

MEETING	Strategic Executive Board
DATE	19 th May 2021
TITLE OF REPORT	2020/21 Outturn
SUBMITTED BY	Director of Resources
PURPOSE OF REPORT	To update SEB on the final outturn for 2020/21 net revenue and capital expenditure.
DECISION(S) REQUIRED	The report is noted, reserves are allocated as set out in Table 2 and Capital slippage is approved as set out in Section 5.
FINANCIAL IMPLICATIONS	This report outlines the financial performance of the organisation 2020/21.
RISK IMPLICATIONS	Should the organisation overspend against budgets, the ability to provide services to the public in future year may be compromised. Underspending against budgets may give opportunities to spend on services elsewhere.
LEGAL IMPLICATIONS	No Legal implications.
EQUALITIES IMPACTS	No Equality implications.
FREEDOM OF INFORMATION EXEMPTION SECTION IF APPLICABLE	None

1. SUMMARY REVENUE BUDGET OUTTURN POSITION 2020/21

- 1.1 Actual outturn expenditure for 2020/21 was **£216.417m** against the budget of £217.341m, resulting in an underspend for 2020/21 of **-£0.925m (-0.4%)**.
- 1.2 Outturn expenditure on Constabulary budgets was **£213.749m** against the budget of **£213.479m**, resulting in an overspend of **£0.270m (0.1%)**. This position arose due to additional expenditure on police pay and mitigated by underspends against police staff pay budgets as follows;

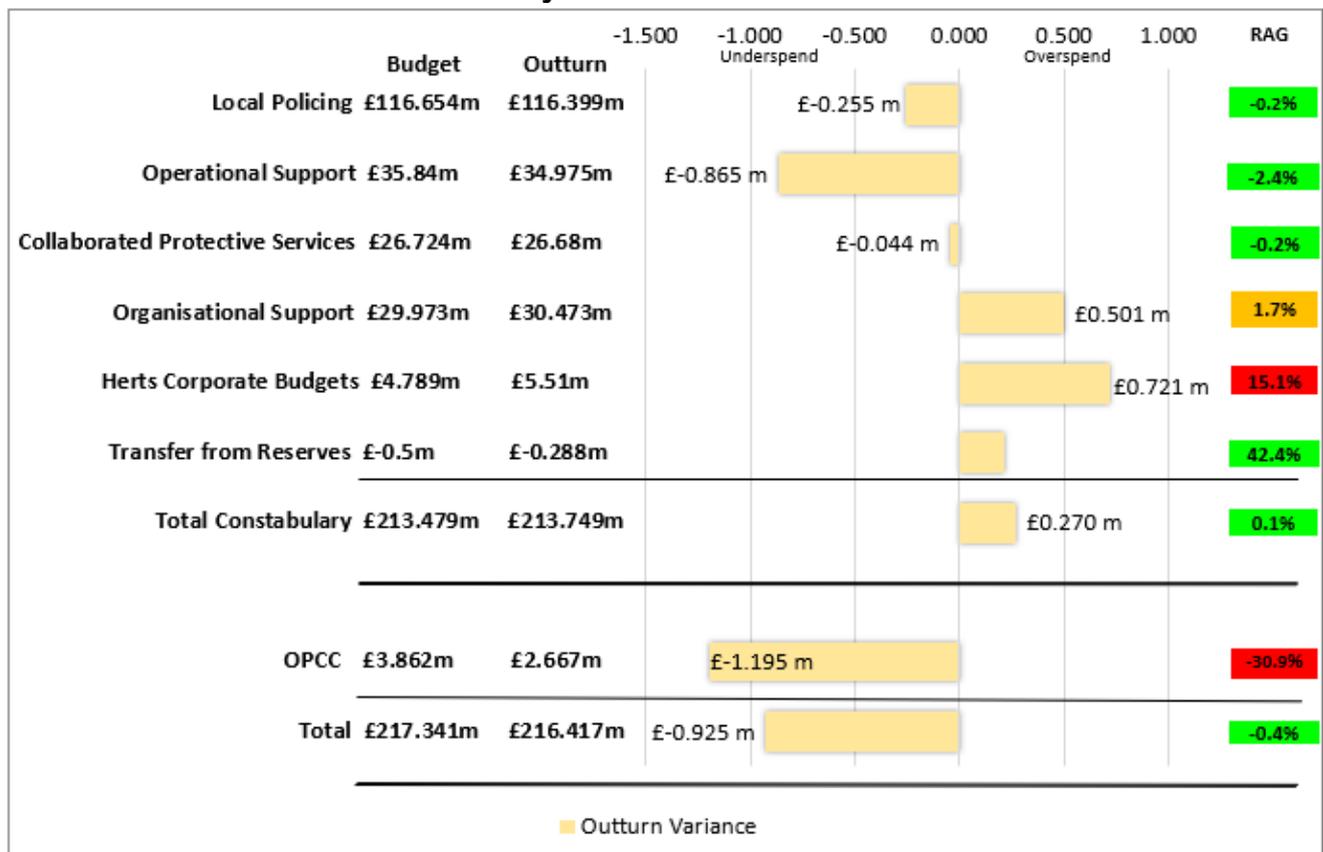
- a. Police Officer Pay £1.457m overspend:
The police officer pay and overtime budget for the year is £119.638m, funding an average of 2,100 FTE officers. This budget reflected the Constabulary's Police Uplift Programme (PUP) target of an additional 91 police officers, of which 46 had been recruited prior to the start of 2020/21. During the year a focused recruitment programme was undertaken to ensure that not only was the 2019/20 PUP target met but that significant headway was made against the 2021/22 target of 90 PUP and 77 Prevention First new officer posts. As a result, the Constabulary finished the year 88 police officers above the 2020/21 budgeted establishment at an average of 24.85 FTE police officers above establishment throughout the year resulting in an overspend of £1.457m.
- b. Police Staff Pay £1.452m underspend:
Expenditure on police staff pay has been suppressed throughout the year due to a difficulty in recruiting in line with plans as well as the significant impact of the pandemic on working arrangements and filling vacancies during the year across a number of Operational Support departments.
- 1.3 Outturn expenditure on the PCC budgets was **£2.667m** against the budget of **£3.862m**, resulting in an underspend of **-£1.195m (-30.9%)**. The variance is largely due to lower than expected expenditure on a number of PCC funds due to the pandemic.
- 1.4 The revenue outturn variance is summarised in Table 1 and Chart 1 below, and the key high-level themes of the outturn position are explained in Section 2. A more detailed explanation of outturn on cost centre level is outline in Appendix A.
- 1.5 The Capital Programme had a variance of **-£5.415m** consisting of **-£4.219m** slippage and **-£1.196m** underspend against an overall capital programme of **£12.096m**. The main areas of variance are the potential purchase of a site in Watford (-£2.941m slippage), Headquarters redevelopment spend (-£0.436m slippage and -£0.398m underspend), BCH ICT schemes (-£0.320m slippage and -£0.685m underspend), ESMCP (£-0.281m underspend) and Police Officer Uplift (-£0.271m slippage). Further details are set-out in Section 5 below.

