

Performance and Resources Scrutiny Programme 2020/21

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

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1.0 Purpose of Report

1.1 This report identifies the 2020/21 month 8 position for the Force.

2.0 Recommendations

2.1 The report is for noting. There are no virements required for approval.

3.0 Executive Summary

3.1 The latest forecast revenue underspend is **£1.849m**. 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 November is **3,351 FTE** and at year end is **3,369 FTE**.

3.3 The Capital Reserve is forecast to be **£5.8m** deficit at year end.

3.4 The forecast capital expenditure is **£16.9m** and the forecast capital income from property disposals is **£8.0m**.

4.0 Introduction/Background

4.1 This report sets out the November, month 8, financial position.

5.0 Current Work and Performance

5.1 The month 8 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 There are no virements required for approval.

1. Executive Summary – 2020/21 – Month 8

£1.849m – 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.

3,351 FTE – Police Officer strength forecast at end of November and **3,369 FTE** Police Officer strength forecast at year end

£5.8m deficit - The forecast year end balance on the Capital Reserve.

£16.9m forecast capital expenditure and **£8.0m** forecast capital income

2. Revenue

2.1 Revenue Summary – 2020/21 – Month 8

	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	3,753	179,182	119,624	182,196	3,014	245
- Overtime and Operational Performance	6,045	1,470	7,515	4,605	7,961	445	(116)
- Associated Police Pay	1,060	(146)	914	738	1,220	306	22
- In-Year Savings Shortfall/(Surplus)	(96)	114	18	0	0	(18)	0
- In-Year Investments	4,721	(4,721)	0	0	0	0	0
Police Officer Pay and Allowances	187,159	469	187,629	124,967	191,376	3,748	151
PCSO Pay and Allowances	3,510	5	3,515	2,374	3,507	(8)	(12)
<u>Police Staff Pay and Allowances</u>							
- Police Staff Pay & Allowances	85,866	(511)	85,355	54,360	83,777	(1,577)	43
- Police Staff Overtime and Agency	1,022	995	2,017	1,288	2,237	221	(55)
- In-Year Savings Shortfall/(Surplus)	(338)	276	(63)	0	(63)	0	0
- In-Year Investments	1,199	(601)	599	0	388	(211)	(86)
Police Staff Pay and Allowances	87,749	159	87,908	55,648	86,340	(1,568)	(98)
Pensions (Ill Health / Medical)	4,506	0	4,506	2,946	4,277	(229)	29
Training	1,350	(38)	1,312	678	1,353	41	(4)
Other Employee Expenses	362	239	601	456	593	(8)	0
Employees Total	284,637	833	285,470	187,069	287,446	1,976	66
Premises	10,836	(1,125)	9,711	6,271	9,775	64	19
Transport	6,571	6	6,577	4,932	5,505	(1,072)	(246)
<u>Supplies and Services</u>							
- Supplies and Services	36,574	3,053	39,627	25,081	36,463	(3,164)	(70)
- In-Year Investments	1,384	(1,208)	176	0	14	(162)	0
Supplies and Services	37,958	1,845	39,803	25,081	36,477	(3,326)	(316)
Third Party Payments	6,584	2,800	9,383	4,537	9,242	(141)	55
Income	(33,705)	(5,132)	(38,837)	(21,458)	(38,176)	660	39
Other Expenditure / (Income)	33	(30)	3	(3)	(8)	(11)	0
Capital and Other Adjustments	2,205	34	2,239	(1,210)	2,239	0	0
Net Expenditure	315,118	(768)	314,350	205,219	312,501	(1,849)	(137)
Contribution to/(from) Earmarked Reserves	(402)	(759)	(1,161)	(1,239)	(1,161)	0	0
Contribution to/(from) General Reserve	0	1,527	1,527	1,527	3,376	1,849	137
Budget Requirement	314,716	(0)	314,716	205,507	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, albeit this is an improving position from earlier in the year. This affects a number of commands with significant overspends for Operational Policing £145k; Criminal Justice £142k; Contact Management (Force Control Room) £75k; LPA West £53k and LPA North £39k.
- The overspend on Associated Police Pay mainly relates to a forecast overspend of £191k 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 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 £1.849m, 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 7

