

# **FORCE BUDGET MONITORING REPORT – MARCH 2022**

## **REPORT OF THE CHIEF CONSTABLE**

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

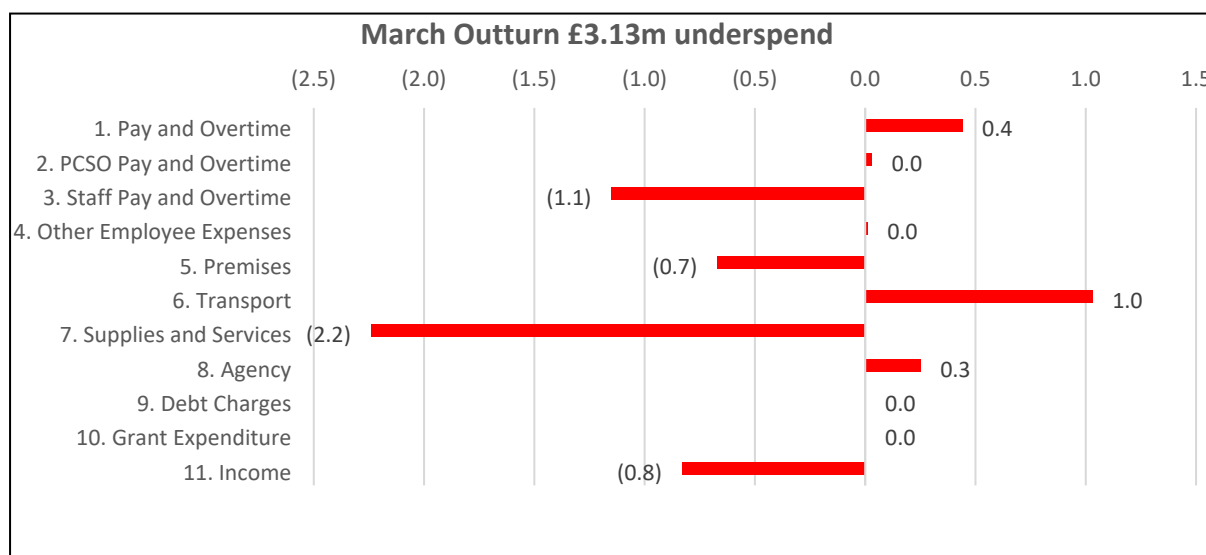
This report is to inform the Public Accountability Board of the Force's projected outturn on its revenue and capital budgets as at 31<sup>st</sup> March 2022. It is based on an analysis of income and expenditure for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 before accounting 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 £3.13m underspend is 1.11% of the total budget before legacy costs.
- This biggest contributing factor to the underspend is in relation to underspends on additional investment in growth areas. 2021/22 has been an unprecedented year for growth, some of which were ambitiously phased and some due to depressed market conditions. Extra due diligence has taken place when phasing growth in 2022/23 and more rigorous scrutiny will be carried out in the year ahead, through the Strategic Resourcing Board.
- In addition to growth, the force has benefited from additional grant funding not anticipated when setting the 2021/22 budget. This includes GRIP (£0.32m), Armed Response (£0.74m) and later in the year additional Uplift funding (£0.21m). This issue has been highlighted on a number of occasions as this makes financial planning challenging. As a result, when setting the 2022/23 budget, a more risk averse approach was taken and the Armed Response funding was included in the budget.
- Also of note contributing to the underspend are changes to the Officer Workforce Plan resulting in fewer full time equivalent Officers than budgeted although it should be noted that Uplift headcount target was exceeded. These changes are in response to:
  - Significantly lower attraction to the PCDA pipeline