Table 1- Summary 2020/21 Outturn

	REVISED BUDGET £m	OUTTURN FOR YEAR £m	OUTTURN VARIANCE £m	%
Local Policing	116.654	116.399	-0.255	-0.2
Operational Support	35.840	34.975	-0.865	-2.4
Collaborate Protective Services	26.724	26.680	-0.044	-0.2
Organisational Support	29.973	30.473	0.501	1.7
Hertfordshire Corporate Budgets	4.789	5.510	0.721	15.1
Transfer from Reserves	-0.500	-0.288	0.212	42.4
TOTAL CONSTABULARY BUDGET	213.479	213.749	0.270	0.1
Office of the Police & Crime Commissioner	3.862	2.667	-1.195	-30.9
TOTAL REVENUE BUDGET*	217.341	216.417	-0.925	-0.4

* Over / (-) Underspend

Chart 1: 2020/21 Outturn by Portfolio



Explanations of RAG ratings are outlined in Appendix C

1.6 The report is set-out as follows:

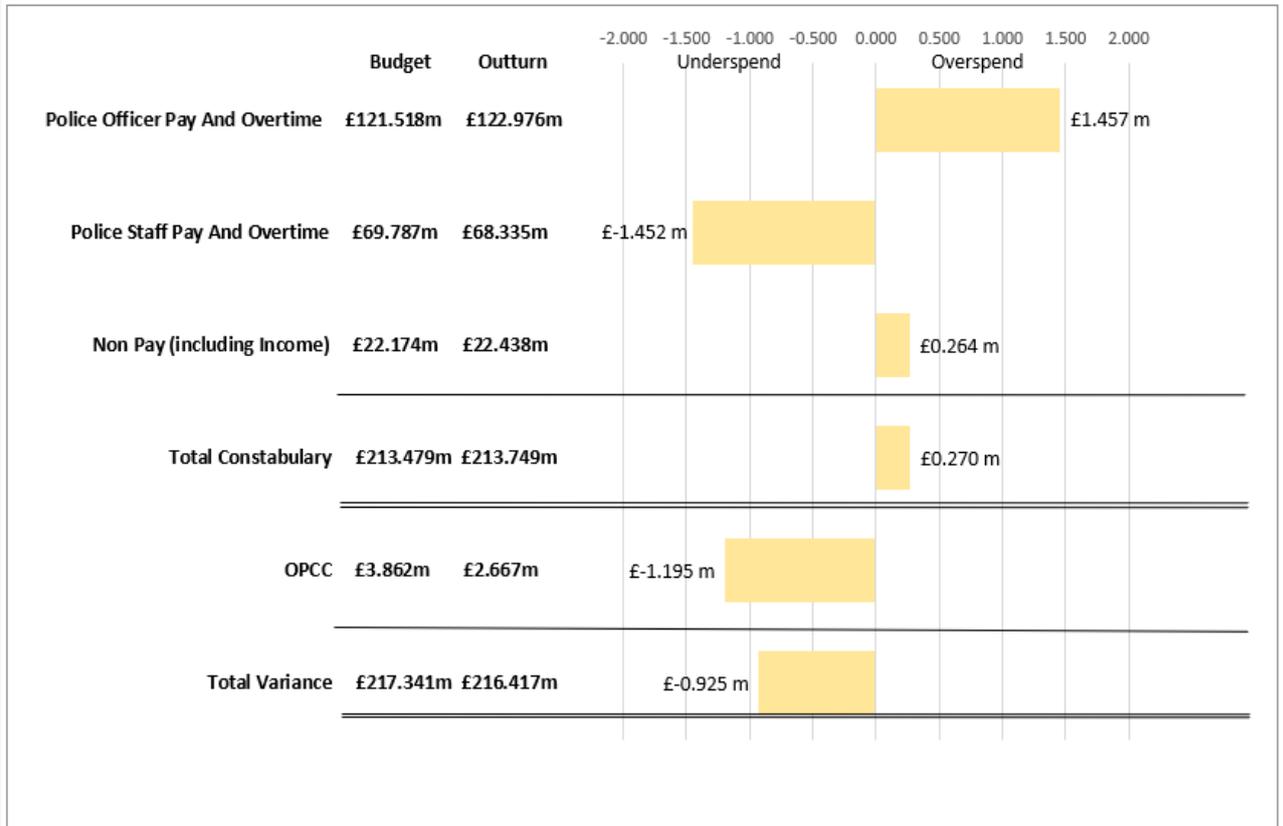
Section 2	Budget Variance – High Level Themes
Section 3	Accounts Closure 2020/21
Section 4	Reserves and Balance Sheet 31 st March 2021
Section 5	Capital Outturn 2020/21
Appendix A	Revenue Budgets – Detailed Cost Centre Variance Analysis
Appendix B	Capital Programme – Detailed Variance Analysis
Appendix C	Explanation of Variance RAG Ratings

1.7 As set-out in Section 3 below, the closedown process is ongoing and as such a risk remains of movement in the outturn position.

2. BUDGET VARIANCE – HIGH LEVEL SUBJECTIVE THEMES

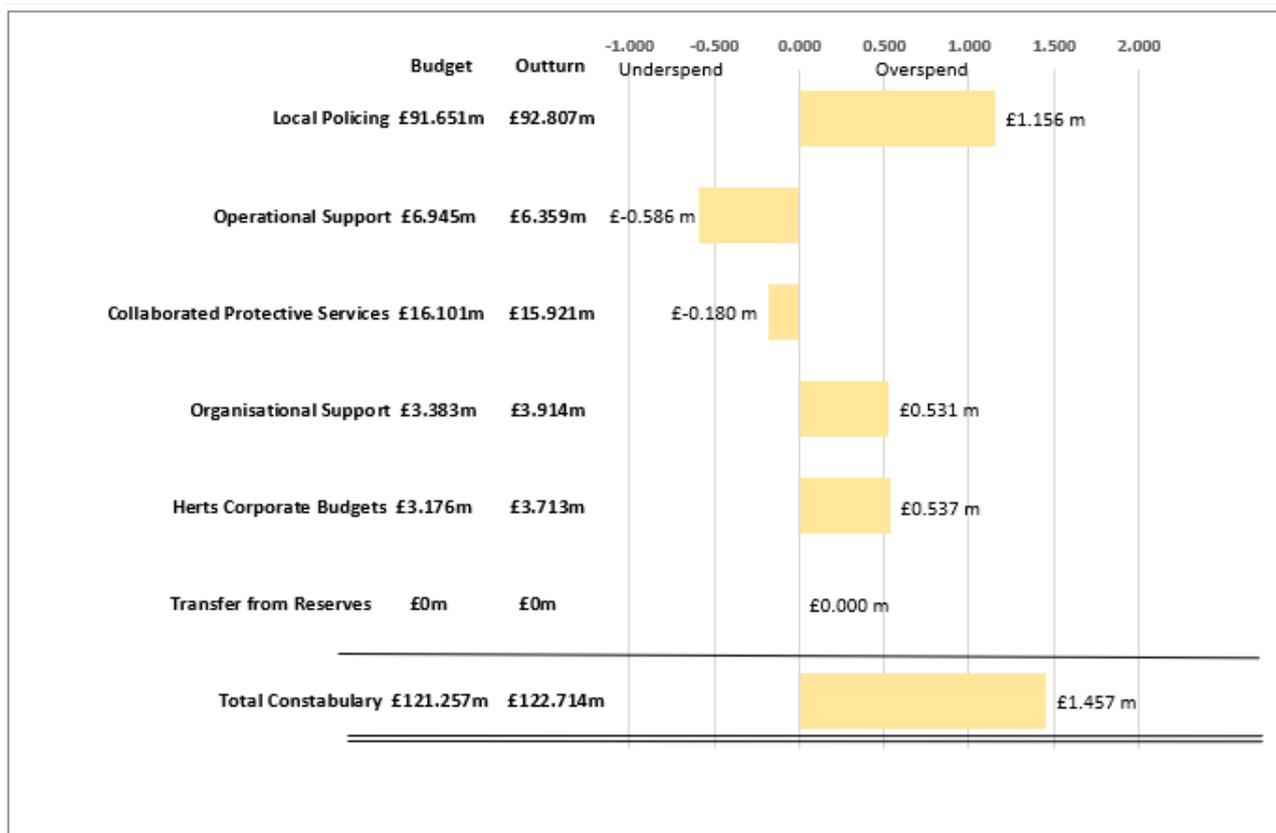
2.2 As set-out throughout the year in the quarterly monitor reports material variances have arisen within the areas set-out below. Appendix A provides detailed analysis of variances at cost centre level.

