

## PFCC Decision Report

Please ensure all sections below are completed

<b>Report reference number:</b> PFCC/118/19
<b>Classification</b> (e.g. Not protectively marked/restricted): <del>Restricted</del>
<b>Title of report:</b> 2019/20 Budget Virements for reporting periods Quarter 1.
<b>Area of County/Stakeholders affected:</b> Countywide
<b>Report by :</b> Richard Jones <b>Date of report:</b> 31 <sup>st</sup> July 2019 <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 2019/20 current year effect virements requiring approval identified following the Quarter 1 budget monitoring report presented to the Performance and Resources Board.

### 2. Recommendations

As noted in section 4:

- To approve seven virements from Quarter 1

### 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**

##### **Q1 – Op Sceptre funding from Home Office**

To reflect initial spending plan for overtime and supplies and services in connection with tackling knife crime within Essex. Funding is provided from the Home Office through the Serious Violence Fund to carry out surge activity during 2019/20.

##### **Q1 – Realignment of ERSOU budget**

The ERSOU budget has historically been reallocated to the correct subjective headings as part of the financial year end process, however a decision has been taken to reflect the budget within the correct revenue categories on a recurring basis at the beginning of the year to minimise any adjustment required to the budget at year end.

##### **Q1 – Create PCSO Income budget**

To create PCSO income budget for externally funded PCSO's for Frinton & Walton (4.85 FTE), Alresford & Great Bentley (0.96 FTE, shared), Uttlesford (2 FTE), Harwich (1 FTE), Buckhurst Hill (1 FTE) and Colchester (4 FTE) and Chelmsford (2 FTE) parish and town councils as per contract agreements.

##### **Q1 – Create AMO recharge income budget**

To recognise income due to be received in financial year 2018/19 in connection with Essex staff seconded to the Athena Management Organisation project.

##### **Q1 – Realignment of Stansted budget**

The historic externally funded base budget has been updated at the beginning of the financial year to reflect the most up to date spending plan and has been adjusted on a full year effect basis.

##### **Q1 – OPFCC Commissioning Budget Carry forward**

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 £332,082 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.

##### **Q1 – Technical adjustment to realign centrally held budgets**

Technical adjustment following finalisation of 2019/20 budget setting to reflect centrally held budgets within one area. Separate analysis of all entries noted within section 11 - Background Papers.

#### **5. Police and Crime Plan**

All information contained with section 4

#### **6. Police Operational Implications**

All information contained with section 4

#### **7. Financial Implications**

Approval of the above virements will enable budgets to be aligned following Performance and Resources Boards held during 2019/20. The virements for approval reflect the financial activity since 2019/20 budget setting in January.

**8. Legal Implications**

No legal implications

**9. Staffing and other resource implications**

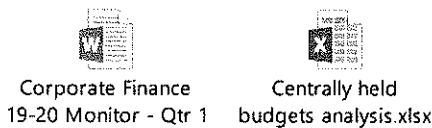
No staffing or resource implications

**10. Equality and Diversity implications**

No equality and diversity implications

**11. 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.



**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: *[Signature]*

Print: P. BEAST

Date: 28 August 2019

Chief Financial Officer/Treasurer

Sign: *[Signature]*

Print: ABBEY GROUP

Date: 28/8/19

**Publication**

Is the report for publication?

YES  *[Signature]*

NO  *[Signature]*

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

~~TO BE PUBLISHED~~  
~~MARKED RESTRICTED - No other report nor appendices to be published~~

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:

[NOT PROTECTIVELY MARKED]

1. Of Decision Sheet YES  
NO

2. Of Appendix YES  
NO

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

~~NOTED "RESTRICTED" NEITHER REPORT NOR APPENDICES TO BE~~  
~~PUBLISHED~~ To be published *ASA*

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: *[Signature]* .....

Print: *R. C. HRS* .....

PFCC/Deputy PFCC

Date signed: *29/8/19* .....

I do not agree the recommendations to this report because;

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

Sign: .....

Print: .....

PFCC/Deputy PFCC

Date signed: .....

