

## Performance and Resources Scrutiny Programme 2023/24

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

<b>Title of Report:</b>	<b>2023/24 Month 3 Financial Monitoring Report</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>31<sup>st</sup> July 2023</b>
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<b>Date of Approval by Chief Officer</b>	<b>21<sup>st</sup> July 2023 – DCC Prophet</b>
<b>COG meeting date / date of approval (Please indicate whether paper presented to COG or not)</b>	<b>26<sup>th</sup> July 2023</b>

### **1.0 Purpose of Report**

This report identifies the 2023/24 Month 3 position for the Force.

### **2.0 Recommendations**

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

### **3.0 Executive Summary**

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

**4.0 Introduction/Background**

This report sets out the June, Month 3, financial position.

**5.0 Current Work and Performance**

The Month 3 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**

Reviews will continue with budget holders, working towards a balanced budget by year end.

# 1. Executive Summary

## REVENUE

The revenue forecast underspend as at month 3 is £0.707m against the 2023/24 revenue budget of £363.7m (0.19% variance).

Additional funding of £2.025m in relation to an overachievement of 2023/24 Police Officer Uplift is included in the revenue forecast, based on confirmation that the force will be eligible for a payment of £45,000 per officer recruited above the force's maintenance headcount (baseline plus total three-year allocation), up to a maximum of 45 officers.

The force variance to current budget at subjective level is detailed in Section 3.3 of the report.

## WORKFORCE

The Police Officer strength forecast at the end of June is 3,723 FTE and forecast to be 3,755 FTE at year end. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £1.424m.

The Police Staff strength at the end of May is 2,121 FTE. Total vacancies at 31st May are 285 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.469m.

The PCSO strength at the end of May is 93 FTE and forecast to be 92 FTE at year end. The underspend on PCSO Pay and Allowances is £0.238m.

## RESERVES

The net appropriation from earmarked reserves for Month 3 is £5.034m.

A list of all appropriations to and from earmarked reserves is noted in Section 2 of the report, all of which have been appropriated for their intended use, and do not require approval.

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

## CAPITAL

The capital financial monitoring position for month 3 is a forecast spend of £18.627m, which is a £1.014m underspend against the latest revised budget of £19.641m (5.16% variance).

The financing requirement for unfinanced capital expenditure is forecast at £10.633m which equates to approximately 57% of the year's financing plan. Based on the latest treasury management information available, there is expected to be a need for further external borrowing in 2023/24. This is in addition to the two instances of external borrowing for the year to date which have covered short-term cashflow commitments.

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

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

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
<b>Appropriations to Earmarked Reserves</b>						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
<b>Total</b>		<b>0</b>				

<b>Appropriations (from) Earmarked Reserves</b>						
ER001/23	PFCC Commissioning Budget C/Fwd Reserve	(3,639)	PFCC Commissioning Budget C/Fwd for Community Safety Fund, Community Safety Development Fund, Victims and Safer Streets to fund planned expenditure in 2023/24. The V&V Commissioning Budget C/Fwd is to be retained for use in FY 2025/26.	Appropriation from Earmarked Reserve for its intended use	PFCC Commissioning Budget C/Fwd Reserve	Supplies & Services
ER002/23	IT Projects (O365/ESN/ICCS/Data Centre)	(944)	Funds allocated to finance revenue expenditure on IT Projects during 23/24 including Office 365, ESMCP-ESN, ESMCP - ICCS and the Data Centre Migration Project.	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Police Officer Pay & Allowances / Police Staff Pay & Allowances / Supplies & Services
ER003/23	In-house capability in Digital Forensics	(240)	To fund one-off revenue expenditure in 2023/24, to allow for digital devices to be outsourced for forensic analysis to support the implementation and embedding of the new Digital Forensic Services structure.	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Supplies & Services
ER004/23	NLEDS and ESMCP Revenue Grants	(140)	Home Office contribution in support of the NLEDS Early Adopter programme and ESMCP Cols Grant Coverage work being delivered in 2023/24.	Appropriation from Earmarked Reserve for its intended use	Restricted Grants Reserve	Supplies & Services
ER005/23	Counter Terrorism ARV CBRN contribution	(41)	Counter Terrorism contribution in support of ARV CBRN operational communications equipment procured for delivery in 2023/24.	Appropriation from Earmarked Reserve for its intended use	Restricted Grants Reserve	Supplies & Services
ER006/23	Joint Fleet Workshop Consultancy	(31)	Partial use of transformation reserve funding, set aside to support Estate Services transformational projects. This reserve was held to fund specialist consultancy to deliver a joint fleet workshop at Boreham with ECFRS.	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Premises
ER007/23	Op Grip	(10)	Utilisation of Home Office grant received in 2021/22, with agreement to fund 2023/24 Op Grip expenditure.	Appropriation from Earmarked Reserve for its intended use	Restricted Grants Reserve	Police Officer Pay and Allowances
ER008/23	Proceeds of Crime	11	To increase the POCA Asset Recovery Incentivisation Scheme (ARIS) income target in line with the SCD Financial Investigator business case and to fund 3 FTE Financial Investigators and 1 FTE Financial Investigator Supervisor from POCA, as agreed by Chief Officer Group in November 2020.	Appropriation from Earmarked Reserve for its intended use	POCA Reserve	Police Staff Pay and Allowances / Supplies and Services / Income
<b>Total</b>		<b>(5,034)</b>				
<b>Net appropriation to/(from) Earmarked Reserves</b>		<b>(5,034)</b>				

