

## PFCC Decision Report

Please ensure all sections below are completed

<b>Report reference number:</b> PFCC/89/19
<b>Classification:</b> <del>Restricted</del>
<b>Title of report:</b> 2018/19 Budget Virements for reporting periods Month 11 and Month 13 (Provisional Outturn)
<b>Area of County/Stakeholders affected:</b> Countywide
<b>Report by :</b> Richard Jones <b>Date of report:</b> 30 <sup>th</sup> May 19 <b>Enquiries to:</b> <a href="mailto:richard.jones@essex.pnn.police.uk">richard.jones@essex.pnn.police.uk</a>

### 1. Purpose of report

To explain the 2018/19 current year effect virements requiring approval identified following the Month 11 and Month 13 (Provisional Outturn) budget monitoring reports presented to the Performance and Resources Boards.

### 2. Recommendations

As noted in section 4:

- To approve no virements from Month 11
- To approve six virements from Month 13

### 3. Benefits of Proposal

The approval of these virements will allow Essex Police to align the budgets for the activity identified in section 4. Additionally this will allow the transactions to be recorded in the correct account locations and for budgets to be aligned with subsequent transactions.

#### **4. Background and proposal**

##### **M13 – 2018/19 ERSOU CT grant matching income and expenditure**

The externally funded base budget has been updated at the end of the financial year with adjustments required between expenditure and income to match the outturn position.

##### **M13 – Reallocation of ERSOU charges to expenses type**

The ERSOU virement is required to allocate the recharge from Bedfordshire Police to the appropriate expenditure category. During 2018/19, this charge was budgeted and forecast as a single figure against one subjective heading, however the budget and forecast for 2019/20 will be allocated across the appropriate expenditure categories.

##### **M13 – 2018/19 Early Intervention Youth Funding**

To recognise the 2018/19 Early Intervention Youth Funding of £314,000 received from the Home Office.

##### **M13 – Transfer remaining legal claims earmarked reserve to provision**

The force has assessed the financial value of legal claims as at the 31/3/19, over and above those which have already been settled during the year. All outstanding claims can be reliably measured with the value of the potential liability determined at a total cost of £793,711. The majority of this expenditure is covered by a drawdown of the remaining balance of the legal claims earmarked reserve totalling £780,711, and is to be treated as a provision within the statement of accounts.

##### **M13 – 2018/19 OPFCC Commissioning Budgets C/Fwd**

The OPFCC Commissioning funds include, Community Safety Fund, Victims Fund and Community Safety Development Fund. At the end of 2018/19 there was a combined underspend amount of £322,082 across all three funds. The underspend was due to a number of factors including unallocated budget and planned projects which did not take place. It is proposed that these funds are carried forward into 2019/20 to supplement the OPFCC Commissioning activities during the year.

##### **M13 – Year-end adjustment for Capital Financing Reserve**

The reprofiling of expenditure of £714,374 on approved capital projects to match outturn, including carry forward of a £1m revenue contribution provided at 2018/19 budget setting to assist in funding the capital programme and avoid the future cost of borrowing.

#### **5. Alternative options considered and rejected**

Finances have been discussed regularly at Performance and Resources Board meetings as well as outside the board meeting structure with PFCC and EP staff. No alternatives were considered.

#### **6. Police and Crime Plan**

All information contained with section 4

#### **7. Police Operational Implications**

All information contained with section 4

**8. Financial Implications**

Approval of the above virements will enable budgets to be aligned following Performance and Resources Boards held during 2018/19. The virements for approval reflect the financial activity since 2018/19 budget setting in January.

**9. Legal Implications**

No legal implications

**10. Staffing and other resource implications**

No staffing or resource implications

**11. Equality and Diversity implications**

No equality and diversity implications

**12. Risks**

If not approved the budgets would not align.

**13. Governance Boards**

Considered at the May Performance and Resources Board

**14. Background papers**

Documents embedded below are the extracts from each of the financial monitoring reports to date that require approval as noted in this decision sheet.

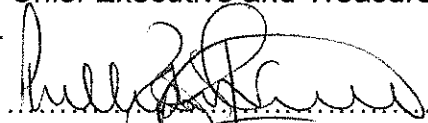


Corporate Finance  
18-19 Monitor - Mth

**Report Approval**

The report will be signed off by the OPFCC Chief Executive and Treasurer, prior to review and sign off by the PFCC / DPFCC .

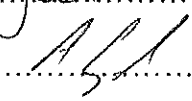
Chief Executive/M.O

Sign:  .....

Print: P. Best - M. Lewis .....

Date: 31 July 2019 .....

Chief Financial Officer/Treasurer

Sign:  .....

Print: ABBEY G. SM .....

Date: 1/8/19 .....

**Publication**

Is the report for publication?

