

## **PUBLIC ACCOUNTABILITY BOARD**

**7<sup>TH</sup> FEBRUARY 2022**

### **BUDGET MONITORING REPORT – DECEMBER 2021**

#### **REPORT OF THE CHIEF CONSTABLE**

##### **1. Purpose of the Report**

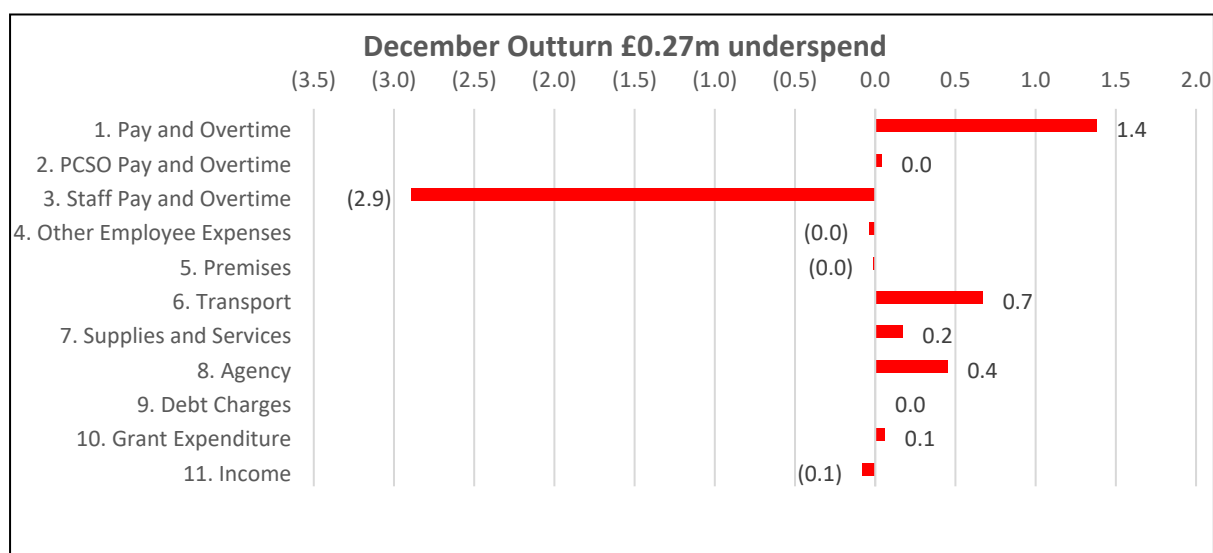
This report is to inform the Public Accountability Board of the Force's projected outturn on its revenue and capital budgets as at 31<sup>st</sup> March 2022. It is based on an analysis of income and expenditure for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 before accounting adjustments. This report covers the Force financial position only and should be read in conjunction with the report by the PCC Chief Finance Officer.

##### **2. Recommendations**

The Board is recommended to note the content.

