

						APPENDIX A
Budget Monitoring Statement to 28th February 2009						
<b>INCOME &amp; EXPENDITURE ACCOUNT</b>						
	Original Budget	Budget to February	Actual to February	Variance Over/(Under)		Forecast Over/(Under)
	£000s	£000s	£000s	£000s	%	£000s
<b>FUNDING</b>						
Formula Funding & Precept	(124,622.9)	(115,111.7)	(115,088.8)	22.9	(0.0)	0.0
Special Grants	(12,277.8)	(9,306.9)	(9,698.2)	(391.3)	4.2	(53.3)
Partnership Funding	(1,278.1)	(1,054.2)	(877.4)	176.8	(16.8)	(20.1)
<b>TOTAL FUNDING</b>	<b>(138,178.8)</b>	<b>(125,472.8)</b>	<b>(125,664.4)</b>	<b>(191.6)</b>	<b>0.2</b>	<b>(73.4)</b>
<b>EXPENDITURE</b>						
<b>Centralised Pay &amp; Allowances</b>						
Police Pay & Allowances	80,141.1	73,484.2	73,143.4	(340.8)	(0.5)	(80.0)
PCSO Pay & Allowances	5,207.6	4,768.6	4,709.9	(58.7)	(1.2)	(30.0)
Staff Pay & Allowances	20,643.9	19,190.7	19,185.7	(5.0)	(0.0)	65.0
<b>Total Centralised Pay &amp; Allowances</b>	<b>105,992.5</b>	<b>97,443.5</b>	<b>97,039.0</b>	<b>(404.5)</b>	<b>(0.4)</b>	<b>(45.0)</b>
<b>Devolved Budgets</b>						
Total Operational Units	7,701.1	7,229.2	6,871.7	(357.4)	(4.9)	21.6
Total Central Support Services	13,606.2	13,279.7	12,419.6	(860.2)	(6.5)	(160.4)
Total Corporate Budgets	14,451.9	8,129.1	8,776.9	647.8	8.0	(492.8)
<b>Total Devolved Budgets</b>	<b>35,759.3</b>	<b>28,638.0</b>	<b>28,068.2</b>	<b>(569.8)</b>	<b>(2.0)</b>	<b>(631.6)</b>
<b>TOTAL EXPENDITURE</b>	<b>141,751.8</b>	<b>126,081.5</b>	<b>125,107.2</b>	<b>(974.3)</b>	<b>(0.8)</b>	<b>(676.6)</b>
<b>(SURPLUS)/DEFICIT BEFORE RESERVES</b>	<b>3,573.0</b>	<b>608.7</b>	<b>(557.2)</b>	<b>(1,165.9)</b>	<b>(191.5)</b>	<b>(750.0)</b>
Transfers to/(from) Reserves	(3,573.0)	1,193.4	1,428.9	235.5	19.7	750.0
<b>(SURPLUS)/DEFICIT</b>	<b>0.0</b>	<b>1,802.1</b>	<b>871.7</b>	<b>(930.4)</b>	<b>(51.6)</b>	<b>(0.0)</b>

## APPENDIX B

## Budget Monitoring Statement to 28th February 2009

**EMPLOYEE NUMBERS**

	<b>Initial FTE Budget</b>	<b>Agreed Changes</b>	<b>Current FTE Budget</b>	<b>Actual 1 April</b>	<b>Starters</b>	<b>Leavers</b>	<b>Actual 28 Feb</b>	<b>Variance</b>
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<b>Police Officers</b>	1,727	0	1,727	1,699	151	(86)	1,764	37
<b>PCSOs</b>	197	0	197	175	36	(13)	198	1
<b>Staff</b>	718	0	718	701	60	(43)	718	0
<b>TOTAL</b>	<b>2,642</b>	<b>0</b>	<b>2,642</b>	<b>2,575</b>	<b>247</b>	<b>(142)</b>	<b>2,680</b>	<b>38</b>

