



**Police Fire and Crime Commissioner for Essex
Essex Police Strategic Board**

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Author on behalf of Chief Officer	Annette Chan – Chief Accountant
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1.0 Purpose of report

- 1.1. The 2021/22 MTFS was set on 4th February as part of the 2021/22 budget report to the Police, Fire and Crime Panel and subsequently updated for the March and June Strategic Board. This report sets out the latest position, the key assumptions and movements since the June board.

2.0 Recommendations

- 2.1. To consider the assumptions contained within this report and endorse and approve the current 2021/22 MTFS position and movements since the June Strategic Board.

Medium Term Financial Strategy

Corporate Finance

Date: 9th Sept 2021

Author: Annette Chan, Chief Accountant



1.0 Purpose of report

The 2021/22 MTFS was set on 4th February as part of the 2021/22 budget report to the Police, Fire and Crime Panel and subsequently updated for the June Strategic Board. This report sets out the latest position, the key assumptions and movements since the last board.

2.0 Current position

2.1. The MTFS is a service planning and performance management framework which aims to ensure that resources are directed towards achieving delivery of the vision for the next five years and the Police and Crime Plan.

2.2. A summary of the MTFS approved at the June Strategic Board is shown in Table 1 below. The MTFS shortfall over the five-year period of 2022/23 to 2026/27 was £45.2m.

Table 1 – MTFS as at June 2021

Medium Term Financial Strategy 2022/23 - 2026/27 - Precept Increase 2.5% Annually						
	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total
	£m	£m	£m	£m	£m	£m
Budget Requirement - before Savings & Efficiencies	340.6	350.1	358.3	365.9	374.6	1,789.5
Savings & Efficiencies Plan (Cashable)	(0.7)	(0.8)	(1.1)	0.0	0.0	(2.6)
Net Budget Requirement	339.9	349.3	357.2	365.9	374.6	1,786.9
Total Funding	(336.1)	(341.9)	(348.3)	(354.8)	(360.6)	(1,741.7)
Annual (Shortfall)/Surplus	(3.8)	(7.4)	(8.9)	(11.1)	(14.0)	(45.2)

The shortfall in 2022/23 of £3.8m included the following key assumptions:

- 2.5% council tax precept increase;
- Police officers at 3,553 FTEs from the start of the year;
- A 2.5% pay increase for Officers and Staff from September 2022;
- A £2.6m increase in Home Office Government Funding to cover the advancement of 52 Officers from the National Police Uplift Programme in 2022/23 and force funded in 2021/22 (Further new investment and funding is expected for the 2022/23 allocation of the Uplift Programme to reach the national target of 20,000 officers but this is not reflected at this stage based on the assumption additional costs would be contained within additional funding for the growth);

- A 0.75% increase in taxbase compared to a 0.29% reduction in 2021/22;
- A £1m deficit on the Collection Fund (Includes a share of the 2021/22 deficit, which local authorities have been able to spread over 3 years, and a further deficit in 2022/23); and
- Recurring cashable Savings and Efficiencies plans of £0.7m reflecting the infancy of the 2022/23 savings programme.

2.3. The high level summary of the latest MTFS is shown below and the full summary and details are at Appendices A and B. An updated format of the summary table has been agreed with the PFCC’s Section 151 Officer and it now includes prior years and a further breakdown to demonstrate the use of appropriations to and from reserves.

Table 2 – MTFS – September 2021

			Medium Term Financial Strategy 2022/23 - 2026/27 - Precept Increase 2.5% Annually					
2019/20	2020/21	2021/22*	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total
£m	£m	£m	£m	£m	£m	£m	£m	£m
300.3	312.8	333.8	344.6	352.8	362.9	372.2	381.7	1,814.2
Net Budget Requirement - before appropriations to/from reserves								
2.0	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Appropriations to/(from) Reserves **								
302.3	319.5	333.8	344.6	352.8	362.9	372.2	381.7	1,814.2
Budget Requirement (Inc Appropriations to Reserves) - before Savings & Efficiencies								
(4.7)	(4.8)	(3.5)	(2.6)	(1.0)	(1.1)	(0.2)	(0.2)	(5.1)
Savings & Efficiencies Plan (Cashable)								
297.6	314.7	330.3	342.0	351.8	361.8	372.0	381.5	1,809.1
Net Budget Requirement - after savings applied								
(297.6)	(314.7)	(330.3)	(336.1)	(341.9)	(348.3)	(354.8)	(360.6)	(1,741.7)
Total Funding								
0.0	0.0	0.0	(5.9)	(9.9)	(13.5)	(17.2)	(20.9)	(67.4)
Annual (Shortfall)/Surplus								

* 2021/22 Budget Approved at Police, Fire and Crime Panel

** Assumptions on the usage of reserves for future years is contained within the Reserves table at Appendix E. The net budget requirement within this table does not include expenditure relating to the commitments for which the reserves are held.

The £6.7m appropriation to reserves in 2020/21 consisted of £3.887m for the force 2020/21 underspend into the General Reserve and £2.840 of net appropriations into earmarked reserves which included £1.5m into the COVID Roadmap Violence Reduction Reserve and £1.5m into carry forward reserves (£1m PFCC, £0.5m Chief Constable).

2.4. The overall movement for 2022/23 since the June Strategic Board is an increase in the shortfall of £2.1m from a shortfall of £3.8m in June to a shortfall of £5.9m.

Table 3 – MTFS Movement since June 2021

	MTFS MOVEMENTS					
	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total
	£m	£m	£m	£m	£m	£m
Overall (Shortfall) / Surplus - June 10th Strategic Board	(3.8)	(7.4)	(8.9)	(11.1)	(14.0)	(45.2)
Total change - increase / (decrease) - since June Strategic Board	2.1	2.5	4.6	6.1	6.9	22.2
Overall (Shortfall) / Surplus - as at 27th September Strategic Board	(5.9)	(9.9)	(13.5)	(17.2)	(20.9)	(67.4)

This movement reflects the following updates to the strategy:

- An increase following the government’s announcement of a 1.25% increase in employer national insurance contributions estimated to be £2.6m. The impact of this increase will be incorporated into pay activity lines in the next iteration of the MTFS. It is expected that there will be some compensation for the impact of the NI increase contained within the spending review therefore this pressure is likely to reduce once the Home Office Police Grants have been confirmed.
- A reduction of (£0.9m) reflecting a high level review of the pay budget requirement based on July pay information. Pay forecasts will be fine tuned as part of pay budget setting which is based on the September pay position. (This movement is spread across two lines within Appendix A i.e. Unavoidable Cost Pressures and New Investment lines);
- An additional £2.0m for a £500 increase to the South East allowance from £2,000 to £2,500;
- An additional £0.3m for the revenue cost of borrowing reflecting the August position on capital;
- A reduction due to the inclusion of (£1.9m) of revenue savings based on savings agreed to be progressed at the July and September Savings and Efficiencies Board;
- An additional £0.1m for the cost of the Queen’s Platinum Jubilee bank holiday (Bank Holiday overtime rates);
- A (£0.1m) reduction in the forecast of one-off expenditure pressures.

