

Performance and Resources Scrutiny Programme 2022/23

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

Title of Report:	2022/23 Month 11 Financial Monitoring Report
Classification of Paper:	Official
Agenda Number:	3i)
Chief Officer:	DCC Prophet
Date Paper was Written:	15th March 2023
Version Number:	V2
Report from:	Essex Police: Corporate Finance
Date of Meeting:	27th March 2023
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Date of Approval by Chief Officer	16th March 2023
COG meeting date / date of approval (Please indicate whether paper presented to COG or not)	22nd March 2023

1.0 Purpose of Report

This report identifies the 2022/23 Month 11 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 earmarked reserves (virements and journals) that do not require approval, and to endorse and approve the appropriations to earmarked reserves (virements and journals) that do require approval, subject to decision report submission and authorisation, as noted in Section 2 of the report.

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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 the General Reserve unless a decision report requires it to be applied to a different earmarked reserve.

3.0 **Executive Summary**

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

4.0 **Introduction/Background**

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

5.0 **Current Work and Performance**

The Month 11 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 £1.631m and a revenue forecast underspend of £0.854m. The forecast includes £4.0m due for receipt from the Home Office in relation to Op Hazel Special Grant funding, based on two separate special grant amounts of £1.5m and £2.5m that have been confirmed by the Policing Minister to date.

1. Executive Summary

REVENUE

The revenue forecast overspend at month 11 is £0.777m against the 2022/23 revenue budget of £352.2m (0.22% variance).

The forecast overspend includes Op Hazel expenditure of £5.631m (based on the position at the end of February) and receipt of Home Office funding of £4.0m. The force is seeking a full reimbursement of Op Hazel expenditure from the Home Office, which if agreed, would result in additional income of £1.631m and a revenue forecast underspend of £0.854m.

The force variance to current budget at subjective level is detailed in Section 3.3 of the report and the movement from Month 10 to Month 11 is detailed in Section 3.4 of the report.

WORKFORCE

The Police Officer strength forecast at the end of February is 3,685 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 £1.203m.

The Police Staff strength at the end of January is 2,114 FTE. Total vacancies at 31st January are 306 FTEs, to include 2022/23 force growth posts. The underspend on Police Staff Pay and Allowances, excluding overtime, is £3.182m.

The PCSO strength at the end of January is 96 FTE and forecast to be 98 FTE at year end.

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

RESERVES

The net appropriation to earmarked reserves for Month 11 is £0.043m.

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, and a forecast of £0.240m to appropriate Forensic Analysis underspends to the Transformation Reserve to support the implementation and embedding of the new Digital Forensic Services structure in 2023/24, subject to PFCC approval.

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

CAPITAL

The forecast for month 11 is a year end spend of £8.645m, which is a £9.833 underspend against the latest revised budget of £18.478m (53.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £1.764m which equates to approximately 20.4% of the year's financing plan. Based on the latest treasury management information available (the month 10 treasury management report) there is no longer an expectation that external borrowing will be required in 2022/23.

