

**ORIGINATOR: PCC AND CC CHIEF
FINANCE OFFICERS**

PAPER NO: AP19/34

**SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL
22 NOVEMBER 2019**

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 30 SEPTEMBER 2019

SUMMARY:

1. This report covers the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 30 September 2019.
2. The Group is forecasting a revenue underspend of £0.293m, comprising of underspends within the Constabulary of £0.195m and within OPCC of £0.097m.
3. The forecast capital position provides a forecast year end under-spend of £2.800m.

RECOMMENDATION:

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

1. OVERVIEW

1.1 Based on the position as at 30 September 2019, the Suffolk Group Revenue Budget is forecast to underspend by £0.293m at year end (Appendix A) and its capital budget is forecast to underspend by £2.800m 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	124,288	195
Transfer from Reserves (Constabulary)	(608)	(608)	0
Chief Constable Operational Spending (net)	123,875	123,680	195
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	124,070	293
Capital Expenditure	8,109	5,309	2,800

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 The full commissioning budget has been awarded including £275k to the PCC's Fund.

3. CONSTABULARY REVENUE BUDGET

3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £0.195m as at month 6 (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	101,914	101,698	215
Other Employee Costs	1,237	1,292	(55)
Property Related Costs	9,195	9,256	(62)
Transport	2,512	2,607	(96)
Supplies and Services	10,701	10,607	94
Third Party Payments	1,450	1,689	(239)
Corporate including contingency and inflation	1,270	1,269	0
Income	(3,795)	(4,132)	337
Total	124,483	124,288	195

3.2 Pay and Employment Costs

The forecast underspend of £0.215m primarily includes lower employer pension contributions than budgeted (£0.524m) offset by an overspend in overtime (£0.298m). The additional cost pressure of £0.100m in anticipation of the staff pay award of 2.5% compared to the budgeted 2% previously reported is offset by staff vacancies.

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 £0.055m relates to higher than budgeted external training costs.

3.4 Other non-Pay Costs

The forecast over spend of £0.063m includes minor offsetting variances in property, transport and supplies and services. Actions will be taken to bring these expenditures back to budget by year end.

3.5 Third Party Payments

The forecast overspend of £0.239m relates to a higher contribution to ERSOU than planned, as reported in the Quarter 1 information provided to the region.

3.6 Income

The forecast surplus of £0.337m relates to additional court income, recovery of costs and additional fees and charges including driver training courses.

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 £8.109m, comprising the current programme of approved schemes of £5.116m plus slippage from 2018/19 of £2.469m and in year approvals of £0.438m in relation to Digital Forensic Unit storage expansion and £0.086m in relation to the ANPR camera scheme. A summary of capital schemes is provided at Appendix B.

7.2 The forecast underspend at year end is £2.800m, due to re-profiling of Estates and Digital 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	5,640		
Total Capital Programme	8,109	5,309	2,800
Table B – schemes requiring a business case or further report to PCC(s) for approval	434		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	8,543		

8. INVESTMENTS

8.1 At the end of September, investments totalled £15.9m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£5,937,790	0.75%
£10,000,000	Barclays Bank	£1,000,000	0.45%
£10,000,000	Santander UK	£0	0.45%
£10,000,000	Yorkshire BS	£0	0.70%
£10,000,000	Coventry BS	£0	
£10,000,000	Goldman Sachs	£3,000,000	0.88%
£10,000,000	DBS Bank Ltd	£3,000,000	0.88%
£10,000,000 per LA	Local Authority	£3,000,000	0.75%
£10,000,000	Money Market Fund	£0	
		£15,937,790	

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.

Appendix A

<p align="center">Corporate Monitoring Report at 30th September 2019 SUFFOLK GROUP</p> <p align="center">FULL SUMMARY OF INCOME AND EXPENDITURE</p>				
	Budget 2019/20	Actual Year to Date	Forecast Outturn	(Over)/Under spend
	£000	£000	£000	£000
Pay and Employment Costs	102,570	50,292	102,366	204
Other Employee Costs	1,241	418	1,293	(52)
Property Related	9,197	3,872	9,258	(61)
Transport Related	2,526	1,244	2,619	(93)
Supplies and Services	12,595	6,582	12,474	121
Third Party Payments	1,450	629	1,689	(239)
Capital Financing	2,982	38	2,982	0
Contingencies	1,345	0	1,269	75
Movement to / from Reserves	(934)	0	(933)	(0)
TOTAL EXPENDITURE	132,973	63,076	133,018	(44)
Grant, Trading and Reimb Income	(8,610)	(4,913)	(8,946)	336
TOTAL INCOME	(8,610)	(4,913)	(8,946)	336
NET INCOME/EXPENDITURE	124,363	58,163	124,072	292

