

## 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 10 Financial Monitoring Report</b>
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<b>Chief Officer:</b>	<b>DCC Prophet</b>
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<b>COG meeting date / date of approval (Please indicate whether paper presented to COG or not)</b>	<b>COG - 22<sup>nd</sup> February 2023</b>

**1.0 Purpose of Report**

This report identifies the 2022/23 Month 10 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.
- 2.3 To note that additional funding of up to £1.2m in relation to an overachievement of 2022/23 Police Officer Uplift allocation, in the form of additional grant, is not included in the revenue forecast, pending clarification on the level of overachievement, however the funding will be

applied to either the Major Operational Reserve or General Reserve, depending on the year end position and funding of Op Hazel expenditure, subject to approval.

### **3.0 Executive Summary**

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

### **4.0 Introduction/Background**

This report sets out the January, Month 10, financial position.

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

The Month 10 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 expenditure from the Home Office, which if agreed, would result in additional income of £4.128m and a revenue forecast underspend of £0.785m. Home Office funding of £1.503m has been received to date, based on an Op Hazel forecast spend of £5.103m that was submitted to the Home Office in October 2022, less a 1% contribution of force budget.

# 1. Executive Summary

## REVENUE

The revenue forecast overspend at month 10 is £3.343m against the 2022/23 revenue budget of £352.2m (0.95% variance).

The forecast overspend includes Op Hazel expenditure of £5.631m (based on the position at the end of January) and receipt of Home Office funding of £1.503m. The force is seeking a full reimbursement of Op Hazel expenditure from the Home Office, which if agreed, would result in additional income of £4.128m and a revenue forecast underspend of £0.785m.

The force variance to current budget at subjective level is detailed in Section 3.3 of the report and the movement from Month 9 to Month 10 is detailed in Section 3.4 of the report.

## WORKFORCE

The Police Officer strength forecast at the end of January is 3,696 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 £1.261m.

The Police Staff strength at the end of December is 2,089 FTE. Total vacancies at 31st December are 319 FTEs, to include 2022/23 force growth posts. The underspend on Police Staff Pay and Allowances, excluding overtime, is £3.314m

The PCSO strength at the end of December is 97 FTE and forecast to be 104 FTE at year end.

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

## RESERVES

The net appropriation from earmarked reserves for Month 10 is £0.083m.

The Revenue Summary table in Section 3.1 of the report includes a forecast of £0.921m to appropriate Revenue Consequences of Capital underspends to the Transformation Reserve, as agreed at Month 8 (contra entry on Supplies and Services), subject to approval of 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 10 is a year end spend of £9.935m, which is a £8.543 underspend against the latest revised budget of £18.478m (46.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £2.123m which equates to approximately 21.4% of the year's financing plan, excluding the £10m required to meet short-term cashflow commitments. Based on the latest treasury management information available there may be a need for external borrowing in 2022/23, but not until the last month 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>						
ER011/22	Transformation Reserve - IT Project Budget	(83)	To fund 0365 implementation team from the Transformation Reserve - IT Projects	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Police Staff Pay & Allowances
<b>Total</b>		<b>(83)</b>				
<b>Net appropriation to/(from) Earmarked Reserves</b>		<b>(83)</b>				