##### **3. Background Information**

###### **OVERVIEW FOR MONTH**

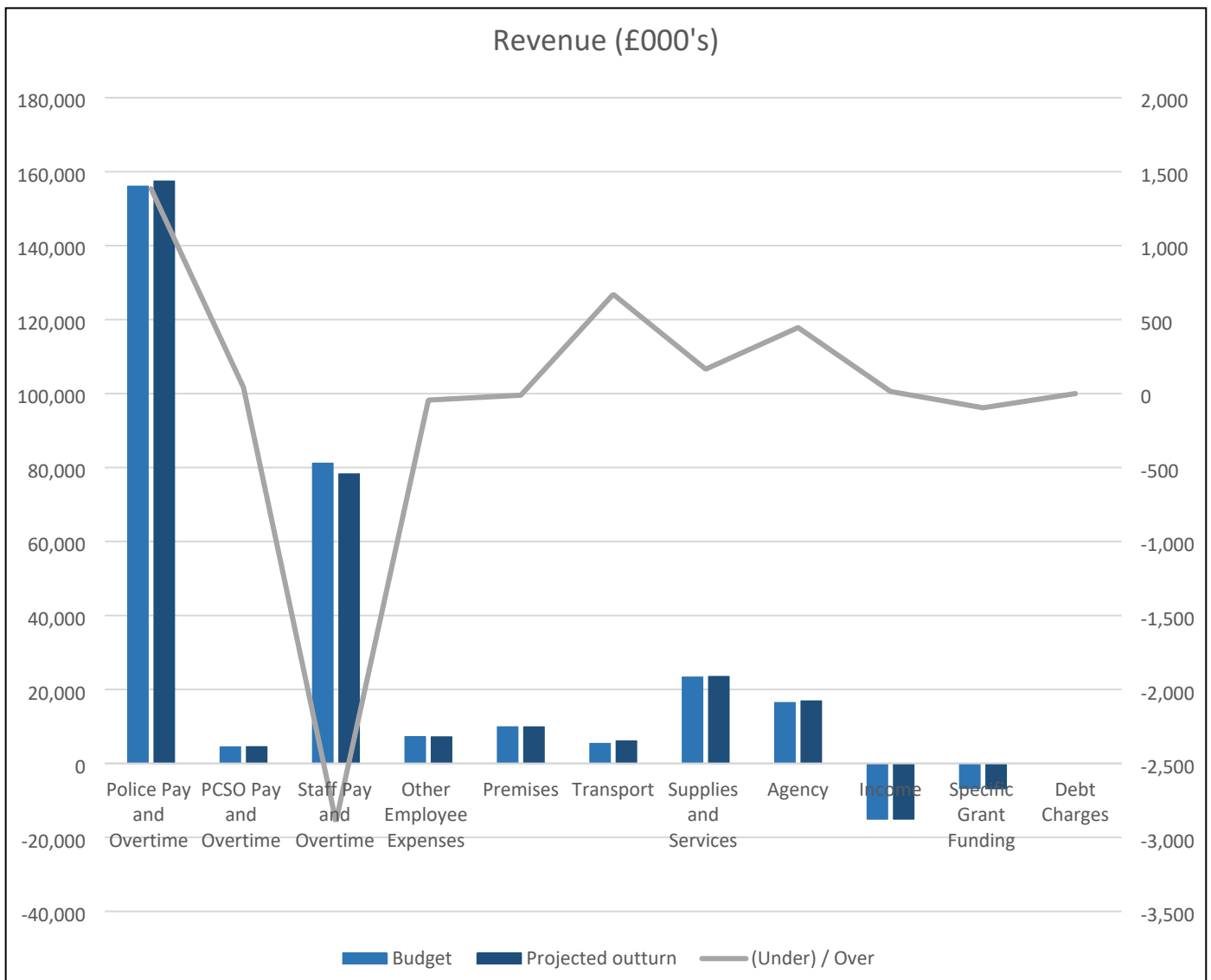


##### **3.1 Key points**

- The £0.27m projected underspend is 0.09% of the total budget before legacy costs.
- Total year to date Covid-19 spend is £1.00m. Earlier in the year, it was expected that the Covid Enforcement Grant received March 2021 would be required to fund this activity, however, this is currently being met from existing budget.
- The force has an underspend against staff pensions of £1.2m due to prepaying the staff pension lump sum contribution in 2020/21 from reserves. This underspend will be used to offset the above Covid related costs, rather than create an artificial underspend by drawing down the Covid Enforcement Grant.
- Underspends on staff pay due to prepaid staff pension as per above, vacancies and recruitment delays, particularly within growth areas, have enabled the cost of the Summer Surge activity and other unanticipated cost pressures to be met.