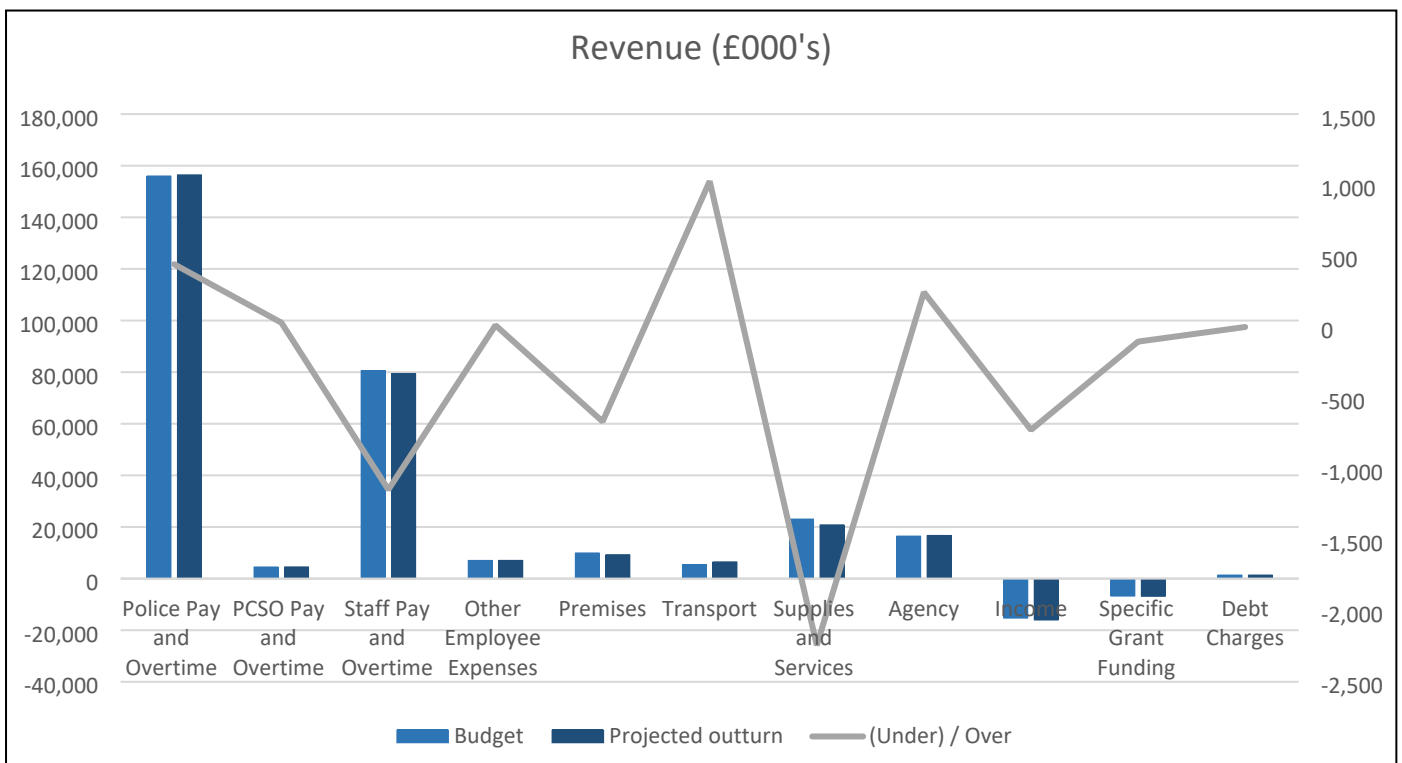
- ROCU backfill requirements
- Forecast freeze in transferee population
- National increase in leaver population
- The underspends have created opportunities for the force to invest in additional officer recruitment, Summer Surge activity, targeted variable/bonus payments, Oracle costs, direct revenue financing of capital schemes and have allowed the costs of Covid-19 to be contained.
- Some of these underspends have been earmarked as savings to achieve the £7m target set by the PCC, to be delivered by 2025.

### 3.2 Revenue Summary

	Approved Budget £000	Final Outturn £000	(Under) / Overspend £000	% of budget
Police Pay and Overtime	156,019	156,461	442	0.28%
PCSO Pay and Overtime	4,508	4,539	31	0.69%
Staff Pay and Overtime	80,629	79,482	(1,146)	(1.42%)
Other Employee Expenses	7,049	7,061	12	0.17%
Premises	9,939	9,273	(666)	(6.70%)
Transport	5,460	6,487	1,027	18.81%
Supplies and Services	23,075	20,832	(2,243)	(9.72%)
Agency	16,479	16,724	245	1.48%
Income	(15,318)	(16,043)	(725)	4.73%
Specific Grant Funding	(6,772)	(6,876)	(103)	1.52%
Debt Charges	1,379	1,379	0	0.00%
Grant Expenditure	2	0	(2)	(81.50%)
<b>Net Expenditure Before Legacy</b>	<b>282,449</b>	<b>279,321</b>	<b>(3,128)</b>	<b>(1.11%)</b>