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
Appropriations to Earmarked Reserves						
ER012/22	In-house capability in Digital Forensics	240	To fund one-off revenue expenditure of up to £60,000 per month, for four months, to allow for Digital devices to be outsourced for forensic analysis to support the implementation and embedding of the new Digital Forensic Services structure, to be placed in the Transformation Reserve for use in 2023/24.	To be approved by Chief Officer Group and PFCC	Transformation Reserve	Supplies and Services
ER013/22	Safer Essex Roads Partnership (SERP) funding for Dashcams	46	Safer Essex Roads Partnership (SERP) one-off income relating to Dashcam cameras that will not be utilised in 2022/23 due to the 'test kits' failing to prove suitable and alternatives now being sought for rollout in 2023/24, to be held in the Future Capital Funding reserve.	To be approved by Chief Officer Group and PFCC	Future Capital Funding Reserve	Income
Total		286				
Appropriations (from) Earmarked Reserves						
ER014/22	POCA allocations	(114)	Annual contribution of £75k to the Essex Community Foundation and further allocations to fund force expenditure, as agreed by the POCA Board.	Appropriation from Earmarked Reserve for its intended use	POCA Reserve	Police Staff Pay & Allowances
ER015/22	Redundancy Costs - Severance and Financial Strain	(60)	Funding of severance and financial strain expenditure incurred by the force.	Appropriation from Earmarked Reserve for its intended use	Restructuring Reserve	Other Employee Expenses
ER016/22	Safer Essex Roads Partnership (SERP) funding for Speed Cameras	(49)	Safer Essex Roads Partnership (SERP) one-off income relating to speed camera replacement that has not been progressed in the current year and is due to materialise in 2023/24, having formed part of a 2022/23 base budget adjustment against the Future Capital Funding reserve.	Appropriation from Earmarked Reserve for its intended use	Future Capital Funding Reserve	Income
ER017/22	Forfeiture Monies Income	(30)	To recognise a reduced level of income being transferred into the Forfeitures earmarked reserve under third party reserves, following a 2022/23 base budget appropriation of £125k.	Appropriation from Earmarked Reserve for its intended use	Forfeitures Monies Reserve	Income
ER018/22	Op Grip	10	Home Office grant received in 2021/22 for Op Grip, with no requirement to fund 2022/23 expenditure (previously required and appropriated from earmarked reserve earlier in the financial year), and to be retained in the Restricted Grant Reserve for use in 2023/24.	Appropriation from Earmarked Reserve for its intended use	Restricted Grant Reserve	Police Officer Pay and Allowances
Total		(243)				
Net appropriation to/(from) Earmarked Reserves		43				

