



South Yorkshire
POLICE

Budget Monitoring Report

March 2023

Sponsor: Debbie Carrington

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1. EXECUTIVE SUMMARY

This report is to inform the Senior Command Team of the Force's outturn on its revenue and capital budgets as of 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

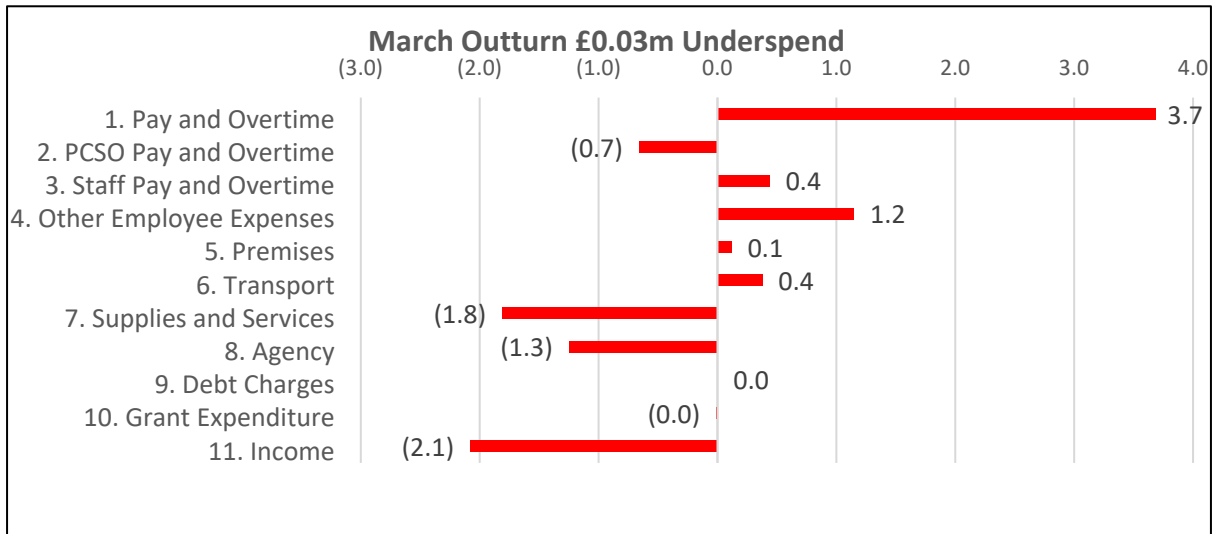
It is recommended that PEG:

- 2.1 receive the report.
- 2.2 note the key points at 3.1.
- 2.3 note the carry forward requests at 3.10

PEG REPORT

March 2023

3. Final Position for March



3.1 Executive summary of overall final position

2022/23 had been a challenging and unpredictable year due to the ongoing economic uncertainty. As a result, the force has seen significant fluctuations in projections and the end of year position changed significantly, largely due to the end of year insurance claims provision. This has highlighted a need for closer working between Finance and Legal throughout the year, but this will never be fully mitigated due to the unpredictable nature of insurance claims.

Underspends have arisen during the year, particularly in growth areas where there have been difficulties in recruiting and retaining staff and the force has benefitted from additional income and grant funding. This has allowed the force some flexibility to invest in areas of strategic importance and to meet the cost of operational policing operations. The force has direct revenue financed £1.2m to the Oracle Cloud project, invested in the Detective Now Programme, Summer Surge activity and contained additional overtime for Her Majesty the Queen's State Funeral. Permanent savings have been identified throughout the year and these have contributed to balancing the budget for 2023/24.

Overall, the force has a £0.03m underspend (before legacy costs), which is (0.01%) of the total force budget (excluding legacy costs). It should be noted however that £0.31m relates to excess POCA Income and £0.43m Safety Camera Ticket Partnership income which have been moved into an earmarked reserve to be reinvested in eligible activity in the following year. The position after these reserves movements is a net overspend of £0.71m, which is 0.24% of the total budget.

The table at 3.2 below shows in more detail the underspends and overspends by category.

