

Performance and Resources Scrutiny Programme 2023/24

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

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1.0 Purpose of Report

This report identifies the 2023/24 Month 4 position for the Force.

2.0 Recommendations

2.1 To note the latest position in the monitoring report.

2.2 To note the inclusion of the agreed 2023/24 Police Officer pay award of 7%, and a forecast 2023/24 Police Staff and PCSO pay award of 7%, with a combined estimate of £8.346m. Home Office funding of £7.418m has been confirmed to partially fund the impact of the 2023/24 pay award for Officers, Staff and PCSOs, and is reflected as surplus income.

Virements between Pay and Allowances and Income will be completed upon confirmation of the Police Staff and PCSO pay award.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the July, Month 4, financial position.

5.0 Current Work and Performance

The Month 4 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 1628 – Future Funding.

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 overspend as at month 4 is £0.364m against the 2023/24 revenue budget of £363.7m (0.10% 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 July is 3,703 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 £7.088m.

The Police Staff strength at the end of June is 2,111 FTE. Total vacancies at 30th June are 298 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £0.272m.

The PCSO strength at the end of June is 97 FTE and forecast to be 98 FTE at year end. The underspend on PCSO Pay and Allowances is £0.052m.

RESERVES

The net appropriation from earmarked reserves as at Month 4 is £5.034m.

No further appropriations are included within the Month 4 position, as noted in Section 2 of the report.

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 4 is a forecast spend of £19.062m, which is a £0.580m underspend against the latest revised budget of £19.642m (2.95% variance).

The financing requirement for unfinanced capital expenditure is forecast at £11.140m which equates to approximately 58% of the year's financing plan. Based on the latest cashflow, there is expected to be a need for further external borrowing in 2023/24, in addition to the two previous short-term instances for the year to date.

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

2. List of Appropriations to/from Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
Total		0				
Appropriations (from) Earmarked Reserves						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
Total		0				
Net appropriation to/(from) Earmarked Reserves		0				

