

**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 12 Financial Monitoring Report</b>
<b>Classification of Paper:</b>	<b>Official</b>
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<b>Chief Officer:</b>	<b>DCC Prophet</b>
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<b>Report from:</b>	<b>Essex Police: Corporate Finance</b>
<b>Date of Meeting:</b>	<b>26<sup>th</sup> April 2023</b>
<b>Author on behalf of Chief Officer:</b>	<b>Richard Jones, Head of Business Partnering and Management Accounting</b>
<b>Date of Approval by Chief Officer</b>	<b>12<sup>th</sup> April 2023 – DCC Prophet</b>
<b>COG meeting date / date of approval (Please indicate whether paper presented to COG or not)</b>	<b>COG – 19<sup>th</sup> April 2023</b>

**1.0 Purpose of Report**

This report identifies the 2022/23 Month 12 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 recommend approval of the appropriations to earmarked reserves (virements and journals) that do require approval (highlighted in green under *Governance Process*), subject to decision report, as noted in Section 2 of the report.

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2.3 To note that additional funding of £1.020m in relation to an overachievement of 2022/23 Police Officer Uplift allocation by 51 Officers (headcount), in the form of additional grant, is included in the revenue forecast, and currently applied to the General Reserve, resulting in a force underspend of £0.016m at Month 12. If this funding were applied to another earmarked reserve, this would result in a force overspend of £1.004m at Month 12.

### 3.0 **Executive Summary**

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

### 4.0 **Introduction/Background**

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

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

The Month 12 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 £1.628m and a revenue forecast underspend of £1.644m. As a result of the force underspend of £0.016m at Month 12, any additional special grant funding agreed for Op Hazel could be applied to the Major Incident reserve, or a Pay Equalisation reserve to fund any pay award in excess of provision made in the MTFs, subject to PFCC decision report.

# 1. Executive Summary

## REVENUE

The revenue forecast underspend at month 12 is £0.016m against the 2022/23 revenue budget of £352.2m (0.0% variance). The forecast underspend includes Op Hazel expenditure of £5.631m (based on the position at the end of March) and receipt of Home Office funding of £4.003m. The force is seeking a full reimbursement of Op Hazel expenditure from the Home Office, which if agreed, would result in additional income of £1.628m and a revenue forecast underspend of £1.644m.

The force variance to current budget at subjective level is detailed in Section 3.3 of the report and the movement from Month 11 to Month 12 is detailed in Section 3.4 of the report.

## WORKFORCE

The Police Officer strength forecast at the end of March is 3,743 FTE. The underspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £1.042m.

The Police Staff strength at the end of February is 2,117 FTE. Total vacancies at 28th February are 311 FTEs, to include 2022/23 force growth posts. The underspend on Police Staff Pay and Allowances, excluding overtime, is £3.067m.

The PCSO strength at the end of February is 99 FTE and forecast to be 95 FTE at year end.

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

## RESERVES

The net appropriation to earmarked reserves for Month 12 is £0.387m.

The Revenue Summary table in Section 3.1 of the report includes 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 12 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 £1.885m which equates to approximately 21.8% of the year's financing plan. Based on the confirmed treasury management position at 31/3/23 there was no external borrowing requirement 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
<b>Appropriations to Earmarked Reserves</b>						
ER019/22	NLEDS and ESMCP Revenue Grants	141	Home Office contribution in support of the NLEDS Early Adopter programme and ESMCP Cols Grant Coverage work being delivered in 2023/24.	In accordance with relevant grant stipulations and proper accounting practice	Restricted Grant Reserve	Income
ER020/22	Contribution to the Chief Constables Operational C/Fwd Reserve	100	To return the Chief Constables Operational C/Fwd Reserve to a level of £750k, as permitted with the financial regulations	<b>To be approved by Chief Officer Group</b>	Chief Constables Operational C/Fwd Reserve	General Reserve
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.	<b>To be approved by Chief Officer Group and PFCC</b>	Future Capital Funding Reserve	Income
ER021/22	Counter Terrorism ARV CBRN contribution	41	Counter Terrorism contribution in support of ARV CBRN operational communications equipment currently being procured for delivery in May 2023.	In accordance with relevant grant stipulations and proper accounting practice	Restricted Grant Reserve	Income
ER022/22	SERP Funded Motorcycles - Revenue	30	Safer Essex Roads Partnership (SERP) funding to purchase new motorcycles in support of Vision Zero. Annual revenue to be appropriated from reserve over a 5 year period.	In accordance with relevant grant stipulations and proper accounting practice	Restricted Grant Reserve	Income
ER023/22	SERP Funded Motorcycles - Capital	29	Safer Essex Roads Partnership (SERP) funding to purchase new motorcycles in support of Vision Zero.	<b>To be approved by Chief Officer Group and PFCC</b>	Future Capital Funding Reserve	Income
<b>Total</b>		<b>387</b>				
<b>Appropriations (from) Earmarked Reserves</b>						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>0</b>				
<b>Net appropriation to/(from) Earmarked Reserves</b>		<b>387</b>				

