

**Performance and Resources Scrutiny Programme 2021/22****Report to: the Office of the Police, Fire and Crime Commissioner for Essex**

<b>Title of Report:</b>	<b>2021/22 Month 6 Financial Monitoring Report</b>
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<b>Report from:</b>	<b>Essex Police: Corporate Finance</b>
<b>Date of Meeting:</b>	<b>26<sup>th</sup> October 2021</b>
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<b>Date of Approval:</b>	<b>20<sup>th</sup> October 2021</b>

**1.0 Purpose of Report**

1.1 This report identifies the 2021/22 month 6 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, as noted in Section 2 of the report.

**3.0 Executive Summary**

3.1 The revenue forecast underspend as at Month 6 is £4.625m against the 2021/22 revenue budget of £330.3m (1.40% variance), an increase of £2.022m for the Local Council Tax Support (LCTS) Grant and £1.204m from other non-pay forecast changes, from the Month 5 underspend of £1.399m (0.42% variance). Options are being considered for utilisation of the force underspend over the remaining months of the financial year.

3.2 The capital position for Month 6 reflects a forecast underspend of £0.539m, compared to the original approved budget of £19.1m (2.82% variance), an increase of £0.343m from the Month 5 underspend of £0.196m (1.02% variance).

3.3 The Police Officer strength forecast at the end of September is 3,475 FTE and forecast to be 3,553 FTE at year end. The overspend on Police Officer Pay and Allowances is £0.6m.

OFFICIAL

3.4 The Police staff strength at the end of August is 2,162 FTE. Vacancies at 31<sup>st</sup> August were 5 FTEs above the vacancy factor of 152 FTEs. The underspend on Police Staff Pay and Allowances is £0.3m.

**4.0 Introduction/Background**

4.1 This report sets out the September, month 6, financial position.

**5.0 Current Work and Performance**

5.1 The month 6 financial position is shown at Annex 1.

**6.0 Implications (Issues)**

6.1 The implications are reported in Annex 1.

**7.0 Links to Police and Crime Plan Priorities**

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

**8.0 Demand**

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

**9.0 Risks/Mitigation**

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

**10.0 Equality and/or Human Rights Implications**

N/A

**11.0 Health and Safety Implications**

N/A

**12.0 Consultation/Engagement**

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

**13.0 Actions for Improvement**

N/A

**14.0 Future Work/Development and Expected Outcome**

14.1 Reviews will continue with budget holders, working towards a balanced budget by year end.

**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 6 is £4.625m against the 2021/22 revenue budget of £330.3m (1.40% variance), an increase of £2.022m for the Local Council Tax Support (LCTS) Grant and £1.204m from other non-pay forecast changes, from the Month 5 underspend of £1.399m (0.42% variance). Options are being considered for utilisation of the force underspend over the remaining months of the financial year.

The force variance to current budget at subjective level is detailed in Section 3.2 of the report and the movement from Month 5 to Month 6 is detailed in Section 3.3 of the report.

## WORKFORCE

The Police Officer strength forecast at the end of September is 3,475 FTE and forecast to be 3,553 FTE at year end. The overspend on Police Officer Pay and Allowances is £0.6m (Month 5 - £0.8m).

The Police Staff strength at the end of August is 2,162 FTE. Vacancies at 31st August were 5 FTEs above the vacancy factor of 152 FTEs. Total vacancies are 157 FTEs. The underspend on Police Staff Pay and Allowances is £0.3m (Month 5 - £0.5m).

The PCSO strength at the end of August is 94 FTE and forecast to be 100 FTE at year end. The underspend on PCSO Pay and Allowances is £0.2m (Month 5 - £0.2m).

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

## RESERVES

The net appropriation from earmarked reserves for Month 6 is £0.019m. A list of all appropriations to and from earmarked reserves is noted in Section 2 of the report.

There is one appropriation to earmarked reserve for the Dashcam project which requires Chief Officer and PFCC approval. All other appropriations to/from earmarked reserves have already met with approval for their intended use.

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 6 reflects a forecast underspend of £0.539m, compared to the original approved budget of £19.1m (2.82% variance), an increase of £0.343m from the Month 5 underspend of £0.196m (1.02% variance). The capital tables and commentary are noted in Section 6 of the report.

The borrowing requirement for unfinanced capital expenditure is forecast at £11.7m. Based on the latest Treasury Management position there is an anticipated need to externally borrow £3.8m in quarter 4 of 2021/22.