# 3. Revenue

## 3.1 Revenue Summary

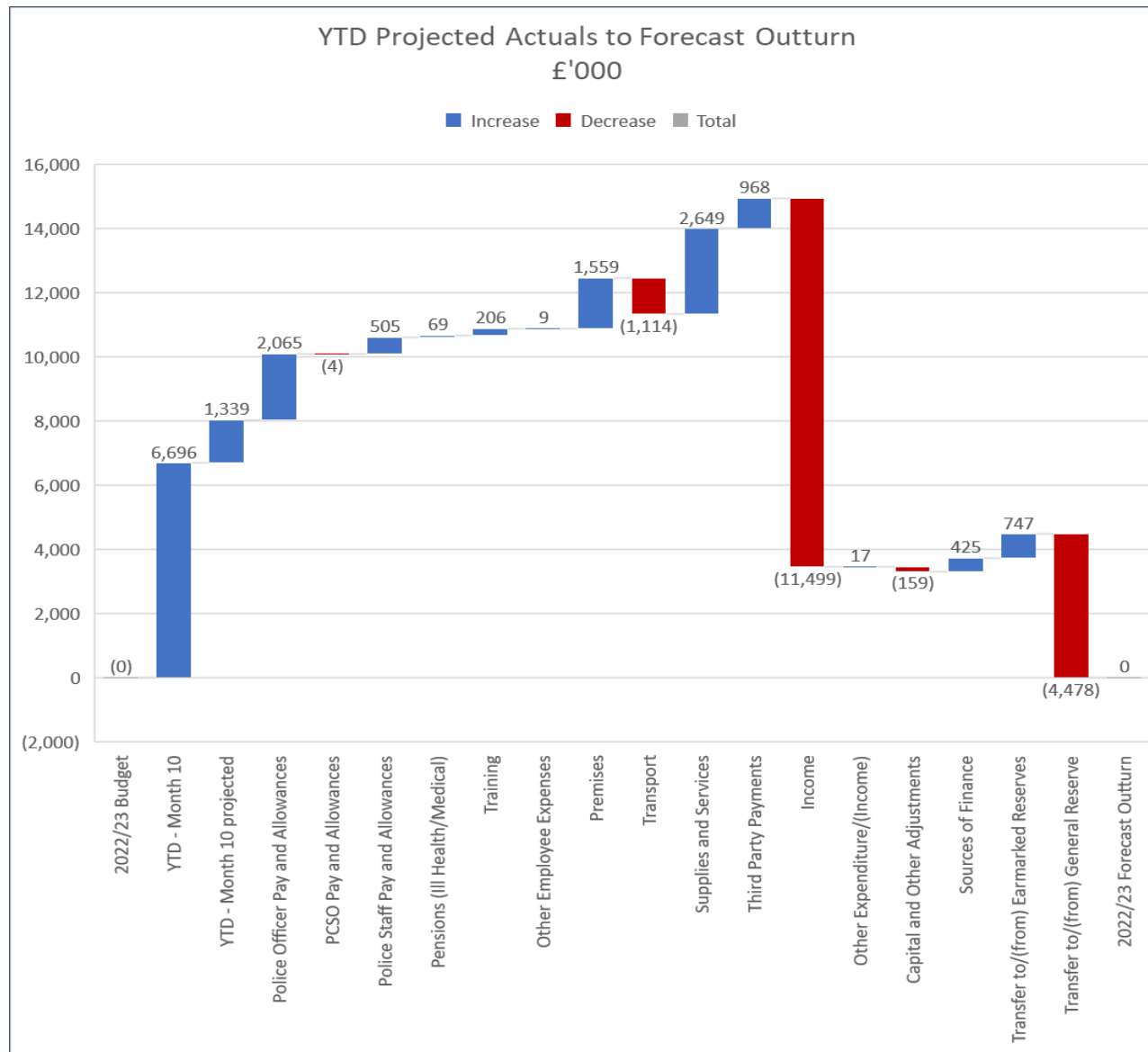
In Month - Month 10			Year to Date - Month 10			Subjective Heading	Full Year							
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast <sup>3</sup>	Variance Over/(Under) 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
17,487	17,774	287	174,874	171,704	(3,170)	<b>Employees</b>								
741	1,514	773	7,414	10,923	3,509	Police Officer Pay and Allowances	206,514	3,335	209,849	171,704	208,589	2,075	(1,261)	89
87	133	46	871	1,301	430	- Police Officer Pay and Allowances	7,715	1,182	8,896	10,923	12,610	4,895	3,713	379
0	0	0	0	0	0	- Overtime and Operational Performance	1,085	(40)	1,045	1,301	1,579	495	535	(21)
18,316	19,421	1,105	183,159	183,927	769	- Associated Police Pay	0	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	215,313	4,478	219,791	183,927	222,778	7,465	2,987	447
290	291	1	2,900	2,857	(43)	Police Officer Pay and Allowances	3,615	(136)	3,480	2,857	3,425	(190)	(55)	(8)
7,800	8,178	378	78,000	74,778	(3,223)	<b>PCSO Pay and Allowances</b>	92,753	847	93,600	74,778	90,286	(2,467)	(3,314)	(525)
158	256	98	1,577	2,522	945	Police Staff Pay and Allowances	1,146	746	1,892	2,522	2,978	1,832	1,086	46
7,958	8,434	477	79,577	77,299	(2,278)	- Police Staff Pay & Allowances	93,899	1,593	95,493	77,299	93,264	(635)	(2,228)	(479)
354	296	(58)	3,539	3,325	(214)	- Police Staff Overtime and Agency	4,247	0	4,247	3,325	4,059	(188)	(188)	(113)
160	95	(65)	1,596	1,436	(159)	Police Staff Pay and Allowances	1,852	63	1,915	1,436	1,929	77	14	(49)
54	333	279	539	655	116	Pensions (Ill Health / Medical)	547	99	647	655	795	248	148	10
27,131	28,870	1,740	271,309	269,500	(1,809)	Other Employee Expenses	319,473	6,097	325,571	269,500	326,249	6,776	678	(192)
801	506	(295)	8,011	7,745	(267)	<b>Employees Total</b>	9,611	3	9,614	7,745	10,853	1,242	1,239	29
523	431	(92)	5,227	6,710	1,483	Premises	6,204	68	6,272	6,710	6,938	734	666	101
3,541	2,323	(1,218)	35,406	32,816	(2,590)	Transport	42,242	245	42,487	32,816	42,028	(214)	(459)	4
0	0	0	0	0	0	Supplies and Services	446	(446)	0	0	0	(446)	0	0
3,541	2,323	(1,218)	35,406	32,816	(2,590)	- Supplies and Services	42,688	(201)	42,487	32,816	42,028	(660)	(459)	4
663	628	(35)	6,628	7,834	1,206	- In-Year Investments	7,874	79	7,954	7,834	10,368	2,494	2,415	48
32,658	32,758	100	326,581	324,604	(1,977)	Third Party Payments	385,851	6,047	391,898	324,604	396,437	10,586	4,540	(9)
(3,295)	(2,946)	349	(32,946)	(24,822)	8,124	Gross Expenditure	(35,006)	(4,529)	(39,535)	(24,822)	(41,285)	(6,279)	(1,750)	(6)
29,364	29,812	448	293,635	299,782	6,147	Income	350,845	1,518	352,362	299,782	355,152	4,307	2,790	(16)
4	(57)	(61)	44	(274)	(317)	Net Cost of Services	52	0	52	(274)	(312)	(364)	(364)	(98)
66	793	727	664	793	129	Other Expenditure / (Income)	796	0	796	793	793	(3)	(3)	0
29,434	30,548	1,114	294,343	300,301	5,959	Capital and Other Adjustments	351,694	1,518	353,211	300,301	355,633	3,940	2,422	(114)
(29,350)	(29,694)	(344)	(293,500)	(293,854)	(354)	Net Expenditure	(352,200)	0	(352,200)	(293,854)	(352,200)	0	0	0
84	854	770	843	6,447	5,605	Sources of Finance	(506)	1,518	1,011	6,447	3,433	3,940	2,422	(114)
31	0	(31)	309	454	145	(Surplus)/Deficit before appropriations	712	(341)	371	454	1,292	580	921	0
(115)	0	115	(1,152)	(206)	947	Contribution to/(from) Earmarked Reserves	(206)	(1,177)	(1,383)	(206)	(4,725)	(4,520)	(3,343)	114
0	854	854	0	6,696	6,696	Contribution to/(from) General Reserve	0	0	0	6,696	0	0	0	0
						(Surplus)/Deficit after appropriations	0	0	0	6,696	0	0	0	0