3. Revenue

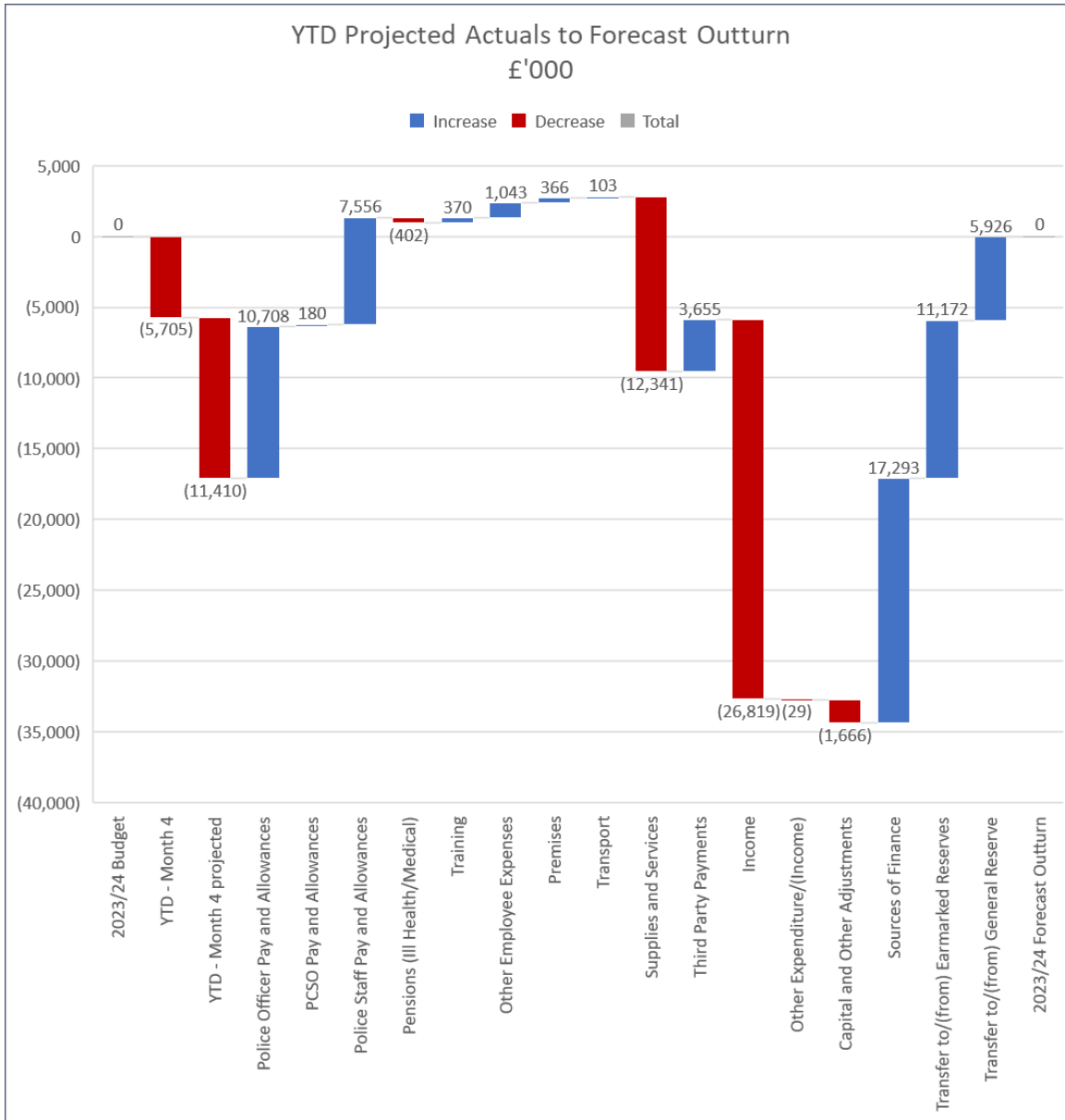
3.1 Revenue Summary

In Month - Month 04			Year to Date - Month 04			Subjective Heading	Full Year							
Budget ¹	Actual	Variance	Budget ¹	Actual	Variance		Original Budget ²	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast	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
18,234	18,133	(101)	72,937	71,275	(1,661)	Employees								
684	616	(68)	2,735	3,361	627	<u>Police Officer Pay and Allowances</u>	218,616	195	218,810	71,275	225,899	7,283	7,088	5,664
88	108	20	350	389	38	- Police Officer Pay and Allowances	7,127	1,076	8,204	3,361	8,672	1,544	468	72
0	0	0	0	0	0	- Overtime and Operational Performance	1,049	2	1,051	389	1,216	167	164	(24)
19,005	18,857	(148)	76,022	75,026	(996)	- Associated Police Pay	0	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	226,792	1,273	228,065	75,026	235,786	8,994	7,721	5,711
311	298	(13)	1,243	1,166	(78)	Police Officer Pay and Allowances								
						PCSO Pay and Allowances	3,687	43	3,730	1,166	3,678	(9)	(52)	186
8,121	7,756	(365)	32,483	29,782	(2,701)	<u>Police Staff Pay and Allowances</u>	97,785	(336)	97,449	29,782	97,178	(607)	(272)	2,197
151	282	131	604	765	160	- Police Staff Pay & Allowances	1,124	689	1,813	765	2,019	895	206	20
8,272	8,038	(234)	33,088	30,547	(2,540)	- Police Staff Overtime and Agency	98,909	353	99,263	30,547	99,197	287	(66)	2,218
351	329	(22)	1,405	1,638	233	Police Staff Pay and Allowances	4,215	0	4,215	1,638	4,512	297	297	1
171	211	39	685	562	(122)	Pensions (Ill Health / Medical)	2,019	35	2,054	562	2,056	37	2	0
33	(59)	(93)	133	(187)	(320)	Training	399	(1)	399	(187)	482	83	84	84
28,144	27,673	(471)	112,575	108,752	(3,823)	Other Employee Expenses	336,022	1,705	337,726	108,752	345,711	9,689	7,985	8,200
1,029	1,146	117	4,115	3,869	(246)	Employees Total	12,317	26	12,344	3,869	11,973	(344)	(370)	27
585	439	(145)	2,339	2,385	47	Premises	6,934	81	7,016	2,385	7,258	324	242	(280)
4,042	4,547	505	16,168	20,883	4,714	Transport								
0	0	0	0	0	0	<u>Supplies and Services</u>	42,281	6,225	48,505	20,883	50,308	8,027	1,802	434
4,042	4,547	505	16,168	20,883	4,714	- Supplies and Services	446	(446)	0	0	0	(446)	0	0
						- In-Year Investments	42,727	5,779	48,505	20,883	50,308	7,581	1,802	434
667	561	(106)	2,668	1,533	(1,135)	Supplies and Services								
34,466	34,367	(99)	137,865	137,421	(444)	Third Party Payments	7,382	622	8,003	1,533	8,252	870	248	174
(3,604)	(7,050)	(3,445)	(14,418)	(8,386)	6,032	Gross Expenditure	405,381	8,213	413,594	137,421	423,501	18,120	9,907	8,555
30,862	27,317	(3,544)	123,447	129,035	5,588	Income	(40,074)	(3,179)	(43,253)	(8,386)	(51,977)	(11,903)	(8,724)	(7,484)
(8)	(78)	(70)	(30)	(154)	(123)	Net Cost of Services	365,307	5,034	370,341	129,035	371,524	6,217	1,183	1,071
75	0	(75)	301	833	532	Other Expenditure / (Income)	(91)	0	(91)	(154)	(491)	(400)	(400)	0
