

PUBLIC ACCOUNTABILITY BOARD

11TH AUGUST 2022

BUDGET MONITORING REPORT – JUNE 2022

REPORT OF THE CHIEF CONSTABLE

1. Purpose of the Report

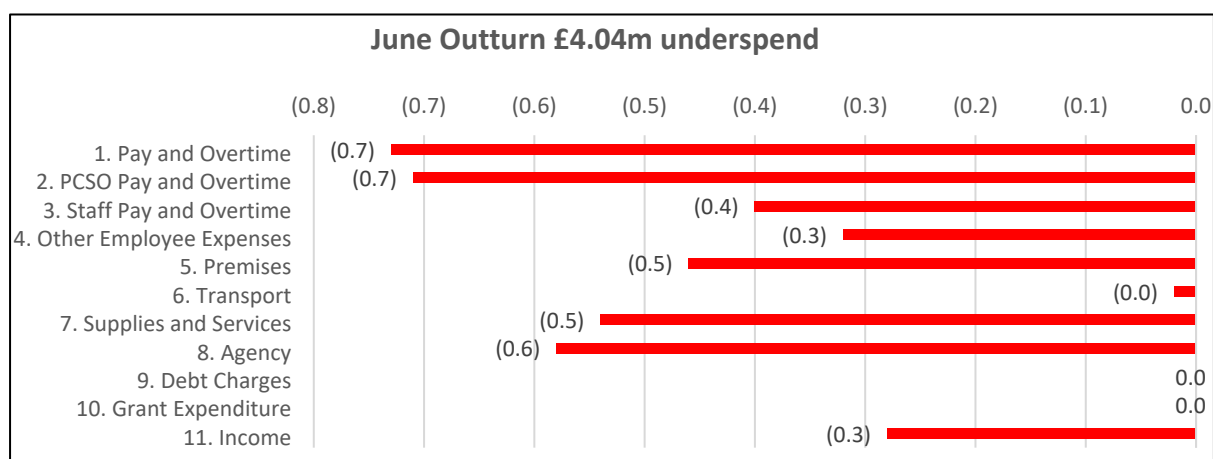
This report is to inform the Public Accountability Board of the Force's projected outturn on its revenue and capital budgets as at 30th June 2022. It is based on an analysis of income and expenditure for the period 1st April 2022 to 31st March 2023 before accounting adjustments. This report covers the 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



