

NORTHERN JOINT POLICE BOARD

15 JUNE 2007

Agenda Item	
Report No	

2007/2008 REVENUE BUDGET

Report by the Chief Constable

SUMMARY

To inform the Board of the revenue budget position for 2007/2008.

BACKGROUND

On 19 January 2007 the Northern Joint Police Board approved a revenue budget of £59.971m for 2007/2008. When this budget was presented it was highlighted that this did not take account of the transfer of Forensic Science Services to the Scottish Police Services Authority (SPSA). Additionally the funding mechanism for Common Police Services was under review and the final treatment was unknown. Both of these issues are now resolved and the information presented today reflects the adjusted budget for 2007/2008.

Transfer of Forensic Science Services to SPSA

The final amount transferred from Northern Constabulary to the SPSA in respect of Forensic Science Services was £1.072m. It had initially been anticipated that this transfer would have been £1.044m. Discussions are still ongoing between ACPOS (Association of Chief Police Officers in Scotland) and the Scottish Executive regarding an overall movement for this transfer from £21.030m to £21.564m. At this stage we have based the budget on a transfer of £1.072m (Northern Constabulary share of £21.564m).

The amount transferred represents the cost of providing the service in Force plus a contribution towards the corporate and accommodation costs of the SPSA.

Common Police Services

Those services which previously made up Common Police Services, e.g. The Police College and Scottish Crime & Drug Enforcement Agency (SCDEA) now form part of the SPSA. SPSA is now funded in its entirety directly by the Scottish Executive. Subsequently the budget originally presented is overstated by £373k in respect of this service.

Taking the above two factors into account Members will recognise that the amount being requisitioned from Constituent Authorities has been overstated. It is proposed that this be dealt with by way of an adjustment at the end of the 2007/2008 financial year.

This results in a reduction of £1.445m, to £58.526m which is lower than the budget approved by the NJPB on 17 January 2007. The detail of the changes and resultant position is attached at Appendix 1.

Other Movements

In 2006/2007 the Force received £35k from the Scottish Executive by way of specific grant to fund an officer with responsibility for administering and managing the local Special

Constable Bounty Award Scheme. It had been anticipated that this funding would continue into 2007/2008 but this will not be the case. The Force were aware of the removal of this funding when the devolved budget allocation process was undertaken and steps were taken to make reductions in other areas of the budget to compensate for this.

The Special Constable Bounty payments will continue to be funded and the revenue budget will be adjusted to reflect this once payments due and grants received for 2007/2008 are known.

A paper was presented by the Chief Constable to the meeting of the NJPB of 22 November 2006 discussing a Reserves Strategy for 2007/2008. This paper made reference to Area Commands being able to make a 1% carry forward of prior year underspends. To this effect 5 Area Commands were in an underspend position at the end of the 2006/2007 financial year and their budgets will be adjusted by £232k to reflect this.

2007/2008 Revenue Budget

Appendix 2 details for members information, the breakdown of the overall budget across individual areas within the Force.

Corporate costs are those areas of expenditure which cannot be directly related to any one individual area within the Force such as insurance and audit fees. Corporate income relates to rental income received in respect of hill-top sites and income received via the issue of firearms & shotgun certificates.

Developments are those projects approved for progression in 2007/2008 by the Force Policy Forum after being scrutinised by the Capital & Project Monitoring Group (CPMG). A breakdown of these projects and their associated funding is detailed at Appendix 3.

Costs of £440k associated with the Force Review relate to salary and associated costs of those Police Officers and Support Staff undertaking the review.

Summary

Overall at this early stage of the 2007/2008 financial year there are no apparent risks to the Force which would result in an overspend position at the end of the financial year. This situation will be monitored on a monthly basis. The highest risk area remains that of Pensions. £250k has been earmarked within the budget to cover ill-health retirements – any expenditure above this may lead to an overspend if efficiencies cannot be made in year to cover this. Should this be the case the overspend will be funded from reserves.

