

PUBLIC ACCOUNTABILITY BOARD

7th March 2024

BUDGET MONITORING REPORT – DECEMBER 2023

REPORT OF THE CHIEF CONSTABLE

1. Purpose of the Report

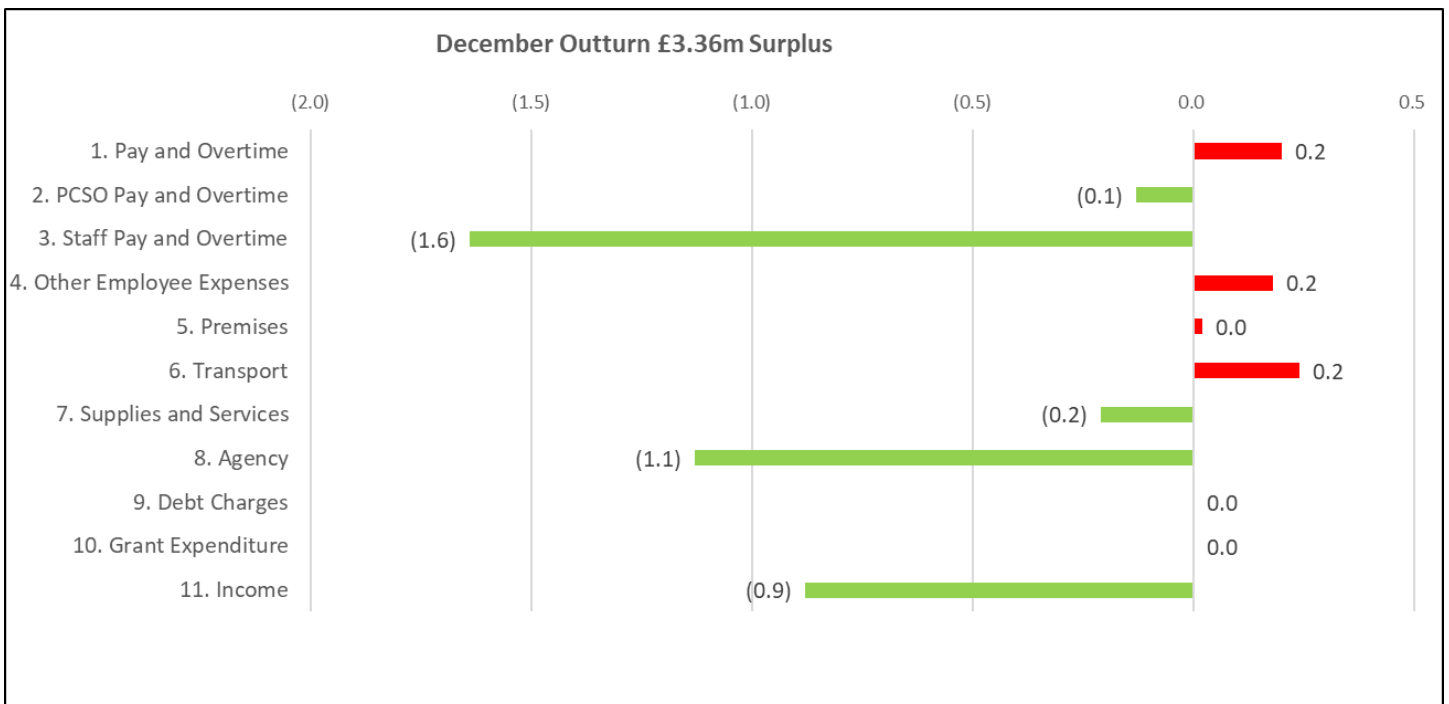
This report is to inform the Planning & Efficiency Group of the Force's projected outturn on its revenue and capital budgets based on actual spend and assumptions as at 31st December 2023. It is based on an analysis of income and expenditure for the period 1st April 2023 to 31st March 2024 before accounting adjustments.

2. Recommendations

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

3. Background Information

Table 1: Full year projected outturn as at 31th December 2023



3.1 Revenue Summary

3.1.1 As at the end of December 2023, the Force was projecting a £3.36m surplus which is 1.08% of the Chief Constable's budget. Since December, The Chief Constable has supported investment of £380k in ANPR Cameras and £270k in Victim Journey software which is anticipated to reduce the forecast surplus to £2.7m. . Further investment is required in the Oracle Cloud Project which is being replanned due to the delay in the political decision around

the laying of the transfer order to move to a mayoral model. This is currently estimated to be in the region of £3m but subject to further due diligence and approval processes. Projections will be updated as and when decisions are made but taking all of this into account, it is anticipated that the final outturn will be a much more balanced position.