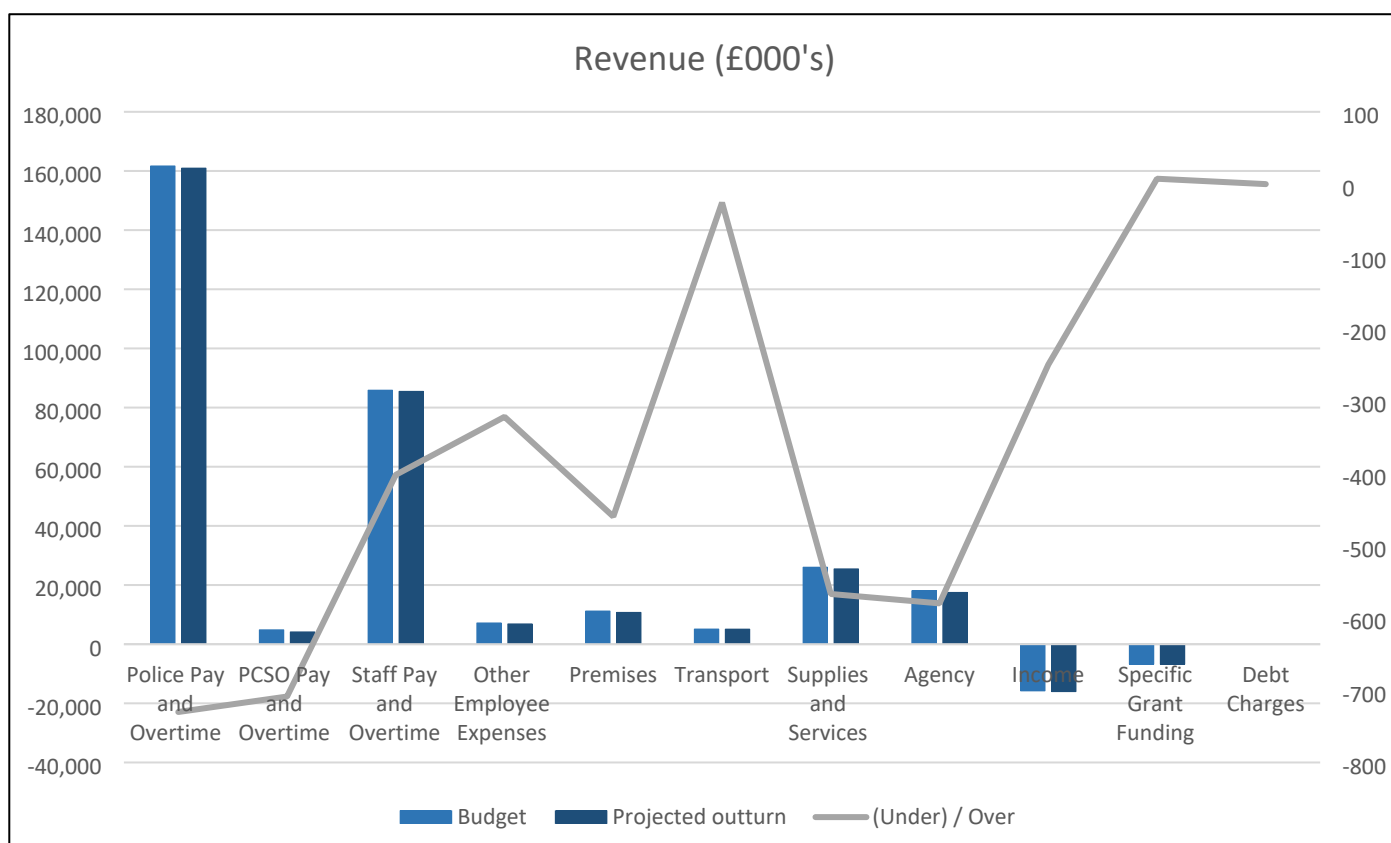
3.1 Key points

- The £4.04m underspend is 1.36% of the total budget before legacy costs.
- The biggest contributing factor to the projected underspend is changes to the Officer Workforce Plan and staff/PCSO vacancies due to the continuing recruitment challenges:
 - The Workforce Plan has changed significantly since budget setting. The PCC approved changes to the Plan which reduced projected officer strength by 68 resulting in an underspend in Police Pay of £2.58m. Since then, further reductions in strength have resulted in additional underspends. This is temporary, due to lower attraction to the Police Constable Degree Apprenticeship (PCDA) pipeline and an increase in the leaver population. The workforce plan is projected to bring officer numbers back in line in 2023/24. This change has allowed the Force to fund the Detective Now Programme and summer surge activity.
 - Underspends of £2.4m on staff pay are due to current and expected vacancies within existing and growth roles. This is an area of focus for the Force, linked to the Savings Programme. This underspend is offset by the staff lump sum pension prepayment (£1.2m) which has been consistently charged to the revenue account but this was not included in the budget.

- Underspends of £0.73m are projected on PCSOs due to vacancies and shift and weekend working changes not yet implemented. Numbers are expected to be brought back in line when the PCSO apprenticeship is introduced early next year.
- The officer pay award has recently been announced at an average of 5% across all ranks. This is not anticipated to be a cost pressure in the current year but the future financial implications need to be assessed.

3.2 Revenue Summary

	Approved Budget £000	Projected Outturn £000	(Under) / Overspend £000	% of budget
Police Pay and Overtime	161,687	160,957	(730)	(0.45%)
PCSO Pay and Overtime	4,852	4,143	(709)	(14.61%)
Staff Pay and Overtime	85,877	85,475	(402)	(0.47%)
Other Employee Expenses	7,169	6,847	(322)	(4.49%)
Premises	11,200	10,740	(460)	(4.11%)
Transport	5,109	5,083	(26)	(0.30%)
Supplies and Services	26,023	25,456	(567)	(2.07%)
Agency	18,076	17,496	(580)	(3.21%)
Income	(15,782)	(16,032)	(250)	1.83%
Specific Grant Funding	(6,772)	(6,765)	7	(0.11%)
Grant Expenditure	2	2	0	0.00%
Net Expenditure Before Legacy	297,439	293,402	(4,037)	(1.36%)