# 3. Revenue

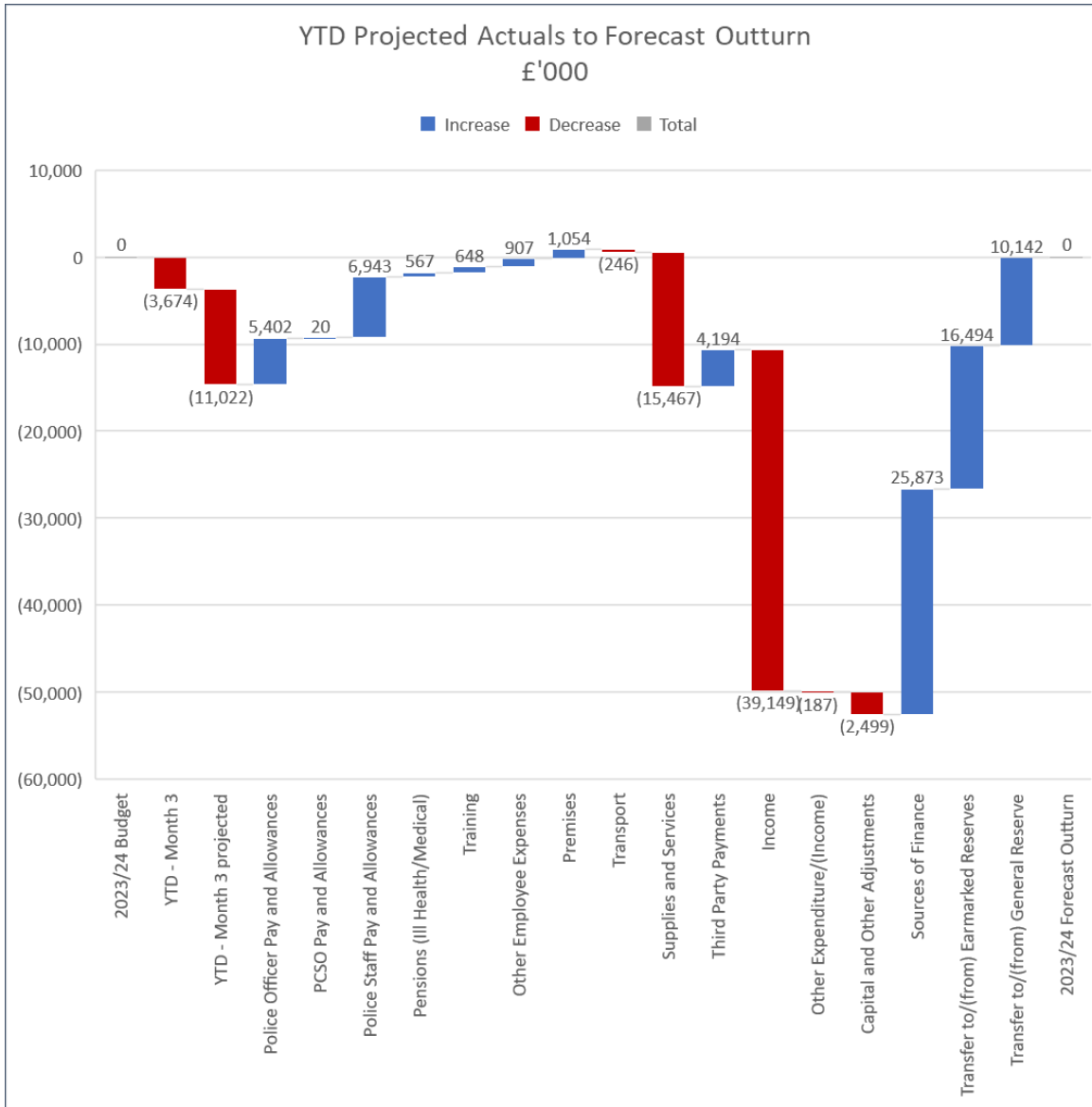
## 3.1 Revenue Summary

In Month - Month 03			Year to Date - Month 03			Subjective Heading	Full Year						
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast	Variance Over/(Under) Spend - Original Budget	Variance Over/(Under) Spend - Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000
18,234	17,902	(332)	54,703	53,142	(1,561)	<b>Employees</b>							
684	1,231	548	2,051	2,745	694	<u>Police Officer Pay and Allowances</u>	218,616	195	218,810	53,142	220,235	1,619	1,424
88	95	7	263	281	18	- Police Officer Pay and Allowances	7,127	1,076	8,204	2,745	8,600	1,473	396
0	0	0	0	0	0	- Overtime and Operational Performance	1,049	2	1,051	281	1,240	191	188
19,005	19,228	223	57,016	56,168	(848)	- Associated Police Pay	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	226,792	1,273	228,065	56,168	230,075	3,283	2,009
						<b>Police Officer Pay and Allowances</b>							
<b>311</b>	<b>291</b>	<b>(20)</b>	<b>933</b>	<b>868</b>	<b>(65)</b>	<b>PCSO Pay and Allowances</b>	<b>3,687</b>	<b>43</b>	<b>3,730</b>	<b>868</b>	<b>3,492</b>	<b>(195)</b>	<b>(238)</b>
						<u>Police Staff Pay and Allowances</u>							
8,121	6,728	(1,393)	24,362	22,026	(2,336)	- Police Staff Pay & Allowances	97,785	(336)	97,449	22,026	94,980	(2,805)	(2,469)
151	152	0	453	483	30	- Police Staff Overtime and Agency	1,124	689	1,813	483	1,999	874	186
8,272	6,879	(1,393)	24,816	22,509	(2,306)	<b>Police Staff Pay and Allowances</b>	<b>98,909</b>	<b>353</b>	<b>99,263</b>	<b>22,509</b>	<b>96,979</b>	<b>(1,930)</b>	<b>(2,284)</b>
351	328	(24)	1,054	986	(67)	Pensions (Ill Health / Medical)	4,215	0	4,215	986	4,511	296	296
171	116	(55)	514	352	(162)	Training	2,019	35	2,054	352	2,056	36	1
33	123	90	100	(127)	(227)	Other Employee Expenses	399	(1)	399	(127)	399	(1)	0
<b>28,144</b>	<b>26,965</b>	<b>(1,179)</b>	<b>84,432</b>	<b>80,757</b>	<b>(3,675)</b>	<b>Employees Total</b>	<b>336,022</b>	<b>1,705</b>	<b>337,726</b>	<b>80,757</b>	<b>337,511</b>	<b>1,490</b>	<b>(215)</b>
1,029	1,339	310	3,086	2,723	(363)	Premises	12,317	26	12,344	2,723	11,946	(371)	(398)
585	466	(119)	1,754	1,946	192	Transport	6,934	81	7,016	1,946	7,538	604	522
	0					<u>Supplies and Services</u>							
4,042	3,560	(482)	12,126	16,335	4,209	- Supplies and Services	42,281	6,225	48,505	16,335	49,873	7,592	1,368
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0
4,042	3,560	(482)	12,126	16,335	4,209	<b>Supplies and Services</b>	<b>42,727</b>	<b>5,779</b>	<b>48,505</b>	<b>16,335</b>	<b>49,873</b>	<b>7,147</b>	<b>1,368</b>
667	10	(657)	2,001	971	(1,030)	Third Party Payments	7,382	622	8,003	971	8,078	696	74
34,466	32,339	(2,127)	103,399	102,732	(667)	<b>Gross Expenditure</b>	<b>405,381</b>	<b>8,213</b>	<b>413,594</b>	<b>102,732</b>	<b>414,946</b>	<b>9,565</b>	<b>1,352</b>
(3,604)	(6,981)	(3,377)	(10,813)	(1,336)	9,477	<b>Income</b>	<b>(40,074)</b>	<b>(3,179)</b>	<b>(43,253)</b>	<b>(1,336)</b>	<b>(44,493)</b>	<b>(4,419)</b>	<b>(1,240)</b>
30,862	25,357	(5,504)	92,585	101,395	8,810	<b>Net Cost of Services</b>	<b>365,307</b>	<b>5,034</b>	<b>370,341</b>	<b>101,395</b>	<b>370,453</b>	<b>5,146</b>	<b>112</b>
(8)	(66)	(59)	(23)	(76)	(53)	Other Expenditure / (Income)	(91)	0	(91)	(76)	(491)	(400)	(400)
75	833	758	226	833	607	Capital and Other Adjustments	904	0	904	833	833	(71)	(71)
30,930	26,124	(4,805)	92,789	102,152	9,364	<b>Net Expenditure</b>	<b>366,120</b>	<b>5,034</b>	<b>371,154</b>	<b>102,152</b>	<b>370,795</b>	<b>4,675</b>	<b>(359)</b>
(30,307)	(29,593)	714	(90,922)	(97,359)	(6,437)	Sources of Finance	(363,687)	0	(363,687)	(97,359)	(363,563)	124	124
622	(3,469)	(4,091)	1,867	4,793	2,926	<b>(Surplus)/Deficit before appropriations</b>	<b>2,433</b>	<b>5,034</b>	<b>7,467</b>	<b>4,793</b>	<b>7,232</b>	<b>4,799</b>	<b>(235)</b>
(360)	(5,322)	(4,962)	(1,081)	(5,322)	(4,242)	Contribution to/(from) Earmarked Reserves	712	(5,034)	(4,322)	(5,322)	(4,794)	(5,506)	(472)
(262)	(3,145)	(2,883)	(786)	(3,145)	(2,358)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(2,438)	707	707
(0)	(11,936)	(11,936)	0	(3,674)	(3,674)	<b>(Surplus)/Deficit after appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,674)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<sup>2</sup>2023/24 Budget agreed at Police, Fire and Crime Panel

