

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 Provisional Revenue & Capital Outturn report
Agenda Number:	3i)
Chief Officer	DCC Mills
Date Paper was Written	19th May 2021
Version Number	Version 1
Report from:	Essex Police: Corporate Finance
Date of Meeting:	26th May 2021
Author on behalf of Chief Officer:	Richard Jones, Head of Business Partnering and Management Accounting
Date of Approval:	20th May 2021

1.0 Purpose of Report

1.1 This report identifies the 2020/21 provisional outturn position for the Force.

2.0 Recommendations

2.1 To note the provisional outturn for 2020/21 of £2.358m underspend (now subject to the COG amendment noted in paragraph 2.2), subject to agreement of appropriations to earmarked reserves as noted in the table in Section 8.2. Without the proposed appropriations to earmarked reserves, the force underspend increases by £2.280m to £4.638m.

2.2 Following COG on the 19th May, the Chief Officer Team have requested for £0.5m of the force underspend to be appropriated to the Chief Constables Operational C/Fwd Reserve as per Financial Regulations. This amendment has not been reflected within the detail of the report, but has the effect of reducing the 2020/21 force underspend from £2.858m to £2.358m (para 2.1) and reallocates £0.5m from the General Reserve to Earmarked Reserve (para 2.4).

2.3 To note the virements to be approved by the PFCC by way of decision sheet noted in the table in Section 7.2.

2.4 To approve the year end balances and associated appropriations to earmarked reserves of £11.157m, provisions of £3.845m and the general reserve of £13.160m (now subject to the COG amendment noted in paragraph 2.2) – see section 8.

3.0 Executive Summary

3.1 The provisional outturn is a £2.358m underspend, an increase of £0.469m from the month 11 underspend of £1.889m.

Official

- 3.2 The police officer strength at year end is **3,413 FTE**, 44 FTE above establishment of **3,369 FTE**.
- 3.3 The provisional Capital Reserves is **£0.6m** with a Capital Financing Requirement of **£9.1m**.
- 3.4 The provisional capital expenditure is **£12.2m** and the provisional capital income from property disposals is **£6.1m**.

4.0 Introduction/Background

- 4.1 This report sets out the provisional outturn, highlighting the changes from February, month 11.

5.0 Current Work and Performance

- 5.1 The provisional outturn 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 – N/A

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 – N/A

15.0 Decisions Required by the Police, Fire and Crime Commissioner

- 15.1 To note the virements to be approved by the PFCC by way of decision sheet noted in the table in Section 7.2.
- 15.2 To approve the year end balances and associated appropriations to earmarked reserves of £11.157m, provisions of £3.845m and the general reserve of £13.160m (now subject to the COG amendment noted in paragraph 2.2) – see section 8.

1. Executive Summary – 2020/21 – Provisional Outturn *

£2.858m underspend – Provisional outturn, an increase of £0.969m from the month 11 underspend of £1.889m.

3,413 FTE – Police Officer strength, 44 FTE above establishment of 3,369 FTEs.

£13.660m – Provisional General Reserve balance, a net increase of £4.385m during 2020/21, which includes a £1.527m in-year transfer for Op Melrose funding relating to 2019/20.

£0.6m Capital reserves held at year-end and **£9.1m** Capital Financing Requirement.

£12.2m provisional capital expenditure and **£6.1m** provisional capital income.

* Following COG on the 19th May, the Chief Officer Team have requested for £0.5m of the force underspend to be appropriated to the Chief Constables Operational C/Fwd Reserve as per Financial Regulations – this amendment is not reflected within the content throughout the report.

2. Revenue

2.1 Revenue Summary – Provisional Outturn 2020/21

	Original Budget	Current Year Virements	Current Budget	Provisional Outturn	Variance - Over / (Under) Spend	Movement in Variance from Month 11
	£000	£000	£000	£000	£000	£000
Employees						
<u>Police Officer Pay and Allowances</u>						
- Police Officer Pay and Allowances	175,429	3,902	179,331	183,319	3,988	(38)
- Overtime and Operational Performance	6,045	1,695	7,740	8,089	349	(57)
- Associated Police Pay	1,060	(136)	924	1,205	281	(42)
- In-Year Savings Shortfall/(Surplus)	(96)	137	41	0	(41)	0
- In-Year Investments	4,721	(4,721)	0	0	0	0
Police Officer Pay and Allowances	187,159	876	188,036	192,613	4,577	(137)
PCSO Pay and Allowances	3,510	6	3,516	3,549	32	22
<u>Police Staff Pay and Allowances</u>						
- Police Staff Pay & Allowances	85,866	(427)	85,439	84,244	(1,195)	169
- Police Staff Overtime and Agency	1,022	1,017	2,038	2,230	192	(13)
- In-Year Savings Shortfall/(Surplus)	(338)	338	0	0	0	0
- In-Year Investments	1,199	(906)	293	0	(293)	(30)
Police Staff Pay and Allowances	87,749	22	87,771	86,474	(1,297)	126
Pensions (Ill Health / Medical)	4,506	0	4,506	4,184	(322)	7
Training	1,350	16	1,366	1,119	(247)	(131)
Other Employee Expenses	362	319	681	874	193	201
Employees Total	284,637	1,240	285,877	288,814	2,937	89
Premises	10,836	(1,102)	9,733	9,826	92	(276)
Transport	6,571	(38)	6,532	5,574	(958)	73
<u>Supplies and Services</u>						0
- Supplies and Services	36,574	4,904	41,478	36,968	(4,510)	(246)
- In-Year Investments	1,384	(1,208)	176	0	(176)	0
Supplies and Services	37,958	3,696	41,654	36,968	(4,686)	(173)
Third Party Payments	6,584	2,875	9,458	9,031	(428)	(257)
Income	(33,705)	(11,397)	(45,102)	(44,929)	173	(382)
Other Expenditure / (Income)	33	(30)	3	(17)	(20)	(0)
Capital and Other Adjustments	2,205	1,678	3,883	3,885	2	2
Net Expenditure	315,118	(3,079)	312,039	309,153	(2,886)	(997)
Sources of Finance	(314,716)	0	(314,716)	(314,736)	(20)	(20)
Surplus/Deficit before Transfers to Reserves	402	(3,079)	(2,677)	(5,583)	(2,906)	
Contribution to/(from) Earmarked Reserves	(402)	1,552	1,150	1,198	48	48
Contribution to/(from) General Reserve	0	1,527	1,527	4,385	2,858	969
Total	0	0	0	0	0	0

A summary of the movement in variance from month 11 and the total variance for the year is supplied in Section 2.2 and 2.3, respectively.

2.2 Main Forecast Movements since month 11

Main Changes to Forecast Outturn since Month 11 effecting the Transfer to the General Reserve

	Change in Forecast Outturn Variance £m	
Month 11 Forecast Outturn Variance	(1.9)	Underspend
Police Officer Pay and Allowances	0.0	Includes adjustments made in the March payroll
Police Staff Pay and Allowances	0.1	Includes adjustments made in the March payroll (to include a net increase in strength of 23 FTE)
Training	(0.1)	Includes driver training for officers and digital forensic training for staff that did not take place prior to financial year end
Employee Expenses	0.2	There is no recurring annual budget for redundancy costs and when these arise they are funded from the Restructuring Earmarked Reserve. The Reserve has not been utilised due to the force underspend. Movement relates to three redundancies during the year of £123k plus a provision for anticipated 21/22 redundancies of £140k
Premises	(0.3)	This movement relates primarily to utilities with lower prices and lower consumption than predicted, as well as Professional Fees relating to the purchase of the Boreham site which has been deferred until 21/22
Communications & Technology	(0.2)	Reduced Body Worn Video storage costs due to data deletion following MoPI standard & compliance review and underspend on communications equipment
Custody Costs	0.1	Due to a delay in receiving supplier invoices for the period September 2020 to March 2021, actual expenditure exceeded the forecast position reported as at month 11
PFCC Council Tax Sharing Agreement	(0.3)	Reduction in forecast costs for Essex Police element of Council Tax share back scheme, due to actual income received in year by billing authorities now forecast to be lower than expected. As this income is now forecast to be lower, Essex Police can recover the related share back overpayments during 21/22 and these reimbursements have been recognised in 20/21
Insurance Contribution	(0.4)	Outturn position based on forecasts for all open claims at year-end, with reductions in estimated EP liabilities for two significant public liability claims actioned by the Legal team. These two claims equate to a total reduction to the forecast of £0.4m, the impact of which is included in the overall annual movement on the provision.
Specialist Operational Supplies & Services	0.1	A legal settlement for £0.1m was communicated via the Legal Services team at financial year end which had not been previously forecast
Revenue Consequences of Capital - Trf to Transformation Reserve	0.5	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
Third Party Payments	(0.2)	Reduced in-year Athena charges of £0.1m following recent contract review and extension completed in March 2021 and £0.1m underspend in relation to the 7 forces programme team budget for 2020/21
Income	(0.3)	Includes Op Talla related adjustment to recognise Home Office income loss recovery in connection to sale of non-current assets that was reflected in the final tranche return, as well as more income than forecast for a variety of income budgets that were not subject to income loss recovery, for example, Vehicle Seizure Income and Firearms Certificate income
Further Variances	(0.2)	Various changes across the force to reflect latest information which are less than £100k
Provisional Outturn Variance	(2.9)	Underspend

