

ORIGINATOR: ASSISTANT CHIEF OFFICER

PAPER NO: AP22/49

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL – 18 NOVEMBER 2022

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 30 SEPTEMBER 2022

SUMMARY:

1. This report supports the objective 1 of the PCC's Police and Crime Plan to deliver an efficient and effective police force in Suffolk. It presents the financial overview of the PCC Budget, Constabulary Revenue Budget, Capital Budget and Investments and Reserves as at 30 September 2022.
2. The Group is forecasting a revenue underspend of £1.879m, comprising of underspends for the Constabulary of £1.192m and for the OPCC of £0.057m, and an over-achievement in Specific Grants of £0.630m.
3. The capital position is currently forecast to underspend by £0.437m.
4. Inflationary pressure in non-pay has been highlighted as a risk for the Constabulary. The impact on budgets has been assessed and the non-pay inflation funding of £1.1m set aside has been allocated accordingly.
5. This is a month 6 report presenting outturn year-end forecasts that are subject to change during the remainder of the financial year.

RECOMMENDATION:

1. The Police and Crime Commissioner (PCC) is asked to consider the progress made by the Constabulary and raise issues with the Chief Constable as appropriate to the PCC's role in holding the Chief Constable to account.

1. OVERVIEW

1.1 Based on the position as at 30 September 2022, the Suffolk Group Revenue Budget is forecast to underspend by £1.879m at year end (Appendix A) and its capital budget is forecast to be underspent by £0.437m at year end.

1.2 The high level summary is as follows:

	Budget 2022/23 £000	Full Year Forecast Outturn £000	(Over)/ Under Spend £000
Officer of the Police and Crime Commissioner for Suffolk	875	818	57
PCC Commissioning	860	860	-
Chief Constable Operational Spending	147,003	145,811	1,192
Transfer from Reserves (Constabulary)	(324)	(324)	-
Chief Constable Operational Spending (net)	146,679	145,487	1,192
Capital Financing	4,966	4,965	-
Transfer from Reserves	(1,417)	(1,417)	-
Capital Financing (net)	3,549	3,548	-
Specific Grants	(5,111)	(5,741)	630
Transfer from Reserves	2,750	2,750	-
Total Revenue	149,601	147,722	1,879
Capital Expenditure	6,197	5,760	437

1.3 The Constabulary assumed a 3% pay award for police officers in the current financial year, however the government has confirmed an overall 5% increase in pay to police officers from 1 September 2022 (£1,900 increase for each rank), resulting in an additional in-year cost pressure of approximately £0.9m. The Home Office have confirmed that £350m will be made available to forces over the next 3 years to support this increase, and that £70m will be allocated to forces in 2022/23 in line with the grant formula. This means Suffolk will receive approximately £0.6m. The net impact of the police pay award in the current year is therefore £0.3m.

1.4 Police staff have received a pay award of 2.1% from 1 April 2022 (equivalent to 3% from 1st September). However, as part of the settlement UNISON retained the right to re-open pay discussions should officers receive a pay award more than 3% this financial year. Unison were successful in negotiating a pay award of £1,900 increase for police staff over 17 months replacing the 2.1% award, therefore the forecast includes the additional impact (£0..

- 1.5 Due to a number of global factors, inflation is running at its highest level for many years with CPI having peaked at 10.1% in July. The force has made a provision of £1.1m in respect of non-pay inflation and in this report, it is forecast that this is required and spent in full. A number of contracts are at fixed prices, so some of the rise in costs will be delayed until later in the year therefore mitigating some of the in-year impact. There is also an increased lead in time for some goods and this may also mitigate some level of spend in year. The budget setting process for 2023/24 will be analysing the full impact on budgets going forward.

2 PCC REVENUE BUDGET

- 2.1 The Office of the PCC Budget for 2022-23 is £0.875m (Appendix A (i)). The year-end position is forecast to be £0.057m underspent.
- 2.2 The Police and Crime Commissioner's (PCC) Commissioning budget is £2.5m which includes confirmed funding of £0.878m from the Ministry of Justice (Appendix A (ii)) for victim services, £204k for Independent Domestic Violence Advisors (IDVAs) and £188k for Independent Sexual Violence Advisors (ISVAs). The PCC submitted a bid for Domestic Abuse and Sexual Violence funding and was awarded £263k from the Ministry of Justice. The MOJ have confirmed this funding is committed to per annum until 31 March 2025. A grant uplift of £76k has also been provided by the Ministry of Justice for 2022/23. The PCC budget of £860k supports crime and disorder reduction and additional victim services.
- 2.3 The Ministry of Justice grant will be used for victim services including Norfolk and Suffolk Victim Care and the IDVA service.
- 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.