RECOMMENDATION

Members are invited to note the 2007/2008 budget position and agree that a year-end adjustment will be made in respect of constituent authority requisitions.

I Latimer
Chief Constable

NORTHERN CONSTABULARY 2007/2008 REVENUE BUDGET

	Presented to NJPB January 2007 £'000	Revised Budget £'000
Direct Employee Expenses	40,003	39,945
Indirect Employee Expenses	11,756	11,709
Premises Related Expenditure	3,221	3,263
Transport Related Expenditure	1,613	1,454
Supplies & Services	4,964	4,767
Third Party Payments	451	17
Support Services	265	269
GROSS EXPENDITURE	62,273	61,423
Income	(4,707)	(4,964)
Specific grants		
Civil Contingencies Specific Grant	(50)	(50)
Special Constables Specific Grant	(35)	-
Augmentations	-	-
Port Policing Specific Grant	(45)	(45)
CTSA Specific Grant	(75)	(75)
NIM Specific Grant (brought forward from earlier yrs)	-	-
Miscellaneous Specific Grants	-	-
Identified Efficiency Savings	(1)	-
NET EXPENDITURE	57,361	56,289
Common Police Services	373	-
Loan Charges	2,112	2,112
Members Expenses	125	125
TOTAL NET BUDGET	59,971	58,526
Funded by:		
Police Grant	29,254	28,707
Police Grant - Loan charges	1,077	1,077
Civil Defence Grant	-	-
Funded from reserves	-	-
Constituent authorities	29,640	29,640
	59,971	59,424

NORTHERN CONSTABULARY 2007/2008 REVENUE BUDGET

Scottish Executive approved GAE	57,361,000	
Less Forensic Science Transfer	1,072,000	
	56,289,000	
Add Non-GAE items (Members Exps & Loan Charges)	2,237,273	
	58,526,273	
 Add Additional Funding (Specific Grants)	169,424	58,695,697
 Less:		
Members Expenses	124,780	
Loan Charges	2,112,493	
Pensions	8,805,964	
		11,043,237
 Net Operational Budget		47,652,460
 Corporate Costs		1,507,762
Corporate Income		(1,574,365)
 <u>Force Wide Costs</u>		
Energy Management & Structural Maint	1,523,500	
Estates Projects	515,000	
	2,038,500	
 Force Review Programme		440,000
Developments (per Appendix 3)		207,375
 Available for SLAs/ Area Command Budgets	-	45,033,188
 HQ Service Units		
Executive	764,857	
Finance & Asset Management	3,415,976	
Operational Support	2,569,884	
Corporate Development	2,222,055	
Crime Support	2,607,239	
Human Resources	924,337	
Administration	860,977	
Professional Standards	453,977	
		13,819,302
 Available for Area Command Budgets		31,213,886

NORTHERN CONSTABULARY 2007/2008 REVENUE BUDGET

Area Commands		
Shetland	1,982,916	
Orkney	1,683,221	
Western Isles	2,476,924	
Caithness & Sutherland	4,477,733	
Ross, Cromarty & Skye	6,702,421	
Inverness	7,983,184	
Badenoch, Strathspey & Nairn	3,196,161	
Lochaber	2,591,787	31,094,347
Force Contingency		119,539
<u>(Over)/ Under Approved Budget</u>	-	-

2007/2008 Revenue Development Projects Monitored via CPMG

<u>Project</u>	<u>Allocation</u> <u>£</u>
Licensing (Scotland) Act	3,750
GIRFEC	15,000
DDA	5,250
Asset Management Planning	1,875
Performance Information System	16,875
SPR 2	7,500
Business Continuity	31,500
Police Establishment	26,250
HR IT System	21,000
Absence Management	2,625
HOLMES	3,000
VIPER	9,000
Body Armour	26,250
Mobile Data	15,000
Centralised Custody	22,500
	<u><u>207,375</u></u>