2.3 Analysis of Main Variance Areas

2020/21 Main areas of variance effecting the underspend transfer to the General Reserve of £2.858m

Line Ref	Revenue Summary Heading	Amount	Comment
1	Police Officer Pay & Allowances	£4.6m	The strength at the start of the year was 24.5 FTE more than budget and the strength at the end of the year was 44 FTE more budget. There were also significantly less leavers than budgeted during the year (187 FTE actual v 276 FTE budget). The OPC element of the overtime overspend was largely due to Op Demand being unfunded in 2020/21; this was augmented by a high level of operational activity relating to Op Raptor and other special operations. Criminal Justice Command initially overspent heavily with the annual budget spent in little over two months, a trend that continued to mid-year. However, following a review and change in processes for maintaining the required number of sergeants in custody suites, demand for overtime fell by over 80% thereafter. Temporary duty allowance overspends were due to a large number of LPA PS and Insp vacancies throughout the year in addition to high abstractions of PS to cover custody roles. PS substantive promotions were delayed due to COVID19.
2	Police Staff Pay & Allowances	(£1.3m)	The underspend on Police staff pay predominantly resulted from significantly more vacancies than budgeted during the year. At year end there are 161 FTE vacancies, 14 FTE above the forcewide average vacancy factor. The areas with the most significant vacancies are the Serious Crime Directorate, Support Services and Criminal Justice Commands.
3	Pensions (Ill Health/Medical)	(£0.3m)	Ill Health pensions were underspent due to a differing profile of actual officers leaving with ill-health pensions, compared to budget (6 FTE actual v 10 FTE budget).
4	Training	(£0.2m)	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.
5	Other Employee Expenses	£0.2m	There is no recurring annual budget for redundancy costs and when these arise they are funded from the Restructuring Earmarked Reserve. The Reserve has not been utilised due to the force underspend. Movement relates to three redundancies during the year of £123k plus a provision for anticipated 21/22 redundancies of £140k.
6	Transport	(£1.0m)	Vehicle fuel costs, force mileage and public transport costs were reduced significantly due to the impact of COVID-19 on crime levels and the implementation of agile working solutions across the force. Vehicle fuel costs were further reduced by the free fuel offering by BP, coupled with generally lower fuel prices. Vehicle insurance costs reduced following a SEERPIC consortium agreement to re-model the motor premiums allocation approach, resulting in an in-year underspend of £466k. Force travel expenses have reduced significantly this financial year due to the impact of the pandemic. Whilst some travel has resumed, restrictions have been in place at various stages throughout the year and the implementation of agile working solutions across the force (i.e. Microsoft Teams), has been pivotal in reducing the level of expenditure and ensuring continuity of service. COVID19 adversely affected supply chains resulting in higher than expected price increases for replacement parts and older vehicles were repaired at greater cost.
7	Supplies & Services	(£4.5m)	Decommissioned hardware & software support and maintenance contracts (elements of this have already been proposed for 2020/21 savings). In addition, delays in the National Monitoring Centre go-live has assisted in meeting the shortfall in annual Home Office costs. Slippage on the delivery of IT projects into 2021/22 and the 7 Forces Digital Asset Management (DAM) business case being delayed into 2021/22 with significant underspend of one-off funding provided, and is subject to a proposed appropriation to earmarked reserves of £674.1k (subject to approval). This proposal is now Software as a Service and not a capital proposal moving forward. Includes CAIT back record conversion; ASO training received at nil cost; delay on planned projects for breathalysers and traffic signs in relation to the Roads Policing budget; deferral of recruitment to external legal contractors provided for in 2020/21 budget setting due to resulting impact from COVID-19 and impact of delays in staff growth on set-up, equipment and training costs for Media and Taser Teams. Reduction in forecast costs for Essex Police element of Council Tax share back scheme, due to actual income received in year by billing authorities now forecast to be lower than expected. As this income is now forecast to be lower, Essex Police can recover the related share back overpayments during 21/22 and these reimbursements have been recognised in 20/21. Underspend on forensic costs primarily due to COVID19 and enhanced controls around forensics submissions. Recovery of PPE expenditure from 2019/20 from the Home Office.
8	Third Party Payments	(£0.4m)	As part of 2020/21 budget setting, an additional bid was made in anticipation of ERSOU Regional Organised Crime Unit (ROCU) grant reductions based on a fair degree of uncertainty regarding funding but this did not come to fruition. This is not expected to be a significant issue for 2021/22 based on a clearer funding position.
		(£2.9m)	

2.4 Op Melrose – 2020/21 Financial Summary

Summary	2019/20 Actuals	2020/21 Actuals	Grand Total Cost
	£	£	£
OVERTIME			
Officer Costs/Overtime	372,657	352,654	725,311
Staff & PCSO Overtime	98,232	102,966	201,198
Agency Staff	10,094	170,838	180,932
Seconded Officers		120,357	120,357
FORENSIC			
Forensic	97,603	109,440	207,043
Pathology	163,280		163,280
Crime Scene Costs	30,199		30,199
TRAVEL/ACCOMMODATION			
Hired Transport	9,888	10,307	20,195
Travel	35,768	14,724	50,491
Vietnam Trip	49,975		49,975
Accommodation/Meal Plans	213,088	21,087	234,175
MUTUAL AID			
Mutual Aid/PSNI costs	1,403,763	(6,876)	1,396,887
OTHER			
Equipment	10,018	(18)	10,000
Catering & subsistence	30,448	8,378	38,826
Interpreters costs	64,867	32,389	97,256
TSU Equip	2,379		2,379
IT	29,136	4,102	33,238
Other costs	64,041	6,607	70,648
THIRD PARTY CONTRIBUTIONS			
Income from Police Care	(2,320)		(2,320)
Other Income e.g. Eurojust	(553)	(1,187)	(1,740)
ADJUSTMENTS			
Less : 19/20 Essex Officer non recoverable costs		(154,673)	(154,673)
Total Direct Costs	2,682,563	791,095	3,473,658
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)
Home Office Grant Received Oct 2020		(213,000)	(213,000)
Home Office Grant Received Jan 2021		(212,500)	(212,500)
Home Office Grant Repayable March 2021		9,628	9,628
Total Home Office Income	(1,000,000)	(2,328,872)	(3,328,872)
Shortfall/(Over recovery)	1,682,563	(1,537,777)	144,786

