

# TAYSIDE JOINT POLICE BOARD

## FINANCE SUB COMMITTEE

21 December 2001

Joint Report by the Chief Constable and Treasurer No. PB 56/2001

### SUBJECT: REVENUE MONITORING STATEMENT AND PROVISIONAL OUTTURN

**Abstract:** This report appries members of the actual revenue expenditure incurred and income received in respect of the Force for the period 1 April 2001 to 31 October 2001, it also provides details of the projected position at 31 March 2002.

#### 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)

#### 2. BACKGROUND

With reference to paragraph 4, Minute of Meeting of Tayside Joint Police Board of 29 January 2001, wherein the Board approved the Revenue Budget for 2001/2002. This Revenue Budget has been input into the financial ledger and the Force is now monitoring its actual expenditure and income against this budget.

#### 3. INTRODUCTION

This report sets out the actual revenue expenditure incurred and income received for the period 1 April 2001 to 31 October 2001 which is the latest available information subjected to internal revenue monitoring procedures. Based on these figures and other information available the report contains estimates of the projected position at 31 March 2002, for each of the subjective headings.

#### 4. FORMAT OF THE REPORT

- 4.1 Appendix A shows expenditure incurred on the main objective headings such as staff costs, supplies and services etc and also income received for the seven month period. Column 7 of the Appendix shows the projected position at 31 March 2002, while Column 8 shows any projected variance between the estimated outturn figures and the budget.

- 4.2 Appendix B details 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 2001/2002 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 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 2001/2002 are also excluded. Details of these proposals are however contained within Report No. PB 58/2001 "Renewal and Repair Fund" which is also being considered at this Sub-Committee. The main features 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 £164,000 less than budget at the year end prior to any virement proposals.

Overtime costs are projected to be £411,000 in excess of budget partly as a consequence of overtime incurred in protracted enquiries relating to murders during the year. The other main contributory factors are overtime incurred in respect of the Lockerbie Trial and T in the Park. These latter costs are more than matched by offsetting income from Mutual Aid of £300,000 and charging for the services of police officers at events respectively. Police pay costs are projected to be £224,000 less than budget while national insurance costs are projected to be underspent by £51,000 giving a combined underspend of £164,000.

### 5.3 Police Pensions

It is estimated police pension costs will be £236,000 in excess of budget due to higher than estimated commutation costs of £346,000 and transfer values paid of £13,000. These are partly offset by savings in monthly pension payments of £123,000. This takes into account all known information but the position will continue to be monitored.

#### **5.4 Police Allowances**

A saving of £16,000 is anticipated in police allowances mainly as a consequence of a small reduction in housing allowances.

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

Support Staff pay costs are currently in line with the phased budget and it is estimated that they will be £29,000 in excess of budget at the year end due in the main to the pay award being higher than budgeted for.

#### **5.6 Overall Pay Costs**

Overall it is estimated pay costs will be £85,000 in excess of budget.

#### **5.7 Property Costs**

A small saving of £8,000 in Property costs is currently anticipated.

#### **5.8 Supplies and Services**

There are a number of compensating over and underspends projected within Supplies and Services. Overall an overspend of £127,000 is projected due mainly as a result of increased equipment (£22K), maintenance (£22K), audit and legal fees (£22K), police surgeon (£26K) and laboratory (£45K) costs offset in part by net savings of £10K elsewhere within this budget head.

#### **5.9 Transport Costs**

Transport costs are estimated to be £102,000 above budget at the year end due in the main to increased travel and subsistence costs (£33K), car allowances (£35K), insurance premium costs (£16K) and transport hire costs (£18K).

#### **5.10 Income**

Other income is projected to be £382,000 in excess of that budgeted mainly due to charges for policing at events such as T in the Park, increased revenue from the forensic and DNA laboratories and miscellaneous income. In addition income from pension contributions/transfer values received are projected to be £81,000 greater than budgeted for giving a total of £463,000 in excess of budget. It is planned to use this excess income in part to offset the various net overspends in other areas which amount to £306,000.

#### **5.11 Interest on Revenue Balances**

Based on the latest information provided to the Force it is estimated that interest generated on revenue balances will be £240,000 at 31 March, 2002, which is £40,000 more than budgeted for.

## 5.12 Overall Position

The projected net expenditure position at 31 March 2002 excluding the excess interest earned on revenue balances which will be returned to the constituent Councils is that £157,000 will be available to set aside as a working balance. Members will be aware that a bill is currently proceeding through the Scottish Parliament which will enable Boards to carry working balances from this financial year. Of the figure of £157,000 approximately £60,000 will be required in the next financial year to meet the additional costs arising from policing on the extra day's public holiday which is being granted to celebrate the Queen's Golden Jubilee. This leaves a net balance of £97,000 available for a general working balance. It should be noted however that this outcome is based on current information known. The position could change as a consequence of operational exigencies or unforeseen pension costs and the position will continue to be monitored.

