

# TAYSIDE JOINT POLICE BOARD

## FINANCE SUB COMMITTEE

28 March 2001

Joint Report by the Chief Constable and Treasurer No. PB 12/2001

### SUBJECT: REVENUE MONITORING STATEMENT AND PROVISIONAL OUTTURN

**Abstract:** This report apprises members of the actual revenue expenditure incurred and income received in respect of the Force for the period 1 April 2000 to 28 February 2001, it also provides details of the projected position at 31 March 2001.

#### 1. RECOMMENDATION

It is recommended that the Finance Sub Committee:

- (a) note the contents of this report for its interest
- (b) delegate authority to the Chief Constable and Treasurer to ensure the most advantageous financial position for the Board at the year end (but without detrimental financial impact on the Constituent Authorities)
- (c) agree in principle to the Board making a bid for any unused police grant for 2000/2001 to be matched by the police authorities share of any underspend subject to the total requisition being no greater than that budgeted for in 2000/2001.
- (d) note the intention of the Chief Constable, in consultation with the Treasurer to bring forward a report detailing proposals to utilise the projected working balance to enhance operational efficiency including proposals to employ support staff to release police officers for front line duties

#### 2. BACKGROUND

- 2.1 With reference to paragraph 3, Minute of Meeting of Tayside Joint Police Board of 14 February 2000, wherein the Board approved the Revenue Budget for 2000/2001. This Revenue Budget has been input into the financial ledger and the Force is now monitoring its actual expenditure and income against this budget.
- 2.2 Reference is also made to paragraph 1, Minute of Meeting of the Finance Sub-Committee of Tayside Joint Police Board of 15 December 2000, wherein the Sub-Committee approved Report No. PB 53/2000 – 'Revenue Monitoring Statement and Provisional Outturn'. This report detailed a number of under and overspends for which virement was approved and estimated a projected working balance of £302,000 would be available to carry forward into 2001/2002.

- 2.3 The net impact of the agreed virement actions on the original budgeted net expenditure for 2000/2001 is shown in column 3 at Appendix A.

### **3. INTRODUCTION**

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2000 to 28 February 2001. Based on these figures and other information available the report contains updated estimates of the projected position at 31 March 2001, for each of the subjective headings.

### **4. FORMAT OF THE REPORT**

- 4.1 Appendix A shows expenditure incurred on the main subjective headings such as staff costs, supplies and services etc and also income received for the eleven month period. Column 7 of the Appendix shows the updated projected position at 31 March 2001, while Column 8 shows any projected variance between the estimated outturn figures and the revised net budget after taking into account approved virement.

- 4.2 Appendix B Column 3 details additional proposed virement adjustments between expenditure budget heads as provided for in the Board's Financial Regulations. The purpose of these virement adjustments is to bring about a proactive financial planning framework that ensures commensurate offsets are in place in respect of any projected overspends in specific budget heads by identifying underspends or additional income in other budget heads in order that the net expenditure for 2000/2001 remains within the approved Revenue Budget figures. This framework will also allow a priority based budget focus for increased service provision in the identified strategic areas in the event that favourable overall budget projections exist. It is proposed that these additional virement adjustments will be fed into the revised net budget position for future revenue monitoring statements.

### **5. OTHER INFORMATION**

- 5.1 For the purposes of monitoring, income from specific police grant and requisitions from the constituent authorities have been excluded. Proposals for utilisation of the Renewal and Repair Fund in 2000/2001 are also excluded. Details of these proposals were contained within Report No. PB 55/2000 "Renewal and Repair Fund" which was approved by the Finance Sub-Committee at its meeting on 15 December 2000. The main features and the related additional virement proposals arising from the revenue monitoring exercise are detailed below.

#### **5.2 Police Pay Costs (Including National Insurance/Overtime and Mutual Aid)**

Police pay costs are running 1% below the phased budget and are projected to be £300,000 less than the revised budget at year end. This is due to police pay costs which it is estimated will be £318,000 less than the revised net budget mainly as a consequence of a greater than anticipated number of retirements and increased income from seconded officers. This underspend is partly offset by a projected overspend of £18,000 in overtime costs.

