

ORIGINATOR: Assistant Chief Officer

PAPER NO: AP22/22

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL –
13 May 2022

SUBJECT: REVENUE AND CAPITAL OUTTURN 2021-2022

SUMMARY:

1. This report covers the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 31 March 2022. The figures remain provisional whilst the statutory accounts are prepared.
2. The revenue position for the Group, after the use of reserves, is an underspend of £1.132m, comprising of underspends within the Constabulary of £0.975m and within OPCC and Commissioning of £0.157m.
3. The capital position is an underspend of £3.023m.

RECOMMENDATION:

1. The PCC is invited to consider the contents of this report and the recommendations on the movement on reserves.

1. OVERVIEW

1.1 The revenue outturn of the Suffolk Group Revenue Budget, after the use of specific and earmarked reserves, is an underspend by £1.132m (Appendix A) and its capital budget is underspent by £3.023m. The figures in this report remain provisional whilst the statutory accounts are prepared.

1.2 The high-level summary is as follows:

	Budget 2021/22 £000	Outturn 2021/22 £000	(Over)/ Under spend £000
Officer of the Police and Crime Commissioner for Suffolk	875	782	93
PCC Commissioning	906	842	64
Chief Constable Operational Spending	141,226	139,695	1,530
Transfer from Reserves (Constabulary)	304	859	(555)
Chief Constable Operational Spending (net)	141,530	140,554	975
Specific Government Grants	(5,769)	(5,769)	-
Transfer from Reserves	1,996	1,996	-
Total Revenue Expenditure	139,538	138,406	1,132
Capital Expenditure	8,241	5,218	3,023

1.3 The recommended movements on reserves to balance the budget surplus of £1.132m are:

	£000
Transfer to PCC Reserve	93
Transfer to Crime and Disorder Reduction Reserve	64
Transfer to Budget Reserve	975
Total	1,132

2 PCC REVENUE BUDGET

2.1 The Office of the PCC Budget for 2021/22 is £0.875m (Appendix A (i)). The year-end position is an underspend of £0.093m. The main areas of underspend are Pay and Employment costs (£27k), Supplies and Services (31k), Contingency (£10k) and a surplus in income (£13k).

- 2.2 The Police and Crime Commissioner's (PCC) Commissioning budget is £2.2m which includes a grant of £0.958m from the Ministry of Justice (Appendix A (ii)) for victim services and the PCC budget of £860k supporting crime and disorder reduction and additional victim services. £0.064m of the PCC budget remained unallocated at year end.
- 2.3 The Ministry of Justice grant has been used for victim services including Norfolk and Suffolk Victim Care, the Independent Domestic Violence Advice (IDVA) service and grants to support victims of child sexual abuse. Additionally, the MOJ provided one year 'uplift' funding of £143k for domestic abuse and sexual violence, all of which was fully utilised. Unused funding of £132k on the budget of £224k for additional ISVAs and IDVAs was largely due to in-year recruitment and vacancies and will be returned to the MOJ. Critical Support Funding for domestic abuse and sexual violence services of £56k was utilised by local services.
- 2.4 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. Eighteen grants were awarded at the four panels held throughout the year.

3 CONSTABULARY REVENUE BUDGET

- 3.1 The total Constabulary Revenue Budget shows a surplus of £0.975m, composed of underspends of £1.530m offset by £0.555m overspend in movement in reserves (see table at para 7.2), following a net transfer to reserves of £0.859m (see detail in Appendix A (iii)). The main variances from budget producing the underspend are explained below.

	Budget 2021/22 £000	Outturn 2021/22 £000	(Over)/Under spend £000
Pay Related Costs	114,374	113,781	593
Other Employee Costs	1,217	1,146	71
Property Related Costs	9,727	9,916	(188)
Transport	2,603	2,622	(19)
Supplies and Services	11,807	12,167	(360)
Third Party Payments	2,113	2,059	54
Capital Financing	4,514	4,514	-
Movement in reserves	304	859	(555)
Income	(5,128)	(6,508)	1,381
Total	141,530	140,554	975

3.2 Pay Related Costs

The underspend of £0.593m primarily relates to reduced officer costs based on the average officer FTE for the year, based on the planned recruitment and leavers profile, together with an underspend in police staff costs due to vacancies.

