

Performance and Resources Scrutiny Programme 2019/20

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

Title of Report:	2019/20 Quarter 2 Financial Monitoring Report
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Chief Officer	DCC Mills
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Report from:	Essex Police: Corporate Finance
Date of Meeting:	31st October 2019
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	25th October 2019

1.0 Purpose of Report

1.1 This report identifies the 2019/20 quarter 2 position for the Force.

2.0 Recommendations

2.1 The report is for noting.

3.0 Executive Summary

3.1 The latest forecast revenue underspend is **£0.039m**, an increase of £0.014m from month 5.

3.2 The police officer strength forecast at end of September is **3,187 FTE** and at year end is **3,335 FTE**.

3.3 The Capital Reserve is forecast to be **£2.274m** surplus at year end.

3.4 The forecast capital expenditure is **£13.135m** and the forecast capital income from property disposals is **£8.085m**.

4.0 Introduction/Background

4.1 This reports sets out the September, quarter 2, financial position.

5.0 Current Work and Performance

5.1 The quarter 2 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 To transfer the balance of 2019/20 one-off funding for PEQF mobilisation costs to an earmarked reserve for use in financial year 2020/21, up to a level of £218k.

1. Executive Summary – 2019/20 – Quarter 2

£0.039m – Latest forecast revenue underspend, an increase of £0.014m from month 5.

3,187 FTE – Police Officer strength forecast at end of September and **3,335 FTE** Police Officer strength forecast at year end.

£2.3m surplus - The forecast year end balance on the Capital Reserve.

£13.1m forecast capital expenditure and **£8.1m** forecast capital income

2. Revenue

2.1 Revenue Summary – 2019/20 – Quarter 2

	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
Employees							
- Police Officer Pay and Allowances	167,631	596	168,227	83,582	171,942	3,715	(521)
- Police Staff Pay and Allowances	83,260	982	84,243	38,061	79,610	(4,633)	(300)
- PCSO Pay and Allowances	2,951	500	3,451	1,722	3,483	32	(8)
- Overtime, Pensions, Training, Expenses	13,808	1,048	14,857	7,992	15,210	353	130
- Associated Police Pay e.g. Acting Up	746	344	1,090	457	1,089	(1)	15
Employees Total	268,396	3,471	271,866	131,813	271,333	(534)	(685)
Premises	11,075	(203)	10,872	5,686	10,989	117	(34)
Transport	6,334	(102)	6,232	2,988	6,508	276	213
Supplies and Services	32,426	4,292	36,718	21,454	36,397	(321)	(11)
Third Party Payments	5,713	(307)	5,405	1,918	5,890	485	(115)
In-Year Investments Shortfall/Surplus	3	216	220	0	0	(220)	(100)
In-Year Savings Shortfall/Surplus	63	(149)	(85)	0	0	85	250
Income	(27,951)	(6,296)	(34,247)	(11,376)	(34,105)	142	473
Interest and capital activity	2,054	0	2,054	(2,830)	1,984	(70)	(6)
Earmarked Reserves	(179)	(922)	(1,101)	(1,155)	(1,101)	0	0
Net Expenditure	297,934	0	297,934	148,497	297,895	(39)	(14)
Contribution to/(from) General Reserve	(348)	0	(348)	(348)	(309)	39	14
Budget Requirement	297,586	0	297,586	148,149	297,586	0	(0)

Forecast variance based on Current Budget (over £250k).

- 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, the strength at the end of the year being 117 FTE more than budget, and the additional 0.5% pay award from 1st September 2019.
- The underspend on Police Staff Pay predominantly results from 218 FTE vacancies, which is 93 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 Transport is due to the impact of motor premium levels from 1st October 2019, which have not decreased as expected. This is specifically due to the delay in implementing procedures to reduce the Force's motor risk profile.
- The underspend on Supplies & Services is due to reduced Home Office IT charges and slippage on various IT projects and application support initiatives.
- 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 £1.1m following a budget setting contribution of £0.2m for redundancy and relocation costs.
- The contribution to the General Reserve is £0.039m. The General Reserve balance at the start of the year represents 3% of the force budget as agreed at the March Strategic Board.

- Decision Sought:** To transfer the balance of 2019/20 one-off funding for PEQF mobilisation costs to an earmarked reserve for use in financial year 2020/21, up to a level of £218k.

2.2 Main Forecast Movements since month 5

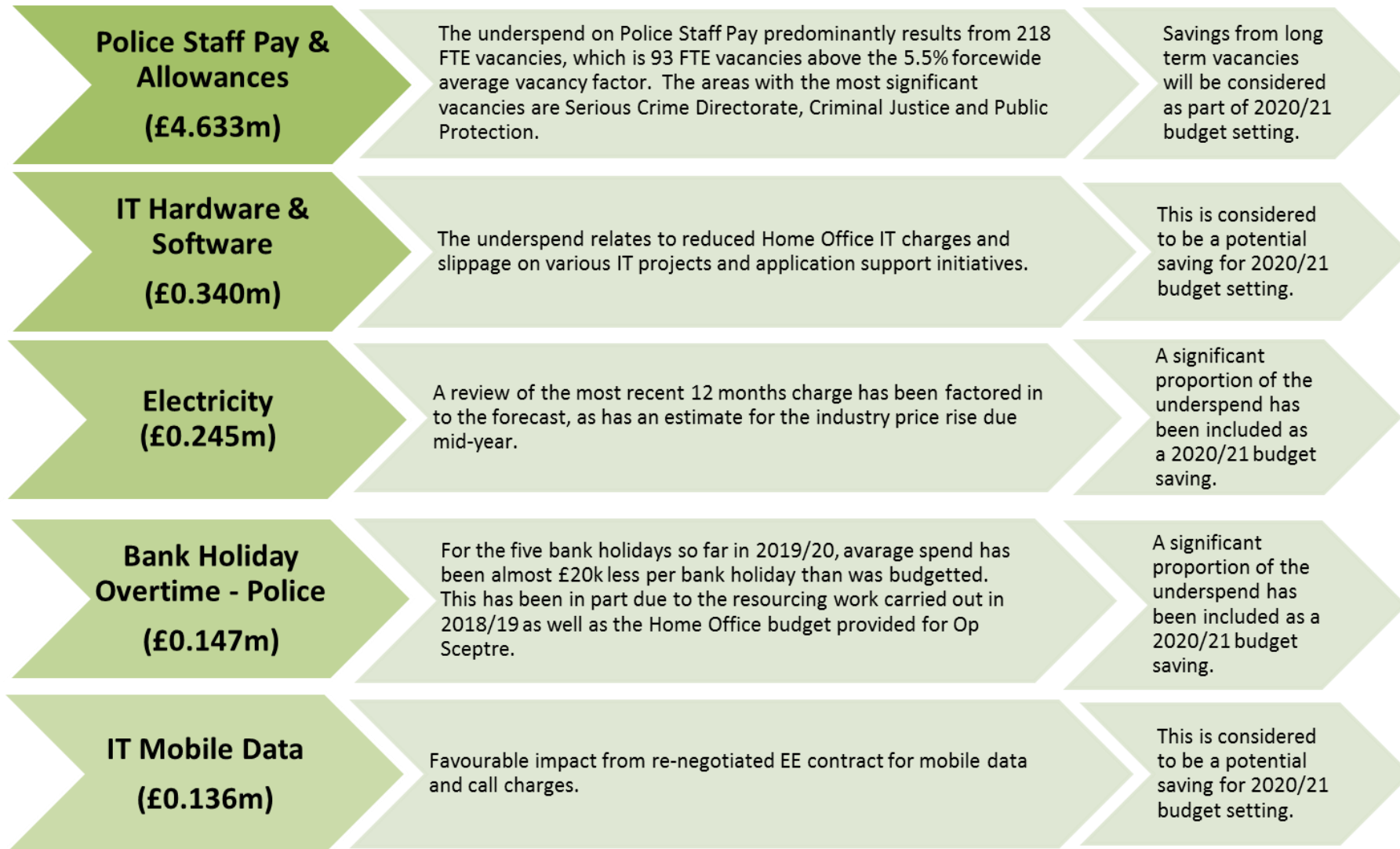
Main Changes to Forecast Outturn since Month 5 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 5 Forecast Outturn Variance	0.0	Underspend (£25k)
Police Officer Pay and Allowances	0.2	Includes costs associated with additional 40 FTE Officers
Police Staff Pay and Allowances	(0.3)	Delay in the recruitment of 32 operational staff growth posts (SCD and Local Policing) and 18 support staff growth posts (L&D, HR and Strategic Change) connected to the recruitment of the 215 FTE Force Growth Officers.
Pensions (Ill Health/Medical)	(0.1)	Forecast for one officer to leave per month is £78k, however there were no retirements in month 6.
Transport	0.3	Impact of motor premium levels from 1/10/19, which have not decreased as expected. This is specifically due to the delay in implementing procedures to reduce the Force's motor risk profile (as requested by Edison, the Force motor insurer).
Insurance Claims Expenditure	0.1	Increase in forecast claims expenditure based on latest insurance provision estimates covering forecasts for employer, public liability & motor claims.
Specialist Operational Supplies & Services	(0.1)	Movement from Investment holding codes for Body worn video relating to specials not required in 2019/20
Third Party Payments	(0.1)	Movement from Seven Forces reserve to offset Procurement costs & a reduction in the Athena forecast relating to delays in MI solutions.
Quarter 2 Forecast Outturn Variance	0.0	Underspend (£39k)