2.5 Op Talla – 2020/21 Financial Summary

	2019/20 Outturn £000	2020/21 Provisional Outturn			Grand Total
		Current Budget £000	Provisional Outturn £000	Variance £000	£000
Employees					
- Police Officer Pay and Allowances	0	0	0	0	0
- Police Staff Pay and Allowances	0	0	0	0	0
- PCSO Pay and Allowances	0	0	0	0	0
- Overtime, Pensions, Training, Expenses *	11	0	249	249	260
Employees Total	11	0	249	249	260
Premises	0	0	61	61	61
Transport	0	0	96	96	96
Supplies and Services	234	1,415	1,575	159	1,809
Income	25	1,147	1,608	461	1,633
Net Expenditure	270	2,563	3,588	1,026	3,859
Contribution to/(from) General Reserve					
Budget Requirement	270	2,563	3,588	1,026	3,859
Income - Home Office reimbursement - PPE expenditure	0	(1,415)	(1,415)	0	(1,415)
Income - Home Office Income Loss Recovery Scheme	0	(1,147)	(1,147)	0	(1,147)
Income - Home Office Enforcement and Wider Pressures	0	0	(1,304)	(1,304)	(1,304)
Income - Home Office Supporting the Border	0	0	(229)	(229)	(229)
Income Total	0	(2,563)	(4,096)	(1,533)	(4,096)
Net Budget Requirement	270	0	(507)	(507)	(237)
Cashable Savings	(9)	0	(843)	(843)	(852)
Net Budget Requirement (less cashable savings)	261	0	(1,350)	(1,350)	(1,089)
Capital Expenditure	0	0	158	158	158

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

2.6 Op Talla – Home Office Surge Funding / Chief Officer Contingency Allocation

Police Officer/Staff Overtime - Op Talla Surge Fund

Command	Current Budget	Provisional Outturn	Variance
	£000	£000	£000
LPA North	198	187	(11)
LPA South	165	121	(44)
LPA West	165	162	(3)
Contact Management	68	97	29
OPC	68	65	(3)
Rural Engagement	10	10	0
Total	674	642	(32)

Plus: Chief Officer Contingency Allocations

Area	Current Budget	Provisional Outturn	Variance
	£000	£000	£000
Op Talla - CPT/TCT	60	74	14
Op Talla - RET	5	4	(1)
Op Talla - OPC	25	18	(7)
Total	90	96	6

Grand Total	764	738	(26)
--------------------	------------	------------	-------------

Notes

- The Op Talla Surge fund is £32k underspent at financial year end, however a further £96k has been incurred in relation to Op Talla enforcement and funded by Chief Officer Contingency Allocations

2.7 Top Five Forecast Overspends (*Current budget*)

<p>Police Officer Pay & Allowances £3.988m</p>	<p>The strength at the start of the year was 24.5 FTE more than budget and the strength at the end of the year was 44 FTE more budget. There were also significantly less leavers than budgeted during the year (187 FTE actual v 276 FTE budget)</p>	<p>A larger intake was approved to enable the uplift in establishment target for 2021/22 to be met</p>
<p>Police Officer Overtime £0.372m</p>	<p>The OPC element of the overspend was largely due to Op Demand being unfunded in 2020/21; this was augmented by a high level of operational activity relating to Op Raptor and other special operations. Criminal Justice Command initially overspent heavily with the annual budget spent in little over two months, a trend that continued to mid-year. However, following a review and change in processes for maintaining the required number of sergeants in custody suites, demand for overtime fell by over 80% thereafter</p>	<p>OPC allocated growth budget for Op Demand in 2021/22. A CJC review introduced new working practices</p>
<p>Temporary Duty Allowance £0.236m</p>	<p>Large number of LPA PS and Insp vacancies throughout the year in addition to high abstractions of PS to cover custody roles. PS substantive promotions were delayed due to COVID</p>	<p>PS recruitment should reduce the problem and CJC have stated custody cover will improve through 2021/22</p>
<p>Vehicle Services & Maintenance £0.229m</p>	<p>Supply chain disruption caused by the pandemic generated higher than expected price increases for replacement parts and tyres, whilst older vehicles were repaired at greater cost. There was increased demand for the services of the outsourced maintenance supplier due to internal staffing shortages</p>	<p>Will review supply chain management to seek efficiencies. Also aiming to recruit to vacant posts</p>
<p>Building Maintenance-Reactive £0.196m</p>	<p>A review of heating systems and boilers by a new contractor resulted in recommendations to replace a number of old and inefficient parts causing a spike in one off expenditure in 2020/21</p>	<p>A growth budget of £110,000 was approved in 2021/22 to better maintain these services</p>

2.8 Top Five Forecast Underspends (*Current budget*)

<p>Police Staff Pay & Allowances (£1.489m)</p>	<p>The underspend on Police staff pay predominantly resulted from significantly more vacancies than budgeted during the year. At year end there are 161 FTE vacancies, 14 FTE above the forcewide average vacancy factor. The areas with the most significant vacancies are the Serious Crime Directorate, Support Services and Criminal Justice Commands</p>	<p>Force wide vacancies have been considered as part of 2021/22 budget setting</p>
<p>Revenue Consequences of Capital (£1.091 m)</p>	<p>The net underspend primarily relates to slippage on the delivery of IT projects into 2021/22 and the 7 Forces Digital Asset Management (DAM) business case being delayed into 2021/22 with significant underspend of one-off funding provided. This proposal is now Software as a Service and not a capital proposal moving forward</p>	<p>Slippage on IT projects has funding available in 2021/22, including approved budget setting provision for the 7F DAM</p>
<p>IT Hardware & Software (£1.090m)</p>	<p>Decommissioned hardware & software support and maintenance contracts (elements of this have already been proposed for 2020/21 savings). In addition, delays in the National Monitoring Centre go-live has assisted in meeting the shortfall in annual Home Office costs</p>	<p>Savings of £0.703m have been identified for 2021/22 budget setting</p>
<p>Vehicle Fuel (£0.476m)</p>	<p>Vehicle fuel costs were significantly less than budgeted due to the impact resulting from COVID-19 on crime levels and associated use of vehicles, as well as free fuel provided by BP during national lockdown. This is coupled with lower fuel prices charged by service providers during the pandemic</p>	<p>The 2021/22 budget has been realigned to reflect anticipated fuel costs during the year</p>
<p>Vehicle Insurance (£0.466m)</p>	<p>Impact of SEERPIC consortium agreement to re-model the motor premiums allocation approach. The outturn position of £1.415m reflects an updated premium adjustment covering the first six months of the financial year, as well as the 20/21 impact of the revised charging model taking effect from 1st October 2020</p>	<p>The 2021/22 budget has been realigned to incorporate the ongoing impact of the apportionment review</p>

3. Police Officer Overtime

3.1 Summary – Main overspends

Police Officer Overtime - Main Overspends over £50k

Command	2020/21	Current Year	Current	Provisional	Variance	2021/22	2021/22	21/22 Budget Uplift vs
	Original					Budget	Original	
	£000	£000	£000	£000	£000	£000	£000	£000
Operational Policing Command	343	232	575	792	217	549	206	11
Criminal Justice Command	53	0	53	161	108	101	48	60
LPA West	243	43	286	338	52	303	60	(8)
Total	639	275	914	1,291	377	953	314	63

Notes

1. Each of the Commands listed above are in receipt of an increased budget through the 2021/22 annual budget setting process and PUP funding, which will mitigate the level of overspend experienced during 2020/21

4. Police Staff Overtime

4.1 Summary – Main overspends

Police Staff Overtime - Main Overspends over £50k

Command	2020/21	Current Year	Current	Provisional	Variance	2021/22	2021/22	21/22 Budget Uplift vs
	Original					Budget	Original	
	£000	£000	£000	£000	£000	£000	£000	£000
Criminal Justice Command	41	0	41	134	93	84	43	50
Total	41	0	41	134	93	84	43	50

Notes

1. Criminal Justice is in receipt of an increased budget through the 2021/22 annual budget setting process, which will mitigate the level of overspend experienced during 2020/21

5. Workforce Analysis

5.1 Pay Summary

Police Officer Pay	£k	Reasons for Changes
Changes in strength forecast	26	6 FTE additional transferee joiners in March than previously forecast
Changes in strength forecast	(4)	1 FTE more leaver in March than previously forecast
Changes in forecast	(15)	Includes adjustments made in the March payroll
Changes in the month impacting on the General Reserve	7	
Budget transfers to pay	(45)	Funding of Violence & Vulnerability Chief Inspector from Violence & Vulnerability Fund
Total Change	(38)	
Staff Pay	£k	Reasons for Changes
Changes in forecast	113	Includes adjustments made in the March payroll (to include a net increase in strength of 23 FTE)
Changes in the month impacting on the General Reserve	113	
Budget transfers from pay	87	Funding returned to the Operational Transformation Reserve re Digital Operations Team
Budget transfers from pay	37	Funding of overtime from devolved pay budgets
Budget transfers from pay	10	Funding of agency staff from established vacancies
Budget transfers to pay	(42)	Funding of EPSA staff costs
Budget transfers to pay	(66)	Funding of OPFCC Violence & Vulnerability Manager from Violence & Vulnerability Fund
Total Change	139	
PCSO Pay	£k	Reasons for Changes
Changes in forecast	(6)	Includes adjustments made in the March payroll
Total Change	(6)	

