

Performance and Resources Scrutiny Programme 2021/22

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

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1.0 Purpose of Report

1.1 This report identifies the 2021/22 Month 8 position for the Force.

2.0 Recommendations

2.1 To note the contents of the report.

2.2 To endorse and approve the appropriations to earmarked reserves (virements and journals), as noted in Section 2 of the report.

2.3 To note the forecast position following the inclusion of underspend utilisation options approved at COG on the 1st December and Strategic Board on the 14th December – see final column of Section 3.1.

2.4 To note that the force has an establishment of 3553 but will increase to 3555 due to the additional 2 CT PUP posts being redistributed. Equally the forecast strength at year end will be 3575. The CT changes will be fully incorporated into the month 9 report.

3.0 Executive Summary

3.1 The revenue forecast underspend as at Month 8 is £5.180m against the 2021/22 revenue budget of £330.3m (1.57% variance), an increase of £0.475m from the Month 7 underspend of £4.705m (1.42% variance).

3.2 The capital position for Month 8 reflects a forecast underspend of £4.660m, compared to the original approved budget of £19.1m (24.42% variance), an increase of £3.601m from the Month 7 underspend of £1.059m (5.55% variance).

3.3 The Police Officer strength forecast at the end of November is 3,523 FTE and forecast to be 3,573 FTE at year end. The overspend on Police Officer Pay and Allowances is £1.0m.

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3.4 The Police staff strength at the end of October is 2,160 FTE. Vacancies at 31st October were 5 FTEs above the budgeted vacancy factor. The underspend on Police Staff Pay and Allowances is £0.5m.

4.0 Introduction/Background

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

5.0 Current Work and Performance

5.1 The Month 8 financial position is shown at Annex 1.

6.0 Implications (Issues)

6.1 The implications are reported in Annex 1.

7.0 Links to Police and Crime Plan Priorities

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

8.0 Demand

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

9.0 Risks/Mitigation

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

10.0 Equality and/or Human Rights Implications

N/A

11.0 Health and Safety Implications

N/A

12.0 Consultation/Engagement

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

13.0 Actions for Improvement

N/A

14.0 Future Work/Development and Expected Outcome

14.1 Bids that have been supported for utilisation of the force underspend have been communicated to Commands and Departmental leads to deliver prior to financial year end, following Strategic Board endorsement on the 14th December.

15.0 Decisions Required by the Police, Fire and Crime Commissioner

15.1 To endorse and approve the appropriations to earmarked reserves, as noted in Section 2 of the report.

1. Executive Summary

REVENUE

The revenue forecast underspend as at Month 8 is £5.180m against the 2021/22 revenue budget of £330.3m (1.57% variance), an increase of £0.475m from the Month 7 underspend of £4.705m (1.42% variance).

The force variance to current budget at subjective level is detailed in Section 3.2 of the report and the movement from Month 7 to Month 8 is detailed in Section 3.3 of the report.

WORKFORCE

The Police Officer strength forecast at the end of November is 3,523 FTE and forecast to be 3,573 FTE at year end. The overspend on Police Officer Pay and Allowances is £1.0m (Month 7 - £0.8m).

The Police Staff strength at the end of October is 2,160 FTE. Vacancies at 31st October were 5 FTEs above the vacancy factor of 152 FTEs. Total vacancies are 157 FTEs. The underspend on Police Staff Pay and Allowances is £0.5m (Month 7 - £0.4m).

The PCSO strength at the end of October is 93 FTE and forecast to be 103 FTE at year end. The underspend on PCSO Pay and Allowances is £0.2m (Month 7 - £0.2m).

The workforce tables are noted in Section 4 of the report.

RESERVES

The net appropriation from earmarked reserves for Month 8 is £0.085m.

A list of all appropriations to and from earmarked reserves is noted in Section 2 of the report. There is one appropriation to earmarked reserves which is not forecast within the overall figures, and the virements for the appropriations to earmarked reserves have not yet been actioned, pending Chief Officer Group and PFCC approval. A further two appropriations to earmarked reserves met with approval via Month 7 reporting.

The detailed breakdown of all earmarked reserves, provisions and general reserve is noted in Section 5 of the report.

CAPITAL

The capital position for Month 8 reflects a forecast underspend of £4.660m, compared to the original approved budget of £19.1m (24.42% variance), an increase of £3.601m from the Month 7 underspend of £1.059m (5.55% variance). The capital tables and commentary are noted in Section 6 of the report.

The financing requirement for unfinanced capital expenditure is forecast at £8.675m which equates to approximately 60% of the year's financing plan. Based on the latest treasury management information available there is no longer an expectation that any external borrowing requirement will be required in 2021/22.

2. List of Appropriations to/from Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
ER019/21	Future Capital Funding - IT Tech Refresh	42	An additional 52 laptops at £800 each resulted in £41,600 of IT cost for growth in Agile working which were purchased in 2021/22 under the IT Refresh programme. This is to facilitate the transfer of Revenue contributions to Capital to support the expenditure.	To be approved by Chief Officer Group and PFCC	Future Capital Funding	Supplies & Services
Total		42				
Appropriations (from) Earmarked Reserves						
ER020/21	POCA - Contribution to Essex Community Foundation	(75)	Annual contribution to Essex Community Foundation as agreed by Chief Constable.	2021/22 Budget Setting (Police Fire and Crime Panel 04/02/21)	POCA Reserve	Third Party Payments
ER021/21	Transformation Reserve - IT Project Budget	(52)	To appropriate against workstreams noted within the Transformation Reserve for IT projects that experienced slippage in 2020/21 and are due to be progressed in 2021/22, i.e. Legacy Digital Data Store, Office 365.	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Supplies & Services / Police Staff Pay & Allowances
Total		(127)				
Net appropriation to/(from) Earmarked Reserves		(85)				