3.1.2 Since the surplus came to light in September, the Chief Constable has had the opportunity to contain a number of emerging cost pressures and she has approved short term spending that will improve services to the public and relieve pressure on next year's budget. She has also sought approval from the PCC to invest in new infrastructure and technology which will drive out efficiency and productivity gains. These are presented in table 2 below. Work continues to identify other emerging cost pressures and areas for investment.

3.1.3 Overall, the projected surplus has arisen due to:

- Projected underspends on **utilities** of £1.4m. 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.
- The Force has benefitted from surplus **income** in a number of areas which amounts to £2.25m:
 - *Home Office funding for pay awards* – the PCC/Chief Constable set a prudent 3% pay award and wasn't 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.
 - *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.
 - *Operation Safeguard* – this is income for short term use of custody cells for prisoners, It is one-off income not expected in future years.
- 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.
- 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.
- **Workforce plan changes** and changes in the workforce mix are also predicted to contribute £0.2m to the surplus.

Table 2: Areas of investment:

Item	Business Area	Description	£m
a	Doncaster RAAC (Capital)	Estimated costs associated with the discovery of RAAC at Doncaster Police Headquarters (DRF).	0.25
b	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
c	Vehicle replacement programme	Direct revenue financing the vehicle replacement programme to fund vehicle write-offs and inflationary pressures (DRF).	0.60
d	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.	0.30
e	Dangerous dogs	Costs associated with dangerous dogs and changes in legislation.	0.22
f	Bids for essential works	Bids for one-off funding to support essential work that will reduce the pressure on next year's budget.	0.20
g	DFU	Digital Forensic Unit – Expansion of investigative work.	0.24
h	Corporate Resilience & Ext Training	Additional staffing required to help meet statutory duties for corporate reporting and external training.	0.31
i	Proactive Operations	High visibility operational policing.	0.10
j	Cannabis Dismantling	Disposal of equipment.	0.07
k	ANPR Cameras	Upgrading of SYP ANPR Cameras and upgrading infrastructure network (DRF).	0.38
l	Victim Journey	Software solution (DRF).	0.27
Total		Emerging Pressures	3.49

3.1.4 Revenue Summary

	Full year Budget £000	Full Year Outturn £000	(Under) / Overspend £000	% of budget
Police Pay incl. Overtime	177,825	178,021	197	0.11%
PCSO Pay incl. Overtime	4,354	4,221	(133)	(3.05%)
Staff Pay incl. Overtime	92,520	90,877	(1,643)	(1.78%)
Other Employee Expenses	6,665	6,845	180	2.71%
Premises	13,208	13,225	17	0.13%
Transport	5,734	5,977	243	4.24%
Supplies and Services	24,424	24,217	(208)	(0.85%)
Agency	20,249	19,116	(1,132)	(5.59%)
Income	(16,301)	(17,179)	(878)	5.39%
Specific Grant Funding	(17,750)	(17,756)	(5)	0.03%
Capital Adjustments	178	178	0	0.00%
Grant Expenditure	2	2	0	0.01%
Net Expenditure Before Legacy	311,106	307,744	(3,362)	(1.08%)

3.2 POLICE OFFICERS PAY & OVERTIME - £0.20m projected overspend (£0.21m pay underspend & £0.41m overtime overspend)

3.2.1 Police pay is projecting an underspend of £0.20m. As previously reported, some of this relates to the opening position as at 1st April 2023 of £0.30m and a further £0.04m 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 2,973.98 which is 7.5 FTE under the budgeted WFP. Despite being 7.5 FTE under on strength the net financial impact of this is a £0.20m 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 Programme maintenance target is measured in headcount, for SYP the target is 3,039 (3,049 with the additional stretch officers). As of 31st December, the headcount was 3,058. Income of £45k per officer has been included in the projections for the 10 stretch officers.

3.4 POLICE STAFF PAY & OVERTIME - £1.64m projected underspend

3.4.1 Police Staff pay is projected to underspend due to Corporate area vacancies. The main reasons for this are restructures and the delays in recruiting new staff to fill vacancies and growth posts. The vetting period and failure at the vetting stage is contributing to the delay.

3.5 OTHER EMPLOYEE EXPENSES - £0.18m projected overspend

3.5.1 This mainly relates to a projected overspend on employee related insurance following a review of insurance provisions and additional agency recruitment within Corporate Finance to cover vacancies.