<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 £5.6m, less £1.5m Home Office funding received to date

## 3.2 Year to Date Projected Actuals to Forecast Outturn



### Supporting Commentary

#### YTD – Month 10 projected

Actuals to date, extrapolated for remaining months of the year

#### Police Officer Pay and Allowances

Impact of joiners/leavers, Detective and AFO Bonus Payments, pay increments, and year end accruals (including overtime)

#### Police Staff Pay and Allowances

Impact of staff pay award, further force growth posts, and year end accruals (including overtime)

#### Premises

Significant price increase for electricity and gas due to come into effect from October 2022. Planned and reactive maintenance paid in arrears and subject to year end accruals

#### Transport

Vehicle Insurance premiums paid for the period October 2022 to September 2023 and subject to prepayment

#### Supplies and Services

Several instances of services invoiced in arrears and subject to year end accruals, including significant expenditure still forecast for Forensics Analysis and Insurance Claims Expenditure.

#### Third Party Payments

2022/23 ATHENA/7 Force expenditure to date yet to be invoiced, partially offset by Misc. Insurance premiums paid for the period October 2022 to September 2023 and subject to prepayment

#### Income

Even monthly profile of budget for externally funded income streams that are received on a quarterly basis, as well as other income streams that can occur at any stage during the financial year, for example, PFCC commissioning budgets - MOJ/NHS funding, etc. The Home Office Police Uplift Grant for £3m is yet to be received

#### Transfer to/(from) Earmarked Reserves

Scheduled appropriation to the Transformation Reserve for IT projects

#### Transfer to/(from) General Reserve

Scheduled appropriation for increase to South East Allowance and to meet revenue forecast overspend position for the force

## 3.3 Revenue Summary – Supporting Commentary

### **Police Officer Pay and Allowances - £2.987m overspend**

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

The overspend includes Op Hazel Police Officer Overtime (including Bank Holidays) and associated NI payments totalling £2.0m.

The forecast excluding Op Hazel includes an underspend due to changes in recruitment, leaver, and growth profiles since budget setting (£2.1m). 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 an additional unbudgeted Bank Holiday on the 19<sup>th</sup> September 2022 and higher than anticipated resourcing across the five bank holidays over the Christmas and New Year period. (£0.5m).

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 (£0.3m).

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

Previously reported adjustments to Original Budget, up to and including Month 9, total £4.478m.

### **Police Staff Pay and Allowances - £2.228m underspend**

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

The underspend includes material variances in relation to the impact of net leavers/joiners to date (£2.7m), 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 (£0.6m), 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> 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).