3. Revenue

3.1 Revenue Summary

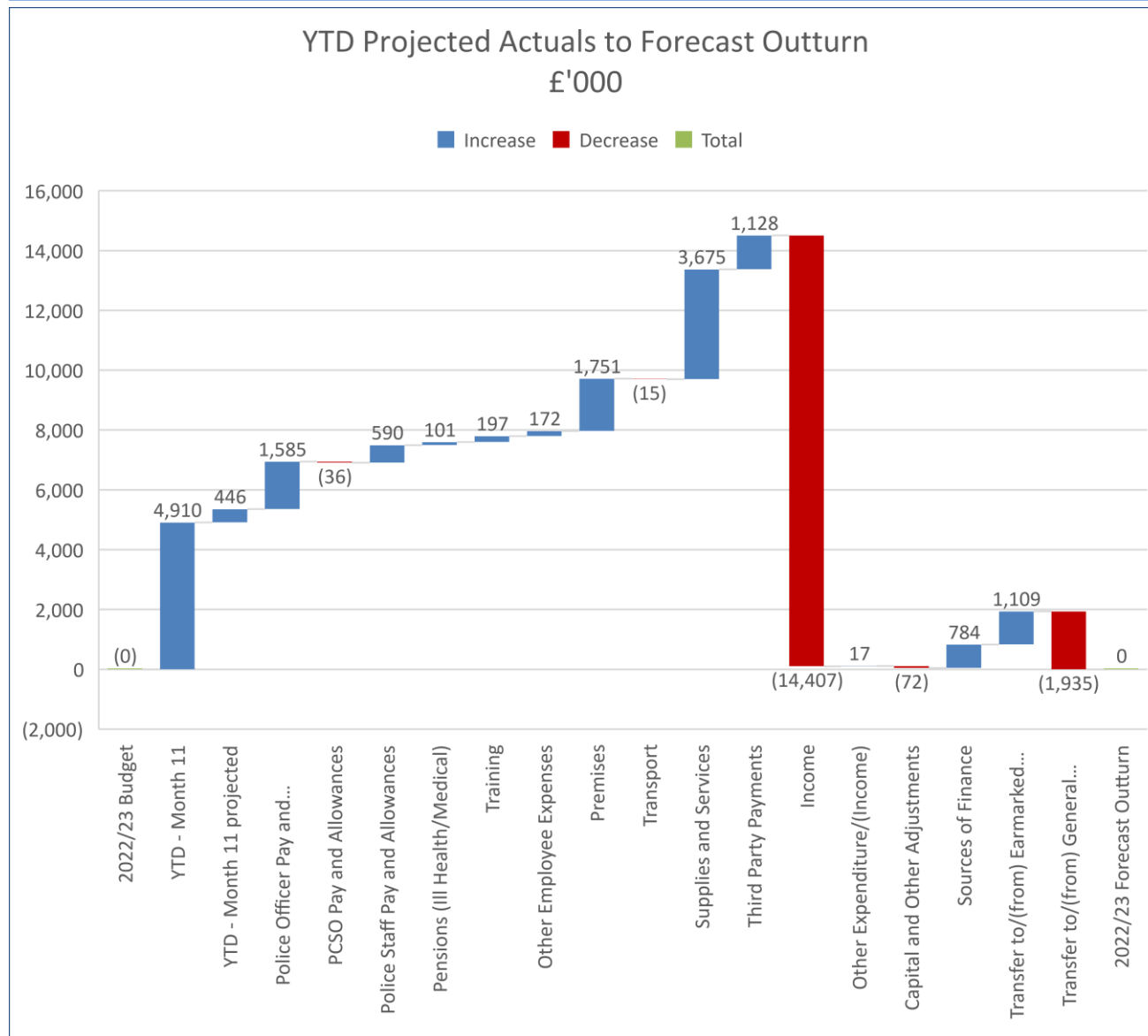
In Month - Month 11			Year to Date - Month 11			Subjective Heading	Full Year							
Budget ¹	Actual	Variance	Budget ¹	Actual	Variance		Original Budget ²	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast ³	Variance Over/(Under) Spend - Original Budget	Variance Over/(Under) Spend - Revised Budget	Movement from Prior Month - Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
17,490	18,173	683	192,387	189,877	(2,511)	Employees								
751	871	120	8,259	11,794	3,534	<u>Police Officer Pay and Allowances</u>								
87	116	28	961	1,416	456	- Police Officer Pay and Allowances								
0	0	0	0	0	0	- Overtime and Operational Performance								
18,328	19,160	832	201,607	203,087	1,480	- Associated Police Pay								
						- In-Year Savings Shortfall/(Surplus)								
						Police Officer Pay and Allowances								
290	299	9	3,190	3,155	(34)	PCSO Pay and Allowances								
						<u>Police Staff Pay and Allowances</u>								
7,790	7,553	(238)	85,693	82,330	(3,363)	- Police Staff Pay & Allowances								
165	255	90	1,818	2,777	960	- Police Staff Overtime and Agency								
7,956	7,808	(147)	87,511	85,108	(2,403)	Police Staff Pay and Allowances								
354	304	(50)	3,893	3,627	(266)	Pensions (Ill Health / Medical)								
162	123	(40)	1,786	1,559	(227)	Training								
59	(81)	(140)	647	574	(73)	Other Employee Expenses								
27,148	27,612	464	298,633	297,110	(1,523)	Employees Total								
801	561	(240)	8,812	8,305	(507)	Premises								
524	(297)	(822)	5,768	6,413	644	Transport								
	0					<u>Supplies and Services</u>								
3,544	2,225	(1,319)	38,981	35,040	(3,940)	- Supplies and Services								
0	0	0	0	0	0	- In-Year Investments								
3,544	2,225	(1,319)	38,981	35,040	(3,940)	Supplies and Services								
669	647	(22)	7,359	8,482	1,122	Third Party Payments								
32,687	30,747	(1,939)	359,554	355,350	(4,204)	Gross Expenditure								
(3,307)	(2,538)	769	(36,375)	(27,360)	9,015	Income								
29,380	28,209	(1,171)	323,179	327,990	4,811	Net Cost of Services								
						Other Expenditure / (Income)								
4	(43)	(48)	48	(317)	(365)	Capital and Other Adjustments								
66	0	(66)	730	793	63	Net Expenditure								
29,451	28,166	(1,285)	323,957	328,466	4,509	Sources of Finance								
(29,350)	(29,704)	(354)	(322,850)	(323,558)	(708)	(Surplus)/Deficit before appropriations								
101	(1,538)	(1,638)	1,107	4,908	3,801									
						Contribution to/(from) Earmarked Reserves								
15	(247)	(261)	160	208	47	Contribution to/(from) General Reserve								
(115)	0	115	(1,267)	(206)	1,062	(Surplus)/Deficit after appropriations								
0	(1,784)	(1,784)	0	4,910	4,910									

