

## Performance and Resources Scrutiny Programme 2022/23

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

<b>Title of Report:</b>	<b>2022/23 Month 7 Financial Monitoring Report</b>
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<b>Author on behalf of Chief Officer:</b>	<b>Richard Jones, Head of Business Partnering and Management Accounting</b>
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### **1.0 Purpose of Report**

This report identifies the 2022/23 Month 7 position for the Force.

### **2.0 Recommendations**

- 2.1 To note the latest position in the monitoring report.
- 2.2 To note the appropriations to/from earmarked reserves (virements and journals), as noted in Section 2 of the report.

### **3.0 Executive Summary**

Noted within Section 1 of the main body of the report.

#### **4.0 Introduction/Background**

This report sets out the October, Month 7, financial position.

#### **5.0 Current Work and Performance**

The Month 7 financial position is reported in the main body of the report.

#### **6.0 Implications (Issues)**

The implications are reported in the main body of the report.

#### **6.1 Links to Police and Crime Plan Priorities**

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

#### **6.2 Demand**

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

#### **6.3 Risks/Mitigation**

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

#### **6.4 Equality and/or Human Rights Implications**

N/A

#### **6.5 Health and Safety Implications**

N/A

#### **7.0 Consultation/Engagement**

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

#### **8.0 Actions for Improvement**

N/A

#### **9.0 Future Work/Development and Expected Outcome**

The force is seeking a full reimbursement of Op Hazel costs from the Home Office via special grant funding, which if agreed, would result in a revenue forecast underspend of £0.658m. If Home Office funding is provided for Op Hazel 1 expenditure over and above 1% of force budget, this would result in a revenue forecast overspend of £2.864m.

# 1. Executive Summary

## REVENUE

The revenue forecast overspend at month 7 is £4.513m against the 2022/23 revenue budget of £352.2m (1.28% variance).

The forecast overspend includes expenditure of £5.171m in connection with Op Hazel 1 (based on the position at the end of October), of which £2.992m is in relation to Mutual Aid contributions. The force is seeking a full reimbursement of costs from the Home Office via special grant funding, which if agreed, would result in a revenue forecast underspend of £0.658m.

The force variance to current budget at subjective level is detailed in Section 3.2 of the report and the movement from Month 6 to Month 7 is detailed in Section 3.3 of the report

## WORKFORCE

The Police Officer strength forecast at the end of October is 3,682 FTE and forecast to be 3,755 FTE at year end. The underspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £1.794m.

The Police Staff strength at the end of September is 2,110 FTE. Vacancies at 30th September were 95 FTEs above the vacancy factor. Total vacancies are 230 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.432m

The PCSO strength at the end of September is 93 FTE and forecast to be 105 FTE at year end.

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

## RESERVES

The net appropriation from earmarked reserves for Month 7 is £0.153m.

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

The in-year financial impact of £1.177m resulting from a £500/annum increase in South East Allowance from 1 September 2022 has been funded from the General Reserve as per the PFCC decision report.

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

## CAPITAL

The forecast for month 7 is a year end spend of £13.092m, which is a £5.386 underspend against the latest revised budget of £18.478m (29.1% variance).

The financing requirement for unfinanced capital expenditure is forecast at £3.171m which equates to approximately 24.2% of the year's financing plan. Based on the latest treasury management information available there may be a need for external borrowing in 2022/23, but not until the last quarter of the financial year at least.

The capital tables and commentary are noted in Section 6 of the report.

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

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
<b>Appropriations to Earmarked Reserves</b>						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>0</b>				
<b>Appropriations (from) Earmarked Reserves</b>						
ER007/22	Police Officer Uplift Recruitment	(100)	Recruitment advertising and market branding costs incurred in order to generate a sufficient level of applications to meet Police Office Uplift targets in 2022/23.	Approved by Chief Officer Group	Chief Constables Operational C/Fwd Reserve	Other Employee Expenses
ER008/22	Witness Care Grant	(82)	Witness Care grant received in 2021/22, to meet staff related costs during 2022/23 following recruitment process.	Appropriation from Earmarked Reserve for its intended use	Restricted Grant Reserve	Police Staff Pay & Allowances
Reverse: ER003/22	Pension Remedy Grant	29	Reversal of pension remedy grant received from Government to fund payroll department staff costs. Recruitment to the senior posts within the Payroll and Pensions Team is anticipated to be delivered in 2023/24, at which point the appropriation from earmarked reserve will be actioned.	Appropriation to/from Earmarked Reserve for its intended use	Legal Claims	Police Staff Pay & Allowances
<b>Total</b>		<b>(153)</b>				
<b>Net appropriation to/(from) Earmarked Reserves</b>		<b>(153)</b>				

