

Performance and Resources Scrutiny Programme 2021/22

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

Title of Report:	Treasury Management / Cashflow Q1 Update 2021/22
Classification:	Official
Agenda Number	3iii)
Chief Officer	DCC Pippa Mills Julia Berry, Head of Finance, PFCC Office
Report from:	Corporate Finance
Date of Meeting:	29th July 2021
Author on behalf of Chief Officer:	Matt Tokley, Head of Corporate Accounting
Date of Approval:	28th July 2021 (Chief Officers)

1.0 Purpose of Report

- 1.1 This is a new report for the PFCC. Previously treasury management activity was reported twice annually, via the half-year outturn report and the full year outturn report. As agreed with the PFCC office two additional quarterly reports will now be prepared on an annual basis with effect from 2021/22, setting out key information in respect of cashflow and treasury management activities for the current year only.

The Chartered Institute of Public Finance and Accountancy (CIPFA) definition of treasury management is:

'The management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.

2.0 Recommendations

- 2.1 The PFCC is recommended to:-

To note the treasury management activity during the first quarter of 2021/22 and the onward plan for the remainder of the year.

3.0 Executive Summary

3.1 This report provides an overview for how the PFCC's cash balances have been managed during the first quarter of 2021/22, whether there have been any deviations to the 2021/22 Treasury Management Strategy and what investments and borrowings, where applicable, have been undertaken.

4.0 Background

4.1 The PFCC's Treasury Management Strategy for 2021/22 was presented to the Strategic Board on the 11th March 2021. Following further updates shared with the PFCC the revised version of the document was presented to the Strategic Board on the 10th June 2021 and formally signed/approved on the 2nd July 2021.

5.0 External Context / Economic Background

5.1 The economic resurgence from the coronavirus pandemic continued to dominate the first quarter of the financial year, including the biggest inoculation programme the country has ever undertaken, with over 44 million people in the UK receiving their first dose of a COVID-19 vaccine, and a further 32 million people receiving their second dose. Lockdown restrictions are also now gradually easing with the majority of restrictions planning to be removed across the months of July and August.

5.2 The Bank of England (BoE) held the base rate stable at 0.10% throughout the period and in its June 2021 policy announcement the BoE stated that it expected the economy to experience a temporary period of strong GDP growth and above-target CPI inflation, after which both of these are expected to fall back.

5.3 Government initiatives continued to support the economy over the quarter, maintaining the quantitative easing programme, and continuing to follow the range of measures announced by the Chancellor in the 2021 Budget, including the extension of the furlough scheme until September 2021.

5.4 In summary the successful vaccine rollout programme is credit positive for the financial services sector, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and permitted investment durations on the PFCC's counterparty list remains under constant review, with credit rating changes received via the PFCC's treasury management advisors Arlingclose. Whilst there have been no significant changes to the recommended counterparty list during the first quarter there has been a greater focus on the credit worthiness of local authorities in the context of several reported instances of financial difficulty across the public sector.

6.0 Current Work and Performance

6.1 On 30th June 2021, the PFCC had net cash and investments of £10.17m relating to income and expenditure from its revenue and capital activities. This is presented in Table 1 below, with further details provided within Appendix A.

Table 1 - Investments

	31st March 2021 Actual £m	30th June 2021 Actual £m	Movement £m
Call accounts	3.26	2.26	(1.00)
Money market funds	6.50	4.10	(2.40)
Fixed term deposits (including notice accounts)	8.00	3.50	(4.50)
Lloyds current account	0.82	0.31	(0.51)
Total	18.58	10.17	(8.41)