YES



NO

If 'NO', please give reasons for non-publication (state 'None' if applicable)

~~No reasons for non-publication~~

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

**Redaction**

If the report is for publication, is redaction required:

1. Of Decision Sheet

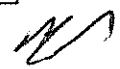
YES

2. Of Appendix

YES

NO

NO



If 'YES', please provide details of required redaction:

~~No redaction required~~

Date redaction carried out: .....

**Treasurer / Chief Executive Sign Off – for Redactions only**

If redaction is required, Treasurer or Chief Executive are to sign off that redaction has been completed.

Sign: .....

Print: .....

Chief Executive/Treasurer

Date signed: .....

**Decision and Final Sign Off**

I agree the recommendations to this report;

Sign: ..... 

Print: ..... R.C. HIRST

PFCC/Deputy PFCC

Date signed: ..... 3/8/19

I do not agree the recommendations to this report because;

.....  
.....  
.....

Sign: .....

Print: .....

PFCC/Deputy PFCC

Date signed: .....







# 1.2 Virement Analysis – Detail

**Table 1: Virements above £250,000 requiring approval from PFCC**

Line Ref:	Virement Ref:	Virement Type	Virement Description	Police Pay and Allowances		Police Staff Pay and Allowances		PCSO Pay		Training		Other Employee expenses		Premises		Transport		Supplies and Services		Third Party Payments		Income		Other Expenditure / (Income)		Contribution to / (from) Earmarked Reserves		Total virement		Reason for Virement		
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		£	£
		Budget Holder:																														
1	Sub Total	External funding	ERSOU CT Grant Matching Income & Expenditure 18/19	0	(688,048)	0	(47,242)	0	0	0	215	11	72,311	(6,036)	10,826	4,736	653,227	0	0	0	0	0	0	0	0	0	0	0	0	0	Reprofiling of expenditure and income budgets to match outturn position	
2	External funding	Reallocation of ERSOU charges to expense type		812,584									111,574	54,123	108,686	(1,842,534)														0	Reallocation of ERSOU charges to correct subjective headings	
3	External funding	Early intervention Youth Funding 2018/19													314,000		(314,000)												0	Early intervention Youth Funding received from Home Office - virement to offset income with expenditure		
5	Sub Total	External funding	External funding	124,536	709,325	0	709,325	0	215	11	183,885	48,087	433,512	780,711	339,227	(1,837,798)	339,227	0	0	0	0	0	0	0	0	0	0	0	0	0	Balance of remaining reserve to provision to fund legal services cost estimates as at 31/3/19	
4	Contingencies/Reserves	Transfer remaining legal claims earmarked reserve to provision																														
7	Contingencies/Reserves	OPFCC Commissioning Budget 2018/19 C/fwd																														
8	Contingencies/Reserves	Year end adjustment for Capital Financing Reserve																														
9	Sub Total	Contingencies/Reserves	Contingencies/Reserves virements	0	0	0	0	0	0	0	0	0	448,629	0	448,629	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Reprofiling of expenditure on approved capital projects to match outturn
10	Total Virements requiring Approval			124,536	709,325	0	709,325	0	215	11	183,885	48,087	882,141	48,087	882,141	(1,837,798)	339,227	(382,292)	(382,292)	(66,337)	(66,337)	0	0	0	0	0	0	0	0	0	0	0

• A review of the virements in the above table is to be completed at the Performance and Resources Board on 23rd May. Decision sheet to follow.



