

PUBLIC ACCOUNTABILITY BOARD

6th NOVEMBER 2023

BUDGET MONITORING REPORT – SEPTEMBER 2023

REPORT OF THE CHIEF CONSTABLE

1. Purpose of the Report

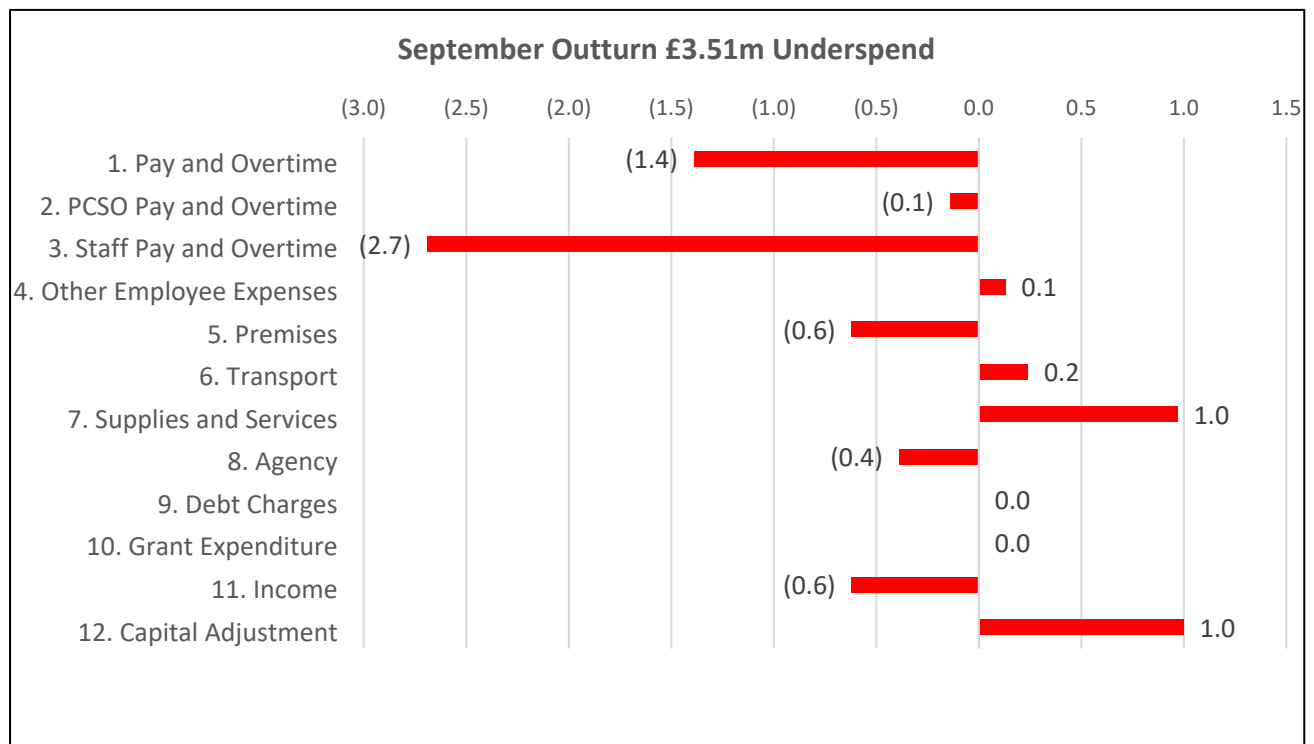
This report is to inform the Public Accountability Board of the Force's projected outturn on its revenue and capital budgets as at 31st March 2024. It is based on an analysis of income and expenditure for the period 1st April 2023 to 31st March 2024 before accounting adjustments.

2. Recommendations

It is recommended that the PCC consider the content of this report.

3. Background Information

Full year projected outturn as at 30th September 2023



3.1 Revenue Summary

3.1.1 The Force is currently projecting a net underspend of £3.51m which is 1.13% of the total budget before legacy costs. This is made up of net underspends of £6.5m plus emerging in year pressures totalling £3.2m.