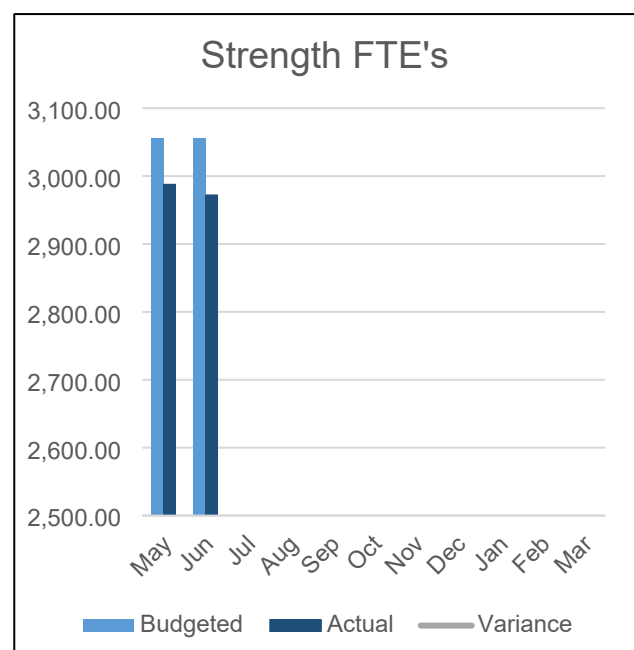
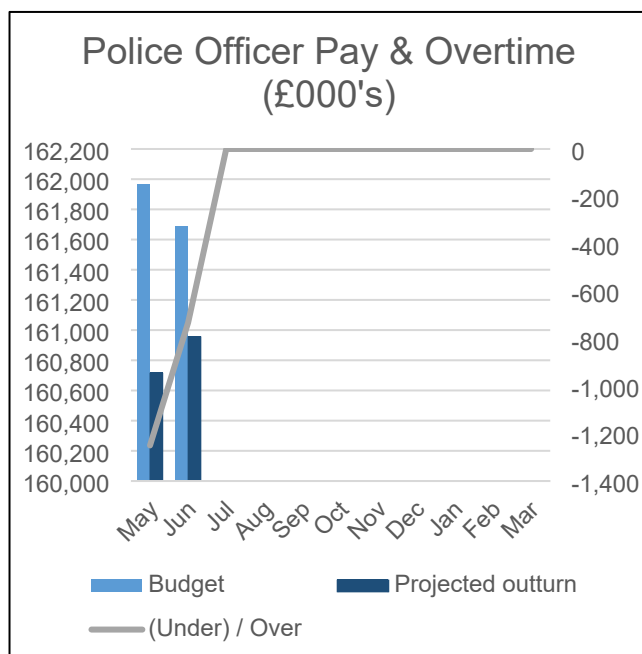


POLICE OFFICERS PAY & OVERTIME

- Total projected outturn of £0.73m underspend, (£1.58m underspend in pay offset by £0.85m overspend on overtime).
- Police pay is projecting to underspend by £1.58m, this is mainly due to the Workforce Plan changes, however this is offset by overspends due to increase Targeted Variable/bonus Payment and changes in unsocial hours, acting rank and on call costs. It has also been utilised to fund Detective Now and Summer Surge activity.
- The Workforce Plan approved by the OPCC reduced our planned strength from 3055.91 to 2987.91, a reduction of 68. This created an underspend of £2.58m. Since then, further changes have been made and June strength is 2972. This has resulted in further underspends relating to the reduction in Student Cohort.

