

## **2005/06 REVENUE AND CAPITAL MONITORING**

### **INTRODUCTION**

1. This report has been prepared in a new format to present Members with the position of the approved Revenue and Capital budgets as at 31 July 2005.
2. The variances reported are based on section 3 of the Police Authority's Financial Regulations which state "The Chief Constable shall ensure, so far as practicable, that expenditure in excess of the approved estimates is not incurred without prior approval. The Chief Constable shall, as soon as practicable, prepare a written report to the Police Authority concerning any anticipated or actual overspend of:
  - (i) a revenue budget of more than 5% or £100,000 whichever is the lower
  - (ii) a capital scheme budget by more than 5%

except overspendings of less than £10,000. Such reports should give explanations of the overspendings and should make proposals for funding the overspending."

### **INFORMATION**

3. A Devolved Budget is under the control of Divisional Commanders/Branch Managers who have authority to implement virements up to a £100k limit without further approval. Devolved Budgets make up 72% of the Approved Revenue Budget.

A Protected Budget is under the control of Strategy Team and managed by a Branch Manager. These budgets are allocated for a specific reason and require Strategy Team approval for virements. Examples of protected budgets are Police Pensions, Uniform, DNA testing and the Major Incident fund. Protected Budgets make up 28% of the Approved Revenue Budget.

Externally Funded Projects are controlled in accordance with the Granting Authorities conditions of grant. Any funding shortfall on spending not covered by the Grant will be met from the Divisional or Branch devolved budget.

4. The table attached at Appendix A reflects the total revenue position of the force as at 31 July 2005 which is an underspend of £3.321m which equates to 9.9%.

The Glossary of Terms provides information on the types of expenditure covered by the individual headings.

5. Appendix B reflects the overall force revenue position but this format provides members with a breakdown of budgets, actuals and variances by each division and branch within the category of Devolved, Protected and Externally Funded Budgets. The position at 31 July 2005 is Devolved underspend of £1.143m or 3.1%, Protected underspend £2.209m or 75.2% and Externally funded overspend £0.031m or 7.9%.
6. The relevant budget holders (Divisional Commanders / Branch Managers) have provided within Appendix C the explanations for the budget variances as defined in paragraph 2, as shown within Appendix B.

### **CAPITAL MONITORING**

7. The Capital Budget funds the replacement of Police Vehicles, IT equipment, Building Improvements and the Local Policing Team Building programme.

The position at the 31 July 2005 is an underspend of £0.76m or 18%.

Attached at appendix D is the summarised 2005/06 capital report for the period 1 April 2005 to 31 July 2005 .

8. Appendix E provides details of the named budget holders.

### **RECOMMENDED**

9. It is recommended that Members examine the information contained within this report and determine whether the explanations and proposals provided by Divisional Commanders and Branch Managers are satisfactory and in accordance with Force Financial Regulations.

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**Chief Constable**

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**Background Papers: Internal Report August 2005** **from Divisional**  
**Commanders/ Branch Managers**

## **GLOSSARY OF TERMS**

### **APPENDIX A**

#### **Expenditure Detail**

(a) **Expenditure Heading**

Police Pay	Police Officers pay, overtime, National Insurance, Compensatory Grant
Support Staff	Support Staff pay, superannuation, National Insurance and overtime
Pensions	Cost of Police Officers pension, lump sum, death in service grants and ill health retirements
Other Employee Costs	Cost of Training
Premises	Maintenance costs, energy cost, rent and rates, cleaning, premise insurance
Transport	Cost of maintaining and running the vehicle fleet and the Air Support Unit
Supplies and Services	Covers numerous headings including Office Equipment, Computers, Photographic and Scientific, Telephones, Development fund, Printing and Stationery, Subsistence, Postage, Informants etc.
Forensic Science & Pathology	Cost of Forensic Science and Forensic Pathology Services
Other Services	Cost of DNA database, PNC charges, Internal Audit fees, External Audit fees, NAFIS etc.
Special Constables	Special Constables Allowances, uniforms, loss of wages, Travel and Subsistence
Capital Charges	Cost of depreciation plus notional interest charges as defined within Accounting regulations
Contingency Provision	Provision of annual Police Officer and Support Staff pay awards

(b) <b><u>Income Heading</u></b>	<b><u>Expenditure Detail</u></b>
Sales	Income from sale of vehicles/property and clothing
Fees and Charges	Income from Accident Reports, Dogs Act, Traffic Wardens Recharge, Mutual Aid etc.
Pensions	Police Officers contributions and Transfer Values In
Other	Prosecution Income and Special Grants
Interest on Revenue Balances	Interest earned in accordance with the Authorities Treasury Management Policy Statement
(c) <b><u>Technical Accounting</u></b>	
Asset Management Revenue A/C	Accounting entries to ensure the cost of capital has a neutral impact on the amounts to be raised from local taxation
Financing Capital Expenditure	Revenue funding of capital and provision for external loans
From Previous Years Specific reserves	Approved carry forward from previous financial year