# 3. Revenue

## 3.1 Revenue Summary

In Month - Month 07			Year to Date - Month 07			Subjective Heading	Full Year							
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast <sup>3</sup>	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
17,489	17,643	154	122,423	118,034	(4,390)	<b>Employees</b>								
731	1,465	735	5,116	7,850	2,734	<u>Police Officer Pay and Allowances</u>								
87	151	64	610	869	259	- Police Officer Pay and Allowances	206,514	3,355	209,869	118,034	208,074	1,560	(1,794)	(452)
0	0	0	0	0	0	- Overtime and Operational Performance	7,715	1,055	8,769	7,850	11,916	4,201	3,146	80
18,307	19,259	952	128,148	126,752	(1,396)	- Associated Police Pay	1,085	(40)	1,045	869	1,605	520	560	29
						- In-Year Savings Shortfall/(Surplus)	0	0	0	0	0	0	0	0
						<b>Police Officer Pay and Allowances</b>	<b>215,313</b>	<b>4,370</b>	<b>219,683</b>	<b>126,752</b>	<b>221,595</b>	<b>6,282</b>	<b>1,912</b>	<b>(342)</b>
<b>303</b>	<b>283</b>	<b>(20)</b>	<b>2,122</b>	<b>1,939</b>	<b>(183)</b>	<b>PCSO Pay and Allowances</b>	<b>3,615</b>	<b>22</b>	<b>3,637</b>	<b>1,939</b>	<b>3,513</b>	<b>(102)</b>	<b>(124)</b>	<b>(58)</b>
						<u>Police Staff Pay and Allowances</u>								
7,803	7,651	(152)	54,618	51,540	(3,078)	- Police Staff Pay & Allowances	92,753	879	93,631	51,540	91,200	(1,553)	(2,432)	(850)
153	309	156	1,074	1,531	458	- Police Staff Overtime and Agency	1,146	694	1,840	1,531	2,800	1,653	959	(63)
<b>7,956</b>	<b>7,960</b>	<b>4</b>	<b>55,692</b>	<b>53,071</b>	<b>(2,621)</b>	<b>Police Staff Pay and Allowances</b>	<b>93,899</b>	<b>1,573</b>	<b>95,472</b>	<b>53,071</b>	<b>93,999</b>	<b>100</b>	<b>(1,473)</b>	<b>(913)</b>
354	302	(52)	2,477	2,422	(55)	Pensions (Ill Health / Medical)	4,247	0	4,247	2,422	4,179	(67)	(67)	2
158	178	20	1,108	1,108	0	Training	1,852	47	1,899	1,108	1,828	(24)	(71)	(37)
54	225	171	377	478	101	Other Employee Expenses	547	99	647	478	757	210	110	8
<b>27,132</b>	<b>28,207</b>	<b>1,075</b>	<b>189,924</b>	<b>185,771</b>	<b>(4,154)</b>	<b>Employees Total</b>	<b>319,473</b>	<b>6,111</b>	<b>325,584</b>	<b>185,771</b>	<b>325,872</b>	<b>6,399</b>	<b>288</b>	<b>(1,340)</b>
800	603	(197)	5,602	4,941	(662)	Premises	9,611	(7)	9,604	4,941	10,333	722	729	40
521	1,773	1,251	3,650	5,118	1,468	Transport	6,204	53	6,257	5,118	6,821	616	564	(52)
	0					<u>Supplies and Services</u>								
3,534	3,170	(364)	24,739	26,691	1,952	- Supplies and Services	42,242	167	42,410	26,691	43,324	1,082	914	138
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	0
<b>3,534</b>	<b>3,170</b>	<b>(364)</b>	<b>24,739</b>	<b>26,691</b>	<b>1,952</b>	<b>Supplies and Services</b>	<b>42,688</b>	<b>(278)</b>	<b>42,410</b>	<b>26,691</b>	<b>43,324</b>	<b>636</b>	<b>914</b>	<b>138</b>
662	1,230	568	4,635	6,118	1,483	Third Party Payments	7,874	71	7,946	6,118	10,342	2,468	2,397	193
<b>32,650</b>	<b>34,983</b>	<b>2,333</b>	<b>228,551</b>	<b>228,638</b>	<b>87</b>	<b>Gross Expenditure</b>	<b>385,851</b>	<b>5,950</b>	<b>391,801</b>	<b>228,638</b>	<b>396,692</b>	<b>10,841</b>	<b>4,891</b>	<b>(1,021)</b>
(3,294)	(2,267)	1,028	(23,060)	(13,670)	9,391	Income	(35,006)	(4,526)	(39,532)	(13,670)	(39,640)	(4,634)	(108)	124
<b>29,356</b>	<b>32,717</b>	<b>3,361</b>	<b>205,490</b>	<b>214,968</b>	<b>9,478</b>	<b>Net Cost of Services</b>	<b>350,845</b>	<b>1,424</b>	<b>352,269</b>	<b>214,968</b>	<b>357,052</b>	<b>6,207</b>	<b>4,783</b>	<b>(898)</b>
4	(13)	(18)	31	(106)	(137)	Other Expenditure / (Income)	52	0	52	(106)	(214)	(266)	(266)	(111)
66	0	(66)	465	0	(465)	Capital and Other Adjustments	796	0	796	0	793	(3)	(3)	3
<b>29,426</b>	<b>32,703</b>	<b>3,277</b>	<b>205,985</b>	<b>214,862</b>	<b>8,877</b>	<b>Net Expenditure</b>	<b>351,694</b>	<b>1,424</b>	<b>353,118</b>	<b>214,862</b>	<b>357,631</b>	<b>5,937</b>	<b>4,513</b>	<b>(1,006)</b>
(29,350)	(30,719)	(1,369)	(205,450)	(204,743)	707	Sources of Finance	(352,200)	0	(352,200)	(204,743)	(352,200)	0	0	0
<b>76</b>	<b>1,984</b>	<b>1,907</b>	<b>535</b>	<b>10,119</b>	<b>9,583</b>	<b>(Surplus)/Deficit before appropriations</b>	<b>(506)</b>	<b>1,424</b>	<b>918</b>	<b>10,119</b>	<b>5,431</b>	<b>5,937</b>	<b>4,513</b>	<b>(1,006)</b>
39	(213)	(252)	271	465	194	Contribution to/(from) Earmarked Reserves	712	(248)	465	465	465	(248)	0	0
(115)	0	115	(806)	(206)	601	Contribution to/(from) General Reserve	(206)	(1,177)	(1,383)	(206)	(5,896)	(5,690)	(4,513)	1,006
<b>0</b>	<b>1,771</b>	<b>1,771</b>	<b>(0)</b>	<b>10,378</b>	<b>10,378</b>	<b>(Surplus)/Deficit after appropriations</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>10,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

<sup>1</sup>Even monthly profile of Revised Budget

<sup>2</sup>2022/23 Budget agreed at Police, Fire and Crime Panel

<sup>3</sup>Includes Op Hazel expenditure of £5.2m (and Op Hazel 2 expenditure of £0.3m)

## 3.2 Revenue Summary – Supporting Commentary

### **Police Officer Pay and Allowances - £1.912m overspend**

#### **Explanation of forecast variance**

The overspend includes Op Hazel Police Officer Overtime (including Bank Holidays) and associated NI payments totalling £1.6m (which is awaiting Home Office approval for special grant funding) and £0.3m for the second round of Op Hazel that occurred at the end of August.

The forecast excluding Op Hazel includes an underspend due to changes in recruitment, leaver, and growth profiles since budget setting (£2.7m). Further underspend includes the impact of the reduction in Employers National Insurance rate from November 2022 (£0.6m) and Home Office Op Grip funding for Officer posts that are already provided for in Pay Budget Setting (£0.3m).

This underspend is offset by the inclusion of the pay award agreed in July, net of Home Office contribution (£1.4m) and an overspend for Temporary Duty Allowance due to substantive vacancies waiting to be filled from the promotion process (£0.5m). The Bank Holiday overtime budget is also overspent due to normal rostered working days being covered at Bank Holiday rate for the additional Bank Holiday on the 19<sup>th</sup> September 2022 (£0.3m).

In addition, there is a significant Police Officer Overtime overspend (over and above the overtime and NI spend of £1.5m for Op Hazel) to cover vacancies in Contact Management and Crime and Public Protection in response to increased investigative requirements, notably in high harm areas where crime rates have risen considerably (£0.9m), OPC to reflect significant activity in connection with Force Support Unit (FSU) vacancies, Roads Policing and OPC special operations (£0.3m), and SCD to reflect the level of vacancies and activity experienced within the Major, Economic and Cyber budget (£0.2m).

