

Performance and Resources Scrutiny Programme 2020/21

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

Title of Report:	2020/21 Month 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:	25th June 2020
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	17th June 2020

1.0 Purpose of Report

- 1.1 This report identifies the 2020/21 month 2 position for police officer, police staff and PCSO pay and allowances, in advance of a full reported position at quarter 1.

2.0 Recommendations

- 2.1 The report is for noting.

3.0 Executive Summary

- 3.1 The police officer forecast outturn is £1.240m overspend compared to the original budget, of which £1.131m overspend is forecast to impact on General Reserve.
- 3.2 The police officer opening strength at 1st April 2020 is 24.5 FTE higher than budget setting. 3,369 FTEs forecast for 31st March 2021.
- 3.3 The police staff forecast outturn is £1.710m underspend compared to the original budget, of which £1.254m underspend is forecast to impact on General Reserve.
- 3.4 The police staff vacancies at 30th April 2020 were 31 FTEs above the vacancy factor of 135 FTEs. Total vacancies are 166 FTEs.

4.0 Introduction/Background

4.1 This report sets out the May, month 2, financial position on the pay and allowances budgets for police officers, PCSO's and police staff.

5.0 Current Work and Performance

5.1 The month 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 N/A

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.

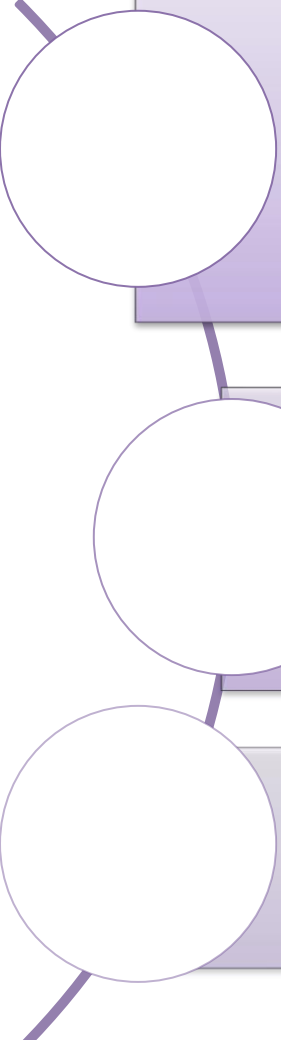
14.0 Future Work/Development and Expected Outcome

14.1 Reviews are continuing on the variances, external funding activities and updated information on investment and savings since budget setting for the main Quarter 1 financial report.

15.0 Decisions Required by the Police, Fire and Crime Commissioner

15.1 None.

1. Executive Summary – 2020/21 – Month 2



£1.240m forecast overspend on police officers compared to the original budget, of which **£1.131m** overspend is forecast to impact on General Reserve. Opening strength at 1st April 2020 is 24.5 FTE higher than budget setting. 3,369 FTEs forecast for 31st March 2021.

£1.710m forecast underspend on police staff compared to the original budget, of which **£1.254m** underspend is forecast to impact on General Reserve. Vacancies at 30th April 2020 were 31 FTEs above the vacancy factor of 135 FTEs. Total vacancies are 166 FTEs.

Reviews are continuing on the variances, external funding and updated information on investment and savings since budget setting for the main Quarter 1 financial report.

2. Workforce Analysis

2.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Original Budget 2020/2021	180,151	
Changes in strength forecast compared to budget setting	1,295	Opening strength 24.5 FTE more than budget
Changes in forecast compared to budget setting	(809)	Change in joiner recruitment profile since budget setting
Changes in forecast compared to budget setting	976	Impact of 18 FTE officers returning to force from externally funded posts since budget setting
Changes in forecast compared to budget setting	209	Impact of Stansted Airport officers returning to force in Q1 re Op Talla
Changes in forecast compared to budget setting	(540)	Other
Changes in external/other forecasts	109	Realignment of externally funded and ERSOU budgets. No impact on General Reserve
Current forecast 2020/21	181,391	
Forecast Outturn Variance from Current Budget	1,240	£1,131k impacts on the General Reserve
Staff Pay	£k	Reasons for Changes
Original budget 2020/2021	86,727	
Changes in strength forecast compared to budget setting	(685)	Opening force funded strength 21 FTE less than budget
Changes in strength forecast compared to budget setting	(154)	5 FTE net force funded leavers in April
Changes in forecast compared to budget setting	174	Impact of Stansted Airport staff returning to force in Q1 re Op Talla
Changes in forecast compared to budget setting	(589)	Other including delayed recruitment
Changes in external/other forecasts	(456)	Realignment of externally funded and ERSOU budgets. No impact on General Reserve
Current forecast 2020/21	85,017	
Forecast Outturn Variance from Current Budget	(1,710)	(£1,254k) impacts on the General Reserve
PCSO Pay	£k	Reasons for Changes
Original budget 2020/2021	3,510	
Changes in forecast compared to budget setting	10	Other
Current forecast 2020/21	3,520	
Forecast Outturn Variance from Current Budget	10	£10k impacts on the General Reserve

