officers and Police Staff (implemented in September 2010), reductions in Local Authority grant funding and significant reductions in secondment income.
- 6.7 In addition to the new budgetary pressures, the Force, like all other Forces, has had to absorb a significant amount of new and emerging demands, both in terms of new crime types but also legislative burdens, e.g. Liquor Licensing, Counter Terrorism, Anti-Social Behaviour, Freedom of Information (FOI), Sex Offenders, Management of Police Information and effects of the recent Cadder judgement. The Force is continuing to embark upon a process of developing partnership arrangements and facilities for Public Protection Units, which similarly need to be funded from savings elsewhere.
- 6.8 It is expected that the Force will also be required to continue to contend with a number of proposed strategic economic and infrastructure developments in future years. These include the development of the Trump International Golf Links, the Aberdeen Western Peripheral Route and the expansion at Aberdeen Airport. These developments already have started to impact upon the Force and result in additional costs being incurred. Although these costs have yet to be quantified, the financial burden in future years will need to be considered for budgeting purposes, especially if additional support is required to be provided under Mutual Aid by other Scottish Police Forces.
- 6.9 There is also the potential for Grampian Police to be allocated Police jurisdiction for offshore renewable installations located outwith UK Territorial Waters adjacent to Scotland but within the renewable Energy Zone. This would require the Force to have contingency plans in place to deal with incidents on such installations and specific training delivered to staff in additional skills.

2010-11 PROJECTED OUT-TURN (REVENUE AND CAPITAL BUDGETS)

- 6.10 The revenue budget monitoring statement for the current financial year is shown at Appendix A. This outlines the overall budget, actual spend to 31 December 2010, and the projected out-turn for the financial year 2010-11.
- 6.11 The Force is currently projecting an underspend of approximately £1.328m for the financial year 2010-11, against an approved net revenue budget of £115.256m. Given the potential reduction to Police funding in future years, the aim has been to maximise savings in the current financial year in order to reduce the financial burden in 2011-12 and beyond. As a result, savings achieved this year will either be used to fund voluntary redundancies or will be carried forward into Reserves and used to meet the funding gap for 2011-12.
- 6.12 The projected Police Officer pay costs are reducing as more Police Officers continue to leave or retire from the Force. It is currently anticipated that Police Officer numbers will reduce to around 1,565 by the end of March 2011.
- 6.13 As a result, the total underspend against the Police Officer pay budget is estimated to be around £524,000. There are also estimated savings of approximately £150,000 against the Police Officer overtime budget and savings of £178,000 in respect of Special Priority Payments.
- 6.14 The projected pay costs for Police Staff are generally in line with the approved budgets but this also now includes a provision of £1.3m to cover costs associated with the current Voluntary Redundancy Scheme (VRS). This provision has been funded from savings that have been generated through the on-going recruitment freeze and deletion of vacant Police Staff posts across the Force. In addition, with the recent decision by the Police Board to pend the new shared Headquarters project, the budget previously recorded against Capital Financed from Revenue Expenditure (CFER) has also now been transferred to Police Staff Pay, to part fund the VRS.
- 6.15 At this stage in the financial year, even allowing for the £1.3m set aside for the VRS, the Force are projecting a saving on the overall budget of £1.328m. This figure will be carried forward into Reserves and will be used to meet part of the funding gap for next year.
- 6.16 Whilst this reduction in Police Staff numbers will have an impact upon Business Areas' operational and support capacity, the potential full year effect of the savings will significantly reduce the financial burden for 2011-12. The impact of the reduction in staffing levels is continually being assessed as further vacancies arise. Where posts are business critical, we are redeploying or transferring staff from other areas.
- 6.17 The Force's Capital Plan is shown at Appendix D, and provides a breakdown of the approved capital budget for each project, the anticipated level of spend per financial year and the associated funding. As noted above, the decision to pend the new shared Headquarters project has resulted in the re-profiling of the Force's capital finances for the current year. In particular, approximately £1.1m of the Force's 2010-11 capital grant will be carried forward into 2011-12 to meet other capital investment projects, in particular

the construction of new custody facilities, which need to be progressed in the next few years.

Voluntary Redundancy Scheme (Police Staff only)

- 6.18 As mentioned earlier in the Report, the Force is currently running another Voluntary Redundancy Scheme (VRS) for Police Staff only. This is the third such scheme run by the Force (previously run schemes in 2008-09 and 2009-10) and 185 applications or notes of interest were received by the closing date. As before, each post is assessed as either being critical, in which case the application is refused, or not critical, in which case the application is progressed to a VRS Panel which looks at the cost of each application. As this is a voluntary scheme, applicants can withdraw at any stage.
- 6.19 All the applications have recently been assessed and 82 members of staff have been given formal offers of redundancy with appropriate compensation packages. It is anticipated that around 70 members of Police Staff will eventually accept the offers and therefore will leave by 31 March 2011. The final cost of the compensation package will not be known until all the applicants have replied (end January) but at this stage the cost is estimated to be around £1.2 - £1.4m. The savings to be realised as a result of this number of staff leaving the organisation will similarly not finally be known until after the end of January, but at this stage are estimated to be in the region of £1.3-£1.5m.
- 6.20 The costs of the VRS have been factored into the 2010-11 projected out-turn (Appendix A) and the savings likewise assumed in the figures presented for 2011-12 at Appendices B and C.

PROPOSED REVENUE BUDGET FOR 2011-12

- 6.21 As set out earlier in the report, the funding gap for 2011-12 (in real terms) is 6% or £5.6m. Given the uncertainty around the staffing levels, in particular the number of leavers, some additional flexibility may be needed so the Force are suggesting that the budget is based on real term reductions of £6m. This section of the Report sets out plans for meeting this funding gap and is based largely on the Briefing Session provided to Members which was held in Force Headquarters (and by video link) on Thursday 23 December 2010.
- 6.22 Given that staffing costs make up approximately 86% of the Force's budget and the non-pay costs have been reduced in real terms over the past three financial years, it is anticipated that the savings will predominantly have to be found by reducing staffing levels. Within the non-pay budgets, provision has been made for a number of on-going commitments (including service contracts), where the Force will incur similar or increased levels of spend next financial year. This leaves little or no opportunity to reduce those particular budgets. Given the reductions in these areas in previous years further significant cuts in the non-pay budgets will eventually lead to inefficiencies, surcharges or may indeed start to compromise operational effectiveness and activity.

Table 2 Proposals to Meet the Funding Gap

	£m
Continue Police Officer Recruitment Suspension:	
10-11 Leavers (40)	-1.2
11-12 Leavers (50)	-0.5
Police Officer numbers at 31 March 2012 expected to be around 1,515.	
Continue Police Staff Recruitment Freeze:	
10-11 Leavers (60)	-1.5
10-11 VRS (70)	-1.4
11-12 Leavers (30)	-0.3
Police Staff numbers at 31 March 2012 expected to be around 700.	
Sub-Total of Staff Savings	-4.9
c/f of Savings 2010-11	-0.6
Overtime cut	-0.3
Various minor reductions, e.g. taxis, car hire, conferences, printing, etc	-0.2
Overall Savings	-6.0

Continue the Suspension of Police Officer Recruitment

- 6.23 Police Officer numbers are expected to drop to around 1,565 by the end of this financial year. This is 40 Officers down on the number we had in the early part of 2010-11. The full year effect of this reduction are savings estimated to be around £1.2m. If the Force continues with its current recruitment suspension, based on previous levels of retirements, leavers, etc the Force are predicting around 65 Police Officers will leave during 2011-12. This would be offset by the transfer of around 15 Cadets into the Force Police Officer strength (net loss of around 50) which will save around £0.5m during the year. Although the numbers are higher than last year, Police Officers would leave at various stages throughout the year and therefore the savings are not as high.
- 6.24 By the end of 2011-12, Police Officer numbers would be around 1,515 which is around the same number as were in post at the end of 2007-08. See Table 3 below.