#### **Explanation of adjustments to Original Budget (virements)**

The adjustment from Original Budget to the Revised Budget during Month 7 (which have a corresponding forecast change) include externally funded activity for an update to Home Office funding of Op London Bridge/Igloo (£0.195m increase), and Private Hire income received for OPC operations (£0.060m increase), both of which have a corresponding adjustment to Income. In addition, the revised budget includes a realignment of the externally funded ERSOU ROCU budget in connection with Police Officer overtime from Third Party Payments (£0.093m increase). Previously reported adjustments to Original Budget, up to and including Month 6, total £4.022m.

### **Police Staff Pay and Allowances - £1.473m underspend**

#### **Explanation of forecast variance**

The underspend includes material variances in relation to the impact of net leavers to date (£2.2m), the impact of the opening force funded strength being 30.5 FTE less than budget (£1.0m), maternity savings against established posts (£0.5m), delays in the recruitment of staff growth posts (34.5 FTE still to be recruited) and existing staff recruited to staff growth posts which create vacancies elsewhere (£0.4m), and the impact of the reduction in Employers National Insurance rate from November 2022 (£0.3m). The underspend is partially offset by the impact of the Staff pay award that was agreed on the 24<sup>th</sup>

## Official

October 2022 by the Police Staff Council (£1.7m), budgeted savings relating to the 2021/22 savings programme not expected to be achieved in year (£0.7m), and Police Staff Overtime overspends for Contact Management and Crime and Public Protection resulting from vacancies and the requirement to manage backlogs in various areas, to include referrals, visits, and risk assessments (£0.7m).

### **Explanation of adjustments to Original Budget (virements)**

The adjustment from Original Budget to the Revised Budget during Month 7 includes Witness Care Grant funding of staff posts in Criminal Justice from the Restricted Grant Reserve, totalling £0.082m. Previously reported adjustments to Original Budget, up to and including Month 6, total £1.511m.

### **Premises - £0.729m overspend**

#### **Explanation of forecast variance**

The overspend is due to a financial estimate of inflationary increase for electricity and gas that take effect from October 2022, over and above provision made within 2022/23 budget setting.

### **Transport - £0.564m overspend**

#### **Explanation of forecast variance**

The overspend includes an estimate of inflationary increases for vehicle fuel based on latest prices, over and above provision made within 2022/23 budget setting and reflects expected increase in vehicle parts and equipment expenditure, based on the 2021/22 year end outturn position, partially offset by an underspend in relation to vehicle insurance premiums following confirmation of the premium element relating to the period October 2022 to March 2023. The decrease reflects the revised allocation of premium across SEERPIC forces, based on claims experience and vehicle numbers.

### **Supplies and Services - £0.914m overspend**

#### **Explanation of forecast variance**

The overspend includes an adjustment to the Council Tax Sharing Agreement forecast, resulting in £0.4m of extra costs being recognised to match precept schedule adjustments for 2022/23, plus the impact resulting from the difference in the 2021/22 year-end accrual estimate compared to the actual shareback adjustment. Further overspends reported at Month 7 include Revenue Consequences of Capital projects relating to increased expenditure for several IT projects, including Emergency Service Network Programme (ESMCP), ICCS Supplier Replacement programme, Infrastructure Tech Refresh and Data Centre Migration project. In addition, the overspend includes accommodation and food provisions provided for Op Hazel and communications and technology dual running costs of the Data Centre; both of which are partially offset by a reduction in forensic analysis costs based on average monthly submission spends to date.

### **Explanation of adjustments to Original Budget (virements)**

Previously reported adjustments to Original Budget, up to and including Month 6, total £0.278m (decrease).

## Official

### **Third Party Payments - £2.397m overspend**

#### **Explanation of forecast variance**

The overspend is due to Mutual Assistance required from other Police forces for Op Hazel, totalling £3.0m. Further overspends reported at Month 7 include a realignment of the externally funded ERSOU ROCU budget in connection with Police Officer overtime (£93k) and an increase for miscellaneous insurance premiums following confirmation of costs for the period commencing October 2022 (£30k). The overspend is partially offset by a £0.3m underspend due to a reduction in third party payments to other ERSOU forces; £0.2m underspend for the PNC subscription managed by IT services; £0.1m underspend for 7Forces relating to staff vacancies and IT project delays resulting in reduced expenditure this year; and a £0.1m underspend in NPAS contributions against the base budget, based upon the agreed charging formula.

#### **Explanation of adjustments to Original Budget (virements)**

The adjustment from Original Budget to the Revised Budget during Month 7 is due to a realignment of the externally funded ERSOU ROCU budget in connection with Police Officer overtime (£93k).

### **Income - £0.108m surplus**

#### **Explanation of forecast variance**

The forecast includes recovery of force overhead expenditure of £0.146m following a detailed review of the Stansted Overhead recharge calculation, which forms part of an agreed contract amendment for 2022/23, and £0.105m surplus income for Op London Bridge mutual assistance to the Metropolitan Police and Thames Valley Police, offset by a revision to Home Office grant funding of £0.112m for Op Grip, relating to amended spending plans for 2021/22 where income was anticipated and accrued for, but will no longer materialise.

#### **Explanation of adjustments to Original Budget (virements)**

The adjustments from Original Budget to the Revised Budget reflect the other side of some of the adjustments noted under Police Officer Pay and Allowances, Police Staff Pay and Allowances, Supplies and Services and Third Party Payments for Home Office funding and externally funded activity, all of which have a corresponding forecast adjustment.

### **Other Expenditure/(Income) - £0.266m surplus**

#### **Explanation of forecast variance**

The forecast returns on investments are higher than originally anticipated due to increases in base rate over and above budgeted expectations, as well as the additional opportunities available in the investment market, plus a reduction in the forecast for interest payable for short term loans due to the expected borrowing expected to be lower than the original forecast.



**Contribution from General Reserve - £4.513m**

As noted in Section 1 of the report in terms of the revenue forecast overspend position for the force. The adjustment from Original Budget to the Revised Budget is to reflect funding from the General Reserve to meet the in-year cost of £1.177m associated with increasing the South East allowance by £500/annum from 1 September 2022, as per the PFCC decision report.