## 2. List of Appropriations to/from Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
<b>Appropriations to Earmarked Reserves</b>						
ER011/21(a)	Revenue Consequences of Dashcam Project	114	Deferral of the Dashcam Project until 2022/23 and appropriation of identified funding from the Roads Policing revenue budget in connection with revenue consequences of capital.	To be approved by Chief Officer Group and PFCC	Transformation Reserve	Supplies & Services
ER011/21(b)	Future Capital Funding of Dashcam Project	103	Roads Policing revenue budget contribution to capital funding of the Dashcam Project, approved via Stage 2 Capital Business Case (Strategic Board 27/09/21).	Approved via Stage 2 Capital Business Case (Strategic Board 27/09/21)	Future Capital Funding	Supplies & Services
<b>Total</b>		<b>217</b>				
<b>Appropriations (from) Earmarked Reserves</b>						
ER012/21	ESMCP Project	(84)	Utilisation of Home Office s31 grant that was received in 2020/21 for ESMCP Project related costs.	2020/21 Closure Process - Decision Report approval	Transformation Reserve	Supplies & Services
ER013/21	Consultancy re IT convergence work	(64)	Consultancy work to refresh the IT strategy & future MTFs technology roadmap, and to assess the IT target operating model and overall value for money.	2021/22 Budget Setting (Police Fire and Crime Panel 04/02/21)	IT Convergence	Supplies & Services
ER014/21	Redundancy Costs - Severance and Financial Strain	(56)	Funding of severance and financial strain expenditure incurred by the force.	2021/22 Budget Setting (Police Fire and Crime Panel 04/02/21)	Restructuring Reserve	Other Employee Expenses
ER015/21	POCA - Funding of Financial Investigator post	(32)	Funding of 1 FTE Financial Investigators from POCA, as agreed by Chief Officer Group in November 2020.	2021/22 Budget Setting (Police Fire and Crime Panel 04/02/21)	POCA Reserve	Police Staff Pay & Allowances
<b>Total</b>		<b>(236)</b>				
<b>Net appropriation to/(from) Earmarked Reserves</b>		<b>(19)</b>				

# 3. Revenue

## 3.1 Revenue Summary

In Month - Month 6			Year to Date - Month 6			Subjective Heading	Full Year							
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	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
15,896	17,078	1,183	95,373	94,394	(979)	<b>Employees</b>								
731	939	208	4,384	4,314	(70)	<u>Police Officer Pay and Allowances</u>								
97	128	31	583	587	4	- Police Officer Pay and Allowances	189,122	1,624	190,746	94,394	191,301	2,179	555	(219)
(7)	0	7	(44)	0	44	- Overtime and Operational Performance	6,707	2,061	8,769	4,314	8,989	2,282	220	(1)
16,716	18,145	1,429	100,296	99,296	(1,001)	- Associated Police Pay	1,064	101	1,165	587	1,325	261	160	30
						- In-Year Savings Shortfall/(Surplus)	62	(149)	(88)	0	0	(62)	88	0
						<b>Police Officer Pay and Allowances</b>	<b>196,955</b>	<b>3,638</b>	<b>200,593</b>	<b>99,296</b>	<b>201,615</b>	<b>4,661</b>	<b>1,023</b>	<b>(190)</b>
298	275	(23)	1,788	1,684	(104)	<b>PCSO Pay and Allowances</b>	<b>3,574</b>	<b>2</b>	<b>3,576</b>	<b>1,684</b>	<b>3,384</b>	<b>(190)</b>	<b>(191)</b>	<b>35</b>
7,340	7,378	37	44,041	43,602	(439)	<u>Police Staff Pay and Allowances</u>								
131	170	39	787	991	204	- Police Staff Pay & Allowances	86,572	1,509	88,081	43,602	87,748	1,176	(333)	137
7,471	7,547	76	44,828	44,593	(234)	- Police Staff Overtime and Agency	1,137	437	1,574	991	1,948	811	374	72
375	297	(78)	2,248	2,086	(162)	<b>Police Staff Pay and Allowances</b>	<b>87,709</b>	<b>1,946</b>	<b>89,655</b>	<b>44,593</b>	<b>89,697</b>	<b>1,987</b>	<b>42</b>	<b>209</b>
160	216	56	957	1,032	75	Pensions (Ill Health / Medical)	4,496	0	4,496	2,086	4,172	(324)	(324)	(380)
58	(327)	(385)	346	93	(252)	Training	1,882	32	1,914	1,032	1,896	14	(18)	(6)
25,077	26,152	1,075	150,462	148,784	(1,678)	Other Employee Expenses	1,526	(835)	691	93	584	(942)	(107)	(67)
831	923	92	4,989	4,360	(629)	<b>Employees Total</b>	<b>296,143</b>	<b>4,782</b>	<b>300,925</b>	<b>148,784</b>	<b>301,348</b>	<b>5,206</b>	<b>424</b>	<b>(400)</b>
486	415	(71)	2,913	2,857	(56)	Premises	9,978	(1)	9,977	4,360	9,666	(312)	(312)	(178)
3,032	2,474	(558)	18,190	22,272	4,082	Transport	5,805	22	5,826	2,857	5,792	(13)	(34)	(17)
29	0	(29)	173	0	(173)	<u>Supplies and Services</u>								
3,060	2,474	(586)	18,362	22,272	3,910	- Supplies and Services	36,406	(26)	36,380	22,272	34,626	(1,780)	(1,753)	(576)
659	503	(156)	3,954	3,182	(772)	- In-Year Investments	465	(120)	345	0	169	(296)	(176)	(36)
(2,646)	(3,879)	(1,234)	(15,874)	(15,611)	263	<b>Supplies and Services</b>	<b>36,871</b>	<b>(146)</b>	<b>36,725</b>	<b>22,272</b>	<b>34,795</b>	<b>(2,076)</b>	<b>(1,930)</b>	<b>(612)</b>
6	(0)	(7)	39	0	(38)	Third Party Payments	9,347	(1,440)	7,907	3,182	7,651	(1,697)	(256)	18
62	2	(60)	370	(7,378)	(7,748)	Income	(29,690)	(2,058)	(31,748)	(15,611)	(34,044)	(4,355)	(2,297)	(2,047)
27,536	26,589	(947)	165,214	158,465	(6,749)	Other Expenditure / (Income)	77	0	77	0	8	(69)	(69)	10
(27,526)	(28,119)	(593)	(165,155)	(163,248)	1,907	Capital and Other Adjustments <sup>3</sup>	739	0	739	(7,378)	588	(151)	(151)	0
10	(1,530)	(1,540)	59	(4,783)	(4,842)	<b>Net Expenditure</b>	<b>329,270</b>	<b>1,158</b>	<b>330,429</b>	<b>158,465</b>	<b>325,804</b>	<b>(3,467)</b>	<b>(4,625)</b>	<b>(3,226)</b>
90	(57)	(147)	541	(532)	(1,073)	Sources of Finance	(330,310)	0	(330,310)	(163,248)	(330,310)	0	0	0
(100)	(1,200)	(1,100)	(600)	(1,200)	(600)	<b>(Surplus)/Deficit before appropriations</b>	<b>(1,040)</b>	<b>1,158</b>	<b>118</b>	<b>(4,783)</b>	<b>(4,507)</b>	<b>(3,467)</b>	<b>(4,625)</b>	<b>(3,226)</b>
(0)	(2,787)	(2,787)	0	(6,516)	(6,516)	Contribution to/(from) Earmarked Reserves <sup>3</sup>	2,240	(1,158)	1,082	(532)	1,082	(1,158)	0	0
						Contribution to/(from) General Reserve	(1,200)	0	(1,200)	(1,200)	3,425	4,625	4,625	3,226
						<b>Budget Requirement</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(6,516)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