30,930	27,239	(3,690)	123,718	129,714	5,996	Capital and Other Adjustments	904	0	904	833	833	(71)	(71)	0
(30,307)	(29,593)	714	(121,229)	(126,952)	(5,723)	Net Expenditure	366,120	5,034	371,154	129,714	371,866	5,746	712	1,071
622	(2,354)	(2,976)	2,489	2,762	273	Sources of Finance	(363,687)	0	(363,687)	(126,952)	(363,563)	124	124	0
(360)	0	360	(1,441)	(5,322)	(3,882)	(Surplus)/Deficit before appropriations	2,433	5,034	7,467	2,762	8,303	5,870	836	1,071
(262)	0	262	(1,048)	(3,145)	(2,096)	Contribution to/(from) Earmarked Reserves	712	(5,034)	(4,322)	(5,322)	(4,794)	(5,506)	(472)	0
0	(2,354)	(2,354)	0	(5,705)	(5,705)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(3,509)	(364)	(364)	(1,071)
						(Surplus)/Deficit after appropriations	0	0	0	(5,705)	0	0	0	0

¹Even monthly profile of Revised Budget

²2023/24 Budget agreed at Police, Fire and Crime Panel

3.2 Year to Date Projected Actuals to Forecast Outturn



Supporting Commentary

YTD – Month 4 projected

Actuals to date, extrapolated for remaining months of the year

Police Officer Pay and Allowances

Inclusion of agreed Police Officer pay award from 1 September 2024. Impact of joiners/leavers during the year, Detective and AFO Bonus Payments, pay increments, and overtime paid in arrears

Police Staff Pay and Allowances

Inclusion of forecast Police Staff pay award from 1 September 2024. Impact of staff pay award, further force growth posts, and overtime paid in arrears

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 income streams that are yet to materialise in 2023/24, for example, Home Office funding of the 2023/24 pay award, Home Office PUP grant, externally funded units such as Safer Essex Roads Partnership, and PFCC Victims and Violence and Vulnerability commissioning budgets

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 from the general reserve resulting from the revenue forecast overspend position

3.3 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £7.721m overspend

Explanation of forecast variance

The forecast includes the impact of the agreed 2023/24 Police Officer pay award of 7%. In addition, the 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 Staff Pay and Allowances - £0.066m underspend

Explanation of forecast variance

The forecast includes the estimated impact of the 2023/24 Police Staff pay award of 7%, which is yet to be agreed. In addition, a net underspend position results from the opening strength being 62 FTE less than budgeted; a net reduction in strength since the beginning of 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)

Previously reported adjustments to Original Budget, up to and including Month 3, 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)

Previously reported adjustments to Original Budget, up to and including Month 3, 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 PCSO Pay and Allowances - £0.052m underspend