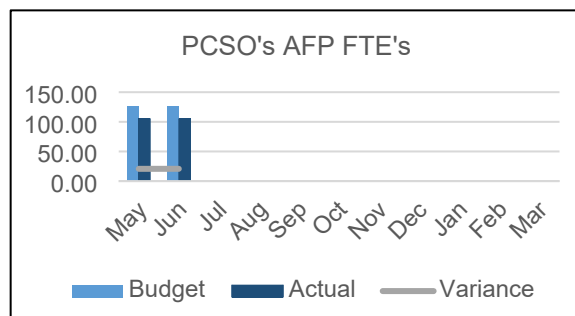
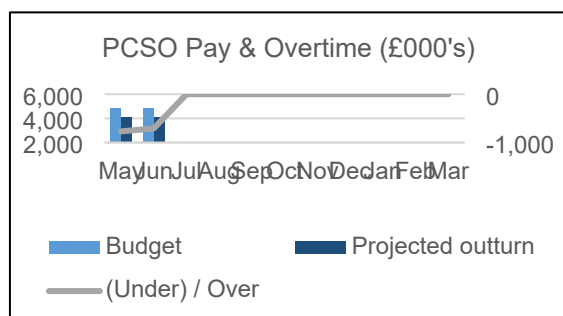
Reason	Value £m
Work Force Plan Changes	(£2.58)
Reduction in Student Cohort (June)	(£0.30)
GRIP Funding	(£0.25)
Reduction in expected transferees and leavers	(£0.07)
TVP Bonus – additional amount	£0.10
Small variance across the force	£0.13
Unsocial Hours, Maternity & Acting Rank changes	£0.40
Police pay underspends funding Detective Now	£0.40
Police pay underspends funding Summer Surge	£0.59
Total	(£1.58)

- GRIP funding of £0.25m, confirmed post budget setting, has funded 5 FTE posts.
- Overtime is projecting to overspend by £0.85m.
- The main areas contributing to the overspend are OSU £0.31m - work is being done to understand the needs and for a potential paper to be written, Crime Services £0.21m relating to Force Crime Bureau vacancies - a paper is in the process of being written to request funds and Sheffield £0.17m.



PCSO PAY & OVERTIME

- Total projected underspend of £0.71m (£0.75m underspend in pay offset by £0.04m overspend on overtime).
- £0.39m underspend due to the revised student recruitment plan. This is a temporary underspend due to slippage in recruitment as the PCSO apprenticeship is developed. The workforce plan is expected to bring numbers back in line in 2023/24.
- A £0.36m underspend is projected in shift and weekend working allowances due to an expected change that has not yet been implemented.
- PSCO FTE's are currently projected to end at 105.27, which is 20.73 under the budget of 126.00.

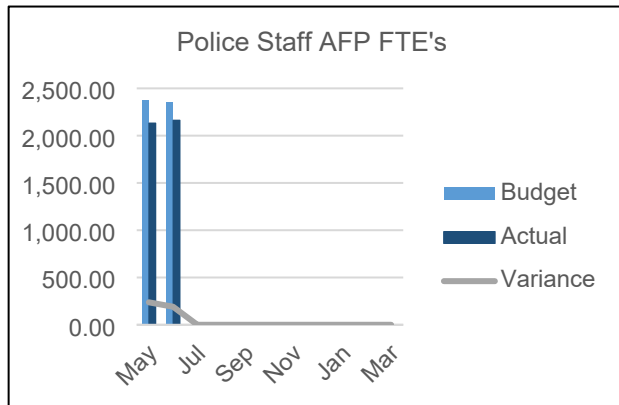
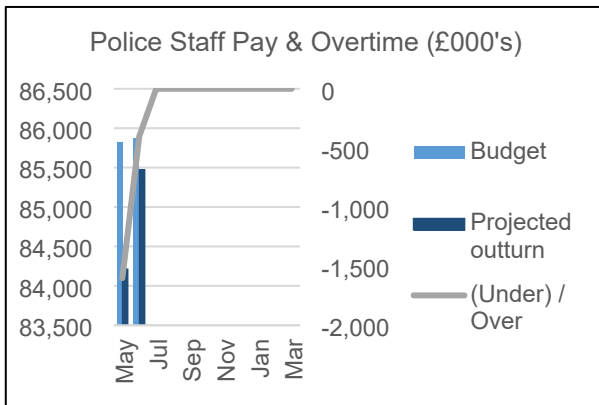


POLICE STAFF PAY & OVERTIME

- Total projected underspend of £0.40m (£1.18m underspend in pay offset by £0.78m overspend on overtime).
- The staff pay projected underspend is £2.40m (see below), partially offset by the payment of the staff pension lump sum of £1.23m which was unbudgeted.

