

LEICESTERSHIRE POLICE AUTHORITY

PAPER MARKED

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Meeting **POLICE AUTHORITY**
Date **TUESDAY, 27TH APRIL 2010 – 2.00 pm**
Report of **CHIEF CONSTABLE & TREASURER**
Subject **PROVISIONAL OUTTURN 2009/10**

Purpose of the Report

1. The purpose of this report is to advise the Authority of the provisional outturn figures for 2009/10 and to propose how the balance of Revenue underspending should be utilised.

Summary

2. The provisional Revenue outturn shows spending and commitments of £167.779m against a budget of £169.818m resulting in a net underspend of £2.039m (1.2%). Carry forward requests of £0.530m have been identified but will be subject a separate approvals process. It is proposed that the uncommitted balance of underspending be transferred to the Budget Equalisation Reserve to part fund the anticipated 2011/12 Revenue budget deficit.
3. The provisional Capital outturn shows expenditure of £5.561m against the revised Programme of £6.289m. The represents net movements of £0.728m.
4. The provisional Efficiency Plan outturn indicates that £7.578m efficiency savings have been achieved during 2009/10 against a target of £6.3m. Of this, £4.827m are cashable savings and £2.751m are productivity gains.
5. The figures quoted in this report are subject to External Audit by 'PricewaterhouseCoopers LLP' during June and will therefore remain provisional until the satisfactory conclusion of that audit.

Provisional Revenue Outturn

6. The table overleaf summarises the provisional Revenue outturn for 2009/10 (see also Annex 1 for further details).

	£000	£000
Approved Revenue Base Budget 2009/10		<u>169,818</u>
Provisional Overspends		
Police Community Support Officers	190	
Police Pensions	184	
Corporate Development	<u>53</u>	427
Provisional Underspends		
Police Pay, Allowances & Secondments	(804)	
Central & Financing Items	(330)	
Crime Support Department	(312)	
Contact Management Centre	(162)	
Criminal Justice Department	(110)	
Information Technology	(99)	
Operational Support Department & Specials	(96)	
Procurement & Support Services Department	(89)	
Community Safety Bureau	(72)	
Learning & Development Department	(54)	
North Area	(53)	
Human Resources Department	(50)	
Professional Standards Department	(25)	
Juniper Lodge	(21)	
Finance Department	(13)	
City Area	<u>(6)</u>	<u>(2,296)</u>
Provisional Revenue Base Budget Underspend		(1,869)
Growth & 2008/09 Carry Forward Underspends		(700)
Carry Forward Requests Subject to Approval		<u>530</u>
Provisional Revenue Underspend		<u>(2,039)</u>

Provisional Overspends

Police Community Support Officers £190k

7. The authorised/budgeted establishment for PCSOs is 229 full time equivalents (FTEs). Fluctuations in recruitment and leaver profiles throughout the year have resulted in an average PCSO establishment of around 234 FTEs with 233 FTEs as at 31 March. This, together with an element of unbudgeted training costs has resulted in an overspend of £190k.

Police Pensions £184k

8. Higher than forecast Ill Health retirement costs and Injury on Duty Awards resulted in an overspend of £184k.

Corporate Development £53k

9. Police staff redundancy and associated costs have realised an overspend of £53k.

Provisional Underspends

Police Pay, Allowances & Secondments £(804)k

10. An underspend of £804k occurred due to : 1) higher than anticipated ACPO Terrorism and Allied Matters specific grants of £111k, 2) additional income of £322k generated through increased numbers of seconded officers, 3) cancellation of the January and March recruitment intakes (total of 31 officers) which realised savings of £132k, 4) lower than anticipated Compensatory Grant outturn of £82k, and 5) other net miscellaneous income, pay and allowances savings of £157k.

Central & Financing Items £(330)k

11. The underspend of £330k is attributable to : 1) increases in Special Policing Charges of £144k, 2) reduced costs of the Regional Collaboration Team at Newark and other agency costs of £163k, 3) corporate IT infrastructure / communications savings of £100k, 4) Capital Programme slippage resulting in reduced debt charges of £327k, 5) Inflation Contingency underspends of £160k, 6) additional third party rent income of £58k, offset by : 7) fleet overspends of £67k, 8) a reduction in investment income of £272k arising from the significant reduction in the prevailing Bank of England base rate, 9) redundancy costs and ex-gratia payments of £57k, 10) HMRC National Insurance costs on Occupational Health benefits in kind of £59k, 11) year end contribution to the Fleet Insurance Reserve of £69k, and 12) miscellaneous overspends of £98k.
12. The outturn assumes the Force will not receive any reimbursement from the Home Office for the Ashwell Prison Disorder although this is still being contested.
13. A provision for bad debts of £121k has been included for Donington Park Ventures Leisure Ltd following the company going into administration during October 2009. The Authority is therefore invited to approve the debt write off.

Crime Support Department £(312)k

14. Higher than anticipated police staff vacancies and major crime police overtime savings resulted in an underspend of £312k.

Contact Management Centre £(162)k

15. An underspend of £162k has been achieved through reduced overtime costs following the implementation of workforce modernisation improvements.

Criminal Justice Department £(110)k

16. Higher than anticipated police staff vacancies and third party income, offset by increases in demand led expenditure has realised a net underspend of £110k.

Information Technology £(99)k

17. Savings in IT communications and other contractual renewals has realised an underspend of £99k.

Operational Support Department & Specials £(96)k

18. An underspend of £96k has been achieved due to police overtime underspending and additional Special Police Service charges income, offset by essential refurbishment of the Tactical Support Group's accommodation.