Further detail of the movements since the June Strategic Board is provided in Appendix C.

2.5. The following points should also be noted:

- The current MTFS has an allowance for inflationary pressures (£0.5m recurring) and for one-off contractual and legal cost pressures and one-off Service Demand revenue bids of

£1.8m. Commands have been submitting revenue budget bids and these will be presented through SCCB and Estates boards. At the time of writing this report 49 revenue bids (excluding inflation) had been received for 2022/23 of £1.9m One-off pressures (£0.1m more than is currently provided for within the MTFs) and £3m recurring (not provided for within the MTFs). These bids will be considered through the Chief Officer budget workshops;

- Revenue consequences of capital are included within the MTFs but these still need to be reviewed and updated as we progress through the budget setting process;
- Further work is needed in conjunction with local authority partners to understand the latest forecast in council tax base and collection fund surplus/deficits and therefore these assumptions could be subject to change as we progress with the budget setting process;
- The revenue cost of borrowing featuring in the MTFs has increased significantly from 2024/25 onwards. This is due to the latest capital receipts forecast update which now suggests that the sale of the HQ site will be delayed and this has a direct impact on our need to borrow to fund the capital programme. As the capital programme is heavily weighted to short-life IT assets the capital receipt not being available will mean that short-life capital schemes would need to be funded by borrowing resulting in high MRP charges to the revenue account from 2024/25 (MRP and Interest charges combined of £3.3m in 2024/25 rising to £4.2m annually in 2025/26) – see table 4, section 4;
- The Home Office are currently considering options for transferring Special Branch funding to the Counter Terrorism Policing Grant. The preferred mechanism is for a Police Core Grant One Time Adjustment. This mechanism would result in force funding reducing by the current expenditure, effectively a ‘lift and shift’ of current contributions to the ERSOU budget. This will have a zero impact on the MTFs as long as current contributions are equal to the current budget. This will be kept under review; and
- Appendix A & B now contain a section capturing the impact on the funding gap for changes to assumptions. For example, currently modelled is a reduction in the September 2022 pay award from 2.5% to 1.5% (which would reduce the funding gap by £1.5m in 2022/23 and £1.2m in 2023/24) and a further increase in the South East Allowance from £2,500 to £3,000. COG and the PFCCs Office can request additional scenarios.

3.0 Savings and Efficiencies Plan

Cashable savings agreed at the July and September Savings and Efficiency Board are included in the MTFs (currently £2.6m part-year and full year effect). These continue to be subject to review and refinement as we progress through the budget setting process.

4.0 Capital Expenditure and Financing

A summary of the latest capital programme and how it will be financed is shown below along with the forecast Capital Financing Requirement (CFR). The CFR represents capital expenditure incurred and forecast to be incurred that has not been financed from cash resources and is therefore an indicator of our underlying need to borrow to fund the investment programme. The

CFR is forecast to reach £66.6m with an annual revenue cost of borrowing increasing to £4.2m by 2025/26. Details are shown in Appendix D.

Table 4 – Capital Expenditure and Financing Summary

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	TOTAL £000
Total Forecast Capital Expenditure (approved and proposed)	18,882	32,150	24,970	16,724	3,769	96,496
Financing Sources to be Applied						
Capital receipts	(6,787)	(12,565)	0	0	(3,518)	(22,870)
Grants & contributions	(251)	(307)	(251)	(251)	(251)	(1,311)
Revenue funding	(468)	(1,477)	(1,882)	(1,025)	0	(4,851)
Borrowing	(11,376)	(17,801)	(22,837)	(15,448)	0	(67,463)
	(18,882)	(32,150)	(24,970)	(16,724)	(3,769)	(96,496)
Capital Financing Requirement (as at 31st March)	19,885	36,813	58,333	70,674	66,598	
Revenue Cost of Borrowing (MRP & Interest)	588	940	1,439	3,259	4,218	

5.0 Reserves and Provisions

The current forecast on reserves and provisions is shown in Appendix E and summarised in the table below. By 2025/26, revenue reserves are forecast to be £21.1m (£13.4m General Reserve at 3.5% of net revenue expenditure and £7.7m earmarked reserves) and £14.5m capital reserves.

Table 5 – Forecast Reserves and Provisions

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Forecast @ 31/3/21 (£m)	Forecast @ 31/3/22 (£m)	Forecast @ 31/3/23 (£m)	Forecast @ 31/3/24 (£m)	Forecast @ 31/3/25 (£m)	Forecast @ 31/3/26 (£m)
Earmarked Revenue Reserves	12.3	11.7	9.3	7.5	6.7	7.7
General Reserve	13.2	13.4	13.4	13.4	13.4	13.4
GR as % of net revenue expenditure	4.2%	4.0%	3.8%	3.7%	3.6%	3.5%
Total Revenue Reserves	25.5	25.1	22.7	20.9	20.1	21.1
Total Capital Reserves	-	-	-	-	-	14.5
Grand Total - Revenue & Capital Reserves	25.5	25.1	22.7	20.9	20.1	35.6
Total Provisions	3.2	3.0	3.0	3.0	3.0	3.0

6.0 Conclusion

The MTFS is presented to the Strategic Board for consideration. It will be continually reviewed and updated during 2021/22.