- 6.2 The balance has dropped by £8.41m over the three month period, recognising the usual trend in the force cashflow of balances getting lower the further away we get from the receipt of the annual Police Officer Pension Top Up Grant (received each year in July). Typically balances get close to zero, and sometimes in a short-term borrowing position, as at the end of June, however for 2021/22, the first quarter closing balance is higher than average. The reason for this is mainly because of capital expenditure slippage as well as capital disposals received during the first three months of the financial year.
- 6.3 The average level of investments over the three month period from 1/4/21 – 30/6/21 was £13.9m. Investment income returns during the period were extremely low in comparison to the previous few years, equating to just £0.0003m, and representing an average return of 0.01% (with many investments incurring a yield of 0.00% return during this period). The low returns reflect the continued priority of security yield in the PFCC's treasury strategy, as well as the backdrop of the low interest rate environment referred to in paragraph 5.2.
- 6.4 Each month the PFCC is provided with a plan of anticipated cashflow transactions for the coming month. Where there are significant differences the Corporate Finance department will liaise with the PFCC to ensure revised plans are put in place. An example of where this would occur is where a counterparty holding Essex Police funds has a credit rating change which is not permissible within the current Treasury Management Strategy. Any other variances, including timings fluctuations and differences between actual amounts to estimates, are covered within this reporting mechanism.
- 6.5 For the period 1/4/21 – 30/6/21 the planned cashflow movements compared to the actual transactions has been summarised in Table 2 below, which presents the operating expenditure and income variances.

Table 2 – Cashflow – Income and Expenditure

	As per plan			As per cashflow		
	April	May	June	Total Q1	Actual Q1	Variance
	£m	£m	£m	£m	£m	£m
Opening Position	0.8	0.2	(1.0)	0.8	0.8	0.0
Expenditure						
Supplier payments	(14.4)	(14.5)	(12.0)	(40.9)	(38.6)	2.3
HMRC payments	(6.2)	(6.3)	(6.3)	(18.9)	(19.1)	(0.2)
Essex LGPS payments	(1.4)	(1.5)	(1.5)	(4.4)	(4.4)	(0.0)
Pensioners payments	(10.7)	0.0	(5.4)	(16.1)	(16.0)	0.0
Payroll - uniform	(8.2)	(8.2)	(8.2)	(24.6)	(24.4)	0.2
Payroll - staff	(4.5)	(4.5)	(4.5)	(13.5)	(13.4)	0.1
	(45.4)	(35.0)	(37.8)	(118.3)	(115.9)	2.4
Income						
Council tax precepts	6.6	10.8	11.8	29.2	30.3	1.2
Core government funding	16.3	16.4	16.3	49.0	49.0	(0.0)
Other government grants	0.0	2.0	3.5	5.5	6.5	1.1
VAT reimbursements	2.0	0.0	5.6	7.6	3.0	(4.6)
Property sales	2.4	1.3	0.6	4.2	4.6	0.4
Other receipts	3.2	5.4	5.3	13.9	14.0	0.1
	30.5	35.8	43.1	109.3	107.5	(1.9)

- 6.6 The opening position represents the current account balance held with Lloyds. In respect of why the monthly opening positions do not match to the previous month's closing balances this is because each of the plans are undertaken in isolation and by the time the next month's plan is produced the actual opening position will be available rather than having to use the previous month estimate.
- 6.7 Each plan is produced at the start of each month based on the most readily available and accurate information held at that time. Because of this process whereby a revised plan is produced on a rolling monthly basis, there are sometimes amounts which slip from month to month and would therefore be included in more than one of the plans e.g. a grant in April may slip into May, and may also subsequently slip into June. In this instance the same grant would be included in three different plans. Therefore, based upon providing an accurate variance position in the above table which reflects realistic differences between estimates and actuals, the following amounts which were included in more than one of the monthly plans circulated, have now been removed from Table 2:-
- The Home Office Pension Grant (£2.8m per annum) was originally assumed to be received in April based on the timing of the 2020/21 grant receipt. No remittance information was subsequently forthcoming from the Home Office and because of this, the income was subsequently slipped into May and then June, at which time the actual monies were received. The £2.8m has therefore been removed from the

Table 1 figures for April and May within 'Other government grants'.

- The April VAT reimbursement was not received until June, but an estimate was included for this in May as well as June. The £2m estimate has therefore been removed from the May plan figures in Table 1 within 'VAT reimbursements'.

