



ORIGINATOR: ASSISTANT CHIEF OFFICER & CFO

PAPER NO: AP21/02

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL – 15 JANUARY 2021

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 30 NOVEMBER 2020

SUMMARY:

1. This report covers the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 30 November 2020.
2. The Group is forecasting a revenue underspend of £1.985m, comprising of underspends within the Constabulary and Capital Financing of £1.669m, OPCC & Commissioning of £0.046m and Specific Home Office Grants of £0.270m.
3. The forecast capital position is underspent by £0.852m.
4. As a result of COVID-19 and the potential impact this is likely to have on the economy and future uncertainty regarding police funding, an in-year review of potential pay and non-pay savings has taken place and will help to mitigate funding risks in 2021/22.
5. This month 8 report includes the underspends following the in-year review of savings in order to protect reserves and support future funding pressures.
6. An enforcement plan has been developed and submitted to the Home Office setting out the plans for the use of the additional in-year surge funding of £0.270m

RECOMMENDATION:

1. The Accountability and Performance Panel is invited to consider the contents of this report.

1. OVERVIEW

1.1 Based on the position as at 30 November 2020, the Suffolk Group Revenue Budget is forecast to underspend by £1.985m at year end (Appendix A) and its capital budget is forecast to be underspent by £0.852m at year end.

1.2 The high level summary is as follows:

	Budget 2020/21 £000	Forecast Outturn £000	(Over)/ Under spend £000
Officer of the Police and Crime Commissioner for Suffolk	890	844	46
PCC Commissioning	850	850	0
Chief Constable Operational Spending	133,841	131,991	1,850
Transfer from Reserves (Constabulary)	(865)	(865)	0
Chief Constable Operational Spending (net)	132,976	131,126	1,850
Capital Financing	5,150	5,332	(181)
Transfer from Reserves	(1,151)	(1,151)	0
Capital Financing (net)	3,999	4,181	(181)
Specific Home Office Grants	(5,410)	(5,680)	270
Transfer from Reserves	(190)	(190)	0
Total Revenue	133,116	131,991	1,985
Capital Expenditure	6,022	5,170	852

2. PCC REVENUE BUDGET

2.1 The Office of the PCC Budget for 2020-21 is £0.890m (Appendix A (i)). The year-end position is forecast to be £0.046m underspent. The main areas of forecast underspend are Contingency (£33k), Transport (£7.5k) and Services (5k). Pay and employments is forecast to be overspent (£5.7k).

2.2 The Police and Crime Commissioner's (PCC) Commissioning budget is £1.737m which includes a grant of £0.887m from the Ministry of Justice (Appendix A (ii)) for victim services plus an additional £34.5k uplift for ISVA services. The core grant will fund Norfolk and Suffolk Victim Care, the Independent Domestic Violence Advice (IDVA) service and grants to support victims of sexual violence. As in previous years, £300,000 has been allocated to the PCC Fund, providing small grants to charities and voluntary sector organisations for crime and disorder reduction purposes.

2.3 'Covid-19 Extraordinary Funding' of £208,411 from the Ministry of Justice was allocated to thirteen successful applicants delivering domestic abuse and sexual violence services. A further £148,600 was secured for this purpose in November 2020. The MoJ has extended the deadline for delivery to 31 March 2021 by which time all funds will be spent.

2.4 The PCC has been successful in securing a grant of £238,307 from the Home Office for delivery of DA perpetrator programmes until 31 March 2021.

3. CONSTABULARY REVENUE BUDGET

3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £1.850m (excluding capital financing) as at month 8 (see detail in Appendix A (iii)). The main variances from budget producing the current forecast underspend are explained below.

	Budget 2020/21 £000	Full Year Forecast £000	(Over)/Under spend £000
Pay Related Costs	110,707	109,378	1,328
Other Employee Costs	1,304	1,191	114
Property Related Costs	9,508	9,632	(124)
Transport	2,315	2,126	189
Supplies and Services	11,674	11,623	50
Third Party Payments	1,954	1,970	(17)
Corporate including contingency and inflation	1,102	960	142
Income	(4,721)	(4,889)	168
Total	133,841	131,991	1,850

3.2 Pay Related Costs

The forecast underspend of £1.328m is due to lower officer pay, overtime and staff pay costs than budgeted.

This forecast includes costs to uplift officer numbers as part of the government's commitment to increase police officers nationally by twenty thousand. The Home Office have confirmed in-year funding of £1.513m to cover the additional costs for an uplift of a further 36 (54 in total) officers for Suffolk Constabulary in 2020-21.