Medium Term Financial Strategy 2022/23 - 2026/27								June 2021 Strategic Board	Comments	Movement Type Ref:		
Line Ref.	2021/22 Budget	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total	2022/23	Change (reduction) / increase			
	£m	£m	£m	£m	£m	£m	£m	£m	£m			
1	Original Budget - Budget Book Net Expenditure (prior year total funding)	314.7	330.3	342.0	351.8	361.8	372.0	1,757.9	330.3	0.0		OB
2	Adjustment from prior year activity agreed at Budget Setting	(2.5)	0.0	(0.5)	0.0	0.0	0.0	(0.5)	0.0	0.0		PY
3	Opening Budget Requirement	312.2	330.3	341.5	351.8	361.8	372.0	1,757.4	330.3	0.0		
4	Unavoidable Cost Pressures	11.1	11.2	10.7	9.2	9.4	9.6	50.1	7.6	3.6	£2.6m of this increase relates to the 1.25% increase in employers National Insurance contributions. A high level review of the pay budget requirement has been conducted based on July pay information and has resulted in a further £1.0m increase. This includes the full year effect of the 21/22 growth as the cost is unavoidable (This had previously been reported within the New Investment line at £1.9m where there is a corresponding reduction). Pay forecasts will be fine tuned at pay budget setting in the Autumn based on the September pay position. This position currently includes an assumed 2.5% pay rise in Sept 2022 and annually thereafter.	UCP
5	New Investment & Service Demand Changes	9.9	3.1	0.6	1.9	1.0	0.1	6.7	2.7	0.4	Includes £2m for a £500 increase to the Southeast Allowance and £0.3m for the revenue cost of borrowing based on the month 5 capital position. These movements are offset by the £1.9m reduction mentioned in the commentary above.	NI
6	Short Term one-off costs	3.9	2.2	1.3	0.4	0.7	0.7	5.3	2.1	0.1	£0.1m for additional costs of the Queen's Platinum Jubilee Bank Holiday	ST (a)
7	Transfer to / (from) Reserves - one off costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		ST Res (b)
8	Short Term one-off costs - to be allocated	0.0	1.1	2.0	2.9	2.6	2.6	11.2	1.2	(0.1)		ST (c)
9	Removal of one-off costs - Short Term budget already in base budget	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)	(16.5)	(3.3)	0.0		ST (d)
10	Budget Requirement - before Savings & Efficiencies	333.8	344.6	352.8	362.9	372.2	381.7	1,814.2	340.6	4.0		
11	Savings & Efficiencies Plan (S&EP) - <u>cashable</u>	(3.5)	(2.6)	(1.0)	(1.1)	(0.2)	(0.2)	(5.1)	(0.7)	(1.9)	Work continues to identify efficiencies and savings through the Chief Constable's Efficiency and Savings Board. This movement reflects the latest forecast on cashable savings (July Efficiency and Savings Board).	SC
12	Net Budget Requirement	330.3	342.0	351.8	361.8	372.0	381.5	1,809.1	339.9	2.1		
13	Government Funding	(195.7)	(198.3)	(198.3)	(198.3)	(198.3)	(198.3)	(991.5)	(198.3)	0.0		GF
14	Council Tax - Base including taxbase change	(128.0)	(135.4)	(140.5)	(145.8)	(151.3)	(157.0)	(730.0)	(135.4)	0.0		CT
15	Council Tax - Precept increase	(6.4)	(3.4)	(3.5)	(3.6)	(3.8)	(3.9)	(18.2)	(3.4)	0.0		CT
16	Council Tax - (Surplus)/Deficit on Collection Fund	(0.2)	1.0	0.4	(0.6)	(1.4)	(1.4)	(2.0)	1.0	0.0		CF
17	Collection Fund Taxbase adjustment for unconfirmed authorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
18	Total Funding	(330.3)	(336.1)	(341.9)	(348.3)	(354.8)	(360.6)	(1,510.7)	(336.1)	0.0		
19	Annual (Shortfall)/Surplus - Cumulative	0.0	(5.9)	(9.9)	(13.5)	(17.2)	(20.9)	(67.4)	(3.8)	2.1		

2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total
£m	£m	£m	£m	£m	£m

Line Ref.	Changes applied							
20	Impact on (Shortfall)/Surplus from changes to assumption:	-1.00%	(1.5)	(1.2)	(0.4)	(0.5)	(0.4)	(4.0)
	Change in % Pay Award in 2022/23 - 1.5% for Sept 2022							
21	Increase in Southeast allowance by £500 from £2,500 to £3,000	£500	2.0	2.0	2.0	2.0	2.0	10.0
22	Additional Increase/ (reduction) in % CTAX - 2022/23 Current Assumption is 2.5%	0.00%	-	-	-	-	-	-
23	% Change in Government Grants 2022/23 Current Assumption is 1.3% for Year 3 PUP Funding to cover 52 Officers	0.00%	-	-	-	-	-	-
24	£ Change in Government Grants	0.00	-	-	-	-	-	-
25	£ Adjustment to Pressures	0.00	-	-	-	-	-	-
	Annual (Shortfall)/Surplus - Revised after applying assumption changes		(6.4)	(10.7)	(15.1)	(18.7)	(22.5)	(73.4)

Funding Changes								
	£m	£m	£m	£m	£m	£m	£m	
25	Main Government Cash Funding Increase/(Reduction)	10.9	2.6	0.0	0.0	0.0	0.0	2.6
26	Total Government Grant - non specific	10.9	2.6	0.0	0.0	0.0	0.0	2.6
27	Council Tax & Collection Fund Cash Funding Increase/(Reduction)	5.9	3.2	5.8	6.4	6.5	5.8	27.7
28	Overall Cash Funding Increase/(Reduction)	15.6	5.8	5.8	6.4	6.5	5.8	30.3
29	Percentage Funding Increase/(Reduction)	5.0%	1.8%	1.7%	1.9%	1.9%	1.6%	

Line Ref.	Key % Assumptions						
	2020/21	2022/23	2023/24	2024/25	2025/26	2026/27	
30	Overall change in Home Office grants	5.6%	1.3%	0.0%	0.0%	0.0%	0.0%
32	Increase in Council Tax	4.98%	2.50%	2.50%	2.50%	2.50%	2.50%
33	Change in Taxbase	(0.29%)	0.75%	1.25%	1.25%	1.25%	1.25%
34	Inflation Recurring - Officers Pay	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%
35	Inflation Recurring - Staff/PSCOs Pay	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%

