

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

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1.0 Purpose of Report

1.1 This report identifies the 2021/22 Month 12 position for the Force.

2.0 Recommendations

2.1 To note the contents of the report.

2.2 To endorse and approve the appropriations to earmarked reserves (virements and journals), as noted in Section 2 of the report, which are planned for inclusion as part of the provisional outturn report.

3.0 Executive Summary

3.1 The revenue forecast underspend as at Month 12 is £0.640m against the 2021/22 revenue budget of £330.3m (0.19% variance), an increase of £0.219m from the Month 11 underspend of £0.421m (0.13% variance).

3.2 The underspend of £0.640m includes a series of planned appropriations to earmarked reserves totalling £2.314m, as noted in Section 2 of the report.

3.3 The capital position for Month 12 reflects a forecast underspend of £6.731m, compared to the original approved budget of £19.1m (35.28% variance), a decrease of £0.203m from the Month 11 underspend of £6.933m (36.34% variance).

3.4 The Police Officer strength forecast at the end of March is 3,578 FTE, with the final position due to be presented in the Provisional Outturn report. The overspend on Police Officer Pay and Allowances is £1.2m.

3.5 The Police staff strength at the end of February is 2,164 FTE. Vacancies at 28th February were 3 FTEs above the budgeted vacancy factor. The underspend on Police Staff Pay and Allowances is £0.6m.

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3.6 The Month 12 detail reflects an interim update in advance of the final position being reported in the Provisional Outturn report in May 2022, which will incorporate a series of year-end adjustments in support of the statutory work of the department.

4.0 Introduction/Background

4.1 This report sets out the March, Month 12, financial position.

5.0 Current Work and Performance

5.1 The Month 12 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 It should be noted that there will be further movement on both provisions and earmarked reserves during month 13, as technical closure work continues for the 21/22 accounts. Whilst Corporate Finance are unable to gauge the overall impact at this time, these entries will potentially impact both appropriations to and from reserves, as well as movements on provisions. These entries relate to year-end assessments and processes which cannot be undertaken any earlier than month 13, once other workstreams have been completed. In addition, once entries are confirmed they need to be posted immediately so work can progress on the Statement of Accounts with the agreed timetable unimpacted.

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 12 is £0.640m against the 2021/22 revenue budget of £330.3m (0.19% variance), an increase of £0.219m from the Month 11 underspend of £0.421m (0.13% variance).

The force variance to current budget at subjective level is detailed in Section 3.2 of the report and the movement from Month 11 to Month 12 is detailed in Section 3.3 of the report.

WORKFORCE

The Police Officer strength forecast at the end of March is 3,578 FTE, with the final position due to be presented in the Provisional Outturn report. The forecast overspend on Police Officer Pay and Allowances is £1.2m (Month 11 - £1.2m).

The Police Staff strength at the end of February is 2,164 FTE. Vacancies at 28th February were 3 FTEs above the vacancy factor of 152 FTEs. Total vacancies are 155 FTEs. The underspend on Police Staff Pay and Allowances is £0.6m (Month 11 - £0.5m).

The PCSO strength at the end of February is 95 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.3m (Month 11 - £0.3m).

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

RESERVES

A list of all appropriations to and from earmarked reserves for the month is noted in Section 2 of the report.

In Month 12, there are five proposed appropriations to earmarked reserves, totalling £2.314m, which are forecast and planned for inclusion as part of the provisional outturn report; however, with the exception of the Witness Care grant that was approved as part of Month 11 reporting, the virements for the appropriations to earmarked reserves have not been actioned, pending Chief Officer Group and PFCC approval.

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 12 reflects a forecast underspend of £6.731m, compared to the original approved budget of £19.1m (35.28% variance), a decrease of £0.203m from the Month 11 underspend of £6.933m (36.34% variance). The capital tables and commentary are noted in Section 6 of the report.

