

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 7 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 November 2020
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	20th November 2020

1.0 Purpose of Report

1.1 This report identifies the 2020/21 month 7 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 **£1.712m**. This includes Home Office 2020/21 funding of £1m for Op Melrose, Home Office funding of £1.463m for medical grade PPE expenditure providing a 100% recovery of cost, and £1.118m in relation to the COVID-19 Income Loss Recovery Scheme providing a 59% recovery of lost income.

3.2 The police officer strength forecast at end of October is **3,298 FTE** and at year end is **3,369 FTE**.

3.3 The Capital Reserve is forecast to be **£7.1m** deficit at year end.

3.4 The forecast capital expenditure is **£18.1m** and the forecast capital income from property disposals is **£8.0m**.

4.0 Introduction/Background

4.1 This report sets out the October, month 7, financial position.

5.0 Current Work and Performance

5.1 The month 7 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 in assessment of the in-year monitoring position.

15.0 Decisions Required by the Police, Fire and Crime Commissioner

15.1 To approve the virements in Annex 1 (para 6.2).

15.2 To transfer the balance of 2020/21 one-off funding of £73k for the Policing Educational Qualification Framework (PEQF) to the PEQF earmarked reserve for use in financial year 2021/22

1. Executive Summary – 2020/21 – Month 7

£1.712m – Latest forecast revenue underspend. This includes Home Office 2020/21 funding of £1m for Op Melrose, Home Office funding of £1.463m for medical grade PPE expenditure providing a 100% recovery of cost, and £1.118m in relation to the COVID-19 Income Loss Recovery Scheme providing a 59% recovery of lost income.

3,298 FTE – Police Officer strength forecast at end of October and **3,369 FTE** Police Officer strength forecast at year end

Following a long period of negotiation between the 10 SEERPIC forces, a new revised method of allocation of the motor insurance contract has been agreed from Year 3 onwards (1/10/20). The saving for year 3 in 2020/21 is £242k and this was reflected in the monitoring report at quarter 2, the full year saving in 2021/22 is £604K and this is reflected in 2021/22 budget setting. In early November the SEERPIC CFOs have also agreed an adjustment for Q3 + Q4 in year 2 (1/4/20 – 30/9/20), this will be a £233k reimbursement for Essex and will be reflected in the month 8 report.

£7.1m deficit - The forecast year end balance on the Capital Reserve.

£18.1m forecast capital expenditure and **£8.0m** forecast capital income

2. Revenue

2.1 Revenue Summary – 2020/21 – Month 7

	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							
<u>Police Officer Pay and Allowances</u>							
- Police Officer Pay and Allowances	175,429	3,377	178,806	104,292	181,575	2,769	642
- Overtime and Operational Performance	6,045	1,470	7,515	4,115	8,076	561	77
- Associated Police Pay	1,060	(148)	913	624	1,197	285	49
- In-Year Savings Shortfall/(Surplus)	(96)	114	18	0	0	(18)	14
- In-Year Investments	4,721	(4,721)	0	0	0	0	0
Police Officer Pay and Allowances	187,159	93	187,252	109,031	190,849	3,597	780
PCSO Pay and Allowances	3,510	5	3,515	2,061	3,518	4	(9)
<u>Police Staff Pay and Allowances</u>							
- Police Staff Pay & Allowances	85,866	(584)	85,282	47,223	83,662	(1,620)	(74)
- Police Staff Overtime and Agency	1,022	928	1,950	1,052	2,225	275	78
- In-Year Savings Shortfall/(Surplus)	(338)	276	(63)	0	(63)	0	0
- In-Year Investments	1,199	(470)	729	0	604	(125)	(80)
Police Staff Pay and Allowances	87,749	150	87,899	48,275	86,429	(1,470)	(76)
Pensions (Ill Health / Medical)	4,506	0	4,506	2,646	4,248	(258)	0
Training	1,350	(38)	1,312	548	1,357	45	5
Other Employee Expenses	362	239	601	197	593	(8)	0
Employees Total	284,637	448	285,085	162,757	286,994	1,909	700
Premises	10,836	(1,125)	9,711	5,639	9,757	46	13
Transport	6,571	6	6,577	4,669	5,751	(826)	(253)
<u>Supplies and Services</u>							
- Supplies and Services	36,574	3,131	39,705	21,856	36,611	(3,094)	(315)
- In-Year Investments	1,384	(1,208)	176	0	14	(162)	(122)
Supplies and Services	37,958	1,923	39,881	21,856	36,625	(3,256)	(690)
Third Party Payments	6,584	2,800	9,383	3,575	9,187	(196)	(109)
Income	(33,705)	(4,739)	(38,444)	(14,369)	(37,822)	622	(58)
Other Expenditure / (Income)	33	(30)	3	(1)	(8)	(11)	15
Capital and Other Adjustments	2,205	34	2,239	1,006	2,239	0	0
Net Expenditure	315,118	(682)	314,435	185,132	312,723	(1,712)	(130)
Contribution to/(from) Earmarked Reserves	(402)	(845)	(1,246)	(1,281)	(1,246)	0	0
Contribution to/(from) General Reserve	0	1,527	1,527	0	3,239	1,712	130
Budget Requirement	314,716	(0)	314,716	183,851	314,716	0	0

