

# NORTHERN JOINT POLICE BOARD

28 August 2009

Agenda Item	
Report No	

## Revenue monitoring as at end July 2009

### Report by the Chief Constable

#### **SUMMARY**

To inform the Board of the Revenue expenditure position as at the end of July 2009.

#### **BACKGROUND**

The budget presented within this Revenue Monitoring report reflects the total budget allocated within Force. This differs from the revenue budget presented to, and approved by, the Board in January. An adjustment has been made to this earlier budget in respect of additional specific grant income to be received from the Scottish Government and a transfer from General Reserves (for an ongoing Operation). The working budget, net of Loan Charges, is £59.2m.

It should be noted that the budgetary transition associated with the service transfer of Information and Communications Technology (ICT) has now taken place and the statement presented reflects that.

#### **Direct Employee Expenses**

At this stage in the financial year it is not anticipated that there will be any significant deviation from budget. The recruitment programme for Police Officers is progressing well and officer numbers will be on target at 31 March 2009.

#### **Indirect Employee Expenses**

This section of the budget contains all pension related costs and is the area subject to a higher degree of variation from budget. At this early stage, it is difficult to accurately predict outturns as we cannot say for certain how many officers will retire prior to 31 March 2009. However as the year progresses we will know the retiral pattern with more certainty and will report back to future Board meetings.

Members should note that the change in factors used to calculate lump sum commutations for retiring officers has now been backdated to 1 December 2006. Once again, the Scottish Government has indicated that monies will be made available to fund these costs; however, as yet the amount and method of reimbursement has not been agreed. To date, the Force has paid out £429k in respect of this change.

Premises, Travel, Supplies & Services, Third Party Payments and Support Services are all expected to be in line with budget by 31 March 2009.

## **Income**

Income is also expected to be in line with budget by the end of the financial year.

Although, overall, at this point in time, no significant deviations from budget are expected, as the year progresses, spending patterns will become clearer and any changes to estimated outturns will be reported to future Board meetings.

## **Efficiency Savings**

Attached at Appendix 2 is a summary of the Force efficiency savings included within the ACPOS return to COSLA for 2008/09.

COSLA have indicated that, whilst these are signed off at a national level, they would like to see Police Boards signing off the returns locally.

It is our intention for 2009/10 to bring 9 month figures to the January/February Board with full year figures coming to the April Board for sign off.

These savings were made against a target of £1.846m and should not be included with constituent authority returns.

### **RECOMMENDATION**

The Board is invited to note the current position on revenue and efficiency savings achieved in 2008/2009.

**I Latimer**  
**Chief Constable**

**19 August 2009**

## NORTHERN CONSTABULARY 2009/2010 REVENUE MONITORING

<b>REVENUE MONITORING STATEMENT AS AT END JULY 2009</b>					
	<b>Annual Budget £'000</b>	<b>Budget to Date £'000</b>	<b>Expenditure to Date £'000</b>	<b>Year End Estimate</b>	<b>Estimated YE Variance £'000</b>
Direct Employee Expenses	43,155	14,112	13,435	43,155	0
Indirect Employee Expenses	11,995	3,732	4,119	11,995	0
Premises Related Expenditure	3,799	2,069	1,813	3,799	0
Transport Related Expenditure	1,832	565	684	1,832	0
Supplies & Services	3,744	968	1,232	3,744	0
Third Party Payments	24	6	2	24	0
Support Services	287	1	2	287	0
<b>GROSS EXPENDITURE</b>	<b>64,836</b>	<b>21,453</b>	<b>21,287</b>	<b>64,836</b>	<b>0</b>
Income	(5,652)	(2,925)	(3,256)	(5,652)	
<b>NET BUDGET</b>	<b>59,184</b>	<b>18,528</b>	<b>18,031</b>	<b>59,184</b>	<b>0</b>

<b>Board Approved Budget</b>	<b>59,360</b>
<b>Less Loan Charges</b>	<b>(1,836)</b>
<b>Add Additional Funding</b>	<b>1,551</b>
<b>Transfer from Reserves</b>	<b>109</b>
<b>Working Budget</b>	<b>59,184</b>

*NOT PROTECTIVELY MARKED*

<b>FORCE</b>	<b>TYPE</b>	<b>DURATION</b>	<b>CLASSIFICATION</b>	<b>Short description</b>	<b>TITLE</b>	<b>DESCRIPTION</b>	<b>2008/09 Gain Claimed</b>	<b>2008/09 Gain Accepted</b>
Northern	Cashable	Ongoing	Better Procurement	Contracts	Insurance Contracts	Savings generated by retendering insurance contract and amendments made to specification - based upon actual costs in 2008/2009 compared to 2007/2008 actuals.	£326,616.00	£326,616.00
Northern	Cashable	Ongoing	Better Procurement	Travel	Air Discount Scheme	Use of islands air discount scheme - isolation trips. Officers ( and their immediate families) within island stations are entitled to 4 trips to the main per annum. These trips are now booked taking advantage of the air discount scheme for island residents which can save up to 40% of the standard fare.	£5,767.00	£5,767.00
Northern	Cashable	Ongoing	Streamlining Bureaucracy	process improvements	Consolidated billing	Consolidated billing for travel invoices - linked to reduction in number of area commands post Force Review.	£841.20	£841.20