3. Revenue

3.1 Revenue Summary

In Month - Month 8			Year to Date - Month 8			Subjective Heading	Full Year						Underspend Utilisation		
Budget ¹	Actual	Variance	Budget ¹	Actual	Variance		Original Budget ²	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast	Variance Over/(Under) Spend - Original Budget		Variance Over/(Under) Spend - Revised Budget	Movement from Prior Month - Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000		£000	£000
Employees															
<u>Police Officer Pay and Allowances</u>															
15,908	15,960	52	127,264	126,226	(1,039)	189,122	1,774	190,896	126,226	191,932	2,810	1,036	295	422	
764	651	(113)	6,112	5,543	(570)	6,707	2,461	9,169	5,543	9,323	2,616	154	(136)	1,003	
97	124	27	777	837	60	1,064	101	1,165	837	1,402	338	237	27	0	
(7)	0	7	(58)	0	58	62	(149)	(88)	0	0	(62)	88	0	0	
16,762	16,735	(27)	134,095	132,605	(1,490)	196,955	4,188	201,143	132,605	202,657	5,703	1,515	186	1,425	
298	300	2	2,384	2,235	(149)	3,574	2	3,576	2,235	3,380	(194)	(195)	1	0	
PCSO Pay and Allowances															
<u>Police Staff Pay and Allowances</u>															
7,335	6,813	(522)	58,678	58,274	(404)	86,572	1,445	88,017	58,274	87,514	942	(503)	(101)	0	
157	174	17	1,259	1,330	72	1,137	750	1,888	1,330	2,212	1,074	324	9	0	
7,492	6,987	(505)	59,936	59,605	(332)	87,709	2,195	89,905	59,605	89,726	2,017	(179)	(92)	0	
375	645	271	2,997	3,028	31	4,496	0	4,496	3,028	4,087	(409)	(409)	(85)	0	
160	123	(36)	1,279	1,299	20	1,882	36	1,918	1,299	1,885	2	(33)	(14)	0	
58	236	179	461	487	26	1,526	(835)	691	487	565	(962)	(127)	(10)	20	
25,144	25,026	(118)	201,152	199,258	(1,893)	296,143	5,585	301,728	199,258	302,300	6,158	573	(13)	1,445	
847	846	(1)	6,779	5,874	(905)	9,978	190	10,168	5,874	9,714	(264)	(454)	(83)	200	
490	404	(86)	3,918	5,086	1,168	5,805	72	5,876	5,086	5,822	18	(54)	(22)	0	
Supplies and Services															
3,034	2,580	(455)	24,275	27,215	2,940	36,406	7	36,412	27,215	34,554	(1,852)	(1,858)	(31)	303	
23	0	(23)	184	0	(184)	465	(189)	276	0	85	(380)	(191)	5	0	
3,057	2,580	(478)	24,459	27,215	2,756	36,871	(183)	36,688	27,215	34,639	(2,232)	(2,049)	(26)	303	
665	1,145	479	5,321	4,891	(430)	9,347	(1,365)	7,982	4,891	7,609	(1,738)	(373)	13	0	
30,204	30,001	(203)	241,628	242,324	696	358,144	4,299	362,443	242,324	360,085	1,941	(2,358)	(131)	1,948	
(2,714)	(2,275)	440	(21,715)	(20,650)	1,065	(29,690)	(2,882)	(32,572)	(20,650)	(35,159)	(5,469)	(2,587)	(329)	0	
27,489	27,726	237	219,914	221,675	1,761	328,454	1,416	329,870	221,675	324,925	(3,529)	(4,945)	(460)	1,948	
6	0	(6)	51	(0)	(51)	77	0	77	(0)	(7)	(84)	(84)	(15)	0	
190	4,351	4,161	1,522	(3,587)	(5,109)	2,181	103	2,283	(3,587)	2,132	(49)	(151)	0	1,971	
27,686	32,077	4,391	221,487	218,088	(3,399)	330,712	1,519	332,230	218,088	327,050	(3,661)	(5,180)	(475)	3,919	
(27,526)	(28,058)	(532)	(220,207)	(220,253)	(46)	(330,310)	0	(330,310)	(220,253)	(330,310)	0	0	0	(0)	
160	4,019	3,859	1,280	(2,165)	(3,445)	402	1,519	1,920	(2,165)	(3,260)	(3,661)	(5,180)	(475)	3,919	
(60)	(115)	(55)	(480)	(913)	(433)	798	(1,519)	(720)	(913)	(720)	(1,519)	0	0	1,320	
(100)	0	100	(800)	(1,200)	(400)	(1,200)	0	(1,200)	(1,200)	3,980	5,180	5,180	475	(5,239)	
(0)	3,904	3,904	(0)	(4,278)	(4,278)	(0)	0	0	(4,278)	(0)	(0)	(0)	0	(0)	

¹Even monthly profile of Revised Budget

²2021/22 Budget agreed at Police, Fire and Crime Panel

3.2 Revenue Summary – Supporting Commentary

- **Police Officer Pay and Allowances - £1.515m overspend**

Explanation of forecast variance

The overspend is due to opening strength being 44 FTE more than budget, 18 FTE less leavers forecast up to November, and an adjustment to the joiner recruitment profile since budget setting to reflect 42 FTE less, resulting in a year end strength of 3,573 FTE (increase of 20 FTE joiner probationers in January 2022). The average salary for force funded leavers is also contributing to the overspend due to the salary levels of actual leavers being lower than previously forecast, in line with estimates included at Budget Setting (see Note 3, Section 4.1).