Explanation of forecast variance

Forecast underspend due to opening strength being less than budgeted establishment, partially offset by a forecast 2023/24 PCSO pay award of 7%, which is yet to be agreed.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report

Police Pensions (Ill Health/Medical) - £0.297m 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%.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Premises - £0.370m 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.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Transport - £0.242m overspend

Explanation of forecast variance

Forecast overspend for vehicle parts and equipment expenditure to reflect expenditure incurred to date, partially offset by a forecast underspend in respect of vehicle fuel, to reflect lower expenditure resulting from a reduction in fuel prices and fewer miles incurred.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Supplies and Services - £1.802m 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 variances relating to Data Centre dual running/hosting costs and associated software licences, plus Airwave indexation increases (£0.6m); 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).

Third Party Payments - £0.248m overspend

Explanation of forecast variance

The forecast overspend is predominantly in relation to ERSOU ROCU costs following an update from the lead force, the estimated Essex ROCU share of the additional officer pay award incurred by other ROCU forces, and 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)

Previously reported adjustments to Original Budget, up to and including Month 3, 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)

Previously reported adjustments to Original Budget, up to and including Month 3, 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.

Income - £8.724m surplus

Explanation of forecast variance

Forecast surplus based on Home Office funding of £7.418m to partially fund the impact of the 2023/24 pay award for Officers, Staff and PCSOs; and 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) - £0.400m 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.

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)

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.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

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.

Contribution from General Reserve - £0.364m

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)

As noted in Section 2 of the report.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

3.4 Main Forecast Movements since last month

Main Changes to Forecast Outturn Variance since Month 3

	Change in Forecast Outturn Variance £m	
Month 3 Forecast Outturn Variance	(0.7)	Underspend
Police Officer Pay and Allowances	5.7	The increase in forecast variance includes the estimated impact of the agreed 2023/24 Police Officer pay award of 7%.
PCSO Pay and Allowances	0.2	The increase in forecast variance includes the estimated impact of a forecast 2023/24 PCSO pay award of 7%, and 6 FTE additional PCSO joiners forecast for November 2023.
Police Staff Pay and Allowances	2.2	The increase in forecast variance includes the estimated impact of a forecast 2023/24 Police Staff pay award of 7%, which is partially offset by the impact of staff joiners and leavers, with a net reduction in strength.
Other Employee Expenses	0.1	The increase in forecast variance includes £0.1m for probationer recruitment marketing campaigns.
Transport	(0.3)	The decrease in forecast variance is in connection to vehicle fuel, to reflect lower expenditure resulting from a reduction in fuel prices and fewer miles incurred.
Supplies and Services - IT	0.4	The increase in forecast variance is due to additional IT costs in relation to the Data Centre, in the form of dual running/hosting costs and associated software licences, and the cost of the EA Cisco contract, over and above the business case findings. This overspend is partially offset by an underspend in relation to the Digital Forensics Unit (DFU), based on IT project delays and a re-procurement exercise that is due for completion during the financial year.
Third Party Payments	0.2	The increase in forecast variance includes ERSOU ROCU costs following an update from the lead force, and the estimated Essex ROCU share of the additional officer pay award incurred by other ROCU forces.
Income	(7.4)	The forecast variance includes £7.4m additional Home Office funding for the agreed Police Officer pay awards, and an equivalent pay award for Police Staff and PCSO, that is still to be confirmed.
Month 4 Forecast Outturn Variance	0.4	Overspend

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													
	Strength	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	
	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
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