Table 3: Police Officer Numbers 2005-2012

Financial Year	Head Count
2005-06	1,374
2006-07	1,425
2007-08	1,510
2008-09	1,557
2009-10	1,600
2010-11	1,565
2011-12	1,515

- 6.25 As mentioned in paragraph 6.3, our numbers must be above the revised baseline of 1,502 on 31 March 2012 to ensure the Force continues to receive the appropriate funding from the Scottish Government. Details of how the Force will manage with 90 Police Officers less than they had at the start of the current year are set out in a subsequent section of this Report.

Continue Police Staff Recruitment Freeze

- 6.26 During the current year, the Force introduced a recruitment freeze for Police Staff which will deliver savings of around £1.5m next year (full year effect). Already around 60 members of Police Staff have left and have not been replaced. The current VRS is likely to release a further 70 members of staff, yielding savings next year, and then annually, of a further £1.4m. Assuming another 30 or so Police Staff leave next year through natural wastage, this would give us savings of around another £0.3m during the year. Total numbers would reduce to around 700 by the end of next year, a reduction of around 160 (almost 20%) since the start of this financial year.
- 6.27 In all but a few critical areas where the Force is re-deploying staff to fill the posts, current vacancies are remaining unfilled. Again details of the various reviews and restructuring of some areas of the Force are set out in a later section of the Report.

Overtime Costs

- 6.28 The Police Officer and Police Staff overtime budgets are currently devolved to Business Areas across the Force. It is intended that the Force will reduce overtime costs again this year by approximately 10%, which would equate to £300,000. Overtime has reduced steadily now since 2005 when it was £4.3m. In real terms, the budget next year is around 40% of the overtime spend in 2005. The overtime budget affords the flexibility to deal with incidents at short notice (56% of total spend). However, there are also significant levels of overtime costs associated with Court Duties and working during Public Holidays, which would require negotiated changes before these could be reduced.
- 6.29 A workshop was held last year with Federation representatives, Business Managers, Resource Governance Unit staff and other Finance and HR staff to look at how the Force could find savings in the overtime budget. Most of the

options have since been agreed and are being implemented and the collective view is that this level of savings could be achieved without severely impacting on front line service delivery. However it is clear that further reductions in overtime, beyond what has been done now for the last 4-5 years, would start to impact on operational effectiveness.

Police Officer Pensions

- 6.30 The Scottish Government introduced new funding arrangements for Police Officer pensions on 1 April 2010. Consequently the funding for Police Officer pensions is no longer included within the Local Government Settlement, but instead is paid as a Specific Grant to Forces. The payments to retired Police Officers are made from a Police Officer Pension Account, which is kept separate from the Force's operational revenue budget. It is important to note that this new Pension Account is not a fund, such that future payments to retired Police Officers will continue to be made from the cash grants received annually from the Scottish Government.
- 6.31 The Force's operational revenue budget includes a notional pension cost, and a corresponding level of match funding from the Scottish Government. This notional cost is based upon a percentage of the Police Officer pay expenditure, and the current estimate for 2011-12 is £13.505m.
- 6.32 The Force will also continue to meet the cost of Police Officer ill health retirements and injury awards. This includes an equivalent value for the lump sum payments, which are estimated to be approximately £425,000. Whilst the amount showing in the Force's Revenue budget is based upon a notional charge, the actual payments to the retired Police Officers will appear within the new Pension Account.
- 6.33 A number of the Police Officers who have retired through ill health also receive a monthly payment, which is a supplement to any pension that has accrued. These amounts will continue to be paid by the Force from its Revenue budget, however the Scottish Government is considering whether the funding in future years will be included within the Local Government settlement or be paid as a Specific Grant. The expectation is that it is likely to be the former, and thus has been included within the Police Grant and Requisition totals shown within Appendix E.

2011-12 REVENUE BUDGET PROPOSALS

- 6.34 The proposed budget for 2011-12 is set out in Appendix B and in more detail in Appendix C based on the Force meeting the funding gap as described above.
- 6.35 The planned strategy once again has been to try and maximise front line policing resources by maintaining where possible both Police Officer and Police Staff numbers, seeking to achieve significant cash efficiencies and introducing other initiatives aimed at releasing Police Officer time to core operational duties.

Other Devolved Non-Pay Costs

Property

- 6.36 The Force's property estate continues to be reviewed, taking into account operational requirements, potential shared facilities and estimated costs (both revenue and capital). It is anticipated that the 2011-12 budget for rent and rates can be maintained at broadly the same levels as this financial year. A number of properties are due to be sold during this year and next, however the Force is due to occupy new premises shortly including the shared facility at Whinhill. The increased costs for heating, lighting and cleaning are predominantly linked to the new properties as well as recognising the general increase in costs, well above normal inflation.

Transport

- 6.37 In recent years the fleet has been modernised as the Force has managed to invest in new vehicles and equipment. Notwithstanding the resultant operational benefits, the efficiencies of running a modern fleet has meant that fuel and other running costs have been reduced. However, with the reductions in funding, it is proposed that the Force should aim for a 10% reduction in the size of its vehicle fleet. Whilst the Force will continue to purchase new and efficient vehicles, the intention is that over the coming year, a number of vehicles will be sold but not replaced. The number of vehicles being hired is reducing in the current year and it is expected that this will continue into 2011-12, although there will be times when additional 4x4 vehicles will be required. It is anticipated that by reducing the fleet size, the overall costs can be maintained at current levels, accommodating the significant rise in fuel costs.

Supplies and Services

- 6.38 Within the overall budgeted total of £7.405m in 2011-12, there is £1.783m that has been allocated for goods and services purchased in conjunction with SPSA. This expenditure is fully grant funded, such that any reduction in spend, would result in a corresponding drop in the income received from the Scottish Government.
- 6.39 The Force will continue to seek to identify further efficiency savings through new and on-going procurement initiatives with other Forces and public bodies, and this will assist in reducing the devolved spend across the Force.

Payments to Agencies and Other Bodies

- 6.40 The Force contributes to ACPOS approved national policing projects, through staffing resource (seconded Police Officers and Police Staff), as well as financial support. The total cost for the Force in any given financial year, equates to the equivalent GAE percentage of the entire spend on all of the projects. ACPOS has agreed a budget of approximately £8.5m for 2010-11, such that the Force would be required to contribute approximately £835,000. The Force's staffing contribution amounts to £330,000 this financial year, with the difference being paid as a monetary contribution at the year end. If the total spend is less than £8.5m then the recharge to the Force will reduce. The

number of Force secondees involved in ACPOS projects is likely to reduce during 2011-12, as their respective projects come to an end. If the total spend on ACPOS projects continues at approximately £8m during 2011-12, then the financial contribution made by the Force will rise by a further £100,000 compared to the current approved budget for 2010-11.

OPTIONS FOR LONGER TERM SAVINGS

- 6.41 Although funding has not yet been announced beyond 2011-12, it is expected that further significant cuts are inevitable.
- 6.42 As a result, the Force is also looking at a number of longer term budget savings options. Some however are outwith their control, but will be necessary if further significant savings are required.
- 6.43 The main longer term options are related to changes to terms and conditions for Police Officers and Police Staff. The Scottish Government are currently in bilateral discussions with the Staff Associations and are looking at suspending the payment of Special Priority Payments, Bonus Payments and a number of other minor changes e.g. mileage rates and public holidays. The Winsor Review in England and Wales is also likely to lead to some proposed changes to terms and conditions but these are not expected to be implemented before 2012-13.
- 6.44 In terms of Police Staff, negotiations are on-going in relation to modernising staff allowances as well as other options, including a pay freeze, moving public holidays into leave, an increment freeze and reduced mileage rates.
- 6.45 A number of issues have also been raised nationally, both directly with the Scottish Government and via the Scottish Policing Board. They include the need for further Criminal Justice reform, especially in relation to the cost of overtime for Officers attending Court, the need to clarify the responsibility for and the provision of casualty surgeons, especially as NHS budget has been protected, and the review of how best to deal with Police Officers suspended on full pay pending criminal investigations.
- 6.46 Given the success of the Voluntary Redundancy Schemes in recent years, the Force may have to offer a further scheme to Police Staff over the next few years. Depending on the level of interest, a move towards Compulsory Redundancies cannot at this stage be ruled out.
- 6.47 Likewise, although not being actively progressed at the time being, if more Officers decide to work on beyond their 30 years (as they can opt to do), the Force may have to consider invoking Regulation A19 which could force Officers to retire after 30 years service.
- 6.48 Other longer term options will include continuing to seek opportunities with local and national partners for shared services or collaborative opportunities. The Force will also continue to explore procurement opportunities but this is not considered to be an area for significant additional savings as the majority of our supplies and services are already subject to Force or national contracts.