This position 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 provided a specific grant of £0.901m to cover the additional costs for the uplift of 53 officers for Suffolk Constabulary which has been achieved in 2021/22.

3.3 Other Non-Pay Costs

The overspend of £0.443m includes additional costs in public liability insurance, medical costs, property (rent and consultant estate fees), ICT software licensing and partnership payments.

3.4 Income

The surplus of £1.381m includes additional income from mutual aid, asset recovery income, recovery of costs and additional court fees, together with income loss recovery from the Home Office, following the final reconciliation of the reimbursement of funds received in 2020/21.

4. CAPITAL FINANCING

- 4.1 The £4.514m cost relates to the requirement to fund capital expenditure. There is also an additional contribution to the capital financing reserve to fund future capital expenditure.

5. SPECIFIC GOVERNMENT GRANTS

- 5.1 The budget of £5.769m includes Home Office funding for PFI, Police Pension and Uplift grants, which have been received in full.
- 5.2 A one-off Local Tax Support Grant has been received from the Department for Levelling Up, Housing and Communities in 2021/22 of £0.952m and is included as a transfer to the budget reserve (see table at para 7.2).

6 SAVINGS

- 6.1 The total planned savings requirement for 2021/22 is £3.158m with budgets having been reduced in line with the agreed savings profiles set out in the Medium-Term Financial Plan (MTFP). Delivery of these savings has been achieved.

7 TRANSFER FROM RESERVES

- 7.1 As per paragraph 1.3 the recommended movement in reserves to balance the final underspend of £1.132m is:

	£000
Transfer to PCC Reserve	93
Transfer to Crime and Disorder Reduction Reserve	64
Transfer to Budget Reserve	975
Total	1,132

- 7.2 The recommended transfer in respect of the planned use of reserves is based on the final revenue and capital outturn, summarised in the table below:

Use of Reserves	Budget	Actual	Variance
	£000	£000	£000
Capital Programme Funding to Reserves	1,036	1,036	-
Constabulary			
7 Force Collaboration Contribution	(133)	(133)	-
Council Tax Deficit Funding	(203)	-	(203)
Carry Forward from 2020/21	(396)	(396)	-
Carry Forward to 2021/22	-	418	(418)
Regional Partnership Reserve (ERSOU)	-	(66)	66
Transfer from Reserves (Constabulary)	(732)	(177)	(555)
Change Reserve	800	800	-
General Reserve	300	300	-
Local Council Tax Support Grant	952	952	-
OPCC Reserves	(56)	(56)	-
Transfer to Reserves	1,996	1,996	-
Total transfer to/ (from) Reserves	2,300	2,855	(555)

- 7.3 Appendix B provides the reserve movements and the forecast use of reserves over the MTFP period.
- 7.4 General and earmarked reserves are now forecast to increase from £16.282m as at 31 March 2021 to £20.269m as at 31 March 2022. This is an in-year net contribution to reserves of £3.987m (£2.855m transfer to reserves as per above table and £1.132 group underspend) and compares to the budgeted use of £2.300m.
- 7.5 General and earmarked reserves are therefore forecast to be £2.738m higher in 2025/26 than assumed in the MTFP, due to the net contribution in 2021/22, as described above.

8. CAPITAL PROGRAMME

- 8.1 The capital budget for 2021/22 is £8.241m, comprising the current programme of approved schemes of £4.918m, slippage from 2020/21 of £1.808m, increases of £0.970m in relation to; body worn video (£0.306m), mobile devices (£0.317m) additional uplift-related vehicles (£0.183m), replacement operational vehicle engines (£0.065m) and carbon management (£0.100m), inclusion of Athena £0.037m and transfer of £0.508m from Table B to Table A. A summary of capital schemes is provided at Appendix C.

