

Performance and Resources Scrutiny Programme 2021/22

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

Title of Report:	2021/22 Month 11 Financial Monitoring Report
Classification of Paper:	Official
Agenda Number:	3i)
Chief Officer	DCC Prophet
Date Paper was Written	16th March 2022
Version Number	Version 1
Report from:	Essex Police: Corporate Finance
Date of Meeting:	30th March 2022
Author on behalf of Chief Officer:	Annette Chan, Chief Accountant
Date of Approval:	16th March 2022

1.0 Purpose of Report

1.1 This report identifies the 2021/22 Month 11 position for the Force.

2.0 Recommendations

2.1 To note the contents of the report.

2.2 To note the return of unused funds to the Redundancy Reserve (£50k) and the Operational Transformation Reserve (£41k – FCR Digital Hub project slippage to be utilised in 2022/23) as required in the approved Scheme of Virement (Section 2 of the report).

2.3 To note and support the recommended creation of a Grant Equalisation Reserve (Section 2 of the report) with the unspent Witness and Victim Care grant being the first grant to be placed in this reserve at Provisional Outturn with this grant being appropriated back to revenue as the expenditure for which the grant was given is incurred. Approval to be requested via a PFCC Decision Report.

3.0 Executive Summary

3.1 The revenue forecast underspend as at Month 11 is £0.421m against the 2021/22 revenue budget of £330.3m (0.13% variance), an increase of £0.261m from the Month 10 underspend of £0.160m (0.05% variance).

3.2 The capital position for Month 11 reflects a forecast underspend of £6.933m, compared to the original approved budget of £19.1m (36.34% variance), an increase of £0.197m from the Month 10 underspend of £6.736m (35.31% variance).

3.3 The Police Officer strength forecast at the end of February is 3,540 FTE and forecast to be 3,581 FTE at year end. The overspend on Police Officer Pay and Allowances is £1.2m.

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3.4 The Police staff strength at the end of January is 2,147 FTE. Vacancies at 31st January were 17 FTEs above the budgeted vacancy factor. The underspend on Police Staff Pay and Allowances is £0.4m.

4.0 Introduction/Background

4.1 This report sets out the February, Month 11, financial position.

5.0 Current Work and Performance

5.1 The Month 11 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 There are no virements/appropriations required for approval.

1. Executive Summary

REVENUE

The revenue forecast underspend as at Month 11 is £0.421m against the 2021/22 revenue budget of £330.3m (0.13% variance), an increase of £0.261m from the Month 10 underspend of £0.160m (0.05% variance).

The force variance to current budget at subjective level is detailed in Section 3.2 of the report and the movement from Month 10 to Month 11 is detailed in Section 3.3 of the report.

WORKFORCE

The Police Officer strength forecast at the end of February is 3,540 FTE and forecast to be 3,581 FTE at year end. The forecast overspend on Police Officer Pay and Allowances remains at £1.2m.

The Police Staff strength at the end of January is 2,147 FTE. Vacancies at 31st January were 17 FTEs above the vacancy factor of 152 FTEs. Total vacancies are 169 FTEs. The underspend on Police Staff Pay and Allowances is £0.5m (Month 10 - £0.4m).

The PCSO strength at the end of January is 96 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.3m (Month 10 - £0.2m).

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

RESERVES

The Month 11 position includes the return of unused funds to the Redundancy Reserve and Operational Transformation Reserve (OTR). The Redundancy Reserve will be assessed as part of the closure of accounts process and an increase or decrease in this reserve may be requested within the Provisional Outturn Report. A request to create a new 'Grant Equalisation Reserve' is detailed in Section 2.

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 11 reflects a forecast underspend of £6.933m, compared to the original approved budget of £19.1m (36.34% variance), an increase of £0.197m from the Month 10 underspend of £6.736m (35.31% variance). The capital tables and commentary are noted in Section 6 of the report.