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- 6.49 One area where savings could be achieved in the longer term is in the rationalisation of the Force's Estate. At present the Force own or rent 60 properties across the Grampian area (with an 'Operational' estate value of around £30m, annual running costs are in the region of £4m). The Force is currently finalising a detailed Property Asset Management Plan (PAMP) which will help identify and drive out further efficiencies in the estate. It will further improve performance and reduce costs or provide income that can be used to minimise the effect of budget reductions in front line services. The PAMP will be circulated in due course to the Board for discussion with implementation of any of the recommendations not progressed until full consultation has taken place with Members and local communities.

Reconfiguration Reviews

- 6.50 Given the level of staff reductions through natural wastage, retirement or voluntary redundancy and the fact that staff have left posts throughout and across the Force, many from critical posts, a number of key pieces of work are being progressed which will allow the structure, shape and overall size of the Force to be reconfigured.
- 6.51 This will result in some Business Areas and Units being downsized or perhaps even disbanded, to ensure front line policing and critical specialist support is maximised wherever possible.
- 6.52 All areas of the Force are being critically reviewed and final decisions on where reductions will be made are expected before the start of the new financial year. For example some 'support' functions will be reduced and the remaining posts centralised to maximise effectiveness and efficiency. A full list of the various internal reviews is attached at Appendix F.
- 6.53 This work is currently one of the Force's priorities and is likely to continue into the next financial year when the size of further cuts in funding are published.

OTHER ISSUES FOR 2011-12

Capital Borrowing

- 6.54 In previous years, the Board has agreed to ring fence £1m of the 'levelling up' increase (received during the period 2006-08) to allow for the eventual funding of significant and emerging capital projects (Prudential Borrowing) in an effort to modernise the Police estate.
- 6.55 The Force is putting considerable effort into progressing these large capital projects, although recently the Board agreed to pend the project for a new Force Headquarters. However, there are still a number of other key capital projects that would require significant levels of capital investment in the next few years. Consequently, the budget proposals include a provision of £300,000 of revenue funding (Capital Financed from Current Revenue (CFCR)) for these capital projects which can be used to fund any future Prudential Borrowing.

THE PRUDENTIAL REGIME FOR CAPITAL FINANCE AND THE CAPITAL PLAN 2011-12

- 6.56 The Force can in theory incur any level of Capital spend as long as it meets the five key tests of the Prudential Code which include affordability, prudence, sustainability, value for money and proper stewardship of assets. The Prudential Code allows the Board to approve a Capital Programme which is greater than the value of the Capital Grant, such that the cost of any external borrowing should be contained within the Force's Annual Revenue Budget. Consequently, the Force's Capital Budget and Revenue Budget are closely linked and should be considered at the same time.
- 6.57 The Capital Budget for 2011-12, is also presented for consideration (Appendix D). Given the relatively short period of time for compiling all the detailed bids, as before, the Board is asked to agree the majority of the capital budgets and agree in principle the proposed capital programme totalling £4.133m. This will allow further and more detailed scrutiny within the Force over the coming few months with the aim of prioritising each of the capital bids and making final recommendations to a future meeting to spend any the unallocated sums. Provisional figures and potential capital projects are also produced for 2012-13 and 2013-14, but they are for information only at this stage.
- 6.58 The Capital Plan is funded from LA Grant (previously Scottish Government Capital Grant), an allocation from the Scottish Government to cover the cost of SPSA capital and capital receipts. The LA Capital Grant figure for 2011-12 is set at £2.404m which is a 17.9% reduction on the amount for 2010-11. As noted previously in the report, it is anticipated that grant funding awarded in the current financial year will need to be carried forward into 2011-12. This is due to the Board pending the new Headquarters project and slippage on the construction of a new Moray Child Protection Unit.
- 6.59 The Force is able to augment the capital funding through the use of receipts generated from the disposal of fixed assets. It is anticipated that with the level of capital expenditure projected for the current year, £4.567m of receipts will be carried forward into 2011-12. A further £0.730m of capital receipts will hopefully be generated in 2011-12.
- 6.60 Based on the 2011-12 Capital Programme, it is unlikely that the Force will need to borrow in order to fund the proposed level of capital spend. However this will be required in future years, even with the balance of capital receipts likely to be carried forward.

EFFICIENCY SAVINGS

- 6.61 The Scottish Government's drive for increased efficiency is an integral part of the day to day business of continuous improvement. The Efficient Government Programme framework is used within Grampian Police to record savings against a set target. This in turn contributes to the delivery of better quality policing and improved services to the community.

6.62 The previous Spending Review, announced in November 2007, states that the eight Scottish Police Forces had to make savings totalling £1.6bn by 2010-11.

6.63 The Scottish Police Force's target was to deliver a 2% cash-releasing saving on the 2007-08 baseline, on an annual basis until 2011 i.e. 2%, 4%, 6% of the 2007-08 baseline figure.

Grampian Police	2008-09	2009-10	2010-11
Target	£1,675,000.00	£3,350,000.00	£5,025,000.00
Achieved	£2,461,153.54	£4,389,363.30	£2,753,989.00*

* Figure correct as of quarter 2, 2010-11

Attainment of Targets 2008-10 and Projected Savings in 2010-11

6.64 Over the last few years, Grampian Police have increased their efforts to realise savings and make service improvements. The Force was set a target of £1.675m for 2008-09 and realised efficiencies of over £2.461m (47% above the set target). Approximately 24% (£0.597m) were recurring efficiencies and contributed to the 2009-10 efficiency target.

6.65 The Force was set a target of £3.335m for 2009-10. The Force realised efficiencies of £4.389m (32% above the set target).

6.66 This is the final year of the previous Spending Review and this year will be the most challenging with a target for 2010-11 of £5.025m. Currently after quarter 2, the Force has realised savings totalling almost £2.754m.

6.67 An illustration of the savings claimed this year include:

- Five Custody Officer posts in Aberdeen and a further five in Elgin have been civilianised. This has freed up Police Officers as well as saved on the paybill.
- Property sales in Aberdeen, Banchory and elsewhere, along with the associated utility bill costs have each resulted in savings of over £250,000 being generated.
- A new Police Service Agreement and office refurbishment at Aberdeen Airport, together with an increased payment towards staff costs, has resulted in savings of almost £200k.

6.68 Many savings however need to be found at a local level and are small in scale. The following example, whilst demonstrating modest savings illustrates that the efficiency message is becoming part of the Force culture:

- An unused Garage at Inverurie was converted into a Production Store which allowed the Force to cease the lease of four containers saving £3,000.

Efficiency Targets 2011-14

6.69 In November, the CSR 2010 set targets for 2011-2014 of 3% year on year per annum from our allocated budget. As can be seen from the examples above, not all the efficiency savings came from the revenue budget and some avoid expenditure rather than deliver real cash reductions. Whilst the efficiency savings will help meet the funding gap for next year, most of the savings will still need to be found from staff reductions as detailed earlier.

POLICY ON RESERVES AND BALANCES

6.70 The Force has powers to maintain a Revenue Reserve. A policy was agreed this time last year but it is good practice to review it annually.