As previously reported, the underspend includes savings identified as a result of continued departmental vacancies together with fewer ill health retirements and lower pension strain costs identified within the review of in-year savings.

3.3 Other Employee Costs

The forecast underspend of £0.114m primarily relates to the savings identified within redundancy costs.

3.4 Other Non-Pay Costs

The forecast overspend of £0.098m includes offsetting variances in relation to Insurance, legal costs and Facilities Management contract (cleaning), offset by underspends in Force Medical Adviser contractual costs and car allowances.

3.5 Corporate

The corporate underspend of £0.142m includes the transfer of departmental budgets where underspends have been identified as a result of the in-year savings exercise reported last month, partially offset by reduced MTFP savings as a result of in year decisions (see section 6). £0.400m has been transferred to capital financing in order to fund additional in year capital expenditure in order to protect the capital financing reserve.

3.6 Income

The anticipated shortfall in income as a result of COVID-19 (public events and court income) is offset by additional income forecast relating to investment interest and recovery of training costs, resulting in a forecast surplus of £0.168m.

4. CAPITAL FINANCING

The forecast overspend of £0.181m relates to an additional in-year contribution to Revenue Funding of Capital (RFOC) (£0.400m) in order to protect the capital financing reserve, offset by lower interest charges than budgeted (£0.219m).

5. SPECIFIC HOME OFFICE GRANTS

The budget of £5.410m Home Office funding for PFI and other specific grants. It is anticipated that these grants will be received in full. In addition, the Government have announced an additional grant of £0.270m to enhance policing of C19 restrictions. An enforcement plan has been developed and submitted to the Home Office setting out the plans for the use of this additional in-year funding.

6. IN-YEAR BUDGET PRESSURES

- 6.1** As a result of the COVID-19 pandemic, there has been a significant impact on the financial position. Regular reports are provided to Chief Officers and OPCC, providing the current position and a year-end forecast.
- 6.2** Confirmation has recently been received in relation to reimbursement of medical grade and non-medical grade Personal Protective Equipment (PPE), together with compensation for loss of income as a result of COVID-19. The potential impact in relation to these areas has therefore been mitigated, however will continue to be carefully monitored.

6.3 Any additional pressure as a result of the COVID-19 pandemic are unbudgeted, however the intention is to manage these within existing budgets and offset against other in-year cost reductions following the review of in-year savings. In order to support the Constabulary in terms of liquidity, the Home Office have agreed to allocate the half-year uplift grant over 6 months instead of quarterly in arrears.

7. SAVINGS

7.1 The total planned savings requirement for 2020/21 is £1.282m with budgets having been reduced in line with the agreed savings profiles set out in the MTFP. As a result of in-year decisions, a shortfall of £0.072m is forecast against this target, however non-pay savings of £0.550m have been taken to the centre providing a net benefit of £0.478m.

7.2 As a result of COVID-19 and the potential impact this is likely to have on the economy and future uncertainty regarding police funding, an in-year review of potential pay and non-pay savings has taken place and will help to mitigate funding risks in 2021/22. As reported last month, the non-pay savings identified through this exercise have been taken back to the centre with a view to holding this corporate underspend and transferring to reserves at year-end. Pay savings will continue to be monitored through the establishment management process.

7.3 As stated in paragraph 3.5, £0.400m has been transferred to the Revenue Contribution to Capital Outlay (RCCO) budget. This is a prudent course of action and will protect reserves for future use. In addition, this fits in with the government's funding strategy of reducing the capital grant to minimal levels, and increasing the revenue grant to enable maximum flexibility for funding either revenue or capital spending from the main grant. Any further flexibility to increase the RCCO contribution further will be monitored throughout the year.

8. TRANSFER FROM RESERVES

8.1 The budgeted transfer from reserves is summarised in the table below.

Use of Reserves	Budget £000	Actual £000	Variance £000
Capital Programme Funding from Reserves	(1,151)	(1,151)	0
Constabulary:			
7 Force Collaboration Contribution	(127)	(127)	0
Carry Forward from 2019/20	(738)	(738)	0
Transfer from Reserves (Constabulary)	(865)	(865)	0
Civil Parking Enforcement	(190)	(190)	0
Total transfer to / (from) Reserves	(2,206)	(2,206)	0

9. CAPITAL PROGRAMME

9.1 The capital budget for 2020/21 is £6.022m, comprising the current programme of approved schemes of £1.778m plus slippage from 2019/20 of £3.632m, and the transfer of £0.612m to Table A in relation to the joint projects.

