

## Performance and Resources Scrutiny Programme 2019/20

Report to: the Office of the Police, Fire and Crime Commissioner for Essex

<b>Title of Report:</b>	<b>2019/20 Month 4 Financial Monitoring Report</b>
<b>Agenda Number:</b>	<b>11.0 ii</b>
<b>Chief Officer</b>	<b>Mark Gilmartin, Director of Essex and Kent Support Services</b>
<b>Date Paper was Written</b>	<b>15<sup>th</sup> August 2019</b>
<b>Version Number</b>	<b>Version 1</b>
<b>Report from:</b>	<b>Essex Police: Corporate Finance</b>
<b>Date of Meeting:</b>	<b>29<sup>th</sup> August 2019</b>
<b>Author on behalf of Chief Officer:</b>	<b>Richard Jones, Head of Business Partnering and Management Accounting</b>
<b>Date of Approval:</b>	

### **1.0 Purpose of Report**

1.1 This report identifies the 2019/20 month 4 position for the Force.

### **2.0 Recommendations**

2.1 The board to endorse the fact that the force is operating a financial risk by being over profiled establishment as at month 4 and forecasting to be over establishment at year end.

### **3.0 Executive Summary**

3.1 The latest forecast revenue underspend is **£0.217m**, a reduction of £0.478m from quarter 1.

3.2 The police officer strength forecast at end of July is **3,139 FTE** and at year end is **3,284 FTE**.

3.3 The Capital Reserve is forecast to be **£2.520m** surplus at year end.

3.4 The forecast capital expenditure is **£13.278m** and the forecast capital income from property disposals is **£8.474m**.

#### **4.0 Introduction/Background**

4.1 This reports sets out the July, month 4, financial position.

#### **5.0 Current Work and Performance**

5.1 The month 4 financial position is shown at Annex 1.

#### **6.0 Implications (Issues)**

6.1 The implications are reported in Annex 1.

#### **7.0 Links to Police and Crime Plan Priorities**

7.1 The Force budget is used to help meet the priorities of the Police and Crime plan.

#### **8.0 Demand**

8.1 The Force budget is reviewed and re-allocated within virement rules to match demand e.g. overtime funded by vacancies.

#### **9.0 Risks/Mitigation**

9.1 Risk Register URN 452 - Short and Long Term Capital Finance.

#### **10.0 Equality and/or Human Rights Implications**

N/A

#### **11.0 Health and Safety Implications**

N/A

#### **12.0 Consultation/Engagement**

12.1 The pay forecasts are based on information received from HR Organisational Management.

#### **13.0 Actions for Improvement**

N/A

#### **14.0 Future Work/Development and Expected Outcome**

14.1 Reviews will continue with budget holders, working towards a balanced budget by year end.

#### **15.0 Decisions Required by the Police, Fire and Crime Commissioner**

15.1 There are no virements required for approval.

## 1. Executive Summary – 2019/20 – Month 4

**£0.217m** – Latest forecast revenue underspend, a reduction of £0.478m from quarter 1.

**3,139 FTE** – Police Officer strength forecast at end of July and **3,284 FTE** Police Officer strength forecast at year end.

**£2.5m surplus** - The forecast year end balance on the Capital Reserve.

**£13.3m** forecast capital expenditure and **£8.5m** forecast capital income

## 2. Revenue

### 2.1 Revenue Summary – 2019/20 – Month 4

	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Variance - Over / (Under) Spend	Movement in Variance from Current Budget
	£000	£000	£000	£000	£000	£000	£000
<b>Employees</b>							
- Police Officer Pay and Allowances	167,631	1,501	169,132	54,930	172,642	3,511	759
- Police Staff Pay and Allowances	83,260	995	84,255	24,547	80,028	(4,228)	275
- PCSO Pay and Allowances	2,951	500	3,451	1,149	3,490	39	59
- Overtime, Pensions, Training, Expenses	13,808	1,479	15,287	5,329	15,513	225	(40)
- Associated Police Pay e.g. Acting Up	746	343	1,089	291	1,066	(23)	9
<b>Employees Total</b>	<b>268,396</b>	<b>4,818</b>	<b>273,214</b>	<b>86,246</b>	<b>272,738</b>	<b>(476)</b>	<b>1,064</b>
Premises	11,075	(292)	10,783	3,717	10,835	52	(118)
Transport	6,334	(93)	6,241	2,248	6,292	51	(53)
Supplies and Services	32,426	872	33,298	13,183	33,143	(156)	(283)
Third Party Payments	5,713	(177)	5,536	246	6,130	594	83
In-Year Investments Shortfall/Surplus	3	116	120	0	0	(120)	(116)
In-Year Savings Shortfall/Surplus	63	101	165	0	0	(165)	(113)
Income	(27,951)	(4,576)	(32,527)	(7,567)	(32,459)	67	15
Interest and capital activity	2,054	0	2,054	(1,769)	1,989	(65)	0
Earmarked Reserves	(179)	(771)	(950)	(1,014)	(950)	0	0
<b>Net Expenditure</b>	<b>297,934</b>	<b>(0)</b>	<b>297,934</b>	<b>95,289</b>	<b>297,718</b>	<b>(217)</b>	<b>478</b>
Contribution to/(from) General Reserve	(348)	0	(348)	(348)	(131)	217	(478)
<b>Budget Requirement</b>	<b>297,586</b>	<b>(0)</b>	<b>297,586</b>	<b>94,941</b>	<b>297,586</b>	<b>0</b>	<b>(0)</b>