Corporate Monitoring Report at 30th September 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	332	668	(12)
Other Employee Costs	5	1	2	3
Property Related	3	0	2	1
Transport Related	15	(3)	12	3
Supplies and Services	175	65	148	27
Contingencies	75	0	0	75
Total OPCC	928	395	831	97
Movement to / from Reserves	(934)	0	(934)	0
TOTAL EXPENDITURE	(6)	395	(103)	97
TOTAL INCOME	(3,897)	(2,529)	(3,897)	(0)
NET INCOME/EXPENDITURE	(3,902)	(2,134)	(3,999)	97

Corporate Monitoring Report at 30th September 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	778	1,719	0
TOTAL EXPENDITURE	1,719	778	1,719	0
TOTAL INCOME	(919)	(448)	(919)	0
NET INCOME/EXPENDITURE	800	330	800	0

Corporate Monitoring Report at 30th September 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	101,914	49,960	101,698	215
Other Employee Costs	1,237	418	1,292	(55)
Property Related	9,195	3,872	9,256	(62)
Transport Related	2,512	1,247	2,607	(96)
Supplies and Services	10,701	5,700	10,607	94
Third Party Payments	1,450	629	1,689	(239)
Capital Financing	2,982	38	2,982	0
Contingencies	1,270	0	1,269	0
Movement to / from Reserves	0	0	0	0
TOTAL EXPENDITURE	131,260	61,864	131,402	(142)
Grant, Trading and Reimb Income	(3,795)	(1,935)	(4,132)	337
TOTAL INCOME	(3,795)	(1,935)	(4,132)	337
NET INCOME/EXPENDITURE	127,466	59,928	127,270	196

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	2,321	3,542	1,298	2,244
Information, Communication and Technology	7	590	597	608	(11)
Vehicles and Equipment	542	995	1,537	1,538	(1)
Joint Schemes	698	1,735	2,433	1,865	568
Total	2,468	5,641	8,109	5,309	2,800

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	
PHQ Security	11,000	0	0	11,000	7,673	4,103	11,000	0	0	0	0
Halesworth Server Room	78,000	431,190	0	509,190	119,885	374,817	509,190	0	10,000	0	509,190
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	124,862	275,138	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	20,000	220,000	0	0	0
Estates Downsizing - Beccles	10,000	0	0	10,000	-264,396	277,157	10,000	0	0	0	0
Estates Downsizing - Newmarket	0	0	0	0	0	0	0	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	0	800,000	0	0	700,000
	1,221,000	2,321,190	0	3,542,190	-16,272	935,576	1,298,190	2,244,000	640,000	20,000	1,909,190
ICT Replacements - Desktop Services	7,313	572,600	0	579,913	404,504	7,511	579,913	0	448,800	405,000	0
ICT Replacements - Communications	0	0	0	0	11,480	0	11,480	-11,480	0	0	0
ICT Replacements - Communications Revenue Funded	0	0	0	0	0	28,728	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	415,984	36,239	608,393	-11,480	615,800	405,000	0
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	885,550	546,078	1,484,543	0	748,000	697,000	0
Command Platform Vehicles	0	0	0	0	0	0	0	0	0	0	0
	542,038	995,000	0	1,537,038	885,550	546,078	1,538,095	-1,057	748,000	697,000	0
Suffolk Safecam Reserve - A134 Scheme	0	0	0	0	0	166,575	0	0	0	0	0
XRY Kiosk Suffolk Drugs Fund	0	0	0	0	12,480	0	0	0	0	0	0
	0	0	0	0	12,480	166,575	0	0	0	0	0
	1,770,351	3,905,790	-	5,676,141	1,297,742	1,684,468	3,444,678	2,231,463	2,003,800	1,122,000	1,909,190
Suffolk Capital Projects	1,770,351	3,905,790	-	5,676,141	1,297,742	1,684,468	3,444,678	2,231,463			
Suffolk Share of Joint Projects	698,153	1,735,023	434,489	2,433,176	112,057	689,915	1,864,657	568,519			
	2,468,504	5,640,813	434,489	8,109,317	1,409,799	2,374,383	5,309,335	2,799,982			
		8,543,806									

