

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 Month 11 Financial Monitoring Report
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Chief Officer	DCC Mills
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Report from:	Essex Police: Corporate Finance
Date of Meeting:	26th March 2020
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	20th March 2020

1.0 Purpose of Report

1.1 This report identifies the 2019/20 month 11 position for the Force.

2.0 Recommendations

2.1 The report is for noting.

3.0 Executive Summary

3.1 The latest forecast revenue overspend is **£1.126m**, which includes forecast expenditure of £2.492m for Op Melrose (£1.4m underspend excluding Op Melrose).

3.2 The police officer strength forecast at end of February is **3,255 FTE** and at year end is **3,274 FTE**.

3.3 The Capital Reserve is forecast to be **£3.050m** surplus at year end.

3.4 The forecast capital expenditure is **£10.944m** and the forecast capital income from property disposals is **£6.670m**.

4.0 Introduction/Background

4.1 This reports sets out the February, month 11, financial position.

5.0 Current Work and Performance

5.1 The month 11 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.

15.2 To approve an increase of £1.4m to the Major Operational Reserve to facilitate expenditure relating to novel coronavirus (COVID-19). OPFCC Decision sheet submitted separately.

1. Executive Summary – 2019/20 – Month 11

£1.126m – Latest forecast revenue overspend, which includes forecast expenditure of £2.492m for Op Melrose (£1.4m underspend excluding Op Melrose).

3,255 FTE – Police Officer strength forecast at end of February and **3,274 FTE** Police Officer strength forecast at year end.

£3.1m surplus - The forecast year end balance on the Capital Reserve.

£10.9m forecast capital expenditure and **£6.7m** forecast capital income.

2. Revenue

2.1 Revenue Summary – 2019/20 – Month 11

	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	1,988	169,619	156,040	173,368	3,749	163
- Police Staff Pay and Allowances	83,260	682	83,942	70,467	79,353	(4,589)	(45)
- PCSO Pay and Allowances	2,951	500	3,451	3,176	3,474	24	(21)
- Overtime, Pensions, Training, Expenses	13,808	1,753	15,561	14,463	15,682	121	274
- Associated Police Pay e.g. Acting Up	746	267	1,012	914	1,089	77	8
Employees Total	268,396	5,189	273,585	245,060	272,966	(618)	380
Premises	11,075	99	11,174	9,877	11,459	285	(2)
Transport	6,334	(129)	6,205	5,937	6,422	217	(22)
Supplies and Services	32,426	4,121	36,547	30,423	35,376	(1,171)	98
Third Party Payments	5,713	352	6,065	5,466	6,565	500	0
In-Year Investments Shortfall/Surplus	3	594	597	0	0	(597)	0
In-Year Savings Shortfall/Surplus	63	(63)	0	0	0	0	0
Income	(27,951)	(10,876)	(38,827)	(30,734)	(38,450)	377	214
Interest and capital activity	2,054	(31)	2,023	(4,132)	1,665	(358)	(157)
Earmarked Reserves	(179)	744	565	629	565	0	0
*Op Melrose	0	0	0	802	2,492	2,492	0
Net Expenditure	297,934	0	297,934	263,329	299,061	1,126	511
Contribution to/(from) General Reserve	(348)	0	(348)	(348)	(1,474)	(1,126)	(511)
Budget Requirement	297,586	0	297,586	262,981	297,587	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 56 FTE more than budget and the additional 0.5% pay award from 1st September 2019. The Home Office funding of £647k for an additional 45 officers in 2019/20 is reflected in the forecast position.
- The underspend on Police Staff Pay predominantly results from 177 FTE vacancies, which is 52 FTE vacancies above the 5.5% forcewide average vacancy factor.
- The overspend on Premises is predominantly due to insufficient budget to meet Business Rates and Property Professional Fees. This includes a significant increase to the rates associated with the refurbishment of Southend PS, and a 2020/21 revenue budget setting bid has been approved.
- The underspend on Supplies & Services is due to reduced Home Office IT charges, slippage on various IT projects and application support initiatives, and reduced revenue consequences of capital following an unsuccessful tender process in respect of the legacy digital data project.
- 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 underspend on in-year investments is for Specials investment, IT investment, Data Quality and Roads Policing training which is no longer required on top of original budget allocations.
- The net contribution to Earmarked and Carry Forward Reserves is £0.6m, which includes POCA income of £1.6m received from Operation Green King that has been transferred to earmarked reserves.
- *Op Melrose - The financial impact of the investigation into the deaths of 39 people in a lorry container in Grays has resulted in forecast expenditure of £2.492m for financial year 2019/20. An application for a special grant to meet the total cost of the investigation has been submitted to the Home Office for consideration and we await a response. If no Home Office funding was received, the Major Incident Reserve would be utilised.
- The contribution from the General Reserve is £1.126m, after accounting for forecast expenditure of £2.492m for Op Melrose. The General Reserve balance at the start of the year represents 3% of the force budget, as agreed at the March 2019 Strategic Board.