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

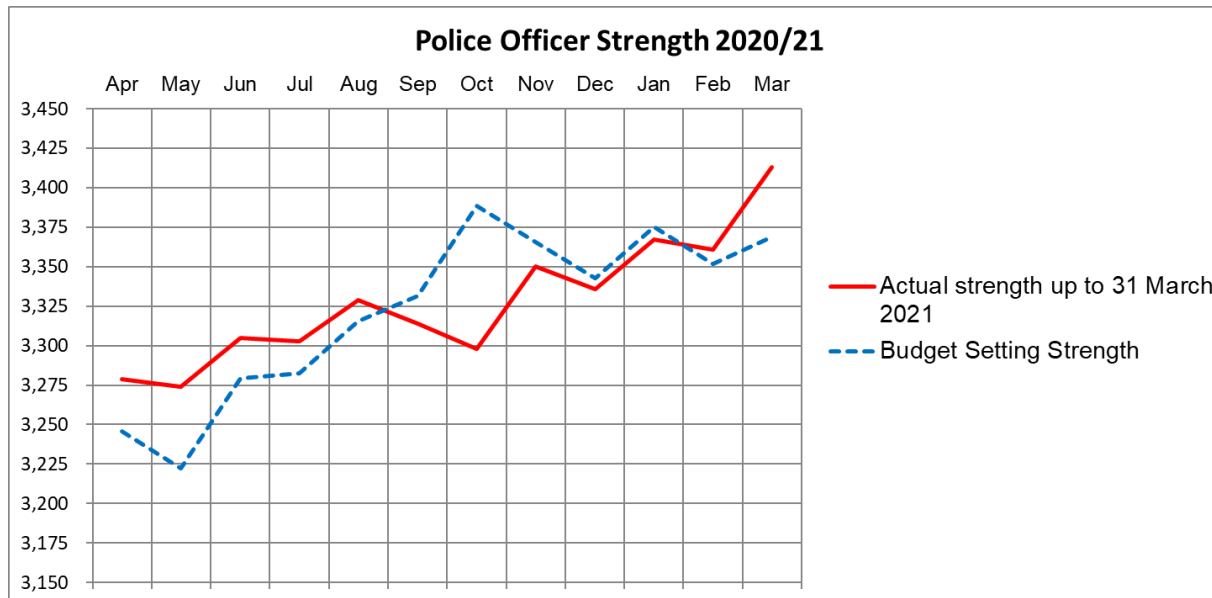
2020/21 Current Forecast - Based on HR information received 15th April 2021														
Ref	Strength	Actual FTE												
		Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
8	1st April 2020 Strength	3,293	3,279	3,274	3,305	3,303	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)	(16)	(187)
10	Starters (note 8)	6	0	50	14	48	1	3	65	6	43	3	68	307
11	Net change	(14)	(5)	31	(2)	26	(15)	(16)	52	(14)	31	(6)	52	120
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	3,413	
13	Difference to 3369fte - over / (under)	(90)	(95)	(64)	(66)	(40)	(55)	(71)	(19)	(33)	(2)	(8)	44	

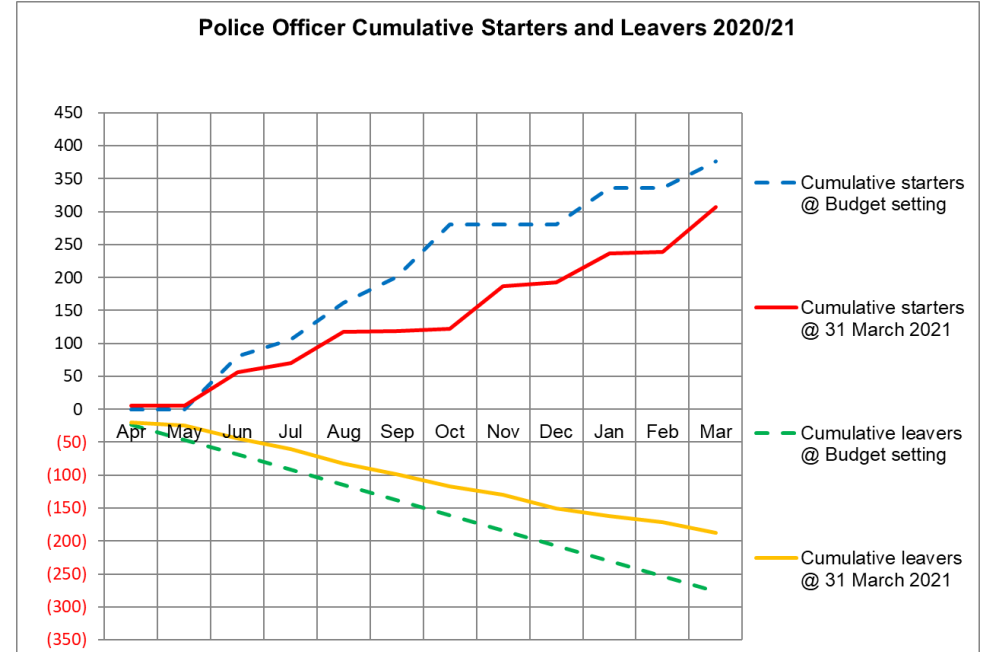
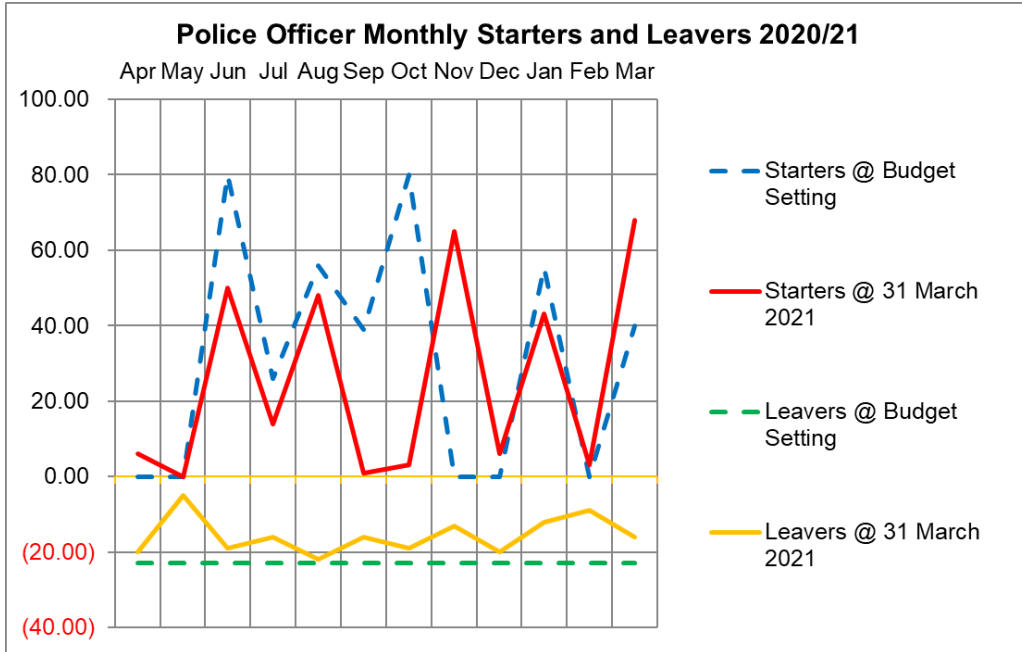
Ref	Actuals /Forecast £	Actual £												
		Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	Total £m
14	Costed Strength before starters/leavers	£13.98m	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.54m	£16.04m	£16.72m	£183.32m
15	2020/21 Leavers													
16	2020/21 Starters													
17	Other Costs													
18	Monthly Actual	£13.98m	£14.73m	£14.80m	£14.99m	£14.56m	£15.91m	£15.33m	£15.33m	£15.39m	£15.54m	£16.04m	£16.72m	£183.32m