The forecast includes an overspend on Police Officer Overtime, with the main overspends being £211k for SCD and £143k for OPC. The SCD overspend is currently subject to a 2022/23 budget setting bid in recognition of the size of the directorate and the ongoing resourcing requirement in response to proactive and reactive demand. The OPC overspend is predominantly connected to Op Demand, which is for overtime incurred to resource Armed Response Vehicles to meet the Force Strategic Risk Assessment (STRA) and is also subject to a 2022/23 budget setting bid.

The forecast includes an overspend of £232k on Temporary Duty Allowance due to substantive vacancies waiting to be filled from the promotion process, as well as the impact on abstraction from LPA teams for other demands such as Custody and Oscar 1.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 8 (which have a corresponding forecast change) include externally funded activity for mutual assistance in connection with COP26, United Nations Climate Change conference (£550k increase). Previously reported adjustments to Original Budget, up to and including Month 7, total £3.638m.

- **PCSO Pay and Allowances - £0.195m underspend**

Explanation of forecast variance

Includes 10 FTE joiners planned for November and 3 FTE joiners for March to reach a year end strength of 103 FTE, compared to a budget setting strength of 103 FTE. The March intake is still to be confirmed and would have minimal financial impact for 2021/22.

- **Police Staff Pay and Allowances - £0.179m underspend**

Explanation of forecast variance

The Police Staff strength at the end of September is 2,160 FTE and total vacancies are 157 FTEs (5 FTEs above the budgeted vacancy factor of 152 FTEs, reduced from 30 FTEs above at quarter 1). Delays in the recruitment to force staff growth posts is also contributing to the force underspend of £0.503m (0.58% of both the original and revised budget).

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The underspend noted above is offset by an overspend on Police Staff Overtime (with the main overspends being for Contact Management and SCD) and Police Staff Agency (with the main overspend being for the PFCCs Office, which is offset by an underspend on staff pay). Contact Management has utilised £180k of the devolved pay budget for the Command (0.95%) to fund staff overtime from Police Staff vacancy underspends.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 8 (which have a corresponding forecast change) include one-off agency staff expenditure in connection with the Chelmsford Data Centre Stage 2 Business Case (Essex Data Centre Migration), funded from IT non-pay in-year underspends (£228k increase). Previously reported adjustments to Original Budget, up to and including Month 7, total £1.946m.

- **Pensions (Ill Health/Medical) - £0.409m underspend**

Explanation of forecast variance

Leavers profile updated based on latest information received. Forecast reflects five constables and one sergeant, compared to the budgeted amount of ten leavers. Further underspend has been realised in Month 8 in relation to reforecasting of injury pension costs. Proposals to reduce this budget have been included as part of 2022/23 budget setting to reflect anticipated lower levels of retirement decisions.

- **Other Employee Expenses - £0.127m underspend**

Explanation of forecast variance

Includes underspends for External Assessment Centres in relation to 2021/22 growth budget, and underspend for Police Staff Excess Travel payments which is now a claimable expense and is subject to 2022/23 non-pay budget savings.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget includes the appropriation of the redundancy budget agreed at 2021/22 Budget Setting (£900k) to the restructuring reserve for utilisation as and when required during the financial year, of which £56k has been appropriated to date for severance and financial strain expenditure.

- **Premises - £0.454m underspend**

Explanation of forecast variance

Includes an underspend on utilities due to reduced usage across the force, despite the inclusion of estimates for inflation. The purchase of the Boreham site has released 6 months of rental payments and various contract savings which have also been included as part of 2022/23 budget setting.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget reflect the previously approved appropriation from the Transformation Reserve for the revenue consequences resulting from the capital purchase of the Boreham site (£191k).

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- **Supplies and Services - £2.049m underspend**

Explanation of forecast variance

Includes previously reported underspends at Month 7 in respect of Communications and Technology (£0.7m), Forensic Services (£0.6m), Revenue Consequences – one-off (£0.4m), Revenue Consequences – recurring (£0.2m), Council Tax Sharing Agreement (£0.3m) and IT investment no longer required for Body Worn Video (£0.1m), offset by an overspend of £0.2m for increased Safeguarding Contributions that are due to be incurred from Force budgets.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 8 (which have a corresponding forecast change) include one-off agency staff expenditure in connection with the Chelmsford Data Centre Stage 2 Business Case (Essex Data Centre Migration), funded from IT non-pay in-year underspends (£228k decrease) and reimbursement of Legal costs from Highways England in relation to the Lower Thames Crossing consultation (£160k increase). Previously reported adjustments to Original Budget, up to and including Month 7, total £0.146m.

- **Third Party Payments - £0.373m underspend**

Explanation of forecast variance

Includes an underspend for ERSOU due to timing differences between Essex and ERSOU Budget Setting timeframes and the need for an estimate to be included within the Budget agreed by the Police, Fire and Crime Panel. The forecast is based on information provided by ERSOU as at quarter 2.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget reflect the other side of some of the adjustments noted under Police Officer Pay and Allowances, Police Staff Pay and Allowances and Supplies and Services. The adjustments from Original Budget to the Revised Budget during Month 8 (which have a corresponding forecast change) include a contribution from the POCA earmarked reserve to the Essex Community Foundation (£75k increase). Previously reported adjustments to Original Budget, up to and including Month 7, total £1.440m.