A summary of capital schemes is provided at Appendix B.

9.2 The forecast underspend at year end is currently £0.852m, due to Estates schemes and joint projects offset by additional costs within vehicle replacements.

	Budget	Forecast Outturn	(Over)/Under spend
	£000	£000	£000
Slippage from 2019/20	3,632		
Table A – schemes approved for immediate start 1 April 2020	2,390		
Total Capital Programme	6,022	5,170	852
Table B – schemes requiring a business case or further report to PCC(s) for approval	1,641		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	7,663		

10. INVESTMENTS

10.1 At the end of November, investments totalled £15.5m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£4,501,321	0.10%
£10,000,000	Barclays Bank	£2,000,000	0.00%
£10,000,000	Santander UK	£0	
£10,000,000	Yorkshire BS	£0	
£10,000,000	Coventry BS	£0	
£10,000,000	Goldman Sachs	£0	
£10,000,000	DBS Bank Ltd	£0	
£10,000,000 per LA	Local Authority	0	
£10,000,000	CCLA	£9,000,000	0.06%
		£15,501,321	

11. FINANCIAL IMPLICATIONS

11.1 As per the report.

12. OTHER IMPLICATIONS AND RISK

12.1 There are no other implications and risks. No changes are required to the PCC risk register.

Corporate Monitoring Report at 30th November 2020
SUFFOLK GROUP

FULL SUMMARY OF INCOME AND EXPENDITURE

	Budget 2020/21	Actual Year to Date	Forecast Outturn	(Over)/Under spend
	£000	£000	£000	£000
Pay and Employment Costs	111,414	71,487	110,091	1,323
Other Employee Costs	1,309	453	1,193	116
Property Related	9,510	5,744	9,633	(123)
Transport Related	2,328	1,950	2,132	196
Supplies and Services	13,766	10,621	13,710	56
Third Party Payments	1,954	1,261	1,970	(17)
Capital Financing	5,150	196	5,332	(181)
Contingencies	1,134	0	960	175
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	144,359	91,712	142,815	1,544
Grant, Trading and Reimb Income	(11,243)	(7,371)	(11,685)	441
TOTAL INCOME	(11,243)	(7,371)	(11,685)	441
NET INCOME/EXPENDITURE	133,116	84,341	131,130	1,985

Corporate Monitoring Report at 30th November 2020 SUFFOLK PCC				
OPCC SUMMARY OF INCOME AND EXPENDITURE (including Home Office Specific Grants)				
	Budget 2020/21	Actual Year to Date	Forecast Outturn	(Over)/Under spend
	£000	£000	£000	£000
Pay and Employment Costs	707	472	713	(6)
Other Employee Costs	5	1	3	2
Property Related	2	0	1	1
Transport Related	13	(0)	5	8
Supplies and Services	130	37	125	5
Contingencies	33	0	0	33
Total OPCC	890	511	847	43
 Movement to / from Reserves	 (2,206)	 0	 (2,206)	 0
TOTAL EXPENDITURE	(1,316)	511	(1,359)	43
 TOTAL INCOME	 (5,410)	 (3,560)	 (5,683)	 273
 NET INCOME/EXPENDITURE	 (6,726)	 (3,050)	 (7,042)	 316

Corporate Monitoring Report at 30th November 2020 SUFFOLK PCC				
COMMISSIONING SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2020/21	Actual Year to Date	Forecast Outturn	(Over)/Under spend
	£000	£000	£000	£000
Supplies and Services	1,962	1,176	1,962	0
TOTAL EXPENDITURE	1,962	1,176	1,962	0
 TOTAL INCOME	 (1,112)	 (669)	 (1,112)	 0
 NET INCOME/EXPENDITURE	 850	 507	 850	 0