2023/24 Forecast Strength															
Strength	Actual FTE			Forecast FTE										Total FTEs	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs			
15	1st April 2023 Strength	3,743	3,720	3,702	3,722	3,703	3,682	3,739	3,718	3,696	3,741	3,719	3,698		
16	Leavers	(26)	(24)	(22)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(279)	
17	Joiners (note 7)	3	6	40	4	2	80	2	1	68	1	2	80	289	
20	Other Adjustments (note 8)	(0)	0	2	0	0	0	0	0	0	0	0	0	2	
21	Net change	(23)	(18)	20	(19)	(21)	57	(21)	(22)	45	(22)	(21)	57	12	
22	Officer strength - month end	3,720	3,702	3,722	3,703	3,682	3,739	3,718	3,696	3,741	3,719	3,698	3,755		
23	Difference to 3755fte - over / (under)	(35)	(53)	(33)	(52)	(73)	(16)	(37)	(59)	(14)	(36)	(57)	0		
Actuals /Forecast £	Actual £				Forecast £										Total £m
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m			
24	Costed Strength before joiners/leavers	£16.97m	£18.27m	£17.91m	£18.06m	£18.23m	£20.00m	£19.23m	£19.38m	£19.31m	£19.40m	£19.47m	£20.13m	£226.38m	
25	Leavers					(£0.09m)	(£0.18m)	(£0.28m)	(£0.37m)	(£0.46m)	(£0.55m)	(£0.65m)	(£0.74m)	(£3.31m)	
26	Joiners					£0.01m	£0.04m	£0.30m	£0.29m	£0.30m	£0.61m	£0.53m	£0.57m	£2.65m	
27	Other Costs					£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.18m	
28	Monthly Actual	£16.97m	£18.27m	£17.91m	£18.06m	£18.18m	£19.87m	£19.28m	£19.33m	£19.18m	£19.49m	£19.38m	£19.98m	£225.90m	
Variance from Budget Setting															
	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		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
29	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(22)	(19)	(18)	(5)	(4)	(4)	(3)	(3)	(2)		
30	Leavers (positive number = less leavers)	8	(1)	1	0	0	0	0	0	0	0	0	0	8	
31	Joiners	2	5	(27)	3	1	13	1	0	1	0	1	2	2	
32	Other Adjustments	(0)	0	2	0	0	0	0	0	0	0	0	0	2	
33	Month End Strength Change - FTEs	(2)	2	(22)	(19)	(18)	(5)	(4)	(4)	(3)	(3)	(2)	0	12	
34	Change per month FTEs	10	4	(24)	3	1	13	1	0	1	0	1	2		
35	Monthly Financial Change	(£1.13m)	£0.26m	(£0.23m)	£0.01m	£0.22m	£1.42m	£0.92m	£1.06m	£0.79m	£1.19m	£1.17m	£1.60m	£7.28m	

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		
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 1 FTE less Leaver	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
Estimated Impact of 3 FTE less probationer			(98,835)			(69,184)			(39,534)					(207,553)
	Net Impact												112,647	
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 10 FTE less Leavers	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
Estimated Impact of 30 FTE less probationer			(988,349)			(691,845)			(395,340)					(2,075,534)
	Net Impact												1,126,469	
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 13 FTE less Leavers	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
Estimated Impact of 39 FTE less probationer			(1,284,854)			(899,398)			(513,942)					(2,698,194)
	Net Impact												1,464,410	

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

FTE Changes Impacting Pay Forecasts - 2023/24 Month 4

1. Police Officers - Budget Based on Strength

	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2024
	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	
Budget Setting			3,755	275	12	(287)	0	3,755
HR data @ 31 May 23	3,755	3,702	3,743	258	31	(279)	2	3,755
HR data @ 30 June 23	3,755	3,722	3,743	259	30	(279)	2	3,755
Change		20		1	(1)	0	0	0

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

	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
Budget Setting			2,374	2,208		
HR data @ 31 May 23	2,406	2,121			20	(44)
HR data @ 30 June 23	2,409	2,111			31	(66)
Change		(10)			11	(21)

* 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					Strength at 31st March 2024
	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	
Budget Setting			102	102				
HR data @ 31 May 23	99	93	99	94	4	(6)	0	92
HR data @ 30 June 23	99	97	99	94	10	(6)	0	98
Change		4			6	0	0	6

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

4. Specials - Headcount	Actual Strength	Target Strength
Budget Setting		427
HR data @ 31 May 23	308	427
HR data @ 30 June 23	301	427
Change	(7)	

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
1 Reserves held by Essex Police but managed as third party reserves								
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.
Total	£0.101m	£0.000m	£0.000m	£0.000m	£0.101m	(£0.011m)	£0.090m	
2 Ringfenced Reserve								
Proceeds of Crime Act	£1.696m	(£0.301m)	-	£0.011m	£1.406m	(£0.358m)	£1.048m	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	(£0.119m)	£0.844m	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
Total	£6.991m	(£0.288m)	£0.000m	(£1.395m)	£5.307m	(£0.799m)	£4.508m	

