

DECISION RECORD

Decision ID:

PCCDJ

000666

2022

Decision title

OPCC and Hampshire Constabulary Outturn 2021/22

Executive summary

The report summarises the revenue and capital outturn position as at the end of the 2021/22 financial year and makes recommendations for carry forwards and the use of underspend.

The underspend for OPCC and HC is £5.805m. Of this, £2.464m was approved as a contribution to the 2022/23 budget as part of the 2022/23 MTFs. A further £2.377m is earmarked for carry forward requests, which leaves a net underspend of £0.964m, as set out below:

	Underspend 21/22 (£m)
HC	5.198
OPCC	0.607
Total underspend	5.805
Contribution to 2022/23 budget	2.464
Carry forward requests	2.377
Net underspend	0.964

The carry forward requests are not a request for new funding; their approval will ensure that funding that was made available in 2021/22 for specific commitments can be carried forward to fund the completion of those initiatives in 2022/23.

Recommendation(s)

It is recommended that:

- i) the outturn position 2021/22 is noted, which is an underspend of £0.964m (net of proposed carry forwards)
- ii) carry forward requests in the sum of £2.377m (£2.072m for HC and £0.305m for OPCC) are approved to allow those funds to support the costs of commitments that will be completed in the 2022/23 financial year.

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- iii) the remaining £0.964m underspend is transferred to the PCC's Inflation Reserve to support the inflation pressures (e.g. Utilities) in 2022/23

Statement on publication

This Decision Record and supporting Decision Request documentation is suitable for publication.

Police and Crime Commissioner approval

I hereby **approve** the recommendation above.

Comment(s) on the decision taken: none

Signature:



Name:

Donna Jones

Police and Crime Commissioner for Hampshire

Date:

30-June-2022

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OPCC and Hampshire Constabulary Outturn 2021/22

Requester details:

Requester: Andrew Lowe and Richard Croucher

Role title: Chief Finance Officer, OPCC and Chief Finance Officer,
Hampshire Constabulary

3 Summary

This outturn reports covers the final year end position for the 2021/22 financial year. The final position is an underspend of £5.805m against the budget, before the approved transfer of £2.464m to support the 2022/23 police budget and carry forward requests.

If approved, carry forward requests totalling £2.377m will ensure that funding made available in 2021/22 for these commitments can be carried forward to fund the completion of these initiatives in 2022/23.

The net underspend after taking account of the 2022/23 budget contribution and carry forward requests is £0.964m.

4 Revenue Expenditure

A summary of the revenue position by area of spend and type of spend is shown at Appendix A.

The HC underspend, before adjustments, of £5.198m was mainly due to delays and difficulties in recruiting and retaining officer for Uplift, delays in progressing the Wellbeing agenda due to COVID and increases in income linked to the Apprentice levy and FCIU (Forensic Collisions Investigations) collaboration with TVP. Further information on these is available in the HC outturn report (Appendix B).

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The OPCC underspend, before carry forwards, of £0.607m was mainly driven by higher interest returns on investment balances (£0.427m) - included within this is £0.233m relating to the benefit received from the pre-payment of LGPS employer contributions to the pension fund. It should be noted that the OPCC underspend position of £0.607m is net of an in-year transfer to the Estates Reserves of £4m (from Estates underspend) which has been earmarked as a contribution to the improvement project at Southampton Central.

5 Carry Forwards

Below is a table showing the carry forward requests included for approval, totalling £2.377m. These allow commitments made in the approved 2021/22 budget to be completed in 2022/23:

Organisation	Commitment	£m
OPCC	Estates - Furniture	0.120
OPCC	ASB	0.150
OPCC	Awards evening	0.010
OPCC	Safer Streets Basingstoke	0.025
	OPCC Total	0.305
HC	Transforming Forensics & freezers	0.470
HC	Investigations resources (Op Olympus)	0.441
HC	Command Suite renovations (East, West & Netley)	0.390
HC	Digital Investigations (PCC Decision 505)	0.070
HC	Victim care (post charge) NPCC funding for CJ backlog	0.106
HC	Firearms replacement of Gen 3 Glock	0.060
HC	Digital kit for creating content & video within Communications	0.016
HC	Cadets balance of income generated to support equipment	0.012
HC	Wellbeing delivery	0.327
	HC Total	1.892
	Sub-total for carry forward reserve	2.197

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Organisation	Commitment	£m
HC	Estate related contributed to reserve for potential future costs	0.180
	Total Carry Forward Requests	2.377

There is an option to not approve the carry forward requests. Where orders have been raised for goods or services already, this will not save costs but will mean that an alternative funding source will have to be identified rather than using the money that was made available to support the expenditure in the 2021/22 budget. The recommendation is that the carry forward is approved as funding was approved through the budget process for these costs to be incurred due to the relative need and priority of the initiatives concerned.

