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FINANCE OFFICER**

PAPER NO: AP20/43

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL – 4 SEPTEMBER 2020

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 31 JULY 2020

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 2020.
2. The Group is forecasting a revenue underspend of £1.699m, comprising of underspends within the Constabulary of £1.436m, Capital Financing of £0.219m and OPCC of £0.044m.
3. The forecast capital position is currently on target.
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 4 report includes the underspends following the in-year review of savings in order to protect reserves and support future funding pressures.

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 2020, the Suffolk Group Revenue Budget is forecast to underspend by £1.699m at year end (Appendix A) and its capital budget is forecast to be on target 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	846	44
PCC Commissioning	850	850	0
Chief Constable Operational Spending	133,841	132,405	1,436
Transfer from Reserves (Constabulary)	-865	-865	0
Chief Constable Operational Spending (net)	132,976	131,540	1,436
Capital Financing	5,150	4,932	219
Transfer from Reserves	-1,151	-1,151	0
Capital Financing (net)	3,999	3,781	219
Specific Home Office Grants	-5,410	-5,410	0
Transfer from Reserves	-190	-190	0
Total Revenue	133,116	131,417	1,699
Capital Expenditure	5,756	5,756	0

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 £0.044m underspent.

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)). The Ministry of Justice grant will be used for victim services including 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 The PCC has also secured £208,411 of 'Covid-19 Extraordinary Funding' from the Ministry of Justice for domestic abuse and sexual violence services.

3. CONSTABULARY REVENUE BUDGET

3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £1.436m (excluding capital financing) as at month 4 (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	108,138	107,081	1,057
Other Employee Costs	1,297	1,146	151
Property Related Costs	9,348	9,355	(7)
Transport	2,302	2,280	22
Supplies and Services	11,647	11,768	(121)
Third Party Payments	1,660	1,805	(145)
Corporate including contingency and inflation	3,949	3,471	478
Income	(4,500)	(4,501)	1
Total	133,841	132,405	1,436

3.2 Pay Related Costs

The forecast underspend of £1.057m 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.

The underspend includes savings identified as a result of continued departmental vacancies (**£0.253m**) together with fewer ill health retirements and lower pension strain costs identified within the review of in-year savings of **£0.275m**.

3.3 Other Employee Costs

The forecast underspend of **£0.151m** relates to the savings identified within redundancy costs. In year savings identified by departments of **£0.128m** have been transferred to corporate.

3.4 Other Non-Pay Costs

The forecast overspend of £0.251m primarily relates to additional legal expenses and Home Office charges incurred. Previous underspends identified in these areas due to lower costs as a result of the COVID-19 pandemic (**£0.422m**) have been transferred to corporate (including fuel, travel and insurance costs, stationery, postage and subsistence). The forecast overspend previously reported in respect of Personal Protective Equipment (PPE) has been reduced following confirmation that medical grade PPE purchases will be funded by the Home Office.

3.5 **Corporate**

The corporate underspend of £0.478m includes the transfer of departmental budgets where underspends have been identified as a result of the in-year savings exercise, as per paragraphs 3.3 and 3.4, partially offset by reduced MTFP savings as a result of in year decisions (see section 6).

3.6 **Income**

As a result of the COVID-19 pandemic, the shortfall in income previously reported in relation to National Driver Offender Retraining Scheme (NDORS), sporting events and court fees has reduced as a result of recovery of a proportion of this from the Home Office. The remaining anticipated shortfall is offset by additional income forecast relating to investment interest and recovery of training costs.

4. **CAPITAL FINANCING**

The forecast underspend of £0.219m is as a result of lower interest charges than budgeted.

5. **IN-YEAR BUDGET PRESSURES**

- 5.1 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.
- 5.2 Confirmation has recently been received in relation to reimbursement of medical grade Personal Protective Equipment (PPE) and 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.
- 5.3 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.