## 3.2 Year to Date Projected Actuals to Forecast Outturn



### Supporting Commentary

#### **YTD – Month 3 projected**

Actuals to date, extrapolated for remaining months of the year

#### **Police Officer Pay and Allowances**

Impact of joiners/leavers during the year, Detective and AFO Bonus Payments, pay increments, and overtime paid in arrears

#### **Police Staff Pay and Allowances**

Impact of staff pay award, further force growth posts, and overtime paid in arrears

#### **Premises**

Planned and reactive maintenance paid in arrears and subject to year-end creditor entries that are yet to be cleared

#### **Supplies and Services**

Communications and Technology expenditure for IT software and Home Office recharges that are invoiced in full at the start of the financial year

#### **Third Party Payments**

2023/24 ATHENA/7 Force/ERSOU/NPAS expenditure to date that is yet to be invoiced

#### **Income**

Several year end debtor entries that are yet to be received, namely accrued income entries raised for Home Office PUP grant, externally funded units such as Stansted and Safer Essex Roads Partnership, and PFCC Victims and Violence and Vulnerability commissioning budgets

#### **Capital and Other Adjustments**

MRP adjustment transacted for the full year vs an even monthly profile of the budget

#### **Sources of Finance**

Council Tax Support and Freeze Grant both received in total in the Month of April, rather than the normal monthly instalment that was expected

#### **Transfer to/(from) Earmarked Reserve**

Appropriations from earmarked reserves performed to date to reflect the annual drawdown from reserves vs an even monthly profile of the budget

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

Appropriation performed for 2023/24 budget setting contribution from the general reserve, offset by forecast contribution to the general reserve resulting from the revenue forecast underspend position

## 3.3 Revenue Summary – Supporting Commentary

### Police Officer Pay and Allowances - £2.009m overspend

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

The forecast overspend includes changes in recruitment and leaver profiles since budget setting; Bank Holiday overtime overspend mainly relating to Golden Orb and Op Hallmark; Police Officer overtime overspends for Crime & Public Protection, Contact Management, SCD, Professional Standards, and each of the LPAs, due to vacancy levels and anticipated volumes of activity, with some areas (Contact Management and SCD) funded by way of virement from Police Officer and Police Staff underspends; and Temporary Duty Allowance based on the impact of abstraction from LPA teams for other demands such as Custody and Oscar 1.

### Police PCSO Pay and Allowances - £0.238m underspend

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

Forecast underspend due to opening strength being less than budgeted establishment.

### Police Staff Pay and Allowances - £2.284m underspend

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

The forecast underspend includes the impact of the opening strength being 62 FTE less than budgeted; net leavers in April and May partially offset by forecast net increases in Force Control Room, Resolution Centre and detention staff during the financial year; and a reduction in the in-year savings forecast due to slippage. The forecast underspend is partially offset by Police Staff overtime overspends for Contact Management, SCD, Crime & Public Protection, Professional Standards, Professionalism and Strategic Change due to vacancy levels and anticipated volumes of activity, with some areas (Contact Management, SCD and Crime & Public Protection) funded by way of virement from Police Staff underspends.

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

The adjustment from Original Budget to the Revised Budget during Month 3 (which have a corresponding forecast change) includes externally funded activity for Op Safeguard, Op Golden Orb, Op Grip, Protective Security, Private Hire Special Policing Service agreements, Safer Essex Roads Partnership, Stansted and Disclosure Barring Service (£1.371m increase); appropriations from the Transformation Reserve for IT Projects (£0.033m increase); and a reprofiling of the 7 Forces collaboration budget to reflect reduced resourcing levels for Police Officers (£0.163m decrease).

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

Nothing significant to report.

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

The adjustment from Original Budget to the Revised Budget during Month 3 (which have a corresponding forecast change) includes appropriations from the Transformation Reserve for IT Projects and the POCA reserve (£0.413m increase); externally funded activity for Op Safeguard, Op Golden Orb, Safer Essex Roads Partnership, Stansted and Disclosure Barring Service (£0.197m increase); and a reprofiling of the 7 Forces collaboration budget to reflect reduced resourcing levels for Police Staff (£0.248m decrease).

### Police Pensions (Ill Health/Medical) - £0.296m overspend

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

Forecast overspend due to the 2023/24 pension increase being agreed at 10.1% whereas the budget included an inflationary uplift of only 3.1%.

### Premises - £0.398m underspend

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

Forecast underspend of £0.6m to reflect a one-off rates refund for Chelmsford HQ and Southend following rates valuations appeals, offset by a forecast overspend of £0.2m in relation to the Trade Waste contract, which is under further review.

### Transport - £0.522m overspend

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

Forecast overspend for vehicle parts and equipment expenditure for the first 2 months of the financial year indicates a further cost pressure for the year due to demand and supplier increases.

