

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 11 Financial Monitoring Report
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Chief Officer	DCC Mills
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Date of Meeting:	29th March 2021
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	COG – 24 March 2021

1.0 Purpose of Report

1.1 This report identifies the 2020/21 month 11 position for the Force.

2.0 Recommendations

2.1 To note the contents of the report. There are no virements required for approval.

2.2 To note, as per the decision sheet following the 11th March Strategic Board, the creation of a new earmarked reserve (COVID Roadmap Violence Reduction Reserve) to support the operational policing plan in 2021/22 and an appropriation to this reserve in 2020/21 of £1.303m in respect of an in year underspend created by the COVID grant allocation as notified by the Home Office on 11th February 2021.

3.0 Executive Summary

3.1 The latest forecast revenue underspend is **£1.889m**, 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, £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. The reported underspend includes the proposed appropriation of the Home Office COVID-19 grant of £1.303m to an earmarked reserve referenced under **Decision Sought**.

3.2 The police officer strength forecast at end of February is **3,361 FTE** and at year end is **3,408 FTE**.

3.3 The Capital Reserve is forecast to be **£5.1m** deficit at year end.

3.4 The forecast capital expenditure is **£12.4m** and the forecast capital income from property disposals is **£6.9m**.

4.0 Introduction/Background

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

5.0 Current Work and Performance

5.1 The month 11 financial position is shown at Annex 1.

6.0 Implications (Issues)

6.1 The implications are reported in Annex 1.

7.0 Links to Police and Crime Plan Priorities

7.1 The Force budget is used to help meet the priorities of the Police and Crime plan.

8.0 Demand

8.1 The Force budget is reviewed and re-allocated within virement rules to match demand e.g. overtime funded by vacancies.

9.0 Risks/Mitigation

9.1 Risk Register URN 452 - Short and Long Term Capital Finance.

10.0 Equality and/or Human Rights Implications – N/A

11.0 Health and Safety Implications – N/A

12.0 Consultation/Engagement

12.1 The pay forecasts are based on information received from HR Organisational Management.

13.0 Actions for Improvement – N/A

14.0 Future Work/Development and Expected Outcome

14.1 Reviews will continue with budget holders 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.

15.2 To note, as per the decision sheet following the 11th March Strategic Board, the creation of a new earmarked reserve (COVID Roadmap Violence Reduction Reserve) to support the operational policing plan in 2021/22 and an appropriation to this reserve in 2020/21 of £1.303m in respect of an in year underspend created by the COVID grant allocation as notified by the Home Office on 11th February 2021.

1. Executive Summary – 2020/21 – Month 11

£1.889m – 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.

£1.303m – To note the creation of a new earmarked reserve (COVID Roadmap Violence Reduction Reserve) to support the operational policing plan in 2021/22 and an appropriation to this reserve in 2020/21 of £1.303m in respect of an in year underspend created by the COVID grant allocation as notified by the Home Office on 11th February 2021 (Formal approval through decision sheet following Strategic Board on 11th March).

3,361 FTE – Police Officer strength forecast at end of February and **3,408 FTE** Police Officer strength forecast at year end.

£5.1m deficit - The forecast year end balance on the Capital Reserve.

£12.4m forecast capital expenditure and **£6.9m** forecast capital income.