#### POLICE OFFICERS PAY & OVERTIME

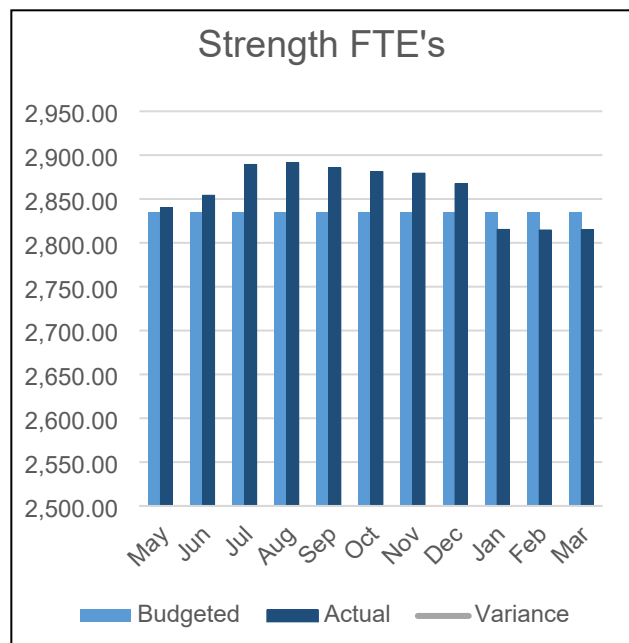
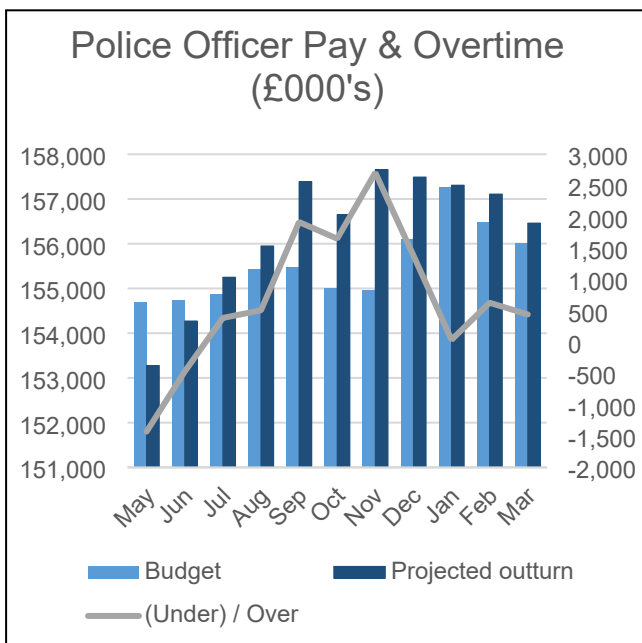
- Total outturn of £0.44m overspend.
- Police pay has underspent by £0.46m and overtime has overspent by £0.90m.



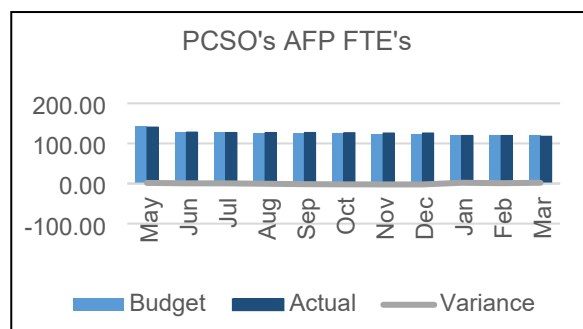
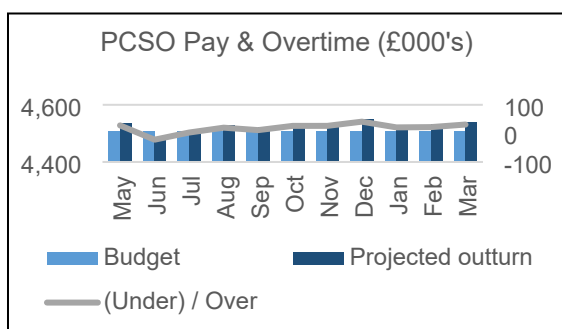
- The budget has been increased by £0.49m to fund the cost of targeted variable payments/bonuses. This has been funded from staff pay underspends.
- ARV funding of £0.74m, confirmed post budget setting, has funded 13 FTE ARV posts in OSU.
- GRIP funding of £0.32m, also confirmed post budget setting, has funded 5 FTE posts.
- Police Officer strength is 2,814.99 compared to a budgeted strength of 2,835.17, a shortfall of 20.18.
- The areas contributing to the overspend on overtime are Covid-19 £0.70m, Rotherham £0.35m and PAG £0.14m.