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

The adjustment from Original Budget to the Revised Budget during Month 10 is for the funding of O365 staff posts from the Transformation Reserve, totalling £0.083m. Previously reported adjustments to Original Budget, up to and including Month 9, total £1.510m.

### **Premises - £1.239m overspend**

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

The overspend is following receipt of updated pricing information from our energy supplier with effect from October 2022, which has been used to determine the forecast expenditure for gas and electricity up to financial year end, over and above provision made within 2022/23 budget setting.

### **Transport - £0.666m 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, plus one-off backdated force mileage claims following the change of policy regarding the rules associated with home to work mileage. This overspend is 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 - £0.459m underspend**

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

The forecast variance 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; an increase of £0.2m relating to insurance claims following a detailed review of the outstanding claims position as at the end of November, with the number of open liability claims increasing significantly since the previous year-end; and 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. The forecast has been updated at Month 9 to reflect Revenue Consequences of Capital underspends of £0.921m that are planned for appropriation to the Transformation Reserve at financial year end, as agreed at Month 8.

### **Third Party Payments - £2.415m overspend**

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

The overspend is due to Mutual Assistance required from other Police forces for Op Hazel, totalling £3.0m. 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;



## Official

£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.

### **Income - £1.750m surplus**

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

The forecast includes income of £1.503m received from the Home Office in relation to Op Hazel, based on a forecast spend of £5.103m that was submitted to the Home Office in October 2022, less a 1% contribution of force budget. In addition, 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. These elements are 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 and Police Staff Pay and Allowances for Home Office funding and externally funded activity, all of which have a corresponding forecast adjustment.

### **Other Expenditure/(Income) - £0.364m 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 to Earmarked Reserves - £0.921m**

The forecast includes a planned appropriation of Revenue Consequences of Capital underspends of £0.921m to the Transformation Reserve, as agreed at Month 8 (contra entry on *Supplies and Services*), subject to approval of PFCC decision report.

### **Contribution from General Reserve - £3.343m**

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.

## 3.4 Main Forecast Movements since Month 9

### Main Changes to Forecast Outturn Variance since Month 9

	Change in Forecast Outturn Variance £m	
<b>Month 9 Forecast Outturn Variance</b>	<b>3.5</b>	<b>Overspend</b>
Police Officer Pay and Allowances	0.4	The increase in forecast variance includes a realignment of the recruitment profile, primarily due to a reduction of 25 FTE probationer joiners in January, an increase of 9 FTE probationer joiners in March offset by 16 FTE less leavers across December, January and February. In addition, the officer overtime overspend has increased during the month due to Op Magnesium, and the Bank Holiday overtime forecast has increased to reflect the impact of the additional bank holiday during 2022/23, and higher than anticipated resourcing over the five bank holidays over the Christmas and New Year period.
Police Staff Pay and Allowances	(0.5)	The reduction in forecast variance includes the impact of a reduced forecast outturn position for the PFCC's office, the transfer of 10 FTE staff from force funded to externally funded posts (primarily Disclosure Barring Service) and a reduction in the forecast cost of 2022/23 staff growth posts, due to delays in recruitment to these posts or existing staff filling posts, thereby creating vacancies elsewhere in the organisation. In addition, budget has been allocated to fund the cost of O365 staff posts from the Transformation Reserve.
Pensions (Ill Health/Medical)	(0.1)	Reduction in forecast Ill Health Capital Equivalent charge due to some cases in progress now deemed to be unlikely to conclude before the end of the financial year.
Transport	0.1	The increase in forecast variance is due to the one-off backdated force mileage claims following the change of policy regarding the rules associated with home to work mileage, plus other transport related activity, predominantly in relation to maintenance and fuel.
Other Expenditure / (Income)	(0.1)	Net movement on financing position, including increase for investment income due to higher returns being earned from treasury management activity as rates continue to exceed budgeted expectations, as well as a further forecast saving on interest payable mainly due to capital slippage and the related impact on external borrowing.
<b>Month 10 Forecast Outturn Variance</b>	<b>3.3</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												
		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)	3,575	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
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 10th November 2022														
Strength	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	
17	1st April 2022 Strength	3,572	3,543	3,525	3,585	3,564	3,621	3,602	3,686	3,660	3,636	3,696	3,685	
18	Leavers	(28)	(19)	(21)	(22)	(18)	(29)	(21)	(27)	(27)	(15)	(11)	(20)	(257)
19	Starters (note 7)	1	0	81	1	77	9	105	3	3	75	0	90	444
20	Other Adjustments (note 8)	(2)	0	(0)	0	(1)	0	(0)	(2)	0	0	0	0	(4)
21	Net change	(29)	(18)	60	(21)	58	(19)	84	(26)	(24)	60	(11)	70	183
22	Officer strength - month end	3,543	3,525	3,585	3,564	3,621	3,602	3,686	3,660	3,636	3,696	3,685	3,755	
23	Difference to 3755fte - over / (under)	(212)	(230)	(170)	(191)	(134)	(153)	(69)	(95)	(119)	(59)	(70)	0	
Actuals /Forecast £	Actual £								Forecast £					
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
24	Costed Strength before starters/leavers	£15.63m	£16.56m	£16.56m	£16.42m	£16.56m	£18.68m	£17.65m	£17.99m	£17.95m	£17.66m	£17.92m	£18.51m	£208.09m
25	2022/23 Leavers											(£0.04m)	(£0.10m)	(£0.14m)
26	2022/23 Starters											£0.21m	£0.37m	£0.58m
27	Other Costs											£0.03m	£0.03m	£0.06m
28	Monthly Actual	£15.63m	£16.56m	£16.56m	£16.42m	£16.56m	£18.68m	£17.65m	£17.99m	£17.95m	£17.66m	£18.12m	£18.81m	£208.59m
Variance 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	
29	Strength @ beginning of month (negative=reduction)	(3)	(51)	(52)	(55)	(59)	(65)	(67)	(30)	(39)	(46)	(33)	(27)	
30	Leavers (positive number = less leavers)	(9)	0	(2)	(3)	1	(10)	(2)	(8)	(8)	4	8	(1)	(29)
31	Starters	(37)	(2)	(1)	(1)	(6)	7	39	1	1	9	(2)	28	36
32	Other Adjustments	(2)	0	(0)	0	(1)	0	(0)	(2)	0	0	0	0	(4)
33	Month End Strength Change - FTEs	(51)	(52)	(55)	(59)	(65)	(67)	(30)	(39)	(46)	(33)	(27)	0	3
34	Change per month FTEs	(48)	(1)	(3)	(4)	(5)	(2)	37	(9)	(7)	13	6	27	
	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	
35	Monthly Financial Change	(£1.11m)	(£0.10m)	(£0.32m)	(£0.37m)	(£0.49m)	£1.30m	£0.09m	£0.51m	£0.56m	£0.13m	£0.67m	£1.22m	£2.08m

