

ORIGINATOR: ASSISTANT CHIEF OFFICER

PAPER NO: AP21/13

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 31 JANUARY 2021

SUMMARY:

1. This report covers the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 31 January 2021.
2. The Group is forecasting a revenue underspend of £2.089m, comprising of underspends within the Constabulary and Capital Financing of £1.234m, OPCC & Commissioning of £0.064m and Specific Home Office Grants of £0.792m.
3. The forecast capital position is underspent by £1.283m.
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 10 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.
7. Additional Covid Pressure Funding has been announced by the Home Office, providing additional income for 2020/21 of £0.522m.

RECOMMENDATION:

1. The PCC is invited to consider the contents of this report.

1. OVERVIEW

1.1 Based on the position as at 31 January 2021, the Suffolk Group Revenue Budget is forecast to underspend by £2.089m at year end (Appendix A) and its capital budget is forecast to be underspent by £1.283m 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	826	64
PCC Commissioning	850	850	0
Chief Constable Operational Spending	133,391	131,397	1,994
Transfer from Reserves (Constabulary)	(865)	(865)	0
Chief Constable Operational Spending (net)	132,976	130,982	1,994
Capital Financing	5,600	6,361	(761)
Transfer from Reserves	(1,151)	(1,151)	0
Capital Financing (net)	3,999	4,760	(761)
Specific Home Office Grants	(5,410)	(6,202)	792
Transfer from Reserves	(190)	(190)	0
Total Revenue	133,116	131,026	2,089
Capital Expenditure	6,066	4,783	1,283

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 £0.064m underspent. The main areas of forecast underspend are Contingency (£33k), Transport (£11.5k) and Services (16k). Pay and employment 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 to cover the period to 31 March 2021. All this grant funding has been disbursed.
- 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 £1.994m (excluding capital financing) as at month 10 (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	110,610	109,259	1,351
Other Employee Costs	1,375	1,226	149
Property Related Costs	9,533	9,692	(159)
Transport	2,315	2,171	144
Supplies and Services	11,682	11,570	111
Third Party Payments	1,922	1,861	62
Corporate including contingency and inflation	638	471	167
Income	(4,684)	(4,853)	169
Total	133,391	131,397	1,994

3.2 Pay Related Costs

The forecast underspend of £1.351m 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 £0.149m primarily relates to the savings identified within redundancy costs and external training.

3.4 Other Non-Pay Costs

The forecast underspend of £0.157m includes offsetting variances in relation to Force Medical Adviser contractual costs, equipment and car allowances, offset by overspends in Insurance, legal costs and Facilities Management contract (cleaning).

3.5 Corporate

The corporate underspend of £0.167m 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). £0.450m 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 Home Office funding, providing reimbursement of lost income as a result of Covid-19, together with the recovery of training costs, resulting in a forecast surplus of £0.169m.

4. CAPITAL FINANCING

The forecast overspend of £0.761m relates to an additional in-year contribution to Revenue Funding of Capital (RFOC) (£0.980m) 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 is 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 COVID-19 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. As at the end of January, £0.146m had been incurred against this funding, with a further £0.124m forecast expenditure by year end.

Furthermore, the Home Office have recently announced the allocation of £58m in respect of additional Covid Pressure funding. The additional unexpected allocation of £0.522m for Suffolk has therefore increased the forecast surplus to £0.792m. This is currently offset by an increase in the revenue contribution to capital in order to protect the capital financing reserve.

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 Reimbursement of medical grade and non-medical grade Personal Protective Equipment (PPE) has been provided by the Home Office, together with compensation for loss of income as a result of COVID-19.
- 6.3 Any additional pressure as a result of the COVID-19 pandemic are unbudgeted, however the intention has been 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 continued to allocate the uplift grant on a monthly basis instead of quarterly in arrears. The additional Covid Pressure Funding recently announced has also mitigated the additional costs arising from COVID-19.