## 2. APPENDIX C – Virement Analysis – Other Virements

Table 2: Other Virements

Line Ref:	Virement Ref:	Virement Type	Virement Description	Police Pay and Allowances	Police Staff Pay and Allowances	PCSO Pay	Training	Other Employee expenses	Premises	Transport	Supplies and Services	Third Party Payments	Income	Other Expenditure / (Income)	Contribution to/(from) Earmarked Reserves	In-Year Investments (Shortfall) / Surplus	Total virement
				£	£	£	£	£	£	£	£	£	£	£	£	£	£
11	7	Budget Holder	Funding Agency from Established Vacancies		(6,757)			6,757									0
12	8	Budget Holder	Funding of ERSOU Op Radio from Force Tasking Budget and Contribution from Brentwood Council					(6,000)		7,500			(1,500)				0
13	9	Budget Holder	Correction of seconded officer budget					(117,696)					117,696				0
14	10	Budget Holder	OPFCC GL correction re Bear Scotland payments	(258)	258												0
15	11	Budget Holder	Force tasking - fund non overtime spend		288	238		(3,559)		2,667		365					0
16	12	Budget Holder	OPFCC Anglia Rusking -Pier Research Project				5,000				(5,000)						0
17	13	Budget Holder	SAP Refresh training budget re-alignment				4,238			(4,238)							0
18	14	Budget Holder	Volunteer Police Cadet uniform purchases				(10,265)			10,265							0
19	15	Budget Holder	Drone Training School funded from income	197	40,980			2,861		20,843			(64,881)				0
20	16	Budget Holder	OPFCC Restorative Justice Facilitators/Volunteers funded by Victims commissioning budget							12,518	(12,518)						0
21	Sub Total	Budget Holder virements		(61)	34,769	238	(1,027)	(117,637)	0	15,185	16,852	365	51,315	0	0	0	(0)
22	17	Budget Setting Investment	Police Staff Corporate Growth budget transfer to FCR Project		(13,831)		2,298	4,587			6,946						0
23	18	Budget Setting Investment	ECFRS Collaboration project staff support and Joint Education team budget transfer back to Strategic Change Staff Investments pot	(41,177)	34,221		(5,798)	6		9,144	(8,367)		2,646			9,325	0
24	19	Budget Setting Investment	Tidy up of investment codes from Staff investment to unallocated investment		(3)											3	0
25	Sub Total	Budget Setting - investment virements		(41,177)	20,387	0	(3,500)	4,593	0	9,144	(1,421)	0	2,646	0	0	9,328	0
26	20	Budget Setting Saving															0
27	Sub Total	Budget Setting - Saving virements		0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	21	Collaboration	OPFCC Recharge to Essex Fire & Rescue for the period 1st April 2018 - 31st March 2019		13,694								(13,694)				0
29	22	Collaboration	ECJB Funding contributions									27,800	(27,800)				0
30	23	Collaboration	OPFCC 2018/19 Contribution to ECIB Fund								(7,600)	7,600					0
31	Sub Total	Collaboration virements		0	13,694	0	0	0	0	0	(7,600)	35,400	(41,494)	0	0	0	0

Table 2: Other Virements

Line Ref:	Virement Ref	Virement Type	Virement Description	Police Pay and Allowances	Police Staff Pay and Allowances	PCSO Pay	Training	Other Employee expenses	Premises	Transport	Supplies and Services	Third Party Payments	Income	Other Expenditure / (Income)	Contribution to/(from) Earmarked Reserves	In-Year Investments (Shortfall)/ Surplus	Total virement
				£	£	£	£	£	£	£	£	£	£	£	£	£	£
32	24	Contingencies/Reserves	Transformation Reserve funding - Telematics						3,242						(3,242)		0
33	25	Contingencies/Reserves	Legal Costs from Earmarked Reserve								78,458				(78,458)		0
34	26	Contingencies/Reserves	POCA surplus transferred to Reserve										(1,644)		1,644		0
35	27	Contingencies/Reserves	Transformation reserve - adjustment for Enabling Projects					(3,556)	19,609	7,333	(1,671)	2,848			(24,563)		0
36	28	Contingencies/Reserves	Transformation reserve - adjustment for Op Javelin						(6,193)						6,193		0
37	29	Contingencies/Reserves	Transformation reserve - adjustment for Property Disposals						151,298			(18,429)			(132,869)		0
38	30	Contingencies/Reserves	Operational Transformation Reserve staff survey pledges 2018/19				3,307				9,818				(13,125)		0
39	31	Contingencies/Reserves	Operational Transformation Reserve								18,000				(18,000)		0
40	32	Contingencies/Reserves	COG Contingency budgets month 12 allocations				8,175	(27,478)			19,303						0
41	33	Contingencies/Reserves	IT reserve funding for deferred work agreed under 2017/18 plan		13,230		4,724				(130,893)				112,939		0
42	34	Contingencies/Reserves	FIM Phase3 Anti Virus Budget transfer from IT Transformational reserve		14			5,093							(5,107)		0
43	35	Contingencies/Reserves	Fleet Consultancy funding transfer from Transformational Reserve								29,500				(29,500)		0
44	36	Contingencies/Reserves	Transformational Contact Management Project funding transfer to Operational Reserve	(83)	(141)		(2,298)	(4,587)							7,109		0
45	37	Contingencies/Reserves	Operational Transformation Reserve funding for Op Meteor activities	88				794			5,350				(6,232)		0
46	38	Contingencies/Reserves	Severance & Fin strain funded from reserves					85,590							(85,590)		0
47	39	Contingencies/Reserves	IT Accelerated Project Delivery funding transfer back to Operational Transformation Reserve								(13,387)				13,387		0
48	40	Contingencies/Reserves	Transformational Contact Management Project funding transfer from Operational Reserve	1,200	7,476		2,298	4,759		132	758				(16,623)		0
49	41	Contingencies/Reserves	Convergence of Financial processes to Operational Transformational Reserve								(6,569)				6,569		0
50	42	Contingencies/Reserves	To create Special Constabulary earmarked reserve								(118,650)				118,650		0
51	43	Contingencies/Reserves	Year end adjustment for Forfeitures										1,129		(1,129)		0
52	Sub Total Contingencies/Reserves virements			1,117	20,667	0	12,899	60,615	167,956	10,772	(109,983)	(15,581)	(515)	0	(147,947)	0	0