## Budget Monitoring Statement to 28th February 2009

**POLICE OVERTIME STATEMENT**

SERVICE UNIT	ANNUAL BUDGET	BUDGET TO DATE	ACTUAL TO DATE	VARIANCE TO DATE		FORECAST OUTTURN
	£000s	£000s	£000s	£000s	%	£000s
Hartlepool BCU	289.4	253.3	265.3	12.0	4.7%	21.7
Redcar & Cleveland BCU	334.8	285.8	271.2	(14.6)	(5.1%)	27.7
Middlesbrough BCU	479.2	404.1	405.8	1.7	0.4%	8.1
Stockton BCU	316.9	274.2	297.7	23.5	8.6%	48.7
Community Justice	100.2	93.0	76.2	(16.8)	(18.1%)	(16.0)
Crime Operations	130.6	106.6	67.9	(38.7)	(36.3%)	(27.8)
Control Room	55.8	51.0	44.0	(7.0)	(13.7%)	(5.5)
Specialist Operations	358.7	299.2	386.2	87.0	29.1%	18.3
Legal Services	3.0	2.6	1.2	(1.4)	(53.8%)	0.0
Personnel & Organisational Development	14.1	11.3	14.5	3.2	28.3%	4.2
Executive	4.7	3.8	3.5	(0.3)	(7.9%)	0.0
Professional Standards	8.6	7.4	7.9	0.5	6.8%	0.8
Corporate Planning	0.0	0.0	0.1	0.1	0.0%	0.1
Corporate Budgets	70.0	70.0	29.0	(41.0)	0.0%	(2.9)
Mutual Aid/Partnership/Funded Overtime	274.1	229.3	476.3	247.0	107.7%	0.0
Major Incident Contingency	770.0	620.7	638.2	17.5	2.8%	50.0
<b>TOTAL</b>	<b>3,210.0</b>	<b>2,712.3</b>	<b>2,985.0</b>	<b>272.7</b>	<b>10.1%</b>	<b>127.4</b>

## Budget Monitoring Statement to 28th February 2009

**FINANCIAL RISK MONITOR**

Risk	Likelihood of Impact	Budget	Potential Impact £000s	Mitigation Proposals
<b>Police Pay Award</b> is modelled on a 2.5% Uplift. A 0.5% variance equates to £400k. The Chancellor has set a ceiling of 2% growth in public sector pay.	High	£80m	£60k	A three year deal at 2.65% in the first year, 2.6% in the second and 2.55% in the third has been agreed. The potential impact shown is that for the current year and is about half the calculated amount given that the awards are made from September at the earliest. It will be contained within budget due to the slippage in vacancy/recruitment rates
<b>Back dating of Police Pay award</b> - in 2007/08 the Police Pay Award was not backdated to the 1st September as in previous years but was instead awarded from the 1st December. This decision is being challenged in the courts.	Nil		£450k	The Judicial review has found against the backdating of the award. This risk is, therefore, minimal subject to any appeal by the Police Federation. Confirmation has been received that the decision will not be appealed.
<b>Staff/PCSO Pay Award</b> is modelled on a 2.5% Uplift. A 0.5% variance equates to £125k. The Chancellor has set a ceiling of 2% growth in public sector pay.	High	£26m	£25k	A three year deal at 2.6% in the first year, 2.6% in the second and 2.58% in the third has been agreed. The potential impact shown is that for the current year and is about half the calculated amount given that the awards are made from September at the earliest. It will be offset against underspendings against other budget heads.
<b>Major Incident Fund</b> finances incidents which are unpredictable in cost and frequency e.g. a murder investigation. As such it is not possible to set a budget for a planned level of activity. The budget has been set on the basis of experience of the last three years of operation.	High	£1126k	£400k	Expenditure against the fund is tightly managed at Service Unit level and rigorously monitored at corporate level. Should activity outstrip available resource virement from other budget heads will be sought and, if unavailable, the Authority will be asked to consider support from the General Fund. Members have approved additional expenditure of £250k on proactive operations to be funded by underspendings against other budget heads.
<b>Utilities (Gas, Electricity &amp; Water)</b> budgets were under pressure due to rising prices throughout 2007/08. The 2008/09 budget was increased to the level of the 2007/08 outturn with an additional 16% to provide for price inflation. However prices are volatile.	High	£1156k	£102k	The service have to absorbed all of the overspending through a risk based assessment of other budget heads.  A review of utilities usage has been undertaken by the Carbon Trust and recommendations to reduce utilities usage have been brought forward. There is an implementation cost for the measure but all have a pay back period of under one year. A proposal to utilise the Invest to Save Fund for this purpose was approved by Members at the August Policy & Resources Panel. A further report containing additional utility & water reduction measures was presented to the January meeting.
<b>Petrol/diesel</b> prices have been very volatile throughout this financial year. Prices have fallen back from their highs but an overspend is still expected given the higher prices earlier in the year	High	£918k	£94k	Only £30k of this forecast is expected to have an impact on the final outturn with the remaining £64k being absorbed within budgets. This forecast has decreased as reductions in oil price costs impact at the pumps. Any overspending that cannot be met from within the Service units will be absorbed by underspendings elsewhere in the organisation.
<b>Police Officer Recruitment</b> - the recruitment plan to deliver the 1% vacancy rate is very tight. Any slippage against plan would result in material underspendings.	Nil	£80m	(£400k) underspend for a 0.5% movement	The plan is being very closely monitored and will be flexed as necessary to deliver the targets. The recruitment plan is on target with a vacancy rate of 0.8%. Any underspends which may materialise would be due to incremental drift.