## 3.3 Main Forecast Movements since Month 6

### Main Changes to Forecast Outturn Variance since Month 6

	Change in Forecast Outturn Variance £m	
<b>Month 6 Forecast Outturn Variance</b>	<b>5.5</b>	<b>Overspend</b>
Police Officer Pay and Allowances	(0.3)	The reduction in forecast variance includes realignment of the recruitment profile, primarily due to both an anticipated increase in leavers and less transferee joiners in November and December, offset by increased probationer joiners in March (£0.3m) and the January intake date, for an expected 100 FTE probationers, being rescheduled from 9th to 23rd (£0.1m). This reduction has been partially offset by Bank Holiday overtime incurred as a result of the 19th September being declared as a Bank Holiday, less a realignment of the externally funded ERSOU ROCU budget in connection with Police Officer overtime.
Police Staff Pay and Allowances	(0.9)	The reduction in forecast variance includes the impact resulting from the staff pay award agreed on the 24th October 2022 by the Police Staff Council. The revised staff pay award replaces the previous forecast assumption that all grades would receive a £1,900 increase by September 2022, with a £1,900 pay award over 17 months, up to September 2023 (£0.4m). In addition, the impact of staff leavers and joiners, including 30 FTE leavers for October primarily in Contact Management, Criminal Justice, HQ Directorate and Support Services (£0.4m); and Witness Care Grant funding of staff posts in Criminal Justice from the Restricted Grant Reserve (£0.1m).
Supplies and Services	0.1	The Revenue Consequences of Capital projects forecast overspend relate to increased expenditure for several IT projects, including Emergency Service Network Programme (ESMCP), ICCS Supplier Replacement programme, Infrastructure Tech Refresh and Data Centre Migration project.
Third Party Payments	0.2	The increase in forecast variance includes a realignment of the externally funded ERSOU ROCU budget in connection with Police Officer overtime (£93k), ongoing investigators for Op Hazel 1, of which costs were unknown due to a delay in timesheets from the home forces (£68k), and an increase for miscellaneous insurance premiums following confirmation of costs for the period commencing October 2022 (£30k).
Income	0.1	The reduction in forecast income includes a revision to Home Office grant funding for Op Grip, relating to amended spending plans for 2021/22 where income was anticipated and accrued for, but will no longer materialise.
Other Expenditure / (Income)	(0.1)	The forecast returns on investments are higher than originally anticipated due to increases in base rate over and above budgeted expectations, as well as the additional opportunities available in the investment market, plus a reduction in the forecast for interest payable for short term loans due to the expected borrowing expected to be lower than the original forecast.
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k, including £52k for Transport related expenditure and £37k for Training related expenditure.
<b>Month 7 Forecast Outturn Variance</b>	<b>4.5</b>	<b>Overspend</b>

# 4. Workforce Analysis

## 4.1 Police Officer – FTEs and Monthly Financial detail

2022/23 - Police Officers Pay/Strength - Using 2022/23 Budget Setting Model

Ref	Strength	2022/23 Budget Setting												Total
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
1	Strength @ beginning of month (note 1)	3,575	3,594	3,577	3,640	3,623	3,686	3,669	3,716	3,699	3,682	3,729	3,712	
2	Leavers	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(228)
3	Starters - To cover attrition			53		34		32			51		34	204
4	Starters - Transferees	2	2	2	2	2	2	2	2	2	2	2	2	24
5	Starters - Growth	36		27		46		32			13		26	180
6	Starters	38	2	82	2	82	2	66	2	2	66	2	62	408
7	Net change	19	(17)	63	(17)	63	(17)	47	(17)	(17)	47	(17)	43	180
8	Officer strength month end	3,594	3,577	3,640	3,623	3,686	3,669	3,716	3,699	3,682	3,729	3,712	3,755	
9	Difference to 3,755 FTEs - over / (under)	(161)	(178)	(115)	(132)	(69)	(86)	(39)	(56)	(73)	(26)	(43)	0	
	Budget	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	£m
10	1st April 2022 Strength (note 2)	£16.64m	£16.64m	£16.64m	£16.64m	£16.64m	£17.06m	£17.06m	£17.06m	£17.06m	£17.06m	£17.06m	£17.06m	£202.64m
11	2022/23 Leavers (note 3)	(£0.09m)	(£0.19m)	(£0.28m)	(£0.38m)	(£0.47m)	(£0.56m)	(£0.66m)	(£0.75m)	(£0.85m)	(£0.94m)	(£1.04m)	(£1.14m)	(£7.35m)
12	2022/23 Starters - Constables (to cover attrition)	£0.00m	£0.00m	£0.16m	£0.16m	£0.27m	£0.27m	£0.37m	£0.37m	£0.37m	£0.52m	£0.52m	£0.63m	£3.62m
13	2022/23 Starters - Transferees	£0.01m	£0.02m	£0.03m	£0.05m	£0.06m	£0.07m	£0.08m	£0.09m	£0.10m	£0.11m	£0.13m	£0.14m	£0.89m
14	2022/23 Starters - Growth	£0.18m	£0.18m	£0.32m	£0.32m	£0.55m	£0.55m	£0.71m	£0.71m	£0.71m	£0.78m	£0.78m	£0.91m	£6.71m
15	2022/23 Starters - Total	£0.19m	£0.20m	£0.51m	£0.53m	£0.88m	£0.89m	£1.16m	£1.17m	£1.18m	£1.41m	£1.43m	£1.67m	£11.22m
16	Monthly Budget (note 4 & 5)	£16.74m	£16.66m	£16.88m	£16.79m	£17.05m	£17.38m	£17.56m	£17.48m	£17.39m	£17.53m	£17.45m	£17.59m	£206.51m

