



Report to the East Midlands Police Authorities' Joint Committee

Meeting Date: 17 June 2010

Report Title: East Midlands Police Collaboration Team Financial Update June 2010

1. Sponsor of paper

Peter Goodman, DCC East Midlands

2. Reason for report

This report provides:

- a. A summary of the East Midlands Police Collaboration Team (EMPCT) approved budget requirement for 2010/11, and offers a proposal for a reduced requirement based upon a revised operating structure.
- b. A summary of the performance against budget for 2009/10.

3. Recommendations

For the information of members of the EMPAJC.

4. Detail and analysis

East Midlands Police Collaboration Team (EMPCT) - approved budget requirement for 2010/11

The EMPCT senior management team has collectively reviewed the team's resource requirement to present a budget that takes account of operational need and the current financial constraints of the five forces in the region.

The budget takes account of pay awards for staff of 2.58%, officers of 2.55% and a zero based view of non-pay inflation.

There has been no revision to the current non-pay budget for 2010/11.

Apportionment of the budget requirement for the 2010/11 is detailed below:

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Key contacts for this document:

John Weeks, Financial Lead EMPCT

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East Midlands Police Collaboration

Derbyshire Leicestershire Lincolnshire Northamptonshire Nottinghamshire

| <u>£'s</u> | | <u>2010/11 Contribution</u> |
|------------------|--------|-----------------------------|
| Derbyshire | 22.00% | 241,404 |
| Leicestershire | 23.10% | 253,475 |
| Lincolnshire | 12.60% | 138,259 |
| Northamptonshire | 14.70% | 161,302 |
| Nottinghamshire | 27.60% | 302,853 |
| | | 1,097,293 |

The EMPCT proposed forecast for 2010/11 is detailed below:

| <u>£'s</u> | <u>2010/11 F/Cast Revised Structure</u> | <u>Savings</u> | | <u>2010/11 Budget</u> | <u>2009/10 Budget</u> |
|--------------------------------------|---|-----------------|---------------|-----------------------|-----------------------|
| DCC & Support | 191,277 | | | 191,468 | 138,176 |
| Specialist Leads & Consultancy | 233,093 | 14,777 | | 218,316 | 279,095 |
| Force Leads | 291,980 | (187,492) | | 479,472 | 461,661 |
| Programme Support | 159,277 | 26,412 | | 132,865 | 149,736 |
| Vacancy Factor % | | 51,106 | | (51,106) | |
| Total Pay Costs | 875,627 | (95,197) | 9.82 % | 971,015 | 1,028,668 |
| | | 9.80% | | | |
| Total Premises | 82,500 | 0 | | 82,500 | 77,829 |
| Total Transport | 80,000 | 0 | | 80,000 | 48,000 |
| Total Supplies & Services | 40,000 | 0 | | 40,000 | 27,620 |
| Total IT & Comms | 19,165 | 0 | | 19,165 | 12,117 |
| Total Non-Pay Costs | 221,665 | 0 | | 221,665 | 165,566 |
| EMPCT Total | 1,097,293 | (95,197) | 8.00 % | 1,192,680 | 1,194,234 |

The budget requirement for 2010/11 has been set a zero growth level to that of the last financial year. This has been achieved despite increasing the non-pay budget significantly to actual usage levels, and taking effect of pay inflation. This has also been achieved with the extra costs involved of appointment of a DCC and PA support.

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A first draft budget of £1.39 million included all posts in the current year's settlement with the exception of the Benefits Manager role (now included in the Regional Head of Finance role). The Programme Director role is now replaced by the DCC post and additional support. Resultant cuts of two posts in the team structure and the application of a 5% vacancy factor enabled a budget to be set which showed no growth from 2009/10. This paper now offers up further savings of 8% on the overall approved budget (10% of the pay allocation) as detailed below.

Several 'across the board' savings were identified from moving from the £1.19 million allocation to the proposed position of £1.10 million; these are:

- Moving from five force leads at a mixed level of Ch Supt and Supt to a structure containing three leads (Crime, Ops and Business) at Supt and senior staff level has led to savings of £143k.
- With the reduced resource identified in lead roles an increased resilience in support staff was deemed necessary. The revised structure now includes three project support researchers and one programme support post at an additional annual cost of £31k.
- The post of HR Manager has been downgraded to HR support in view of the Strategic HR post being maintained. This has created a saving of £23k.
- A consultancy budget of £40k has been included for specialist work and advice (£25k legal and £15k IT).
- All the above are assumed to be in place in July 2010 and offset the 5% vacancy factor included in the approved allocation.

