

**SUSSEX POLICE AUTHORITY – 29 JULY 2010**

**REPORT ON BUDGET MONITORING TO 30 JUNE 2010**

**REPORT BY CHIEF CONSTABLE, TREASURER and CHIEF EXECUTIVE**

**Introduction**

- 1.1 This monitoring report sets out the financial position and forecast revenue and capital outturn as at the end of June.
- 1.2 The report:
  - explains approach taken to meeting in year funding reductions;
  - proposes a new capital budget for 2010-11 based on the approach agreed at SPA meeting on 3 June 2010;
  - compares actual and forecast expenditure together with income against the profile of the planned revenue and capital budgets;
  - details the latest financial position by expenditure type, department and division;
  - gives details of budget transfers, specific grants, reserve movements and debtor performance.

**In Year Funding Reductions**

- 2.1 On 27 May 2010 the government announced immediate reductions to all Police Service Rule 2 grant allocations in 2010-11. Sussex Police Authority's share of this was £2.4m with an additional £0.2m cut to the capital grant. This equates to less than 1% of the Authority's revenue budget for 2010-11.
- 2.2 Chief Officers considered the options for meeting this in year funding reduction during June based on:
  - bringing forward or extending savings plans already identified and agreed as part of the existing Spending Wisely programme of savings for 2010-11; and
  - new savings proposals on discretionary budgets from Divisional and Departmental budget holders
- 2.3 The review of existing Spending Wisely programme identified £0.6m of existing savings that could be brought forward and achieved in full in 2010-11 and a further £0.6m of savings that could be achieved on utilities budgets. This followed a review of utility costs for 2009-10 and continuation of utility contract savings agreed in October 2009.
- 2.4 Chief Officers asked all budget holders to develop and offer up further in year saving proposals to achieve the residual amount required. Saving proposals of over £2.3m were identified by divisions and departments consisting of one off and on-going savings relating to overtime, police officer and staff vacancies, discretionary expenditure such as cleaning,

recruitment, and training. Having considered these proposals, Chief Officers agreed that all the savings were realistic and achievable in year with the exception of police officer posts, where savings are dependant on overall police officer numbers for the Force and cannot be achieved individually by a division or department. These savings accounted for less than £120,000 of saving proposals. Details of the saving proposals are shown at Appendix A.

- 2.5 The total savings identified equal £3.5m providing scope to meet the in year funding reductions in full and create headroom of £1.1m Whilst some of these savings are one off the level of on-going savings exceeds £2.4m and ensures that the Authority can meet the permanent reduction in funding of £2.4m which is assumed in Medium Term Financial Forecasts.
- 2.6 The monitoring position forecast at the end of June takes into account these agreed savings for all budget holders. Budget adjustment will be actioned during July and reflecting in the next monthly budget monitoring report.
- 2.7 The reduction in capital grant of £0.2m has been found from savings in the IS Strategy

### Revenue - Performance Against Budget

- 3.1 At the end of June total net expenditure was less than budget by £0.9m or 1.5%. The latest forecast position for the year is an overspend of £0.2m or 0.1%, after allowing for planned transfers to reserves and an assumed over achievement of savings of £1.1m against the in year funding reductions as set out above. The summary position is set out in the table below and detailed in Appendices B and C to this report.

#### Revenue Performance 2010/11

	As at 30 JUNE 2010				Full Year	
	Budget	Actual	Variance		Annual Budget	Forecast Variance
	£m	£m	£m	%	£m	£m
Force Budget	61.2	60.3	(0.9)	(1.5)	263.7	0.4
Authority Budget	0.4	0.4	-	(7.0)	1.4	-
Financial Provisions	(1.0)	(1.0)	-	(1.6)	(4.4)	-
<b>Gross Position</b>	<b>60.6</b>	<b>59.7</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>260.7</b>	<b>0.4</b>
Reserve Transfers		-	-			(0.2)
<b>Net Position</b>	<b>60.6</b>	<b>59.7</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>260.7</b>	<b>0.2</b>

### Staffing Budgets

- 4.1 As at 30 June 2010, police officer strength was 3,189, which is 0.4% above the agreed funded establishment. The police pay and overtime budgets were overspent by £0.3m for the period to June 30<sup>th</sup> 2010. The officer strength on average has been 7 FTE posts more than funded establishment for the first three months and this is expected to reduce during the remainder of the year with low levels of planned probationer intakes, which will be reviewed each quarter.
- 4.2 Police staff pay budgets are underspent by £0.5m to date due to higher than assumed vacancies. On average 145 FTE funded posts have been

vacant during the first three months. In a number of cases, agency staff have been used to cover posts which are considered necessary to maintain performance. At the end of June the Force spend on agency staff was £0.4m and police staff salaries and overtime £0.5m resulting in an overall net underspend across Police staff budgets of £0.1m.

