

# Public Document Pack



6 July 2021

To: Members of the Public Accountability Board

This matter is being dealt with by:  
email:



Dear Colleague

## **Public Accountability Board – Supplemental Agenda Pack**

Please find enclosed a Supplemental Agenda Pack for the Public Accountability Board on **Thursday 8th July, 2021** at **1.00 pm** via MS Teams.

Yours sincerely



Fiona Topliss  
Community Engagement and Communications Manager

Enc.



**PUBLIC ACCOUNTABILITY BOARD**

**THURSDAY 8TH JULY 2021 AT 1.00 PM**

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## SOUTH YORKSHIRE POLICE

### PUBLIC ACCOUNTABILITY BOARD - 8 JULY 2021

#### SPONSOR: DEBBIE CARRINGTON

### BUDGET MONITORING REPORT – MARCH 2021

#### 1. Purpose of the Report

This report is to inform the Planning and Efficiency Group of the Force's projected outturn on its revenue and capital budgets as at 31<sup>st</sup> March 2021. It is based on an analysis of income and expenditure for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 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

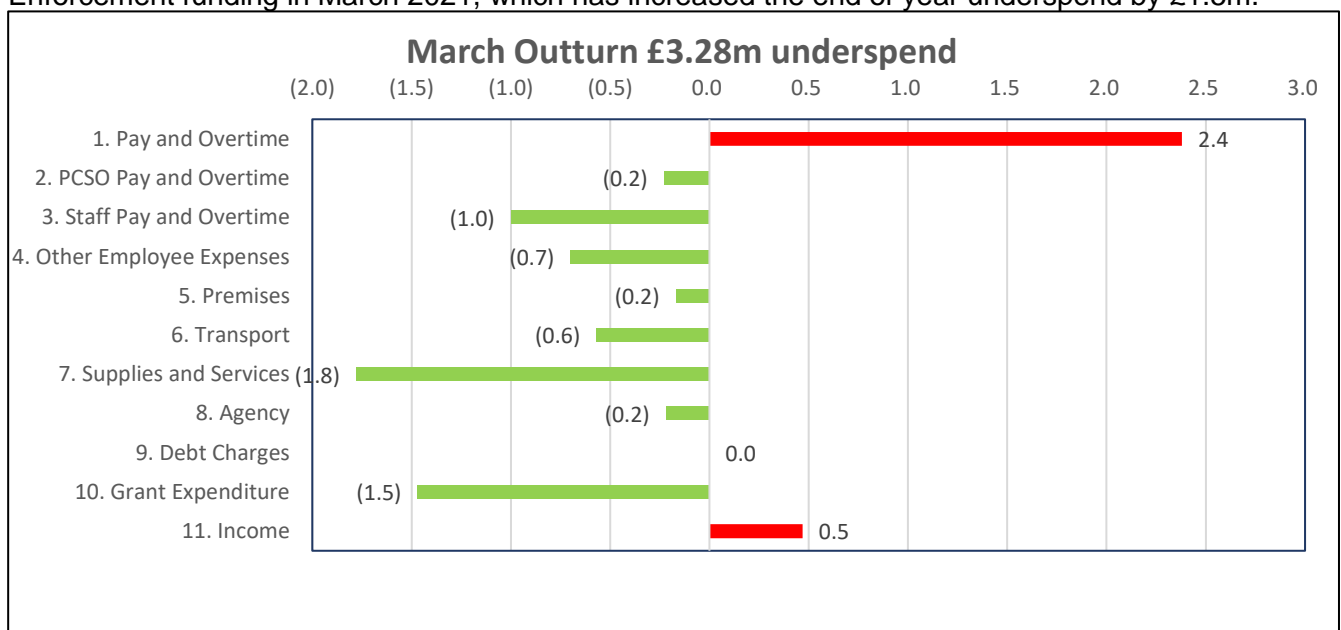
It is recommended that SCT:

2.1 receive the report and note the key points at 3.1

#### 3. Background Information

##### 3.1 Current Budget

The Force outturn for 2020-2021 is a £3.28m underspend, which is 1.25% of the total budget before legacy. This year has not been a typical year due to Covid-19. The prudent omission of the £4.2m of ringfenced Uplift funding when setting the 2020/21 budget has enabled the force to contain the cost of the excess police officer strength reported below, to bring forward / increase police officer recruitment ahead of target and contain the cost of Covid-19. The force also received additional, unanticipated Home Office funding including £1.7m Serious Violence Crime Grant at the start of the year and Covid Enforcement funding in March 2021, which has increased the end of year underspend by £1.5m.