## PCSO PAY & OVERTIME

- Total outturn of £0.03m overspend.



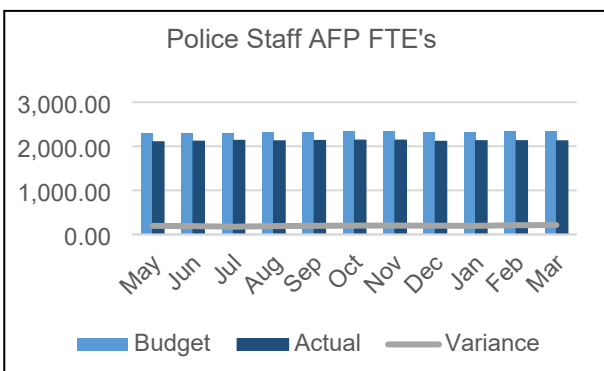
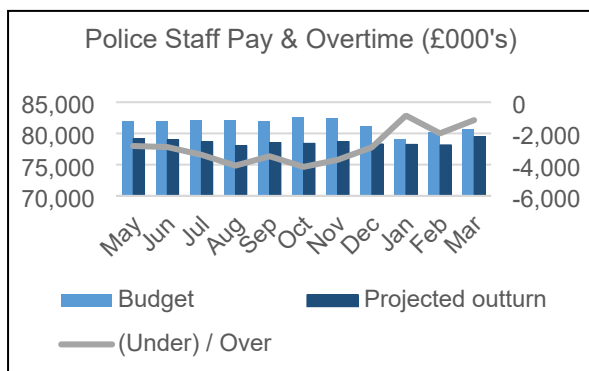
- PSCO AFP FTE's are currently at 117.98, which is marginally under the budget of 119.91.



## POLICE STAFF PAY & OVERTIME

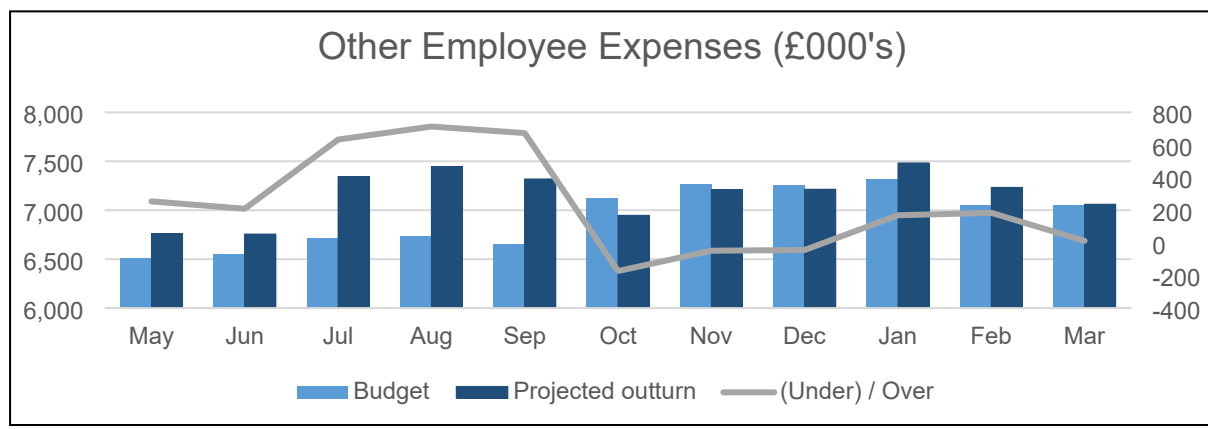
- Total outturn of £1.15m underspend.

- The staff pay underspend is £1.88m. This includes £0.64m in relation to growth posts not yet filled or due to recruitment delays. There are also a number of vacancies across the force that are actively being recruited to, £0.89m of which is within Force Control Room due to vacancies earlier in the year along with vacancies in Crime Service £0.30m and Sheffield £0.18m. This is offset by a £0.32m overspend due to the abortive costs of Oracle Fusion.
- The above underspends have enabled the force meet the costs of Covid-19, to invest in Summer Surge activity, direct revenue finance the Oracle Project and fund targeted Variable pay/bonuses.
- Overtime is a £0.74m overspend. The main variances are within Force Control Room £0.24m, Criminal Justice £0.17m, Crime Services £0.09m, Rotherham £0.07m, Covid-19 £0.07m and Facilities Management £0.06m.
- Staff AFP strength is 2,124.6 which is below budget by 212.78, however there are 180 externally, income and temporary funded posts bringing us to 32 below budget in line with the workforce plan.