- **Income - £2.587m underspend**

Explanation of forecast variance

The underspend includes £2.022m for the Local Council Tax Support Grant, which aims to address the impact of reductions in Council Tax due to Covid-19. The underspend also includes a projected surplus for mutual assistance income of £0.4m for COP26 (United Nations Climate Change conference), £0.3m for Op Trelawney (G7 Summit in Cornwall) and £0.1m for Op BackSpin (Home Office funding from a prior year which has now been released into force accounts). The projected surplus for COP26 and Op Trelawny is in addition to a mutual assistance income budget of £250k that is provided for as part of budget setting. Projected costs for COP26 and Op Trelawny are £0.600m and £0.270m, with a mutual assistance income projection of £1.250m and £0.0640m, respectively. The underspend is partially offset by a £0.2m agreed reduction in recharge to Manchester Airport Group for the Policing of Stansted Airport in the first quarter of the financial year.

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Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget reflect the other side of some of the adjustments noted under Police Officer Pay and Allowances, Police Staff Pay and Allowances, Supplies and Services and Transport. The adjustments from Original Budget to the Revised Budget during Month 8 (which have a corresponding forecast change) include externally funded activity for mutual assistance in connection with COP26, United Nations Climate Change conference (£600k increase), reimbursement of Legal costs from Highways England in relation to the Lower Thames Crossing consultation (£160k increase) and income in connection with forfeitures monies to earmarked reserves (£25k increase). Previously reported adjustments to Original Budget, up to and including Month 7, total £2.058m.

- **Capital and Other Adjustments - £0.151m underspend**

Explanation of forecast variance

Forecast underspend is for Minimum Revenue Provision (MRP) charges in relation to previous years capital expenditure.

- **Net Contribution from Earmarked Reserves - £1.416m**

As noted in Section 3.1 of the report (excludes the one appropriation requested for approval in Section 2 of the report). The detailed breakdown is noted in Section 5 of the report.

- **Contribution to General Reserve - £5.180m**

As noted in Section 3.1 of the report. The movements from Month 7 to Month 8 are noted in Section 3.3 of the report and reflect the forecast underspend. Plans for utilisation of the force underspend total £5.239m (£0.059m more than the month 8 forecast underspend) and are due to be presented to Strategic Board on the 14th December for endorsement.

Utilisation of Force Underspend - £5.239m

Plans for utilisation of the force underspend, totalling £5.239m (£0.059m more than the month 8 forecast underspend), were reviewed and agreed at Chief Officer Group on the 1st December – see final column of Section 3.1 on where expenditure is due to materialise. The proposed utilisation of the underspend is to be presented to Strategic Board on the 14th December for endorsement, after which a series of virements and appropriations to reserves, along with corresponding changes to the forecast position, will be reflected in the Month 9 report in connection with the proposals noted within the Strategic Board paper.

In-Month and Year to Date variances

Following a PFCC request from the Head of Finance/s151 Officer and the Strategic Head of Performance and Resources, the inclusion of in-month and year to date information has been supplied in the Revenue Summary table in Section 3.1.

Due to the current version of SAP not being able to support monthly budget profiling, and that the force, in line with government practice, does not perform a monthly accruals/closedown process, the budget reflects an even monthly profile of the revised budget (i.e. 1/12th per month) and the actuals reflect the position at the end of each month, without any adjustments for accruals and prepayments.

This results in some significant differences when compared to the forecast position and by using two examples, we can demonstrate the primary reason for the differences resulting from the systems and resourcing limitation and practice noted above:

Year to Date Actuals: The year to date credit actuals of £4.3m include various budget lines with credit actuals of £3.6m that have a net zero impact on the Net Expenditure position by year-end, as they are statutory accounting entries which have no impact on the General Reserve. This is further described below within *Capital and Other Adjustments*.

Police Officer Pay and Allowances: The year to date variance reflects a £1.5m underspend, however the forecast variance is a £1.5m overspend. This is because the forecast reflects the probationer intakes to reach an end of year position of 3,573 FTE, whilst the year to date variance reflects actuals in relation to a maximum of 3,523 FTE (as noted at the end of November), compared to a monthly budget profile based on an end of year position of 3,553 FTE. Another contributing factor is that overtime is paid a month in arrears.

Supplies and Services: The year to date variance reflects a £2.8m overspend, however the forecast variance is a £2.0m underspend. This is due to many factors based on the range of non-pay budgets included within an overall total of £37m, however one example would be annual IT software maintenance contracts which are paid for upfront for the forthcoming year, which distorts the actual expenditure to date compared to an even monthly budget profile.

Capital and Other Adjustments: The year to date variance reflects a £5.1m underspend, however the forecast variance is a £0.2m underspend for Minimum Revenue Provision (MRP) charges in relation to previous years capital expenditure. The difference is due to the presence of various budget lines feeding into this category, which are causing the current actual to date of £3.587m. All of these budget lines have a net zero impact on the Net Expenditure position by year-end, as they are statutory accounting entries which have no impact on the General Reserve. These amounts include depreciation, impairment, capital grants and capital receipts, all of which are reversed out to the balance sheet by the time the outturn position is finalised. The format of the Revenue Summary table noted in Section 3.1 has altered for Month 8 to include Gross Expenditure and Net Cost of Services subtotals to assist with the presentation of the year to date actuals which do not represent or contain statutory accounting entries.