The financing requirement for unfinanced capital expenditure is forecast at £7.663m which equates to approximately 63% of the year's financing plan. Based on the latest treasury management information available there is not expected to be a need for external borrowing 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						
N/A	None in the month	0	N/A	N/A	N/A	N/A
Total		0				
Appropriations (from) Earmarked Reserves						
ER033/21	Redundancy Costs - Severance and Financial Strain	50	Return of unused funds to the Redundancy Reserve. The level of the Redundancy Reserve as at 31.3.22 will be assessed as part of the closure of accounts process and if required an increase or decrease requested as part of the Provisional Outturn report.	Technical - as per Scheme of Virement (For return of unused funds)	Restructuring Reserve	Other Employee Expenses
ER034/21	Operational Transformation Reserve - Digital Hub for FCR	41	Return of unused funds to the Operational Transformation Reserve in relation to the FCR Digital Hub (as per the scheme of virement) for use in 2022/23. The funding will be appropriated back to revenue in 2022/23 for use as per the original approval.	Technical - as per Scheme of Virement (For return of unused funds)	Operational Transformation Reserve	Police Staff Pay & Allowances
Total		91				
Net appropriation to/(from) Earmarked Reserves		91				

It is recommended that (subject to a decision sheet):

- 1) a new reserve is created to be referred to as the **Grant Equalisation Reserve**. Where revenue grants are received and have to be recognised as income in advance of the related expenditure (due to compliance with proper accounting practice), the proposal is that the unspent amounts are appropriated into this earmarked reserve to set the funds aside so that they can be applied in the year that the spend is incurred. For example, Witness and Victim Care Funding received in the Summer of 2021 of £92k to fund 3 staff for 12 months. At month 11 not all posts have been recruited to. The £92k has to be accounted for as income in 2021/22 (included as part of the month 11 underspend) but the majority of the grant will be utilised in 2022/23. Having one reserve to hold these grant balances in this type of scenario would avoid the need to set up individual reserves for lower level grants such as this. Each grant carried into the reserve would be ring-fenced and only withdrawn and used for the purpose for which the grants were originally given. The balance on the Grant Equalisation Reserve would be reviewed on a quarterly basis by the Chief Constable and PFCC Section 151 Officers to assess appropriateness of the balance remaining on the reserve. Appropriations to and from the reserve would be subject to the same approval routes as documented within the Scheme of Virement although the PFCC may want to apply a de-minimis level. This approach is used within Local Authorities. It is recommended that the unspent balance of the Witness and Victim Care Funding grant is appropriated to this reserve in the first instance (Anticipated to be in the region of £75k and £85k).