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

- The overspend on Police Officer Pay is due to strength at the start of the year being 24.5 FTE more than budget and there being less leavers than budgeted throughout the year. Whilst intakes have been reprofiled to achieve a year end strength currently forecast at 3,369 FTE, timing and costing differences have added to the overspend.
- The overspend on Police Officer Overtime is based upon anticipated demand and expenditure profiles based on year to date activity levels. This is affecting a number of commands with significant overspends for Criminal Justice £234k; Operational Policing £200k; Contact Management (Force Control Room) £90k; LPA North £37k and LPA West £30k.
- The overspend on Associated Police Pay mainly relates to a forecast overspend of £163k for Temporary Duty Allowance following a significant increase to expenditure across each of the LPAs over the last two months. The explanation for the increased expenditure and identification of the corrective action required is being followed up with LPA senior management teams and HR.
- The underspend on Police staff pay predominantly results from there being 88 FTE vacancies above the 6% force wide average vacancy factor and delays in the recruitment of force growth posts.
- The underspend on Pensions/Ill Health (Medical) is to reflect less officers forecast to receive capital equivalent payments in comparison to budget (six confirmed to date and one more forecast prior to financial year end).
- The underspend on Transport is due to a significant reduction in vehicle fuel costs during the first quarter as a result of the impact of COVID-19 on crime levels and associated use of vehicles, as well as free fuel provided by BP during lockdown. This is coupled with lower fuel prices charged by service providers during the pandemic which has resulted in further underspend. The impact from COVID-19 restrictions has resulted in a significant underspend on force mileage and public transport expenditure.
- The underspend on Supplies & Services is primarily due to revenue consequences underspends for the IT Technical Refresh approved project, the 7 Forces Digital Asset Management Systems which has been delayed until 2021/22, and slippage on other IT and Estates revenue consequences of capital. Communications & Technology underspends for decommissioned hardware & software support and IT maintenance contracts, and recovery of Op Talla PPE expenditure in financial year 2019/20 from the Home Office also contribute to the underspend position.
- The overspend on income is due to a shortfall on Mutual Aid Income based on known operations to date and an under recovery of income for Magistrates Costs, Sale of Fixed Assets and L&D Training Fees resulting from the impact of COVID-19, which is partially offset by the COVID-19 Income Loss Recovery Scheme.
- The contribution to the General Reserve is £1.712m, following a £1.527m in-year transfer to the General Reserve to reflect Op Melrose funding relating to expenditure incurred in financial year 2019/20. The General Reserve balance at the start of the 2020/21 financial year represents 2.95% of the 2020/21 force budget of £314.7m.

2.2 Main Forecast Movements since Quarter 2

Main Changes to Forecast Outturn since Quarter 2 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 7 Forecast Outturn Variance	(1.6)	Underspend
Police Officer Pay and Allowances	0.2	Includes costs associated with Stansted Airport policing for the full year for Op Talla, offset by Home Office funding for loss of income for Stansted Airport policing due to Op Talla.
Police Staff Pay and Allowances	(0.5)	Includes costs associated with Stansted Airport policing for the full year for Op Talla, offset by Home Office funding for loss of income for Stansted Airport policing due to Op Talla, and a delay in adjustment to force growth posts which have been filled (see table in section 2.3 for post level analysis).
Police Officer Overtime	(0.1)	Includes a reduction in LPA forecasts as more emphasis on overtime being covered using Op Talla surge funding provided by the Home Office. Force tasking forecast also reduced to recognise that more proactive overtime will be spent against Op Sceptre and Op Talla budgets.
Premises	(0.1)	Growth budget of £237k has been provided to cover planned and reactive maintenance that had been earmarked for enabling works and was already built in to the forecast position, partly offset by increased cost for Estates maintenance and clinical waste expenditure.
Transport	(0.2)	Forecast has been reduced following the extension to COVID-19 restrictions impacting on force mileage and public transport expenditure.
Communications & Technology	(0.2)	IT hardware forecast has been reduced due to COVID-19 impact on suppliers ability to meet force demand. Additional reduction in forecast across various IT Application renewals.
Specialist Operational Supplies/Services	(0.2)	A £0.2m reduction following COGs consideration of options for CAIT Back Record Conversion in October that was subject to a one-off budget this year.
Third Party Payments	(0.1)	Includes a reduction in forecast to ERSOU recharges.
In-Year Investments	(0.2)	Non-Pay investment not required in year, relating mainly to the delay for Analytics for Everyone & IT Police Officer uplift non-pay not required.
Income	(0.3)	COVID-19 Impact Loss Recovery Scheme for all areas identified to have been impacted by Op Talla, with the exception of Stansted Airport Policing which is recognised within Police Officer and Police Staff Pay and Allowances, with the income loss for the second half of the year reflected in the month 7 forecast.
Contribution to General Balance	1.5	Transfer of Op Melrose 2019/20 Home Office funding to the General Reserve.
Further Variances	0.1	Various changes across the force to reflect latest information which are less than £100k.
Month 7 Forecast Outturn Variance	(1.7)	Underspend

2.3 Forecast Movement – Force Growth Posts adjustment

Investment in PSE PUP 2020/21	Budget Required £	Grade	FTE	Post Creation Month
Firearms Training	17,406	Sc 5	1	Aug
PSD	18,110	Sc 4	1	Jul
PSD	26,707	SO2	1	Jul
PSD	26,707	SO2	1	Jul
Roads policing Investigator (Extra Eyes) and Road Collision Records	17,406	Sc 5	1	Aug
Vetting - Phase 1	16,673	Sc 6	1	Sept
Business Services - Phase 1	19,452	Sc 6	0.5	Aug
Business Services - Phase 2 v2	13,651	Sc 3	2	Aug
HR Strategy - Phase 2	31,939	PO4	0.5	Aug
Health & Wellbeing - Phase 2	17,552	Sc 3	1	Jun
Health & Wellbeing - Phase 2	35,376	PO1	1	Jun
Human Resources - Phase 2	26,706	SO 2	1	Jul
Learning & Development - Phase 2	11,701	Sc 3	1	Sept
Learning & Development - Phase 2	19,452	Sc 6	0.5	Aug
TOTAL	298,838			