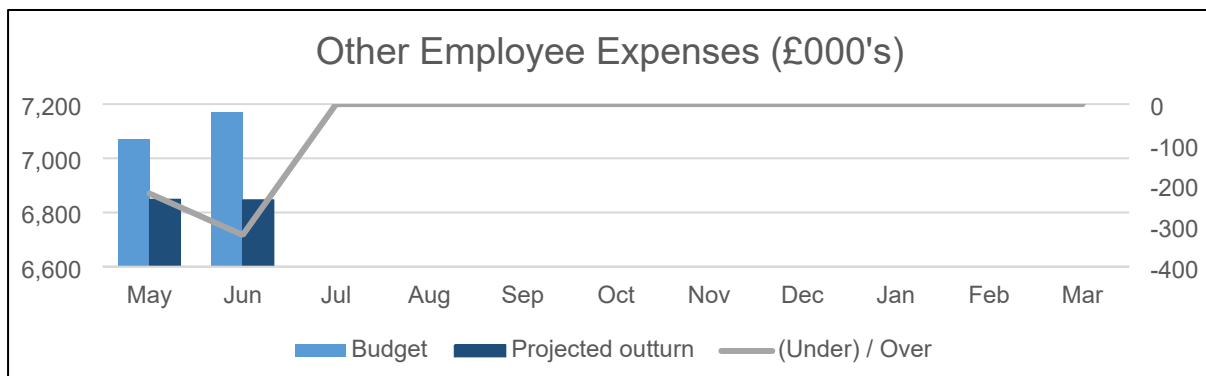
District/Department	Value £m
Forcewide growth - IT target operating model £0.58m and Comms Data Review £0.31m	(£0.84)
Crime Services – DFU, PVP and Intel	(£0.61)
Force Control Room – vacancies and shift & w/end allowances	(£0.40)
Business Change & Innovation – Tech Enabled Team vacancies	(£0.36)
Sheffield – 6 x IO's delayed recruitment	(£0.20)
Regional Lead – Stores & Procurement	(£0.15)
IT	(£0.13)
Small variances across the Force	£0.04
Force Control Room pay underspend funding overtime	£0.25
Total	(£2.40)

- The more significant areas are: Crime Services which includes underspends relating to the DFU review, delays in the recruitment of IO's, PVP and FCB due to vacancies currently being offset by overtime costs, PNC and Intel. Projected underspends on IT are due to the unapproved target operating model and FCR is due to vacancies that are being addressed through a revised workforce plan and being covered through overtime.
- Overtime is projected to overspend by £0.78m. The main variances are within FCR £0.33m, Crime Services £0.29m and CJU £0.08m.
- Staff AFP strength is 2,163.67 which is below budget by 190.84, however there are 165.62 externally, income and temporary funded posts bringing us to 25.22 below budget in line with the workforce plan. This doesn't however include the growth posts that have not as yet been created.



