



**GRAMPIAN**  
P · O · L · I · C · E

*Keeping our communities safe*

---

**COMMITTEE:** GRAMPIAN JOINT POLICE BOARD  
**DATE:** 20 May 2011  
**TITLE OF REPORT:** Revenue Expenditure Monitoring Statement  
**REPORT NUMBER** «ReportNumber»

---

**1. PURPOSE OF REPORT**

To present to the Board for its consideration an update on the likely out-turn for 2010-11 and a 2011-12 Revenue Expenditure Monitoring Statement for the period to 30 April 2011.

**2. RECOMMENDATION(S)**

To consider and note the contents of the report.

**3. FINANCIAL IMPLICATIONS**

The monitoring statement provides a breakdown of the Force's annual revenue expenditure and associated funding. It outlines the overall budget for the financial year, actual spend to 30 April 2011, and the projected out-turn up to 31 March 2012. The variance identified shows any projected under/overspend comparing the estimated out-turn with the approved budget.

Given the potential reduction to Police funding in future years, the Force is aiming to maximise savings in the current financial year in order to reduce the financial burden in 2012-13 and beyond.

**4. SERVICE & COMMUNITY IMPACT**

The impact of budget savings on service delivery, both to the communities of the North East in terms of operational effectiveness and to internal customers in terms of Corporate Services, is being monitored via the Scottish Policing Performance Framework (SPPF).

**5. OTHER IMPLICATIONS**

-

---

## 6. REPORT

### **Revenue Budget 2010-11**

The out-turn figures for the previous financial year are being finalised but it is still anticipated that the Force will have an underspend of around £2.4m. As noted previously, the aim throughout 2010-11 was to maximise savings in order to reduce the financial burden for this financial year and beyond. The draft out-turn figures will be presented at the next meeting of the Board, although these will still be subject to review by the Force's External Auditors.

The Board will also be presented with a draft set of financial statements relating to 2010-11. As with other public sector organisations, the Force is having to prepare its financial statements for 2010-11 using International Financial Reporting Standards.

As a consequence of this, the Annual Accounts for 2009-10 have been re-stated to provide comparative figures. The adjustments have been reviewed and agreed by the Force's External Auditors. With the introduction of the new accounting rules, the balance on the General Fund has increased by £168,000. This reflects an adjustment for grant balances amounting to £80,000 which were previously carried forward as liabilities, and the reversal of costs relating to Time Off in Lieu totalling £88,000. The revised figures for the financial year 2009-10 will be included within the draft financial statements to be presented to the Board at the next meeting.

As a result, the balance of the General Fund at the start 2010-11 has risen from £1.575m to £1.743m. With the projected underspend in 2010-11 of £2.4m, the General Fund will increase to around £4.1m at 31 March 2011.

### **Revenue Budget 2011-12**

Members will recall that in January 2011 the Board approved a budget for the current financial year which utilised savings carried forward from 2010-11. This was primarily due to the Force having to contend with a reduction in core funding of 2.6%, as well as having to absorb real cost budget pressures of approximately 3.4%. The Force put forward budget savings totalling £5.4m, but recommended that in the short term £0.6m of reserves be used to cover the remaining budget deficit, and this was agreed by the Board.

Since the budget was agreed, the Scottish Government has negotiated a number of changes to Police Officer pay conditions. These changes were implemented from 1 April 2011. The main changes introduced included the introduction of new national on-call and plain clothes allowances for Officers in federated ranks. Linked to this was the removal of the awarding of Special Priority Payments (SPP's) for federated ranks. In addition the Police Negotiating Board (PNB) agreements on Chief Officer and Superintendent bonus payments have been suspended for one year.

The net savings arising from these changes are estimated to be in the region of £850,000. Whilst the projected out-turns have been amended accordingly, the approved Revenue Budget remains unchanged. These savings will allow for the budget to be balanced without the need for reserves of £600,000 and thereafter would result in a budgeted underspend of £250,000.

As in the previous financial year, the Force will continue to identify and implement various forms of Service Reconfiguration, with the intention of generating further efficiencies and cost savings.

If as expected, core funding continues to reduce in future years it is likely that in the short to medium term the Force will need to consider the best way to meet any budget shortfall using reserves, efficiencies or other cuts in the budget.

### Reserves

The Board previously agreed a minimum balance on the General Fund, such that it should exceed 1% of total funding, to ensure that there were resources available to meet any significant unplanned operational need, especially in light of the nature and types of risks faced by the Force. Based on the position for 2011-12 outlined above, the balance on the General Fund would rise to approximately £4.4m.

The current forecast position on reserves is as follows:

2011-12	General Fund
	£ million
Opening balance (subject to audit) at 1 April 2011	4.145
Budget overspend	(0.600)
Projected underspend	0.850
Projected closing balance at 31 March 2012	4.395
Minimum balance	1.152
Maximum balance	7.399

Following representation by Forces and recognising the need to make savings in the early years of the budget reductions, the Scottish Government revised the carry forward limits associated with revenue underspends in any given financial year, as well as maximum balances on the General Fund. In any given year, the Force can carry forward up to 4% of its core funding (a rise of 1%), and be able to hold balances on its General Fund up to 8% of its core funding (a rise of 3%).