# 1. Virement Analysis – Quarter 1

## 1.1 Virement Analysis – Summary

Line Ref:	Virements																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	Total		
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001	£000	£000		
1	184	60	0	36	154	20	(91)	(295)	0	(68)	0	0	0	0	0	19	
2	6	22	0	0	0	(25)	0	25	0	0	0	0	(28)	0	0	25	
3	25	182	0	(1)	(2)	(43)	(27)	51	0	(200)	0	0	16	0	(0)	28	
4	962	853	500	2	1,116	14	26	945	(230)	(4,188)	0	0	0	0	0	6 & 47	
5	0	293	0	0	98	0	18	346	0	(100)	(323)	0	0	0	(0)	8 & 58	
6	1,177	1,411	500	37	1,366	(34)	(74)	1,072	(230)	(4,557)	(323)	0	(12)	0	(0)		
7	(30)	(56)	0	(2)	(20)	0	0	(41)	0	149	0	0	0	0	0	65	
8	334	(310)	0	0	248	(320)	(2)	13	54	(17)	0	0	0	0	(0)	10	
9	304	(365)	0	(2)	228	(320)	(2)	(29)	54	132	0	0	0	0	0		
10	1,481	1,046	500	35	1,594	(354)	(76)	1,043	(177)	(4,425)	(323)	0	(12)	0	0	67	

## 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)	Total virement	Reason for Virement
				£	£	£	£	£	£	£	£	£	£	£	£	
1	1	External funding	OP-SCEPTRE initial budget setup					576,800			182,000		(758,800)		0	To reflect allocation from the Serious Violence Fund to tackle knife crime
2	2	External funding	Realigning of ERSOU budget by substantive heading	26,228	132,916				10,800	20,000	87,600	(277,544)			0	Realigning of ERSOU budget from third party to subjective headings
3	3	External funding	PCSOs funded by various local authorities		107,393	500,038							(607,431)		0	To create PCSO income budget for 15.81 FTE externally funded PCSO's
4	4	External funding	Athena creation of pay budget from contributions	78,500	360,000						483,000		(921,500)		0	Create AMO recharge income budget
5	5	External funding	Realigning of Income and Expenditure to match agreed budget for Stansted Airport policing 2019/20	310,530	(8,734)		2,103	282,629	1,361	5,522	10,276		(603,687)		0	Realigning of Income and Expenditure to match agreed budget for Stansted Airport policing 2019/20
6	Sub Total	External Funding and Reserves	External Funding virements	415,258	591,575	500,038	2,103	859,429	12,161	25,522	762,876	(277,544)	(2,891,418)	0	0	
7	6	Contingencies	OPFCC Commissioning Budgets C/Fwd 2019/20								332,082			(332,082)	0	Unutilised OPFCC 2018/19 Commissioning Budgets C/Fwd into 2019/20
8	Sub Total	Contingencies/Reserves virements	Contingencies/Reserves virements	0	0	0	0	0	0	0	332,082	0	0	(332,082)	0	
9	7	Budget Holder	Realigning of centrally held budgets including the one-off in-year shortfall budgets	333,750	(309,665)			248,216	(320,000)	(1,591)	12,589	53,572	(16,871)		0	Technical adjustment to realign centrally held budgets into one area following budget setting. The balance on centrally held budgets is £24k (credit).
10	Sub Total	Budget holder virements	Budget holder virements	333,750	(309,665)	0	0	248,216	(320,000)	(1,591)	12,589	53,572	(16,871)	0	0	
11	Total	Virements requiring Approval	Total Virements requiring Approval	749,008	281,910	500,038	2,103	1,107,645	(307,839)	23,931	1,107,547	(223,972)	(2,908,289)	(332,082)	0	

- A review of the virements in the above table is to be completed at the Performance and Resources Board on 25th July. Decision sheet to follow.