3.1.2 Overall, the projected underspend of £6.55m is impacted by the following:

Item	Business Area	Description	£m
a	Utilities	Projected underspends on utilities as previously reported in Q1. The budget was set based on professional advice at a time when the market was volatile. Favourable market conditions and tighter contract management has resulted in a significant underspend which will have a positive impact on future years	1.4
b	Income	<p>The Force has benefitted from an overachievement in income in several areas.</p> <p>Home Office funding for pay awards – the PCC/Chief Constable set a prudent 3% pay award and was not expecting to receive additional Home Office funding. The Force will receive an additional £8.32m, this being the top up from 2% to 7%. The surplus income amounts to approximately £1.8m and this funding is confirmed for 2024/25. If it continues beyond 2024/25 it will have a positive impact on future years.</p> <p>Police Uplift Programme (PUP) funding – the force was encouraged to stretch its PUP headcount target and agreed to increase this from 3,039 to 3,049. This was measured as at the end of September (reported headcount of 3,059) and £45k per officer has been projected as it is anticipated the target will be maintained as at 31st March 2024. This is one-off funding not expected in future years.</p> <p>Operation Safeguard – this is income for short term use of custody cells for prisoners, it is one-off income not expected in future years.</p>	2.55
c	In Year Savings	Effective contract management has delivered contract savings in year on IT licences and subscriptions of £0.8m. This is being reviewed to capture any permanent savings that will have a positive impact on future years.	0.8
d	Growth	Underspends on growth of £1.6m are projected. A significant contribution is the ongoing review of the IT collaboration with Humberside Police. This is a temporary underspend until a decision is taken and changes implemented. Other reasons are changes in planned officer expansion following extensive review by SCT ensuring that front line policing numbers are protected. This will generate permanent savings to be reinvested or used to balance next year's budget. There have also been delays in implementing some growth due to difficulties in recruiting and retaining staff which will generate an in year saving. Any recurrent underspends will be available to balance the budget next year and may possibly be reinvested in new growth.	1.6

e	Workforce Plan Changes	Workforce plan changes and changes in the workforce mix are also predicted to contribute £0.2m to the underspend.	0.2
	Total	Net Underspends	6.55

3.1.3 The reported underspend has created opportunities to meet new and emerging cost pressures of £3.2m without the need to approach the PCC for reserves. This includes:

Item	Business Area	Description	£m
a	Pension Remedy	Outsourcing of the Pensions Remedy calculations to address the significant demand placed on a small Pensions Team following the McCloud judgement Pension reform which seeks to address age discrimination.	0.6
b	Doncaster RAAC	Estimated costs associated with the discovery of RAAC at Doncaster Police Headquarters.	0.27
c	Body Worn Video	Direct revenue financing the body worn video data recovery project of £0.4m.	0.4
d	Planned works	Reactive and planned engineering works and sustainability works to avoid delays to essential works and reduce the impact on next year's budget.	0.55
e	Vehicle replacement programme	Direct revenue financing the vehicle replacement programme to fund vehicle write-offs and inflationary pressures	0.6
f	Priority Based Budget Tranche 2	Commencing Priority Based Budgeting tranche two to continue the journey in ensuring force resources are in the right place and identifying areas where efficiency and cashable savings can be achieved.	0.3
g	Dangerous dogs	Costs associated with dangerous dogs and changes in legislation.	0.22
h	Bids for essential works	Bids for one-off funding to support essential work that will reduce the pressure on next year's budget.	0.2
	Total	Emerging Pressures	3.14

The Force is also looking at other opportunities to bring forward work that will reduce the pressure on next year's budget, for example, the 2024/25 external training budget is oversubscribed so any training that can take place in the current year will reduce next year's pressure. The Force is also anticipating additional cost pressures from policing protests.

3.1.4 Revenue Summary

	Full year Budget £000	Full Year Outturn £000	(Under) / Overspend £000	% of budget
Police Pay incl. Overtime	177,626	176,233	(1,393)	-0.78%
PCSO Pay incl. Overtime	4,371	4,233	(139)	-3.17%
Staff Pay incl. Overtime	93,592	90,904	(2,688)	-2.87%
Other Employee Expenses	6,664	6,790	125	1.88%
Premises	13,856	13,238	(618)	-4.46%
Transport	5,114	5,355	241	4.72%
Supplies and Services	23,567	24,536	969	4.11%
Agency	20,020	19,631	(388)	-1.94%
Income	(16,016)	(16,627)	(611)	3.82%
Specific Grant Funding	(17,750)	(17,756)	5	0.00%
Capital Adjustments	64	1,064	1,000	1,556%
Grant Expenditure	2	2	0	0.00%
Net Expenditure Before Legacy	311,110	307,603	(3,507)	-1.13%

3.2 POLICE OFFICERS PAY & OVERTIME - £1.39m underspend (£1.94m pay underspend & £0.55m overtime overspend)

3.2.1 Police pay is projecting an underspend of £1.94m. As previously reported, some of this relates to the opening position as at 1st April 2023 of £0.30m and a further £0.10m relating to the revised Workforce plan changes in year.