3. Police Officer Overtime

3.1 Summary – Main overspends (over £10k)

Police Officer Overtime

Command	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Forecast Variance	RAG Status	2019/20 Current Budget	2019/20 Outturn	19/20 v 20/21 Outturn
	£000	£000	£000	£000	£000	£000		£000	£000	£000
Criminal Justice Command	53	0	53	139	287	234		242	248	39
Operational Policing Command	343	196	539	378	739	200		612	640	99
Contact Management	110	0	110	83	200	90		350	427	(227)
LPA North	361	20	381	243	418	37		377	413	5
LPA West	243	14	257	183	287	30		365	378	(91)
Total	1,110	230	1,340	1,026	1,931	591		1,946	2,106	(175)

Notes

1. All areas have a red or amber RAG status and require corrective action
2. Police Officer Pay is £2.8m overspent across the force, hence no opportunity for virements from Police Officer Pay (awaiting Standardised Police Pay (SPP) reports per command)
3. Forecast outturn positions have been assessed against a combination of last year outturn and year to date expenditure levels
4. As part of month 8 monitoring, the impact on force overtime budgets resulting from Op Talla Surge Funding will be determined
5. Actuals to date reflect overtime approved and paid by the payroll cut off date of 7th October
6. Current Year virements are made up from external funding contributions

4. Police Staff Overtime

4.1 Summary – Main overspends (over £10k)

Police Staff Overtime

Command	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Forecast Variance	RAG Status
	£000	£000	£000	£000	£000	£000	
Criminal Justice Command	41	0	41	75	163	122	
Total	41	0	41	75	163	122	

2019/20 Current Budget	2019/20 Outturn	19/20 v 20/21 Outturn
£000	£000	£000
92	111	52
92	111	52

Notes

1. Forecast outturn positions have been assessed against a combination of last year outturn and year to date expenditure levels
2. Actuals to date reflect overtime approved and paid by the payroll cut off date of 13th October

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Changes in forecast	429	Impact of PSA Change Amendment for Stansted Airport officers due to Op Talla in Q3 and Q4
Changes in strength forecast	109	3 FTE less force funded leavers in September than previously forecast
Changes in forecast including sickness and maternity pay	123	Includes adjustments made in the October payroll
Budget transfers to pay	(495)	Home Office funding for loss of income due to Op Talla (Stansted Airport)
Changes in the month impacting on the General Reserve	166	
Budget transfers from pay	433	Reversal of Home Office Funding for Op Melrose allocated to Op Talla for Stansted officers
Budget transfers from pay	31	Realignment of 2020/2021 ECFRS collaboration budget
Budget transfers from pay	13	Realignment of 2020/2021 ESMCP budget
Budget transfers to pay	(1)	Home Office Income for Stansted Airport National Managed Plan 2020/2021
Total Change	642	
Staff Pay	£k	Reasons for Changes
Changes in forecast	252	Impact of PSA Change Amendment for Stansted Airport staff due to Op Talla in Q3 and Q4
Changes in forecast including sickness and maternity pay	(19)	Includes adjustments made in the October payroll
Changes in forecast	(48)	Estates Investment budget appropriated to Transformation Reserve - Enabling Projects
Changes in forecast	(80)	Slippage in staff recruitment in connection with the Police Officer uplift Programme
Changes in forecast	(299)	Delay in adjustment to forecast of force growth posts which have been filled
Budget transfers to pay	(352)	Home Office funding for loss of income due to Op Talla (Stansted Airport)
Changes in the month impacting on the General Reserve	(546)	
Budget transfers from pay	360	Reversal of Home Office Funding for Op Melrose allocated to Op Talla for Stansted staff
Budget transfers from pay	43	Realignment of 2020/2021 ECFRS collaboration budget
Budget transfers from pay	2	Funding of Property overtime from devolved staff pay underspends
Budget transfers to pay	(14)	Reversal of savings in 2020/2021 from Strategic Change delegated authority
Total Change	(155)	
PCSO Pay	£k	Reasons for Changes
Changes in forecast	(10)	Includes adjustments made in the October payroll
Total Change	(10)	

5.2 Police Officer FTEs

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

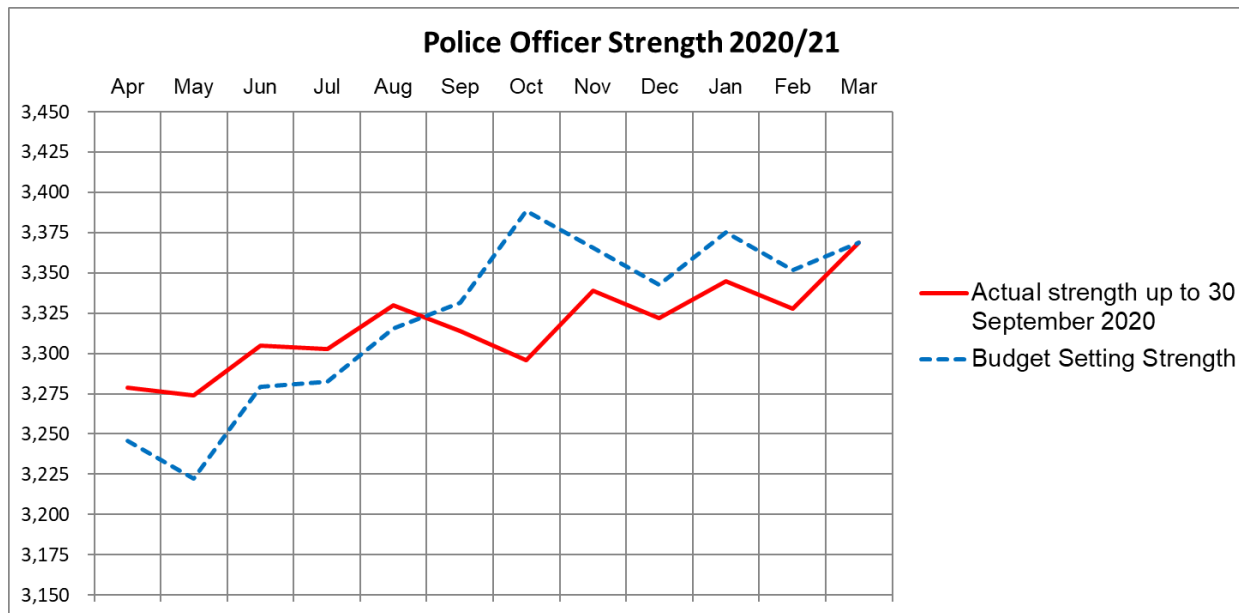
Ref	2020/21 Budget Setting													
	Strength	Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
1	Strength @ beginning of month (note 1)	3,269	3,246	3,223	3,280	3,283	3,316	3,332	3,389	3,366	3,343	3,375	3,352	
2	Leavers	(23)	(23)	(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 £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
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

