

Performance and Resources Scrutiny Programme 2023/24

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

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Author on behalf of Chief Officer:	Richard Jones, Head of Financial Performance and Reporting
Date of Approval by Chief Officer	DCC Prophet - 14th September 2023
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1.0 Purpose of Report

This report identifies the 2023/24 Month 5 position for the Force.

2.0 Recommendations

2.1 To note the latest position in the monitoring report.

2.2 To note the appropriations to earmarked reserves (virements and journals) that do not require approval, and to recommend approval of the appropriations to earmarked reserves (virements and journals) that do require approval (highlighted in green under *Governance Process*), subject to decision report, as noted in Section 2 of the report.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the August, Month 5, financial position.

5.0 Current Work and Performance

The Month 5 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 5 is £0.084m against the 2023/24 revenue budget of £363.7m (0.02% 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 August is 3,675 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of August is 21 under 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £1.707m.

The Police Staff strength at the end of July is 2,137 FTE. Total vacancies at 31st July are 270 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.357m.

The PCSO strength at the end of July is 96 FTE and forecast to be 98 FTE at year end. The underspend on PCSO Pay and Allowances is £0.113m.

RESERVES

The net appropriation from earmarked reserves for Month 5 is £2.525m.

A list of all appropriations to and from earmarked reserves is 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 5 is a forecast spend of £18.795m, which is an £0.847m underspend against the latest revised budget of £19.642m (4.3% variance).

The financing requirement for unfinanced capital expenditure is forecast at £10.834m 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						
ER009/23	Forfeitures legacy income	237	Legacy income transferred from the Balance Sheet in accordance with previously agreed annual process.	To be approved by Chief Officer Group and PFCC	Forfeitures Reserve	Income
ER010/23	Capital expenditure funded from Forfeitures Reserve	119	Capital funding for drug containers relocation and associated costs at Boreham (£89k) and purchase of TruNarc portable drug testing device (£30k), as previously approved at the POCA Board	To be approved by Chief Officer Group and PFCC	Future Capital Funding Reserve	Forfeitures Reserve
ER011/23	Forfeitures income 2023/24	100	Appropriation to allocate in-year forfeitures income to Forfeitures Reserve	To be approved by Chief Officer Group and PFCC	Forfeitures Reserve	Income
ER012/23	POCA legacy income	34	Legacy income transferred from the Balance Sheet in accordance with previously agreed annual process.	To be approved by Chief Officer Group and PFCC	POCA Reserve	Income
	Total	490				

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations (from) Earmarked Reserves						
ER013/23	Capital Expenditure Funded by Revenue via Future Capital Funding Reserve	(2,126)	Technical appropriation to reflect financing of the capital programme with revenue funding from the Future Capital Funding Reserve	Technical	Future Capital Funding Reserve	Capital & Other Adjustments
ER014/23	Immediate Detriment costs - Police Officer Pensions	(333)	Appropriation from Legal Claims Reserve to meet the costs to date for retiring police officers in relation to immediate detriment pension costs	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Pensions (Ill Health / Medical)
ER015/23	Miscellaneous Insurance Premiums	(130)	Drawdown from Insurance Reserve to offset the current forecast overspend being recognised for miscellaneous insurance premiums	Appropriation from Earmarked Reserve for its intended use	Insurance Reserve	Third Party Payments
ER016/23	Capital expenditure funded from Forfeitures Reserve	(119)	Capital funding for drug containers relocation and associated costs at Boreham (£89k) and purchase of TruNarc portable drug testing device (£30k), as previously approved at the POCA Board	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Future Capital Funding Reserve
ER017/23	Revenue consequences in relation to ESMCP	(113)	Funding from Transformation Reserve to meet commitments in relation to EMSCP following review of revenue consequences	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Supplies and Services
ER018/23	Sanction charges - Police Officer Pensions	(100)	Appropriation from Legal Claims Reserve to meet the burden of sanction charges to HMRC in relation to police officer pension lump sums, which are met by the force	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Pensions (Ill Health / Medical)
ER019/23	Legal Claims - Allard claims	(73)	Appropriation from Legal Claims Reserve to offset the impact of the current claims incurred within Legal Claims (£73k) in respect of Allard & Ors	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Supplies and Services
ER020/23	Revenue expenditure funded from Forfeitures Reserve	(21)	Funding to support the workstreams of the Cash Banking Working Group (£21k) as approved at July 2023 POCA Board	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Supplies and Services
Total		(3,015)				
Net appropriation to/(from) Earmarked Reserves		(2,525)				