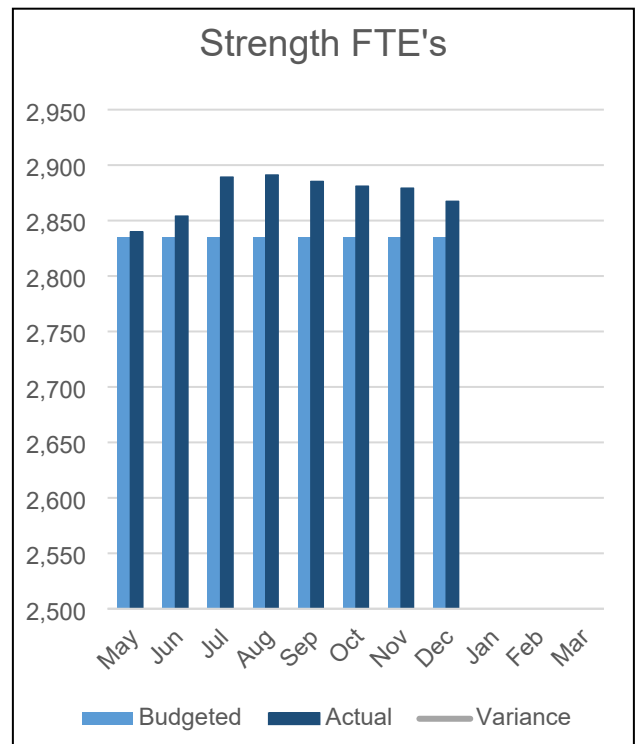
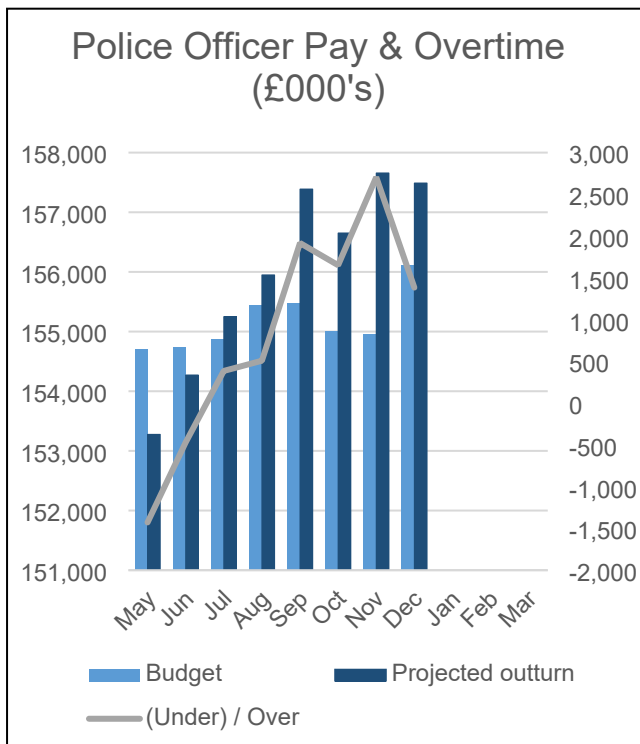
### 3.2 Revenue Summary

	Approved Budget £000	Projected Outturn £000	(Under) / Overspend £000	% of budget
Police Pay and Overtime	156,106	157,490	1,384	0.73%
PCSO Pay and Overtime	4,508	4,549	41	0.91%
Staff Pay and Overtime	81,207	78,314	(2,893)	(2.13%)
Other Employee Expenses	7,258	7,214	(44)	(0.61%)
Premises	9,925	9,914	(10)	(0.11%)
Transport	5,438	6,109	671	12.34%
Supplies and Services	23,374	23,538	165	0.70%
Agency	16,479	16,925	446	2.71%
Income	(15,112)	(15,098)	14	(0.09%)
Specific Grant Funding	(6,772)	(6,868)	(96)	1.41%
Debt Charges	0	0	0	0
Grant Expenditure	2	60	58	2714.00%
<b>Net Expenditure Before Legacy</b>	<b>282,443</b>	<b>282,177</b>	<b>(266)</b>	<b>(0.09%)</b>



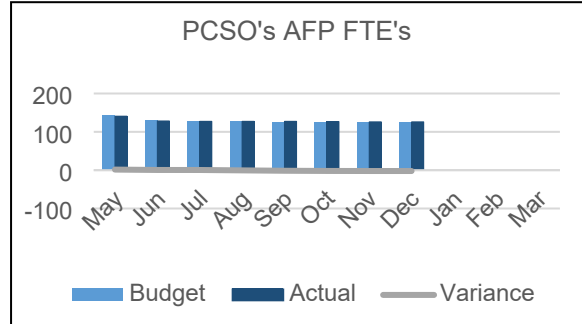
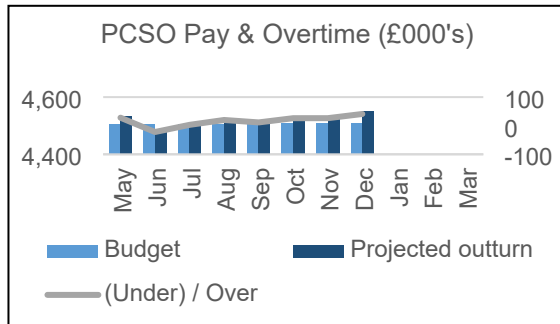
## POLICE OFFICERS PAY & OVERTIME