The outturn on Hillsborough, the Stovewood enquiry and CSE civil claims is an underspend of £4.4m. The underspends have been transferred to the legacy reserve to spend in future years at the point that claims are settled.

## Key Points

<b>Covid-19</b>	<p>Covid-19 related expenditure has been captured and reported monthly to the Home Office. The full year result includes £2.6m of direct costs and £0.61m of lost income, which has been offset by an estimated £0.69m of underspends as a consequence of Covid.</p> <p>The Home Office has reimbursed £0.47m of medical-grade PPE costs. Claims for loss of income have been submitted for April to March, totalling £0.78m. In addition, a £0.75m grant has been received for Surge funding for enforcement activity.</p> <p>The Home Office has allocated £1.46m of Covid funding, received in March, for enforcement activity and wider pressures and will be treated as a non-conditional grant for 2020/21. This has been carried forward to spend in 2021/22.</p> <p>Please refer to the Covid-19 section of the report for further details.</p>
<b>Police Pensions Remedy</b>	<p>The Treasury response to the consultation exercise was announced in February. It will be some time before the Force is in a position to understand the financial implications and the potential impact. However, in the short term additional pensions staffing resources have been recruited to meet the anticipated increase in demand. It is assumed that any potential costs will be funded from Central Government.</p>
<b>Police Uplift Programme</b>	<p>At the time of setting the 2020/21 budget the ringfenced Uplift grant was prudently excluded on the basis that the Force did not meet the Uplift target at the end of March 2020. Action was taken to bring forward recruitment of 70 (55 FTE) officers to reduce the risk of not meeting the Uplift target and to ensure the available grant funding is maximised. The Force has received £4.2m, which has helped to meet the increased cost of police officers and other revenue and capital Uplift costs.</p>
<b>Growth bids</b>	<p>£0.84m of approved growth is has not been spent largely due to the impact of Covid-19. £0.22m of this funding is for non-recurrent FM schemes, which have been built into next year's budget.</p> <p>During the year, £1.53m of growth has been approved which includes £0.73m of recurrent growth which has been covered by recurrent savings identified during the 2021/22 budget setting process. Please refer to the Growth section of the report for further details.</p>

### 3.2 Revenue Summary

	Approved Budget £000	Projected Outturn £000	(Under) / Overspend £000	% of budget
Police Pay and Overtime	142,193	144,569	2,376	2.0%
PCSO Pay and Overtime	5,246	5,015	(231)	(4.0%)
Staff Pay and Overtime	76,260	75,264	(996)	(1.0%)
Other Employee Expenses	6,797	6,098	(699)	(10.0%)
Premises	9,212	9,040	(172)	(1.9%)
Transport	5,374	4,807	(567)	(10.57%)
Supplies and Services	20,107	18,331	(1,777)	(8.84%)
Agency	15,579	15,355	(224)	(1.44%)
Income	(13,243)	(12,772)	471	(3.56%)
Specific Grant Funding	(3,929)	(3,927)	1	0.0%
Grant Expenditure	3	(1,462)	(1,465)	(57,942%)
<b>Net Expenditure Before Legacy</b>	<b>263,599</b>	<b>260,318</b>	<b>(3,283)</b>	<b>(1.25%)</b>

#### Police Officers Pay and Overtime £2.38m overspend

The Police Officers Pay overspend before the utilisation of the Uplift grant was £1.49m. The Serious and Organised Grant has contributed £0.95m to cover the 13 officers on secondment, reducing the overspend to £0.54m. The overspend is mainly due to being 8.46 FTE Officers over strength at the start of the year and having 29.89 FTE fewer leavers and retirements than budgeted, thought to be related to Covid-19 and the fewer opportunities in the current job market.

