

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 9 Financial Monitoring Report
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Chief Officer	DCC Mills
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Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	21st January 2021

1.0 Purpose of Report

1.1 This report identifies the 2020/21 month 9 position for the Force.

2.0 Recommendations

2.1 To note the contents of the report and to approve the virements in Annex 1 (para 6.2).

Virement Type	Description	Amount (£m)
External	Realignment of Op Melrose Income and Expenditure	0.477

3.0 Executive Summary

- 3.1 The latest forecast revenue underspend is **£1.389m**, following a £1.527m in-year transfer to the General Reserve for Op Melrose funding relating to 2019/20. 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; £1.118m in relation to the COVID-19 Income Loss Recovery Scheme providing a 59% recovery of lost income, and Op Talla recognition payments for Officers, Staff and PCSOs totalling £0.665m.
- 3.2 The police officer strength forecast at end of December is **3,337 FTE** and at year end is **3,369 FTE**.
- 3.3 The Capital Reserve is forecast to be **£9.0m** deficit at year end.

Official

3.4 The forecast capital expenditure is **£17.0m** and the forecast capital income from property disposals is **£8.2m**.

4.0 Introduction/Background

4.1 This report sets out the December, month 9, financial position.

5.0 Current Work and Performance

5.1 The month 9 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).

Virement Type	Description	Amount (£m)
External	Realignment of Op Melrose Income and Expenditure	0.477

1. Executive Summary – 2020/21 – Month 9

£1.389m – 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.

3,337 FTE – Police Officer strength forecast at end of December and **3,369 FTE** Police Officer strength forecast at year end

£9.0m deficit - The forecast year end balance on the Capital Reserve.

£17.0m forecast capital expenditure and **£8.2m** forecast capital income

2. Revenue

2.1 Revenue Summary – 2020/21 – Month 9

	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	3,543	178,972	135,079	182,798	3,825	811
- Overtime and Operational Performance	6,045	1,534	7,579	5,258	8,009	430	(15)
- Associated Police Pay	1,060	(146)	914	856	1,245	332	25
- In-Year Savings Shortfall/(Surplus)	(96)	137	41	0	0	(41)	(23)
- In-Year Investments	4,721	(4,721)	0	0	0	0	0
Police Officer Pay and Allowances	187,159	347	187,506	141,192	192,052	4,546	799
PCSO Pay and Allowances	3,510	5	3,515	2,665	3,498	(16)	(8)
<u>Police Staff Pay and Allowances</u>							
- Police Staff Pay & Allowances	85,866	(612)	85,254	61,222	83,946	(1,308)	269
- Police Staff Overtime and Agency	1,022	1,026	2,048	1,443	2,223	176	(45)
- In-Year Savings Shortfall/(Surplus)	(338)	338	0	0	0	0	0
- In-Year Investments	1,199	(732)	467	0	164	(304)	(93)
Police Staff Pay and Allowances	87,749	20	87,769	62,665	86,333	(1,436)	132
Pensions (Ill Health / Medical)	4,506	0	4,506	3,243	4,347	(160)	69
Training	1,350	(38)	1,312	829	1,333	20	(21)
Other Employee Expenses	362	291	653	440	646	(8)	0
Employees Total	284,637	625	285,262	211,034	288,209	2,947	971
Premises	10,836	(901)	9,935	7,136	10,211	276	212
Transport	6,571	(59)	6,511	4,745	5,459	(1,053)	20
<u>Supplies and Services</u>							
- Supplies and Services	36,574	2,710	39,284	26,855	35,518	(3,767)	(603)
- In-Year Investments	1,384	(1,208)	176	0	14	(162)	0
Supplies and Services	37,958	1,503	39,460	26,855	35,532	(3,928)	(583)
Third Party Payments	6,584	2,819	9,402	5,401	9,248	(154)	(13)
Income	(33,705)	(4,689)	(38,394)	(23,259)	(37,856)	537	(123)
Other Expenditure / (Income)	33	(30)	3	(3)	(12)	(15)	(4)
Capital and Other Adjustments	2,205	12	2,217	(1,595)	2,217	0	0
Net Expenditure	315,118	(721)	314,397	230,314	313,008	(1,389)	460
Contribution to/(from) Earmarked Reserves	(402)	(806)	(1,208)	(1,232)	(1,208)	0	0
Contribution to/(from) General Reserve	0	1,527	1,527	1,527	2,916	1,389	(460)