## Other Budgets

- 5.1 The Buildings and Premises budgets are currently under budget by £0.2m, mainly due to underspends on utilities budgets, but also on maintenance, cleaning and rates.
- 5.2 Transport costs are underspent but forecasting an overspend. Much of the forecast is as a result of the changes to reporting through the new SAP fleet management system. The management information from the system needs to be reviewed over coming months to ensure budgets have been accurately allocated.
- 5.3 'Other' budgets are underspent by £0.3m but forecasting to overspend. This is due to underspends on centrally held provisions to cover operational incidents and to underwrite the non-achievement of savings included in the 2010-11 base budget.
- 5.4 Income budgets appear to be overachieving in a number of areas. Aerial income is higher due to back-dated rental increases. In addition, asset incentivisation income for the fourth quarter of 2009-10 has yet to be transferred to reserves, civil claims cost awards are higher than expected and there is a discrepancy on Rule 2 grant income in that the quarterly payment was not reduced in line with the announcement that the annual total grant was to be cut.

## Forecast

- 6.1 The forecast for the year-end is an overspend of £0.2m, or 0.1% of the net revenue budget, after accounting for transfers. The forecast overspend assumes that savings of £3.5m will be achieved to cover the £2.4m in year grant reduction. Key variances are:
  - Police pay (£0.4m) and overtime overspends (£0.2m). Two thirds of these forecast overspends are in DSP and Gatwick budgets and are subject to further examination;
  - Police staff and PCSO pay underspends;
  - Underspends on IT purchases and Airwave;
  - Overspend on medical fees element of the PFI contract.
- 6.2 The most significant of these forecast variances is an overspend of £1.1m on the medical fees element of the Reliance contract. Actions to reduce or mitigate this overspend are being reviewed by Communities and Justice Department. The Authority has the option to fund any PFI overspends from the specific PFI reserves but this is not assumed in the current forecast and can be considered later in the year following a review of long term requirements for the PFI reserve.

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## Risk Areas

7.1 Key financial risks relating to the 2010-11 budget are reviewed monthly by Chief Officers. Risks have been identified in the following areas:

Risk	Likelihood	Comment	Est. Value
UKBA using the proposed national tariff for immigration detainees could lead to only achieving 15% of income target	High	Forecast assumes an overspend	£0.2m
Medical fees element of PFI custodial services increases due to custody risks and safeguards	High	Forecast assumes an overspend	£0.9m
Sussex Safer Roads Partnership (SSRP) and other partners withdraw some or all of funding for staff	High	All partnership agreements are being reviewed in order to determine apportionment of risk	£0.4-1.0m
Continuing police officer over-establishment and pay over spending.	Medium	Plans are in place to recruit fewer numbers of probationers up to the end of the financial year, however fewer leavers than forecast may impact on the actual costs	£0.5m
20% increase in petrol prices since budget set	Low	Option to fund from Price and pay contingency	£0.2m
Training mileage rate now revoked so costs will increase	Low	Option to fund from Price and pay contingency	£0.1m

## Revised Capital Budget 2010-11

- 8.1 The annual capital budget agreed for 2010-11 is £14.9m. This includes limited roll forward of budget during 2009-10 agreed by the Authority plus a new capital programme of schemes for 2010-11.
- 8.2 Following decisions by the Authority on the capital budget outturn for 2009-10 not to carry forward any further slippage to 2010-11, capital budget holders for the Estates, IT and IMPACT programmes reviewed and re-prioritised existing and new schemes for 2010-11 to establish a prioritised capital budget for 2010-11 that could be delivered on time and within the approved existing capital budget of £14.9m.

- 8.3 Following the new quarterly capital review meeting in early July, schemes with high risk of slippage in 2010-11 have been identified by budget holders.
- 8.4 Explanations of slippage:
- Due to the preferred Astley House replacement site no longer being available £1.4m is to be slipped until other suitable premises have been identified;
  - A preferred procurement route has now been identified for the Kingstanding redevelopment project but based on timescales for appointing a contractor and starting the programme of works it is proposed to slip £0.8m to 2011-12;
  - The Telephony project board has asked that collaboration opportunities are explored with other forces in the South East region before procurement proceeds. This approach has been supported by Chief Officers. As a result, the spend profile for this budget is now uncertain and will remain so until a final decision is made. At this time, the planned delay will result in slippage of at least £0.3m.
- 8.5 The Authority is asked to approve the revised capital programme for 2010-11 of £12.5m as set out at Appendix D.

### Capital Performance Against Budget

- 8.6 Capital expenditure to the end of June amounted to £2.9m, representing an underspend of £0.1m or 2.3% compared to the year to date budget.
- 8.7 The year to date position reflects negligible underspends mainly due to timing rather than slippage in the Information Systems, Fleet Strategy and Other Capital projects, offset with overspend in Estates Strategy which again is due to timing.
- 8.8 Subject to SPA approving the revised capital budget, the outturn is forecast to breakeven.
- 8.9 Details are shown at Appendix D and are summarised in the table below.

### Capital Budget 2010-11

	Budget	Actual	(Under)/ Overspend	Variance %	Annual Budget	Forecast variance	
	£'000	£'000	£'000	%	£'000	£'000	%
Force Projects	43	42	(1)	(2.1)	952	-	-
IS Strategy	475	417	(58)	(12.3)	3,842	-	-
Estates Strategy	1,566	1,620	54	3.4	3,662		
Fleet strategy	758	732	(26)	(3.5)	3,001	-	-
Other Capital	105	69	(36)	(34.2)	1,055	-	-
<b>Total</b>	<b>2,947</b>	<b>2,880</b>	<b>(67)</b>	<b>(2.3)</b>	<b>12,512</b>		

## Budget Transfers

9.1 In the period April-June 2010, £9.97m of material revenue budget transfers over £0.1m (called virements) have been actioned. The Authority is asked to note the budget transfers detailed in Section 2 of Appendix E.