- 6.8 Supplier payments were the main variance in relation to expenditure with the cashflow position understated by £2.3m compared to the forecast. Typically, higher supplier payment forecasts are used in the Q1 forecast period, reflecting a combination of outstanding payments from the previous year-end as well as up-front annual payments for the current financial year. The weekly payment run estimates are therefore increased for the first six weeks at least to reflect this. In April however, the average weekly amount forecast equated to £2.9m compared to the actual weekly average value during the period of £2.4m. Using information from Business Services to more accurately forecast expected payment run values remains an area of development going forward for the team.
- 6.9 There were four main reasons for the receipts-related variances and the explanations for the main element of these variances are set out below.
- £1.2m additional council tax precept income – expected timings for 21/22 council tax income updated with some reprofiled dates coming out of this exercise. This resulted in additional cashflow income during May, including £0.9m from Tendring District Council.
 - £1.1m additional government grants - £0.8m of extra grant income received on the 15th June from the Home Office where no remittance has been received to date. The Corporate Finance team is currently investigating what this money relates to.
 - £4.6m shortfall in anticipated VAT reimbursements – the main element of this variance related to a delay in receiving the June reimbursement of £3.7m. This money was held back by HMRC for review based on the higher than normal monthly value, which was caused by VAT-only invoices relating to centrally delivered services which were payable earlier in the financial year. This reimbursement was subsequently received by the force on the 2nd July. The remaining £0.9m mainly related to the March reimbursement (received in April) being £0.8m less than the estimated value.
 - £0.4m additional property disposals income - £0.5m disposal for 30 La Plata Grove was received earlier than expected in April, rather than later in 2021/22 as forecast based on the latest Estates tracker information available.
- 6.10 For the period 1/4/21 – 30/6/21 the summarised cashflow movement as well as the planned treasury management activity compared to the actual activity, has been summarised in Table 3 below.

Table 3 – Cashflow (incorporating Treasury Management Activity)

	As per plan				As per cashflow	
	April	May	June	Total Q1	Actual Q1	Variance
	£m	£m	£m	£m	£m	£m
Opening Position	0.8	0.2	(1.0)	0.8	0.8	0.0
Net expenditure						
Expenditure	(45.4)	(35.0)	(37.8)	(118.3)	(115.9)	2.4
Income	30.5	35.8	43.1	109.3	107.5	(1.9)
	(15.0)	0.8	5.3	(8.9)	(8.4)	0.5
Investment activity						
Fixed term investments - new deals	(16.6)	(20.1)	(15.0)	(51.7)	(75.5)	(23.8)
Fixed term investments - repayments	26.0	24.0	15.0	65.0	80.0	15.0
Money market funds - additions	(13.0)	(6.5)	(14.0)	(33.5)	(28.5)	5.0
Money market funds - withdrawals	18.0	4.5	10.2	32.7	30.9	(1.8)
Call accounts - additions	0.0	0.0	(2.0)	(2.0)	(3.0)	(1.0)
Call accounts - withdrawals	0.0	0.0	2.0	2.0	4.0	2.0
Interest receivable	0.0	0.0	0.0	0.0	0.0	0.0
	14.4	1.9	(3.8)	12.5	7.9	(4.6)
External borrowing activity						
Short-term external borrowing	0.0	0.0	0.0	0.0	0.0	0.0
Long-term external borrowing	0.0	0.0	0.0	0.0	0.0	0.0
Interest payable	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
Closing Position	0.3	2.9	0.6	4.4	0.3	(4.1)

- 6.11 Table 3 expands on Table 2 to encompass the treasury management activity during the period which encompassed £7.9m of net incoming investments to cover the operating deficit for the three months totalling £8.4m. The shortfall between these two values of £0.5m represents the movement in the Lloyds current account balance. It should also be noted that there was no requirement for any external borrowing within the period, although the £1m authorised bank overdraft was utilised during this time to manage short-term cashflow deficits when required.
- 6.12 The net £4.6m increase in outgoing investments represents the activity within the actual cashflow, which will typically produce more details than the plan due to the requirement to keep the daily current account closing balance as close to zero as operationally feasible for each day. This has often resulted in additional investments being placed compared to forecast activity, with this variance also incorporating the impact of the expenditure and income variances referred to in Table 2.

- 6.13 The forecast total cash and investments are included in each monthly plan to the PFCC, in addition to the cashflow movements. Table 4 below shows the variances between the estimated month-end totals compared to the actual balances held.