2022/23 Outturn Strength - Based on HR information received 17th October 2022														
Strength	Actual FTE						Forecast FTE						Total	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs		
17	1st April 2022 Strength	3,572	3,543	3,525	3,585	3,564	3,621	3,601	3,682	3,656	3,621	3,700	3,679	
18	Leavers	(28)	(19)	(21)	(22)	(18)	(29)	(24)	(33)	(42)	(21)	(21)	(21)	(298)
19	Starters (note 7)	1	0	81	1	77	9	104	7	7	100	0	97	483
20	Other Adjustments (note 8)	(2)	0	(0)	0	(1)	0	0	0	0	0	0	0	(2)
21	Net change	(29)	(18)	60	(21)	57	(20)	80	(26)	(35)	79	(21)	76	183
22	Officer strength - month end	3,543	3,525	3,585	3,564	3,621	3,601	3,682	3,656	3,621	3,700	3,679	3,755	
23	Difference to 3755fte - over / (under)	(212)	(230)	(170)	(191)	(134)	(154)	(73)	(99)	(134)	(55)	(76)	(0)	
Actuals /Forecast £	Actual £						Forecast £						Total	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
24	Costed Strength before starters/leavers	£15.63m	£16.56m	£16.56m	£16.42m	£16.56m	£18.68m	£17.63m	£17.78m	£17.23m	£17.32m	£17.58m	£18.07m	£206.02m
25	2022/23 Leavers								(£0.11m)	(£0.24m)	(£0.31m)	(£0.37m)	(£0.44m)	(£1.47m)
26	2022/23 Starters								£0.36m	£0.63m	£0.54m	£0.82m	£1.07m	£3.42m
27	Other Costs								£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.10m
28	Monthly Actual	£15.63m	£16.56m	£16.56m	£16.42m	£16.56m	£18.68m	£17.63m	£18.05m	£17.64m	£17.57m	£18.05m	£18.72m	£208.07m
Variance from Budget Setting														
	Actual FTE						Forecast FTE						Total	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs		
29	Strength @ beginning of month (negative=reduction)	(3)	(51)	(52)	(55)	(59)	(65)	(68)	(34)	(43)	(61)	(29)	(33)	
30	Leavers (positive number = less leavers)	(9)	0	(2)	(3)	1	(10)	(5)	(14)	(23)	(2)	(2)	(2)	(70)
31	Starters	(37)	(2)	(1)	(1)	(5)	7	38	5	5	34	(2)	35	75
32	Other Adjustments	(2)	0	(0)	0	(1)	0	0	0	0	0	0	0	(2)
33	Month End Strength Change - FTEs	(51)	(52)	(55)	(59)	(65)	(68)	(34)	(43)	(61)	(29)	(33)	(0)	3
34	Change per month FTEs	(48)	(1)	(3)	(4)	(6)	(3)	33	(9)	(18)	32	(4)	33	
	Actual £						Forecast £						Total	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
35	Monthly Financial Change	(£1.11m)	(£0.10m)	(£0.32m)	(£0.37m)	(£0.49m)	£1.30m	£0.07m	£0.57m	£0.25m	£0.04m	£0.60m	£1.13m	£1.56m

Notes	
1	The budget was built on the assumption that at the start of April 2022 there would be 20 strength over and above the approved 2021/22 establishment of 3,555 as a result of the decisions to press ahead with recruiting to achieve the planned 200 officer growth in 2022/23
2	The 1st April 2022 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2.5% pay rise in September i.e. there is no profile adjustment for incremental increases.
3	Leavers could be at any rank but assumed to be at experienced constable level 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.
7	Starters includes probationers, transferees and rejoiners
8	Other adjustments include miscellaneous losses and gains e.g. officers going on secondment or career break. It also includes net adjustments to part time hours

## 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 January to maintain an end of year projection of 3,755 FTE Officers. The financial impact of 1, 5 or 10 FTE less leavers per month is £0.121m, £0.607m or £1.214m, respectively. The same would apply in reverse for more leavers.

### Estimated impact of changes to leavers and joiners profiles Cost/(Saving)

	INTAKE		INTAKE		INTAKE		INTAKE		INTAKE				
	April 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 1 FTE less Leaver per month	54,385	49,853	45,321	40,789	36,256	31,724	27,192	22,660	18,128	13,596	9,064	4,532	353,500
Estimated Impact of 3 FTE less probationers joiner per intake			(85,253)		(68,203)		(52,431)			(26,216)			(232,103)
													<b>Net Impact</b>
													<b>121,397</b>

	April 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 5 FTE less Leavers per month	271,925	249,265	226,605	203,945	181,280	158,620	135,960	113,300	90,640	67,980	45,320	22,660	1,767,500
Estimated Impact of 15 FTE less probationer joiners per intake			(426,265)		(341,015)		(262,155)			(131,080)			(1,160,515)
													<b>Net Impact</b>
													<b>606,985</b>

	April 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March <sup>2</sup> 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 10 FTE less Leavers per month	543,850	498,530	453,210	407,890	362,560	317,240	271,920	226,600	181,280	135,960	90,640	45,320	3,535,000
Estimated Impact of 30 FTE less probationer joiners per intake			(852,530)		(682,030)		(524,310)			(262,160)			(2,321,030)
													<b>Net Impact</b>
													<b>1,213,970</b>

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

FTE Changes Impacting Pay Forecasts - 2022/23 Month 7

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2022	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2023
Budget Setting			3,575	384	24	(228)	0	3,755
HR data @ 31 July 22	3,755	3,564	3,572	437	27	(279)	(2)	3,755
HR data @ 31 August 22	3,755	3,621	3,572	434	30	(279)	(2)	3,755
HR data @ 30 September 22	3,755	3,602	3,572	458	25	(298)	(2)	3,755
Change	0	(19)	0	24	(5)	(19)	0	0

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 2022	Vacancy Factor Establishment @ 1st April 2022 *	Actual starters to date	Actual leavers to date
Budget Setting			2,318	2,183		
HR data @ 31 July 22	2,340	2,103			58	(106)
HR data @ 31 August 22	2,340	2,084			69	(137)
HR data @ 30 September 22	2,340	2,110			115	(157)
Change	0	26	0	0	46	(20)

\* Vacancy Factor is 7% for departments with less than 30 FTE and 8% for departments with more than 30 FTE for all areas except for FCR, Resolution Centre, PFCC's Office and externally funded 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 2022	Strength at 1st April 2022	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2023
Budget Setting			103	103	0	0	0	103
HR data @ 31 July 22	103	97	103	94	17	(10)	0	101
HR data @ 31 August 22	103	93	103	94	21	(10)	(1)	104
HR data @ 30 September 22	102	93	103	93	20	(7)	(1)	105
Change	(1)	0	0	(1)	(1)	3	0	1

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 July 22	422	600
HR data @ 31 August 22	404	600
HR data @ 30 September 22	398	600
Change	(6)	0

