

NORTHERN JOINT POLICE BOARD

23 January 2009

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| Agenda Item | |
| Report No | |

Revenue monitoring as at end September 2008

Report by the Chief Constable

SUMMARY

To inform the Board of the Revenue expenditure position as at the end of November 2008.

BACKGROUND

Members will be aware that included within their board papers today is a report outlining the transfer of ICT resources to Scottish Police Services Authority (SPSA). Accordingly, the attached Revenue Monitoring Statement reflects the budgetary transfer of £2,237k and actual costs of £876k incurred to date relating to the ongoing provision of ICT services. Members should note that the SPSA assumed responsibility for the payment of salaries and associated costs for those staff who transferred as of 1 April 2008, hence the actual costs transferred are significantly lower than the budgetary transfer even taking into account that we are only 8 months through the financial year.

Direct Employee Expenses

At this point in time, it is anticipated that there will be a year end underspend of £470k in this area.

The reasons for the underspend are as reported previously –

- Police Support Staff - some of the new posts created by the Force Review process have not yet been filled but many of the early retirements/voluntary redundancies progressed quicker than was originally anticipated.
- Movement in the balance of retirement and recruitment of Police Officers which will result in an underspend within Police Pay related costs.

Indirect Employee Expenses

Members are reminded that this area of the budget includes pension costs, with an overspend of £957k currently predicted. This overspend still includes approximately £690k (incurred due to the change in factors used to calculate commutations), as the mechanism for the transfer of these funds from the Scottish Government has not yet been agreed. As reported previously, the remaining overspend relates to commutations paid to deferred pensioners and ill health retirements.

Premises Related Expenditure

Electricity costs are expected to be slightly underspent by 31 March 2009, however this will be offset by an increase in Day to Day Maintenance of Police Stations.

Transport Related Expenditure

Overall within this area of the budget an overspend of £101k is estimated. This is due to increase in the cost of fuel, along with increasing costs of external repairs and maintenance.

Supplies & Services

A slight overspend is expected in Supplies and Services in respect of Supervision costs of work undertaken by Site Sharers on hill-top sites. This will however, be offset by a corresponding increase in income as these costs are passed on to the Site Sharers.

Support Services is expected to be in line with budget by the end of the financial year, with a small overspend anticipated in Third Party Payments.

Income

In total it is estimated that income will be in excess of budget by approximately £882k. This is made up as follows –

| | £ |
|---|------|
| • Increased Rentals for hill-top sites | 100k |
| • Hill-top sites supervision (offset by associated costs) | 85k |
| • Refund of charges | 177k |
| • Charges for Police Services (in excess of budget) | 200k |
| • Estimated additional Interest on Revenue Balances | 320k |

Overall the anticipated year end position at this time is an underspend of £197k. Additional funding due in respect of enhanced commutation payments will increase this underspend, which will transfer to the general reserves at the end of the financial year, within allowable limits.

RECOMMENDATION

The Board is invited to note the current revenue position.

I Latimer
Chief Constable

14 January 2009

NORTHERN CONSTABULARY 2008/2009 REVENUE MONITORING

| REVENUE MONITORING STATEMENT AS AT END November 2008 | | | | | |
|---|--------------------------------|---------------------------------|--------------------------------------|------------------------------------|--|
| | Annual Budget £'000 | Budget to Date £'000 | Expenditure to Date £'000 | Year End Estimate £'000 | Estimated YE Variance £'000 |
| Direct Employee Expenses | 40,547 | 26,705 | 25,786 | 40,077 | 470 |
| Indirect Employee Expenses | 12,320 | 6,448 | 8,687 | 13,277 | (957) |
| Premises Related Expenditure | 3,323 | 2,733 | 2,758 | 3,323 | - |
| Transport Related Expenditure | 1,596 | 989 | 1,130 | 1,697 | (101) |
| Supplies & Services | 3,792 | 2,688 | 2,820 | 3,877 | (85) |
| Third Party Payments | 18 | 18 | 30 | 30 | (12) |
| Support Services | 279 | 2 | 9 | 279 | - |
| GROSS EXPENDITURE | 61,875 | 39,583 | 41,220 | 62,560 | (685) |
| Income | (5,308) | (3,894) | (4,776) | (6,190) | 882 |
| NET BUDGET | 56,567 | 35,689 | 36,444 | 56,370 | 197 |
| | | | | | |

| | |
|--|---------------|
| Board Approved Budget | 58,273 |
| Additional Funding | 280 |
| T/F from Operational Contingency | 250 |
| | |
| Working Budget | 58,804 |
| Adjustment for ICT transfer to SPSA | 2,237 |
| | 56,567 |