

Devon and Cornwall Police Authority Resources Committee

22 November 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 the planned budget saving of £150k for communications be reduced to £50k in order to progress external and internal communication arrangements to help deliver the organisational change programme in 2007-08;**
- (iii) That members note the level of savings being made and that the call on the Budget Management Fund is likely to be less than the authorised level.**

Revenue Budget (Appendices 1a and 1b)

1. Cost pressures continue in particular unplanned urgent requirements and the pay award. The previous forecast assumed that a 2.6% pay award would apply from 1st September 2007. However, latest opinion suggests that the pay award could be agreed at 2.45% for 1st September 2007 and also 1st September 2008. The pay award mediation meeting was held on 7th November and the mediator is required to announce the outcome by no later than 5th December. The final decision rests with the Home Secretary.
2. Details of the financial position are set out in the attached Appendices. The revenue account is under control with the Force currently exceeding the net savings target. This is helpful given the significant level of savings required next year.
3. The balanced budget position includes:-
 - Overtime reduction targets are being met, the decrease over 2006-07 cost is forecast to be £685k by the end of the year (see Appendix 1b);
 - Major Operations continue to be managed within budget (on track but a potential challenge);
 - Special Priority Payments being capped to the £1.591m direct grant, a saving of £672k in 2007-08 and subsequent years;
 - Additional net interest receipts;

- It is suggested that £100k be earmarked for additional communication strategy costs in 2007-08 to support the delivery of the change programme. The budget supports a planned saving of £150k for communications and it is recommended that the requirement is reduced to £50k.
- Police Authority approval to use up to £1.801m of the Budget Management Fund to pay for one-off requirements. The latest position suggests that the call on this fund could reduce to £1.173m, a reduction of £628k

Capital Programme

4. Details of the capital programme for 2007-08 are set out at Appendix 2. There are no new issues to report. Spend is geared to the 2nd half of the year and will require tight project management to deliver within required timescales.
5. The vehicle replacement programme is under critical review. Only essential replacement will be progressed pending the ongoing review of the whole fleet. Therefore a managed underspend is planned.
6. The deposit for the new Helicopter has been paid in Euros and a saving against the budget has been achieved. The deposit for the equipment is due in December. This was budgeted to be 30% of the equipment cost, this has increased to a 50% deposit. As a consequence, Helicopter expenditure in 2007-08 will be £150k higher than budgeted, however the total cost of replacement is expected to be less than the total provision within the Medium-term Financial Strategy, subject to currency fluctuations.

Staffing Levels

7. Current staffing levels are set out at Appendices 3 and 4.

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