- 8.2 The underspend at year end is £3.023m, primarily in Estates due to the timing of construction in relation to the new Police and Fire Station in Stowmarket (£0.812m), Mildenhall Hub (£0.432m), Sudbury Police Station scheme (£0.050m) and Carbon Management (£0.100m). Underspends have also been identified against the Ipswich NE SNT project (£0.242m), vehicle replacements (£0.526m) and joint schemes (£0.758m).

	Budget	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000
Slippage from 2020/21	1,808		
Table A – schemes approved for immediate start 1 April 2021	6,433		
Total Capital Programme	8,241	5,218	3,023
Table B – schemes requiring a business case or further report to PCC(s) for approval	2,556		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	10,797		

9. INVESTMENTS

- 9.1 At the end of March, investments totalled £20.8m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£4,763,003	0.66%
£10,000,000	Barclays Bank	£1,000,000	0.50%
£10,000,000	Santander UK	£3,000,000	0.19%
£10,000,000	Nationwide BS	£1,000,000	0.15%
£10,000,000	Coventry BS	£nil	N/A
£10,000,000	Goldman Sachs	£5,000,000	0.615%
	Goldman Sachs	£2,000,000	0.32%
£10,000,000	DBS Bank Ltd	£nil	N/A
£10,000,000 per LA	Local Authority	£nil	N/A
£10,000,000	CCLA	£4,000,000	0.58%
		£20,763,003	

10. FINANCIAL IMPLICATIONS

- 10.1 As per the report.

11. OTHER IMPLICATIONS AND RISK

- 11.1 There are several contingent liabilities in the draft 2021/22 Statement of Accounts. Should the circumstances relating to these contingent liabilities change, the Constabulary may need to fund these liabilities in accordance with accounting standards. If the obligation becomes more certain, this will have a potential impact on the 2021/22 outturn position. The accounts will be available on the PCC's and Constabulary's websites before the end of July 2022. The PCC and Chief Constable will be informed of the impact on 2021/22 and 2022/23 in future budget monitoring reports.

Appendix A

Corporate Monitoring Report for the year ended 31 March 2022 SUFFOLK GROUP			
FULL SUMMARY OF INCOME AND EXPENDITURE			
	Budget 2021/22	Outturn	(Over)/Under spend
	£000	£000	£000
Pay and Employment Costs	115,098	114,478	620
Other Employee Costs	1,221	1,148	73
Property Related	9,729	9,916	(187)
Transport Related	2,614	2,625	(11)
Supplies and Services	14,307	14,571	(264)
Third Party Payments	2,113	2,059	54
Capital Financing	4,514	4,514	-
Contingencies	10	-	10
Movement to / from Reserves	2,300	2,855	(555)
TOTAL EXPENDITURE	151,905	152,166	(261)
Grant, Trading and Reimb Income	(12,367)	(13,760)	1,393
TOTAL INCOME	(12,367)	(13,760)	1,393
NET INCOME/EXPENDITURE	139,538	138,406	1,132

Appendix A (i)

Corporate Monitoring Report for the year ended 31 March 2022 SUFFOLK PCC			
OPCC SUMMARY OF INCOME AND EXPENDITURE			
	Budget 2021/22	Outturn 2021/22	(Over)/Under spend
	£000	£000	£000
Pay and Employment Costs	724	697	27
Other Employee Costs	4	2	2
Property Related	2	1	1
Transport Related	11	2	9
Supplies and Services	124	93	31
Contingencies	10	-	10
Total OPCC	875	795	80
Movement to / from Reserves	1,996	1,996	-
TOTAL EXPENDITURE	2,871	2,791	80
TOTAL INCOME	(5,769)	(5,782)	13
NET INCOME/EXPENDITURE	(2,898)	(2,991)	93

Appendix A (ii)

