

ORIGINATOR: ASSISTANT CHIEF OFFICER

PAPER NO: AP23/22

SUBMITTED TO: ACCOUNTABILITY AND PERFORMANCE PANEL – 12 MAY 2023

SUBJECT: REVENUE AND CAPITAL MONITORING AS AT 28 FEBRUARY 2023

SUMMARY:

1. This report supports 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 28 February 2023.
2. The Group is forecasting a revenue underspend of £0.690m, comprising of underspends for the Constabulary of £1.264m, for the OPCC of £0.056m and an increased contribution to capital financing of £0.630m.
3. The capital position is currently forecast to underspend by £1.473m.
4. Inflationary pressure in non-pay expenditure 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 11 report presenting outturn year-end forecasts that are subject to change during the remainder of the financial year.

RECOMMENDATION:

1. The 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 28 February 2023, the Suffolk Group Revenue Budget is forecast to underspend by £0.690m at year end (Appendix A) and its capital budget is forecast to be underspent by £1.473m 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	819	56
PCC Commissioning	860	860	0
Chief Constable Operational Spending	147,628	146,364	1,264
Transfer from Reserves (Constabulary)	(324)	(324)	0
Chief Constable Operational Spending (net)	147,304	146,040	1,264
Capital Financing	4,971	5,601	(630)
Transfer from Reserves	(1,417)	(1,417)	0
Capital Financing (net)	3,554	4,184	(630)
Specific Grants	(5,742)	(5,742)	0
Transfer from Reserves	2,750	2,750	0
Total Revenue	149,601	148,911	690
Capital Expenditure	6,907	5,434	1,473

1.3 The Constabulary assumed a 3% pay award for police officers in the current financial year, however the government 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 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 £0.3m.

1.4 Police staff have received a pay award of 2.1% from 1 April 2022 (equivalent to 3% from 1 September 2022). 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 was 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 of £0.286m.

- 1.5 Due to a number of global factors, inflation is running at its highest level for many years with CPI having peaked at 11.1% in October. 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 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.

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 £0.056m 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 Ministry of Justice have confirmed this funding will be received annually 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 There is a forecast underspend of £55k in the Ministry of Justice grants mainly due to delays in set up and recruitment. Any underspend at year end will be returned to the Ministry of Justice.
- 2.5 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 £1.264m as at month 11 (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	123,070	121,549	1,521
Other Employee Costs	1,416	1,605	(189)
Property Related Costs	10,283	10,845	(562)
Transport	2,774	2,865	(91)
Supplies and Services	12,437	12,707	(270)
Third Party Payments	1,943	2,015	(72)
Corporate including contingency and inflation	1,510	1,510	0
Income	(5,805)	(6,732)	927
Total	147,628	146,364	1,264

3.2 Pay Related Costs

3.2.1 The forecast underspend of £1.521m 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 staff pay award of £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 The forecast also includes the impact of the cessation of the health and social care levy effective from 6 November, reducing Employers' National Insurance costs by £0.490m.

3.3 Other Non-Pay Costs

3.3.1 The forecast overspend of £1.184m includes additional costs in medical costs, property (energy, grounds maintenance and cleaning costs), vehicle maintenance, 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 £0.927m includes additional income as a result of mutual aid in excess of expenditure, additional court fees and investment interest.

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 **CAPITAL FINANCING**

5.1 An additional contribution to Revenue Contribution to Capital Outlay (RCCO) of £630k is forecast. This is made possible by the Constabulary as set out in Section 3. A £630k Home Office grant was received to support the officer pay award, however this was not required to be spend in 2022/23 due to vacancies and the impact of the removal of the health and social care levy with no reduction in funding. This is a prudent course of action and will increase capital financing reserves to fund future capital purchases and reduce the requirement to borrow in future years.

6 **SPECIFIC GRANTS**

6.1 The budget of £5.742m relates to Home Office funding for PFI and other specific grants, including the additional funding in-year of £0.630m from the Home Office to part-fund the police officer's 2022/23 pay award. It is anticipated that these grants will be received in full.

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	(1,417)	(1,417)	-
Constabulary:			
7 Force Collaboration Contribution	(120)	(120)	-
Carry Forward from 2021/22	(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	-

8. CAPITAL PROGRAMME

8.1 The capital budget for 2022/23 is £6.907m, 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 £0.426m, Radio Frequency Capacity of £0.019k, DFU Storage Expansion of £0.229m, Forensic Services Cameras of £0.039m, O365 exploitation of £0.022m and Firearms Equipment (Ear Defenders) of £0.031m. A summary of capital schemes is provided at Appendix B.