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

Table 2: Other Virements																						
Line Ref:	Virement Ref	Virement Type	Virement Description	Police Staff and Allowances	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	Contribution to/(from) General Reserve	In-Year Investments (Shortfall)/ Surplus	In-Year Savings (Shortfall)/ Surplus	Sources of Finance	Total Virement	
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
12	8	Budget Setting Investment	Set Drones Training School income target	120	120	51,892						16,200		(68,332)								0
13	9	Budget Setting Investment	Specialists 18/19 investment in growth	700	(35,700)	35,000					(2,000)	2,000										0
14	10	Budget Setting Investment	Specialists non pay growth - 17/18 budget build			8,000		36,203				(44,203)										0
15	11	Budget Setting Investment	Movement of budget for Support Officers relating to 2019/20 Force Growth	(167,217)	219,803						(45,357)	(7,229)										0
16	12	Budget Setting Investment	Movement of budget relating to 2018/19 Force Growth	226,879		59,000					(44,000)	(182,879)										0
17	13	Budget Setting Investment	Force Growth 2019/20 for Media's recruitment campaign						59,000			(59,000)										0
18	14	Budget Setting Investment	Force Growth 2019/20 for Gym Equipment							20,000		(20,000)										0
19	15	Sub Total Budget Setting - Saving	Investment virements - incorrectly allocated at 2019/20 budget setting. Should have been allocated to In-Year Savings (Shortfall)/Surplus	69,482	184,223	153,892	0	36,203	153,892	20,000	(91,357)	(295,111)	0	(68,332)	0	0	0	0	0	0	0	0
20	15	Budget Setting Saving	Early delivery of SCD Fringe Allowance. Initially coded to Officer Pay and should be Staff Pay	63,338															(63,338)			0
21	16	Budget Setting Saving	Efficiency Savings - SSD planned maintenance water monitoring contract part of SSD Estates non-pay saving 2019/20	(5,820)	5,820					(25,000)		25,000										0
22	17	Budget Setting Saving	Efficiency Savings - £1m Police Staff vacancy factor savings over achievement	(36,647)															36,647			0
23	18	Budget Setting Saving	SSD savings and efficiencies agreed at budget setting for 2019/20 under achievement	1,027															(1,027)			0
24	19	Budget Setting Saving	Transfer of SCD Undercover Department to ERSOU				0	(1,464)	(2,126)	(42,716)	(27,179)	51,219	0	0	0	0	0	(27,718)	15,978		0	
25	20	Sub Total Budget Setting - Saving	OPFCC Staff recharge to ECFRS	20,000	24,598	181,690	0	(1,464)	(2,126)	(42,716)	(27,179)	51,219	0	(200,000)	0	0	0	(27,718)	15,978		0	
26	20	Collaboration	Funding of increase in ERSOU Pension Costs from additional grant relating to 2018/19 received in 2019/20		100,000										(100,000)							0
27	21	Collaboration	Correction of duplicate Federation budget																			0
28	22	External funding	Correction of EPSA budgets			1,627				1,538												0
29	23	External funding	Direct entry Supt. Create budget from income	44,451																		0
30	24	External funding	One Public Estate grant funding allocation	54,942	98,913																	0
31	25	External funding	Funding from Thurrock Council for DNA Sprays									27,720										0
32	26	External funding	Realignment of Income and Expenditure for Stansed Airport policing Q1 2019/20	(10,256)	(43,116)	(617)						8,624										0
33	27	External funding	Distribution Network Service Provider line rental grant from Home Office									18,500										0
34	28	External funding	Major Incident OT funded from income									81,169										0
35	29	External funding				39,637																0
36	30	External funding																				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		Contribution to/(from) General Reserve		In-Year Investments (Shortfall) / Surplus	In-Year Savings (Shortfall) / Surplus	Sources of Finance		Total Virement	
				£		£				£			£		£					£		£				£			£
38	31	External funding	LPA West local partnership funding income setup	11,243		75,113												(86,356)										0	
39	32	External funding	Epping Forest Community Safety Hub funded police team	163,888														(163,888)										0	
40	33	External funding	MARAT Manager established post funded by ECC		62,674													(62,674)										0	
41	34	External funding	Op Magenta create budgets from Income non-pay budget	209,524	206	3,740												(213,870)										0	
42	35	External funding	Creation of Athena Development Fund												45,000			(45,000)										0	
43	36	External funding	Transfer Seven Forces Procurement Pay Budget to Third Party Payments		(47,331)											47,331												0	
44	37	External funding	Setup 2019/20 DB5 grant for vetting services		82,891	91,111		614		1,537							(176,153)											0	
45	38	External funding	ECC Funding for Head of Domestic Abuse Partnership		74,031												(74,031)											0	
46	39	External funding	OPC setup overtime budgets funded from income (abnormal loads, collision investigation and casualty reduction)	5,998	276	45,465											(51,739)											0	
47	Sub Total	External funding	External funding virements	546,850	261,884	256,076	1,538	614	0	182,550	47,331	1,296,843	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	40	Contingencies and Reserves	Transformation Reserve funding - Telematics			17,933											(17,933)											0	
49	41	Contingencies and Reserves	Severance & Financial strain returned to earmarked reserves			(142,582)											142,582											0	
50	42	Contingencies and Reserves	Earmarked reserve funds for specials growth							66,815							(66,815)											0	
51	43	Contingencies and Reserves	Funding of Financial Investigators from Operation Transformation Reserve		70,079												(70,079)											0	
52	44	Contingencies and Reserves	Digital Hub Project funding from Operational Transformation Reserve		145,730			106		15,077							(160,913)											0	
53	45	Contingencies and Reserves	Transformational Contact Management Project funding from Operational Transformation Reserve		66,253												(66,253)											0	
54	46	Contingencies and Reserves	Op Meteor products & activities funded by the Operational Transformation Reserve		11,393	835				31,579							(43,807)											0	
55	47	Contingencies and Reserves	Realign COG contingency budgets			100,000				(100,000)																		0	
56	48	Contingencies and Reserves	To fund excess travel payments for 2019/20			140,000											(140,000)											0	
57	49	Contingencies and Reserves	Forfeitures income forecast 19/20														100,000											0	
58	Sub Total	Contingencies/Reserves virements	Contingencies/Reserves virements	0	293,455	98,253	0	18,039	0	13,471	0	100,000	0	323,218	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
59	50	Budget Holder	Funding Agency from Established Vacancies		(85,432)	106,261				(20,829)							(85,432)											0	
60	51	Budget Holder	Correction of seconded officer budget			(117,696)											117,696											0	
61	52	Budget Holder	Multi-agency Safeguarding Hub (MASH) + Southend pay correction	(29,729)	29,729																							0	
62	53	Budget Holder	Funding from Cadee budget for laptop purchases for new unit leaders							2,172																		0	
63	54	Budget Holder	Vehicle Recovery contract realignment			(8,666)				(31,229)							31,229											0	
64	55	Budget Holder	HR Recruitment Media costs to date							8,666																		0	
65	Sub Total	Budget Holder virements	Budget Holder virements	(29,729)	(55,703)	(20,101)	0	(2,172)	0	(41,220)	0	148,925	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
66	Total of Other Virements			731,762	763,706	485,994	(46,178)	(99,883)	0	(64,091)	47,331	(1,516,250)	0	(323,218)	0	(13,740)	0	(1,740)										0	
67	Grand Total all Virements			1,480,770	1,045,616	1,593,639	(354,017)	(75,952)	34,670	1,043,456	(176,641)	(4,424,539)	(332,082)	(323,218)	0	(11,740)	0	(11,740)										0	