At the end of March 21, the budgeted strength is 2,652.31 FTE and actual strength is 2,711.73 FTE, 59.42 FTE officers over budgeted strength.

Police officers overtime has overspent by £1.84m. This is mainly due to Covid-19 overtime of £1.32m, increased operational demand and vacancy cover.

#### PCSO's Pay and Overtime £0.23m underspend

PCSO's pay and overtime has underspent by £0.23m. This is due to vacancies as more staff transfer to be student officers. At the end of March 21, the budgeted strength is 140.17 FTE and actual strength is 133.86 FTE, 6.31 FTE officers under budgeted strength.

#### Police Staff Pay and Overtime £1.0m underspend

Staff pay has underspent by £2.09m. The underspend for the year is mainly attributable to recruitment time lags due to Covid-19 that has caused delays in the filling of vacancies. Some vacancies are being covered through agency staff reported below.

Staff overtime has overspent by £1.09m, of which £0.39m is related to Covid-19 and the balance is covering vacancies.

#### Other Employee Expenses £0.7m underspend

The underspend is mainly attributable to a £0.7m underspend on Insurance costs (Employee/Public liability claims and Motor insurance claims), due to the contracts being renegotiated at a lower premium as well as an underspend relating to claims settled. By their nature, insurance claims are difficult to predict and it is a possibility that claims have been settled at lower values following the increase in in-house claims handling. A self-insurance fund review has been commissioned.

There is a £0.32m underspend for police ill health retirements, due to 4 confirmed retirements compared to a budget of 8. This underspend is offset by a £0.39m overspend on agency costs due to covering vacant established posts.

### **Premises £0.17m underspend**

The overall underspend comprises of £0.68m underspend on planned building works due to other priorities of work as a result of Covid-19 and £0.50m underspend on utilities partly due to a reduction in building use as a result of Covid-19, however this budget needs reviewing for 2021/22. There has also been a reduction of £0.18m against professional fees mainly for RDH as this has now received funding from tranche 2 of the uplift grant. The underspend is offset mainly by a £0.46m overspend on engineering works, reactive maintenance and day-to-day maintenance, this includes the provision of air con units into Snig Hill & Atlas Court.

### **Transport £0.57m underspend**

The full year outturn includes underspends of £1.04m which is £0.43m on mileage and travel and £0.33m on fuel and hire cars both of which relate to Covid-19 travel restrictions. Following the insurance re-tender exercise, a decision was made to increase excess levels, which has resulted in savings of £0.28m against vehicle insurance budgets. This is partially offset by an overspend of £0.25m relating to vehicle maintenance, tyres and new hand tools to meet Health & Safety requirements and £0.22 unrealised income for internal recharges due to the reduction in costs.

### **Supplies and Services £1.78m underspend**

The overall underspend consists of £0.17m in relation to vehicle recovery cost savings and £0.20m for forensic analysis costs in relation to outsourcing. The impact of Covid-19 has led to a £0.27m reduction on spend in a number of areas including contributions to community events, catering costs and hotel accommodation costs. Clothing and uniform growth has been contained resulting in a £0.34m underspend. Additional underspends include £0.23m office equipment and photocopier rental charges combined, this is thought to be related to a reduction in the number of staff in buildings due to Covid-19, £0.12m due to annual contract for Healthcare in custody being less than initially expected, £0.24m software support due to delays in Oracle and Robotics projects and £0.22m other operational expenses.

These underspends are offset by overspends £0.08m in network rentals which will be reviewed in year 2021/22 and £0.17m on cloud subscription services due to not reducing the number of ERP licences, however, this will be completed in 2021/22.

### **Agency £0.22m underspend**

The overall underspend mainly consists of £0.37m in relation to other insurance as a result of the renegotiated contracts. This is offset by other small overspends across numerous account headings with nothing of significance.