3.2.2 The current Workforce Plan is projecting a year end strength, as at 31st March 2024, of 2,948.09 which is 33.39 under the budgeted WFP. Despite being 33.39 FTE under on strength the net financial impact of this is a £0.63m underspend due to the workforce mix. This is due to having fewer leavers and retirements coupled with fewer joiners and transferees, each having different associated costs in terms of spinal point.

3.2.3 The Home Office Police Uplift maintenance target is measured in headcount, for SYP the target is 3,039 (3,049 with the additional stretch officers). As of 30th September, our headcount was 3,059. Income for September at £15k per officer has been included in the projections for the ten stretch officers. The uplift headcount will be assessed again in March against the target and if the additional 10 Officers are achieved a further £30k per officer income will be received, this has been included in the income projections.

3.2.4 There are also overspends and underspends across other areas not covered by the Workforce Plan, including underspends of £0.34m on growth budgets delayed or not currently prioritised, SCT continuously review the expansion post list and re-prioritise projects accordingly; £0.09m budget changes to RCU; these are partially offset by overspends other allowances of £0.23m.

3.2.5 Overtime is projected to overspend by £0.55m. The main areas contributing to the overspend are Doncaster £0.25m, Rotherham £0.11m, Sheffield £0.14m and OSU £0.23m. Across the force some overspends are partly attributable to vacant posts and sickness coupled with special operations. There are overspends in football due to additional matches for play offs. These overspends are partially offset by a projected

underspend on FCR of £0.25m there is a proposal to realign overtime budgets and move some police overtime budget to staff overtime, which requires relevant approval before actioning.

3.3 PCSO PAY & OVERTIME – £0.14m underspent against budget

3.3.1 Projected outturn of £4.23m, which is £0.14m underspend against budget. The underspend is in other leavers - 1.33 FTE additional leavers than budgeted from Sept 22 - Mar 23, plus in year 2.78 FTE additional leavers. There is also a small £0.02m variance due to surplus Home Office pay for the 7% pay award.

3.4 POLICE STAFF PAY & OVERTIME - £2.69m underspend (£3.30m pay underspend offset by £0.61m overspend on overtime)

3.4.1 Staff pay is projected to underspend by £3.30m. The main reasons for the underspend are £0.54m in regional procurement due to the de-collaboration process and difficulties in recruiting; £0.37m surplus Home Office pay award; £0.68m revised projection on the IT restructure growth project, detailed discussions have been taking place, the final outcomes are awaited but it is projected that this project will underspend this year; coupled with vacancies across several departments from delays in recruitment £0.43m in POD, £0.36m in Crime Services; £0.30m in Sheffield; £0.25m in BC&I, £0.17m in OSU, £0.14m in Corporate Finance and £0.16m in EFM. Partially offset by an overspend of £0.23m in Custody, due to the forecast over-establishment of 3 detention officers and not meeting their vacancy factor. Of the staff pay underspends c. £0.60m is in relation to approved growth posts.

3.4.2 Overtime has a projected overspend of £0.61m. The main variances are within Force Control Room £0.22m, there is a proposal being written to cover this from Police Overtime underspends recurrently; CJU £0.10m, projections are based on actual trends to date, work is underway to review spend with the management team; and Crime Services £0.08m, mainly in Intel and PVP due to covering vacancies and demand.

3.4.3 Staff AFP strength is 2,134.60 which is below budget by 230.32 however there are 177.15 externally, income and temporary funded posts bringing us to 53.17 under budget.

3.5 OTHER EMPLOYEE EXPENSES- £0.13m overspend

3.5.1 This relates to a projected overspend on employee related insurance of £0.08m. A review of movement in provisions is being done quarterly based on the latest claims information from Legal. This will result in fluctuations as we go through the year but will smooth out any big swings at year end.

3.5.2 There is also an overspend on Physio Services of £0.05m as the Force have switched to using outsourced services.

3.6 PREMISES - £0.61m underspend

3.6.1 The projected underspend is mainly due to a reduction in expected costs for gas and electricity from YPO, prices for the hedged costs are now expected to be closer to a 76%

rise for Gas from 22-23 than the 100% originally expected. Partially offset by some additionally identified engineering work, sustainability work and RAAC costs.