Detailed below is the summarised position regarding under and overspends and further information relating to virement proposals is provided in Appendix B to this report:

|                                                     | £000         |
|-----------------------------------------------------|--------------|
| Projected Overspends                                |              |
| (a) Overall Pay Costs (see paragraph 5.6)           | 85           |
| (b) Supplies and Services (see paragraph 5.8)       | 127          |
| (c) Transport Costs (see paragraph 5.9)             | 102          |
|                                                     | <b>314</b>   |
| to be met from viring from the following:           |              |
| (d) Property Costs (see paragraph 5.7)              | (8)          |
| (e) Income (see paragraph 5.10)                     | (463)        |
| Sub Total                                           | <b>(471)</b> |
| Projected Working Balance                           | (157)        |
| Additional costs relating to Queen's Golden Jubilee | 60           |
| <b>Net Projected Working Balance</b>                | <b>(97)</b>  |

## 5.13 Wholly Funded By The Scottish Executive

The foregoing estimates include provision for expenditure which will be wholly funded by the Scottish Executive. Specifically this relates to funding for additional officers (£612K) and additional DNA funding (£105k).

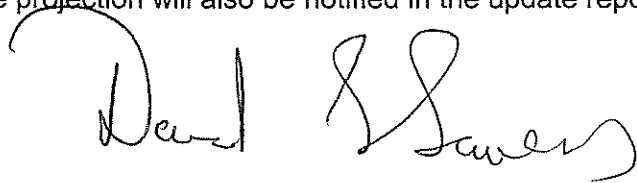
6. **CONCLUSION**

Overall the net expenditure incurred by the Force over the seven month period is satisfactory. Close monitoring of the expenditure and income position will continue throughout the year to ensure the most advantageous financial position for the Board is achieved at year end and a further report will be submitted to the Finance Sub-Committee in due course. This report will update the Board on the passage of the Bill going through the Scottish Parliament which will enable Board's to carry forward working balances. The current projected working balance is based on information known at the time and is subject to change as a consequence of operational exigencies or unforeseen pension costs. The position will continue to be closely monitored and any change to the projection will also be notified in the update report.



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13 December, 2001

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

**TAYSIDE POLICE - 2001/02 REVENUE MONITORING**

Based on October Month 07 Expenditure

|                                          | (1)    | (2)                                           | (3)                      | (4)                                            | (5)                                               | (6)                               | (7)               | (8)                                 |
|------------------------------------------|--------|-----------------------------------------------|--------------------------|------------------------------------------------|---------------------------------------------------|-----------------------------------|-------------------|-------------------------------------|
|                                          | £000   | Approved Virement for 07 Months to 30/10/2001 | Revised Budget 2001/2002 | Profiled Budget Exp for 7 months to 30/10/2001 | Actual Net Expenditure for 7 months to 30/10/2001 | Column(5) as a %age of Column (4) | Projected Outturn | Outturn Variance Col(7) less Col(1) |
|                                          | £000   | £000                                          | £000                     | £000                                           | £000                                              | £000                              | £000              | £000                                |
| <b>EXPENDITURE</b>                       |        |                                               |                          |                                                |                                                   |                                   |                   |                                     |
| Staff Costs                              |        |                                               |                          |                                                |                                                   |                                   |                   |                                     |
| Total Police Pay(incl NI, O/T & Mut.Aid) | 34664  |                                               | 34,664                   | 20,014                                         | 19,749                                            | 99                                | 34,500            | -164                                |
| Total Pensions                           | 12775  |                                               | 12,775                   | 7,452                                          | 8,150                                             | 109                               | 13,011            | 236                                 |
| Total Allowances                         | 2871   |                                               | 2,871                    | 1,674                                          | 1,640                                             | 98                                | 2,855             | -16                                 |
| Total Support Staff Costs                | 10395  |                                               | 10,395                   | 6,001                                          | 5,981                                             | 100                               | 10,424            | 29                                  |
| Total Staff Costs                        | 60,705 |                                               | 60,705                   | 35,141                                         | 35,520                                            | 101                               | 60,790            | 85                                  |
| Property Costs                           | 2263   |                                               | 2,263                    | 1,579                                          | 1,448                                             | 92                                | 2,255             | -8                                  |
| Supplies & Services                      | 3581   |                                               | 3,581                    | 2,049                                          | 2,038                                             | 99                                | 3,708             | 127                                 |
| Transport Costs                          | 1397   |                                               | 1,397                    | 868                                            | 899                                               | 104                               | 1,499             | 102                                 |
| Third Party Payments                     | 8      |                                               | 8                        | 0                                              | 1                                                 | 1                                 | 8                 | 0                                   |
| Third Party Payments (NGE)               | 1258   |                                               | 1,258                    | 734                                            | 615                                               | 84                                | 1,258             | 0                                   |
| Support Services                         | 125    |                                               | 125                      | 14                                             | 24                                                | 171                               | 125               | 0                                   |
| Capital Financing Costs                  | 1445   |                                               | 1,445                    | 0                                              | 0                                                 | 0                                 | 1,445             | 0                                   |
| Capital Financed From                    |        |                                               |                          |                                                |                                                   |                                   |                   |                                     |
| Current Revenue                          | 150    |                                               | 150                      | 76                                             | 11                                                | 15                                | 150               | 0                                   |
| <b>Total Expenditure</b>                 | 70,932 | 0                                             | 70,932                   | 40,461                                         | 40,556                                            | 100                               | 71,238            | 306                                 |
| <b>INCOME</b>                            |        |                                               |                          |                                                |                                                   |                                   |                   |                                     |