---

**7. REPORT AUTHOR DETAILS**

Gary Craig, Deputy Director of Corporate Services  
[gary.craig@grampian.pnn.police.uk](mailto:gary.craig@grampian.pnn.police.uk)  
Tel: 01224 305222

**8. BACKGROUND PAPERS**

-

Chief Constable  
12 May 2011

Treasurer  
12 May 2011

GRAMPIAN POLICE  
Budget Monitoring Report - Expenditure up to 30 April 2011

		<i>Grampian Police Summary</i>		<i>Estimated</i>	<i>Variance</i>	<i>Out-turn as a</i>
		<i>Approved</i>	<i>Expenditure to</i>	<i>As At</i>	<i>(Under)/</i>	<i>% of Budget</i>
		<i>Budget</i>	<i>30-Apr-11</i>	<i>30-Apr-11</i>	<i>Overspend</i>	
		<i>£</i>	<i>£</i>	<i>£</i>	<i>As At</i>	
					<i>30-Apr-11</i>	
					<i>£</i>	
<b>EMPLOYEE COSTS</b>						
<b>Police Officers</b>						
	Pay	54,086,638	4,478,758	54,086,638	0	100%
	CRTP/Bonus/SPP	1,569,444	47,823	650,444	(919,000)	41%
	TRA and Housing	1,927,364	723	1,927,364	0	100%
	Other Allowances	118,317	6,395	187,317	69,000	158%
	National Insurance	5,241,970	384,662	5,241,970	0	100%
	Notional Pension Costs	13,505,119	1,130,647	13,505,119	0	100%
	Injury Pension Costs	415,000	0	415,000	0	100%
	Ill Health Awards	424,961	0	424,961	0	100%
	<b>Sub-total</b>	<b>77,288,813</b>	<b>6,049,008</b>	<b>76,438,813</b>	<b>(850,000)</b>	<b>99%</b>
	Overtime	2,762,655	1,167	2,762,655	0	100%
	<b>Total Police Officers' Costs</b>	<b>80,051,468</b>	<b>6,050,175</b>	<b>79,201,468</b>	<b>(850,000)</b>	<b>99%</b>
<b>Police Staff</b>						
	Pay	15,404,192	1,433,457	15,404,192	0	100%
	Allowances	1,539,966	120,806	1,539,966	0	100%
	National Insurance	1,231,577	88,616	1,231,577	0	100%
	Superannuation	2,947,365	225,107	2,947,365	0	100%
	<b>Sub-total</b>	<b>21,123,100</b>	<b>1,867,986</b>	<b>21,123,100</b>	<b>0</b>	<b>100%</b>
	Overtime	189,043	809	189,043	0	100%
	<b>Total Police Staff Costs</b>	<b>21,312,143</b>	<b>1,868,795</b>	<b>21,312,143</b>	<b>0</b>	<b>100%</b>
<b>Other Staff Costs</b>						
	Relocation	48,723	900	48,723	0	100%
	Recruitment	48,020	5,007	48,020	0	100%
	<b>Sub-total</b>	<b>96,743</b>	<b>5,907</b>	<b>96,743</b>	<b>0</b>	<b>100%</b>
	<b>Total Employee Costs</b>	<b>101,460,354</b>	<b>7,924,877</b>	<b>100,610,354</b>	<b>(850,000)</b>	<b>99%</b>
<b>OPERATING COSTS</b>						
<b>Property Costs</b>						
	Rent	853,621	54,941	853,621	0	100%
	Rates	1,447,926	1,169,249	1,447,926	0	100%
	Insurance	20,000	0	20,000	0	100%
	Repairs and Maintenance	562,054	6,614	562,054	0	100%
	Repairs and Maintenance - Devolved	25,552	35	25,552	0	100%
	Heating, Lighting and Cleaning	1,149,267	33,155	1,149,267	0	100%
	<b>Sub-total</b>	<b>4,058,420</b>	<b>1,263,994</b>	<b>4,058,420</b>	<b>0</b>	<b>100%</b>
<b>Transport and Plant Costs</b>						
	Repairs and Maintenance	275,000	17,685	275,000	0	100%
	Petrol and Diesel Fuel	817,355	33,534	817,355	0	100%
	Licences and Insurances	300,000	291,872	300,000	0	100%
	Car Hire	228,328	(2,893)	228,328	0	100%
	Travel and Subsistence	480,640	4,608	480,640	0	100%
	<b>Sub-total</b>	<b>2,101,323</b>	<b>344,806</b>	<b>2,101,323</b>	<b>0</b>	<b>100%</b>
<b>Supplies and Services Costs</b>						
	Operational Equipment and Materials	605,237	35,756	605,237	0	100%
	Operational Supplies and Services	2,724,587	66,233	2,724,587	0	100%
	Uniforms and Clothing	239,556	15,214	239,556	0	100%
	Computer Maintenance and Software	1,125,374	0	1,125,374	0	100%
	Computer Network and Telephony	970,332	1,068	970,332	0	100%
	Radio Communications	0	0	0	0	0%
	Catering	163,662	8,246	163,662	0	100%
	Conferences and Training	389,816	16,919	389,816	0	100%
	Printing, Stationery and Postages	483,083	34,010	483,083	0	100%
	Insurances	406,025	6,369	406,025	0	100%
	Advertising	7,650	11,277	7,650	0	100%
	Other Administrative Costs	321,240	9,915	321,240	0	100%
	<b>Sub-total</b>	<b>7,436,562</b>	<b>205,007</b>	<b>7,436,562</b>	<b>0</b>	<b>100%</b>