Table 4 – Total Balances

	April	May	June
	£m	£m	£m
Total cash & investments - estimated as per plan	6.3	10.3	11.4
Total cash & investments - actual as per month-end position	7.4	6.8	10.2
Variance	1.1	(3.5)	(1.2)

- 6.14 The May variance relates to the aforementioned slippage for the HO Pension Grant and VAT reimbursement issues referred to in paragraph 6.7.
- 6.15 Estimated and actual external borrowings have been excluded from the above table as no applicable balances were either estimated or actually held during the three month period.

7.0 Cashflow – remainder of 2021/22

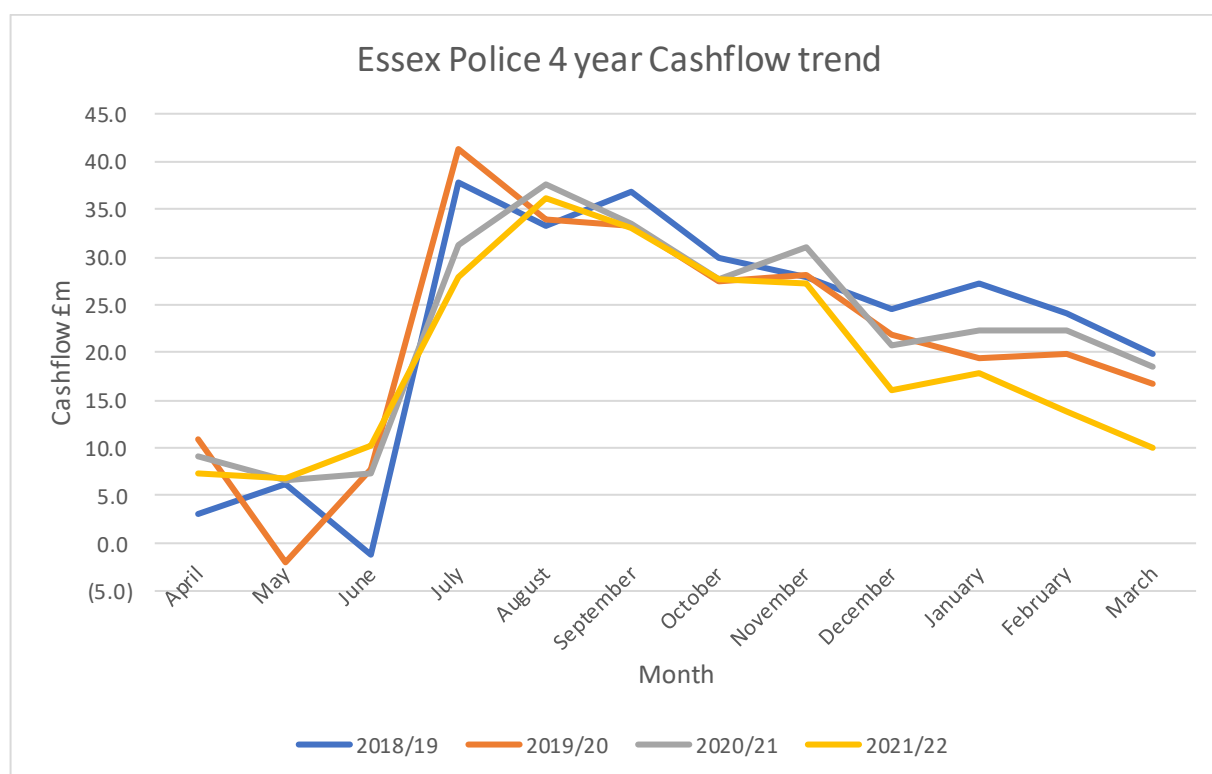
7.1 The cashflow has been projected forward for the remainder of the financial year, and a summarised version of this is included in Table 5 below (a month by month version is also included within Appendix B).