|                                          |               |               |               |            |               |             |
|------------------------------------------|---------------|---------------|---------------|------------|---------------|-------------|
| Other Income (excluding IORB)            | 2530          | 1,476         | 1,305         | 88         | 2,912         | 382         |
| Pension Contributions                    | 3382          | 1,973         | 2,028         | 103        | 3,463         | 81          |
| <b>Total Income</b>                      | 5,912         | 3,449         | 3,333         | 97         | 6,375         | 463         |
| <b>NET EXPENDITURE<br/>(before IORB)</b> | <b>65,020</b> | <b>37,012</b> | <b>37,223</b> | <b>4</b>   | <b>64,863</b> | <b>-157</b> |
| Interest on Revenue Balances (IORB)      | 200           | 0             | 0             |            | 240           | -40         |
| Excess IORB to be returned to Councils   |               |               |               |            | -40           | 40          |
| <b>NET EXPENDITURE</b>                   | <b>64,820</b> | <b>37,012</b> | <b>37,223</b> | <b>101</b> | <b>64,663</b> | <b>-157</b> |

**APPENDIX B TO REPORT NO. PB 56/2001**

**SCHEDULE OF VIREMENTS**

|                |                                                                                                                                                                                                                                                         | <b>Increase/(Decrease)<br/>In 2001/2002<br/>Revenue Budget<br/>£000</b> |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>DETAILS</b> |                                                                                                                                                                                                                                                         |                                                                         |
| <b>1.</b>      | <b>Police Pay Costs</b><br>Projected underspend in Police Pay costs of £164K as a consequence of Mutual Aid income of £300K plus underspends in police pays (£224K) and national insurance costs (£51K) partly reduced by overspend in overtime (£411K) | (164)                                                                   |
| <b>2.</b>      | <b>Police Pension Costs</b><br>Projected overspend due to higher than estimated commutation costs of (£346K) plus transfer values paid (£13K) less savings on other pension costs (£123K)                                                               | 236                                                                     |
| <b>3.</b>      | <b>Police Allowances</b><br>Savings due in the main to reducing housing allowances                                                                                                                                                                      | (16)                                                                    |
| <b>4.</b>      | <b>Support Staff Pays</b><br>Small projected overspend due in the main to pay award higher than budgeted for                                                                                                                                            | 29                                                                      |
| <b>5.</b>      | <b>Property Costs</b><br>Projected small underspend in property costs                                                                                                                                                                                   | (8)                                                                     |
| <b>6.</b>      | <b>Supplies and Services</b><br>Projected overspend mainly due to increased equipment, maintenance, audit and legal, police surgeon and laboratory costs                                                                                                | 127                                                                     |
| <b>7.</b>      | <b>Transport Costs</b><br>Projected overspend due to increased insurance premium costs (£16K), transport hire (£18K), travel and subsistence costs (£33K) and car allowances (£35K)                                                                     | 102                                                                     |
| <b>8.</b>      | <b>Income</b><br>Excess income projected to be generated mainly from charges for policing events and other miscellaneous income (£382K) and increased pension contributions (£81K)                                                                      | (463)                                                                   |
| <b>9.</b>      | <b>Projected Working Balance</b><br>Net effect of virement adjustments                                                                                                                                                                                  | (157)                                                                   |