#### **Forecast variance based on Current Budget (over £200k).**

- The overspend on Police Officer Pay is primarily due to the forecast strength at the beginning of the year being 43 FTE more than budget, and the additional 0.5% pay award from 1st September 2019. A recommendation is noted within the report for the board to endorse the fact that the force is operating a financial risk by being over profiled establishment as at month 4 and forecasting to be over establishment at year end.
- The underspend on Police Staff Pay predominantly results from 203 FTE vacancies, which is 78 FTE vacancies above the 5.5% forcewide average vacancy factor.
- The overspend on Overtime, Pensions, Training and Expenses includes staff overtime to cover vacancies across Criminal Justice and SCD, and Police Staff Agency fees for Op Shetland relating to storage clearance at Wethersfield.
- The overspend on Third Party Payments is predominantly in relation to the 2019/20 annual contribution to NPAS and project team costs for 7 Forces and Athena.
- The net reduction in Earmarked and Carry Forward Reserves is £0.9m following a budget setting contribution of £0.2m for redundancy and relocation costs.
- The contribution to the General Reserve is £0.2m. The General Reserve balance at the start of the year represents 3% of the force budget as agreed at the March Strategic Board.

## 2.2 Main Forecast Movements since Quarter 1

### Main Changes to Forecast Outturn since Quarter 1 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
<b>Quarter 1 Forecast Outturn Variance</b>	<b>(0.7)</b>	<b>Underspend</b>
Police Officer Pay and Allowances	0.7	Additional 0.5% pay award from 1st September 2019 (£0.5m) and 6 FTE less leavers than previously forecast, based on July payroll (£0.2m).
Police Staff and PCSO Pay and Allowances	0.2	Additional 0.5% pay award from 1st September 2019 for Staff and PCSOs.
Communications & Technology	(0.2)	Notification of reduced Home Office charges and a timing impact on various application support initiatives.
Medical Related Expenditure	0.1	Increase in volume of employees receiving welfare related services.
Specialist Operational Supplies & Services	(0.1)	Release of duplicated 2019/20 budget for Idea Drop and ANPR software licences via revenue consequences of capital and IT base budget review.
Third Party Payments	0.1	Technical Refresh approved at Strategic Athena Management Board on 2nd July 2019.
In-Year Investments	(0.1)	IT investment from the 2018/19 Force growth plan no longer required and returned to the unallocated holding code.
In-Year Savings	(0.1)	SCD savings overachieved from the original business case restructure.
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k.
<b>Month 4 Forecast Outturn Variance</b>	<b>(0.2)</b>	<b>Underspend</b>

## 3. Workforce Analysis

### 3.1 Pay Summary

Police Officer Pay	Variance £k	Reasons for Changes
Changes in forecast	469	Additional 0.5% pay award from 1st September 2019
Changes in strength forecast	237	6 FTE less leavers than previously forecast based on July payroll
Changes in forecast	51	Movement in Kent Recharges
Forecast changes including sickness and maternity pay	11	Includes adjustments made in the July payroll
<b>Changes in month impacting on the General reserve</b>	<b>768</b>	
Budget transfers from Pay	11	ECFRS Collaboration Project Funding Realignment
Budget transfers to Pay	(20)	Shortfall in savings from SCD Restructure
<b>Total Change</b>	<b>759</b>	
Staff Pay	Variance £k	Reasons for Changes
Changes in forecast	196	Additional 0.5% pay award from 1st September 2019
Forecast changes including sickness and maternity pay	(25)	Includes adjustments made in the July payroll
Changes in forecast	(40)	Movement in Kent Recharges
<b>Changes in month impacting on the General reserve</b>	<b>131</b>	
Budget transfer from pay	123	Additional savings from SCD Restructure
Budget transfer from pay	20	Funding of Contractors for Server Infrastructure expertise
Budget transfer from pay	1	Additional savings from LPSU
<b>Total Change</b>	<b>275</b>	
PCSO Pay	Variance £k	Reasons for Changes
Forecast changes including sick and maternity pay	70	Includes adjustments made in the July payroll
Changes in forecast	10	Additional 0.5% pay award from 1st September 2019
Changes in strength forecast	(21)	1 FTE more leaver than previously forecast
<b>Total Change</b>	<b>59</b>	

