

FORCE STRATEGIC BOARD

22nd September 2005

(FIO – no issues- open item)

FINANCE REPORT

STRATEGIC ISSUE FOR CONSIDERATION

Resource Management

SUMMARY OF PURPOSE AND MAIN ISSUES

- Budget Monitoring 2005-06;
- Police Officer Recruitment Plan for 2005-06;
- Corporate Assessment Framework 2006-07;
- FIMS Payroll update.

Budget Monitoring 2005-06

Revenue (Appendix 1)

The latest revenue forecast suggests that revenue spend is within budget and an overall underspend of £544k is currently anticipated this year. However, this position is distorted by an underspend of £744k in respect of the Force programme and the requirement for the money to be carried forward to 2006-07. Therefore, the underlying position is slightly over budget and continued financial constraint is necessary to avoid a corporate overspend.

The latest spend projection for the Force programme is at risk of being overstated as the forecast assumes significant spend in relation to IP2 and Impact (Bichard). The combined budget for these projects is £1.25m and the ability to progress these is by no means certain. The programme underspend forecast has increased since the last report. The reason is that project timescales for the 2nd computer room and Plymouth co-location partnership initiative have been put back and most of the expenditure will now be delayed to 2006-07.

The major operations contingency continues to be under pressure but is not out of line with the profiled budget. As with previous year's, this budget poses the greatest financial risk as operational demand is not within our control. The annual budget is £1.634m of which £734k has been spent. However, approvals currently total £1.455m. National operations such as the G8 Summit and the cost of inquests have also been set against the major operations budget. The current forecast assumes that these will be cost neutral however, a positive net contribution may result.

Capital (Appendix 2)

In overall terms, the capital programme is behind schedule. The revised budget is £11.4 of which £1.4m has been spent. Some schemes are on site and these include for example Launceston Custody and Air Support and these will be completed in this financial year. Other schemes such as Brixham and Totnes are at pre-tender stage and unless there are complications, both schemes should be well advanced by the end of the financial year. The Operational Estates Strategy is not yet at a point where significant progress in this financial year can be guaranteed. The vehicle replacement programme is also behind schedule and an underspend is forecast.

It is recommended that the capital programmed is critically reviewed, resized based on tangible delivery plans and a revised programme is submitted to the next meeting.

Police Officer Recruitment Plan (Appendix 3)

The probationer recruitment has been increased to 219 for this financial year with the aim to achieve the 3,500 police officer target by 31st March 2006. The delivery of the target is dependent on the level of wastage for this year. Should wastage increase over the projected level it will be extremely difficult to match the 3,500 target. However, if recruitment remains on target, the Force should be very close to the 3,500 police officer strength by the start of April 2006.

Corporate Assessment Framework 2006-07

Commanders / Heads of Department have responded positively to the challenge of delivering savings to balance next year's budget. A team approach has been adopted and corporate proposals will be presented to the Performance Monitoring Board on 4th October. Commanders / Heads of Departments are required to deliver the required savings after taking into full account any new potential service demands and related costs for next year as these will need to be absorbed within devolved base budgets.

FIMS Payroll update (Corporate Risk)

The FIMS Project Board met on 19th September. The payroll position and plan is as follows:-

- September parallel run completed as planned. A few configuration issues to address and work well advanced to resolve these. Key issue to resolve relates to sickness. Solution proposed but requires testing.
- Second parallel run planned for October. This will test end-to-end processes from HR to payroll to payment to financial system. Part-time HR team to be established at the centre. Team to be made up of BCU / HQ personnel administrators. System and process testing, issues identified and resolved.
- Third parallel run planned for November. Repeat exercise and fine tune.
- Subject to quality assurance review, the December payroll could be the opportunity to go-live. If there are further issues to resolve then we will delay to January 2006.

Summary

Excellent progress has been made. A lot of work is still required. We are now entering the phase where the emphasis is shifting toward how we use the system rather than system set-up albeit that there are some system issues to resolve. Clearly there are still risks however the risk has reduced significantly.

IMPLICATIONS (All template headings covered implicitly and the report fully supports the Engagement Circle values.)

CONSULTATION – Commanders via their representatives.

RECOMMENDATIONS

It is recommended that:-

- 1 The overall revenue position be noted;
- 2 The capital programmed is critically reviewed, resized based on tangible delivery plans and a revised programme is submitted to the next meeting;
- 3 Commanders / Heads of Department deliver the required savings for 2006-07 after taking into full account any new potential service demands and related costs for next year as these will need to be absorbed within devolved base budgets.
- 4 Progress with Police Officer strength is noted;
- 5 Progress with the FIMS payroll implementation is noted.

DECISIONS REQUIRED TO BE TAKEN

The Force Strategic Board note the implications of this paper and approve the recommendations.

Colin Papworth
Head of Finance
20th September 2005