9.2 The most significant changes relate to the following:-

- Fleet budgets previously held in Facilities have now been fully allocated to the divisions (£4.3M);
- The Corporate Communications Department has been split out from the Corporate Development Department creating a new cost centre group and reallocating £1.0m budget;
- At the start of the year it was not known what the allocation of the additional 31 neighbourhood officers would be between divisions. This has been agreed and £1.1m allocated from non delegated budgets to the divisions;
- £0.7m of 2009-10 roll forwards agreed at the June SPA meeting have now been actioned.

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## Transfers to/from Reserves

10.1 The Authority is asked to note the following transfers to/from reserves. Further details can be found in Section 3 at Appendix E.

- A transfer totaling £0.2m from Delegated Budget Holders reserve.

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## BCU Grant

11.1 The BCU income budget for the period to 30 June 2010 was £0.7m. Expenditure was £0.7m.

11.2 The BCU Fund for 2010-2011 will be provided to support activities which contribute to an increase in public confidence. Guidance has now been received from the Home Office and the Force will be expected to demonstrate how its BCU proposals meet the criteria.

## Specific Grants and Other Income

12.1 The latest estimate of total specific revenue grants due is £29.7m. A total of £5m has been received to date, which is in-line with expectations.

12.2 Notifications have been received of a reduction in the Rule 2 grant of £2.4m and a small reduction in the Airport Security Grant following the change in Government. In addition, the Home Office Capital Grant has been reduced by £0.2m. Details are set out in Appendix F.

## Balance Sheet

13.1 The summary balance sheet position at the end of June 2010 is shown below, which excludes the FRS17 pension liability and reserve. A full version is attached at Appendix G.

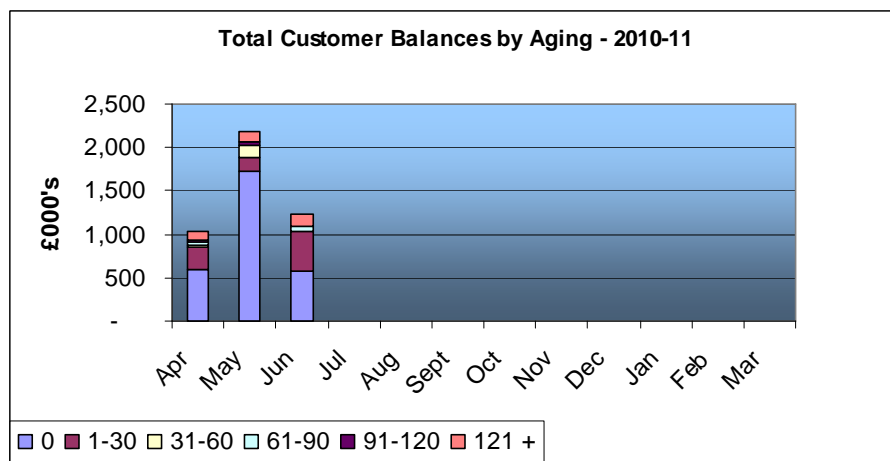
### Balance Sheet as at 30 June 2010

	<b>£000</b>
<b>Total Long Term Assets</b>	<b>162,898</b>
Current Assets	80,748
Current Liabilities	(23,123)
<b>Net Current Assets</b>	<b>57,625</b>
Government Grants Deferred	(10,580)
Long Term Borrowing	(4,500)
PFI Lease Obligation	(17,919)
<b>Total Long Term Liabilities</b>	<b>(32,999)</b>
<b>Total Net Assets</b>	<b>187,524</b>
<b>Financed by:</b>	
Capital Receipts	(2,916)
Reserves	(48,197)
Capital Adjustment Account	(111,820)
Revaluation Reserve	(0)
In-Year Surplus/Deficit	(24,591)
<b>Total Funding of Net Assets</b>	<b>(187,524)</b>

## Debts Outstanding

14.1 At the end of June 2010 the debt owed to the Authority was £1.2m compared to £2.2m in May. The decrease was due mainly to BAA settling their account prior to month end.

14.2 Debtor performance by month is shown in the table below, showing the improved position referred to above.



14.3 At the end of June 2010, outstanding debts over 60 days old totalled £0.2m. This represents 15.5% of the total outstanding debt against a target of 10%.

14.4 Debts are referred for legal action according to an agreed policy. Legal Services are recovering 66 debts, totaling £35,043. These debts represent 18.4% of the total debt value over 60 days old.

### **Police Pensions**

15.1 The employer contributions for Police pensions go through the revenue account while the cost of pensions goes through the balance sheet and is partly funded by a Home Office top-up grant.

15.2 At 30 June 2010 the Pensions contributions budget was underspent by £0.04m, however this includes accrued expenditure for ill health retirees. As there have been no ill-health retirees yet this year, this will be closely reviewed.