## 3.2 Police Officer FTEs

### 2019/20 - Police Officers Pay/Strength - Using 2019/20 Budget Setting Model

Ref	2019/20 Budget Setting													
	Strength	Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
1	Strength @ beginning of month (note 1)	3,021	2,999	3,053	3,031	3,089	3,132	3,190	3,168	3,146	3,204	3,182	3,240	
2	Leavers	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(264)
3	Starters	0	76	0	80	65	80	0	0	80	0	80	0	461
4	Net change	(22)	54	(22)	58	43	58	(22)	(22)	58	(22)	58	(22)	197
5	Officer strength - month end	2,999	3,053	3,031	3,089	3,132	3,190	3,168	3,146	3,204	3,182	3,240	3,218	
6	Difference to 3,218 FTEs - over / (under)	(219)	(165)	(187)	(129)	(86)	(28)	(50)	(72)	(14)	(36)	22	0	
Ref	Budget	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
7	1st April 2019 Strength (note 2 & 3)	£11.32m	£12.49m	£12.49m	£12.43m	£12.49m	£14.99m	£14.99m	£14.99m	£14.99m	£14.93m	£14.99m	£14.99m	£166.08m
8	2018/19 Leavers (note 4)	(£0.11m)	(£0.22m)	(£0.33m)	(£0.43m)	(£0.54m)	(£0.65m)	(£0.76m)	(£0.87m)	(£0.98m)	(£1.09m)	(£1.20m)	(£1.31m)	(£8.50m)
	2018/19 Starters (note 4)	£0.00m	£0.21m	£0.21m	£0.44m	£0.71m	£1.01m	£1.01m	£1.01m	£1.25m	£1.25m	£1.48m	£1.48m	£10.06m
	Monthly Budget (note 5 & 6)	£11.21m	£12.49m	£12.38m	£12.44m	£12.66m	£15.35m	£15.23m	£15.12m	£15.25m	£15.08m	£15.26m	£15.16m	£167.63m

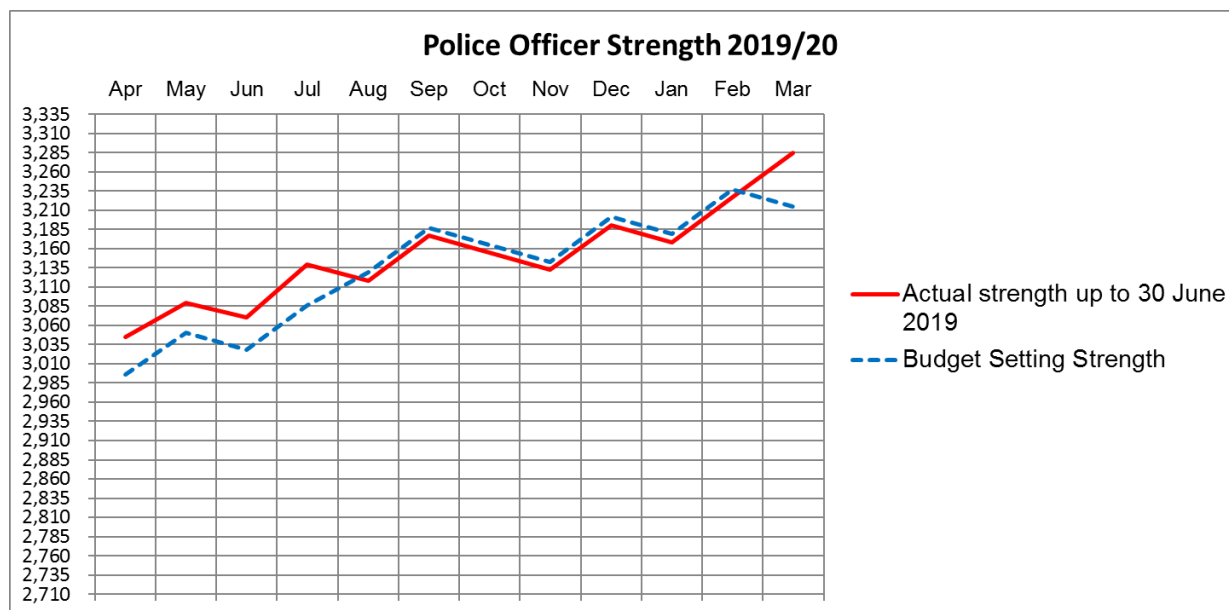
2019/20 Current Forecast - Based on HR Information received 15 July 2019														
Ref	Strength	Actual FTE				Forecast FTE								Total FTEs
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	
8	1st April 2019 Strength	3,064	3,045	3,089	3,070	3,139	3,118	3,176	3,154	3,132	3,190	3,168	3,226	
9	Leavers (note 7)	(21)	(26)	(19)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(264)
10	Starters (note 8)	2	70	0	91	1	80	0	0	80	0	80	80	484
11	Net change	(19)	44	(19)	69	(21)	58	(22)	(22)	58	(22)	58	58	220
12	Officer strength - month end	3,045	3,089	3,070	3,139	3,118	3,176	3,154	3,132	3,190	3,168	3,226	3,284	
13	Difference to 3218fte - over / (under)	(173)	(129)	(148)	(79)	(100)	(42)	(64)	(86)	(28)	(50)	8	66	
Ref	Actuals /Forecast £	Actual £				Forecast FTE								Total £m
		Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	
14	Costed Strength before starters/leavers	£13.46m	£13.97m	£13.82m	£13.97m	£13.96m	£14.21m	£14.40m	£14.28m	£14.29m	£14.50m	£14.33m	£14.79m	£169.98m
15	2017/18 Leavers					(£0.07m)	(£0.15m)	(£0.22m)	(£0.29m)	(£0.37m)	(£0.44m)	(£0.51m)	(£0.59m)	(£2.64m)
16	2017/18 Starters					£0.25m	£0.17m	£0.39m	£0.34m	£0.51m	£0.51m	£0.51m	£0.79m	£3.47m
17	Other Costs					£0.23m	£0.23m	£0.23m	£0.23m	£0.23m	£0.23m	£0.23m	£0.22m	£1.83m
18	Monthly Actual	£13.46m	£13.97m	£13.82m	£13.97m	£14.37m	£14.46m	£14.80m	£14.56m	£14.66m	£14.80m	£14.56m	£15.21m	£172.64m