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, albeit this is an improving position from earlier in the year. This affects a number of commands with significant overspends for Criminal Justice £142k; Operational Policing £129k; Contact Management (Force Control Room) £75k; LPA West £49k and LPA North £47k.
- The overspend on Associated Police Pay mainly relates to a forecast overspend of £218k for Temporary Duty Allowance following a significant increase to expenditure across each of the LPAs over the last quarter. 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 90 FTE vacancies above the 6% force wide average vacancy factor and delays in the recruitment of force growth posts.
- The underspend on Transport is due to a significant reduction in vehicle fuel costs as a result of the impact of COVID-19 on crime levels and associated use of fleet vehicles, as well as free fuel provided by BP during lockdown and lower fuel prices charged by service providers during the pandemic. There is also a significant underspend on force mileage and public transport expenditure resulting from the COVID-19 restrictions. The further element of the underspend is in relation to a remodelling of the motor insurance premium across the SEERPIC consortium, in the form of both a one-off forecast refund and the ongoing premium from 1 October 2020.
- 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 HMCTS costs awarded for road traffic offences, Sale of Fixed Assets and L&D Training Fees resulting from the impact of COVID-19, partially offset by the COVID-19 Income Loss Recovery Scheme
- The contribution to the General Reserve is £1.389m, 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 Month 8

Main Changes to Forecast Outturn since Month 8 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 8 Forecast Outturn Variance	(1.8)	Underspend
Police Officer Pay and Allowances	0.7	Includes Op Talla recognition payments for officers, impact of 4 FTE more transferee joiners, increase in unsocial hours costs and other adjustments in December payroll
Premises	0.2	Remedial electrical work required after completion of the 5 year electrical safety testing programme, plus essential reactive repairs and maintenance carried out to operational buildings across the Essex Police estate
Forensic Costs	(0.1)	Forecast reduced to reflect the reduced level of forensic submissions and fewer post mortems
Specialist Operational Supplies & Services	(0.4)	Includes delay on planned projects for breathalysers and traffic signs in relation to the Roads Policing budget (£0.1m); deferral of recruitment to external legal contractors provided for in 2020/21 budget setting due to resulting impact from COVID-19 (£0.1m) and impact of delays in staff growth on set-up, equipment and training costs for Media and Taser Teams, including the decision that the taser team did not require an additional vehicle (£0.2m)
Revenue Consequences of Capital	(0.1)	Slippage on a number of IT projects including Remote Working Infrastructure, Infrastructure Technical Refresh and Suspect Interview Recording System
Further Variances	0.1	Various changes across the force to reflect latest information which are less than £100k
Month 9 Forecast Outturn Variance	(1.4)	Underspend

3. Police Officer Overtime

3.1 Summary – Main overspends

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	153	195	142		242	248	(53)
Operational Policing Command	343	222	565	501	694	129		612	640	54
Contact Management	110	0	110	121	185	75		350	427	(242)
LPA West	243	14	257	236	306	49		365	378	(72)
LPA North	361	20	381	310	428	47		377	413	15
Total	1,110	256	1,366	1,321	1,808	442		1,946	2,106	(298)

Notes

1. All areas have a red or amber RAG status and require corrective action
2. Police Officer Pay is £3.8m 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. Actuals to date reflect overtime approved and paid by the payroll cut off date of 7th December
5. Current Year virements are made up from external funding contributions

4. Police Staff Overtime

4.1 Summary – Main overspends

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	96	120	79	
Total	41	0	41	96	120	79	

2019/20 Current Budget	2019/20 Outturn	19/20 v 20/21 Outturn
£000	£000	£000
92	111	9
92	111	9