		Forecast Change from budget setting												
		Actual FTE												
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
19	Strength @ beginning of month (negative=reduction)	24	34	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	7	89
21	Starters	6	0	(30)	(12)	(8)	(38)	(77)	65	6	(13)	3	28	(70)
22	Month End Strength Change - FTEs	33	52	26	21	14	(18)	(91)	(16)	(7)	(8)	9	44	20
23	Change per month FTEs	9	18	(26)	(5)	(7)	(31)	(73)	75	9	(2)	17	35	
		£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	£0.88m	£1.51m	£3.17m

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 12

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 January 21	3,369	3,367	3,293	266	35	(190)	4	3,408
HR data @ 28 February 21	3,369	3,361	3,293	266	40	(190)	4	3,413
HR data @ 31 March 21	3,369	3,413	3,293	266	41	(191)	4	3,413
Change	0	52	0	0	1	(1)	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 @ 31 January 21	2,309	2,118			186	(147)
HR data @ 28 February 21	2,310	2,131			209	(157)
HR data @ 31 March 21	2,315	2,154			241	(166)
Change	5	23	0	0	32	(9)

* 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 January 21	103	102	109	112	0	(9)	(3)	100
HR data @ 28 February 21	105	101	109	112	0	(8)	(3)	101
HR data @ 31 March 21	105	101	109	112	0	(8)	(3)	101
Change	0	0	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 January 21	519	600
HR data @ 28 February 21	537	600
HR data @ 31 March 21	527	600
Change	(10)	0

6. Police Objective Analysis – Level 1

To be submitted to COG on 2/6/21 and Strategic Board on 10/6/21 (Draft unaudited Statement of Accounts)

7. Virement Analysis

7.1 Virement Analysis – Summary

Line Ref:		Virements														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	Total		
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£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		2
2	Budget Setting Saving	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		6
4	External Funding	288	0	0	(2)	62	(6)	3	2,847	(1)	(3,192)	0	0	0	0		14
5	Contingencies and Reserves	0	0	0	6	(151)	21	0	(1,859)	(34)	(1,532)	0	3,549	0	0		21
6	Budget Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0		23
7	Total virements over £250k requiring PFCC approval	288	0	0	4	(88)	15	3	988	(35)	(4,724)	0	3,549	0	0		24
	Virements not requiring PFCC approval																
8	Budget Setting Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0		26
9	Budget Setting Saving	0	0	0	0	0	0	0	0	0	0	0	0	0	0		28
10	Collaboration	0	0	0	0	0	0	0	0	0	0	0	0	0	0		30
11	External Funding	50	59	0	9	(31)	(4)	14	976	0	(1,073)	0	0	0	0		57
12	Contingencies and Reserves	1	(87)	0	0	(4)	14	0	49	0	(323)	0	349	0	0		70
13	Budget Holder	45	83	0	0	87	0	0	9	68	(342)	48	0	0	0		85
14	Total virements not requiring PFCC approval	96	56	0	9	52	10	14	1,035	68	(1,737)	48	349	0	0		86
15	Total all virements	384	56	0	13	(36)	25	17	2,023	34	(6,462)	48	3,898	0	0		87

7.2 Virement Analysis – Detail

Table 1: Virements above £250,000 and/or appropriations to earmarked reserves 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	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	
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	
5	3	Collaboration																0	
6	Sub Total Collaboration virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	4	External funding	Realignment of External ERSOU CT Grant Income & Expenditure	288,276	42		(2,012)	62,382	(5,861)	3,074	11,615	(875)	(356,641)						Reprofiling of expenditure and income budgets to align grant with expenditure
8	5	External funding	Home Office VRU Grant								1,019,179		(1,019,179)					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
9	6	External funding	ECC Contribution to V&V								500,000		(500,000)					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
10	7	External funding	Rev Base Budget - Victims MOJ Grant								(2,102,678)		2,102,678					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
11	8	External funding	Victim Services - MOJ Grant								1,993,847		(1,993,847)					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
12	9	External funding	Devolved MOJ Rape Support Grant								404,250		(404,250)					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
13	10	External funding	Additional MOJ COVID Funding								1,020,972		(1,020,972)					0	OPFCC Commissioning Budgets - external funding virement to meet planned expenditure
14	Sub Total External funding virements			288,276	42	0	(2,012)	62,382	(5,861)	3,074	2,847,185	(875)	(3,192,211)	0	0	0	0	0	
15	11	Contingencies and Reserves	OPFCC Commissioning Budget 2019/20 C/fwd								(1,089,042)				1,089,042			0	C/fwd of OPFCC Commissioning Budgets for use in 2021/22
16	12	Contingencies and Reserves	IT Projects Revenue Consequences and other funding to Transformation Reserve for 2021/22 and 2022/23 spend				6,088	(150,823)	20,985		(550,329)				674,079			0	To transfer IT Projects 2020/21 underspends due to slippage, recruitment delay, supplier inability to deliver within set deadlines and strategic intent to delay projects, due to other resourcing commitments
17	13	Contingencies and Reserves	Boreham purchase delay to Transformation Reserve								(219,500)				219,500			0	To Transfer Revenue Consequences to the Transformation Reserve to reflect the purchase of the Boreham site now scheduled for completion in 2021/22
18	14	Contingencies and Reserves	COVID-19 Border Support Home Office funding to COVID Roadmap Violence Reduction Reserve										(229,277)		229,277			0	To endorse and approve the appropriation to a new earmarked Covid Roadmap Violence Reduction Reserve to support additional enforcement at Stansted Airport during 2021/22
19	15	Contingencies and Reserves	McCloud v Sargeant remedy									(34,000)			34,000			0	Legal and Consultancy costs scheduled for 2021/22 in connection with McCloud vs Sargeant
20	16	Contingencies and Reserves	COVID-19 Enforcement and wider pressures Home Office funding to COVID Roadmap Violence Reduction Reserve										(1,303,000)		1,303,000			0	To endorse and approve the appropriation to a new earmarked Covid Roadmap Violence Reduction Reserve to support the operational plan in 2021/22
21	Sub Total Contingencies/Reserves virements			0	0	0	6,088	(150,823)	20,985	0	(1,858,871)	(34,000)	(1,532,277)	0	3,548,898	0	0	0	
22	17	Budget Holder																	
23	Sub Total Budget Holder virements			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	Total Virements requiring Approval			288,276	42	0	4,076	(88,441)	15,124	3,074	988,314	(34,875)	(4,724,488)	0	3,548,898	0	0	0	