2. Revenue

2.1 Revenue Summary – 2020/21 – Month 11

	Original Budget	Current Year Virements	Current Budget	Actuals to Date	Forecast Outturn	Variance - Over / (Under) Spend	Movement in Variance from Current Budget
	£000	£000	£000	£000	£000	£000	£000
Employees							
<u>Police Officer Pay and Allowances</u>							
- Police Officer Pay and Allowances	175,429	3,518	178,947	166,719	182,973	4,026	196
- Overtime and Operational Performance	6,045	1,691	7,736	7,112	8,142	406	(33)
- Associated Police Pay	1,060	(127)	933	1,058	1,256	323	12
- In-Year Savings Shortfall/(Surplus)	(96)	137	41	0	0	(41)	0
- In-Year Investments	4,721	(4,721)	0	0	0	0	0
Police Officer Pay and Allowances	187,159	497	187,656	174,889	192,370	4,714	175
PCSO Pay and Allowances	3,510	6	3,516	3,257	3,526	10	12
<u>Police Staff Pay and Allowances</u>							
- Police Staff Pay & Allowances	85,866	(492)	85,374	75,534	84,010	(1,364)	4
- Police Staff Overtime and Agency	1,022	1,049	2,070	1,842	2,275	205	24
- In-Year Savings Shortfall/(Surplus)	(338)	338	0	0	0	0	0
- In-Year Investments	1,199	(897)	302	0	39	(263)	33
Police Staff Pay and Allowances	87,749	(2)	87,747	77,377	86,324	(1,423)	61
Pensions (Ill Health / Medical)	4,506	0	4,506	3,837	4,177	(329)	(169)
Training	1,350	3	1,353	1,230	1,237	(116)	(115)
Other Employee Expenses	362	319	681	406	674	(8)	0
Employees Total	284,637	823	285,460	260,995	288,309	2,848	(36)
Premises	10,836	(1,128)	9,708	8,255	10,076	368	92
Transport	6,571	(56)	6,515	5,455	5,484	(1,031)	40
<u>Supplies and Services</u>							
- Supplies and Services	36,574	2,881	39,455	31,338	35,191	(4,264)	(146)
- In-Year Investments	1,384	(1,208)	176	0	0	(176)	(14)
Supplies and Services	37,958	1,673	39,631	31,338	35,191	(4,440)	(120)
Third Party Payments	6,584	2,841	9,425	6,992	9,255	(170)	12
Income	(33,705)	(6,238)	(39,943)	(30,506)	(39,388)	555	(46)
Other Expenditure / (Income)	33	(30)	3	(16)	(17)	(20)	(1)
Capital and Other Adjustments	2,205	12	2,217	(1,657)	2,217	0	0
Net Expenditure	315,118	(2,102)	313,016	280,856	311,127	(1,889)	(100)
Contribution to/(from) Earmarked Reserves	(402)	575	173	(1,146)	173	0	0
Contribution to/(from) General Reserve	0	1,527	1,527	1,527	3,416	1,889	100
Budget Requirement	314,716	(0)	314,716	281,237	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 3,408 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 £119k; LPA West £42k and LPA North £24k.
- The overspend on Associated Police Pay mainly relates to a forecast overspend of £230k for Temporary Duty Allowance following a significant increase to expenditure across each of the LPAs over the last quarter. A detailed review has been carried out by LPA senior management teams and HR to assess the level of expenditure and how the position can be mitigated over the remainder of the financial year.
- The underspend on Police staff pay predominantly results from there being 44 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 £1.889m (0.6% of the 2020/21 force budget), 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.

The above table includes a £1.303m COVID grant from the Home Office which is due to be received this year. It also reflects the appropriation of £1.303m to a new earmarked reserve (COVID Roadmap Violence Reduction Reserve) to support the operational policing plan in 2021/22.

2.2 Main Forecast Movements since Month 10

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

	Change in Forecast Outturn Variance £m	
Month 10 Forecast Outturn Variance	(1.8)	Underspend
Police Officer Pay and Allowances	0.2	Includes 12 FTE net less leavers than previously forecast and the impact of increasing the year end strength forecast to 3,408 FTE Officers
Police Staff Pay and Allowances	0.0	Includes adjustments in February payroll
Pensions/Ill Health (Medical)	(0.2)	Capital equivalent payments for two officers that were originally forecast for 2020/21 are now scheduled for 2nd April 2021
Training	(0.1)	New governance measures were put in place in 2020 to ensure the external training budget was used for essential training and CPD only. Due to COVID-19, external training was generally unavailable for 4-6 months from most providers, however every attempt has been made to absorb any essential training into this year's budget so as to reduce the impact next year.
Month 11 Forecast Outturn Variance	(1.9)	Underspend

Further Changes to Forecast Outturn to be processed at Provisional Outturn, subject to approval

Revenue Consequences of Capital - Trf to Transformation Reserve	0.5	Decision required: Transfer of IT Projects 2020/21 one-off underspends (Stage 2 only) to the Transformation Reserve, to be spent in 2021/22. Underspend resulting from slippage, recruitment delays, supplier inability to deliver within set deadlines and strategic intent to delay projects, due to other resourcing commitments on force priorities
Revenue Consequences of Capital - Trf to Transformation Reserve	0.0	Decision required: One-off 2020/21 revenue consequences budget of £0.2m in relation to Boreham purchase to be allocated to the Transformation Reserve to reflect the year of purchase. Complex negotiations have created slippage and the purchase has been deferred until 2021/22 (forecast within Revenue Consequences, hence no impact to forecast)