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Forecast Change from budget setting														
		Actual FTE			Forecast FTE									
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
19	Strength @ beginning of month (negative=reduction)	43	46	36	39	50	(14)	(14)	(14)	(14)	(14)	(14)	(14)	
20	Leavers (positive number = less leavers)	1	(4)	3	0	0	0	0	0	0	0	0	0	0
21	Starters	2	(6)	0	11	(64)	0	0	0	0	0	0	80	23
22	<b>Month End Strength Change - FTEs</b>	<b>46</b>	<b>36</b>	<b>39</b>	<b>50</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>66</b>	<b>23</b>
23	<b>Change per month FTEs</b>	<b>3</b>	<b>(10)</b>	<b>3</b>	<b>11</b>	<b>(64)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	<b>Monthly Financial Change</b>	<b>£2.25m</b>	<b>£1.48m</b>	<b>£1.44m</b>	<b>£1.53m</b>	<b>£1.71m</b>	<b>(£0.89m)</b>	<b>(£0.43m)</b>	<b>(£0.56m)</b>	<b>(£0.59m)</b>	<b>(£0.28m)</b>	<b>(£0.70m)</b>	<b>£0.05m</b>	<b>£5.01m</b>

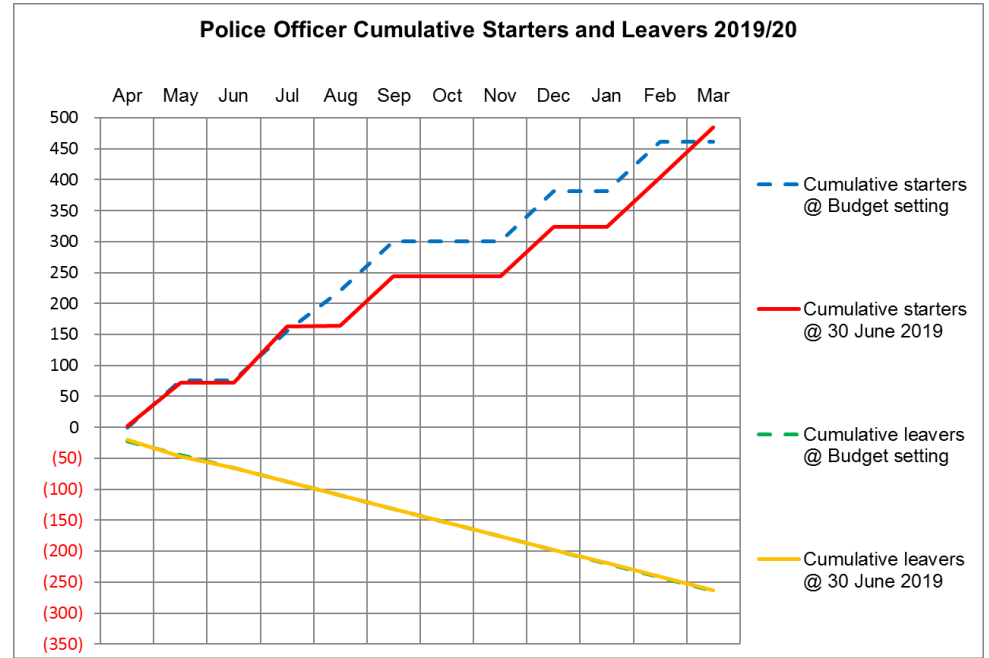
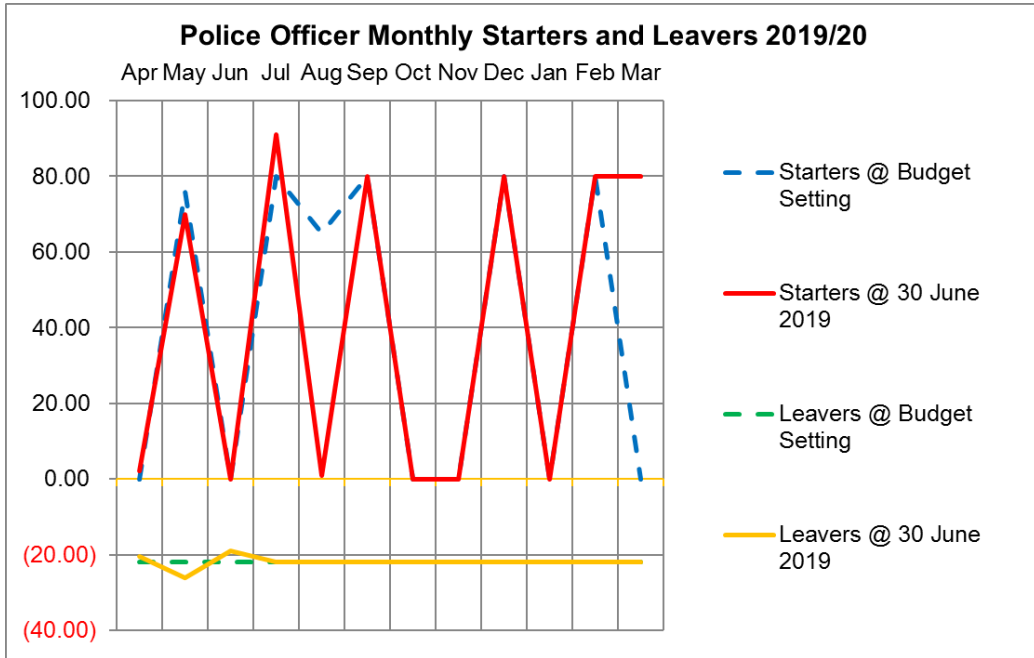
**Notes**

- 1 The strength at beginning of the month includes 3 FTE externally funded posts that were excluded for budget setting. There is no impact on the bottom line.
- 2 The 1st April 2019 strength is based on September 2018 information plus forecast adjustments for starters and leavers from October 2018 to March 2019.
- 3 The 1st April 2019 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2% payrise in September i.e. there is no profile adjustment for
- 4 The monthly amounts for Starters and Leavers are cumulative
- 5 The budget includes Police Officer pay, NI, pension, allowances, 0.5% employers apprenticeship levy and recharges for collaborative posts. Overtime and Bank Holiday pay is not included.
- 6 The change in strength and budget may not always match due to the mix of starters and leavers. Annual average starters cost approx. £26k less than average leavers per officer.