Procurement & Support Services Department £(89)k

19. An underspend of £89k has occurred due to staff turnover savings, additional Reprographics and Canteen income generation.

Community Safety Bureau £(72)k

20. Higher than anticipated police staff vacancies offset by miscellaneous overspends resulted in a net underspend of £72k.

Learning & Development Department £(54)k

21. Higher than anticipated police staff vacancies and reduced costs of external training resulted in an underspend of £54k.

North Area £(53)k

22. Lower than anticipated police overtime costs together with additional mutual aid income resulted in a net underspend of £53k.

Human Resources Department £(50)k

23. Higher than anticipated police staff vacancies offset by increased Occupational Health costs resulted in an underspend of £50k.

Professional Standards Department £(25)k

24. Higher than anticipated police staff vacancies, offset by redundancy costs and increased legal costs resulted in a net underspend of £25k.

Juniper Lodge £(21)k

25. Underspending on salaries and repairs and maintenance have realised a saving of £21k.

Finance Department £(13)k

26. Contractual savings of £13k were achieved in relation to corporate financial systems costs.

City Area £(6)k

27. A miscellaneous net underspend of £6k has been realised.

Growth Funding 2009/10

28. Growth funding totalled £323k. Virements amounted to £219k. The balance of £104k in relation to CRAVE surveying costs was not required as this has been met by the Home Office (£60k one off funding) and other public sector partners (£44k ongoing funding).

Carry Forward Requests

29. Approved 2008/09 carry forwards totalled £1,918k. Virements amounted to £1,288k whilst managed underspends of £301k have been identified. Commitments of £38k remain. The balance of £291k is subject to business cases being approved for continued support of the original funding requests.
30. In addition, 2009/10 carry forward requests totalling £239k have been identified. These are also supported by business cases.

31. Chief Officers will consider all carry forward business cases with any recommendations for approval to then be considered by SFPG (Strategic Financial Planning Group).

Proposed Utilisation of Provisional Revenue Underspend

32. The proposed utilisation of the provisional Revenue underspend of £2.039m is summarised in the table overleaf.

	£000
Provisional Revenue Underspend	<u>2,039</u>
Police Authority Approvals to Date	
Transfer to General Reserve	373
Proposed Utilisation of Uncommitted Underspend	
Transfer to Budget Equalisation Reserve	<u>1,666</u>
Total	<u>2,039</u>

Transfer to General Reserve

33. At its budget meeting on 9 February, the Police Authority resolved to ring fence £373k of any 2009/10 projected underspend in order to increase the General Reserve balance to £5.253m or 3% of the approved 2010/11 Revenue Budget of £175.116m. This is in line with the Authority's own policy on Reserves and Balances.

Transfer to Budget Equalisation Reserve

34. In addition, it is recommended that SFPG consider transferring the balance of uncommitted Revenue underspend of £1.666m to the Budget Equalisation Reserve (BER) as a further contribution to bridging the anticipated 2011/12 budget deficit. This figure may change subject to the extent of any approvals in relation to carry forward requests (see paras.29 to 31). The minimum transfer of £1.666m to the BER will increase the balance to £7.051m.

BCU Fund

35. The BCU Fund for 2009/10 totalled £656k. This was fully utilised in year.

Provisional Capital Outturn and Major Variations

36. The 2009/10 Capital Programme totalled £6.289m. The table below summarises the provisional outturn position.

Item	Programme Budget	Provisional Outturn	Variance
	£000	£000	£000
Estates	2,133	2,081	52
Information Technology	2,211	1,688	523
Vehicle Fleet	1,017	1,125	(108)
Other (inc. Mobile Data)	<u>928</u>	<u>667</u>	<u>261</u>
Total	<u>6,289</u>	<u>5,561</u>	<u>728</u>

37. Within the provisional capital outturn are net variances of £728k identified in relation to : 1) programme slippage into 2010/11 of £651k, 2) brought forward expenditure from 2010/11 of

£(55)k, 3) identified project underspends of £329k, and 4) additional third party receipts of £(197)k (see Annex 2 for further details).

Provisional Efficiency Plan Outturn

38. Home Office Guidance stipulates that Forces should achieve efficiency savings equal to 10.3% (£18m) of 2007/08 gross revenue expenditure over the CSR2007 period 2008/09 to 2010/11.
39. The provisional Efficiency Plan outturn indicates that £7.578m (4.3%) efficiency savings have been achieved during 2009/10 against a target of £6.3m. Of this, £4.827m are cashable savings and £2.751m are productivity gains.
40. The Force has so far achieved savings of 8.4% savings against the 10.3% target. It is envisaged that the 10.3% target will be exceeded during 2010/11.

Audit of the Accounts

41. The final accounts for 2009/10, which includes the provisional outturn figures identified in this report, are subject to External Audit and will be audited by 'PricewaterhouseCoopers LLP' during June 2010. It is not envisaged that any material changes will be identified.

Recommendations

42. The Police Authority is recommended to :

- (i) consider the 2009/10 provisional outturn position,
 - (ii) agree the write off of the Donington Ventures Leisure Limited bad debt of £121k,
 - (iii) delegate authority to SFPG to consider and approve any Revenue carry forward requests,
- and
- (iv) delegate authority to SFPG to approve the transfer of the balance of 2009/10 underspending (subject to (iii) above) to the Budget Equalisation Reserve to part fund the anticipated 2011/12 Revenue budget deficit.

Implications

Financial : See report
Legal & Diversity : None

Background Papers

Police Authority : Revenue Budget & Precept 2010/11 ; 9th February 2010

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