### 5.3 **Police Pensions**

It is estimated that police pension costs will be £161,000 in excess of the revised budget due to additional ill health retirals at an estimated cost of £150,000 and an increase in other pension costs of £11,000.

### 5.4 **Police Allowances**

Latest estimates indicate police allowances will be £15,000 less than previously reported mainly due to reduced housing allowances.

### 5.5 **Support Staff Pay Costs**

Support Staff pay costs are currently running 1% below the phased budget and it is estimated they will be £60,000 less than previously reported. Gross pay costs are estimated to be £97,000 less due to slippage in filling vacant posts and a reduction in the estimate for temporary staff costs but this is offset in part by increased overtime, national insurance, superannuation and advertising costs totalling £37,000.

### 5.6 **Overall Pay Costs**

Overall it is estimated pay costs will be £214,000 less than previously reported.

### 5.7 **Property Costs**

A reduction of £35,000 in property costs is projected due to reduced maintenance costs of £20,000, property insurance costs of £14,000, water charges of £10,000 and cleaning costs of £6,000 while lighting costs are estimated to be £15,000 more than previously reported.

### 5.8 **Supplies and Services**

Supplies and Services are projected to be £415,000 greater than previously projected. The main reason for this is increased expenditure on equipment (£87,000), computer and IT equipment (£72,000) and Communications purchases of £74,000 mainly within the Divisions but also partly for the new HQ Annexe met from reduced pay costs and excess income generated by the Divisions. Forensic costs increased by £25,000 which was met by income generated and miscellaneous supplies and Service Costs were £65,000 greater mainly related to Community Safety projects for which corresponding income was generated. Medical Service Costs, alimnt and prosecution costs are estimated to be £42,000 higher and printing and stationery costs £22,000 higher. The various remaining estimated increases amount to £28,000.

### 5.9 **Transport Costs**

Transport Costs are estimated to be £3,000 less than previously reported.

#### 5.10 **Third Party Payments**

Grant earning third party payments are projected to be £5,000 less than previously reported while non grant earning payments are estimated to be £42,000 less due to reduced charges for Common Police Services.

#### 5.11 **Support Services**

It is estimated support service costs will be £10,000 higher than the revised budget due to superannuation charges being higher than budgeted for.

#### 5.12 **Income**

Other income is projected to be £204,000 higher than previously reported. This comes from a variety of sources including increased revenue from policing football matches (£33,000), increased income from the forensic/DNA and Identification Branch laboratories (£47,000), increased fees and charges for certificates (£27,000) and £97,000 from increased miscellaneous charges including funding for Community Safety Projects and Supported Employment Scheme. Some of this income offsets increased expenditure within the supplies and services budget head for the Divisions, forensic/DNA laboratory costs and Community Safety project costs etc.

Pension income is projected to be £87,000 higher than previously reported due in the main to transfer values received.

#### 5.13 **Overall Position**

Overall it is estimated that net revenue expenditure will be £165,000 less than previously reported. Report No. PB 53/2000 indicated that £302,000 would be available to set aside for a working balance. The revised position after taking into account the revenue monitoring statement and provisional outturn as at 28 February 2001 (Month 11) is that £467,000 will now be available.

Members will be aware that at present Boards are not permitted to carry forward working balances. It had been hoped that the necessary legislation to permit Boards to carry forward working balances would have been in place in this financial year, however this has not been possible due to the crowded legislative programme. Ministers are of the view however that this concept should be put into practice as far as possible and in 1999/2000 agreed in principle that where individual forces underspent, the unused police grant would be returned to them provided a reasonable case could be made. There was an expectation that any returned police grant will be matched by a contribution from the police authority (in effect their share of the forces underspend). While it has not been possible to process the necessary legislation to permit Boards to carry forward working balances the Scottish Executive have indicated the arrangements put in place last year to bid for unused police grant will also be available this year.

There is a recognition by the Scottish Executive that underspends may occur in forces as a consequence of the need to phase recruitment in respect of the additional officers funded in 2000/2001.