- Decision Sought:** To transfer the in-year underspend of £1.4m (subject to recovery of £2.5m for Op Melrose) to the Major Operational Reserve for use towards the response to the outbreak of novel coronavirus (COVID-19).

2.2 Main Forecast Movements since Month 10

Main Changes to Forecast Outturn since Month 10 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 10 Forecast Outturn Variance (w/out Op Melrose)	(1.9)	Underspend
Police Officer Pay and Allowances	0.2	Includes 15 FTE less leavers anticipated in February 2020 and 4 FTE less leavers in January 2020 than previously forecast.
Police Officer Overtime	0.3	Due to increased demand, some forecasts have increased significantly from the month 10 position. There has been an increase in overtime within Crime & Public Protection due to vacancies and further expenditure on forcewide operations such as Op Tainted (Ongoing Category A and Court Security operation). In addition, there has been increased overtime for firearms Armed Policing STRA cover, force tasking commitments, and call handling demand and resourcing within Force Control Room.
Insurance Claims Expenditure	0.1	Accumulated increase in estimate of outstanding liabilities, based upon employer and public liability claims movement since previous review. Increase represents the expected additional demand on the year-end provision.
Income	0.2	Removal of forecast income for Op Igloo (US Presidential visit in June 2019) following advice from the Home Office that Special Grant funds had been oversubscribed and this operation was unlikely to be funded. Final confirmation of this is being sought with the Home Office.
Capital & Other Adjustments	(0.2)	Underspend relates to cheaper price per unit than budgeted for Specialist PIP2 laptops.
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k.
Month 11 Forecast Outturn Variance (w/out Op Melrose)	(1.4)	Underspend
Op Melrose	2.5	Op Melrose - financial impact of the investigation into the deaths of 39 people in a lorry container in Grays. An application for a special grant to meet the total cost of the investigation has been submitted to the Home Office for consideration and we await a response.
Month 11 Forecast Outturn Variance	1.1	Overspend

3. Workforce Analysis

3.1 Pay Summary

Police Officer Pay	Variance £k	Reasons for Changes
Changes in strength forecast	106	15 FTE less anticipated February leavers than previously forecast (not currently shown in strength forecast)
Changes in strength forecast	49	4 FTE less leavers in January than previously forecast
Forecast changes including sickness and maternity pay	71	Includes adjustments made in the February payroll
Changes in forecast	(37)	Movement in Kent and ERSOU recharges
Changes in forecast	(26)	Reprofiling of February joiners to 79 FTE probationers and 1 FTE transferee from previous forecast of 69FTE probationers and 11 FTE transferees
Changes in month impacting on the General reserve	163	
Total Change	163	
Staff Pay	Variance £k	Reasons for Changes
Changes in forecast	55	Impact of Contact Management Hay Panel grade re-evaluation
Changes in strength forecast	41	10 FTE more net joiners in January than previously forecast
Changes in forecast	(8)	Includes adjustments made in the February payroll
Changes in forecast	(45)	Movement in Kent and ERSOU recharges
Changes in forecast	(88)	Reduction in strategic change growth pot to reflect starters already forecast
Changes in month impacting on the General reserve	(45)	
Total Change	(45)	
PCSO Pay	Variance £k	Reasons for Changes
Changes in strength forecast	5	1 FTE less leaver in January than previously forecast
Changes in strength forecast	(12)	3 FTE less anticipated joiners in February than previously forecast (not currently shown in strength forecast)
Forecast changes including sickness and maternity pay	(14)	Includes adjustments made in the February payroll
Total Change	(21)	