Corporate Monitoring Report at 30th November 2020 Suffolk Constabulary				
CONSTABULARY SUMMARY OF INCOME AND EXPENDITURE Including Capital Financing				
	Budget 2020/21	Actual Year to Date	Forecast Outturn	(Over)/Under spend
	£000	£000	£000	£000
Pay and Employment Costs	110,707	71,014	109,378	1,328
Other Employee Costs	1,304	452	1,191	114
Property Related	9,508	5,744	9,632	(124)
Transport Related	2,315	1,950	2,126	189
Supplies and Services	11,674	9,407	11,623	50
Third Party Payments	1,954	1,261	1,970	(17)
Capital Financing	5,150	196	5,332	(181)
Contingencies	1,102	0	960	142
Movement to / from Reserves	0	0	0	0
TOTAL EXPENDITURE	143,712	90,025	142,212	1,501
Grant, Trading and Reimb Income	(4,721)	(3,142)	(4,889)	168
TOTAL INCOME	(4,721)	(3,142)	(4,889)	168
NET INCOME/EXPENDITURE	138,991	86,883	137,322	1,669

CONSTABULARY SUMMARY OF CAPITAL EXPENDITURE
Monitoring Summary 2020/21

	Slippage from 2020/21	Current Budget - Table A	Total Budget	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000	£000
Estates	2,621	(1,361)	1,260	582	678
Information, Communication and Technology	141	514	656	656	0
Vehicles and Equipment	75	760	836	943	(107)
Joint Schemes	795	2,477	3,270	2,989	281
Total	3,632	2,390	6,022	4,870	852

SUFFOLK ONLY									
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Outturn	Under/Over(-)	Table A Slippage	Table B Slippage	Approved Business Case
Estates Downsizing - Stowmarket	1,523,971	-1,168,971	0	355,000	220,000	135,000	135,000	-	0
Estates Downsizing - Mildenhall Hub	39,913	308,000	0	347,913	362,219	-14,306	-	-	700,000
Estates Downsizing - Sudbury	50,000	0	0	50,000	0	50,000	50,000	-	0
Estates Downsizing - Haverhill	15,694	0	0	15,694	0	15,694	15,694	-	0
Estates Downsizing - Hadleigh	0	0	0	0	0	0	-	-	0
Ipswich NE SNT	200,000	0	0	200,000	0	200,000	200,000	-	0
Ipswich Town Centre SNT (Fire Station)	791,387	-500,000	0	291,387	0	291,387	291,387	-	950,000
Bury St Edmunds Various	0	0	230,000	0	0	0	-	230,000	0
	2,620,965	-1,360,971	230,000	1,259,994	582,219	677,775	692,081	230,000	1,650,000
ICT Replacements - Desktop Services	127,000	363,570	0	490,570	490,570	0	0	-	0
ICT Replacements - Communications	0	84,000	0	84,000	84,000	0	0	-	0
Thin Client Replacement	14,000	17,000	0	31,000	31,000	0	0	-	0
ANPR Vehicle Kit Refresh	0	50,000	0	50,000	50,000	0	0	-	0
	141,000	514,570	0	655,570	655,570	0	0	0	0
Athena	0	44,298	0	44,298	44,298	0	0	-	0
Cameras- Static/Dual lane/Fixed site	0	0	76,760	0	0	0	0	-	0
Vehicle Replacements	75,559	716,000	0	791,559	873,059	-81,500	0	-	0
Command Platform Vehicles	0	0	0	0	0	0	0	-	0
	75,559	760,298	76,760	835,857	917,357	-81,500	0	0	0
ANPR Camera Suffolk Drugs Fund	0	0	0	0	3,750	-3,750	0	-	0
Suffolk Grant Funded Tasers	0	0	0	0	21,450	-21,450	0	-	0
	0	0	0	0	25,200	-25,200	0	0	0
	2,837,524	- 86,103	306,760	2,751,421	2,180,346	571,075	692,081	230,000	1,650,000
Suffolk Capital Projects	2,837,524	- 86,103	306,760	2,751,421	2,180,346	571,075	692,081	230,000	
Suffolk Share of Joint Projects	794,756	2,476,519	1,334,024	3,271,275	2,990,097	281,178	218,213	266,495	
	3,632,280	2,390,416	1,640,784	6,022,696	5,170,443	852,253	910,294	496,495	
			7,663,480						