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
									20-21	21-22	
Joint ICT Replacements - Servers	-	453,000	0	453,000	79,965	3,735	453,000	0	604,000	692,000	0
Joint ICT Replacements - Communications	-	0	0	0	29,667	0	11,000	-11,000	0	0	0
ICT Replacements - Network	61,221	511,335	0	572,556	160,279	156,122	572,556	0	475,479	818,910	0
Microwave Refresh	-	48,000	0	48,000	0	2,045	48,000	0	0	0	0
ANPR Cameras	-	200,000	300,000	200,000	0	16,163	200,000	0	0	0	200,000
Telematics	65,013	0	0	65,013	13,213	0	65,013	0	0	0	0
ERP Change Control	-	0	0	0	-36,719	163,509	0	0	0	0	0
Transearch	-	0	0	0	0	0	0	0	0	0	0
Live Link Project	21,109	0	0	21,109	0	0	0	21,109	0	0	0
CCR Telephony	162,864	0	0	162,864	11,563	142,012	162,864	0	0	0	0
Digital Strategy -Frontline Mobile Devices	216,270	0	0	216,270	87	97	0	216,270	0	0	0
Business Data Management (BRC)	-	0	0	0	-74,616	0	-74,616	74,616	0	0	0
WAN Contract Renewal	12,174	0	0	12,174	4,303	5,339	12,174	0	0	0	0
GIS Replacement	107,951	0	0	107,951	5,245	4,800	107,951	0	0	0	0
Video Conferencing	-	0	150,000	0	0	0	0	0	0	0	0
PROMAT3	33,730	0	0	33,730	0	0	33,730	0	0	0	0
Digital Recording/Streaming	324,548	0	0	324,548	83,886	2,035	204,548	120,000	0	0	0
Mobile Device Replacement Programme	70,000	100,500	0	170,500	3,430	30,396	170,500	0	100,500	50,500	0
BWV Device Replacement Programme	40,500	84,500	0	125,000	121,211	0	125,000	0	84,500	84,500	0
Protective Monitoring Software PSD	9,900	0	0	9,900	0	0	9,900	0	0	0	0
Windows 10	389,486	0	0	389,486	112,716	68,732	389,486	0	0	0	0
DCS5 Upgrade	-	0	0	0	-3,000	0	0	0	0	0	0
Body Worn Video	68,270	0	0	68,270	4,785	0	68,270	0	0	0	0
Mobile Workflow	-	600,000	0	600,000	5,315	288,752	400,000	200,000	200,000	0	0
Digital Public Contact	-	200,000	0	200,000	11,130	96,161	100,000	100,000	239,000	0	0
DAMS (Digital Asset Management)	-	600,000	0	600,000	5,315	0	0	600,000	0	0	0
DFU Storage Expansion	-	378,000	0	378,000	0	273,386	378,000	0	0	0	0
7F AIRBOX/MOSAIC	-	0	38,440	0	0	0	0	0	15,450	15,450	0
HTCU - Various	-	0	182,000	0	0	0	0	0	462,000	692,000	0
ERP Projects Various	-	0	340,000	0	0	0	0	0	2,100,000	0	0
Radio Frequency Capacity	-	0	0	0	0	0	0	0	237,000	0	0
SCIT Collision Scene Scanners	-	0	0	0	0	0	0	0	30,000	0	0
Joint X2 Taser Upgrade Programme	-	757,000	0	757,000	757,000	1,358,641	757,000	0	286,400	425,400	102,602
Firearms G36 Carbine Upgrade	15,938	0	0	15,938	15,938	0	15,938	0	0	0	0
Glock Handgun Upgrade	-	102,602	0	102,602	102,602	0	102,602	0	0	0	102,602
Genie/Clearcore	24,636	0	0	24,636	20,700	3,686	23,550	1,086	100,000	0	0
Cybercrime	-	0	0	0	6,535	0	0	0	0	0	0
ESN ICCS Upgrade	-	0	0	0	-4,332	184,362	0	0	0	0	0
Computer Hardware Revenue Funded	-	0	0	0	3,120	0	0	0	0	0	0
	1,623,610	4,034,937	1,010,440	5,658,547	1,439,356	2,799,973	4,336,466	1,322,081	4,934,329	2,778,760	405,204
Joint Capital Projects - Norfolk	925,457	2,299,914	575,951	3,225,371	1,327,300	2,110,058	2,471,809	753,562			
Joint Capital Projects - Suffolk	698,153	1,735,023	434,489	2,433,176	112,057	689,915	1,864,657	568,519			
	1,623,610	4,034,937	1,010,440	5,658,547	1,439,356	2,799,973	4,336,466	1,322,081			
	5,658,547										

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