3.2 Police Officer FTEs

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

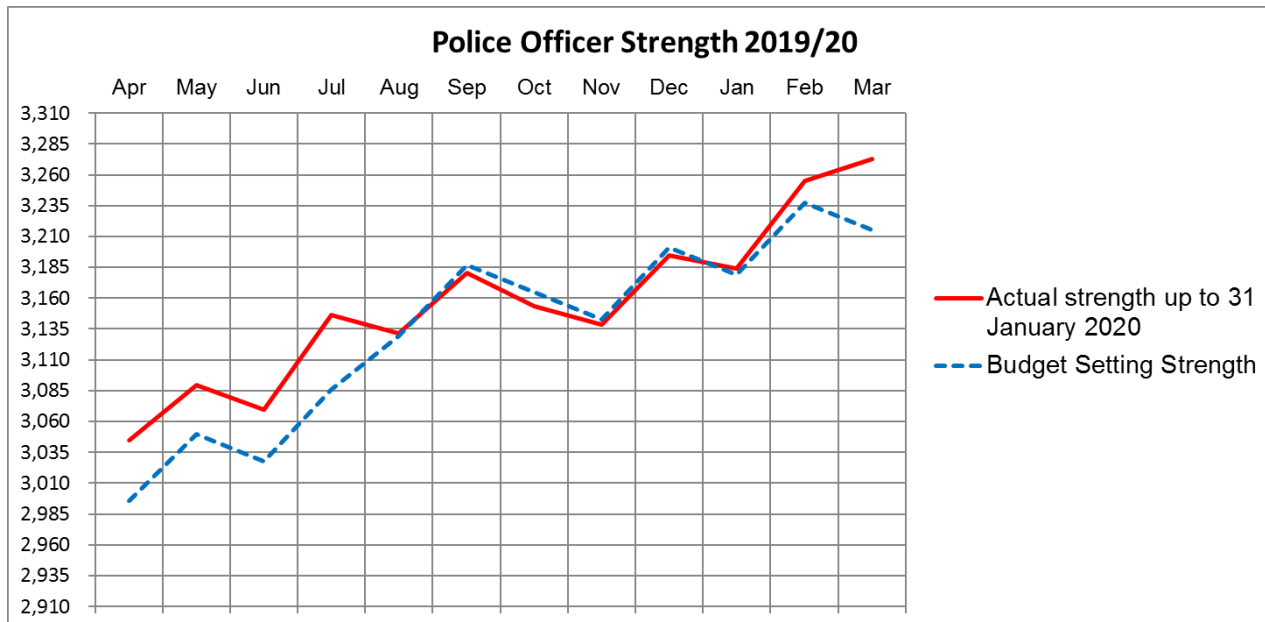
Ref	2019/20 Budget Setting													
	Strength	Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
1	Strength @ beginning of month (note 1)	3,021	2,999	3,053	3,031	3,089	3,132	3,190	3,168	3,146	3,204	3,182	3,240	
2	Leavers	(22)	(22)	(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