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 14th December

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Changes in forecast	376	Op Talla Recognition Payments for Officers
Changes in forecast including sickness and maternity pay	150	Includes adjustments made in the December payroll
Changes in strength forecast	78	4 FTE more transferee joiners in December than previously forecast
Changes in forecast	48	Includes increase in unsocial hour costs
Changes in the month impacting on the General Reserve	652	
Budget transfers from pay	159	Realignment of Op Melrose costs for 2020/2021
Total Change	811	
Staff Pay	£k	Reasons for Changes
Changes in forecast	290	Op Talla Recognition Payments for Staff and PCSOs
Changes in forecast	(11)	Slippage in the recruitment of force funded growth posts
Changes in forecast	(14)	Movement in Kent Recharges
Changes in forecast	(93)	Slippage in staff recruitment in connection with the Police Uplift Programme
Changes in forecast including sickness and maternity pay	(119)	Includes adjustments made in the December payroll
Changes in the month impacting on the General Reserve	53	
Budget transfers from pay	99	Funding of overtime from devolved pay underspends
Budget transfers from pay	25	Funding of agency staff from devolved pay underspends
Total Change	177	
PCSO Pay	£k	Reasons for Changes
Changes in forecast	(8)	Includes adjustments made in the December payroll
Total Change	(8)	

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	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

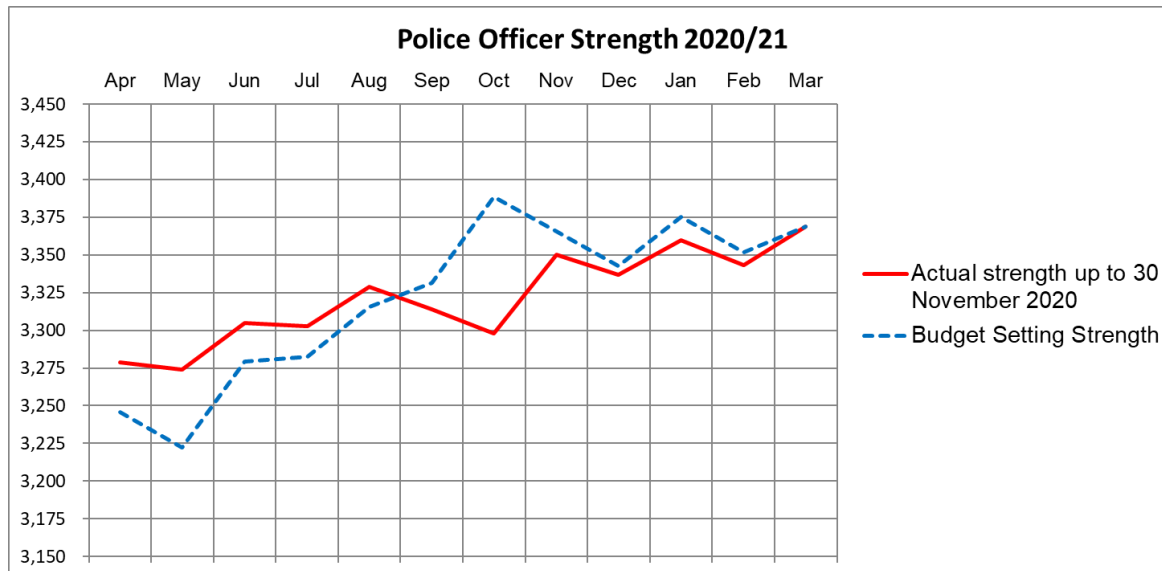
2020/21 Current Forecast - Based on HR information received 16th December 2020