Creation of a COVID Roadmap Violence Reduction Reserve to support the operational policing plan in 2021/22

Income - COVID-19 Home Office Grant	0.0	Strategic Board Decision: To note the creation of a new earmarked reserve (COVID Roadmap Violence Reduction Reserve) to support the operational policing plan in 2021/22 and an appropriation to this reserve in 2020/21 of £1.303m in respect of an in year underspend created by the COVID grant allocation as notified by the Home Office on 11th February 2021. (Formal approval through decision sheet following Strategic Board on 11th March). The figure will remain zero as the movements offset each other.
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2.3 Op Melrose – Financial Summary

Summary	2019/20 Cost £	2020/21 Actuals as at 28/02/2021 £	2020/21 Full Year Forecast £	Grand Total Cost £
OVERTIME				
Officer Costs/Overtime	372,657	59,380	70,126	442,783
Staff & PCSO Overtime	98,232	27,699	41,657	139,889
Agency Staff	10,094	170,838	170,838	180,932
Seconded Officers		89,039	120,357	120,357
FORENSIC				
Forensic	97,603	94,235	94,235	191,838
Pathology	163,280			163,280
Crime Scene Costs	30,199			30,199
TRAVEL/ACCOMMODATION				
Hired Transport	9,888	8,074	11,423	21,311
Travel	35,768	14,384	14,390	50,158
Vietnam Trip	49,975			49,975
Accommodation/Meal Plans	213,088	21,087	21,092	234,180
MUTUAL AID				
Mutual Aid/PSNI costs	1,403,763	(62,057)	(18,220)	1,385,543
OTHER				
Equipment	10,018	(18)	(18)	10,000
Catering & subsistence	30,448	7,845	9,331	39,779
Interpreters costs	64,867	22,224	47,224	112,091
TSU Equip	2,379			2,379
IT	29,136	8,754	8,754	37,890
Other costs	64,041	8,829	9,330	73,371
THIRD PARTY CONTRIBUTIONS				
Income from Police Care	(2,320)			(2,320)
Other Income e.g. Eurojust	(553)	(1,187)	(1,187)	(1,740)
ADJUSTMENTS				
Less : 19/20 Essex Officer non recoverable costs		(154,673)	(154,673)	(154,673)
Total Direct Costs	2,682,563	314,453	444,659	3,127,223
HOME OFFICE INCOME				
Home Office Grant Received re 2019/2020	(1,000,000)			(1,000,000)
Home Office Grant Received Aug 2020		(1,913,000)	(1,913,000)	(1,913,000)
Home Office Grant Received Oct 2020		(213,000)	(213,000)	(213,000)
Home Office Grant Received Jan 2021		(212,500)	(212,500)	(212,500)
Total Home Office Income	(1,000,000)	(2,338,500)	(2,338,500)	(3,338,500)
Shortfall/(Over recovery)	1,682,563	(2,024,047)	(1,893,841)	(211,277)
Final Claim for Officer Backfill Overtime			281,559	281,559
Final Claim for Staff Backfill Overtime			61,440	61,440
Less adjustment for 15% of 20/21 costs			(141,350)	(141,350)
Shortfall/(Over recovery)	1,682,563	(2,024,047)	(1,692,191)	(9,628)

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 *	11	0	249	3	252	252	262
Employees Total	11	0	249	3	252	252	262
Premises	0	0	60	0	60	60	60
Transport	0	0	22	2	24	24	24
Supplies and Services	234	1,463	1,608	12	1,620	157	1,855
Income	25	1,119	1,462	116	1,577	459	1,602
Net Expenditure	270	2,582	3,401	132	3,534	952	3,804
Contribution to/(from) General Reserve							
Budget Requirement	270	2,582	3,401	132	3,534	952	3,804
Income - Home Office reimbursement - PPE expenditure	0	(1,463)	(1,463)	0	(1,463)	0	(1,463)
Income - Home Office Income Loss Recovery Scheme	0	(1,119)	(794)	(324)	(1,119)	0	(1,119)
Net Budget Requirement	270	0	1,144	(192)	952	952	1,222
Cashable Savings	(9)	0	(785)	(58)	(843)	(843)	(852)
Net Budget Requirement (less cashable savings)	261	0	359	(250)	109	109	371
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	198	198	159	198	0
LPA South	0	165	165	111	136	(29)
LPA West	0	165	165	133	165	0
Contact Management	0	68	68	97	97	29
OPC	0	68	68	48	68	0
Rural Engagement	0	10	10	5	10	0
Total	0	674	674	553	674	0