Chart 2: Outturn by Subjective Theme



Police Officer Pay, Overtime & Allowances:

20/21 Budget	20/21 Outturn	20/21 Variance
£121.518m	£122.976m	£1.457m (1.2%)

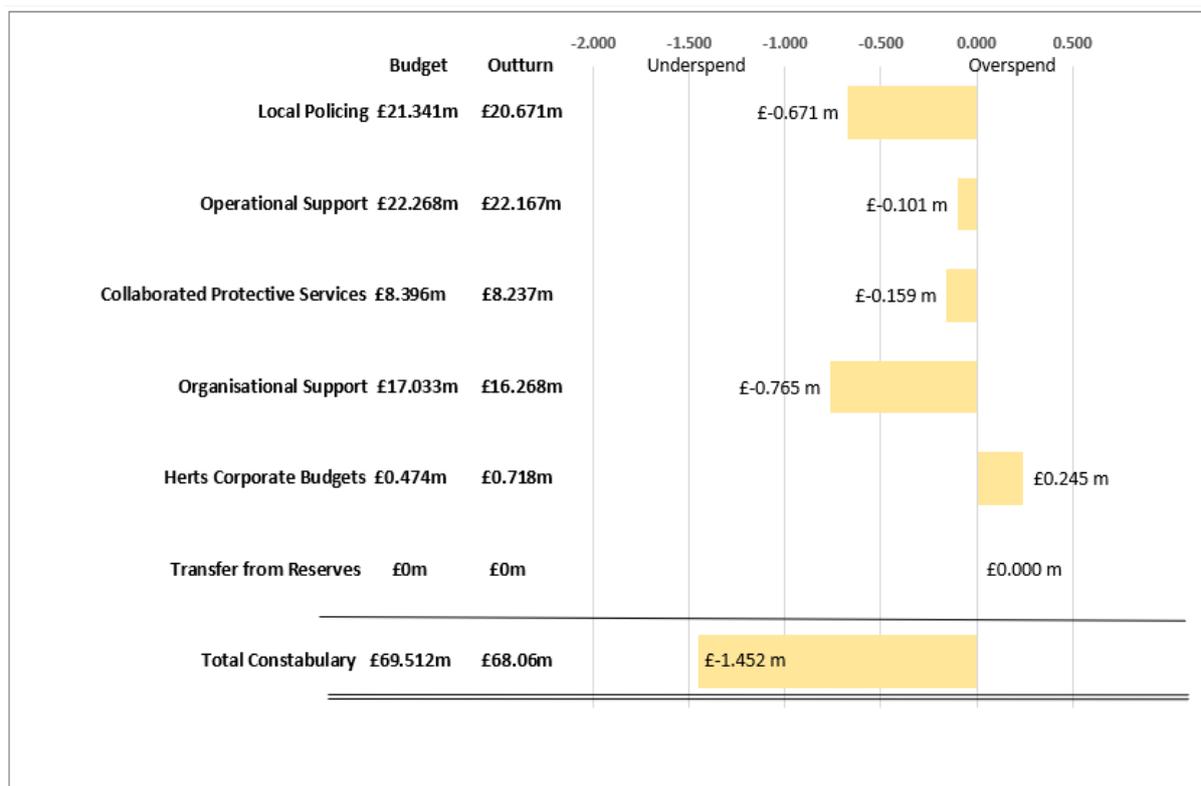


2.3 The main areas of individual portfolio variance are as follows:

- Local Policing (£1.156m) – resulting from the additional expenditure in recruiting to the Police Uplift Programme.
- Major Incidents (£0.617m) – an unbudgeted team of officer and staff was established in order to respond to the pandemic.
- Organisational Learning (£0.341m) – resulting from having an average of 7FTE over establishment through the year.
- Custody & Criminal Justice (£0.192m) - resulting from having an average of 3 FTE over establishment through the year.
- Force Account (-£0.119m) – resulting from an underspend in the transitional police account.
- Collaborated Protective Services (-0.180m) – mostly due to high turnover of officers in Roads Policing Unit and Major Crime Unit.
- Contact Management (-£0.759m) – due to a large number of vacancies unfilled, resulting in an average of 7 FTE below establishment.

Police Staff Pay, Agency and Police Staff Overtime:

20/21 Budget	20/21 Outturn	20/21 Variance
£69.512m	£68.060m	-£1.452m (-2.1%)



2.4 The main areas of variance for Police Staff Pay, Agency and Overtime in 2020/21 were as follows;

- Human Resource (£0.245m overspend) – following a restructure of the department, a phase II redundancy programme occurred several months later than predicted. Temporary staff were deployed including agency nurses in order to manage the additional work generated due to the pandemic.
- Other Organisation Support (-£0.940m underspend) – due to a number of vacancies across Estates and Facilities (-£0.252m underspend), Finance (-£0.138m underspend), Organisational Learning (-£0.147m underspend) & Procurement (-£0.143m underspend).
- Custody & Criminal Justice (-£0.265m underspend) – various vacancies including 5 within Herts Witness Care Team.
- Local Policing (-£0.671m underspend) – largely resulting PCSO recruitment plans, which had been budgeted to increase by 26 in 2020/21, but only achieved a net increase of 17.
- Contact Management (£0.163m overspend) – lower turnover of staff than expected.
- Force Account (£0.237m overspend) – resulting from the cost associated with the national ANPR project following the cessation of Home Office funding.

Non-Pay Budgets (Including Income):

20/21 Budget	20/21 Outturn	20/21 Variance
£20.885m	£21.150m	£0.264m (1.3%)



