

# NORTHERN JOINT POLICE BOARD

13 May 2009

Agenda Item	
Report No	

## Revenue monitoring as at end April 2009

### Report by the Chief Constable

#### **SUMMARY**

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

#### **BACKGROUND**

The revenue monitoring report presented today reflects the position at the end of April 2009. At this early stage of the financial year the Force is confident that it can work within the budget agreed by the Board in January. However, we would wish to highlight the significant impact that operational incidents and ill-health retirements, and indeed the timing of such events during the year, can have on the out-turn financial position.

#### **Pensions Funding**

Members will recall that the budget agreed by the Board in January reflected full funding for the estimated cost of providing for Police Pensions. Subsequent to the early meeting of the Board, the Scottish Government made an announcement on the future funding of Police Pensions. Following agreement with COSLA on 7 October 2008, work is progressing on developing new funding arrangements from 2010-2011. Legislative change will be required to introduce any change and the Scottish Government has agreed to a transitional arrangement for 2009/2010.

Under this transitional arrangement Forces need only budget for 80% of the commutation payments of officers who become eligible to retire in 2009/2010. Should the commutation payments paid exceed this 80% threshold, the Scottish Government will provide extra funding to meet the additional costs.

This arrangement is not currently reflected within Constituent Authority requisitions. Following the completion of year end work the Force and the Treasurer's department will provide details on the impact that this will have on future budgets.

#### **Efficiency Savings**

The Force Efficiency Target for 2009/2010 is £1,846k – this represents a saving of approximately 4% (double the 2008/2009 target).

By undertaking the Force Review exercise Northern Constabulary placed itself in a position where there was significant opportunity to achieve efficiency savings.

As in previous years the efficiency target for the Force has been allocated out to devolved budget holders. The allocation is detailed below:

<b>Budget Area</b>	<b>2009/2010 Budget Allocation</b>	<b>Saving</b>	<b>%age</b>
Divisions	34,698,954	1,159,080	3.3%
Service Units	13,307,285	444,073	3.3%
Other Areas	734,105	242,847	33.1%
<b>TOTAL FORCE</b>	<b>48,740,344</b>	<b>1,846,000</b>	<b>3.79%</b>

The Total Force budget shown above has adjusted the Board approved budget to take account of areas where it is not possible to generate efficiency savings – Members Expenses, Loan Charges & Pensions – in line with previous years. Whilst the plan generates savings of 3.79%, the monetary target is in line with that notified by the Business Benefits Unit of ACPOS and this is the figure we will be measured against.

All efficiency savings generated are reinvested into front line operational policing.

A paper on the 2008/2009 efficiency plan was presented to the Board in April 2008. Work is now ongoing to measure actual efficiencies in 2008/2009 against the plan, with the results to be brought back to the next meeting of the Board.

A further detailed report will be prepared which will demonstrate the financial benefits of the Force Review exercise. This exercise will compare the costs of the old structure (as at 1 April 2006) with the costs incorporated in the 2009/2010 budget.

#### **RECOMMENDATION**

The Board is invited to note the current position on revenue and efficiency savings for 2009/2010.

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

**29 April 2009**