3.3 Main Forecast Movements

Main Changes to Forecast Outturn Variance since Month 7

	Change in Forecast Outturn Variance £m	
Month 7 Forecast Outturn Variance	(4.7)	Underspend
Police Officer Pay and Allowances	0.2	Includes changes to probationer recruitment profile, including 20 FTE probationer joiners in January 2022 to reach a year end strength of 3,573 FTE (£0.3m overspend). This has been partially offset by reductions in Chief Officer contingency budgets as part of the underspend utilisation that is due to occur in the remaining months of the financial year (£0.1m underspend).
Police Staff Pay and Allowances	(0.1)	Includes a delay in the recruitment of staff growth posts.
Pensions (Ill Health/Medical)	(0.1)	Movement predominantly on Injury pensions - revised forecast based on monthly average actuals to date for the remainder of the year.
Premises	(0.1)	The forecasts for utilities have been revised downwards following a review of the projections received from our supplier, which now include the price rises in October 2021. Market price rises have been dampened by our supplier purchasing in advance and with more staff working from home, the usage is expected to continue to be lower.
Income	(0.3)	Increased mutual aid funding primarily as a result of reimbursements for the deployment to COP26 (£0.4m surplus income); this has been offset by a reduction in expected receipts for vehicle seizures and the award of court costs due to lower levels of proactive operations being undertaken whilst officers are deployed to manage other priorities (£0.1m overspend).
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k, including £26k for Supplies and Services and £22k for Transport related expenditure.
Month 8 Forecast Outturn Variance	(5.2)	Underspend

4. Workforce Analysis

4.1 Police Officer – FTEs and Monthly Financial detail

2021/22 - Police Officers Pay/Strength - Using 2021/22 Budget Setting Model

Ref	2021/22 Budget Setting													
	<u>Strength</u>	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)	3,369	3,358	3,421	3,404	3,387	3,476	3,459	3,522	3,505	3,568	3,551	3,534	
2	Leavers	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(228)
3	Starters - To cover attrition	0	42	0	0	44	0	42	0	44	0	0	32	204
4	Starters - Transferees	2	2	2	2	2	2	2	2	2	2	2	2	24
5	Starters - Growth	6	38			62		38		36			4	184
6	Starters	8	82	2	2	108	2	82	2	82	2	2	38	412
7	Net change	(11)	63	(17)	(17)	89	(17)	63	(17)	63	(17)	(17)	19	184
8	Officer strength - month end	3,358	3,421	3,404	3,387	3,476	3,459	3,522	3,505	3,568	3,551	3,534	3,553	
9	Difference to 3,553 FTEs - over / (under)	(195)	(132)	(149)	(166)	(77)	(94)	(31)	(48)	15	(2)	(19)	0	
	<u>Budget</u>	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
10	1st April 2021 Strength (note 2)	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£15.41m	£184.89m
11	2021/22 Leavers (note 3)	(£0.09m)	(£0.17m)	(£0.26m)	(£0.35m)	(£0.43m)	(£0.52m)	(£0.61m)	(£0.69m)	(£0.78m)	(£0.87m)	(£0.95m)	(£1.04m)	(£6.75m)
12	2021/22 Starters - Constables (to cover attrition)	£0.00m	£0.12m	£0.12m	£0.12m	£0.25m	£0.25m	£0.37m	£0.37m	£0.50m	£0.50m	£0.50m	£0.60m	£3.73m
13	2021/22 Starters - Transferees	£0.01m	£0.02m	£0.03m	£0.04m	£0.05m	£0.06m	£0.07m	£0.08m	£0.09m	£0.11m	£0.12m	£0.13m	£0.82m
14	2021/22 Starters - Growth	£0.03m	£0.21m	£0.21m	£0.21m	£0.50m	£0.50m	£0.68m	£0.68m	£0.85m	£0.85m	£0.85m	£0.87m	£6.43m
15	2021/22 Starters - Total	£0.04m	£0.35m	£0.36m	£0.37m	£0.81m	£0.82m	£1.13m	£1.14m	£1.45m	£1.46m	£1.47m	£1.59m	£10.98m
16	Monthly Budget (note 5 & 6)	£15.36m	£15.59m	£15.51m	£15.43m	£15.78m	£15.70m	£15.93m	£15.85m	£16.08m	£16.00m	£15.92m	£15.96m	£189.12m

2021/22 Current Forecast - Based on HR information received 19th November 2021														
Strength	Actual FTE							Forecast						
	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	
17	1st April 2021 Strength	3,413	3,409	3,392	3,438	3,415	3,495	3,474	3,531	3,523	3,506	3,567	3,550	
18	Leavers (note 7)	(8)	(20)	(16)	(24)	(18)	(22)	(16)	(10)	(19)	(19)	(19)	(19)	(210)
19	Starters (note 8)	4	2	62	1	98	1	73	2	2	81	2	42	370
20	Net change	(4)	(18)	46	(23)	80	(21)	57	(8)	(17)	62	(17)	23	160
21	Officer strength - month end	3,409	3,392	3,438	3,415	3,495	3,474	3,531	3,523	3,506	3,567	3,550	3,573	
22	Difference to 3553fte - over / (under)	(144)	(161)	(115)	(138)	(58)	(79)	(22)	(30)	(47)	14	(3)	20	
Actuals /Forecast £	Actual £							Forecast £						
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
23	Costed Strength before starters/leavers	£14.89m	£15.60m	£15.40m	£15.68m	£15.72m	£16.73m	£16.07m	£16.18m	£16.09m	£16.21m	£16.16m	£17.27m	£192.00m
24	2021/22 Leavers									(£0.06m)	(£0.13m)	(£0.19m)	(£0.25m)	(£0.63m)
25	2021/22 Starters									(£0.06m)	£0.03m	£0.21m	£0.28m	£0.46m
26	Other Costs									(£0.01m)	(£0.02m)	(£0.01m)	(£0.02m)	(£0.05m)
27	Monthly Actual	£14.89m	£15.60m	£15.40m	£15.68m	£15.72m	£16.74m	£16.07m	£16.18m	£15.96m	£16.09m	£16.17m	£17.28m	£191.78m
Forecast Change from budget setting														
	Actual FTE							Forecast 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	
28	Strength @ beginning of month (negative=reduction)	44	51	(30)	33	28	18	14	9	18	(63)	16	16	
29	Leavers (positive number = less leavers)	11	(1)	3	(5)	1	(3)	3	9	(0)	(0)	0	0	18
30	Starters	(4)	(80)	60	(1)	(10)	(1)	(9)	0	(80)	79	0	4	(42)
31	Month End Strength Change - FTEs	51	(30)	33	28	18	14	9	18	(63)	16	16	20	(24)
32	Change per month FTEs	7	(81)	63	(6)	(9)	(4)	(6)	9	(80)	79	0	4	
	Actual £							Forecast £						
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
33	Monthly Financial Change	(£0.47m)	£0.01m	(£0.11m)	£0.25m	(£0.06m)	£1.04m	£0.14m	£0.33m	(£0.12m)	£0.09m	£0.25m	£1.32m	£2.66m

