

**STRATEGIC POLICING AND CRIME BOARD**  
**20 July 2021**

<b>Budget Monitoring Report 2021/22</b>
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**PURPOSE OF REPORT**

1. To provide members with details of the Force financial position as at the end of May 2021 (P2) and to provide a forecast on the full year outturn for 2021/22.

**BACKGROUND**

2. This report details the forecast position for both revenue (paragraph 6) and capital (paragraph 14) for 2021/22. The report also provides an update on plans for this year in relation to the Police Uplift Programme.

**HEADLINES**

3. In summary the Force (excluding the Change Programme and CoVID-19 costs) is currently forecasting a revenue outturn overspend of £0.4m (0.07% of budget) which is planned to be managed within the approved budget. At this early stage in the financial year the forecast for most costs in Force portfolios remain on budget.
4. Overtime pressures are particularly acute in Force CID and the Regional Investigation Teams, this is in response to high levels of demand in the first 2 months of the year and a significant number of police officer vacancies in these areas. There are also pressures on overtime in Force Contact in response to continued CoVID abstractions, managing additional back record conversion work for the Connect system and managing vacancies in the Crime Services Team.
5. The capital investment forecast is £65.2m which is currently on budget.

	Budget £,000	Forecast £,000	Forecast Variance to Budget £,000	Variance %
<b>Revenue</b>				
Force	627,042	627,458	416	
Change Programme	10,400	10,401	0	
COVID-19	-1,707	-1,651	56	
<b>Sub Total Police Force</b>	<b>635,736</b>	<b>636,208</b>	<b>472</b>	<b>0.07%</b>
Office of the PCC inc. Commissioned Services	11,340	11,340	0	
<b>Total Revenue before Reserves</b>	<b>647,076</b>	<b>647,547</b>	<b>472</b>	<b>0.07%</b>
Net Use of Other Reserves	-5,875	-5,875	0	
Net Use of Budget Reserves	0	-472	-472	
<b>Total Revenue after Reserves</b>	<b>641,201</b>	<b>641,201</b>	<b>0</b>	<b>0.00%</b>
<b>Capital</b>				
Force	10,900	10,900	0	
Change Programme	0	0	0	
Estates Strategy	54,300	54,300	0	
<b>Total Capital</b>	<b>65,200</b>	<b>65,200</b>	<b>0</b>	<b>0.00%</b>
<b>Total Revenue before Reserves plus Capital</b>	<b>712,276</b>	<b>712,747</b>	<b>472</b>	<b>0.07%</b>

## REVENUE FORECAST 2021/22

6. The revenue outturn for the Police Force (excluding WMP Change Programme costs) is a forecast overspend of £0.4m (0.07% of total budget). The continuing impact of Covid-19 on the Force this year is shown separately with forecast expenditure of £2.1m and income of £3.7m. The detailed position is shown below along with further explanations.

	Budget £,000	Forecast £,000	Forecast Variance to Budget £,000
<b>Police Force by Account</b>			
Police pay	379,216	379,216	0
Police Overtime (A)	15,373	15,409	37
PCSO Pay (B)	15,665	15,295	-370
PCSO Overtime	14	14	1
Police Staff Pay	148,338	148,338	0
Police Staff Overtime (C)	1,303	1,532	229
Temporary Staff	1,361	1,305	-56
Other employees expenses	14,684	14,653	-31
<b>Sub Total</b>	<b>575,954</b>	<b>575,763</b>	<b>-191</b>
Premises (D)	19,841	19,894	53
Transport	11,335	11,333	-2
Supplies and services (E)	49,606	49,914	308
Third Party Payment	16,214	16,218	4
Capital Financing Costs	23,011	23,011	0
External income (F)	-68,917	-68,674	242
<b>Total Police Force (Exc. Change Programme &amp; COVID-19)</b>	<b>627,042</b>	<b>627,458</b>	<b>416</b>
Change Programme	10,400	10,401	0
<b>Total Police Force (Inc. Change Programme)</b>	<b>637,443</b>	<b>637,859</b>	<b>416</b>
COVID-19 (G)	-1,707	-1,651	56
<b>Total Police Force</b>	<b>635,736</b>	<b>636,208</b>	<b>472</b>