3. Revenue

3.1 Revenue Summary

In Month - Month 11			Year to Date - Month 11			Subjective Heading	Full Year									
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		
15,959	16,172	213	175,544	175,405	(139)	Employees										
822	788	(34)	9,039	8,741	(298)	<u>Police Officer Pay and Allowances</u>										
98	132	34	1,076	1,210	134	189,122	2,380	191,502	175,405	192,677	3,555	1,175	(2)			
(7)	0	7	(80)	0	80	6,707	3,154	9,861	8,741	10,273	3,566	412	50			
16,871	17,091	220	185,578	185,355	(223)	1,064	109	1,173	1,210	1,357	293	184	40			
						62	(149)	(88)	0	0	(62)	88	0			
						196,955	5,494	202,449	185,355	204,308	7,353	1,859	87			
298	273	(25)	3,278	3,073	(205)	PCSO Pay and Allowances										
						3,574	2	3,576	3,073	3,324	(250)	(251)	(43)			
7,326	6,917	(409)	80,585	79,750	(835)	<u>Police Staff Pay and Allowances</u>										
169	170	1	1,861	1,977	116	86,572	1,339	87,911	79,750	87,452	880	(459)	(31)			
7,495	7,087	(408)	82,447	81,728	(719)	1,137	893	2,030	1,977	2,406	1,268	375	(36)			
341	293	(47)	3,746	3,911	164	Police Staff Pay and Allowances										
160	233	73	1,759	1,766	7	4,496	(409)	4,087	3,911	4,080	(416)	(7)	(9)			
53	68	15	579	357	(222)	1,882	37	1,919	1,766	1,926	44	7	40			
25,217	25,044	(173)	277,387	276,190	(1,197)	1,526	(895)	631	357	485	(1,041)	(146)	1			
864	530	(334)	9,504	7,874	(1,631)	Employees Total										
485	523	38	5,339	5,614	274	296,143	6,462	302,604	276,190	303,982	7,839	1,377	10			
3,068	1,043	(2,025)	33,743	33,439	(304)	9,978	390	10,368	7,874	9,803	(175)	(565)	41			
16	0	(16)	179	0	(179)	5,805	20	5,825	5,614	5,731	(74)	(94)	9			
3,084	1,043	(2,041)	33,923	33,439	(483)	Supplies and Services										
						36,406	405	36,811	33,439	35,373	(1,033)	(1,438)	(408)			
642	441	(201)	7,057	6,170	(887)	465	(270)	195	0	0	(465)	(195)	0			
30,292	27,581	(2,711)	333,210	329,286	(3,924)	Supplies and Services										
(2,980)	(3,654)	(674)	(32,782)	(31,007)	1,775	36,871	135	37,006	33,439	35,373	(1,499)	(1,634)	(408)			
27,312	23,927	(3,385)	300,428	298,279	(2,149)	Third Party Payments										
6	(1)	(8)	71	(2)	(72)	9,347	(1,649)	7,698	6,170	7,812	(1,536)	113	12			
357	(61)	(418)	3,931	(3,648)	(7,579)	Gross Expenditure										
27,675	23,865	(3,811)	304,430	294,629	(9,801)	358,144	5,358	363,502	329,286	362,700	4,556	(802)	(337)			
(27,541)	(28,051)	(510)	(302,952)	(304,430)	(1,478)	Income										
134	(4,186)	(4,321)	1,478	(9,801)	(11,279)	(29,690)	(6,073)	(35,763)	(31,007)	(35,308)	(5,618)	455	66			
						Net Cost of Services										
(129)	578	708	(1,419)	(1,536)	(117)	328,454	(715)	327,739	298,279	327,392	(1,062)	(347)	(271)			
(5)	0	5	(58)	(64)	(5)	77	0	77	(2)	(7)	(84)	(84)	0			
(0)	(3,608)	(3,608)	(0)	(11,400)	(11,400)	2,181	2,108	4,289	(3,648)	4,289	2,108	0	0			
						Other Expenditure / (Income)										
						330,712	1,393	332,105	294,629	331,674	962	(431)	(271)			
						Capital and Other Adjustments										
						(330,310)	(183)	(330,493)	(304,430)	(330,483)	0	10	10			
						Sources of Finance										
						(Surplus)/Deficit before appropriations		402	1,210	1,612	(9,801)	1,191	962	(421)	(261)	
						Contribution to/(from) Earmarked Reserves										
						798	(2,347)	(1,548)	(1,536)	(1,548)	(2,347)	0	0			
						Contribution to/(from) General Reserve										
						(1,200)	1,136	(64)	(64)	357	1,557	421	261			
						(Surplus)/Deficit after appropriations										
						(0)	0	0	(11,400)	0	173	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 - £1.859m overspend**

Explanation of forecast variance

The overspend is due to opening strength being 44 FTE more than budget, 22 FTE less leavers forecast up to February, and an adjustment to the joiner recruitment profile since budget setting to reflect 38 FTE less, resulting in a year end strength of 3,581 FTE. 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 £0.335m for OPC and £0.250m for SCD. 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 the SCD overspend is in recognition of the size of the directorate and the ongoing resourcing requirement in response to proactive and reactive demand. The 2022/23 budget has now been set and additional funds have been assigned to these areas of expenditure.