8. Reserves

8.1 Detail Reserve Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances						
Reserve	1st April 2020 - Opening Balance	In-Year Contribution 2020/21	Provisional Outturn Contribution 2020/21 *	Allocation 2020/21	31st March 2021 - Provisional Closing Balance	Description of Earmarked Reserve
1 Reserves held by Essex Police but managed as third party reserves						
Proceeds of Crime Act	£2.738m	£0.153m		(£0.757m)	£2.134m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.124m	£0.178m		(£0.037m)	£0.265m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Op Dagenham Maintenance Reserve	£0.000m	£0.110m			£0.110m	Essex share of maintenance reserve held by each of the 7F to fund the cost of minor repairs to multi-occupancy building held for Op Dagenham.
Total	£2.862m	£0.441m	£0.000m	(£0.794m)	£2.509m	
2 Project Reserves						
N/A	£0.000m				£0.000m	N/A
Total	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	
3 Ringfenced Reserve						
Restructuring Reserve	£0.231m	£0.003m			£0.234m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Operational Transformational Reserve (OTR)	£1.055m			(£0.224m)	£0.831m	OTR report is submitted to OPFCC Performance and Resources Board on a quarterly basis. Drawdown requested to utilise remaining fund in 2021/22 & 2022/23.
Transformation Reserve	£0.453m		£0.894m	(£0.051m)	£1.296m	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	Data Analytics and Visualisation Tool to be delivered in 2020/21 and into 2021/22.
Legal Reserve	£0.000m		£0.068m		£0.068m	Consultancy in respect of McCloud v Sargeant judgement and associated legal costs arising
PEQF Reserve	£0.218m	£0.073m			£0.291m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Total	£2.185m	£0.076m	£0.962m	(£0.446m)	£2.777m	
4 Operational Reserves						
Major Operational Reserve	£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	£0.229m		£1.532m	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, including additional enforcement of COVID regulations at Stansted Airport.
Chief Constables Operational C/Fwd	£0.500m				£0.500m	Operational Carry Forward resulting from the 2019/20 force underspend. Forecast to be fully utilised in response to operational requirements in 2021/22.
Specials Constabulary Reserve	£0.145m				£0.145m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary.
Future Capital Funding	£2.000m	£1.989m		(£3.383m)	£0.606m	Balance will be utilised in 2021/22 and/or subsequent years
Total	£4.145m	£3.292m	£0.229m	(£3.383m)	£4.283m	
5 OPFCC Carry Forward Reserves						
2019/20 to 2020/21	£0.267m			(£0.267m)	£0.000m	£0.267m for OPCC grants are carried forward to 2020/21.
2020/21 to 2021/22	£0.000m		£1.089m		£1.089m	£1.089m for OPCC grants are carried forward to 2021/22.
Total	£0.267m	£0.000m	£1.089m	(£0.267m)	£1.089m	
Total Revenue Earmarked Reserves	£9.459m	£3.809m	£2.280m	(£4.890m)	£10.657m	
6 Provisions						
Severance Provision	£0.011m	£0.140m		(£0.011m)	£0.140m	Provision to fund redundancy costs recognised as part of the Statement of Accounts process.
Legal Claims Provision	£0.721m			(£0.048m)	£0.673m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary).
Insurance Provision	£2.583m	£1.179m		(£0.730m)	£3.032m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.315m	£1.319m	£0.000m	(£0.789m)	£3.845m	
7 General Reserve						
General Reserve	£9.275m	£4.385m			£13.660m	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 was 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 £13.660m, which represents 4.3% of the 2020/21 force budget.
Total Revenue Reserves and Provisions	£22.049m	£9.513m	£2.280m	(£5.679m)	£28.162m	

* To note appropriations to earmarked reserves as part of Provisional Outturn, subject to decision sheet approval

8.2 Appropriations to Earmarked Reserves – Subject to Approval

Description	£'000	Comments	Earmarked Reserve
Legacy Digital Data Store	283.3	Atos final milestone deliverable due to project extension (E.g. Project Lead, Management, Solution Architecture).	Transformation Reserve
ESMCP Project - ICCS Replacement	112.4	Project Management and solution architect costs for the ESMCP project due to slippage caused by APD. *	Transformation Reserve
Interview Recording System (CODES Replacement)	80.3	Includes Estates elements for £15k and IT revenue set-up element of project management. Funding required in 2021/22 due to project implementation timeline slippage, which was impacted by the supplier.	Transformation Reserve
Infrastructure Technical Refresh	63.0	One-off revenue from Business case in 2020/21 for Agency/Contractors delayed recruitment. Value for contractors 3 months slippage in to 2021/22.	Transformation Reserve
O365 Internal Resourcing	135.0	O365 project's internal roles recruitment delay, funding required in 2022/23 due to project slippage from the original Resourcing paper approved by COG in August 2020.	Transformation Reserve
Boreham Purchase	219.5	To reflect the purchase of the Boreham site now scheduled for completion in 2021/22.	Transformation Reserve
Legal Costs - McCloud vs Sargeant	68.0	Legal and Consultancy costs scheduled for 2021/22 in connection with McCloud vs Sargeant (Only 50% of the total appropriation was subject to virement processing at year-end due to late notification of additional contribution from force underspend).	Legal Reserve
COVID - Supporting the Border	229.3	To support additional enforcement at Stansted Airport during 2021/22 as communicated to the Home Office.	COVID Roadmap Violence Reduction Reserve
OPFCC Commissioning Budgets	1,089.0	C/Fwd of OPFCC Commissioning Budgets for use in 2021/22.	OPFCC Carry Forward Reserve
GRAND TOTAL	2,279.9		

* The ESMCP additional s31 grant received on the 17th May will be included in the draft Statement of Accounts due to be presented to Strategic Board on 10th June.

Approved at Strategic Board - 11th March 2021

Description	£'000	Comments	Earmarked Reserve
COVID - Enforcement and Wider Pressures	1,303.0	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.	COVID Roadmap Violence Reduction Reserve

8.3 Transformation Reserve

2020/21 Transformation Reserve				
Items Approved	Opening Balance	Contributions 2020/21 *	Allocations 2020/21	Provisional Closing Balance
	£	£	£	£
Boreham purchase	0	219,500	0	219,500
Op. Javelin	80,297		(14,286)	66,011
Estates - Enabling Projects - decamp	80,612		(20,756)	59,856
IT Transformation	176,906	674,079	(16,108)	834,877
Arlingclose	15,000		0	15,000
Transport Services - Dashcams	100,000		0	100,000
Total	452,815	893,579	(51,150)	1,295,244

* The contributions to the Transformation Reserve are revenue consequences for the Boreham purchase and IT Projects slippage, such as Legacy Digital Data Store (£0.283m), Office 365 Internal Resourcing team (£0.135m), Emergency Services Mobile Communications Programme - ICCS Replacement (£0.112m), Digital Interview Recording Project (£0.08m) and Infrastructure Technical Refresh Project (£0.063m).

8.4 Op Sceptre Financial Summary

Op Sceptre Financial Summary						
	Government Grant	PFCC Comm Budget Cont.	Op Sceptre Funding	Provisional Outturn	Income to Date	Notes
	£	£	£	£	£	
Op Sceptre	1,152,435	37,500	1,189,935	1,198,575	837,297	Year end return submitted. Op Raptor/OCG additional activity

9. Capital

9.1 Capital Expenditure

	BUDGET MOVEMENT			2020/21	Variance
	Original Budget PF&C Panel £000	2020/21 Approved Changes £000	Revised Budget M11 £000	Actuals 31 March 21 £000	Over / (Under) Recovery Actual / M11 £000
APPROVED PROJECTS -					
ANPR projects	117	86	203	203	-
Estates projects	10,351	(5,281)	5,070	4,687	(383)
IT projects	871	2,987	3,858	4,167	309
Transport projects	2,056	173	2,229	2,153	(76)
OPC projects	5	218	223	276	53
SCD projects	93	398	491	435	(56)
Other projects	223	33	256	240	(16)
TOTAL APPROVED PROJECTS	13,716	(1,386)	12,330	12,161	(169)
Subject to Approval	9,232	(9,232)	-	-	0
TOTAL ALL PROJECTS	22,948	(10,618)	12,330	12,161	(169)

9.2 Capital Financing

	BUDGET MOVEMENT			2020/21	
	Original Budget	2020/21 Approved	Revised Budget	Actuals	Variance
	PF&C Panel	Changes	M11	31 March 21	Over / (Under)
	£000	£000	£000	£000	Actual / M11 £000
Capital Receipts	7,674	(1,718)	5,956	4,857	(1,099)
Revenue Contributions	1,705	(782)	923	3,383	2,460
Capital Grant	300	(48)	252	252	0
External & Other Income	47	82	129	137	8
Borrowing *	3,990	1,080	5,070	3,532	(1,538)
TOTAL APPROVED PROJECTS	13,716	(1,386)	12,330	12,161	(169)
Subject to Approval - Revenue Contribution	9,232	(9,183)	49	-	(49)
TOTAL ALL PROJECTS	22,948	(10,569)	12,379	12,161	(218)
TOTAL BORROWING	13,222		5,119		

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

9.3 Capital Programme – Variance Plan

STRATEGIC BOARD / CHIEF FINANCE OFFICERS (CHIEF CONSTABLE & PFCC)

CHANGES REQUIRED AT OUTTURN

APPROVED PROJECTS -	Slippage	Additions	Advanced Works	Reductions	Approved Changes	Slippage	Additions	Advanced Works	Reductions	Changes Required
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ANPR projects	(85)	165	13	(7)	86	-	-	-	-	-
Estates projects	(6,737)	855	717	(116)	(5,281)	(396)	-	13	-	(383)
IT projects	853	1,758	770	(394)	2,987	(51)	-	406	(46)	309
Transport projects	(855)	-	1,080	(52)	173	(153)	-	82	(5)	(76)
OPC projects	205	22	25	(34)	218	-	49	-	4	53
SCD projects	77	283	38	-	398	(53)	-	-	(3)	(56)
Other projects	(61)	43	51	-	33	(16)	-	-	-	(16)
	(6,603)	3,126	2,694	(603)	(1,386)	(669)	49	501	(50)	(169)