6 Capital Expenditure

- 6.1 Capital payments during the year totalled £6.267m compared with the £7.585m budget. A breakdown of the expenditure against the planned spend, including the sources of funding for the schemes, is given in Appendix B.
- 6.2 The lower spend is due to slippage of the schemes; the total funding for these schemes will continue to be required during 2022/23 and through the scheme lives, which will be reflected in future capital forecasts.

7 Reserve Balances

- 7.1 An updated reserves position is included as Appendix C. The net 2021/22 underspend was transferred to the General Fund (£0.964m) as part of closing the accounts. The balance will be moved to the Inflation Reserve subject to approval by the PCC. These amounts have been included within the closing balances.

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8 Timescales

An early decision on carry forward would be welcome to confirm whether funding is available to complete the initiatives concerned

9 Communications and engagement implications

None. Carry forwards allow completion of initiatives already announced and funded through the revenue budget 2021/22 process.

10 Legal implications

None

11 Risks and mitigation

There is a risk that existing financial commitments cannot be funded if the carry forward is not approved.

12 Strategic policing requirement

N/A

13 Equalities

No equalities issues are raised.

14 Data Protection implications

There are no GDPR implications in the initial scope for the programme.

15 Publication status

This report is suitable for publication.

16 Personnel consulted

The following personnel were consulted on the Decision Request.

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Table 1 - Personnel consulted

Role	Organisation	Confirmation of consultation (insert 'Yes' if applicable)
Deputy Police and Crime Commissioner	OPCC	
Chief Executive	OPCC	Yes
Deputy Chief Executive / Criminal Justice Portfolio Lead	OPCC	
Chief Finance Officer	OPCC (HCC)	Yes
OPCC/Hampshire Constabulary liaison	OPCC/HC	
Head of Strategic Commissioning and Partnerships	OPCC	
Head of Communication and Engagement	OPCC	
Head of Performance and Information	OPCC	
Head of Standards and Compliance	OPCC	
Head of Estate	OPCC	
Programme Office Manager	OPCC	
Deputy Finance Manager	OPCC (HCC)	Yes
Principal Accountant	OPCC (HCC)	Yes
Senior Finance Adviser	OPCC (HCC)	Yes
Deputy Monitoring Officer	OPCC (HCC)	
Head of Strategic Procurement	HCC	
Commissioning and Partnerships Officer	OPCC	
Data Protection Officer	OPCC	

OPCC - Office of the Police and Crime Commissioner

HCC - Hampshire County Council

HC - Hampshire Constabulary

17 Appendices

Appendix A – Summary of Revenue Outturn 2021/22

Appendix B - Hampshire Constabulary Outturn 2021/22

Appendix C – Breakdown of Capital Outturn position 2021/22

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Appendix D – Final Reserve Position as at March 2022

18 Background papers

Budget Report 2021/22

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Appendix A – Summary of Revenue Outturn 2021/22

Expenditure owned by the PCC

OPCC	Budget 2021/22 £'000	Outturn 2021/22 £'000	Variance 2021/22 £'000
Capital Financing	3,049	3,049	(0)
PCC Crime Prevention	125	68	(57)
Interest on Balances	(340)	(767)	(427)
Commissioning	2,536	2,423	(114)
Estates	19,312	19,307	(5)
PCC Office	2,822	2,818	(4)
Reserve Transfers	12,577	12,577	0
Total	40,081	39,474	(607)
Carry forward requests	0	305	305
Grand total	39,776	39,474	(302)

HC Controlled Budget

	Budget 2021/22 £'000	Outturn 2021/22 £'000	Variance 2021/22 £'000
Expenditure			
Hampshire Constabulary Expenditure:			
Employees	284,668	280,955	(3,713)
Indirect Employees	5,442	7,301	1,859
Premises	1,936	1,867	(69)
Transport	6,222	6,555	333
Supplies & Services	21,759	19,593	(2,166)
Third Party Payments	81,493	81,742	249
Support Services	3,414	3,449	35
Total Expenditure on Police Services	404,933	401,462	(3,471)
Income:			
Internal Income	(3,178)	(3,195)	(17)

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External Income (incl Grants & Contributions)	(55,026)	(56,735)	(1,710)
Total Income on Police Services	(58,204)	(59,930)	(1,726)
Net Hampshire Constabulary	346,729	341,531	(5,198)
Net total expenditure for PCC Group	386,810	381,005	(5,805)
Carry Forward Requests	0	2,377	2,377
MTFS - contribution to base budget	0	2,464	2,464
Net total expenditure for PCC Group after c/fwds	381,969	381,005	(964)

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Appendix B – Hampshire Constabulary Outturn 2021/22

Summary

The report summarises the outturn position as at the end of the 2021/22 financial year and makes recommendations for carry forwards and the use of underspend.

The underspend before carry forward requests is £2.734m, and the net underspend after taking account of carry forward requests is £0.662m.

The carry forward requests are not a request for new funding; their approval will ensure that funding that was made available in 2020/21 for these commitments can be carried forward to fund the completion of these initiatives in 2022/23.