# 3. Revenue

## 3.1 Revenue Summary

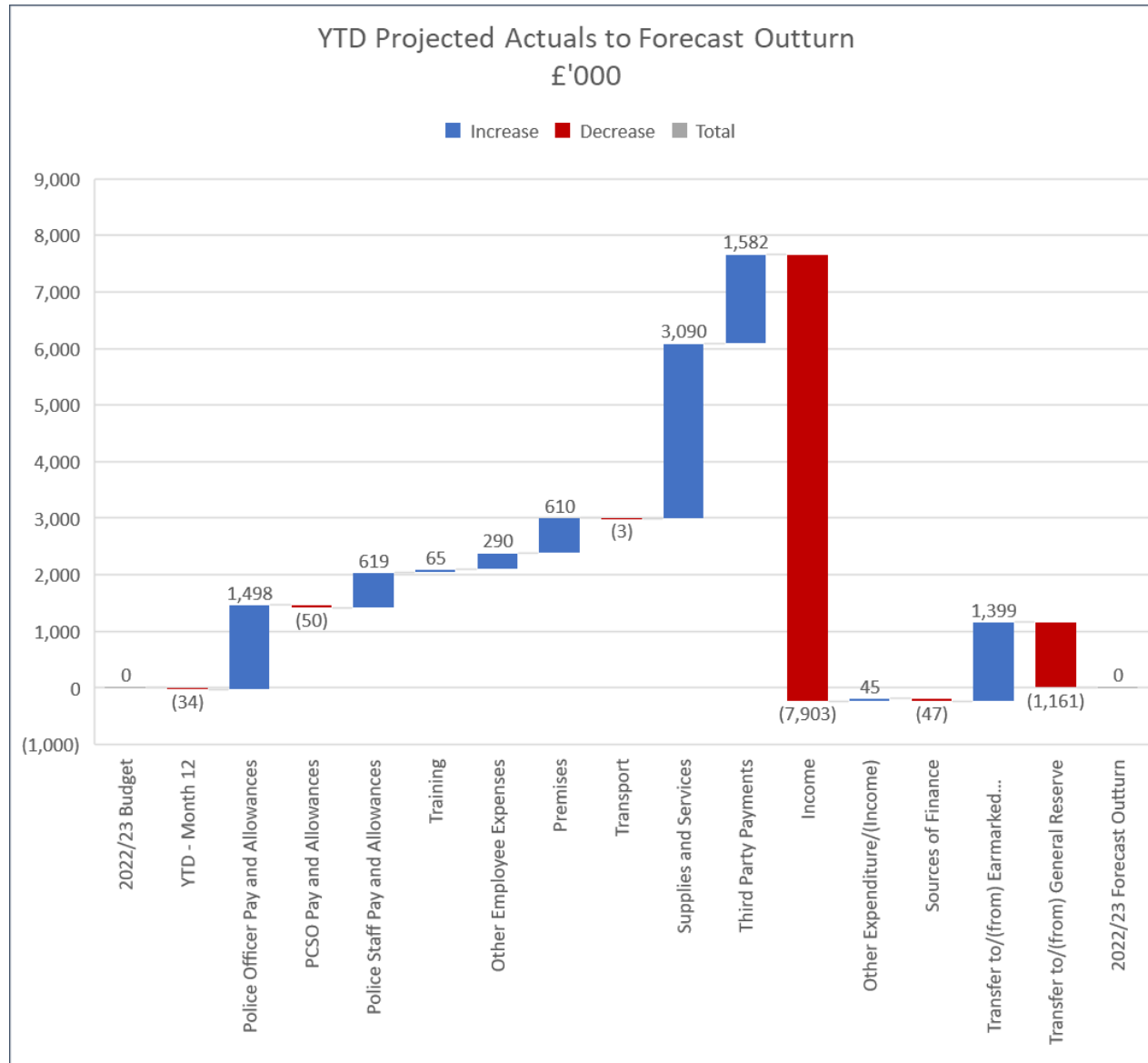
In Month - Month 12			Year to Date - Month 12			Subjective Heading	Full Year							
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	Adjustments to Original Budget	Revised Budget	Year to Date Actual - Month 12	Provisional Outturn <sup>3</sup>	Variance 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
17,490	17,930	440	209,877	207,807	(2,070)	<b>Employees</b>								
751	670	(81)	9,010	12,464	3,453	<u>Police Officer Pay and Allowances</u>	206,514	3,363	209,877	207,807	208,835	2,321	(1,042)	161
87	110	23	1,048	1,527	479	- Police Officer Pay and Allowances	7,715	1,296	9,010	12,464	12,861	5,146	3,850	0
0	0	0	0	0	0	- Overtime and Operational Performance	1,085	(37)	1,048	1,527	1,599	515	551	0
18,328	18,710	382	219,935	221,797	1,862	- Associated Police Pay	0	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	215,313	4,622	219,935	221,797	223,295	7,982	3,360	161
290	300	10	3,480	3,455	(25)	<b>Police Officer Pay and Allowances</b>								
						<u>PCSO Pay and Allowances</u>	3,615	(136)	3,480	3,455	3,405	(210)	(74)	(0)
7,790	7,660	(130)	93,483	89,990	(3,493)	<u>Police Staff Pay and Allowances</u>	92,753	730	93,483	89,990	90,416	(2,337)	(3,067)	115
165	163	(2)	1,983	2,941	958	- Police Staff Pay & Allowances	1,146	837	1,983	2,941	3,134	1,988	1,151	0
7,956	7,823	(133)	95,466	92,931	(2,536)	- Police Staff Overtime and Agency	93,899	1,567	95,466	92,931	93,550	(349)	(1,916)	115
354	730	376	4,247	4,060	(187)	<b>Police Staff Pay and Allowances</b>								
162	273	111	1,948	1,833	(116)	Pensions (Ill Health / Medical)	4,247	0	4,247	4,060	4,058	(189)	(189)	0
59	(66)	(125)	706	508	(198)	Training	1,852	96	1,948	1,833	1,898	46	(50)	0
27,148	27,769	621	325,782	324,582	(1,199)	Other Employee Expenses	547	159	706	508	798	250	92	0
801	1,896	1,095	9,614	10,201	587	<b>Employees Total</b>	319,473	6,308	325,782	324,582	327,004	7,531	1,222	276