Savings & Efficiencies - Cashable only								
	2021/22 Budget	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total	
	£m	£m	£m	£m	£m	£m	£m	
36	Savings & Efficiencies Plan (S&EP) - <u>cashable</u>	(3.5)	(2.6)	(1.0)	(1.1)	(0.2)	(0.2)	(5.1)
37	Annual (Shortfall)/Surplus after cashable S&EP - to be (found) / invested - <u>cashable</u>	0.0	(5.9)	(9.9)	(13.5)	(17.2)	(20.9)	(67.4)
38	Total S&EP for all <u>cashable</u> savings	(3.5)	(8.5)	(10.9)	(14.6)	(17.4)	(21.1)	(72.5)

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Medium Term Financial Strategy 2022/23 - 2026/27

Line Ref		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
		£m	£m	£m	£m	£m	£m	£m
1	Original Budget - Budget Book Net Expenditure (prior year total fun	314.7	330.3	342.0				
1a	Opening Budget Requirement				351.8	361.8	372.0	1,757.9
2	Adjustment from prior year activity agreed at Budget Setting	(2.5)	-	(0.5)	-	-	-	(0.5)
3	Opening Budget Requirement	312.2	330.3	341.5	351.8	361.8	372.0	1,757.4
	Unavoidable Cost Pressures							
4	Pay - Sept Pay Award - prior year (5 months - April to August)	1.7	-	2.0	1.9	2.0	2.1	8.0
5	Pay - Sept Pay Award - current year (7 months - Sept to March)	0.6	2.7	2.7	2.8	2.9	3.0	14.1
6	Pay - In Year activity - increments	1.9	2.0	2.0	2.0	2.0	2.0	10.0
7	Pay - In Year activity - Turnover (Inc 21/22 Growth not yet achieved)	(0.3)	1.1	-	-	-	-	1.1
8	Pay - in year activity - Other (Inc. impact on allowances, NI, Pension and Apprenticeship Levy)	1.1	2.0	2.0	2.0	2.0	2.0	10.0
9	Increase to Employers NI Contributions of 1.25% from 2022/23	-	2.6					
10	LGPS Pension shortfall (Tri-annual Actuarial review)	-	-	0.9	-	-	-	0.9
11	Auto Enrolment to Pension schemes	-	-	0.2	-	-	-	0.2
12	Pensions - cost pressure resulting from McCloud judgement	-	-	-	-	-	-	-
13	Contractual Inflation & De-flation	0.5	0.5	0.5	0.5	0.5	0.5	2.5
14	Policing Education Qualifications Framework (PEQF)	-	-	0.4	-	-	-	0.4
15	Investment approved by COG since 2020/21 budget setting	0.2	0.3	-	-	-	-	0.3
16	Operational and Support contractual and legal cost pressures, including Motor insurance	1.6	-	-	-	-	-	-
17	Removal of PUP 20/21 Ring Fenced Grant from base and incorporate into funding.	3.8	-	-	-	-	-	-
18	Total Unavoidable Cost Pressures	11.1	11.2	10.7	9.2	9.4	9.6	50.1
	New Investment & Service Demand Changes							
19	New investment - Recurring	0.1	-	-	-	-	-	-
20	Increase police officers by 135 in 2020/21 - including support and non-pay costs	1.8	-	-	-	-	-	-
21	Increase in Staff (16 FTE) to support the 2020/21 growth - including support and non pay costs	0.1	-	-	-	-	-	-
22	Increase in Officers (11 FTE) - infrastructure - to support the 2020/21 growth - including support and non pay costs	0.1	-	-	-	-	-	-
23	Increase in Staff (44.8 FTE) - infrastructure to support the 2020/21 growth - including support and non pay costs	0.7	-	-	-	-	-	-
24	2021/22 Police Officer Uplift - recurring	4.4	-	-	-	-	-	-
25	Payment of PUP Grant to ROCU	0.4	-	-	-	-	-	-
26	2022/23 Police Uplift - recurring	2.6	-	-	-	-	-	-
27	PUP 2021/22 Ring Fenced Grant (Income)	(2.2)	-	-	-	-	-	-
28	Increase South East Allowance by £500 to £2,500	-	2.0	-	-	-	-	2.0
29	Increases of less than £10k on non-pay budgets	-	0.1	0.1	0.1	0.1	0.1	0.5
30	Service demand changes including Estates Services restructure	1.8	-	-	-	-	-	-
31	Borrowing Requirement - interest charges	-	0.1	-	0.1	-	-	0.2
32	Borrowing Requirement - Minimum Revenue Requirement (MRP)	0.3	0.4	0.4	1.8	0.9	-	3.5
33	Capital Programme (Approved) - Revenue Consequences	(0.3)	0.1	-	-	-	-	0.1
34	Capital Programme (Proposed) - Revenue Consequences	0.1	0.4	0.1	(0.1)	-	-	0.4
35	Total New Investment	9.9	3.1	0.6	1.9	1.0	0.1	6.7