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
3 Operational Reserves								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office. 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
Total	£3.151m	£1.000m	£0.000m	£0.000m	£4.151m	(£2.373m)	£1.778m	
4 PFFC Reserves								
Commissioning Grants / Safer Streets	£5.258m	-	-	(£3.639m)	£1.619m	-	£1.619m	Includes PFFC 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.
Total	£5.258m	£0.000m	£0.000m	(£3.639m)	£1.619m	£0.000m	£1.619m	
5 General Reserve								
General Reserve	£13.394m	(£3.145m)	-	-	£10.249m	(£0.364m)	£9.885m	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 £9.885m, which represents 2.7% of the 2023/24 force budget of £363.7m.
Total Revenue Reserves	£28.895m	(£2.433m)	£0.000m	(£5.034m)	£21.427m	(£3.547m)	£17.880m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 04 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)	2023/24 Previous Month Forecast Outturn	2023/24 Movement to Previous Month Forecast Outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE -									
ANPR projects	0	110	5	115	115	115	0	115	0
Estates projects	3,353	1,025	3,155	7,533	1,371	7,406	(127)	7,421	(15)
IT projects	542	3,052	977	4,571	7	4,499	(72)	4,494	5
Transport projects	1,295	2,200	782	4,277	1,254	3,869	(408)	3,451	418
OPC projects	26	400	76	502	29	500	(2)	101	399
SCD projects	0	0	15	15	5	15	0	15	0
Other projects	0	237	48	285	77	315	30	287	28
<i>Subject to Approval projects</i>	8,783	(7,024)	584	2,343	0	2,343	(0)	2,743	(400)
TOTAL EXPENDITURE	13,999	0	5,643	19,642	2,858	19,062	(580)	18,627	435
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		5,733	(180)	5,913	(180)
Revenue Contributions	1,131	0	950	2,081		2,126	45	2,081	45
Capital Grant	0	0	0	0		0	0	0	0
External & Other Income	0	0	0	0		63	63	0	63
Financing Requirement	8,768	0	2,880	11,648		11,140	(508)	10,633	507
TOTAL FINANCING	13,999	0	5,643	19,642	2,858	19,062	(580)	18,627	435

Notes

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 £0.580m 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 **£19.642m** as at month 4. The increase of £5.643m 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 IT related projects of £0.727m, Estates related projects of £1.005m, Transport slippage of £0.757m, and other immaterial balances totalling £0.048m.

Additional budgetary movement of £0.736m in 2023/24 includes business cases approved as Stage C's where no previous Stage B budget setting bid was submitted, and £1.695m of subject to approval funding which has 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 have been £7.024m 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 £7.024m 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

- £0.237m 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).
- £0.400m of OPC project relating to the Marine Launch project.

Movements since previous month

The projected capital position for month 4 reflects an underspend of (£0.580m) compared to the previous month 3 reported underspend of (£1.014m). The increase in the forecast variance since the previous month equates to £0.435m, all relating to approved budgets lines, the details of which are included in the supporting tables.

Forecast Variances

The forecast for month 4 is a year-end spend of £19.062m which is a (£0.580m) forecast variance against the current budget of £19.642m. This comprises slippage of (£0.821m), a minor underspend of (£0.004m) both offset by a net forecast overspend of £0.244m.

Forecast slippage of £0.821m (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 £0.299m into future years, the main projects including:

- 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
- A small slippage of £0.020m for Haven Rooms due to remedial works required at the Braintree location prior to main works being completed.
- 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 £0.408m 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 accordingly.

Net forecasts overspend of £0.244m

Estates - £0.173m of which £0.166m net additional expenditure relates 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 – including advanced works of £0.034m for the Dashcams project.

Other – including £0.028m relating to body armour due to a forecast increase relating to more new recruits than previously anticipated.

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 £5.733m 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 £11.140m which equates to approximately 58% 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.