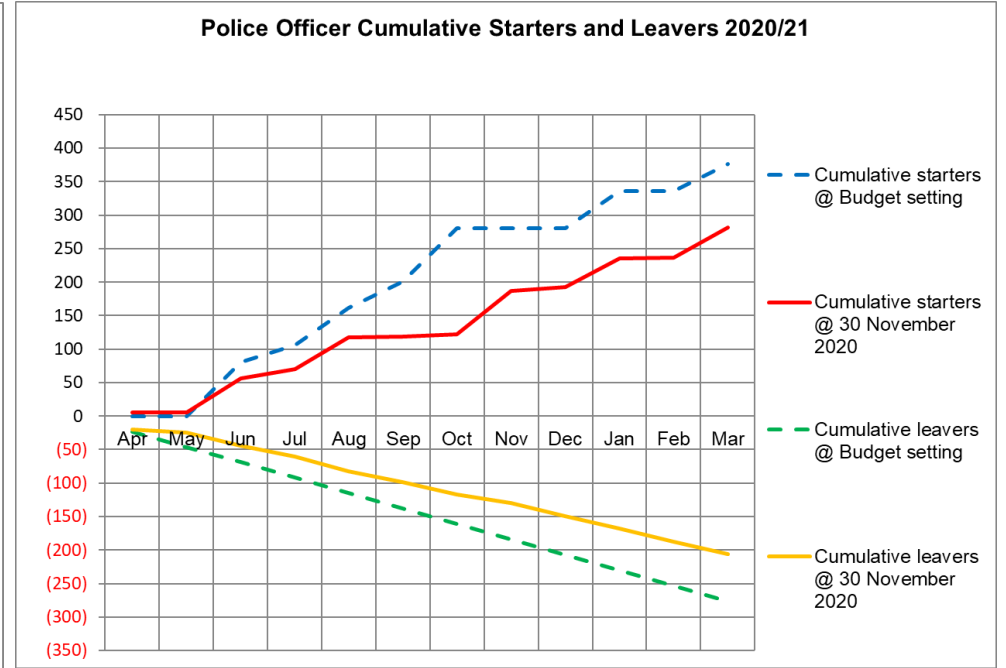
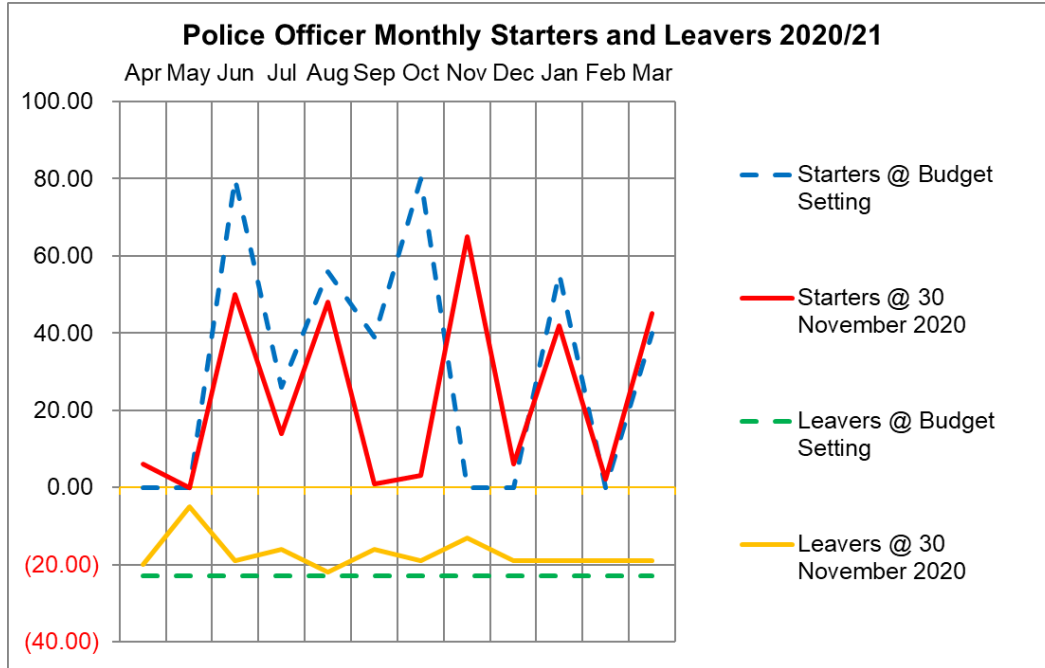
Ref	Strength	Actual FTE											Forecast FTE			Total FTEs
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs			
8	1st April 2020 Strength	3,293	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,350	3,337	3,360	3,343			
9	Leavers (note 7)	(20)	(5)	(19)	(16)	(22)	(16)	(19)	(13)	(19)	(19)	(19)	(19)	(206)		
10	Starters (note 8)	6	0	50	14	48	1	3	65	6	42	2	45	282		
11	Net change	(14)	(5)	31	(2)	26	(15)	(16)	52	(13)	23	(17)	26	76		
12	Officer strength - month end	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,350	3,337	3,360	3,343	3,369			
13	Difference to 3369fte - over / (under)	(90)	(95)	(64)	(66)	(40)	(55)	(71)	(19)	(32)	(9)	(26)	0			
	Actuals /Forecast £	Actual £										Forecast £			Total	
		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	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.39m	£15.19m	£16.61m	£182.21m		
15	2020/21 Leavers										(£0.06m)	(£0.12m)	(£0.19m)	(£0.37m)		
16	2020/21 Starters										£0.01m	£0.16m	£0.28m	£0.45m		
17	Other Costs										£0.17m	£0.17m	£0.17m	£0.51m		
18	Monthly Actual	£13.98m	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.51m	£15.40m	£16.87m	£182.80m		