### **Income £0.47m under recovery**

As a result of Covid-19, there are significant areas that have been affected in terms of under achievement. The significant areas to note are as follows:

- Secondments income by £0.35m.
- Income from speed awareness courses by £0.23m, as there have been a significant reduction in cars on the road as well as the inability to run the courses due to social distancing measures.
- Catering income by £0.07m.
- Court/prosecution income by £0.06m.
- Concerts/Festivals income by £0.03m.

The above is offset by the following over achievement of income.

- Vehicle Recovery income by £0.09m.
- Shopping Centre Income £0.06m
- Mutual Aid Income by £0.04m.
- TV Income by £0.02m
- Disclosure statements income by £0.02m.

### **Legacy**

The outturn on Hillsborough, the Stovewood enquiry and CSE civil claims is an underspend of £4.4m. The underspends have been transferred to the legacy reserve to spend in future years at the point that claims are settled.



## Covid-19

The Home Office have reimbursed the medical-grade PPE incurred which equated to £0.47m. The Home Office have also reimbursed the Force for loss of income. The scheme included a 5% deductible rate and compensated for 75p in every pound of relevant loss thereafter. Claims totalling £0.78m were submitted for the financial year. In addition, there has been a £0.75m grant received in relation to Surge funding for enforcement activity. In March 2021, the Home Office also allocated £1.46m of Covid funding for enforcement activity and wider pressures, which will be treated as a non-conditional grant for 2020/21 and has been carried forward to spend in 2021/22.

The net expenditure incurred to the end of March on Covid-19 was £2.6m. The majority of the actual expenditure incurred related to overtime totalling £1.7m for April to March plus on costs. Overtime is authorised in advance by OSU and due diligence checks are carried out on the overtime incurred. Additional costs amount to £0.70m on pay and employee costs and £0.20m on first aid equipment / consumables. The £0.76m cost, which was incurred on the balance sheet for national procurement of PPE, has been reimbursed.

A breakdown of the direct costs of Covid-19 are included below. There are indirect costs as a result of Covid-19 and the majority of these relate to the underachievement of income, which is estimated at £0.61m and listed below. Following further analysis, these are completely offset by some costs not being incurred, which are also listed below. The projections and impact of Covid-19 will continue to be monitored and reported monthly to the Home Office.

<b>Estimated Income Stream Loss</b>	<b>£m</b>
Canteen recharges/Income	0.12
Public Order training courses/ hire of arena	0.10
Immigration Enforcement	0.08
Speed awareness training	0.07
Foreign Nationals income	0.05
Doncaster Airport	0.03
Pay cost recharges	0.03
Doncaster Racecourse St Leger	0.03
Concert/ Festival income	0.03
Lifewise Centre	0.02
Recharge to South Yorkshire FB	0.01
Firearms Course	0.01
Sheffield Moor Grant	0.01
Vetting Report	0.01
Rotherham warrant entry grant	0.01
<b>Total</b>	<b>0.61</b>

<b>Estimated Underspends</b>	<b>£m</b>
Casual mileage & Public transport	0.34
External training fees	0.12
Free fuel for police vehicles	0.05
Contribution to Community Events	0.04
Crime Prevention Equipment	0.04
Canteen Refreshment Purchases	0.02
Hotel accommodation	0.03
St Leger CCTV coverage	0.01
Paper costs	0.01
Corporate Hospitality	0.01
Transport related expenditure	0.01
Entertainment and Prizes	0.01
<b>Total</b>	<b>0.69</b>

A breakdown of Covid-19 Full Year spend is as follows:

Description	£
Employee costs	2,361,404
Premises costs	296,160
Transport costs	868
Supplies & Services costs	388,031
Agency Costs	26,632
Income	(468,951)
<b>Total</b>	<b>2,604,143</b>

### Growth

Following an in year review of growth, £1.63m was removed from district/department budgets, reducing the original approved growth of £7.04m to £5.41m. This was a non-recurrent reduction due to the impact of Covid-19 on estates related schemes and delayed recruitment. The outturn position results in a £0.84m underspend.