¹Even monthly profile of Revised Budget

²2022/23 Budget agreed at Police, Fire and Crime Panel

³Includes Op Hazel expenditure of £5.6m, less £4.0m Home Office funding agreed to date

3.2 Year to Date Projected Actuals to Forecast Outturn



Commentary

YTD – Month 11 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

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 and the additional £2.5m of Op Hazel Special Grant Funding that has been confirmed by the Policing Minister.

Transfer to/(from) Earmarked Reserves

Scheduled appropriation to the Transformation Reserve for IT projects and in-house capability in Digital Forensics

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 - £3.199m 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 19th September 2022 and higher than anticipated resourcing across the five bank holidays over the Christmas and New Year period. (£0.6m).

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 (£1.0m), OPC to reflect significant activity in connection with Force Support Unit (FSU) vacancies, Roads Policing and OPC special operations (£0.2m), 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)

The adjustment from Original Budget to the Revised Budget during Month 11 (which have a corresponding forecast change) include externally funded activity for ERSOU, SERP NCLCC County Lines, Op Grip, Op Safeguard and other Major incidents totalling £0.145m. Previously reported adjustments to Original Budget, up to and including Month 10, total £4.478m.

Police Staff Pay and Allowances - £2.031m underspend

Explanation of forecast variance

The underspend includes material variances in relation to the impact of net leavers/joiners to date (£2.6m), 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 24th October 2022 by the Police Staff Council (£1.7m), budgeted savings relating to the 2021/22 savings programme not expected to be

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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 (£0.8m).

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 10, total £1.593m.

Premises - £1.198m 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 - £0.689m 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 - £0.624m underspend

Explanation of forecast variance

The forecast variance includes an adjustment to the Council Tax Sharing Agreement forecast, resulting in £0.3m 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 £0.3m 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 offset by a reduction in forensic analysis costs based on average monthly submission spends to date (£240k of the reported underspend is planned for appropriation to the Transformation Reserve to support the implementation and embedding of the new Digital Forensic Services structure in 2023/24, subject to PFCC decision report approval). The forecast includes Revenue Consequences of Capital underspends of £0.921m that are planned for appropriation to the Transformation Reserve at financial year end, which has been approved via PFCC decision report.

Third Party Payments - £2.352m overspend

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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; £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 - £4.572m surplus

Explanation of forecast variance

The forecast includes income of £4.0m due for receipt from the Home Office in relation to Op Hazel Special Grant funding, based on two separate special grant amounts of £1.5m and £2.5m that have been confirmed by the Policing Minister to date. In addition, the forecast includes £0.2m surplus income for Op London Bridge mutual assistance to the Metropolitan Police and Thames Valley Police, and recovery of force overhead expenditure of £0.2m following a detailed review of the Stansted Overhead recharge calculation, which forms part of an agreed contract amendment for 2022/23.

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) - £0.381m 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 likely to be lower than the original forecast.

Contribution to Earmarked Reserves - £1.161m

The forecast includes a planned appropriation of Revenue Consequences of Capital underspends of £0.921m to the Transformation Reserve, which has been approved via PFCC decision report, and a forecast of £0.240m to appropriate Forensic Analysis underspends to the Transformation Reserve to support the implementation and embedding of the new Digital Forensic Services structure in 2023/24, subject to PFCC decision report approval.

