

ORIGINATOR: ASSISTANT CHIEF OFFICER / CHIEF FINANCE OFFICER

PAPER NO: AP20/50

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL 20 NOVEMBER 2020

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 30 SEPTEMBER 2020

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 2020.
2. The Group is forecasting a revenue underspend of £2.072m, comprising of underspends within the Constabulary of £1.808m, Capital Financing of £0.218m and OPCC & Commissioning of £0.046m.
3. The forecast capital position is underspent by £0.621m.
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 6 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 30 September 2020, the Suffolk Group Revenue Budget is forecast to underspend by £2.072 at year end (Appendix A) and its capital budget is forecast to be underspent by £0.621m 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	844	46
PCC Commissioning	850	850	0
Chief Constable Operational Spending	133,441	131,633	1,808
Transfer from Reserves (Constabulary)	(865)	(865)	0
Chief Constable Operational Spending (net)	132,576	130,768	1,808
Capital Financing	5,550	5,332	218
Transfer from Reserves	(1,151)	(1,151)	0
Capital Financing (net)	4,399	4,181	218
Specific Home Office Grants	(5,410)	(5,410)	0
Transfer from Reserves	(190)	(190)	0
Total Revenue	133,116	131,044	2,072
Capital Expenditure	5,887	5,226	621

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 £0.049m underspent. The main areas of forecast underspend are Contingency (£33k), Transport (£7.5k) and Services (5k).

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 has been allocated to thirteen successful applicants delivering domestic abuse and sexual violence services. The MoJ has extended the deadline for delivery to 31 March 2021 by which time all funds will be spent.

3. CONSTABULARY REVENUE BUDGET

- 3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £1.808m (excluding capital financing) as at month 6 (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	109,886	108,402	1,484
Other Employee Costs	1,304	1,214	90
Property Related Costs	9,348	9,369	(21)
Transport	2,308	2,207	101
Supplies and Services	11,566	11,576	(10)
Third Party Payments	1,851	1,945	(94)
Corporate including contingency and inflation	1,693	1,615	78
Income	(4,515)	(4,694)	179
Total	133,441	131,633	1,808

3.2 Pay Related Costs

The forecast underspend of £1.484m 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 £0.090m primarily relates to the savings identified within redundancy costs.

3.4 Other Non-Pay Costs

The forecast overspend of £0.024m includes offsetting variances in relation to Insurance, legal costs and Home Office charges, offset by underspends in Force Medical Adviser contractual costs and car allowances.

3.5 **Corporate**

The corporate underspend of £0.078m 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). £0.400m 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 additional income forecast relating to investment interest and recovery of training costs, resulting in a forecast surplus of £0.179m.

4. **CAPITAL FINANCING**

The forecast underspend of £0.218m 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. As reported last month, 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.

- 6.3 As stated in paragraph 3.5, £0.400m 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.

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 £5.887m, comprising the current programme of approved schemes of £1.778m plus slippage from 2019/20 of £3.632m, and the transfer of £0.477m to Table A in relation to the joint projects.

A summary of capital schemes is provided at Appendix B.

- 8.2 The forecast underspend at year end is currently £0.621m, 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	2,255		
Total Capital Programme	5,887	5,266	621
Table B – schemes requiring a business case or further report to PCC(s) for approval	1,776		
Table C – Longer term, provisional schemes requiring further reports	-		
Total	7,663		

9. INVESTMENTS

9.1 At the end of September, investments totalled £15.3m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£5,273,505	0.10%
£10,000,000	Barclays Bank	£0	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	0.12%
		£15,273,505	