Corporate Monitoring Report for the year ended 31 March 2022 SUFFOLK PCC			
COMMISSIONING SUMMARY OF INCOME AND EXPENDITURE			
	Budget 2021/22	Outturn 2021/22	(Over)/Under spend
	£000	£000	£000
Supplies and Services	2,376	2,312	64
TOTAL EXPENDITURE	2,376	2,312	64
TOTAL INCOME	(1,470)	(1,470)	-
NET INCOME/EXPENDITURE	906	842	64

Corporate Monitoring Report for the year ended 31 March 2022 Suffolk Constabulary			
CONSTABULARY SUMMARY OF INCOME AND EXPENDITURE			
	Budget 2021/22	Outturn 2021/22	(Over)/Under spend
	£000	£000	£000
Pay and Employment Costs	114,374	113,781	593
Other Employee Costs	1,217	1,146	71
Property Related	9,727	9,916	(188)
Transport Related	2,603	2,622	(19)
Supplies and Services	11,807	12,167	(360)
Third Party Payments	2,113	2,059	54
Capital Financing	4,514	4,514	-
Contingencies	-	-	-
Movement to/ from Reserves	304	859	(555)
TOTAL EXPENDITURE	146,658	147,063	(405)
Grant, Trading and Reimb Income	(5,128)	(6,508)	1,381
TOTAL INCOME	(5,128)	(6,508)	1,381
NET EXPENDITURE	141,530	140,554	975

RESERVES SUMMARY										Appendix B
PROJECTION OF RESERVES LEVELS:										
	General	Budget	Change	Capital Financing and Efficiency Investment Reserve	Specified Purposes Fund	Regional Partnership reserve	Crime and Disorder Reduction Reserve	PCC Reserve	Total	Safecam Reserve
	£000	£000	£000	£000	£000		£000	£000	£000	£000
31/03/2021 Actual	4,000	5,500	260	4,354	986	145	452	585	16,282	349
Proposed Changes 2021/22:										
Use of Reserves - collection fund deficit		0								
Use of Reserves					(396)	(66)		(56)	(518)	(71)
Contribution to Reserves	300	1,927	800	1,036	418		64	93	4,638	
Reallocation of Reserves			590		(590)				0	
7 Force Collaboration Contribution			(133)						(133)	
31/03/2022 Forecast	4,300	7,427	1,517	5,390	418	79	516	622	20,269	278
Proposed Changes 2022/23:										
Use of Reserves - capital financing				(1,417)					(1,417)	
Contribution to Reserves - collection fund surplus		1,097							1,097	
Contribution to Reserves	200			1,453					1,653	
7 Force Collaboration Contribution			(120)						(120)	
31/03/2023 Forecast	4,500	8,524	1,397	5,426	418	79	516	622	21,482	278
Proposed Changes 2023/24:										
Use of Reserves - ESN funding				(1,917)					(1,917)	
Use of Reserves - collection fund deficit		(145)							(145)	
Reallocation of Reserves		(1,917)	(304)	2,221					0	
Contribution to Reserves	30			408					438	
31/03/2024 Forecast	4,530	6,462	1,093	6,138	418	79	516	622	19,858	278
Proposed Changes 2024/25:										
Use of Reserves				(576)					(576)	
Use of Reserves - ESN funding				(1,917)					(1,917)	
Reallocation of Reserves		(1,917)		1,917					0	
Contribution to Reserves	80								80	
31/03/2025 Forecast	4,610	4,545	1,093	5,562	418	79	516	622	17,445	278
Proposed Changes 2025/26:										
Use of Reserves				(1,349)					(1,349)	
Contribution to Reserves	50								50	
31/03/2026 Forecast	4,660	4,545	1,093	4,213	418	79	516	622	16,146	278

