

PUBLIC ACCOUNTABILITY BOARD

2nd FEBRUARY 2023

BUDGET MONITORING REPORT – DECEMBER 2022

REPORT OF THE CHIEF CONSTABLE

1. Purpose of the Report

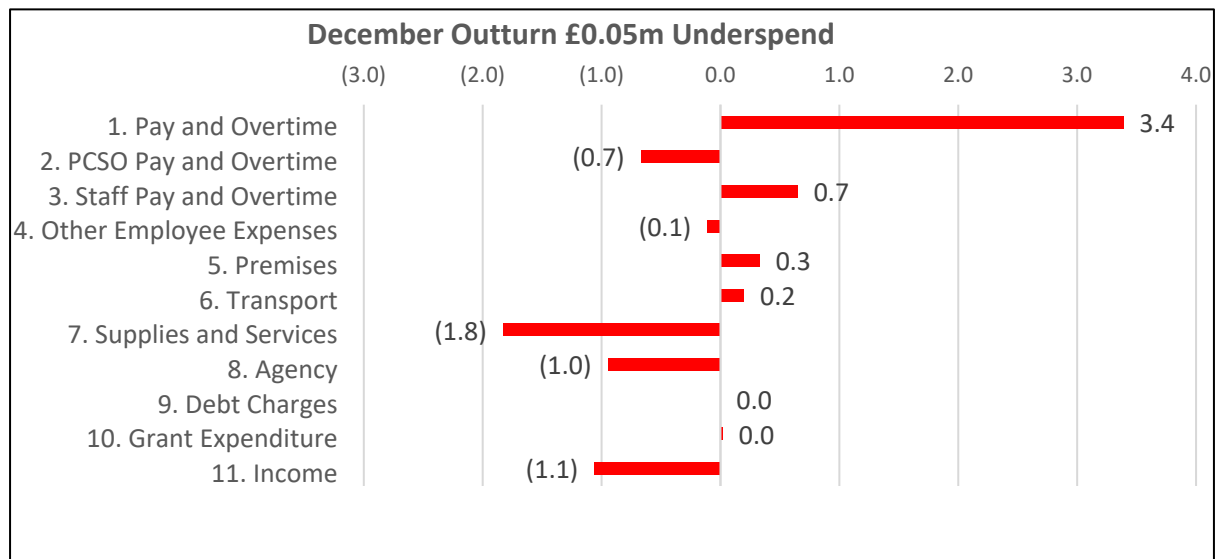
This report is to inform the Public Accountability Board of the Force's projected outturn on its revenue and capital budgets as at 31st March 2023. It is based on an analysis of income and expenditure for the period 1st April 2022 to 31st March 2023 before accounting adjustments. This report covers the Force financial position only and should be read in conjunction with the report by the PCC Chief Finance Officer.

2. Recommendations

The PCC is recommended to consider the content of this report.

3. Background Information

OVERVIEW FOR MONTH



3.1 Key points

- The £0.05m projected underspend is 0.02% of the total budget before legacy costs.
- In year, the Force has direct revenue financed £1.80m of officer uplift capital costs and £1.2m to the Oracle Cloud project. In addition, it has also had the flexibility to invest in the Detective Now Programme, Summer Surge activity and to contain additional overtime for Her Majesty the Queen's State Funeral and to cover vacancies and abstractions.

- The projected overspend includes the reopened staff pay award and the reduction of 1.25% National Insurance contribution from November.
- There have been significant changes to the officer workforce plan and staff/PCSO vacancies due to the continuing recruitment challenges:
 - The officer workforce plan has changed significantly since budget setting to address the 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.
 - Underspends of £1.58m 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) that was not included in the budget. In addition there is an overspend on overtime to backfill vacancies and meet demand.
 - Underspends of £0.70m 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.

3.2 Revenue Summary

	Approved Budget £000	Projected Outturn £000	(Under) / Overspend £000	% of budget
Police Pay and Overtime	162,451	165,837	3,386	2.1%
PCSO Pay and Overtime	4,852	4,179	(674)	-13.9%
Staff Pay and Overtime	85,087	85,737	651	0.8%
Other Employee Expenses	7,275	7,164	(112)	-1.5%
Premises	10,971	11,297	326	3.0%
Transport	5,147	5,345	198	3.8%
Supplies and Services	25,309	23,478	(1,830)	-7.2%
Agency	18,822	17,871	(950)	-5.0%
Income	(17,393)	(18,933)	(1,540)	8.9%
Specific Grant Funding	(8,243)	(7,764)	479	-5.8%
Capital Adjustments	3,146	3,146	0	0.0%
Grant Expenditure	2	20	18	1035.6%
Net Expenditure Before Legacy	297,425	297,377	(48)	-0.02%