Forecast Change from budget setting														
		Actual FTE							Forecast FTE					Total
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
19	Strength @ beginning of month (negative=reduction)	24	34	52	26	21	14	(18)	(91)	(16)	(6)	(15)	(9)	
20	Leavers (positive number = less leavers)	3	18	4	7	1	7	4	10	4	4	4	4	70
21	Starters	6	0	(30)	(12)	(8)	(38)	(77)	65	6	(14)	2	5	(95)
22	Month End Strength Change - FTEs	33	52	26	21	14	(18)	(91)	(16)	(6)	(15)	(9)	0	(25)
23	Change per month FTEs	9	18	(26)	(5)	(7)	(31)	(73)	75	10	(10)	6	9	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	Monthly Financial Change	(£0.63m)	£0.24m	£0.09m	£0.28m	(£0.27m)	£0.70m	(£0.10m)	£0.02m	£0.20m	£0.23m	£0.24m	£1.66m	£2.65m

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 9

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 October 20	3,369	3,298	3,293	252	29	(208)	3	3,369
HR data @ 30 November 20	3,369	3,350	3,293	249	33	(210)	4	3,369
Change	0	52	0	(3)	4	(2)	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 @ 31 October 20	2,324	2,086			112	(104)
HR data @ 30 November 20	2,314	2,098			144	(124)
Change	(10)	12	0	0	32	(20)

* 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 October 20	107	105	109	112	0	(10)	(2)	100
HR data @ 30 November 20	107	102	109	112	0	(10)	(2)	100
Change		(3)	0	0	0	0	0	0

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 October 20	512	600
HR data @ 30 November 20	514	600
Change	2	0

6. Virement Analysis – Month 9

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			
	Virements over £250k requiring PFCC approval	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£001	£000	£000		
1	Budget Setting Investment	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		4
3	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		6
4	External Funding	(209)	(6)	0	0	(128)	2	(66)	(50)	(21)	477	0	0	0	0	0	0		8
5	Contingencies and Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		10
6	Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		12
7	Total virements over £250k requiring PFCC approval	(209)	(6)	0	0	(128)	2	(66)	(50)	(21)	477	0	0	0	0	0	0		13
	Virements not requiring PFCC approval																		
8	Budget Setting Investment	0	(17)	0	0	36	0	0	(20)	0	0	0	0	0	0	0	0		16
9	Budget Setting Saving	0	(23)	0	0	0	0	0	0	0	0	0	0	0	0	23	0		18
10	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		20
11	External Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		22
12	Contingencies and Reserves	0	0	0	0	99	221	0	(281)	40	(10)	(22)	(47)	0	0	0	0		31
13	Budget Holder	0	(124)	0	0	140	0	0	8	0	(24)	0	0	0	0	0	0		38
14	Total virements not requiring PFCC approval	0	(164)	0	0	276	221	0	(293)	40	(34)	(22)	(47)	0	0	23	0		39
15	Total all virements	(209)	(170)	0	0	148	224	(66)	(343)	19	443	(22)	(47)	0	0	23	0		40

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 Op Melrose Income and Expenditure	(209,383)	(5,833)		4	(127,563)	2,400	(65,719)	(49,686)	(21,000)	476,780							0	Realignment of Op Melrose Income and Expenditure based on updated forecast
8	Sub Total External funding virements			(209,383)	(5,833)	0	4	(127,563)	2,400	(65,719)	(49,686)	(21,000)	476,780	0	0	0	0	0	0	0	
9	5	Contingencies and Reserves																		0	
10	Sub Total Contingencies/Reserves virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	6	Budget Holder																		0	
12	Sub Total Budget Holder virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Total Virements requiring Approval			(209,383)	(5,833)	0	4	(127,563)	2,400	(65,719)	(49,686)	(21,000)	476,780	0	0	0	0	0	0	0	

- A review of the virements in the above table is to be completed at the Performance and Resources Board on 28th January.