Police pay overall is £1.38m overspent but during the year £0.53m has been utilised for summer surge and £0.40m for detective now. The workforce plan for officers changed during the early part of the year, due to being under strength at the start of the financial year. There have been challenges during the year due to lower attraction to the Police Constable Degree

Apprenticeship (PCDA) pipeline and an increase in the leaver population. The closing strength was 99.48 under against the original budgeted strength, but only 31.48 under against the revised workforce plan. Police overtime was overspent by £2.3m. The workforce plan for 23/24 will need to be flexed to bring officer numbers back in line.

Staff pay was under spent by £0.6m due to vacancies within established and growth posts, with recruitment into some posts being a challenge in the current job market. The pay underspends are offset by the staff lump sum pension prepayment, £1.26m, which has been consistently charged to the revenue account, and was not included in the budget. Staff overtime is overspent by £1.0m due to backfill for vacancies and managing demand.

PCSOs pay was underspent by £0.7m on PCSOs due to vacancies and shift and weekend working changes not implemented, offset with small overspends on PCSO overtime £0.04m. The allowances have been removed as part of the 23/24 savings plan within the MTRS.

Within non-pay there were overspends on premises costs £0.2m, transport costs £0.4m and underspends on supplies and services of £1.8m and agency costs £1.2m. It is worth noting that a lot of the areas where we have seen underspends during the year are contractual or other savings and have now been included as part of the 23/24 savings plans within the MTRS. Where we have seen overspends these have been fully reviewed and where necessary have had additional funding built into the 23/24 budgets for areas of unavoidable cost pressures.

There was an over-achievement of income of £2.5m which is detailed below. The excess ARIS/POCA income £0.31m and Safety Camera Ticket Partnership NDORS £0.43m will go directly into a ring-fenced reserve for re-investment.

3.2 Revenue Summary

	Full year Budget £000	Full Year Outturn £000	(Under) / Overspend £000	% of budget
Police Pay (excl. Overtime)	154,952	156,332	1,380	0.9%
Police Overtime	7,756	10,064	2,308	29.7%
PCSO Pay incl. Overtime	4,852	4,191	(661)	(13.6%)
Staff Pay (excl. Overtime)	83,696	83,095	(601)	(0.7%)
Staff Overtime	1,235	2,275	1,040	84.3%
Other Employee Expenses	7,476	8,621	1,145	15.3%
Premises	10,970	11,089	119	1.1%
Transport	5,068	5,450	382	7.5%
Supplies and Services	25,748	23,941	(1,807)	(7.0%)
Agency	18,822	17,575	(1,247)	(6.6%)
Income	(18,421)	(20,969)	(2,548)	13.8%
Specific Grant Funding	(8,243)	(7,771)	472	(5.7%)
Capital Adjustments	3,938	3,938	0	0.0%
Grant Expenditure	2	(6)	(8)	(470.8%)
Net Expenditure Before Legacy	297,851	297,824	(26)	(0.01%)

Changes from previous report
Feb £1.22m projected underspend
Mar £0.03m underspend
Increase in costs of £1.19m

The significant changes in outturn of £1.19m relates to the following –

Income:

- £0.50m increase due to SCTP and NDORS surplus income moving to reserves rather than being treated as income received in advance.
- £0.16m increase due to additional income from Op Safeguard utilising additional capacity.

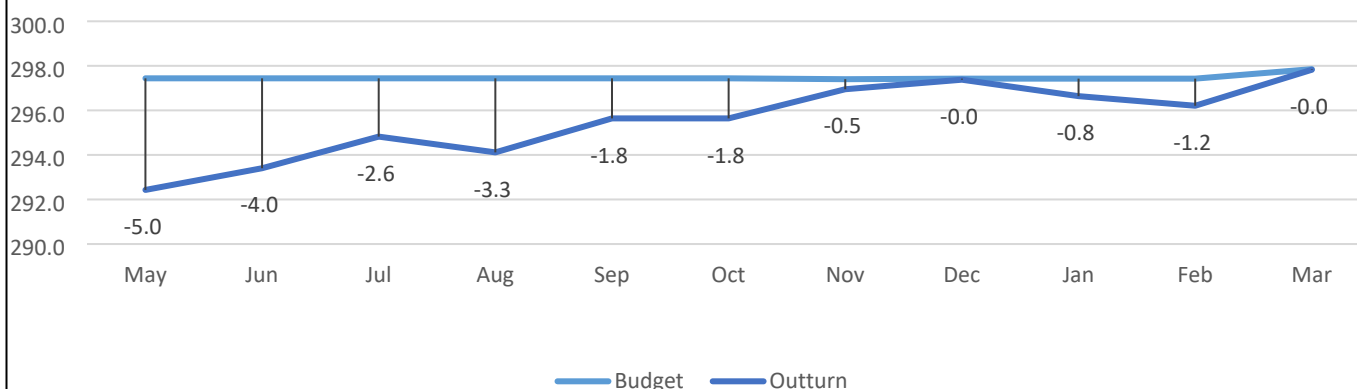
Overspends:

- £1.32m increase due to provisions made at year end for outstanding insurance claims.
- £0.33m increase in building maintenance and works due to late notification of additional costs.
- £0.22m increase in overtime for Op Safeguard, which is offset by income above and local operations in Doncaster.
- £0.11m increase in Firearms Equipment and Ammunition costs due mainly to bringing forward purchasing prior to an expected price increase.
- £0.11m increase across various account codes.

Underspends:

- £0.12m reduction in Police Pay due to the movement of additional costs to ARV grant to maximise utilisation of core armed response funding grant.
- £0.12m additional underspend in rates due to a thorough year-end review and reconciliation with FM.

Outturn (£m's)



POLICE OFFICERS PAY & OVERTIME

- Total outturn of £3.69m overspend, (£1.38m overspend on pay and £2.31m overspend on overtime). This has reduced from February’s projection by £0.10m, which relates to an increase in overtime, mainly within Custody and Doncaster, offset by a reduction in pay costs due to the timing of the March cohort of 54 students. The budget included full month of pay costs but the course only started 30th March. This process is being reviewed for future budget setting as the timing of the intakes can make a material difference to the projections.
- Police pay has overspent by £1.38m. Earlier in the year an underspend was projected and £0.9m was utilised to fund Detective Now and Summer Surge activity. Since then, changes including additional NI pressure on overtime have seen this move into the overspend position, which is 0.9% of the £155m police pay budget.
- The budgeted Workforce Plan approved by the OPCC reduced the budgeted AFP from 3,055.91 to 2,987.91, a reduction of 68. This created an underspend of £2.58m. Since then against the revised WFP there have been further movements, against the 2,987.91 revised FTE we ended up with a year-end strength of 2,956.43, so 31.48 under the amended WFP.

Reason	Value £m
Budget omission	£5.03
Unsocial Hours, On Call, Acting Rank & Allowances	£0.53
Police pay underspends funding Summer Surge	£0.53
Police pay underspends funding Detective Now	£0.40
NI additions due to additional overtime	£0.32
RCU budget movements	£0.15
Doncaster IO Officer extension	£0.12
TVP bonus	£0.06
Small Variances across Departments	£0.02
ARV recoding to maximise grant utilisation	-£0.12
Work Force Plan Changes per paper	-£2.58
Additional Workforce Plan Changes	-£3.07
Total	£1.38

- Overtime has overspent in year by £2.31m, this is an increase of £0.22m from February's projections. The main movement relates to costs for an increase in incidents within Doncaster and Op Safeguard within Custody which is offset by income.
- The main areas contributing to the overspend are Districts £1.47m due to Investigative Teams, Response Teams and special operations, Crime Services £0.30m relating to Force Crime Bureau and PVP teams and PAG £0.25m due to Op Safeguard, sickness, temporary backfill and preventing violence operation. A total of £0.29m of the £2.31m total overspend relates to the cost of Queens State Funeral.

PCSO PAY & OVERTIME

- Total outturn of £0.67m underspend (£0.70m underspend in pay offset by £0.03m overspend on overtime). There is no significant change from February.
- £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. PSCO FTE's ended the year at 101.94, which is 24.06 under the budget of 126.00
- 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 2023/24 budget and will be included as a saving.