3 CONSTABULARY REVENUE BUDGET

3.1 The total Constabulary Revenue Budget forecasts a year-end underspend of £1.192m as at month 6 (see detail in Appendix A (iii)). The main variances from budget producing the current forecast underspend are explained below.

	Budget 2022/23 £000	Full Year Forecast Outturn £000	(Over)/ Under Spend £000
Pay Related Costs	122,266	121,390	876
Other Employee Costs	1,426	1,387	39
Property Related Costs	10,287	10,363	(76)
Transport	2,770	2,808	(38)
Supplies and Services	12,368	12,435	(68)
Third Party Payments	2,051	2,067	(16)
Corporate including contingency and inflation	1,385	1,384	-
Income	(5,551)	(6,024)	473
Total	147,003	145,811	1,192

3.2 Pay Related Costs

3.2.1 The forecast underspend of £0.876m 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 variance includes the impact of the police officer pay award resulting in additional cost of £0.883m, partially offset by Home Office funding of £0.630m (see para 5.1), together with the additional impact of the recently announced staff pay award (£0.286m).

3.2.2 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 £1.216m to cover the additional costs for an uplift of a further 72 officers for Suffolk Constabulary in 2022/23.

3.2.3 Recruitment of both officers and staff is under review in order to meet the target for the increase in officers and fill staff vacancies. It is anticipated that the strengthening of the recruitment pipeline will lead to an increase in officers and staff numbers, therefore narrowing the underspend through 2022/23.

3.2.4 The forecast also includes the impact of the cessation of the health and social care levy effective from 6th November, reducing Employers' National Insurance costs by £0.490m.

3.3 Other Non-Pay Costs

3.3.1 The forecast overspend of £0.158m includes additional costs in medical costs, property (cleaning costs), fuel and car allowances, interpreters, forensic costs, ICT costs and Legal costs, partially offset by lower anticipated costs in supplies and services (equipment and operational expenses).

3.3.2 Specific areas of expenditure such as energy and fuel costs have been reviewed and re-forecast and this impact will be proactively managed to ensure the Constabulary remains within budget in 2022/23.

3.4 Income

The forecast surplus of £0.473m includes additional income as a result of mutual aid in excess of expenditure and additional court fees.

4 SAVINGS

4.1 The total planned savings requirement for 2022/23 is £2.001m with budgets having been reduced in line with the agreed savings profiles set out in the MTFP. Delivery of these savings is on target.

5 SPECIFIC GRANTS

5.1 The budget of £5.111m relates to Home Office funding for PFI and other specific grants. It is anticipated that these grants will be received in full. The Constabulary has received additional funding in-year of £0.630m from the Home Office to part-fund the police officer's 2022/23 pay award.

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	(1,417)	(1,417)	-
Constabulary:			
7 Force Collaboration Contribution	(120)	(120)	-
Carry Forward from 2019/20	(204)	(204)	-
Transfer from Reserves (Constabulary)	(324)	(324)	-
Capital Financing Reserve	1,453	1,453	-
General Reserve	200	200	-
Budget Reserve	1,097	1,097	-
Transfer to Reserves	2,750	2,750	-
Total transfer to / (from) Reserves	1,009	1,009	-

7. CAPITAL PROGRAMME

- 7.1 The capital budget for 2022/23 is £6.197m, comprising the current programme of approved schemes of £2.639m, slippage from 2021/22 of £2.570m and transfers from Table B in respect of the Ipswich Town Centre Safer Neighbourhood Team premises of £0.932m, Martlesham PHQ L&D Accommodation of £0.037m and Radio Frequency Capacity of £0.019k. A summary of capital schemes is provided at Appendix B.
- 7.2 The forecast position at year end is currently underspent by £0.437m, due to joint ICT schemes (£0.427m) and the re-timing of Estates schemes (Sudbury and Hadleigh Police Stations offset by Stowmarket £0.010m).