These savings represent a reduction of 8% overall, all coming from the pay budget. Pay costs in the revised budget also reflect a 14.9% reduction compared to the previous year (17.0% in real terms).

Further posts that do not form part of EMPCT budget allocation but have been approved by ACPO as regional posts and will require additional funding in 2010/11. Details including salary and on costs are:

- Regional Forensics Procurement Manager (£50k)
- Civil Contingencies lead (£72k)
- Detective Inspector for Witness Protection (£68k)
- Seconded Superintendent to GOEM (circa £60k)

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Performance against budget for 2009/10

The 2009/10 final financial position as at 31st March is shown below:

| <u>£ 000's</u> | <u>Actual at 31st March 2010</u> | <u>2009 / 10 Budget</u> | <u>Variance</u> |
|--------------------------------------|---|-------------------------|-----------------|
| Pay Related Costs | 925 | 1,029 | 104 |
| Other Administrative expenses | 195 | 166 | (29) |
| Gross Expenditure | 1,120 | 1,194 | 74 |

Pay related costs:

Expenditure on salaries and related costs are £104k under budget for 2009/10. This is as a result of a combination of factors -

- The benefit realisation and risk manager post (£40k) has not been recruited despite having a full year allocation, this post is now included in the remit of the Financial Lead post.
- The delayed recruitment of the Financial Lead and one project officer post until June. Savings also realised from gaps in the replacement of project leads throughout the year.
- Planned vacancy of two project officer posts, one finishing in September, the other in November.
- The above is mitigated by providing an extension of the post for an IT and Telephony lead for the team, providing support to the mobile data project from July 2009.

Other Administrative Expenses:

Expenditure on administrative expenses is overspent against the budget by £29k. Although premises related costs (£78k) and IT (£18k) are relatively in line with plan, supplies and services and travel and subsistence budgets have been exceeded. This is resultant from an unrealistically low allocation in this area to deal with the expenditure of a regionally delivered mobile team. A substantial element of the cost incurred is also in relation to the provision of service on the Newark offices for regional events and functions for which we do not directly recover the cost.

Gross Expenditure:

The outturn for 2009/10 has delivered a saving against plan of £74k. In addition to this, the team is part funding a post on the firearms interoperability project from existing Capacity and Capability Demonstrator Site monies provided by the Home Office (£20k) and a post funded by GOEM to research a project on business crime (£20k).

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The region's five Finance Directors have agreed to use the under spend of £74k to pay for the Chief Inspector post assigned to regional civil contingencies work, total cost this year (£ 54k) which is included above.

The regional apportionment of expected expenditure is represented below:

| <u>£'s</u> | <u>2009/10 Contribution</u> | <u>Regional Civil Contingencies Post</u> | <u>TOTAL RECHARGE</u> |
|------------------|-----------------------------|--|-----------------------|
| Derbyshire | 123,379 | | 123,379 |
| Leicestershire | 115,010 | | 115,010 |
| Lincolnshire | 359,166 | | 359,166 |
| Northamptonshire | 276,011 | | 276,011 |
| Nottinghamshire | 246,581 | 53,658 | 300,239 |
| | 1,120,146 | 53,658 | 1,173,804 |

| <u>£'s</u> | <u>TOTAL RECHARGE</u> | <u>% Allocated Cost</u> | <u>(To Pay) / Receive</u> |
|------------------|-----------------------|-------------------------|-----------------------------|
| Derbyshire | 123,379 | 258,237 | (134,858) |
| Leicestershire | 115,010 | 271,149 | (156,139) |
| Lincolnshire | 359,166 | 147,899 | 211,266 |
| Northamptonshire | 276,011 | 172,549 | 103,461 |
| Nottinghamshire | 300,239 | 323,970 | (23,731) |
| | 1,173,804 | 1,173,804 | (0) |

5. Implications

Financial – As detailed in section 4 above.

Legal - Nil

Diversity- Nil

Human resources – As detailed in section 4 above.

Consultation / communication- Nil

Risk- Nil

Policy / procedure- Nil

Other- Nil

6. Exemptions No

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