Notes

1. Actuals to date are inclusive of NI and reflect overtime approved and paid by the payroll cut off date of 8th February (Officers) and 15th February (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
Criminal Justice Command	53	0	53	157	195	142	Red	242	248	(53)
Operational Policing Command	343	232	575	611	694	119	Red	612	640	54
LPA West	243	43	286	259	328	42	Yellow	365	378	(50)
LPA North	361	50	411	347	435	24	Yellow	377	413	22
Total	1,000	325	1,325	1,374	1,652	327		1,596	1,679	(27)

Notes

1. All areas have a red or amber RAG status and require corrective action
2. Police Officer Pay is £4.0m 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 8th February
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	120	120	79	
Total	41	0	41	120	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 15th February

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Changes in strength forecast	84	12 FTE net less leavers than previously forecast
Changes in forecast	66	Includes adjustments made in the February payroll
Changes in strength forecast	24	2 FTE more transferee joiners in January and February than previously forecast
Changes in strength forecast	22	24 FTE more probationer joiners in March than previously forecast (60 FTE total)
Changes in the month impacting on the General Reserve	196	
Total Change	196	
Staff Pay	£k	Reasons for Changes
Changes in forecast	36	Includes adjustments made in the February payroll (to include a net increase in strength of 28 FTE)
Changes in the month impacting on the General Reserve	36	
Total Change	36	
PCSO Pay	£k	Reasons for Changes
Changes in forecast	12	Includes adjustments made in the February 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	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

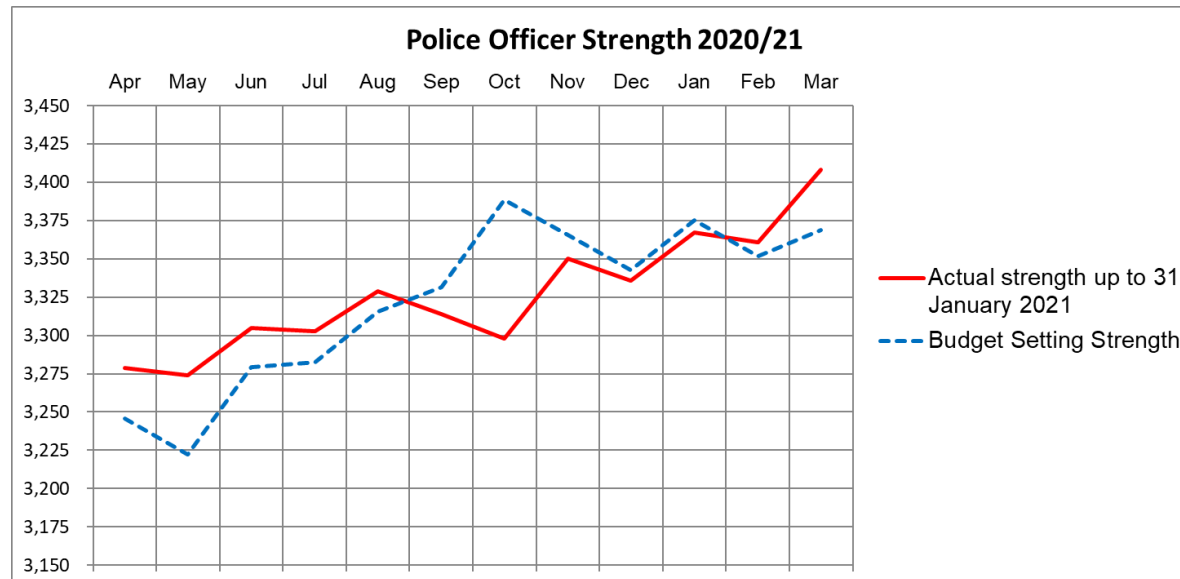
2020/21 Current Forecast - Based on HR information received 22nd February 2021