Main Changes to Forecast Outturn since Month 7 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 7 Forecast Outturn Variance	(1.7)	Underspend
Police Officer Pay and Allowances	0.6	Includes Detective Bonus payments of £0.4m for September 2020 to March 2021 and a change in the profile of joiners and leavers.
Police Staff Pay and Allowances	(0.1)	Includes slippage in the recruitment of Force funded and Police Uplift Programme staff posts.
Police Officer Overtime	(0.1)	CJ overspend reduced by £92k by tightening of cohort rules, increase in Cohort pool and audit on authorisers. OPC overspend reduced by £45k primarily due to better understanding and corrective action around pressure areas, i.e. OSG, RPU & Op. Demand.
Transport	(0.2)	One-off forecast refund for motor insurance premiums relating to the insurance year commencing 1st October 2019. The refund reflects the Essex impact of the updated allocation basis for premium costs, following the SEERPIC review of the historic methodology.
Communications & Technology	0.1	Previously declared underspend of £35k now being utilised for Portfolio and Project Management Office tool, and the remainder resulting from the refreshed impact of the current run rate on Airwaves, Private Circuits and Photocopiers
Revenue Consequences of Capital	(0.1)	Capital programme delivery slippage on two IT projects: Property Management System (2021/22) and Suspects Interview Recording System (Q4 2020/21).
Income	(0.4)	Funding from Thurrock and Basildon local authorities as contributions for the costs of additional police officers (7 FTE) through Special Police Services agreements.
Further Variances	0.1	Various changes across the force to reflect latest information which are less than £100k.
Month 8 Forecast Outturn Variance	(1.8)	Underspend

2.3 Op Melrose – Financial Summary

	2019/2020 Outturn	2020/2021					Grand Total Forecast Outturn	
		Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn		Variance - Over / (Under) Spend
		£000	£000	£000	£000	£000		£000
Employees								
- Police Officer Pay and Allowances	32	206	206	2	206	0	238	
- Police Staff Pay and Allowances	14	10	10	2	10	0	24	
- PCSO Pay and Allowances								
- Overtime, Pensions, Training, Expenses	279	140	140	50	140	0	419	
- Associated Police Pay e.g. Acting Up		265	265	160	265	0	265	
Employees Total	325	0	621	621	214	0	946	
Premises	28						28	
Transport	77	96	96	20	96	0	173	
Supplies and Services	696	235	235	140	235	0	931	
Third Party Payments	1,404	(40)	(40)	(62)	(40)	0	1,364	
In-Year Investments Shortfall/Surplus								
In-Year Savings Shortfall/Surplus								
Interest and capital activity								
Earmarked Reserves								
Gross Expenditure	2,530	0	912	912	312	0	3,442	
Income*	(1,003)		(2,479)	(2,479)	(2,127)	0	(3,482)	
Net Expenditure	1,527		(1,567)	(1,567)	(1,815)	0	(40)	
Contribution to/(from) General Reserve	(1,527)		1,527	1,527	1,527		0	
Budget Requirement	0	0	(40)	(40)	(288)	0	(40)	
Essex Seconded Officers	155		40	40	250	380	575	
Essex Seconded Staff					19	37	37	
Total Essex Seconded Officers & Staff	155	0	40	40	269	417	612	

*** Income**

- Notification of an Op Melrose Special Grant £2.550m (subject to final position) has been received from the Home Office and this grant income was reflected in Month 5 reporting.
- Funding of £1.913m (75%) has been received as at 30 September 2020