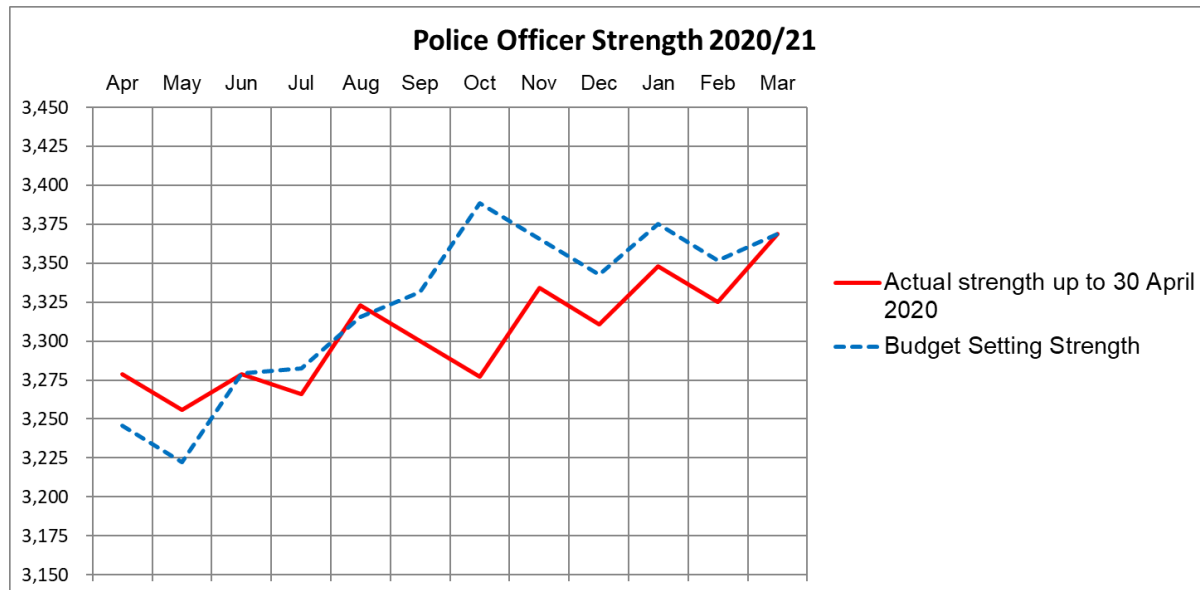
2.2 Police Officer FTEs

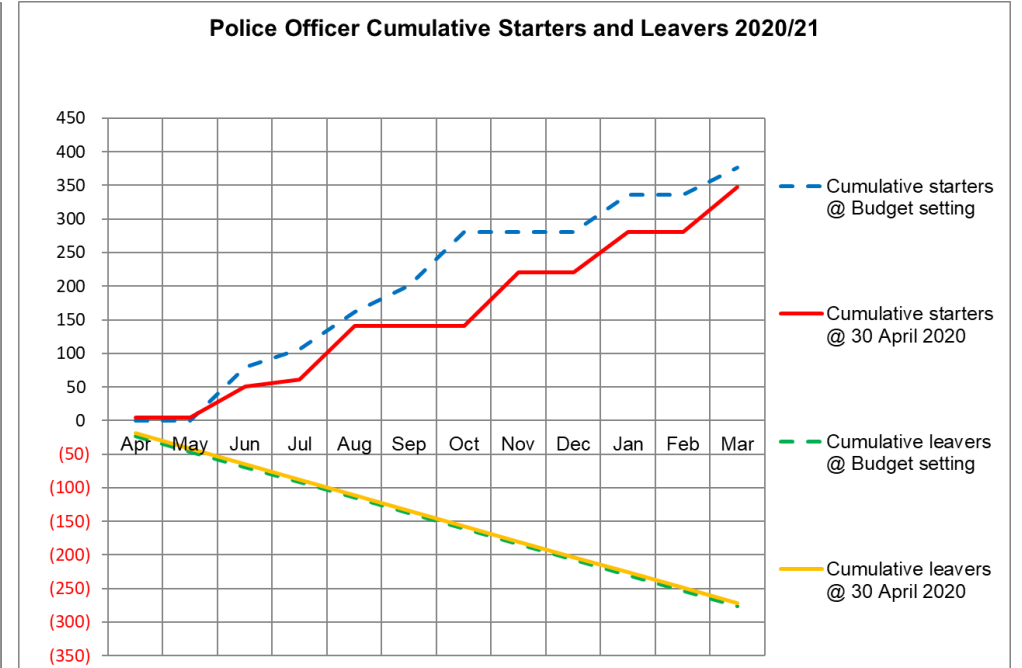