<sup>1</sup>Even monthly profile of Revised Budget<sup>2</sup>2021/22 Budget agreed at Police, Fire and Crime Panel<sup>3</sup>Remapping of the account code used for appropriation to the capital financing reserve has been made between *Capital and Other Adjustments* and *Contribution to/(from) Earmarked Reserves*

## 3.2 Revenue Summary – Supporting Commentary

- **Police Officer Pay and Allowances - £1.023m overspend**

### Explanation of forecast changes

The overspend is due to opening strength being 44 FTE more than budget, 8 FTE less leavers up to August, and an adjustment to the joiner recruitment profile since budget setting to reflect 52 FTE less. 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 of £166k for SCD and £120k 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). This overspend is anticipated to increase and is a confirmed area for utilisation of the force underspend.

The forecast includes an overspend of £158k 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 6 (which have a corresponding forecast change) include externally funded activity for Manchester Airport Group - Stansted (£55k increase) and Partnership Income received from local councils for LPA overtime activity (£30k increase), both of which have a corresponding adjustment to Income. A further adjustment from Original Budget to the Revised Budget is to reflect Home Office funding for a Multi-Agency Hub Research and Development Officer that was already included in the Police Officer pay forecast (£49k increase). Previously reported adjustments to Original Budget, up to and including Month 5, total £3.487m.

- **PCSO Pay and Allowances - £0.191m underspend**

Includes 10 FTE joiners planned for November to reach a year end strength of 100 FTE, compared to a budget setting strength of 103 FTE.

- **Police Staff Pay and Allowances - £0.042m overspend**

### Explanation of forecast changes

The Police Staff strength at the end of August is 2,162 FTE and total vacancies are 157 FTEs. Vacancies at 31st August were 5 FTEs above the vacancy factor of 152 FTEs, which results in a force underspend of £0.333m (0.38% of both the original and revised budget).

## Official

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 overspends being for Office of the PFCC, Occupational Health, and Criminal Justice). 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 6 (which have a corresponding forecast change) include reprofiling of externally funded activity for Manchester Airport Group - Stansted (£89k increase) and POCA funding for 1 FTE Financial Investigator post (£32k), both of which have a corresponding adjustment to Income and Earmarked Reserves, respectively. Previously reported adjustments to Original Budget, up to and including Month 5, total £1.822m.

- **Pensions (Ill Health/Medical) - £0.324m underspend**

Leavers profile updated based on latest information received. Forecast reflects five constables and one sergeant, compared to the budgeted amount of ten leavers. Identification of non-pay savings has been included as part of 2022/23 budget setting.