### Third Party Payments - £0.074m overspend

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

The forecast overspend is predominantly in relation to miscellaneous insurance premiums for employer/public liability claims and property, which may be subject to funding from the insurance reserve based on an assessment of when the first appropriation is due to take place.

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

Nothing to report.

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

Nothing significant to report.

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

Nothing significant to report.

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

The adjustment from Original Budget to the Revised Budget during Month 3 (which has a corresponding forecast change) includes Home Office funding of Op Golden Orb for support from other forces (£0.357m increase) and externally funded activity for the Safer Essex Roads Partnership (£0.274m increase), both of which have a corresponding adjustment to Income.



## Supplies and Services - £1.368m overspend

### **Explanation of forecast variance**

The forecast overspend includes one-off expenditure associated with the roll out of replacement uniform items, that is due to be funded by the Chief Constables Operational C/Fwd Reserve prior to financial year end, once final costs are established (£0.5m); communications and technology expenditure based on ongoing ITD contracts and project provisions, with the main variance relating to Airwave indexation increases (£0.2m); the custody medical provision and SARC contract are forecast to meet with an inflationary increase, mainly due to the increase in NHS staffing costs, with new contracts to be negotiated with potential 7F collaboration (£0.2m); there is a national increase in volume of Dangerous Dogs being housed by Police Forces, which will represent a cost pressure for 2024/25 budget setting (£0.1m); the Home Office recharge for Comms Intel Data is higher than budgeted (£0.3m); and PFCC Public and Partner engagement, internal audit and external audit forecast overspend (£0.1m).

## Income - £1.240m surplus

### **Explanation of forecast variance**

Forecast surplus based on additional funds in relation to an overachievement of 2023/24 PUP of £2.025m, based on confirmation that the force will be eligible for a payment of £45,000 per officer recruited above the force's maintenance headcount (baseline plus total three-year allocation), up to a maximum of 45 officers. This forecast surplus is partially offset by a forecast deficit for Magistrates Costs Awarded income budget as a result of Roads Policing restructure, on the basis that monthly income does not reflect the additional court spaces being filled, largely due to the higher number of individuals opting for repayment plans and reduction in amount being deductible from benefits.

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

The adjustment from Original Budget to the Revised Budget during Month 3 (which have a corresponding forecast change) includes an appropriation from the PFCC Commissioning Budgets C/Fwd Reserve for Community Safety Fund, Community Safety Development Fund, Victims, and Safer Streets to fund planned expenditure in 2023/24 (£3.639m increase); to reflect the agreed 2023/24 Home Office VRU grant, Home Office serious violence duty grant, and Essex contribution to the PFCC Violence and Vulnerability budget, in addition to the 2023/24 budget setting provision (£0.744m increase); appropriations from the Transformation Reserve and Restricted Grants Reserve for IT Projects and Digital Forensics (£1.110m increase); and externally funded activity for Op Golden Orb, Safer Essex Roads Partnership, Stansted and Disclosure Barring Service (£0.409m increase).

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

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

### Other Expenditure/(Income) - £0.400m surplus

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

Forecast surplus in relation to investments that 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.

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

Nothing to report.

### Sources of Finance - £0.124m deficit

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

Forecast deficit relating to an adjustment to core council tax funding from Thurrock Council as a result of the ongoing intervention at Thurrock and related delay in budget decisions for 2023/24, with information received after the force budget setting position was confirmed.

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

Nothing to report.

### Contribution from Earmarked Reserves - £0.472m

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

Forecast appropriation from the Chief Constables Operational C/Fwd Reserve to fund the agreed one-off expenditure associated with the roll out of replacement uniform items.

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

As noted in Section 2 of the report.

### Contribution to General Reserve - £0.707m

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

As noted in Section 1 of the report in terms of the revenue forecast underspend position for the force.

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

Nothing to report.

## 3.4 Main Forecast Movements

### Forecast Outturn Variance Summary up to Month 3

	Forecast Outturn Variance £m	
Police Officer Pay and Allowances	2.0	The forecast overspend includes changes in recruitment and leaver profiles since budget setting; Bank Holiday overtime overspend mainly relating to Golden Orb and Op Hallmark; Police Officer overtime overspends for Crime & Public Protection, Contact Management, SCD, Professional Standards, and each of the LPAs, due to vacancy levels and anticipated volumes of activity, with some areas (Contact Management and SCD) funded by way of virement from Police Officer and Police Staff underspends; and Temporary Duty Allowance based on the impact of abstraction from LPA teams for other demands such as Custody and Oscar 1.
PCSO Pay	(0.2)	Forecast underspend due to opening strength being less than budgeted establishment.
Police Staff Pay and Allowances	(2.3)	The forecast underspend includes the impact of the opening strength being 62 FTE less than budgeted; net leavers in April and May partially offset by forecast net increases in Force Control Room, Resolution Centre and detention staff during the financial year; and a reduction in the in-year savings forecast due to slippage. The forecast underspend is partially offset by Police Staff overtime overspends for Contact Management, SCD, Crime & Public Protection, Professional Standards, Professionalism and Strategic Change due to vacancy levels and anticipated volumes of activity, with some areas (Contact Management, SCD and Crime & Public Protection) funded by way of virement from Police Staff underspends
Pensions (Ill Health/Medical)	0.3	Forecast overspend due to the 2023/24 pension increase being agreed at 10.1% whereas the budget included an inflationary uplift of only 3.1%.
Premises	(0.4)	Forecast underspend of £0.6m to reflect a one-off rates refund for Chelmsford HQ and Southend following rates valuations appeals, offset by a forecast overspend of £0.2m in relation to the Trade Waste contract, which is under further review.
Transport	0.5	Forecast overspend for vehicle parts and equipment expenditure for the first 2 months of the financial year indicates a further cost pressure for the year due to demand and supplier increases.
Supplies & Services	1.4	The forecast overspend includes one-off expenditure associated with the roll out of replacement uniform items, that is due to be funded by the Chief Constables Operational C/Fwd Reserve prior to financial year end, once final costs are established (£0.5m); communications and technology expenditure based on ongoing ITD contracts and project provisions, with the main variance relating to Airwave indexation increases (£0.2m); the custody medical provision and SARC contract are forecast to meet with an inflationary increase, mainly due to the increase in NHS staffing costs, with new contracts to be negotiated with potential 7F collaboration (£0.2m); there is a national increase in volume of Dangerous Dogs being housed by Police Forces, which will represent a cost pressure for 2024/25 budget setting (£0.1m); the Home Office recharge for Comms Intel Data is higher than budgeted (£0.3m); and PFCC Public and Partner engagement, internal audit and external audit forecast overspend (£0.1m).
Income	(1.2)	Forecast surplus based on additional funds in relation to an overachievement of 2023/24 PUP of £2.025m, based on confirmation that the force will be eligible for a payment of £45,000 per officer recruited above the force's maintenance headcount (baseline plus total three-year allocation), up to a maximum of 45 officers. This forecast surplus is partially offset by a forecast deficit for Magistrates Costs Awarded income budget as a result of Roads Policing restructure, on the basis that monthly income does not reflect the additional court spaces being filled, largely due to the higher number of individuals opting for repayment plans and reduction in amount being deductible from benefits.
Other Expenditure/(Income)	(0.4)	Forecast surplus in relation to investments that 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.
Contribution to/(from) Earmarked Reserves	(0.5)	Forecast appropriation from the Chief Constables Operational C/Fwd Reserve to fund the agreed one-off expenditure associated with the roll out of replacement uniform items.
Sources of Finance	0.1	Forecast deficit relating to an adjustment to core council tax funding from Thurrock Council as a result of the ongoing intervention at Thurrock and related delay in budget decisions for 2023/24, with information received after the force budget setting position was confirmed.
<b>Month 3 Forecast Outturn Variance</b>	<b>(0.7)</b>	<b>Underspend</b>