2.4 Op Talla - Financial Summary

	2019/20 Outturn £000	2020/21 Outturn					Grand Total £000
		Current Budget £000	Actuals to Date £000	Commit- ments £000	Forecast Outturn £000	Forecast Variance	
Employees							
- Police Officer Pay and Allowances	0	0	0	0	0	0	0
- Police Staff Pay and Allowances	0	0	0	0	0	0	0
- PCSO Pay and Allowances	0	0	0	0	0	0	0
- Overtime, Pensions, Training, Expenses *	0	0	0	0	0	0	0
Employees Total	0	0	0	0	0	0	0
Premises	0	0	24	37	61	61	61
Transport	0	0	16	3	19	19	19
Supplies and Services	234	1,463	1,551	91	1,641	179	1,876
Income	25	0	1,114	463	1,577	1,577	1,602
Income - Home Office reimbursement - PPE expenditure	0	(1,463)	(1,463)	0	(1,463)	0	(1,463)
Net Expenditure	259	0	1,242	594	1,836	1,836	2,096
Contribution to/(from) General Reserve							
Budget Requirement	259	0	1,242	594	1,836	1,836	2,096
Income - Home Office Income Loss Recovery Scheme	0	0	0	(1,119)	(1,119)	(1,119)	(1,119)
Net Budget Requirement	259	0	1,242	(524)	718	718	977
Cashable Savings	(9)	0	(612)	(289)	(901)	(901)	(909)
Net Budget Requirement (less cashable savings)	251	0	630	(813)	(183)	(183)	67
Capital Expenditure	0	0	158	0	158	158	158

* Excludes Op Talla Surge Fund of £674k which is separately analysed and 100% Home Office funded

2.5 Op Talla – Surge Funding

Police Officer/Staff Overtime - Op Talla Surge Fund

Command	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000	£000
LPA North	0	202	202	20	202	0
LPA South	0	168	168	18	168	0
LPA West	0	168	168	15	168	0
Contact Management	0	68	68	19	68	0
OPC	0	68	68	11	68	0
Total	0	674	674	83	674	0

Notes

- Actuals to date are inclusive of NI and reflect overtime approved and paid by the payroll cut off date of 5th November (Officers) and 16th November (Staff)

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
Operational Policing Command	343	206	549	448	694	145		612	640	54
Criminal Justice Command	53	0	53	145	195	142		242	248	(53)
Contact Management	110	0	110	102	185	75		350	427	(242)
LPA West	243	14	257	183	310	53		365	378	(68)
LPA North	361	20	381	243	420	39		377	413	7
Total	1,110	240	1,350	1,121	1,804	454		1,946	2,106	(302)

Notes

1. All areas have a red or amber RAG status and require corrective action
2. Police Officer Pay is £3.0m 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 5th November
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	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	41	0	41	75	120	79		92	111	9
Total	41	0	41	75	120	79		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 16th November

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Changes in forecast	399	Detective Bonus Payments 2020/2021
Changes in strength forecast	150	7 FTE less force funded leavers in November than previously forecast
Changes in strength forecast	116	4 FTE more transferee joiners than previously forecast
Changes in strength forecast	(9)	10 FTE less probationer joiners in March 2021 than previously forecast
Changes in forecast including sickness and maternity pay	(36)	Includes adjustments made in the November payroll
Changes in the month impacting on the General Reserve	620	
Budget transfers to pay	(375)	Income in relation to funded posts for Basildon (3 FTE) and Thurrock (4 FTE) Councils
Total Change	245	
Staff Pay	£k	Reasons for Changes
Changes in forecast	51	Includes adjustments made in the November payroll
Changes in forecast	(66)	Slippage in the recruitment of force funded growth posts
Changes in forecast	(86)	Slippage in staff recruitment in connection with the Police Officer Uplift Programme
Changes in the month impacting on the General Reserve	(101)	
Budget transfers from pay	58	Funding of agency staff from established vacancies
Total Change	(43)	
PCSO Pay	£k	Reasons for Changes
Changes in forecast	(12)	Includes adjustments made in the November payroll
Total Change	(12)	