The financing requirement for unfinanced capital expenditure is forecast at £7.866m which equates to approximately 64% 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						
ER035/21	Witness Care Grant	82	Witness Care grant received in 2021/22, to meet staff related costs during 2022/23 following recruitment process.	Approved as part of Month 11 reporting following agreement to creation of Restricted Grant Reserve	Restricted Grant Reserve	Income
ER036/21	Safer Streets round 2 and 3	1,755	Safer Streets round 2 and 3 funding, as approved at the December 2021 Strategic Board, which has not progressed to date and is requested to be placed in a new Safer Streets earmarked reserve for utilisation in 2022/23.	To be approved by Chief Officer Group and PFCC	Safer Streets	Supplies & Services
ER037/21	Estates - Consultancy Work	200	Consultancy costs for a joint fleet workshop and accessibility building audits, as approved at the December 2021 Strategic Board, which has not progressed to date and is requested to be placed in the Transformation Reserve for utilisation in 2022/23.	To be approved by Chief Officer Group and PFCC	Transformation Reserve	Premises
ER038/21	Contribution to Chief Constables Operational C/Fwd Reserve	185	To return the Chief Constables Operational C/Fwd Reserve to a level of £750k, as permitted within the financial regulations.	To be approved by Chief Officer Group and PFCC	Chief Constables Operational C/Fwd Reserve	General Reserve
ER039/21	POCA ARIS Income	92	POCA annual income budget of £211k exceeded, and as per reserve forecasts, surpluses are transferred to the POCA Reserve, following receipt of final quarter income.	To be approved by Chief Officer Group and PFCC	POCA Reserve	Income
Total		2,314				
Appropriations (from) Earmarked Reserves						
N/A	None in the month	0	N/A	N/A	N/A	N/A
Total		0				
Net appropriation to/(from) Earmarked Reserves		2,314				

3. Revenue

3.1 Revenue Summary

In Month - Month 12			Year to Date - Month 12			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	191,502	191,563	60	Employees								
822	788	(34)	9,861	9,435	(426)	<u>Police Officer Pay and Allowances</u>								
98	132	34	1,173	1,335	162	- Police Officer Pay and Allowances	189,122	2,380	191,502	191,563	192,683	3,561	1,181	6
(7)	0	7	(88)	0	88	- Overtime and Operational Performance	6,707	3,154	9,861	9,435	10,273	3,566	412	0
16,871	17,091	220	202,449	202,333	(116)	- Associated Police Pay	1,064	109	1,173	1,335	1,358	294	185	1
						- In-Year Savings Shortfall/(Surplus)	62	(149)	(88)	0	0	(62)	88	0
						Police Officer Pay and Allowances	196,955	5,494	202,449	202,333	204,314	7,359	1,865	7
298	273	(25)	3,576	3,344	(232)	PCSO Pay and Allowances	3,574	2	3,576	3,344	3,328	(246)	(248)	3
7,326	6,917	(409)	87,911	86,809	(1,103)	<u>Police Staff Pay and Allowances</u>								
169	170	1	2,030	2,153	123	- Police Staff Pay & Allowances	86,572	1,339	87,911	86,809	87,314	742	(598)	(138)
7,495	7,087	(408)	89,942	88,962	(980)	- Police Staff Overtime and Agency	1,137	893	2,030	2,153	2,400	1,263	370	(5)
341	293	(47)	4,087	4,081	(6)	Police Staff Pay and Allowances	87,709	2,232	89,942	88,962	89,714	2,005	(227)	(144)
160	233	73	1,919	2,008	89	Pensions (Ill Health / Medical)	4,496	(409)	4,087	4,081	4,080	(416)	(7)	0
53	68	15	631	311	(321)	Training	1,882	37	1,919	2,008	1,926	44	7	0
25,217	25,044	(173)	302,604	301,038	(1,566)	Other Employee Expenses	1,526	(895)	631	311	485	(1,041)	(146)	0
864	530	(334)	10,368	9,020	(1,348)	Employees Total	296,143	6,462	302,604	301,038	303,848	7,705	1,244	(134)
485	523	38	5,825	6,208	383	Premises	9,978	390	10,368	9,020	9,603	(375)	(765)	(200)
3,068	1,043	(2,025)	36,811	35,742	(1,069)	Transport	5,805	20	5,825	6,208	5,731	(74)	(94)	0
16	0	(16)	195	0	(195)	<u>Supplies and Services</u>								
3,084	1,043	(2,041)	37,006	35,742	(1,265)	- Supplies and Services	36,406	405	36,811	35,742	33,617	(2,789)	(3,194)	(1,755)
642	441	(201)	7,698	6,697	(1,001)	- In-Year Investments	465	(270)	195	0	0	(465)	(195)	0
30,292	27,581	(2,711)	363,502	358,705	(4,797)	Supplies and Services	36,871	135	37,006	35,742	33,617	(3,254)	(3,389)	(1,755)
(2,987)	(3,654)	(667)	(35,844)	(34,584)	1,260	Third Party Payments	9,347	(1,649)	7,698	6,697	7,812	(1,536)	113	0
27,305	23,927	(3,378)	327,658	324,121	(3,537)	Gross Expenditure	358,144	5,358	363,502	358,705	360,611	2,467	(2,891)	(2,089)
6	(1)	(8)	77	(7)	(84)	Income	(29,690)	(6,155)	(35,844)	(34,584)	(35,752)	(6,062)	93	(362)
357	(61)	(418)	4,289	(1,782)	(6,071)	Net Cost of Services	328,454	(796)	327,658	324,121	324,860	(3,595)	(2,798)	(2,451)
27,669	23,865	(3,804)	332,023	322,332	(9,692)	Other Expenditure / (Income)	77	0	77	(7)	(7)	(84)	(84)	0
(27,541)	(28,051)	(510)	(330,493)	(330,487)	6	Capital and Other Adjustments	2,181	2,108	4,289	(1,782)	4,289	2,108	0	0
128	(4,186)	(4,314)	1,530	(8,156)	(9,686)	Net Expenditure	330,712	1,312	332,023	322,332	329,141	(1,571)	(2,882)	(2,451)
(122)	578	701	(1,467)	(1,561)	(94)	Sources of Finance	(330,310)	(183)	(330,493)	(330,487)	(330,483)	(173)	10	0
(5)	0	5	(64)	(64)	0	(Surplus)/Deficit before appropriations	402	1,129	1,530	(8,156)	(1,342)	(1,743)	(2,872)	(2,451)
(0)	(3,608)	(3,608)	0	(9,780)	(9,780)	Contribution to/(from) Earmarked Reserves	798	(2,265)	(1,467)	(1,561)	765	(33)	2,232	2,232
						Contribution to/(from) General Reserve	(1,200)	1,136	(64)	(64)	576	1,776	640	219
						(Surplus)/Deficit after appropriations	(0)	0	0	(9,780)	(0)	(0)	(0)	(0)