	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	4,337		
Total Capital Programme	6,907	5,434	1,473
Table B – schemes requiring a business case or further report to PCC(s) for approval	1,508		
Total	8,415		

8.2 The forecast position at year end is currently underspent by £1.473m, mainly due to the following:

- Joint and Suffolk only ICT and Equipment schemes (£0.856m)
- Vehicle replacements (£0.231m)
- Carbon Management (£0.100m)

- Bury St Edmunds Car Park and Armoury (£0.017m)
- Halesworth Server Room (£0.006m)
- Re-timing of Estates schemes (Sudbury and Hadleigh Police Stations offset by Stowmarket and Ipswich SNT £0.022m overspend).
- PHQ approved funding (£0.285m) required as slippage to 2023/24

9. INVESTMENTS AND PRUDENTIAL INDICATORS

9.1 At the end of February, investments totalled £26.8m, the breakdown of which is provided below.

OUTSTANDING AMOUNTS BY GROUP			
LIMITS		BALANCE	RATE
£10,000,000	Lloyds Bank	£5,295,459	3.91%
£10,000,000	Barclays Bank	£2,500,000	3.00%
£10,000,000	Santander UK	£1,000,000	1.91%
£10,000,000	Goldman Sachs	£5,000,000	2.495%
£10,000,000	Goldman Sachs	£2,000,000	4.355%
£10,000,000	DBS Bank Ltd	£8,000,000	4.20%
£10,000,000	DBS Bank Ltd	£2,000,000	3.95%
£10,000,000	CCLA	£1,000,000	3.54%
	TOTAL	£26,795,459	

10. FINANCIAL IMPLICATIONS

10.1 As per the report.

11. OTHER IMPLICATIONS AND RISK

11.1 There are no other implications and risks. No changes are required to the PCC risk register.

Corporate Monitoring Report at 28 February 2023				
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	123,798	112,046	122,239	1,559
Other Employee Costs	1,420	1,249	1,608	(188)
Property Related	10,285	9,044	10,847	(562)
Transport Related	2,785	2,614	2,871	(85)
Supplies and Services	15,269	14,215	15,540	(271)
Third Party Payments	1,943	1,370	2,015	(72)
Capital Financing	4,971	199	5,601	(630)
Contingencies	1,523	0	1,510	13
Movement to / from Reserves	1,009	0	1,009	0
TOTAL EXPENDITURE	163,004	140,737	163,240	(236)
Grant, Trading and Reimbursed Income	(13,403)	(11,084)	(14,329)	927
TOTAL INCOME	(13,403)	(11,084)	(14,329)	927
NET INCOME/EXPENDITURE	149,601	129,653	148,911	690

Appendix A (i)

Corporate Monitoring Report at 28 February 2023 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	632	691	37
Other Employee Costs	4	3	3	1
Property Related	2	2	2	(0)
Transport Related	11	1	6	5
Supplies and Services	117	66	117	(0)
Contingencies	13	0	0	13
Total OPCC	875	703	819	56
Movement to / from Reserves	1,009	0	1,009	0
TOTAL EXPENDITURE	1,884	703	1,828	56
TOTAL INCOME	(5,742)	(3,843)	(5,742)	0
NET INCOME/EXPENDITURE	(3,857)	(3,139)	(3,914)	56

Appendix A (ii)

Corporate Monitoring Report at 28 February 2023 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	2,716	1,849	2,716	-
TOTAL EXPENDITURE	2,716	1,849	2,716	-
TOTAL INCOME	(1,856)	(1,795)	(1,856)	-
NET INCOME/EXPENDITURE	860	(54)	860	-

Corporate Monitoring Report at 28 February 2023				
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	123,070	111,415	121,549	1,521
Other Employee Costs	1,416	1,247	1,605	(189)
Property Related	10,283	9,041	10,845	(562)
Transport Related	2,774	2,613	2,865	(91)
Supplies and Services	12,436	12,301	12,708	(271)
Third Party Payments	1,943	1,370	2,015	(72)
Capital Financing	4,971	199	5,601	(630)
Contingencies	1,510	0	1,510	0
TOTAL EXPENDITURE	158,404	138,185	158,697	(293)
Grant, Trading and Reimbursed Income	(5,805)	(5,446)	(6,732)	927
TOTAL INCOME	(5,805)	(5,446)	(6,732)	927
NET INCOME/EXPENDITURE	152,599	132,739	151,965	634

