



GRAMPIAN
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Keeping our communities safe

COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 1 July 2011

TITLE OF REPORT: Revenue Expenditure Monitoring Statement

REPORT NUMBER «ReportNumber»

1. PURPOSE OF REPORT

To present to the Board for its consideration a 2010-11 Revenue Expenditure Monitoring Statement for the period to 31 May 2011. As the July meeting is held early in the month, the June out-turn information is not yet available.

2. RECOMMENDATION(S)

To consider and note the contents of the report.

3. FINANCIAL IMPLICATIONS

The monitoring statement detailed within Appendix A 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 31 May 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.

The Force is currently projecting an underspend of approximately £337,000 for the financial year 2011-12, against an approved net revenue budget of £113.105m. This would result in an increase in the Force's General Fund balance by £337,000, taking the total up to £4.396m.

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 majority of the savings are as a direct result of reduced recruitment. The impact 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

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6. REPORT

As a result of the recent negotiated changes to Police Officer's pay terms and conditions, the respective pay budgets have been amended to reflect the net savings and to balance the overall Force revenue expenditure budget. In particular, the budget set aside for the payment of Special Priority Payments for federated ranks has been reduced by £669,000, whilst the budget for allowances has increased by £69,000.

The gross revenue expenditure budget has reduced and is now in line with the approved funding. The Force will no longer need to fund any budget shortfall from its reserves this financial year. Instead the Force is planning on maintaining or increasing the current balance in order to provide for the anticipated cuts to funding in 2012-13 and beyond.

The Police Officer pay budget (£79.451m) accounts for approximately 68% of the total revenue expenditure budget (£117.379m), and is reviewed in detail every month. Comparisons are made between the number of leavers, as well as retirements, and the estimates used for collating the budget. This allows the Force to manage the number of new recruits (currently being drawn from the pool of Police Cadets as they become eligible to join as regular Police Officers). At the end of May 2011 the Force had 1,553 Police Officers.

The number of Police Officers leaving the Force during April and May was slightly up on the figure assumed within the budget. This has resulted in some additional budget savings, however it is unclear at this early stage in the year whether or not this trend will continue.

As in the previous financial year, the Force will continue to identify and implement various initiatives and plans as part of its programme 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.

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 £4.396m.

The outcome of the next Spending Review is due in mid September 2011 and further real term budget cuts are anticipated. If Police Officer numbers need to be maintained then further significant reductions in Police Staff numbers

will be required. Ideally this would be achieved through another round of voluntary redundancies/early retirements in which case the reserves will be used to meet the subsequent costs.

The current forecast position on reserves is as follows:

2011-12	General Fund
	£ million
Opening balance (subject to audit)	4.059
Projected underspend	0.337
Projected closing balance	4.396
Minimum Permitted Cumulative Balance	1.131
Maximum Permitted Cumulative Balance	8.904

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

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Chief Constable
17 June 2011