10. FINANCIAL IMPLICATIONS

10.1 As per the report.

11. OTHER IMPLICATIONS AND RISKS

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

Corporate Monitoring Report at 30th September 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	110,594	53,071	109,113	1,481
Other Employee Costs	1,309	300	1,216	92
Property Related	9,350	4,680	9,370	(20)
Transport Related	2,321	1,045	2,212	109
Supplies and Services	13,659	8,759	13,664	(5)
Third Party Payments	1,851	1,167	1,945	(94)
Capital Financing	5,550	32	5,332	218
Contingencies	1,726	0	1,615	111
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	144,153	69,053	142,261	1,892
Grant, Trading and Reimb Income	(11,037)	(5,368)	(11,217)	179
TOTAL INCOME	(11,037)	(5,368)	(11,217)	179
NET INCOME/EXPENDITURE	133,116	63,686	131,044	2,072

**Corporate Monitoring Report at 30th September 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	352	711	(3)
Other Employee Costs	5	1	3	2
Property Related	2	0	1	1
Transport Related	13	(0)	5	8
Supplies and Services	130	33	125	5
Contingencies	33	0	0	33
Total OPCC	890	386	844	46
Movement to / from Reserves	(2,206)	0	(2,206)	0
TOTAL EXPENDITURE	(1,316)	386	(1,362)	46
TOTAL INCOME	(5,410)	(3,038)	(5,410)	0
NET INCOME/EXPENDITURE	(6,726)	(2,652)	(6,772)	46

**Corporate Monitoring Report at 30th September 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	1,962	898	1,962	0
TOTAL EXPENDITURE	1,962	898	1,962	0
TOTAL INCOME	(1,112)	(669)	(1,112)	0
NET INCOME/EXPENDITURE	850	229	850	0

Corporate Monitoring Report at 30th September 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	109,886	52,719	108,402	1,484
Other Employee Costs	1,304	298	1,214	90
Property Related	9,348	4,680	9,369	(21)
Transport Related	2,308	1,045	2,207	101
Supplies and Services	11,566	7,828	11,576	(10)
Third Party Payments	1,851	1,167	1,945	(94)
Capital Financing	5,550	32	5,332	218
Contingencies	1,693	0	1,615	78
Movement to / from Reserves	0	0	0	0
TOTAL EXPENDITURE	143,507	67,770	141,660	1,847
Grant, Trading and Reimb Income	(4,515)	(1,661)	(4,694)	179
TOTAL INCOME	(4,515)	(1,661)	(4,694)	179
NET INCOME/EXPENDITURE	138,991	66,109	136,965	2,026

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	797	463
Information, Communication and Technology	141	514	656	656	0
Vehicles and Equipment	75	760	836	917	(81)
Joint Schemes	795	2,341	3,135	2,896	239
Total	3,632	2,254	5,887	5,266	621