POLICE STAFF PAY & OVERTIME

- Total outturn of £0.44m overspend (£0.60m underspend in pay offset by £1.04m overspend on overtime). This is a small increase in costs of £0.16m from February's projections mainly due to £0.19m growth budget being repurposed for Lumina Spark & Driver Medical Assessments approved by SCT on 29th March 2023.
- The staff pay projected underspend is £1.83m (see below), partially offset by the payment of the staff pension lump sum of £1.23m which was unbudgeted.

District/Department	Value £m
Force wide growth - IT target operating model £0.78m, Comms Data Review £0.32m and release of revised growth not required £0.47m	(1.57)
Crime Services – DFU, PVP and Intel	(0.80)
Business Change & Innovation – Tech Enabled Team & Savings Team vacancies	(0.46)

POD – vacancies within the department	(0.32)
IT – several vacant posts	(0.25)
Regional Lead – Stores & Procurement	(0.16)
Various small differences across departments	(0.11)
Doncaster, additional leavers & IO Recruitment issues	(0.08)
Growth repurpose within POD	0.19
PAG – vacancy factor realignment with Crime Services	0.19
FCR – Changes in WFP, pay award and bonus payments	0.34
Direct revenue funding for the Oracle Project	1.20
Total	(1.83)

- 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 due to vacancies currently being offset by overtime costs, PNC and Intel. 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 has overspent by £1.04m. The main variances are within Crime Services FCB £0.32m, FCR £0.17m and Custody £0.10m. There is no significant variance from February's projections.
- Staff AFP strength is 2,186.94 which is below budget by 188.65, however there are 196.07 externally, income and temporary funded posts bringing us to 7.42 above budget in line with the workforce plan.

OTHER EMPLOYEE EXPENSES

- Total outturn of £1.15m overspend, an increase in costs from February's projections of £1.19m. This is due mainly to the insurance claims provision of £1.32m.
- £1.32m overspend on insurance claims provision due to an increase in claims processed in the year, 194 in 22-23 compared to 137 for 21-22. The number of claims and the average cost of claims has increased, but in addition there have been a few large value specific claims that have contributed to this increase.
- £0.20m underspend on ill health retirements due to fewer retirees than expected (4 v 9), this was captured as a saving in June.

PREMISES

- Total outturn of £0.12m overspend, a small increase of £0.19m from February's projection, this mainly relates to an increase in maintenance costs due to late notification of additional costs.
- £0.74m underspend due to rates rebates relating to various properties and spanning back to 2017.
- £0.30m overspend due to a charge for Pioneer Close rent liability back to 2017.
- £0.25m overspend on Gas & Electricity due to the increase in unit prices.
- £0.12m overspend due to unachieved savings for rent due to the purchase of Pioneer Close now not expected to happen.

TRANSPORT

- Total outturn of £0.38m overspend, an increase from February's projections of £0.17m, this is mainly due to vehicle insurance end of year provision and vehicle spares.
- £0.33m overspend on fuel due to the increase in prices above budgeted.
- £0.24m overspend due to vehicle maintenance spares, tyres etc, due to increase costs of spares.
- £0.16m projected underspend on vehicle insurance.
- £0.08m projected underspend on casual users' mileage based on historic trend and a reduction of travel, offset by additional hire car costs.

SUPPLIES & SERVICES

- Total outturn of £1.81m underspend, a decrease of £0.28m from February's projections, this is mainly due to an increase in costs for Firearms and other operational equipment to take advantage of lower pricing.
- £0.76m underspend in Software Licences and Support which includes a saving against Enterprise Agreement that has been given up in year of £0.68m.
- The below underspends have been identified in year and will be reviewed as part of the £790k savings target;
 - £0.31m underspend on Network maintenance and rental.
 - £0.19m underspend on radio equipment and maintenance.
 - £0.16m underspend on vehicle recovery costs.
 - £0.14m underspend on staff clothing and uniforms.
 - £0.13m underspend on office equipment costs due to SWW.
 - £0.08m underspend on firearms equipment.

AGENCY

- Total outturn of £1.25m underspend, no significant movement from February's projections.
- £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 for 21/22 now not expected due to being back on track for 22/23 and changes in other posts.
- £0.28m underspend on External Forensics now reflecting current trends.
- £0.27m underspend in Home Office ICT costs, this underspend relates to recharges not received for ICT Subs & Cloud Gateway. This is currently under review to see if any recurrent savings can be identified.
- £0.21m overspend on Mutual Aid to cover football fixtures for unplanned Euros and league finals.
- £0.13m underspend on NPAS. At the time of budget setting, there were various options, the budget was set at the highest contribution value. The contribution amount has now been agreed and is lower than the budget.