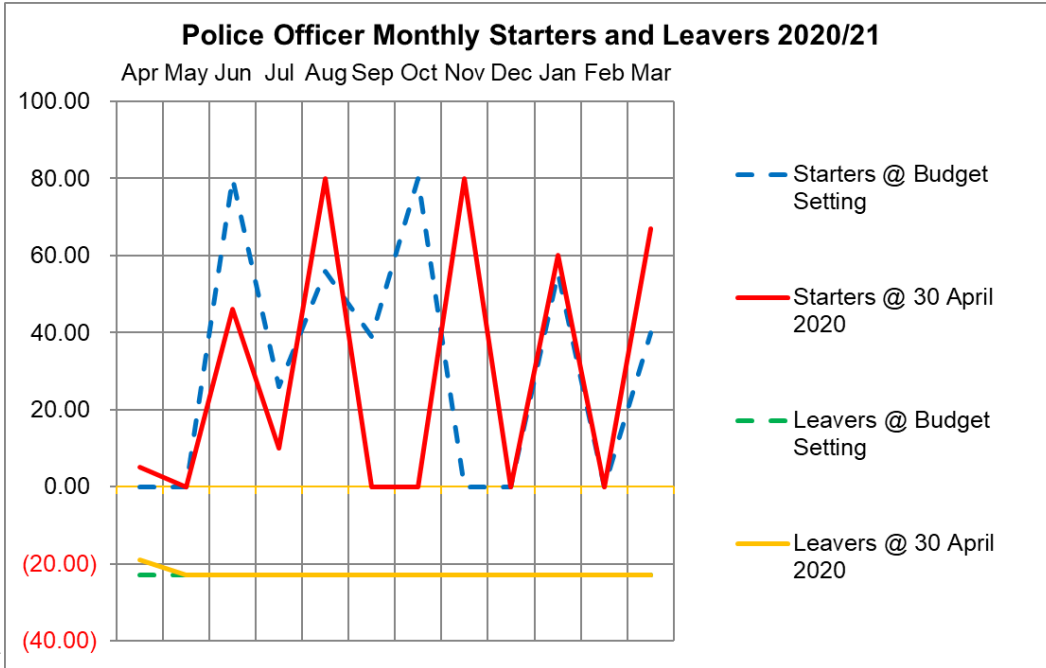
2020/21 - Police Officers Pay/Strength - Using 2020/21 Budget Setting Model