- Total projected outturn of £1.38m overspend.
- Police pay is projected to overspend by £0.08m, this includes the costs for the increase in Detectives and is impacted by the additional overtime.
- ARV funding of £0.74m, confirmed post budget setting, is currently funding 13 FTE ARV posts in OSU.
- GRIP funding of £0.31m, also confirmed post budget setting, is currently funding 5 FTE posts.
- Overtime is projected to overspend by £1.30m, due to the projected costs for Summer Surge and Covid related costs.
- Police Officer strength is projected to be 2,867.55 compared to a budgeted strength of 2,835.17, an increase of 32.38. This is due to fewer other leavers than budgeted, higher than planned transferees and an additional 24 Detective Now posts.



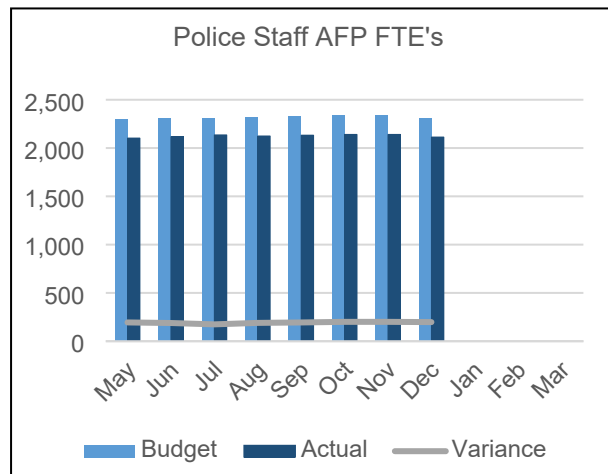
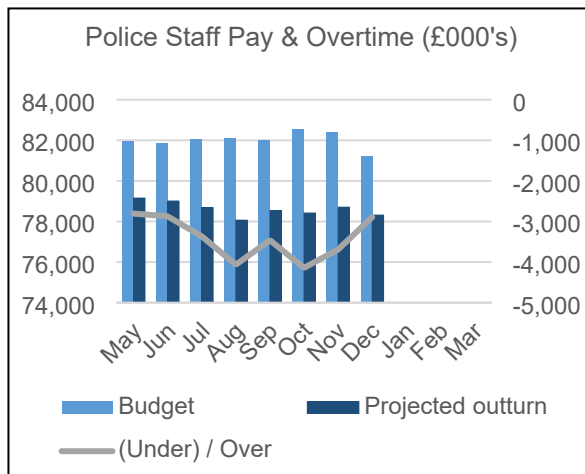
## PCSO PAY & OVERTIME

- Total projected outturn of £0.02m overspend, no material variances.
- PSCO AFP FTE's are currently at 124.09, which is marginally over the budget of 122.91.