2.3 Top Five Forecast Overspends (*Current budget*)

<p>Police Officer Pay & Allowances £3.714m</p>	<p>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 at year end being 117 FTE more than budget.</p>	<p>Intakes may need to be reduced later in the year, subject to the overall force position and 2020/21 financial impact.</p>
<p>Vehicle Insurance £0.288m</p>	<p>This overspend is a direct result of the delay in implementing risk-reduction measures across SEERPIC in relation to the Force motor policy. The delays have meant that the premiums taking effect from 1st October 2019 are unchanged rather than reducing as expected, leading to an additional £0.288m cost pressure.</p>	<p>The risk reduction work requested by Edison (insurer) is progressing. These costs have been bid for as part of 2020/21 budget setting.</p>
<p>NPAS Contribution £0.258m</p>	<p>The cost of air support provided to Essex Police in 2019/20 is £1.768m, resulting in a £258k overspend against budget.</p>	<p>A revised air support strategy is being developed nationally. These costs have been bid for as part of 2020/21 budget setting.</p>
<p>Third Party Payments - Athena / 7 Forces £0.216m</p>	<p>Project team costs for 7 Forces of £86k and Athena of £130k, were not previously budgeted, with an element communicated and agreed upon after finalisation of the 2019/20 budget setting process.</p>	<p>Recurring costs have been bid for as part of 2020/21 budget setting.</p>
<p>Staff Overtime £0.208m</p>	<p>Main forecast overspends against Serious Crime Directorate, Criminal Justice and Operational Policing Command. Most of the overspend relates to high vacancy levels but the OPC spend relates also to high demand in both the RMU and Firearms Licensing teams.</p>	<p>Most vacancy related overspends offset by underspends against police staff pay.</p>

2.4 Top Five Forecast Underspends (*Current budget*)



3. Police Officer Overtime

3.1 Summary

**£140k
forecast
overspend**

Although there are ongoing specific areas of overspend (as detailed below), the one-off Op Sceptre and summer demand funding is allowing local policing areas to underspend or at the very least break even against their budgets.

Work is ongoing with commands to review expenditure and savings in line with 2020/21 force savings requirements.

3.2 Main overspends

**Criminal
Justice
Command
£151k**

Due to the size of the LPA Custody Sergeant cohort, minimum custody staffing levels are being maintained via overtime. This issue also has an impact on LPA overtime and resources.

This is being reviewed as part of a larger custody business case.

**Serious Crime
Directorate
£93k**

Overspend due to vacancies and high demand. Some expenditure is offset by major incidents funded elsewhere and by outstanding Kent recharges.

Some of the variance will be offset elsewhere by Kent recharges and major incident funding.

**OPC
£54k**

High overtime required to maintain the required STRA levels against FSU across the county. In addition, LPA support and firearms training (related to travel to external ranges) continues to be high.

The firearms STRA and training issues are currently under review.

4. Police Staff Overtime

4.1 Summary

**£196k
forecast
overspend**

Main forecast overspends against Serious Crime Directorate, Criminal Justice and Operational Policing Command. Most of the overspend relates to high vacancy levels but the OPC spend relates to high demand in both the RMU and Firearms Licensing teams.

Most overspends offset by the underspends against police staff pay (£4.63m).

4.2 Main overspends

**Serious
Crime
Directorate
£70k**

Overspend due to high vacancies and demand in the Major Crime teams.

Variance offset by underspends against police staff pay budgets.

**Criminal
Justice
Command
£48k**

Overspend resulting from Detention Officers vacancies and increased demand in relation to correction of weekend remand in custody files before they can be handed over to the CPS.

Variance offset by underspends against police staff pay budgets.

**OPC
£25k**

High demand and vacancies against the RMU, Firearms Licensing and Casualty Reduction teams

Variance offset by underspends against police staff pay budgets.

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	Variance £k	Reasons for Changes
Changes in strength forecast	95	Additional 40 FTE forecast in February/March less net 1 FTE reduction in strength in August
Changes in forecast	91	Additional forecast for PEQF, now forecast to be spent or moved to reserves in year
Changes in forecast	60	Movement in Kent recharges
Forecast changes including sickness and maternity pay	7	Includes adjustments made in the September payroll
Changes in forecast	(66)	Transfer of 2 FTE officers to externally funded posts from force funded posts
Changes in month impacting on the General reserve	187	
Changes in forecast	92	National Insurance costs on Op Sceptre overtime
Budget transfer from pay	40	Seven Forces budget realignment
Budget transfer to pay	(11)	Home Office Funding for Op Igloo
Budget transfer to pay	(112)	Realignment of Police Now funding
Budget transfer to pay	(250)	2019/20 Savings for Op Hexagon not achieved (forecast impact in Month 5)
Budget transfer to pay	(467)	Home Office funding for Op Sceptre
Total Change	(521)	
Staff Pay	Variance £k	Reasons for Changes
Changes in strength forecast	89	Additional 3 FTE in August and 4 FTE in September than previously forecast
Forecast changes including sickness and maternity pay	62	Includes adjustments made in the September payroll
Budget transfer to pay	(11)	OTR funding of Op Meteor Costs
Budget transfer from pay	62	2019/20 budget setting contribution to transformation reserve - IT staff costs for Estates HQ project
Changes in forecast	(69)	Movement in Kent recharges
Changes in forecast	(377)	Delay in recruitment of force growth posts until Q3/Q4 19/20 including L&D £137k, SCD £82k, HR £58k and Local Policing £56k
Changes in month impacting on the General reserve	(244)	
Budget transfer from pay	50	Utilisation of pay underspends for advertising linked to officer and staff retention
Budget transfer from pay	47	Realignment of external budget for ERSOU CT Grant
Budget transfer from pay	32	Realignment of funding of agency staff for major operations
Budget transfer from pay	8	SCD Forensic Business case funding of Media Photography Services
Budget transfer to pay	(46)	Seven Forces budget realignment
Budget transfer to pay	(147)	Home Office funding for Op Sceptre
Total Change	(300)	
PCSO Pay	Variance £k	Reasons for Changes
Changes in forecast	(8)	Includes adjustments made in the September payroll
Total Change	(8)	

