

Devon and Cornwall Police Authority Resources Committee
29th June 2006
Open for FIO
Joint Report of the Treasurer and the Head of Finance

BUDGET MONITORING 2006-07

Recommendations:

- (i) Resources Committee to note the revenue and capital position at the start of the 2006-07 financial year.**
- (ii) That the Resources Committee approves the virements set out in paragraphs 3 and 6 of the report.**
- (iii) Resources Committee to note the progress with the Use of Resources Assessment with a detailed report to be presented to the July meeting of the Committee.**

Introduction

1. This report sets out the first financial monitoring forecast for the financial year 2006/07. A full detailed financial monitoring report based on the first quarter's spend will be presented to the July meeting of the Resources Committee.

Revenue Forecast

2. The overall position suggests that the budget is fully committed however under control. Robust financial management will be required to maintain this position throughout the financial year.
3. Additional costs have arisen since the budget was agreed. The Authority has been advised that its counter-terrorism grant will be £70k lower than the amount built into the budget. In addition, training grant is lower by £243k however, a business case will be presented to the Home Office by 30th June to attempt to secure additional grant. Fortunately, these cost increases can be met by the reduction in business rate costs currently forecast to be just over £300k for 2006-07. Members are requested to agree virements for these changes.
4. The 2006/07 budget included a further £500k for the full year downstream costs of the extra 100 police officers recruited in 2005/06, including the 80 extra detectives. This budget has been prioritised to support the additional detective activity and associated costs.

5. As a result of additional savings being identified, the approved budget also provides £1.038m available for Corporate Assessment Framework (CAF) priorities.
6. The use of the CAF budget has been considered and prioritised subject to ongoing review. The allocation of these budgets will require formal virements to be approved and these are set out below:-

Force Training Programme	£411k	Capability / Performance uplift
Oracle Licences	£141k	Business Continuity
Digital Microwave Network	£300k	Business Continuity
Criminal Justice Extranet (CJX)	£150k	Business Continuity
Remote Access to Force Network	£36k	Business Continuity

Total **£1,038k**

Capital / Project Forecast

7. In accordance with the Police Authority budget resolution, a detailed appraisal is being undertaken to assess the overall delivery of the approved capital programme and proposed projects. The completed assessment will be presented to the July meeting of the Resources Committee.
8. Early indications suggest that the level of capital spend is unlikely to reach the budgeted figure as complications with the larger schemes have arisen. Full details will be presented to the July meeting.

HMIC Baseline Assessment – Use of Resources

9. The HMIC Baseline Assessment now includes an Audit Commission opinion on how the Police Authority / Force uses its resources. The Audit Commission has audited the evidence-based self-assessment and their formal report is due at the end of June 2006. Informal feedback suggests that good practice has been identified, but as ever, there are further opportunities to improve our overall use of resources. Preliminary work has been completed to recommend good management practice to improve our overall effective use of resources. This work will be reconciled to the recommendations set out in the Audit Commission Report with details reported to the July Resources Committee.
10. Members should be aware of the need to produce well-documented evidence to support working practice in order to achieve a good assessment irrespective of achievements.

Conclusion

The revenue budget is fully committed and balanced. Complications with the capital programme may result in the later delivery of schemes and this position is being assessed. Full details will be presented to the July Resources Committee.

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