CONSTABULARY SUMMARY OF CAPITAL EXPENDITURE					
Monitoring Summary 2021/22					
	Slippage from 2020/21	Current Budget Table A	Total Budget 2021/22	Outturn 2021/22	(Over)/ Under spend
	£000	£000	£000	£000	£000
Estates	694	2,592	3,287	1,668	1,619
Information, Communication and Technology	57	380	437	345	92
Vehicles and Equipment	154	1,125	1,279	725	554
Joint Schemes	903	2,335	3,238	2,480	758
Total	1,808	6,432	8,241	5,218	3,023

SUFFOLK ONLY								
PROJECT	Requested Slippage (20/21)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Outturn	Under/Over(-)	Table A Slippage	Table B Slippage
Carbon Management	0	100,000	0	100,000	0	100,000	65,000	-
Halesworth Server Room	0	0	0	0	15,511	-15,511	-	-
Estates Downsizing - Stowmarket	349,230	1,785,000	0	2,134,230	1,321,774	812,456	386,344	-
Estates Downsizing - Mildenhall Hub	103,664	372,087	0	475,751	43,480	432,271	-	-
Estates Downsizing - Sudbury	50,000	0	0	50,000	0	50,000	50,000	-
Estates Downsizing - Haverhill	0	0	111,572	0	0	0	-	111,572
Ipswich NE SNT - Heath Road and Gainsborough Clinic to Ransomes Fire Station.	191,757	50,000	0	241,757	0	241,757	150,000	-
Ipswich Town Centre SNT (Fire Station)	0	0	941,757	0	18,223	-18,223	-	941,757
Martlesham PHQ - L&D Accommodation	0	100,000	300,000	100,000	85,688	14,312	-	300,000
Bury St Edmunds Car Park Extension	0	185,000	0	185,000	183,002	1,998	-	-
Bury St Edmunds Various	0	0	45,000	0	0	0	-	45,000
	694,651	2,592,087	1,398,329	3,286,738	1,667,678	1,619,060	651,344	1,398,329
ICT Replacements - Desktop Services	0	256,500	0	256,500	243,331	13,169	0	-
ICT Replacements - Communications	47,226	74,000	0	121,226	101,851	19,375	0	-
Thin Client Replacement	0	0	0	0	0	0	0	-
ANPR Vehicle Kit Refresh	9,372	50,000	0	59,372	0	59,372	59,372	-
	56,598	380,500	0	437,098	345,182	91,916	59,372	0
Athena	0	36,895	0	36,895	36,860	35	0	-
Cameras- Static/Dual lane/Fixed site	76,760	0	0	76,760	0	76,760	0	-
Vehicle Replacements	77,000	1,088,543	0	1,165,543	639,570	525,973	431,932	-
	153,760	1,125,438	0	1,279,198	676,430	602,768	431,932	0
Computer Equipment Revenue Funded	0	0	0	0	23,880	-23,880	0	-
Equipment Revenue Funded	0	0	0	0	20,600	-20,600	0	-
Grant Funded FCIU - Laser Scanners	0	0	0	0	4,641	-4,641	0	-
	0	0	0	0	49,121	-49,121	0	0
	905,009	4,098,025	1,398,329	5,003,034	2,738,412	2,264,622	1,142,648	1,398,329
Suffolk Capital Projects	905,009	4,098,025	1,398,329	5,003,034	2,738,412	2,264,622	1,142,648	1,398,329
Suffolk Share of Joint Projects	903,406	2,334,606	1,158,013	3,238,012	2,480,014	757,998	506,585	427,470
	1,808,415	6,432,631	2,556,342	8,241,046	5,218,425	3,022,621	1,649,233	1,825,799
	10,797,388							

Appendix C (ii)