INCOME

- Total outturn of £2.55m overachievement, this is an increase of £0.72m from February's projections due to additional income for op Safeguard and SCTP / NDORS surplus income moving to reserves rather than being treated as income received in advance.
- £0.43m over recovery on National Driver Offender Retraining Scheme (NDORS) income due to an increase in activity, this will be carried forward for reinvestment.
- £0.31m over recovery in POCA income, due to being awarded more from Home Office compared to the budget. This will need to be carried forward for reinvestment.
- £0.28m from over recovery of Vehicle Recovery Income, which has been reflected as an in year saving for 22-23.
- £0.36m over recovery from mutual aid offset by additional costs.
- £0.30m over recovery in uplift officer funding from the Home Office for 15 additional officers.

SPECIFIC GRANT FUNDING

- Total approved Home Office grant funding is £8.24m with a projected under recovery of £0.47m due to the final grant position being confirmed after the 22/23 budget was set.

LEGACY

- Hillsborough, the Stovewood Enquiry and CSE civil claims have a final outturn of £2.40m, which is an underspend of £2.83m. 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 target is £1.76m of which £1.30m has been achieved and captured on the savings plan. There is an underachievement against this target of £0.46m.
- Further savings have been identified in year and total £1.62m, bringing our achieved savings to £2.91m, an overachievement of £1.15m in year. The combined full year effect including these additional savings is £1.07m recurrently.
- The savings that have not 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 has been removed from the MTRS as the force has entered into a new rental agreement.
- Work is continuing through the budget setting process to identify the target set by the PCC for FY 2023/24 and the overachieved savings will contribute to this.

3.4 GROWTH

- The total amount approved for growth in 2022/23 was £14.65m, 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 £2.95m, of which £1.68m is non-recurrent and funded from in year underspends/new savings identified.
- A report is being prepared to review the full year outturn and any underspends along with the operational impact. This review will include an analysis of all projects and the business benefits and efficiencies derived from these.

3.5 UPLIFT SPEND

- Budgeted staff and non-pay costs for 2022/23 are £1.38m.
- Total outturn for 2022/23 is £1.23m causing a small underspend of £0.15m.

3.6 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).
- Expenditure against this programme is £13.36m, this reflects 75% of the full year budget.
- The Accountancy team are currently revising the capital training programme and will roll this out to all Project Managers in 2023/24. This will improve the data collected and reported.

- The significant projects over £0.10m which have further slippage since budget setting are detailed below. Capital challenge meetings will take place during April & May 2023, a separate paper will follow to provide more detail on any requested movements.

Capital Project	Comment	£
Oracle Cloud & Duties	Original project ceased. Remaining budget required to fund the new project, which is underway.	2,150,391
Airwave Replacement 22-23	Supplier not expected to meet delivery date, now expected June 23.	820,175
22/23 Stock Condition Snig Hill	Review on various sites on going from agile working and overall force savings drive. To ensure we make the best use of our buildings in line with the estate strategy and do not spend money when not required.	819,615
Compartmentation Survey & Remedial Works	Project is underway due to complete in 23/24	537,699
Smart Contact Implementation Team 2021	This is a combined slippage on projects T15090, T15700, T15270 & T15890.	429,546
Connect Express	Project requires data deletion before project can begin	369,174
Wombwell remodelling & Refurbishment	CSB approved and slippage detailed	360,615
Digital Fund	Tech Enabled Team	353,433
Compartmentation Survey & Remedial Works	Project is underway due to complete in 23/24	340,000
Snig Hill Enquiry Desk and interview Suites	Ecclesfield enquiry desk is closed as part of the ongoing refurbishment which has been reprofiled leaving the desk closed during March, Snig Hill now needs to remain open during this time.	292,775
Unit 19 Accommodation (SCS)	The planning delays along with the capital programme review meant that some of the planned external works have been delayed, which means that we need to request a further slippage of £150,000 to FY 23/24.	290,445
Force Archive Facilities	Placed on hold whilst the capital review was completed. The delay has caused pressure on lead time for the works.	290,220
Uplift Vehicles	Orders placed but very long lead times	281,741
Vehicle Replacement Programme 2022/23	Orders placed but very long lead times	225,516
Unified Comms	This has been undergoing a proof-of-concept exercise, which has now been completed. A draft business case is now being formulated and the implementation will begin in 2023/24.	204,260
Pioneer Close	The scope of works and final design has been agreed by OSU in January, however, we await the completion of the protracted lease renewal and landlord licence to alter therefore only professional fees and internal capitalised fees can be achieved this financial year.	185,344
Doncaster Police Station & Custody Suite	Moved to 2023/24 due to ongoing issues with the land purchase.	150,000