The additional 100% grant amounting to £612,000 was for police purposes and designed to support additional police officers and support staff. Receipt of these monies and the other 100% grant funding of £132,000 in respect of DNA has undoubtedly contributed to the projected net underspend of £467,000. It is intended to bring forward early next financial year a report detailing proposals on how to use this balance to support the objective of increasing service delivery. This will include proposals to enhance operational efficiency by employing support staff to release police officers for front line duties. Agreement is therefore sought in principle to the Board making a bid for any unused police grant for 2000/2001 to be matched by the police authorities share of any underspend subject to the total requisition to the constituent councils being no greater than that budgeted for in 2000/2001.

## 6. SUMMARY

- 6.1 Detailed below is the summarised position regarding estimated under and overspends since the position was last reported at Month 7. Additional virement proposals are provided in Appendix B to this report.

	<b>£000</b>
Projected Overspends	
(a) Supplies and Services (see paragraph 5.8)	415
(b) Support Services Costs (see paragraph 5.11)	<u>10</u>
	<b>425</b>
to be met from viring the following:	
(c) Overall Pay Costs (see paragraph 5.6)	(214)
(d) Property Costs (see paragraph 5.7)	( 35)
(e) Transport Costs (see paragraph 5.9)	( 3)
(f) Third Party Payments (see paragraph 5.10)	( 47)
(g) Income (see paragraph 5.12)	(291)
<b>Sub Total</b>	<b>(165)</b>
(h) Previously Projected Working Balance b/f	(302)
<b>Updated Projected Working Balance</b>	<b>467</b>

**7. CONCLUSION**

- 7.1 Overall, based on the net expenditure incurred by the Force over the eleven month period and projections to the year end, it is estimated that net expenditure will be £467,000 less than originally budgeted for. This underspend has been contributed to by the receipt of 100% grant monies of £612,000 in respect of additional officers and £132,000 in respect of DNA.
- 7.2 The additional £612,000 was for police purposes designed to support additional police officers and support staff. Arrangements are being put in place which will allow Boards to bid for any unused police grant in 2000/2001. Agreement is sought in principle to make such a bid and match it with the police authorities share of any underspend subject to the total requisition being no greater than that budget for in 2000/01. The Chief Constable will bring forward a report to the Board in consultation with the Treasurer early next year detailing proposals on how to use this balance to support the objective of increasing service delivery including proposals to employ support staff to release police officers for front line duties.



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20 March 2001

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**TAYSIDE POLICE -2000/01 REVENUE MONITORING**

Based on January Month 11 Expenditure

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Budgeted Net Expenditure 2000/2001 £000	Approved Virement to date (per Report PB 53/2000) £000	Net Budget Revised £000	Profiled Budget Exp for 11 months to 28/02/2001 £000	Actual Net Expenditure for 11 months to 28/02/2001 £000	Column(5) as a %age of Column (4) £000	Projected Outturn £000	Outturn Variance Col (7) less Col (3) £000
<b>EXPENDITURE</b>								
Staff Costs								
Total Police Pay (incl NI, OT & Mut.Aid)	33,280	-398	32,882	30,400	30,085	99	32,582	-300
Total Pensions	10,962	431	11,393	10,444	11,077	106	11,554	161
Total Allowances	3,048	-101	2,947	2,701	2,667	99	2,932	-15
Total Support Staff Costs	9,458	272	9,730	8,919	8,804	99	9,670	-60
Total Staff Costs	56,748	204	56,952	52,464	52,633	100	56,738	-214
Property Costs	1,931	-5	1,926	1,765	1,537	87	1,891	-35
Supplies & Services	3,318	101	3,419	3,134	2,935	94	3,834	415
Transport Costs	1,264	206	1,470	1,348	1,328	99	1,467	-3
Third Party Payments	93	5	98	90	17	19	93	-5
Third Party Payments (NGE)	1,192		1,192	1,093	902	83	1,150	-42
Support Services	123		123	113	57	51	133	10
Capital Financing Costs	1,290	57	1,347	1,235	357	29	1,347	0
Capital Financed From								
Current Revenue	150		150	138	58	42	150	0
<b>Total Expenditure</b>	66,109	568	66,677	61,378	59,824	97	66,803	126