GRAMPIAN POLICE  
Budget Monitoring Report - Expenditure up to 30 April 2011

		<i>Grampian Police Summary</i>		<i>Estimated</i>	<i>Variance</i>	<i>Out-turn as a</i>
		<i>Approved</i>	<i>Expenditure to</i>	<i>As At</i>	<i>(Under)/</i>	<i>% of Budget</i>
		<i>Budget</i>	<i>30-Apr-11</i>	<i>30-Apr-11</i>	<i>Overspend</i>	
		<i>£</i>	<i>£</i>	<i>£</i>	<i>As At</i>	
					<i>30-Apr-11</i>	
					<i>£</i>	
<b>Payments to Agencies and Other Bodies</b>						
	Council Support Services	286,500	0	286,500	0	100%
	Other Agencies	1,073,933	4,136	1,073,933	0	100%
	<b>Sub-total</b>	<b>1,360,433</b>	<b>4,136</b>	<b>1,360,433</b>	<b>0</b>	<b>100%</b>
<b>Financing Costs</b>						
	Capital Financed from Current Revenue	300,000	0	300,000	0	0%
	Supported Loan Charges	1,262,000	0	1,262,000	0	0%
	Prudential Borrowing	0	0	0	0	0%
	<b>Sub-total</b>	<b>1,562,000</b>	<b>0</b>	<b>1,562,000</b>	<b>0</b>	<b>100%</b>
<b>Contingency Costs</b>						
		0	0	0	0	0%
	<b>Total Operating Costs</b>	<b>16,518,738</b>	<b>1,817,943</b>	<b>16,518,738</b>	<b>0</b>	<b>100%</b>
	<b>Gross Expenditure</b>	<b>117,979,092</b>	<b>9,742,820</b>	<b>117,129,092</b>	<b>(850,000)</b>	<b>99%</b>
<b>INCOME</b>						
	Recharges for Services	(1,098,500)	(6,313)	(1,098,500)	0	100%
	Seconded Recoveries	(860,824)	246	(860,824)	0	100%
	Sales, Fees and Lost Property	(338,000)	(20,407)	(338,000)	0	100%
	Sponsorship	(18,000)	(5,000)	(18,000)	0	100%
	Rents	(857,401)	(129,501)	(857,401)	0	100%
	Partnership Income	(945,525)	(214,944)	(945,525)	0	100%
	Non SG Funding	(76,176)	0	(76,176)	0	100%
	Other Income	(80,000)	0	(80,000)	0	100%
	<b>Total Income</b>	<b>(4,274,426)</b>	<b>(375,919)</b>	<b>(4,274,426)</b>	<b>0</b>	<b>100%</b>
	<b>Total Net Expenditure</b>	<b>113,704,666</b>	<b>9,366,901</b>	<b>112,854,666</b>	<b>(850,000)</b>	<b>99%</b>
<b>FINANCED BY -</b>						
<b>Grant Funding</b>						
	SG Police Grant	(47,166,000)	0	(47,166,000)	0	100%
	LA Requisitions	(45,316,000)	0	(45,316,000)	0	100%
	SG Loan Charge Support	(644,000)	0	(644,000)	0	100%
	LA Loan Charge Support	(618,000)	0	(618,000)	0	100%
	SG Specific Grant (100% Funded)	(19,340,130)	0	(19,340,130)	0	100%
	SG Specific Grant (Part Funded)	(20,536)	0	(20,536)	0	100%
	Other Grant	0	0	0	0	0%
		<b>(113,104,666)</b>	<b>0</b>	<b>(113,104,666)</b>	<b>0</b>	<b>100%</b>
	<b>Total (Under)/Overspend Against Grant Funding</b>	<b>600,000</b>	<b>9,366,901</b>	<b>(250,000)</b>	<b>(850,000)</b>	

**GRAMPIAN POLICE**  
**Budget Monitoring Report - Expenditure up to 30 April 2011**

	<i>Grampian Police Summary</i>		<i>Estimated</i>	<i>Variance</i>	<i>Out-turn as a % of Budget</i>
	<i>Approved Budget</i>	<i>Expenditure to 30-Apr-11</i>	<i>Out-turn</i>	<i>(Under)/Overspend</i>	
	<i>£</i>	<i>£</i>	<i>As At 30-Apr-11</i>	<i>As At 30-Apr-11</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					