Contribution from General Reserve - £0.777m

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 10

Main Changes to Forecast Outturn Variance since Month 10

	Change in Forecast Outturn Variance £m	
Month 10 Forecast Outturn Variance	3.3	Overspend
Police Officer Pay and Allowances	0.2	The increase in forecast variance includes minor changes to the profile of leavers, probationer joiners and transferee joiners; an increase in Police Officer overtime for Contact Management, SCD, and each of the LPAs; and late claims in relation to Bank Holiday overtime across the force.
Police Staff Pay and Allowances	0.2	The increase in forecast variances includes the impact of staff joiners and leavers, primarily resulting from 35 FTE joiners in Contact Management at the end of January, plus an increased level of overspend for Staff overtime within Contact Management whilst police staff vacancies are recruited to and staff are upskilled.
Supplies and Services	(0.2)	The reduction in forecast variance reflects delays in the outsourcing of digital forensics, as well as an additional underspend relating to the Council Tax shareback scheme, following confirmation of the quarter 3 position from ECC.
Income	(2.8)	The reduction in forecast variance is due to inclusion of Op Hazel Special Grant funding of £2.5m that has been confirmed by the Policing Minister, which is in addition to £1.503m that has already been received. Further surplus income is forecast in relation to Op Safeguard which is subject to income from the HM Prison and probationer service to cover the cost of eight cells being available for Op Safeguard detainees in March 2023, through the requirement for police officer and staff overtime (£54k); additional grant funding for the implementation of the Rapid Video Response project, part of the Major Operational Change Programme (£95k); realignment of budgeted income and expenditure associated with Op London Bridge following finalisation of claims and lower than expected force costs (£135k); and finalisation of an ongoing dispute with the Automobile Association Developments Ltd contract that identified an under payment of recovery costs to Essex Police, which has resulted in backdated income, covering the period July 2018 to September 2021 (£63k).
Contribution to/(from) Earmarked Reserves	0.2	To fund one-off revenue expenditure of up to £60,000 per month, for four months, to allow for Digital devices to be outsourced for forensic analysis to support the implementation and embedding of the new Digital Forensic Services structure, to be placed in the Transformation Reserve for use in 2023/24.
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k, including Training (£64k) and Other Employee Expenses (£57k).
Month 11 Forecast Outturn Variance	0.8	Overspend

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														
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	3,602	3,686	3,661	3,637	3,697	3,685	
18	Leavers	(28)	(19)	(21)	(22)	(18)	(29)	(21)	(27)	(27)	(15)	(13)	(20)	(259)
19	Starters (note 7)	1	0	81	1	77	9	105	3	3	74	2	90	445
20	Other Adjustments (note 8)	(2)	0	(0)	0	(1)	0	(0)	(1)	0	1	(1)	0	(3)
21	Net change	(29)	(18)	60	(21)	58	(19)	84	(25)	(24)	60	(12)	70	183
22	Officer strength - month end	3,543	3,525	3,585	3,564	3,621	3,602	3,686	3,661	3,637	3,697	3,685	3,755	
23	Difference to 3755fte - over / (under)	(212)	(230)	(170)	(191)	(134)	(153)	(69)	(94)	(118)	(58)	(70)	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	£17.65m	£17.99m	£17.95m	£17.66m	£18.04m	£18.96m	£208.66m
25	2022/23 Leavers												(£0.06m)	(£0.06m)
26	2022/23 Starters												£0.01m	£0.01m
27	Other Costs												£0.06m	£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	£18.04m	£18.97m	£208.67m
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)	(67)	(30)	(38)	(45)	(32)	(27)	
30	Leavers (positive number = less leavers)	(9)	0	(2)	(3)	1	(10)	(2)	(8)	(8)	4	6	(1)	(31)
31	Starters	(37)	(2)	(1)	(1)	(6)	7	39	1	1	8	0	28	37
32	Other Adjustments	(2)	0	(0)	0	(1)	0	(0)	(1)	0	1	(1)	0	(3)
33	Month End Strength Change - FTEs	(51)	(52)	(55)	(59)	(65)	(67)	(30)	(38)	(45)	(32)	(27)	0	3
34	Change per month FTEs	(48)	(1)	(3)	(4)	(5)	(2)	37	(8)	(7)	13	5	27	
	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	£0.09m	£0.51m	£0.56m	£0.13m	£0.59m	£1.38m	£2.16m

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)
													Net Impact
													121,397

	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)
													Net Impact
													606,985

	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 ² 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)
													Net Impact
													1,213,970