- **Other Employee Expenses - £0.107m underspend**

### **Explanation of forecast changes**

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 - £0.312m underspend**

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 have been identified as part of 2022/23 budget setting

- **Supplies and Services - £1.930m underspend**

Includes previously reported underspends at Month 5 in respect of Communications and Technology (£0.7m), Revenue Consequences – one-off (£0.4m), Revenue Consequences – recurring (£0.2m), Forensic Services (£0.2m), Council Tax Sharing Agreement (£0.2m) 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.

## Official

Further underspends noted at Month 6 include £0.4m for Forensic Services due to enhancement of controls for the management of forensic submissions using an expert internal resource and a cap on the level of submissions of roadside toxicology tests made to external forensic service providers – for 2021/22, average expenditure to date is £177k per month vs budgeted expenditure of £225k per month. A further underspend of £0.1m is for the Council Tax Sharing Agreement and is based on the latest cumulative value of all billing authority deductions being actioned through the monthly precept process.

- **Third Party Payments - £0.256m underspend**

### **Explanation of forecast changes**

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 on a quarterly basis.

### **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. Previously reported adjustments to Original Budget, up to and including Month 5, total £1.455m.

- **Income - £2.297m underspend**

### **Explanation of forecast changes**

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 LCTS Grant was received by the force in August. In the Month 5 finance monitoring report approval was sought to appropriate the funds to a LCTS Earmarked Reserve until a decision was made on how to utilise the grant. Approval was not given; therefore, the funds appear in the Month 6 report as a £2.022m underspend against income and therefore increase the contribution to the General Reserve. Discussions have commenced in relation to budget setting and there is now a proposal to utilise these funds to offset the forecast shortfall in council tax collection fund surplus; the surplus for 2020/21 was £1.4m but the forecast for 2022/23 is £0.2m. It is recommended that once the utilisation has been agreed as part of budget setting that the LCTS Grant is accounted for in accordance with the CIPFA Code of Practice.

The underspend also includes income in connection with a £0.3m surplus projected for mutual assistance for Op Trelawney (G7 Summit in Cornwall) and £0.1m funding for Op BackSpin, previously held for return to the Home Office, which has now received Home Office approval to be released to the force accounts. 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.

### **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 and Police Staff Pay and Allowances. Previously reported adjustments to Original Budget, up to and including Month 5, total £1.722m.



## Official

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

Forecast underspend in relation to the latest MRP/Financing schedule.

- **Net Contribution from Earmarked Reserves - £1.158m**

As noted in Section 3.1 of the report. The detailed breakdown is noted in Section 5 of the report.

- **Contribution to General Reserve - £4.625m**

As noted in Section 3.1 of the report. The movements from Month 5 to Month 6 are noted in Section 3.3 of the report and reflect the forecast underspend.

### **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 Resource, 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. 1/12<sup>th</sup> 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:

**Police Officer Pay and Allowances:** The year to date variance reflects a £1.0m underspend, however the forecast variance is a £1.0m overspend. This is because the forecast reflects the probationer intakes to reach an end of year position of 3,553 FTE, whilst the year to date variance reflects actuals in relation to a maximum of 3,475 FTE (as noted at the end of September), compared to a monthly budget profile based on an end of year position of 3,553 FTE.

**Supplies and Services:** The year to date variance reflects a £3.9m overspend, however the forecast variance is a £1.9m 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.

## 3.3 Main Forecast Movements since Month 5

### Main Changes to Forecast Outturn Variance since Month 5

	Change in Forecast Outturn Variance £m	
<b>Month 5 Forecast Outturn Variance</b>	<b>(1.4)</b>	<b>Underspend</b>
Police Officer Pay and Allowances	(0.2)	Includes change in profile of leavers, probationer joiners and transferee joiners, plus Home Office funding for a Multi-Agency Hub Research and Development Officer
Police Staff Pay and Allowances	0.2	Includes the impact of a net 4 FTE joiners in August and of quarterly recharges from Kent for collaborative staff, partly offset by delays in the recruitment of force growth posts
Pensions (Ill Health/Medical)	(0.4)	Leavers profile updated based on latest information received. Forecast reflects five constables and one sergeant, compared to the budgeted amount of ten leavers. Identification of non-pay savings has been included as part of 2022/23 budget setting.
Premises	(0.2)	The purchase of the Boreham site has released 6 months of rental payments and various contract savings have been identified as part of 2022/23 budget setting
Supplies and Services	(0.6)	Reduction in Forensic Analysis costs of £0.431m based on an average spend of £177k per month (2020/21 - £218k per month; 2019/20 - £232k per month) vs budgeted expenditure of £225k per month. Reduction in PFCC expenditure of £0.125m in respect of the Council Tax shareback scheme, relating to reduced amounts of contributions to billing authorities from the PFCC, based on lower than expected council tax collection rates. Other minor adjustments to the forecast position resulting in additional underspend for Communications & Technology and Specialist Operational Supplies & Services
Income - LCTS Grant	(2.0)	The Local Council Tax Support (LCTS) Grant was received by the force in August. In the month 5 finance monitoring report, approval was sought to appropriate the funds to a LCTS Earmarked Reserve until a decision was made on how to utilise the grant. Approval was not given, therefore the funds appear in the month 6 report as a £2.022m underspend against income and therefore increase the contribution to the General Reserve
<b>Month 6 Forecast Outturn Variance</b>	<b>(4.6)</b>	<b>Underspend</b>