6. **SAVINGS**

- 6.1 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.
- 6.2 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. 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 be monitored through the establishment management process.

- 6.3 The savings identified are outlined in the table below and are included within this monitoring report following the corporate adjustment outlined in paragraph 6.2:

Corporate Savings:	£
Police Pay - Ill Health Retirements	200,000
Staff Pay – Pension Strain	75,000
Employee Costs - Redundancy	150,000
Transport Costs - Insurance	50,000
Departmental Savings:	
Pay	253,272
Employee Costs	127,974
Transport Costs	232,071
Supplies and Services	139,580
Total in-year savings	1,227,897

7. TRANSFER FROM RESERVES

- 7.1 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

8. CAPITAL PROGRAMME

- 8.1 The capital budget for 2020/21 is £5.756m, comprising the current programme of approved schemes of £1.778m plus slippage from 2019/20 of £3.632m, and the transfer of £0.346m to Table A in relation to the ERP project.

A summary of capital schemes is provided at Appendix B.

8.2 The forecast position at year end is currently on target, including offsetting variances in Estates schemes and 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	2,124		
Total Capital Programme	5,756	5,756	-
Table B – schemes requiring a business case or further report to PCC(s) for approval	1,828		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	7,584		

9. INVESTMENTS

9.1 At the end of July, investments totalled £19m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£5,531,643	0.10%
£10,000,000	Barclays Bank	£3,500,000	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	£10,000,000	0.17%
		£19,031,643	

10.0 FINANCIAL IMPLICATIONS

10.1 As per the report.

11. 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 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	108,846	35,323	107,782	1,064
Other Employee Costs	1,302	132	1,149	153
Property Related	9,350	1,830	9,357	(7)
Transport Related	2,315	769	2,291	24
Supplies and Services	13,513	5,442	13,635	(121)
Third Party Payments	1,660	306	1,805	(145)
Capital Financing	5,150	32	4,932	219
Contingencies	3,982	0	3,472	510
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	143,912	43,834	142,216	1,698
Grant, Trading and Reimb Income	(10,797)	(3,404)	(10,798)	1
TOTAL INCOME	(10,797)	(3,404)	(10,798)	1
NET INCOME/EXPENDITURE	133,116	40,430	131,418	1,699

Corporate Monitoring Report at 31st July 2020 SUFFOLK PCC				
OPCC 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	707	233	700	7
Other Employee Costs	5	0	3	2
Property Related	2	0	2	0
Transport Related	13	(1)	11	2
Supplies and Services	130	19	130	(0)
Contingencies	33	0	0	33
Total OPCC	890	251	846	44
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	(1,316)	251	(1,360)	44
Grant, Trading and Reimb Income	(5,410)	(1,159)	(5,410)	0
TOTAL INCOME	(5,410)	(1,159)	(5,410)	0
NET INCOME/EXPENDITURE	(6,726)	(1,852)	(6,770)	44

Corporate Monitoring Report at 31st July 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	1,737	600	1,737	0
TOTAL EXPENDITURE	1,737	600	1,737	0
TOTAL INCOME	(887)	(652)	(887)	0
NET INCOME/EXPENDITURE	850	(51)	850	0

Corporate Monitoring Report at 31st July 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	108,138	35,091	107,081	1,057
Other Employee Costs	1,297	132	1,146	151
Property Related	9,348	1,830	9,355	(7)
Transport Related	2,302	770	2,280	22
Supplies and Services	11,647	4,823	11,768	(121)
Third Party Payments	1,660	306	1,805	(145)
Capital Financing	5,150	32	4,932	219
Contingencies	3,949	0	3,471	478
Movement to / from Reserves	0	0	0	0
TOTAL EXPENDITURE	143,492	42,983	141,838	1,654
Grant, Trading and Reimb Income	(4,500)	(649)	(4,501)	1
TOTAL INCOME	(4,500)	(649)	(4,501)	1
NET INCOME/EXPENDITURE	138,991	42,333	137,336	1,655