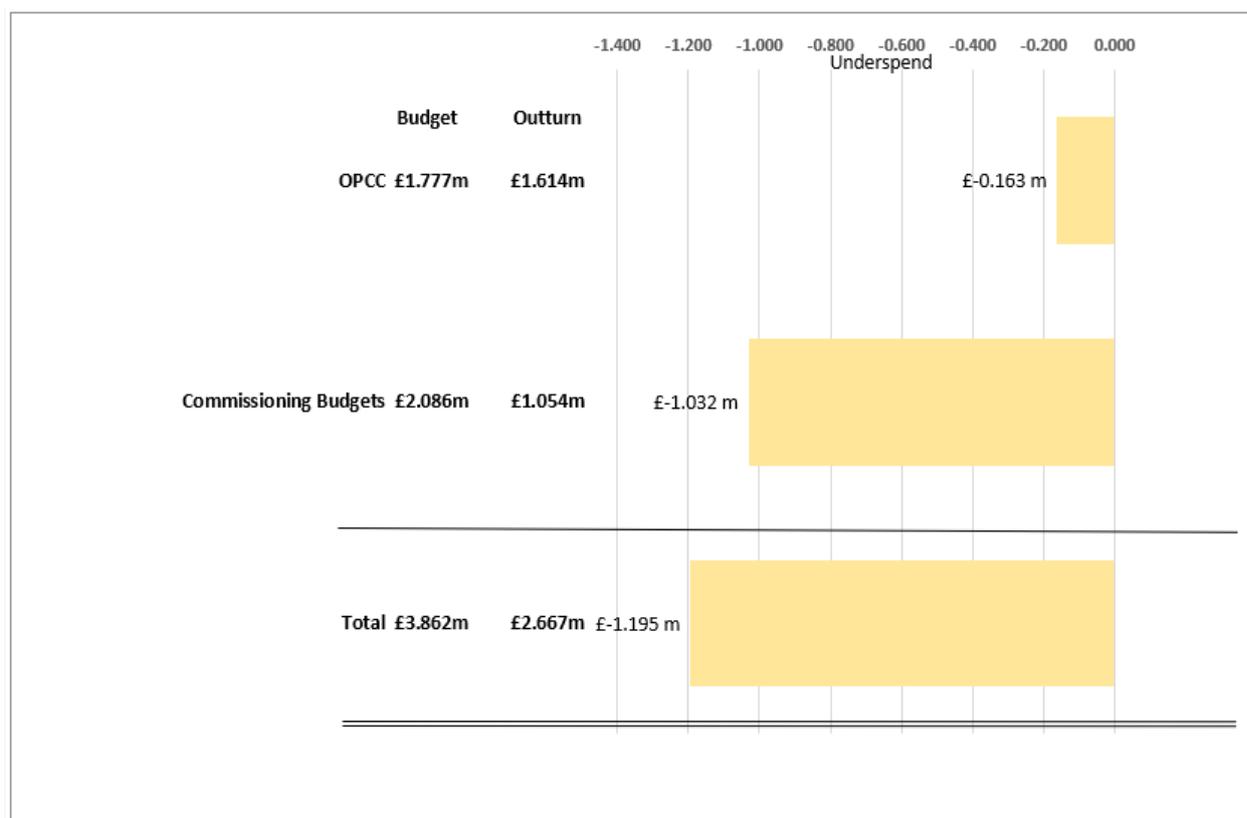
2.5 Non-Pay budgets in 2020/21 overspent by £0.264m, a position reflecting a number of offsetting balances including;

- Local Policing (-£0.741m underspend) – lower expenditure in areas such as local initiatives, forensic analysis and tracker and monitoring due to the pandemic. This includes an underspend of circa £250k on the PUP equipment budget due to the containment of kitting out and personal issue IT costs within existing budgets.
- Human Resources (-£0.586m underspend) – largely resulting from a reduction in training costs which didn't take place during the pandemic.
- Custody & Criminal Justice (-£0.114m underspend) – largely due to FME contract service credits.
- BCH ICT (-£0.109m underspend) – savings from various contracts and cancelled WAN lines.
- Legal (£0.599m overspend) & Insurance (£0.353m overspend) – resulting from a large number of claims being received and resulting provisions made in 2020/21 alongside an £0.082m increase in insurance policy premiums.
- Fleet (£0.315m) – increased expenditure on damage repairs and vehicle write-offs against 2020/21 budgets.
- Collaborated Protective Services (£0.296m) – largely resulting from unbudgeted Taser training cartridges alongside reduced income from the Constabulary's provision of Armed Police to London Luton Airport due to the pandemic. This was particularly offset by reimbursement of lost income provided by Central Government.

- Estates (£0.196m overspend) – a number of areas of overspend, including asbestos removal related costs, furniture for accommodation at Gosling and lower income received from courier services.
- Major Incidents (£0.108m) – increased expenditure on contract cleaning and waste removal required due to the pandemic.
- Procurement (£0.107m overspend) – due to consultancy costs resulting from vacancies in Police Staff.

OPCC Domestic and Commissioning Budget:

20/21 Budget	20/21 Outturn	20/21 Variance
£3.862m	£2.667m	-£1.195m (-30.9%)



- 2.6 Commissioning underspends of -£1.032m resulted from a number of underspent funds, including;
- Crime Prevention Fund underspend of -£0.811m,
 - Local Criminal Justice Board underspend of -£0.129m,
 - Community Safety Fund underspend of -£0.143m, partially offset by
 - Partnership Fund project spend of £0.051m.
- 2.7 The OPCC underspend is largely due to a number of vacancies unfilled through the year.

3. ACCOUNTS CLOSURE 2020/21

3.2 The detailed closedown process is underway and due to be completed by the end of June, a month ahead of this year's relaxed government deadline extended due to the Covid-19 pandemic. The Statement of Accounts will be published and submitted for audit by the 30th June. It is not anticipated there will be any significant changes to outturn but a risk exists until the Statement of Accounts are published and the audit work is completed at the end of September. If any material changes in the outturn position do arise these will be reported to SEB.

4. RESERVES 31st March 2021

4.2 Taking account of the impact of the outturn set-out above, non-ring-fenced reserves total £20.676m as at 31 March 2021, as outlined in Table 2 below.

4.3 In line with the Budget Report presented to SEB in February, following review by the PCC Chief Finance Officer, the General Fund has been increased by £0.715m to the revised minimum prudent level of £7.715m.

4.4 Ring-fenced reserves consist of £2.182m of Road Safety resource.

Table 2 – Reserves as at 31st March 2020 and 31st March 2021

	Outturn 31st March 2020 £'m	Outturn 31st March 2021 £'m
General Fund (Minimum Prudent)	7.000	7.715
Earmarked		
- Unconditional Funding Reserve	0.381	0.227
- HQ Redevelopment	0.500	-
- PCC Reserve	0.264	-
- PCC SARC Reserve	0.674	0.674
- Covid-Related Funding Reserve	-	0.782
Total Earmarked	1.819	1.683
Base Budget Support	10.479	11.279
Total Non-Ring Fenced	19.298	20.676
- Road Safety Fund	2.218	2.182
Total Ring-Fenced Reserves	2.218	2.182
TOTAL RESERVES	21.516	22.858

4.5 It is recommended that the above allocation of reserves is reflected in the 2020/21 Statement of Accounts.

5. CAPITAL OUTTURN 2020/21

5.2 The final capital budget for 2020/21 is set out in Table 3 below:

Table 3 – Capital Outturn 2020/21

	Outturn £'m
Approved Budget 2020/21	8.235
Brought Forward From 2019/20	0.602
In Year Application of Grants and Revenue Contributions	3.259
Revised Budget 2020/21	12.096
Outturn Expenditure	6.568
Variance	-5.528
Consisting of:	
- Slippage Into 2021/22	-4.287
- Underspend 2019/20	-1.241

5.3 The variance for 2020/21's capital programme is due to the following areas;

- a. HQ Longfield & Gosling (-£0.504m slippage and -£0.443m underspend). A reprofile of expenditure into 2021/22 by AECOM in line with revised work planning assumptions as well as expenditure on the Ground Investigation Survey taking place in 2021/22.
- b. Watford Purchase (-£2.941m slippage). Plans to purchase a freehold site in Watford fell through late in the financial year. Another site has been identified and it is hoped the purchase will go ahead in 2021/22.
- c. Minor Works Programme (-£0.161m slippage and -£0.055m underspend) as a result of a number of projects which were delayed due to Covid restrictions.
- d. BCH ICT schemes (-£0.320m slippage and -£0.685m underspend) largely resulting from a review of the requirements of Digital Interviewing (resulting in slippage to 2021/22 and underspend on features no longer required) and discounts received on purchases.
- e. Herts ICT schemes (-£0.054m slippage and £0.149m overspend) as a result of further work required to decommission of CIS Crime, Custody, and OASIS systems, alongside slippage relating to Athena.
- f. ESMCP (-£0.281m underspend). This national scheme has suffered from further delays and as a result the outcome of national work is now awaited regarding the rephrasing of this project.

g. Police Officer Uplift (-£0.271m slippage). A review of vehicle needs is currently being undertaken resulting from PUP recruitment to date. It is expected that procurement of vehicles will commence in 2021/22.

