

Devon and Cornwall Police Authority Resources Committee

14 June 2005

Open for the purposes of FOI

Joint Report of the Chief Constable and Treasurer

Provisional Outturn 2004-05

Recommendation:

That the Resources Committee considers the provisional outturn position and advises as appropriate on any issues raised in the report, with a view to the final outturn report being presented to the Police Authority in July.

Introduction

1. This report provides details of the provisional revenue and capital outturn position for 2004-05. The final outturn position will be presented to the Police Authority meeting in July for approval, with recommendations to be made for financing of expenditure and any changes to balances, reserves and provisions. Members are asked to consider the provisional outturn position and advise as appropriate on any issues raised in the report.
2. For note, the provisional outturn is being presented to this committee two weeks earlier than last year. This is in line with the statutory requirement to bring forward reporting deadlines, for which the Authority is on course.

Revenue Spending

3. The provisional outturn records an underspend of £12,000 after taking into account budget management carry forwards and commitments. This is an excellent achievement, given the many challenges faced by the Force throughout the year. The devolved budget performance in particular is notable, with each of the BCUs recording small variations against budget and departmental budgets delivering savings in year.
4. The figures as presented are in line with previous forecasts presented to this committee, with the proviso that some of the departmental carry forwards are a little higher than anticipated. Final spending on major operations is £2.848 million, an overspend of £1.135 million over budget. This budget line continues to be under pressure during 2005-06 and will once again be monitored closely on an ongoing basis.
5. In the main, this overspend has been managed corporately and offset by a corresponding underspend of £1.325 million against corporate programmes and projects.

6. The spending figures include a charge to the insurance provision of £255,000. The revised provision will cover the full extent of estimated liabilities as at the 31 March 2005. This will be subject to further review in July 2005 to assess the liabilities of the fund on an actuarial basis.
7. The provisional outturn highlights changes that have arisen since the last monitoring report.
 - Net police officer pension costs show an underspend against budget as a result of the level of transfer values received.
 - The Pension Reserve will need to be adjusted to reflect the outstanding liability on commutations as at the 31 March 2005
 - The government has confirmed recently that the Authority will receive its share of the Proceeds of Crime Act for the financial year 2004-05.

It is proposed that appropriate amounts are transferred to the Service Commitment Reserve to account for these changes and this has been reflected in the provisional outturn for completeness.

8. A break down of revenue spending is shown in Appendix 1(a), with a detailed analysis of spending on overtime and programmes shown in appendices 1(b) and 1(c). Performance against the HMIC overtime reduction target has been good and for the year ending 31 March 2005, the Authority has exceeded the 15% reduction target by 19.6%. The Authority is well on course to achieve the cumulative reduction target by 31 March 2006.

Capital Spending

9. The provisional capital outturn for the year records spending of £8.5 million against a revised programme of £10.410 million. The revised programme was presented to the Police Authority in February as part of the 2005-06 budget proposals. Final spending is generally in line with the revised programme, although there is some slippage, mainly on Airwave. In effect, this is a timing issue. The Airwave roll out and implementation is going well and the spending should catch up during the early months of this financial year. A break down of spending by scheme is shown in Appendix 2.
10. The original programme for 2004-05 was adjusted during the year to reflect a more realistic assessment of spending levels. The Police Authority has already approved the programme for 2005-06. The Force is reviewing the capital programme for the current year onwards and will submit the programme that is thought to be deliverable in 2005-06 to the next meeting of the Resources Committee.

Police Officer Recruitment

11. The Authority had 3,386 officers in place at the end of March 2005. This is seven officers above the original target for the year, but a little lower than the revised target of 3,400, due to wastage over the last few months of the year being higher than expected.

Conclusion

12. The Force has faced many challenges throughout 2004-05, not least the unprecedented pressure on the major operations budget. Despite this, the provisional outturn has been contained within budget and represents an excellent achievement by all involved. Some improvement needs to be made in project planning and delivery. The work being progressed in this area must ensure that future results are more aligned to expectation and that real business benefits are delivered.

Contacts:

Colin Papworth, Head of Finance
colin.papworth@devonandcornwall.pnn.police.uk
01392 452665

Stephen Mellor, Police Authority Finance Manager
stephen.mellor@devonandcornwall.pnn.police.uk
01392 268314