

Devon and Cornwall Police Authority Resources Committee**13 September 2007**

Open for the Purposes of FOI

Report of the Director of Finance and Resources

Financial Monitoring**Recommendations:**

- (i) That the latest financial projections for 2007/08 be noted;**
- (ii) That members authorise the use of the Budget Management Fund up to £1.801m, subject to the overall outturn position for 2007-08.**

Revenue Budget (Appendices 1a and b)

1. The latest financial monitoring information suggests that a small revenue overspend could occur in 2007-08. Detailed analysis indicates that the budget could overspend by £99k as set out in Appendix 1a.
2. This forecast includes provision for a 1st September 2007 pay award of 2.6%. The budget was based on a 2.2% pay award and the additional cost of the increased provision equates to £500k in 2007-08. Pay negotiations have broken down after the staff side rejected an offer of just over 2.3%. Members should be aware that this year's pay settlement will have significant implications for future budgets as the pay award is likely to exceed national and local budgetary provision.
3. The outturn forecast also assumes that:-
 - the additional costs of the Police Staff Handbook will match the £1.6m budgetary provision;
 - Overtime savings of £600k will be absorbed;
 - Major Operations will be managed within the budget of £1.413m
4. The effective management of the 2006-07 revenue budget enabled members to set-aside £1.801m in the Budget Management Fund at the end of the 2006-07 financial year. The purpose of the fund is to allow devolved budget savings to be carried forward, unpaid commitments made in 2006-07 to be funded and also to pay for one-off items of expenditure. Members are requested to budget for the full use of the fund in 2007-08 in order to assist the Force to progress key organisational and performance requirements as summarised below:--

• Health and Safety issues	£325k
• 2006-07 Commitments	£554k
• 2006-07 Devolved c/fwds	£190k
• Force Development Programme c/fwd	£374k
• Regional Shared Services contribution	£163k
• Long-term improvement Initiatives	£195k

The required call on the Budget Management Fund will be monitored closely and should a positive revenue outturn position be produced then the call on the fund will be reduced.

Capital Programme (Appendix 2)

5. Progress with the capital programme is set out at Appendix 2. Capital spending is anticipated to be in the region of £16m. This assumes that the proposed PC desktop replacement programme is brought forward and delivered in 2007-08 rather than spread over three years, and that Bodmin expenditure is delayed to 2008-09. See separate reports included on the agenda.

6. In overall terms, the revised programme, subject to member agreement, is in line with the Medium-Term Financial Strategy. That said the overall forecast spend appears optimistic and it is more than likely that some technical and logistical problems will create delays. Professional judgement suggests that financial slippage should be anticipated with expenditure nearer to £13m than £16m more likely.

Contact: for information

Name Colin Papworth

E-mail colin.papworth@devonandcornwall.pnn.police.uk

Tel 01392 452665

Sponsor

Colin Papworth