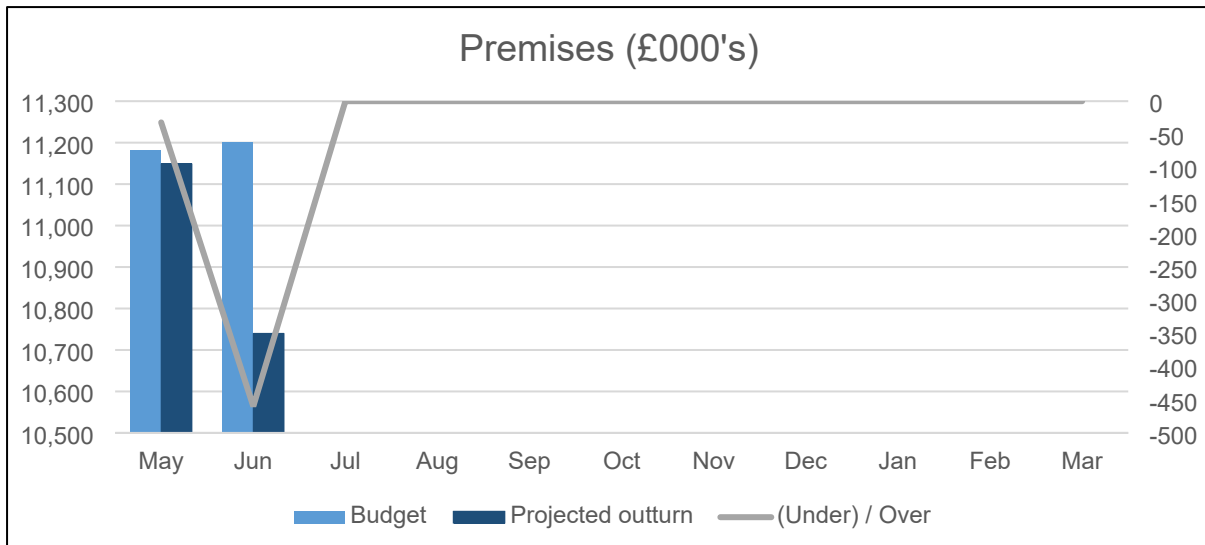
OTHER EMPLOYEE EXPENSES

- Total projected underspend of £0.32m.
- £0.37m underspend on ill health retirements due to fewer retirees than expected (4 v 9), this has been captured as a saving in June.
- £0.08m overspend on the apprenticeship levy to reflect historic trends, this will be reviewed for the 23/24 budget setting process.
- £0.10m overspend on general recruitment costs including medical and external training costs for Internet Sexual Offences Team (ISOT) training carried forward from 21/22.



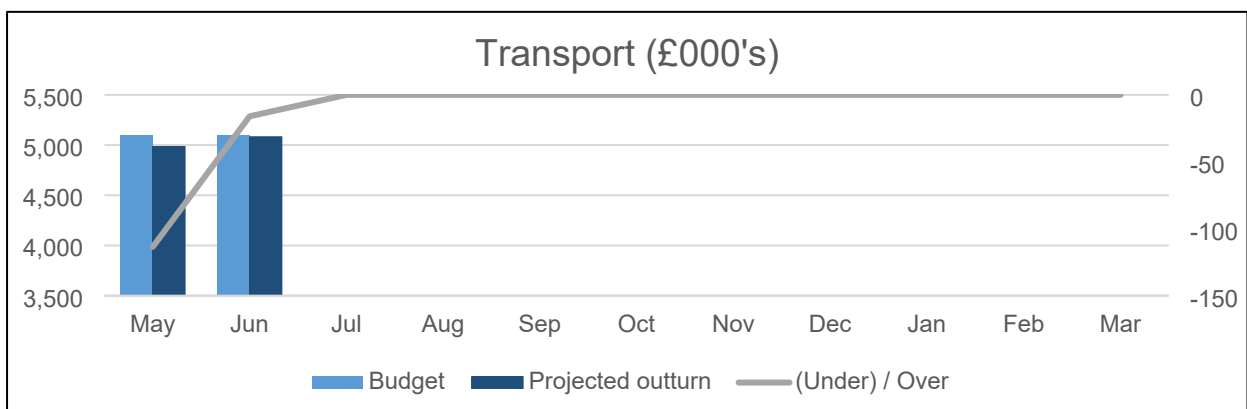
PREMISES

- Total projected underspend of £0.46m.
- £0.36m projected underspend due to rates rebates spanning back to 2017, this has been removed as a saving in June.
- £0.24m underspend due to revised projections relating to Uplift.
- £0.12m projected overspend due to unachieved savings for rent due to the purchase of Pioneer Close now not expected to happen.