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	1,478	2,504	2,118	386
Information, Communication and Technology	13	400	413	398	15
Vehicles and Equipment	783	779	1,562	1,422	140
Joint Schemes	748	1,680	2,428	1,496	932
Total	2,570	4,337	6,907	5,434	1,473

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
Estates											
Carbon Management	100,000	100,000	-	200,000	61,438	34,818	100,000	100,000	100,000	-	-
PHQ Site	-	-	174,655	-	-	-	-	-	-	174,655	-
Halesworth Server Room	-	-	-	-	(15,511)	15,511	(6,223)	6,223	-	-	-
Estates Downsizing - Stowmarket	631,602	-	-	631,602	(1,045,273)	3,751	721,602	(90,000)	-	-	-
Estates Downsizing - Mildenhall Hub	80,000	-	-	80,000	3,046	96,412	82,401	(2,401)	-	-	700,000
Estates Downsizing - Sudbury	50,000	-	-	50,000	-	-	-	50,000	50,000	-	-
Estates Downsizing - Haverhill	-	-	111,572	-	-	-	-	-	-	-	-
Ipswich NE Accommodation	150,000	-	-	150,000	5,044	12,655	100,000	50,000	50,000	-	-
Ipswich Town Centre SNT (Fire Station)	-	931,777	-	931,777	26,009	-	961,777	(30,000)	-	-	950,000
Martlesham PHQ - L&D Accommodation	14,312	425,345	-	439,657	154,641	8,697	154,641	285,016	285,016	-	-
Bury St Edmunds Car Park Extension	-	-	-	-	(21,532)	21,532	(17,392)	17,392	-	-	-
Bury St Edmunds Armoury	-	11,000	-	11,000	5,772	-	10,772	228	-	-	-
Bury St Edmunds Various	-	-	34,000	-	-	-	-	-	-	34,000	-
SALTO Renewals	-	10,000	-	10,000	-	-	10,000	-	-	-	-
	1,025,914	1,478,122	320,227	2,504,036	(826,366)	193,377	2,117,578	386,458	485,016	208,655	1,650,000
ICT											
ICT Replacements - Desktop Services	13,169	275,885	-	289,054	305,626	32,346	337,972	(48,918)	-	-	-
ICT Replacements - Communications	-	74,000	-	74,000	60,366	-	60,366	13,634	-	-	-
ANPR Vehicle Kit Refresh	-	50,000	-	50,000	-	-	-	50,000	50,000	-	-
Suffolk ESN (Emergency Services Network)	-	-	100,000	-	-	-	-	-	-	-	-
	13,169	399,885	100,000	413,054	365,992	32,346	398,338	14,716	50,000	-	-
Equipment & Vehicles											
Athena	-	64,038	-	64,038	30,717	32,438	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	1,129,821	913,625	1,190,000	230,932	230,932	-	-
	782,692	779,038	-	1,561,730	1,202,480	957,584	1,330,798	230,932	230,932	-	-
Grant & Additional Revenue Funding											
Computer Equipment Revenue Funded	-	-	-	-	10,048	-	10,048	(10,048)	-	-	-
Suffolk Safecam Reserve - Vehicles and Equipment	-	-	-	-	69,500	-	69,500	(69,500)	-	-	-
Beccles TC Funded ANPR Cameras	-	-	-	-	11,711	-	11,711	(11,711)	-	-	-
	-	-	-	-	91,259	-	91,259	(91,259)	-	-	-
	1,821,775	2,657,045	420,227	4,478,820	833,366	1,183,307	3,937,973	540,847	765,948	208,655	1,650,000
Suffolk Capital Projects	1,821,775	2,657,045	420,227	4,478,820	833,366	1,183,307	3,937,973	540,847	765,948	208,655	
Suffolk Share of Joint Projects	748,274	1,680,528	1,087,483	2,428,802	1,064,836	68,099	1,496,308	932,494	507,905	773,263	
	2,570,049	4,337,573	1,507,710	6,907,622	1,898,202	1,251,406	5,434,280	1,473,342	1,273,853	981,918	
		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	125,911	44,633	170,544	527,908	-	-