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Line Ref		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
		£m	£m	£m	£m	£m	£m	£m
	One-off Costs							
36	2021/22 Police Officer Uplift - One-off	0.4	-	-	-	-	-	-
37	Capital Programme (Approved) - One-off revenue costs	0.1	0.1	-	-	-	-	0.1
38	Capital Programme (Proposed) - One-off revenue costs	0.6	0.7	0.3	-	-	-	1.0
39	Bank Holiday's - one-off	0.5	0.7	0.3	(0.3)	-	-	0.7
40	Contractual and legal cost pressures - one-off	0.5	0.2	0.2	0.2	0.2	0.2	1.0
41	Service Demand Changes - one-off	0.7	0.5	0.5	0.5	0.5	0.5	2.5
42	New Investment - One-Off	0.4	-	-	-	-	-	-
43	Emergency Services Mobile Communications Programme (ESMCP) - Dual running - one-off	-	-	-	-	-	-	-
44	Difference in full year and current year savings	(1.0)	-	-	-	-	-	-
45	Redundancy Costs	0.9	-	-	-	-	-	-
46	One-off Investment approved by COG since 2020/21 Budget Setting	0.8	-	-	-	-	-	-
47	One-Off commitments from prior year Budget setting being funded from One-off recurring budget	-	-	-	-	-	-	-
48	Subtotal of One-off Costs	3.9	2.2	1.3	0.4	0.7	0.7	5.3
49	Appropriations To/(From) Earmarked Reserve							
50	Appropriation to Major Incident Reserve - one off	-	-	-	-	-	-	-
51	Appropriation to IT Convergence Reserve - one off	1.2	-	-	-	-	-	-
52	Appropriations To/(From) Earmarked Reserves	1.2	-	-	-	-	-	-
53	Appropriations To/(From) General Reserve							
53	Appropriation (from) /to General Reserve - One Off	(1.2)	-	-	-	-	-	-
54	Appropriation (from) /to General Reserve - Chief Constables Reserve - One Off	-	-	-	-	-	-	-
55	Appropriation (from) /to General Reserve for Carryforwards - One Off	-	-	-	-	-	-	-
56	Appropriations To/(From) General Reserve	(1.2)	-	-	-	-	-	-
57	Total Appropriations To/(From) Reserves	-	-	-	-	-	-	-
58	One-off expenditure (reduced)/increased to match funding available for one-off activity	-	1.1	2.0	2.9	2.6	2.6	11.2
59	Removal of one-off expenditure up to the short term budget	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)	(3.3)	(16.5)
60	One-off expenditure balance from short term funding	0.6	-	-	-	-	-	-
61	Budget Requirement - before Savings & Efficiencies	333.8	344.6	352.8	362.9	372.2	381.7	1,814.2
62	Savings & Efficiencies Plan (S&EP) - cashable	(3.5)	(2.6)	(1.0)	(1.1)	(0.2)	(0.2)	(5.1)
63	Net Budget Requirement	330.3	342.0	351.8	361.8	372.0	381.5	1,809.1

Medium Term Financial Strategy 2022/23 - 2026/27								
Line Ref	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total	
	£m	£m	£m	£m	£m	£m	£m	
Funding								
<i>Home Office Police Grant</i>								
64	HO Police Grant	(119.3)	(119.3)	(119.3)	(119.3)	(119.3)	(596.5)	
65	HO Funding for Police Officer Uplift (2021/22)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(35.0)	
66	HO Funding for Police Uplift 2022/23 (52 Officers)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(13.0)	
67	Total Home Office Police Grant	(126.3)	(128.9)	(128.9)	(128.9)	(128.9)	(644.5)	
<i>Home Office Formula Grant</i>								
68	HO Formula Grant	(56.3)	(56.3)	(56.3)	(56.3)	(56.3)	(281.5)	
69	Total Home Office Formula Grant	(56.3)	(56.3)	(56.3)	(56.3)	(56.3)	(281.5)	
<i>Other Non Specific Grants</i>								
70	Council Tax Freeze Grant 2011/12	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(10.5)	
71	Council Tax Support Grant	(11.0)	(11.0)	(11.0)	(11.0)	(11.0)	(55.0)	
72	Total Specific Grants	(13.1)	(13.1)	(13.1)	(13.1)	(13.1)	(65.5)	
74	Total Government Funding	(195.7)	(198.3)	(198.3)	(198.3)	(198.3)	(991.5)	
<i>Council Tax Requirement</i>								
75	Council Tax - Base	(128.4)	(134.4)	(138.8)	(144.0)	(149.4)	(721.7)	
76	Council Tax - Taxbase change	0.4	(1.0)	(1.7)	(1.8)	(1.9)	(8.3)	
77	Council Tax - Precept increase	(6.4)	(3.4)	(3.5)	(3.6)	(3.8)	(18.2)	
78	Collection Fund Taxbase adjustment for unconfirmed authorities	-	-	-	-	-	-	
78	Total Council Tax Requirement	(134.4)	(138.8)	(144.0)	(149.4)	(160.9)	(748.2)	
79	Total Resource Funding (Gov. grants and Council Tax)	(330.1)	(337.1)	(342.3)	(347.7)	(359.2)	(1,739.7)	
80	Council Tax - (Surplus)/Deficit on Collection Fund	(0.2)	1.0	0.4	(0.6)	(1.4)	(2.0)	
81	Total Funding	(330.3)	(336.1)	(341.9)	(348.3)	(360.6)	(1,741.7)	
82	Annual (Shortfall)/Surplus - Cumulative	-	(5.9)	(9.9)	(13.5)	(17.2)	(67.4)	
Impact on (Shortfall)/Surplus from changes to assumptions								
Potential Changes								
87	Change in % Pay Award in 2022/23 - 1.5% for Sept 2022	-1.00%	(1.5)	(1.2)	(0.4)	(0.5)	(4.0)	
88	Increase in Southeast allowance by £500 from £2,500 to £3,000	£500	2.0	2.0	2.0	2.0	10.0	
83	Additional Increase/ (reduction) in % CTAX - 2022/23 Current Assumption is 2.5%	0.00%	-	-	-	-	-	
84	% Change in Government Grants 2022/23 Current Assumption is 1.3% for Year 3 PUP Funding to cover 52 Officers	0.00%	-	-	-	-	-	
85	£ Change in Government Grants		-	-	-	-	-	
86	£ Adjustment to Pressures							
Annual (Shortfall)/Surplus - Revised after applying assumption changes			(6.4)	(10.7)	(15.1)	(18.7)	(22.5)	(73.4)

A. Key % Assumptions						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
95	Change in Home Office Police Grant	3.2%	0.0%	0.0%	0.0%	0.0%
96	Change in Home Office Formula Grant	0.2%	0.0%	0.0%	0.0%	0.0%
97	Change in Council Tax Support and Freeze grant	0.0%	0.0%	0.0%	0.0%	0.0%
98	Change in Government main grants (Includes PUP)	5.6%	1.3%	0.0%	0.0%	0.0%
99	Change in Home Office Pension Grant	0.0%	0.0%	0.0%	0.0%	0.0%
100	Overall change in Home Office grants	5.6%	1.3%	0.0%	0.0%	0.0%
101	Formula Funding Review	0.0%	0.0%	0.0%	0.0%	0.0%
102	Increase in Council Tax	4.98%	2.5%	2.5%	2.5%	2.5%
103	Change in Taxbase	-0.29%	0.75%	1.25%	1.25%	1.25%
104	Inflation Recurring - Officers Pay	0.0%	2.5%	2.5%	2.5%	2.5%
105	Inflation Recurring - Staff/PSCOs Pay	0.0%	2.5%	2.5%	2.5%	2.5%
106	Inflation - Non pay - various as only specific contractual inflation is used. There is no general inflation.					