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		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 10

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
<b>Budget Setting</b>			3,575	384	24	(228)	0	3,755
HR data @ 30 November 22	3,755	3,660	3,572	442	18	(273)	(4)	3,755
HR Data @ 31 December 22	3,755	3,636	3,572	426	18	(257)	(4)	3,755
<b>Change</b>	<b>0</b>	<b>(24)</b>	<b>0</b>	<b>(16)</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>

2. Police Staff - Budget Based on Establishment (please see note below)*						
	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2022	Vacancy Factor Establishment @ 1st April 2022 *	Actual starters to date	Actual leavers to date
<b>Budget Setting</b>			2,318	2,183		
HR data @ 30 November 22	2,407	2,101			165	(216)
HR Data @ 31 December 22	2,408	2,089			173	(235)
<b>Change</b>	<b>1</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>(19)</b>

\* 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
<b>Budget Setting</b>			103	103	0	0	0	103
HR data @ 30 November 22	102	99	103	94	21	(10)	0	105
HR Data @ 31 December 22	102	97	103	94	21	(10)	(1)	104
<b>Change</b>	<b>0</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>

Note: The PCSO Establishment includes 12 FTE partnership funded posts which are externally funded

4. Specials - Headcount	Actual Strength	Target Strength
<b>Budget Setting</b>		600
HR data @ 30 November 22	364	600
HR Data @ 31 December 22	364	600
<b>Change</b>	<b>0</b>	<b>0</b>

# 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	£0.426m	£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	(£0.600m)	£0.423m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses). Agreement to fund £0.600m of Op Hazel expenditure if Home Office funding not available.
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	-	-	(£0.224m)	£0.886m	£1.261m	£2.147m	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. Forecast appropriations include transfer of OTR residual balance of £0.340m and Revenue Consequences of Capital underspends for IT projects of £0.921m for utilisation in 2023/24.
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>(£0.588m)</b>	<b>£5.775m</b>	<b>£0.030m</b>	<b>£5.805m</b>	
<b>4 Operational Reserves</b>								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	(£0.300m)	£1.200m	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. The forecast in-year allocation includes an agreement to fund £1.5m of Op Hazel expenditure if Home Office funding is not available, offset by a £1.2m over achievement of 2022/23 PUP allocation in the form of additional grant, that is yet to materialise.
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. Agreement to fund £0.650m of Op Hazel expenditure if Home Office funding not available.
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>(£7.135m)</b>	<b>£1.300m</b>	
<b>5 PFCC Reserves</b>								
Commissioning Grants / Safer Streets	£3.174m	-	-	-	£3.174m	-	£3.174m	Includes PFCC 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	(£0.593m)	£12.842m	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, less contribution from Earmarked Reserves to fund Op Hazel expenditure. The 2022/23 General Reserve closing balance is £12.842m, which represents 3.6% of the 2022/23 force budget of £352.2m.
<b>Total Revenue Reserves</b>	<b>£31.924m</b>	<b>£0.506m</b>	<b>£0.347m</b>	<b>(£1.865m)</b>	<b>£30.912m</b>	<b>(£7.699m)</b>	<b>£23.213m</b>	

