

**Report of the Chief Constable to the Chair and Members  
of Policy & Resources / Corporate Development Panel  
9<sup>th</sup> April 2009**

**Executive & Presenting Officer: Mrs Ann Hall, Assistant Chief Officer  
(Finance & Commissioning)**

**Status: For information**

**Budget Monitoring Report to 28<sup>th</sup> February 2009**

**1 Purpose**

- 1.1 At their meeting on 28<sup>th</sup> February 2008 Members approved a Net Budget Requirement (NBR) of £124,623k and budgeted revenue expenditure of £145,301k, the balance of expenditure being funded by specific grants, other income and transfers from reserves. This report sets out the progress against delivery of the budget and is part of the process introduced by the Authority to maintain prudent financial management.

**2 Recommendations**

- 2.1 Members are asked to note the contents of the report.

**3 Reasons**

3.1 Summary

The Authority is on target to deliver the £750k provision against the costs of a stand alone air support unit in 2009/10.

- 3.2 Members have also approved a budget of £300k for the non-recurring costs of Project I to be set aside from additional savings generated during the year. Project I will run significantly into 2009-10 and therefore Members agreed, at their meeting on 5<sup>th</sup> February, that any of this money remaining unspent at

the end of the 2008-9 financial year, along with any underspends within the ICT revenue budget, would be earmarked for the completion of this project.

- 3.3 Members also approved, at their meeting on 5<sup>th</sup> February, to set up an earmarked reserve totalling £810k for Injury/Medical Retirements. This has enabled the Medical Retirements budget to be reduced on a non-recurring basis in 2009/10 and 2010/11 contributing to the achievement of a balanced budget in 2009/10 whilst retaining the resilience to make Medical Retirements when appropriate.
- 3.4 Finally at their meeting on the 5<sup>th</sup> March, Members approved that requested carry forwards of £662k be earmarked for use in 2009-10.
- 3.5 The position to date and the break-even year-end forecast shown at Appendix A reflect the above decisions.
- 3.6 Police Pay & Allowances  
The number of Police Officers employed at the 28<sup>th</sup> February was 1,764 FTEs. Appendix B refers. The Force is on target to deliver an in-year vacancy rate of less than 1% and will also employ in excess of 1,727 FTE Police Officers at the end of the financial year to provide resilience against leavers in the early part of 2009/10. The forecast is to underspend by £80k (0.1%) against this budget.
- 3.7 Police Community Support Officers  
As at the 28<sup>th</sup> February 198 FTE PCSOs were employed, this is 1 over establishment. Appendix B refers. The underspending to date reflects the amount of vacancies that have existed throughout the year and will erode to £30k providing the current numbers are maintained.
- 3.8 Staff Pay & Allowances  
The number of staff in post at the 28<sup>th</sup> February was 718 FTEs against an establishment of 718 FTEs. Appendix B refers. As reported previously staff pay is forecast to overspend by £65k. This overspending will be absorbed by under spending against other budget heads.
- 3.9 Service Units  
The forecast outturns by the Service Units are consistent with those reported last month. In overall terms an underspend will be delivered, primarily, as reported previously, within Commissioning, as a result of a significant rates rebate.
- 3.10 A number of pressures have been forecast by Service Units, however, it is anticipated that most of these will be managed within overall budgets.
- 3.11 Members will recall that overtime budgets were reduced by £300k in 2008/09. As previously reported the forecast overspendings shown at Appendix C will be absorbed against underspendings elsewhere within the service unit. The

exception is Major Incidents where £50k of the previously reported overspend in this area will be on overtime. Members will note that there is currently an overspending of £273k against budget to date compared with £287k reported at period 10. This is largely in relation to Mutual Aid/Partnership funded overtime that will be recovered from external organisations. If this is excluded from the figures, the overspending to date against service units is £26k against a budget of £2,483k. All Service Units are aware that overtime must be closely managed and the reduced budgets delivered.

### 3.12 Corporate Budgets

After allowing for Members decisions in relation to the carry forward of budgets into 2009-10 the Corporate budgets are forecast to underspend by £493k as set out in the table below.

<b>Corporate Budgets</b>	
	£000s
Secondment Income	(465)
Insurance	(300)
Interest Receivable	(200)
Revenue Consequences of Capital Schemes	(250)
Major Incidents	400
ICT Outsourcing	300
Sundry	22
<b>Forecast Outturn</b>	<b>(493)</b>

3.13 No material risks other than those mentioned in the report or set out in the Risk Monitor at Appendix D have been identified to the delivery a break even position against the revised budget.

## **4 Implications**

### 4.1 Finance

There are no financial implications other than those mentioned above.

### 4.2 Diversity & Equal Opportunities

Diversity considerations are kept under constant review in line with Force policies and 'Putting People First'. There are no issues arising from this report to bring to Members attention.

### 4.3 Sustainability

This report is part of the process introduced by the Authority to establish sustainable annual and medium term financial plans and maintain prudent financial management.

#### 4.4 Risk

The Corporate Risk Register contains the following financial risk:

- Insufficient financial resource to deliver operational and strategic objectives.

#### 4.5 This is mitigated through:

- Robust financial planning and control processes.
- Independent 'Robustness of Estimates & Adequacy of Financial Reserves' report prepared by the Section 151 Officer.
- Contingency plans to redeploy released resource into areas of operational need.

A risk analysis of the 2008/09 budgets is attached at Appendix D for Members' attention.

## 5 **Conclusions**

- 5.1 The position to date and the year-end forecast are shown at Appendix A. No material risks, other than those mentioned in the report or set out in the Risk Monitor at Appendix D, have been identified to the delivery of a the forecast position for 2008/09. Although some pressures have emerged there is currently sufficient resilience in budgets to absorb them in the current year.

Sean Price  
Chief Constable