B. Key Assumptions	
107	Police Officer budget from 2021/22 is based on an average of 3553 ftes (3,369 + 126 National Uplift, + 6 ROCU + 52 PUP brought forward from 2022/23).
108	Council Tax increase of 4.98% in 2021/22, and then 2.5% annually
109	Government Grants funding is based on 0% increase from 2022/23, however, 2022/23 includes £2.6m as anticipated PUP Growth grant available in that year to fund the 52 that have been advanced to 2021/22.
110	The Borrowing Requirement is continually under review as the capital program is updated.

C. Key Principles	
111	From 2016/17 one off costs are no longer funded from General Reserves. A recurring budget for short term projects of £3.5m was created. The current level is £3.3m with the balance being utilised for long term projects. When the projects are completed the funding will be returned to the recurring short term budget.
112	Variances in the number of Bank Holiday's in a financial year will be managed within the recurring short term budget.

D. Areas for Future Consideration and Further Reviews	
113	Airwave switch off is delayed to 2024/25. Costs are under review

E. Scenarios						
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
<u>1% change (+ / -) in:</u>						
114	Council Tax:	1.3	1.4	1.4	1.5	1.6
115	Government Grant:	2.0	2.0	2.0	2.0	2.0
116	Total	3.3	3.4	3.4	3.5	3.6
<u>0.5% change (+ / -) in:</u>						
117	Council Tax:	0.6	0.7	0.7	0.7	0.8
118	Government Grant:	1.0	1.0	1.0	1.0	1.0
119	Total	1.6	1.7	1.7	1.7	1.8

Movements to MTFS since 2021/22 Budget Setting

Line Ref:	MTFS Detail Line Ref:	MTFS Summary Movement Type:	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	5 Year Total £m	Comments
9			(3.8)	(7.4)	(8.9)	(11.1)	(14.0)	(45.2)	
	Overall (Shortfall) / Surplus - June 10th Strategic Board								
10	62 Savings & Efficiencies Plan (S&EP) - cashable	SC	(1.9)	(0.2)	0.0	(0.2)	(0.2)	(2.5)	Revision to full year effect savings assumptions as per July 21 Efficiency and Savings Board
11	3 Opening Budget Requirement	OB	0.0	2.1	2.5	4.6	6.1	15.3	On-going impact to the base budget of recurring pressures and savings adjusted since the last Strategic Board.
12	4 Pay - Sept Pay Award - prior year (5 months - April to August)	UCP	(0.4)	0.3	0.2	0.3	0.4	0.8	Updates following high level review of pay budget requirement based on July pay information
13	5 Pay - Sept Pay Award - current year (7 months - Sept to March)	UCP	(0.3)	(0.3)	(0.2)	(0.1)	0.0	(0.9)	Updates following high level review of pay budget requirement based on July pay information
14	6 Pay - In Year activity - increments	UCP	2.0	2.0	2.0	2.0	2.0	10.0	Updates following high level review of pay budget requirement based on July pay information - including splitting out of the previous line described as 'other'
15	7 Pay - In Year activity - Turnover (Inc 21/22 Growth not yet achieved)	UCP	1.1	0.0	0.0	0.0	0.0	1.1	Updates following high level review of pay budget requirement based on July pay information - including splitting out of the previous line described as 'other'
16	8 Pay - in year activity - Other (Inc. impact on allowances, NI, Pension and Apprenticeship Levy)	UCP	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(7.0)	Updates following high level review of pay budget requirement based on July pay information - including splitting out of the previous line described as 'other'
17	24 2021/22 Police Officer Uplift - recurring	NI	(1.9)	0.0	0.0	0.0	0.0	(1.9)	Updates following high level review of pay budget requirement based on July pay information - The FYE of the 21/22 growth now feeds into the pay lines contained within unavoidable cost pressures (Offsetting movement captured in lines above)
18	28 Increase South East Allowance by £500 to £2,500	NI	2.0	0.0	0.0	0.0	0.0	2.0	Increase of £500 to the South East Allowance from £2,000 to £2,500.
19	39 Bank Holiday's - one-off	ST (a)	0.1	0.0	0.0	0.0	0.0	0.1	Additional Bank Holiday in 2022/23 for the Queen's Platinum Jubilee
20	31 Borrowing Requirement - interest charges	NI	0.0	0.0	0.1	0.0	0.0	0.1	Updated revenue cost of borrowing to support the capital programme as as month 5 forecast
21	32 Borrowing Requirement - Minimum Revenue Requirement (MRP)	NI	0.3	0.0	1.4	0.9	0.0	2.6	Updated revenue cost of borrowing to support the capital programme as as month 5 forecast
22	58 One-off expenditure (reduced)/increased to match funding available for one-off activity	ST (d)	(0.1)	0.0	0.0	0.0	0.0	(0.1)	Removal of £1.2m commitment for 2022/23 transfer to the IT convergence reserve. Original commitment approved at 2021/22 budget setting. This movement is offset by an increase of £1.1m to reflect utilisation of the recurring one-off expenditure budget to fund one-off revenue budget pressures.
23	9 Increase to Employers NI Contributions of 1.25% from 2022/23	UCP	2.6	0.0	0.0	0.0	0.0	2.6	Estimated Increase in employers NI Contribution by 1.25% from 2022/23.
24	Total change - increase / (decrease) - since June Strategic Board		2.1	2.5	4.6	6.1	6.9	(1.6)	
25	Overall (Shortfall) / Surplus - as at 27th September Strategic Board		(5.9)	(9.9)	(13.5)	(17.2)	(20.9)	(67.4)	