The table below shows the recurrent and non-recurrent split.

Growth	Original Budget 2020/21 £	Revised Budget 2020/21 £	Projected Spend £	Variance £
Recurrent	4,887,456	4,214,806	3,596,578	(618,227)
Non recurrent	2,160,455	1,197,757	977,998	(219,759)
<b>Total</b>	<b>7,047,911</b>	<b>5,412,563</b>	<b>4,574,576</b>	<b>(837,986)</b>

Post budget setting, additional revenue growth has been approved totalling £1.53m, of this £0.66m has been spent. SCT approved to fund this new growth from the above approved growth underspends. Recurrent savings have been identified to offset the recurrent growth of £1.01m in 2021/22.

Growth	Approved 2020/21 £	Projected Spend £	Variance £
Recurrent	734,033	340,588	(393,447)
Non recurrent	800,182	324,063	(476,119)
<b>Total</b>	<b>1,534,215</b>	<b>664,651</b>	<b>(869,565)</b>

### 3.3 MTRS Savings

The 2020/21 planned savings are £2.52m, against which £2.98m has been achieved and captured on the savings plan. Additional savings of £0.42m have been achieved leading to a net over-achievement of £0.46m.

### 3.4 Capital

The capital programme reflects the PCC approved programme of £14.14m (the original programme started out at £20.61m and this was reduced by £6.47m to reflect priority 1 to 3 schemes). The outturn expenditure is £11.78m across all schemes.

The current budget (excluding the balancing contingency) is £18.01m, the outturn is £11.77m, which generates a variance of £6.27m. This has been balanced with the contingency.

At an individual scheme level, slippage of £6.5m, underspends of £0.64m and overspends of £0.87m are being reported. The main schemes to note are as follows:

### Slippage

<b>Capital Scheme</b>	<b>Explanation</b>	<b>£m</b>
RDH Reconfiguration (FM)	Due to delays in the project, staff decanting to temporary accommodation.	1.91
Smart Contact & System Integration & SC Team (JIT)	Slippage required to ensure that change requests can be funded as part of the project going forwards. These costs are not yet known.	0.72
20/21 Vehicle Replacement Programme (VFM)	As part of the programme, there are 6 vehicles yet to be ordered. There are 8 other vehicles on order that have not arrived before 31 <sup>st</sup> March that will require slippage.	0.52
Road Crime Unit Vehicles (VFM)	Delays due to the model of vehicle required. The preferred choice of vehicle is currently unavailable to order due to model changes with the supplier. Prices of these vehicles are expected to be available Q1 2021.	0.28
Audio & Visual Recording Equipment (CJAD)	Phase 2 of the project delayed until 2021/22, this budget is to transfer to IT.	0.27
Ops Complex Generator (FM)	A revised CSB is required, as additional costs anticipated.	0.22