5.2 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

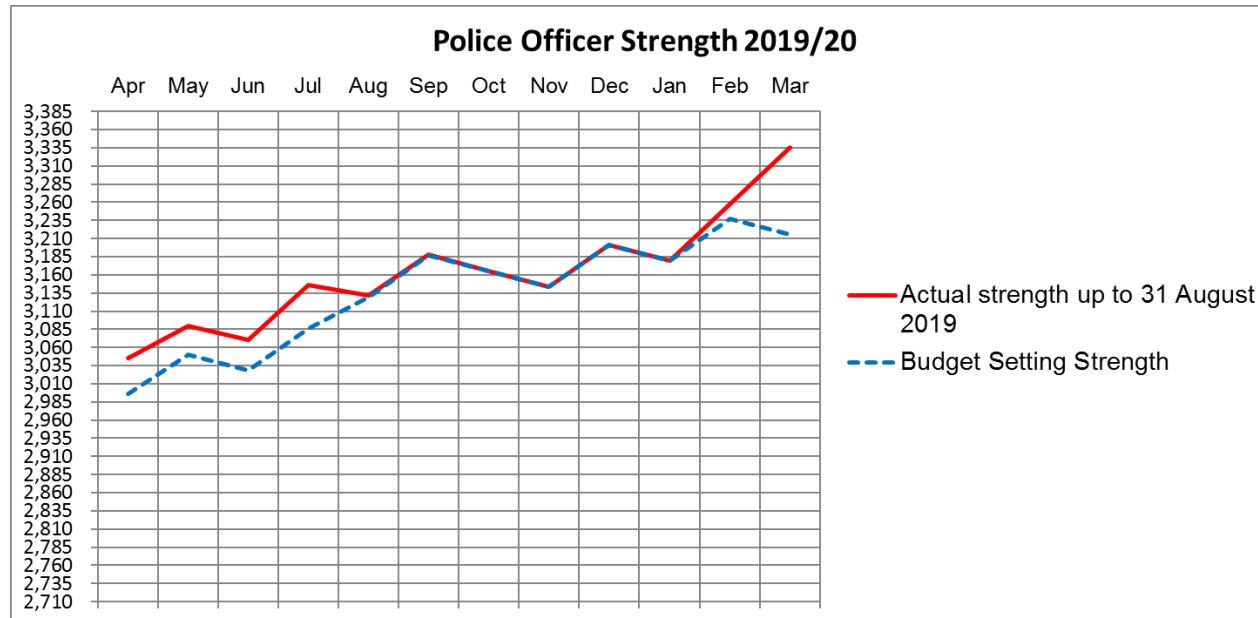
2019/20 Current Forecast - Based on HR Information received 16 September 2019														
Ref	Strength	Actual FTE					Forecast FTE							
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
8	1st April 2019 Strength	3,064	3,045	3,089	3,070	3,146	3,131	3,187	3,165	3,143	3,201	3,179	3,257	
9	Leavers (note 7)	(21)	(26)	(19)	(15)	(20)	(26)	(22)	(22)	(22)	(22)	(22)	(22)	(259)
10	Starters (note 8)	2	70	0	91	5	82	0	0	80	0	100	100	530
11	Net change	(19)	44	(19)	76	(15)	56	(22)	(22)	58	(22)	78	78	271
12	Officer strength - month end	3,045	3,089	3,070	3,146	3,131	3,187	3,165	3,143	3,201	3,179	3,257	3,335	
13	Difference to 3218fte - over / (under)	(173)	(129)	(148)	(72)	(87)	(31)	(53)	(75)	(17)	(39)	39	117	
Ref	Actuals /Forecast £	Actual £					Forecast £							
		Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	Total £m
14	Costed Strength before starters/leavers	£13.46m	£13.97m	£13.82m	£13.97m	£14.19m	£14.25m	£14.28m	£14.15m	£14.16m	£14.38m	£14.21m	£14.49m	£169.33m
15	2018/19 Leavers							(£0.07m)	(£0.15m)	(£0.22m)	(£0.29m)	(£0.37m)	(£0.44m)	(£1.54m)
16	2018/19 Starters							£0.19m	£0.17m	£0.32m	£0.32m	£0.34m	£0.67m	£2.01m
17	Other Costs							£0.36m	£0.35m	£0.36m	£0.36m	£0.35m	£0.36m	£2.14m
18	Monthly Actual	£13.46m	£13.97m	£13.82m	£13.97m	£14.19m	£14.25m	£14.76m	£14.52m	£14.62m	£14.77m	£14.53m	£15.08m	£171.94m

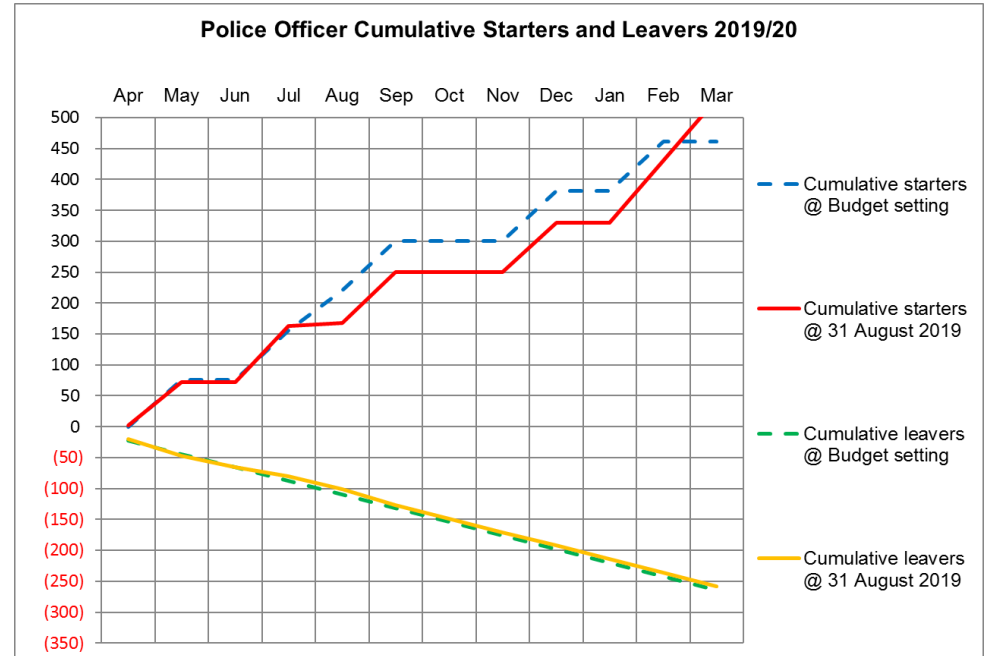
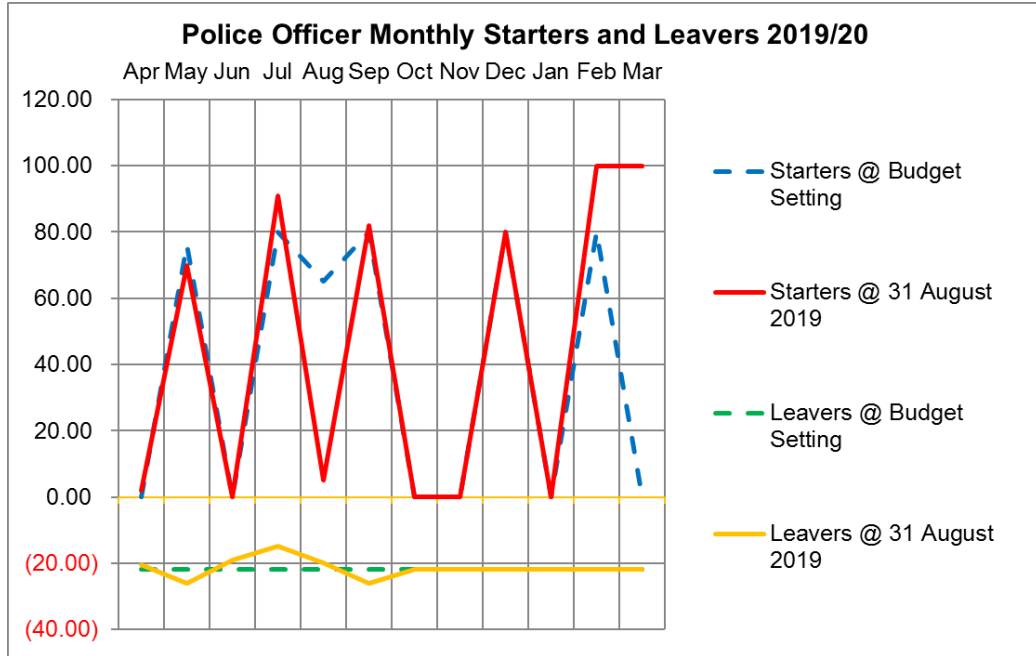
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Forecast Change from budget setting														
		Actual FTE					Forecast FTE							
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
19	Strength @ beginning of month (negative=reduction)	43	46	36	39	57	(1)	(3)	(3)	(3)	(3)	(3)	17	
20	Leavers (positive number = less leavers)	1	(4)	3	7	2	(4)	0	0	0	0	0	0	5
21	Starters	2	(6)	0	11	(60)	2	0	0	0	0	20	100	69
22	Month End Strength Change - FTEs	46	36	39	57	(1)	(3)	(3)	(3)	(3)	(3)	17	117	74
23	Change per month FTEs	3	(10)	3	18	(58)	(2)	0	0	0	0	20	100	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	Monthly Financial Change	£2.25m	£1.48m	£1.44m	£1.53m	£1.53m	(£1.10m)	(£0.47m)	(£0.60m)	(£0.63m)	(£0.31m)	(£0.73m)	(£0.08m)	£4.31m

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





5.3 Police Officers, Police Staff, PCSOs and Specials

FTE Changes Effecting Pay Forecasts - 2019/20 Month 6

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	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	Strength at 31st March 2020
Budget Setting			3,021	437	24	(264)	0	3,218
HR data @ 31 July 19	3,218	3,146	3,064	472	17	(258)	1	3,296
HR data @ 31 August 19	3,218	3,131	3,064	512	18	(260)	1	3,335
Change		(15)	0	40	1	(2)	0	39

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
Budget Setting			2,233	2,108		
HR data @ 31 July 19	2,223	2,012			62	(74)
HR data @ 31 August 19	2,239	2,015			77	(86)
Change	16	3	0	0	15	(12)

* 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					
	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	Strength at 31st March 2020
Budget Setting			108	108	0	0	0	108
HR data @ 31 July 19	108	106	108	108	7	(7)	0	108
HR data @ 31 August 19	109	112	108	108	7	(7)	0	108
Change	1	6	0	0	0	0	0	0

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

4. Specials FTEs	Actual Strength	Target Strength
Budget Setting		700
HR data @ 31 July 19	512	600
HR data @ 31 August 19	517	600
Change	5	0

