

**ORIGINATORS: ASSISTANT CHIEF
OFFICER AND CHIEF FINANCE OFFICER**

PAPER NO: AP19/34

**SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL
6 SEPTEMBER 2019**

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 31 JULY 2019

SUMMARY:

1. This report covers the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 31 July 2019.
2. The Group is forecasting a revenue underspend of £0.305m, comprising of underspends within the Constabulary of £0.208m and within OPCC of £0.097m.
3. The forecast capital position provides a forecast year end under-spend of £0.989m.
4. This is a month 4 report presenting early outturn year-end forecasts that are subject to change during the financial year.

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 31 July 2019, the Suffolk Group Revenue Budget is forecast to underspend by £0.305m at year end (Appendix A) and its capital budget is forecast to underspend by £0.989m at year end.

1.2 The high level summary is as follows:

	Budget 2019/20 £000	Forecast Outturn £000	(Over)/Under spend £000
Officer of the Police and Crime Commissioner for Suffolk	928	831	97
PCC Commissioning	800	800	0
Chief Constable Operational Spending	124,483	124,275	208
Transfer from Reserves (Constabulary)	(608)	(608)	0
Chief Constable Operational Spending (net)	123,875	123,667	208
Capital Financing	2,982	2,982	0
Transfer from Reserves	(136)	(136)	0
Capital Financing (net)	2,846	2,846	0
PFI Grant	(3,897)	(3,897)	0
Transfer from Reserves	(190)	(190)	0
Total Revenue	124,363	124,058	305
Capital Expenditure	7,585	6,596	989

2. PCC REVENUE BUDGET

2.1 The Office of the PCC Budget for 2019-20 is £0.928m (Appendix A (i)). The year-end position is forecast to be £0.097m underspent.

2.2 The Police and Crime Commissioner's (PCC) Commissioning budget is £1.719m which includes a grant of £0.874m from the Ministry of Justice (Appendix A (ii)). The Ministry of Justice grant has been fully allocated to victim services including Norfolk and Suffolk Victim Care, the Independent Domestic Violence Advice (IDVA) service and grants to support victims of sexual violence.

2.3 Grants and services totalling £1.6m have been awarded to date, including £275k to the PCC's Fund.

3. CONSTABULARY REVENUE BUDGET

3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £0.208m as at month 4 (see detail in Appendix A (iii)). The main variances from budget producing the current forecast underspend are explained below.

	Budget 2019/20 £000	Full Year Forecast £000	(Over)/Under spend £000
Pay Related Costs	100,624	100,514	110
Other Employee Costs	1,237	1,316	(79)
Property Related Costs	8,979	9,023	(44)
Transport	2,512	2,578	(67)
Supplies and Services	10,685	10,612	74
Third Party Payments	1,450	1,496	(46)
Corporate including contingency and inflation	2,791	2,791	0
Income	(3,795)	(4,054)	260
Total	124,483	124,275	208

3.2 Pay and Employment Costs

The forecast underspend of £0.110m primarily relates to lower employer pension contributions than budgeted (£0.515m), offset by a forecast overspend in overtime (£0.230m) and an additional cost pressure of £0.175m following the confirmed police pay award of 2.5% compared to the budgeted 2%.

We have not included any additional costs or funding from the government's recent announcement to increase police numbers by twenty thousand officers. We are waiting for more information from the Home Office before the costs and funding are included in the year end forecast.

3.3 Other Employee Costs

The forecast over spend of £0.079m relates to higher than budgeted external training costs.

3.4 Other non-Pay Costs

The forecast over spend of £0.083m includes minor offsetting variances in property, transport, supplies and services and third party payments. Actions will be taken to bring these expenditures back to budget by year end.

3.5 Income

The forecast surplus of £0.260m relates to additional court income, recovery of costs and additional fees and charges including driver training courses. Consideration will be given to the alignment of budgets with associated additional costs for future reports.

4. IN-YEAR COST PRESSURES

- 4.1 More detailed information is now available about the 2019/20 financial impact of PEQF following approval of the Medium Term Financial Plan (MTFP) in February 2019. Work remains ongoing to model and confirm the full impact of PEQF in 2019/20 and in future years. This pressure will be monitored and reported on regularly, and the Constabulary will try and mitigate these costs where possible to reduce the impact on reserves.
- 4.2 Cost pressures additional to PEQF include learning and development, TASER and ISO accreditation, which may require mitigations within the current financial year. Pressures and mitigations are reported at regular meetings held with the PCC.