524	572	47	6,293	6,984	691	Premises	9,611	3	9,614	10,201	10,811	1,200	1,198	0
3,552	3,728	176	42,629	38,769	(3,860)	Transport	6,204	88	6,293	6,984	6,981	777	689	0
0	0	0	0	0	0	<u>Supplies and Services</u>								
3,552	3,728	176	42,629	38,769	(3,860)	- Supplies and Services	42,242	387	42,629	38,769	41,859	(383)	(770)	(146)
669	318	(351)	8,029	8,799	771	- In-Year Investments	446	(446)	0	0	0	(446)	0	0
32,696	34,283	1,588	392,346	389,336	(3,010)	<b>Supplies and Services</b>	42,688	(59)	42,629	38,769	41,859	(829)	(770)	(146)
(3,336)	(10,360)	(7,024)	(40,028)	(37,720)	2,308	Third Party Payments	7,874	154	8,029	8,799	10,381	2,506	2,352	0
29,360	23,923	(5,437)	352,318	351,616	(702)	<b>Gross Expenditure</b>	385,851	6,495	392,346	389,336	397,036	11,185	4,690	130
4	(57)	(62)	52	(374)	(427)	Income	(35,006)	(5,022)	(40,028)	(37,720)	(45,623)	(10,617)	(5,595)	(1,023)
66	0	(66)	796	793	(3)	Net Cost of Services	350,845	1,473	352,318	351,616	351,413	568	(905)	(893)
29,431	23,866	(5,565)	353,167	352,035	(1,132)	Other Expenditure / (Income)	52	0	52	(374)	(329)	(381)	(381)	0
(29,350)	(28,583)	767	(352,200)	(352,141)	59	Capital and Other Adjustments	796	0	796	793	793	(3)	(3)	0
81	(4,717)	(4,798)	967	(106)	(1,073)	<b>Net Expenditure</b>	351,694	1,473	353,167	352,035	351,878	184	(1,289)	(893)
35	70	35	415	277	(138)	Sources of Finance	(352,200)	0	(352,200)	(352,141)	(352,188)	12	12	0
(115)	0	115	(1,383)	(206)	1,177	(Surplus)/Deficit before appropriations	(506)	1,473	967	(106)	(310)	197	(1,277)	(893)
(0)	(4,647)	(4,647)	(0)	(34)	(34)	Contribution to/(from) Earmarked Reserves	712	(297)	415	277	1,676	964	1,261	100
						Contribution to/(from) General Reserve	(206)	(1,177)	(1,383)	(206)	(1,367)	(1,161)	16	793
						(Surplus)/Deficit after appropriations	(0)	0	(0)	(34)	(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 £5.631m, less £4.003m Home Office funding agreed to date. Includes year end adjustments post Month 12.