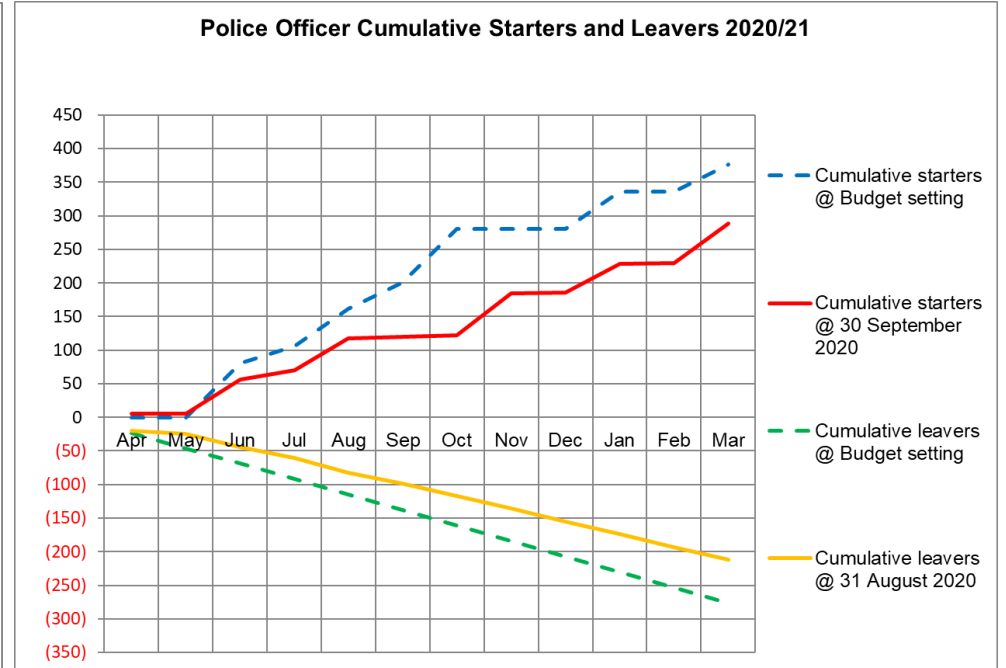
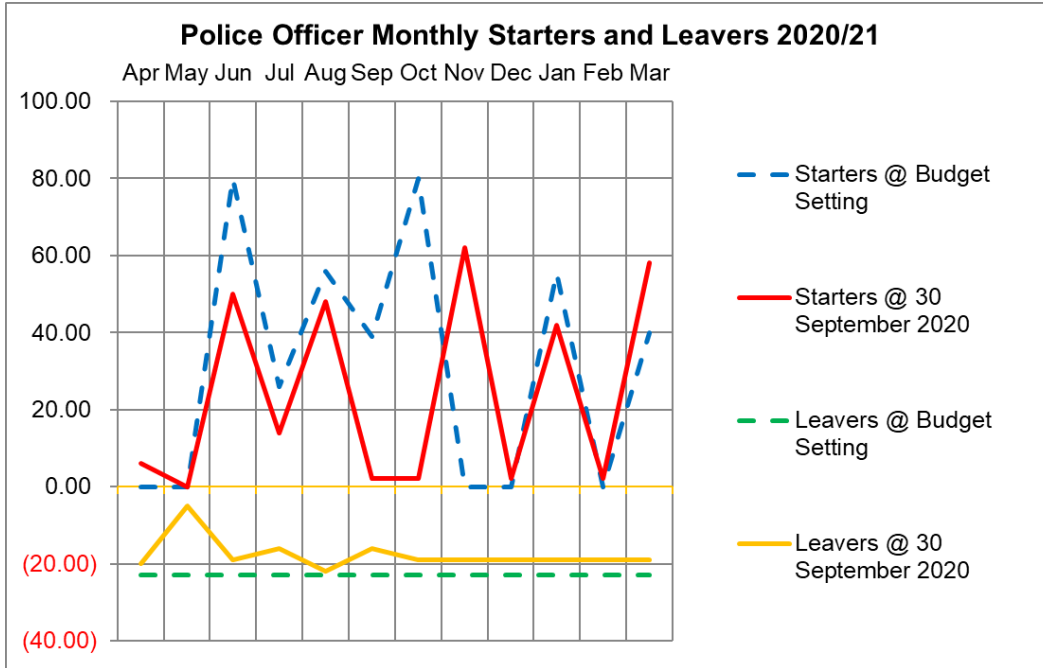
2020/21 Current Forecast - Based on HR information received 19th October 2020