5. SAVINGS

- 5.1 The total planned savings requirement for 2019/20 is £2.043m with budgets having been reduced in line with the agreed savings profiles set out in the MTFP. The delivery of these savings currently remains on target. The cost pressures referred to in section 4 are over and above this saving target.

6. TRANSFER FROM RESERVES

- 6.1 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	(136)	(136)	0
Constabulary:			
7 Force Collaboration Contribution	(124)	(124)	0
Carry Forward from 2018/19	(484)	(484)	0
Transfer from Reserves (Constabulary)	(608)	(608)	0
Civil Parking Enforcement	(190)	(190)	0
Total transfer from Reserves	(934)	(934)	0

7. CAPITAL PROGRAMME

- 7.1 The Capital budget for 2019/20 is £7.585m, comprising the current programme of approved schemes of £5.116m plus slippage from 2018/19 of £2.469m. A summary of capital schemes is provided at Appendix B.
- 7.2 The forecast underspend at year end is £0.989m, due to re-profiling of Estates schemes.

	Budget	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000
Slippage from 2018/19	2,469		
Table A – schemes approved for immediate start 1 April 2019	5,166		
Total Capital Programme	7,585	6,596	989
Table B – schemes requiring a business case or further report to PCC(s) for approval	683		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	8,268		

8. INVESTMENTS

- 8.1 At the end of July, investments totalled £20.5m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£7,225,471	0.75%
£10,000,000	Barclays Bank	£5,000,000	0.45%
£10,000,000	Santander UK	£1,250,000	0.45%
£10,000,000	Yorkshire BS	£4,000,000	0.70%
£10,000,000	Coventry BS	£0	
£10,000,000	Goldman Sachs	£0	
£10,000,000	DBS Bank Ltd	£3,000,000	0.88%
£10,000,000 per LA	Local Authority	£0	
£10,000,000	Money Market Fund	£0	
		£20,475,471	

9. FINANCIAL IMPLICATIONS

- 9.1 As per the report.

10. OTHER IMPLICATIONS AND RISK

- 10.1 There are no other implications and risks. No changes are required to the PCC Risk Register.

Corporate Monitoring Report at 31st July 2019				
SUFFOLK GROUP				
FULL SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2019/20	Actual Year to Date	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000
Pay and Employment Costs	101,280	33,259	101,181	99
Other Employee Costs	1,241	260	1,318	(76)
Property Related	8,981	1,806	9,025	(44)
Transport Related	2,526	958	2,590	(64)
Supplies and Services	12,579	4,467	12,477	102
Third Party Payments	1,450	(269)	1,496	(46)
Capital Financing	2,982	38	2,982	0
Contingencies	2,867	0	2,792	75
Movement to / from Reserves	(934)	0	(933)	(0)
TOTAL EXPENDITURE	132,973	40,520	132,928	46
Grant, Trading and Reimb Income	(8,610)	(3,787)	(8,869)	259
TOTAL INCOME	(8,610)	(3,787)	(8,869)	259
NET INCOME/EXPENDITURE	124,363	36,734	124,058	305

Appendix A (i)

Corporate Monitoring Report at 31st July 2019 SUFFOLK PCC				
OPCC SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2019/20	Actual Year to Date	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000
Pay and Employment Costs	656	221	668	(12)
Other Employee Costs	5	1	2	3
Property Related	3	0	3	0
Transport Related	15	(4)	12	3
Supplies and Services	175	37	147	28
Contingencies	75	0	0	75
Total OPCC	928	254	831	97
Movement to / from Reserves	(934)	0	(934)	0
TOTAL EXPENDITURE	(6)	254	(102)	97
TOTAL INCOME	(3,897)	(1,846)	(3,897)	0
NET INCOME/EXPENDITURE	(3,902)	(1,592)	(3,999)	97

Appendix A (ii)

Corporate Monitoring Report at 31st July 2019 SUFFOLK PCC				
COMMISSIONING SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2019/20	Actual Year to Date	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000
Supplies and Services	1,719	383	1,719	0
TOTAL EXPENDITURE	1,719	383	1,719	0
Grant, Trading and Reimb Income	(919)	6	(919)	0
TOTAL INCOME	(919)	6	(919)	0
NET INCOME/EXPENDITURE	800	390	800	0