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	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
14	7	Budget Setting - Investments	Review and storage of files of Public Protection command	3,600			26,400			(30,000)									0
15	8	Budget Setting - Investments	Force growth Media campaigns	(20,400)			10,000			10,400									0
16	Sub Total Budget Setting - Investment virements			0	(16,800)	0	0	36,400	0	0	(19,600)	0	0	0	0	0	0	0	0
17	9	Budget Setting - Savings	Savings Plans in 2020/21 for Staff	(22,859)														22,859	0
18	Sub Total Budget Setting - Saving virements			0	(22,859)	0	0	0	0	0	0	0	0	0	0	0	0	22,859	0
19	10	Collaboration																	0
20	Sub Total Collaboration virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	11	External funding																	0
22	Sub Total External funding virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	12	Contingencies and Reserves	Forfeitures income - additional forecast									(9,850)		9,850					0
24	13	Contingencies and Reserves	Transformation reserve funds for Estates enabling works							6,265				(6,265)					0
25	14	Contingencies and Reserves	Transformation reserve funds for Office 365 Phase 3 Project Funding							18,300				(18,300)					0
26	15	Contingencies and Reserves	Transformation reserve funds for Op Javelin security works					1,586						(1,586)					0
27	16	Contingencies and Reserves	Rev Cons budget allocation for Technical Refresh and Suspect Interview Recording				46,239	97		(86,336)	40,000								0
28	17	Contingencies and Reserves	Rev Cons to Capital - Boreham Purchase					219,500		(219,500)									0
29	18	Contingencies and Reserves	Redundancies funded from redundancy and relocation reserve				52,625							(52,625)					0
30	19	Contingencies and Reserves	Taser Training Vehicle Amendment										(22,000)	22,000					0
31	Sub Total Contingencies/Reserves virements			0	0	0	98,864	221,183	0	(281,271)	40,000	(9,850)	(22,000)	(46,926)	0	0	0	0	0
32	20	Budget Holder	Funding of agency costs from devolved pay underspends	(25,250)			25,250												0
33	21	Budget Holder	Income received for Abnormal load escorts to fund costs incurred				16,000			8,000		(24,000)							0
34	22	Budget Holder	HR & L&D overtime from devolved pay underspends	(25,000)			25,000												0
35	23	Budget Holder	Crime & Public Protection overtime from devolved pay underspend	(36,000)			36,000												0
36	24	Budget Holder	Finance overtime from devolved pay underspend	(8,000)			8,000												0
37	25	Budget Holder	PSD overtime from devolved pay underspends	(30,000)			30,000												0
38	Sub Total Budget Holder virements			0	(124,250)	0	140,250	0	0	8,000	0	(24,000)	0	0	0	0	0	0	0
39	Total of Other Virements			0	(163,909)	0	275,514	221,183	0	(292,871)	40,000	(33,850)	(22,000)	(46,926)	0	0	22,859	0	0
40	Grand Total all Virements			(209,383)	(169,742)	0	147,951	223,583	(65,719)	(342,557)	19,000	442,930	(22,000)	(46,926)	0	0	22,859	0	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	30th November 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		(£0.505m)	£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	£0.076m		£0.200m	£0.150m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£2.862m	£0.076m	(£0.505m)	£2.433m	£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		(£0.056m)	£0.175m	£0.149m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Total	£0.231m	£0.000m	(£0.056m)	£0.175m	£0.149m	
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		(£0.312m)	£0.743m	£0.499m	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		(£0.071m)	£0.382m	£0.382m	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	£0.073m		£0.291m	£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	£1.705m	(£0.426m)	£3.279m	£3.279m	Capital reserves to avoid borrowing in 2022/23 in relation to short life assets.
Total	£6.099m	£1.778m	(£0.980m)	£6.897m	£6.153m	
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	£1.854m	(£1.808m)	£9.505m	£8.405m	
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	£2.916m		£12.191m	£12.191m	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 £12.651m, which represents 3.87% of the 2020/21 force budget.
Total Revenue Reserves and Provisions	£22.038m	£4.770m	(£1.815m)	£24.993m	£23.179m	

7.2 Transformation Reserve

2020/21 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 31 December	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 31 December
	£	£	£	£	£	£
Estates - Disposal Fees	0	0	0	0	0	0
Op. Javelin	80,297	(31,586)	48,711	31,586	48,711	31,586
Estates - Enabling Projects - decamp	80,612	(20,756)	59,856	20,756	59,856	20,756
IT Transformation	176,906	(18,300)	158,606	18,300	158,606	6,049
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	(70,642)	382,173	70,642	382,173	58,391

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	754,336	1,152,435	542,244	Q1 and Q2 return submitted.