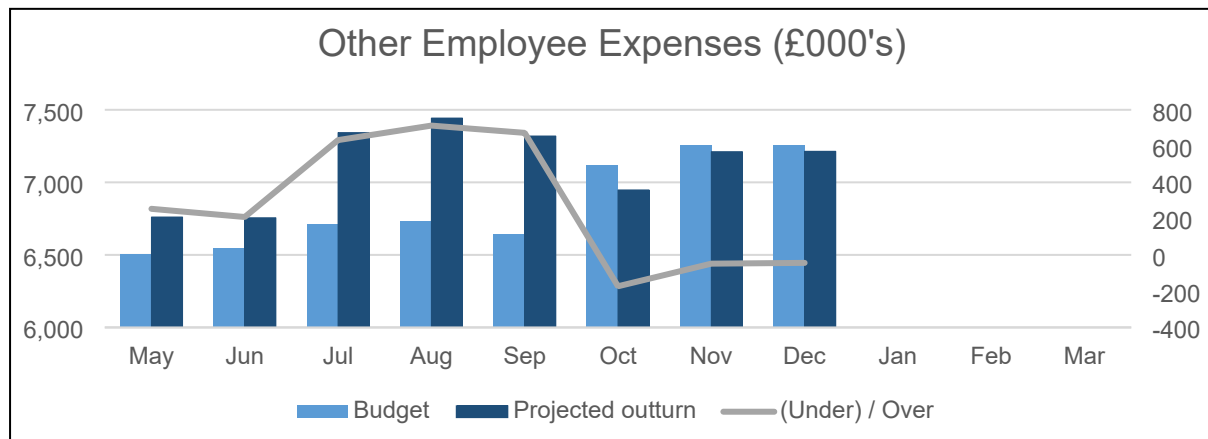
## POLICE STAFF PAY & OVERTIME

- Total projected outturn of £2.89m underspend.
- The staff pay underspend is £3.66m. This includes the staff pension underspend of £1.20m resulting from the prepaid pension lump sum, paid in 2020/21 and funded from reserves. It also includes £2.06m in relation to growth posts not yet filled or due to recruitment delays, the Digital Forensics Review is ongoing and contributing £0.40m.
- There are a number of vacancies across the force that we are actively recruiting to. The underspends that have arisen have allowed the force to invest in the Summer Surge activity.
- Overtime is projected at a £0.76m overspend. The main variances are within Covid £0.24m, Force Control Room £0.14m (including Summer Surge), CJU £0.13m, Rotherham £0.07m, FM £0.06m and SCS £0.05m.
- Staff AFP strength is currently showing as 2,113.70 which is below budget by 197.76, however there are 180 externally, income and temporary funded posts bringing us to 17 below budget in line with the workforce plan. This doesn't however include the growth posts that have not as yet been created.



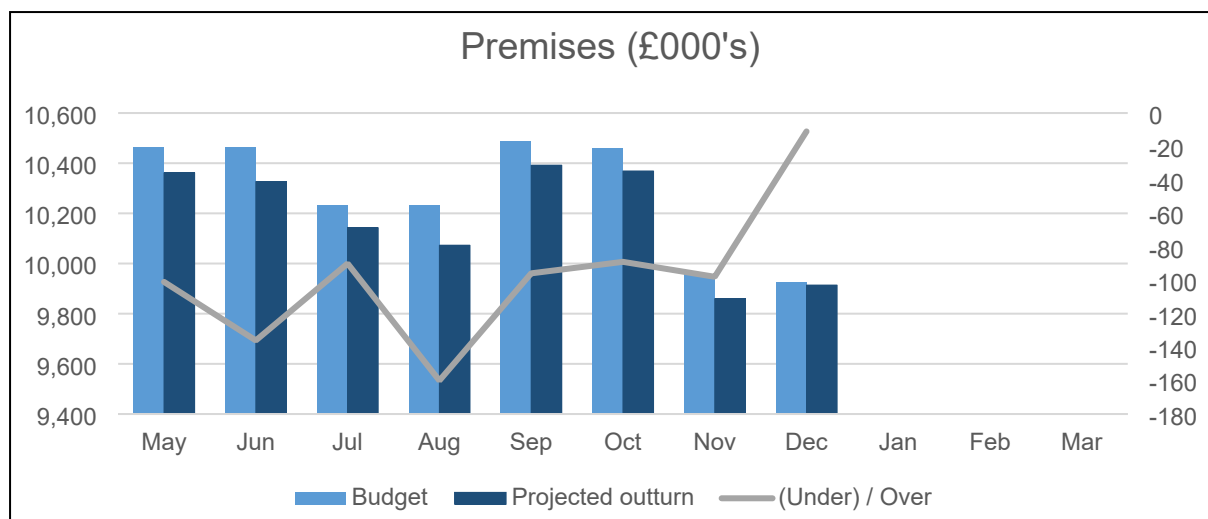
## OTHER EMPLOYEE EXPENSES

- Total projected outturn of £0.04m overspend.
- £0.13m overspend on external training.
- £0.11m overspend on Employee insurance due to an additional payment made in December
- £0.09m overspend on apprenticeship levy.
- £0.31m underspend on Ill Health Retirements due to fewer retirees than expected.