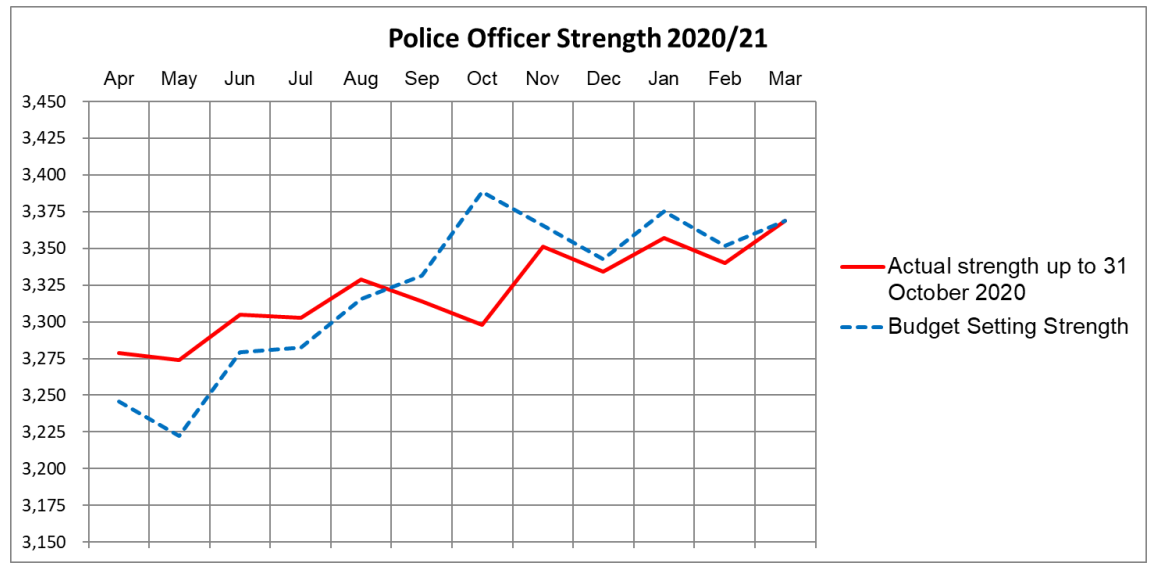
5.2 Police Officer FTEs

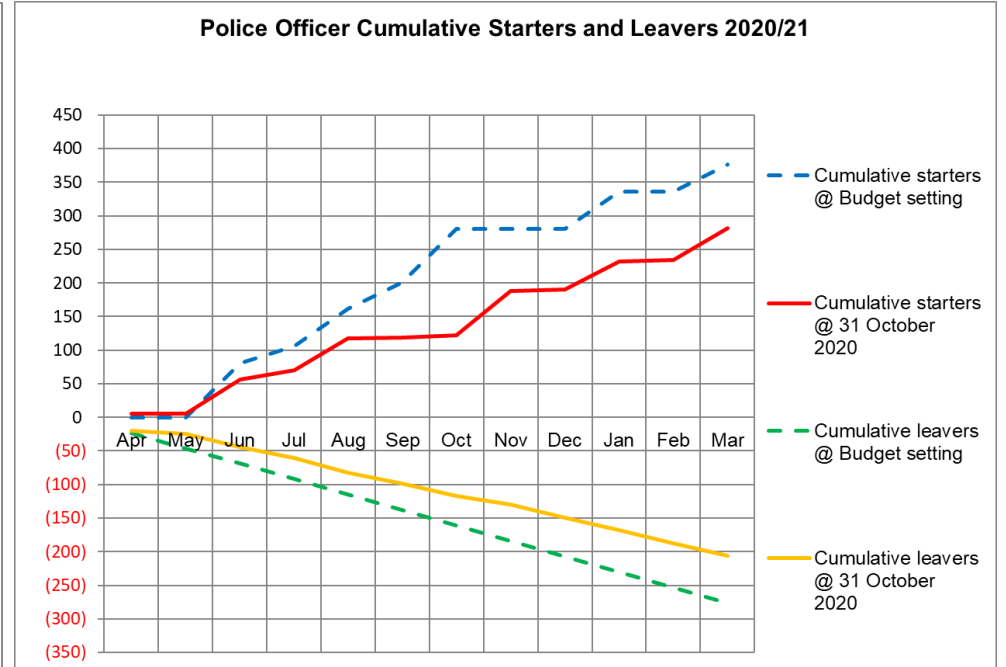
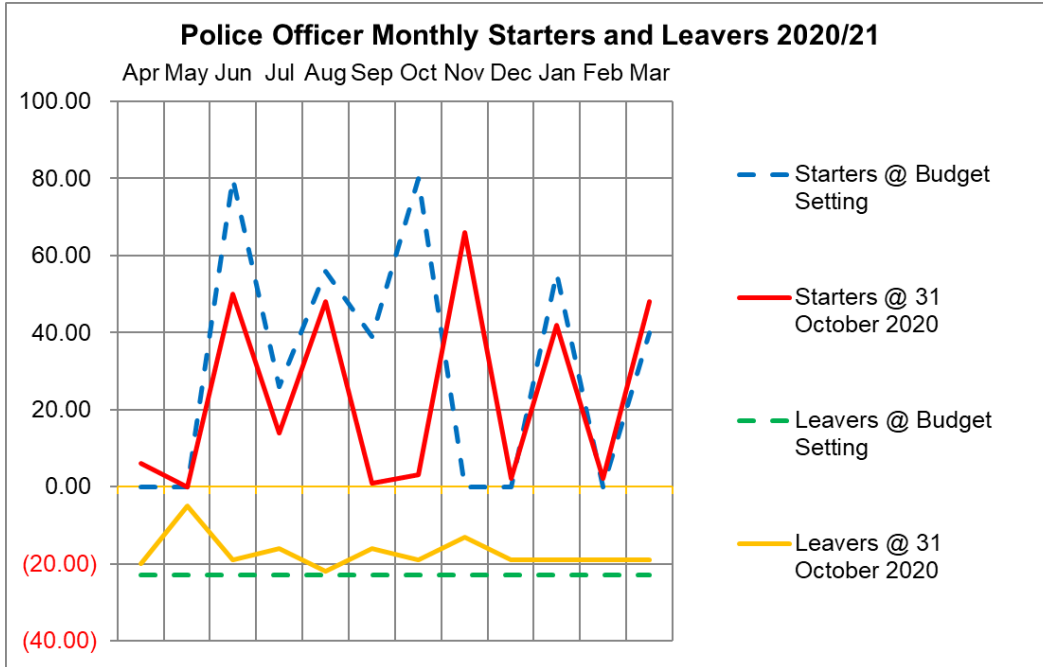
2020/21 - Police Officers Pay/Strength - Using 2020/21 Budget Setting Model

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 23rd November 2020														
	Strength	Actual FTE						Forecast FTE						Total
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	FTEs
8	1st April 2020 Strength	3,293	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,351	3,334	3,357	3,340	
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	66	2	42	2	48	282
11	Net change	(14)	(5)	31	(2)	26	(15)	(16)	53	(17)	23	(17)	29	76
12	Officer strength - month end	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,351	3,334	3,357	3,340	3,369	
13	Difference to 3369fte - over / (under)	(90)	(95)	(64)	(66)	(40)	(55)	(71)	(18)	(35)	(12)	(29)	0	
	Actuals /Forecast £	Actual £						Forecast £						Total
		Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	£m
14	Costed Strength before starters/leavers	£13.98m	£14.71m	£14.65m	£15.13m	£14.56m	£15.92m	£15.80m	£15.36m	£14.97m	£15.27m	£15.06m	£16.29m	£181.70m
15	2020/21 Leavers									(£0.06m)	(£0.12m)	(£0.19m)	(£0.25m)	(£0.62m)
16	2020/21 Starters									£0.02m	£0.04m	£0.19m	£0.31m	£0.56m
17	Other Costs									£0.14m	£0.14m	£0.14m	£0.14m	£0.56m
18	Monthly Actual	£13.98m	£14.71m	£14.65m	£15.13m	£14.56m	£15.92m	£15.80m	£15.36m	£15.07m	£15.33m	£15.20m	£16.49m	£182.20m