**CAPITAL PROGRAMME - 2021/22 PERIOD 5
EXPENDITURE & FINANCING SUMMARY**

	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
	£000	£000	£000	£000	£000	£000
Capital Expenditure						
<u>Approved Projects</u>						
ANPR	223	35	35	35	0	328
Estates Business as Usual	2,414	1,826	0	0	0	4,240
Estates Strategy	6,688	2,225	39	0	0	8,952
I.T. Services	2,418	199	0	0	0	2,617
OPC	232	328	51	25	240	876
Other	356	93	0	33	0	482
SCD	53	0	0	0	0	53
Transport	1,553	1,268	0	0	0	2,821
	13,937	5,975	125	93	240	20,369
<u>Subject to Approval Projects</u>						
ANPR	0	110	110	110	0	330
Estates Business as Usual	0	1,000	1,000	1,000	1,000	4,000
Estates Strategy	2,275	12,750	12,500	9,500	0	37,025
I.T. Services	2,488	9,861	8,738	3,583	79	24,749
OPC	103	0	0	0	0	103
Other	19	238	238	238	250	983
SCD	61	17	30	0	0	108
Transport	0	2,200	2,230	2,200	2,200	8,830
	4,946	26,176	24,846	16,631	3,529	76,128
<u>Total by Department</u>						
ANPR	223	145	145	145	0	658
Estates Business as Usual	2,414	2,826	1,000	1,000	1,000	8,240
Estates Strategy	8,963	14,975	12,539	9,500	0	45,977
I.T. Services	4,906	10,060	8,738	3,583	79	27,366
OPC	335	328	51	25	240	979
Other	375	331	238	271	250	1,465
SCD	114	17	30	0	0	161
Transport	1,553	3,468	2,230	2,200	2,200	11,651
	18,883	32,150	24,971	16,724	3,769	96,497
Financing Sources to be Applied						
Capital receipts	(6,787)	(12,565)	0	0	(3,518)	(22,870)
Grants & contributions	(251)	(307)	(251)	(251)	(251)	(1,311)
Revenue funding	(468)	(1,477)	(1,882)	(1,025)	0	(4,852)
Borrowing	(11,377)	(17,801)	(22,838)	(15,448)	0	(67,464)
	(18,883)	(32,150)	(24,971)	(16,724)	(3,769)	(96,497)
Total Unfinanced Expenditure	0	0	0	0	0	0

Note 1 - The capital receipts information is based on the end of August disposals tracker.

CAPITAL PROGRAMME - 2021/22 PERIOD 5

CFR & MRP SUMMARY

	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
	£000	£000	£000	£000	£000	£000
Opening CFR	9,097	19,885	36,813	58,333	70,674	9,097
Capital Expenditure						
Approved projects - long-life	9,102	4,051	39	0	0	13,192
Approved projects - short-life	4,834	1,923	86	93	240	7,176
Subject to Approval projects - long-life	2,275	13,750	13,500	10,500	1,000	41,025
Subject to Approval projects - short-life	2,671	12,426	11,345	6,131	2,529	35,103
	18,882	32,150	24,970	16,724	3,769	96,496
Financing Applied						
Capital receipts	(6,787)	(12,565)	0	0	(3,518)	(22,870)
Grants & contributions	(251)	(307)	(251)	(251)	(251)	(1,311)
Revenue funding	(468)	(1,477)	(1,882)	(1,025)	0	(4,851)
	(7,506)	(14,349)	(2,133)	(1,276)	(3,769)	(29,033)
Minimum Revenue Provision						
Historic unfinanced borrowing	(500)	(500)	(500)	(500)	(500)	(2,500)
Current projects - long-life	(88)	(373)	(818)	(1,130)	(1,393)	(3,802)
Current projects - short-life	0	0	0	(1,477)	(2,184)	(3,660)
	(588)	(873)	(1,318)	(3,107)	(4,076)	(9,962)
Closing CFR	19,885	36,813	58,333	70,674	66,598	66,598

	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
	£000	£000	£000	£000	£000	£000
FINANCING COSTS						
Minimum Revenue Provision (MRP)	588	873	1,318	3,107	4,076	9,962
Borrowing Costs (based on 0.5%)	-	67	121	152	141	481
Total revenue impact of borrowing	588	940	1,439	3,259	4,218	10,443
Incremental impact to MTFS	588	351	499	1,820	959	
Cumulative impact to MTFS	88	528	1,467	4,225	7,943	

Note 1 - The capital receipts information is based on the end of August disposals tracker

Note 2 - Assumes approx £10m of cash and investment reserves at 2021/22 year-end (and beyond)

CAPITAL PROGRAMME - 2021/22 PERIOD 5
CAPITAL RESOURCES SUMMARY

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Capital receipts					
<i>Opening balance</i>	0	0	0	0	0
Received	(6,787)	(12,565)	0	0	(18,000)
Applied for financing	6,787	12,565	0	0	3,518
Closing balance	0	0	0	0	(14,482)
Grants and contributions					
<i>Opening balance</i>	0	0	0	0	0
Received	(251)	(307)	(251)	(251)	(251)
Applied for financing	251	307	251	251	251
Closing balance	0	0	0	0	0
Revenue funding					
<i>Opening balance</i>	(606)	(1,187)	(957)	(100)	(100)
Received	(1,049)	(1,247)	(1,025)	(1,025)	(1,025)
Applied for financing	468	1,477	1,882	1,025	0
Closing balance	(1,187)	(957)	(100)	(100)	(1,125)
Totals					
<i>Opening balance</i>	(606)	(1,187)	(957)	(100)	(100)
Received	(8,087)	(14,119)	(1,276)	(1,276)	(19,276)
Applied for financing	7,506	14,349	2,133	1,276	3,769
Closing balance	(1,187)	(957)	(100)	(100)	(15,607)

Note 1 - The capital receipts information is based on the end of August disposals tracker

Forecast Reserves & Provisions - Overview (2021/22 Updated as per Month 5)