## 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 22nd September 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	3,494	3,475	3,538	3,521	3,504	3,547	3,530	
18	Leavers (note 7)	(8)	(20)	(16)	(24)	(19)	(20)	(19)	(19)	(19)	(19)	(19)	(19)	(220)
19	Starters (note 8)	4	2	62	1	98	1	82	2	2	62	2	42	360
20	Net change	(4)	(18)	46	(23)	79	(19)	63	(17)	(17)	43	(17)	23	140
21	Officer strength - month end	3,409	3,392	3,438	3,415	3,494	3,475	3,538	3,521	3,504	3,547	3,530	3,553	
22	Difference to 3553fte - over / (under)	(144)	(161)	(115)	(138)	(59)	(78)	(15)	(32)	(49)	(6)	(23)	(0)	
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	£16.70m	£16.06m	£16.01m	£15.61m	£15.98m	£15.77m	£16.72m	£190.14m
24	2021/22 Leavers							(£0.06m)	(£0.13m)	(£0.19m)	(£0.25m)	(£0.31m)	(£0.38m)	(£1.32m)
25	2021/22 Starters							£0.01m	£0.26m	£0.44m	£0.49m	£0.62m	£0.70m	£2.52m
26	Other Costs							(£0.01m)	(£0.01m)	£0.00m	(£0.01m)	(£0.01m)	£0.00m	(£0.04m)
27	Monthly Actual	£14.89m	£15.60m	£15.40m	£15.68m	£15.72m	£16.70m	£16.00m	£16.13m	£15.86m	£16.21m	£16.07m	£17.04m	£191.30m
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	27	17	15	15	15	(65)	(5)	(5)	
29	Leavers (positive number = less leavers)	11	(1)	3	(5)	0	(1)	0	0	0	0	0	0	8
30	Starters	(4)	(80)	60	(1)	(10)	(1)	0	0	(80)	60	0	4	(52)
31	Month End Strength Change - FTEs	51	(30)	33	27	17	15	15	15	(65)	(5)	(5)	(1)	(44)
32	Change per month FTEs	7	(81)	63	(6)	(10)	(2)	0	0	(80)	60	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)	£1.00m	£0.07m	£0.28m	(£0.22m)	£0.21m	£0.15m	£1.08m	£2.18m

**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 rejainers

## 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)
<b>Net Impact</b>																									<b>127,578</b>

	April		May		June		July		August		September		October		November		December		January		February		March <sup>2</sup>		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)
<b>Net Impact</b>																									<b>637,888</b>

	April		May		June		July		August		September		October		November		December		January		February		March <sup>2</sup>		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)
<b>Net Impact</b>																									<b>1,275,777</b>

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

### FTE Changes Effecting Pay Forecasts - 2021/22 Month 6

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	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	Strength at 31st March 2022
<b>Budget Setting</b>			3,369	388	24	(228)	0	3,553
HR data @ 31 July 21	3,553	3,416	3,413	334	25	(218)	(1)	3,553
HR data @ 31 Aug 21	3,553	3,494	3,413	336	24	(219)	(1)	3,553
<b>Change</b>		<b>78</b>	<b>0</b>	<b>2</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>

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
<b>Budget Setting</b>			2,327	2,175		
HR data @ 31 July 21	2,327	2,158			71	(67)
HR data @ 31 Aug 21	2,319	2,162			96	(88)
<b>Change</b>	<b>(8)</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>(21)</b>

\* 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					
	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	Strength at 31st March 2022
<b>Budget Setting</b>			103	103	0	0	0	103
HR data @ 31 July 21	103	95	105	101	10	(11)	0	100
HR data @ 31 Aug 21	103	94	105	101	10	(11)	0	100
<b>Change</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

4. Specials - Headcount	Actual Strength	Target Strength
<b>Budget Setting</b>		600
HR data @ 31 July 21	540	600
HR data @ 31 Aug 21	524	600
<b>Change</b>	<b>(16)</b>	<b>0</b>