Ref	Strength	Actual FTE												Total FTEs
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	
8	1st April 2020 Strength	3,293	3,279	3,274	3,305	3,303	3,329	3,315	3,298	3,341	3,324	3,347	3,330	
9	Leavers (note 7)	(20)	(5)	(19)	(16)	(22)	(16)	(19)	(19)	(19)	(19)	(19)	(19)	(212)
10	Starters (note 8)	6	0	50	14	48	2	2	62	2	42	2	58	288
11	Net change	(14)	(5)	31	(2)	26	(14)	(17)	43	(17)	23	(17)	39	76
12	Officer strength - month end	3,279	3,274	3,305	3,303	3,329	3,315	3,298	3,341	3,324	3,347	3,330	3,369	
13	Difference to 3369fte - over / (under)	(90)	(95)	(64)	(66)	(40)	(54)	(71)	(28)	(45)	(22)	(39)	0	
Ref	Actuals /Forecast £	Actual £							Forecast £					Total £m
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
14	Costed Strength before starters/leavers	£13.98m	£14.74m	£14.63m	£15.16m	£14.56m	£15.91m	£15.25m	£15.12m	£14.77m	£15.07m	£14.87m	£16.32m	£180.38m
15	2020/21 Leavers								(£0.06m)	(£0.12m)	(£0.19m)	(£0.25m)	(£0.31m)	(£0.93m)
16	2020/21 Starters								£0.13m	£0.27m	£0.28m	£0.43m	£0.55m	£1.66m
17	Other Costs								£0.09m	£0.09m	£0.09m	£0.10m	£0.10m	£0.47m
18	Monthly Actual	£13.98m	£14.74m	£14.63m	£15.16m	£14.56m	£15.91m	£15.25m	£15.28m	£15.01m	£15.25m	£15.15m	£16.66m	£181.58m

Forecast Change from budget setting														
		Actual FTE					Forecast FTE							Total FTEs
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	
19	Strength @ beginning of month (negative=reduction)	24	34	52	26	21	14	(17)	(91)	(25)	(19)	(28)	(22)	
20	Leavers (positive number = less leavers)	3	18	4	7	1	7	4	4	4	4	4	4	64
21	Starters	6	0	(30)	(12)	(8)	(37)	(78)	62	2	(14)	2	18	(89)
22	Month End Strength Change - FTEs	33	52	26	21	14	(17)	(91)	(25)	(19)	(28)	(22)	0	(25)
23	Change per month FTEs	9	18	(26)	(5)	(7)	(30)	(74)	66	6	(10)	6	22	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	Monthly Financial Change	(£0.63m)	£0.25m	(£0.08m)	£0.45m	(£0.27m)	£0.70m	(£0.18m)	(£0.03m)	(£0.18m)	(£0.03m)	(£0.01m)	£1.45m	£1.43m

- 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, transferees and rejoiners





5.3 Police Officers, Police Staff, PCSOs and Specials

FTE Changes Effecting Pay Forecasts - 2020/21 Month 7

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 @ 31 August 20	3,369	3,329	3,293	263	27	(215)	1	3,369
HR data @ 30 September 20	3,369	3,315	3,293	262	26	(215)	3	3,369
Change	0	(14)	0	(1)	(1)	0	2	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 @ 31 August 20	2,322	2,086			78	(71)
HR data @ 30 September 20	2,310	2,086			94	(87)
Change		0			16	(16)

* 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 @ 31 August 20	107	106	109	112	0	(10)	0	102
HR data @ 30 September 20	107	104	109	112	0	(10)	(1)	101
Change		(2)	0	0	0	0	(1)	(1)

Note: The PCSO Establishment includes 17 FTE partnership funded posts which are externally funded

4. Specials Headcount	Actual Strength	Target Strength
Budget Setting		600
HR data @ 31 August 20	512	600
HR data @ 30 September 20	524	600
Change	12	0

6. Virement Analysis – Month 7

6.1 Virement Analysis – Summary

Line Ref:		Virements														Total	Comment	Line Ref:		
		Police Officers	Police Staff	PCSO	Training	Other Employee Expenses	Premises	Transport	Supplies & 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	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001	£000	£000			
Virements over £250k requiring PFCC approval																				
1	Budget Setting Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2
2	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		4
3	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		6
4	External Funding	(1,041)	(281)	0	(4.69)	60	(108)	(17)	(255)	(2)	1,648	0	0	0	0	0	0		12	
5	Contingencies and Reserves	0	0	0	0	0	0	0	0	0	(1,527)	0	0	1,527	0	0	0		14	
6	Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		16	
7	Total virements over £250k requiring PFCC approval	(1,041)	(281)	0	(5)	60	(108)	(17)	(255)	(2)	121	0	0	1,527	0	0	0		17	
Virements not requiring PFCC approval																				
8	Budget Setting Investment	0	0	0	0	(19)	237	58	(448)	0	0	0	0	0	172	0	0		22	
9	Budget Setting Saving	0	14	0	(5)	0	0	0	5	0	0	0	0	0	0	(14)	0		25	
10	Collaboration	(31)	(43)	0	0	0	0	0	74	0	0	0	0	0	0	0	0		27	
11	External Funding	(25)	(44)	0	(10)	(107)	(23)	4	165	87	(47)	0	0	0	0	0	0		33	
12	Contingencies and Reserves	0	(48)	0	0	29	0	0	107	110	0	0	(198)	0	0	0	0		40	
13	Budget Holder	(13)	53	0	0	19	0	0	(64)	60	(54)	0	0	0	0	0	0		46	
14	Total virements not requiring PFCC approval	(70)	(69)	0	(15)	(77)	215	62	(162)	257	(101)	0	(198)	0	172	(14)	0		47	
15	Total all virements	(1,110)	(350)	0	(19)	(18)	106	46	(416)	255	20	0	(198)	1,527	172	(14)	0		48	