3. Revenue

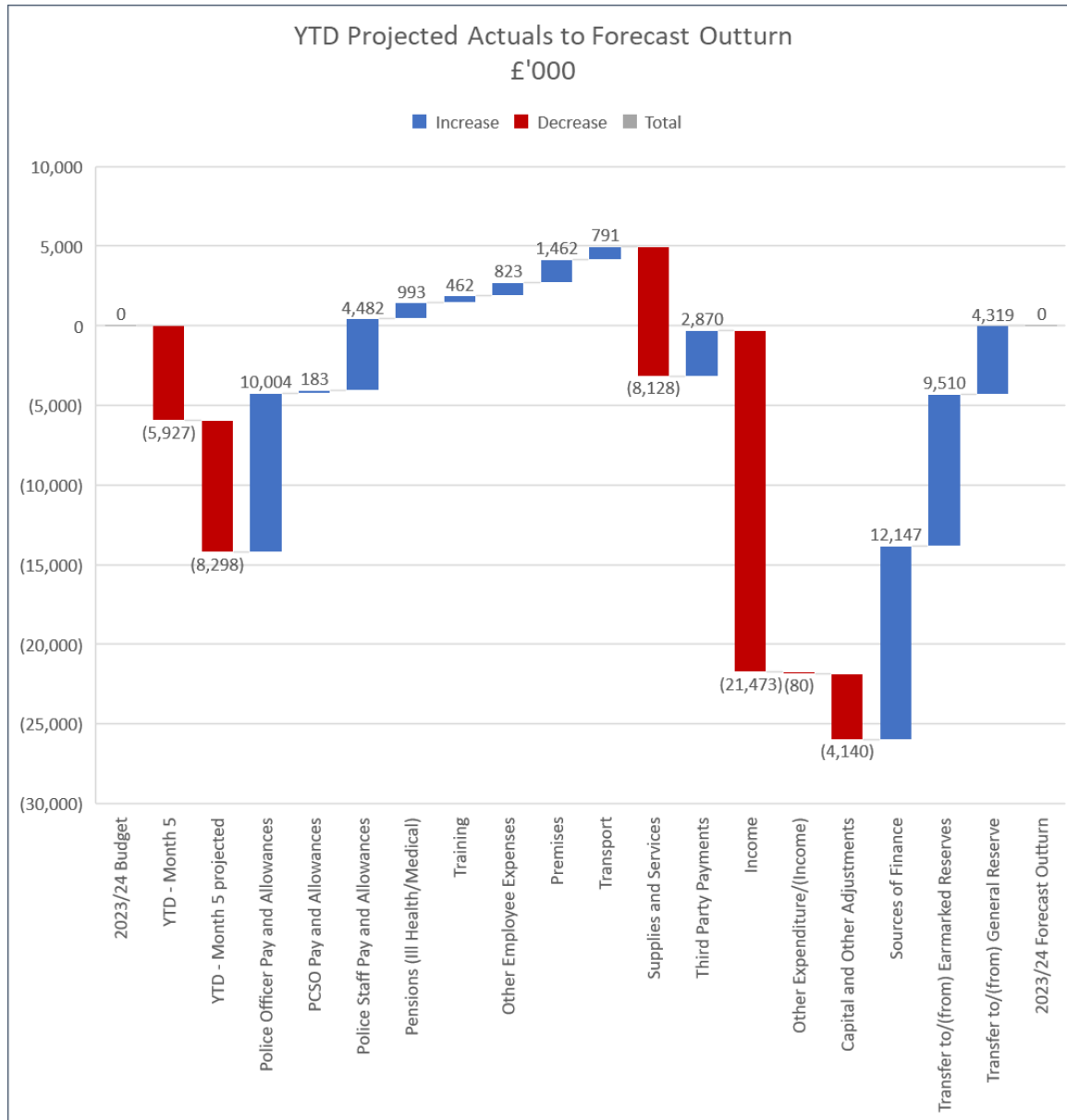
3.1 Revenue Summary

In Month - Month 05			Year to Date - Month 05			Subjective Heading	Full Year					Movement from Prior Month Revised Budget		
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
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000		£000	£000
18,661	18,216	(445)	93,303	89,492	(3,812)	Employees								
684	652	(32)	3,418	4,013	595	<u>Police Officer Pay and Allowances</u>								
88	122	34	438	511	73	- Police Officer Pay and Allowances	218,616	5,313	223,928	89,492	225,635	7,020	1,707	
0	0	0	0	0	0	- Overtime and Operational Performance	7,127	1,076	8,204	4,013	8,730	1,602	526	
19,432	18,990	(442)	97,160	94,015	(3,144)	- Associated Police Pay	1,049	2	1,051	511	1,275	226	224	
						- In-Year Savings Shortfall/(Surplus)	0	0	0	0	0	0	0	
						Police Officer Pay and Allowances	226,792	6,391	233,183	94,015	235,640	8,848	2,457	
318	301	(17)	1,591	1,467	(124)	PCSO Pay and Allowances	3,687	130	3,817	1,467	3,704	17	(113)	
						<u>Police Staff Pay and Allowances</u>								
8,300	8,861	560	41,502	38,643	(2,859)	- Police Staff Pay & Allowances	97,785	1,820	99,605	38,643	97,248	(537)	(2,357)	
165	153	(12)	824	918	94	- Police Staff Overtime and Agency	1,124	853	1,977	918	2,180	1,056	203	
8,465	9,014	549	42,326	39,561	(2,765)	Police Staff Pay and Allowances	98,909	2,673	101,582	39,561	99,428	519	(2,154)	
387	322	(65)	1,937	1,638	(299)	Pensions (Ill Health / Medical)	4,215	433	4,648	1,638	4,924	709	276	
171	101	(70)	857	664	(193)	Training	2,019	37	2,056	664	2,056	37	0	
33	45	11	166	(142)	(308)	Other Employee Expenses	399	(1)	399	(142)	482	83	84	