	Budget 2022/23	Full Year Forecast Outturn	(Over)/ Under spend
	£000	£000	£000
Slippage from 2021/22	2,570		
Table A – schemes approved for immediate start 1 April 2022	3,627		
Total Capital Programme	6,197	5,760	437
Table B – schemes requiring a business case or further report to PCC(s) for approval	2,218		
Total	8,415		

8. INVESTMENTS AND PRUDENTIAL INDICATORS

- 8.1 At the end of September, investments totalled £29.9m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£1,934,829	2.16%
£10,000,000	Barclays Bank	£2,000,000	2.00%
£10,000,000	Santander UK	£1,000,000	0.91%
£10,000,000	Nationwide BS	£5,000,000	1.87%
£10,000,000	Coventry BS	£nil	-
£10,000,000	Al Rayan Bank plc	£5,000,000	2.55%
£10,000,000	Goldman Sachs	£5,000,000	2.495%
£10,000,000	Goldman Sachs	£2,000,000	1.385%
£10,000,000	DBS Bank Ltd	£5,000,000	2.20%
£10,000,000	DBS Bank Ltd	£3,000,000	2.15%
£10,000,000 per LA	Local Authority	£nil	-
£10,000,000	CCLA	£nil	-
	TOTAL	£29,934,829	

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 30th September 2022				
SUFFOLK GROUP				
FULL SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2022/23	Actual Year to Date	Full year Forecast Outturn	(Over)/ Under Spend
	£000	£000	£000	£000
Pay and Employment Costs	122,994	58,899	122,080	915
Other Employee Costs	1,430	488	1,391	39
Property Related	10,289	4,789	10,366	(76)
Transport Related	2,781	1,388	2,816	(35)
Supplies and Services	14,955	8,574	15,020	(65)
Third Party Payments	2,051	587	2,067	(16)
Capital Financing	4,966	41	4,965	-
Contingencies	1,398	-	1,384	13
Movement to / from Reserves	1,009	-	1,009	-
TOTAL EXPENDITURE	161,873	74,766	161,098	775
Grant, Trading and Reimbursed Income	(12,272)	(5,919)	(13,375)	1,103
TOTAL INCOME	(12,272)	(5,919)	(13,375)	1,103
NET INCOME/EXPENDITURE	149,601	68,847	147,722	1,879

Corporate Monitoring Report at 30 th September 2022 SUFFOLK PCC				
OPCC SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2022/23	Actual Year to Date	Full year Forecast Outturn	(Over)/ Under Spend
	£000	£000	£000	£000
Pay and Employment Costs	728	336	689	39
Other Employee Costs	4	2	4	-
Property Related	2	2	2	-
Transport Related	11	-	8	3
Supplies and Services	117	28	115	2
Contingencies	13	0	0	13
Total OPCC	875	368	818	57
Movement to / from Reserves	1,009	-	1,009	-
TOTAL EXPENDITURE	1,884	368	1,828	57
TOTAL INCOME	(5,111)	(2,529)	(5,741)	630
NET INCOME/EXPENDITURE	(3,227)	(2,161)	(3,914)	687

Corporate Monitoring Report at 30 th September 2022 SUFFOLK PCC				
COMMISSIONING SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2022/23	Actual Year to Date	Full Year Forecast Outturn	(Over)/ Under spend
	£000	£000	£000	£000
Supplies and Services	2,470	863	2,470	-
TOTAL EXPENDITURE	2,470	863	2,470	-
TOTAL INCOME	(1,610)	(766)	(1,610)	-
NET INCOME/EXPENDITURE	860	97	860	-

Corporate Monitoring Report at 30th September 2022				
Suffolk Constabulary				
CONSTABULARY SUMMARY OF INCOME AND EXPENDITURE				
	Budget 2022/23	Actual Year to Date	Forecast Outturn	(Over)/ Under Spend
	£000	£000	£000	£000
Pay and Employment Costs	122,266	58,563	121,390	876
Other Employee Costs	1,426	486	1,387	39
Property Related	10,287	4,787	10,363	(76)
Transport Related	2,770	1,388	2,808	(38)
Supplies and Services	12,368	7,683	12,435	(68)
Third Party Payments	2,051	587	2,067	(16)
Capital Financing	4,966	41	4,965	-
Contingencies	1,385	-	1,384	-
TOTAL EXPENDITURE	157,519	73,535	156,800	719
Grant, Trading and Reimbursed Income	(5,551)	(2,625)	(6,024)	473
TOTAL INCOME	(5,551)	(2,625)	(6,024)	473
NET INCOME/EXPENDITURE	151,968	70,911	150,776	1,192