## 3.2 Year to Date Projected Actuals to Forecast Outturn



### Commentary

#### YTD – Month 12

Actuals to date

#### Police Officer Pay and Allowances

Year end adjustments to externally funded units, and year end accruals (including overtime, Detective and AFO Bonus Payments, and on-call allowance)

#### Police Staff Pay and Allowances

Year end adjustments to externally funded units and year end accruals (including overtime, weekend enhancement and standby allowance)

#### Other Employee Expenses

Apprenticeship Levy payment for February and March settled in arrears, and subject to year end accrual

#### Premises

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 to be reflected for PFCC Commissioning Budgets and Insurance Claims Expenditure.

#### Third Party Payments

Significant expenditure for ERSOU/ATHENA/7 Force still to be invoiced and subject to year end accruals.

#### Income

Includes several instances of year end claims for externally funded income streams that will be reflected by way of accrued income entries at year-end, including £4m for the Home Office Police Uplift Grant that is yet to be received.

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

Scheduled appropriation to the Transformation Reserve for IT projects, in-house capability in Digital Forensics, and replenishment of Chief Constables Operational C/Fwd in accordance with financial regulations.

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

Scheduled appropriation for increase to South East Allowance as part of year-end processes.

## 3.3 Revenue Summary – Supporting Commentary

### **Police Officer Pay and Allowances - £3.360m 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 (£2.0m). 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. (£0.6m).

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)**

Previously reported adjustments to Original Budget, up to and including Month 11, total £4.622m.

### **Police Staff Pay and Allowances - £1.916m underspend**

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

The underspend includes material variances in relation to the impact of net leavers/joiners to date (£2.5m), 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 (£0.8m).

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

Previously reported adjustments to Original Budget, up to and including Month 11, total £1.567m.

### **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 - £0.770m 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**

#### **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;



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£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 - £5.595m surplus**

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

The forecast includes income of £4.003m due for receipt from the Home Office in relation to Op Hazel Special Grant funding, based on two separate special grant amounts of £1.503m and £2.5m that have been received to date. In addition, the forecast includes additional Home Office funding of £1.020m for the overachievement of Police Uplift Programme allocation by 51 Officers (headcount), £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 Pay and Allowances, Police Staff Pay and Allowances and appropriations to earmarked reserves, 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 - £1.261m**

The forecast includes appropriation of Revenue Consequences of Capital underspends of £0.921m, and Forensic Analysis underspends of £0.240m to the Transformation Reserve, both of which are subject to PFCC decision report approval. The forecast also includes replenishment of the Chief Constables Operational C/Fwd Reserve to a level of £0.750m, from £0.650m, in accordance with financial regulations.