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

FTE Changes Impacting Pay Forecasts - 2022/23 Month 11

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 December 22	3,755	3,636	3,572	426	18	(257)	(4)	3,755
HR Data @ 31 January 23	3,755	3,697	3,572	425	20	(259)	(3)	3,755
Change	0	61	0	(1)	2	(2)	1	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 December 22	2,408	2,089			173	(235)
HR Data @ 31 January 23	2,420	2,114			218	(255)
Change	12	25	0	0	45	(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 December 22	102	97	103	94	21	(10)	(1)	104
HR Data @ 31 January 23	102	96	102	94	16	(11)	(1)	98
Change	0	(1)	(1)	0	(5)	(1)	0	(6)

Note: The PCSO Establishment includes 11 FTE partnership funded posts which are externally funded

4. Specials - Headcount	Actual Strength	Target Strength
Budget Setting		600
HR Data @ 31 December 22	364	600
HR Data @ 31 January 23	346	600
Change	(18)	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
1 Reserves held by Essex Police but managed as third party reserves								
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.
Total	£0.092m	£0.000m	£0.000m	£0.000m	£0.092m	£0.000m	£0.092m	
2 Project Reserves								
N/A	-	-	-	-	-	-	-	N/A
Total	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	£0.000m	
3 Ringfenced Reserve								
Proceeds of Crime Act	£2.047m	(£0.391m)	-	(£0.114m)	£1.542m	(£0.071m)	£1.471m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.426m	£0.025m	(£0.030m)	(£0.262m)	£0.159m	-	£0.159m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£1.023m	-	-	(£0.060m)	£0.963m	-	£0.963m	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. RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.
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	-	-	(£0.081m)	£0.022m	-	£0.022m	Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred.
Total	£6.858m	(£0.579m)	£0.055m	(£0.752m)	£5.581m	£0.776m	£6.358m	
4 Operational Reserves								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office e.g. Colchester murders, Operation Henley. These reserves are typically 1% of the force budget.
COVID Roadmap Violence Reduction Reserve	£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. RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.
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. RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.
Future Capital Funding	£4.358m	£1.665m	£0.259m	-	£6.282m	(£4.121m)	£2.161m	Reserve to apply revenue financing to fund the force capital programme
Total	£6.982m	£1.291m	£0.259m	(£0.100m)	£8.432m	(£4.121m)	£4.311m	
5 PFCC Reserves								
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
Total	£3.174m	£0.000m	£0.000m	£0.000m	£3.174m	£0.000m	£3.174m	
6 General Reserve								
General Reserve	£14.818m	(£0.206m)	-	(£1.177m)	£13.435m	(£0.777m)	£12.658m	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 £12.658m, which represents 3.6% of the 2022/23 force budget of £352.2m.
Total Revenue Reserves	£31.924m	£0.506m	£0.314m	(£2.029m)	£30.715m	(£4.122m)	£26.593m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2022/23 MONTH 11 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
EXPENDITURE -									
ANPR projects	123	110	70	303	287	292	(11)	292	-
Estates projects	5,308	0	2,248	7,555	1,506	1,885	(5,670)	2,155	(270)
IT projects	1,998	2,917	803	5,718	3170	4,360	(1,358)	4,792	(432)
Transport projects	1,324	2,200	210	3,734	996	1,331	(2,403)	1,570	(239)
OPC projects	455	46	(384)	117	60	61	(56)	59	2
SCD projects	-	40	182	222	205	222	-	222	-
Other projects	103	237	146	486	382	444	(42)	602	(158)
<i>Subject to Approval projects</i>	8,579	(5,550)	(2,686)	343	0	50	(293)	243	(193)
TOTAL EXPENDITURE	17,889	-	589	18,478	6,607	8,645	(9,833)	9,935	(1,290)
FINANCING -									
Capital Receipts	4,420	-	(1,608)	2,812		2,760	(52)	1,815	945
Revenue Contributions	5,579	-	606	6,185		4,121	(2,064)	5,951	(1,830)
Capital Grant	32	-	46	78		0	(78)	46	(46)
External & Other Income	0	-	-	-		0	-	-	-
Financing Requirement	7,858	-	1,545	9,403		1,764	(7,639)	2,123	(359)
TOTAL FINANCING	17,889	-	589	18,478	6,607	8,645	(9,833)	9,935	(1,290)

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 £9.697m 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 (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), it is expected that there will be no external borrowing requirement for 2022/23. 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 11 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 (up to and including the January 2023 board), 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 11 reflects an underspend of £9.833m compared to the previous reported underspend of £8.543m. The decrease in the forecast spend since the previous month equates to £1.290m, £1.097m relating to approved budget lines and £0.193m relating to subject to approval projects, the details of which are included in the supporting table.