6.2 Virement Analysis – Detail

Table 1: Virements above £250,000 requiring approval from PFCC

Line Ref:	Virement Ref	Virement Type	Virement Description	Police Pay and Allowances	Police Staff Pay and Allowances	PCSO Pay	Training	Other Employee expenses	Premises	Transport	Supplies and Services	Third Party Payments	Income	Other Expenditure / (Income)	Contribution to / (from) Earmarked Reserves	Contribution to / (from) General Reserve	In-Year Investments (Shortfall) / Surplus	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	0	0	0	0	0	
3	2	Budget Setting Saving																		0	
4	Sub Total Budget Setting - Saving virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	3	Collaboration																		0	
6	Sub Total Collaboration virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	4	External funding	Realignment of External ERSOU CT Grant Income and Expenditure	(840,719)				(233,555)			5,861		1,068,413							0	Realignment of External ERSOU CT Grant Income and Expenditure budgets for force contribution
8	5	External funding	Realignment of Income and Expenditure for Stansted Airport policing October 2020	(337,539)	(272,731)		(4,687)	(94,186)	452	(6,552)	(12,615)	(1,726)	729,584							0	Realignment of Income and Expenditure budgets for Stansted Airport policing to match the current forecast amounts to be invoiced
9	6	External funding	Reverse: Op Melrose HO funding to Op Talla	(432,415)	(360,448)	(94)		(212,400)	(108,558)	(9,957)	(247,775)		1,371,647							0	Reversal of allocation of Home Office funding for Op Melrose to Op Talla 2020/21 costs
10	7	External funding	Op Talla: Loss of Income - HO Funding	495,505	351,762								(847,267)							0	Op Talla Loss of Income Recovery Scheme Home Office funding - Stansted Officers and other income.
11	8	External funding	Op Talla: Surge Fund - HO Funding	74,340				600,000					(674,340)							0	Op Talla Surge fund Home Office funding for Police Officer and Staff overtime.
12	Sub Total External funding virements			(1,040,828)	(281,417)	(94)	(4,687)	59,859	(108,106)	(16,509)	(254,529)	(1,726)	1,648,037	0	0	0	0	0	0	0	
13	9	Contingencies and Reserves	Op Melrose 2019/20 funding to General Reserve										(1,527,000)			1,527,000				0	Op Melrose 2019/20 funding to General Reserve
14	Sub Total Contingencies/Reserves virements			0	0	0	0	0	0	0	0	0	(1,527,000)	0	0	1,527,000	0	0	0	0	
15	10	Budget Holder																		0	
16	Sub Total Budget Holder virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	Total Virements requiring Approval			(1,040,828)	(281,417)	(94)	(4,687)	59,859	(108,106)	(16,509)	(254,529)	(1,726)	121,037	0	0	1,527,000	0	0	0	0	

- A review of the virements in the above table is to be completed at the Performance and Resources Board on 26th November.

Table 2: Other Virements																		
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	Total virement
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
18	11	Budget Setting - Investments						237,000		(237,000)								0
19	12	Budget Setting - Investments		(168)			168											0
20	13	Budget Setting - Investments					(19,000)		19,000									0
21	14	Budget Setting - Investments							38,787	(211,219)						172,432		0
22	Sub Total Budget Setting - Investment virements		0	(168)	0	0	(18,832)	237,000	57,787	(448,219)	0	0	0	0	0	172,432	0	0
23	15	Budget Setting Saving		13,710													(13,710)	0
24	16	Budget Setting Saving				(4,500)				4,500								0
25	Sub Total Budget Setting - Saving virements		0	13,710	0	(4,500)	0	0	0	4,500	0	0	0	0	0	0	(13,710)	0
26	17	Collaboration	(30,810)	(43,280)						74,090								0
27	Sub Total Collaboration virements		(30,810)	(43,280)	0	0	0	0	0	74,090	0	0	0	0	0	0	0	0
28	18	External funding	(7,006)	(65,881)		(10,000)	(122,834)	(22,500)	(1,000)	94,464		134,757						0
29	19	External funding	(19,764)				6,600			86		13,078						0
30	20	External funding	1,355	12			9,908		3,837	14,888		(30,000)						0
31	21	External funding								(32,787)	32,787							0
32	22	External funding		21,537			(367)		1,603	88,000	54,167	(164,940)						0
33	Sub Total External funding virements		(25,415)	(44,332)	0	(10,000)	(106,693)	(22,500)	4,440	164,651	86,954	(47,105)	0	0	0	0	0	0
34	23	Contingencies and Reserves		(13,951)			(1,082)						15,033					0
35	24	Contingencies and Reserves		(47,959)									47,959					0
36	25	Contingencies and Reserves									75,000		(75,000)					0
37	26	Contingencies and Reserves								171,173			(171,173)					0
38	27	Contingencies and Reserves								(35,000)	35,000							0
39	28	Contingencies and Reserves					29,148			(29,148)								0
40	Sub Total Contingencies/Reserves virements		0	(47,959)	0	0	29,148	0	0	107,025	110,000	0	0	(198,214)	0	0	0	0
41	29	Budget Holder					17,385			(17,385)								0
42	30	Budget Holder								(46,218)	46,218							0
43	31	Budget Holder		54,167								(54,167)						0
44	32	Budget Holder		(1,500)			1,500											0
45	33	Budget Holder	(13,407)								13,407							0
46	Sub Total Budget Holder virements		(13,407)	52,667	0	0	18,885	0	0	(63,603)	59,625	(54,167)	0	0	0	0	0	0
47	Total of Other Virements		(69,632)	(69,362)	0	(14,500)	(77,492)	214,500	62,227	(161,556)	256,579	(101,272)	0	(198,214)	0	172,432	(13,710)	0
48	Grand Total all Virements		(1,110,460)	(350,779)	(94)	(19,187)	(17,633)	106,394	45,718	(416,085)	254,853	19,765	0	(198,214)	1,527,000	172,432	(13,710)	0