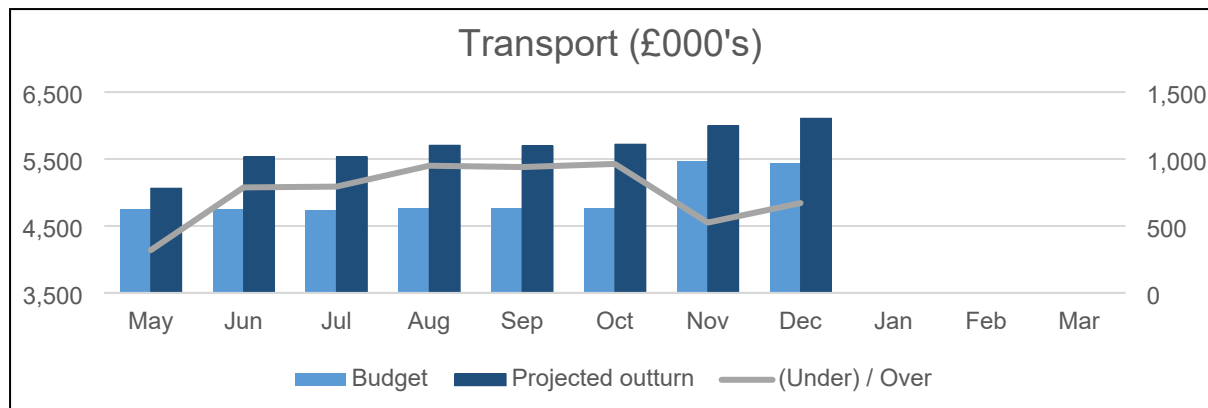
## PREMISES

- Total projected outturn of £0.01m underspend.
- The Estates & Facilities Management paper has now been approved and the budget re-profiled to reflect this.
- The majority of areas are spending to budget with a few minor underspends within fittings and professional fees, these are offset by minor overspends within cleaning and rents.



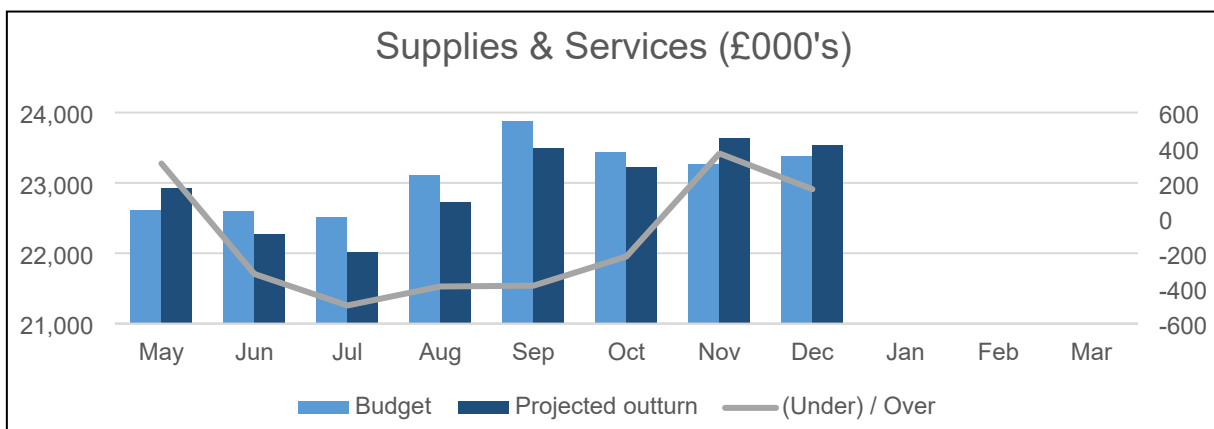
## TRANSPORT

- Total projected outturn of £0.67m overspend.
- £0.39m overspend on vehicle spares, tyres & tubes and workshop consumables, this is partly due to an increase in the number of vehicles but also increased cost of imports on vehicle parts and increased inflation costs.
- £0.20m overspend due to unidentified vehicle telematics savings.
- £0.16m overspend expected on fuel costs due to an increase in prices.
- £0.11m underspend on mileage due to a reduction in travel as a result of Covid-19.