9.4 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	9,097	21,709	36,990	50,106	6,065
Capital Expenditure						
Approved projects - long-life	4,687	11,673	2,450	39	0	18,849
Approved projects - short-life	7,474	6,202	57	35	68	13,836
Subject to Approval projects - long-life	0	2,275	13,750	14,400	10,500	40,925
Subject to Approval projects - short-life	0	3,344	12,451	11,410	6,196	33,402
	12,161	23,494	28,708	25,884	16,764	107,011
Financing Applied						
Capital receipts	(4,857)	(9,740)	(9,725)	(11,168)	(6,342)	(41,832)
Grants & contributions	(389)	(554)	(277)	(277)	(277)	(1,774)
Revenue funding	(3,383)	0	(2,506)	0	(33)	(5,922)
	(8,629)	(10,294)	(12,508)	(11,445)	(6,651)	(49,528)
Minimum Revenue Provision						
Historic unfinanced borrowing	(500)	(500)	(500)	(500)	(500)	(2,500)
Current projects - long-life	0	(88)	(418)	(823)	(1,184)	(2,514)
Current projects - short-life	0	0	0	0	0	0
	(500)	(588)	(918)	(1,323)	(1,684)	(5,014)
Closing CFR	9,097	21,709	36,990	50,106	58,534	58,534

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£000	£000	£000	£000	£000	£000
FINANCING COSTS						
Minimum Revenue Provision (MRP)	500	588	918	1,323	1,684	5,014
Borrowing Costs (based on 0.5%)	-	29	67	100	121	318
Total revenue impact of borrowing	500	618	986	1,424	1,806	5,333
Incremental impact to MTFS	500	118	368	438	382	
Cumulative impact to MTFS	0	118	603	1,527	2,833	

9.5 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	(3,769)	(9,740)	(9,725)	(18,000)	0
Applied for financing	4,857	9,740	9,725	11,168	6,342
<i>Closing balance</i>	0	0	0	(6,832)	(490)
<u>Grants and contributions</u>					
<i>Opening balance</i>	(7)	0	0	0	0
Received	(382)	(554)	(277)	(277)	(277)
Applied for financing	389	554	277	277	277
<i>Closing balance</i>	0	0	0	0	0
<u>Revenue funding</u>					
<i>Opening balance</i>	(2,000)	(606)	(1,606)	(100)	(1,100)
Received	(1,989)	(1,000)	(1,000)	(1,000)	(1,000)
Applied for financing	3,383	0	2,506	0	33
<i>Closing balance</i>	(606)	(1,606)	(100)	(1,100)	(2,067)
<u>Totals</u>					
<i>Opening balance</i>	(3,095)	(606)	(1,606)	(100)	(7,932)
Received	(6,140)	(11,294)	(11,002)	(19,277)	(1,277)
Applied for financing	8,629	10,294	12,508	11,445	6,651
<i>Closing balance</i>	(606)	(1,606)	(100)	(7,932)	(2,557)

10. APPENDIX B – Detail Reserves Analysis

	2020/21			2021/22				2022/23			2023/24			2024/25				
	Opening @ 1/4/20 (£m)	Appropriations To (£m)	From (£m)	Forecast @ 31/3/21 (£m)	Forecast @ 1/4/21 (£m)	Forecast Appropriations To (£m)	From (£m)	Forecast @ 31/3/22 (£m)	Forecast @ 1/4/22 (£m)	Forecast Movements (£m)	Forecast @ 31/3/23 (£m)	Forecast @ 1/4/23 (£m)	Forecast Movements (£m)	Forecast @ 31/3/24 (£m)	Forecast @ 1/4/24 (£m)	Forecast Movements (£m)	Forecast @ 31/3/25 (£m)	
Earmarked Revenue Reserves																		
<i>Reserves held but managed as third party reserves</i>																		
1	POCA income	2.738	0.153	(0.757)	2.134	2.134	0.178	(1.067)	1.245	1.245	0.711	1.956	1.956	(0.889)	1.067	1.067	(0.857)	0.210
2	Forfeiture Monies Reserve	0.124	0.178	(0.037)	0.265	0.265	0.100	(0.100)	0.265	0.265	-	0.265	0.265	-	0.265	0.265	-	0.265
3	Op Dagenham Maintenance Reserve	-	0.110	-	0.110	0.110	0.016	(0.016)	0.110	0.110	-	0.110	0.110	-	0.110	0.110	-	0.110
4	Reserves held but managed as third party reserves Total	2.862	0.441	(0.794)	2.509	2.509	0.294	(1.183)	1.620	1.620	0.711	2.331	2.331	(0.889)	1.442	1.442	(0.857)	0.585
Project Reserves																		
5	IT Convergence	-	-	-	-	-	1.200	(1.200)	-	-	-	-	-	-	-	-	-	-
6	Project Reserves Total	-	-	-	-	-	1.200	(1.200)	-	-	-	-	-	-	-	-	-	-
Ring-fenced Reserves																		
7	Restructuring Reserve	0.231	0.003	-	0.234	0.234	0.900	(0.900)	0.234	0.234	-	0.234	0.234	-	0.234	0.234	-	0.234
8	Operational Transformational Reserve (OTR)	1.055	-	(0.224)	0.831	0.831	-	(0.692)	0.139	0.139	(0.139)	-	-	-	-	-	-	-
9	Transformation Reserve	0.453	0.894	(0.051)	1.296	1.296	-	(1.296)	-	-	-	-	-	-	-	-	-	-
10	Data Analytics Reserve	0.228	-	(0.171)	0.057	0.057	-	(0.057)	-	-	-	-	-	-	-	-	-	-
11	Legal Reserve	-	0.068	-	0.068	0.068	-	(0.068)	-	-	-	-	-	-	-	-	-	-
12	PEQF Reserve	0.218	0.073	-	0.291	0.291	-	(0.100)	0.191	0.191	(0.191)	-	-	-	-	-	-	-
13	Ring-fenced Reserves Total	2.185	1.038	(0.446)	2.777	2.777	0.900	(3.113)	0.564	0.564	(0.330)	0.234	0.234	-	0.234	0.234	-	0.234
Operational Reserves																		
14	Major Operational Reserve	1.500	-	-	1.500	1.500	-	-	1.500	1.500	-	1.500	1.500	-	1.500	1.500	-	1.500
15	COVID Roadmap Violence Reduction Reserve	-	1.532	-	1.532	1.532	-	(1.532)	-	-	-	-	-	-	-	-	-	-
16	Specials Constabulary Reserve	0.145	-	-	0.145	0.145	-	-	0.145	0.145	-	0.145	0.145	-	0.145	0.145	-	0.145
17	Future Capital Funding	2.000	1.989	(3.383)	0.606	0.606	1.000	-	1.606	1.606	(1.506)	0.100	0.100	1.000	1.100	1.100	0.967	2.067
19	Carry Forwards Reserve - OPFCC	0.267	0.822	-	1.089	1.089	-	(1.089)	-	-	-	-	-	-	-	-	-	-
20	Carry Forwards Reserve - Chief Constable	0.500	-	-	0.500	0.500	-	(0.500)	-	-	-	-	-	-	-	-	-	-
21	Operational Reserves Total	4.412	4.343	(3.383)	5.372	5.372	1.000	(3.121)	3.251	3.251	(1.506)	1.745	1.745	1.000	2.745	2.745	0.967	3.712
22	Total Earmarked Revenue Reserves	9.459	5.822	(4.623)	10.658	10.658	3.394	(8.617)	5.435	5.435	(1.125)	4.310	4.310	0.111	4.421	4.421	0.110	4.531
23	General Reserve	9.275	4.385	-	13.660	13.660	-	(1.200)	12.460	12.460	-	12.460	12.460	-	12.460	12.460	-	12.460
	GR as % of net revenue expenditure				4.1%				3.7%			3.6%		3.5%				3.4%
24	Total Revenue Reserves	18.734	10.207	(4.623)	24.318	24.318	3.394	(9.817)	17.895	17.895	(1.125)	16.770	16.770	0.111	16.881	16.881	0.110	16.991
Capital Reserves																		
25	Capital Receipts Reserve	1.088	3.769	(4.857)	-	-	9.740	(9.740)	-	-	-	-	6.832	6.832	6.832	6.832	(6.342)	0.490
26	Total Capital Reserves	1.088	3.769	(4.857)	-	-	9.740	(9.740)	-	-	-	-	6.832	6.832	6.832	6.832	(6.342)	0.490
27	Grand Total - Revenue & Capital Reserves	19.822	13.976	(9.480)	24.318	24.318	13.134	(19.557)	17.895	17.895	(1.125)	16.770	16.770	6.943	23.713	23.713	(6.232)	17.481
Provisions																		
27	Insurance (for known outstanding claims)	2.583	-	-	2.583	2.583	-	-	2.583	2.583	-	2.583	2.583	-	2.583	2.583	-	2.583
28	Severances	0.011	0.140	(0.011)	0.140	0.140	-	(0.140)	-	-	-	-	-	-	-	-	-	-
29	Legal Claims	0.721	-	-	0.721	0.721	-	(0.721)	-	-	-	-	-	-	-	-	-	-
30	Total Provisions	3.315	0.140	(0.011)	3.444	3.444	(0.721)	(0.140)	2.583	2.583	-	2.583	2.583	-	2.583	2.583	-	2.583