# 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 September 2021 - Closing Balance	Forecast Year End Balance	Description of Earmarked Reserve
<b>1 Reserves held by Essex Police but managed as third party reserves</b>							
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.
<b>Total</b>	<b>£0.110m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.110m</b>	<b>£0.110m</b>	
<b>2 Project Reserves</b>							
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.
<b>Total</b>	<b>£0.000m</b>	<b>£1.200m</b>	<b>£0.000m</b>	<b>(£0.064m)</b>	<b>£1.136m</b>	<b>£1.136m</b>	
<b>3 Ringfenced Reserve</b>							
Proceeds of Crime Act	£2.134m	(£0.402m)	£0.100m	(£0.163m)	£1.669m	£1.213m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.265m		£0.100m		£0.365m	£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	£0.703m	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	(£0.626m)	£1.252m	£1.033m	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				£0.291m	£0.326m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
<b>Total</b>	<b>£6.317m</b>	<b>(£0.402m)</b>	<b>£1.300m</b>	<b>(£1.195m)</b>	<b>£6.020m</b>	<b>£4.738m</b>	
<b>4 Operational Reserves</b>							
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	£0.000m	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	£0.000m	Operational Carry Forward resulting from the 2019/20 and 2020/21 force underspend. Forecast to be fully utilised in response to operational requirements in 2021/22.
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.
<b>Total</b>	<b>£4.783m</b>	<b>£1.442m</b>	<b>£0.103m</b>	<b>(£1.303m)</b>	<b>£5.025m</b>	<b>£3.474m</b>	
<b>5 PFFC Reserves</b>							
Commissioning Grants 2020/21 to 2021/22	£1.089m				£1.089m	£1.089m	£1.089m for OPCC commissioning grants are carried forward to 2021/22.
<b>Total</b>	<b>£1.089m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£1.089m</b>	<b>£1.089m</b>	
<b>Total Revenue Earmarked Reserves</b>							
	<b>£12.299m</b>	<b>£2.240m</b>	<b>£1.403m</b>	<b>(£2.561m)</b>	<b>£13.381m</b>	<b>£10.548m</b>	
<b>6 Provisions</b>							
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.
<b>Total</b>	<b>£3.172m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£3.172m</b>	<b>£3.032m</b>	
<b>7 General Reserve</b>							
General Reserve	£13.162m	(£1.200m)	£4.625m		£16.587m	£16.587m	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.
<b>Total Revenue Reserves and Provisions</b>	<b>£28.633m</b>	<b>£1.040m</b>	<b>£6.028m</b>	<b>(£2.561m)</b>	<b>£33.140m</b>	<b>£30.167m</b>	

## 6. Capital

### 6.1 Capital Summary

#### CAPITAL PROGRAMME 2021/22 MONTH 6 MONITORING POSITION SUMMARY REPORT

	2021/22 Original Budget PF&C Panel	2021/22 Actuals to end of September 2021	2021/22 Forecast Outturn	2021/22 Forecast Budget Variance (Appendix 1)
	£000	£000	£000	£000
<b>EXPENDITURE -</b>				
ANPR projects	230	111	223	(7)
Estates projects	6,239	5,088	9,531	3,292
IT projects	1,361	805	2,053	692
Transport projects	301	290	1,361	1,060
OPC projects	-	21	209	209
SCD projects	-	53	119	119
Other projects	351	81	313	(38)
<i>Subject to Approval projects</i>	<i>10,597</i>	<i>-</i>	<i>4,731</i>	<i>(5,866)</i>
<b>TOTAL EXPENDITURE</b>	<b>19,079</b>	<b>6,449</b>	<b>18,540</b>	<b>(539)</b>
<b>FINANCING -</b>				
Capital Receipts	5,620	4,804	6,231	611
Revenue Contributions	3,046	-	321	(2,725)
Capital Grant	251	125	251	-
External & Other Income	303	-	56	(247)
Borrowing	9,859	1,520	11,681	1,822
<b>TOTAL FINANCING</b>	<b>19,079</b>	<b>6,449</b>	<b>18,540</b>	<b>(539)</b>

Note 1 - Changes to the capital programme, incorporating slippage from 2020/21 and other in-year changes, including variances already reported to the PFCC Performance, Resources and Scrutiny Board, will be reflected in the 'Forecast Budget Variance' column, and analysed out within the supporting Appendix 1 table.

Note 2 - The term 'Borrowing' in the context of financing the capital programme refers to the level of capital expenditure being incurred that can not immediately be covered by cash-backed resources in the current year, and therefore increases the Capital Financing Requirement (CFR) by this amount. The CFR is charged to the revenue account over future years in the form of a minimum revenue provision (MRP) i.e. it is a commitment to use future year revenue streams to fund this expenditure. For treasury management purposes, and based on the most recently available information, there is a forecast requirement to externally borrow £3.8m in quarter 4 of 2021/22. In relation to the total borrowing figure of £11.7m in the above figures, this would therefore equate to an internal borrowing element of £7.9m.



## 6.2 Capital Summary – Supporting Commentary

The capital position for month 6 reflects a forecast **underspend of £539,000**, 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 5 there has been a further forecast **underspend of £343,000** which is now included in the overall position.

The £343,000 reduction in forecast for month 6 is based on the following key changes:

- **Slippage of £1.118m**, including Estates projects of £862k, including £596k relating to the Capitalised Maintenance Programme 20/21 and 21/22, and £307k for the Boreham C Block Refurbishment, as well as Transport-related slippage of £235k.
- **Net additions to the Capital Programme of £1.162m**, relating to approvals from the September PFCC Strategic Board, including £1.311m for the Data Centre Migration Project.
- **Other reductions of £394k**, including £240k being removed from Infrastructure Technical Refresh 2021/22, to fund the Data Centre Migration project.
- **Other additions of £7k**, comprising the remaining movement.