6.3 Capital Summary – Supporting Tables

CAPITAL PROGRAMME 2023/24 MONTH 04 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 from New Projects and to Existing Programme*	Total Movements
	£000	£000	£000	£000	£000	£000
OTHER APPROVED BUDGET CHANGES						
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	76
SCD projects	15	-	-	-	-	15
Other projects	18	-	30	-	-	48
<i>Subject to Approval projects</i>	-	584	-	-	-	584
TOTAL	2,536	584	736	1,695	91	5,643

*changes to existing programme relate to differences in values between budget setting bid compared to final approved business case

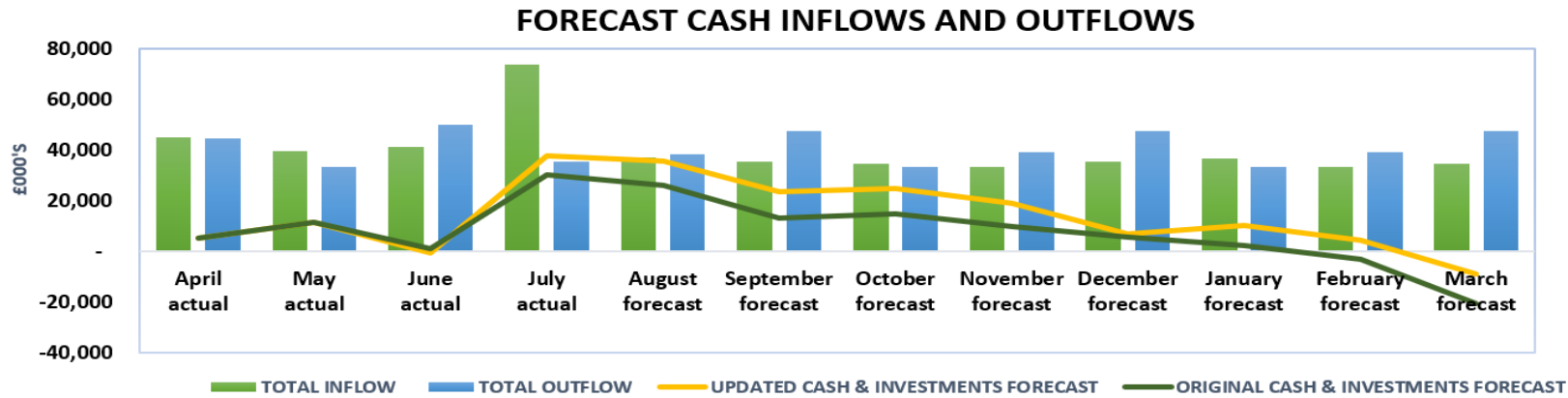
CAPITAL PROGRAMME 2023/24 MONTH 04 MONITORING POSITION FORECAST EXPENDITURE VARIANCES

	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	0	0	0	0
Estates projects	0	173	(2)	(299)	(127)
IT projects	0	38	0	(111)	(72)
Transport projects	0	0	0	(408)	(408)
OPC projects	0	0	(2)	0	(2)
SCD projects	0	0	0	0	0
Other projects	0	33	0	(3)	30
<i>Subject to Approval projects</i>	0	0	0	0	0
TOTAL	0	244	(4)	(821)	(580)

**CAPITAL PROGRAMME 2023/24 MONTH 04 MONITORING POSITION
FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH**

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 3 Forecast Outturn	18,627	
Vehicle Replacement Programme 2022/23 & 2023/24	418	Previous months slippage now reporting to spend due to supplier confirming that existing orders will be fulfilled during 2023/24
Other immaterial movements < £50k	17	Various
Month 4 Forecast Outturn	19,062	