Corporate Monitoring Report at 31st July 2019 Suffolk Constabulary				
CONSTABULARY SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2019/20	Actual Year to Date	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000
Pay and Employment Costs	100,624	33,039	100,514	110
Other Employee Costs	1,237	259	1,316	(79)
Property Related	8,979	1,806	9,023	(44)
Transport Related	2,512	962	2,578	(67)
Supplies and Services	10,685	3,852	10,612	74
Third Party Payments	1,450	(269)	1,496	(46)
Capital Financing	2,982	38	2,982	0
Contingencies	2,791	0	2,791	0
TOTAL EXPENDITURE	131,260	39,688	131,312	(52)
Grant, Trading and Reimb Income	(3,795)	(1,493)	(4,054)	260
TOTAL INCOME	(3,795)	(1,493)	(4,054)	260
NET INCOME/EXPENDITURE	127,466	38,195	127,258	208

CONSTABULARY SUMMARY OF CAPITAL EXPENDITURE					
Monitoring Summary 2019/20					
	Slippage from 2018/19	Current Budget - Table A	Total Budget	Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000	£000
Estates	1,221	2,045	3,266	2,310	956
Information, Communication and Technology	7	590	597	597	0
Vehicles and Equipment	542	995	1,537	1,538	(1)
Joint Schemes	698	1,486	2,185	2,151	34
Total	2,468	5,116	7,585	6,596	989

SUFFOLK ONLY											
PROJECT	Requested Slippage (18-19)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Budget as per 2019/20 MTFP		Approved Business Case
									20-21	21-22	
Estates											
PHQ Security	11,000	0	0	11,000	-3,327	15,103	11,000	0	0	0	0
Halesworth Server Room	78,000	155,000	0	233,000	110,328	5,643	501,000	-268,000	10,000	0	453,000
Estates Downsizing - Stowmarket	440,000	1,090,000	0	1,530,000	0	0	306,000	1,224,000	50,000	0	0
Estates Downsizing - Mildenhall Hub	372,000	0	0	372,000	71,892	328,108	372,000	0	330,000	20,000	700,000
Estates Downsizing - Sudbury	50,000	0	0	50,000	0	0	50,000	0	250,000	0	0
Estates Downsizing - Haverhill	20,000	0	0	20,000	0	0	20,000	0	0	0	0
Estates Downsizing - Hadleigh	0	0	0	0	0	0	0	0	0	0	0
Ipswich NE SNT	240,000	0	0	240,000	0	0	240,000	0	0	0	0
Estates Downsizing - Beccles	10,000	0	0	10,000	-264,396	277,157	10,000	0	0	0	0
Estates Downsizing - Leiston	0	0	0	0	-4,296	4,361	0	0	0	0	0
Ipswich Town Centre SNT (Fire Station)	0	800,000	0	800,000	0	0	800,000	0	0	0	700,000
	1,221,000	2,045,000	0	3,266,000	-89,799	630,372	2,310,000	956,000	640,000	20,000	1,853,000
ICT											
ICT Replacements - Desktop Services	7,313	572,600	0	579,913	286,274	113,283	579,913	0	448,800	405,000	0
ICT Replacements - Communications	0	0	0	0	0	11,480	0	0	0	0	0
Thin Client Replacement	0	17,000	0	17,000	0	0	17,000	0	17,000	0	0
Satnav Upgrade	0	0	0	0	0	0	0	0	150,000	0	0
	7,313	589,600	0	596,913	286,274	124,763	596,913	0	615,800	405,000	0
Equipment & Vehicles											
Athena	52,495	0	0	52,495	0	0	53,552	-1,057	0	0	0
Vehicle Replacements	489,543	995,000	0	1,484,543	637,038	680,048	1,484,543	0	832,500	805,500	0
Suffolk Safecam Reserve - A134 Scheme	0	0	0	0	0	166,575	0	0			
XRY Kiosk Suffolk Drugs Fund	0	0	0	0	12,480	0	0	0			
	542,038	995,000	0	1,537,038	649,518	846,623	1,538,095	-1,057	832,500	805,500	0
	1,770,351	3,629,600	-	5,399,951	845,993	1,601,758	4,445,008	954,943	2,088,300	1,230,500	1,853,000
Suffolk Capital Projects	1,770,351	3,629,600	-	5,399,951	845,993	1,601,758	4,445,008	954,943			
Suffolk Share of Joint Projects	698,153	1,486,483	683,029	2,184,636	- 77,779	493,921	2,150,835	33,801			
	2,468,504	5,116,083	683,029	7,584,587	768,214	2,095,679	6,595,843	988,744			
	8,267,616										