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)	(15)	(9)	(18)	(12)	
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)	66	2	(14)	2	8	(95)
22	Month End Strength Change - FTEs	33	52	26	21	14	(18)	(91)	(15)	(9)	(18)	(12)	0	(25)
23	Change per month FTEs	9	18	(26)	(5)	(7)	(31)	(73)	76	6	(10)	6	12	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
24	Monthly Financial Change	(£0.63m)	£0.22m	(£0.06m)	£0.42m	(£0.27m)	£0.71m	£0.37m	£0.05m	(£0.12m)	£0.05m	£0.04m	£1.28m	£2.05m

- Notes**
- 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.
 - 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.
 - Leavers could be at any rank but assumed to be at Sergeant level for the purpose of profiling the monthly budget. Figures are cumulative.
 - 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.
 - 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.
 - 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
 - Leavers include miscellaneous losses and gains e.g. officers going on secondment or career break. It also includes net adjustments to part time hours
 - Starters includes probationers, transferees and rejoiners





5.3 Police Officers, Police Staff, PCSOs and Specials

FTE Changes Effecting Pay Forecasts - 2020/21 Month 8

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 September 20	3,369	3,314	3,293	262	26	(215)	3	3,369
HR data @ 31 October 20	3,369	3,298	3,293	252	30	(209)	3	3,369
Change	0	(16)	0	(10)	4	6	0	0

2. Police Staff - Budget Based on Establishment (please see note below)*						
	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2020	Vacancy Factor Establishment @ 1st April 2020 *	Actual starters to date	Actual leavers to date
Budget Setting			2,240	2,105		
HR data @ 30 September 20	2,310	2,085			94	(87)
HR data @ 31 October 20	2,324	2,086			112	(104)
Change		1	0	0	18	(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 @ 31 August 20	107	106	109	112	0	(10)	0	102
HR data @ 30 September 20	107	104	109	112	0	(10)	(1)	101
HR data @ 31 October 20	107	105	109	112	0	(10)	(2)	100
Change		1	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 @ 30 September 20	515	600
HR data @ 31 October 20	517	600
Change	2	0

6. Virement Analysis – Month 8

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		N/A
2	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
3	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
4	External Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
5	Contingencies and Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
6	Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
7	Total virements over £250k requiring PFCC approval	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		N/A
Virements not requiring PFCC approval																				
8	Budget Setting Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		2
9	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		4
10	Collaboration	0	0	0	0	9	0	0	(9)	0	0	0	0	0	0	0	0	0		6
11	External Funding	375	0	0	0	1	0	0	0	0	(377)	0	0	0	0	0	0	0		9
12	Contingencies and Reserves	0	0	0	0	0	0	0	(69)	0	(16)	0	85	0	0	0	0	0		13
13	Budget Holder	0	(58)	0	0	58	0	0	0	0	0	0	0	0	0	0	0	0		15
14	Total virements not requiring PFCC approval	375	(58)	0	0	68	0	0	(78)	0	(393)	0	85	0	0	0	0	0		16
15	Total all virements	375	(58)	0	0	68	0	0	(78)	0	(393)	0	85	0	0	0	0	0		17