Ref	2020/21 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)	3,269	3,246	3,223	3,280	3,283	3,316	3,332	3,389	3,366	3,343	3,375	3,352	
2	Leavers	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(276)
3	Starters - To cover attrition	0	0	80	0	56	0	80	0	0	20	0	40	276
4	Starters - Growth	0	0	0	26	0	39	0	0	0	36	0	0	101
5	Starters	0	0	80	26	56	39	80	0	0	56	0	40	377
6	Net change	(23)	(23)	57	3	33	16	57	(23)	(23)	33	(23)	17	101
7	Officer strength - month end	3,246	3,223	3,280	3,283	3,316	3,332	3,389	3,366	3,343	3,375	3,352	3,369	
8	Difference to 3,369 FTEs - over / (under)	(123)	(147)	(90)	(87)	(54)	(38)	20	(4)	(27)	6	(17)	0	
	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
9	1st April 2020 Strength (note 2 & 3)	£14.73m	£14.73m	£14.73m	£14.73m	£14.73m	£15.10m	£15.10m	£15.10m	£15.10m	£15.10m	£15.10m	£15.10m	£179.32m
10	2020/21 Leavers (note 4)	(£0.12m)	(£0.24m)	(£0.36m)	(£0.48m)	(£0.60m)	(£0.72m)	(£0.84m)	(£0.97m)	(£1.09m)	(£1.21m)	(£1.33m)	(£1.45m)	(£9.41m)
	2020/21 Starters (note 4)	£0.00m	£0.00m	£0.35m	£0.46m	£0.70m	£0.84m	£1.18m	£1.18m	£1.18m	£1.39m	£1.39m	£1.56m	£10.24m
	Monthly Budget (note 5 & 6)	£14.61m	£14.49m	£14.71m	£14.71m	£14.83m	£15.21m	£15.43m	£15.31m	£15.19m	£15.28m	£15.16m	£15.21m	£180.15m
	2020/21 Current Forecast - Based on HR Information received 21st May 2020													
	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 2020 Strength	3,293	3,279	3,256	3,279	3,266	3,323	3,300	3,277	3,334	3,311	3,348	3,325	
9	Leavers (note 7)	(19)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(272)
10	Starters (note 8)	5	0	46	10	80	0	0	80	0	60	0	67	348
11	Net change	(14)	(23)	23	(13)	57	(23)	(23)	57	(23)	37	(23)	44	76
12	Officer strength - month end	3,279	3,256	3,279	3,266	3,323	3,300	3,277	3,334	3,311	3,348	3,325	3,369	
13	Difference to 3369fte - over / (under)	(90)	(113)	(90)	(103)	(46)	(69)	(92)	(35)	(58)	(21)	(44)	0	
	Actuals /Forecast £	Actual FTE			Forecast FTE									
		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
14	Costed Strength before starters/leavers	£13.99m	£14.74m	£14.76m	£15.31m	£14.65m	£15.23m	£15.63m	£15.07m	£14.78m	£15.09m	£14.91m	£14.90m	£179.06m
15	2020/21 Leavers			(£0.07m)	(£0.15m)	(£0.22m)	(£0.29m)	(£0.37m)	(£0.44m)	(£0.52m)	(£0.59m)	(£0.66m)	(£0.74m)	(£4.05m)
16	2020/21 Starters			£0.00m	£0.16m	£0.27m	£0.41m	£0.57m	£0.68m	£0.83m	£0.84m	£1.03m	£1.19m	£5.98m
17	Other Costs			£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.04m	£0.40m
18	Monthly Actual	£13.99m	£14.74m	£14.73m	£15.36m	£14.74m	£15.39m	£15.87m	£15.35m	£15.13m	£15.38m	£15.32m	£15.39m	£181.39m

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)	24	34	34	(1)	(17)	8	(32)	(112)	(32)	(32)	(27)	(27)	
20	Leavers (positive number = less leavers)	4	0	0	0	0	0	0	0	0	0	0	0	4
21	Starters	5	0	(34)	(16)	24	(39)	(80)	80	0	5	0	27	(29)
22	Month End Strength Change - FTEs	33	34	(1)	(17)	8	(32)	(112)	(32)	(32)	(27)	(27)	0	(25)
23	Change per month FTEs	9	0	(34)	(16)	24	(39)	(80)	80	0	5	0	27	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	Monthly Financial Change	(£0.62m)	£0.25m	£0.02m	£0.65m	(£0.09m)	£0.18m	£0.44m	£0.04m	(£0.06m)	£0.10m	£0.16m	£0.18m	£1.24m

Notes														
1	The budget was built on the assumption that at the start of April 2020 there would be 50.5 FTE strength over and above the approved establishment of 3218 as a result of the decisions to press ahead with recruiting to achieve the planned 151 officer growth in 2020/21 (135 of which is funded from the National Uplift Program). The actual position is 24.5 FTE strength over the 1/4/20 budget.													
2	The 1st April 2020 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2.5% payrise in September i.e. there is no profile adjustment for incremental increases.													
3	Leavers could be at any rank but assumed to be at Sergeant level for the purpose of profiling the monthly budget. Figures are cumulative.													
4	The monthly budget for starters is based on the profile and rank of agreed growth posts as per budget setting with the balance to cover attrition assumed to be constables.													
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 £22k 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.													





2.3 Police Officers, Police Staff, PCSOs and Specials

FTE Changes Effecting Pay Forecasts - 2020/21 Month 2

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2020	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2021
Budget Setting			3,269	377	0	(276)	0	3,369
HR data @ 30 April 20	3,369	3,279	3,293	342	6	(273)	1	3,369
Change			25	(35)	6	3	1	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 2020	Vacancy Factor Establishment @ 1st April 2020 *	Actual starters to date	Actual leavers to date
Budget Setting			2,240	2,105		
HR data @ 30 April 20		2,074			11	(17)
Change					11	(17)

* Vacancy Factor is 7% for departments with less than 30 FTE and 9% for departments with more than 30 FTE for all areas except for FCR, Resolution Centre and OPFCC 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 2020	Strength at 1st April 2020	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2021
Budget Setting			109	109	0	0	0	109
HR data @ 30 Apr 20	109	110	109	112	0	(9)	0	103
Change			0	3	0	(9)	0	(6)

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

4. Specials Headcount	Actual Strength	Target Strength
Budget Setting		600
HR data @ 30 Apr 20	517	600
Change		0