The forecast includes an overspend of £0.254m 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)

There has been no change to the previously reported adjustments to Original Budget since Month 10 which remains at £5.494m.

- **PCSO Pay and Allowances - £0.251m underspend**

Explanation of forecast variance

Net strength in the first half of the financial year has been lower than budget setting and year end strength projection of 103 FTE.

- **Police Staff Pay and Allowances - £0.084m underspend**

Explanation of forecast variance

The Police Staff strength at the end of January remains unchanged at 2,147 FTE and total vacancies are 169 FTEs (17 FTEs above the budgeted vacancy factor of 152 FTEs). Delays in the recruitment to force staff growth posts is also contributing to the force underspend of £0.459m (0.52% of the revised budget).

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The underspend noted above is offset by an overspend on Police Staff Overtime of £0.375m (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 £0.180m 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 11 include a return of unused funds to the Operational Transformation Reserve (OTR) in relation to the FCR Digital Hub (£41k) and it is requested through this report that these funds can be appropriated back to revenue in 2022/23 to fund the team in the new financial year. Adjustments to Original Budget, up to and including Month 11 totals £2.232m.

Pensions (Ill Health/Medical) - £7k underspend

Explanation of adjustments to Original Budget (virements)

Includes a virement of £0.409m to create a budget for agreed underspend utilisation proposals resulting from a force underspend for Pensions (Ill Health/Medical) based on a leavers profile of five constables and one sergeant, compared to the budgeted amount of ten leavers.

- **Other Employee Expenses - £0.146m 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 £6k has been appropriated to date for severance and financial strain expenditure.

- **Premises - £0.565m underspend**

Explanation of forecast variance

Includes an underspend on rates payable following the refurbishment of Chelmsford station where the expected increase did not materialise, so the forecast reduced in a prior month by £0.3m. The forecast also 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. The underspend is partially offset by an increase to reactive maintenance costs including a serious water leak which has adversely impacted on IT and electrical systems. The underspend has reduced by £41k since Month 10 following the inclusion of the Force's share of dilapidation costs for a building at Stansted.

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) and agreed proposals for utilisation of force underspend for consultancy costs for a joint fleet workshop and accessibility building audits, as approved at the December 2021 Strategic Board (£200k increase).

- **Transport - £0.94m underspend**

Explanation of forecast variance

Includes an underspend on force mileage claims and public transport costs, both of which have been recognised in the 2022/23 budget as having delivered non-pay savings.

- **Supplies and Services - £1.634m underspend**

Explanation of forecast variance

Includes previously reported underspends in respect of Communications and Technology (£0.6m), Council Tax Sharing Agreement (£0.2m), Revenue Consequences of Capital (£0.2m), Forensic Services (£0.1m), IT investment no longer required for Body Worn Video (£0.1m) and slippage on the ICCS supplier replacement costs and Airwave traffic charges and network circuits (£0.2m) offset by an overspend of £0.2m for increased Safeguarding Contributions that are due to be incurred from Force budgets. The underspend has increased by £0.408m since Month 10 predominantly due to a £0.2m reduction in forecast public liability insurance claims following a detailed review of outstanding liabilities and £0.2m reduction in revenue consequences of capital due to further slippage in the capital programme, particularly in Estates.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 10 totalled £0.615m. The budget has reduced by £0.480m this month (with a corresponding forecast reduction) with the appropriation of the lifetime allowance (LTA) pension recovered from the Home Office to the Legal Claims Reserve (approved at Month 9).

- **Third Party Payments - £0.113m overspend**

Explanation of forecast variance

Includes an overspend due to change in treatment of funding of regional, non-Essex, PUP ROCU Officers, as per quarter 3 forecast supplied by ERSOU.

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. There has been no change to the previously reported adjustments to Original Budget of £1.649m this month.