SUFFOLK ONLY										
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Table A Slippage	Approved Business Case
Estates										
Estates Downsizing - General	0	0	0	0	0	-2,101	0	0	-	
PHQ Security	0	0	0	0	0	0	0	0	-	0
Halesworth Server Room	0	0	0	0	3,083	36,754	0	0	-	0
Estates Downsizing - Stowmarket	1,523,971	-1,168,971	0	355,000	0	0	220,000	135,000	135,000	0
Estates Downsizing - Mildenhall Hub	39,913	308,000	0	347,913	148,361	213,859	362,219	-14,306	-	700,000
Estates Downsizing - Sudbury	50,000	0	0	50,000	0	0	0	50,000	50,000	0
Estates Downsizing - Haverhill	15,694	0	0	15,694	0	0	15,694	0	-	0
Estates Downsizing - Hadleigh	0	0	0	0	0	0	0	0	-	0
Ipswich NE SNT	200,000	0	0	200,000	0	0	200,000	0	-	0
Estates Downsizing - Beccles	0	0	0	0	0	3,854	0	0	-	0
Estates Downsizing - Newmarket	0	0	0	0	0	0	0	0	-	0
Estates Downsizing - Leiston	0	0	0	0	0	4,361	0	0	-	0
Ipswich Town Centre SNT (Fire Station)	791,387	-500,000	0	291,387	0	0	0	291,387	291,387	950,000
Bury St Edmunds Various	0	0	230,000	0	0	0	0	0	-	0
	2,620,965	-1,360,971	230,000	1,259,994	151,443	256,727	797,913	462,081	476,387	1,650,000
ICT										
ICT Replacements - Desktop Services	127,000	363,570	0	490,570	224,155	126,670	490,570	0	0	0
ICT Replacements - Communications	0	84,000	0	84,000	15,000	0	84,000	0	0	0
Thin Client Replacement	14,000	17,000	0	31,000	13,091	0	31,000	0	0	0
ANPR Vehicle Kit Refresh	0	50,000	0	50,000	0	0	50,000	0	0	0
	141,000	514,570	0	655,570	252,246	126,670	655,570	0	0	0
Equipment & Vehicles										
Athena	0	44,298	0	44,298	9,224	0	44,298	0	0	0
Cameras- Static/Dual lane/Fixed site	0	0	76,760	0	0	0	0	0	0	0
Vehicle Replacements	75,559	716,000	0	791,559	307,240	487,433	873,059	-81,500	0	0
Command Platform Vehicles	0	0	0	0	0	0	0	0	0	0
	75,559	760,298	76,760	835,857	316,463	487,433	917,357	-81,500	0	0
Grant & Additional Revenue Funding										
Suffolk Safecam Reserve - A134 Scheme	0	0	0	0	0	4,094	0	0	0	0
Chronicle Driver Management - Capital	0	0	0	0	0	0	0	0	0	0
ANPR Camera Suffolk Drugs Fund	0	0	0	0	3,750	4,120	0	0	0	0
Suffolk Grant Funded Tasers	0	0	0	0	21,450	20,625	0	0	0	0
	0	0	0	0	25,200	28,839	0	0	0	0
	2,837,524	- 86,103	306,760	2,751,421	745,352	899,670	2,370,840	380,581	476,387	1,650,000
Suffolk Capital Projects	2,837,524	- 86,103	306,760	2,751,421	745,352	899,670	2,370,840	380,581	476,387	
Suffolk Share of Joint Projects	794,756	2,341,145	1,469,398	3,135,901	1,717,395	249,544	2,895,639	240,262	151,200	
	3,632,280	2,255,042	1,776,158	5,887,322	2,462,747	1,149,213	5,266,479	620,843	627,587	
		7,663,480								

