

NORTHERN JOINT POLICE BOARD

23 APRIL 2008

Agenda Item	
Report No	

Revenue Monitoring as at end of February 2008

Report by the Chief Constable

SUMMARY

To inform the Board of the revenue expenditure position as at the end of February 2008.

BACKGROUND

The attached Revenue Monitoring Report reflects the expenditure position at the end of February 2008. This report has been prepared based upon actual expenditure at the end of February 2008 but taking into account movements on expenditure levels in March 2008 to provide a more accurate picture. It should be noted that the year end estimate provided is not the final year end position. A number of adjustments in terms of accruals, prepayments and stock adjustments have yet to be processed. Further charges are also due in respect of the shared costs of national projects.

The most variable element of the 2007/2008 revenue budget has been within Pension Costs. In 2007/2008 we have been predicting an overspend within pensions from very early in the financial year. Each month we look at the worst case (most expensive) scenario whereby all eligible officers retire on their eligible date and the best case (least expensive) scenario whereby we only include the pension costs for those officers who have confirmed a retirement date. At the end of February there is a higher degree of certainty than in earlier months and an overspend of £43k has been built into the monitoring report presented today – this reflects an uplift to the pension provision at 31 March 2008. This out-turn includes unbudgeted pension costs of £577k and an estimated underspend of £534k within recurring pension costs and demonstrates the uncertainty of this area of the budget. This position is reflected within the Indirect Employee Expenses and Income lines of the monitoring report.

Within Direct Employee expenses an underspend of £435k is predicted. This position reflects a deliberately cautious approach to recruitment levels as ongoing indications were that the pensions overspend position would be significantly higher than that which has materialised.

Premises Related Expenditure will be in the region of £356k overspent for the financial year. This overspend almost entirely relates to essential maintenance to allow the continuing operations of the police estate and upgrades required to comply with disability discrimination. This includes approximately £50k relating to repairs which have subsequently been the subject of insurance claims – this income is reflected in the income line of the monitoring report presented.

Transport Related expenditure is estimated to be £127k higher than budget – this is a combination of increasing costs of externally provided repairs and maintenance and increasing petrol and diesel costs.

An overspend of £350k is anticipated within Supplies & Services costs and reflects increases within a number of budget areas but significantly IT associated costs and costs associated with a number of national projects being progressed via ACPOS and to which the Force has made a financial commitment.

Income will be considerably higher than the budget estimate for a number of reasons.

- £187k above budget has been generated from newly appointed police officers transferring accumulated pension rights from previous employments. This figure is included within the pension year end position referred to earlier.
- £50k unbudgeted income relating to an insurance claim – the costs associated with this claim contribute to the overspend within Premises Related Expenditure.
- An increase demand for policing provision at events such as Rockness and Belladrum will result in income £176k higher than budget.
- In 2007/2008 the Force had a higher than normal number of officers seconded to organisations outwith Force. This combined with a change to the method of recovery for these officers has resulted in additional income of £490k.
- Radio Sites continue to generate significant income for the Force. In total £241k over budget has been received. However, some of this relates to recovery of costs which contribute to the overspend with Premises Related Expenditure.

Overall the report presented indicates a estimated year end variance of £564k at this time. Following completion of the 2007/2008 year end accounts audit a detailed analysis of the out-turn position will be provided to the Board.

RECOMMENDATION

The Board is invited to note the current revenue position.

**I Latimer
Chief Constable
11 April 2008**