15.3 In terms of pensioners payments, the employee contributions and secondment income to date total £9.7m, however the expenditure is £14.3m. This means that the total top up grant from the Home Office will have to be £0.4m more than anticipated at this stage. For the full year we are estimating that the top-up will have to be £16.8m. Further Details are shown at Appendix H.

### **Cash Flow**

16.1 No additional grants have been approved for 2010-11.

16.2 The position at the end of June showed an underperformance compared to profile on gross interest receipts of £0.017m. This is based on an average rate of 0.73%.

**16.3 The forecast position for 2010-11 is based on a 0.60% rate of return.** Outside of the Authority's restricted lending list, **there continues to be a lack of opportunity to lend anywhere except with the UK Government's Debt Management Agency which is currently giving 0.25%.**

### **RECOMMENDED**

- (1) That the in year approach to meeting grant funding reductions is approved;
- (2) That the revised 2010-11 capital budget is approved;
- (3) That the latest position on the revenue and capital budgets for 2010-11, the position on outstanding debts and budget transfers are noted;
- (4) That the reserve transfer set out in Section 10 and Appendix E is approved.

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**APPENDIX A**

**Savings Agreed to Close the 2010-11 Funding Gap**

<b>Division/Dept</b>	<b>Recurrent Savings</b>	<b>Non-recurrent Savings</b>	<b>Div/Dept Total</b>	<b>Utilities Savings</b>	<b>Spending Wisely Savings</b>	<b>Grand Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Brighton & Hove	22	160	<b>182</b>	158		<b>340</b>
East Sussex		181	<b>181</b>	69		<b>250</b>
North Downs	97	133	<b>230</b>	72		<b>302</b>
West Downs	4	194	<b>197</b>	15		<b>213</b>
C&JD	79		<b>79</b>			<b>79</b>
Communications	129	71	<b>200</b>			<b>200</b>
IT	321	142	<b>463</b>			<b>463</b>
HQ CID	158		<b>158</b>	110		<b>268</b>
Operations						
HR	41	66	<b>107</b>			<b>107</b>
Finance		5	<b>5</b>			<b>5</b>
Facilities	90	72	<b>162</b>	143		<b>305</b>
PSD	2	14	<b>16</b>			<b>16</b>
CDD	193		<b>193</b>			<b>193</b>
SPA	19		<b>19</b>			<b>19</b>
Non Delegated	120		<b>120</b>		600	<b>720</b>
<b>Totals</b>	<b>1,274</b>	<b>1,038</b>	<b>2,312</b>	<b>567</b>	<b>600</b>	<b>3,479</b>

<b>Saving Category</b>	<b>£'000</b>	<b>%</b>
Police Pay and Overtime	181	7.84%
Police Staff vacancies, pay and overtime	979	42.34%
Other Employee Costs	197	8.50%
Buildings & Premises	118	5.10%
Transport	37	1.58%
IT & Comms	441	19.07%
Smaller budgets	360	15.56%
<b>Budget Holder Savings</b>	<b>2,312</b>	<b>100.00%</b>
Utility Savings	567	
Spending Wisely savings	600	
<b>Total Savings</b>	<b>3,479</b>	