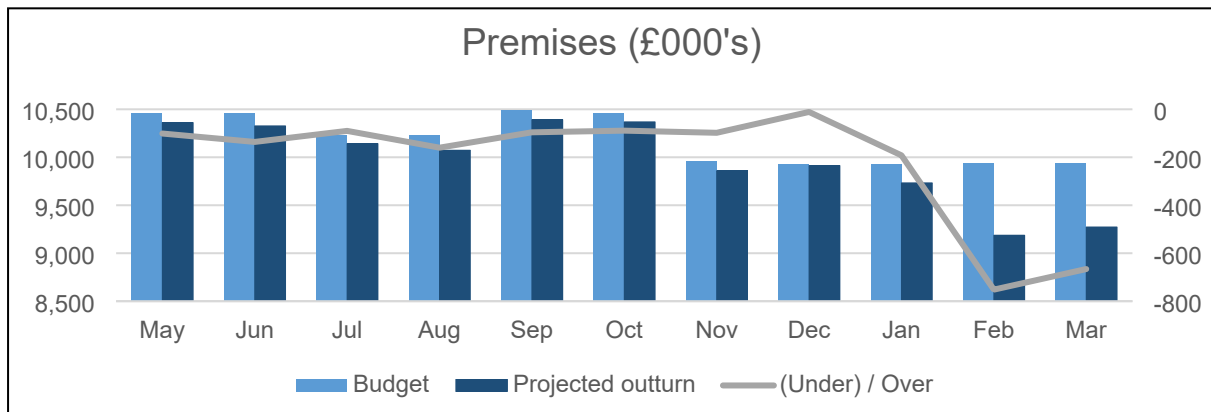
### OTHER EMPLOYEE EXPENSES

- Total overspend of £0.01m.
- £0.50m overspend on backdated injury on duty pensions.
- £0.30m underspend on Ill Health Retirements due to fewer retirees than expected.
- £0.11m underspend against employee related insurance.
- £0.11m underspend on recruitment costs due to the revised training schedule.



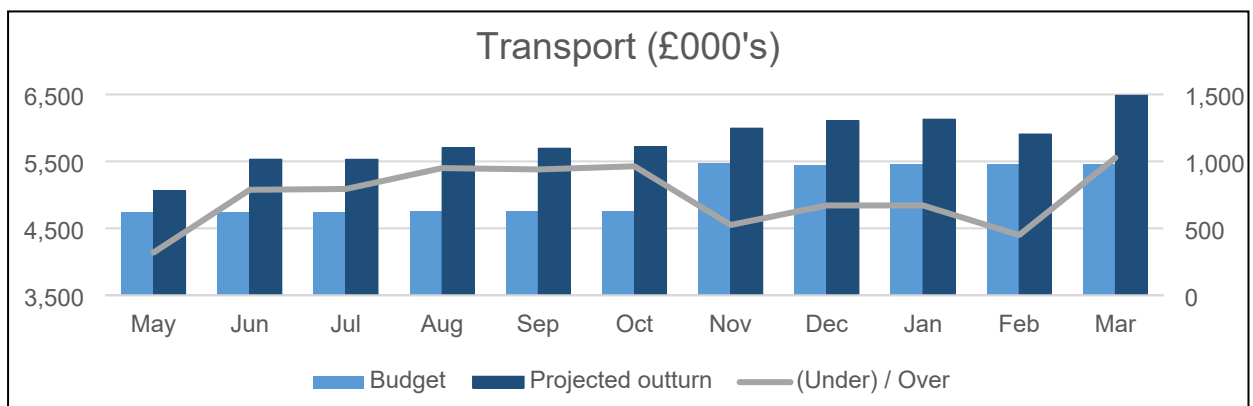
### PREMISES

- Total underspend of £0.67m.
- £0.30m underspend due to rates rebates, spanning back to 2017.
- £0.27m underspend relating to gas and electricity, this is a reduction in expected costs due to teams still working from home.
- £0.10m underspend due to release of growth projections from contingency – mainly relating to Europa 3.