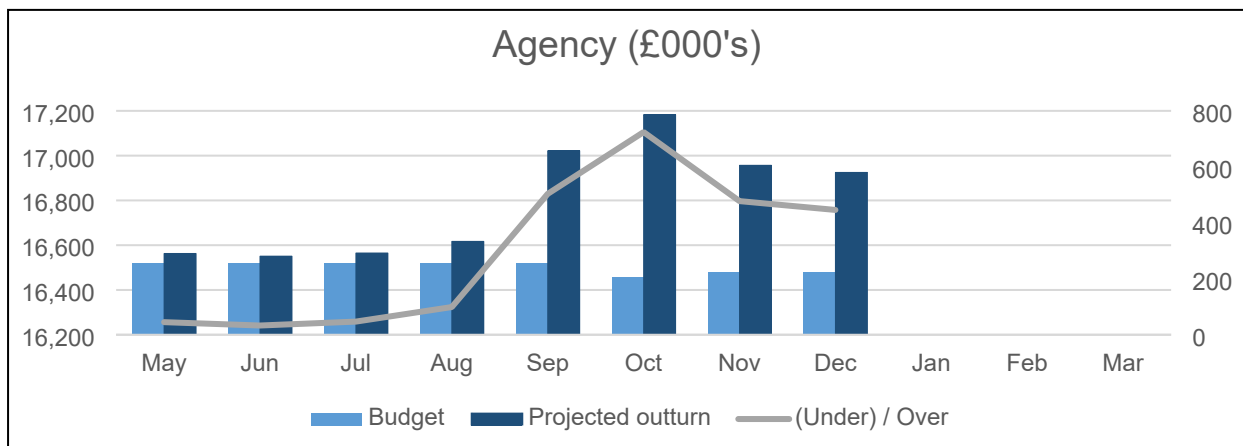
## SUPPLIES & SERVICES

- Total projected outturn of £0.16m overspend.
- £0.19m additional costs relating to uniform, offset by additional income expected.
- £0.18m overspend relating to consultants fees, mainly relating to the Oracle Fusion project
- £0.12m overspend relating to subscriptions to national projects paid to National Police Coordination Centre due to an increase in expected contributions.
- £0.28m projected underspend on the Digital Asset Management System project for new software, this reflects the contracts that have been received.
- £0.09m underspend against stationery and photocopying due to a reduced amount of people in the office.