### **Contribution to General Reserve - £0.016m**

As noted in Section 1 of the report in terms of the revenue forecast underspend 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 11

### Main Changes to Forecast Outturn Variance since Month 11

	Change in Forecast Outturn Variance £m	
<b>Month 11 Forecast Outturn Variance</b>	<b>0.777</b>	<b>Overspend</b>
Police Officer Pay and Allowances	0.161	The increase in forecast variance includes the impact of 7 FTE less leavers in March, 24 FTE less probationer joiners on 31 March, officers transferring from externally funded to force funded posts and other pay adjustments.
Police Staff Pay and Allowances	0.115	The increase in forecast variance includes the impact of 9 FTE more joiners in February and 33 FTE joiners in March (including 22 FTE Contact Management joiners on 27th March) partly offset by 2 FTE more leavers in February and 12 FTE leavers in March, plus other pay adjustments.
Supplies and Services	(0.146)	The reduction in forecast variance is the result of an underspend on consultancy costs, licence costs and legal costs on large scale IT Projects including ESMCP, ICCS, DAMS and A4E, partially offset by and an overspend on external audit costs for the 2021/22 audit variation fee and the 2022/23 final audit fee.
Income	(1.023)	The reduction in forecast variance is due to additional Home Office funding of £1.020m for the overachievement of Police Uplift Programme allocation by 51 Officers (headcount), plus a minor adjustment to reflect Op Hazel special grant funding received as at Month 12 of £4.003m (previously forecast at £4.000m at Month 11).
Contribution to/(from) Earmarked Reserves	0.100	To replenish the Chief Constables Operational C/Fwd Reserve to a level of £0.750m, in accordance with financial regulations.
<b>Month 12 Forecast Outturn Variance</b>	<b>(0.016)</b>	<b>Underspend</b>

## 4. Workforce Analysis

### 4.1 Police Officer – FTEs and Monthly Financial detail

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

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

2022/23 Outturn Strength														
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	3,661	3,637	3,697	3,688	
18	Leavers	(28)	(19)	(21)	(22)	(18)	(29)	(21)	(27)	(27)	(15)	(13)	(12)	(252)
19	Starters (note 7)	1	0	81	1	77	9	105	3	3	74	2	67	422
20	Other Adjustments (note 8)	(2)	0	(0)	0	(1)	0	(0)	(1)	(0)	2	2	1	1
21	Net change	(29)	(18)	60	(21)	58	(19)	84	(25)	(24)	61	(9)	55	171
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	3,688	3,743	
23	Difference to 3755fte - over / (under)	(212)	(230)	(170)	(191)	(134)	(153)	(69)	(94)	(118)	(58)	(67)	(12)	
Actuals /Forecast £	Actual £													Total
	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	£18.18m	£19.00m	£208.84m
25	2022/23 Leavers													£0.00m
26	2022/23 Starters													£0.00m
27	Other Costs													£0.00m
28	Monthly Actual	£15.63m	£16.56m	£16.56m	£16.42m	£16.56m	£18.68m	£17.65m	£17.99m	£17.95m	£17.66m	£18.18m	£19.00m	£208.84m
Variance from Budget Setting														
	Actual FTE													Total
	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	FTEs
29	Strength @ beginning of month (negative=reduction)	(3)	(51)	(52)	(55)	(59)	(65)	(67)	(30)	(38)	(45)	(32)	(24)	
30	Leavers (positive number = less leavers)	(9)	0	(2)	(3)	1	(10)	(2)	(8)	(8)	4	6	7	(24)
31	Starters	(37)	(2)	(1)	(1)	(6)	7	39	1	1	8	0	5	14
32	Other Adjustments	(2)	0	(0)	0	(1)	0	(0)	(1)	(0)	2	2	1	1
33	Month End Strength Change - FTEs	(51)	(52)	(55)	(59)	(65)	(67)	(30)	(38)	(45)	(32)	(24)	(12)	(9)
34	Change per month FTEs	(48)	(1)	(3)	(4)	(5)	(2)	37	(8)	(7)	14	8	12	
	Actual £													Total
	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	£0.73m	£1.41m	£2.33m