**APPENDIX B**

**REVENUE REPORT 2010-11**  
**Financial position by expenditure type**  
**For the Period Ending 30 JUNE 2010**

Description	Annual Budget	Budget	Actual	Year to Date		Forecast Variance	
				Variation		Variance	
				Over/(Underspend)	%	£000	%
	£000	£000	£000	£000	%	£000	%
<b>Employee costs</b>							
Police Officers	126,346	31,231	31,538	307	1.0	581	0.5
Police Staff	71,078	17,193	16,828	(365)	(2.1)	(2,231)	(3.1)
PCSOs	10,562	2,599	2,468	(131)	(5.0)	(320)	(3.0)
Police Allowances	8,306	1,527	1,560	33	2.2	(97)	(1.2)
Other Employee Costs	2,268	476	641	165	34.7	587	25.9
<b>Total Employees</b>	<b>218,560</b>	<b>53,026</b>	<b>53,035</b>	<b>9</b>	<b>0.0</b>	<b>(1,480)</b>	<b>(0.7)</b>
<b>Total Buildings And Premises</b>	<b>14,542</b>	<b>2,762</b>	<b>2,594</b>	<b>(168)</b>	<b>(6.1)</b>	<b>(355)</b>	<b>(2.4)</b>
<b>Total Transport</b>	<b>8,816</b>	<b>2,289</b>	<b>2,124</b>	<b>(165)</b>	<b>(7.2)</b>	<b>92</b>	<b>1.0</b>
<b>Supplies and Services</b>							
IT & Comms	12,849	2,204	2,088	(116)	(5.3)	(316)	(2.5)
Airwave	2,675	672	651	(21)	(3.1)	(125)	(4.7)
External Fees (Inc PFI)	18,394	4,533	4,524	(9)	(0.2)	943	5.1
Other	10,788	2,142	2,291	149	7.0	109	1.0
<b>Total Supplies and Services</b>	<b>44,706</b>	<b>9,551</b>	<b>9,554</b>	<b>3</b>	<b>0.0</b>	<b>611</b>	<b>1.4</b>
<b>Police Pensions</b>	<b>29,306</b>	<b>7,162</b>	<b>7,108</b>	<b>(54)</b>	<b>(0.8)</b>	<b>18</b>	<b>0.1</b>
<b>Gross Expenditure</b>	<b>315,930</b>	<b>74,790</b>	<b>74,415</b>	<b>(375)</b>	<b>(0.5)</b>	<b>(1,114)</b>	<b>(0.4)</b>
<b>Total Income</b>	<b>(52,249)</b>	<b>(13,571)</b>	<b>(14,095)</b>	<b>(524)</b>	<b>3.9</b>	<b>1,541</b>	<b>(2.9)</b>
<b>Net Expenditure</b>	<b>263,681</b>	<b>61,219</b>	<b>60,320</b>	<b>(899)</b>	<b>(1.5)</b>	<b>427</b>	<b>0.2</b>
<b>Police Authority</b>	<b>1,475</b>	<b>369</b>	<b>343</b>	<b>(26)</b>	<b>(7.0)</b>		<b>0.0</b>
Contingencies - Pay & Prices	585						
Transfer To / From Reserves	1,304	(901)	(901)		0.0		
Extra Capital Financing	2,530	50	58	8	16.0		
Depreciation/Amortisation	(8,358)						
Interest	(468)	(117)	(109)	8	(6.8)		
<b>Financial Provisions</b>	<b>(4,407)</b>	<b>(967)</b>	<b>(951)</b>	<b>16</b>	<b>(1.6)</b>		<b>0.0</b>
<b>Total SPA Expenditure</b>	<b>260,749</b>	<b>60,621</b>	<b>59,711</b>	<b>(910)</b>	<b>(1.5)</b>	<b>427</b>	<b>0.2</b>
<b>Reserve Transfers and ringfenced budgets</b>			<b>(5)</b>	<b>(5)</b>		<b>(194)</b>	
<b>Balance after transfers</b>	<b>260,749</b>	<b>60,621</b>	<b>59,706</b>	<b>(915)</b>	<b>(1.5)</b>	<b>233</b>	<b>0.1</b>
<b>Funded by Grants/Precept Funding</b>	<b>(260,749)</b>	<b>(68,951)</b>	<b>(68,951)</b>		<b>0.0</b>		<b>0.0</b>
<b>Net balance</b>		<b>(8,330)</b>	<b>(9,245)</b>	<b>(915)</b>		<b>233</b>	