7. Cashflow Forecast



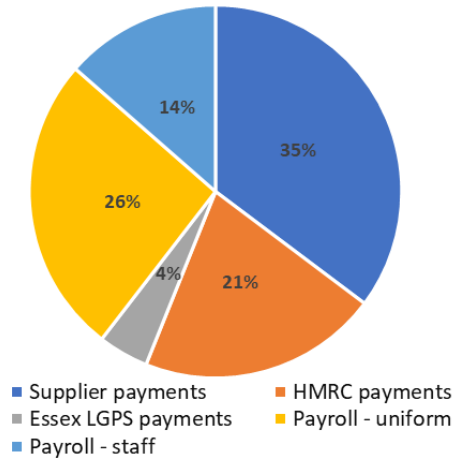
July Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	11,593	12,580	987
HMRC payments	6,632	7,443	811
Essex LGPS payments	1,500	1,563	63
Payroll	14,100	14,114	14
Total cash outflow	33,825	35,700	1,875
Income			
Govt grant	(19,074)	(19,568)	(494)
Pension Top Up Grant	(33,368)	(33,368)	0
Precepts	(13,288)	(13,348)	(60)
Other net receipts	(5,523)	(7,531)	(2,008)
Total cash inflow	(71,253)	(73,815)	(2,562)
Total cash (inflow)/outflow	(37,428)	(38,115)	(687)

July Commentary

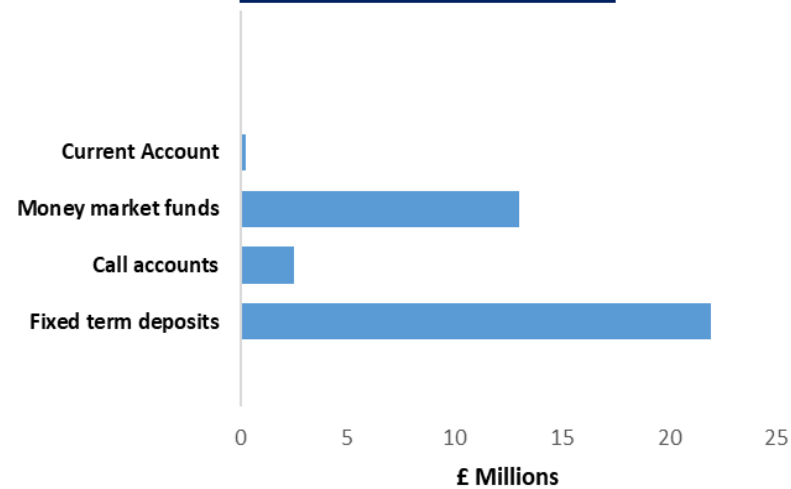
Expenditure
Supplier payments were £0.987m higher than forecast reflecting three one-off material supplier payments on the 7th and the 28th July which were not included in the plan. The other significant expenditure variance related to HMRC payments which were £0.811m extra than the plan anticipated, with £0.247m of additional pensions payments and £0.559m extra relating to police officers and staff.

Income
Government grants were £0.494m higher than forecast relating to additional grants received from the Home Office relating to ARIS (£0.104m) and Barring & Disclosures (£0.390m). The increase of other net receipts of £2.008m included £0.807m from the Ministry of Justice and additional customer receipts of £1.258m received from Kent Police.

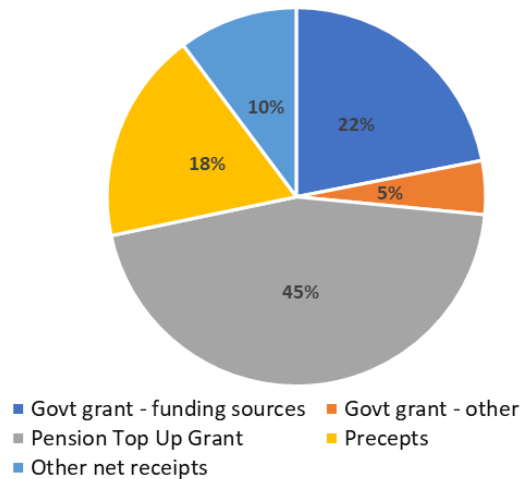
July Expenditure Breakdown



Investments @ 31st July



July Income Breakdown



External Borrowing/Financing

The actual cashflow forecast position in July included a significant increase due to the Police Officer Pension Scheme top up grant of £33.367m. This fed into a higher amount of cash and investments held at month end. The PFCC cashflow position is expected to remain in surplus for the remainder of the calendar year however based upon the most recent cash flow forecast for it is expected that the net cash position will reflect a deficit of circa £8.9m by year-end, comprising approximately £18.9m external borrowing and £10m liquid investments.