8. Capital

8.1 Capital Expenditure

	BUDGET MOVEMENT			2020/21		Forecast Outturn M9 £000	M9 Changes for Approval £000
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 31 Dec 20 £000			
APPROVED PROJECTS -							
ANPR projects	117	73	190	186	190	-	
Estates projects	10,351	(824)	9,527	3,708	9,649	122	
IT projects	871	3,276	4,147	1,922	3,941	(206)	
Transport projects	2,056	431	2,487	1,085	2,270	(217)	
OPC projects	5	205	210	128	210	-	
SCD projects	93	360	453	227	453	-	
Other projects	223	84	307	98	268	(39)	
TOTAL APPROVED PROJECTS	13,716	3,605	17,321	7,354	16,981	(340)	
Subject to Approval	9,232	(9,232)	-	-	-	-	
TOTAL ALL PROJECTS	22,948	(5,627)	17,321	7,354	16,981	(340)	

8.2 Capital Financing

	BUDGET MOVEMENT			2020/21		
	Original Budget	2020/21 Approved Changes	Revised Budget	Actuals 31 Dec 20	Forecast Outturn	M9 Changes for Approval
	PF&C Panel £000	£000	£000	£000	£000	£000
Capital Receipts	7,674	(685)	6,989	7,354	7,214	225
Revenue Contributions	1,705	(1,279)	426	-	426	-
Capital Grant	300	(48)	252	-	252	-
External Income	47	82	129	-	129	-
Borrowing	3,990	5,535	9,525	-	8,960	(565)
TOTAL APPROVED PROJECTS	13,716	3,605	17,321	7,354	16,981	(340)
Subject to Approval - Borrowing	9,232	(9,232)	-	-	-	-
TOTAL ALL PROJECTS	22,948	(5,627)	17,321	7,354	16,981	(340)
TOTAL BORROWING	13,222		9,525		8,960	

8.3 Capital Programme – Variance Plan

STRATEGIC BOARD / CHIEF FINANCE OFFICERS (CHIEF CONSTABLE & PFCC)						CHANGES REQUIRED M9			
APPROVED PROJECTS -	Slippage	Additions	Advanced Works	Reductions	Approved Changes	Slippage	Advanced Works	Reductions	Changes Required
	£000	£000	£000	£000	£000	£000	£000	£000	£000
ANPR projects	(85)	165	-	(7)	73	-	-	-	0
Estates projects	(2,088)	855	525	(116)	(824)	(45)	167	-	122
IT projects	1,207	1,758	607	(296)	3,276	(281)	143	(68)	(206)
Transport projects	(604)	-	1,046	(11)	431	(191)	-	(26)	(217)
OPC projects	205	22	6	(28)	205	-	-	-	-
SCD projects	77	283	-	-	360	-	-	-	-
Other projects	(10)	43	51	-	84	(39)	-	-	(39)
	(1,298)	3,126	2,235	(458)	3,605	(556)	310	(94)	(340)

8.4 Capital Programme – Variance Plan Detail

		Note 1	Note 2	Note 3	M9
	Department / Division	Slippage £000	Advanced Works £000	Reductions £000	Changes Requested £000
Chelmsford PS Refurbishment	ESTATES		167		167
PAC Access Control Upgrade	ESTATES	(35)			(35)
Lockers Replacement	ESTATES	(10)			(10)
Infrastructure Technical Refresh	IT		143		143
Suspects Interview Recording System	IT	(157)			(157)
Charter (COSMOS) Replacement	IT	(18)		(26)	(44)
Legacy Digital Data Store	IT	(35)			(35)
IT Infrastructure Modernisation (Phase 3)	IT			(32)	(32)
Audio Visual Equipment	IT	(23)			(23)
ESMCP Project	IT	(23)			(23)
ACU Monitoring Software	IT	(11)		(5)	(16)
National ANPR Service	IT	(14)			(14)
Mobile First	IT			(5)	(5)
Fleet Replacement Programme 20/21	TRANSPORT	(191)			(191)
Fleet Replacement Programme 16/17	TRANSPORT			(26)	(26)
Body Armour Replacement Programme	OTHER	(39)			(39)
		(556)	310	(94)	(340)