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	1,125	135
Information, Communication and Technology	141	514	655	655	0
Vehicles and Equipment	76	760	836	971	(135)
Joint Schemes	795	2,211	3,005	3,005	0
Total	3,632	2,124	5,756	5,756	0

SUFFOLK ONLY											
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Budget as per 2020/21 MTFP		Approved Business Case
									21/22	22/23	
Estates Downsizing - General	0	0	0	0	0	-2,101	0	0	0	0	0
Halesworth Server Room	0	0	0	0	3,083	36,754	0	0	0	0	509,190
Estates Downsizing - Stowmarket	1,523,971	-1,168,971	0	355,000	0	0	220,000	135,000	1,200,000	0	0
Estates Downsizing - Mildenhall Hub	39,913	308,000	0	347,913	98,759	263,460	347,913	0	20,000	0	700,000
Estates Downsizing - Sudbury	50,000	0	0	50,000	0	0	50,000	0	0	0	0
Estates Downsizing - Haverhill	15,694	0	0	15,694	0	0	15,694	0	20,000	0	0
Ipswich NE SNT	200,000	0	0	200,000	0	0	200,000	0	50,000	0	0
Estates Downsizing - Beccles	0	0	0	0	0	3,854	0	0	0	0	0
Estates Downsizing - Leiston	0	0	0	0	0	4,361	0	0	0	0	0
Ipswich Town Centre SNT (Fire Station)	791,387	-500,000	0	291,387	0	0	291,387	0	500,000	0	700,000
Bury St Edmunds Various	0	0	230,000	0	0	0	0	0	0	0	0
	2,620,965	-1,360,971	230,000	1,259,994	101,842	306,328	1,124,994	135,000	1,790,000	0	1,909,190
ICT Replacements - Desktop Services	127,000	363,570	0	490,570	198,338	25,463	490,570	0	260,230	395,000	0
ICT Replacements - Communications	0	84,000	0	84,000	15,000	0	84,000	0	84,000	84,000	0
Thin Client Replacement	14,000	17,000	0	31,000	9,731	0	31,000	0	0	0	0
ANPR Vehicle Kit Refresh	0	50,000	0	50,000	0	0	50,000	0	50,000	50,000	0
	141,000	514,570	0	655,570	223,069	25,463	655,570	0	394,230	529,000	0
Athena	0	44,298	0	44,298	9,224	0	44,298	0	0	0	0
Cameras- Static/Dual lane/Fixed site	0	0	76,760	0	0	0	0	0	0	0	0
Vehicle Replacements	75,559	716,000	0	791,559	85,585	455,348	926,559	-135,000	788,000	730,000	0
	75,559	760,298	76,760	835,857	94,809	455,348	970,857	-135,000	788,000	730,000	0
Suffolk Safecam Reserve - A134 Scheme	0	0	0	0	0	4,094	0	0			
ANPR Camera Suffolk Drugs Fund	0	0	0	0	3,750	4,120	0	0			
Suffolk Grant Funded Tasers	0	0	0	0	0	42,075	0	0			
	0	0	0	0	3,750	50,289	0	0	0	0	0
	2,837,524	- 86,103	306,760	2,751,421	423,470	837,428	2,751,421	-	2,972,230	1,259,000	1,909,190
Suffolk Capital Projects	2,837,524	- 86,103	306,760	2,751,421	423,470	837,428	2,751,421	-			
Suffolk Share of Joint Projects	794,756	2,209,385	1,521,563	3,004,141	952,257	1,053,014	3,004,141	-			
	3,632,280	2,123,282	1,828,323	5,755,562	1,375,727	1,890,442	5,755,562	-			
		7,583,885									