5.4 Appendix B provides detailed commentary of 2020/21's capital programme outturn.

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REVENUE BUDGETS – DETAILED COST CENTRE VARIANCE ANALYSIS

	ORIGINAL BUDGET £m	BUDGETS B/FWD £m	BUDGET VIREMENTS £m	REVISED BUDGET £m	OUTTURN FOR YEAR £m	VARIANCE		RAG Rating See App. B for explanation
						£m	%	
<u>SUMMARY</u>								
Local Policing	116.028	-	0.626	116.654	116.399	-0.255	-0.2	Green
Operational Support	36.282	-	-0.442	35.840	34.975	-0.865	-2.4	Green
Collaborate Protective Services	26.795	-	-0.072	26.724	26.680	-0.044	-0.2	Green
Organisational Support	30.113	-	-0.140	29.973	30.473	0.501	1.7	Amber
Hertfordshire Corporate Budgets	4.741	-	0.047	4.789	5.510	0.721	15.1	Red
Transfer from Reserves	-0.500	-	-	-0.500	-0.288	0.212	-42.4	Red
TOTAL CONSTABULARY BUDGET	213.459	0.000	0.020	213.479	213.749	0.270	0.1	Green
Office of the Police & Crime Commissioner	3.882	-	-0.020	3.862	2.667	-1.195	-30.9	Red
TOTAL REVENUE BUDGET	217.341	0.000	0.000	217.341	216.417	-0.925	-0.4	Green

	ORIGINAL BUDGET £m	BUDGETS B/FWD £m	BUDGET VIREMENTS £m	REVISED BUDGET £m	OUTTURN FOR YEAR £m	VARIANCE		RAG Rating See App. B for explanation
						£m	%	
LOCAL POLICING								
Local Policing Command	87.519	0.000	-3.146	84.374	85.246	0.873	1.0	Amber
SARC	0.383	0.000	0.000	0.383	0.384	0.001	0.2	Green
Serious & Organised Crime Group	7.466	0.000	0.047	7.512	7.294	-0.218	-2.9	Amber
Safeguarding	14.469	0.000	0.187	14.656	14.197	-0.459	-3.1	Amber
Crime Reduction Unit	3.236	0.000	0.000	3.236	3.303	0.067	2.1	Green
Herts Uplift Cost Centre	2.955	0.000	3.538	6.494	5.975	-0.519	-8.0	Red
Total	116.028	0.000	0.626	116.654	116.399	-0.255	-0.2	Green

Local Policing Command:

20/21 Budget	20/21 Outturn	20/21 Variance
£84.374m	£85.246m	£0.873m (1.0%) overspend

Police Officer Pay – Variance of £1.522m overspend

The Local Policing Command police officer pay overspend of £1.522m comprised two main elements:

- (1) £3.713m funding provided to the uplift account to fund student officers
- (2) An underspend on police pay of -£2.261m resulting from an average of 59 FTE below the budgeted establishment 1,304 FTE, the majority of which related to Constable rank.

Police Staff Pay and Overtime – Variance of -£0.272m underspend

The underspend is largely due to PCSO recruitment, which achieved a net increase of 17 PCSOs in 2020/21 against the budgeted net increase of 26 PCSOs.

Non-pay: – Variance of -£0.377m underspend

The pandemic saw lower transport and subsistence costs, as well as reduced spending in the areas of local initiatives, forensic analysis and tracker and monitoring.

Serious & Organised Crime Group:

20/21 Budget	20/21 Outturn	20/21 Variance
£7.512m	£7.294m	-£0.218m (-2.9%) underspend

Underspend due mainly to Police officer pay where there have been a number of vacancies (6 FTE at the end of the year), offset by an additional non-pay pressure due to a reduction in Home Office funding for Missing People initiatives.

Safeguarding:

20/21 Budget	20/21 Outturn	20/21 Variance
£14.656m	£14.197m	-£0.459m (-3.1%) underspend

Underspend for the Safeguarding Command relates to police officer pay (-£0.373m) due to an average of 2 FTE vacancies through the year and a lower average salary than budgeted. In addition, there was an underspend in police officer overtime of -£0.120m related to reduced demand due to Covid-19 impact.

Herts Uplift:

20/21 Budget	20/21 Outturn	20/21 Variance
£6.918m	£6.399m	-£0.519m (-7.5%) underspend

A Hertfordshire Uplift underspend of (-£0.519m) related to police staff pay (-£0.080m), as well as an underspend in non-pay budgets relating to training and uniform & equipment (-£0.439m) budgets. The equipment budget underspend of -£0.250m was largely due the containment of kitting out and personal issue IT costs within existing budgets.

	ORIGINAL BUDGET	BUDGETS B/FWD	BUDGET VIREMENTS	REVISED BUDGET	OUTTURN FOR YEAR	VARIANCE		RAG Rating See App. B for explanation
	£m	£m	£m	£m	£m	£m	%	
OPERATIONAL SUPPORT								
Contact Management	16.405	0.000	0.000	16.405	15.848	-0.557	-3.4	Amber
Herts Digital Innovation Team	0.507	0.000	0.000	0.507	0.545	0.038	7.5	Green
Custody (Hertfordshire)	5.554	0.000	-0.043	5.511	5.523	0.012	0.2	Green
Criminal Justice Department (Hertfordshire)	1.989	0.000	-0.399	1.589	1.399	-0.191	-12.0	Red
BCH Camera Ticket Collisions Running Costs	0.000	0.000	0.000	0.000	-0.000	-0.000	100.0	Green
BCH Firearms & Explosive Licensing Unit	0.173	0.000	0.000	0.173	0.180	0.007	4.0	Green
BCH Criminal Justice	1.125	0.000	0.000	1.125	1.057	-0.068	-6.0	Green
BCH Criminal Justice & Custody SMT	0.454	0.000	0.000	0.454	0.514	0.060	13.2	Green
BCH Info & Comms Technology	10.076	0.000	0.000	10.076	9.910	-0.166	-1.6	Green
Total	36.282	0.000	-0.442	35.840	34.975	-0.865	-2.5	Amber

Contact Management:

20/21 Budget	20/21 Outturn	20/21 Variance
£16.405m	£15.848m	-£0.557m (3.4%) underspend

The Contact Management variance relates to a combination of Police Officer pay underspends of -£0.746m, with an average of 7 vacancies held throughout the year and a lower overall department cost per officer when compared to budget. This was partially offset by a staff pay and overtime overspend of £0.163m largely due to fewer leavers than budgeted, potentially influenced by Covid-19.

Criminal Justice Department (Herts):

20/21 Budget	20/21 Outturn	20/21 Variance
£1.589m	£1.399m	-£0.191m (-12%) underspend

A police staff underspend of -£0.189m was comprised 5 FTE Police Staff vacancies within the Witness Care Team which were offset by 2 agency staff and -£0.100m of unutilised growth relating to a proposed re-grading restructure which will be reviewed in early 2021/22.

BCH ICT:

20/21 Budget	20/21 Outturn	20/21 Variance
£10.076m	£9.910m	-£0.166m (-1.6%) underspend

An ICT non-pay underspend of -£0.109m mainly related to reductions on switch maintenance, telecommunications, small applications and software contracts together with savings generated from cancelled WAN lines. This was combined with a staff pay and overtime underspend of -£0.057m which related to the department carrying an average of 3 vacancies throughout the year.