6.71 Before deciding on a policy, it is worth noting that there are a range of safeguards in place that mitigate against Police Authorities over-committing themselves financially. These include:

- The balanced budget requirement.
- The Treasurer's responsibility to ensure that adequate internal financial control arrangements are in place.
- The external auditor's responsibility to review and report on the financial standing of the Force.

6.72 It should be noted that there is a maximum level of reserves for Police Authorities (5% of the Total Police Allocation). This would mean the Force could retain in 2011-12, around £4.624m under existing Scottish Government rules. In addition, Forces are allowed to transfer up to 3% to reserves each year. Any amount in excess of this would require the return of funding to the Constituent Authorities and the Scottish Government.

6.73 The Scottish Government are currently considering proposals for increasing the thresholds from 5% and 3%, to 6% and 4% respectively. With the current levels of spend and budget pressures, it is very unlikely that the Force would get near the 3% or 5% thresholds. Consequently, any proposed increase in these upper limits would have no impact upon the Force.

6.74 Revenue reserves can be held for a number of purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It should be noted that the Force's current cash flow position is healthy due to our active Treasury Management Strategy.
- A contingency provision to cushion against the impact of unforeseen inflationary increases, which have not been budgeted for, or other unavoidable budget pressures which may arise during the year.
- Earmarked reserves to meet known or predicted liabilities (i.e. where specific funding may have been received in one year but the spend not

yet incurred until the following year).

6.75 The Revenue Reserve can be used to support the Police Revenue Budget (over a one to three year period) as part of the budget setting strategy, or can be used, on a one off none recurring basis:

- To cushion the impact of demand led budget pressures arising during the financial year.
- For high priority one off spending items arising during the year which cannot be contained within the approved budget.
- For specific one off spending initiatives.

6.76 A number of factors require to be taken into account when determining the level of Revenue Reserve. The main factors are:

- The treatment of inflation.
- The control over demand led pressures.
- The level of devolvement within the Force and the responsibilities of individual budget holders.
- The adequacy of provisions within the Police Accounts.

6.77 An assessment of each of these factors is detailed below:

FACTOR	ASSESSMENT
1. Treatment of inflation rate movements.	Projected annual salary/wage increases are built into the Revenue Budget. Other known contractual increases are also built into the Revenue Budget.
2. The control over demand led pressures.	These are very closely monitored by individual budget holders as well as the Force Finance Team, and at regular Executive Board and Joint Board meetings during the year.
3. The level of devolvement within the Force and the responsibility of individual budget holders.	Individual/budget holders have a clear understanding of their budget responsibilities and there is regular liaison with the Force Finance Team.
4. Adequacy of provisions and accruals built into year end accounts.	Provisions and accruals are built into the year end accounts to meet known commitments.

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- 6.78 Taking into account all the above factors, and recognising that there may, on occasions, be operational demand led pressures, which cannot be contained within overall budgets, we would recommend that as an updated medium term strategy, the minimum level of Revenue Reserves should remain at 1% of the Total Police Allocation (which equates to £1.131m). This follows the strategy adopted by the Board in previous years.
- 6.79 It is important to note that with the reduced level of funding and associated budget pressures, there will be less of an opportunity for the Force to accommodate the significant costs of unforeseen critical incidents within the approved Revenue budget. It is therefore necessary that the Force holds adequate reserves, which can be utilised to fund excessive overtime or non-pay costs that occur during and after critical incidents.
- 6.80 Equally, it is anticipated that the Force will receive less funding in 2012-13 and beyond. It may be necessary to bridge any funding shortfall in those years with the small balance of reserves that has been built up this year. It is important that the Force maintains some flexibility in dealing with any future funding shortfall given the high percentage of staff costs and timeframe associated with any changes to staffing levels.
- 6.81 The projected spend for 2010-11 and the proposed budget for 2011-12 would leave a balance on the General Reserve of £2.303m at 31 March 2012, which would be slightly above the agreed minimum balance.

7. REPORT AUTHOR DETAILS

- 7.1 Gary Craig, Deputy Director of Corporate Services
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8. BACKGROUND PAPERS

None.

Chief Constable
13 January 2011

Treasurer
13 January 2011

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 31 December 2010

		Grampian Police Summary		Estimated Out-turn	Variance (Under)/ Overspend	Out-turn as a % of Budget
		Approved Budget £	Expenditure to 31-Dec-10 £	As At 31-Dec-10 £	As At 31-Dec-10 £	
EMPLOYEE COSTS						
Police Officers						
	Pay	54,735,056	40,508,132	54,211,211	(523,845)	99%
	C RTP/Bonus/SPP	1,536,242	1,182,776	1,357,950	(178,292)	88%
	TRA and Housing	2,053,485	1,604,366	2,101,556	48,071	102%
	Other Allowances	124,691	75,200	104,729	(19,962)	84%
	National Insurance	5,164,724	3,629,528	5,040,340	(124,384)	98%
	Notional Pension Costs	13,555,254	10,156,985	13,556,924	1,670	100%
	Injury Pension Costs	400,000	295,200	393,600	(6,400)	98%
	Ill Health Awards	384,961	322,089	384,961	0	100%
	Sub-total	77,954,413	57,774,276	77,151,271	(803,142)	99%
	Overtime	3,180,964	1,542,443	3,030,457	(150,507)	95%
	Total Police Officers' Costs	81,135,377	59,316,719	80,181,728	(953,649)	99%
Police Staff						
	Pay	16,978,543	11,442,443	16,968,005	(10,538)	100%
	Allowances	1,565,050	1,127,931	1,544,522	(20,528)	99%
	National Insurance	1,279,932	882,549	1,261,898	(18,034)	99%
	Superannuation	3,084,332	2,221,845	3,077,049	(7,283)	100%
	Sub-total	22,907,857	15,674,768	22,851,474	(56,383)	100%
	Overtime	259,371	116,597	227,493	(31,878)	88%
	Total Police Staff Costs	23,167,228	15,791,365	23,078,967	(88,261)	100%
Other Staff Costs						
	Relocation	50,000	33,034	50,000	0	100%
	Recruitment	32,900	20,727	32,900	0	100%
	Sub-total	82,900	53,761	82,900	0	100%
	Total Employee Costs	104,385,505	75,161,845	103,343,595	(1,041,910)	99%
OPERATING COSTS						
Property Costs						
	Rent	866,257	429,066	858,129	(8,128)	99%
	Rates	1,460,650	1,281,949	1,460,702	52	100%
	Insurance	20,530	20,242	20,530	0	100%
	Repairs and Maintenance	612,968	436,689	612,664	(304)	100%
	Repairs and Maintenance - Devolved	22,522	18,100	21,282	(1,240)	94%
	Heating, Lighting and Cleaning	1,022,748	687,889	1,022,455	(293)	100%
	Sub-total	4,005,675	2,873,935	3,995,762	(9,913)	100%
Transport and Plant Costs						
	Repairs and Maintenance	260,200	205,349	263,200	3,000	101%
	Petrol and Diesel Fuel	806,973	567,305	807,663	690	100%
	Licences and Insurances	308,400	309,562	318,000	9,600	103%
	Car Hire	251,209	177,749	245,121	(6,088)	98%
	Travel and Subsistence	535,751	299,224	511,711	(24,040)	96%
	Sub-total	2,162,533	1,559,189	2,145,695	(16,838)	99%
Supplies and Services Costs						
	Operational Equipment and Materials	595,331	352,451	589,317	(6,014)	99%
	Operational Supplies and Services	2,840,955	1,746,971	2,842,444	1,489	100%
	Uniforms and Clothing	290,383	201,486	275,515	(14,868)	95%
	Computer Maintenance and Software	1,226,337	1,066,277	1,322,361	96,024	108%
	Computer Network and Telephony	819,819	426,254	701,944	(117,875)	86%
	Radio Communications	5,000	5,211	5,000	0	100%
	Catering	150,865	108,156	145,134	(5,731)	96%
	Conferences and Training	451,586	157,222	407,773	(43,813)	90%
	Printing, Stationery and Postages	525,378	333,439	507,036	(18,342)	97%
	Insurances	395,100	401,723	405,500	10,400	103%
	Advertising	66,220	39,752	72,025	5,805	109%
	Other Administrative Costs	322,171	127,607	328,289	6,118	102%
	Sub-total	7,689,145	4,966,549	7,602,338	(86,807)	99%