	Changes in Forecast Outturn Variance £000	Explanation
Month 10 Forecast Outturn Variance	(8.544)	
Harwich & Dovercourt Collaboration (EP / ECFRS)	(0.186)	The purchase of land and related expenses was expected to take place in 2022/23 however this has now been delayed due to problems with the early stages of design and planning, and is now expected to slip into 2023/24
Chelmsford PS	(0.084)	Final works and defect programme is in progress therefore the final retention payment will slip into 2023/24
Infrastructure Technical Refresh	(0.275)	£135k underspent in 2022/23 and a slippage of £140k into 2023/24
Dashcams	(0.150)	Slippage is due to problems with test kits provided by current provider not being suitable. IT are investigating other options, therefore funding slipped to 2023/24
Body Armour 22/23	(0.158)	Further delay in replacement programme deliveries. Project is slipping to 2023/24
Fleet replacement programme 2022/23	(0.239)	Further slippage due to delay in delivery and ongoing problems with suppliers
Subject to Approvals	(0.100)	Stage A bids not expecting to be approved in 22/23
Other immaterial movements < £50k	(0.097)	Various
Month 11 Forecast Outturn Variance	(9.833)	

Forecast variances

The £9.833m 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.

Official

Forecast Slippage c/f of £8.716m (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 £5.288m into future years represented by a reduction of £0.270m from previous reported slippage of £5.018m. Included in the current month movement is £0.270m of which £0.186m expenditure relates to the Harwich & Dovercourt Collaboration project due to the delay with purchase of land, and delays with the design and planning stage. Slippage of £0.084m relating to Chelmsford Police Station is due to final works and defect programme elements currently in progress, meaning the outstanding retention payments will no longer be settled in 2022/23.

Transport – reporting to slip by £2.444m in month 11 from previous position of £2.205m, representing a decrease of £0.239m in expenditure relating to both the 2021/22 and 2022/23 Fleet Replacement programmes, due to further delays in the delivery of vehicles.

IT – who are reporting slippage of £0.880m in month 11 from the previous position of £0.590m, representing additional slippage of £0.290m including £0.150m relating to Dashcams due to issues with the suitability of the IT equipment provided by the supplier. In addition, a further slippage of £0.140m has been recognised in relation to Infrastructure Technical Refresh, due to the reprofiling of the overall IT capital programme.

Forecast Underspend of £1.655m – mainly relating to Estates & IT

Estates – the total forecast underspend £0.394m was reported in month 10 with no further underspend to report in month 11.

IT – who are reporting a forecast underspend of £0.683m in month 11, an increase of £0.142m underspend from the previous month position of £0.542m, comprising £0.135m relating to Infrastructure Technical Refresh and £0.007m relating to Taser Tracking.

Subject to Approval Projects – which is reporting a total reduction of £0.257m at month 11 including £0.200m of Stage A bids contingency balance now not expecting to be fully utilised due to the proximity of year-end.

Other projects – these are reporting a reduction of £0.158m in month 11 relating to the Body Armour replacement programme due to a reduction in 2022/23 requirements resulting in a total year to date reduction of £0.224m.

Forecast Overspend of £0.538m

IT – comprising forecast overspends across various projects of £0.208m including advanced works of £0.078m for the Data Centre Migration project, £0.013m for ESMCP (ESN project), taser tracking of £0.026m, £0.016m for laptops, £0.016m for tech refresh and ICCS-related overspend of £0.058m.

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 which included no additional movement as at month 11.