6. Police Objective Analysis – Level 1

Revenue Monitoring Report - Police Objective Analysis										
Quarter 2 (up to the end of September) 2019/20										
Function	Provisional Original Budget	Reclassifications and virements	Current Budget	Actuals to date	Forecast Outturn	Forecast Variance Over / (Under) Spend	2018/19 Outturn	Forecast Variance to 18/19 Outturn	Prev. qtr forecast	Movement to prev. qtr forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Local Policing	80,151	782	80,934	40,150	80,421	(513)	75,133	5,287	78,883	1,538
Dealing with the Public	23,540	4	23,543	11,595	23,362	(180)	22,571	791	23,343	19
Criminal Justice Arrangements	15,454	21	15,473	7,698	15,438	(35)	15,441	(4)	15,260	178
Road Policing	7,891	(428)	7,463	4,118	7,448	(15)	5,938	1,510	7,275	173
Operational Support	13,290	666	13,955	7,123	15,517	1,562	13,729	1,789	14,533	985
Intelligence	10,353	(509)	9,844	4,757	9,934	90	10,411	(477)	9,709	225
Investigations	22,948	230	23,178	10,842	23,049	(128)	21,046	2,003	22,179	871
Public Protection	30,861	(182)	30,680	15,209	30,773	93	28,610	2,163	29,424	1,349
Investigative Support	9,543	(109)	9,434	4,617	9,523	89	9,038	486	9,664	(141)
National Policing	2,278	584	2,862	4,261	2,797	(66)	2,509	289	2,356	441
Sub total	216,308	1,059	217,365	110,368	218,262	897	204,426	13,837	212,625	5,637
Support Functions	73,141	(97)	73,045	40,852	72,309	(736)	66,182	6,127	74,136	(1,826)
Police, Fire & Crime Commissioner	4,870	104	4,974	1,771	4,980	6	4,528	452	4,989	(9)
Central Costs	3,795	(144)	3,651	(3,338)	3,444	(207)	5,612	(2,168)	6,324	(2,880)
Sub total	81,806	(137)	81,670	39,285	80,733	(936)	76,322	4,411	85,448	(4,715)
Net expenditure	298,113	922	299,035	149,653	298,996	(39)	280,748	18,249	298,074	922
Transfer to/(from) earmarked reserves	(179)	(922)	(1,101)	(1,155)	(1,101)	0	(294)	(807)	(834)	(266)
Transfer to/(from) general reserve	(348)	0	(348)	(348)	(309)	39	(2,996)	2,687	347	(656)
Budget Requirement	297,586	0	297,586	148,150	297,586	(0)	277,456	20,130	297,586	(0)

7. Virement Analysis – Quarter 2

7.1 Virement Analysis – Summary

	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		
Virements over £250k requiring PFCC approval																
Budget Setting Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Budget Setting Saving	250	0	0	0	0	0	0	0	0	0	0	0	0	(250)	0	4
Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6
External Funding	(1,246)	100	0	(0)	(302)	(26)	(20)	3,163	(295)	(1,376)	0	0	0	0	0	14
Contingencies and Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16
Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18
Total virements over £250k requiring PFCC approval	(996)	100	0	(0)	(302)	(26)	(20)	3,163	(295)	(1,376)	0	0	0	(250)	0	19
Virements not requiring PFCC approval																
Budget Setting Investment	0	0	0	0	3	69	0	(176)	4	0	0	0	100	0	0	23
Budget Setting Saving	0	(0)	0	0	1	0	0	(1)	0	0	0	0	0	0	0	26
Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28
External Funding	(29)	48	0	0	24	1	4	175	50	(273)	0	0	0	0	0	34
Contingencies and Reserves	8	11	0	14	(76)	44	2	133	110	(32)	(213)	0	0	0	0	48
Budget Holder	112	(171)	0	(216)	122	0	4	125	0	(39)	62	0	0	0	0	60
Total virements not requiring PFCC approval	91	(113)	0	(202)	74	115	10	256	164	(344)	(151)	0	100	0	0	61
Total all virements	(905)	(13)	0	(202)	(228)	89	(9)	3,420	(131)	(1,720)	(151)	0	100	(250)	0	62

7.2 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	In-Year Savings (Shortfall) / Surplus	Total virement	Reason for Virement
				£	£	£	£	£	£	£	£	£	£	£	£	
1	1	Budget Setting Investment													0	
2	Sub Total Budget Setting - Investment virements			0	0	0	0	0	0	0	0	0	0	0	0	
3	2	Budget Setting Saving	2019/20 Savings for Operation Hexagon not achieved	250,000										(250,000)	0	Savings target for Operation Hexagon not achieved in 2019/20
4	Sub Total Budget Setting - Saving virements			250,000	0	0	0	0	0	0	0	0	0	(250,000)	0	
5	3	Collaboration														
6	Sub Total Collaboration virements			0	0	0	0	0	0	0	0	0	0	0	0	
7	4	External funding	Devolved MOJ grant - Victims commissioning								269,500		(269,500)		0	Devolved MOJ grant - Victims commissioning - Full Year
8	5	External funding	ECC Contribution to PFCC Violence & Vulnerability Commissioning Budget								500,000		(500,000)		0	ECC Contribution to PFCC Violence & Vulnerability Commissioning Budget
9	6	External funding	Realignment of ERSOU Grant Funded Counter Terrorism income and expenses	(1,089,278)	(47,570)		(44)	(361,153)	(25,052)	(11,567)	710		1,533,954		0	To align budgets to new cost centre structure and updated forecasts
10	7	External funding	Ministry Of Justice Victims Funding 2019/20								2,102,678		(2,102,678)		0	Ministry Of Justice Victims Funding 2019/20 - Full Year
11	8	External funding	Op Sceptre budget setup	467,380	147,418			119,544			2,303		(736,645)		0	To reflect allocation from the Serious Violence Fund to tackle knife crime
12	9	External funding	Re-alignment of seconded officer budgets	(623,783)			(14)	(60,042)	(457)	(7,993)	(6,373)		698,662		0	Historic base budget realignment to reflect forecast income from seconded officer agreements
13	10	External funding	Seven Forces budget realignment								294,509	(294,509)			0	Budget realignment to reflect spend against the correct subjective heading - contractor payments instead of third party payments
14	Sub Total External funding virements			(1,245,681)	99,848	0	(58)	(301,651)	(25,509)	(19,560)	3,163,327	(294,509)	(1,376,207)	0	0	
15	11	Contingencies and Reserves														
16	Sub Total Contingencies/Reserves virements			0	0	0	0	0	0	0	0	0	0	0	0	
17	12	Budget Holder														
18	Sub Total Budget Holder virements			0	0	0	0	0	0	0	0	0	0	0	0	
19	Total Virements requiring Approval			(995,681)	99,848	0	(58)	(301,651)	(25,509)	(19,560)	3,163,327	(294,509)	(1,376,207)	(250,000)	0	

- A review of the virements in the above table and the PFCC decision sheet is to be completed at the Performance and Resources Board on 31st October.

8. Reserves

8.1 Detail Reserve Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances					
Reserve	1st April 2019 - Opening Balance	Contribution 2019/20	Allocation 2019/20	30th September 2019 - Closing Balance	Comment
Reserves held by Essex Police but managed as third party reserves					
Leased Property Dilapidation & Maintenance	£0.710m			£0.710m	Reserve for multi occupancy building for property maintenance.
Proceeds of Crime Act	£0.737m		(£0.101m)	£0.636m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.031m	£0.046m		£0.077m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£1.478m	£0.046m	(£0.101m)	£1.423m	
Project Reserves					
7Forces Collaboration Reserve	£0.035m		(£0.035m)	£0.000m	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.
Total	£0.035m	£0.000m	(£0.035m)	£0.000m	
Ringfenced Reserve					
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.
Total	£0.440m	£0.000m	(£0.140m)	£0.300m	
Operational Reserves					
Specials Constabulary Reserve	£0.119m		(£0.067m)	£0.052m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary. No further call on this reserve anticipated in 2019/20
Transformation Reserve	£0.659m		(£0.124m)	£0.535m	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		(£0.428m)	£1.308m	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.
Total	£5.269m	£0.000m	(£0.619m)	£4.650m	
OPFCC Carry Forward Reserves					
2018/19 to 2019/20	£0.332m		(£0.332m)	£0.000m	£332k for OPCC grants are carried forward to 2019/20.
Total	£0.332m	£0.000m	(£0.332m)	£0.000m	
Total Revenue Earmarked Reserves	£7.554m	£0.046m	(£1.227m)	£6.373m	
Provisions					
Legal Claims Provision	£0.794m		(£0.044m)	£0.750m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary).
Insurance Provision	£2.580m			£2.580m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.374m	£0.000m	(£0.044m)	£3.330m	
General Reserve					
General Reserve	£8.878m	£0.039m		£8.917m	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.
Total Revenue Reserves and Provisions	£19.806m	£0.085m	(£1.271m)	£18.620m	