The Capitalised Maintenance Programme forecast has been updated based on a realistic assessment of the remainder of 2021/22, and what is deliverable in this time. Some elements of the programme are yet to be scoped, specified and tendered, and as a result £596k has been slipped to 2022/23. The £307k Boreham refurbishment slippage is a direct result of the later than expected completion of the site purchase.

The total £539,000 forecast underspend being recognised at month 6 is therefore comprised as follows:

- An increase in expenditure due to **slippage of £5.6m from the 2020/21 programme** including £3.5m for the purchase of Boreham Depot which completed on the 24th August 2021.
- **Additions of £2.1m** including the Data Centre Migration Project (£1.3m) and other smaller reductions including Chelmsford Police Station the Infrastructure Technical Refresh 2021/22 Programme, as well as other capital IT projects.
- **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 various IT-related reductions (£0.6m).
- **Slippage of £5m into future years** including the Fleet Replacement Programme (£1.5m), Estates projects (£2.5m), Dashcams (£0.3m) and various projects still at the 'subject to approval' stage (£0.4m).

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

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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.

In respect of the wider capital programme it is currently anticipated that the remainder of the subject to approval projects (£4.7m) 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. It is therefore assumed that the applicable forecasts for these projects will be fully spent.

The financing plan for month 6 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 £7.1m for 2021/22, with £4.8m already received as at the end of September 2021. £6.2m of this money is being forecast to be using in financing the Capital Programme in 2021/22.

£1.5m of revenue contributions are being forecast to be appropriated to the Future Capital Funding Reserve within the Month 6 position comprising the £1m recurring annual contribution, £0.4m of one-off items agreed in 2021/22 budget setting and a further £0.1m for the Dashcams project. Therefore, the total revenue resources available for use in capital financing are £2.1m, including the £0.6m unused balance brought forward from 2020/21. Based on an assessment of the optimum financing approach for Month 6 it is proposed that £0.3m of this funding is used to finance capital expenditure in 2021/22, with a balance carried forward in the Future Capital Funding Reserve of £1.8m. This funding 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.

The borrowing requirement for unfinanced capital expenditure is forecast at £11.7m which equates to approximately 63% of the year's financing plan. Based on the latest treasury management information available the related external borrowing requirement is currently anticipated to be circa £3.8m in Quarter 4 of 2021/22.

Appendix 1

### CAPITAL PROGRAMME 2021/22 MONTH 6 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
<b>FORECAST OUTTURN VARIANCES</b>							
ANPR projects	-	-	2	-	(9)	-	(7)
Estates projects	4,918	948	1,545	-	(1,639)	(2,482)	3,290
IT projects	259	1,420	494	(667)	(595)	(219)	692
Transport projects	319	2,200	1	-	-	(1,460)	1,060
OPC projects	6	528	-	-	(23)	-	511
SCD projects	53	11	56	-	-	(302)	(182)
Other projects	44	33	-	-	-	(115)	(39)
<i>Subject to Approval projects</i>	-	(5,140)	-	-	(310)	(416)	(5,866)
<b>TOTAL VARIANCES TO BUDGET</b>	<b>5,599</b>	<b>-</b>	<b>2,098</b>	<b>(667)</b>	<b>(2,576)</b>	<b>(4,994)</b>	<b>(539)</b>