3.7 TRANSPORT– £0.24m overspend

- 3.7.1 There are overspends projected on public transport rate £0.11m, spread across several districts and departments work continues to understand what is driving this increase in cost.
- 3.7.2 VFM projections remain high with a £0.24m overspend for Maintenance Parts, Consumables, Workshop Equipment and External Maintenance costs. These are now being forecast to actual trend. As VFM was part of the first tranche of Priority Based Budgeting (PBB) there are some recommendations which if implemented could help reduce these costs.
- 3.7.3 Offsetting this are underspends projected on petrol £0.05m and diesel £0.04m due to growth budget not being required for Armed Crime Team and Road Crime unit. Any recurrent under-utilisation of prior approved growth could be considered to be reprioritised against 24-25 Business Plans.

3.8 SUPPLIES & SERVICES – £0.97m overspend

- 3.8.1 The supplies and services overspend is made up of variances against several account lines with the main overspends being:
- 3.8.2 £0.06m overspend on postage, detainee consumables, counsel fees and boarding up which are all based on actual trend year-to-date.
- 3.8.3 £0.10m overspend on furniture due to force wide reasonable adjustments, based on the trend so far this year. This budget sits with P&OD and a business plan has been submitted for 24-25 to request further funding based on historic trends.
- 3.8.4 £0.22m overspend on seized dogs, there has been an increase in the number of dogs being held in kennels, this is currently being reviewed under PBB. In addition changes in legislation around banned breeds has led to an increase in the number of seized dogs.
- 3.8.5 £0.46m overspend on consultants' fees due to higher costs in 23-24 compared to the original budget, which phased the spend across 23-24 and 24-25 financial years. Coupled with commencing Priority Based Budgeting tranche two to continue the journey in ensuring the forces resources are in the right place and identifying areas where efficiency and cashable savings can be achieved.
- 3.8.6 £0.60m on outsourcing costs for pension remedy and brought forward growth projects £0.20m for software, licences, and H&S equipment. These are partially offset by the following underspends:
- 3.8.7 £0.21m on software licences- relating to an underspend in IT, resulting from favourable contractual decisions across various Force-wide contracts.

3.8.8 £0.22m underspend on subscription services, relating to a credit note received against for Oracle system due to a new contract which started via BC&I project. We are working with BC&I colleagues to review this budget; however, no further costs are expected.

3.8.9 £0.17m underspend on Supplies contingency is due to Connect Express not going ahead under the current contract, a procurement exercise is taking place. Some of these areas of spend fall within the areas reviewed under PBB, and could be reduced if recommendations are implemented, these are currently being discussed and agreed through the change boards.

3.9 AGENCY– £0.39m underspend

3.9.1 £0.35m projected underspend on Home Office IT recharges, the actual costs to date are lower than budgeted, at the time of setting the budget the information on these recharges was not available and therefore it was based on the prior year budget, plus an inflation element. In addition, there is an underspend on Pentip Licences, due to the actual cost being lower than budgeted.

3.9.2 £0.17m projected underspend on insurance for public liability civil action claims. A review of movement in provisions is being done quarterly based on the latest claims information from Legal. This will result in fluctuations as we go through the year but will smooth out any big swings at year end.

3.9.3 Regional Lead is £0.14m overspent, based on notification from lead forces. It has now been agreed that the Regional Scientific Support and the Collision Investigations Unit reserve balances will be used to offset against the 2023/24 budget and contributions will remain at 2022/23 levels for this year only.

3.10 INCOME – £0.61m overachievement

3.10.1 £1.22m overachievement on Income from a Public Body, including £0.56m Op Safeguard surplus income above associated costs for overtime. This is currently projected to end in October. Coupled with additional income for the PUP stretch target of ten officers, which increased income by £0.45m and overachievement in income on SCTP of £0.18m.

3.10.2 £0.10m overachievement in mutual aid income in OSU which has no budget, but income achieved in year for policing events.

3.10.3 £0.09 overachievement in court prosecution income in CJU – projections based on actual trend

3.10.4 Offset by £0.09m underachievement in Vehicle servicing income due to the vacancies in the Commissioning Team resulting in the inability to generate income from completing Vehicle Services. It is also thought that SYFR have new vehicles which are being serviced by the dealer. Options are being considered under PBB in relation to these issues.