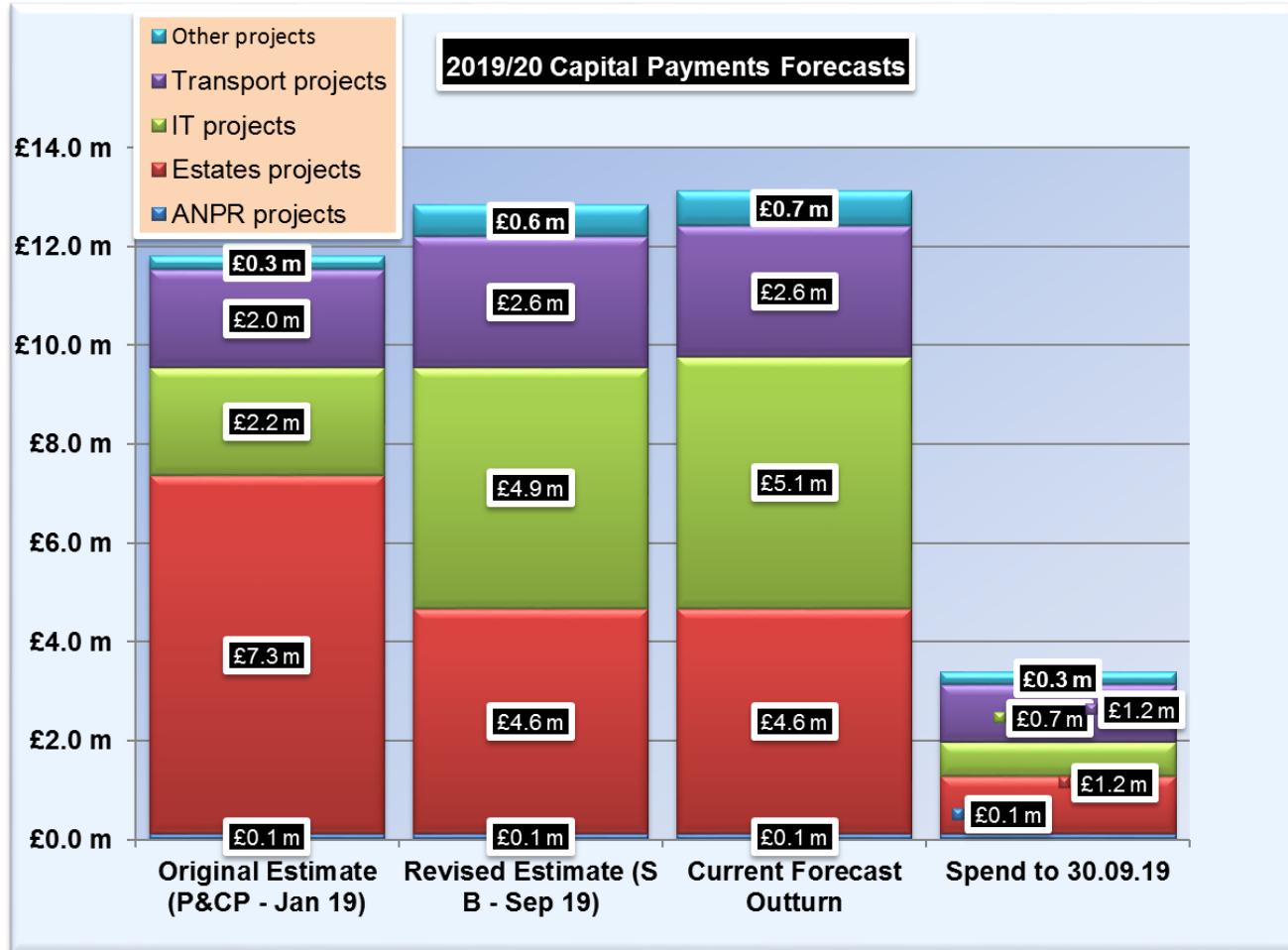
- **Decision Sought:** To transfer the balance of 2019/20 one-off funding for PEQF mobilisation costs to an earmarked reserve for use in financial year

8.2 Transformation Reserve

2019/20 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 30 September	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 30 September
	£	£	£	£	£	£
Estates - Disposal Fees	162,682	(100,082)	62,600	162,682	0	55,548
OPC - Op. Javelin	112,530	0	112,530	75,000	37,530	1,173
Estates - Enabling Projects - decamp	95,873	(6,082)	89,791	20,000	75,873	6,082
IT Transformation	204,730	0	204,730	126,730	78,000	0
(Fire) Detailed Business Case	50,056	0	50,056	50,056	0	0
Arlingclose	15,000	0	15,000	0	15,000	0
Transport Services - Telematics	17,933	(17,933)	0	17,933	0	0
Total	658,804	(124,097)	534,707	452,401	206,403	62,803

9. Capital

9.1 Capital Expenditure Forecast



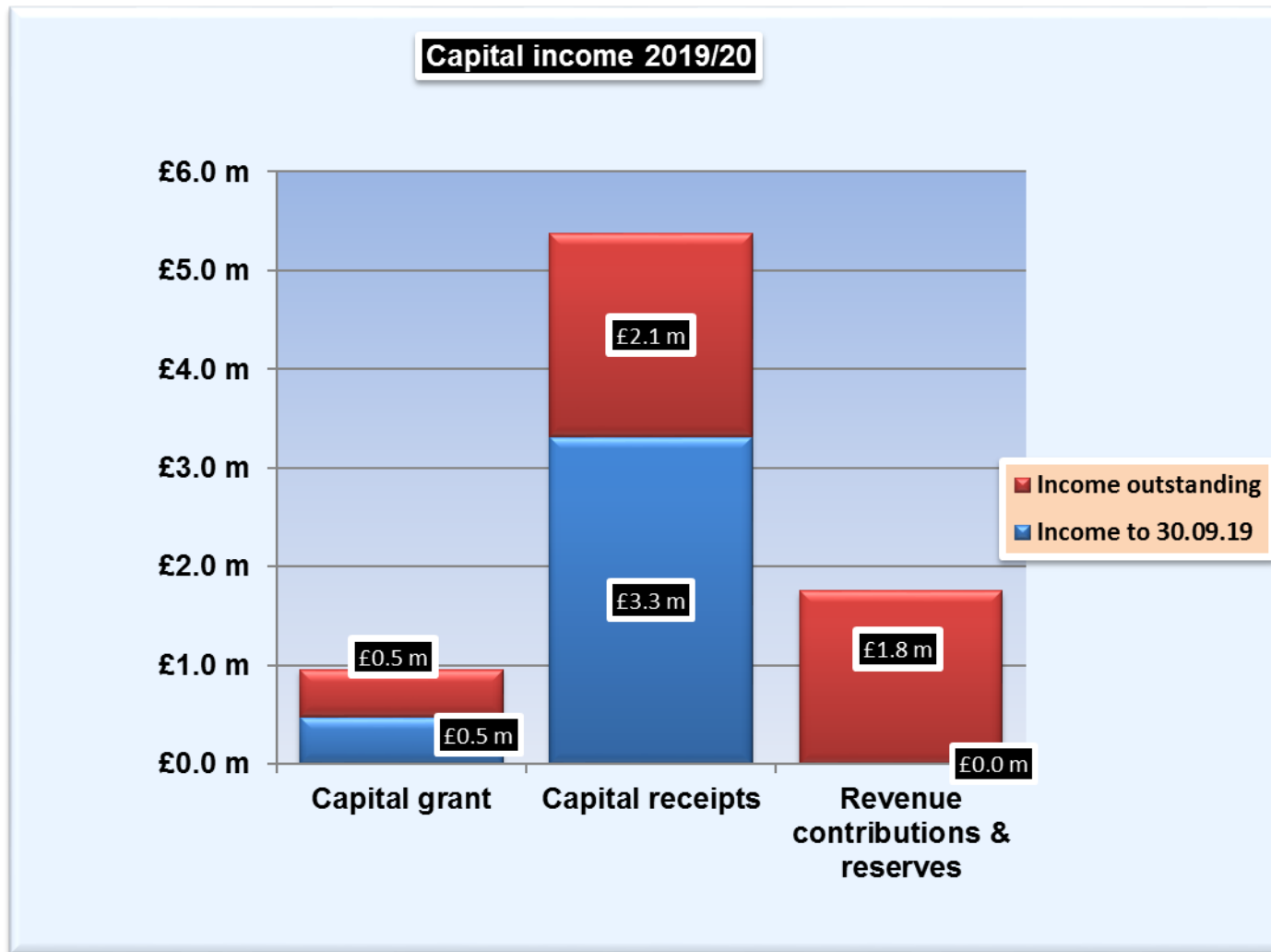
- Capital expenditure to date was **£3.4m** at 30 September 2019.
- In-year forecast capital expenditure is **£13.1m**, a net increase of **£1.3m** over the forecast reported to the Police & Crime Panel on 24 January 2019, and a net increase of **£0.3m** reported to the Strategic Board on 16 September 2019.
- The forecast increase mainly reflects: (i) payments slippage from 18/19 to 19/20, (ii) Business cases approved by the PFCC offset by (iii) payments slippage from 19/20 to 20/21.