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 31 December 2010

		<i>Grampian Police Summary</i>		<i>Estimated Out-turn</i>	<i>Variance (Under)/ Overspend</i>	<i>Out-turn as a % of Budget</i>
		<i>Approved Budget £</i>	<i>Expenditure to 31-Dec-10 £</i>	<i>As At 31-Dec-10 £</i>	<i>As At 31-Dec-10 £</i>	
Payments to Agencies and Other Bodies						
	Council Support Services	286,500	140,756	286,500	0	100%
	Other Agencies	902,505	252,535	860,218	(42,287)	95%
	Sub-total	1,189,005	393,291	1,146,718	(42,287)	96%
Financing Costs						
	Capital Financed from Current Revenue	0	0	0	0	0%
	Supported Loan Charges	1,410,266	370,128	1,410,266	0	0%
	Prudential Borrowing	0	0	0	0	0%
	Sub-total	1,410,266	370,128	1,410,266	0	100%
Contingency Costs						
		0	0	0	0	0%
	Total Operating Costs	16,456,624	10,163,092	16,300,779	(155,845)	99%
	Gross Expenditure	120,842,129	85,324,937	119,644,374	(1,197,755)	99%
INCOME						
	Recharges for Services	(1,155,309)	(630,718)	(1,142,228)	13,081	99%
	Seconded Recoveries	(1,546,752)	(961,580)	(1,494,506)	52,246	97%
	Sales, Fees and Lost Property	(393,107)	(352,548)	(428,063)	(34,956)	109%
	Sponsorship	(18,000)	(18,384)	(18,000)	0	100%
	Rents	(813,275)	(828,281)	(864,844)	(51,569)	106%
	Partnership Income	(1,050,088)	(492,555)	(1,039,234)	10,854	99%
	Non SG Funding	(537,814)	(627,704)	(646,189)	(108,375)	120%
	Other Income	(72,000)	(51,283)	(81,080)	(9,080)	113%
	Total Income	(5,586,345)	(3,963,053)	(5,714,144)	(127,799)	102%
	Total Net Expenditure	115,255,784	81,361,884	113,930,231	(1,325,553)	99%
FINANCED BY -						
Grant Funding						
	SG Police Grant	(48,042,000)	(35,130,717)	(48,042,000)	0	100%
	LA Requisitions	(45,841,000)	(34,380,720)	(45,841,000)	0	100%
	SG Loan Charge Support	(719,236)	(525,951)	(719,236)	0	100%
	LA Loan Charge Support	(691,030)	(518,184)	(691,030)	0	100%
	SG Specific Grant (100% Funded)	(19,907,382)	(11,034,382)	(19,908,189)	(807)	100%
	SG Specific Grant (Part Funded)	(55,136)	(57,145)	(57,145)	(2,009)	104%
		(115,255,784)	(81,647,099)	(115,258,600)	(2,816)	100%
	Total (Under)/Overspend Against Grant Funding	0	(285,215)	(1,328,370)	(1,328,370)	

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 31 December 2010

<i>Grampian Police Summary</i>		<i>Estimated Out-turn</i>	<i>Variance (Under)/ Overspend</i>	<i>Out-turn as a % of Budget</i>
<i>Approved Budget</i>	<i>Expenditure to 31-Dec-10</i>	<i>As At 31-Dec-10</i>	<i>As At 31-Dec-10</i>	
<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	

CRTP - Competency Related Threshold Payment
 SPP - Special Priority Payment
 TRA - Transitional Rent Allowance
 SG - Scottish Government
 LA - Local Authority
 SCDEA - Scottish Crime and Drug Enforcement Agency

Other Staff Costs include the following items:

Interview Expenses
 Recruitment Costs
 Transfer Allowances and Relocation Expenses
 Staff Advertising
 Long Service Awards

Operational Equipment and Materials includes the following items:

Ammunition and Firearms
 Animals (Food and Equipment)
 Equipment Purchase
 Equipment Repairs and Maintenance
 Furniture Purchase
 Intoximeters
 Materials General
 Medical Supplies (including First Aid)

Operational Supplies and Services includes the following items:

Airwave Maintenance
 Body Removal
 Car Care Kits
 Central Archive Facilities
 Consultancy Fees
 Interpreters
 Mortuary Charges
 Police Surgeon Fees
 Prisoner Maintenance
 Service General

Other Administrative Costs includes the following items:

Affiliation Fees
 Audit Fees
 Bank Charges
 Confidential Waste Disposal
 Data Protection Registration
 Hospitality
 Legal Expenses
 Members Allowance
 Subscriptions - General

Other Income includes the following items:

Miscellaneous Interest Received

GRAMPIAN JOINT POLICE BOARD
Proposed Revenue Budget 2011-12

	<i>Total Base Budget 2010-11</i>	<i>Total Current Budget 2010-11</i>	<i>Total Proj Out-turn 2010-11</i>	<i>Total Base Budget 2011-12</i>
EMPLOYEE COSTS				
1 Police Officers	66,879	66,795	65,846	65,727
2 Police Officer Pension Costs	14,390	14,340	14,335	14,345
3 Police Staff	22,758	23,167	23,079	21,437
4 Other Staff Costs	83	83	83	73
Total Employee Costs	104,110	104,386	103,344	101,582
OPERATING COSTS				
5 Property Costs	3,939	4,006	3,996	4,099
6 Transport and Plant Costs	2,107	2,163	2,146	2,033
7 Supplies and Services Costs	7,391	7,689	7,602	7,415
8 Payments to Agencies and Other Bodies	1,047	1,189	1,147	1,289
9 Financing Costs	1,910	1,410	1,410	1,562
10 Contingency Costs	0	0	0	0
Total Operating Costs	16,394	16,457	16,301	16,397
Gross Expenditure	120,504	120,842	119,644	117,979
INCOME (11)	(5,419)	(5,586)	(5,714)	(4,274)
Total Net Expenditure	115,085	115,256	113,930	113,705
FINANCED BY -				
12 Police Allocation	(93,883)	(93,883)	(93,883)	(92,482)
13 Loan Charge Support	(1,410)	(1,410)	(1,410)	(1,262)
14 Police Pension Grant	(13,605)	(13,555)	(13,555)	(13,505)
15 Other Scottish Government Grant Funding	(6,187)	(6,408)	(6,410)	(5,856)
16				
Total Grant Funding	(115,085)	(115,256)	(115,259)	(113,105)
Total (Under)/Overspend Against SG Grant Funding (16)	0	0	(1,328)	600
GENERAL RESERVE (Excluding Element Ring-Fenced for Pension Lump Sums)				
17 Opening Balance at 1 April			(1,575)	(2,903)
18 (Under)/Overspend			(1,328)	600
19 Closing Balance at 31 March	0	0	(2,903)	(2,303)