22/23 Joint Data Centre	Project is currently being scoped	138,464
Rotherham Boiler House	There have been some delays on site due the delay in gas connections from service providers due to needing to arrange road closure with Rotherham Council and some further design work on additional work to the hot water system.	129,992
Rotherham Main Street	Due to EFM revised capital programme being slipped to 23/24.	125,000
Personal Computer Replacement 22-23	A revised scheme brief is being prepared to change some of the items required for the spend. Furthermore, some of the computer costs have been recharged to NLEDS grant at year-end which has increased the amount to be slipped.	121,775
CJU DIR And Tape Library System	There have been delays from both the IT side and with the data 'dump'. Both systems are due to go live during April/May so we will then be able to spend the budget.	120,527
22/23 Server/Network Storage/Replacement	Due to global supply chain issues the equipment has not arrived in this financial year, but orders have been placed.	120,425
Methods of Contact - Link to Atlas 24/7	Awaiting report on current phone usage from IT, until this has been received no scheme can progress to design for review with Atlas Command	110,000
Total		£8,758,257

There are no significant projects which have underspends or overspends during the year.

- The capital tracker is presented at Strategic Resourcing Board for monitoring in detail. This shows progress against each scheme and overall force position.

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 and this appendix has been updated to reflect this.
- This reflects the £16.48m approved for 2022/23 and the requirements going forward.

3.8 EXTERNAL FUNDING

- Total approved is £9.29m revenue with a full year outturn of £8.27m with a variance of £1.02m. £0.51m of this underspend relates to LRF which will be carried forward to 2023/24, the balance is due to small variances across all other funds.
- Funding for the Beat Team at Barnsley will end in March 2023.
- Grants above £0.10m and have a date up to 31st March 2023 are as follows:

District/Dept	Grant Project	£	Staff
Forcewide	Uplift programme	£3,404,434	151 x officers
PAG	Grip Funding (SVT)	£1,091,879	3 x officers

OSU	ARV Uplift	£758,059	12 x officers
OSU	LRF Funding	£703,248	n/a
PAG	Disclosure & Barring	£677,076	22 x staff
Sheffield	Meadowhall	£312,895	n/a
Barnsley	Town Centre	£264,000	5 x officers
Barnsley	Beat Team	£232,567	5 x officers
Crime Services	Cyber Crime	£165,546	4 x officers (50/50 basis)
Sheffield	DAAT	£120,002	1 x officer / 2 staff
Sheffield	University of Sheffield	£120,000	1 x PC & 2 x PCSO
Crime Services	NLEDS	£117,057	n/a
Rotherham	Child Matters 2	£100,000	n/a
Total		£8,066,763	

3.9 BALANCE SHEET

- All items are reconciled and balanced monthly.
- Funding for the impact on useable reserves relating to legacy are closely monitored to ensure financial stability.
- Property, Plant & Equipment purchases in year are recorded as current assets until they are capitalised at year end.
- There is an intra company adjustment each month between Force and PCC for Debtors and Creditors that overstate both the current assets and liabilities. This is adjusted at year-end for statutory accounts

3.10 CARRY FORWARD REQUESTS

- There have been requests from various Districts and Departments to carry funds forward from 2022/23 to 2023/24 to fund projects still in progress
- These requests total £0.32m and are split across 6 departments and will be subject to a paper being submitted to SCT explaining the circumstances and the justification for the spend.

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