

Report to: Police Authority
Agenda item: 5
Date: 21 January 2010
Subject: BTPA Budget Proposals 2010/11
Sponsor: Chief Executive
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For: Decision

1. Purpose of paper

- 1.1 This paper details the current financial position and sets out the budget proposals for the Police Authority budget in 2010/11. Members are invited to note the current forecast and agree an Authority budget for 2010/11.

2. The Current Position

- 2.1 The current forecast is for an overspend of £607k on a budget of £1.9m. There has been considerable movement from the original budget but the overspend can be accounted for by the additional costs incurred as a result of the Judicial Review Project. A summary of the forecast year end position is presented at Appendix A but the headlines are below.
- 2.2 The major overspends are in:
 - Project Consultancy Costs forecast at £525k. These are split between staff costs and consultancy costs in the table at Appendix A.
 - Secretariat Staffing at £144k.

These are both areas where the spends will not be repeated in 2010/11.

- 2.3 The Member costs are shown as overspent as the majority of the expense budget was put into the travel and hotel costs section but was paid under expenses. This has been rectified for 2010/11 with the budget appearing back under expenses to reflect its treatment by payroll.
- 2.4 Independent custody visiting has come in under budget as a new contract was negotiated in which the Authority pays a lower fee for missed visits.

- 2.5 As mentioned above, the significant overspend in general consultancy was the result of the response to the Judicial Review and the project management of this. This cost will not continue in 2010/11.
- 2.6 The stakeholder consultation budget was not used in 2009/10 as the majority of consultation was undertaken by post or Member visits. A budget has been included in 2010/11 as it is an important function of the Authority. This also accounts for the small overspend in postage, printing and stationery.
- 2.7 Legal fees are forecast to be overspent by £51.5k. At the time of budgeting in 2008/9 it was noted that this was high risk area due to the legal challenge that could be faced relating to the charging mechanism. An increase in the legal fees budget has been budgeted in the 2010/11 budget.
- 2.8 Police appeal tribunals came in under budget as a lower number than anticipated were requested in 2009/10, and two were withdrawn before they reached a hearing.
- 2.9 There was a saving in subscriptions and publications as the Policing Plan and Annual Report are now predominantly published as PDF documents.
- 2.10 HMIC have indicated that their costs should come in at £47k this is against a budget of £82k which was based on the previous year's spend.
- 2.11 The NAO cost for 2009/10 has been increased by £20k due to the additional work carried out as a result of the charging situation.
- 2.12 Recruitment costs are £31k over budget due to the recruitment of a new Chief Executive occurring in 2009/10 which had not been budgeted for.

3. Proposed Budget for 2010/11

- 3.1 The budget proposals have been developed using the forecast outturn for 2009/10, minus the JR specific costs, plus inflation at 1%.
- 3.2 There are two proposals at Appendices B and C these are for 1.3% and 0% increases respectively. The only variation between the proposals is that the 1.3% budget has a higher legal fees allocation. Legal fees remain a high risk area due to the potential legal challenge around charging, and as such it is considered prudent to use the savings in other areas to strengthen this area.
- 3.3 Variations from the general approach of outturn plus 1% include:
 - Independent Custody Visiting has increased as the Wembley custody facility is due to open in February and

will require weekly visits. The London North 20 cell facility is also due to open in June 2010 and will also require weekly visits.

- Premises and Office Costs have reduced against forecast as the BTPA meeting room is now available again.
- Stakeholder consultation in a formal workshop style did not take place in 2009/10. However, stakeholder engagements is an integral area for the Authority and as such the budget in this area has been retained.
- The appeal budget has been reduced following the forecast outturn. The 2008 regulations also mean that full hearings are not a given.
- The subscriptions budget has been reduced against forecast outturn, as the bodies that the Authority was subscribing to have been reviewed and reduced. The Policing Plan and Annual Report are now also largely published in PDF form rather than print.
- External audit costs are expected to be £120k for 2010/11.