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- **Income - £0.455m overspend**

Explanation of forecast variance

The overspend includes an agreed reduction in recharge to Manchester Airport Group for the Policing of Stansted Airport in the first quarter of the financial year, and a shortfall in connection to the private hire income budget which has been adjusted as part of 2022/23 budget setting. Income is forecast to be £66k lower this month, consisting of a £0.180m reduction in forecast MCA Costs awarded offset by an increase of £92k from the Witness and Victim Care grant funding, mentioned in Section 2, and for which a request is made to appropriate this to the proposed new Grant Equalisation Reserve to match the timing of the expected use of this grant (2022/23).

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget have reduced by £0.183m during Month 11. This has a corresponding forecast change. This relates to the Home Office funding for the additional 2 Police Officers added to this year's share of the national police uplift programme. Initially expected to be received by an increase in the claimable ringfenced grant, the Home Office have confirmed that the additional funding will be received as an amendment to the core grant and therefore there is a corresponding increase in the sources of funding budget and forecast which offsets this. Previously reported adjustments to Original Budget, up to and including Month 10 was £6.256m.

- **Capital and Other Adjustments – No Variance**

The adjustment from Original Budget to the Revised Budget predominantly include a series of adjustments to the Future Capital Funding Reserve.

- **Sources of Finance – £0.010m Overspend**

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget of £0.183m during Month 11, which has a corresponding forecast change, relates to the Home Office funding for 2 additional Police Officers added to this year's share of the national police uplift programme. As mentioned above, there is a corresponding adjustment on the Income line.

- **Net Contribution from Earmarked Reserves**

The detailed breakdown of earmarked reserves is noted in Section 5 and appropriations listed and/or requested for approval in Section 2 of the report.

- **Contribution to General Reserve - £0.421m**

As noted in Section 3.1 of the report. The movements from Month 10 to Month 11 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 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 a few 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 £11.4m 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 £0.223m underspend, however the forecast variance is a £1.8m overspend. This is because the forecast reflects the probationer intakes to reach an end of year position of 3,581 FTE, whilst the year to date variance reflects actuals in relation to a maximum of 3,552 FTE (as noted at the end of January), compared to a monthly budget profile based on an end of year position of 3,555 FTE. Another contributing factor is that overtime is paid a month in arrears.

Supplies and Services: The year to date variance reflects a £0.483m underspend, however the forecast variance is a £1.6m 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 £7.6m underspend, however there is no forecast variance in relation to Capital and Other Adjustments. The difference is due to the presence of various budget lines feeding into this category, which are causing the current actual to date of £3.648m. 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 10

	Change in Forecast Outturn Variance £m	
Month 10 Forecast Outturn Variance	(0.2)	Underspend (£160k)
Police Officer Pay and Allowances	0.0	Includes changes to probationer recruitment profile to reach a year end strength of 3,585 FTE
Police Staff Pay and Allowances	0.0	Includes adjustments in February payroll
Supplies and Services	(0.4)	Insurance claims - a further detailed review of outstanding liabilities has been undertaken to the end of February and largely based on the significant reduction for one public liability claim, and the proximity to year-end meaning compensating increases are now unlikely, a £0.2m reduction has now been recognised within the Month 11 position. Revenue Consequences for Capital - continued slippage in the capital programme, particularly in Estates, has resulted in the remaining £0.2m revenue consequences forecasts being removed for month 11.
Further Variances	0.2	Various changes across the force to reflect latest information which are less than £100k, including £66k for Income, £41k for Premises and £40k for Training related expenditure.
Month 11 Forecast Outturn Variance	(0.4)	Underspend (421k)