GRAMPIAN POLICE
Proposed Budget 2011-12

	Total Base Budget 2010-11 £	Total Current Budget 2010-11 £	Total Proj Out-turn 2010-11 £	Total Base Budget 2011-12 £	Percentage Variance with Base Budget	Percentage Variance with Current Budget
EMPLOYEE COSTS						
Police Officers						
Pay	54,856,902	54,735,056	54,211,211	54,136,638	-1.31%	-1.09%
CRTP/Bonus/SPP	1,506,396	1,536,242	1,357,950	1,569,444	4.19%	2.16%
TRA and Housing	2,067,485	2,053,485	2,101,556	1,927,364	-6.78%	-6.14%
Other Allowances	124,691	124,691	104,729	118,317	-5.11%	-5.11%
National Insurance	5,168,724	5,164,724	5,040,340	5,241,970	1.42%	1.50%
Notional Pension Costs	13,605,254	13,555,254	13,556,924	13,505,119	-0.74%	-0.37%
Injury Pension Costs	360,000	400,000	393,600	415,000	15.28%	3.75%
Ill Health Awards	424,961	384,961	384,961	424,961	0.00%	10.39%
Sub-total	78,114,413	77,954,413	77,151,271	77,338,813	-0.99%	-0.79%
Overtime	3,155,154	3,180,964	3,030,457	2,733,113	-13.38%	-14.08%
Total Police Officers' Costs	81,269,567	81,135,377	80,181,728	80,071,926	-1.47%	-1.31%
Police Staff						
Pay	16,654,425	16,978,543	16,968,005	15,494,191	-6.97%	-8.74%
Allowances	1,509,874	1,565,050	1,544,522	1,539,966	1.99%	-1.60%
National Insurance	1,274,115	1,279,932	1,261,898	1,231,577	-3.34%	-3.78%
Superannuation	3,072,153	3,084,332	3,077,049	2,947,365	-4.06%	-4.44%
Sub-total	22,510,567	22,907,857	22,851,474	21,213,099	-5.76%	-7.40%
Overtime	247,055	259,371	227,493	224,055	-9.31%	-13.62%
Total Police Staff Costs	22,757,622	23,167,228	23,078,967	21,437,154	-5.80%	-7.47%
Other Staff Costs						
Relocation	0	50,000	50,000	40,000	100.00%	-20.00%
Recruitment	82,900	32,900	32,900	32,900	-60.31%	0.00%
Sub-total	82,900	82,900	82,900	72,900	-12.06%	-12.06%
Total Employee Costs	104,110,089	104,385,505	103,343,595	101,581,980	-2.43%	-2.69%
OPERATING COSTS						
Property Costs						
Rent	880,957	866,257	858,129	882,957	0.23%	1.93%
Rates	1,461,434	1,460,650	1,460,702	1,471,434	0.68%	0.74%
Insurance	20,530	20,530	20,530	20,530	0.00%	0.00%
Repairs and Maintenance	544,468	612,968	612,664	544,468	0.00%	-11.18%
Repairs and Maintenance - Devolved	16,247	22,522	21,282	16,247	0.00%	-27.86%
Heating, Lighting and Cleaning	1,015,759	1,022,748	1,022,455	1,163,525	14.55%	13.76%
Sub-total	3,939,395	4,005,675	3,995,762	4,099,161	4.06%	2.33%
Transport and Plant Costs						
Repairs	260,200	260,200	263,200	262,200	0.77%	0.77%
Petrol and Diesel Fuel	806,573	806,973	807,663	830,573	2.98%	2.92%
Licences and Insurances	308,400	308,400	318,000	300,400	-2.59%	-2.59%
Car Hire	245,253	251,209	245,121	191,459	-21.93%	-23.78%
Travel and Subsistence	486,919	535,751	511,711	447,919	-8.01%	-16.39%
Sub-total	2,107,345	2,162,533	2,145,695	2,032,551	-3.55%	-6.01%
Supplies and Services Costs						
Operational Equipment and Materials	495,343	595,331	589,317	508,343	2.62%	-14.61%
Operational Supplies and Services	2,547,123	2,840,955	2,842,444	2,600,670	2.10%	-8.46%
Uniforms and Clothing	291,333	290,383	275,515	290,333	-0.34%	-0.02%
Computer Maintenance and Software	951,030	1,226,337	1,322,361	1,352,030	42.16%	10.25%
Computer Network and Telephony	1,230,919	819,819	701,944	890,919	-27.62%	8.67%
Radio Communications	37,000	5,000	5,000	5,000	-86.49%	0.00%
Catering	139,300	150,865	145,134	120,300	-13.64%	-20.26%
Conferences and Training	433,586	451,586	407,773	368,586	-14.99%	-18.38%
Printing, Stationery and Postages	514,580	525,378	507,036	494,580	-3.89%	-5.86%
Insurances	367,100	395,100	405,500	410,900	11.93%	4.00%
Advertising	52,100	66,220	72,025	52,100	0.00%	-21.32%
Other Administrative Costs	331,121	322,171	328,289	321,121	-3.02%	-0.33%
Sub-total	7,390,535	7,689,145	7,602,338	7,414,882	0.33%	-3.57%

GRAMPIAN POLICE
Proposed Budget 2011-12

	Total Base Budget 2010-11 £	Total Current Budget 2010-11 £	Total Proj Out-turn 2010-11 £	Total Base Budget 2011-12 £	Percentage Variance with Base Budget	Percentage Variance with Current Budget
Payments to Agencies and Other Bodies						
Council Support Services	286,500	286,500	286,500	286,500	0.00%	0.00%
Other Agencies	760,230	902,505	860,218	1,002,018	31.80%	11.03%
Sub-total	1,046,730	1,189,005	1,146,718	1,288,518	23.10%	8.37%
Financing Costs						
Capital Financed from Current Revenue	500,000	0	0	300,000	-40.00%	#DIV/0!
Supported Loan Charges	1,410,266	1,410,266	1,410,266	1,262,000	-10.51%	-10.51%
Prudential Borrowing	0	0	0	0	0.00%	0.00%
Sub-total	1,910,266	1,410,266	1,410,266	1,562,000		10.76%
Contingency Costs	0	0	0	0	0.00%	0.00%
Total Operating Costs	16,394,271	16,456,624	16,300,779	16,397,112	0.02%	-0.36%
Gross Expenditure	120,504,360	120,842,129	119,644,374	117,979,092	-2.10%	-2.37%
INCOME						
Recharges for Services	(1,210,000)	(1,155,309)	(1,142,228)	(1,098,500)	-9.21%	-4.92%
Seconded Recoveries	(1,800,000)	(1,546,752)	(1,494,506)	(850,000)	-52.78%	-45.05%
Sales, Fees and Lost Property	(306,000)	(393,107)	(428,063)	(338,000)	10.46%	-14.02%
Sponsorship	(18,000)	(18,000)	(18,000)	(18,000)	0.00%	0.00%
Rents	(750,000)	(813,275)	(864,844)	(857,401)	14.32%	5.43%
Partnership Income	(1,065,000)	(1,050,088)	(1,039,234)	(935,525)	-12.16%	-10.91%
Non SG Funding	(238,274)	(537,814)	(646,189)	(97,000)	-59.29%	-81.96%
Other Income	(32,000)	(72,000)	(81,080)	(80,000)	150.00%	11.11%
Total Income	(5,419,274)	(5,586,345)	(5,714,144)	(4,274,426)	-21.13%	-23.48%
Total Net Expenditure	115,085,086	115,255,784	113,930,231	113,704,666	-1.20%	-1.35%
FINANCED BY -						
Grant Funding (GAE)						
SG Police Grant	(48,042,000)	(48,042,000)	(48,042,000)	(47,166,000)	-1.82%	-1.82%
LA Requisitions	(45,841,000)	(45,841,000)	(45,841,000)	(45,316,000)	-1.15%	-1.15%
SG Loan Charge Support	(719,236)	(719,236)	(719,236)	(644,000)	-10.46%	-10.46%
LA Loan Charge Support	(691,030)	(691,030)	(691,030)	(618,000)	-10.57%	-10.57%
SG Specific Grant (100% Funded)	(19,779,432)	(19,907,382)	(19,908,189)	(19,340,130)	-2.22%	-2.85%
SG Specific Grant (Part Funded)	(12,388)	(55,136)	(57,145)	(20,536)	65.77%	-62.75%
	(115,085,086)	(115,255,784)	(115,258,600)	(113,104,666)	-1.72%	-1.87%
Total (Under)/Overspend Against SG Grant Funding	0	0	(1,328,370)	600,000		