Table 5 – Cashflow plan for 2021/22

	Cashflow forecast - remainder of 2021/22			
	Q1	Q2	Q3	Q4
	£m	£m	£m	£m
Opening Position	0.8	0.3	0.0	0.0
Expenditure				
Supplier payments	(38.6)	(34.3)	(35.3)	(32.7)
Capital - property acquisitions	0.0	(3.5)	0.0	0.0
HMRC payments	(19.1)	(19.3)	(19.3)	(19.3)
Essex LGPS payments	(4.4)	(4.4)	(4.4)	(4.4)
Pensioners payments	(16.0)	(16.0)	(21.4)	(10.7)
Payroll - uniform	(24.4)	(24.5)	(24.6)	(24.6)
Payroll - staff	(13.4)	(13.4)	(13.5)	(13.5)
	(115.9)	(115.4)	(118.3)	(105.1)
Income				
Council tax precepts	30.3	35.1	35.1	32.8
Core government funding	49.0	49.0	49.0	49.0
Pension top-up grant	0.0	30.2	0.0	0.0
Other government grants	6.5	1.4	0.6	0.6
VAT reimbursements	3.0	5.7	2.4	3.6
Property sales	4.6	0.5	1.7	0.1
Other receipts	14.0	16.3	12.7	9.0
	107.4	138.1	101.4	95.0
Net cashflow surplus/(deficit)	(7.6)	23.0	(16.9)	(10.0)
Treasury activity				
Investment balances brought forward	17.8	10.2	33.1	16.2
Net addition to/(reduction of) investments	(7.6)	23.0	(16.9)	(10.0)
Net external borrowings	0.0	0.0	0.0	3.8
Total net cash and investments	10.2	33.1	16.2	10.0

- 7.2 The cashflow forecast, particularly the more detailed version, demonstrates that the cashflow peaks between the period of June and September, and thereafter declines over the remainder of the year. More specifically this trend relates to the annual Pension Top-Up Grant. For 2021/22 this is due to be received in two amounts, £26.0m has already been received in July, with a further £4.1m due in August. This latter payment reflects an updated calculation provided to the Home Office in respect of the 2020/21 outturn position.
- 7.3 It is anticipated that the purchase of Boreham Depot will happen in July and the cashflow reflects £3.5m for this acquisition. There are no further purchases of new assets assumed within the forecast although capital expenditure relating to existing assets is incorporated within the 'Supplier payments' line in Table 5. Further work on the cashflow profile for capital projects over the remainder of the year will be further refined during 2021/22 and a more accurate forecast will be available within the Q2 report.
- 7.4 Treasury management activity will focus on how to invest the forecast surplus balances during the remainder of the year, with the focus on achieving a reasonable return on investments whilst keeping enough of the PFCC's portfolio in liquid instruments, ensuring that short-term cashflow commitments can be managed and covered when required. Whilst it is not expected that the range of current instruments will significantly alter, additional opportunities to invest in new call account deposits will be explored as well as semi-liquid instruments such as treasury bills, which offer a fixed term maturity date as well as an option to sell on the secondary market as and when required. In addition, covered bonds are another growth area within public sector treasury management and the benefits and risks of using these instruments will also be reviewed with the PFCC. The Corporate Finance team will also assess the maximum duration that fixed term deposits are placed, with some monies potentially being placed in the six month range, which often offers a 50% uplift in yield over shorter-month durations. The majority of investments however, where fixed, will remain in the three month range.
- 7.5 Table 5 also demonstrates that no external borrowings are anticipated to be required in 2021/22 to support its investment plans. However, the Q4 forecast does reflect £3.8m of external borrowing to ensure that the PFCC retains the minimum balance of £10m investments in accordance with the MiFID II legislation. Further details of this requirement are set out in the 2021/22 Treasury Management Strategy. Nevertheless, the forecast net surplus at year-end represents a more favourable picture compared to the corresponding position included within the strategy report. The reasons for this include capital expenditure slippage and higher than expected specific grant income.
- 7.6 The annual trend of the cashflow peaking in July and then reducing over the remaining months of the year has been previously mentioned in relation to the review of the 2021/22 position. A pictorial view of this trend showing the 2021/22 forecast compared to the three most recent complete years (2018/19 – 2020/21) is shown in Table 6 below.

Table 6



7.7 The continuation of the above trend across the medium-term will depend on a wide array of factors including the size of the annual deficit in the Police Officer Pension Account, the timing of the anticipated capital investment in the HQ project, as well as the profile of any associated external borrowing repayments. The timing of specific government grant income, often received at short notice, will also dictate the likelihood of further peaks and troughs arising compared to the trend curve presented.