JOINT									
PROJECT	Requested Slippage (19/20)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Table A Slippage
ICT									
Joint ICT Replacements - Servers	79,412	884,000	0	963,412	399,269	566	963,412	0	0
Joint ICT Replacements - Communications	-	0	0	0	240	0	0	0	0
ICT Replacements - Network	97,191	707,218	0	804,409	155,242	257,934	704,409	100,000	0
Microwave Refresh	-	40,000	0	40,000	0	0	40,000	0	0
ANPR Cameras	-	130,000	0	130,000	82,024	0	90,000	40,000	0
Telematics	22,555	0	0	22,555	25,027	10,866	22,555	0	0
ERP Change Control	-	0	0	0	-31,900	39,347	0	0	0
Transearch	-	0	0	0	0	0	0	0	0
Live Link Project	21,109	0	0	21,109	1,918	0	21,109	0	0
CCR Telephony	146,225	0	0	146,225	0	123,971	146,225	0	0
Digital Strategy -Frontline Mobile Devices	92,898	0	0	92,898	2,597	0	92,898	0	0
Business Data Management (BRC)	-	0	0	0	0	0	0	0	0
WAN Contract Renewal	2,532	0	0	2,532	0	0	0	2,532	0
GIS Replacement	95,357	0	0	95,357	44,703	79,722	95,357	0	0
Video Conferencing	34,389	0	100,000	34,389	5,283	593	34,389	0	0
PROMAT3	33,730	0	0	33,730	0	0	0	33,730	0
Digital Recording/Streaming	236,808	0	0	236,808	41,933	77,444	236,808	0	0
Mobile Device Replacement Programme	-	217,000	0	217,000	118,576	0	217,000	0	0
BWV Device Replacement Programme	-	84,500	0	84,500	0	0	84,500	0	0
Protective Monitoring Software PSD	9,900	0	0	9,900	0	0	0	9,900	0
Windows 10	64,619	0	0	64,619	36,102	246,902	64,619	0	0
DCS5 Upgrade	-	0	0	0	0	0	0	0	0
Body Worn Video	63,301	0	0	63,301	0	0	63,301	0	0
Mobile Workflow	283,968	0	200,000	283,968	25,229	151,969	283,968	0	0
Digital Public Contact	-	0	184,248	0	556	44,806	0	0	0
DAMS (Digital Asset Management)	554,433	0	100,000	554,433	13,714	0	204,433	350,000	350,000
DFU Storage Expansion	-	0	0	0	-52	1,307	0	0	0
Airwave Handset Replacement	-	1,438,000	0	1,438,000	1,573,806	11,929	1,438,000	0	0
Covert Airwave Upgrade	-	108,000	0	108,000	4,284	1,782	108,000	0	0
ERP Upgrade Project	-	800,000	1,400,000	800,000	21,785	463,540	800,000	0	0
Sailpoint ERP	-	100,000	0	100,000	0	39,499	80,000	20,000	0
OPAS OH Case Management System	-	30,000	0	30,000	0	21,785	30,000	0	0
DMS Upgrade	-	100,000	0	100,000	0	0	100,000	0	0
Next Generation Computing Trial	-	50,000	0	50,000	6,313	2,299	50,000	0	0
HTCU - Various	-	0	313,365	0	0	0	0	0	0
National Enablers Programme (NEP)	-	0	120,000	0	0	0	0	0	0
Single Online Home (SOH)	-	0	14,000	0	0	0	0	0	0
Equipment & Other									
Joint X2 Taser Upgrade Programme	-	605,600	0	605,600	594,419	753,041	605,600	0	0
Genie/Clearcore	1,287	0	100,000	1,287	0	900	1,287	0	0
Website Upgrade Project	-	125,000	0	125,000	0	125,742	125,000	0	0
Radio Frequency Capacity	-	0	237,000	0	0	0	0	0	0
SCIT Collision Scene Scanners	-	0	30,000	0	0	0	0	0	0
ANPR in all RAPT Vehicles	-	0	115,000	0	0	0	0	0	0
Replacement of Speed Detection Devices	-	0	23,970	0	0	0	0	0	0
Firearms Various	-	0	87,800	0	0	0	0	0	0
CycFreedom Replacement (Info Man)	-	0	110,000	0	0	0	0	0	0
ANPR in all RAPT Vehicles	-	0	16,000	0	0	0	0	0	0
ERP Projects Various	-	0	250,000	0	0	0	0	0	0
Grant & Additional Revenue Funding									
ESN ICCS Upgrade	-	0	0	0	26,686	45,484	0	0	0
Redspeed Software Upgrade (SafeCam)	-	0	0	0	18,895	0	0	0	0
Operational Equipment Revenue Funded	-	0	0	0	0	10,100	0	0	0
TOTAL	1,839,714	5,419,318	3,401,383	7,259,032	3,166,649	2,511,527	6,702,870	556,162	350,000
Joint Capital Projects Norfolk	1,044,958	3,078,173	1,931,985	4,123,131	1,449,254	2,261,983	3,807,231	315,900	198,800
Joint Capital Projects Suffolk	794,756	2,341,145	1,469,398	3,135,901	1,717,395	249,544	2,895,639	240,262	151,200
	1,839,714	5,419,318	3,401,383	7,259,032	3,166,649	2,511,527	6,702,870	556,162	350,000
				7,259,032					