6.2 Virement Analysis – Detail

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	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1	1	Budget Setting - Investments																	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	Funding realignment of agency staff from consultancy budget				9,000			(9,000)									0
6	Sub Total Collaboration virements		0	0	0	0	9,000	0	0	(9,000)	0	0	0	0	0	0	0	0	0
7	4	External funding	Basildon Council funding for additional team	169,370			554					(169,924)							0
8	5	External funding	Thurrock Council funding for additional team	206,098			674					(206,772)							0
9	Sub Total External funding virements		375,468	0	0	0	1,228	0	0	0	0	(376,696)	0	0	0	0	0	0	0
10	6	Contingencies and Reserves	Balance of 2020/21 one-off funding to PEQF Earmarked Reserve							(73,000)				73,000					0
11	7	Contingencies and Reserves	Forfeitures income - additional forecast									(16,000)		16,000					0
12	8	Contingencies and Reserves	MOE Drugs Fund bid - transfer of funding							3,850				(3,850)					0
13	Sub Total Contingencies/Reserves virements		0	0	0	0	0	0	0	(69,150)	0	(16,000)	0	85,150	0	0	0	0	0
14	9	Budget Holder	Funding Agency Staff from established vacancies		(58,030)		58,030												0
15	Sub Total Budget Holder virements		0	(58,030)	0	0	58,030	0	0	0	0	0	0	0	0	0	0	0	0
16	Total of Other Virements		375,468	(58,030)	0	0	68,258	0	0	(78,150)	0	(392,696)	0	85,150	0	0	0	0	0
17	Grand Total all Virements		375,468	(58,030)	0	0	68,258	0	0	(78,150)	0	(392,696)	0	85,150	0	0	0	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	£0.061m		£0.185m	£0.150m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£2.862m	£0.061m	(£0.505m)	£2.418m	£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		(£0.312m)	£0.743m	£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	£0.073m		£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			£2.000m	£0.000m	Capital reserves to run out during 2020/21, need borrowing to fund capital programme
Total	£6.099m	£0.073m	(£0.528m)	£5.644m	£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	£0.134m	(£1.300m)	£8.293m	£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	£3.376m		£12.651m	£12.651m	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 4.02% of the 2020/21 force budget.
Total Revenue Reserves and Provisions	£22.038m	£3.510m	(£1.307m)	£24.241m	£20.057m	

NB. This position is as at 30/11/20. Changes as a result of 2021/22 budget setting will be reflected in the month 9 monitoring report

7.2 Transformation Reserve

2020/21 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 30 November	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 30 November
	£	£	£	£	£	£
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	20,756
IT Transformation	176,906	0	176,906	20,800	156,106	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	85,800	367,015	44,205

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	707,967	1,152,435	247,083	Q1 and Q2 return submitted. Awaiting Q2 funding.

8. Capital

8.1 Capital Expenditure

	BUDGET MOVEMENT			2020/21		Forecast Outturn M8 £000	M8 Changes for Approval £000
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 30 Nov 20 £000			
APPROVED PROJECTS -							
ANPR projects	117	158	275	114	190	(85)	
Estates projects	10,351	(942)	9,409	2,940	9,147	(262)	
IT projects	871	4,170	5,041	1,775	4,147	(894)	
Transport projects	2,056	431	2,487	981	2,487	-	
OPC projects	5	227	232	128	210	(22)	
SCD projects	93	307	400	-	400	-	
Other projects	223	84	307	98	307	-	
TOTAL APPROVED PROJECTS	13,716	4,435	18,151	6,036	16,888	(1,263)	
Subject to Approval	9,232	(8,799)	433	-	433	-	
TOTAL ALL PROJECTS	22,948	(4,364)	18,584	6,036	17,321	(1,263)	

8.2 Capital Financing

	BUDGET MOVEMENT			2020/21		
	Original Budget	2020/21 Approved Changes	Revised Budget	Actuals 30 Nov 20	Forecast Outturn	M8 Changes for Approval
	PF&C Panel £000	£000	£000	£000	£000	£000
Capital Receipts	7,674	(678)	6,996	6,036	6,996	-
Revenue Contributions	1,705	2,022	3,727	-	3,705	(22)
Capital Grant	300	(48)	252	-	252	-
External Income	47	75	122	-	122	-
Borrowing	3,990	3,064	7,054	-	5,813	(1,241)
TOTAL APPROVED PROJECTS	13,716	4,435	18,151	6,036	16,888	(1,263)
Subject to Approval - Borrowing	9,232	(8,799)	433	-	433	-
TOTAL ALL PROJECTS	22,948	(4,364)	18,584	6,036	17,321	(1,263)
TOTAL BORROWING (note 1)	13,222		7,487		6,246	

NOTES:

(1) The borrowing position will be determined as part of the 2021/22 budget setting process.