8.0 Compliance

8.1 For the Quarter 1 reporting position the PFCC has concentrated on its compliance with its investment strategy as well as borrowing requirements in accordance with CIPFA Prudential Code. Whilst the PFCC also sets treasury management indicators (TMP's) these will be assessed within the Half-Year Outturn/Q2 reporting position. In summary the PFCC's treasury management activities undertaken to date in 2021/22 have complied with both the CIPFA Code of Practice as well as the Prudential Code, but there have been some variations to the approved PFCC's Treasury Management Strategy, which are set out below.

8.2 Gross Debt

The PFCC is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In accordance with statutory guidance a lower 'operational boundary' is also set as a warning level should debt approach the affordable borrowing limit.

Compliance with the authorised limit and operational boundary key prudential indicators for the year to date in 2021/22 are demonstrated in Table 7 below.

Table 7 – External Borrowing Limits

	2021/22 - TMS	2021/22 - Actual (to date)	Complied (Yes/No)
Authorised limit - total external debt	£25m	£0m	Yes
Operational Boundary - total external debt	£20m	£0m	Yes

8.3 Investment Counterparties & Strategy Compliance

Compliance with the approved investment counterparties list is demonstrated in Table 8 below. As can be seen there have been some instances where the strategy limits have not been complied with, and these issues are consistent with those highlighted within the 2020/21 TM Outturn Report. These issues also represent the need to source further liquidity options within the PFCC's investment portfolio, to assist with the diversification of funds.

Table 8 – Investment Compliance

OFFICIAL

	2021/22 - maximum to date	30/6/21 actual	2021/22 guideline limit	Complied (Yes/No)
UK central government (including DMADF & Treasury Bills)	£12.5m	£2.0m	£ unlimited (10 years)	Yes
UK local government - per authority	£0.0m	£0.0m	£5.0m per authority (5 years)	Yes
UK local government - total	£0.0m	£0.0m	£ unlimited in total (5 years)	Yes
Lloyds bank account plc (operational bank account)	£2.2m (overnight only)	£0.3m / 3%	Higher of 5% or £1.0m (1 year), or up to £5.0m (overnight only)	Yes
UK financial institutions (between A and AAA, liquid investments)	£2.5m / 81% (highest % when > £1m)	£3.8m / 37%	Higher of 5% or £1.0m (unlimited in total, 1 year per institution)	No
Money market funds (AAA rated) - Total	£9.6m / 60%	£4.1m / 40%	50% of total investments	No

- 8.4 In respect of liquid UK financial institutions, the 81% related to £2.5m held with Barclays on the 1st June. At the time of placing the related deals guideline limits were complied with, however because of total investments falling to just £3.1m on the 1st June the % held breached the guideline threshold. It should be noted that additional flexibility was included in the 2021/22 strategy where guideline limits are breached for a short time, but which do not cause undue risk exposure to the PFCC. This would be deemed as one of those instances, particularly as £1m of these monies have same day access availability.
- 8.5 There was one instance where money market funds in total exceeded the 50% threshold, with 60% of total funds invested in these instruments on the 23rd April. This was corrected on the next working day and related to an investment calculation discrepancy. There have also been a few instances of the individual MMF balances being higher than the recommended 10% per fund limit, and this issue is currently being reviewed by the Head of Corporate Accounting to try and come up with a manageable solution for cashflow processes going forward. Whilst the 10% guideline needs to be considered closely a workable solution that also encompasses not having to move monies in and out of funds each and every day (also incurring extra costs to the PFCC) needs to be implemented. Ultimately sourcing further liquidity options within the PFCC's investment portfolio will prevent this from being an issue going forward.
- 8.6 Both points covered in 8.4 and 8.5 were not material amounts and the non-compliance was for a short period of time relating to the PFCC internal strategy and no statutory limits were breached. The Head of Corporate Accounting will work with the PFCC's Head

of Finance to agree on how these short-term breaches, which do not cause undue risk exposure to the PFCC, will be monitored or reported in future reports.