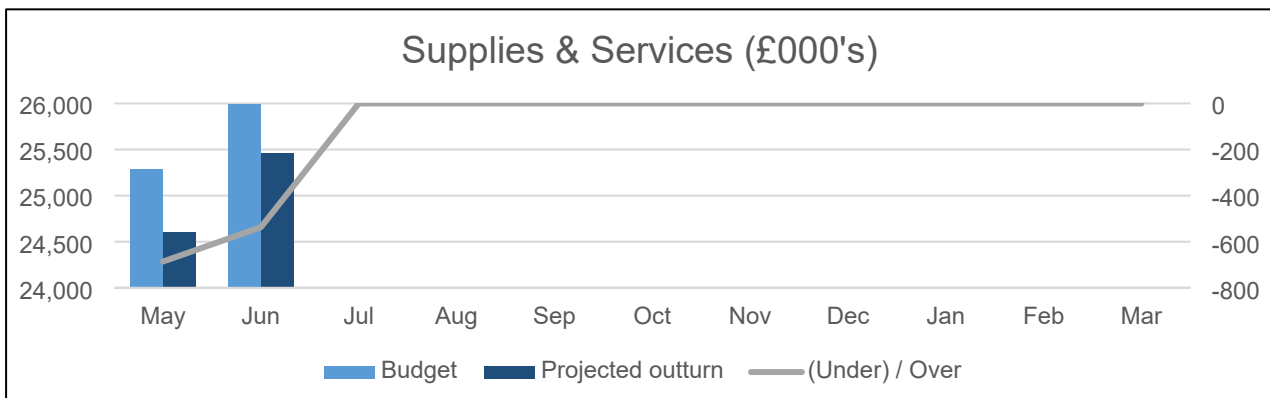
TRANSPORT

- Total projected underspend of £0.02m.
- £0.06m projected underspend on casual users mileage based on historic trend and a reduction of travel. This will be reviewed as the year progresses in line with the Smarter Ways of Working programme.
- £0.05m projected underspend on vehicle insurance due to lower than expected premiums.
- £0.04m overspend on fuel due to the increase in prices.
- £0.04m overspend on public transport and Essential Car User lump sum payments.



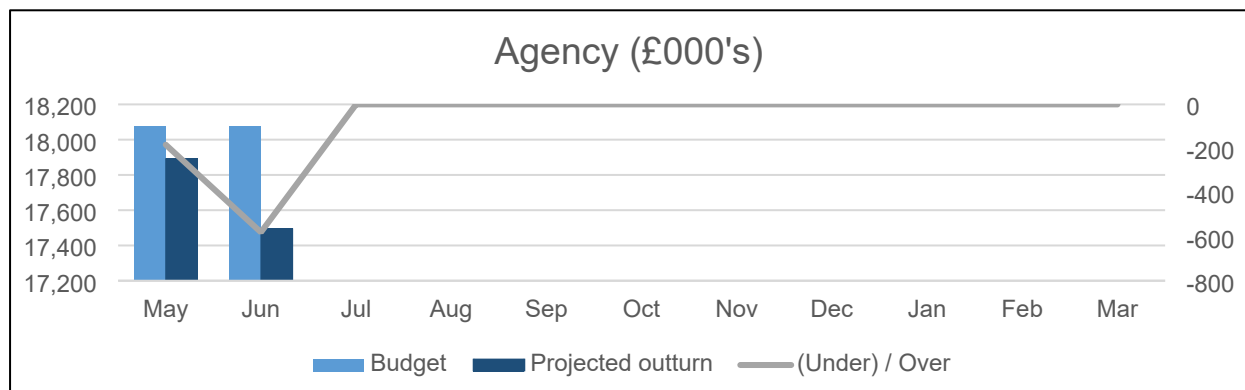
SUPPLIES & SERVICES

- Total projected underspend of £0.57m.
- £0.48m projected underspend due to a Microsoft Enterprise Agreement contract discount received.
- £0.10m projected underspend on Software due to the assumption that Oracle BI support licences will not be renewed.
- £0.09m projected underspend on network maintenance mainly due to Voice over Internet Protocol (VoIP) costs reducing with the implementation of Smart Contact.
- £0.10m overspend on counsel fees and compensation within Legal of which £0.08m is an agreed carry forward from 21/22.