# 4. Workforce Analysis

## 4.1 Police Officer – FTEs and Monthly Financial detail

### 2023/24 - Police Officers Pay/Strength - Using 2023/24 Budget Setting Model

Ref	2023/24 Budget Setting													
	<b>Strength</b>	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
1	Strength @ beginning of month (note 1)	3,755	3,722	3,700	3,744	3,722	3,700	3,744	3,722	3,700	3,744	3,722	3,700	
2	Leavers	(34)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(287)
3	Joiners - Probationers	0	0	66	0	0	66	0	0	66	0	0	77	275
4	Joiners - Transferees	1	1	1	1	1	1	1	1	1	1	1	1	12
5	Total Joiners	1	1	67	1	1	67	1	1	67	1	1	78	287
6	Net change	(33)	(22)	44	(22)	(22)	44	(22)	(22)	44	(22)	(22)	55	0
7	Officer strength - month end	3,722	3,700	3,744	3,722	3,700	3,744	3,722	3,700	3,744	3,722	3,700	3,755	
8	Difference to 3,755 FTEs - over / (under)	(33)	(55)	(11)	(33)	(55)	(11)	(33)	(55)	(11)	(33)	(55)	0	
	<b>Budget</b>	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
9	1st April 2023 Strength (note 2)	£18.24m	£18.24m	£18.24m	£18.24m	£18.24m	£18.60m	£18.60m	£18.60m	£18.60m	£18.60m	£18.60m	£18.60m	£221.43m
10	Leavers (note 3)	(£0.14m)	(£0.24m)	(£0.34m)	(£0.43m)	(£0.53m)	(£0.63m)	(£0.72m)	(£0.82m)	(£0.92m)	(£1.01m)	(£1.11m)	(£1.20m)	(£8.08m)
11	Joiners - Probationers	£0.00m	£0.00m	£0.22m	£0.22m	£0.22m	£0.44m	£0.44m	£0.44m	£0.65m	£0.65m	£0.65m	£0.91m	£4.84m
12	Joiners - Transferees	£0.01m	£0.01m	£0.02m	£0.02m	£0.03m	£0.03m	£0.04m	£0.04m	£0.05m	£0.05m	£0.06m	£0.07m	£0.43m
13	Total Joiners	£0.01m	£0.01m	£0.23m	£0.24m	£0.25m	£0.47m	£0.47m	£0.48m	£0.70m	£0.71m	£0.72m	£0.98m	£5.27m
14	Monthly Budget (note 4 & 5)	£18.10m	£18.01m	£18.14m	£18.05m	£17.96m	£18.45m	£18.36m	£18.27m	£18.39m	£18.30m	£18.21m	£18.38m	£218.62m



**Notes**

- 1 The budget was built on the assumption that at the start of April 2023 we would have reached the approved establishment of 3,755 FTE.
- 2 The 1st April 2023 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2.0% payrise in September i.e. there is no profile adjustment for incremental increases.
- 3 Leavers could be at any rank but assumed to be at constable level for the purpose of profiling the monthly budget. Figures are cumulative.
- 4 The monthly budget for joiners is based on the profile and entry routes assumed at budget setting.
- 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 joiners and leavers.
- 7 Joiners 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, 10, or 13 FTE less leavers than the leavers projections supplied by HR, with an even adjustment to the intakes scheduled for June, September, December, and March (no financial impact) to maintain an end of year projection of 3,755 FTE Officers. The financial impact of 1, 10 or 13 FTE less leavers per month is £0.113m, £1.126m or £1.464m, 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			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	
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Estimated Impact of 1 FTE less Leaver</b>	49,262	45,156	41,051	36,946	32,841	28,736	24,631	20,526	16,421	12,315	8,210	4,105	320,200
<b>Estimated Impact of 3 FTE less probationer joiner</b>			(98,835)			(69,184)			(39,534)				(207,553)
	<b>Net Impact</b>												<b>112,647</b>
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Estimated Impact of 10 FTE less Leavers</b>	492,616	451,565	410,513	369,462	328,411	287,359	246,308	205,257	164,205	123,154	82,103	41,051	3,202,003
<b>Estimated Impact of 30 FTE less probationer joiner</b>			(988,349)			(691,845)			(395,340)				(2,075,534)
	<b>Net Impact</b>												<b>1,126,469</b>
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Estimated Impact of 13 FTE less Leavers</b>	640,401	587,034	533,667	480,300	426,934	373,567	320,200	266,834	213,467	160,100	106,733	53,367	4,162,604
<b>Estimated Impact of 39 FTE less probationer joiner</b>			(1,284,854)			(899,398)			(513,942)				(2,698,194)
	<b>Net Impact</b>												<b>1,464,410</b>

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

### FTE Changes Impacting Pay Forecasts - 2023/24 Month 3

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

	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2023	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
<b>Budget Setting</b>			3,755	275	12	(287)	0	3,755
HR data @ 30 April 23	3,755	3,720	3,743	265	26	(279)	(0)	3,755
HR data @ 31 May 23	3,755	3,702	3,743	258	31	(279)	2	3,755
<b>Change</b>		<b>(18)</b>		<b>(7)</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>0</b>

#### 2. Police Staff - Budget Based on Establishment (please see note below)\*

	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
<b>Budget Setting</b>			2,374	2,208		
HR data @ 30 April 23	2,400	2,128			11	(30)
HR data @ 31 May 23	2,406	2,121			20	(44)
<b>Change</b>		<b>(6)</b>			<b>9</b>	<b>(15)</b>