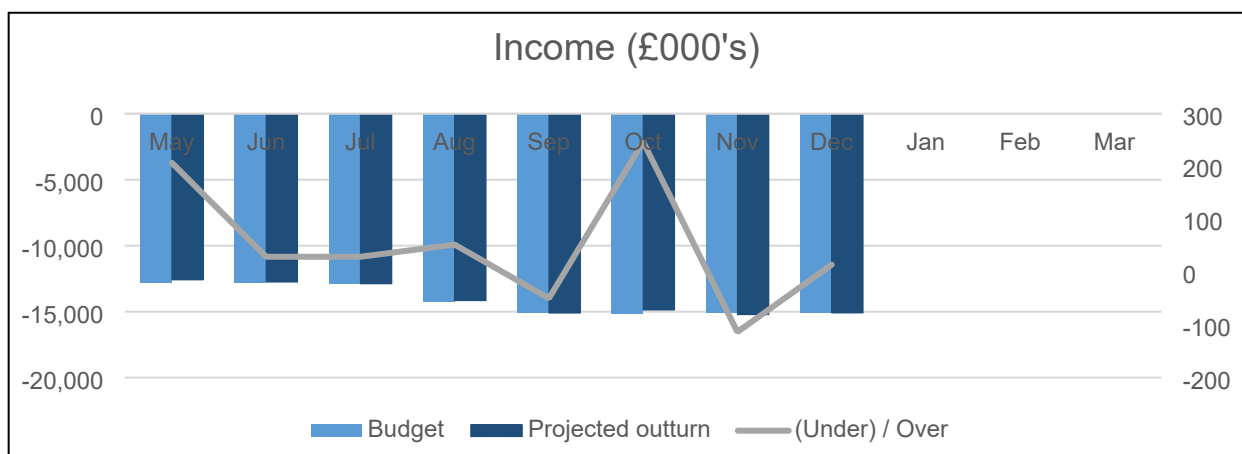
## AGENCY

- Total projected outturn of £0.45m overspend.
- £0.14m overspend due to an increase in insurance costs due to a higher than expected inflation increase.
- £0.12m overspend due to an increase in expected flying hours for NPAS, which is being closely monitored.
- £0.06m overspend due to Sheffield Hallam University management fee costs within P&OD.



## INCOME

- The projected outturn is a small over achievement of £0.08m.
- £0.28m over recovery expected from vehicle recovery income.
- £0.10m over recovery expected from WYP & HP for uniforms, this is offset by additional costs.
- £0.08m over recovery expected from court/prosecution income, the 2021/22 budget was reduced due to historical under recovery, the projection has been amended to reflect the first 3 months trend.
- £0.14m under recovery expected from NDORs income due to restrictions on courses relating to Covid-19.
- £0.13m under recovery expected from Football income based on current trends.



## LEGACY

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- Hillsborough, the Stovewood Enquiry and CSE civil claims are currently projecting a full year outturn of £5.63m.
  - This reflects an underspend of £0.18m, this has been updated following conversations with the Home Office and PCC's office.
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### 3.3 MTRS Savings

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- The 2021/22 planned savings are £2.15m of which £2.27m has been achieved and captured on the savings plan.
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### 3.4 GROWTH

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- The total amount approved for growth in 2021/22 was £13.38m, this is split between MTRS growth of £5.05m and Business Plan growth of £8.33m. Further growth has been approved post budget setting of £3.67m.
  - Full Year projected outturn, including additional supported growth post budget setting, is £11.27m, an underspend of £4.64m.
  - The largest underspends are within SCS and the Digital Forensics Unit review £0.88m, shortfall in Uplift enabling £0.61m, IT Target Operating Model recruitment delays £0.52m, SCS uplift of staff £0.35m and DAMS project £0.30m.
  - The majority of these underspends fall within the Staff Pay area and more work is being done to review this.
  - Growth is reviewed on a monthly basis to ensure projects are on track to be delivered within the financial year. Any anomalies are reviewed and reinvested into other priority needs.
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### **3.5 COVID SPEND**

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- A grant has been received in last financial year for £1.46m, this is currently being held within reserves and not within these figures.
  - Year to date costs currently stand at £1.00m.
  - Opportunity costs and lost income stand at £0.10m year to date, this has not been coded to the grant and is absorbed within the district and departments figures.
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### **3.6 UPLIFT SPEND**

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- Budgeted staff and non-pay costs for 2021-22 are £2.07m.
  - Projected outturn for 2021/22 is £2.07m a balanced budget.
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### **3.7 CAPITAL**

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- The PCC has approved a revised 2021/22 capital programme including slippage of £19.66m (£29.43m reduced by £9.79m to reflect past trends in spending).
  - Year to date expenditure against this programme is £10.76m.
  - Overall, the programme is projected to spend to budget but on an individual scheme basis (excluding the £9.81m reduction), the programme is reporting slippage of £4.03m, underspends of £2.29m and overspends of £0.71m mainly within EFM and also IT and VFM projects.
  - The Accountancy team are working closely with the Project Managers to improve the accuracy of projections and have provided training to the majority.
  - The team is working with BC&I to align the interdependencies and a new capital return has been created that will improve the quality of projections and has been presented to SRB and is currently being trialled.
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### 3.8 CAPITAL PROGRAMME

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- The original Capital Programme for 2021-2026 was approved in February 2021.
  - This programme has now been revised and was approved on 8<sup>th</sup> July 2021.
  - This reflects the £19.66m approved for 2021/22 and the requirements going forward.
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### 3.9 EXTERNAL FUNDING

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- Total approved is £7.21m revenue and projected outturn is £6.90m.
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**Officer Responsible:** Debbie Carrington, Chief Finance Officer

**Contact Officer:** Sheryl Hawley, Chief Accountant