Treasurer
17 June 2011

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 31 May 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>Out-turn</i>	<i>(Under)/</i>	<i>% of Budget</i>
		<i>Budget</i>	<i>31-May-11</i>	<i>As At</i>	<i>As At</i>	
		<i>£</i>	<i>£</i>	<i>31-May-11</i>	<i>31-May-11</i>	
				<i>£</i>	<i>£</i>	
					<i>Overspend</i>	
EMPLOYEE COSTS						
Police Officers						
	Pay	54,086,638	8,929,031	54,022,638	(64,000)	100%
	CRTP/Bonus/SPP	900,444	288,665	650,444	(250,000)	72%
	TRA and Housing	1,927,364	15,906	1,927,364	0	100%
	Other Allowances	187,317	18,514	187,317	0	100%
	National Insurance	5,241,970	797,177	5,218,970	(23,000)	100%
	National Pension Costs	13,505,119	2,260,368	13,505,119	0	100%
	Injury Pension Costs	415,000	65,600	415,000	0	100%
	Ill Health Awards	424,961	0	424,961	0	100%
	Sub-total	76,688,813	12,375,261	76,351,813	(337,000)	100%
	Overtime	2,762,655	205,851	2,762,655	0	100%
	Total Police Officers' Costs	79,451,468	12,581,112	79,114,468	(337,000)	100%
Police Staff						
	Pay	15,260,192	2,359,289	15,260,192	0	100%
	Allowances	1,539,966	241,883	1,539,966	0	100%
	National Insurance	1,231,577	178,477	1,231,577	0	100%
	Superannuation	2,947,365	987,928	2,947,365	0	100%
	Sub-total	20,979,100	3,767,577	20,979,100	0	100%
	Overtime	189,043	14,822	189,043	0	100%
	Total Police Staff Costs	21,168,143	3,782,399	21,168,143	0	100%
Other Staff Costs						
	Recruitment (incl Relocation)	60,723	10,376	60,723	0	100%
	Other	48,020	4,946	48,020	0	100%
	Sub-total	108,743	15,322	108,743	0	100%
	Total Employee Costs	100,728,354	16,378,833	100,391,354	(337,000)	100%
OPERATING COSTS						
Property Costs						
	Rent	853,621	167,843	853,621	0	100%
	Rates	1,447,926	1,242,870	1,447,926	0	100%
	Insurance	20,000	690	20,000	0	100%
	Repairs and Maintenance	562,054	36,804	562,054	0	100%
	Repairs and Maintenance - Devolved	25,552	3,703	25,552	0	100%
	Heating, Lighting and Cleaning	1,179,267	76,746	1,179,267	0	100%
	Sub-total	4,088,420	1,528,656	4,088,420	0	100%
Transport and Plant Costs						
	Repairs and Maintenance	275,000	38,224	275,000	0	100%
	Petrol and Diesel Fuel	847,355	95,732	847,355	0	100%
	Licences and Insurances	300,000	293,257	300,000	0	100%
	Car Hire	228,328	20,412	228,328	0	100%
	Travel and Subsistence	480,640	41,724	480,640	0	100%
	Sub-total	2,131,323	489,349	2,131,323	0	100%
Supplies and Services Costs						
	Operational Equipment and Materials	605,237	89,446	605,237	0	100%
	Operational Supplies and Services	2,724,587	238,649	2,724,587	0	100%
	Uniforms and Clothing	239,556	31,845	239,556	0	100%
	Computer Maintenance and Software	1,185,374	322,486	1,185,374	0	100%
	Computer Network and Telephony	970,332	2,022	970,332	0	100%
	Radio Communications	0	0	0	0	0%
	Catering	163,662	17,193	163,662	0	100%
	Conferences and Training	389,816	23,544	389,816	0	100%
	Printing, Stationery and Postages	483,083	41,299	483,083	0	100%
	Insurances	418,025	392,736	418,025	0	100%
	Advertising	7,650	11,277	7,650	0	100%
	Other Administrative Costs	321,240	36,621	321,240	0	100%
	Sub-total	7,508,562	1,207,118	7,508,562	0	100%

GRAMPIAN POLICE
Budget Monitoring Report - Expenditure up to 31 May 2011

		<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-May-11</i>	<i>As At 31-May-11</i>	<i>As At 31-May-11</i>	
		£	£	£	£	
Payments to Agencies and Other Bodies						
	Council Support Services	286,500	30,236	286,500	0	100%
	Other Agencies	1,073,933	93,596	1,073,933	0	100%
	Sub-total	1,360,433	123,832	1,360,433	0	100%
Financing Costs						
	Capital Financed from Current Revenue	300,000	0	300,000	0	0%
	Supported Loan Charges	1,262,000	151,702	1,262,000	0	0%
	Prudential Borrowing	0	0	0	-0	0%
	Sub-total	1,562,000	151,702	1,562,000	0	100%
Contingency Costs						
		0	0	0	0	0%
	Total Operating Costs	16,650,738	3,500,657	16,650,738	0	100%
	Gross Expenditure	117,379,092	19,879,490	117,042,092	(337,000)	100%
INCOME						
	Recharges for Services	(1,098,500)	(56,024)	(1,098,500)	0	100%
	Seconded Recoveries	(860,824)	0	(860,824)	0	100%
	Sales, Fees and Lost Property	(338,000)	(48,601)	(338,000)	0	100%
	Sponsorship	(18,000)	(6,329)	(18,000)	0	100%
	Rents	(857,401)	(241,548)	(857,401)	0	100%
	Partnership Income	(945,525)	(257,926)	(945,525)	0	100%
	Non SG Funding	(76,176)	(46,830)	(76,176)	0	100%
	Other Income	(80,000)	(45,354)	(80,000)	0	100%
	Total Income	(4,274,426)	(702,612)	(4,274,426)	0	100%
	Total Net Expenditure	113,104,666	19,176,878	112,767,666	(337,000)	100%
FINANCED BY -						
Grant Funding						
	SG Police Grant	(47,166,000)	(7,664,476)	(47,166,000)	0	100%
	LA Requisitions	(45,316,000)	(7,551,833)	(45,316,000)	0	100%
	SG Loan Charge Support	(644,000)	(104,588)	(644,000)	0	100%
	LA Loan Charge Support	(618,000)	(103,000)	(618,000)	0	100%
	SG Specific Grant (100% Funded)	(19,340,130)	(2,691,834)	(19,340,130)	0	100%
	SG Specific Grant (Part Funded)	(20,536)	0	(20,536)	0	100%
	Other Grant	0	0	0	0	0%
		(113,104,666)	(18,115,731)	(113,104,666)	0	100%
	Total (Under)/Overspend Against Grant Funding	0	1,061,147	(337,000)	(337,000)	

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Budget Monitoring Report - Expenditure up to 31 May 2011

<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-May-11</i>	<i>As At 31-May-11</i>	<i>As At 31-May-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