¹Even monthly profile of Revised Budget

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

3.2 Revenue Summary – Supporting Commentary

- **Police Officer Pay and Allowances - £1.865m overspend**

Explanation of forecast variance

The overspend is due to opening strength being 44 FTE more than budget, 21 FTE less leavers forecast up to March, and an adjustment to the joiner recruitment profile since budget setting to reflect 40 FTE less, resulting in a year end strength of 3,578 FTE (final year-end position to be reported in the Provisional Outturn report). 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)

Previously reported adjustments to Original Budget, up to and including Month 11, total £5.494m.

- **PCSO Pay and Allowances - £0.248m 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 94 FTE.

- **Police Staff Pay and Allowances - £0.227m underspend**

Explanation of forecast variance

The Police Staff strength at the end of February is 2,164 FTE and total vacancies are 155 FTEs (3 FTEs above the budgeted vacancy factor of 152 FTEs). Delays in the recruitment to force staff growth posts has contributed to the force underspend of £0.598m (0.68% of the revised budget). A further underspend at Month 12 is for an adjustment to the estimate for the Police Staff pay award effective from 1 September 2021, which is still to be confirmed.

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The underspend noted above is offset by an overspend on Police Staff Overtime (with the main overspends being for Contact Management and SCD) and Police Staff Agency (with the main overspend being for the PFCCs Office, which is offset by an underspend on staff pay). Contact Management has utilised £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)

Previously reported adjustments to Original Budget, up to and including Month 11, total £2.232m.

- **Pensions (Ill Health/Medical) - £0.007m 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 - £0.765m underspend**

Explanation of forecast variance

Includes an underspend on rates payable following the refurbishment of Chelmsford station where the expected increase did not materialise; utility bills due to reduced usage across the force, despite the inclusion of estimates for inflation; and six months of rental payments following purchase of the Boreham site 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 following a serious water leak which has adversely impacted on IT and electrical systems, and the inclusion of the Force's share of dilapidation costs for a building at Stansted. Further underspend included at Month 12 is in relation to consultancy costs of £200k for a joint fleet workshop and accessibility building audits, as approved at the December 2021 Strategic Board, which has not progressed to date and is requested to be placed in the Transformation Reserve for utilisation in 2022/23, pending approval.