- A. Police officer overtime is forecast to be overspent by £0.04m. At this early stage in the financial year most areas continue to be forecast on budget but there are early indications of pressures on overtime in Force CID and Force Contact due to demand

levels in the first quarter. This is a similar position to the last 2 years. We anticipate that by working with the affected departments over the coming months, actual costs can be brought back in line with budgets in most cases.

- B. The Police Community Support Officer (PCSO) pay underspend is consistent with the current number of vacancies across the Force and the forecast has been reviewed in line with the planned recruitment to PCSO posts over the rest of the financial year.
  - C. Police staff overtime is forecast to be overspend by £0.23m. This is due to pressures in the operations and crime portfolios (Force Contact, Force CID and PPU) as well as the Corporate Asset Management portfolio where additional IT&D resources have been required to support the Connect project go-live in April.
  - D. The forecast overspend of £0.05m in Premises is due to a greater volume of reactive maintenance being carried out on older police buildings, where decisions around sales or disposals have been paused during the CoVID pandemic or decisions delayed. It is expected that this will be resolved in the medium term.
  - E. The overspend in Supplies and Services results from higher than budgeted costs for court fees in PPU following increased activity in the last few months and additional costs for boarding up in Force response due to demand and cost increases where aborted calls for service are now charged.
  - F. External Income is expected to be £0.24m under budget. This largely relates to reduced income from accident reports, immigration prisoners and continued loss of income from sporting events.
  - G. The net position for CoVID-19 is expected to be a net income of £1.7m. This relates to grant support from the Home Office to alleviate expected deficits on collection funds. This grant income will be appropriated into reserves in 2021/22 to ensure that sufficient income is available in 2022/23 and 2023/24 to offset the phased deficit on collection fund arising from 2020/21.
7. The 2021/22 budget assumes a £3m savings target will be achieved through a Priority Based Budgeting (PBB) exercise. The scope and governance for the exercise has been agreed and work is now underway. Phase 1 reviews will include: Procurement, POD Business Partnering, Facilities and Information Management, Corporate Communications and the Force Executive Team. The first panels are due to be held at the start of August with savings being recognised in budgets by September.
8. The Finance department is also running a Zero Based Budget exercise for some non-pay budgets. The scope of this review has been agreed and finance colleagues will be working with their department heads and other key stakeholders to identify further saving opportunities that can be delivered without diminishing service outcomes.
9. The Force continues to respond to the impacts of the CoVID19 pandemic. In 2021/22 £1.5m has been carried forward from Grants provided in the last financial year to support enforcement patrols until the planned ending of restrictions on 19<sup>th</sup> July. This funding will also provide for enhanced activity in city centres as the night time economy returns to normal over the summer period. The force has continued to report the costs and loss of income associated with CoVID this year and will continue to do so until these reporting requirements end. At this point there is no indication that the Force will receive any further grant income to offset unbudgeted costs and income losses incurred in the first months of this financial year.

## **POLICE UPLIFT**

10. The budget for the Uplift of police officers for 2021/22 is £25.3m. The funding will support the recruitment of 360 additional police officers. This consists of 343 officers as part of planned recruitment and a further 17 officers specifically for the Regional Organised Crime Unit. This funding includes a

ring-fenced element of £6.1m which is only payable if the target numbers are achieved, at the time of writing this report we have recruited 117 uplift officers. The budget is presented in the table below:

<b>Uplift Funding</b>	<b>2021/22 £m</b>
Officer Pay	13.1
Staff Pay	4.7
<b>Total Pay</b>	<b>17.8</b>
Non -Pay	7.4
Capital	0.1
<b>Total</b>	<b>25.3</b>