\* Vacancy Factor is 10% for most areas with the main exceptions being FCR, Resolution Centre, PFCC's Office and externally funded posts which 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 2023	Strength at 1st April 2023	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
<b>Budget Setting</b>			102	102				
HR data @ 30 April 23	99	93	99	94	8	(7)	0	95
HR data @ 31 May 23	99	93	99	94	4	(6)	0	92
<b>Change</b>					<b>(4)</b>	<b>1</b>	<b>(0)</b>	<b>(3)</b>

Note: The PCSO Establishment includes 9 FTE partnership funded posts which are externally funded

4. Specials - Headcount	Actual Strength	Target Strength
<b>Budget Setting</b>		427
HR data @ 30 April 23	310	427
HR data @ 31 May 23	308	427
<b>Change</b>		

# 5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances								
Reserve	1st April 2023 - Opening Balance	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/(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	£0.101m	-	-	-	£0.101m	(£0.011m)	£0.090m	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>£0.101m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.101m</b>	<b>(£0.011m)</b>	<b>£0.090m</b>	
<b>2 Ringfenced Reserve</b>								
Proceeds of Crime Act	£1.696m	(£0.301m)	-	£0.011m	£1.406m	(£0.334m)	£1.072m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.414m	-	-	-	£0.414m	(£0.147m)	£0.267m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m	-	-	-	£0.963m	-	£0.963m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses). Awaiting the outcome of business case consultations to determine any drawdown from reserve.
Transformation Reserve	£2.347m	-	-	(£1.215m)	£1.132m	-	£1.132m	Reserve to help fund the one-off costs of implementing the IT, Estates and Digital Forensic Transformation Strategies.
Legal Reserve	£0.836m	-	-	-	£0.836m	(£0.175m)	£0.661m	Reserve established to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon, Cornwall Constabulary and McCloud v Sargeant).
PEQF Reserve	£0.298m	(£0.187m)	-	-	£0.111m	-	£0.111m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme.
Restricted Grant and Contributions Reserve	£0.436m	-	-	(£0.191m)	£0.245m	-	£0.245m	Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred.
Insurance Reserve	-	£0.200m	-	-	£0.200m	-	£0.200m	Reserve to hold balances to help manage the impact of volatile claim trends on revenue, and to assist with any unforeseen shortfalls in respect of premium cover
<b>Total</b>	<b>£6.991m</b>	<b>(£0.288m)</b>	<b>£0.000m</b>	<b>(£1.395m)</b>	<b>£5.307m</b>	<b>(£0.656m)</b>	<b>£4.651m</b>	
<b>3 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.
Chief Constables Operational C/Fwd	£0.650m	-	-	-	£0.650m	(£0.472m)	£0.178m	Operational Carry Forward resulting from the 2021/22 force underspend. The forecast appropriation of £0.472m is to fund the one-off expenditure associated with the roll out of replacement uniform.
Future Capital Funding	£1.001m	£1.000m	-	-	£2.001m	(£1.901m)	£0.100m	Reserve to apply revenue financing to fund the force capital programme
<b>Total</b>	<b>£3.151m</b>	<b>£1.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£4.151m</b>	<b>(£2.373m)</b>	<b>£1.778m</b>	
<b>4 PFCC Reserves</b>								
Commissioning Grants / Safer Streets	£5.258m	-	-	(£3.639m)	£1.619m	-	£1.619m	Includes PFCC Commissioning Budget C/Fwd of £2.428m and Safer Streets funding of £2.830m. The CSF, CSDF, Victims and Safer Streets Commissioning C/Fwd has been drawdown from reserves in anticipation of utilisation in 2023/24. The V&V C/Fwd has been retained for use in 2025/26, when Home Office funding is forecast to cease.
<b>Total</b>	<b>£5.258m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>(£3.639m)</b>	<b>£1.619m</b>	<b>£0.000m</b>	<b>£1.619m</b>	
<b>5 General Reserve</b>								
General Reserve	£13.394m	(£3.145m)	-	-	£10.249m	£0.707m	£10.956m	The 2023/24 General Reserve opening balance is £13.394m, which represents 3.7% of the 2023/24 force budget of £363.7m. The 2023/24 General Reserve closing balance is £10.956m, which represents 3.0% of the 2023/24 force budget of £363.7m.
<b>Total Revenue Reserves</b>	<b>£28.895m</b>	<b>(£2.433m)</b>	<b>£0.000m</b>	<b>(£5.034m)</b>	<b>£21.427m</b>	<b>(£2.333m)</b>	<b>£19.094m</b>	



# 6. Capital

## 6.1 Capital Summary

### CAPITAL PROGRAMME 2023/24 MONTH 03 MONITORING POSITION SUMMARY REPORT

	2023/24 Original Budget PF&C Panel	2023/24 Subject to Approvals Funding Distribution	2023/24 Other Approved Changes (Appendix 1)	2023/24 Revised Budget	2023/24 Actuals (to end of reporting period)	2023/24 Forecast Outturn	2023/24 Forecast Budget Variance (Appendix 2)
	£000	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE -</b>							
ANPR projects	-	110	5	115	225	115	-
Estates projects	3,353	1,025	3,155	7,533	907	7,421	(112)
IT projects	542	3,052	977	4,571	-	4,494	(77)
Transport projects	1,295	2,200	782	4,277	816	3,451	(826)
OPC projects	26	-	75	101	-	101	-
SCD projects	-	-	15	15	5	15	-
Other projects	-	237	48	285	53	287	2
<i>Subject to Approval projects</i>	8,783	(6,624)	584	2,743	-	2,743	-
<b>TOTAL EXPENDITURE</b>	<b>13,999</b>	<b>-</b>	<b>5,642</b>	<b>19,641</b>	<b>2,006</b>	<b>18,627</b>	<b>(1,014)</b>
<b>FINANCING -</b>							
Capital Receipts	4,100	-	1,813	5,913		5,913	-
Revenue Contributions	1,131	-	950	2,081		2,081	-
Capital Grant	-	-	-	-		-	-
External & Other Income	-	-	-	-		-	-
Financing Requirement	8,768	-	2,879	11,647		10,633	(1,014)
<b>TOTAL FINANCING</b>	<b>13,999</b>	<b>-</b>	<b>5,642</b>	<b>19,641</b>	<b>2,006</b>	<b>18,627</b>	<b>(1,014)</b>

1 The revised budget reflects all changes to the capital programme since the original budget was approved at the PF&C Panel, including the allocation of subject to approval funding into the approved programme, as well as other changes such as slippage carried forward from the previous year, and other approved budget changes from the PFCC governance process.

2 The forecast budget variance reflects all in-year changes to the capital programme compared to the revised budget. The forecast £1.014m underspend incorporates slippage carried forward to 2024/25, and other changes, as set out in Appendix 1.