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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). The consultancy works of £200k is requested for appropriation to the Transformation Reserve for utilisation in 2022/23, pending approval.

- **Transport - £0.094m 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 - £3.389m underspend**

Explanation of forecast variance

Includes previously reported underspends in respect of Communications and Technology (£0.8m), Revenue Consequences of Capital (£0.4m), Council Tax Sharing Agreement (£0.2m), Public Liability Insurance Claims (£0.2m), Forensic Services (£0.1m), 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. A forecast adjustment has been made at Month 12 to recognise that the Safer Streets rounds 2 and 3 funding of £1.755m that was agreed at the December 2021 Strategic Board has not materialised during 2021/22, but is planned for delivery in 2022/23 and is proposed for appropriation to a new earmarked reserve.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 11, total £0.135m.

- **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. Previously reported adjustments to Original Budget, up to and including Month 11, total £1.649m.

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- **Income - £0.093m 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, a shortfall in connection to the private hire income budget which has been adjusted as part of 2022/23 budget setting, and a shortfall in connection to Magistrates Costs awarded. The overspend has been partially offset by Month 12 forecast adjustments to recognise receipt of a COVID Tax Income Compensation Scheme grant which is due to be released to General Reserve, a NPAS rebate from the Metropolitan Police Service with regards to Lippitts Hill, and receipt of the POCA final quarter ARIS income that is due to be appropriated to earmarked reserve, pending approval.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 12 is for the sum of £82k for the Witness Care grant to be appropriated to the Restricted Grant Reserve for use in 2022/23, as agreed via Month 11 reporting. Previously reported adjustments to Original Budget, up to and including Month 11, total £6.073m.

- **Capital and Other Adjustments**

Explanation of adjustments to Original Budget (virements)

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 relates to the Home Office funding for 2 additional Police Officers added to this year's share of the national police uplift programme.

- **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 - £0.640m**

As noted in Section 3.1 of the report. The movements from Month 11 to Month 12 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 £9.8m include various budget lines with credit actuals of £1.8m 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 £0.1m underspend, however the forecast variance is a £1.9m overspend. This is due to the absence of year end adjustments which are not present within Month 12 reporting, but feature within the provisional outturn report, for example, accrued expenditure in relation to Detective Bonus payments, and Officer allowances and overtime that are paid a month in arrears.

Supplies and Services: The year to date variance reflects a £1.3m underspend, however the forecast variance is a £3.4m 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 span financial years and are subject to year end adjustment to recognise expenditure in the correct financial year.

Capital and Other Adjustments: The year to date variance reflects a £6.1m 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 £1.8m. 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 11

	Change in Forecast Outturn Variance £m	
Month 11 Forecast Outturn Variance	(0.421)	Underspend
Employees Total	(0.134)	Includes an adjustment to the estimate for the Police Staff pay award effective from 1 September 2021, which is still to be confirmed.
Premises	(0.200)	Underspend in relation to consultancy costs for a joint fleet workshop and accessibility building audits, that have not been progressed in 2021/22, but are planned for delivery in 2022/23.
Supplies & Services	(1.755)	Underspend in relation to expenditure for Safer Streets rounds 2 and 3, that have not been progressed in 2021/22, but are planned for delivery in 2022/23.
Income	(0.362)	Includes COVID Tax Income Compensation Scheme grant of £246k received towards the end of the financial year and due to be released to General Reserve, a NPAS rebate of £106k from the Metropolitan Police Service with regards to Lippitts Hill, and receipt of the POCA final quarter ARIS income, resulting in a further £92k planned for appropriation to earmarked reserves. Includes a virement of £82k for the Witness Care grant to be appropriated to the Restricted Grant Reserve which was approved at Month 11.
Contribution to/(from) Earmarked Reserves	2.232	Includes appropriations to Earmarked Reserves requested for approval in Section 2 of the report for: PFCC Safer Streets, Estates consultancy work, a year-end contribution to the Chief Constables C/Fwd Reserve in accordance with financial regulations, quarterly POCA ARIS income and Witness Care grant funding (virement actioned for £82k - see 'Income').
Month 12 Forecast Outturn Variance	(0.640)	Underspend