# 5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances								
Reserve	1st April 2022 - Opening Balance	Budget Setting Contribution / (Allocation) 2022/23	In-Year Contribution 2022/23	In-Year Allocation 2022/23	Current Month Closing Balance	Forecast In-Year Allocation	Forecast Year End Balance	Description of Earmarked Reserve
<b>1 Reserves held by Essex Police but managed as third party reserves</b>								
Op Dagenham Maintenance Reserve	£0.092m	-	-	-	£0.092m	-	£0.092m	Essex share of maintenance reserve held by each of the 7F to fund the cost of minor repairs to multi-occupancy building held for Op Dagenham.
<b>Total</b>	<b>£0.092m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.092m</b>	<b>£0.000m</b>	<b>£0.092m</b>	
<b>2 Project Reserves</b>								
N/A	-	-	-	-	-	-	-	N/A
<b>Total</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	
<b>3 Ringfenced Reserve</b>								
Proceeds of Crime Act	£2.047m	(£0.391m)	-	-	£1.656m	(£0.206m)	£1.450m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.428m	£0.025m	-	(£0.262m)	£0.189m	-	£0.189m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£1.023m	-	-	-	£1.023m	-	£1.023m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Operational Transformational Reserve (OTR)	£0.479m	(£0.139m)	£0.085m	(£0.011m)	£0.414m	(£0.414m)	-	OTR report is submitted to OPFCC Performance and Resources Board on a quarterly basis. OTR marked for closure following 2022/23, with residual balance transferred to the Transformation Reserve.
Transformation Reserve	£1.110m	-	-	(£0.130m)	£0.980m	£0.340m	£1.320m	Reserve to help fund the one-off costs of implementing the IT and Estates Transformation Strategies. OTR forecast residual balance of OTR to be transferred to the Transformation Reserve in 2022/23.
Data Analytics Reserve	£0.028m	(£0.028m)	-	-	-	-	-	Data Analytics and Visualisation Tool to be delivered in 2020/21 and into 2021/22. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Legal Reserve	£1.316m	-	-	-	£1.316m	-	£1.316m	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	£0.326m	(£0.046m)	-	-	£0.280m	-	£0.280m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Restricted Grant and Contributions Reserve	£0.103m	-	-	(£0.091m)	£0.012m	(£0.012m)	-	Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred.
<b>Total</b>	<b>£6.858m</b>	<b>(£0.579m)</b>	<b>£0.085m</b>	<b>(£0.494m)</b>	<b>£5.869m</b>	<b>(£0.292m)</b>	<b>£5.578m</b>	
<b>4 Operational Reserves</b>								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office e.g. Colchester murders, Operation Henley. These reserves are typically 1% of the force budget.
COVID Roadmap Violence Reduction Reserve	£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. Residual element of funding for COVID regulations at Stansted Airport was removed as part of 2022/23 budget setting. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Chief Constables Operational C/Fwd	£0.750m	-	-	(£0.100m)	£0.650m	-	£0.650m	Operational Carry Forward resulting from the 2019/20 and 2020/21 force underspend.
Specials Constabulary Reserve	£0.145m	(£0.145m)	-	-	-	-	-	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Future Capital Funding	£4.358m	£1.665m	£0.262m	-	£6.285m	(£6.185m)	£0.100m	Reserve to apply revenue financing to fund the force capital programme
<b>Total</b>	<b>£6.982m</b>	<b>£1.291m</b>	<b>£0.262m</b>	<b>(£0.100m)</b>	<b>£8.435m</b>	<b>(£6.185m)</b>	<b>£2.250m</b>	
<b>5 PFFC Reserves</b>								
Commissioning Grants / Safer Streets	£3.174m	-	-	-	£3.174m	-	£3.174m	Includes PFFC Commissioning Budget C/Fwd of £1.418m and Safer Streets funding of £1.755m
<b>Total</b>	<b>£3.174m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£3.174m</b>	<b>£0.000m</b>	<b>£3.174m</b>	
<b>6 General Reserve</b>								
General Reserve	£14.818m	(£0.206m)	-	(£1.177m)	£13.435m	(£4.513m)	£8.922m	The 2022/23 General Reserve opening balance is £14.818m, which represents 4.2% of the 2022/23 force budget of £352.2m. The in-year allocation of £1.177m reflects the funding of the increase to the South East Allowance and the forecast allocation reflects the forecast overspend for the force expenditure. The 2022/23 General Reserve closing balance is £8.922m, which represents 2.5% of the 2022/23 force budget of £352.2m (prior to potential Home Office special grant funding for Op Hazel).
<b>Total Revenue Reserves</b>	<b>£31.924m</b>	<b>£0.506m</b>	<b>£0.347m</b>	<b>(£1.771m)</b>	<b>£31.006m</b>	<b>(£10.990m)</b>	<b>£20.016m</b>	

# 6. Capital

## 6.1 Capital Summary

### CAPITAL PROGRAMME 2022/23 MONTH 7 MONITORING POSITION SUMMARY REPORT

	2022/23 Original Budget PF&C Panel	2022/23 Subject to Approvals Funding Distribution	2022/23 Other Approved Changes (Appendix 1)	2022/23 Revised Budget	2022/23 Actuals (to end of reporting period)	2022/23 Forecast Outturn	2022/23 Forecast Budget Variance (Appendix 2)
	£000	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE -</b>							
ANPR projects	123	110	70	303	287	292	(11)
Estates projects	5,308	0	2,248	7,555	499	3,203	(4,353)
IT projects	1,998	2,917	803	5,718	1388	5,547	(170)
Transport projects	1,324	2,200	210	3,734	448	2,831	(903)
OPC projects	455	46	(384)	117	4	70	(46)
SCD projects	-	40	182	222	107	222	-
Other projects	103	237	146	486	367	584	98
<i>Subject to Approval projects</i>	<i>8,579</i>	<i>(5,550)</i>	<i>(2,686)</i>	<i>343</i>	<i>0</i>	<i>343</i>	<i>(0)</i>
<b>TOTAL EXPENDITURE</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>3,101</b>	<b>13,092</b>	<b>(5,386)</b>
<b>FINANCING -</b>							
Capital Receipts	4,420	-	(668)	3,713		3,752	39
Revenue Contributions	5,579	-	558	6,006		6,137	131
Capital Grant	32	-	-	32		32	-
External & Other Income	0	-	-	-		0	-
Financing Requirement	7,858	-	699	8,727		3,171	(5,556)
<b>TOTAL FINANCING</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>3,101</b>	<b>13,092</b>	<b>(5,386)</b>

- 1 The revised budget reflects all changes to the capital programme since the original budget was approved at the PF&C Panel, including the allocation of subject to approval funding into the approved programme, as well as other changes such as slippage carried forward from the previous year, and other approved budget changes from the PFCC governance process.
- 2 The forecast budget variance reflects all in-year changes to the capital programme compared to the revised budget. The forecast £5.386m underspend incorporates slippage carried forward to 2023/24, and other changes, as set out in Appendix 1.
- 3 The financing model has been update as per the separate working paper
- 4 There are no actuals to date in the financing column as this process is undertaken at year-end (hence the shading applied to this column).
- 5 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 latest 2022/23 Treasury Management report (reported at month 5), the total external borrowing requirement is currently estimated to peak at £3.17m for the current year (excluding the £10m required to meet short-term cashflow commitments). In relation to the total financing requirement set out in the above report, any shortfall compared to the external borrowing value would be fully met by a corresponding amount of internal borrowing.

