

LEICESTERSHIRE CONSTABULARY

<p>FROM: Paul Dawkins Finance Director</p> <p>AREA/DEPT: Command</p> <p>TEL EXT: 2244</p>	<p>TO: COG, Police Authority, Area Commanders, Departmental Heads, MSOs, FSOs</p> <p>DATE: 12 March 2009</p>
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SUBJECT: Budget & Efficiency Plan Monitoring 2008/09 – February (Period 11)

Introduction

This report summarises the revenue and capital budget monitoring positions and the current status of Efficiency Plan savings as at 28 February (Period 11).

Summary of Projected Revenue Outturn

The table below summarises the projected revenue outturn for 2008/09.

	£000	£000
Approved Revenue Budget 2008/09		<u>164,696</u>
Projected Overspends		
Learning & Development Department	4	
Contact Management Centre	<u>25</u>	29
Projected Underspends		
Central & Financing Items	(1,739)	
Police Pay, Allowances & Secondments	(1,643)	
Police Pensions	(300)	
Information Technology Department	(209)	
Scientific Support Department	(167)	
Professional Standards Department	(115)	
Growth & Carry Forwards	(38)	
St. Bernard's	(8)	
Community Safety Bureau	(7)	
Procurement & Support Services Department	<u>(3)</u>	(4,229)
Projected Revenue Budget Underspend		(4,200)
Less Transfer to General Reserve		1,300
Less Transfer to Operational Contingency		150
Less Transfer to Budget Equalisation Reserve		<u>2,000</u>
Balance of Projected Revenue Budget Underspend		<u><u>(750)</u></u>

Projected Overspends

Learning & Development Department £4k

A miscellaneous net overspend of £4k is currently forecast.

Contact Management Centre £25k

Lower than anticipated Alarm fees income together with unbudgeted severance payment costs will result in a projected overspend of £25k.

Projected Underspends

Central & Financing Items £(1,739)k

The projected underspend of £1,739k is attributable to : 1) higher than anticipated investment income arising from market fluctuations of £455k, 2) capital programme slippage and a consequential reduction in revenue borrowing costs of £282k, 3) HMRC VAT and interest reimbursement of £335k arising from a Canteens VAT reclamation exercise conducted by the Force's tax advisors, 4) unbudgeted special police services income of £203k, 5) additional Home Office dedicated security grant of £139k, 6) part year insurance tender savings of £88k from 1st November renewal date, 7) Inflation Contingency underspend of £39k, 8) other net miscellaneous underspends of £272k; offset by : 9) higher than anticipated police pay award costs of £74k (2.65% pay award verses budgeted increase of 2.5%).

Police Pay (base budget & growth), Allowances & Secondments £(1,643)k

The projected underspend of £1,643k is attributable to : 1) temporary postponement of the recruitment of police officers into the 105 growth posts pending the outcome of DCLG's decision on precept capping of £415k, 2) additional seconded officers income of £425k, 3) enhanced ACPO TAM and other specialist non mainstreaming funding of £527k, 4) revised estimate for Compensatory Grant savings of £200k, and 5) Performance related Special Priority Payment savings of £76k subject to review by the Human Resources Department.

Police Pensions £(300)k

A reduction in the estimated number of Ill Health Retirements will result in a projected underspend of £300k. Six retirements were originally budgeted for but currently, no more than two are expected.

Information Technology Department £(209)k

A projected net underspend of £209k has been identified which is attributable to higher than anticipated IT support recharges income of £107k, together with staffing and third party contractual savings of £102k.

Scientific Support Department £(167)k

Higher than anticipated police staff vacancies, additional fees and charges income, and reduced demand for Forensic Science Services, offset by investment in both operational and forensic equipment, will result in a projected underspend of £167k.

Professional Standards Department £(115)k

Higher than anticipated police staff vacancies will result in a projected underspend of £115k.

Growth & Carry Forwards £(38)k

Amendments to spending plans aligned with police officer recruitment profile changes, will result in a projected underspend of £38k.

St. Bernard's £(8)k

Higher than anticipated partnership income offset by increased premises costs will result in a projected underspend of £8k.

Community Safety Bureau £(7)k

The increased cost of intelligence assets for the Operational Intelligence Bureau offset by police staff vacancy savings will result in an underspend of £7k.

Procurement & Support Services Department £(3)k

A miscellaneous net underspend of £3k is currently forecast.

BCU Fund

The BCU Fund for 2008/09 totals £656k. To date, expenditure amounts to £591k. It is anticipated that the BCU Fund will be fully utilised in year.

Transfer to General Reserve

The Police Authority at its meeting on 29th October 2008, resolved to transfer £1.3m of the projected revenue budget underspend to the General Reserve. This has increased the Reserve balance from £3.581m to £4.881m, equivalent 2.96% of the 2008/09 approved revenue budget.

Transfer to Operational Contingency

The Operational Contingency provides funding for risk based planned operations throughout the year. At their meeting on 3rd October 2008, Chief Officers resolved to transfer £150k of the projected revenue budget underspend to the Contingency. This has increased the Contingency balance from £265k to £415k for 2008/09.

Transfer to Budget Equalisation Reserve

At its budget meeting on 10th February 2009, the Police Authority considered the revised Revenue Budget Forecast 2009/10 to 2011/12 which currently identifies a funding gap of £7.2m for the period. The Authority subsequently resolved to ring fence £2m of the 2008/09 projected underspend to part fund the medium term Revenue requirement.

Capital

The 2008/09 Capital Programme totals £9.4m (includes £2.1m Home Office Mobile Data grant). The table below summarises the current position, as amended by the Police Authority following its Budget meeting on 10th February (see Annex 2 for further details).

Item	Programme Budget £000	Spend to Date £000	Balance Outstanding £000
Estates	2,212	1,316	896
Information Technology	2,387	1,225	1,162
Vehicle Fleet	1,421	1,375	46
Other (inc. Mobile Data)	<u>3,402</u>	<u>2,365</u>	<u>1,037</u>
Total	<u>9,422</u>	<u>6,281</u>	<u>3,141</u>

Efficiency Plan

Home Office Guidance stipulates that Forces should achieve efficiency savings equal to 9.3% of 2007/08 gross revenue expenditure over the CSR2007 period 2008/09 to 2010/11. The Force plans to achieve at least 3.1% savings per annum over the next three years in order to meet the 9.3% target which equates to £16.5m (£5.5m per annum). A plan for 2008/09 has been approved separately by the Police Authority which will achieve savings in line with the target. Proposals in the Policing Green Paper (July 2008) if ratified, will alter the approach to efficiency target setting from 2009/10.

Conclusion

The balance of projected underspending of £0.75m may change during the last month of the financial year as a consequence of any unforeseen pressures or opportunities.