Table 2: Other Virements

Line Ref:	Virement Ref	Virement Type	Virement Description	Police Pay and Allowances	Police Staff Pay and Allowances	PCSO Pay	Training	Other Employee expenses	Premises	Transport	Supplies and Services	Third Party Payments	Income	Other Expenditure / (Income)	Contribution to/(from) Earmarked Reserves	In-Year Investments (Shortfall)/ Surplus	Total Virement
				£	£	£	£	£	£	£	£	£	£	£	£	£	£
53	44	External funding	Mutual Aid funded from income					139,544					(139,544)				0
54	45	External funding	ERSOU Grant for Cybercrime team	65,258						500			(65,758)				0
55	46	External funding	Matching Income and Expenditure for National Airport Commanders				850	6,086			10,791		(11,641)				0
56	47	External funding	Athena Management Organisation realignment of budget to match actuals -	84,692	(122,890)					2,101	(62,445)	0	92,456				0
57	48	External funding	Seven Forces costs realignment of Procurement budget to match actuals		(20,586)							20,586					0
58	49	External funding	Violence Against Women and Girls Transformation Funding 2018/19 Q3-Q4								150,530		(150,530)				0
59	50	External funding	EPSA Matching Inc & Exp		(1,255)			860					395				0
60	51	External funding	Stansted External Matching Income & Expenditure 2018/19	(6,265)	4,259		343	(9,622)	11,486	2,047	892		(3,140)				0
61	52	External funding	Federation match income & expense 18/19	3,021	881			812		134			(4,848)				0
62	53	External funding	Op Dagenham - Matching Income & Expenses						1,666			727	(2,393)				0
63	54	External funding	Mutual Aid overtime funded from income					8,281					(8,281)				0
64	55	External funding	ERSOU Seconded Officers - Matching Income & Expense	84,767				7,405					(92,172)				0
65	56	External funding	CREST match income to expenditure 2018/19	2,053	40,211		(5,404)	18,924	(9,114)	(14,456)	84,931	100,667	(217,812)				0
66	57	External funding	Re-align Seconded Officer budgets	19,620			(5)	(22,187)	(457)	(3,034)	4,839		1,224				0
67	58	External funding	Assistance to Leicestershire Police					7,366					(7,366)				0
68	59	External funding	Additional funded PCSO agreements			31,804							(31,804)				0
69	60	External funding	Cost benefit analysis report for the APCC								32,975		(32,975)				0
70	61	External funding	OPFCC IDVA Partnership Contributions 2018/19								249,000		(249,000)				0
71	62	External funding	Seven Forces Team costs realignment of budget to match actuals - Fully recharged	(3,524)	33,004					5,665	1,513		(36,658)				0
72	63	External funding	Seven Forces costs realignment of Procurement budget to match actuals - Fully recharged								115,090		(115,090)				0
73	64	External funding	Income from Thurrock Council for Op Sacrifice carried forward								(6,914)		6,914				0
74	65	External funding	Op Flam funded from CT grant, not Mutual Aid	(7,202)									7,202				0
75	66	External funding	One Public Estate funding correction for 2018/19								(27,760)		27,760				0
76	67	External funding	Athena realignment of budget to match actuals - Essex Costs		(2,095)			1,069				1,026					0
77	68	External funding	Athena realignment of budget to match actuals - Development Fund								(44,218)		44,218				0
78	69	External funding	Seven Forces Team costs realignment of Firearms budget to match actuals - Fully recharged	103,197			4,718			5,183	1,122		(114,220)				0
79	70	External funding	ESCP PTF grant re-allocation								(2,496)		2,496				0
80	71	External funding	DNSP link rental charges Home Office funding								85,178		(85,178)				0
81	72	External funding	2018/19 IDVA Contribution raised in error								(232,000)		232,000				0
82	73	External funding	Year end adjustment for Lost & Found monies								34,851		(34,851)				0
83	74	External funding	D85 grant - offset expenditure & income		(81,377)		4	(3,251)		898	1,661		82,065				0
84	Sub Total External funding virements			345,617	(149,848)	31,804	506	155,287	3,581	(962)	397,540	123,006	(906,531)	0	(147,947)	0	0
85	Total of Other Virements			305,496	(60,331)	32,042	9,878	102,858	171,597	34,139	295,888	143,190	(894,579)	0	(147,947)	9,328	(0)
86	Grand Total all Virements			430,032	647,994	32,042	9,093	102,869	355,422	82,226	1,177,529	(1,694,608)	(555,352)	(382,292)	(214,284)	9,328	(0)