JOINT										
PROJECT	Requested Slippage (18-19)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Budget as per 2019/20 MTFP	Approved Business Case
ICT										
Joint ICT Replacements - Servers	-	453,000	0	453,000	14,498	58,327	453,000	0	604,000	692,000
Joint ICT Replacements - Communications	-	0	0	0	11,000	18,667	11,000	-11,000	0	0
ICT Replacements - Network	61,221	511,335	0	572,556	136,218	33,476	572,556	0	475,479	818,910
Microwave Refresh	-	48,000	0	48,000	0	0	48,000	0	0	0
ANPR Cameras	-	0	500,000	0	0	16,163	0	0	0	0
Telematics	65,013	0	0	65,013	13,213	0	65,013	0	0	0
ERP Change Control	-	0	0	0	-74,219	222,136	0	0	0	0
Transearch	-	0	0	0	0	0	0	0	0	0
Live Link Project	21,109	0	0	21,109	0	0	21,109	0	0	0
Cybercrime	-	0	0	0	6,535	0	0	0	0	0
CCR Telephony	162,864	0	0	162,864	515	153,058	162,864	0	0	0
Digital Strategy -Frontline Mobile Devices	216,270	0	0	216,270	1	67	216,270	0	0	0
Business Data Management (BRC)	-	0	0	0	-74,616	0	-74,616	74,616	0	0
WAN Contract Renewal	12,174	0	0	12,174	0	5,339	12,174	0	0	0
GIS Replacement	107,951	0	0	107,951	1,751	8,050	107,951	0	0	0
Video Conferencing	-	0	150,000	0	0	0	0	0	0	0
ESN ICCS Upgrade	-	0	0	0	-13,500	193,530	0	0	0	0
PROMAT3	33,730	0	0	33,730	0	0	33,730	0	0	0
Digital Recording/Streaming	324,548	0	0	324,548	42,762	42,003	324,548	0	0	0
Mobile Device Replacement Programme	70,000	100,500	0	170,500	0	0	170,500	0	100,500	50,500
BWV Device Replacement Programme	40,500	84,500	0	125,000	11,000	109,780	125,000	0	84,500	84,500
Protective Monitoring Software PSD	9,900	0	0	9,900	0	0	9,900	0	0	0
Windows 10	389,486	0	0	389,486	85,132	94,529	389,486	0	0	0
DCS5 Upgrade	-	0	0	0	-3,000	0	0	0	0	0
Body Worn Video	68,270	0	0	68,270	4,740	0	68,270	0	0	0
Mobile Workflow	-	600,000	0	600,000	0	0	600,000	0	0	0
Digital Public Contact	-	200,000	0	200,000	0	0	200,000	0	0	0
DAMS (Digital Asset Management)	-	600,000	0	600,000	0	0	600,000	0	0	0
7F AIRBOX/MOSAIC	-	0	38,440	0	0	0	0	0	15,450	15,450
HTCU - Various	-	0	560,000	0	0	0	0	0	462,000	692,000
ERP Projects Various	-	0	340,000	0	0	0	0	0	2,100,000	0
Radio Frequency Capacity	-	0	0	0	0	0	0	0	237,000	0
SCIT Collision Scene Scanners	-	0	0	0	0	0	0	0	30,000	0
Equipment										
Computer Hardware Revenue Funded	-	0	0	0	3,120	0	0	0	0	0
Joint X2 Taser Upgrade Programme	-	757,000	0	757,000	757,000	1,358,641	757,000	0	286,400	425,400
Firearms G36 Carbine Upgrade	15,938	0	0	15,938	15,583	375	15,938	0	0	0
Glock Handgun Upgrade	-	102,602	0	102,602	0	102,602	102,602	0	0	102,602
Genie/Clearcore	24,636	0	0	24,636	13,050	10,886	19,872	4,764	100,000	0
TOTAL	1,623,610	3,456,937	1,588,440	5,080,547	950,782	2,427,627	5,012,167	68,380	4,495,329	2,778,760
Joint Capital Projects - Norfolk	925,457	1,970,454	905,411	2,895,911	1,028,561	1,933,706	2,861,332	34,579		
Joint Capital Projects - Suffolk	698,153	1,486,483	683,029	2,184,636	(77,779)	493,921	2,150,835	33,801		
	1,623,610	3,456,937	1,588,440	5,080,547	950,782	2,427,627	5,012,167	68,380		
		5,080,547								

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	N/A
Have human resource implications been considered?	N/A
Is the recommendation consistent with the objectives in the Police and Crime Plan?	N/A
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	N/A
Has communications advice been sought on areas of likely media interest and how they might be managed?	N/A
Have all relevant ethical factors been taken into consideration in developing this submission?	N/A