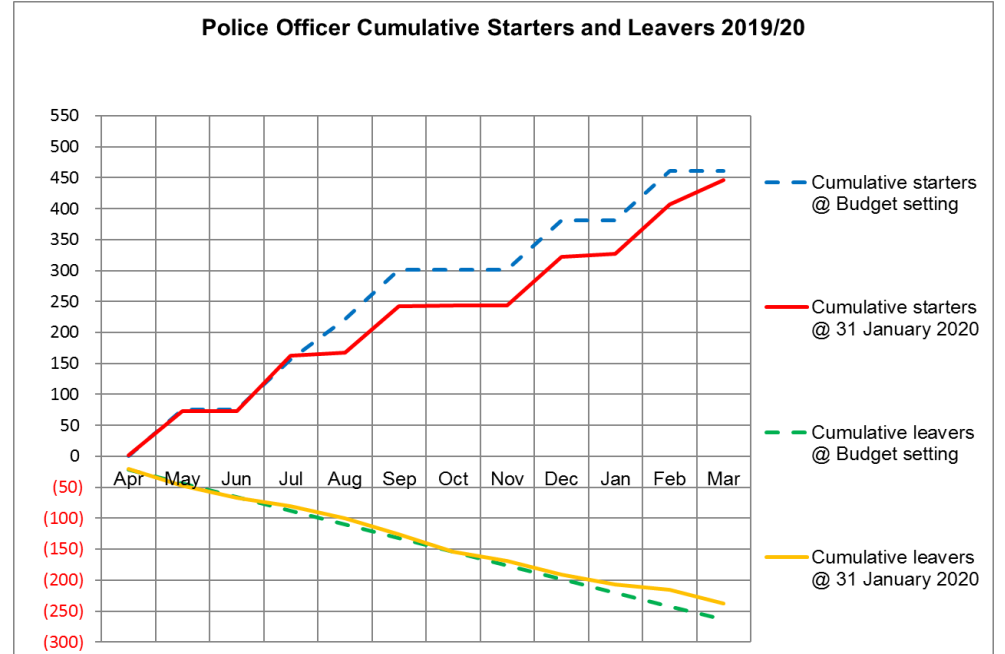
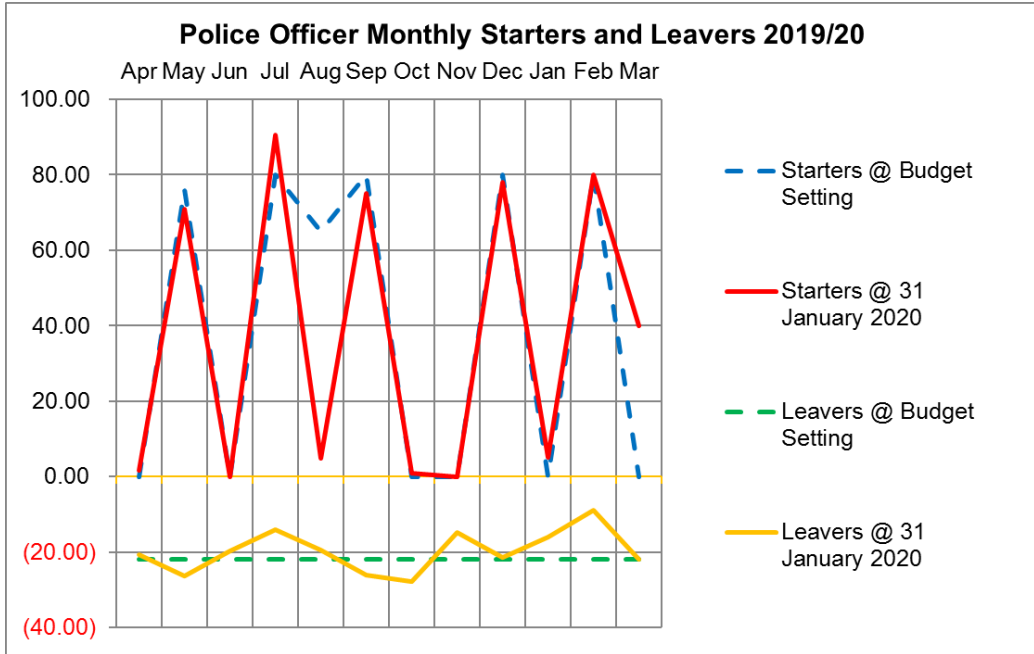
2019/20 Current Forecast - Based on HR Information received 17 February

Ref	Strength	Actual FTE												Forecast FTE	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
8	1st April 2019 Strength	3,064	3,045	3,089	3,070	3,146	3,132	3,180	3,153	3,139	3,195	3,184	3,256		
9	Leavers (note 7)	(21)	(26)	(20)	(14)	(19)	(26)	(28)	(15)	(22)	(16)	(9)	(22)	(237)	
10	Starters (note 8)	2	71	0	91	5	75	1	0	78	5	80	40	447	
11	Net change	(19)	44	(20)	76	(15)	49	(27)	(15)	56	(11)	72	18	210	
12	Officer strength - month end	3,045	3,089	3,070	3,146	3,132	3,180	3,153	3,139	3,195	3,184	3,256	3,274		
13	Difference to 3218fte - over / (under)	(173)	(129)	(148)	(72)	(86)	(38)	(65)	(79)	(23)	(34)	38	56		
Ref	Actuals /Forecast £	Actual £												Forecast £	
		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	£m
14	Costed Strength before starters/leavers	£13.46m	£13.97m	£13.82m	£13.97m	£14.19m	£14.23m	£14.55m	£14.36m	£14.41m	£14.68m	£14.42m	£15.19m	£171.25m	
15	2019/20 Leavers												(£0.07m)	(£0.07m)	
16	2019/20 Starters												£0.25m	£0.25m	
17	Other Costs												£1.97m	£1.97m	
18	Monthly Actual	£13.46m	£13.97m	£13.82m	£13.97m	£14.19m	£14.23m	£14.55m	£14.36m	£14.41m	£14.68m	£14.42m	£17.34m	£173.40m	