**APPENDIX C**

**REVENUE REPORT 2010-11**  
**Financial position by Budget Holder**  
**For the Period Ending 30 JUNE 2010**

Portfolio Holder	Year to Date				Annual Budget £'000	Forecast	
	Profilled Budget	Actual to date	Variance Overspend/ (Underspend)			Forecast	Variance
	£'000	£'000	£'000	%		£'000	%
<b><u>ACC Merrett</u></b>							
Brighton and Hove	6,248	6,228	(20)	(0.3)	25,985	(388)	(1.5)
East Sussex	9,444	9,503	59	0.6	40,190	(134)	(0.3)
North Downs	5,544	5,417	(127)	(2.3)	23,086	(338)	(1.5)
West Downs	7,592	7,464	(128)	(1.7)	31,071	(230)	(0.7)
<b>Total</b>	<b>28,829</b>	<b>28,612</b>	<b>(217)</b>	<b>(0.8)</b>	<b>120,331</b>	<b>(1,090)</b>	<b>(0.9)</b>
<b><u>ACC Pinkney</u></b>							
HQ CID	7,185	6,914	(270)	(3.8)	29,596	(425)	(1.4)
Operations Department	5,174	5,139	(35)	(0.7)	20,256	76	0.4
Minor Operational Budgets	40	28	(11)	(28.6)	701	(32)	(4.6)
<b>SPA funded subtotal</b>	<b>12,398</b>	<b>12,081</b>	<b>(317)</b>	<b>(2.6)</b>	<b>50,553</b>	<b>(381)</b>	<b>(0.8)</b>
Gatwick	3,284	3,410	126	3.8	13,300	109	0.8
Income from GAL	(3,332)	(3,332)	( )	0.0	(13,330)		
DSP Expenditure	1,146	1,188	43	3.7	4,593		
DSP Income	(1,134)	(1,188)	(55)	4.8	(4,593)		
Gatwick Aviation Security Expenditure	(209)	(196)	13	(6.3)	(878)		
Gatwick Aviation Security Income	217	196	(21)	(9.8)	878		
<b>Externally Funded subtotal</b>	<b>(28)</b>	<b>78</b>	<b>106</b>	<b>(378.4)</b>	<b>(30)</b>	<b>109</b>	<b>(367.1)</b>
<b>Total</b>	<b>12,370</b>	<b>12,159</b>	<b>(211)</b>	<b>(1.7)</b>	<b>50,523</b>	<b>(272)</b>	<b>(0.5)</b>
<b><u>ACC Wilkinson</u></b>							
Information Systems	3,183	3,138	(45)	(1.4)	13,834	(498)	(3.6)
Communications	4,183	4,091	(92)	(2.2)	16,699	(200)	(1.2)
Communities and Justice	2,689	2,723	33	1.2	10,981	7	0.1
PFI Contract	2,160	2,315	154	7.1	8,696	1,120	12.9
<b>Total</b>	<b>12,216</b>	<b>12,267</b>	<b>51</b>	<b>0.4</b>	<b>50,210</b>	<b>429</b>	<b>0.9</b>
<b><u>DCC York</u></b>							
Collaboration (Non lead force)	217	177	(40)	(18.5)	867	8	0.9
HQ Regional Intelligence Unit	(20)	(56)	(36)	185.9	95		
<b>Collaboration</b>	<b>197</b>	<b>121</b>	<b>(76)</b>	<b>(38.8)</b>	<b>962</b>	<b>8</b>	<b>0.8</b>
Corporate Communications Dept	261	263	3	1.0	1,119	7	0.6
Corporate Development Dept	1,217	1,241	24	2.0	5,590	(260)	(4.7)
Professional Standards Dept	433	412	(21)	(4.8)	1,745	(7)	(0.4)
Civil Claims Unit	153	210	57	37.2	613	200	32.6
<b>Corporate Services</b>	<b>2,065</b>	<b>2,127</b>	<b>63</b>	<b>3.0</b>	<b>9,067</b>	<b>(61)</b>	<b>(0.7)</b>
<b>Total</b>	<b>2,262</b>	<b>2,248</b>	<b>(14)</b>	<b>(0.6)</b>	<b>10,029</b>	<b>(53)</b>	<b>(0.5)</b>
<b><u>HOF Baker</u></b>							
Finance	318	288	(31)	(9.6)	1,284	22	1.7
Facilities	2,631	2,423	(208)	(7.9)	11,557	(264)	(2.3)
<b>Total</b>	<b>2,949</b>	<b>2,711</b>	<b>(238)</b>	<b>(8.1)</b>	<b>12,841</b>	<b>(242)</b>	<b>(1.9)</b>
<b><u>HOHR Fanthorpe</u></b>							
Human Resources	3,428	3,316	(112)	(3.3)	14,104	(162)	(1.1)
<b>Total</b>	<b>3,428</b>	<b>3,316</b>	<b>(112)</b>	<b>(3.3)</b>	<b>14,104</b>	<b>(162)</b>	<b>(1.1)</b>
<b>Delegated budget total</b>	<b>62,054</b>	<b>61,314</b>	<b>(740)</b>	<b>(1.2)</b>	<b>258,038</b>	<b>(1,390)</b>	<b>(0.5)</b>
Non Delegated Expenditure	(1,374)	(1,481)	(108)	7.8	3,488	1,817	52.1
Pensions (Net)	539	487	(52)	(9.6)	2,155		
<b>FORCE NET EXPENDITURE</b>	<b>61,219</b>	<b>60,320</b>	<b>(900)</b>	<b>(1.5)</b>	<b>263,681</b>	<b>427</b>	<b>0.2</b>
<b>AUTHORITY</b>	<b>369</b>	<b>343</b>	<b>(26)</b>	<b>(7.1)</b>	<b>1,475</b>		
<b>FINANCIAL PROVISIONS</b>	<b>(967)</b>	<b>(951)</b>	<b>16</b>	<b>(1.6)</b>	<b>(4,407)</b>		
<b>TOTAL</b>	<b>60,621</b>	<b>59,711</b>	<b>(910)</b>	<b>(1.5)</b>	<b>260,749</b>	<b>427</b>	<b>0.2</b>
<b>Reserve/roll-forward assumptions</b>							
<b>Pensions</b>		<b>52</b>	<b>52</b>				
<b>Insurance reserve</b>		<b>(56)</b>	<b>(56)</b>			<b>(194)</b>	
<b>PFI reserve</b>							
<b>Net Total</b>	<b>60,621</b>	<b>59,706</b>	<b>(915)</b>	<b>(1.5)</b>	<b>260,749</b>	<b>233</b>	<b>0.1</b>
Financed By							
<b>HO Grant, NNDR, C Tax</b>	<b>(68,951)</b>	<b>(68,951)</b>		<b>(0.0)</b>	<b>(260,749)</b>		
<b>Total after funding</b>	<b>(8,330)</b>	<b>(9,245)</b>	<b>(915)</b>	<b>11.0</b>		<b>233</b>	