	ORIGINAL BUDGET	BUDGETS B/FWD	BUDGET VIREMENTS	REVISED BUDGET	OUTTURN FOR YEAR	VARIANCE		RAG Rating See App. B for explanation
	£m	£m	£m	£m	£m	£m	%	
<u>COLLABORATED PROTECTIVE SERVICES</u>								
Herts CTIU	0.525	0.000	0.000	0.525	0.437	-0.089	-16.9	Green
Air Support Unit	1.249	0.000	0.000	1.249	1.249	0.000	0.0	Green
BCH Roads Policing	5.193	0.000	0.000	5.193	4.912	-0.282	-5.4	Red
BCH Protective Services Command	0.379	0.000	0.000	0.379	0.466	0.086	22.7	Green
BCH Professional Standards	2.009	0.000	0.000	2.009	1.993	-0.016	-0.8	Green
BH Resilience	0.171	0.000	0.000	0.171	0.169	-0.001	-0.8	Green
BCH Dogs Unit	1.207	0.000	0.000	1.207	1.353	0.146	12.1	Red
BCH APU	3.292	0.000	0.000	3.292	3.686	0.395	12.0	Red
BCH Scientific Services	5.029	0.000	0.000	5.029	4.918	-0.111	-2.2	Green
BCH Ops Planning Support Unit	0.521	0.000	0.000	0.521	0.565	0.044	8.4	Green
BCH MCU	3.819	0.000	0.000	3.819	3.690	-0.130	-3.4	Amber
BCH Taser Training	0.000	0.000	0.000	0.000	0.000	0.000	0.0	Green
Herts ERSOU	3.401	0.000	-0.072	3.329	3.242	-0.087	-2.6	Green
Total	26.795	0.000	-0.072	26.724	26.680	-0.044	-0.2	Green

BCH Roads Policing:

20/21 Budget	20/21 Outturn	20/21 Variance
£5.193m	£4.912m	-£0.282m (-5.4%) underspend

BCH Roads Policing Unit has experienced high police officer turnover and vacancy levels for a number of years. The unit began the year with 18 vacancies with a corresponding increase in budgeted vacancy factor. With 12 posts remaining unfilled at the year-end, the Hertfordshire share of related underspend amounted to -£0.183m. This was offset by a compensating police officer overtime overspend of £0.110m. A further non-pay underspend of -£0.182m reflected the impact of BP's free fuel scheme for emergency services and reduced fleet costs as a result of switching from BMW's to Volvo's.

BCH Dogs Unit:

20/21 Budget	20/21 Outturn	20/21 Variance
£1.207m	£1.353m	£0.146m (12.1%) overspend

A BCH Dog unit overspend of £0.113m was due to the payment of essential user lump sums and mileage claims which occurred following a court ruling, alongside an increase in kennelling costs and veterinary fees. Funding for the former was included in the 2021/22 budget.

BCH Armed Policing Unit:

20/21 Budget	20/21 Outturn	20/21 Variance
£3.292m	£3.686m	£0.395m (12.0%) underspend

Income loss from the London Luton Airport APU contract as a result of reduced passenger capacity during lockdown. Total income lost across BCH amounted to £1.330m, of which £0.905m was reimbursed from Central Government, resulting in a net Herts overspend of £0.217m. Additional overspend of £0.163m relating to the cost of unbudgeted Taser training cartridges.

BCH Scientific Services:

20/21 Budget	20/21 Outturn	20/21 Variance
£5.029m	£4.918m	-£0.111m (-2.2%) underspend

Underspend largely related to a police staff variance of -£0.102m resulting from the unit beginning the year with 13 vacancies and only able to fill with 9 new starters from September offset by various agency staff.

BCH Major Crimes Unit:

20/21 Budget	20/21 Outturn	20/21 Variance
£3.819m	£3.690m	-£0.130m (-3.4%) underspend

The BCH Major Crime Unit has continued to experience high police officer turnover and vacancy levels throughout the year. There were 11 vacancies at the start of the year and only 4 of these posts were permanently filled by the year-end, resulting in Hertfordshire's share of the related underspend amounting to -£0.120m.

	ORIGINAL BUDGET	BUDGETS B/FWD	BUDGET VIREMENTS	REVISED BUDGET	OUTTURN FOR YEAR	VARIANCE		RAG Rating See App. B for explanation
	£m	£m	£m	£m	£m	£m	%	
ORGANISATIONAL SUPPORT								
Corporate Communication	0.896	0.000	0.000	0.896	0.907	0.012	1.3	Green
Human Resources	7.864	0.000	-0.220	7.644	7.246	-0.397	-5.2	Red
BCH Uplift Programme Board	0.067	0.000	0.000	0.067	0.125	0.058	86.7	Green
BCH IMD	1.469	0.000	0.000	1.469	1.435	-0.034	-2.3	Green
Legal Services Department	0.755	0.000	0.000	0.755	1.409	0.654	86.7	Red
Finance Department	1.359	0.000	0.244	1.603	1.390	-0.212	-13.2	Red
BCH Payroll	0.244	0.000	-0.244	0.000	-0.000	-0.000	0.0	Green
Estates and Facilities Department	8.805	0.000	0.000	8.805	8.747	-0.058	-0.7	Green
BCH Procurement	0.410	0.000	0.000	0.410	0.370	-0.040	-9.7	Green
Joint Uniform Stores	0.132	0.000	0.000	0.132	0.117	-0.015	-11.4	Green
Herts Uniforms	0.592	0.000	0.080	0.672	0.666	-0.006	-0.9	Green
Organisational Learning	6.115	0.000	0.000	6.115	6.349	0.235	3.8	Red
BH Printforce	0.085	0.000	0.000	0.085	0.104	0.019	22.9	Green
BCH Athena Support	0.437	0.000	0.000	0.437	0.413	-0.024	-5.6	Green
Collaboration Programme	0.314	0.000	0.000	0.314	0.336	0.022	7.0	Green
Fleet	0.572	0.000	0.000	0.572	0.858	0.286	50.1	Red
Total	30.113	0.000	-0.140	29.973	30.473	0.501	1.7	Amber

Human Resources:

20/21 Budget	20/21 Outturn	20/21 Variance
£7.644m	£7.246m	-£0.397m (-5.2%) underspend

The Human Resources Department had a non-pay underspend amounting to -£0.585m, which was to a large extent influenced by the pandemic and included -£0.395m due to a reduction in internal and external training including the driving school, -£0.081m for travel and stationary, and -£0.076m for Occupational Health relating to a reduction in medical and doctor reports.

This was partially offset by a staff pay overspend of £0.245m following a phase II restructure redundancy programme which occurred several months later than predicted, combined with the deployment of temporary staff including agency nurses to manage additional work generated due to the pandemic.

Legal Services Department:

20/21 Budget	20/21 Outturn	20/21 Variance
£0.755m	£1.409m	£0.654m (86.7%) overspend

A Legal Department overspend of £0.501m related to the volume of ex-gratia legal cases against which a provision or payment is required. This area of expenditure does not adhere to any pattern or run rate with the level of claims varying between financial years. These included a number of new cases with a liability exceeding £0.100m for which the Constabulary is anticipating full liability for the policy excess. An additional £0.122m related to miscellaneous disbursements and external agent fees including witness fees, specialist fees, court and solicitor fees. A further £0.051m overspend for police officer pay related to officers working recuperative duties.

Finance Department:

20/21 Budget	20/21 Outturn	20/21 Variance
£1.603m	£1.390m	-£0.212m (-13.2%) underspend

The Finance Department staff pay underspend of -£0.138m related to several posts across the department remaining unfilled for the majority of the year in anticipation of the implementation of a number of trainee technician and accountant posts. Non-pay underspends amounting to -£0.072m and were driven by lower required contributions to collaboration services and increased income from ERSOU relating to financial processing services provided.