		Forecast Change from budget setting													
		Actual FTE								Forecast FTE					
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	
19	Strength @ beginning of month (negative=reduction)	43	46	36	39	57	(0)	(10)	(15)	(7)	(9)	2	16		
20	Leavers (positive number = less leavers)	1	(4)	2	8	3	(4)	(6)	7	0	6	13	0	27	
21	Starters	2	(5)	0	11	(60)	(5)	1	0	(2)	5	0	40	(14)	
22	Month End Strength Change - FTEs	46	36	39	57	(0)	(10)	(15)	(7)	(9)	2	16	56	13	
23	Change per month FTEs	3	(10)	2	18	(58)	(9)	(5)	7	(2)	11	14	40		
		£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	(£1.12m)	(£0.68m)	(£0.76m)	(£0.84m)	(£0.40m)	(£0.84m)	£2.18m	£5.77m	

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





3.3 Police Officers, Police Staff, PCSOs and Specials

FTE Changes Effecting Pay Forecasts - 2019/20 Month 11

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 December 19	3,218	3,197	3,064	442	25	(262)	5	3,274
HR data @ 31 January 20	3,218	3,184	3,064	421	26	(243)	5	3,274
Change		(13)	0	(21)	1	19	(0)	(0)

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 December 19	2,248	2,043			168	(148)
HR data @ 31 January 20	2,247	2,056			197	(164)
Change	(1)	13	0	0	29	(16)

* 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 December 19	109	108	108	108	15	(10)	0	113
HR data @ 31 January 20	109	107	108	108	15	(9)	0	114
Change	0	(1)	0	0	0	1	0	1

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 December 19	522	600
HR data @ 31 January 20	528	600
Change	6	0

4. Reserves & Provisions

4.1 Detail Reserve & Provision Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances						
Reserve	1st April 2019 - Opening Balance	Contribution 2019/20	Allocation 2019/20	29th February 2020 - Closing Balance	Forecast Year End Balance	Comment
Reserves held by Essex Police but managed as third party reserves						
Leased Property Dilapidation & Maintenance	£0.710m			£0.710m	£0.000m	Reserve for multi occupancy building for property maintenance.
Proceeds of Crime Act	£0.737m	£1.827m	(£0.131m)	£2.433m	£2.433m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.031m	£0.146m	(£0.062m)	£0.115m	£0.115m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£1.478m	£1.973m	(£0.193m)	£3.258m	£2.548m	
Project Reserves						
7Forces Collaboration Reserve	£0.035m		(£0.035m)	£0.000m	£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	£0.000m	
Ringfenced Reserve						
Restructuring Reserve	£0.440m		(£0.186m)	£0.254m	£0.254m	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	(£0.186m)	£0.254m	£0.254m	
Operational Reserves						
Specials Constabulary Reserve	£0.119m	£0.093m	(£0.067m)	£0.145m	£0.145m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary. Additional contribution of £93k represents 2019/20 pay underspend and will be used to support 2020/21 activities. No further call on this reserve expected in 2019/20.
Transformation Reserve	£0.659m	£0.100m	(£0.283m)	£0.476m	£0.429m	Reserve to help fund the one-off costs of implementing the IT, Estates and ECFRS Transformation Strategies.
Major Operational Reserve	£1.500m			£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		(£0.685m)	£1.051m	£0.681m	OTR report is submitted to OPFFC Performance and Resources Board on a quarterly basis.
PEQF Reserve	£0.000m	£0.218m		£0.218m	£0.218m	PEQF mobilisation costs to be used within 2020/21 for the introduction of the new PEQF training programme.
Future Capital Funding	£1.255m			£1.255m	£2.600m	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	£0.411m	(£1.035m)	£4.645m	£5.573m	
OPFFC Carry Forward Reserves						
2018/19 to 2019/20	£0.332m		(£0.332m)	£0.000m	£0.000m	£332k for OPCC grants are carried forward to 2019/20.
Total	£0.332m	£0.000m	(£0.332m)	£0.000m	£0.000m	
Total Revenue Earmarked Reserves	£7.554m	£2.385m	(£1.781m)	£8.158m	£8.376m	
Provisions						
Legal Claims Provision	£0.794m		(£0.060m)	£0.734m	£0.000m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary).
Insurance Provision	£2.580m			£2.580m	£2.800m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.374m	£0.000m	(£0.060m)	£3.314m	£2.800m	
General Reserve						
General Reserve	£8.878m	£1.366m		£10.244m	£10.244m	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. The in-year contribution to the General Reserve assumes that funding will be received from the Home Office to meet the cost of Op Melrose. It is proposed that the in-year underspend (£1.4m as at month 11) is transferred to the Major Operational Reserve for use towards the response to the outbreak of novel coronavirus (COVID-19).
Total Revenue Reserves and Provisions	£19.806m	£3.751m	(£1.841m)	£21.716m	£21.420m	