7. Reserves

7.1 Detail Reserve Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances						
Reserve	1st April 2020 - Opening Balance	Contribution 2020/21	Allocation 2020/21	31st October 2020 - Closing Balance	Forecast Year End Balance	Comment
Reserves held by Essex Police but managed as third party reserves						
Proceeds of Crime Act	£2.738m	£0.000m	(£0.505m)	£2.233m	£1.953m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.124m	£0.043m		£0.167m	£0.150m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£2.862m	£0.043m	(£0.505m)	£2.400m	£2.103m	
Project Reserves						
N/A	£0.000m			£0.000m	£0.000m	N/A
Total	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	
Ringfenced Reserve						
Restructuring Reserve	£0.231m			£0.231m	£0.145m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Total	£0.231m	£0.000m	£0.000m	£0.231m	£0.145m	
Operational Reserves						
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.
Chief Constables Operational C/Fwd	£0.500m			£0.500m	£0.000m	Operational Carry Forward resulting from the 2019/20 force underspend. Forecast to be fully utilised in 2020/21 and to identify if any of this funding can be used for 2021/22 budget setting.
Operational Transformational Reserve (OTR)	£1.055m		(£0.322m)	£0.733m	£0.250m	OTR report is submitted to OPFCC Performance and Resources Board on a quarterly basis. Drawdown requested to move funds to 2021/20, awaiting approval.
Transformation Reserve	£0.453m		(£0.045m)	£0.408m	£0.332m	Reserve to help fund the one-off costs of implementing the IT and Estates Transformation Strategies.
Data Analytics Reserve	£0.228m		(£0.171m)	£0.057m	£0.057m	Data Analytics and Visualisation Tool to be delivered in 2020/21 and into 2021/22.
PEQF Reserve	£0.218m			£0.218m	£0.291m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Specials Constabulary Reserve	£0.145m			£0.145m	£0.145m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary.
Future Capital Funding	£2.000m			£2.000m	£0.000m	Capital reserves to run out during 2020/21, need borrowing to fund capital programme
Total	£6.099m	£0.000m	(£0.538m)	£5.561m	£2.575m	
OPFCC Carry Forward Reserves						
2019/20 to 2020/21	£0.267m		(£0.267m)	£0.000m	£0.000m	£267k for OPCC grants are carried forward to 2020/21.
Total	£0.267m	£0.000m	(£0.267m)	£0.000m	£0.000m	
Total Revenue Earmarked Reserves	£9.459m	£0.043m	(£1.310m)	£8.192m	£4.823m	
Provisions						
Legal Claims Provision	£0.721m		(£0.007m)	£0.714m	£0.000m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary).
Insurance Provision	£2.583m			£2.583m	£2.583m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.304m	£0.000m	(£0.007m)	£3.297m	£2.583m	
General Reserve						
General Reserve	£9.275m	£3.239m		£12.514m	£12.514m	The 2020/21 General Reserve opening balance is £9.275m, which represents 2.95% of the 2020/21 force budget of £314.7m. A transfer of £1.527m has been made to the General Reserve in year to reflect Op Melrose Home Office funding received in relation to 2019/20 expenditure. The forecast closing balance is £12.514m, which represents 3.98% of the 2020/21 force budget.
Total Revenue Reserves and Provisions	£22.038m	£3.282m	(£1.317m)	£24.003m	£19.920m	

7.2 Transformation Reserve

2020/21 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 31 October	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 31 October
	£	£	£	£	£	£
Estates - Disposal Fees	0	0	0	0	0	0
Op. Javelin	80,297	(30,000)	50,297	30,000	50,297	20,000
Estates - Enabling Projects - decamp	80,612	(14,491)	66,121	35,000	45,612	20,412
IT Transformation	176,906	0	176,906	76,000	100,906	3,449
Arlingclose	15,000	0	15,000	0	15,000	0
Transport Services - Dashcams	100,000	0	100,000	0	100,000	0
Total	452,815	(44,491)	408,324	141,000	311,815	43,861

7.3 Op Sceptre Financial Summary

Op Sceptre Financial Summary					
	Government Grant	Spend to Date	Forecast Spend	Income to Date	Notes
	£	£	£	£	
Op Sceptre	1,152,435	640,308	1,152,435	247,083	Q1 and Q2 return submitted. Awaiting Q2 funding.

8. Capital

8.1 Capital Expenditure

	BUDGET MOVEMENT			2020/21		M7 Changes for Approval £000
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 31 Oct 20 £000	Forecast Outturn M7 £000	
APPROVED PROJECTS -						
ANPR projects	117	158	275	114	275	-
Estates projects	10,351	(425)	9,926	2,707	9,409	(517)
IT projects	871	4,153	5,024	1,449	5,041	17
Transport projects	2,056	420	2,476	725	2,487	11
OPC projects	5	227	232	-	232	-
SCD projects	93	307	400	-	400	-
Other projects	223	84	307	98	307	-
TOTAL APPROVED PROJECTS	13,716	4,924	18,640	5,093	18,151	(489)
Subject to Approval	9,232	(8,799)	433	-	433	-
TOTAL ALL PROJECTS	22,948	(3,875)	19,073	5,093	18,584	(489)

8.2 Capital Financing

	BUDGET MOVEMENT			2020/21		
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 31 Oct 20 £000	Forecast Outturn £000	M7 Changes for Approval £000
	Capital Receipts	7,674	(778)	6,896	5,093	6,996
Revenue Contributions	1,705	2,022	3,727	-	3,727	-
Capital Grant	300	(48)	252	-	252	-
External Income	47	75	122	-	122	-
Borrowing	3,990	3,653	7,643	-	7,054	(589)
TOTAL APPROVED PROJECTS	13,716	4,924	18,640	5,093	18,151	(489)
Subject to Approval - Borrowing	9,232	(8,799)	433	-	433	-
TOTAL ALL PROJECTS	22,948	(3,875)	19,073	5,093	18,584	(489)
TOTAL BORROWING (note 1)	13,222		8,076		7,487	

NOTES:

(1) The borrowing position will be discussed by the Chief Constable and the PFCC on 25/11/20.