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		Total		
	April	May	June	July	August	September	October	November	December	January		February	March
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months		2 months	1 month
	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 1 FTE less Leaver per month	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>	

	INTAKE		INTAKE		INTAKE		INTAKE		INTAKE		Total		
	April	May	June	July	August	September	October	November	December	January		February	March
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months		2 months	1 month
	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 5 FTE less Leavers per month	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>	

	INTAKE		INTAKE		INTAKE		INTAKE		INTAKE		Total		
	April	May	June	July	August	September	October	November	December	January		February	March <sup>2</sup>
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months		2 months	1 month
	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 10 FTE less Leavers per month	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 12

### 1. Police Officers - Budget Based on Strength

	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2023
	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	
<b>Budget Setting</b>			3,575	384	24	(228)	0	3,755
HR Data @ 31 January 23	3,755	3,697	3,572	425	20	(259)	(3)	3,755
HR Data @ 28 February 23	3,755	3,688	3,572	401	21	(252)	1	3,743
<b>Change</b>	<b>0</b>	<b>(9)</b>	<b>0</b>	<b>(24)</b>	<b>1</b>	<b>7</b>	<b>4</b>	<b>(12)</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 @ 31 January 23	2,420	2,114			218	(255)
HR Data @ 28 February 23	2,428	2,117			231	(265)
<b>Change</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>(10)</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					Strength at 31st March 2023
	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	
<b>Budget Setting</b>			103	103	0	0	0	103
HR Data @ 31 January 23	102	96	103	94	16	(11)	(1)	98
HR Data @ 28 February 23	102	99	103	94	16	(14)	(1)	95
<b>Change</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>(3)</b>

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

4. Specials - Headcount	Actual Strength	Target Strength
<b>Budget Setting</b>		600
HR Data @ 31 January 23	346	600
HR Data @ 28 February 23	340	600
<b>Change</b>	<b>(6)</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)	-	(£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).
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. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Transformation Reserve	£1.110m	-	-	(£0.224m)	£0.886m	£1.501m	£2.387m	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, Revenue Consequences of Capital underspends for IT projects of £0.921m and Forensic Analysis underspend of £0.240m to support the implementation and embedding of the new Digital Forensic Services structure 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.
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	-	£0.212m	(£0.081m)	£0.234m	-	£0.234m	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>£0.267m</b>	<b>(£0.752m)</b>	<b>£5.793m</b>	<b>£1.016m</b>	<b>£6.810m</b>	
<b>4 Operational Reserves</b>								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office. These reserves are typically 1% of the force budget.
COVID Roadmap Violence Reduction Reserve	£0.229m	(£0.229m)	-	-	-	-	-	COVID Roadmap Violence Reduction Reserve to be utilised in 2021/22 for the purposes of Operation Sunshade, which aims to address violent crime reduction surrounding the easing of lockdown measures. Residual element of funding for COVID regulations at Stansted Airport was removed as part of 2022/23 budget setting. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Chief Constables Operational C/Fwd	£0.750m	-	-	(£0.100m)	£0.650m	£0.100m	£0.750m	Operational Carry Forward resulting from the 2022/23 force underspend.
Specials Constabulary Reserve	£0.145m	(£0.145m)	-	-	-	-	-	Reserve to fund ongoing (non-pay) activities associated with the growth of the Special Constabulary. <b>RECOMMEND CLOSURE OF THIS RESERVE - NIL BALANCE.</b>
Future Capital Funding	£4.358m	£1.665m	£0.288m	-	£6.311m	(£4.150m)	£2.161m	Reserve to apply revenue financing to fund the force capital programme
<b>Total</b>	<b>£6.982m</b>	<b>£1.291m</b>	<b>£0.288m</b>	<b>(£0.100m)</b>	<b>£8.461m</b>	<b>(£4.050m)</b>	<b>£4.411m</b>	
<b>5 PFFC Reserves</b>								
Commissioning Grants / Safer Streets	£3.174m	-	-	-	£3.174m	-	£3.174m	Includes PFFC Commissioning Budget C/Fwd of £1.418m and Safer Streets funding of £1.755m
<b>Total</b>	<b>£3.174m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£3.174m</b>	<b>£0.000m</b>	<b>£3.174m</b>	
<b>6 General Reserve</b>								
General Reserve	£14.818m	(£0.206m)	-	(£1.177m)	£13.435m	£0.016m	£13.451m	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 underspend for the force expenditure. The 2022/23 General Reserve closing balance is £13.451m, which represents 3.8% of the 2022/23 force budget of £352.2m.
<b>Total Revenue Reserves</b>	<b>£31.924m</b>	<b>£0.506m</b>	<b>£0.555m</b>	<b>(£2.029m)</b>	<b>£30.956m</b>	<b>(£3.018m)</b>	<b>£27.938m</b>	