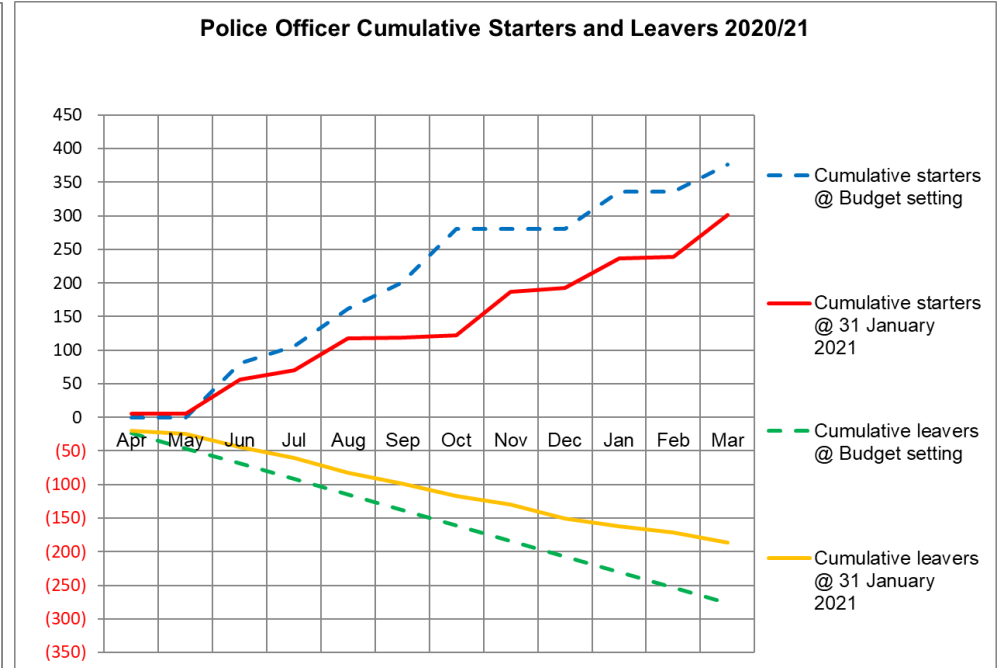
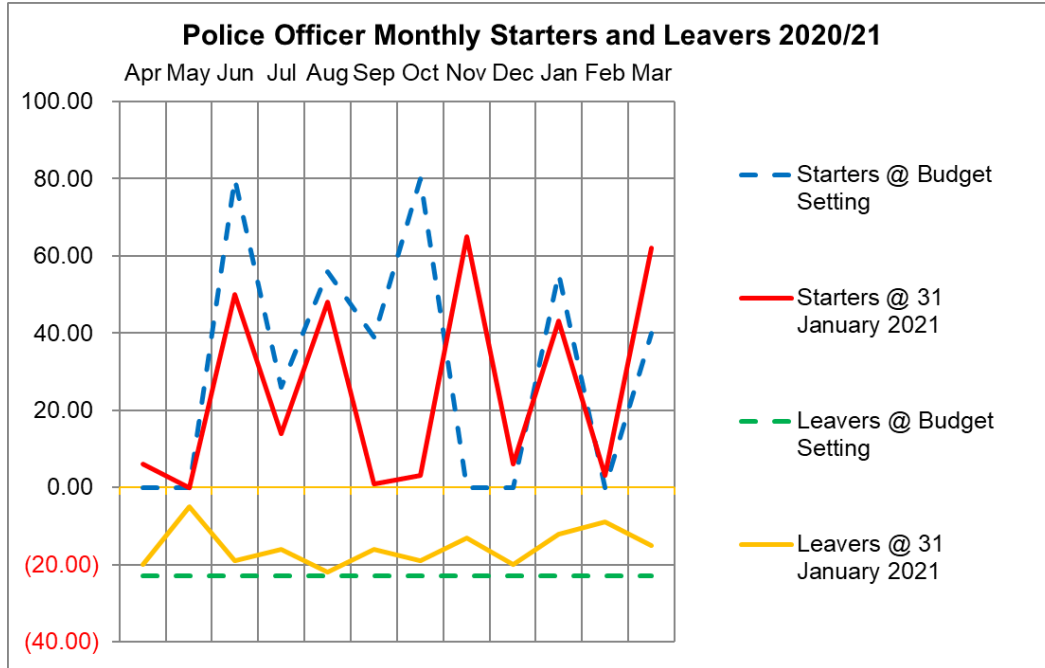
Ref	Strength	Actual FTE											Forecast FTE		Total
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs		
8	1st April 2020 Strength	3,293	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,350	3,336	3,367	3,361		
9	Leavers (note 7)	(20)	(5)	(19)	(16)	(22)	(16)	(19)	(13)	(20)	(12)	(9)	(15)	(186)	
10	Starters (note 8)	6	0	50	14	48	1	3	65	6	43	3	62	301	
11	Net change	(14)	(5)	31	(2)	26	(15)	(16)	52	(14)	31	(6)	47	115	
12	Officer strength - month end	3,279	3,274	3,305	3,303	3,329	3,314	3,298	3,350	3,336	3,367	3,361	3,408		
13	Difference to 3369fte - over / (under)	(90)	(95)	(64)	(66)	(40)	(55)	(71)	(19)	(33)	(2)	(8)	39		
	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		
14	Costed Strength before starters/leavers	£13.98m	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.54m	£16.02m	£15.99m	£182.57m	
15	2020/21 Leavers												(£0.05m)	(£0.05m)	
16	2020/21 Starters												£0.06m	£0.06m	
17	Other Costs												£0.39m	£0.39m	
18	Monthly Actual	£13.98m	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.54m	£16.02m	£16.39m	£182.97m	