# 6. Capital

## 6.1 Capital Summary

### CAPITAL PROGRAMME 2022/23 MONTH 10 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)	2022/23 Previous Month Forecast Outturn	2022/23 Forecast Movement to Previous Month Forecast Outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE -</b>									
ANPR projects	123	110	70	303	287	292	(11)	292	-
Estates projects	5,308	0	2,248	7,555	1,166	2,155	(5,400)	3,084	(929)
IT projects	1,998	2,917	803	5,718	3155	4,792	(926)	4,765	27
Transport projects	1,324	2,200	210	3,734	983	1,570	(2,164)	2,480	(910)
OPC projects	455	46	(384)	117	57	59	(58)	62	(3)
SCD projects	-	40	182	222	205	222	-	222	-
Other projects	103	237	146	486	370	602	116	689	(87)
<i>Subject to Approval projects</i>	8,579	(5,550)	(2,686)	343	0	243	(100)	343	(100)
<b>TOTAL EXPENDITURE</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>6,224</b>	<b>9,935</b>	<b>(8,543)</b>	<b>11,937</b>	<b>(2,003)</b>
<b>FINANCING -</b>									
Capital Receipts	4,420	-	(1,608)	2,812		1,815	(997)	2,812	(997)
Revenue Contributions	5,579	-	606	6,185		5,951	(234)	5,996	(45)
Capital Grant	32	-	46	78		46	(32)	46	-
External & Other Income	0	-	-	-		0	-	-	-
Financing Requirement	7,858	-	1,545	9,403		2,123	(7,280)	3,084	(961)
<b>TOTAL FINANCING</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>6,224</b>	<b>9,935</b>	<b>(8,543)</b>	<b>11,938</b>	<b>(2,003)</b>

- 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.
- The forecast budget variance reflects all in-year changes to the capital programme compared to the revised budget. The forecast £8.543m underspend incorporates slippage carried forward to 2023/24, and other changes, as set out in Appendix 1.
- The financing model has been update as per the separate working paper
- 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).
- 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 (PWL) 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 10), the total external borrowing requirement is currently estimated to peak at £2m 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 budget position was revised to £18.478m in month 6 with no subsequent movements thereafter up to the current month 10 position. 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, details of which were included in previous reports.

Since the original budget was approved there has been £5.550m of business cases, previously categorised as subject to approval, that have been approved at Strategic Boards during the year, 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.

### Movement since previous month

The projected capital position for month 10 reflects an underspend of £8.543m compared to the previous reported underspend of £6.541m. The decrease in the forecast spend since the previous month equates to £2.003m, all relating to approved budget lines, the details of which are included in the supporting table.

	Changes in Forecast Outturn Variance £000	Explanation
<b>Month 9 Forecast Outturn Variance</b>	<b>(6.541)</b>	<b>Underspend</b>
Capitalised Maintenance Programme	(0.694)	Reduction of £500k in current year forecast relating to Radio Masts, Fire alarms maintenance, work at Chigwell depot and the remainder relate to various minor schemes which were expected to be completed by March 2023 and is now reporting to slip into 2023/24.
Fleet replacement programme 2022/23	(0.910)	Reduction of the current year forecast due to delay on vehicle deliveries by the manufacturer.
EPC - Replacement Portcabins	(0.150)	Further reduction in forecast due to project slipping into 2023/24 due to delay in internal procurement process
Various Estates related projects	(0.065)	Reduction in forecast relating to various other Estate projects slipping into 2023/24 including £20k for Haven Rooms and £45k for Local Digital Media Hubs mainly due to the delay in delivery with other Estates related projects
Boreham C Block Refurbishment	(0.006)	Reduction to forecast due to procurement delays . It should be noted that Estates Management team are in the process of reprofiling the Boreham refurbishment works capital budget.
CSI Accommodation Upgrades	(0.015)	Underspend in expenditure the project is now complete
Various IT project	0.037	Increase in forecast expenditure to Infrastructure Tech refresh project of £16.2 , slippage to 2023/24 reported in previous month for Lap top replacement of £16.4k brought back to the current year and forecast overspend reporting for Data migration project of £7.6k
DAMS	(0.009)	Reduction in current year forecast Slippage into 2023/24 due to delays with delivery
Body Armour 22/23	(0.087)	Slippage into 2023/24 due to delay in delivery from the suppliers
Drones	(0.004)	Forecast slippage into 2023/24 due to delivery delays
Subject to Approvals	(0.100)	Underspend relating to New Bids for project below £50k
<b>Month 10 Forecast Outturn Variance</b>	<b>(8.544)</b>	<b>Underspend</b>