<b>INCOME</b>																					
Other Income	2,656	96	2,752	2,523	1,890	75	2,956	204													
Pension Contributions	3,223	60	3,283	3,009	3,072	102	3,370	87													
<b>Total Income</b>	<b>5,879</b>	<b>156</b>	<b>6,035</b>	<b>5,532</b>	<b>4,962</b>	<b>90</b>	<b>6,326</b>	<b>291</b>													
<b>Additional Funding Announcements</b>																					
DNA (100% Grant)		132	132		132		132	0													
Additional Officers (100% Grant)		612	612		536		612	0													
<b>NET EXPENDITURE</b>	<b>5,879</b>	<b>900</b>	<b>6,779</b>	<b>5,532</b>	<b>5,630</b>	<b>90</b>	<b>7,070</b>	<b>291</b>													
<b>(before IORB)</b>	<b>60,230</b>	<b>-332</b>	<b>59,898</b>	<b>55,846</b>	<b>54,194</b>	<b>97</b>	<b>59,733</b>	<b>-165</b>													
Interest on Revenue Balances	250	-30	220	0	0	0	220	0													
<b>NET EXPENDITURE</b>	<b>59,980</b>		<b>59,678</b>	<b>55,846</b>	<b>54,194</b>	<b>97</b>	<b>59,513</b>	<b>-165</b>													
<b>PROJECTED WORKING BALANCE B/F (Per report NoPB53/2000)</b>																					<b>-302</b>
<b>PROJECTED WORKING BALANCE C/F</b>																					<b>-467</b>
Grant Income	29,982																				
Constituent Authorities	29,998																				



**APPENDIX B TO REPORT NO. PB 12/2001  
SCHEDULE OF ADDITIONAL VIREMENT – PHASE II  
(SEE REPORT PB 53/2000)**

DETAILS	Increase/(Decrease) in 2000/2001 Revenue Budget £000
<b>1. Police Pay Costs</b> Projected underspend in Police Pay costs of £300K as a consequence of a greater than anticipated number of retirals and increased income from seconded officers	(300)
<b>2. Police Pension Costs</b> Projected overspend due to anticipated additional ill health retirals (£150K) and increase in other pension costs (£11K)	161
<b>3. Police Allowances</b> Savings due in the main to reduced housing allowances	(15)
<b>4. Support Staff Pay Costs</b> Projected underspend due to slippage in filling vacant posts and a reduction in the estimate for temporary staff (£97K) less increased overtime, national insurance, superannuation and advertising costs (£37K).	(60)
<b>5. Property Costs</b> Projected underspend due to reduced maintenance (£20K) property insurance (£14K), water charges (£10K) and cleaning costs (£6K) less increased lighting costs (£15K)	(35)
<b>6. Supplies and Services</b> Projected overspend due to increased equipment (£87K), computer and IT equipment (£72K), communications equipment (£74K), forensic costs (£25K), miscellaneous supplies and services (£65K), medical service, alimnt and prosecution costs (£42K), printing and stationery costs (£22K) and other supplies and services costs (£28K) offset by reduced pay costs and excess income generated	415
<b>7. Transport Costs</b> Projected underspend	(3)
<b>8. Third Party Payments</b> Projected underspend in grant earning, third party payments (£5K) and non-grant earning (Common Police Services costs) of £42K	(47)
<b>9. Support Services</b> Projected overspend mainly due to higher than budgeted for Superannuation charges	10
<b>10. Income</b> Excess income projected to be generated mainly from charges for policing events (£33K), increased forensic/DNA charges (£47K), increased fees and charges for certificates (£27K), increased miscellaneous income for Community Safety Projects and Supported Employment Scheme (£97K) and increased pension income including transfer values received (£87K)	(291)
<b>11. Working Balances</b> Contribution to Working Balances	165