Carry forward request breakdown

Carry forward requests totalling £2.072m. These allow the commitments below to be completed in 2022/23:

Subject	£m
Transforming Forensics & freezers	0.470
Investigations resources (Op Olympus)	0.441
Command Suite renovations (East, West & Netley)	0.390
Digital Investigations (PCC Decision 505)	0.070
Victim care (post charge) NPCC funding for CJ backlog	0.106
Firearms replacement of Gen 3 Glock	0.060
Digital kit for creating content & video within Communications	0.016
Cadets balance of income generated to support equipment	0.012
Wellbeing delivery	0.327
Sub-total for carry forward reserve	1.892
Estate related contributed to reserve for potential future costs	0.180
Total c/f requests	2.072

All of the carry forward requests relate to completing the initiatives for which the funding was allocated. There are three areas worthy of further explanation:

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- i) the Operation Olympus (£0.441m) carry forward is the amount that was earmarked for additional investigative support that remained unspent at the end of the financial year and is therefore requested to be carry forward into 22/23 to allow additional resources to continue to be accessed to be able to investigate more crimes, respond to more victims and ensure more offenders are brought to justice.
- ii) the Wellbeing funding (£0.327m) was initially made available to provide respite care that would enable officers and staff to be more productive. As a result of COVID restrictions that support is being provided through different schemes that aim to achieve the same objective, for example, Wellbeing caseworkers (£0.079m), psychological screening (£0.120m) and respite days (£0.048m).
- iii) the Estate related contribution (£0.180m) is funding that was added into the 21/22 budget for an expected pressure in relation to ISO accreditation for examination of victims through a partnership arrangement. The need for funding has been deferred but it is expected that the contribution will be required in due course, hence a request for that to be added to reserves to provide for the funding when it becomes necessary.

Options appraisal

There is an option to not approve the carry forward request. Where orders have been raised for goods or services already, this will not save cost but will mean that an alternative funding source will have to be identified rather than using the money that was made available to support the expenditure in the 2021/22 budget. The recommendation is that the carry forward is approved as funding was approved through the budget process for these costs to be incurred due to the relative need and priority of the initiatives concerned.

Timescales

An early decision on carry forward would be welcome to confirm whether funding is available to complete the initiatives concerned.

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Financial and resourcing implications

The funding for carry forward requests is already available in the 2021/22 revenue budget. The request is to carry forward funding of £2.072m to 2022/23 to be able to pay for commitments that become due in 2022/23 as set out in sections below:

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Appendix C – Summary of Capital Outturn 2021/22

	2021/22 Budget	2021/22 Actuals	2021/22 Variance
Project			
Northern PIC	558	205	353
Purchase SC land	1,565	1,565	0
1630 from Kingsworthy	738	756	(18)
Vickery Building	63	11	52
Dockyard	469	159	310
Alchorne Place	232	69	163
Netley gym	408	322	86
Fareham Reach 2	6	6	0
SC Pipework Phase 2	48	11	37
Bordon	26	3	23
Newport PS	305	218	87
Bitterne interim solution	413	187	226
Estates total	4,831	3,513	1,318
Vehicles	2,754	2,754	-
Grand total	7,585	6,267	1,318
Financed by			
Grant funding	(300)	(310)	10
Capital receipts	(3,300)	(3,263)	(37)
Reserves	(3,985)	(2,694)	(1,291)
Grand total	(7,585)	(6,267)	(1,318)

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Appendix D – Final Reserves position as at 31 March 2022

	Opening balance £'000	Draws £'000	Contribu tions £'000	Closing balance £'000
General Fund Balance	(13,103)	7,197	(7,305)	(13,211)
Fully committed to Existing Spend Programmes				
Carry Forward Reserve	(810)	18	0	(791)
Estate Reserve	(15,452)	183	(17,810)	(33,079)
IT Services Reserve	(22,570)	3,472	(5,431)	(24,529)
Replacement Programme Reserve	(4,643)	4,155	(3,444)	(3,932)
Revenue Grants Unapplied Reserve	(1,980)	1,480	0	(500)
Uplift Reserve	(3,303)	2,785	(2,414)	(2,933)
Trading Reserves				
HC Trading Reserves	(3,678)	138	(1,008)	(4,548)
Risk Reserves				
Council Tax Reserve	0	0	(2,139)	(2,139)
Grant Equalisation Reserve	(6,000)	0	0	(6,000)
Insurance Reserve	(1,477)	0	0	(1,477)
Operation Magenta Reserve	(5,938)	1,147	(3,475)	(8,266)
Pension Remedy Reserve	(3,000)	0	0	(3,000)
Corporate Reserves				
Commissioner's Reserve	(713)	571	(912)	(1,055)
Transformation Reserve	(8,415)	7,105	0	(1,310)
Total Earmarked	(91,081)	33,186	(48,874)	(106,769)