3.6 PREMISES - £0.02m projected overspend

3.6.1 General Rates is underspending by £0.4m, this is due to credits on a number of buildings. This is being offset with this money being utilised to fund the Doncaster RAAC works.

3.7 TRANSPORT– £0.24m projected overspend

3.7.1 £0.24m overspend relates VFM overspend on Maintenance Parts, Consumables, Workshop Equipment and External Maintenance costs being forecast to trend.

3.8 SUPPLIES & SERVICES – £0.21m underspend

3.8.1 The main contributing factor for this underspend is due to the Connect Express not going ahead.

3.9 AGENCY– £1.13m underspend

3.9.1 £0.35m projected underspend on Home Office IT recharges being lower than budget, now actual charges have come in the year.

3.9.2 £0.17m is a projected underspend on insurance for public liability civil action claims following a review of insurance provisions.

3.9.3 £0.6m was previously projected as an expected outsource of pension administration work related to the McCloud Judgment. This will not be implemented in the current year due to procurement timelines and supplier capacity issues.

3.10 INCOME – £0.88m overachievement

3.10.1 An overachievement on income including £0.39m Op Safeguard surplus currently projected to the end of November. This, coupled with additional income for the PUP stretch target of 10 officers, which increased income by £0.45m, also £0.26m of additional stretch target of 11 additional officers.

3.11 SPECIFIC GRANT FUNDING

3.11.1 Total grant income projected as at end of December is £13.43m.

3.12 LEGACY

3.12.1 Hillsborough, the Stovewood Enquiry and CSE civil claims are now projecting an underspend of £2.5m.

3.12.2 The position has been reviewed by Legal and an updated forecast has been provided, due to various elements outside the Force's control some of the spend has shifted to future years. This will mean that the unrealised underspend will be transferred to the legacy reserve at the end of the financial year, to be used in years to come.

3.13 MTRS Savings

3.13.1 The 2023/24 savings target is £3.72m of which £3.36m is currently showing as achieved with further projected savings of £0.2m expected. This is largely on track with some savings slipping to future years but offset by newly identified in year savings. 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.

3.14 GROWTH

3.14.1 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.

3.14.2 Projected underspends of £1.78m. The main reasons for this year to date 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.
- £0.57m of unutilised growth sat in contingency, this is mainly from Crime services projects where budget was removed when not expected to spend.
- £0.12m on Oracle Fusion due to double keying staff spend which will not be needed this year

3.15 CAPITAL

3.15.1 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

£18.03m (£26.86m, slippage adjustment £8.87m) in November following PCC approval of changes to schemes.

3.15.2 The Capital Programme is projected to spend in full, although at an individual scheme level, a spend of £22.85m is projected which would result in a variance of £4.9m. Year to date £12.4m has been spent which reflects 69% of the full year budget.

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

Capital Scheme	Comments	Slippage £m
Oracle Cloud	Proposal to slip the project contingency to fund support staff after go-live	0.54
BC&I Duties	Not expecting to capitalise the staffing costs this year as they are still in the planning phase of the project.	0.50
Smart Contact	Reduced budget across the three lines T15270, T10690 & T15700. This is due to no spend YTD and no open orders, so changed to more realistic projections.	0.38
Pioneer Close - (Uplift Requirement)	Proposal to slip due to delay in start to suit contractor & procurement availability	0.26
Digital Fund (Tech Enabled Team)	Delays in scheme resulting from lengthy procurement and governance processes	0.25
23/24 Server / Network / Storage replacement	Delays in the specification, only expecting £80k to be spent this year.	0.24
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
Corporate WiFi	Delays in the tender process, contract is unlikely to be in place before April 24	0.19
Doncaster CCTV	Due to delay in starting on site	0.19
Replacement of AFO/ARVO body armour	Dependent on valuation timescales, orders to be place January / February 24, so delivery in 23/24 unlikely	0.12
Connect Express	Revised projections as CSB still not been done so changed projections to show more realistic expectations.	0.12
22/23 Joint Data Centre	Works not expected to fully complete this year with review still ongoing.	0.11
Compartmentation Survey & Remedial Works	Due to delays in the tender process, work due to start April 24	0.10

Capital Scheme	Comments	Underspend £m
Body Armour	Due to fewer Officers requiring new Body Armour this financial year	0.31

Officer Responsible: Debbie Carrington, Chief Finance Officer
E-Mail: Debbie.Carrington@southyorkshire.police.uk

Contact Officer: Chris Perera, Interim Head of Management Accounting & Finance
Business Partnering
Email: christopher.perera@southyorkshire.police.uk