## Official

### **Forecast variances**

The £8.543m 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 £7.882m (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 £5.018m into future years represented by a reduction of £0.915m from previous reported slippage of £4.103m. Included in the current month movement is £0.694m of expenditure relating to the Capitalised Maintenance programme including £0.500m for the following: Radio masts, Fire alarms maintenance, work at Chigwell Roads Policing Unit with the remainder of the slippage relating to various minor schemes. Other areas reporting to slip into 2023/24 are £0.150m for portacabins, and £0.071m relating to the delay in the delivery with other Estates projects.

**Transport** – reporting to slip by £2.205m in month 10 from previous slippage of £1.295m representing a decrease of £0.910m in expenditure relating to both the 2021/22 and 2022/23 Fleet Replacement programmes, due to a delay in the delivery of vehicles.

**IT** – who are reporting slippage of £0.590m. This includes £0.305m relating to Dashcams, £0.149m relating to Infrastructure Technical Refresh and a minor movement for month 10 of £0.009m relating to Dams. The remainder of the slippage relates to minor movements on other projects.

#### **Forecast Underspend of £1.199m – mainly relating to Estates & IT**

**Estates** – The total forecast underspend for month 10 was £0.394m with a minor increase of £0.015m of underspend relating to CSI upgrade project. Other 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 assembly hall 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** – who are reporting a forecast underspend of £0.542m, comprising £0.353m relating to Infrastructure Technical Refresh, £0.084m for Digital Interview Replacement (CODES), £0.058m for Dispatch Communication Server and £0.070m on other projects. There was a small reduction to report for month 10 relating to Specials Body Worn Video & Mobile which is no longer required.

**Subject to Approval Projects** – a reduction of £0.100m relating to the balance for projects below £0.050m, now not expecting to be fully utilised due to the proximity of year-end.

**Other projects** – these are reporting a reduction of £0.063m relating to the Body Armour replacement programme due to a reduction in 2022/23 requirements.

#### **Capital Programme Management Board**

At the Capital Programme Management Board on 1st February, there was a focus on the reasons for further slippage in the capital programme and why the changes are happening at this stage of the financial year. The reasons were summarised into four areas, namely: -

- a) Contract delays – whether IT or Estates, the force is still experiencing delays in contractors being able to commence, with vetting often being cited as an issue.
- b) Governance – there are delays between the Boards and decisions report sign offs which are introducing lags in the original timelines.

## Official

- c) Capacity within the force – there are two aspects here; firstly, programmes are pushed back when new projects are introduced and secondly the capacity of the staff when the departments are carrying a high level of vacancies
- d) Manufacturer's slippage – this is particularly the case with Transport. Post Covid, the market has not fully recovered and the delay between ordering and delivery is now over a year.

### Forecast Overspend of £0.536m

**IT** – total forecast overspends of £0.208m including, at month 9, 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. Additional overspend of £0.040m is now being reported for month 10 including infrastructure, laptops, and the Data Migration project.

**Transport** – this forecast overspend relates to earlier years fleet replacement programme budget allocations, totalling £0.075m.

**Other Projects** – this is comprised of additional body armour requirements relating to police officer uplifts, totalling £0.231m of which £0.127m related to month 9 and various smaller projects totalling to £0.011m. There were no further movements to report for month 10.

### Financing update

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 forecast amount receivable in 2022/23 is £1.884m. 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.

£4.358m of revenue contributions were also brought forward from 2021/22. These funds, together with the forecast £1.884m revenue contribution in 2022/23 will assist in funding the current year programme and reduce the immediate financial burden on the revenue account over the coming years from high Minimum Revenue Provision (MRP) charges that would otherwise be required.

The financing requirement for unfinanced capital expenditure is forecast at £2.123m which equates to approximately 21.4% of the year's financing plan, excluding the £10m required to meet short-term cashflow commitments. Based on the latest treasury management information available there may be a need for external borrowing in 2022/23, but not until the last month of the financial year at least.

For month 10 the main movements related to the application of capital receipts funding as well as the financing requirement. The use of capital receipts decreased by £0.997m for month 10 due to the additional slippage on short-life projects into future years. Other changes included a minor reduction in revenue contribution resources of £0.045k mainly relating to SERP income for OPC projects now deferred until 23/24 at the earliest. The remaining movement of £0.961m for the financing requirement in month 10 principally related to the reductions in Estate's capital schemes which are typically long-term projects against which financing is usually applied.