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)	(7)	(8)	9	
20	Leavers (positive number = less leavers)	3	18	4	7	1	7	4	10	3	11	14	8	90
21	Starters	6	0	(30)	(12)	(8)	(38)	(77)	65	6	(13)	3	22	(76)
22	Month End Strength Change - FTEs	33	52	26	21	14	(18)	(91)	(16)	(7)	(8)	9	39	15
23	Change per month FTEs	9	18	(26)	(5)	(7)	(31)	(73)	75	9	(2)	17	30	
		£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	£0.26m	£0.86m	£1.18m	£2.82m

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 11

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 December 20	3,369	3,336	3,293	242	33	(202)	5	3,371
HR data @ 31 January 21	3,369	3,367	3,293	266	35	(190)	4	3,408
Change	0	31	0	24	2	12	(1)	37

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 December 20	2,315	2,090			147	(136)
HR data @ 31 January 21	2,309	2,118			186	(147)
Change	(6)	28	0	0	39	(11)

* 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 December 20	107	102	109	112	0	(9)	(2)	101
HR data @ 31 January 21	103	102	109	112	0	(9)	(3)	100
Change	(4)	0	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 December 20	516	600
HR data @ 31 January 21	519	600
Change	3	0

6. Virement Analysis – Month 11

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	(14)	0	0	0	0	0	14	0	0			2
9	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			4
10	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			6
11	External Funding	(19)	15	0	11	92	0	(4)	2	43	(140)	0	0	0	0	0	0			9
12	Contingencies and Reserves	0	0	0	0	0	(10)	0	220	0	(7)	0	(203)	0	0	0	0			13
13	Budget Holder	0	7	0	0	21	0	0	(28)	0	0	0	0	0	0	0	0			16
14	Total virements not requiring PFCC approval	(19)	22	0	11	112	(10)	(4)	179	43	(147)	0	(203)	0	14	0	0			17
15	Total all virements	(19)	22	0	11	112	(10)	(4)	179	43	(147)	0	(203)	0	14	0	0			18