POLICE OFFICERS PAY & OVERTIME

- Total projected outturn of £3.38m overspend, (£1.55m overspend on pay and £1.83m overspend on overtime).
- Police pay is projecting to overspend by £1.55m. Earlier in the year, an underspend was projected and £0.9m was utilised to fund Detective Now and Summer Surge activity. Since then, changes in projections, including additional NI pressure on overtime have seen this move into a more balanced position.
- As at December, the projected year-end officer strength is 2,948.53.
- Overtime is projecting to overspend by £1.83m. The main areas contributing to the overspend are Districts £1.33m due to Investigative Teams, Response Teams and special operations, Crime Services £0.15m relating to Force Crime Bureau and PVP teams and PAG £0.18m due to sickness, temporary backfill and preventing violence

operation. A total of £0.29m of the £1.83m total overspend relates to the cost of Queens State Funeral.

PCSO PAY & OVERTIME

- Total projected underspend of £0.67m (£0.70m underspend in pay offset by £0.03m overspend on overtime).
- £0.41m underspend due to the revised student recruitment plan. This is a temporary underspend due to slippage in recruitment as the PCSO apprenticeship is developed ready for the first intake in April 2023.
- A £0.36m underspend is projected in shift and weekend working allowances due to an expected change that has not yet been implemented. This has been reviewed and removed from the 23/24 budget as a saving.
- PSCO FTE's are currently projected to end at 104.84, which is 21.16 under the budget of 126.00.

POLICE STAFF PAY & OVERTIME

- Total projected overspend of £0.65m (£0.41m underspend in pay offset by £1.06m overspend on overtime).
- The staff pay projected underspend is £1.64m, partially offset by the payment of the staff pension lump sum of £1.23m which was unbudgeted.
- The more significant areas are: Crime Services, which includes underspends relating to the DFU review, delays in the recruitment of Investigative Officers, PVP and FCB roles due to vacancies currently being offset by overtime costs, PNC and Intel. Projected underspends on BC&I relate to the Tech Enabled team and IT is due to the unapproved target operating model as the service is under review.
- Overtime is projected to overspend by £1.05m. The main variances are within Crime Services £0.29m, FCR £0.27m and CJU £0.10m.
- Staff AFP strength is 2,184.25 which is below budget by 194.78, however there are 183.32 externally, income and temporary funded posts bringing us to 11.46 below budget in line with the workforce plan. This does not however include the growth posts that have not as yet been created.

OTHER EMPLOYEE EXPENSES

- Total projected underspend of £0.11m.
- £0.26m underspend on ill health retirements due to fewer retirees than expected (4 v 9), this was captured as a saving in June.
- £0.09m overspend on the apprenticeship levy to reflect historic trends, this has been reviewed for the 23/24 budget setting process.

PREMISES

- Total projected overspend of £0.33m.
- £0.50m underspend due to rates rebates spanning back to 2017.

- £0.39m projected overspend in Utilities based on the latest information provided by the energy team.
- £0.31m overspent on Pioneer Close rent liability back to 2017.
- £0.18m overspend due to change in projections in relation to accommodation for ISOT growth.
- £0.12m overspend due to unachieved savings for rent due to the purchase of Pioneer Close now not expected to happen.
- £0.11m underspend due to revised projections relating to Uplift.

TRANSPORT

- Total projected overspend of £0.20m.
- £0.34m overspend on fuel due to the increase in prices above budgeted.
- £0.16m projected underspend on vehicle insurance.
- £0.12m projected underspend on casual users mileage based on historic trend and a reduction of travel.
- £0.08m overspend due to vehicle maintenance spares, tyres etc, due to increase costs of spares.
- £0.06m overspend on hire of cars due to additional costs from summer surge.
- £0.05m projected underspend on vehicle running costs.

SUPPLIES & SERVICES

- Total projected underspend of £1.83m.
- £1.15m projected underspend in Software Licences and Support on DAMS project £0.24m, Oracle technical services £0.22m and includes a saving against Enterprise Agreement that has been given up in year of £0.68m.
- £0.27m projected underspend on staff clothing and uniforms in line with current spending.
- £0.13m underspend on office equipment costs due to SWW.
- £0.12m projected underspend on vehicle recovery costs.