JOINT									
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Outturn	Under/Over(-)	Table A Slippage	Table B Slippage	
ICT									
Joint ICT Replacements - Servers	79,412	884,000	0	963,412	963,412	0	0	0	0
Joint ICT Replacements - Communications	-	0	0	0	0	0	0	0	0
ICT Replacements - Network	97,191	707,218	0	804,409	704,409	100,000	0	0	0
Microwave Refresh	-	40,000	0	40,000	40,000	0	0	0	0
ANPR Cameras	-	130,000	0	130,000	90,000	40,000	0	0	0
Telematics	22,555	0	0	22,555	35,892	-13,337	0	0	0
ERP Change Control	-	0	0	0	0	0	0	0	0
Live Link Project	21,109	0	0	21,109	21,109	0	0	0	0
CCR Telephony	146,225	0	0	146,225	20,000	126,225	126,225	0	0
Digital Strategy -Frontline Mobile Devices	92,898	0	0	92,898	92,898	0	0	0	0
WAN Contract Renewal	2,532	0	0	2,532	0	2,532	0	0	0
GIS Replacement	95,357	0	0	95,357	95,357	0	0	0	0
Video Conferencing	34,389	0	100,000	34,389	5,609	28,780	28,780	100,000	0
PROMAT3	33,730	0	0	33,730	0	33,730	0	0	0
Digital Recording/Streaming	236,808	0	0	236,808	236,808	0	0	0	0
Mobile Device Replacement Programme	-	217,000	0	217,000	217,000	0	0	0	0
BWV Device Replacement Programme	-	84,500	0	84,500	84,500	0	0	0	0
Protective Monitoring Software PSD	9,900	0	0	9,900	0	9,900	0	0	0
Windows 10	64,619	0	0	64,619	64,619	0	0	0	0
DCS5 Upgrade	-	0	0	0	0	0	0	0	0
Body Worn Video	63,301	0	0	63,301	63,301	0	0	0	0
Mobile Workflow	283,968	0	200,000	283,968	283,968	0	0	0	200,000
Digital Public Contact	-	0	184,248	0	0	0	0	0	184,248
DAMS (Digital Asset Management)	554,433	0	100,000	554,433	204,433	350,000	350,000	100,000	0
DFU Storage Expansion	-	313,365	0	313,365	313,365	0	0	0	0
Airwave Handset Replacement	-	1,438,000	0	1,438,000	1,590,338	-152,338	0	0	0
Covert Airwave Upgrade	-	108,000	0	108,000	0	108,000	0	0	0
ERP Upgrade Project	-	800,000	1,400,000	800,000	800,000	0	0	0	0
Sailpoint ERP	-	100,000	0	100,000	80,000	20,000	0	0	0
OPAS OH Case Management System	-	30,000	0	30,000	30,000	0	0	0	0
DMS Upgrade	-	100,000	0	100,000	100,000	0	0	0	0
Next Generation Computing Trial	-	50,000	0	50,000	50,000	0	0	0	0
National Enablers Programme (NEP)	-	0	120,000	0	0	0	0	0	0
Single Online Home (SOH)	-	0	14,000	0	0	0	0	0	0
Equipment & Other									
Joint X2 Taser Upgrade Programme	-	605,600	0	605,600	605,600	0	0	0	0
Genie/Clearcore	1,287	0	100,000	1,287	1,287	0	0	0	0
Website Upgrade Project	-	125,000	0	125,000	125,000	0	0	0	0
LACHS Upgrade	-	0	0	0	0	0	0	0	0
Radio Frequency Capacity	-	0	237,000	0	0	0	0	0	0
SCIT Collision Scene Scanners	-	0	30,000	0	0	0	0	0	0
ANPR in all RAPT Vehicles	-	0	115,000	0	0	0	0	0	0
Replacement of Speed Detection Devices	-	0	23,970	0	0	0	0	0	0
Firearms Various	-	0	87,800	0	0	0	0	0	0
CycFreedom Replacement (Info Man)	-	0	110,000	0	0	0	0	0	0
ANPR Hub - Cleartone App	-	0	16,000	0	0	0	0	0	0
ERP Projects Various	-	0	250,000	0	0	0	0	0	30,000
Grant & Additional Revenue Funding									
ESN ICCS Upgrade	-	0	0	0	0	0	0	0	0
Redspeed Software Upgrade (SafeCam)	-	0	0	0	0	0	0	0	0
Operational Equipment Revenue Funded	-	0	0	0	10,100	-10,100	0	0	0
TOTAL	1,839,714	5,732,683	3,088,018	7,572,397	6,929,005	643,392	505,005	614,248	
Joint Capital Projects Norfolk	1,044,958	3,256,164	1,753,994	4,301,122	3,938,908	362,214	286,792	347,753	
Joint Capital Projects Suffolk	794,756	2,476,519	1,334,024	3,271,275	2,990,097	281,178	218,213	266,495	
	1,839,714	5,732,683	3,088,018	7,572,397	6,929,005	643,392	505,005	614,248	
		7,572,397							