CONSTABULARY SUMMARY OF CAPITAL EXPENDITURE
Monitoring Summary 2022/23

	Slippage from 2021/22	Current Budget - Table A	Total Budget	Full Year Forecast Outturn	(Over)/ Under Spend
	£000	£000	£000	£000	£000
Estates	1,026	1,089	2,115	2,015	10
Information, Communication and Technology	13	400	413	413	-
Vehicles and Equipment	783	779	1,562	1,562	-
Joint Schemes	748	1,369	2,087	1,680	427
Total	2,570	3,627	6,197	5,760	437

SUFFOLK ONLY											
PROJECT	Requested Slippage (21/22)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Table A Slippage	Table B Slippage	Approved Business Case
Carbon Management	100,000	100,000	-	200,000	23,642	32,263	200,000	-	-	-	-
PHQ Site	-	-	300,000	-	-	-	-	-	-	300,000	-
Halesworth Server Room	-	-	-	-	(24,798)	24,798	-	-	-	-	-
Estates Downsizing - Stowmarket	631,602	-	-	631,602	(1,100,806)	45,394	721,602	(90,000)	-	-	-
Estates Downsizing - Mildenhall Hub	80,000	-	-	80,000	1,407	98,051	80,000	-	-	-	700,000
Estates Downsizing - Sudbury	50,000	-	-	50,000	-	-	-	50,000	50,000	-	-
Estates Downsizing - Haverhill	-	-	111,572	-	-	-	-	-	-	111,572	-
Ipswich NE SNT - Heath Road and Gainsborough Clinic to Ransomes Fire Station.	150,000	-	-	150,000	-	-	100,000	50,000	50,000	-	-
Ipswich Town Centre SNT (Fire Station)	-	931,777	-	931,777	24,307	459	931,777	-	-	-	950,000
Martlesham PHQ - L&D Accommodation	14,312	36,658	263,342	50,970	50,970	91,171	50,970	-	-	-	-
Bury St Edmunds Car Park Extension	-	-	-	-	(21,532)	21,532	-	-	-	-	-
Bury St Edmunds Armoury	-	11,000	-	11,000	5,772	-	11,000	-	-	-	-
Bury St Edmunds Various	-	-	34,000	-	-	-	-	-	-	-	-
SALTO Renewals	-	10,000	-	10,000	-	-	10,000	-	-	-	-
	1,025,914	1,089,435	708,914	2,115,349	(1,041,038)	313,669	2,105,349	10,000	100,000	411,572	1,650,000
ICT Replacements - Desktop Services	13,169	275,885	-	289,054	125,204	882	289,054	-	-	-	-
ICT Replacements - Communications	-	74,000	-	74,000	16,744	-	74,000	-	-	-	-
Thin Client Replacement	-	-	-	-	-	-	-	-	-	-	-
ANPR Vehicle Kit Refresh	-	50,000	-	50,000	-	-	50,000	-	-	-	-
Suffolk ESN (Emergency Services Network)	-	-	100,000	-	-	-	-	-	-	-	-
	13,169	399,885	100,000	413,054	141,948	882	413,054	-	-	-	-
Athena	-	64,038	-	64,038	-	64,010	64,038	-	-	-	-
Cameras- Static/Dual lane/Fixed site	76,760	-	-	76,760	41,942	11,521	76,760	-	-	-	-
Vehicle Replacements	705,932	715,000	-	1,420,932	1,024,438	465,371	1,420,932	-	-	-	-
Command Platform Vehicles	-	-	-	-	-	-	-	-	-	-	-
	782,692	779,038	-	1,561,730	1,066,380	540,903	1,561,730	-	-	-	-
Beccles TC Funded ANPR Cameras	-	-	-	-	11,711	-	-	-	-	-	-
	-	-	-	-	11,711	-	-	-	-	-	-
	1,821,775	2,268,358	808,914	4,090,133	179,001	855,454	4,080,133	10,000	100,000	411,572	1,650,000
Suffolk Capital Projects	1,821,775	2,268,358	808,914	4,090,133	179,001	855,454	4,080,133	10,000	100,000	411,572	
Suffolk Share of Joint Projects	748,274	1,358,565	1,409,446	2,106,839	78,007	108,074	1,680,048	426,791	323,180	749,719	
	2,570,049	3,626,923	2,218,360	6,196,972	257,008	963,527	5,760,181	436,791	423,180	1,161,291	
		8,415,332									

Appendix B (ii)