## 6.2 Capital Summary – Supporting Commentary

### **Budget position**

The starting budget position of **£17.889m** as set on the 3rd of February 2022 at the Police Fire & Crime Panel. The budget was revised to **£18.478m** in month 6 representing a reduction of £2.686m with no significant subsequent movements to report for month 7. The reduction of £2.686m reported in month 6 primarily reflected several projects in the 2022/23 subject to approvals list which were withdrawn or resubmitted as part as of the 2023/24 budget setting process.

In addition to the £2.686m reductions referred to above, the remainder of the current budget movement for the year to date is a net £3.275m increase, mainly comprising £2.224m slippage brought forward from 2021/22. This includes:

- £1.752m relating to various projects from the Estates 2021/22 programme, including £0.769m for replacement portacabins, as well as other slippage (all more than £0.1m) for various projects such as Chelmsford Police Station, the Harwich and Dovercourt collaboration project, Boreham C Block refurbishment, the Conference Regeneration project and PAC access
- Transport slippage of £0.210m mainly related to the slippage of the early years of fleet replacement programmes of £0.186m as well as minor slippage relating to the Quadbikes and Marine unit projects
- IT-related increases of £0.393m are mainly offset by the corresponding reduction to the OPC projects line of (£0.384m), relating to the reclassification of the Dashcams project

Since the original budget was approved there has been £5.550m of business cases, previously categorised as subject to approval, that were approved at the March, June, and the September Strategic Boards, as well as outside of these boards where applicable. The impact of these approvals is reflected within the 'Subject to Approvals Funding Distribution' column in the capital tables contained within this report.

### **Forecast**

The projected capital position for month 7 reflects an underspend of £5.386m compared to the previous reported underspend of £5.062m. The reduction in the forecast spend of £0.324m all relates to **approved budget lines**, mainly relating to Estates projects (£0.497m) offset by an increase in forecast for IT projects of £0.114m. Other minor variances included an overspend of £0.058m for the fleet replacement programme.

The £5.386m forecast underspend is mainly comprised of three areas – forecast slippage c/f, forecast underspends and forecast overspends, the main elements of which are set out in the following paragraphs.

### **Forecast Slippage c/f of £5.137m (from 2022/23 to 2023/24)**

There are three main areas of spend for the 2022/23 programme which are being forecast to slip into 2023/24, relating to Estates, Transport, and IT. These are comprised of:

**Estates** - which is expected to slip £3.984m into future years, includes £3.487m reported in month 6, with the main projects contributing to the slippage including:



## Official

- Harwich & Dovercourt Collaboration project £1.513m, including slippage from 2021/22. There was a delay in the approval of the scheme with contractual negotiations in 2021/22 impacting the final delivery of the project
- Boreham C Block Refurbishment slippage of £0.928m of which £0.306m is now being reported in month 7 mainly relating to delays in the delivery of the Estates capital programme
- CCTV Replacement to Custody Suites is reporting a slippage of £0.933m in total of which £0.181m relates to month 7
- Other projects reporting to slip totalling £0.608m including the Locker Replacement Programme of £0.125m, Capitalised Maintenance Programme of £0.467m and various smaller slippage totalling to £0.018m

It should be noted that there were no further significant movements reported in month 7.

**Transport** – which previously expected to slip by £1.001m in month 6 is now reporting a slippage of £0.943m in month 7, representing an increase in expenditure of £0.058m relating to both the 2021/22 and 2022/23 Fleet Replacement programmes.

**IT** – who are reporting a small slippage of £0.238m. £0.149m relates to Infrastructure Technical Refresh, £0.026m slippage for the Audio-Visual Upgrade in the Assembly Hall, £0.030m relating to the ESMCP ESN project as well as a £0.033m reduction for Legacy Digital Data store and COSMOS replacement. There were no further changes to IT slippage since month 6 to report for month 7.

### **Forecast Underspend of £0.691m**

**Estates** – there have been no movements for month 7 with £0.379m of total forecast underspend. The main reductions continue to include Chelmsford Police Station £0.101m, which slipped from 2021/22 with the previously approved amount now no longer fully required. Other significant slippage includes the Conference Room Regeneration of £0.150m also no longer required, £0.066m for the upgrade of faith rooms (the project has been completed) and £0.062m for other smaller projects.

**IT** - likewise there has been no movement to the previous IT reported forecast underspend of £0.212m, which comprises £0.084m for Digital Interview Replacement (CODES), Dispatch Communication Server reduced spend of £0.058m, and £0.070m on other projects reported previously including £0.020m for Special's Body Worn Video.

**Other** - the remaining forecast underspend element of £0.100m (also unchanged since month 6) includes £0.050m for OPC and £0.035m for Transport.

### **Forecast Overspend of £0.440m**

**IT** – total forecast overspends of £0.280m including advanced works of £0.070m for the Data Centre Migration project, £0.013m for ESMCP (ESN project), Taser tracking of £0.026m and ESMCP (ICCS supplier replacement) related overspend of £0.058m in month 6. IT reported a further forecast overspend of £0.114m relating to the Dashcams project in month 7.

**Estates** – total forecast overspend of £0.010m comprising minor amounts for various projects.

## Official

**Transport** – this forecast overspend relates to earlier years fleet replacement programme budget allocations, totalling £0.074m.

**Other Projects** – this is comprised of additional body armour requirements relating to police officer uplifts, totalling £0.072m.

It should be noted that there were no significant changes in this category of reporting for month 7.

### General Update

Transport teams 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. This, and the worldwide shortage of semi-conductor chips and the war with Russia and Ukraine has significantly delayed delivery and this is the principal reason for the slippage being recognised within this area of the capital programme.

The capital programme continues to report significant slippage for the period. Subsequent changes were made at the Estates Change Board meeting in September, where the capital budget for the Estates Capital Programme was revised to reflect the forces priorities with several previously planned projects removed or reprofiled to future years. In addition, other external forces including the slow economic recovery, high inflation, overall global and regional recession and increase in energy costs all continue to be contributing to the delay in the delivery of the PFCC capital programme. The force continues to be faced with practical issues including problems with supply chains and shortage of labour. In addition, there were 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, however some of posts have now been filled.

It should be noted that due to the ongoing resources issues the Capital programme will continue to slip and the forecast underspend may increase in the second half of the financial year.