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 and future financial years. 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, £0.450m 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	Actual	Variance
	£000	£000	£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 £6.066m, comprising the current programme of approved schemes of £1.778m plus slippage from 2019/20 of £3.632m, and the transfer of £0.656m 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 £1.283m, 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	2,434		
Total Capital Programme	6,066	4,783	1,283
Table B – schemes requiring a business case or further report to PCC(s) for approval	1,597		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	7,663		

10. INVESTMENTS

- 10.1 At the end of January, investments totalled £14.9m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£2,917,067	0.01%
£10,000,000	Barclays Bank	£3,000,000	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	0.04%
		£14,917,067	

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 31st January 2021
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	111,318	90,290	109,972	1,345
Other Employee Costs	1,380	628	1,227	153
Property Related	9,535	7,327	9,692	(157)
Transport Related	2,328	1,937	2,173	155
Supplies and Services	13,991	12,303	13,863	127
Third Party Payments	1,922	1,359	1,861	62
Capital Financing	5,600	206	6,361	(761)
Contingencies	671	0	471	200
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	144,538	114,050	143,414	1,124
Grant, Trading and Reimb Income	(11,422)	(10,212)	(12,387)	964
TOTAL INCOME	(11,422)	(10,212)	(12,387)	964
NET INCOME/EXPENDITURE	133,116	103,839	131,027	2,089

Corporate Monitoring Report at 31st January 2021 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	592	713	(6)
Other Employee Costs	5	1	1	3
Property Related	2	0	0	2
Transport Related	13	0	2	11
Supplies and Services	130	41	114	16
Contingencies	33	0	0	33
Total OPCC	890	634	830	60
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	(1,316)	634	(1,376)	60
TOTAL INCOME	(5,410)	(4,622)	(6,205)	795
NET INCOME/EXPENDITURE	(6,726)	(3,988)	(7,581)	855

Corporate Monitoring Report at 31st January 2021 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	2,179	1,613	2,179	0
TOTAL EXPENDITURE	2,179	1,613	2,179	0
TOTAL INCOME	(1,323)	(1,278)	(1,329)	0
NET INCOME/EXPENDITURE	850	334	850	0

Corporate Monitoring Report at 31st January 2021

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	110,610	89,698	109,259	1,351
Other Employee Costs	1,375	626	1,226	149
Property Related	9,533	7,327	9,692	(159)
Transport Related	2,315	1,937	2,171	144
Supplies and Services	11,682	10,650	11,570	111
Third Party Payments	1,922	1,359	1,861	62
Capital Financing	5,600	206	6,361	(761)
Contingencies	638	0	471	167
Movement to / from Reserves	0	0	(0)	0
TOTAL EXPENDITURE	143,675	111,804	142,611	1,065
Grant, Trading and Reimb Income	(4,684)	(4,312)	(4,853)	169
TOTAL INCOME	(4,684)	(4,312)	(4,853)	169
NET EXPENDITURE	138,991	107,492	137,758	1,234

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	470	790
Information, Communication and Technology	141	515	655	716	(61)
Vehicles and Equipment	75	760	836	943	(107)
Joint Schemes	795	2,520	3,315	2,654	661
Total	3,632	2,434	6,066	4,783	1,283