# 6. Capital

## 6.1 Capital Summary

### CAPITAL PROGRAMME 2022/23 MONTH 12 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	1,687	1,885	(5,670)	1,885	-
IT projects	1,998	2,917	803	5,718	3986	4,360	(1,358)	4,360	-
Transport projects	1,324	2,200	210	3,734	1273	1,331	(2,403)	1,331	-
OPC projects	455	46	(384)	117	75	61	(56)	61	-
SCD projects	-	40	182	222	205	222	-	222	-
Other projects	103	237	146	486	443	444	(42)	444	-
<i>Subject to Approval projects</i>	8,579	(5,550)	(2,686)	343	0	50	(293)	50	-
<b>TOTAL EXPENDITURE</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>7,956</b>	<b>8,645</b>	<b>(9,833)</b>	<b>8,645</b>	<b>-</b>
<b>FINANCING -</b>									
Capital Receipts	4,420	-	(1,608)	2,812		1,578	(1,234)	2,760	(1,182)
Revenue Contributions	5,579	-	606	6,185		5,162	(1,023)	4,121	1,041
Capital Grant	32	-	46	78		0	(78)	0	-
External & Other Income	0	-	-	-		21	21	-	21
Financing Requirement	7,858	-	1,545	9,403		1,884	(7,519)	1,764	120
<b>TOTAL FINANCING</b>	<b>17,889</b>	<b>-</b>	<b>589</b>	<b>18,478</b>	<b>7,956</b>	<b>8,645</b>	<b>(9,833)</b>	<b>8,645</b>	<b>-</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 £9.833m underspend incorporates slippage carried forward to 2023/24, and other changes, as set out in Appendix 1.

The financing model has been updated 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 (PWLb) or other public sector bodies. It also includes internal borrowing whereby forces fund capital expenditure from a temporary surplus of cash. For treasury management purposes, and based on the latest 2022/23 Treasury Management report (reported at month 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 12 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 12 reflects an underspend of £9.833m, which is unchanged from the previous month.

### 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.

#### 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, including £1.699m relating to Harwich & Dovercourt, £1.123m Capitalised Maintenance Programme, £0.933m CCTV replacement to custody suites, and £0.668m replacement portacabins.

**Transport** – reporting to slip by £2.444m at month 12 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 12, principally relating to Dashcams (£0.455m) due to issues with the suitability of the IT equipment provided by the supplier, and Infrastructure Technical Refresh (£0.289m), due to the reprofiling of the overall IT capital programme.

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

**Estates** – who are reporting a total forecast underspend of £0.394m.

**IT** – who are reporting a forecast underspend of £0.683m in month 12, £0.488m of which relates to Infrastructure Technical Refresh.

**Subject to Approval Projects** – which is reporting a total reduction of £0.257m at month 12 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 total year to date reduction of £0.224m.

## Official

### 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.

### 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 £0.650m, a reduction of £1.182m since the previous month, mainly due to slippage of the Harlow MIT sale. All of these receipts 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 £0.804m of 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 £1.885m which equates to approximately 21.8% of the year's financing plan. Based on the cashflow position at 31<sup>st</sup> March 2023 it can be confirmed that no external borrowing was required in 2022/23.

For month 12 the main movements related to the application of capital receipts and revenue contributions, with an approximate £1m decrease in the use of capital receipts, mainly due to the month 12 slippage for this income, with less receipts available to use in the current year financing plan. The corresponding forecast increase in revenue contribution resources being applied offset the capital receipts decrease.

