

NORTHERN JOINT POLICE BOARD

23 April 2008

Agenda Item	
Report No	

2008/2009 Revenue Budget Efficiency Plan

Report by the Chief Constable

SUMMARY

To inform the Board of the Efficiency Plan being adopted by the Force to link in with the 2008/2008 Revenue Budget.

BACKGROUND

On 18 January 2008 the Northern Joint Police Board approved a revenue budget of £60.315m for 2008/2009. When this budget was presented it was highlighted that this did not take account of the transfer of ICT (Information & Communications Technology) to the Scottish Police Services Authority (SPSA). At this stage a transfer value has yet to be confirmed but devolved budgets approved internally have been built around a transfer value of £2.156m. This would leave a working budget of £58.159m within Force.

The Efficiency Plan presented today is based around an adjusted budget. This budget has been adjusted downwards in respect of Members Expenses, Loan Charges and Pension Costs giving a budget of £46.958m. In adjusting the budget downwards we have taken into account the uncontrollability element of these three areas of the budget. However, as the financial year progresses and the number of retirements become clearer we may be in a position to generate efficiencies within the Pension Costs budget.

Efficiency Target

Based on a budget of £46.958m the efficiency target of 2% is £939k.

In pulling together the Force Efficiency Plan all Divisional Commanders/Service Unit Managers have been asked to produce Local Efficiency Plans. In order that a target of 2% is achieved Divisional Commanders/Service Unit Managers were asked to prepare these plans based upon a 3% efficiency saving. This larger target would compensate for the difficulty in achieving a 2% saving in some of the areas of corporate budgets where the costs are more fixed.

Impact of Force Review

Many of the savings incorporated within the local plans are a direct result of the ongoing Force Review. Due to the timeframe for implementing the findings of the Force Review it will be 2009/2010 before the full year savings are generated and subsequently reinvested into supporting front line operational policing.

In earlier years when efficiency savings have been generated within one area the reinvestment has been within the same area. This year this is not entirely the case. Efficiencies have been generated force wide and the primary area of reinvestment is

front line operational policing. For example savings within Finance and Asset Management are given up entirely from this area and will contribute to the increase in officer numbers generated through the Force Review process.

Efficiency Plan

Budget Area	2008/2009 Budget Allocation	Saving Identified	%age
Divisions	32,715,412	631,963	1.9%
Service Units	12,097,920	381,998	3.2%
Other Areas	524,202	413,551	78.9%
TOTAL FORCE	46,958,479	1,427,512	3.04%

Without adjusting the budget downwards in respect of Members Expenses, Loan Charges and Pension Costs a 2% efficiency target would have been £1,163k. The table above demonstrates that efficiencies of 3.04% identified on the lower budget are greater than 2% of the full budget.

In the main the savings identified within Divisions and Service Units have been identified following a comprehensive realignment of the way that services are provided both by Police Officers and Police Staff. These figures are based upon an assumed position with regards to Police Staff numbers which may require to be revisited dependent upon final approval of early retirements and voluntary redundancies.

Within Other Areas, two main savings have been identified both of which are non-recurring. One relates to procurement savings and a substantial year one discount while the other relates to the reduction in input from Police Officers and Police Staff to the Force Review Project. Whilst these are one-off savings the full year effect of Force Review generated savings in 2009/2010 should in part compensate for this.

The Divisional and Service Unit savings are sustainable into year 2 should the funding model remain the same. However, once discussions are underway with regards to funding for years 2 & 3 of the 2007 Spending Review we may have to revisit plans for years 2 & 3 dependent upon the issue of funding for Police Pensions.

Monitoring

The Force will be required to provide regular monitoring on efficiency targets/savings to the Scottish Government. This will be built into the monthly financial reporting schedule with update reports presented to each meeting of the NJPB

RECOMMENDATION

The Board note the position on Efficiency Plans.

I Latimer
Chief Constable