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													
	Strength	Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
1	Strength @ beginning of month (note 1)	3,369	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 (note 9)	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	
	Budget	Apr £m	May £m	Jun £m	Jul £m	Aug £m	Sep £m	Oct £m	Nov £m	Dec £m	Jan £m	Feb £m	Mar £m	Total £m
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 11th February 2022 (updated for revised February leavers)														
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	3,391	3,437	3,414	3,494	3,473	3,530	3,522	3,509	3,552	3,540	
18	Leavers (note 7)	(8)	(20)	(16)	(24)	(18)	(22)	(16)	(12)	(15)	(21)	(15)	(19)	(206)
19	Starters (note 8)	4	2	62	1	98	1	73	4	2	64	3	60	374
20	Net change	(4)	(18)	46	(23)	80	(21)	57	(8)	(13)	43	(12)	41	168
21	Officer strength - month end	3,409	3,391	3,437	3,414	3,494	3,473	3,530	3,522	3,509	3,552	3,540	3,581	
22	Difference to 3553fte - over / (under)	(144)	(162)	(116)	(139)	(59)	(80)	(23)	(31)	(44)	(1)	(13)	28	
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	£16.19m	£16.91m	£16.17m	£17.14m	£192.68m
24	2021/22 Leavers												(£0.06m)	(£0.06m)
25	2021/22 Starters												£0.09m	£0.09m
26	Other Costs												(£0.03m)	(£0.03m)
27	Monthly Actual	£14.89m	£15.60m	£15.40m	£15.68m	£15.72m	£16.73m	£16.07m	£16.18m	£16.19m	£16.91m	£16.17m	£17.14m	£192.68m
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	18	14	8	17	(59)	1	6	
29	Leavers (positive number = less leavers)	11	(1)	3	(5)	1	(3)	3	7	4	(2)	4	0	22
30	Starters	(4)	(80)	60	(1)	(10)	(1)	(9)	2	(80)	62	1	22	(38)
31	Month End Strength Change - FTEs	51	(30)	33	27	18	14	8	17	(59)	1	6	28	(16)
32	Change per month FTEs	7	(81)	63	(6)	(9)	(4)	(6)	9	(76)	60	5	22	
	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)	£1.03m	£0.14m	£0.33m	£0.11m	£0.91m	£0.25m	£1.18m	£3.56m

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 cost for the
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
9	Notification of additional Home Office funding for 2 FTE officers in 2021/22 was received in December 2021, increasing the force establishment to 3,555 FTE. This is not reflected in the tables above

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		INTAKE		INTAKE		INTAKE		INTAKE		INTAKE		
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month			Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
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		
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month											Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
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		
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month											Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
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 11

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
Budget Setting			3,369	388	24	(228)	0	3,553
HR data @ 31 Dec 21	3,555	3,509	3,413	346	27	(203)	2	3,585
HR data @ 31 Jan 22	3,555	3,552	3,413	346	28	(207)	1	3,581
Change	0	43	0	0	1	(4)	(1)	(4)

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 @ 31 Dec 21	2,317	2,147			158	(165)
HR data @ 31 Jan 22	2,316	2,147			185	(192)
Change	(1)	0	0	0	27	(27)

* 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
Budget Setting			103	103	0	0	0	103
HR data @ 31 Dec 21	103	101	105	101	13	(11)	0	103
HR data @ 31 Jan 22	103	96	105	101	8	(15)	0	94
Change	0	(5)	0	0	(5)	(4)	0	(9)