9.2 Movement in Capital Reserve Forecast

Movement in Capital Reserves From P05 August 2019

Project	Area	£000 Increase / (Decrease)	Reason
2019/20 Period 05 @ 31 August 2019		(2,975)	Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)
(i) Movement in Capital Payments			
PAC Access Control Upgrade	ESTATES	(16)	Payments slippage to 2020/21
Capitalised Maintenance Programme 16/17	ESTATES	(25)	Payments slippage to 2020/21
Disposals Re provision Phase 1	ESTATES	40	Additional spend to forecast
Infrastructure Technical Refresh	IT	(21)	Payments slippage to 2020/21
Recruitment Uplift IT Requirements	IT	157	Moved from subject to approval list
Mobile First	IT	122	Additional spend to forecast
QAS & Compass Upgrade	IT	(33)	Payments slippage to 2020/21
Recruitment Uplift (215 officers) body armour	OTHER	69	Moved from subject to approval list
OPC Videoscope	OTHER	20	Approved at Strategic Board 16/09/19
OPC Radiation Device	OTHER	24	Approved at Strategic Board 16/09/19
Marine Unit: Rigid Inflatable Boat	TRANSPORT	80	Approved at Strategic Board 16/09/19
		418	Total Payments Forecast Movement
(ii) Movement in Capital Income			
Capital Receipts	ESTATES	283	Updated Estates disposals - Shrub End PPU sale delayed, now reported at mid value so reduction of £0.326m and Hatfield Heath best bid is £0.041m less than mid value previously reported. £0.084m received for Saffron Walden overage.
		283	Total Income Movement
2019/20 Period 06 @ 30 September 2019		(2,274)	Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)

9.3 Capital Income



- At 30 September 2019 there have been three property disposals. The latest capital receipts target of **£5.4m** takes account of 6 properties in total forecast for disposal in 2019/20.
- At 30 September 2018 **£0.5m** of the **£1.0m** Home Office capital grant has been received. Additional funding of **£1.6m** will be provided from revenue contributions, including a **£1m** to assist with funding the capital programme and the avoidance of future borrowing costs.

9.4 Projection of Capital Reserves – Cashflow Profile

	Quarter 1 Actual £000	Jul-19 Actual £000	Aug-19 Actual £000	Sep-19 Actual £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)	(7,309)	(7,728)	(7,302)	(6,855)	(4,309)	(2,915)	(2,498)	(7,324)
Capital spend in year	1,265	394	1,077	655	1,179	686	3,605	1,394	656	2,224	13,135
Annual grant from the Home Office	(239)	-	(239)	-	-	(239)	-	-	(239)	-	(956)
Property disposals	(1,533)	(600)	(110)	(1,074)	-	-	(1,059)	-	-	(1,000)	(5,376)
Revenue Contribution	-	-	-	-	(600)	-	-	-	-	(1,000)	(1,600)
External Funding	-	-	-	-	(153)	-	-	-	-	-	(153)
Closing balance of capital reserves	(7,831)	(8,037)	(7,309)	(7,728)	(7,302)	(6,855)	(4,309)	(2,915)	(2,498)	(2,274)	(2,274)

- Capital spend in year shows payments on approved 2019/20 projects and earlier years approved projects only.
- There have been three property disposal up to 30 September 2019 for Epping Police Station, Maldon Police Station and La Plata Grove, plus a deposit received for the former Harlow Dogs site and a receipt for Saffron Walden overage. 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.

Appendices to Revenue Report 2019/20 – Quarter 2

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10. APPENDIX A – Detail Revenue Report

POLICE & CRIME COMMISSIONER FOR ESSEX REVENUE REPORT 2019/20 M6

	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Variance - Over / (Under) Spend
	£000	£000	£000	£000	£000	£000
Employees						
Police Pay and Allowances	167,631	596	168,227	83,582	171,942	3,715
Police Staff Pay and Allowances	83,260	982	84,243	38,061	79,610	(4,633)
PCSO Pay	2,951	500	3,451	1,722	3,483	32
Operational Performance	340	(1)	339	0	339	0
Police Officer Overtime	4,488	767	5,255	2,770	5,417	163
Police Officer Bank Holiday Overtime	1,715	(74)	1,642	1,007	1,494	(147)
Police Staff Agency	96	214	309	195	448	139
Police Staff and PCSO Overtime	821	162	983	656	1,174	192
Pensions (Ill Health / Medical)	4,520	0	4,520	2,384	4,383	(137)
Training	1,457	(148)	1,309	735	1,440	131
Employee Expenses (e.g. Severance)	372	129	501	245	515	13
Associated Police Pay e.g. Acting Up, A/L loss of pay	746	344	1,090	457	1,089	(1)
Employees Sub Total	268,396	3,471	271,866	131,813	271,333	(534)
Premises	11,075	(203)	10,872	5,686	10,989	117
Transport	6,334	(102)	6,232	2,988	6,508	276
Supplies and Services						
Forensic Costs	2,815	72	2,888	1,296	3,069	181
Communications & Technology	12,757	609	13,367	12,603	12,857	(510)
Uniforms & Laundry	552	148	700	282	700	0
Medical related expenditure	2,389	77	2,466	1,156	2,600	135
Office Equipment, Furniture & Materials	714	28	742	283	767	25
Custody Costs	476	(3)	473	237	493	19
PCC Grants	3,378	2,537	5,915	2,819	5,915	0
Insurance Contribution	1,300	0	1,300	549	1,400	100
Specialist/Operational Supplies & Services	6,333	1,322	7,655	2,230	7,518	(137)
Revenue Consequences of Capital	1,712	(499)	1,212	0	1,077	(135)
Supplies & Services Sub Total	32,426	4,292	36,718	21,454	36,397	(321)
Third Party Payments	5,713	(307)	5,405	1,918	5,890	485
In-Year Investments	3	216	220	0	0	(220)
In-Year Savings	63	(149)	(85)	0	0	85
Gross Operating Expenditure	324,011	7,217	331,228	163,858	331,117	(111)
Income	(27,951)	(6,296)	(34,247)	(11,376)	(34,105)	142
Net Cost of Services	296,060	922	296,981	152,482	297,012	31
Other Expenditure / (Income)						
Interest (Receivable) / Payable	(76)	0	(76)	(45)	(146)	(70)
Cost of the disposal of fixed assets	30	0	30	0	30	0
Capital & Other Adjustments	2,100	0	2,100	(2,785)	2,100	0
Budget carry forwards	0	(332)	(332)	(332)	(332)	0
Earmarked reserves	(179)	(590)	(769)	(823)	(769)	0
	1,875	(922)	953	(3,985)	883	(70)
Net Expenditure	297,934	0	297,934	148,497	297,895	(39)
Contribution to/(from) General Balance	(348)	0	(348)	(348)	(309)	39
BUDGET REQUIREMENT	297,586	0	297,586	148,149	297,586	0