**APPENDIX D**

Proposed New Capital Programme 2010-11

<b>Capital Scheme</b>	<b>2010/11 £'000</b>
Telephony Refresh/Migration	432
Disaster Recovery	192
Business Objects Refresh	81
OIS Enhancements	45
SAP Enhancements	28
Mobile Computing (MDT)	210
Implementation of Contact Mgmt Strategy	407
ABM Nemesis	67
GIS Mapping	22
IMS (NEMESIS) Enhancements	25
Holmes Version Upgrade	20
Storage Environment Update	490
Server Refresh	235
CRM Enhancements	39
Software Support Environment	96
Federated Data	120
Collaboration Proj & ISS4PS Initiatives	50
Command & Control System	1,221
CIMS Update	50
Airwave	13
<b>Information Systems Strategy</b>	<b>3,842</b>
HQ Redevelopment	40
Lewes Police Station	1,500
Provision of Emergency Generators	150
Kingstanding Redevelopment	500
Key Buildings Power Upgrades	50
Window Replacements	95
Sussex House Protective Services	87
Crawley Custody	850
HQ Bodiam Block Conversion	100
Astley House Replacement	52
<b>Estates Strategy</b>	<b>3,424</b>
Sussex House Protective Services	200
<b>Estates Other</b>	<b>200</b>
IMPACT Programme	952
<b>IMPACT</b>	<b>952</b>
Fleet Replacement	3,001
<b>FLEET</b>	<b>3,001</b>
TSU Equipment	323
HTCU Server	51
<b>HQ CID Equipment</b>	<b>374</b>
Digital Interview Recording	465
<b>CJD</b>	<b>465</b>
ANPR Strategic Road Additional	49
i2 ANPR	180
<b>Operations Dept Equipment</b>	<b>229</b>
<b>Finance</b>	<b>25</b>
<b>Finance</b>	<b>25</b>
<b>TOTAL</b>	<b>12,512</b>

## Capital Expenditure to 30 JUNE 2010

Capital Spend	Original Budget £000's	Revised Budget £000's	Budget		Variation		Forecast £000's	Variation	
			Ytd £000's	Actual Ytd £000's	Over/(Under) spend £000's	%		Over/(Under) spend £000's	%
Estates Strategy	3,250	3,624	1,566	1,620	54	3.4	3,624		0.0
Information Systems Strategy	2,625	3,842	475	417	(58)	(12.2)	3,846	4	0.1
Fleet Strategy	3,470	3,001	758	732	(26)	(3.4)	3,001		0.0
<b>Total Strategies</b>	<b>9,345</b>	<b>10,467</b>	<b>2,799</b>	<b>2,769</b>	<b>(30)</b>	<b>(1.1)</b>	<b>10,471</b>	<b>4</b>	<b>0.0</b>
IMPACT Programme	952	952	43	42	(1)	(2.3)	952		0.0
<b>Total Force Projects</b>	<b>952</b>	<b>952</b>	<b>43</b>	<b>42</b>	<b>(1)</b>	<b>(2.1)</b>	<b>952</b>		<b>0.0</b>
CJD	500	465	11	11			465		0.0
Estates Other				(42)	(42)				
Finance		25		1	1		25		0.0
Fleet Other				8	8		11	11	
HQ CID	284	374	85	84	(1)	(1.1)	374		
Operations Dept ANPR	180	229	9	6	(3)		228	(1)	(0.3)
<b>Total Other Capital</b>	<b>964</b>	<b>1,093</b>	<b>105</b>	<b>68</b>	<b>(37)</b>	<b>(35.2)</b>	<b>1,103</b>	<b>10</b>	<b>0.9</b>
<b>Total</b>	<b>11,261</b>	<b>12,512</b>	<b>2,947</b>	<b>2,879</b>	<b>(68)</b>	<b>(2.3)</b>	<b>12,526</b>	<b>14</b>	<b>0.1</b>

### £000

Original Budget 2010/11  
 October SPA agreed c/f  
 Slippage in programme - to be agreed July SPA

**12,512**

**APPENDIX E**

**Capital Programme Changes**

**1. Capital Programme adjustments**

**Increases/(decrease) to capital programme – Change in Schemes**

	<b>£'000</b>	<b>Funding Source</b>
Astley House	(1,400)	Estates
Kingstanding	(800)	Estates
Telephony Project	(250)	Estates
<b>TOTAL</b>	<b>(2,450)</b>	

**2. Budget Transfers actioned in the period April – June 2010**

<b>Amount £'000</b>	<b>Dr</b>	<b>Cr</b>	<b>Description</b>
1,118	North Downs, West Downs, Brighton and Hove and East Sussex Divisions	Non Delegated	Neighbourhood Policing Teams (NPT) transfer Growth funding from Centre to Divisions Transfer Corporate Communications out of Corporate Development to separate cost centre group
1,043	Communications	Corporate Dev	Premises Improvement funding to Facilities
237	Facilities	Non Delegated	Transfer Worth Funding to Price and Pay
185	Provisions	SPA	Contingency
100	Operations	Non Delegated	Create Olympic Planning budget
280	Corporate Dev	Non Delegated	Collaboration & Legal Fees funding to Corporate Development Department
150	Communications	Non Delegated	One off funding for FASU
400	Facilities	Non Delegated	One off funding for MDT's & PPV's
2,855	Facilities	Various	Devolved Fleet Recharge
1,584	Various	Facilities	Allocate Fleet budget to divisions
117	Various	Professional Standards	Allocate motor claim costs to divisions Creation of the Collaboration Budget for non-lead workstreams
873	Collaboration	HQCID	Helicopter repairs
177	Operations	Non Delegated	C/Fwd approved underspends from 2009-10 to Divisions/Depts
734	Various	Provisions	Comms Computer Room conversion funding transferred to reserves last year
117	Communications	Financial Provisions	