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

4 There are no actuals to date in the financing column as this process is undertaken at year-end (hence the shading applied to this column).

5 The term financing requirement refers to the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income i.e. an underlying need to borrow for capital purposes. This need to borrow can include external borrowing from bodies such as the Public Works Loans Board (PWLb) or other public sector bodies. It also includes internal borrowing whereby forces fund capital expenditure from a temporary surplus of cash. For treasury management purposes, and based on the latest 2023/24 Treasury Management report (reported at the June Strategic Board), it is expected that there will be a net external borrowing requirement of circa £10m by the end of 2023/24 primarily for capital expenditure and £10m for liquidity purposes and compliance with MiFID II legislation. In relation to the total financing requirement set out in the above report, any shortfall compared to the external borrowing value would be fully met by a corresponding amount of internal borrowing.

## 6.2 Capital Summary – Supporting Commentary

### Budget position

The starting budget position of **£13.999m** as set at the February 2023 Police Fire & Crime Panel, has been uplifted to a revised budget of **£19.641m** as at month 3. The increase of £5.642m comprises slippage of existing approved budget brought forward from 2022/23 as well as new approved capital projects.

The 2022/23 slippage of £2.536m brought forward comprises of:

- IT related projects of £0.727m, the main projects including £0.153m for the Infrastructure Tech Refresh programme, £0.443m for Dashcams, £0.065m for ESMCP ICCS and £0.066m for various other projects.
- £1.005m relates to various Estates projects. In respect of the 2021/22 programme the related projects include £0.734m Capitalised Maintenance Programme from earlier years, £0.280m for Harwich & Dovercourt Collaboration and £0.096m for Chelmsford Police Station. Other projects include £0.182m EPC replacement portacabins and various smaller projects from 2022/23 with a value of £0.070m offset by a reduction of £0.357m for Boreham C Block. It should be noted that the Boreham C Block project has now been amalgamated with Boreham Infrastructure MPI4.
- Transport slippage of £0.757m is related to earlier years of fleet replacement programmes, including £0.664m from the 2022/23 budget.
- Other areas of slippage include £0.010m for ANPR, SCD slippage of £0.015m and £0.018m relating to other smaller projects.

£0.736m of additional budgetary movement in 2023/24 includes business cases approved as Stage C's where no previous Stage B budget setting bid was submitted. The main elements of these are comprised as follows:

- Estates - £0.456m comprising of £0.320m for works at Basildon Police Station, £0.089m for the Boreham Drug Container project and £0.047m Boreham Infrastructure boundary fencing.
- £0.250m relating to IT projects for Airwaves Radio refresh project approved at the June Strategic board, £0.030 for TSU new card project and £0.025m for the Car Wash project relating to Transport.

£1.695m of subject to approval funding has also been approved from future years. This relates to the Boreham Infrastructure MIP4 project being reprofiled with funds advanced from future years, having been approved at the March 2023 Strategic Board.

The remaining material budgetary movement of £0.584m relates to subject to approval projects and comprises £0.529m of additions for Disposal Reprovision, reprofiled in line with the Estates Strategy. The remaining movement comprises £0.055m for Milestone Evidence software and the Covert Tracker Solution project, both of which have been added into the programme.

Since the original budget was approved there has been £6.624m of business cases, previously categorised as subject to approval, that were approved at the March and June Strategic Boards.

The impact of these approvals is reflected within the 'subject to approvals' columns in the capital tables contained within this report.

The £6.624m of schemes approved at the boards includes:

- £3.052m of IT projects relating to the Technical Refresh programme for servers, network components
- £0.110m for the ANPR 2023/24 equipment replacement programme as part of the forces annual rolling programme
- £0.237 for other projects relating to Body Armour replacement rolling programme 2023/24
- £2.2m for the Fleet replacement rolling programme 2023/24
- £1.025m of Estate projects including £0.150m for Harlow rest area, £0.250m for the annual capital maintenance, £0.400m Boreham infrastructure and £0.225m TSU Accommodation - MIP3 (Disposals Provision Facility 3/5).

### **Forecast**

The forecast for month 3 is a year-end spend of £18.627m which is a (£1.014m) variance against the latest revised budget of £19.641m. The movement of (£1.014m) comprises slippage of (£1.220m) offset by net forecast overspend of £0.205m.

#### **Forecast slippage of £1.220m (from 2023/24 to 2024/25)**

The three areas being forecast to slip into 2023/24 are Estates, Transport and IT and are comprised of:

**Estates** - which is expected to slip £0.279m into future years, the main projects contributing to the slippage include:

- Harwich & Dovercourt Collaboration project of £0.073m, due to a delay in the approval of the scheme and with delayed contractual negotiations impacting the final delivery of the project.
- Boreham Infrastructure MIP3 £0.132m relating to funds set aside for retention once the defective period ends. Slippage for Boreham C Block refurbishment (Locker Room & Drug Drying Room) £0.048m relates to retention monies for the first stages of the projects and will be released in 2024/25.

**Transport** - which is expected to slip by £0.827m relating to both the 2022/23 and 2023/24 replacement programmes due to continuing serious delays with deliveries of parts.

**IT** – who are reporting a minor slippage of £0.111m relating to Specials Body Worn Video & Mobile First. This project has slipped to 2023/24, however the refresh of the equipment is expected to be delivered in 2025/26 and therefore the project has been reprofiled to accordingly.

#### **Net forecast overspend of £0.205m**

**Estates** - £0.166m net additional expenditure, mainly relating to the CCTV project which has been reprofiled to spend more in 2023/24 with a corresponding reduction in 2024/25. This is due to the contractor changing the tender terms relating to the timing of purchasing the CCTV equipment.

IT – advanced works of £0.034m for the Dash Cam project.

### **General Update**

Transport teams are still suffering significant vehicle delivery delays, due to the ongoing issues with the delays in delivery of parts. Orders are being placed but delivery timescales remain unclear. This, and the worldwide shortage of semi-conductor chips and the ongoing war with Russia and Ukraine has significantly delayed delivery and this is the principal reason for the slippage being recognised within this area of the capital programme. In addition, other external forces including the slow economic recovery, high inflation, overall global and regional recession and increase in energy costs are all contributing to the delay in the delivery of the PFCC capital programme. The force continues to be faced with practical issues including problems with supply chains and shortage.

The Estates Capital Programme has been reprofiled to reflect the 2023/24 Estates Strategy and the delivery of various major projects including Boreham Infrastructure MIP4 and the Disposal Reprovision Facilities project. A Stage C business case for the Boreham Infrastructure MIP4 was presented at COG and the PFCC Strategic Board in March 2023 to reprofile the funding by transferring future years budgets to 2023/24 and amalgamate with the Boreham C Block project. The Disposal Reprovision Facilities project within the subject to approval programme has now been divided into five individual projects to provide greater transparency and visibility.