8.3 Capital Programme – Variance Plan

APPROVED PROJECTS -	STRATEGIC BOARD / CPMB APPROVALS 2020/21					CHANGES REQUIRED M7			
	Slippage £000	Additions £000	Advanced Works £000	Reductions £000	Approved Changes £000	Slippage £000	Advanced Works £000	Reductions £000	Changes Required £000
ANPR projects	-	165	-	(7)	158	-	-	-	-
Estates projects	(1,276)	475	453	(77)	(425)	(504)	26	(39)	(517)
IT projects	2,097	1,758	553	(255)	4,153	-	22	(5)	17
Transport projects	(604)	-	1,027	(3)	420	-	19	(8)	11
OPC projects	205	22	6	(6)	227	-	-	-	-
SCD projects	77	230	-	-	307	-	-	-	-
Other projects	(10)	43	51	-	84	-	-	-	-
	489	2,693	2,090	(348)	4,924	(504)	67	(52)	(489)

8.4 Capital Programme – Variance Plan Detail

		<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	M7
	Department / Division	Slippage £000	Advanced Works £000	Reductions £000	Changes Requested £000
Lockers Replacement	ESTATES	(243)			(243)
Data Centre Provision	ESTATES	(175)			(175)
Capitalised Maintenance Programmes	ESTATES	(86)			(86)
CCTV Security Sites	ESTATES		26		26
Disposals Reprovision Phase 1	ESTATES			(39)	(39)
Infrastructure Technical Refresh	IT		22		22
Mobile First	IT			(5)	(5)
Fleet Replacement Programmes	TRANSPORT		19		19
Marine Unit: Rigid Inflatable Boat	TRANSPORT			(8)	(8)
		(504)	67	(52)	(489)

NOTES:

- (1) Payments slippage to 2021/22
- (2) Advanced works - Forecast spend reprofiled
- (3) Projects underspend

8.5 Projection of Capital Reserves – Cashflow Profile

Notes	Quarter 1 Actual £000	Jul-20 Actual £000	Aug-20 Actual £000	Sep-20 Actual £000	Oct-20 Actual £000	Nov-20 Forecast £000	Dec-20 Forecast £000	Jan-21 Forecast £000	Feb-21 Forecast £000	Mar-21 Forecast £000	TOTAL Forecast £000	
	(3,095)	(962)	(604)	(959)	(1,510)	(2,581)	(1,281)	1,072	2,424	3,939	(3,095)	
1	Capital spend in year	2,196	358	1,208	735	596	1,748	2,893	1,474	1,578	5,365	18,151
	Annual grant from the Home Office	(63)	-	(63)	-	-	(63)	-	-	(63)	-	(252)
2	Property disposals	-	-	(500)	(559)	(1,667)	(385)	(540)	-	-	(2,250)	(5,901)
3	Revenue Contributions	-	-	(1,000)	(727)	-	-	-	-	-	-	(1,727)
4	External Funding	-	-	-	-	-	-	(122)	-	-	-	(122)
	Closing balance of capital reserves	(962)	(604)	(959)	(1,510)	(2,581)	(1,281)	1,072	2,424	3,939	7,054	7,054

Commentary

1. The latest projection is based on the capital programme presented to the Police, Fire and Crime Panel on 06.02.20, as amended by subsequent decisions of the Strategic Board on 17.03.20, 19.06.20 and 03.09.20. It also includes updated expenditure and resource forecasts on 2020/21 and earlier years approved projects, following consultation with capital project managers.
2. There have been four property disposals up to 31 October 2020 (Shrub End, Southminster, Wickford and Hatfield Heath) plus deposit for Harlow Dogs site. Capital receipts forecast for the year is based on the disposal of 9 properties, per Estates Disposals Tracker for October, 28.10.20.
3. Revenue contributions: a) £1m towards funding capital programme and avoid cost of borrowing, b) £0.418m for Police Officer uplift: IT equipment, c) £0.044m for Police Officer uplift: Body armour, d) £0.243m for Police Officer uplift: additional lockers provision and e) £0.022m for Taser programme: Training Team vehicle.
4. External: Home Office funding to purchase additional taser devices in order to increase the number of STOs that are deployed.

8.6 Movement in Capital Reserves

Movement in Capital Reserves From Month 6 September 2020

Project	Area	£000	Reason
2020/21 Month 6 @ 30 September 2020		7,643	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)
(i) Movement in Capital Payments			
Lockers Replacement	ESTATES	(243)	Payments slippage to 2021/22
Data Centre Provision	ESTATES	(175)	Payments slippage to 2021/22
Capitalised Maintenance Programmes	ESTATES	(86)	Payments slippage to 2021/22
CCTV Security Sites	ESTATES	26	Advanced Works - Forecast spend reprofiled
Disposals Reprovision Phase 1	ESTATES	(39)	Project spend complete
Infrastructure Technical Refresh	IT	22	Advanced Works - Forecast spend reprofiled
Mobile First	IT	(5)	Project spend complete
Fleet Replacement Programmes	TRANSPORT	19	Advanced Works - Forecast spend reprofiled
Marine Unit: Rigid Inflatable Boat	TRANSPORT	(8)	Project spend complete
		(489)	Total Payments Forecast Movement
(ii) Movement in Capital Income			
Capital Receipts	ESTATES	(100)	Forecast income update: Waltham Abbey PS
		(100)	Total Income Movement
2020/21 Month 7 @ 31 October 2020		7,054	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)