Notes (as per line references above)

1	Annual forecast movements on the POCA reserve include funding of financial investigators and estimated net withdrawals of £0.4m annually.
10	£0.2m reserve created in 2019/20 for Data Analytics to be used in 2020/21 & 2021/22.
11	The Legal Reserve created in 2020/21 is in respect of McCloud v Sargeant judgement and associated legal costs arising.
12	£0.2m transferred into a PEQF reserve in 2019/20 for mobilisation of PEQF Training Programme. An additional £0.073m has been added to the reserve in 2020/21 from unused growth this year due to programme delays which will be utilised in future years.
15	The COVID Roadmap Violence Reduction Reserve has been set up to hold funding from two grants received by the force to support the police response to relaxation of COVID restrictions in 2021/22.
22	2020/21 - Includes an appropriation of £1.527m to reflect Op Melrose Home Office Funding received in relation to 2019/20 expenditure.

Appendices to Revenue Report 2020/21 – Provisional Outturn

11. APPENDIX A – Virement Analysis – Other Virements.....32

11. APPENDIX A – Virement Analysis – Other Virements

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	Total virement
			£	£	£	£	£	£	£	£	£	£	£	£	£	£
31	21	External funding	Op Talla: Loss of Income - HO Funding re Stansted	(3,529)	2,170								1,359			0
32	22	External funding	Realignment of External ERSOU ROCU Income & Expenditure	(44,127)			(16,477)	14,100	1	1,298		45,205				0
33	23	External funding	Realignment of external CREEST income & expenditure	4,543	(6,189)		16,330	(4,805)	8,281	(108,300)		90,140				0
34	24	External funding	Realignment of External DBS Grant Income & Expenditure		32,430		(103,324)		(468)	(858)		72,220				0
35	25	External funding	Realignment of income and Expenditure for Stansted Airport policing March 2021	(22,281)	(1)		47,635	(2,339)	(192)	7,509		(29,583)				0
36	26	External funding	Realignment of External ERSOU Local CT Grant Income & Expenditure	(1,127)			(5,154)	(700)	10	(1,061)		7,729				0
37	27	External funding	Re-align staff secondment budgets		14,923							(14,923)				0
38	28	External funding	Re-align Officer secondment budgets	87,686		4	9	2,005	84	2,586		(92,374)				0
39	29	External funding	Re-align Op Magenta budgets	28,964			(1,221)	19,538	292	2,690		(50,263)				0
40	30	External funding	Protective Security Grant - move budget to match Income and expenditure				10,000					(10,000)				0
41	31	External funding	Op Atom HO-funded offender management project				10,548			39,842		(50,390)				0
42	32	External funding	Op Talla logistic cost - Home Office funding						6,066			(6,066)				0
43	33	External funding	Op Talla PPE - Home Office refund							(47,625)		47,625				0
44	34	External funding	ECC - Columbus/DA Perpetrator Funding							100,000		(100,000)				0
45	35	External funding	CSA - MOJ Grant							148,537		(148,537)				0
46	36	External funding	MOJ ISVA Funding							185,130		(185,130)				0
47	37	External funding	NHS SV Contract Contribution							239,875		(239,875)				0
48	38	External funding	Home Office DA Fund							219,020		(219,020)				0
49	39	External funding	Thurrock BC IDVA Contribution							17,000		(17,000)				0
50	40	External funding	Partner Contributions for SETDAB Evaluation							8,219		(8,219)				0
51	41	External funding	Home Office Winter Contingency Fund							98,101		(98,101)				0
52	42	External funding	Home Office Vulnerable Childrens Charity							68,370		(68,370)				0
53	43	External funding	Southend BC IDVA Contribution							25,000		(25,000)				0
54	44	External funding	Funding from Essex Police Museum for costs of Museum Curator exceeding £20,000 Essex Police Budget		16,660							(16,660)				0
55	45	External funding	Realignment of Home Office funding following postponement of Stansted National Managed Plan exercise 2020/21							(24,067)		24,067				0
56	46	External funding	Align CREEST income/Expenditure budgets 20/21		(795)		(73)	(1,805)	(10,596)	(55)	(4,944)	18,268				0
57	Sub Total External funding virements		50,129	59,198	4	8,818	(31,252)	(4,340)	14,019	976,322	0	(1,072,898)	0	0	0	0

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	Total virement
			£	£	£	£	£	£	£	£	£	£	£	£	£	£
58	47	Contingencies and Reserves	15,014	(1,607)	3,226		2,336							(18,969)		0
59	48	Contingencies and Reserves	547	48	14		5,203			20,582				(26,394)		0
60	49	Contingencies and Reserves	(15,014)	(85,387)	(3,226)		(2,336)			(734)				106,697		0
61	50	Contingencies and Reserves		4,579			(4,579)			(2,192)				2,192		0
62	51	Contingencies and Reserves						(7,300)						7,300		0
63	52	Contingencies and Reserves					(4,451)			4,451						0
64	53	Contingencies and Reserves								15,281		(108,740)		93,459		0
65	54	Contingencies and Reserves										(44,214)		44,214		0
66	55	Contingencies and Reserves		(4,228)					28					4,200		0
67	56	Contingencies and Reserves										(74,391)		74,391		0
68	57	Contingencies and Reserves										(95,598)		95,598		0
69	58	Contingencies and Reserves						21,770		11,950				(33,720)		0
70	Sub Total Contingencies/Reserves virements		547	(86,595)	14	0	(3,827)	14,470	28	49,338	0	(322,943)	0	348,968	0	0
71	59	Budget Holder		(10,044)			10,044									0
72	60	Budget Holder		(6,634)			6,634									0
73	61	Budget Holder								135,378		(135,378)				0
74	62	Budget Holder		(521)			380			84,057	60,871	(144,787)				0
75	63	Budget Holder								(47,985)			47,985			0
76	64	Budget Holder		(29,963)			29,963									0
77	65	Budget Holder		22,824						(22,824)						0
78	66	Budget Holder								(7,600)	7,600					0
79	67	Budget Holder								19,486		(19,486)				0
80	68	Budget Holder		41,757			170					(41,927)				0
81	69	Budget Holder		66,018						(66,018)						0
82	70	Budget Holder	45,000							(45,000)						0
83	71	Budget Holder					42,500			(42,500)						0
84	72	Budget Holder					(2,400)			2,400						0
85	Sub Total Budget Holder virements		45,000	83,437	0	0	87,291	0	0	9,394	68,471	(341,578)	47,985	0	0	0
86	Total of Other Virements		95,676	56,040	18	8,818	52,212	10,130	14,047	1,035,054	68,471	(1,737,419)	47,985	348,968	0	0
87	Grand Total all Virements		383,952	56,082	18	12,894	(36,229)	25,254	17,121	2,023,368	33,596	(6,461,907)	47,985	3,897,866	0	0