AGENCY

- The projected underspend of £0.95m.
- £0.28m underspend on Insurance due to premiums renewing at a lower level than anticipated.
- £0.28m underspend on recharges from WYP due to the penalty for the 6 FTE's within ROCU now not expected and changes in other posts.
- £0.28m underspend on External Forensics now reflecting current trends.
- £0.23m overspend on Mutual Aid to cover football fixtures for unplanned Euros and league finals.
- £0.18m underspend in Home Office ICT costs, this underspend relates to recharges not received for ICT Subs & Cloud Gateway.
- £0.13m underspend on NPAS. At the time of budget setting, there were various options and the budget was set at the highest contribution value. The contribution amount has now been agreed and is lower than the budget.

INCOME

- There is a projected over achievement of £1.53m.
- £0.39m over recovery from mutual aid offset by additional costs.
- £0.35m from over recovery of Vehicle Recovery Income, this is offset with additional costs.
- £0.34m over recovery in POCA income, due to being awarded more from Home Office compared to the budget.
- £0.30m over recovery in uplift officer funding from the Home Office for 15 additional officers.
- £0.27m over achievement on National Driver Offender Retraining Scheme (NDORS) income due to an increase in activity.
- £0.10m over recovery from Highways Agency.

SPECIFIC GRANT FUNDING

- Total approved Home Office grant funding is £8.24m with a projected under recovery of £0.48m due to the final grant position being confirmed after the 22/23 budget was set.

LEGACY

- Hillsborough, the Stovewood Enquiry and CSE civil claims are projecting full year outturn of £2.54m, which is an underspend of £2.87m. This will be a contribution into earmarked legacy reserves for future legacy costs.
- This reflects information received from the oPCC.

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 £1.56m, bringing our achieved savings to £2.86m, an overachievement of £1.10m in year. The combined full year effect including these additional savings is £0.55m recurrently.
- 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). The CJU savings have been slipped to next year and the Pioneer Close saving will not happen as the Force has entered into a new rental agreement.

3.4 Growth

- The total amount approved for growth in 2022/23 was £14.66m, this is split between MTRS growth of £2.86m, Business Plan growth of £3.17m and Prior Year Growth of £5.67m. Further growth has been approved post budget setting of £2.95m, of which £1.68m 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 £9.41m, an underspend of £5.25m.
- The largest projected underspends are within IT for the target operating model £0.79m and within Crime Services for Comms Data Review £0.31m.
- These underspends have provided us the opportunity to finance the Oracle and Uplift projects.
- Growth challenge meetings have been carried out by the Assistant Chief Officer and Chief Finance Officer to review progress with budget holders resulting in some revised projections.

3.5 Capital

- The PCC has approved a revised 2022/23 capital programme of £17.77m (£26.84m reduced by £9.07m to reflect past trends in spending).
- Year to Date expenditure against this programme is £8.78m, this reflects 49% of the full year budget.
- The Accountancy team are working closely with the Project Managers to improve the accuracy of projections and have provided training to the majority.
- The significant projects which have slipped to future years are:

Capital Project	Comment	£
Doncaster Police Station & Custody Suite	Moved to 2023/24 due to ongoing issues with the land purchase.	£1,576,991
Oracle – MTD & EBS	Original project ceased. Remaining budget required to fund the new project, which is underway.	£1,056,017
Airwave Replacement 22-23	Supplier not expected to meet delivery date, now expected June 23.	£933,597
Compartmentation Survey & Remedial Works	Project is underway due to complete in 23/24.	£839,536
Body Armour	With BlueLight Commercial, supplier will be appointed in Jan and order placed in Mar 23.	£400,000
Connect Express	Project requires data deletion before project can begin.	£369,174
Smart Contact Implementation Team 2021	This is a combined slippage on projects T15090, T15700, T15270 & T15890.	£364,148
Wombwell Remodelling & Refurbishment	CSB approved and slippage detailed.	£325,615
Data Migration	CSB is approved, but not started.	£316,140
ESN (Gwent Model)	Project not started due to national issues.	£300,000
Digital Fund	This is an emerging project adapting to a changing technological landscape. Plans are being developed and delivered in the right place at the right time.	£294,332
Corporate WiFi	Project is underway	£181,762
22/23 Joint Data Centre	Project is currently being scoped	£167,679

Replacement of AFO/ARVO Body Armour	With BlueLight Commercial, supplier will be appointed in Jan and order placed in Mar 23.	£120,000
Total		£7,226,818

The significant projects which have underspends during the year are:

Capital Project	Comment	£
PSU Kit Operation Uplift Officers	Project T65150 – money will be spent in revenue. Capital project removed in future	£180,000
Total		£575,921

- The capital tracker is presented at Strategic Resourcing Board for monitoring in detail. This shows progress against each scheme and overall Force position.
- There are currently 27 projects awaiting capital scheme briefs with a total value of £1.39m.

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