4. Workforce Analysis

4.1 Police Officer – FTEs and Monthly Financial detail

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

Ref	2021/22 Budget Setting													
	<u>Strength</u>	Apr FTEs	May FTEs	Jun FTEs	Jul FTEs	Aug FTEs	Sep FTEs	Oct FTEs	Nov FTEs	Dec FTEs	Jan FTEs	Feb FTEs	Mar FTEs	Total FTEs
1	Strength @ beginning of month (note 1)	3,369	3,358	3,421	3,404	3,387	3,476	3,459	3,522	3,505	3,568	3,551	3,534	
2	Leavers	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(228)
3	Starters - To cover attrition	0	42	0	0	44	0	42	0	44	0	0	32	204
4	Starters - Transferees	2	2	2	2	2	2	2	2	2	2	2	2	24
5	Starters - Growth	6	38			62		38		36			4	184
6	Starters	8	82	2	2	108	2	82	2	82	2	2	38	412
7	Net change	(11)	63	(17)	(17)	89	(17)	63	(17)	63	(17)	(17)	19	184
8	Officer strength - month end (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	
	<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 25th March 2022														
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	3,539	
18	Leavers (note 7)	(8)	(20)	(16)	(24)	(18)	(22)	(16)	(12)	(15)	(21)	(16)	(19)	(207)
19	Starters (note 8)	4	2	62	1	98	1	73	4	2	64	3	58	372
20	Net change	(4)	(18)	46	(23)	80	(21)	57	(8)	(13)	43	(13)	39	165
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	3,539	3,578	
22	Difference to 3553fte - over / (under)	(144)	(162)	(116)	(139)	(59)	(80)	(23)	(31)	(44)	(1)	(14)	25	
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 (note 10)	£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													
25	2021/22 Starters													
26	Other Costs													
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	5	
29	Leavers (positive number = less leavers)	11	(1)	3	(5)	1	(3)	3	7	4	(2)	3	0	21
30	Starters	(4)	(80)	60	(1)	(10)	(1)	(9)	2	(80)	62	1	20	(40)
31	Month End Strength Change - FTEs	51	(30)	33	27	18	14	8	17	(59)	1	5	25	(19)
32	Change per month FTEs	7	(81)	63	(6)	(9)	(4)	(6)	9	(76)	60	4	20	
	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
- 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
- 10 Actual cost for March includes costs to be accrued as part of closure processes

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

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

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

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

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

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

FTE Changes Effecting Pay Forecasts - 2021/22 Month 12

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 Jan 22	3,555	3,552	3,413	346	28	(207)	1	3,581
HR data @ 28 Feb 22	3,555	3,539	3,413	346	26	(209)	2	3,578
Change	0	(13)	0	0	(2)	(2)	1	(3)

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 Jan 22	2,316	2,147			185	(192)
HR data @ 28 Feb 22	2,319	2,164			214	(204)
Change	3	17	0	0	29	(12)

* 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
HR data @ 28 Feb 22	103	95	105	101	8	(15)	0	94
Change	0	(1)	0	0	0	0	0	0

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

4. Specials - Headcount	Actual Strength	Target Strength
Budget Setting		600
HR data @ 31 Jan 22	485	600
HR data @ 28 Feb 22	478	600
Change	(7)	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	Provisional Outturn Contribution 2021/22*	In-Year Allocation 2021/22	31st March 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	£0.000m	£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	£0.000m	(£1.200m)	£0.000m	£0.000m	
3 Ringfenced Reserve								
Proceeds of Crime Act	£2.134m	(£0.402m)	£0.446m	£0.092m	(£0.238m)	£2.032m	£2.032m	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				(£0.352m)	£0.479m	£0.479m	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	£0.200m	(£0.968m)	£1.110m	£1.110m	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		£0.086m			£0.827m	£0.827m	Provision to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon & Cornwall Constabulary) and consultancy/legal costs in respect of McCloud v Sargeant judgement. Awaiting legal advice before utilisation of the reserve.
PEQF Reserve	£0.291m		£0.035m			£0.326m	£0.326m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Restricted Grant Reserve			£0.082m			£0.082m	£0.082m	Reserve to hold unspent balances of grants that must be recognised as income ahead of the eligible expenditure being incurred. Includes Witness Care grant approved upon inception of reserve.
Total	£6.317m	(£0.402m)	£1.788m	£0.292m	(£1.593m)	£6.402m	£6.346m	
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			£0.185m	(£0.435m)	£0.750m	£0.750m	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	£0.185m	(£1.738m)	£6.931m	£6.931m	
5 PFCC Reserves								
Commissioning Grants 2020/21 to 2021/22	£1.089m					£1.089m	TBC	£1.089m for OPCC commissioning grants are carried forward to 2021/22.
Safer Streets rounds 2 and 3				£1.755m		£1.755m	£1.755m	Safer Streets rounds 2 and 3, as agreed at December 2021 Strategic Board
Total	£1.089m	£0.000m	£0.000m	£1.755m	£0.000m	£2.844m	£1.755m	
6 General Reserve								
General Reserve	£13.162m	(£1.200m)	£1.776m			£13.738m	£13.738m	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	£5.823m	£2.232m	(£4.531m)	£30.025m	£28.880m	
7 Provisions								
Severance Provision	£0.140m				(£0.050m)	£0.090m	TBC	Provision to fund redundancy costs recognised as part of the Statement of Accounts process.
Insurance Provision	£3.032m					£3.032m	£3.032m	Provision to fund insurance claims expenditure for motor, employers liability and public liability claims.
Total	£3.172m	£0.000m	£0.000m	£0.000m	(£0.050m)	£3.122m	£3.032m	