The financing plan for 2022/23 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. In respect of capital receipts available to the PFCC, the majority of these are typically forecast to be used to finance the capital programme in the same year. For month 7 the forecast for capital receipts receivable in 2022/23 is £2.824m. All of these are due to be used to finance 2022/23 capital expenditure, along with £0.928m of unused receipts brought forward from 2021/22.

£4.357m of revenue contributions were also brought forward from 2021/22 to fund the 2022/23 programme. This will reduce the immediate financial burden on the revenue account over the coming years from high Minimum Revenue Provision (MRP) charges that would be required if these resources were not held back for this purpose, due to the level of planned spend on short-life assets across this period.

The financing requirement for unfinanced capital expenditure is forecast at £3.171m which equates to approximately 24.2% of the year's financing plan. Based on the latest treasury management information available there may be a need for external borrowing in 2022/23, but not until the last quarter of the financial year at least.

**CAPITAL PROGRAMME 2022/23 MONTH 7 MONITORING POSITION  
OTHER APPROVED BUDGET CHANGES**

	Slippage b/f	SB - Changes to Existing Programme*	SB - New Projects Approved	Delegated Authority - Changes to Existing	Delegated Authority - New Projects Approved	Total Movements
	£000	£000	£000	£000	£000	£000
<b>APPENDIX 1 - OTHER APPROVED BUDGET CHANGES</b>						
ANPR projects	70	-	-	-	-	70
Estates projects	1,752	411	86	-	-	2,249
IT projects	393	410	-	-	-	803
Transport projects	210	-	-	-	-	210
OPC projects	(384)	-	-	-	-	(384)
SCD projects	38	-	144	-	-	182
Other projects	146	-	-	-	-	146
Subject to Approval projects	-	(2,686)	-	-	-	(2,686)
<b>TOTAL</b>	<b>2,224</b>	<b>(1,865)</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>589</b>

\*including differences in values between budget setting bid compared to final approved business case

## APPENDIX 2

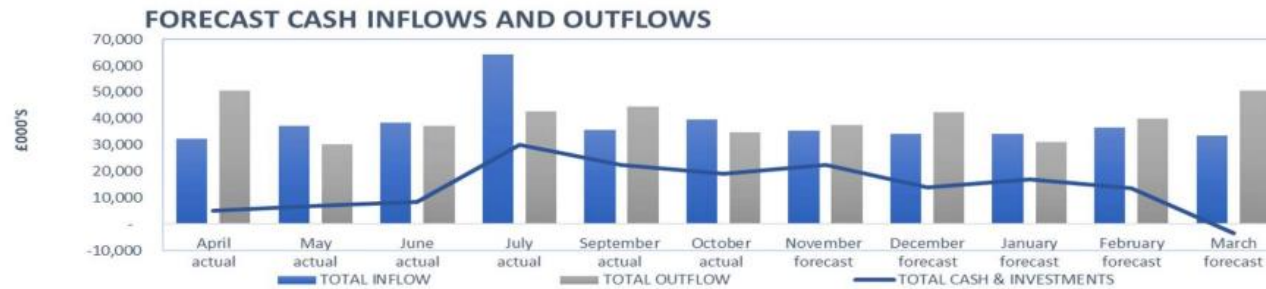
**CAPITAL PROGRAMME 2022/23 MONTH 7 MONITORING POSITION  
FORECAST EXPENDITURE VARIANCES**

	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
<b>APPENDIX 2 - FORECAST OUTTURN VARIANCES</b>					
ANPR projects	0	1	(12)	0	(11)
Estates projects	0	10	(379)	(3,984)	(4,353)
IT projects	0	280	(212)	(238)	(170)
Transport projects	0	74	(35)	(943)	(903)
OPC projects	0	4	(50)	(1)	(47)
SCD projects	0	0	(0)	0	(0)
Other projects	0	72	(3)	29	98
Subject to Approval projects	0	0	0	0	1
<b>TOTAL VARIANCES</b>	<b>0</b>	<b>440</b>	<b>(691)</b>	<b>(5,137)</b>	<b>(5,386)</b>

# 7. Cashflow Forecast



## Cashflow Forecast – October 2022



### TREASURY MANAGEMENT ACTIVITIES

	Forecast £000	Actual £000	Variance £000
<b>Expenditure</b>			
Supplier payments	12,393	11,662	(731)
Capital - property acquisitions	0	0	0
HMRC payments	7,616	7,650	34
Essex LGPS payments	1,469	1,469	(0)
Payroll	13,500	14,053	553
<b>Total cash outflow</b>	<b>34,978</b>	<b>34,834</b>	<b>(144)</b>
<b>Income</b>			
Govt grant	(17,362)	(17,699)	(337)
Precepts	(14,032)	(14,032)	0
Other net receipts	(5,753)	(7,977)	(2,224)
<b>Total cash inflow</b>	<b>(37,147)</b>	<b>(39,708)</b>	<b>(2,561)</b>
<b>Total cash inflow/(outflow)</b>	<b>(2,169)</b>	<b>(4,874)</b>	<b>(2,705)</b>

#### OCTOBER COMMENTARY

##### Expenditure

Supplier payments were £0.731m lower than forecast reflecting a marginal variance to the expected profile of payments processed by Business Services. The forecast for supplier payments remains very difficult to accurately profile with the information available to us however alternate forecast models continue to be reviewed to try get this information more accurate.

Payroll payments were £0.553m higher than the forecast due to higher overtime payments.

##### Income

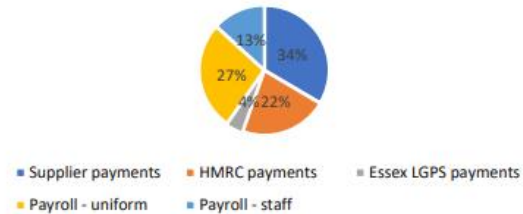
Gross receipts for the period £39.708m compared to the estimated value of £37.147m a variance of £2.561 comprising of an increase in other Government Grant and other net receipts.

The increase in net receipts was represented by payments relating to Invoice from Kent of £1.48m and the Counter Terrorism Intelligence reimbursement for Quarter 1 for £1.1m

##### External Borrowing/Financing

There has been no external borrowing requirement in 2022/23 to date, however based upon the month 7 Capital forecast it is expected that the financing requirement for unfunded capital expenditure will be £3.17m for the current year (excluding the £10m required to meet short-term cashflow commitments). It is anticipated that any external borrowing required for financing purposes is not likely to be required until the end of Quarter 4. If there is a need to take out external borrowing it will be from bodies such as the Public Works Loans Board (PWL) or other public sector bodies.

### EXPENDITURE ANALYSIS - OCTOBER



### INVESTMENTS @ 30th OCTOBER

