

COMMITTEE: GRAMPIAN JOINT POLICE BOARD
DATE: 22 MARCH 2013
TITLE OF REPORT: REVENUE BUDGET MONITORING REPORT

1. PURPOSE OF REPORT

- 1.1 To update the Joint Police Board on the financial position of the Force for the period ended 28 February 2013.

2. RECOMMENDATION(S)

- 2.1 To consider and note the contents of the Report.

3. FINANCIAL IMPLICATIONS

- 3.1 The monitoring statement provides an analysis of the Force's annual budgeted revenue expenditure and associated funding. It shows the latest approved budget for the financial year, actual income and expenditure to 28 February 2013 and the projected outturn up to 31 March 2013. At this point in the financial year the outturn is being projected at £3.449m under the approved budget.

4. SERVICE & COMMUNITY IMPACT

- 4.1 The three major themes underlying the Force's service delivery in 2012-13 are business as usual, creating a strong policing legacy in the North East of Scotland and ensuring a smooth transition to the Police Service of Scotland. Good, proactive budgetary control throughout the year supports those aims.

5. OTHER IMPLICATIONS

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6. REPORT

Revenue Budget 2012-13

- 6.1 The budget monitoring statement for the Force, for the period to 28 February 2013 is shown at Appendix A. This shows the latest approved budget, the actual income and expenditure to 28 February 2013 and the projected outturn for the financial year 2012-13.
- 6.2 The approved budget assumed an overspend of £1.8m, to be funded from reserves. This was, in the main, to support the Force's capital programme, principally the new custody facilities in Aberdeen. The Force is currently projecting a total underspend of £1.649m against the agreed budget, which represents a budget saving of £3.449m.
- 6.3 The revenue budget monitoring report presented to the last meeting of the Joint Board (18th January 2013) projected an underspend of £0.428m. The table below summarises the main changes between the last and current reports.

| | £m |
|--|---------|
| January report - projected underspend | (0.428) |
| | |
| Decrease in CFCR funding to capital programme (see 6.4) | (0.293) |
| Increase in Police Officer Pay savings (see 6.5) | (0.161) |
| Increase in Police Staff Pay savings (see 6.6) | (0.364) |
| Increase in Supplies and Services Savings (see 6.7) | (0.264) |
| Increase in Income (see 6.8) | (0.038) |
| Scottish Government Loan Charges Grant balance for 2011-12 | (0.059) |
| Increase in Scottish Government Specific Grant Funding | (0.027) |
| Other (net) | (0.015) |
| | |
| Current report - projected underspend | (1.649) |

- 6.4 As described in the Capital Monitoring Report (on this agenda), there is a reduction in the capital financing requirement from the revenue budget (CFCR) of £0.293m from the previous report which represents the net effect of some new projects added to the capital plan and the slippage of some projects into 2013-14. This is explained more fully in the Capital Monitoring Report.
- 6.5 The increase in Police Officer Pay savings of £0.161m relates to an underspend in pay and on costs (primarily due to additional career breaks in year not budgeted for, and more officers leaving than budgeted for), and projected savings in overtime.
- 6.6 The continuing review of the Police Staff pay budget, based on vacancies and movement to 28 February 2013 indicates a further underspend of £0.364m.
- 6.7 The increase Supplies and Services savings of £0.264m relates to Budget Holders being asked to make efficiency savings within their budgets to help pay for ongoing capital commitments in 2013-14 (e.g. Firearms Training Range).

- 6.8 Income has increased due to additional recharges for Abnormal Load Escorts and Social Work Calls, and increases in fees generated for Part V Disclosure, Firearms Certificates and Accident Reports.
- 6.9 There are a range of minor variances across Property and Transport and Payments to Other Agencies.
- 6.10 On this basis the latest estimate of the Force's General Fund Reserve is as follows:

| | £m |
|--|---------------|
| General Fund Reserve at 31 March 2012 | 8.357 |
| Projected Underspend 2012-13 | 1.649 |
| Estimated General Fund Reserve at 31 March 2013 | 10.006 |
| Committed to the Board's Capital Programme | 7.316 |
| Committed to the Firearms Range Project (provisional) | 0.475 |
| VR/ER Scheme | 0.200 |
| Uncommitted element | 2.015 |
| Total | 10.006 |

This level of uncommitted reserve at 31 March 2013 is around £0.715m higher than that intimated to the Scottish Government in summer 2012.

- 6.11 One of the implications of the delay in completing the Custody Facilities project this year is that VAT will be liable from 1 April 2013 on any spend. This will add around £2m to the project cost. This has not been budgeted for and the proposal is to ring fence the balance of un-committed reserves, minus the amount previously promised to be returned last year (£1.3m), and use this to part fund the shortfall. The balance will need to be picked up by the Police Service of Scotland.
- 6.12 The Force announced its Voluntary and Early Retirement Redundancy Scheme for Police Staff on 20 December 2012, with a deadline for expressions of interest of 21 January 2013. Until all applications are received and considered and the profile of the staff applying fully understood it is not possible to estimate the likely cost. The National Scheme has also recently been launched, which is to be funded by the Scottish Government. It is anticipated that only the costs of the Grampian Scheme that are over and above the National Scheme will need to be funded by Grampian Police. The £0.200m referred to above in 6.10 has been earmarked for this.

7. REPORT AUTHOR DETAILS

Gary Craig, Director of Finance
gary.craig@grampian.pnn.police.uk
 Tel: 01224 306576

8. BACKGROUND PAPERS

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Chief Constable
12 March 2013

Treasurer
12 March 2013