GRAMPIAN POLICE PROPOSED CAPITAL PLAN 2011-12											Appendix D	
Line	Project Description	Divisions / Dept.	Finance Project No	Total project cost £000s	Revised Budget 2010-11 £000s	Projected Outturn 2010-11 £000s	Estimated Budget 2012-13 £000s	2013-14 £000s	Comments			
A Recurring Items												
1	Disability Discrimination Act (DDA) / Minor Building Work	Facilities	GC90971	n/a	150	150	100	100	Building works for police properties.			
2	Asset Refreshment for Computers, Printers & Servers											
(i)	- SPSA	SPSA	GC90870	n/a	230	230	245	250	Expenditure funded by Scottish Police Services Authority Specific Grant.			
(ii)	- Force Funded	CMBA	GC90871	n/a	20	20	20	20				
3	Annual Vehicle Replacement											
(i)	- SPSA	SPSA	GC90870	n/a	10	10						
(ii)	- Force Funded	Transport	GC95501	n/a	764	764	900	900	Annual budget for vehicle replacement.			
B Existing Commitments												
4	Single Point of Contact (SPoC) Software	CMBA	GC98199	34	34	34			Work complete.			
5	ON-GOING COMMITMENTS				1,208	1,208	1,270	1,270				
C Discrete Items of Expenditure												
6	Shared Services Project at Whinhill (New Build)	Facilities	GC96601	512	512	512			Project complete and awaiting invoice.			
7	Moray Child Protection Unit (New Build)	Facilities	GC98190	590	472	250	368		Project underway and will be completed in May / Jun. 2011.			
8	Custody Refurbishment - Model 2	Facilities	GC98202	175	175	175			New project recently approved by Force Executive in Dec 2010.			
9	Torry Police Station Refurbishment	Facilities		43	43	43			New project recently approved by Force Executive in Dec 2010.			
10	Police Headquarters - Air Conditioning Works	Facilities		25	25	25			Budget allocated for new air conditioning system at Police Headquarters.			
11	Call Recording	OP & S	GC98188	64	64	64			Installation complete and awaiting SPSA invoice.			
12	Digital Recording	CMBA	GC98187	150	150	150			Purchase of new equipment approved by Programme Board in May 2010.			
13	ANPR Equipment	CMBA	GC90881	10	10	10			Equipment arrived in Oct 2010 and awaiting invoice.			
14	NESCAMP Equipment	NESCAMP	GC92821	20	20	20			Replacement of existing equipment. cost will be fully funded by NESCAMP partnership.			
15	Community Security Policy (CSP) Work	Prof Standard	GC98121	36	36	36			Work in progress.			
16	Crimefile Development	ICT	GC94451	21	21	21			Budget required to upgrade Crimefile as part of the system compliance.			
17	National Crimefile Development	ICT	GC90811	35	35	35			Upgrade on national crimefile system, cost will be fully funded by Scottish Government.			
18	Body Armour	OP & S	GC90490	40	40	40			New project recently approved.			
19	Firearms Equipment	OP & S	GC92902	57	57	57			New project recently approved.			
20	Police Vans - CCTV and Specialist Equipment	OP & S		25	25	25			New project recently approved.			
21	CCTV Equipment for Various Police Stations	Business Areas		142	142	142			New project recently approved.			
22	IT Shutdown System	ICT		23	23	23			New project recently approved.			
23	Future Capital Commitments	Programme Board		n/a	1,112	200	2,500	6,000	Funding available for mandated projects.			
24	New Shared Service Centre	Facilities		0	0	0			Project has been mandated by the Force.			
25	Force Estate Security	Facilities	GC91161	0	0	0			Project has been mandated by Programme Board.			
26	New Custody Facilities	Facilities		0	0	0			Project has been mandated by the Force and a supporting business case will be developed.			
27	Extension to Laboratory at Nelson Street - Phase 2	Facilities		0	0	0			Project has been mandated by the Force and a supporting business case will be developed.			
28	New Peterhead Police Station	Facilities		0	0	0			Project has been mandated by the Force and a supporting business case will be developed.			
29	New Shared Headquarters	Facilities		0	0	0			Project has been pending by Joint Board.			
30	DISCRETE EXPENDITURE				2,962	1,878	6,000	3,500				

GRAMPIAN POLICE PROPOSED CAPITAL PLAN 2011-12										Appendix D	
Line	Project Description	Divisions / Dept.	Finance Project No	Total project cost £000s	Revised Budget		Projected Outturn		Estimated Budget		Comments
					2010-11 £000s	2011-12 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s	
31	TOTAL EXPENDITURE				4,170	4,133	3,036	4,133	7,270	4,770	
	Financed by:										
32	Local Authorities - Annual Capital Grant				2,928	2,404	2,723	2,404	2,450	2,500	Annual Capital Grant
33	Local Authorities - Annual Capital Grant off adjustments				929	1,154					
34	Scottish Government - Scottish Police Services Authority				240	245	240	245	250	250	Funding from Scottish Police Services Authority.
35	Scottish Government - ISCJS				35	0	35	0	0	0	Funding from Scottish Government - Integrated Scottish Criminal Justice Infor Services (ISCJIS).
36	Scottish Government - Other Agents				8	0	8	0	0	0	Contribution for the purchase of a new vehicle.
37	NESCAMP - Capital Receipts				20	0	20	0	0	0	
38	Other Capital Receipts				10	0	10	0	0	0	Contribution from non-governmental bodies for the purchase of vehicles.
39	Internal Capital Receipts - Disposal of Fixed Assets				0	50	0	50	4,270	1,720	Capital receipts generated from disposal of fixed assets.
40	External Borrowing				0	0	0	0	0	0	
41	Capital Expenditure Financed from Revenue Funding "CFCR"				0	300	0	300	300	300	
42	TOTAL FUNDING				4,170	4,133	3,036	4,133	7,270	4,770	
	RECONCILIATION OF CAPITAL RECEIPTS:										
	Opening balance				3,872	4,567	3,872	4,567	5,247	1,377	
	New Receipts										
	Sale of police houses				575	630	575	630	300	300	
	Sale of police vehicles, plant & equipment				120	100	120	100	100	100	
	Applied Receipts				0	(56)	0	(56)	(4,270)	(1,720)	
	Closing balance carry forward				4,567	5,247	4,567	5,247	1,377	57	

GRAMPIAN JOINT POLICE BOARD
Local Authority Draft Requisitions 2011-12

		Total £'000s	Aberdeen £'000s	Aberdeenshire £'000s	Moray £'000s
Grampian Police Allocation 10-11					
Level of Police Funding 10-11					
(Less) Police Grant @ 51% of Total		94,200	45,310	33,535	15,355
		(48,042)	(23,108)	(17,103)	(7,831)
Contribution by Local Authorities		46,158	22,202	16,432	7,524
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
Grampian Police Allocation 11-12					
Level of Police Funding 10-11					
		94,200	45,310	33,535	15,355
<i>Less assumed 2.57% reduction in Police Funding</i>	2.57%	(2,421)	(1,164)	(862)	(395)
<i>Revised Police Grant after the cut</i>		91,779	44,146	32,673	14,960
<i>Injury Benefit (£6.2m X 9.82% GAE formula)</i>		609	293	217	99
1. Revised Level of Police Funding 11-12		92,388	44,439	32,890	15,059
(Less) Police Grant @ 51% of Total	A	(47,118)	(22,664)	(16,774)	(7,680)
Contribution by Local Authorities	B	45,270	21,775	16,116	7,379
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
2. Support for Loan Charges					
Total Loan Charge Expenditure		1,262	220	825	217
(Less) Scottish Government Funding @ 51% of Total	C	(644)	(112)	(421)	(111)
Contribution to Loan Charges by Local Authorities	D	618	108	404	106
		100	17.4	65.4	17.2
3. Local Authority Requisitions (Revenue)	(B+D)	45,888	21,883	16,520	7,485
4. Support for Capital Grant					
Capital Grant Baseline 10-11	E	2,928	1,408	1,043	477
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
<i>Less assumed 17.9% Reduction</i>	F	(524)	(252)	(187)	(85)
5. Revised Capital Grant by Local Authorities	(E+F)	2,404	1,156	856	392
6. Local Authority Total Requisitions	(B+D+E+F)	48,292	23,039	17,376	7,877
7. Scottish Government Funding	(A+C)	47,762	22,776	17,195	7,791