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 @ 31 Dec 21	493	600
HR data @ 31 Jan 22	485	600
Change	(8)	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	28th February 2022 - 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		(£1.200m)	£0.000m	£0.000m	Essex share of 4F ICT convergence identified as part of 2021/22 Budget Setting. Unutilised balance of £1.136m transferred to General Reserve.
Total	£0.000m	£1.200m	£0.000m	(£1.200m)	£0.000m	£0.000m	
3 Ringfenced Reserve							
Proceeds of Crime Act	£2.134m	(£0.402m)	£0.446m	(£0.238m)	£1.940m	£1.848m	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	(£0.006m)	£1.128m	£1.128m	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			(£0.353m)	£0.478m	£0.523m	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	(£0.968m)	£0.910m	£0.881m	Reserve to help fund the one-off costs of implementing the IT and Estates Transformation Strategies.
Data Analytics Reserve	£0.057m			(£0.029m)	£0.028m	£0.028m	Data Analytics and Visualisation Tool to be delivered in 2020/21 and into 2021/22. Residual balance at year end will be reflect in 2022/23 budget setting to partially meet the anticipated costs for 22/23.
Legal Reserve	£0.741m		£0.566m		£1.307m	£1.307m	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)	£2.186m	(£1.594m)	£6.507m	£6.375m	
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. The reserve includes funding of £229k for additional enforcement of COVID regulations at Stansted Airport which is to be transferred to the General Reserve as part of 2022/23 budget setting.
Chief Constables Operational C/Fwd	£1.000m			(£0.435m)	£0.565m	£0.565m	Operational Carry Forward resulting from the 2019/20 and 2020/21 force underspend. Plans for utilisation in 2021/22 include £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	£2.259m		£4.307m	£4.307m	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	£2.259m	(£1.738m)	£6.746m	£6.746m	
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)	£1.557m		£13.519m	£13.519m	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 £1.136m representing the unutilised balance of the IT convergence earmarked reserve.
Total Revenue Reserves	£25.461m	£1.040m	£6.002m	(£4.532m)	£27.971m	£27.401m	
7 Provisions							
Severance Provision	£0.140m			(£0.050m)	£0.090m	£0.000m	Provision to fund redundancy costs recognised as part of the Statement of Accounts process.
Insurance Provision	£3.032m				£3.032m	£2.916m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.172m	£0.000m	£0.000m	(£0.050m)	£3.122m	£2.916m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2021/22 MONTH 11 MONITORING POSITION SUMMARY REPORT

	2021/22 Original Budget PF&C Panel	2021/22 Actuals to end of February 2022	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	6,199	7,663	1,424
IT projects	1,361	1644	2,619	1,258
Transport projects	301	1025	1,222	921
OPC projects	0	107	126	126
SCD projects	0	65	119	119
Other projects	351	171	252	(99)
<i>Subject to Approval projects</i>	<i>10,597</i>	<i>0</i>	<i>0</i>	<i>(10,597)</i>
TOTAL EXPENDITURE	19,079	9,344	12,146	(6,933)
FINANCING -				
Capital Receipts	5,620	4,176	4,176	(1,444)
Revenue Contributions	3,046	0	0	(3,046)
Capital Grant	251	188	251	-
External & Other Income	303	0	56	(247)
Financing Requirement	9,859	4,980	7,663	(2,196)
TOTAL FINANCING	19,079	9,344	12,146	(6,933)

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 £6.933m 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 £7.66m within the above table, this would therefore be fully met by a corresponding amount of internal borrowing.

6.2 Capital Summary – Supporting Commentary

The Capital Programme is forecast to underspend by £6.9m as at month 11 compared to the original approved budget of £19.1m. This is an **increase in underspend of £0.197m** for Month 11.

The £0.197m reduction in forecast for month 11 is based on the following material changes: -

The Estates capital programme has had £0.386m additional slippage offset by an overspend of £0.074m relating to Chelmsford police station totalling to a net slippage in January of £0.312m, the main projects contributing to the slippage include:

- Harwich & Dovercourt Collaboration project of £0.150m, there is a delay with this project due to ongoing contractual negotiations and the transfer of a building from Essex Fire to Essex Police.
- Slippage on CSI Accommodation Upgrades of £0.091m due to continued delays in contractor vetting, with the main project yet to start on site.
- Pac Access Control Upgrade, slippage of £0.050m due to issues over obtaining approval for a specific tender.
- Slippage of £0.042m with regards to Grays Office Conversion, works 90% completed due to delays with starting the projects.
- Slippage of £0.051m on various other smaller projects.

The IT Capital programme reported a reduction in slippage from the previous month of £0.150m and this is attributable to:

- A reduction in slippage of £0.216m for the Data Centre Migration project relating to the delivery of equipment previously reported as slippage due to delays from the supplier. The supplier will now be able to deliver the equipment in 2021/22.
- Further slippage of £0.066m related to various smaller projects.