**CAPITAL PROGRAMME 2022/23 MONTH 12 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>2,248</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

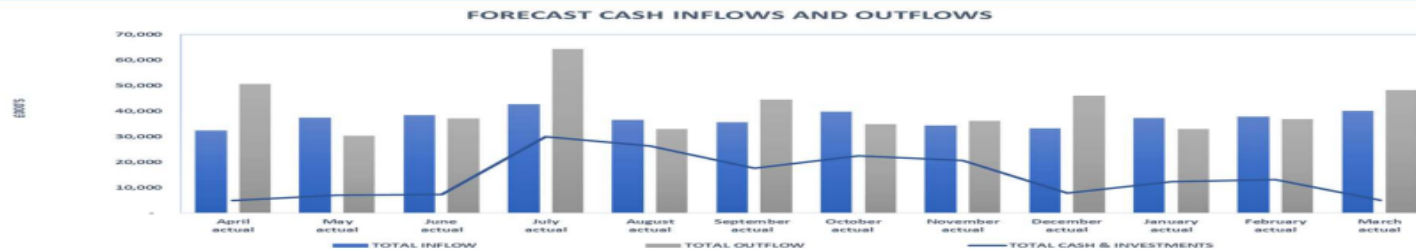
**CAPITAL PROGRAMME 2022/23 MONTH 12 MONITORING POSITION  
FORECAST EXPENDITURE VARIANCES**

	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)	(5,288)	<b>(5,670)</b>
IT projects	0	208	(683)	(880)	<b>(1,357)</b>
Transport projects	0	75	(35)	(2,444)	<b>(2,403)</b>
OPC projects	0	14	(50)	(20)	<b>(56)</b>
SCD projects	0	0	(0)	0	<b>(0)</b>
Other projects	0	231	(224)	(49)	<b>(42)</b>
Subject to Approval projects	0	0	(257)	(36)	<b>(293)</b>
<b>TOTAL</b>	<b>0</b>	<b>538</b>	<b>(1,655)</b>	<b>(8,716)</b>	<b>(9,833)</b>

# 7. Cashflow Forecast



Cashflow Forecast – March 2023



	Forecast £000	Actual £000	Variance £000	MARCH COMMENTARY
<b>Expenditure</b>				
Supplier payments	13,930	14,027	97	Supplier payments were £0.097m higher than forecast reflecting a variance to the expected profile of payments processed by Business Services. Other variances include an increase of £0.833m in HMRC payments for pensions due to one-off lump sum payments and other pay related adjustments including Accounting for Tax (AFT) payments.
Capital - property acquisitions	0	0	0	
HMRC payments	6,245	7,128	883	
Essex LGPS payments	1,507	1,507	0	The other significant variance related to Payroll which was £0.499m higher than the plan anticipated. This included £0.420m relating to pensioners, mainly due to the 10.1% increased contribution rate for April 2023 onwards, which was incorporated into the 31st March payment run.
Payroll	25,000	25,499	499	
<b>Total cash outflow</b>	<b>46,682</b>	<b>48,161</b>	<b>1,479</b>	
<b>Income</b>				
Govt grant	(17,220)	(20,646)	(3,426)	Government Grants exceeded the plan by £3.42m. This variance primarily related to Op Hazel for £2.5m but also included £0.599m of Violence Reduction Unit Q3 grant. The other net receipts variance of £0.897m related to the Counter Terrorism reimbursement of £1.26m offset by a reduction of £0.514m relating to Stansted Airport, with the remainder of the variance related to VAT reimbursements of £0.131m.
Precepts	(11,288)	(11,288)	0	
Other net receipts	(7,178)	(8,057)	(879)	
<b>Total cash inflow</b>	<b>(35,686)</b>	<b>(39,991)</b>	<b>(4,305)</b>	
<b>Total cash (inflow)/outflow</b>	<b>10,996</b>	<b>8,170</b>	<b>(2,826)</b>	External Borrowing/Financing It can now be confirmed that there was no external borrowing requirement in 2022/23 with the force holding a £5.1m cash/investments surplus as at 31st March 2023.

EXPENDITURE ANALYSIS