JOINT										
PROJECT	Requested Slippage (21/22)	Budget (Table A)	Budget (Table B)	Current Budget (Slippage & Table A)	Actual	Commitments	Outturn	Under/Over(-)	Table A Slippage	Table B Slippage
ICT										
Joint ICT Replacements - Servers	76,752	621,700	-	698,452	54,197	52,892	638,452	60,000	60,000	-
Joint ICT Replacements - Communications	-	-	-	-	-	-	-	-	-	-
ICT Replacements - Network	485,000	888,000	-	1,373,000	373,280	198,254	1,091,000	282,000	82,000	-
Microwave Refresh	21,000	37,500	-	58,500	21,015	1,595	58,500	-	-	-
ANPR Cameras	-	75,000	-	75,000	-	-	75,000	-	-	-
Telematics	-	-	-	-	-	2,250	-	-	-	-
CCR Telephony	76,587	-	-	76,587	-	53,736	29,587	47,000	47,000	-
Genie/Clearcore	-	-	100,000	-	-	450	-	-	-	100,000
Video Conferencing	56,356	-	-	56,356	(62,504)	63,911	31,356	25,000	-	-
Digital Recording/Streaming	100,777	-	-	100,777	-	13,689	-	100,777	100,777	-
Mobile Device Replacement Programme	200,942	255,000	-	455,942	-	209,280	455,942	-	-	-
BWV Device Replacement Programme	-	865,909	-	865,909	829,159	-	865,909	-	-	-
Mobile Workflow (OPTIK)	136,275	260,000	-	396,275	84,614	138,559	282,560	113,715	113,715	-
DAMS (Digital Asset Management)	-	-	332,055	-	12,500	-	-	-	-	119,538
Airwave Handset Replacement	-	-	-	-	(41,166)	41,166	-	-	-	-
Covert Airwave Upgrade	-	-	-	-	(8,980)	8,980	-	-	-	-
ERP Upgrade Project	164,721	-	-	164,721	33,666	25,020	43,896	120,825	120,825	-
Sailpoint ERP	124,178	-	-	124,178	-	-	-	124,178	124,178	-
OPAS OH Case Management System	-	-	-	-	-	-	-	-	-	-
DMS Upgrade	95,050	-	-	95,050	8,553	61,755	70,308	24,742	24,742	-
ERP - Skills Module	-	-	110,000	-	-	-	-	-	-	-
ESN	-	-	106,242	-	47,711	125,948	-	-	-	-
eRecruitment Oleeo	129,210	-	-	129,210	8,773	46,860	99,210	30,000	30,000	-
E-PDR	-	50,000	-	50,000	-	-	12,000	38,000	38,000	-
Modern Workplace	-	-	100,000	-	-	-	-	-	-	-
ERP Projects Server	-	-	30,000	-	-	-	-	-	-	30,000
Digital Forensics - Data Centre	-	-	526,448	-	-	-	-	-	-	-
Efficiency Initiatives Various	-	-	1,028,000	-	-	-	-	-	-	1,028,000
CDG Phase 2 - Data Warehousing	-	-	75,000	-	-	-	-	-	-	75,000
O365 Exploitation	-	-	50,000	-	-	-	-	-	-	50,000
Equipment & Other										
L&D Training & Taser Equipment	-	-	-	-	54,529	-	54,529	(54,529)	-	-
Rifle Capability	49,374	17,796	-	67,170	-	-	-	67,170	-	-
Radio Frequency Capacity	-	45,070	191,930	45,070	-	-	45,070	-	-	-
Firearms Various	-	-	227,000	-	-	-	-	-	-	227,000
Camera equipment refresh for CSI & FCIU	-	-	90,000	-	-	-	-	-	-	90,000
PSU Training Premises	-	-	100,000	-	-	-	-	-	-	-
Forensic Case Management System	-	-	166,000	-	-	-	-	-	-	-
Grant & Additional Revenue Funding										
Non Operational Equipment Revenue Funded	-	-	-	-	26,500	-	-	-	-	-
TOTAL	1,716,222	3,115,975	3,232,675	4,832,197	1,441,846	1,044,344	3,853,319	978,878	741,237	1,719,538
Joint Capital Projects Norfolk	967,948	1,757,410	1,823,229	2,725,358	1,363,839	936,270	2,173,271	552,087	418,057	969,819
Joint Capital Projects Suffolk	748,274	1,358,565	1,409,446	2,106,839	78,007	108,074	1,680,048	426,791	323,180	749,719
	1,716,222	3,115,975	3,232,675	4,832,197	1,441,846	1,044,344	3,853,319	978,878	741,237	1,719,538
		4,832,197								