

NORTHERN JOINT POLICE BOARD

22 NOVEMBER 2007

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| Agenda Item | |
| Report No | |

Revenue Monitoring as at end October 2007

Report by the Chief Constable

SUMMARY

To inform the Board of the Revenue expenditure position as at the end of October 2007.

BACKGROUND

The attached Revenue Monitoring Report reflects the expenditure position at the end of October 2007.

Members will note a movement of £527k upwards on the Net Budget figure compared to that presented to the previous meeting of the NJPB.

£366k of this relates to adjustments which were made as a result of the 2006/2007 year end audit. Early in 2007/2008 we received £300k in respect of funding to be passed to the Mountain Rescue Council of Scotland and £66k to fund Special Constable Bounty payments. Both of these related to expenditure which should have been incurred in 2006/2007, however, as a result of timing Audit Scotland indicated that these two items should be included in 2007/2008 – this adjustment does not impact on the 2006/2007 or 2007/2008 financial position.

The budget has also been uplifted by £57k in respect of funding received in 2006/2007 and 2007/2008 for the Drugs Dog and handler in the Western Isles.

Finally £105k has been received in Specific Grant for additional Counter Terrorism resilience. In summary the following adjustments have been made:

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|--|-------|
| - Mountain Rescue and Special Constables Bounty adjustment | £366k |
| - Western Isles Drugs Dog funding | £57k |
| - Counter Terrorism Specific Grant | £105k |

Referring back to the August and June Revenue Monitoring reports members will recall that the volatility of the Pensions position was highlighted. This budget has seen further significant unbudgeted expenditure since August. We are currently, as a worse case scenario, anticipating unbudgeted pensions costs of £547k. This is made up of a combination of ill-health retirements, officers retiring early and payments made in respect of the transfer of accumulated pension funds for officers who have resigned from the Force. For the purposes of reporting we have looked at the “best” and “worst” position at 31 March 2008 and taken the mid-point - an estimated overspend of £179k has been incorporated within Indirect Employee Expenses in the report presented today.

The Force continues to show an underspend within Direct Employee Expenses – this is now expected to continue to the year end. An underspend of £250k has been built into the year end estimate and reflects anticipated increases in officer numbers to 31 March 2008.

Income continues to be ahead of budget and is expected to continue until the year end with an over recovery of £127k anticipated. Of this over recovery £82k relates to transfer into the Police Pension scheme – I would intend to vire this to pensions to offset the problems being encountered there.

There are no concerns within any of the other budget areas at this time with out-turns in line with budget anticipated.

Overall an underspend of £198k is anticipated. Whilst significant pressures are being experienced, these are being managed effectively, whilst still retaining officer numbers at appropriate levels.

RECOMMENDATION

The Board is invited to note the current position.

I Latimer
Chief Constable
12 November 2007

NORTHERN CONSTABULARY 2007/2008 REVENUE MONITORING

| REVENUE MONITORING STATEMENT AS AT END OCTOBER 2007 | | | | | |
|--|--------------------------------|---------------------------------|--------------------------------------|--------------------------|--|
| | Annual Budget £'000 | Budget to Date £'000 | Expenditure to Date £'000 | Year End Estimate | Estimated YE Variance £'000 |
| Direct Employee Expenses | 40,134 | 22,807 | 22,459 | 39,884 | 250 |
| Indirect Employee Expenses | 11,993 | 6,102 | 6,171 | 12,172 | (179) |
| Premises Related Expenditure | 3,293 | 2,371 | 2,287 | 3,293 | - |
| Transport Related Expenditure | 1,549 | 936 | 1,058 | 1,549 | - |
| Supplies & Services | 5,327 | 3,129 | 3,314 | 5,327 | - |
| Third Party Payments | 17 | 16 | 16 | 17 | - |
| Support Services | 269 | 2 | 8 | 269 | - |
| GROSS EXPENDITURE | 62,582 | 35,363 | 35,313 | 62,511 | 71 |
| Income | (5,462) | (3,760) | (4,439) | (5,589) | 127 |
| NET BUDGET | 57,120 | 31,603 | 30,874 | 56,922 | 198 |
| | | | | | |

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|----------------------------------|---------------|
| Board Approved Budget | 57,859 |
| Forensic Science Adjustment | (1,072) |
| Common Police Services Adjustmen | (373) |
| Specific Grants | 169 |
| Choices for Life Specific Grant | 10 |
| Adjustment to HIECG grant | (5) |
| Orkney Drink Driving Funding | 4 |
| WI Drugs Dog | 57 |
| Special Constables Bounty | 66 |
| Additional CT Specific Grant | 105 |
| Mountain Rescue Funding | 300 |
| Working Budget | 57,120 |