Notes

- 1 The budget was built on the assumption that at the start of April 2021 the approved establishment would be 3369 FTE. £415k of funding for 6 ROCU Officers was included within the Third Party Payments budget line at budget setting pending clarification on how the funding would be utilised.
- 2 The above shows the annual total budget divided over 12 months with a 0% payrise in September. There is no profile adjustment for incremental increases which officers are entitled to on the anniversary of their contracted start date.
- 3 Leavers could be at any rank but are costed at £54,715 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. The cost of a new constable is £19,581 lower than the cost of an average leaver. Growth is based on the appropriate
- 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

4.2 Modelling of Financial impact from changes to Officers leaver and joiner profile

The table below seeks to model the estimated financial impact from 1, 5, or 10 FTE less leavers than the leavers projections supplied by HR, with an even adjustment to the intakes scheduled for June, August, October and December to maintain an end of year projection of 3,553 FTE Officers. The financial impact of 1, 5 or 10 FTE less leavers per month is £0.128m, £0.638m or £1.276m, respectively. The same would apply in reverse for more leavers.

	April		May		June		July		August		September		October		November		December		January		February		March		Total
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 1 FTE less Leaver per month	56,085	51,411	46,737	42,064	37,390	32,716	28,042	23,369	18,695	14,021	9,347	4,674													364,551
Estimated Impact of 3 FTE less probationer joiner per intake			(83,889)		(67,111)		(51,584)		(34,389)																(236,973)
Net Impact																									127,578

	April		May		June		July		August		September		October		November		December		January		February		March ²		Total
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 5 FTE less Leavers per month	280,425	257,055	233,685	210,320	186,950	163,580	140,210	116,845	93,475	70,105	46,735	23,370													1,822,755
Estimated Impact of 15 FTE less probationer joiners per intake			(419,444)		(335,556)		(257,920)		(171,947)																(1,184,867)
Net Impact																									637,888

	April		May		June		July		August		September		October		November		December		January		February		March ²		Total
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 10 FTE less Leavers per month	560,850	514,110	467,370	420,640	373,900	327,160	280,420	233,690	186,950	140,210	93,470	46,740													3,645,510
Estimated Impact of 30 FTE less probationer joiners per intake			(838,889)		(671,111)		(515,840)		(343,893)																(2,369,733)
Net Impact																									1,275,777

4.3 Police Officers, Police Staff, PCSOs and Specials - FTEs

FTE Changes Effecting Pay Forecasts - 2021/22 Month 8

1. Police Officers - Budget Based on Strength

	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2022
	Establishment Target	Strength @ month end	Strength at 1st April 2021	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	
Budget Setting			3,369	388	24	(228)	0	3,553
HR data @ 30 Sept 21	3,553	3,473	3,413	335	23	(217)	(1)	3,553
HR data @ 31 Oct 21	3,553	3,531	3,413	347	23	(210)	0	3,573
Change		58	0	12	0	7	1	20

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 2021	Vacancy Factor Establishment @ 1st April 2021 *	Actual starters to date	Actual leavers to date
Budget Setting			2,327	2,175		
HR data @ 30 Sept 21	2,319	2,160			112	(106)
HR data @ 31 Oct 21	2,317	2,160			137	(131)
Change	(2)	0	0	0	25	(25)

* 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, Customer Contact, Resolution Centre and OPFCC who have a 0% Vacancy Factor

3. PCSOs - Budget Based on Establishment

	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2022
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2021	Strength at 1st April 2021	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	
Budget Setting			103	103	0	0	0	103
HR data @ 30 Sept 21	103	94	105	101	13	(11)	0	103
HR data @ 31 Oct 21	103	93	105	101	13	(11)	0	103
Change	0	(1)	0	0	0	0	0	0

Note: The PCSO Establishment includes 13 FTE partnership funded posts which are externally funded

4. Specials - Headcount	Actual Strength	Target Strength
Budget Setting		600
HR data @ 30 Sept 21	518	600
HR data @ 31 Oct 21	508	600
Change	(10)	0