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 Actual £000	Dec-20 Actual £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)	(2,175)	(746)	1,186	2,290	(3,095)	
1	Capital spend in year	2,196	358	1,208	735	596	832	1,429	2,054	1,392	6,181	16,981
	Annual grant from the Home Office	(63)	-	(63)	-	-	(63)	-	(63)	-	(252)	
2	Property disposals	-	-	(500)	(559)	(1,667)	(385)	-	(225)	(2,790)	(6,126)	
3	Revenue Contributions	-	-	(1,000)	(727)	-	22	-	-	-	(1,705)	
4	External Funding & Grants	-	-	-	-	-	-	(122)	-	-	(122)	
	Sub-total	(962)	(604)	(959)	(1,510)	(2,581)	(2,175)	(746)	1,186	2,290	5,681	5,681
	Revenue funding deferred to 21/22											3,279
	Closing balance of capital reserves											8,960

Commentary

- 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, 03.09.20 and 17.12.20. It also includes updated expenditure and resource forecasts on 2020/21 and earlier years approved projects, following consultation with capital project managers.
- There have been five property disposals up to 31 December 2020 (Shrub End, Southminster, Wickford, Hatfield Heath and Harlow Dog Site). Capital receipts forecast for the year is based on the disposal of 10 properties, per Estates Disposals Tracker for December, 05.01.21.
- A revenue contribution of £0.426m will be used for financing capital expenditure in 2020/21. The forecast balance at 31 March 2021 of £3.279m will be utilised as part of the 2021/22 budget setting process.
- External: Home Office funding to purchase additional taser devices in order to increase the number of STOs that are deployed. Grant claim submitted to Home Office 18.12.20 and was approved on 23.12.20.

8.6 Movement in Capital Reserves

Movement in Capital Reserves From Month 8 November 2020

Project	Area	£000	Reason
2020/21 Month 8 @ 30 November 2020		5,813	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)
(i) Movement in Capital Payments			
Capitalised Maintenance Programme 20/21	ESTATES	380	Strategic Board 17 December 2020 approval
Chelmsford PS Refurbishment	ESTATES	167	Advanced Works - Forecast spend reprofiled
PAC Access Control Upgrade	ESTATES	(35)	Payments slippage to 2021/22
Lockers Replacement	ESTATES	(10)	Payments slippage to 2021/22
Infrastructure Technical Refresh	IT	143	Advanced Works - Forecast spend reprofiled
Suspects Interview Recording System	IT	(157)	Payments slippage to 2021/22
Charter (COSMOS) Replacement	IT	(44)	Payments slippage to 2021/22 (£18k) & Project spend complete (£26k)
Legacy Digital Data Store	IT	(35)	Payments slippage to 2021/22
IT Infrastructure Modernisation (Phase 3)	IT	(32)	Project spend complete
Audio Visual Equipment	IT	(23)	Payments slippage to 2021/22
ESMCP Project	IT	(23)	Payments slippage to 2021/22
ACU Monitoring Software	IT	(16)	Payments slippage to 2021/22 (£11k) & Project spend complete (£5k)
National ANPR Service	IT	(14)	Payments slippage to 2021/22
Mobile First	IT	(5)	Project spend complete
Fleet Replacement Programme 20/21	TRANSPORT	(191)	Payments slippage to 2021/22
Fleet Replacement Programme 16/17	TRANSPORT	(26)	Project spend complete
Replacement CSI Forensic Drying Cabinets	SCD	53	Strategic Board 17 December 2020 approval
Body Armour Replacement Programme	OTHER	(39)	Payments slippage to 2021/22
		93	Total Payments Forecast Movement
(ii) Movement in Capital Income			
Capital Receipts	ESTATES	(225)	Forecast income update
Revenue Contributions	OTHER	3,279	Cumulative balance from 31 March 2020 and in-year contributions to be utilised for 2021/22 budget setting
		3,054	Total Income Movement
2020/21 Month 9 @ 31 December 2020		8,960	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)