11. APPENDIX B – Police Objective Analysis – Level 2

Revenue Monitoring Report - Police Objective Analysis format							2018/19	Forecast
Quarter 2 (up to the end of September) 2019/20							Outturn	Variance to
	Provisional Original Budget	Reclassifications and virements	Current Budget	Actuals to date	Forecast Outturn	Forecast Variance Over / (Under) Spend	18/19	18/19
	£000	£000	£000	£000	£000	£000	£000	£000
Neighbourhood Policing	71,304	716	72,020	36,382	72,095	75	68,605	3,490
Specialist Community Liaison	4,645	331	4,977	2,205	4,609	(368)	3,132	1,477
Command Team & Support Overheads	4,202	(266)	3,937	1,564	3,716	(221)	3,397	319
Local Policing	80,152	782	80,934	40,150	80,421	(513)	75,133	5,287
Front Desk	1,173	(4)	1,170	581	1,149	(21)	1,172	(23)
Central Communications Unit	21,569	5	21,574	10,331	20,857	(717)	20,428	429
Command Team & Support Overheads	797	3	799	683	1,357	557	971	386
Dealing with the Public	23,539	4	23,543	11,595	23,362	(180)	22,571	791
Custody	8,067	21	8,087	4,106	8,229	141	8,751	(522)
Police Doctors, Nurses & Surgeons	1,830	0	1,830	787	1,828	(2)	1,782	46
Criminal Justice	4,071	2	4,073	2,020	3,861	(212)	3,877	(16)
Police National Computer	529	0	529	310	478	(51)	537	(59)
Coroner Assistance	103	0	103	0	100	(3)	(210)	310
Property Officers	549	(2)	547	271	540	(7)	528	12
Command Team & Support Overheads	304	0	304	203	403	99	177	226
Criminal Justice Arrangements	15,452	21	15,473	7,698	15,438	(35)	15,441	(4)
Traffic Units	7,613	(355)	7,257	3,794	7,607	350	6,382	1,225
Vehicle Recovery	14	(2)	12	(81)	(114)	(126)	(272)	158
Casualty Reduction Partnership	58	5	63	365	(114)	(178)	(172)	58
Command Team & Support Overheads	207	(76)	131	40	69	(61)	0	69
Road Policing	7,892	(428)	7,463	4,118	7,448	(15)	5,938	1,510
Command Team & Support Overheads	1,834	589	2,423	1,291	2,406	(17)	2,676	(270)
Air Operations	1,422	0	1,422	442	1,734	312	1,559	175
Specialist Terrain	249	1	249	149	302	53	2	300
Dogs Section	1,394	6	1,399	781	1,618	218	1,550	68
Advanced Public Order	3,621	12	3,633	2,053	4,004	371	2,653	1,351
Airports & Ports Policing	(593)	(70)	(662)	(632)	(722)	(59)	(620)	(102)
Firearms Unit	5,109	128	5,237	2,849	5,800	563	5,442	358
Civil Contingencies & Planning	254	0	254	190	376	122	466	(90)
Operational Support	13,289	666	13,955	7,123	15,517	1,562	13,729	1,789
Command Team & Support Overheads	346	(34)	312	141	359	47	157	202
Intelligence Analysis/Threat Assessments	1,898	431	2,329	1,730	3,646	1,317	1,490	2,156
Intelligence Gathering	8,109	(905)	7,204	2,886	5,930	(1,274)	8,764	(2,834)
Intelligence	10,353	(509)	9,844	4,757	9,934	90	10,411	(477)
Command Team & Support Overheads	1,290	467	1,758	(241)	1,656	(102)	717	939
Major Investigations Unit	5,175	(226)	4,949	2,566	4,934	(15)	5,419	(485)
Economic Crime	2,391	99	2,490	1,214	2,406	(84)	2,072	334
Specialist Investigation Units	197	(149)	48	31	62	14	58	4
Serious & Organised Crime Unit	1,994	0	1,994	1,291	1,716	(278)	1,703	13
Local Investigation/Prisoner Processing	11,408	102	11,510	5,950	11,895	385	10,801	1,094
Cyber Crime	494	(64)	429	31	380	(49)	276	104
Investigations	22,948	230	23,178	10,842	23,049	(128)	21,046	2,003
Witness Protection (Adult and Child)	102	0	102	4	2	(100)	69	(67)
Protecting Vulnerable People (PVP)	27,138	(39)	27,099	13,029	26,544	(556)	24,528	2,016
Monitoring Dangerous and Repeat Offenders	2,228	(179)	2,048	1,477	2,835	787	2,587	248
Command Team & Support Overheads	1,394	36	1,430	699	1,391	(39)	1,426	(35)
Public Protection	30,862	(182)	30,680	15,209	30,773	93	28,610	2,163
Scenes of Crime Officers	2,642	(7)	2,635	1,368	2,713	78	2,019	694
External Forensic Costs	2,723	66	2,790	1,277	2,971	181	2,548	423
Fingerprint	1,225	(73)	1,151	1,022	1,000	(151)	1,260	(260)
Photographic Image Recovery	398	(51)	347	118	333	(14)	143	190
Other Forensic Costs	2,514	(44)	2,470	831	2,462	(8)	3,067	(605)
Command Team & Support Overheads	41	(0)	40	1	44	4	0	44
Investigative Support	9,543	(109)	9,434	4,617	9,523	89	9,038	486
Secondments	(75)	308	32	(20)	(50)	(83)	(10)	(40)
Counter Terrorism/Special Branch	2,220	196	2,616	4,071	2,549	(67)	2,380	169
NPCC Projects / Initiatives	134	81	214	210	298	84	290	8
Other National Policing Requirements	0	0	0	0	0	0	(152)	152
National Policing	2,278	584	2,862	4,261	2,797	(66)	2,509	289
Human Resources	4,253	329	4,582	2,165	4,512	(70)	3,366	1,146
Finance	2,079	(41)	2,038	1,112	2,112	75	1,881	231
Legal Services	828	63	891	427	962	70	2,439	(1,477)
Fleet Services	6,665	(190)	6,474	3,115	6,758	284	5,524	1,234
Estates	12,296	(318)	11,978	6,297	11,577	(402)	11,288	289
Information Communication Technology	21,715	(639)	21,076	15,756	20,481	(595)	19,084	1,397
Professional Standards	2,041	(1)	2,040	1,612	2,287	247	1,849	438
Press & Media	1,423	139	1,562	795	1,565	3	1,469	96
Performance Review/Corporate Development	4,494	318	4,811	2,438	4,692	(119)	4,110	582
Procurement	931	81	1,012	207	1,031	20	445	586
Training	8,266	249	8,514	3,682	8,400	(114)	7,648	752
Administration Support	4,469	(19)	4,450	1,387	4,263	(187)	3,525	738
Force Command	1,712	2	1,714	806	1,780	66	1,753	27
Support to Associations & Trade Unions	376	(48)	328	204	159	(169)	223	(64)
Social Club Support & Force Band	24	(20)	4	49	1	(3)	3	(2)
Insurance/Risk Management	1,571	0	1,571	799	1,730	159	1,575	155
Support Functions	73,142	(97)	73,045	40,852	72,309	(736)	66,182	6,127
PFCC - Cost of the Democratic Process	189	0	189	101	189	0	191	(2)
PFCC - Office of the Police Crime Commissioner	1,054	39	1,093	532	1,099	6	1,334	(235)
PFCC - Commissioned Services	3,626	65	3,691	1,138	3,691	0	3,003	688
Police, Fire & Crime Commissioner	4,870	104	4,974	1,771	4,980	6	4,528	452
Revenue Contribution to Capital	1,600	0	1,600	0	1,600	0	286	1,314
Capital Financing	424	0	424	(2,829)	354	(70)	369	(15)
Pensions & Exit Costs	1,771	(144)	1,628	(509)	1,491	(137)	4,957	(3,466)
Central Costs	3,795	(144)	3,651	(3,338)	3,444	(207)	5,612	(2,168)
Transfer to/(from) earmarked reserves	(179)	(922)	(1,101)	(1,155)	(1,101)	0	(294)	(807)
Transfer to/(from) general reserve	(348)	0	(348)	(348)	(309)	39	(2,996)	2,687
Grand Total	297,586	0	297,586	148,150	297,586	(0)	277,456	20,130

12. 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	Contribution to / (from) General Reserve	In-Year Investments (Shortfall) / Surplus	In-Year Savings (Shortfall) / Surplus	Sources of Finance	Total virement
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
20	13	Budget Setting Investment	Revenue consequences budget one-off Chelmsford Refurb Project	275				2,847	68,789		(71,911)									0
21	14	Budget Setting Investment	Contribution to national Volunteer Police Cadets infrastructure								(3,750)	3,750								0
22	15	Budget Setting Investment	2019/20 215 Force Growth Investments for Body Worn Video Specials								(100,000)						100,000			0
23	Sub Total Budget Setting - Investment virements			275	0	0	0	2,847	68,789	0	(175,661)	3,750	0	0	0	0	100,000	0	0	0
24	16	Budget Setting Saving	Non-pay savings budget correction					1,000			(1,000)									0
25	17	Budget Setting Saving	2019/20 Savings for Contact Management achieved		(1)													1		0
26	Sub Total Budget Setting - Saving virements			0	(1)	0	0	1,000	0	0	(1,000)	0	0	0	0	0	0	1	0	0
27	18	Collaboration																		0
28	Sub Total Collaboration virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	19	External funding	ECC Contribution to the Columbus Project								100,000		(100,000)							0
30	20	External funding	Reversal of virements for mutual aid operations					(43,152)					43,152							0
31	21	External funding	Op Igloo funded from Home Office grant	11,054	1,068		40	66,699	1,432	4,474	34,854	50,206	(169,827)							0
32	22	External funding	Athena POA realignment and creation of additional budget fully recharged								40,000		(40,000)							0
33	23	External funding	Athena Management Organisation POA realignment	(40,478)	46,478								(6,000)							0
34	Sub Total External funding virements			(29,424)	47,546	0	40	23,547	1,432	4,474	174,854	50,206	(272,675)	0	0	0	0	0	0	0