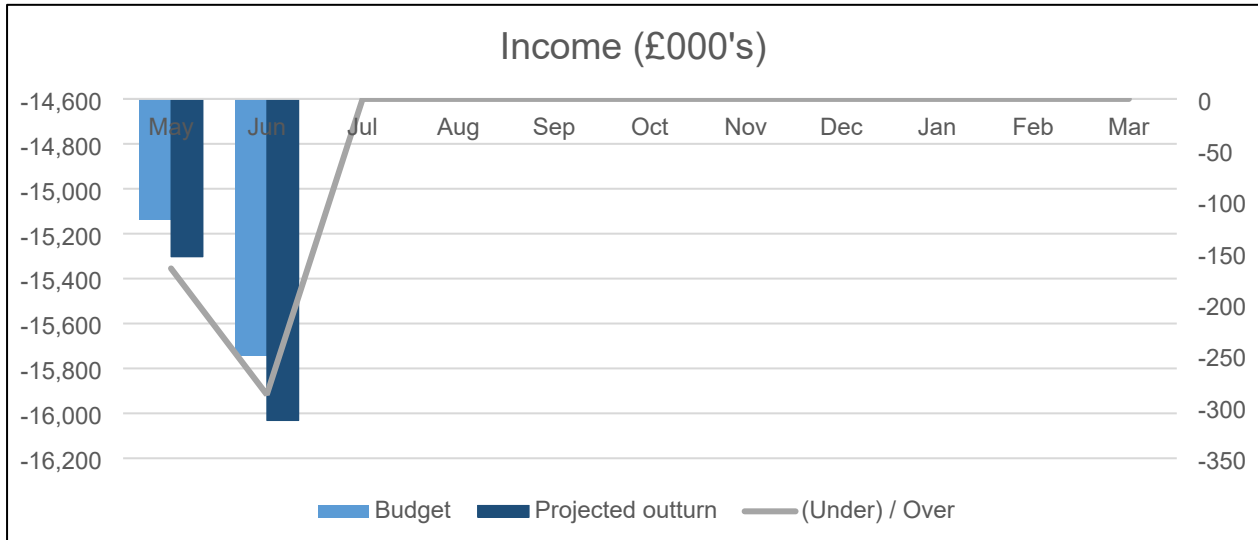
AGENCY

- Total projected underspend of £0.58m.
- £0.27m underspend on Insurance due to premiums renewing at a lower level than anticipated.
- £0.19m underspend on recharges from WYP due to the penalty for the 6 FTE's within ROCU now not expected and changes in other posts.
- £0.10m underspend in Home Office ICT costs, this underspend relates to recharges not received for ICT Subs & Cloud Gateway.



INCOME

- Total projected over achievement of £0.25m.
- £0.25m over recovery in POCA income.
- £0.04m over recovery from mutual aid offset by additional costs, this is from small events where the total costs have not as yet been finalised.



LEGACY

- Hillsborough, the Stovewood Enquiry and CSE civil claims are projecting full year outturn of £5.41m which is on budget.

3.3 MTRS Savings

- The 2022/23 savings are £1.76m of which £1.30m has been achieved and captured on the savings plan. There is £0.46m remaining for the 2023/24 full year effect to achieve.
 - Further savings have been identified in year and total £1.45m, bring our achieved savings to £2.75m, an overachievement of £0.99m in year. The combined full year effect including these additional savings is £0.33m.
 - The savings that have not as yet been achieved relate to CJU File Build (£0.34m) and Rent & Service charge savings from purchase of Pioneer Close (£0.12m).
 - Work is continuing to identify the £7m target set by the PCC and the overachieved savings will contribute to this.
-

3.4 GROWTH

- The total amount approved for growth in 2022/23 was £14.27m, this is split between MTRS growth of £4.00m, Business Plan growth of £3.31m and Prior Year Growth of £6.12m. Further growth has been approved post budget setting of £0.85m, which is non recurrent and funded from in year underspends/new savings identified.
 - Full Year outturn, including additional supported growth, post budget setting, is projected to be £12.05m, an underspend of £1.38m.
 - The largest projected underspends are within Crime Services for Comms Data Review £0.31m and within IT for the target operating model £0.58m.
-

3.5 UPLIFT SPEND

- Budgeted staff and non-pay costs for 2022/23 are £2.71m.
 - Projected outturn for 2022/23 is £2.57m an underspend of £0.14m due to reduced projections across various areas including Estates and Staff Pay.
-

3.6 CAPITAL

- The PCC has approved a revised 2022/23 capital programme of £16.48m (£24.62m reduced by £8.24m to reflect past trends in spending).
- Year to Date expenditure against this programme is £1.87m.
- The Accountancy team are working closely with the Project Managers to improve the accuracy of projections and have provided training to the majority. The latest training has taken place on 20th July 2022.

3.7 CAPITAL PROGRAMME

- The original Capital Programme for 2022/2027 was approved in February 2022.
- This programme was revised and approved on 8th July 2022.
- This reflects the £16.48m approved for 2022/23 and the requirements going forward.

3.8 EXTERNAL FUNDING

- Total approved is £2.23m revenue and is projected to spend in full.
-

Officer Responsible: Debbie Carrington, Chief Finance Officer

Contact Officer: Sheryl Hawley, Chief Accountant