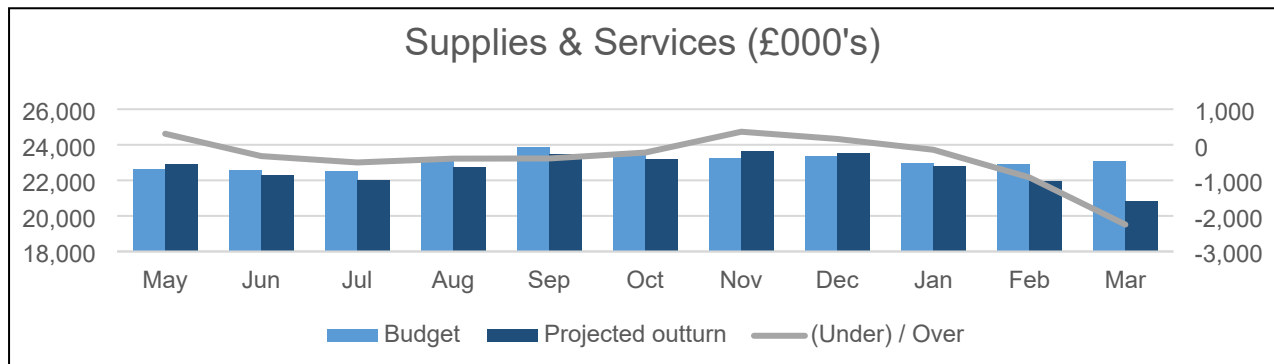
## TRANSPORT

- Total overspend of £1.03m.
- £0.58m overspend on vehicle insurance provision based on information provided by Gallagher Bassett due to reopened cases.
- £0.54m overspend on vehicle spares, tyres & tubes and workshop consumables. The overspend is due to increases in the cost of imports on vehicle parts, inflation on these areas and additional spending has taken place as a direct result of growth in vehicles.
- £0.20m overspend due to unidentified vehicle telematics savings.
- £0.19m underspend on mileage and hire cars due to a travel reduction because of Covid-19.



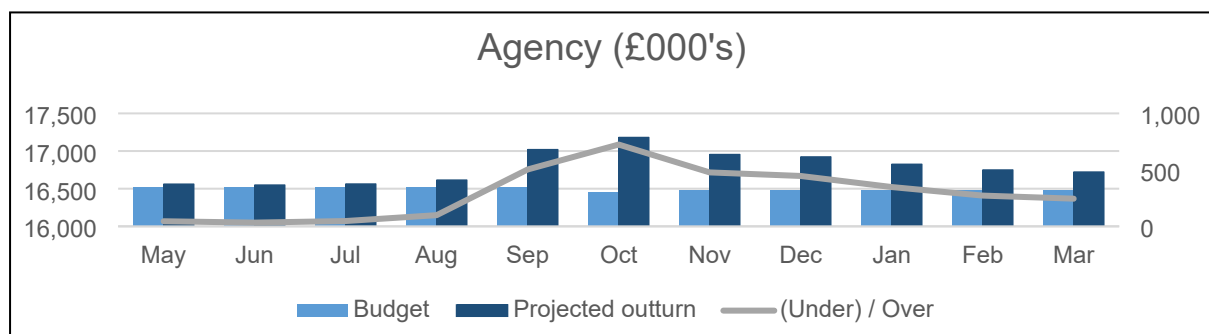
## SUPPLIES & SERVICES

- Total underspend of £2.24m.
- £0.61m underspend on the DAMS project for new software, this reflects the contracts that have been received.
- £0.54m underspend due to a release of growth projections as a result of expenditure not being incurred.
- £0.53m underspend relating to uniform due to the revised workforce plan and recruitment.
- £0.24m underspend on network charges, radio/airwave costs due to renegotiated contracts.
- £0.21m underspend on firearms due to timing issues and work not delivered.
- £0.17m underspend on forensic analysis due to work in progress at the end of the year.
- £0.22m overspend relating to consultants fees and Oracle costs.