Organisational Learning:

20/21 Budget	20/21 Outturn	20/21 Variance
£6.115m	£6.349m	£0.235m (3.8%) overspend

An Organisational Learning police pay overspend of £0.329m related to the department holding an average of 7 FTE over establishment due to officers not fit for operational patrol after returning from sickness, partially offset by a lower average salary rate.

A Police staff pay and overtime underspend of (-£0.143m) resulted from vacancies across the department and included 5 within RMU, 4 within Executive Support and 5 within Thinking and Analysis, offset through the deployment of 9 agency staff. A recruitment strategy to fill all vacancies is currently in progress.

Fleet:

20/21 Budget	20/21 Outturn	20/21 Variance
£0.572m	£0.858m	£0.286m (50.1%) overspend

An insurance fund overspend of £0.242m comprised of insurance claim payments, accident damage repairs and vehicle write-offs in excess of contributions from the Constabulary. Further overspends of £0.045m related to fuel and vehicle operating lease overspends arising due to variations in vehicle specifications and numbers.

	ORIGINAL BUDGET £m	BUDGETS B/FWD £m	BUDGET VIREMENTS £m	REVISED BUDGET £m	OUTTURN FOR YEAR £m	VARIANCE		RAG Rating See App. B for explanation
						£m	%	
HERTFORDSHIRE CORPORATE BUDGETS								
Major Incidents	0.000	0.000	0.000	0.000	0.789	0.789	100.0	Red
RCCO	0.000	0.000	0.267	0.267	0.267	0.000	0.0	Green
Safer Neighbourhood Initiatives Fund	0.022	0.000	0.000	0.022	0.010	-0.011	-51.4	Green
Force Account	0.289	0.000	-0.740	-0.450	-0.750	-0.300	66.7	Red
Seconded Officers	0.000	0.000	0.000	0.000	0.000	0.000	0.0	Green
Capital Financing	1.662	0.000	0.000	1.662	1.609	-0.053	-3.2	Green
Support Groups	0.016	0.000	0.000	0.016	0.037	0.021	131.4	Green
Chief Constable's Initiatives	0.010	0.000	0.000	0.010	0.013	0.002	22.5	Green
Insurance	1.248	0.000	0.000	1.248	1.601	0.353	28.3	Red
Health & Safety	0.022	0.000	0.000	0.022	0.000	-0.022	-98.6	Green
Staff Association	0.452	0.000	0.000	0.452	0.486	0.034	7.5	Green
Pensions & Redundancies	0.988	0.000	0.520	1.508	1.436	-0.072	-4.8	Green
Development Fund	0.031	0.000	0.000	0.031	0.011	-0.019	-62.5	Green
Total	4.741	0.000	0.047	4.789	5.510	0.721	15.1	Red

Major Incidents:

20/21 Budget	20/21 Outturn	20/21 Variance
£0.000m	£0.789m	£0.789m (100%) overspend

A Covid-19 team was set up from the onset of the year to manage the impact of the pandemic upon the Constabulary. Due to the timing of the onset of the Pandemic, no budget was allocated to this. Pay costs related to a team of police officers, costing £0.617m, and support staff, costing £0.064m. Non-pay expenditure was driven by Covid-19 related contract cleaning and waste removal costs of £0.093m and £0.012m respectively. A majority of this spend does not represent additional costs to the constabulary as police officers would have been deployed elsewhere otherwise.

Force Account:

20/21 Budget	20/21 Outturn	20/21 Variance
-£0.450m	-£0.750m	-£0.300m (66.7%) underspend

A Force Account police officer pay underspend of -£0.200m comprised of a -£0.105m underspend in relation to a national ANPR post funded by another force and a -£0.152m underspend from transitional police account after charges for in year growth & other costs.

An unbudgeted staff pay overspend of £0.237m resulting from the cost associated with the national ANPR project following the cessation of Home Office funding.

A non-pay underspend of (-£0.338m) largely related to a transfer of the Hertfordshire share of a 7 force ERSOU accumulated maintenance fund balance in relation to the covert office.

Insurance:

20/21 Budget	20/21 Outturn	20/21 Variance
£1.248m	£1.601m	£0.353m (28.3%) overspend

An Insurance Department non-pay overspend of £0.353m largely related to a motor claim provision overspend of £0.276m which included one specific provision with an excess of £0.306m in which the Constabulary had assumed 100% liability. Further overspends of £0.082m relate to various increases in insurance policy costs.

	ORIGINAL BUDGET £m	BUDGETS B/FWD £m	BUDGET VIREMENTS £m	REVISED BUDGET £m	OUTTURN FOR YEAR £m	VARIANCE £m %		RAG Rating See App. B for explanation
Transfer From Reserves	-0.500	0.000	0.000	-0.500	-0.288	0.212	-42.4	Red

Transfer from Reserves

20/21 Budget	20/21 Outturn	20/21 Variance
£0.500m	£0.288m	£0.212m (42.4%) overspend

Use of reserves in 2020/21 were for revenue costs resulting from the redevelopment of the Headquarters. During the year, a total of £0.288m was spend on the associated revenue costs for this project, with the remaining £0.212m being held in reserves for use in 2021/22.

POLICE & CRIME COMMISSIONER	ORIGINAL BUDGET	BUDGETS B/FWD	BUDGET VIREMENTS	REVISED BUDGET	OUTTURN FOR YEAR	VARIANCE		RAG Rating See App. B for explanation
	£m	£m	£m	£m	£m	£m	%	
Office of the Police & Crime Commissioner	1.777	0.000	0.000	1.777	1.614	-0.163	-9.2	Red
Police & Crime Commissioner Commissioning Budgets	2.105	0.000	-0.020	2.086	1.054	-1.032	-49.5	Red
Total	3.882	0.000	0.000	3.862	2.667	-1.195	-30.9	Red

Office of the PCC:

20/21 Budget	20/21 Outturn	20/21 Variance
£1.777m	£1.614m	-£0.163m (9.2%) underspend

The Office of the Police & Crime Commissioner carried a number of vacancies throughout the year amounting to an underspend of £0.134m. A non-pay underspend of £0.030m largely related to various Covid-19 related items including travel and corporate hospitality.

PCC Commissioning Budgets:

20/21 Budget	20/21 Outturn	20/21 Variance
£2.086m	£1.054m	-£1.032m (49.5%) underspend

The Police & Crime Commissioners' Commissioning budgets have collectively produced an underspend of -£1.032m, consisting of;

- Crime Prevention Fund underspend of -£0.811m,
- Local Criminal Justice Board underspend of -£0.129m,
- Community Safety Fund underspend of -£0.143m, partially offset by
- Partnership Fund project spend of £0.051m.

Further projects included a Victim Commissioning grant from the MoJ of £1.406m which was fully spent by the year end.

Contributions from reserves to various projects included;

- £0.045m to the Action Fund which was distributed through a bidding process to qualifying entities,
- £0.040m in relation to a volunteer fund,
- £0.008m in relation to a Fly Tipping Fund, and
- £0.369m in relation to the ongoing Road Safety Fund, which received contributions of £0.333m from the excess income of the BCH Camera Tickets & Collisions Department.