## THE OFFICE OF THE POLICE AND CRIME COMMISSIONER

11. The Office of the Police and Crime Commissioner's outturn is currently forecast to be on budget with £2.75m expected to be spent on the Office for the Commissioner and £8.60m on a suite of commissioned services. This is detailed in the table below:

	<b>Budget £,000</b>	<b>Forecast £,000</b>	<b>Forecast Variance to Budget £,000</b>
<b><u>Office of Police and Crime Commissioner</u></b>			
Office of Police and Crime Commissioner	2,754	2,754	0
<b><u>Commissioned Services</u></b>			
Community Safety Funding	4,614	4,614	0
External Commissioning	3,338	3,338	0
Community Initiative / Active Citizens Fund	634	634	0
Victim Services Expenditure	3,409	3,409	0
Victim Services Income	-3,409	-3,409	0
Violence Reduction Unit Expenditure	3,370	3,370	0
Violence Reduction Unit Income	-3,370	-3,370	0
<b>Total Commissioned Services</b>	<b>8,586</b>	<b>8,586</b>	<b>0</b>
<b>Total Office of the Police and Crime Commissioner</b>	<b>11,340</b>	<b>11,340</b>	<b>0</b>

12. The Commissioner made a commitment when the 2021/22 budget was set that Community Safety funding would be maintained at the same level as the previous year which was £3.86m. The values in the table above for Community Safety, External Commissioning and Active Citizens include amounts carried forward from the previous year of £2.64m.

## RESERVES

13. The table below details the contribution to / from reserves for 2021/22.

	Budget £,000	Forecast £,000	Forecast Variance to Budget £,000
<b>Use of Reserves</b>			
PCC Carry Forward (Net)	0	0	0
Change Programme (Net)	-1,415	-1,415	0
Other Carry Forward (Net) (A)	-3,320	-3,320	0
Contribution from POCA & PPA Reserve	-400	-400	0
Contribution from Devolved Budget Reserve (Net)	0	0	0
Contribution to Reserves for Uplift	0	0	0
National Contingency	0	0	0
Contribution to / from Budget Reserve (B)	0	-472	-472
<b>Total Revenue Budget after use of reserves</b>	<b>-5,135</b>	<b>-5,607</b>	<b>-472</b>

- a. The 'Other carry forwards' reflect departmental budgets carried forward from the prior year for projects in train.
- b. The forecast for an additional £0.47m use of budget reserves is the net impact of the current forecast overspend. We are confident that over the course of the remainder of the year that current forecast overspends can be brought back in line with budget so that this contribution will not be required.

## CAPITAL FORECAST 2021/22

14. The table below summarises the budget for the capital programme as published in the February budget report.

	Budget £,000	Forecast £,000	Forecast Variance to Budget £,000
<b>Business As Usual (A)</b>	<b>10,900</b>	<b>10,900</b>	<b>0</b>
<b>Change Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Estates Strategy (B)</b>	<b>54,300</b>	<b>54,300</b>	<b>0</b>
<b>Total Capital Programme</b>	<b>65,200</b>	<b>65,200</b>	<b>0</b>

- A. The BAU budget includes £5.3m for vehicles (including Uplift), £5.1m for IT equipment and services (including Uplift) and £0.5m for general equipment.
- B. The Estates Strategy is currently being re-worked to take account of the uplift in officers and staff and impacts of the pandemic. Once finalised we will update the Capital Programme and respective budget.

## FINANCIAL IMPLICATIONS

15. This report solely deals with financial issues.

## **LEGAL IMPLICATIONS**

16. The production of the PCC's Accounts is governed by the Local Government Act 1982 and Regulations made under that Act. The Local Government Act 1988 requires the PCC to make arrangements for the proper administration of its financial affairs.

## **RECOMMENDATIONS**

17. The Board is asked to note the contents of this report.

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Chief Finance Officer to the PCC

Neil Chamberlain  
Director of Commercial Services