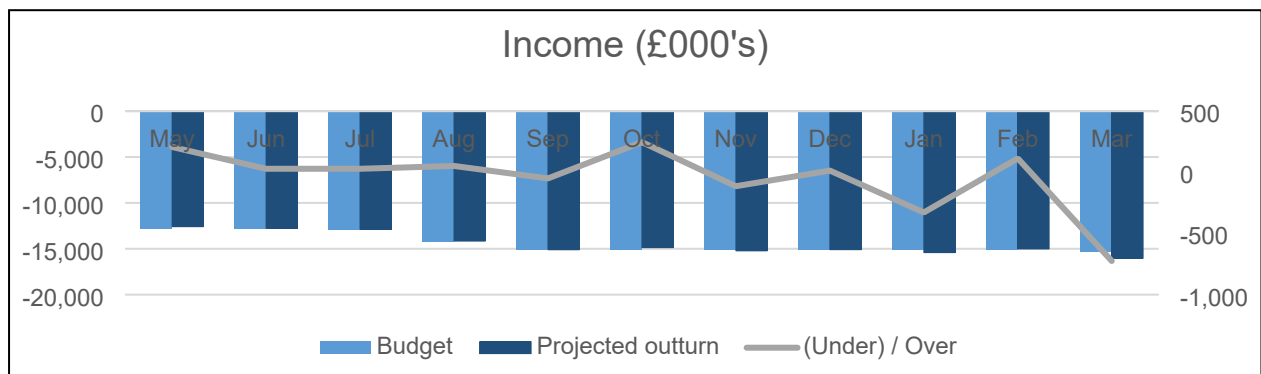
## AGENCY

- Total overspend of £0.25m.
- £0.23m overspend within mutual aid due to spotter costs for Football matches.
- £0.14m overspend due to higher than anticipated inflation on insurance costs.
- £0.09m overspend due to an increase in expected flying hours for NPAS.
- £0.06m overspend due to Sheffield Hallam University management fee costs.
- £0.17m underspend in Home Office ICT costs due to the budget for Transforming Forensics not being required.



## INCOME

- The over achievement of £0.83m.
- £0.53m over recovery from vehicle recovery income with higher than usual vehicles being recovered.
- £0.52m over recovery from COP26, partially offset by additional costs for support.
- £0.21m over recovery from Safety Camera Partnership due to utilisation of grant funding.
- £0.38m under recovery from NDORs income relating to less cars than expected using the roads.



## LEGACY

- Hillsborough, the Stovewood Enquiry and CSE civil claims are full year outturn of £2.68m.
- This reflects an underspend of £3.12m, based on the year-end provisions and accruals.

### 3.3 MTRS Savings

- The 2021/22 savings are £2.69m of which £2.81m has been achieved and captured on the savings plan.
- There are some variances within the individual savings however overall the underachieved amounts are offset by additional in year savings found.

### 3.4 GROWTH

- 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 £3.59m.
- Full Year outturn, including additional supported growth, post budget setting, is £10.53m, an underspend of £6.44m.
- 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 due to Business Plan growth and the posts not being set up or recruited to.

### 3.5 COVID SPEND

- A grant has been received in last financial year for £1.46m, this is held within reserves and not within these figures.
- Full costs for the year stand at £1.03m.
- Opportunity costs and lost income stand at £0.23m, this has not been coded to the grant and is absorbed within the district and departments figures.

### 3.6 UPLIFT SPEND

- Budgeted staff and non-pay costs for 2021/22 are £2.07m.
- Outturn for 2021/22 is £1.93m an underspend of £0.15m mainly due to an underspend in Estates costs.

### 3.7 CAPITAL

- The PCC has approved a revised 2021/22 capital programme including slippage of £21.00m (£30.79m reduced by £9.79m to reflect past trends in spending).
- Slippage of £3.7m has been removed at an individual scheme level to reflect the revised capital programme at budget setting, however the overall programme has been kept in balance by adjusting the capital contingency.
- The capital programme has increased by £1.39m during 2021/22, £1.19m for the Oracle Direct Revenue Financing, £0.09m for Digital Forensics Unit (DFU) Nimbus and £0.07 DFU Review, approved by the PCC and funded by in year revenue underspends rather than using the Devolved Budget Reserve.
- Full year expenditure against this programme is £16.63m.
- The Accountancy team are working closely with the Project Managers to improve the accuracy of projections and have provided training to the majority.

### 3.8 EXTERNAL FUNDING

- Total approved is £9.18m revenue and outturn is £8.09m.
- The variance of £1.09m is mainly due to underspends of £0.41m on Local Resilience Forum, £0.15m on Dedicated Security Posts, £0.10m Child Matters 2 with other variances against various funding streams.

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