JOINT								
PROJECT	Requested Slippage (20/2)	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	223,796	982,000	0	1,205,796	1,129,044	76,752	25,524	0
ICT Replacements - Network	270,979	950,000	0	1,220,979	463,853	757,126	504,615	0
Microwave Refresh	11,900	40,700	0	52,600	30,960	21,640	21,000	0
ANPR Cameras	-	115,000	0	115,000	91,989	23,011	0	0
Telematics	10,866	35,000	0	45,866	12,216	33,650	0	0
CCR Telephony	145,698	0	0	145,698	69,111	76,587	96,712	0
Digital Strategy -Frontline Mobile Devices	32,383	0	0	32,383	14,016	18,367	0	0
Genie/Clearcore	-	0	100,000	0	450	-450	0	0
Video Conferencing	56,356	0	0	56,356	-624	56,980	56,356	0
PROMAT3	-	0	33,730	0	0	0	0	0
Digital Recording/Streaming	118,734	0	0	118,734	17,957	100,777	31,639	0
Mobile Device Replacement Programme	42,081	1,024,288	0	1,066,369	858,427	207,942	184,096	0
BWV Device Replacement Programme	-	906,000	0	906,000	909,808	-3,808	0	0
Windows 10	-	0	0	0	-1,000	1,000	0	0
Mobile Workflow (OPTIK)	127,521	51,378	148,622	178,899	187,768	-8,869	0	148,622
Digital Public Contact	-	0	73,827	0	0	0	0	68,517
DAMS (Digital Asset Management)	-	0	790,626	0	0	0	0	710,006
Airwave Handset Replacement	-	0	0	0	98,651	-98,651	0	0
Covert Airwave Upgrade	-	0	0	0	17,207	-17,207	0	0
ERP Upgrade Project	595,149	0	0	595,149	430,428	164,721	150,000	0
Sailpoint ERP	51,738	80,000	0	131,738	7,560	124,178	0	0
OPAS OH Case Management System	8,216	0	0	8,216	0	8,216	0	0
DMS Upgrade	100,000	0	0	100,000	4,950	95,050	100,000	0
Next Generation Computing Trial	39,791	0	0	39,791	38,836	955	0	0
ERP - Skills Module	-	24,000	0	24,000	28,900	-4,900	0	0
ESN	-	285,000	0	285,000	137,465	147,535	0	0
eRecruitment Oleo	-	135,850	0	135,850	6,640	129,210	0	0
Modern Workplace	-	0	100,000	0	0	0	0	60,080
ERP Projects Various	-	0	206,000	0	0	0	0	0
HTCU - Data Centre	-	0	279,214	0	0	0	0	0
ICT Modernisation Programme	-	0	390,000	0	0	0	0	0
Equipment & Other								
Joint X2 Taser Upgrade Programme	-	741,860	0	741,860	741,860	0	0	0
Website Upgrade Project	74,703	0	0	74,703	81,145	-6,442	0	0
LACHS Upgrade	7,500	0	0	7,500	7,500	0	0	0
RAPT ANPR Vehicle Equipment	115,000	0	0	115,000	121,508	-6,508	0	0
Speed Detection Device Replacement	23,970	0	0	23,970	23,370	600	0	0
FCIU Accelerometers	30,000	0	0	30,000	70,319	-40,319	0	0
Firearms Tactical Illuminators	-	20,626	0	20,626	25,782	-5,156	0	0
Radio Frequency Capacity	-	0	237,000	0	0	0	0	0
Firearms Various	-	0	49,374	0	0	0	0	0
PSU Training Premises	-	0	100,000	0	0	0	0	0
Forensic Case Management System	-	0	166,000	0	0	0	0	0
Grant & Additional Revenue Funding								
Cubic EROS (Safecam)	-	0	0	0	57,033	-57,033	0	0
Computer Hardware Revenue Funded	-	0	0	0	44,386	-44,386	0	0
TOTAL	2,086,381	5,391,702	2,674,393	7,478,083	5,727,515	1,750,568	1,169,942	987,225
Joint Capital Projects Norfolk	1,182,975	3,057,096	1,516,380	4,240,071	3,247,501	992,570	663,357	559,755
Joint Capital Projects Suffolk	903,406	2,334,606	1,158,013	3,238,012	2,480,014	757,998	506,585	427,470
	2,086,381	5,391,702	2,674,393	7,478,083	5,727,515	1,750,568	1,169,942	987,225
	7,478,083							