**Central Codes - Realignment - 2019/20 Quarter 1**

<b>Category</b>	<b>Code Description</b>	<b>2019/20 Original Budget</b>	<b>Other Qtr 1 virements</b>
Police Pay and Allowances	In-Year short/surplus: Officers	(£333,750)	£0
Police Staff Pay and Allowances	Centrally held - Staff	£23,348	£286,317
Other Employees Expenses	Centrally held - Officers	(£252,570)	(£19,514)
Premises	Centrally held - Premises	£320,000	£0
Transport	Centrally held -Transport	£1,591	£0
Supplies & Services	IY short/surplus: Supplies & Services	(£111,250)	£0
Supplies & Servies	Centrally held -Supplies & Services	£98,661	£0
Third Party Payments	Centrally held - Third Party Payments	(£53,572)	£0
Income	Centrally held - Income	£16,871	£0

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**Total (£290,671)**

**£266,803**

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Current Budget (before Virement ref: 7)	Qtr 1 Virement - realignment of Centrally held budgets (Virement ref: 7)	2019/20 Current Budget
(£333,750)	£333,750	£0
£309,665	(£309,665)	£0
(£272,084)	£248,216	(£23,868)
£320,000	(£320,000)	£0
£1,591	(£1,591)	£0
(£111,250)	£111,250	£0
£98,661	(£98,661)	£0
(£53,572)	£53,572	£0
£16,871	(£16,871)	£0
<b>(£23,868)</b>	<b>£0</b>	<b>(£23,868)</b>

**Comment**

The 2019/20 budget was set with an one-off in-year shortfall of £445k which was allocated as £334k police pay and £111k Supplies & Services. As the force-wide position at Quarter 1 is an overall underspend, the in-year shortfall has been removed as part of the central realignment.

The main budget transferred to this code is from the £200k OPFCC staffing recharge to ECFRS, omitted from 2019/20 Original Budget. This virement moves the budget to the main central holding code.

This is the main central holding code used at budget setting for unknown balances to balance the budget for the PFC Panel. It is cleared each year to zero as part of pay budget setting. As the budget is built in February for uploading onto SAP, the code is used for omitted/over-allocated budgets.

There was £557k allocated as one-off funding from 2018/19 budget setting for 2019/20 for the Estates Strategy. During 2019/20 budget setting the amount required was reduced by £320k. As the funding was no longer required the budget had been removed from the 2019/20 overall forcewide budget, but had not been cleared from the Estates budget for the PFC Panel. The budget was removed from the budget holder code and moved to the central holding code within the same budget reporting line for loading onto SAP. This virement moves the budget to the main central holding code.

Minor coding corrections between PFC Panel budget report and loading the budgets onto SAP.

The 2019/20 budget was set with an one-off in-year shortfall of £445k which was allocated as £334k police pay and £111k Supplies & Services. As the force-wide position at Quarter 1 is an overall underspend, the in-year shortfall has been removed as part of the central realignment.

Centrally held budget at budget setting from prior year helping to offset the overall shortfall on the central codes. The budget was kept on Supplies & Services reporting line for PFC Panel. This virement moves the budget to the main central holding code.

Home Office ICT charges allocated to incorrect code for PFC Panel. Moved to central holding code for loading the budgets onto SAP. This virement moves the budget to the main central holding code.

Minor coding corrections between PFC Panel budget report and loading the budgets onto SAP. This virement moves the budget to the main central holding code.

500094

503095

500098

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622095

642594

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