The Fleet Replacement programme reported a reduction in slippage of £0.077m mainly as a result of suppliers unable to deliver the vehicles before 2021/22 reported as slippage in previous months, however now reporting to deliver some vehicles in 2021/22.

Other projects slipping to 2022/23 were £0.111m OPC capital programme including £0.070m for the equipment replacement project and £0.041m for various smaller projects.

The total **£6.9m** forecast underspend being recognised at month 11 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 of August 2021.
- **Additions of £3.5m** including the Data Centre Migration Project £1.3m and several projects approved at the Strategic Board in December relating to capitalisation of the revenue underspend of £1.1m was added to the programme in month 9 and £0.210m was added to the programme in month 10. The month 10 addition comprised of £0.070m for Equipment replacement and £0.140m related to the Grays Office Space Conversion project. Other previous increases reported (totalling £0.9m) include Chelmsford Police Station, the Infrastructure Technical Refresh 2021/22 Programme, Officers PUP-related capital expenditure and the Digital Interview Replacement programme.
- **Advanced works reflecting decreases of £0.7m** relating to monies already spent on the Infrastructure Technical Refresh 2021/22 project in the earlier 2020/21 period.

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- **Reductions of £4.2m** including Data Centre Provision £1.5m which has now been superseded by the new migration solution approved instead, and £1.5m for the DFU Redesign project which has now moved to 2022/23 subject to approval stage, with a substantial reduction for the capital element (with the funding requirement moving to revenue instead). Other areas of reduction include subject to approvals £0.3m, IT-related reductions of £0.6m, and other projects of £0.3m.
- **Decreases of £11.2m due to slippage into future years** including the impact of Subject to Approvals £3.60m, Fleet Replacement Programme £1.63m, Estates projects £4.20m, IT projects £1.04m, OPC projects £0.434 and various other projects £0.27m.

There were no significant changes to the Fleet Replacement Programmes slippage in month 11 from month 10 however some progress was made resulting in a reduction of slippage of £0.077m due to some suppliers expecting to deliver vehicles in March 2022, previously reporting to slip. 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 11 continues to report significant slippage for the period, totalling £11.17m. The pandemic continues to present significant challenges for the feasibility and delivery of the capital programme due to the impact of COVID-19 in month 11 and the way this has shaped capital spending plans for 2021/22 and future years. The force continues to be faced with practical issues including problems with supply chains, shortage of labour, maintaining safe working arrangement and other similar issues. In addition, there are internal resourcing issues in respect of recruiting to key vacant positions within Estates Services contributing considerably to the delay in delivery of their major capital schemes.

The financing plan for month 11 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. Capital receipts are forecast at £5.2m for 2021/22, with £4.84m already received as at the end of February 2022. £4.18m of this money is being forecast to be used in financing the Capital Programme in 2021/22.

£5.82m of revenue contributions to capital are forecast to be carried forward to fund the 2022/23 programme, including the element of forecast revenue underspend which has been set aside to fund capital expenditure. 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 £7.663m which equates to approximately 63% 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.

**CAPITAL PROGRAMME 2021/22 MONTH 11 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	-	0	82	0	(9)	(88)	(15)
Estates projects	4,918	948	1,431	0	(1,672)	(4,202)	1,424
IT projects	259	1,420	1,890	(667)	(609)	(1,035)	1,258
Transport projects	319	2,200	16	0	(2)	(1,632)	902
OPC projects	6	528	20	0	(72)	(434)	48
SCD projects	53	61	56	0	(12)	(38)	119
Other projects	44	33	0	0	(19)	(147)	(90)
<i>Subject to Approval projects</i>	-	(5,190)	0	0	(1,795)	(3,593)	(10,578)
TOTAL VARIANCES TO BUDGET	5,599	-	3,495	(667)	(4,191)	(11,169)	(6,933)