The financing plan for 2023/24 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. Capital receipts are forecast to be £5.913m for 2023/24 with all the receipts forecast to be used in financing the capital programme in 2023/24.

£1.001m of revenue contributions were also brought forward from 2022/23 to fund the 2023/24 capital programme. This will reduce the immediate financial burden on the revenue account over the coming years from high Minimum Revenue Provision (MRP) charges that would be required if these resources were not held back for this purpose, due to the level of planned spend on short-life assets across this period.

The financing requirement for unfinanced capital expenditure is forecast at £10.633m which equates to approximately 57% of the year's financing plan. Based on the latest treasury management information available, there is expected to be a need for further external borrowing in 2023/24 (see 6.1, note 5). This is in addition to the two instances of external borrowing for the year to date which have covered short-term cashflow commitments.

**CAPITAL PROGRAMME 2023/24 MONTH 03 MONITORING POSITION  
OTHER APPROVED BUDGET CHANGES**

	Slippage b/f	SB - Changes to Existing Programme*	SB - New Projects Approved	Budget Advanced from Future years	Delegated Authority - Changes to Existing	Delegated Authority - New Projects Approved	Total Movements
	£000	£000	£000	£000	£000	£000	£000
<b>OTHER APPROVED BUDGET CHANGES</b>							
ANPR projects	5	-	-	-	-	-	5
Estates projects	1,005	-	456	1,695	-	-	3,155
IT projects	727	-	250	-	-	-	977
Transport projects	757	-	-	-	25	-	782
OPC projects	10	-	-	-	-	66	75
SCD projects	15	-	-	-	-	-	15
Other projects	18	-	30	-	-	-	48
<i>Subject to Approval projects</i>	-	584	-	-	-	-	584
<b>TOTAL</b>	<b>2,536</b>	<b>584</b>	<b>736</b>	<b>1,695</b>	<b>25</b>	<b>66</b>	<b>5,642</b>

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

**CAPITAL PROGRAMME 2023/24 MONTH 03 MONITORING POSITION  
FORECAST EXPENDITURE VARIANCES**

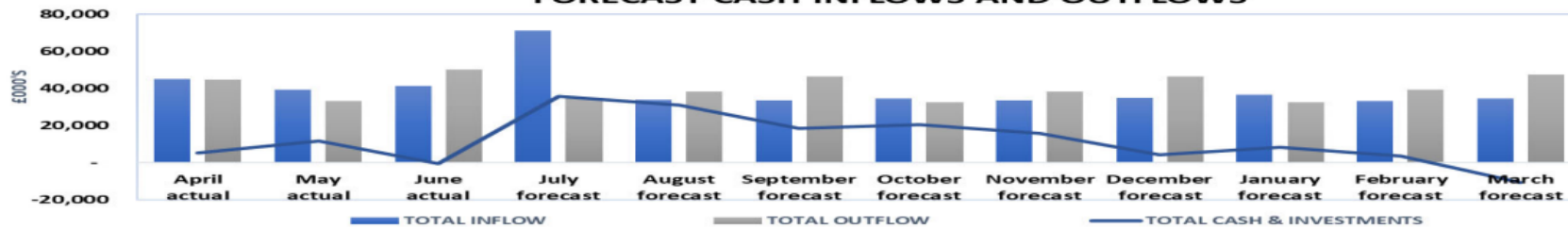
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
<b>FORECAST OUTTURN VARIANCES</b>					
ANPR projects	0	0	0	0	0
Estates projects	0	168	(2)	(279)	(112)
IT projects	0	34	0	(111)	(77)
Transport projects	0	0	0	(827)	(826)
OPC projects	0	0	0	0	0
SCD projects	0	0	0	0	0
Other projects	0	5	0	(3)	2
<i>Subject to Approval projects</i>	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>207</b>	<b>(2)</b>	<b>(1,220)</b>	<b>(1,014)</b>

# 7. Cashflow Forecast



## Cashflow Actual – June 2023

### FORECAST CASH INFLOWS AND OUTFLOWS



	Forecast £000	Actual £000	Variance £000
<b>Expenditure</b>			
Supplier payments	12,201	14,411	2,210
Capital - property acquisitions	0	0	0
HMRC payments	7,085	7,655	570
Essex LGPS payments	1,500	1,603	103
Payroll	25,700	26,404	704
<b>Total cash outflow</b>	<b>46,486</b>	<b>50,073</b>	<b>3,587</b>
<b>Income</b>			
Govt grant	(19,074)	(17,260)	1,814
Precepts	(13,348)	(13,372)	(24)
Other net receipts	(9,030)	(6,695)	2,335
<b>Total cash inflow</b>	<b>(41,452)</b>	<b>(37,327)</b>	<b>4,125</b>
<b>Total cash (inflow)/outflow</b>	<b>5,034</b>	<b>12,746</b>	<b>7,712</b>

#### JUNE COMMENTARY

##### Expenditure

Supplier payments were £2.2m higher than forecast including the impact of a payment of £3m to the Home Office relating to centrally delivered services.

The other significant variance related to payroll which was £0.704m higher than the plan anticipated. This included £0.394m relating to police officer/police staff pay and allowances, mainly due to additional/backdated payments for the Easter and May bank holidays, and an additional of £0.300m relating to payments to pensioners higher than forecast. Other variances of £0.571m relating to various payroll related payments to HMRC and £0.103m for payments to the Essex LGPS.

##### Income

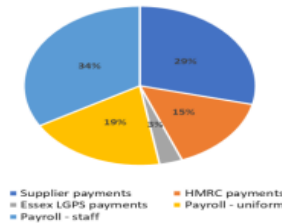
Government grants was £1.814m lower than forecast mainly due to delay in receipts of the of the Police Pension Grant of £2.8m moving to July, offset by receipts of £0.507m relating to Serious Violence Grip Fund and £0.723m for Violence Reduction Grant. Other net receipts were £2.335m less than forecast, mainly due to a delay in receiving £1.643m from Stansted MAG, with the remaining £0.692m shortfall relating to an amalgamation of VAT reimbursements and other customer receipts.

##### External Borrowing/Financing

The actual cashflow forecast position in June reflected a significant decrease with £4m of short-term external borrowing being undertaken during the period. Based upon the most recent cash flow forecast for the remainder of the year it is expected that the net cash position will reflect a deficit of circa £10.6m by year-end, comprising approximately £20.6m external borrowing and £10m liquid investments.

### EXPENDITURE ANALYSIS

#### JUNE EXPENDITURE SUMMARY



#### Investments @ 30th June