- 7 Leavers include miscellaneous losses and gains e.g. officers going on secondment or career break. It also includes net adjustments to part time hours.
- 8 Starters includes probationers and transferees





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### 3.3 Police Officers, Police Staff, PCSOs and Specials

#### FTE Changes Effecting Pay Forecasts - 2019/20 Month 4

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2020
	Establishment Target	Strength @ month end	Strength at 1st April 2019	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	
<b>Budget Setting</b>			3,021	437	24	(264)	0	3,218
HR data @ 31 May 19	3,218	3,089	3,064	470	17	(264)	(3)	3,284
HR data @ 30 June 19	3,218	3,070	3,064	470	14	(262)	(2)	3,284
<b>Change</b>		<b>(19)</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>2</b>	<b>1</b>	<b>0</b>

2. Police Staff - Budget Based on Establishment (please see note below)*						
	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2019	Vacancy Factor Establishment @ 1st April 2019 *	Actual starters to date	Actual leavers to date
<b>Budget Setting</b>			2,233	2,108		
HR data @ 31 May 19	2,216	2,028			39	(35)
HR data @ 30 June 19	2,223	2,030			53	(47)
<b>Change</b>		<b>2</b>			<b>14</b>	<b>(12)</b>

\* Vacancy Factor Establishment is 7% for all areas except for FCR, Crime Bureau and OPFCC staff who have a 0% Vacancy Factor

3. PCSOs - Budget Based on Establishment								
	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2020
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2019	Strength at 1st April 2019	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	
<b>Budget Setting</b>			108	108	0	0	0	108
HR data @ 31 May 19	108	108	108	108	6	(6)	0	108
HR data @ 30 June 19	108	107	108	108	6	(7)	0	107
<b>Change</b>		<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>

*Note: The PCSO Establishment includes 19 FTE partnership funded posts which are externally funded*