CAPITAL PROGRAMME – DETAILED VARIANCE ANALYSIS

	REVISED BUDGET	OUTTURN SPEND	VARIANCE	SLIPPAGE	UNDER/OVER SPEND
	£m	£m	£m	£m	£m
<u>PROPERTY - ESTATE PROGRAMME</u>					
HQ, Longfield & Gosling	1.922	1.088	- 0.834	- 0.436	- 0.398
Hemel Hempstead Refurbishment	0.103	0.077	- 0.026	- 0.025	- 0.001
Watford Purchase	3.000	0.059	- 2.941	- 2.941	-
Other Estates Strategy Developments	0.007	0.007	-	-	-
Minor Works Programme	0.679	0.463	- 0.216	- 0.161	- 0.055
	5.711	1.694	- 4.017	- 3.563	- 0.454
<u>ICT INVESTMENT PROGRAMME</u>					
BCH ICT Schemes (Herts Share)	3.498	2.493	- 1.005	- 0.320	- 0.685
Herts ICT Schemes	0.292	0.387	0.095	- 0.054	0.149
	3.790	2.880	- 0.910	- 0.374	- 0.536
<u>OTHER CAPITAL PROGRAMMES</u>					
ESMCP	0.281	0.000	- 0.281	-	- 0.281
Chiltern Transport Consortium	1.616	1.682	0.066	- 0.000	0.066
Technical And Specialist Equipment	0.398	0.396	- 0.002	- 0.011	0.009
Police Officer Uplift	0.300	0.029	- 0.271	- 0.271	-
	2.595	2.107	- 0.488	- 0.282	- 0.206
TOTAL CAPITAL	12.096	6.681	- 5.415	- 4.219	- 1.196

HQ Redevelopment, Longfield & Gosling

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£1.922m	£1.088m	-£0.834m	-£0.436m	-£0.398m

In February 2020, the Capital Programme was set including a budget of £1.672m towards the cost of the HQ and other redevelopments. Expenditure in 2020/21 totals 0.789k of which the main areas are £0.747k towards the cost of the planning application and design services and £0.042m on specialist services, surveys and ICT enabling works.

The HQ redevelopment project board have requested slippage of £0.436m to fund work in the new financial year. This relates to £0.319m re-profiled expenditure into next year by AECOM in line with revised work planning assumptions and £0.113m relates to a Geotech Ground Investigation Survey to be undertaken in 2021/22.

In addition to the above work on the HQ site, to fund development at the Gosling site to create additional student police officer training capacity, slippage from 2019/20 of £0.150m and an RCCO of £0.100m were made. Final costs for this work totalled £0.291m, with the balance of additional funding offsetting the overall underspend.

Hemel Hempstead Refurbishment

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.103m	£0.077m	-£0.026m	-£0.025m	-£0.001m

The final valuation has been received for refurbishment work at Hemel Hempstead, and remaining garage refurbishment work totalling £0.025m will be completed in 2021/22.

Watford Purchase

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£3.000m	£0.059m	-£2.941m	-£2.941m	-

This additional project was added to the Capital Programme in Q2 relating to plans to purchase a freehold site in Watford to relocate from the current premises in the area. Although a site was identified and plans were progressing to procure, the purchase didn't proceed following further reviews of the site's operational suitability. Another potential site has been identified and if this proves suitable it is anticipated that completion will be made in 2021/22 and therefore it is proposed to slip the full balance on this budget into 2020/21.

Other Estates Strategy Developments

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.007m	£0.007m	-	-	-

Residual expenditure related to Operation Fulcrum security works to Hitchin and Letchworth including CCTV, originally planned for 2019/20.

Minor Works Programme

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.679m	£0.463m	-£0.216m	-£0.161m	-£0.055m

The slippage in this area relates to work being carried out to upgrade the roof at Oxhey Police Station, where work is now due to be completed in 2021/22 (-£0.078m), call system work at Stevenage custody put on hold due to Covid restrictions (-£0.069m), and new gating at Stevenage, also delayed due to Covid restrictions (-£0.014m).

Underspends of -£0.055m against budgets for replacement of boilers, air conditioning and electrical systems as well as adaptation works at Hitchin and Ware which were not required in 2020/21.

BCH ICT Schemes (Hertfordshire's Share)

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£3.498m	£2.493m	-£1.005m	-£0.320m	-£0.685m

BCH ICT led capital schemes accounted for a variance of -£1.005m of which -£0.685m is underspend that has been released from the 2020/21 capital programme. The main areas of variance are:

- Digital Interviewing – Funding for the delivery of a digital interviewing solution provided in 2020/21 totalling -£0.230m will be slipped into 2021/22 for the purchase and installation of recording equipment which will not now take place in 2020/21.
- Telephony – following a review of the call handling solution, support for the present system was provided for a lower price in 2020/21, providing an underspend of -£0.290m. In addition, there has been -£0.080m of slippage due to delays resulting from the Home Office advising of resilience concerns around the upgrade of APD ICCS solution to support Airwave DCS.

- Tetra (-£0.142m underspend) - equipment was purchased by the Home Office on behalf of a number of forces, for which a discounted price was received.
- Airwave (-£0.018m underspend) - purchase of 550 radios cost less than anticipated. Some of the saving has be used to purchase additional vehicle radios.

Partially offset by;

- Mobile Comms (Smartphones) (£0.088m overspend) - Herts only additional requirements for increased number of devices.
- Mobile Comms (Body Worn Video) (£0.070m overspend) - increased spend on 117 additional cameras for Herts only.
- Port Replicator Replacement (£0.027m overspend) due to increased Herts only requirement for circa 400 ports.

Herts ICT Schemes

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.292m	£0.387m	£0.095m	-£0.054m	£0.149m

- Project Athena (-£0.054m slippage) - Delivery of the third and final milestone of Express enhancement to Athena has been delayed to 2021/22 alongside costs relating to Bail Changes.
- CIS Decommissioning (£0.170m overspend) - The extraction and access to data from CIS Crime, Custody, and OASIS systems following decommission at the end of 2019/20 which was not included in 2020/21 capital programme. This was necessary to ensure that the force can mitigate against losses of data that would impact on its ability to secure prosecutions. The contractor has completed the work in full in 2020/21, therefore there will be no cost pressure in 2021/22’s programme.
- ERP Management System (£0.020m overspend) – resulting from continued enhancements and fixes which were required on the system.

Emergency Services Mobile Communication Programme (ESMCP)

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.281m	-	-£0.281m	-	-£0.281m

National programme has been delayed until 2022, leading to no expenditure in 2020/21 for this project. Next year’s budget for this programme is £0.405m which is sufficient for the expected expenditure in 2021/22. However, the required expenditure will be kept under review as national plans are developed and required changes in the budget will be reported in line with the 2021/22 capital budget monitor.

Chiltern Travel Consortium (CTC)

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£1.616m	£1.616m	£0.066m	-	£0.066m

Overspend of £0.066m on fleet purchases arose from the requirement for an additional roads policing vehicle and telematics costs.

Technical and Specialist Equipment

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.398m	£0.396m	-£0.002m	-£0.011m	£0.009m

The LPC technical equipment replacement programme was spent in full, however invoices for two orders below the de minimis for accruals are pending, and slippage of £0.011m has been made to meet these costs in the new year.

Small overspend relates to the purchase of a screen for classrooms at Gosling which was not included in the budget.

Police Officer Uplift

2020/21 Budget	2020/21 Outturn	2020/21 Variance	Slippage to 2021/22	2020/21 over/ (under)spend
£0.300m	£0.029m	-£0.271m	-£0.271m	-

The budget for this project related to the expected additional requirements for fleet and accommodation requirements for the police uplift programme. Vehicles were not required as expected in 2020/21, however work is being undertaken to develop a needs-based assessment of fleet requirements and it is expected that procurement of vehicles will commence in 2021/22.

EXPLANTION OF VARIANCE RAG RATINGS

RED –	Areas of significant variance. Classified as variance against budget of greater than -5.0% underspend or greater than + 2.5% overspend.
AMBER -	Area of emergent variance. Classified as variance against budget between -5.0% and -2.5% underspend or between +0.25% and +2.5% overspend.
GREEN -	Areas on or close to budget. Classified as variance against budget of under £0.1m, or between -2.50% underspend and +0.25% overspend