NOT PROTECTIVELY MARKED

FORCE	TYPE	DURATION	CLASSIFICATION	Short description	TITLE	DESCRIPTION	2008/09 Gain Claimed	2008/09 Gain Accepted
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Review of Force Structure & Ops	Review of Force structure and operations - dedicated team set up resulting in non-cash efficiency savings being made in all Force areas for a period of 2 years - 2008/2009 represents implementation year. All officers and staff involved with project on full time basis - reviewing files, making recommendations and working with individuals within Force to implement recommendations. With the exception of the Superintendents's post all others involved for part year. Superintendent involved with project for full year to finalise some of the more contentious issues and convert processes to business as usual.	£112,782.81	£132,865.00
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Force Review	Implementation of Force Review - 8 Area Commands to 3 Divisions - reduction in number of Area Administrators. Under the old structure each Area Command had an Area Administrator who managed the budget, ran the admin function and undertook HR duties. Reorganisation into 3 Divisions has resulted in the appointment of 3 Business Managers and the old post of Area Administrator no longer exists	£136,762.50	£136,762.50
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Force Review	Implementation of Force Review - 8 Area Commands to 3 Divisions - consolidation of role of Local Intelligence Officer (LIO) & Area Drugs Officer (ADO). Each Area Command had an LIO and an ADO (16 posts in total). The move to divisional structures has allowed 10 of these posts to be transferred to frontline operational duties. No reduction to quality of service - increase in front line policing improves intelligence and allows feedback to designated officers	£541,600.00	£541,600.00

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<b>FORCE</b>	<b>TYPE</b>	<b>DURATION</b>	<b>CLASSIFICATION</b>	<b>Short description</b>	<b>TITLE</b>	<b>DESCRIPTION</b>	<b>2008/09 Gain Claimed</b>	<b>2008/09 Gain Accepted</b>
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Force Review	Implementation of Force Review - Reduction of establishment within Radio Sites function and integration into Estates Function. Previously a Radio Sites Manager and a Radio Sites Supervisor within this function - both posts removed from structure and replaced with a Radio Sites Co-ordinator who now reports into the Estate function	£35,180.00	£35,180.00
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Force Review	Implementation of Force Review - integration of Fleet and Central Stores functions. Reduction in establishment from 3 wte to 2wte following move to joint site and review of stock holding/ orders going direct to stations	£31,260.00	£31,260.00
Northern	Cashable	Ongoing	Better Procurement	Rent/rates etc	Tenancy Costs Reduction	Review of Police housing provision & allocation - savings in Change of Tenancy Costs. 2008/2009 costs incurred against 2007/2008 costs incurred. 07/08 £41,678. 08/09 £27,971	£13,706.00	£13,706.00
Northern	Cashable	Ongoing	Management Improvements	staffing structure	Review of Force Structure & Ops	Implementation of Force Review - integration of Personnel & Payroll Function. 1wte post removed from structure. Payroll integrated within HR (co-located) improving communication and reducing bureaucracy.	£30,782.50	£27,089.00
Northern	Cashable	One Off	Better Procurement	Sale of property	Income from sale of Police Housing	Income from sale of Police Housing (breakdown provided by Force)	£1,685,638.00	£1,677,429.00
Northern	Cashable	Ongoing	Better Procurement	Sale of property	Council Tax savings from sale of property	Income from sale of Police Housing (breakdown provided) and Council Tax savings associated with sales	£8,209.00	£8,209.00
Northern	Cashable	Ongoing	Better Procurement	Rent/rates etc	Reduction in Non Domestic Rates	Cost savings associated with sale of operational buildings - based on effect of reduced rates bill in 2008/2009 for operational properties ) offices/ stations sold in 2007/2008.	£42,112.00	£42,112.00

Appendix 2

*NOT PROTECTIVELY MARKED*

NOT PROTECTIVELY MARKED

FORCE	TYPE	DURATION	CLASSIFICATION	Short description	TITLE	DESCRIPTION	2008/09 Gain Claimed	2008/09 Gain Accepted
Northern	Cashable	Ongoing	Joint Working & Shared Service	Funding	Provision of funding for CT related activity	Provision of additional officers for CT related activities- Part Year. Relates to additional officers funded as part of counter terrorism business case year 2. Full funding provided by Scottish Government which has allowed resilience to be increased within this area. Additional officers recruited to back fill for the vacancies created by moving operational officers to specialist posts - no additional cost to Force	£51,912.00	£51,912.00
Northern	Cashable	Ongoing	Better Procurement	Review of Procurement Services	Review of Procurement Services	Review of provision of Procurement Services - move to Service Level Agreement provision with HC (part of Treasurer's SLA). Can now call on expertise of larger team without need to rely on external resource from time to time. SLA not formalised until 2009/2010. No costs levied in 2008/2009 due to low level of procurement activity during latter part of 2008/2009 - procurement exercises managed via internal procurement resource.	£28,853.46	£28,853.46
Northern	Cashable	Ongoing	Streamlining Bureaucracy	process improvements	Reduced attendance at meetings	Implementation of Force Review - 8 Area Commands to 3 Divisions - reduction in travel costs and time associated with participation in the decision making process. Under old structure there was one rep from each area command at 5 meetings within the decision making structure of the Force. Representation now on a divisional basis.	£72,138.00	£72,138.00
Northern	Cashable	Ongoing	Better Procurement	Rent/rates etc	Rental Income	Review & Renegotiation of Hill-Top Sites rental income	£313,347.00	£313,347.00
	Total Recurring Non Recurring						£1,768,258	£3,445,687
							£1,677,429	