4. Specials FTEs	Actual Strength	Target Strength
<b>Budget Setting</b>		700
HR data @ 31 May 19	514	600
HR data @ 30 June 19	515	600
<b>Change</b>	<b>1</b>	<b>0</b>

## 4. Virement Analysis – Quarter 1

### 4.1 Virement Analysis – Summary

Line Ref:		Virements														Total	Line Ref:
		Police Officers	Police Staff	PCSO	Training	Other Employee Expenses	Premises	Transport	Supplies & Services	Third Party Payments	Income	Contribution to/(from) Earmarked Reserves	Contribution to/(from) General Reserve	In Year Investments (Shortfall)/ Surplus	In Year Savings (Shortfall)/ Surplus		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001	£000		
<b>Virements over £250k requiring PFCC approval</b>																	
1	Budget Setting Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
2	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
3	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
4	External Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
5	Contingencies and Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
6	Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
7	<b>Total virements over £250k requiring PFCC approval</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A
<b>Virements not requiring PFCC approval</b>																	
8	Budget Setting Investment	0	0	0	0	78	0	(10)	(184)	0	0	0	0	116	0	0	3
9	Budget Setting Saving	20	(125)	0	0	(8)	0	0	0	0	0	0	0	0	113	0	6
10	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8
11	External Funding	11	115	0	(5)	81	23	(7)	(66)	0	(151)	0	0	0	0	0	12
12	Contingencies and Reserves	0	0	0	24	1	39	0	51	0	0	(115)	0	0	0	0	18
13	Budget Holder	(11)	(40)	0	0	24	0	0	28	0	0	0	0	0	0	0	22
14	<b>Total virements not requiring PFCC approval</b>	<b>20</b>	<b>(51)</b>	<b>0</b>	<b>19</b>	<b>175</b>	<b>62</b>	<b>(17)</b>	<b>(171)</b>	<b>0</b>	<b>(151)</b>	<b>(115)</b>	<b>0</b>	<b>116</b>	<b>113</b>	<b>0</b>	23
15	<b>Total all virements</b>	<b>20</b>	<b>(51)</b>	<b>0</b>	<b>19</b>	<b>175</b>	<b>62</b>	<b>(17)</b>	<b>(171)</b>	<b>0</b>	<b>(151)</b>	<b>(115)</b>	<b>0</b>	<b>116</b>	<b>113</b>	<b>0</b>	24

## 4.2 Virement Analysis – Detail

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 Reserve	Contribution to / (from) General Reserve	In-Year Investments (Shortfall) / Surplu	In-Year Savings (Shortfall) / Surplu	Sources of Finance	Total virement
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
1	1	Budget Setting Investment	Investment from 2018/19 not required for IT								(131,999)						131,999			0
2	2	Budget Setting Investment	Investment in Force Growth relating to 215 officers and associated costs for 2019/20 allocated to non-pay.					77,532		(9,508)	(52,297)						(15,727)			0
3	<b>Sub Total Budget Setting - Investment virements</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77,532</b>	<b>0</b>	<b>(9,508)</b>	<b>(184,296)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116,272</b>	<b>0</b>	<b>0</b>	<b>0</b>
4	3	Budget Setting Saving	LPSU Savings and Efficiencies agreed at 2019/20 budget setting achieved		(1,661)													1,661		0
5	4	Budget Setting Saving	Serious Crime Directorate Command Restructure and Digital Forensic Unit savings overachievement	20,305	(123,197)			(8,369)										111,261		0
6	<b>Sub Total Budget Setting - Saving virements</b>			<b>20,305</b>	<b>(124,858)</b>	<b>0</b>	<b>0</b>	<b>(8,369)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112,922</b>	<b>0</b>	<b>0</b>
7	5	Collaboration																		0
8	<b>Sub Total Collaboration virements</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
9	6	External funding	Various Partnership Income to fund Police Officer overtime	7,236				47,582					(54,818)							0
10	7	External funding	Major Incident Operations funded from income					14,925					(14,925)							0
11	8	External funding	External Funding adjustments for Safer Essex Road Partnership	3,806	114,582		(5,000)	18,924	22,500	(7,488)	(66,023)		(81,301)							0
12	<b>Sub Total External funding virements</b>			<b>11,042</b>	<b>114,582</b>	<b>0</b>	<b>(5,000)</b>	<b>81,431</b>	<b>22,500</b>	<b>(7,488)</b>	<b>(66,023)</b>	<b>0</b>	<b>(151,044)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
13	9	Contingencies and Reserves	Transformation reserve - Estates enabling					4,901	6,082					(10,983)						0
14	10	Contingencies and Reserves	Transformation reserve - Estates disposals						33,370		25,124			(58,494)						0
15	11	Contingencies and Reserves	Op Rose funding from Forfeitures Reserve					20,000						(20,000)						0
16	12	Contingencies and Reserves	COG Contingency budget allocations				23,864	(24,189)			325									0
17	13	Contingencies and Reserves	POCA transfers								25,883			(25,883)						0
18	<b>Sub Total Contingencies/Reserves virements</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>23,864</b>	<b>712</b>	<b>39,452</b>	<b>0</b>	<b>51,332</b>	<b>0</b>	<b>0</b>	<b>(115,360)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
19	14	Budget Holder	April and May budget allocation for Server Infrastructure expertise funded from staff pay underspend		(19,594)						19,594									0
20	15	Budget Holder	Idea drop 2019/20 budget double count					23,868			(23,868)									0
21	16	Budget Holder	Essex Country Fire and Rescue Services Collaboration project funding re-alignment	(11,250)	(20,750)						32,000									0
22	<b>Sub Total Budget Holder virements</b>			<b>(11,250)</b>	<b>(40,344)</b>	<b>0</b>	<b>0</b>	<b>23,868</b>	<b>0</b>	<b>0</b>	<b>27,726</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
23	<b>Total of Other Virements</b>			<b>20,097</b>	<b>(50,620)</b>	<b>0</b>	<b>18,864</b>	<b>175,174</b>	<b>61,952</b>	<b>(16,996)</b>	<b>(171,261)</b>	<b>0</b>	<b>(151,044)</b>	<b>0</b>	<b>(115,360)</b>	<b>0</b>	<b>116,272</b>	<b>112,922</b>	<b>0</b>	<b>0</b>
24	<b>Grand Total all Virements</b>			<b>20,097</b>	<b>(50,620)</b>	<b>0</b>	<b>18,864</b>	<b>175,174</b>	<b>61,952</b>	<b>(16,996)</b>	<b>(171,261)</b>	<b>0</b>	<b>(151,044)</b>	<b>0</b>	<b>(115,360)</b>	<b>0</b>	<b>116,272</b>	<b>112,922</b>	<b>0</b>	<b>0</b>