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								(14,025)						14,025		0	
2	Sub Total Budget Setting - Investment virements		0	0	0	0	0	0	0	(14,025)	0	0	0	0	0	14,025	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	
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	
7	4	External funding	(18,673)	15,082			91,510		(3,612)	1,752	42,780	(128,839)						0	
8	5	External funding				11,460						(11,460)						0	
9	Sub Total External funding virements		(18,673)	15,082	0	11,460	91,510	0	(3,612)	1,752	42,780	(140,299)	0	0	0	0	0	0	
10	6	Contingencies and Reserves										(7,000)	7,000					0	
11	7	Contingencies and Reserves						(10,000)						10,000				0	
12	8	Contingencies and Reserves								219,500				(219,500)				0	
13	Sub Total Contingencies/Reserves virements		0	0	0	0	0	(10,000)	0	219,500	0	(7,000)	0	(202,500)	0	0	0	0	
14	9	Budget Holder		7,267			(7,267)											0	
15	10	Budget Holder					27,996			(27,996)								0	
16	Sub Total Budget Holder virements		0	7,267	0	0	20,729	0	0	(27,996)	0	0	0	0	0	0	0	0	
17	Total of Other Virements		(18,673)	22,349	0	11,460	112,239	(10,000)	(3,612)	179,231	42,780	(147,299)	0	(202,500)	0	14,025	0	0	
18	Grand Total all Virements		(18,673)	22,349	0	11,460	112,239	(10,000)	(3,612)	179,231	42,780	(147,299)	0	(202,500)	0	14,025	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	28th February 2021 - Closing Balance	Forecast Year End Balance	Comment
Reserves held by Essex Police but managed as third party reserves						
Proceeds of Crime Act	£2.738m		(£0.518m)	£2.220m	£1.953m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.124m	£0.084m		£0.208m	£0.150m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Total	£2.862m	£0.084m	(£0.518m)	£2.428m	£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	£0.003m		£0.234m	£0.234m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Operational Transformational Reserve (OTR)	£1.055m		(£0.290m)	£0.765m	£0.667m	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		(£0.061m)	£0.392m	£0.392m	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.
Total	£2.185m	£0.076m	(£0.522m)	£1.739m	£1.641m	
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.
COVID Roadmap Violence Reduction Reserve *	£0.000m	£1.303m		£1.303m	£1.303m	COVID Roadmap Violence Reduction Reserve to be utilised in 2021/22 for the purposes of Operation Sunshade, which aims to address violent crime reduction surrounding the easing of lockdown measures.
Chief Constables Operational C/Fwd	£0.500m			£0.500m	£0.500m	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.
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	£1.333m	Capital reserves to avoid borrowing in 2022/23 in relation to short life assets.
Total	£4.145m	£3.008m	(£0.426m)	£6.727m	£4.781m	
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	£3.168m	(£1.733m)	£10.894m	£8.525m	
Provisions						
Legal Claims Provision	£0.721m		(£0.012m)	£0.709m	£0.709m	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	(£0.012m)	£3.292m	£3.292m	
General Reserve						
General Reserve	£9.275m	£3.416m		£12.691m	£12.691m	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 £12.691m, which represents 4.0% of the 2020/21 force budget.
Total Revenue Reserves and Provisions	£22.038m	£6.584m	(£1.745m)	£26.877m	£24.508m	

* To note creation of a COVID Roadmap Violence Reduction Reserve following decision sheet submitted to seek formal agreement following Strategic Board on the 11th March

7.2 Transformation Reserve

2020/21 Transformation Reserve						
Items Approved	Opening Balance	Allocations to 28 February	Balance to be allocated	In-Year Forecast	Year End Balance	Actuals to 28 February
	£	£	£	£	£	£
Op. Javelin	80,297	(21,586)	58,711	21,586	58,711	21,586
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	(60,642)	392,173	60,642	392,173	48,391

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	1,079,795	1,225,460	542,244	HO providing a further £30k funding prior to year-end.

8. Capital

8.1 Capital Expenditure

	BUDGET MOVEMENT			2020/21		
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 28 Feb 21 £000	Forecast Outturn M11 for Approval £000	M11 Changes for Approval £000
APPROVED PROJECTS -						
ANPR projects	117	86	203	203	203	-
Estates projects	10,351	(5,258)	5,093	4,080	5,070	(23)
IT projects	871	3,056	3,927	2,621	3,858	(69)
Transport projects	2,056	139	2,195	1,950	2,229	34
OPC projects	5	218	223	196	223	-
SCD projects	93	398	491	436	491	-
Other projects	223	45	268	98	256	(12)
TOTAL APPROVED PROJECTS	13,716	(1,316)	12,400	9,584	12,330	(70)
Subject to Approval	9,232	(9,232)	-	-	49	49
TOTAL ALL PROJECTS	22,948	(10,548)	12,400	9,584	12,379	(21)

8.2 Capital Financing

	BUDGET MOVEMENT			2020/21		
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget £000	Actuals 28 Feb 21 £000	Forecast Outturn for £000	M11 Changes Approval £000
	Capital Receipts	7,674	(460)	7,214	3,336	5,956
Revenue Contributions	1,705	661	2,366	1,705	923	(1,443)
Capital Grant	300	(48)	252	251	252	-
External Income	47	82	129	122	129	-
Borrowing *	3,990	(1,551)	2,439	-	5,070	2,631
TOTAL APPROVED PROJECTS	13,716	(1,316)	12,400	5,414	12,330	(70)
Subject to Approval - Revenue Contribution	9,232	(9,232)	-	-	49	49
TOTAL ALL PROJECTS	22,948	(10,548)	12,400	5,414	12,379	(21)
TOTAL BORROWING	13,222		2,439		5,119	