3.10.5 £0.26m SCTP reduction in income, this effectively removes any projected over-achievement of income, this funding is ring-fenced and any over-achievement at year-end would go into an earmarked reserve.

3.11 Capital Adjustments

3.11.1 Direct revenue financing for the body worn video data recovery project of £0.4m and the vehicle replacement programme to fund vehicle write-offs and inflationary pressures of £0.6m. Subject to PCC approval.

3.12 SPECIFIC GRANT FUNDING

3.12.3 Total grant income projected as at end of September is £13.23m, several grants currently do not have the Inward Investment Process (IIP) paperwork fully completed and this is causing a variance of £1.41m as budgets are yet to be uploaded.

3.13 LEGACY

3.13.3 Hillsborough, the Stovewood Enquiry and CSE civil claims are currently projected to spend in full.

3.13.4 This reflects information received from the oPCC.

3.14 MTRS Savings

3.14.1 The 2023/24 savings target is £3.72m of which £3.27m is currently showing as achieved with further projected savings of £0.21m. The £0.46m unachieved savings relate to CJD File Build project and the Under £50k Procurement Team which are currently not expected to be achieved in 2023/24. All savings continue to be monitored by the Savings & Efficiencies Programme Board to ensure that any savings stripped out do not result in overspends or have a detrimental negative impact elsewhere.

3.15 GROWTH

3.15.1 The total amount approved for business plan growth in 2023/24 was £7.14m, this is split between the bids that were supported during the Business Planning rounds for 2021/22, 2022/23 and 2023/24.

3.15.2 Projected underspend of £1.63m. The main reasons for this underspend are £0.68m on the IT restructure, detailed discussions have been taking place, the final outcomes are awaited but it is projected that this project will underspend this year. Coupled with £0.57m of approved growth that is delayed or not currently prioritised, SCT continuously review the expansion post list and re-prioritise projects accordingly. Where this is non-recurrent consideration could be given to use it to offset in year emerging issues, subject to agreement of the PCC, any recurrent growth not needed could be reinvested into approved growth for 24-25 as part of the Strategic Planning cycle. Further underspends relate to vacancies across growth posts of £0.30m including POD £0.12m, Legal £0.07m, BCI £0.03m and PSD £0.03m; and PVP review £0.05m.

3.15.3 There is an overspend in consultancy £0.10m as costs were originally phased over two financial years, with £0.20m included in 24/25, all costs will be incurred in this financial year.

3.16 CAPITAL

3.16.1 The PCC has approved a revised 2023/24 capital programme of £17.28m (£25.91m reduced by slippage adjustment of £8.64m to reflect past trends in spending). This increased to £17.92m (£25.59m, slippage adjustment £8.67m) in August following PCC approval of changes in schemes.

3.16.2 The Capital Programme is projected to spend in full although at an individual scheme level, a spend of £22.50m is projected resulting in a variance of £2.95m. Year to date £6.5m has been spent which reflects 36% of the full year budget.

3.16.3 The significant projects which are projecting slippage, overspends and underspends in excess of £0.10m are detailed below:

Capital Scheme	Comments	Slippage £m
Digital Fund (Tech Enabled Team)	Delays in scheme resulting from lengthy procurement and governance processes	0.25
Oracle Cloud	Proposal to slip the project contingency to fund support staff after go-live	0.10
Compartmentation Survey & Remedial Works	Delays in tender process, main contractor due to start April 24	0.10
Pioneer Close - (Uplift Requirement)	Proposal to slip due to delay in start to suit contractor & procurement availability	0.26
Data Migration	Proposal to slip the project on a year, linked to below. This is due to many factors including awaiting a decision if it is included in PBB and recruitment delays for specific roles and general governance processes.	0.90
Technical Solutions to Improve Data	Proposal to slip the project on a year, linked to below. This is due to many factors including awaiting a decision if it is included in PBB and recruitment delays for specific roles and general governance processes.	0.21

Capital Scheme	Comments	Underspend £m
Oracle Cloud	Underspend due to post Go-Live costs not being capitalisable	0.44
Body Armour	Due to less Officers requiring new Body Armour this financial year	0.30

Capital Scheme	Comments	Overspend £m
Vehicle Replacement Programme 2022/23	This overspend is mainly attributable to replacements of write offs and some vehicles being more expensive than budgeted for.	0.49
Vehicle Replacement 2023/24	This overspend is mainly attributable to replacements of write offs and some vehicles being more expensive than budgeted for.	0.12

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