## 5. Reserves

### 5.1 Detail Reserve Analysis

Earmarked Reserves - Opening and Closing Balances					
Reserve	1st April 2019 - Opening Balance	Contribution 2019/20	Allocation 2019/20	31st July 2019 - Closing Balance	Comment
<b>Reserves held by Essex Police but managed as third party reserves</b>					
Leased Property Dilapidation & Maintenance	£0.710m			£0.710m	Reserve for multi occupancy building for property maintenance.
Proceeds of Crime Act	£0.737m		(£0.026m)	£0.711m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.031m	£0.016m		£0.047m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
<b>Total</b>	<b>£1.478m</b>	<b>£0.016m</b>	<b>(£0.026m)</b>	<b>£1.468m</b>	
<b>Project Reserves</b>					
7Forces Collaboration Reserve	£0.035m			£0.035m	A small underspend was carried forward into 2018/19 to help fund 7Forces activity, but was not required for use in 2018/19 and has been carried forward to 2019/20 to offset forecast overspends.
<b>Total</b>	<b>£0.035m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.035m</b>	
<b>Ringfenced Reserve</b>					
Restructuring Reserve	£0.440m		(£0.140m)	£0.300m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses). Allocations during 2019/20 are for excess travel costs. Funds of £143k allocated at 2019/20 budget setting for Crime & Public Protection Investigation Hubs redundancy calculations are no longer required and have been returned to the reserve.
<b>Total</b>	<b>£0.440m</b>	<b>£0.000m</b>	<b>(£0.140m)</b>	<b>£0.300m</b>	
<b>Operational Reserves</b>					
Specials Constabulary Reserve	£0.119m		(£0.067m)	£0.052m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary.
Transformation Reserve	£0.596m		(£0.087m)	£0.509m	Reserve to help fund the one-off costs of implementing the IT, Estates and ECFRS Transformation Strategies.
Major Operational Reserve	£1.500m			£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office e.g. Colchester murders, Operation Henley. These reserves are typically 1% of the force budget. 1% of the 2019/20 force budget is £3m.
Operational Transformational Reserve (OTR)	£1.736m		(£0.341m)	£1.395m	OTR report is submitted to OPFCC Performance and Resources Board on a quarterly basis.
Future Capital Funding	£1.255m			£1.255m	Agreed as part of 2018/19 budget setting to fund capital programme and avoid future cost of borrowing plus Chelmsford PS works and Police Officer number uplift IT requirement.
<b>Total</b>	<b>£5.206m</b>	<b>£0.000m</b>	<b>(£0.495m)</b>	<b>£4.711m</b>	
<b>OPPC Carry Forward Reserves</b>					
2018/19 to 2019/20	£0.332m		(£0.332m)	£0.000m	£332k for OPCC grants are carried forward to 2019/20.
<b>Total</b>	<b>£0.332m</b>	<b>£0.000m</b>	<b>(£0.332m)</b>	<b>£0.000m</b>	
<b>Total Revenue Earmarked Reserves</b>	<b>£7.491m</b>	<b>£0.016m</b>	<b>(£0.993m)</b>	<b>£6.514m</b>	
<b>General Reserve</b>					
General Reserve	£8.878m	£0.217m		£9.095m	The 2019/20 General Reserve opening balance is £8.9m following a £0.3m contribution identified at budget setting to fund delivery of the Estates Strategy. This represents 3% of the 2019/20 force budget of £297.6m, as agreed at the March Strategic Board. The PFCC has agreed for the use of the General Reserve during 2019/20 to meet operational pressures if required, following a £373k underspend in 2018/19.
<b>Total Revenue Reserves</b>	<b>£16.369m</b>	<b>£0.233m</b>	<b>(£0.993m)</b>	<b>£15.609m</b>	