### Underspends

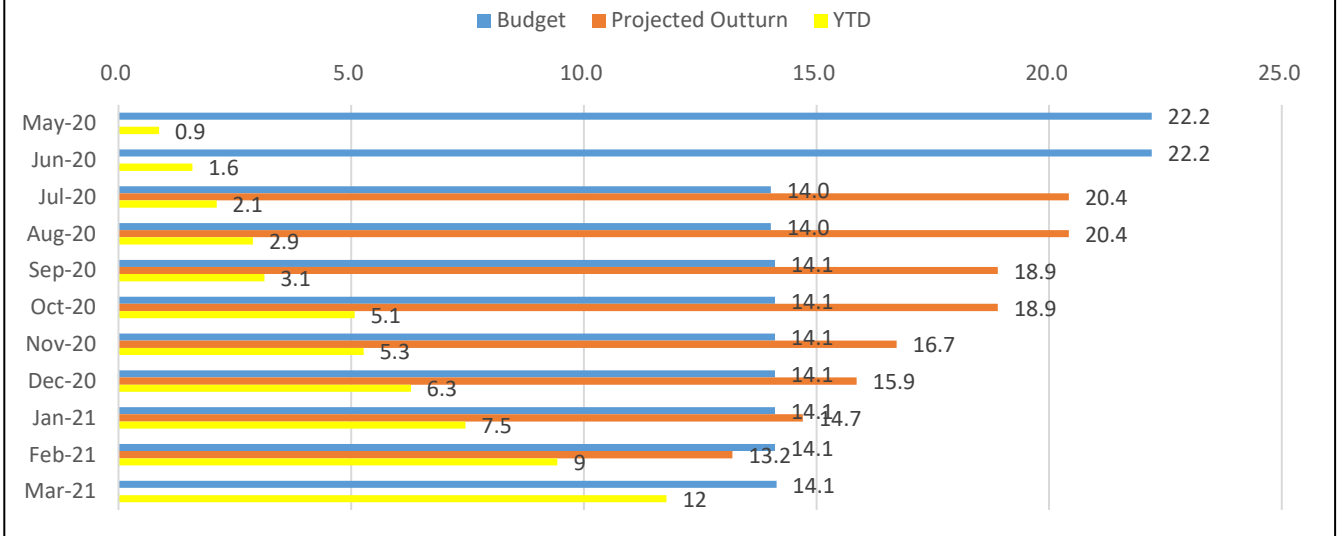
<b>Capital Scheme</b>	<b>Explanation</b>	<b>£m</b>
Mobility Stage 2 (JIT)	In relation to fewer phones being ordered and at a lower cost. At the time of budgeting, it was thought that car fittings were going to be more expensive than they were.	0.11
Cyber Security (JIT)	No requirement to spend.	0.04
BWV Uplift in Officers (IT)	Underspend, due to the revised BWV project that was approved, this captured all costs required for officers.	0.04
CC Uplift (IT)	Slight underspends, mainly attributable to BWV, budgeted that is being funded from the BWV project.	0.04
Digital Forensics Project DFU (SCS)	Budget included as part of the Crime Review, this is being superseded by the ongoing review of DFU.	0.04
Smart Contact Connect Upgrade (JIT)	No longer required, due to funds available within the Smart Contact project to absorb any changes required. Due to the Sopra Steria Settlement agreement.	0.04

### Overspends

<b>Capital Scheme</b>	<b>Explanation</b>	<b>£m</b>
Vehicle Replacement Programme (VFM)	As part of the review work with the PCC, the budget for replacing vehicles that are written off has been stripped out. To the end of January there has been 16 vehicles replaced at £0.26m. It was believed that due to Covid that there would be difficulties in replacing the firearms vehicles, but at November 4 x suitable replacements have been identified, £0.12m. 1 vehicle has been purchased in this financial year that wasn't due to be replaced until 21/22.	0.47
Oracle Fusion (IT)	There have been three NAMOS change control notices which have incurred additional costs, these have been offset by savings on project expenses through working virtually.	£0.20

The trend for the budget and projected outturn during the year is as follows, no projections were completed for May and June due to revising the capital programme.

## Capital budget and projections (£m) for the year 2020/21



The Accountancy Team is working closely with Project Managers to improve the accuracy of projections relating to capital projects. The team has provided training to the majority of the Project Managers to improve knowledge, training 12 staff in March increasing the overall total to 74 staff. The team has worked with BCI to align the interdependences and a form has been created for the Project Manager to feed the information to finance which will improve the quality of the projections. The completion rate for March was 76% (76 of 100 projects) which was an improvement on February returns. Improvements are still required for IT Collaboration and FM in this area.

### 3.5 External Funding

The total approved external funding in 2020/21 is £11.46m (revenue) and the revenue expenditure is £10.64m. The variance of £0.82m is mainly related to the delay in recruiting staff to posts. The Home Office awarded an unconditional grant in March 2021 of £1.46m (part of the national £58m Covid-19 Funding) which is for Covid-19 enforcement and wider pressures. This has been received as a 2020/21 grant but will be carried forward to the next financial year.

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