4.2 Transformation Reserve

2019/20 Transformation Reserve						
Items Approved	Opening Balance (Note 1)	Allocations to 29 February	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 29 February
	£	£	£	£	£	£
Estates - Disposal Fees	162,682	(162,682)	0	162,682	0	159,412
Op. Javelin (Note 1)	112,530	(24,944)	87,586	15,000	72,586	1,173
Estates - Enabling Projects - decamp	95,873	(10,613)	85,260	35,000	60,873	10,350
IT Transformation	204,730	(16,508)	188,222	24,689	180,041	19,026
Joint Fleet Consultancy - ECFRS (Note 1)	50,056	(50,056)	0	75,000	0	121,797
Arlingclose	15,000	0	15,000	0	15,000	0
Transport Services - Dashcams	0	100,000	100,000	0	100,000	0
Transport Services - Telematics	17,933	(17,933)	0	17,933	0	17,933
Total	658,804	(182,736)	476,068	330,304	428,500	329,691

Note 1: The opening balance for Op Javelin has been adjusted by £25k to reflect a transfer to fund the joint fleet consultancy work with ECFRS.

4.3 Op Sceptre Financial Summary

Op Sceptre Financial Summary							
	Government Grant	Spend to Date	Forecast Spend	Forecast Income (Full Year)	Forecast Income (Qtr 3)	Income Received to Date	Notes
	£	£	£	£	£	£	
Op Sceptre	1,764,541	1,567,946	1,764,541	1,780,541	1,149,519	757,029	Q3 return submitted