5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances							
Reserve	1st April 2021 - Opening Balance	Budget Setting Contribution / Allocation 2021/22	In-Year Contribution 2021/22	In-Year Allocation 2021/22	30th November 2021 - Closing Balance	Forecast Year End Balance	Description of Earmarked Reserve
1 Reserves held by Essex Police but managed as third party reserves							
Op Dagenham Maintenance Reserve	£0.110m				£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	£0.110m	£0.000m	£0.000m	£0.000m	£0.110m	£0.110m	
2 Project Reserves							
IT Convergence	£0.000m	£1.200m		(£0.064m)	£1.136m	£1.136m	Essex share of 4F ICT convergence identified as part of 2021/22 Budget Setting.
Total	£0.000m	£1.200m	£0.000m	(£0.064m)	£1.136m	£1.136m	
3 Ringfenced Reserve							
Proceeds of Crime Act	£2.134m	(£0.402m)	£0.100m	(£0.238m)	£1.594m	£1.841m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.265m		£0.125m		£0.390m	£0.334m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.234m		£0.900m	(£0.056m)	£1.078m	£1.078m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses). One significant business case for 2021/22 has been deferred.
Operational Transformational Reserve (OTR)	£0.831m			(£0.350m)	£0.481m	£0.302m	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	£1.764m		£0.114m	(£0.868m)	£1.010m	£0.796m	Reserve to help fund the one-off costs of implementing the IT and Estates Transformation Strategies.
Data Analytics Reserve	£0.057m				£0.057m	£0.000m	Data Analytics and Visualisation Tool to be delivered in 2020/21 and into 2021/22.
Legal Reserve	£0.741m		£0.086m		£0.827m	£0.827m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary) and consultancy/legal costs in respect of McCloud v Sargeant judgement. Awaiting legal advice before utilisation of the reserve.
PEQF Reserve	£0.291m		£0.035m		£0.326m	£0.326m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Total	£6.317m	(£0.402m)	£1.360m	(£1.512m)	£5.763m	£5.504m	
4 Operational Reserves							
Major Operational Reserve	£1.500m				£1.500m	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office e.g. Colchester murders, Operation Henley. These reserves are typically 1% of the force budget.
COVID Roadmap Violence Reduction Reserve	£1.532m			(£1.303m)	£0.229m	£0.229m	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 which are still to be developed.
Chief Constables Operational C/Fwd	£1.000m				£1.000m	£0.395m	Operational Carry Forward resulting from the 2019/20 and 2020/21 force underspend. Plans for utilisation in 2021/22 include £170k for Diversity, Equality and Inclusion training across the force and £435k contribution to the procurement of Local Policing Team (LPT) laptops (remaining 50% to be funded from 2021/22 in-year underspends).
Specials Constabulary Reserve	£0.145m				£0.145m	£0.145m	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary.
Future Capital Funding	£0.606m	£1.442m	£0.103m		£2.151m	£1.829m	Balance will be utilised in 2021/22 and/or subsequent years - see capital narrative within the monitoring report for detailed explanation of the figures.
Total	£4.783m	£1.442m	£0.103m	(£1.303m)	£5.025m	£4.098m	
5 PFFC Reserves							
Commissioning Grants 2020/21 to 2021/22	£1.089m				£1.089m	£0.651m	£1.089m for OPCC commissioning grants are carried forward to 2021/22.
Total	£1.089m	£0.000m	£0.000m	£0.000m	£1.089m	£0.651m	
6 General Reserve							
General Reserve	£13.162m	(£1.200m)	£5.180m		£17.142m	£17.142m	The 2020/21 General Reserve opening balance is £13.162m, which represents 4.0% of the 2021/22 force budget of £330.3m. The in-year allocation of £1.2m is for the creation of the IT convergence earmarked reserve as identified as part of 2021/22 Budget Setting. The in-year contribution includes £2.022m received in relation to the Local Council Tax Support grant.
Total Revenue Reserves	£25.461m	£1.040m	£6.643m	(£2.879m)	£30.265m	£28.641m	
7 Provisions							
Severance Provision	£0.140m				£0.140m	£0.000m	Provision to fund redundancy costs recognised as part of the Statement of Accounts process.
Insurance Provision	£3.032m				£3.032m	£3.032m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.172m	£0.000m	£0.000m	£0.000m	£3.172m	£3.032m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2021/22 MONTH 8 MONITORING POSITION SUMMARY REPORT

	2021/22 Original Budget PF&C Panel	2021/22 Actuals to end of November 2021	2021/22 Forecast Outturn	2021/22 Forecast Budget Variance (Appendix 1)
	£000	£000	£000	£000
EXPENDITURE -				
ANPR projects	230	134	145	(85)
Estates projects	6,239	5,509	8,020	1,781
IT projects	1,361	870	2,529	1,168
Transport projects	301	314	1,498	1,197
OPC projects	0	21	209	209
SCD projects	0	53	119	119
Other projects	351	145	346	(5)
<i>Subject to Approval projects *</i>	<i>10,597</i>	<i>0</i>	<i>1,554</i>	<i>(9,043)</i>
TOTAL EXPENDITURE	19,079	7,045	14,419	(4,660)
FINANCING -				
Capital Receipts	5,620	4,844	5,438	(182)
Revenue Contributions	3,046	0	0	(3,046)
Capital Grant	251	125	251	-
External & Other Income	303	0	56	(247)
Financing Requirement	9,859	2,076	8,674	(1,185)
TOTAL FINANCING	19,079	7,045	14,419	(4,660)

* See Appendix 1 for details of subject to approval.

- 1 The Forecast Budget Variance reflects all changes to the capital programme since the original budget was approved at the PF&C Panel. The forecast £4.660m underspend incorporates slippage and other changes, as set out in Appendix 1.
- 2 The financing model has been updated as per the separate working paper.
- 3 The term 'Financing Requirement' refers to the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income i.e. an underlying need to borrow for capital purposes. This need to borrow can include external borrowing from bodies such as the Public Works Loans Board (PWLB) or other public sector bodies. It also includes internal borrowing whereby forces fund capital expenditure from a temporary surplus of cash. For treasury management purposes, and based on the most recently available information, there is no forecast requirement to externally borrow in 2021/22. In relation to the total financing requirement of £11.1m within the above table, this would therefore be fully met by a corresponding amount of internal borrowing.

6.2 Capital Summary – Supporting Commentary

The projected capital position for month 8 reflects an **underspend of £4.7m** compared to the original approved budget of £19.1m, as set at the February Police Fire & Crime Panel. In respect of the movement since month 7 there has been a further forecast **underspend of £3.6m** which is now included in the overall position.

