

# NORTHERN JOINT POLICE BOARD

28 August 2009

Agenda Item	
Report No	

## Revenue Reserves Strategy 2009-10

### Report by the Chief Constable

#### **SUMMARY**

To inform the Board of the plans for utilisation of revenue reserves.

#### **BACKGROUND**

Members will be aware that the Force has the ability to carry forward underspends from one year to another with the balance being carried forward as a revenue reserve. At the 31 March 2009 the amount held within these reserves was £3,315k.

#### **Police Officer Commutations**

Within the £3,315k an amount of £2,167k has been earmarked for Commutation payments to officers who were eligible to retire on or before 31 March 2009 but who have chosen to remain in post. Members should note that this procedure will be subject to review as a result of the change to the funding mechanism for Police Officer pensions to be introduced from 1 April 2010. Further details will be brought back to the Board when available.

#### **Earmarked Reserves**

##### **Operational Incidents Reserve**

Whilst budgets are devolved to Operational Commanders to allow them to fund day to day policing and planned events, there will be times when something happens which places an unmanageable burden on available financial resources. Within Force every effort is made to manage these incidents in terms of affordability by looking at making efficiencies in other areas and where possible asking other areas, both operational and non-operational, to contribute to the costs. However, the number and scale of such incidents may make this unfeasible. In such circumstances the Head of Operations may take the decision to fund all, or part, of the costs associated with the incident from the Operational Incidents Reserve.

At 1 April 2009 this reserve amounted to £343k. Decisions to provide additional funding are made in consultation with the Divisional Commander and Finance.

#### **Contributions to National Projects**

Within the Police Service in Scotland the eight Forces frequently work together on a number of issues to develop policies, processes and systems to be utilised nationally. This collaborative working removes the need for 8 Forces to do the same piece of work and generates savings which can then be utilised for operational policing purposes.

The costs associated with the collaborative projects are split across the 8 Forces utilising an indicative GAE split. Northern Constabulary's share of such costs is 5.1%. The costs are incurred on officers seconded to projects and on goods and services provided by outside bodies. Progress on these projects, including costing details, is presented regularly to the ACPOS Business Change Programme Board. Northern Constabulary are represented on this forum by the Deputy Chief Constable.

In 2009/2010 £254k has been earmarked for contributions to national projects.

### **General Reserve**

Within the total general reserve a sum of £551k represents a general reserve which has had no specific use designated at this time. The amount within the general reserve will be reviewed regularly and if necessary sums can be transferred to specific reserves or utilised to fund unplanned revenue expenditure.

The above is summarised as an appendix to this paper.

Members should note that, whilst the Force seeks to maximise reserves, there are restrictions in place on the levels which can be retained. On occasions where full utilisation of the facility is made any additional underspends are returned to constituent authorities.

<b><u>RECOMMENDATION</u></b>
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The Board is invited to note the Reserves Strategy for 2009/2010.
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**I Latimer**  
**Chief Constable**

**19 August 2009**

## Northern Constabulary Revenue Reserves Utilisation Plan 2009/2010

	£'000	£'000
Reserves brought forward from 2008/2009		3,315
Police Officer Commutations	2,167	
<b>Earmarked Reserves</b>		
Operational Incidents Reserve	343	
Contributions to National Projects	254	
General Reserve	551	
	<u>3,315</u>	<u>3,315</u>