4.4 Detail Reserve Analysis – Future Years

Line Ref.		2019/20			2020/21			2021/22			2022/23			2023/24			2024/25			
		Outturn @ 31/3/19 (£m)	Forecast @ 1/4/19 (£m)	Forecast Movements (£m)	Forecast @ 31/3/20 (£m)	Forecast @ 1/4/20 (£m)	Forecast Movements (£m)	Forecast @ 31/3/21 (£m)	Forecast @ 1/4/21 (£m)	Forecast Movements (£m)	Forecast @ 31/3/22 (£m)	Forecast @ 1/4/22 (£m)	Forecast Movements (£m)	Forecast @ 31/3/23 (£m)	Forecast @ 1/4/23 (£m)	Forecast Movements (£m)	Forecast @ 31/3/24 (£m)	Forecast @ 1/4/24 (£m)	Forecast Movements @ 31/3/25 (£m)	
	Specific Revenue Reserves																			
	Reserves held but managed as third party reserves																			
1	Leased Property Dilapidations Reserve Original	0.2	0.2	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Leased Property Dilapidation & Maintenance Reserve	0.5	0.5	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	POCA Income	0.8	0.8	1.7	2.5	(0.5)	2.0	2.0	(0.4)	1.6	1.6	1.3	2.9	2.9	(0.2)	2.7	2.7	(0.1)	2.6	
4	Forfeiture Monies Reserve	-	-	0.1	0.1	0.1	-	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	
5	Reserves held but managed as third party reserves Total	1.5	1.5	1.1	2.6	2.6	(0.5)	2.1	2.1	(0.4)	1.7	1.7	1.3	3.0	3.0	(0.2)	2.8	2.8	(0.1)	2.7
	Project Reserves																			
6	7Forces Collaboration Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Eastern Region Special Operations Unit (ERSOU) Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Athena Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Project Reserves Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Legal Cases Reserves																			
10	Legal Claims Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Legal Cases Reserves Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Ring-fenced Reserves																			
12	Restructuring Reserve	0.5	0.4	(0.1)	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3
13	Ring-fenced Reserves Total	0.5	0.4	(0.1)	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3	0.3	-	0.3
	Operational Reserves																			
14	Estates Improvement Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Recruitment Uplift Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Specials Constabulary Reserve	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1
17	Transformation Reserve	0.6	0.6	(0.2)	0.4	0.4	(0.3)	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1
18	Major Operational Reserve	1.5	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	Operational Transformational Reserve (OTR)	1.7	1.7	(1.0)	0.7	0.7	(0.6)	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1
20	Future Capital Funding	1.3	1.3	1.3	2.6	2.6	(2.6)	-	-	-	-	-	-	-	-	-	-	-	-	-
21	PEQF Reserve	-	-	0.2	0.2	0.2	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Operational Reserves Total	5.2	5.2	0.3	5.5	5.3	(3.5)	1.8	1.8	-	1.8	1.8	-	1.8	1.8	-	1.8	1.8	-	1.8
23	Specific Revenue Reserves	7.2	7.1	1.3	8.4	8.4	(4.2)	4.2	4.2	(0.4)	3.8	3.8	1.3	5.1	5.1	(0.2)	4.9	4.9	(0.1)	4.8
24																				
25	Carry Forwards Reserve - OPFCC	0.3	0.3	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Carry Forwards Reserve - Chief Constable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Total Revenue Earmarked Reserves	7.5	7.4	1.0	8.4	8.4	(4.2)	4.2	4.2	(0.4)	3.8	3.8	1.3	5.1	5.1	(0.2)	4.9	4.9	(0.1)	4.8
28	General Reserve	9.2	8.9	1.4	10.3	10.3	-	10.3	10.3	-	10.3	10.3	-	10.3	10.3	-	10.3	10.3	-	10.3
29	GR as % of net revenue expenditure	3.3%			3.3%			3.2%			3.2%			3.1%			3.1%			3.0%
30	Total Revenue Reserves	16.7	16.3	2.4	18.7	18.7	(4.2)	14.5	14.5	(0.4)	14.1	14.1	1.3	15.4	15.4	(0.2)	15.2	15.2	(0.1)	15.1
	Specific Capital Reserves																			
31	Usable Capital Receipts	6.1	6.1	(5.6)	0.5	0.5	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Unfunded capital expenditure (internal resources)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Long term liabilities																			
33	Capital Grants - receipts in advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Total Capital Reserves	6.1	6.1	(5.6)	0.5	0.5	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Usable Provisions																			
35	Insurance (for known outstanding claims)	2.6	2.6	0.2	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8
36	Legal Claims	0.8	0.8	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Restructuring (for known redundancies @ 31.03)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Total Usable Provisions	3.4	3.4	(0.6)	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8	2.8	-	2.8
39	Grand Total - Reserves and Provisions	26.2	25.8	(3.8)	22.0	22.0	(4.7)	17.3	17.3	(0.4)	16.9	16.9	1.3	18.2	18.2	(0.2)	18.0	18.0	(0.1)	17.9
40	Internal Borrowing on past capital projects	(6.6)	(6.6)	0.5	(6.1)	(6.1)	0.5	(5.6)	(5.6)	0.5	(5.1)	(5.1)	0.5	(4.6)	(4.6)	0.5	(4.1)	(4.1)	0.5	(3.6)
41	Reserves Financed by Cash	19.6	19.2	(3.3)	15.9	15.9	(4.2)	11.7	11.7	0.1	11.8	11.8	1.8	13.6	13.6	0.3	13.9	13.9	0.4	14.3

Ref:	Notes
3	£1.8m included within the POCA reserve in 2019/20 from 2018/19 seizures. This is offset by £0.1m due to be transferred from the reserve.
4	A net £0.1m has been transferred into the Misuse of Drugs Act Seizures Fund in 2019/20.
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.
21	£0.2m transferred into a PEQF reserve in 2019/20 for use in 2020/21.
28	£0.3m was transferred from the General Reserve as part of 2019/20 budget setting for delivery of Estates Strategy. £1.4m contribution in 2019/20 from forecast underspend based on Period 11 forecast and assuming Operation Melrose grant received.
40	The movement on internal borrowing is the £0.5m annual contribution (MRP) for historic capital projects. The forecast for new borrowing will be included as the external borrowing becomes certain.