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 £1.832m. All of these are due to be used to

Official

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 £1.924m 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 £1.764m which equates to approximately 20.4% of the year's financing plan. Based on the latest treasury management information available (the month 10 treasury management report) there is no longer an expectation that external borrowing will be required in 2022/23.

For month 11 the main movements related to the application of capital receipts and revenue contributions, with immaterial movements in respect of the financing requirement and capital grants. The use of capital receipts increased by £0.945m for month 11 mainly due to reallocation of these receipts to fund projects in the current year, which had previously been forecast to be carried forward to fund short life project in future years, thus optimising resources and minimising costs to the force across the medium-term. The £1.830m reduction in revenue contribution resources being applied was as a result of using the aforementioned capital receipts to finance current year expenditure therefore releasing resources to fund the capital programme in future years. The remaining element of the revenue contribution movement essentially related to the month 11 forecast expenditure reduction and the financing no longer required to fund this in year.

**CAPITAL PROGRAMME 2022/23 MONTH 11 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
OTHER APPROVED BUDGET CHANGES						
ANPR projects	70		-	-	-	70
Estates projects	1,752	411	86	-	-	2,248
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)
TOTAL	2,224	(1,865)	230	-	-	589

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

**CAPITAL PROGRAMME 2022/23 MONTH 11 MONITORING POSITION
FORECAST EXPENDITURE VARIANCES**

	Additions £000	Forecast Overspend £000	Forecast Underspend £000	Slippage c/f £000	Total Variances £000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	1	(12)	0	(11)
Estates projects	0	10	(394)	(5,288)	(5,670)
IT projects	0	208	(683)	(880)	(1,357)
Transport projects	0	75	(35)	(2,444)	(2,403)
OPC projects	0	14	(50)	(20)	(56)
SCD projects	0	0	(0)	0	(0)
Other projects	0	231	(224)	(49)	(42)
Subject to Approval projects	0	0	(257)	(36)	(293)
TOTAL	0	538	(1,655)	(8,716)	(9,833)

7. Cashflow Forecast



Cashflow Forecast – February 2023



	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	11,860	7,569	(4,291)
Capital - property acquisitions	0	0	0
HMRC payments	6,437	7,338	901
Essex LGPS payments	1,526	1,526	(0)
Payroll	19,500	20,438	938
Total cash outflow	39,323	36,871	(2,452)
Income			
Govt grant	(17,220)	(18,691)	(1,471)
Precepts	(12,371)	(12,329)	42
Other net receipts	(5,636)	(6,722)	(1,086)
Total cash inflow	(35,227)	(37,742)	(2,515)
Total cash (inflow)/outflow	4,096	(872)	(4,967)

FEBRUARY COMMENTARY

Expenditure

Supplier payments were £4.291m 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 three of the four weekly BACS runs for the month being considerably less in total than the plan anticipated. Other variances include an increase of £0.901m 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 £0.938m higher than the plan mainly relating to AFT (accounting for tax) quarterly payments and an annual event report charges from the HMRC relating to information on pension schemes and relevant charges.

Income

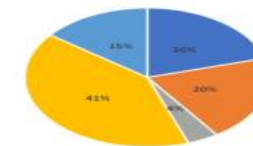
The main variances for the month were an increase of £1.086m relating to other net receipts. This included a monthly VAT reimbursement of £0.200m relating to the previous month which had not been included in the estimated VAT return. Additional income from the Ministry of Justice of £2.3m was offset by lower miscellaneous income streams forecast but not received. The other significant/positive income variance was the additional £1.471m of government grants, including special police grant of £0.933m (Operation London Bridge) and £0.537m of counter-terrorism grant.

External Borrowing/Financing

There has been no external borrowing requirement in 2022/23 to date, and based upon the most recent (month 10) treasury management report it is not expected that external borrowing will be required before year-end.

EXPENDITURE ANALYSIS

FEBRUARY EXPENDITURE SUMMARY



Legend:
 ■ Supplier payments
 ■ Essex LGPS payments
 ■ Payroll - staff
 ■ HMRC payments
 ■ Payroll - uniform

Investments @ 28th February 23