**CAPITAL PROGRAMME 2022/23 MONTH 10 MONITORING POSITION  
OTHER APPROVED BUDGET CHANGES**

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

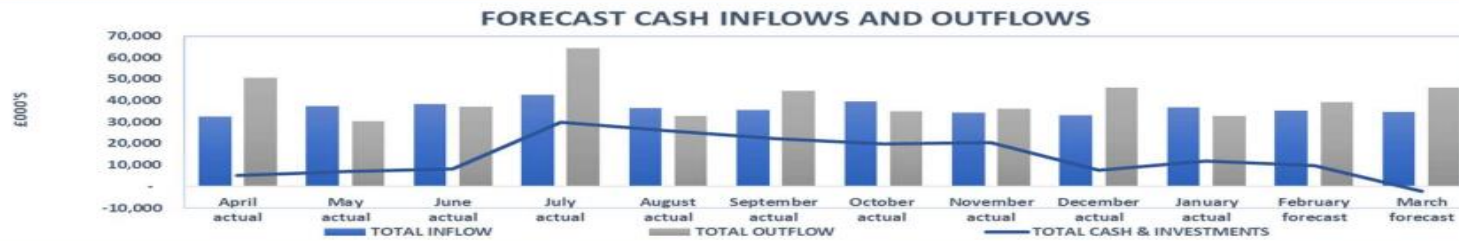
**CAPITAL PROGRAMME 2022/23 MONTH 10 MONITORING POSITION  
FORECAST EXPENDITURE VARIANCES**

	Additions £000	Forecast Overspend £000	Forecast Underspend £000	Slippage c/f £000	Total Variances £000
<b>FORECAST OUTTURN VARIANCES</b>					
ANPR projects	0	1	(12)	0	<b>(11)</b>
Estates projects	0	10	(394)	(5,018)	<b>(5,401)</b>
IT projects	0	208	(542)	(590)	<b>(925)</b>
Transport projects	0	75	(35)	(2,205)	<b>(2,164)</b>
OPC projects	0	11	(50)	(20)	<b>(58)</b>
SCD projects	0	0	(0)	0	<b>(0)</b>
Other projects	0	231	(66)	(49)	<b>116</b>
Subject to Approval projects	0	0	(100)	0	<b>(100)</b>
<b>TOTAL</b>	<b>0</b>	<b>536</b>	<b>(1,199)</b>	<b>(7,882)</b>	<b>(8,543)</b>

# 7. Cashflow Forecast



## Cashflow Forecast – January 2023



	Forecast £000	Actual £000	Variance £000
<b>Expenditure</b>			
Supplier payments	10,198	9,479	(719)
Capital - property acquisitions	0	0	0
HMRC payments	7,128	7,216	88
Essex LGPS payments	1,650	1,650	0
Payroll	13,500	14,532	1,032
<b>Total cash outflow</b>	<b>32,476</b>	<b>32,877</b>	<b>401</b>
<b>Income</b>			
Govt grant	(17,535)	(17,551)	(16)
Precepts	(12,378)	(12,362)	16
Other net receipts	(5,812)	(6,994)	(1,182)
<b>Total cash inflow</b>	<b>(35,725)</b>	<b>(36,907)</b>	<b>(1,182)</b>
<b>Total cash (inflow)/outflow</b>	<b>(3,249)</b>	<b>(4,030)</b>	<b>(781)</b>

### JANUARY COMMENTARY

#### Expenditure

Supplier payments were £0.719m lower than forecast reflecting a variance to the expected profile of payments processed by Business Services. The main reason for this variance is related to the four weekly BACS runs for the month being less in total than the plan anticipated. Other variances include an increase of £0.088m in HMRC payments for pensions due to one off lump sum payments and other pay related adjustments.

The other significant variance related to Payroll which was £1.032m higher than the plan anticipated. This included £0.909m relating to uniform and support staff for overtime payments due to the additional Bank holidays during the end of December and January.

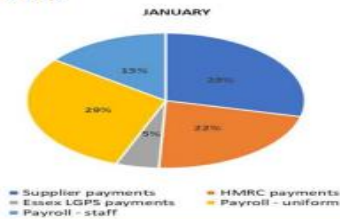
#### Income

The main variance for the month was an increase of £1.182m relating to other net receipts. This included a monthly VAT reimbursement of £0.293m relating to the previous month which had not been included in the estimated VAT return. Additional income from Kent relating to SCD payroll related recharges for Q2 of £0.786m were also a contributing factor to the variance, with further/additional miscellaneous receipts of £0.059m.

#### External Borrowing/Financing

There has been no external borrowing requirement in 2022/23 to date, however based upon the most recent (month 8) treasury management report it was expected that £3m of external borrowing would be required before year-end. This has now reduced to £2.123m based on the latest cashflow information included in this report.

### EXPENDITURE ANALYSIS



### Investment @ 31st January