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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
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
35	24	Contingencies and Reserves	Forfeitures income forecast 19/20										(20,000)		20,000					0
36	25	Contingencies and Reserves	Op Recite funded from COG Policing Initiatives	7,688	193			(18,763)	1,440	1,200	8,242									0
37	26	Contingencies and Reserves	Volunteer Police Cadet contributions to Summer Camp costs				12,000						(12,000)							0
38	27	Contingencies and Reserves	OTR - Staff Survey Allocations						1,302	300	4,256				(5,858)					0
39	28	Contingencies and Reserves	Essex Community Foundation contribution from POCA									75,000			(75,000)					0
40	29	Contingencies and Reserves	Chief Officer contingency allocations					(19,268)			19,268									0
41	30	Contingencies and Reserves	SCCB funding for management of Information Sharing Agreements					(33,170)			33,170									0
42	31	Contingencies and Reserves	Return enabling projects funding to Transformation Reserve					(4,901)							4,901					0
43	32	Contingencies and Reserves	Transformation reserve funding for estates disposals						41,588						(41,588)					0
44	33	Contingencies and Reserves	OTR - Op Meteor products & activities		11,009		1,665	98			14,600				(27,372)					0
45	34	Contingencies and Reserves	OTR - Convergence of Financial Processes								36,234				(36,234)					0
46	35	Contingencies and Reserves	Seven Forces movement from Earmarked Reserves to Procurement									34,906			(34,906)					0
47	36	Contingencies and Reserves	OTR - IT Accelerated Project Delivery funding								17,400				(17,400)					0
48	Sub Total Contingencies/Reserves virements			7,688	11,202	0	13,665	(76,004)	44,330	1,500	133,170	109,906	(32,000)	0	(213,457)	0	0	0	0	0
49	37	Budget Holder	Funding Agency placements from Established Vacancies		(33,713)			73,527			(39,814)									0
50	38	Budget Holder	Transfer of 0.3 FTE SCD Photographer post to Media for outsourcing budget - part of SCD Forensics business case		(7,951)						7,951									0
51	39	Budget Holder	Realignment of overtime budget for Roads Policing					15,000			(15,000)									0
52	40	Budget Holder	Police Now refund offset with Police Officer pay overspend	112,180			(112,180)													0
53	41	Budget Holder	Realignment of Volunteer Police Cadet budget				4,575	(600)		4,260	(3,235)		(5,000)							0
54	42	Budget Holder	Realign staff budget for IT staff supporting Estates HQ redevelopment		(62,450)										62,450					0
55	43	Budget Holder	Retention of Officers & Staff advertising		(50,000)						50,000									0
56	44	Budget Holder	OPC budget realignment				(113,000)				113,000									0
57	45	Budget Holder	Essex Share of KFRS Staff Salary cost centre and nominal correction		(17,212)						17,212									0
58	46	Budget Holder	Op Magenta agency fees funded from income					34,331					(34,331)							0
59	47	Budget Holder	OPFCC funding for Volunteer Police Cadet summer camp				5,000				(5,000)									0
60	Sub Total Budget Holder virements			112,180	(171,326)	0	(215,605)	122,258	0	4,260	125,114	0	(39,331)	0	62,450	0	0	0	0	0
61	Total of Other Virements			90,719	(112,579)	0	(201,900)	73,648	114,551	10,234	256,477	163,862	(344,006)	0	(151,007)	0	100,000	1	0	0
62	Grand Total all Virements			(904,962)	(12,731)	0	(201,958)	(228,003)	89,042	(9,326)	3,419,804	(130,647)	(1,720,213)	0	(151,007)	0	100,000	(249,999)	0	0

13. APPENDIX D – Detail Reserves Analysis

Line Ref.	2018/19			2019/20				2020/21				2021/22		2022/23		2023/24		2024/25		Ref:	Notes			
	Provisional Outturn @ 31/3/19 (£m)	Budget Setting Forecast @ 31/3/18 (£m)	Budget Setting Forecast v Outturn (£m)	Forecast @ 1/4/19 (£m)	Forecast Movements (£m)	Forecast @ 31/3/20 (£m)	Budget Setting forecast for 31/3/20 (£m)	Forecast @ 1/4/20 (£m)	Forecast Movements (£m)	Forecast @ 31/3/21 (£m)	Forecast Movements (£m)	Forecast @ 31/3/22 (£m)	Forecast Movements (£m)	Forecast @ 31/3/23 (£m)	Forecast Movements (£m)	Forecast @ 31/3/24 (£m)	Forecast Movements (£m)	Forecast @ 31/3/25 (£m)						
Specific Revenue Reserves																								
<i>Reserves held but managed as third party reserves</i>																								
1																					3	£1.7m due to be received in 2019/20 from 2018/19 seizures. This is offset by £0.1m due to be transferred from the reserve.		
2	0.2	0.2	-	0.2	-	0.2	0.2	(0.2)	-	-	-	-	-	-	-	-	-	-	-					
3	0.5	0.5	-	0.5	-	0.5	0.5	(0.5)	-	-	-	-	-	-	-	-	-	-	-					
4	0.8	0.3	0.5	0.8	1.6	2.4	0.4	2.4	-	2.4	-	2.4	-	2.4	-	2.4	-	2.4	-	2.4				
5	-	0.2	(0.2)	-	0.1	0.1	0.4	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1		4	A net £0.1m estimated to be transferred into the Misuse of Drugs Act Seizures Fund in 2019/20.	
6	1.5	1.2	0.3	1.5	1.7	3.2	1.5	3.2	(0.7)	2.5	-	2.5	-	2.5	-	2.5	-	2.5	-	2.5				
Project Reserves																								
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		12	£0.2m was transferred from the Restructure Reserve as part of 2019/20 budget setting for Crime and Public Protection restructures. £0.1m has been returned as the severance payments were not required in 2019/20. Allocations during 2019/20 are for excess travel costs.	
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Legal Cases Reserves																								
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Ring-fenced Reserves																								
12	0.5	0.7	(0.2)	0.4	(0.1)	0.3	-	0.3	-	0.3	-	0.3	-	0.3	0.3	0.6	-	0.6	-	0.6				
13	0.5	0.7	(0.2)	0.4	(0.1)	0.3	-	0.3	-	0.3	-	0.3	-	0.3	0.3	0.6	-	0.6	-	0.6				
Operational Reserves																								
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
15	-	0.2	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
16	0.1	-	0.1	0.1	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
17	0.6	0.1	0.5	0.6	(0.4)	0.2	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2	-	0.2				
18	1.5	1.5	-	1.5	-	1.5	1.5	1.5	-	1.5	-	1.5	-	1.5	-	1.5	-	1.5	-	1.5				
19	1.7	2.7	(1.0)	1.7	(1.3)	0.4	0.6	0.4	(0.3)	0.1	-	0.1	-	0.1	-	0.1	-	0.1	-	0.1				
20	1.3	-	1.3	1.3	(0.5)	0.8	2.0	0.8	(0.8)	-	-	-	-	-	-	-	-	-	-	-				
21	5.2	4.5	0.7	5.2	(2.3)	2.9	4.1	2.9	(1.1)	1.8	-	1.8	-	1.8	-	1.8	-	1.8	-	1.8				
22	7.2	6.4	0.8	7.1	(0.7)	6.4	5.6	6.4	(1.8)	4.6	-	4.6	-	4.6	0.3	4.9	-	4.9	-	4.9				
23																								
24	0.3	-	0.3	0.3	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
26	7.5	6.4	1.1	7.4	(1.0)	6.4	5.6	6.4	(1.8)	4.6	-	4.6	-	4.6	0.3	4.9	-	4.9	-	4.9				
27	9.2	9.7	(0.5)	8.9	-	8.9	8.4	8.9	-	8.9	-	8.9	-	8.9	-	8.9	-	8.9	-	8.9				
28	3.3%					3.0%				3.0%		2.9%		2.9%		2.9%		2.9%		2.9%				
29	16.7	16.1	0.6	16.3	(1.0)	15.3	14.0	15.3	(1.8)	13.5	-	13.5	-	13.5	0.3	13.8	-	13.8	-	13.8				
Specific Capital Reserves																								
30	6.1	12.8	(6.7)	6.1	(6.1)	-	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-				
31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Long term liabilities																								
32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
33	6.1	12.8	(6.7)	6.1	(6.1)	-	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-				
Usable Provisions																								
34	2.6	2.3	0.3	2.6	-	2.6	2.4	2.6	-	2.6	-	2.6	-	2.6	-	2.6	-	2.6	-	2.6				
35	0.8	-	0.8	0.8	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
37	3.4	2.3	1.1	3.4	(0.8)	2.6	2.4	2.6	-	2.6	-	2.6	-	2.6	-	2.6	-	2.6	-	2.6				
38	26.2	31.2	(5.0)	25.8	(7.9)	17.9	19.0	17.9	(1.8)	16.1	-	16.1	-	16.1	0.3	16.4	-	16.4	-	16.4				
39	(6.6)	(8.3)	1.7	(6.6)	0.5	(6.1)	(7.8)	(6.1)	0.5	(5.6)	0.5	(5.1)	0.5	(4.6)	0.5	(4.1)	0.5	(3.6)						
40	19.6	22.9	(3.3)	19.2	(7.4)	11.8	11.2	11.8	(1.3)	10.5	0.5	11.0	0.5	11.5	0.8	12.3	0.5	12.8						