ICT Replacements - Network	485,000	888,000	-	1,373,000	541,800	223,384	728,000	645,000	445,000	-
Microwave Refresh	21,000	37,500	-	58,500	26,206	24,145	58,500	-	-	-
ANPR Cameras	-	75,000	-	75,000	-	52,854	52,854	22,146	-	-
Telematics	-	-	-	-	-	2,250	-	-	-	-
CCR Telephony	76,587	-	-	76,587	30,118	23,618	30,118	46,469	46,469	-
Genie/Clearcore	-	-	100,000	-	-	450	-	-	-	100,000
Video Conferencing	56,356	-	-	56,356	18,971	6,769	31,356	25,000	-	-
Digital Recording/Streaming	100,777	-	-	100,777	3,560	13,824	3,560	97,217	97,217	-
Mobile Device Replacement Programme	200,942	255,000	-	455,942	210,775	209,280	420,942	35,000	35,000	-
BWV Device Replacement Programme	-	865,909	-	865,909	853,957	-	853,957	11,952	11,952	-
Mobile Workflow (OPTIK)	136,275	260,000	-	396,275	155,869	67,304	165,545	230,730	121,031	-
DAMS (Digital Asset Management)	-	-	332,055	-	12,500	-	-	-	-	119,538
DFU Storage Expansion	-	526,448	-	526,448	492,947	-	492,947	33,501	33,501	-
Airwave Handset Replacement	-	-	-	-	(41,166)	-	(41,166)	41,166	-	-
Covert Airwave Upgrade	-	-	-	-	(8,980)	1,740	(7,240)	7,240	-	-
ERP Upgrade Project	164,721	-	-	164,721	56,895	13,230	56,895	107,826	107,826	-
Sailpoint ERP	124,178	-	-	124,178	-	-	-	124,178	124,178	-
DMS Upgrade	95,050	-	-	95,050	35,900	40,883	70,308	24,742	24,742	-
ERP - Skills Module	-	-	110,000	-	-	-	-	-	-	-
ESN	-	-	106,242	-	60,647	125,948	-	-	-	-
eRecruitment Oleoo	129,210	-	-	129,210	8,773	46,860	99,210	30,000	30,000	-
E-PDR	-	50,000	-	50,000	-	6,062	12,000	38,000	38,000	-
Modern Workplace	-	-	100,000	-	-	-	-	-	-	-
ERP Projects Server	-	-	30,000	-	-	-	-	-	-	30,000
Efficiency Initiatives Various	-	-	1,028,000	-	-	-	-	-	-	1,028,000
CDG Phase 2 - Data Warehousing	-	-	75,000	-	-	-	-	-	-	75,000
Intranet Upgrade	-	50,000	-	50,000	-	-	-	50,000	50,000	-
Equipment & Other										
L&D Training & Taser Equipment	-	-	-	-	-	-	-	-	-	-
Rifle Capability	49,374	17,796	-	67,170	-	-	-	67,170	-	-
Radio Frequency Propagation Service Equipment	-	45,070	191,930	45,070	-	-	45,070	-	-	-
Firearms Various	-	-	155,000	-	-	-	-	-	-	155,000
Forensic Services Cameras	-	90,000	-	90,000	-	-	90,000	-	-	-
Firearms Communications	-	72,000	-	72,000	-	-	72,000	-	-	-
PSU Training Premises	-	-	100,000	-	-	-	-	-	-	100,000
Forensic Case Management System	-	-	166,000	-	-	-	-	-	-	166,000
Grant & Additional Revenue Funding										
Non Operational Equipment Revenue Funded	-	-	-	-	26,500	-	26,500	(26,500)	-	-
Operational Equipment Revenue Funded	-	-	-	-	-	9,672	-	-	-	-
TOTAL	1,716,222	3,854,423	2,494,227	5,570,645	2,611,181	912,904	3,431,900	2,138,745	1,164,916	1,773,538
Joint Capital Projects Norfolk	967,948	2,173,895	1,406,744	3,141,843	1,546,345	844,805	1,935,592	1,206,251	657,011	1,000,275
Joint Capital Projects Suffolk	748,274	1,680,528	1,087,483	2,428,802	1,064,836	68,099	1,496,308	932,494	507,905	773,263
	1,716,222	3,854,423	2,494,227	5,570,645	2,611,181	912,904	3,431,900	2,138,745	1,164,916	1,773,538
		5,570,645								