The £3.6m reduction in forecast for month 8 is based on the following material changes:-

- **The significant element of the movement relates to slippage of £3.2m** relating to several projects previously recognised within the subject to approvals section now expected slip to 2022/23, following the receipt of updated bids for budget setting purposes. This follows the draft capital budget position being reported to the 17th November Chief Officer budget setting workshop, with the corresponding impact on the current year forecasts now being recognised for P8. The main elements of this movement relate to Estates projects, which comprise £2.2m of the movement. This includes £1m slippage on the HQ Chelmsford Reprovision project, £0.475m for the Disposal Reprovision Phase 1, and £0.3m for the Harlow Rest Area Refurbishment. An additional £0.9m of the movement relates to IT projects, including ESMCP project – ICCS Replacement slippage of £0.674m and £0.250m for FCR Platform Phase 1. The remaining slippage of £0.103m relates to Body Armour.
- **Other slippage of £0.4m** relating to in-year projects, including £0.112m for Boreham C Block Refurbishment, £0.105m for Data Centre Migration, both within Estates, and £0.088m for the ANPR Infrastructure Expansion Project.

It should be noted that £0.167m from the ESMCP ICCS replacement project has now been superseded by the ICCS Supplier replacement programme approved at the PFCC board in November. The reason for the additional slippage now being reported for the Data Centre Migration project relates to suppliers unable to deliver goods because of current market conditions. Specifically, this relates to the worldwide shortage of silicon.

The total £4.7m forecast underspend at month 8 is therefore comprised as follows:-

- An increase in expenditure due to **slippage of £5.6m** brought forward **from the 2020/21 programme** including £3.5m for the purchase of Boreham Depot which completed on the 24th August 2021.
- **Additions of £2.2m** including the Data Centre Migration Project (£1.3m) and other smaller increases including Chelmsford Police Station, the Infrastructure Technical Refresh 2021/22 Programme, Officers PUP-related capital expenditure and the Digital Interview Replacement programme.
- **Advanced works of (£0.7m)** relating to monies already spent on the Infrastructure Technical Refresh 2021/22 project in the earlier 2020/21 period.
- **Reductions of (£2.6m)** including Data Centre Provision (£1.4m) which has now been superseded by the new migration solution approved instead, subject to approval projects no longer required (£0.3m), and other IT-related reductions of (£0.6m), including (£0.4m) for Infrastructure Technical Refresh projects.
- **Slippage of (£9.1m) into future years** including the impact of the aforementioned Subject to Approvals (£3.2m), Fleet Replacement Programme (£1.3m), Estates projects (£2.7m) and IT projects (£1.1m).

Official

In relation to the Fleet Replacement Programme, the Transport team are still suffering significant vehicle delivery delays, due to the ongoing issues with the National Vehicle Framework agreement. Orders are being placed but delivery timescales remain unclear until further confirmation has been received from manufacturers that vehicles are in build. This, and the worldwide shortage of semi-conductor chips, is the principal reason for the slippage being recognised.

As can be seen elsewhere in this report the capital programme for month 8 is reporting significant slippage for the period, of £9.1m. This is mainly due to the impact of COVID-19 on the current economic conditions and the way this has shaped capital spending plans for 2021/22 and future years. The force has been faced with practical issues including issues with supply chains, shortage of labour, maintaining safe working arrangement and other similar issues. Therefore, there is a risk that the capital programme may slip further in 2021/22 as the current economic conditions continue to challenge the delivery of projects.

In respect of the wider capital programme, it is currently anticipated that the remainder of the subject to approval projects (£1.6m) will progress to the PFCC Strategic Board during 2021/22, and the Capital Management Board will actively scrutinise the progression of these projects to full approval stage.

The financing plan for month 8 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. Capital receipts are forecast to increase to £7.2m for 2021/22, with £4.8m already received as at the end of November 2021. £5.4m of this money is being forecast to be using in financing the Capital Programme in 2021/22.

£2.2m of revenue contributions to fund capital are forecast to be carried forward to fund the 2022/23 programme. This will reduce the immediate financial burden on the revenue account over the coming years from high Minimum Revenue Provision (MRP) charges that would be required if these resources were not held back for this purpose, due to the level of planned spend on short-life assets over the short term. To be able to do this the revenue contributions will need to be appropriated to the Future Capital Funding Reserve at the end of 2021/22.

The financing requirement for unfinanced capital expenditure is forecast at £8.675m which equates to approximately 60% of the year's financing plan. Based on the latest treasury management information available there is no longer an expectation that any external borrowing requirement will be required in 2021/22.

Appendix 1

CAPITAL PROGRAMME 2021/22 MONTH 8 MONITORING POSITION EXPENDITURE VARIANCE REPORT

	Slippage b/f	Subject to Approvals (to Approved)	Additions	Advanced Works	Reductions	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES							
ANPR projects	-	-	12	-	(9)	(88)	(85)
Estates projects	4,918	948	241	-	(1,657)	(2,670)	1,781
IT projects	259	1,420	1,854	(667)	(609)	(1,089)	1,168
Transport projects	319	2,200	1	-	-	(1,324)	1,197
OPC projects	6	528	-	-	(23)	(302)	209
SCD projects	53	11	56	-	-	-	119
Other projects	44	33	-	-	-	(82)	(6)
<i>Subject to Approval projects</i>	-	(5,140)	-	-	(310)	(3,593)	(9,043)
TOTAL VARIANCES TO BUDGET	5,599	-	2,164	(667)	(2,609)	(9,147)	(4,660)