9.0 CIPFA Consultations update

9.1 In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. The revised codes are yet to be released however the following changes appear likely:-

9.2 Prudential Code

- Clarification and definitions to define commercial activity and investment, and that a public sector entity must not borrow to invest for the primary purpose of commercial return.
- Defining acceptable reasons to borrow money e.g. financing capital expenditure primarily related to delivering functions and services, temporary management of cashflow within the context of a balanced budget, security affordability by removing exposure to future interest rates, and refinancing current borrowing, including the replacement of internal borrowing with an external equivalent.
- Proportionality will be included as an objective, with new indicators for net income from commercial and service investments.
- A specific objective around commercial investment with the intention of embedding good practice across public sector entities.

9.3 Treasury Management Code

- Inclusion of the liability benchmark as a mandatory treasury indicator.
- Implementation of a treasury management knowledge and skills framework.
- Incorporate Environmental, Social and Governance (ESG) issues as a consideration with TMP1 Risk Management.

Investment position at 31st March 2021

	31/3/21 £000	Start date	Maturity date	Approx. rate %
Call/notice accounts				
Santander UK PLC - call	2,260			0.05%
Barclays Bank PLC – call	1,000			0.05%
Barclays Bank PLC – notice	1,500			0.10%
	4,760			
Money market funds				
Aberdeen	1,500			0.01%
Aviva	1,500			0.01%
Black Rock	1,000			0.00%
Federated	1,500			0.01%
Insight	1,000			0.00%
	6,500			
Fixed term deposits				
Bank of England - DMO	6,500	29/03/21	01/04/21	0.05%
Total	6,500			
Other				
Lloyds current account	818			0.40%
Total	818			
Total treasury investments	18,578			

Investment position at 30th June 2021

	30/6/21 £000	Start date	Maturity date	Approx. rate %
Call/notice accounts				
Santander UK PLC - call	1,260			0.02%
Barclays Bank PLC – call	1,000			0.00%
Barclays Bank PLC – notice	1,500			0.00%
	4,760			
Money market funds				
Aberdeen	2,000			0.01%
Aviva	500			0.01%
Black Rock	1,000			0.01%
Federated	0,600			0.01%
	4,100			
Fixed term deposits				
Bank of England - DMO	2,000	30/06/21	01/07/21	0.01%
Total	2,000			
Other				
Lloyds current account	305			0.01%
Total	305			
Total treasury investments	10,165			

	Cashflow forecast - remainder of 2021/22								
	July	August	September	October	November	December	January	February	March
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Opening Position	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expenditure									
Supplier payments	(14.0)	(10.1)	(10.2)	(12.5)	(10.1)	(12.7)	(10.1)	(10.1)	(12.5)
Capital - property acquisitions	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HMRC payments	(6.5)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Essex LGPS payments	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
Pensioners payments	(10.7)	0.0	(5.4)	(5.4)	(5.4)	(10.7)	0.0	(5.4)	(5.4)
Payroll - uniform	(8.1)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)
Payroll - staff	(4.4)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)
	(48.7)	(30.7)	(36.0)	(38.4)	(36.0)	(43.8)	(30.6)	(36.0)	(38.3)
Income									
Council tax precepts	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	9.4
Core government funding	16.3	16.4	16.3	16.3	16.4	16.3	16.3	16.4	16.3
Pension top-up grant	26.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other government grants	1.4	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.0
VAT reimbursements	4.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	2.0
Property sales	0.5	0.0	0.0	0.0	1.7	0.0	0.0	0.0	0.1
Other receipts	6.4	6.0	3.9	3.9	5.0	3.9	3.0	3.0	3.0
	66.4	38.9	32.8	33.2	35.5	32.7	32.4	31.9	30.8
Net cashflow surplus/(deficit)	18.1	8.2	(3.2)	(5.2)	(0.5)	(11.2)	1.8	(4.1)	(7.6)
Treasury activity									
Investment balances brought forward	9.9	27.9	36.2	32.9	27.7	27.2	16.1	17.8	13.8
Net addition to/(reduction of) investment	18.1	8.2	(3.2)	(5.2)	(0.5)	(11.2)	1.8	(4.1)	(7.6)
Net external borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8
Total net cash and investments	27.9	36.2	32.9	27.7	27.2	16.1	17.8	13.8	10.0