GRAMPIAN JOINT POLICE BOARD
Local Authority Draft Requisitions 2011-12

		Total £'000s	Aberdeen £'000s	Aberdeenshire £'000s	Moray £'000s
<u>Grampian Police Allocation 10-11</u>					
Level of Police Funding 10-11		94,200.00	45,310.20	33,535.20	15,354.60
(Less) Police Grant @ 51% of Total		(48,042.00)	(23,108.20)	(17,102.95)	(7,830.85)
Contribution by Local Authorities		46,158.00	22,202.00	16,432.25	7,523.75
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
<u>Grampian Police Allocation 11-12</u>					
Level of Police Funding 10-11		94,200.00	45,310.20	33,535.20	15,354.60
<i>Less assumed 2.57% reduction in Police Funding</i>	2.57%	(2,420.93)	(1,164.47)	(861.85)	(394.61)
<i>Revised Police Grant after the cut</i>		91,779.07	44,145.73	32,673.35	14,959.99
<i>Injury Benefit (£6.2m X 9.82% GAE formula)</i>		608.84	292.85	216.75	99.24
1. Revised Level of Police Funding 11-12		92,387.91	44,438.58	32,890.10	15,059.23
(Less) Police Grant @ 51% of Total	A	(47,117.84)	(22,663.68)	(16,773.95)	(7,680.21)
Contribution by Local Authorities	B	45,270.07	21,774.90	16,116.15	7,379.02
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
2. Support for Loan Charges					
Total Loan Charge Expenditure		1,262.00	219.59	825.35	217.06
(Less) Scottish Government Funding @ 51% of Total	C	(643.62)	(111.99)	(420.93)	(110.70)
Contribution to Loan Charges by Local Authorities	D	618.38	107.60	404.42	106.36
		100	17.4	65.4	17.2
3. Local Authority Requisitions (Revenue)	(B+D)	45,888.45	21,882.50	16,520.57	7,485.38
4. Support for Capital Grant					
Capital Grant Baseline 10-11	E	2,928.00	1,408.37	1,042.37	477.26
<i>Percentage Allocation</i>		100	48.1	35.6	16.3
<i>Less assumed 17.9% Reduction</i>	F	(524.11)	(252.10)	(186.58)	(85.43)
5. Revised Capital Grant by Local Authorities	(E+F)	2,403.89	1,156.27	855.79	391.83
6. Local Authority Total Requisitions	(B+D+E+F)	48,292.34	23,038.77	17,376.36	7,877.21
7. Scottish Government Funding	(A+C)	47,761.46	22,775.67	17,194.88	7,790.91

GRAMPIAN JOINT POLICE BOARD
Local Authority Draft Requisitions 2011-12

		Total £'000s	Aberdeen £'000s	Aberdeenshire £'000s	Moray £'000s
<u>Grampian Police Allocation</u>					
1. Revised Level of Police Funding		92,482	44,484	32,924	15,074
(Less) Police Grant @ 51% of Total	A	(47,166)	(22,687)	(16,791)	(7,688)
Contribution by Local Authorities	B	45,316	21,797	16,133	7,386
<i>Percentage Allocation</i>		<i>100</i>	<i>48.1</i>	<i>35.6</i>	<i>16.3</i>
2. Support for Loan Charges					
Total Loan Charge Expenditure		1,262	220	825	217
(Less) Scottish Government Funding @ 51% of Total	C	(644)	(112)	(421)	(111)
Contribution to Loan Charges by Local Authorities	D	618	108	404	106
		<i>100</i>	<i>17.4</i>	<i>65.4</i>	<i>17.2</i>
3. Local Authority Requisitions (Revenue)	(B+D)	45,934	21,905	16,537	7,492
4. Support for Capital Grant					
Capital Grant Baseline 10-11	E	2,928	1,408	1,042	478
(Less) 17.9% Funding Reduction	F	(524)	(252)	(187)	(86)
5. Revised Capital Grant by Local Authorities	(E+F)	2,404	1,156	855	392
<i>Percentage Allocation</i>		<i>100</i>	<i>48.1</i>	<i>35.6</i>	<i>16.3</i>
6. Local Authority Total Requisitions	(B+D+E+F)	48,338	23,061	17,392	7,884
7. Scottish Government Funding	(A+C)	47,810	22,799	17,212	7,799

KEY

ACPOS - Association of Chief Police Officers in Scotland
CFCR - Capital Financed from Current Revenue
COSLA - Convention of Scottish Local Authorities
CRTP - Competency Related Threshold Payment
EGF - Efficient Government Fund
FOI - Freedom of Information
GAE - Grant Aided Expenditure
ICT - Information, Communication and Technology
LA - Local Authority
LA's - Local Authorities
NESJPSG - North East of Scotland Joint Public Sector Group
SCDEA - Scottish Crime and Drug Enforcement Agency
SCRO - Scottish Criminal Record Office
SG - Scottish Government
SPC - Scottish Police College
SPIS - Scottish Police Information Strategy
SPP - Special Priority Payment
SPSA - Scottish Police Services Authority
SR - Spending Review
TRA - Transitional Rent Allowance

OTHER

Concordat - Agreement between COSLA and Scottish Government to increase local accountability and influence.
30+ Scheme - Scheme to encourage officers with 30 years service to stay within Force (having received lump sum pension).
Grampian Combined Police Area Amalgamation Scheme - Order which sets out the funding for the Police Board.
Virement - Ability to transfer budget between different expenditure types.

EXPENDITURE CATEGORY

Police Other Allowances includes the following items:

- Central Services Allowance
- College Allowance
- Dog Handlers Allowance
- London Waiting Allowance
- Special Duty Allowance
- Acting Up Allowance
- On Call Allowance
- Subsistence for Tax and NI - Police

Other Staff Costs - Relocation includes the following items:

- Transfer Allowances
- Relocation Expenses

Other Staff Costs - Recruitment includes the following items:

- Interview Expenses
- Recruitment Costs
- Staff Advertising
- Long Service Awards

Operational Equipment and Materials includes the following items:

- Ammunition and Firearms
- Animals (Food and Equipment)
- Equipment Purchase
- Equipment Repairs and Maintenance
- Furniture Purchase
- Intoximeters
- Materials General
- Medical Supplies (including First Aid)

Operational Supplies and Services includes the following items:

- Airwave Maintenance
- Body Removal
- Car Care Kits
- Central Archive Facilities
- Consultancy Fees
- Interpreter Fees
- Mortuary Charges
- Police Surgeon Fees
- Prisoner Maintenance
- Service General

Other Administrative Costs includes the following items:

- Affiliation Fees
- Audit Fees
- Bank Charges
- Confidential Waste Disposal
- Data Protection Registration
- Hospitality
- Legal Expenses
- Members Allowance
- Subscriptions - General

Other Agency Costs include the following items:

- ACPOS
- NESJPSG
- SPSA
- Public Bodies (other than LA to which a contribution is made)

Other Income includes the following items:

- Miscellaneous Interest Received

RECONFIGURATION REVIEWS

Crime Management, including:

- Operations
- Intelligence
- Public Protection
- Analyst provision

Operational Policing, including:

- School Liaison Officers
- Crime Reduction Officers
- (Local Authority) Partnership Development Officers
- Performance Units
- Diversity / Race Relations Officers
- Police Custody Security Officers
- Resource Management
- Public Office provision
- CCTV provision
- Mountain Rescue
- Productions Management
- Licensing

Specialist Support, including:

- Force Control Room
- Force Service Centre
- Road Policing
- Road Safety
- Emergency Planning
- Dog Unit
- Armed Response Unit
- Traffic Wardens

Human Resources, including:

- Personnel / Recruitment units
- Training / Career Development provision

Corporate Services, including:

- Drivers
- Fleet
- Cleaning provision
- Administration / typing services
- Property