JOINT								
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)
Joint ICT Replacements - Servers	79,412	884,000	0	963,412	253,581	145,506	963,412	0
ICT Replacements - Network	97,191	707,218	0	804,409	66,347	35,702	804,409	0
Microwave Refresh	-	40,000	0	40,000	0	0	40,000	0
ANPR Cameras	-	130,000	0	130,000	0	0	130,000	0
Telematics	22,555	0	0	22,555	16,877	19,015	22,555	0
ERP Change Control	-	0	0	0	30,397	39,347	0	0
Live Link Project	21,109	0	0	21,109	0	1,918	21,109	0
CCR Telephony	146,225	0	0	146,225	0	138,512	146,225	0
Digital Strategy -Frontline Mobile Devices	92,898	0	0	92,898	2,597	0	92,898	0
WAN Contract Renewal	2,532	0	0	2,532	0	0	2,532	0
GIS Replacement	95,357	0	0	95,357	32,161	92,263	95,357	0
Video Conferencing	34,389	0	100,000	34,389	291	4,961	34,389	0
PROMAT3	33,730	0	0	33,730	0	0	33,730	0
Digital Recording/Streaming	236,808	0	0	236,808	3,594	114,550	236,808	0
Mobile Device Replacement Programme	-	217,000	0	217,000	118,576	0	217,000	0
BWV Device Replacement Programme	-	84,500	0	84,500	0	0	84,500	0
Protective Monitoring Software PSD	9,900	0	0	9,900	0	0	9,900	0
Windows 10	64,619	0	0	64,619	-16,469	235,588	64,619	0
Body Worn Video	63,301	0	0	63,301	0	0	63,301	0
Mobile Workflow	283,968	0	200,000	283,968	25,214	68,272	283,968	0
Digital Public Contact	-	0	0	0	12,106	59,260	0	0
DAMS (Digital Asset Management)	554,433	0	100,000	554,433	3,888	0	554,433	0
DFU Storage Expansion	-	0	0	0	-52	1,307	0	0
Airwave Handset Replacement	-	1,438,000	0	1,438,000	795,699	777,860	1,438,000	0
Covert Airwave Upgrade	-	108,000	0	108,000	5,804	262	108,000	0
Sailpoint ERP	-	100,000	0	100,000	0	0	100,000	0
HTCU - Various	-	0	313,365	0	0	0	0	0
National Enablers Programme (NEP)	-	0	120,000	0	0	0	0	0
Single Online Home (SOH)	-	0	139,000	0	0	0	0	0
Next Generation Computing Trial	-	0	50,000	0	0	0	0	0
Joint X2 Taser Upgrade Programme	-	605,600	0	605,600	589,959	753,041	605,600	0
Genie/Clearcore	1,287	0	100,000	1,287	0	900	1,287	0
Radio Frequency Capacity	-	0	237,000	0	0	0	0	0
SCIT Collision Scene Scanners	-	0	30,000	0	0	0	0	0
ANPR in all RAPT Vehicles	-	0	115,000	0	0	0	0	0
Replacement of Speed Detection Devices	-	0	23,970	0	0	0	0	0
Firearms Various	-	0	87,800	0	0	0	0	0
CycFreedom Replacement (Info Man)	-	0	110,000	0	0	0	0	0
ANPR in all RAPT Vehicles	-	0	16,000	0	0	0	0	0
ERP (New)	-	800,000	1,400,000	800,000	0	0	800,000	0
ERP Projects Various	-	0	380,000	0	0	0	0	0
ESN ICCS Upgrade	-	0	0	0	17,791	19,342	0	0
	1,839,714	5,114,318	3,522,135	6,954,032	1,958,362	2,507,605	6,954,032	0
Joint Capital Projects - Norfolk	1,044,958	2,904,933	2,000,572	3,949,891	1,006,105	1,454,591	3,949,891	-
Joint Capital Projects - Suffolk	794,756	2,209,385	1,521,563	3,004,141	952,257	1,053,014	3,004,141	-
	1,839,714	5,114,318	3,522,135	6,954,032	1,958,362	2,507,605	6,954,032	0
	6,954,032							