* To note appropriations to earmarked reserves as part of Provisional Outturn, subject to decision sheet approval

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2021/22 MONTH 12 @ 31.03.2022 MONITORING POSITION

	2021/22 Original Budget PF&C Panel	2021/22 Actuals to end of March 2022	2021/22 Forecast Outturn	2021/22 Forecast Budget Variance (Appendix 1)
	£000	£000	£000	£000
EXPENDITURE -				
ANPR projects	230	147	147	(83)
Estates projects	6,239	7,349	7,663	1,424
IT projects	1,361	2687	2,687	1,326
Transport projects	301	1354	1,354	1,053
OPC projects	0	111	126	126
SCD projects	0	119	119	119
Other projects	351	214	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	11,981	12,348	(6,731)
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	7,617	7,865	(1,994)
TOTAL FINANCING	19,079	11,981	12,348	(6,731)

The Forecast Budget Variance reflects all changes to the capital programme since the original budget was approved at the PF&C Panel. The forecast £6.731m underspend incorporates slippage and other changes, as set out in Appendix 1.

The financing model has been updated as per the separate working paper.

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 £7.865m within the above table, this would therefore be fully met by a corresponding amount of internal borrowing.

6.2 Capital Summary – Supporting Commentary

The forecast for capital month 12 includes actuals as of 31st March 2022 and forecast updates where relevant, the overall underspend as at the 31st March 2022 is £6.731m compared to the original approved budget of £19.1m, as set at the February Police Fire & Crime Panel. There has been little movement in month 12 compared to month 11 forecast. The main movement is an increase of £0.203k in capital expenditure however the forecast outturn is not inclusive of accruals and year end adjustment at this point, and it should be noted that the position is subject to change once the outturn for 2021-22 is finalised at the end of April.

The **increase in expenditure** of £0.203k reported on the 31st of March 2022 includes the following changes

- Increase in IT expenditure of £68k in March due to delivery of IT equipment previously reported as slippage in month 11.
- Increased expenditure of £132k relating to Fleet replacement programme as a result of delivery of vehicles previously reported as slippage.
- A small change with regards to the ANPR capital programme and other project, an increase in expenditure of £3k related to purchase of equipment.

The total **£6.731m** forecast underspend being recognised at month 12 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 was 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.
- **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 £10.967m due to slippage into future years** including the impact of Subject to Approvals £3.60m, Fleet Replacement Programme £1.5m, Estates projects £4.20m, IT projects £0.965m, OPC projects £0.434m, ANPR project £0.088m and various other projects £0.147m.

The changes in month 12 included the Fleet Replacement Programmes increasing expenditure due to delivery vehicles previously reported to slip however 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

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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 12 continues to report significant slippage for the period, totalling £10.967m a slight improvement from month 11. 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 12 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 12 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. The capital receipts forecast has not changed in period 12 and is 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, (subject to change pending 2021-22 actual outturn). 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 £7.866m which equates to approximately 64% of the year's financing plan, this is subject to changes once the actual outturn has been agreed. Based on the latest treasury management information available there is no expectation that any external borrowing requirement will be required in 2021/22.

Appendix 1

CAPITAL PROGRAMME 2021/22 MONTH 12 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)	(965)	1,328
Transport projects	319	2,200	16	0	(2)	(1,500)	1,034
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)	(10,967)	(6,731)