**3. Transfers to/from Reserves**

<b>Transfer to</b>	<b>Transfer From</b>	<b>Reason</b>	<b>Value £'000</b>
Brighton & Hove Division	Delegated Budget Holder	Proceeds of Crime	24
Operations Department	Delegated Budget Holder	Driver Training	25
Communications Department	Delegated Budget Holder	Computer Room Conversion	117

## APPENDIX F

**Grants Receipts analysis  
Period Ended 30 JUNE 2010**

**Grants planned and received**

<b>Grant</b>	<b>Planned</b>	<b>Received</b>
<b>Revenue Grants</b>	<b>£'000</b>	<b>£'000</b>
BCU	937	0
Crime Fighting Fund	6,209	0
Rule 2 Grants	3,102	1,379
Neighbourhood Policing Fund & PCSO's	7,233	1,761
PFI Grant (DCLG Income)	3,263	816
Prevent CSR	190	8
Local Criminal Justice Board Funding	160	0
DSP	4,722	435
Airport Security Grant	878	109
PMLO	129	15
<b>Total Revenue Grants</b>	<b>26,823</b>	<b>4,523</b>
H O Capital Grant	2,902	778
<b>Total Capital Grants</b>	<b>2,902</b>	<b>778</b>
<b>Total Specific Grants</b>	<b>29,725</b>	<b>5,301</b>

<b>Miscellaneous Grants</b>	<b>Planned</b>	<b>Received</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total Miscellaneous Grants</b>	<b>0</b>	<b>0</b>

<b>TOTAL GRANTS 2010-2011</b>	<b>29,725</b>	<b>5,301</b>
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## Appendix G

### Balance Sheet as at 30th June 2010

	<b>£000</b>
Intangible Assets	2,729
Tangible Fixed Assets	159,716
Long-term investments	0
Long-term debtors (car loans & PFI)	453
<b>Total Long Term Assets</b>	<b>162,898</b>
<b>Current Assets:</b>	
Stock	1,486
Debts due from customers	1,111
Recoverable VAT	825
Prepayments	2,955
Accrued Income	13,189
Other Debtors	2,816
Short-term investments	58,246
Imprest Accounts	120
<b>Current Liabilities:</b>	
Amounts due to vendors	(7,340)
Payroll Creditors	(50)
Accrued Expenditure	(8,256)
Deferred Income	(3,331)
Other Creditors	(3,283)
Management Deferred Grant Codes	(778)
Receipts in advance	(152)
Main Bank Account	67
<b>Net Current Assets</b>	<b>57,625</b>
Government Grants Deferred	(10,580)
Long Term Borrowing	(4,500)
PFI Lease Obligation	(17,919)
FRS 17 Liability	(1,969,071)
<b>Total Long Term Liabilities</b>	<b>(2,002,070)</b>
<b>Total Assets Less Liabilities</b>	<b>(1,781,547)</b>
<b>Financed by</b>	
Capital Receipts	(2,916)
Reserves	(48,197)
Donated Asset Reserve	(0)
Capital Adjustment Account	(111,820)
Revaluation Reserve	(0)
FRS 17 Pension Reserve	1,969,071
In-Year (Surplus)/Deficit	(24,591)
<b>Total Funding of Net Assets</b>	<b>1,781,547</b>

## Appendix H

### Police Pensions Scheme as at 30 JUNE 2010

<b>Pension Operating Account as at June 2010</b>					
	Year to Date			Annual Budget	Forecast Variance
	Budget	Actual	Variance		
	£'000	£'000	£'000	£'000	£'000
Injury Gratuity	24	23	0	95	0
Injury Pension	412	369	(43)	1,650	0
Ill Health Capital Equivalent	98	98	0	391	0
30 Plus Scheme	30	24	(6)	120	0
SPA Emp Contribution	6,069	5,965	(104)	24,904	0
Secondment Contribution	0	93	93	0	0
Externally Funded Contribution	530	544	14	2,158	(7)
Misc Other Expenditure	0	0	0	0	0
<b>Spend &amp; Contributions</b>	<b>7,163</b>	<b>7,116</b>	<b>(46)</b>	<b>29,318</b>	<b>(7)</b>
Secondment Recharge	(5)	(101)	(96)	(18)	0
Externally Funded Recharge	(551)	(526)	25	(2,241)	7
Misc Other Income	0	(0)	(0.0)	0	0
<b>Total Income</b>	<b>(556)</b>	<b>(627)</b>	<b>(71)</b>	<b>(2,259)</b>	<b>7</b>
<b>Net Operating Account</b>	<b>6,607</b>	<b>6,489</b>	<b>(117)</b>	<b>27,059</b>	<b>0</b>

The balance sheet position for pensions is as follows:

<b>Pension Account</b>	
	<b>To Date</b>
	<b>£'000</b>
Pension Payments	10.1
Widows Pensions	0.4
Lump Sum Payments	2.6
Transfers Out and Refunds	1.3
<b>Total Pension Cost</b>	<b>14.3</b>
Contribution and Other Income	(9.7)
<b>Net Pension Cost</b>	<b>(4.6)</b>
<b>Anticipated To Up Grant</b>	<b>(4.2)</b>
<b>Projected Top Up Grant</b>	<b>0.4</b>