4. Recommendations

4.1 That Members note the forecast position.

4.2 That Members set a budget for 2010/11 based on option B or C.

Appendix A – 2009/10 Full Year Forecast

	Gross Budget 2009/10	Full Year Forecast 2009/10	Variance Better/worse than budget
	£'000	£'000	£'000
<u>Staff costs inc. expenses</u>			
Staff	558.0	807.8	-249.8
Members	267.1	289.4	-22.3
Total staff costs	825.1	1,097.1	-272.1
<u>Non staff costs</u>			
Travel and Hotel costs	60.7	8.5	52.2
Premises and Office Costs	121.7	123.2	-1.5
Telephones	5.2	5.2	0
Consultants & Consultation			
<i>Independent Custody Visiting</i>	<i>26.4</i>	<i>22.0</i>	<i>4.4</i>
<i>General Consultancy</i>	<i>84.6</i>	<i>481.3</i>	<i>-396.7</i>
<i>Stakeholder Consultation</i>	<i>29.0</i>	<i>0.0</i>	<i>29.0</i>
Total Consultants and Consultation	139.9	503.3	-363.3
Legal Fees	284.7	336.2	-51.5
Police Appeals	28.0	8.9	19.1
Subscriptions and Publications	85.3	53.3	32.0
Supplies & Services			
<i>General (inc. conferences, catering, vending machines)</i>	<i>11.1</i>	<i>14.4</i>	<i>-3.3</i>
<i>HMIC Inspections</i>	<i>82.0</i>	<i>47.0</i>	<i>35.0</i>
<i>External Audit</i>	<i>120.0</i>	<i>140.0</i>	<i>-20.0</i>
<i>Internal Audit</i>	<i>90.4</i>	<i>90.4</i>	<i>0</i>
Total Supplies and Services	303.5	291.8	11.7
Postage, Printing & Stationery	18.1	19.4	-1.6
Recruitment	46.5	78.3	-31.8
Total non staff costs	1,093.5	1,428.0	-334.5
GRAND TOTAL	1,918.5	2,525.2	-606.7

Appendix B – 2010/11 Budget Proposal 1.3% increase on 2009/10

	Forecast Outturn for 2009/10	Proposed Gross 2010/11 Budget	Variance against 2009/10 forecast
	£'000	£'000	£'000
<u>Staff costs inc. expenses</u>			
Staff	807.8	656.2	-151.5
Members	289.4	297.5	8.2
Total staff costs	1,097.1	953.7	-143.4
<u>Non staff costs</u>			
Travel and Hotel costs	8.5	6.9	-1.6
Premises and Office Costs	123.2	112.3	-10.9
Telephones	5.2	5.2	0.05
Consultants & Consultation			
<i>Independent Custody Visiting</i>	<i>22.0</i>	<i>37.6</i>	<i>15.5</i>
<i>General Consultancy</i>	<i>481.3</i>	<i>42.8</i>	<i>-438.5</i>
<i>Stakeholder Consultation</i>	<i>0.0</i>	<i>21.6</i>	<i>21.6</i>
Total Consultants and Consultation	503.3	101.9	-401.3
Legal Fees	336.2	367.8	31.6
Appeals	8.9	16.8	7.9
Subscriptions and Publications	53.3	50.7	-2.7
Supplies & Services			
<i>General (inc. conferences, catering, vending machines)</i>	<i>14.4</i>	<i>13.9</i>	<i>-0.5</i>
<i>HMIC Inspections</i>	<i>47.0</i>	<i>47.5</i>	<i>0.4</i>
<i>External Audit</i>	<i>140.0</i>	<i>120.0</i>	<i>-20.0</i>
<i>Internal Audit</i>	<i>90.4</i>	<i>91.3</i>	<i>0.9</i>
Total Supplies and Services	291.8	272.7	-19.1
Postage, Printing & Stationery	19.4	15.5	-3.8
Recruitment	78.3	40.0	-38.3
Total non staff costs	1,428.0	989.8	-438.3
GRAND TOTAL	2,525.2	1,943.5	-581.7

Appendix C - 2010/11 Budget Proposal 0% increase on 2009/10

	Forecast Outturn for 2009/10	Proposed Gross 2010/11 Budget	Variance against 2009/10 forecast
	£'000	£'000	£'000
<u>Staff costs inc. expenses</u>			
Staff	807.8	656.2	-151.5
Members	289.4	297.5	8.2
Total staff costs	1,097.1	953.7	-143.4
<u>Non staff costs</u>			
Travel and Hotel costs	8.5	6.9	-1.6
Premises and Office Costs	123.2	112.3	-10.9
Telephones	5.2	5.2	0.05
Consultants & Consultation			
<i>Independent Custody Visiting</i>	<i>22.0</i>	<i>37.6</i>	<i>15.5</i>
<i>General Consultancy</i>	<i>481.3</i>	<i>42.8</i>	<i>-438.5</i>
<i>Stakeholder Consultation</i>	<i>0.0</i>	<i>21.6</i>	<i>21.6</i>
Total Consultants and Consultation	503.3	101.9	-401.3
Legal Fees	336.2	342.8	6.6
Appeals	8.9	16.8	7.9
Subscriptions and Publications	53.3	50.7	-2.7
Supplies & Services			
<i>General (inc. conferences, catering, vending machines)</i>	<i>14.4</i>	<i>13.9</i>	<i>-0.5</i>
<i>HMIC Inspections</i>	<i>47.0</i>	<i>47.5</i>	<i>0.4</i>
<i>External Audit</i>	<i>140.0</i>	<i>120.0</i>	<i>-20.0</i>
<i>Internal Audit</i>	<i>90.4</i>	<i>91.3</i>	<i>0.9</i>
Total Supplies and Services	291.8	272.7	-19.1
Postage, Printing & Stationery	19.4	15.5	-3.8
Recruitment	78.3	40.0	-38.3
Total non staff costs	1,428.0	964.8	-463.3
GRAND TOTAL	2,525.2	1,918.5	-606.7