# Appendix A – Detailed Revenue Analysis

## POLICE & CRIME COMMISSIONER FOR ESSEX REVENUE REPORT 2021/22 MONTH 06

	Original Budget	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast	Variance Over/(Under) Spend - Revised Budget
	£000	£000	£000	£000	£000	£000
<b>Employees</b>						
Police Pay and Allowances	189,122	1,624	190,746	94,394	191,301	555
Police Staff Pay and Allowances	86,572	1,509	88,081	43,602	87,748	(333)
PCSO Pay	3,574	0	3,574	1,669	3,382	(192)
Operational Performance	500	(191)	309	0	209	(100)
Police Officer Overtime	4,232	2,014	6,246	3,167	6,523	277
Police Officer Bank Holiday Overtime	1,975	239	2,214	1,147	2,257	44
Police Staff Agency	32	221	252	253	355	103
Police Staff and PCSO Overtime	1,106	217	1,323	753	1,595	272
Pensions (Ill Health / Medical)	4,496	0	4,496	2,086	4,172	(324)
Training	1,882	32	1,914	1,032	1,896	(18)
Employee Expenses (e.g. Severance)	1,526	(835)	691	93	584	(107)
Associated Police Pay e.g. Acting Up, A/L loss of pay	1,064	101	1,165	587	1,325	160
<b>Employees Sub Total</b>	<b>296,081</b>	<b>4,931</b>	<b>301,012</b>	<b>148,784</b>	<b>301,348</b>	<b>336</b>
<b>Premises</b>	<b>9,978</b>	<b>(1)</b>	<b>9,977</b>	<b>4,360</b>	<b>9,666</b>	<b>(312)</b>
<b>Transport</b>	<b>5,805</b>	<b>22</b>	<b>5,826</b>	<b>2,857</b>	<b>5,792</b>	<b>(34)</b>
<b>Supplies and Services</b>						
Forensic Costs	3,516	0	3,516	1,122	2,903	(613)
Communications & Technology	15,238	232	15,470	12,443	15,088	(382)
Uniforms & Laundry	834	37	872	377	857	(14)
Medical related expenditure	2,608	(0)	2,608	102	2,589	(19)
Office Equipment, Furniture & Materials	535	(9)	526	226	744	218
Custody Costs	453	(0)	452	157	502	50
PCC Grants	5,480	(137)	5,343	5,483	5,067	(276)
Insurance Contribution	1,300	0	1,300	463	1,300	0
Specialist/Operational Supplies & Services	5,835	(174)	5,661	1,901	5,342	(319)
Revenue Consequences of Capital	1,072	(95)	977	0	403	(574)
<b>Supplies &amp; Services Sub Total</b>	<b>36,871</b>	<b>(146)</b>	<b>36,725</b>	<b>22,272</b>	<b>34,795</b>	<b>(1,930)</b>
Third Party Payments	9,347	(1,440)	7,907	3,182	7,651	(256)
In-Year Investments	0	0	0	0	0	0
In-Year Savings	62	(149)	(88)	0	0	88
<b>Gross Operating Expenditure</b>	<b>358,144</b>	<b>3,216</b>	<b>361,360</b>	<b>181,455</b>	<b>359,252</b>	<b>(2,108)</b>
Central Government Funding - Specific	(9,112)	(1,537)	(10,649)	(8,840)	(12,801)	(2,152)
Other Funding	(10)	0	(10)	0	0	10
Local Gov't Fndng - Specific/Partnership	(2,029)	(195)	(2,224)	(482)	(2,154)	69
Sale Of Assets & Goods	(302)	0	(302)	(177)	(300)	2
Fees & Charges - Public Fees	(604)	0	(604)	(275)	(579)	24
Fees & Charges - Rental & Hire Charges	(79)	0	(79)	6	(50)	29
Fees & Charges - General	(2,544)	(103)	(2,647)	(716)	(2,709)	(62)
Fees & Chrgs - Private Hire, Sngle Evnts	(172)	(13)	(186)	(23)	(93)	92
Fees & Charges - Hire Of Officer & Staff	(5,313)	(133)	(5,446)	(2,555)	(5,310)	137
Reimbrsmnts & Contributions - Inter Force	(7,065)	983	(6,082)	(1,401)	(6,208)	(126)
Reimbrsmnts & Contributions - Public Body	(1,203)	0	(1,203)	(443)	(1,213)	(10)
Transport Trading Income	(160)	0	(160)	(55)	(160)	(0)
Reimbursements & Contributions - General	(200)	0	(200)	(16)	(80)	120
External Orgs Recharge For Salary Costs	(248)	0	(248)	(62)	(247)	1
Secondment Officers From Other Forces	(649)	(1,061)	(1,710)	(572)	(2,140)	(431)
<b>Income</b>	<b>(29,690)</b>	<b>(2,058)</b>	<b>(31,748)</b>	<b>(15,611)</b>	<b>(34,044)</b>	<b>(2,297)</b>
<b>Net Cost of Services</b>	<b>328,454</b>	<b>1,158</b>	<b>329,613</b>	<b>165,843</b>	<b>325,208</b>	<b>(4,405)</b>
<b>Other Expenditure / (Income)</b>						
Interest (Receivable) / Payable	77	0	77	0	8	(69)
Cost of the disposal of fixed assets	0	0	0	0	0	0
Capital & Other Adjustments	739	0	739	(7,378)	588	(151)
Budget carry forwards	0	0	0	0	0	0
Earmarked reserves	2,240	(1,158)	1,082	(532)	1,082	0
	<b>3,056</b>	<b>(1,158)</b>	<b>1,898</b>	<b>(7,911)</b>	<b>1,678</b>	<b>(220)</b>
<b>Net Expenditure</b>	<b>331,510</b>	<b>(0)</b>	<b>331,510</b>	<b>157,933</b>	<b>326,885</b>	<b>(4,625)</b>
Contribution to/(from) General Balance	(1,200)	0	(1,200)	(1,200)	3,425	4,625
<b>BUDGET REQUIREMENT</b>	<b>330,310</b>	<b>(0)</b>	<b>330,310</b>	<b>156,733</b>	<b>330,310</b>	<b>(0)</b>

Financed by						
SOURCES OF FINANCE	(330,310)	0	(330,310)	(163,248)	(330,310)	0
<b>TOTAL</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(6,516)</b>	<b>(0)</b>	<b>(0)</b>