8.3 Capital Programme – Variance Plan

STRATEGIC BOARD / CHIEF FINANCE OFFICERS (CHIEF CONSTABLE & PFCC)						CHANGES REQUIRED M8			
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	-	165	-	(7)	158	(85)	-	-	(85)
Estates projects	(1,780)	475	479	(116)	(942)	(308)	46	-	(262)
IT projects	2,097	1,758	575	(260)	4,170	(890)	32	(36)	(894)
Transport projects	(604)	-	1,046	(11)	431	-	-	-	-
OPC projects	205	22	6	(6)	227	-	-	(22)	(22)
SCD projects	77	230	-	-	307	-	-	-	-
Other projects	(10)	43	51	-	84	-	-	-	-
	(15)	2,693	2,157	(400)	4,435	(1,283)	78	(58)	(1,263)

8.4 Capital Programme – Variance Plan Detail

		<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	M8
	Department / Division	Slippage £000	Advanced Works £000	Reductions £000	Changes Requested £000
Infrastructure Expansion	ANPR	(85)			(85)
Disposals Reprovision Phase 1	ESTATES		16		16
Chelmsford PS Refurbishment	ESTATES	(277)			(277)
Upgrade of Faith Rooms	ESTATES	(31)			(31)
Lockers Replacement	ESTATES		30		30
Infrastructure Technical Refresh	IT	(747)			(747)
Suspects Interview Recording System	IT	(110)			(110)
Airwave Radio Replacements	IT			(36)	(36)
Compass & QAS Upgrade	IT	(33)			(33)
IT Infrastructure Modernisation (Phase 3)	IT		32		32
Taser Programme - Training Team Vehicle	OPC			(22)	(22)
		(1,283)	78	(58)	(1,263)

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 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)	(2,175)	(667)	545	1,678	(3,095)	
1	Capital spend in year	2,196	358	1,208	735	596	832	2,048	1,334	1,196	6,385	16,888
	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)	-	22	-	-	-	-	(1,705)
4	External Funding	-	-	-	-	-	-	(122)	-	-	-	(122)
	Closing balance of capital reserves	(962)	(604)	(959)	(1,510)	(2,581)	(2,175)	(667)	545	1,678	5,813	5,813

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 five property disposals up to 30 November 2020 (Shrub End, Southminster, Wickford, Hatfield Heath and Harlow Dog Site). Capital receipts forecast for the year is based on the disposal of 9 properties, per Estates Disposals Tracker for November, 29.11.20.
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.
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 7 October 2020

Project	Area	£000	Reason
2020/21 Month 7 @ 31 October 2020		7,054	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)
(i) Movement in Capital Payments			
Infrastructure Expansion	ANPR	(85)	Payments slippage to 2021/22
Chelmsford PS Refurbishment	ESTATES	(277)	Payments slippage to 2021/22
Upgrade of Faith Rooms	ESTATES	(31)	Payments slippage to 2021/22
Lockers Replacement	ESTATES	30	Advanced Works - Forecast spend reprofiled
Disposals Reprovision Phase 1	ESTATES	16	Advanced Works - Forecast spend reprofiled
Infrastructure Technical Refresh	IT	(747)	Payments slippage to 2021/22
Suspects Interview Recording System	IT	(110)	Payments slippage to 2021/22
Airwave Radio Replacements	IT	(36)	Project spend complete
Compass & QAS Upgrade	IT	(33)	Payments slippage to 2021/22
IT Infrastructure Modernisation (Phase 3)	IT	32	Advanced Works - Forecast spend reprofiled
Taser Programme - Training Team Vehicle *	OPC	(22)	COG 04.11.20 not approved (revenue contribution)
		(1,263)	Total Payments Forecast Movement
(ii) Movement in Capital Income			
Revenue Contributions *	OTHER	22	Taser Programme - Training Team Vehicle not approved
		22	Total Income Movement
2020/21 Month 8 @ 30 November 2020		5,813	Forecast Reserves Deficit at 31 March 2021 (Approved Projects)

* Matched expenditure funded by internal funding