5. Capital

5.1 Movement in Capital Reserve Forecast

Movement in Capital Reserves From P10 January 2020

Project	Area	£000 Increase / (Decrease)	Reason
2019/20 Period 10 @ 31 January 2020		(2,983)	Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)
(i) Movement in Capital Payments			
Chelmsford PS Refurbishment	ESTATES	(945)	Payments slippage to 2020/21
Operation Ametrine	ESTATES	(440)	Payments slippage to 2020/21
Disposals Reprovision Phase 1	ESTATES	(49)	Payments slippage to 2020/21
Capitalised Maintenance Programme	ESTATES	(3)	Payments slippage to 2020/21
CCTV Replacement Custody Suites	ESTATES	9	Additional spend to forecast
Airwave Device Refresh	IT	(318)	Payments slippage to 2020/21
Infrastructure Technical Refresh	IT	(314)	Payments slippage to 2020/21
Airwave Radio Replacement	IT	(82)	Funding returned to reserves
IT Equipment	IT	(41)	Funding returned to reserves
FIM Phase 3	IT	(11)	Payments slippage to 2020/21
Charter (COSMOS) Replacement	IT	(2)	Payments slippage to 2020/21
Geographical Information System	IT	(5)	Funding returned to reserves
Document Management System	IT	(7)	Payments slippage to 2020/21
Insider Threat Monitoring Software	IT	(12)	Payments slippage to 2020/21
ESMCP Programme	IT	(46)	Payments slippage to 2020/21
Mobile First	IT	(25)	Payments slippage to 2020/21
		(2,291)	Total Payments Forecast Movement
(ii) Movement in Capital Income			
Capital Receipts	ESTATES	2,215	Disposals slipped to 2020/21 - Shrub End PPU £0.5m, Hatfield Heath PS £0.682m, Waltham Abbey PS £1.0m and Harlow Dogs deposit £0.033m.
Revenue Contribution	OTHER	18	IT equipment and POCA: SCD equipment
External Sources	OTHER	(9)	Home Office: Knife crime and tasers
		2,224	Total Income Movement
2019/20 Period 11 @ 29 February 2020		(3,050)	Latest Forecast Reserves Balance at 31 March 2020 (Approved Projects only)

5.2 Projection of Capital Reserves – Cashflow Profile

	Quarter 1 Actual £000	Quarter 2 Actual £000	Oct-19 Actual £000	Nov-19 Actual £000	Dec-19 Actual £000	Jan-20 Actual £000	Feb-20 Actual £000	Mar-20 Forecast £000	TOTAL Forecast £000
Opening balance of capital reserves	(7,324)	(23,177)	(23,074)	(21,331)	(20,480)	(20,291)	(19,906)	(20,102)	(7,324)
Capital spend in year	1,265	2,126	1,795	1,100	724	385	1,524	2,025	10,944
Annual grant from the Home Office	(239)	(239)	-	(239)	-	-	(239)	-	(956)
Property disposals	(1,533)	(1,784)	(52)	(10)	(535)	-	(290)	33	(4,171)
Revenue Contribution	-	-	-	-	-	-	(1,029)	(331)	(1,360)
External Funding	-	-	-	-	-	-	(162)	(21)	(183)
Closing balance of capital reserves	(7,831)	(23,074)	(21,331)	(20,480)	(20,291)	(19,906)	(20,102)	(18,396)	(3,050)

- Capital spend in year shows payments on approved 2019/20 projects and earlier years approved projects only.
- There have been five property disposal up to 29 February 2020 for Epping Police Station, Maldon Police Station, La Plata Grove, Moreton Police House and 2 Chaplin Close Laindon, plus a receipt for Saffron Walden overage. There have been three receipts for the covenants for Police House, Dunmow Road, Takeley, 18 Rectory Road, Colchester and 2 La Plata Grove. There are no further disposals forecast for March 2020.
- Revenue contributions of £1m agreed at budget setting to fund capital programme and avoid future cost of borrowing, and £0.3m for IT equipment.
- External Funding is from the Home Office in relation to tackling knife crime and tasers and NCTPHQ funding for ANPR installation works.