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 - General	0	0	0	0	0	0	-	-	
Halesworth Server Room	0	0	0	0	0	0	-	-	0
Estates Downsizing - Stowmarket	1,523,971	-1,168,971	0	355,000	200,000	155,000	155,000	-	0
Estates Downsizing - Mildenhall Hub	39,913	308,000	0	347,913	270,000	77,913	77,913	-	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
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	470,000	789,994	789,994	230,000	1,650,000
ICT Replacements - Desktop Services	127,000	363,570	0	490,570	559,570	-69,000	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	42,000	8,000	8000	-	0
	141,000	514,570	0	655,570	716,570	-61,000	8,000	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	-	
	75,559	760,298	76,760	835,857	917,357	-81,500	0	0	0
Suffolk Safecam Reserve - A134 Scheme	0	0	0	0	0	0	0	-	
Computer Equipment Revenue Funded	0	0	0	0	0	0	0	-	
Vehicles Revenue Funded	0	0	0	0	0	0	0	-	
ANPR Camera Suffolk Drugs Fund	0	0	0	0	3,750	-3,750	0	-	
Suffolk Grant Funded Tasers	0	0	0	0	21,450	-21,450	0	-	
	0	0	0	0	25,200	-25,200	0	0	0
	2,837,524	- 86,103	306,760	2,751,421	2,129,127	622,294	797,994	230,000	1,650,000
Suffolk Capital Projects	2,837,524	- 86,103	306,760	2,751,421	2,129,127	622,294	797,994	230,000	
Suffolk Share of Joint Projects	794,756	2,519,719	1,290,824	3,314,475	2,653,916	660,559	463,617	499,198	
	3,632,280	2,433,616	1,597,584	6,065,896	4,783,043	1,282,853	1,261,611	729,198	
	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	785,412	178,000	0	0
Joint ICT Replacements - Communications	-	0	0	0	0	0	0	0
ICT Replacements - Network	97,191	707,218	0	804,409	534,409	270,000	0	0
Microwave Refresh	-	40,000	0	40,000	40,000	0	0	0
ANPR Cameras	-	130,000	0	130,000	90,000	40,000	0	0
Telematics	22,555	0	0	22,555	35,892	-13,337	0	0
ERP Change Control	-	0	0	0	0	0	0	0
Live Link Project	21,109	0	0	21,109	21,109	0	0	0
CCR Telephony	146,225	0	0	146,225	20,000	126,225	126,225	0
Digital Strategy -Frontline Mobile Devices	92,898	0	0	92,898	2,597	90,301	90,301	0
Business Data Management (BRC)	-	0	0	0	0	0	0	0
WAN Contract Renewal	2,532	0	0	2,532	0	2,532	0	0
GIS Replacement	95,357	0	0	95,357	95,357	0	0	0
Video Conferencing	34,389	100,000	0	134,389	134,389	0	28,780	0
PROMAT3	33,730	0	0	33,730	0	33,730	0	0
Digital Recording/Streaming	236,808	0	0	236,808	48,724	188,084	188,084	0
Mobile Device Replacement Programme	-	217,000	0	217,000	217,000	0	0	0
BWV Device Replacement Programme	-	84,500	0	84,500	84,500	0	0	0
Protective Monitoring Software PSD	9,900	0	0	9,900	0	9,900	0	0
Windows 10	64,619	0	0	64,619	64,619	0	0	0
DCS5 Upgrade	-	0	0	0	0	0	0	0
Body Worn Video	63,301	0	0	63,301	63,301	0	0	0
Mobile Workflow	283,968	0	200,000	283,968	178,719	105,249	105,249	200,000
Digital Public Contact	-	0	184,248	0	0	0	0	161,904
DAMS (Digital Asset Management)	554,433	0	100,000	554,433	20,000	534,433	534,433	100,000
DFU Storage Expansion	-	313,365	0	313,365	313,365	0	0	0
Airwave Handset Replacement	-	1,438,000	0	1,438,000	1,590,338	-152,338	0	0
Covert Airwave Upgrade	-	108,000	0	108,000	0	108,000	0	0
ERP Upgrade Project	-	800,000	1,400,000	800,000	800,000	0	0	0
Sailpoint ERP	-	100,000	0	100,000	80,000	20,000	0	0
OPAS OH Case Management System	-	30,000	0	30,000	30,000	0	0	0
DMS Upgrade	-	100,000	0	100,000	100,000	0	0	0
Next Generation Computing Trial	-	50,000	0	50,000	50,000	0	0	0
HTCU - Various	-	0	0	0	0	0	0	0
National Enablers Programme (NEP)	-	0	120,000	0	0	0	0	48,000
Single Online Home (SOH)	-	0	14,000	0	0	0	0	0
Equipment & Other								
Joint X2 Taser Upgrade Programme	-	605,600	0	605,600	605,600	0	0	0
Genie/Clearcore	1,287	0	100,000	1,287	1,287	0	0	70,000
Website Upgrade Project	-	125,000	0	125,000	125,000	0	0	0
LACHS Upgrade	-	0	0	0	0	0	0	0
Radio Frequency Capacity	-	0	237,000	0	0	0	0	237,000
SCIT Collision Scene Scanners	-	0	30,000	0	0	0	0	30,000
ANPR in all RAPT Vehicles	-	0	115,000	0	0	0	0	115,000
Replacement of Speed Detection Devices	-	0	23,970	0	0	0	0	23,970
Firearms Various	-	0	87,800	0	0	0	0	70,000
CycFreedom Replacement (Info Man)	-	0	110,000	0	0	0	0	0
ANPR Hub - Cleartone App	-	0	16,000	0	0	0	0	0
ERP Projects Various	-	0	250,000	0	0	0	0	100,000
Grant & Additional Revenue Funding								
ESN ICCS Upgrade	-	0	0	0	0	0	0	0
Redspeed Software Upgrade (SafeCam)	-	0	0	0	0	0	0	0
Operational Equipment Revenue Funded	-	0	0	0	19,163	-19,163	0	0
TOTAL	1,839,714	5,832,683	2,988,018	7,672,397	6,150,781	1,521,616	1,073,072	1,155,874
Joint Capital Projects Norfolk	1,044,958	3,312,964	1,697,194	4,357,922	3,496,865	861,057	609,455	656,676
Joint Capital Projects Suffolk	794,756	2,519,719	1,290,824	3,314,475	2,653,916	660,559	463,617	499,198
	1,839,714	5,832,683	2,988,018	7,672,397	6,150,781	1,521,616	1,073,072	1,155,874
	7,672,397							