* Use of internal reserves only, no external borrowing forecast for 2020/21

8.3 Capital Programme – Variance Plan

STRATEGIC BOARD / CHIEF FINANCE OFFICERS (CHIEF CONSTABLE & PFCC)						CHANGES REQUIRED M11			
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	13	(7)	86	-	-	-	-
Estates projects	(6,689)	855	692	(116)	(5,258)	(48)	25	-	(23)
IT projects	912	1,758	750	(364)	3,056	(59)	20	(30)	(69)
Transport projects	(855)	-	1,046	(52)	139	-	34	-	34
OPC projects	205	22	25	(34)	218	-	-	-	-
SCD projects	77	283	38	-	398	-	-	-	-
Other projects	(49)	43	51	-	45	(12)	-	-	(12)
	(6,484)	3,126	2,615	(573)	(1,316)	(119)	79	(30)	(70)

8.4 Capital Financing Reserve and Minimum Revenue Provision

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£000	£000	£000	£000	£000	£000
Opening CFR	6,065	10,635	24,390	38,114	51,260	6,065
Capital Expenditure						
Approved projects - long-life	5,070	10,762	460	0	0	16,292
Approved projects - short-life	7,260	2,571	57	35	35	9,958
Subject to Approval projects - long-life	0	3,620	14,250	14,500	10,500	42,870
Subject to Approval projects - short-life	0	6,977	12,451	11,410	6,196	37,035
	12,330	23,930	27,218	25,945	16,731	106,155
Financing Applied						
Capital receipts	(5,956)	(7,758)	(9,725)	(11,168)	(6,832)	(41,439)
Grants & contributions	(381)	(554)	(277)	(277)	(277)	(1,766)
Revenue funding	(923)	(1,236)	(2,506)	0	(483)	(5,148)
	(7,260)	(9,548)	(12,508)	(11,445)	(7,591)	(48,353)
Minimum Revenue Provision						
Historic unfinanced borrowing	(500)	(500)	(500)	(500)	(500)	(2,500)
Current projects - long-life	0	(127)	(486)	(854)	(1,217)	(2,684)
Current projects - short-life	0	0	0	0	0	0
	(500)	(627)	(986)	(1,354)	(1,717)	(5,184)
Closing CFR	10,635	24,390	38,114	51,260	58,684	58,684

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£000	£000	£000	£000	£000	£000
FINANCING COSTS						
Minimum Revenue Provision (MRP)	500	627	986	1,354	1,717	5,184
Borrowing Costs (based on 0.5%)	-	36	70	103	122	331
Total revenue impact of borrowing	500	663	1,057	1,457	1,838	5,515
Incremental impact to MTFS	500	163	394	401	381	
Cumulative impact to MTFS	0	163	719	1,677	3,015	

Note - Assumes approx £10m of cash and investment reserves at 2020/21 year-end

8.5 Capital Resources Summary

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
<u>Capital receipts</u>					
<i>Opening balance</i>	(1,088)	0	0	0	(6,832)
Received	(4,868)	(7,758)	(9,725)	(18,000)	0
Applied for financing	5,956	7,758	9,725	11,168	6,832
<i>Closing balance</i>	0	0	0	(6,832)	0
<u>Grants and contributions</u>					
<i>Opening balance</i>	(7)	0	0	0	0
Received	(374)	(554)	(277)	(277)	(277)
Applied for financing	381	554	277	277	277
<i>Closing balance</i>	0	0	0	0	0
<u>Revenue funding</u>					
<i>Opening balance</i>	(2,000)	(2,782)	(2,546)	(1,040)	(2,040)
Received	(1,705)	(1,000)	(1,000)	(1,000)	(1,000)
Applied for financing	923	1,236	2,506	0	483
<i>Closing balance</i>	(2,782)	(2,546)	(1,040)	(2,040)	(2,557)
<u>Totals</u>					
<i>Opening balance</i>	(3,095)	(2,782)	(2,546)	(1,040)	(8,872)
Received	(6,947)	(9,312)	(11,002)	(19,277)	(1,277)
Applied for financing	7,260	9,548	12,508	11,445	7,591
<i>Closing balance</i>	(2,782)	(2,546)	(1,040)	(8,872)	(2,557)