	2020/21			2021/22			2022/23			2023/24			2024/25			2025/26				
	Opening Balance	Appropriations		Closing Balance	Opening Balance	Forecast Appropriations		Closing Balance	Opening Balance	Forecast	Closing Balance	Opening Balance	Forecast	Closing Balance	Opening Balance	Forecast	Closing Balance			
	1/4/20	To	From	31/03/21	1/4/21	To	From	31/3/22	1/4/22	Movements	31/3/23	1/4/23	Movements	31/3/24	1/4/24	Movements	31/3/25	1/4/25	Movements	31/3/26
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Earmarked Revenue Reserves																				
<i>Reserves held but managed as third party reserves</i>																				
1	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	0.110	-	0.110
2	Reserves held but managed as third party reserves Total	-	0.110	0.110	0.110	0.016	(0.016)	0.110	0.110	-	0.110	0.110	-	0.110	0.110	-	0.110	0.110	-	0.110
Project Reserves																				
3	IT Convergence	-	-	-	-	1.200	(0.063)	1.137	1.137	-	1.137	1.137	-	1.137	1.137	-	1.137	1.137	-	1.137
4	Project Reserves Total	-	-	-	-	1.200	(0.063)	1.137	1.137	-	1.137	1.137	-	1.137	1.137	-	1.137	1.137	-	1.137
Ring-fenced Reserves																				
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	(0.857)	0.210	0.210	-	0.210
2	Forfeiture Monies Reserve	0.124	0.178	(0.037)	0.265	0.265	0.169	(0.100)	0.334	0.334	-	0.334	0.334	-	0.334	-	0.334	0.334	-	0.334
5	Restructuring Reserve	0.231	0.003	-	0.234	0.234	0.900	(0.431)	0.703	0.703	(0.603)	0.100	0.100	-	0.100	-	0.100	0.100	-	0.100
6	Operational Transformational Reserve (OTR)	1.055	-	(0.224)	0.831	0.831	-	(0.623)	0.208	0.208	(0.208)	-	-	-	-	-	-	-	-	-
7	Transformation Reserve	0.453	1.362	(0.051)	1.764	1.764	-	(0.853)	0.911	0.911	-	0.911	0.911	-	0.911	-	0.911	0.911	-	0.911
8	Data Analytics Reserve	0.228	-	(0.171)	0.057	0.057	-	(0.057)	-	-	-	-	-	-	-	-	-	-	-	-
9	Legal Reserve	-	0.741	-	0.741	0.741	0.086	-	0.827	0.827	(0.741)	0.086	0.086	-	0.086	-	0.086	0.086	-	0.086
10	PEQF Reserve	0.218	0.073	-	0.291	0.291	-	-	0.291	0.291	(0.291)	-	-	-	-	-	-	-	-	-
11	Ring-fenced Reserves Total	5.047	2.510	(1.240)	6.317	6.317	1.333	(3.131)	4.519	4.519	(1.132)	3.387	3.387	(0.889)	2.498	(0.857)	1.641	1.641	-	1.641
Operational Reserves																				
12	Major Operational Reserve	1.500	-	-	1.500	1.500	-	-	1.500	1.500	-	1.500	1.500	-	1.500	-	1.500	1.500	-	1.500
13	COVID Roadmap Violence Reduction Reserve	-	1.532	-	1.532	1.532	-	(1.532)	-	-	-	-	-	-	-	-	-	-	-	-
14	Specials Constabulary Reserve	0.145	-	-	0.145	0.145	-	-	0.145	0.145	-	0.145	0.145	-	0.145	-	0.145	0.145	-	0.145
15	Future Capital Funding	2.000	1.989	(3.383)	0.606	0.606	0.581	-	1.187	1.187	(0.230)	0.957	0.957	(0.857)	0.100	-	0.100	0.100	1.025	1.125
16	Local Council Tax Support	-	-	-	-	-	2.022	-	2.022	2.022	-	2.022	2.022	-	2.022	-	2.022	2.022	-	2.022
17	Carry Forwards Reserve - OPFCC	0.267	0.822	-	1.089	1.089	-	-	1.089	1.089	(1.089)	-	-	-	-	-	-	-	-	-
18	Carry Forwards Reserve - Chief Constable	0.500	0.500	-	1.000	1.000	-	(1.000)	-	-	-	-	-	-	-	-	-	-	-	-
19	Operational Reserves Total	4.412	4.843	(3.383)	5.872	5.872	2.603	(2.532)	5.943	5.943	(1.319)	4.624	4.624	(0.857)	3.767	-	3.767	3.767	1.025	4.792
20	Total Earmarked Revenue Reserves	9.459	7.463	(4.623)	12.299	12.299	5.152	(5.742)	11.709	11.709	(2.451)	9.258	9.258	(1.746)	7.512	(0.857)	6.655	6.655	1.025	7.680
21	General Reserve	9.275	3.887	-	13.162	13.162	1.399	(1.200)	13.361	13.361	-	13.361	13.361	-	13.361	-	13.361	13.361	-	13.361
22	GR as % of net revenue expenditure	-	-	-	4.2%	4.2%	-	-	4.0%	4.0%	-	3.8%	3.8%	-	3.7%	-	3.6%	3.6%	-	3.5%
23	Total Revenue Reserves	18.734	11.350	(4.623)	25.461	25.461	6.551	(6.942)	25.070	25.070	(2.451)	22.619	22.619	(1.746)	20.873	(0.857)	20.016	20.016	1.025	21.041
Capital Reserves																				
24	Capital Receipts Reserve	1.088	3.769	(4.857)	-	-	6.787	(6.787)	-	-	-	-	-	-	-	-	-	-	14.482	14.482
25	Total Capital Reserves	1.088	3.769	(4.857)	-	-	6.787	(6.787)	-	-	-	-	-	-	-	-	-	-	14.482	14.482
26	Grand Total - Revenue & Capital Reserves	19.822	15.119	(9.480)	25.461	25.461	13.338	(13.729)	25.070	25.070	(2.451)	22.619	22.619	(1.746)	20.873	(0.857)	20.016	20.016	15.507	35.523
Provisions																				
27	Insurance (for known outstanding claims)	2.583	0.449	-	3.032	3.032	-	-	3.032	3.032	-	3.032	3.032	-	3.032	-	3.032	3.032	-	3.032
28	Severances	0.011	0.140	(0.011)	0.140	0.140	-	(0.140)	-	-	-	-	-	-	-	-	-	-	-	-
29	Legal Claims	0.721	-	(0.721)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Total Provisions	3.315	0.589	(0.732)	3.172	3.172	-	(0.140)	3.032	3.032	-	3.032	3.032	-	3.032	-	3.032	3.032	-	3.032

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.
3	An IT Convergence Reserve was created at 2021/22 budget setting to hold £1.2m in 2021/22 and 2022/23 for project costs.
8	£0.2m reserve created in 2019/20 for Data Analytics to be used in 2020/21 & 2021/22.
9	The Legal Reserve created in 2020/21 is in respect of McCloud v Sargeant judgement and associated legal costs arising.
10	£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.
13	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.
20	2020/21 - Included an appropriation of £1.527m to reflect Op Melrose Home Office Funding received in relation to 2019/20 expenditure plus the 2020/21 underspend