## 5.2 Transformation Reserve

2019/20 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 31 July	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 31 July
	£	£	£	£	£	£
Estates - Disposal Fees	162,682	(58,494)	104,188	162,682	0	58,494
OPC - Op. Javelin	112,530	0	112,530	112,530	0	0
Estates - Enabling Projects - decamp	33,423	(10,983)	22,440	33,423	0	10,983
IT Transformation	204,730		204,730	204,730	0	0
(Fire) Detailed Business Case	50,056	0	50,056	0	50,056	0
Arlingclose	15,000	0	15,000	0	15,000	0
Transport Services - Telematics	17,933	(17,933)	0	17,933	0	0
<b>Total</b>	<b>596,354</b>	<b>(87,410)</b>	<b>508,944</b>	<b>531,298</b>	<b>65,056</b>	<b>69,477</b>

## 6. Capital

### 6.1 Movement in Capital Reserve Forecast

Movement in Capital Reserves From Quarter 1 2019/20			
Project	Area	£000 increase / (decrease)	Reason
<b>2019/20 Quarter 1 @ 30 June 2019</b>		<b>3,708</b>	<b>Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)</b>
<b>(i) Movement in Capital Payments</b>			
Capitalised Maintenance Programmes	ESTATES	(40)	Additional spend to forecast
Chelmsford PS Refurbishment	ESTATES	232	Payments slippage to 2020/21
Disposals Reprovision Phase 1	ESTATES	(6)	Additional spend to forecast
Infrastructure Technical Refresh	IT	6	Payments slippage to 2020/21
Infrastructure Modernisation Phase 2	IT	43	Payments slippage to 2020/21
Mobile First	IT	50	Payments slippage to 2020/21
Stansted Airport - Replacement vehicle	TRANSPORT	(8)	Payments reprofiling in year
Learning & Development Tablet	OTHER	3	Lower costs
		<b>280</b>	<b>Total Payments Forecast Movement</b>
<b>(ii) Movement in Capital Income</b>			
Capital Receipts	ESTATES	(1,587)	Updated Estates disposals - Wickford Police Station and Tolleshunt D'Arcy moved to 2020/21 disposal list
Op Sceptre	SCD	119	Home Office funding to tackle serious violence: Tasers
		<b>(1,468)</b>	<b>Total Income Movement</b>
<b>2019/20 Period 04 @ 31 July 2019</b>		<b>2,520</b>	<b>Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)</b>

## 6.2 Projection of Capital Reserves – Cashflow Profile

	Quarter 1 Actual £000	Jul-19 Actual £000	Aug-19 Forecast £000	Sep-19 Forecast £000	Oct-19 Forecast £000	Nov-19 Forecast £000	Dec-19 Forecast £000	Jan-20 Forecast £000	Feb-20 Forecast £000	Mar-20 Forecast £000	TOTAL Forecast £000
Opening balance of capital reserves	7,324	7,831	8,037	8,487	7,126	6,056	5,298	4,684	3,478	2,793	7,324
Capital spend in year	(1,265)	(394)	(1,098)	(1,361)	(1,670)	(997)	(2,040)	(1,206)	(924)	(2,323)	(13,278)
Annual grant from the Home Office	239	-	239	-	-	239	-	-	239	-	956
Property disposals	1,533	600	1,165	-	-	-	1,426	-	-	1,050	5,774
Revenue Contribution	-	-	-	-	600	-	-	-	-	1,000	1,600
External Funding	-	-	144	-	-	-	-	-	-	-	144
Closing balance of capital reserves	7,831	8,037	8,487	7,126	6,056	5,298	4,684	3,478	2,793	2,520	2,520

- Capital spend in year shows payments on approved 2019/20 projects and earlier years approved projects only.
- There have been two property disposal up to 31 July 2019 for Epping Police Station and Maldon Police Station plus a deposit received for the former Harlow Dogs site. Latest capital receipts forecast is based on the disposal of six properties.
- Revenue contributions of £1m agreed at budget setting to fund capital programme and avoid future cost of borrowing, and £0.6m for IT equipment.
- External Funding is from the Home Office in relation to tackling knife crime and tasers.