28,807	28,773	(34)	144,036	137,203	(6,833)	Employees Total	336,022	9,664	345,686	137,203	346,236	10,214	550	
1,029	540	(489)	5,143	4,408	(735)	Premises	12,317	26	12,344	4,408	12,041	(276)	(302)	
583	471	(112)	2,914	2,856	(58)	Transport	6,934	59	6,993	2,856	7,645	711	652	
0	0	0	0	0	0	<u>Supplies and Services</u>								
4,066	3,515	(551)	20,329	24,397	4,068	- Supplies and Services	42,281	6,509	48,790	24,397	50,425	8,144	1,635	
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	
4,066	3,515	(551)	20,329	24,397	4,068	Supplies and Services	42,727	6,063	48,790	24,397	50,425	7,698	1,635	
678	605	(73)	3,389	2,138	(1,251)	Third Party Payments	7,382	752	8,133	2,138	8,001	619	(133)	
35,162	33,903	(1,259)	175,811	171,002	(4,809)	Gross Expenditure	405,381	16,564	421,945	171,002	424,348	18,967	2,403	
(4,267)	(4,552)	(285)	(21,336)	(12,938)	8,397	Income	(40,074)	(11,131)	(51,205)	(12,938)	(52,524)	(12,450)	(1,319)	
30,895	29,351	(1,544)	154,475	158,064	3,589	Net Cost of Services	365,307	5,433	370,740	158,064	371,824	6,517	1,084	
(8)	(93)	(85)	(38)	(246)	(208)	Other Expenditure / (Income)	(91)	0	(91)	(246)	(673)	(581)	(581)	
252	2,126	1,873	1,262	2,959	1,696	Capital and Other Adjustments	904	2,126	3,030	2,959	2,959	2,055	(71)	
31,140	31,384	244	155,700	160,776	5,077	Net Expenditure	366,120	7,559	373,679	160,776	374,110	7,990	432	
(30,307)	(29,593)	714	(151,536)	(156,546)	(5,009)	Sources of Finance	(363,687)	0	(363,687)	(156,546)	(363,563)	124	124	
833	1,791	958	4,163	4,230	67	(Surplus)/Deficit before appropriations	2,433	7,559	9,992	4,230	10,547	8,114	556	
(571)	(1,690)	(1,119)	(2,853)	(7,012)	(4,159)	Contribution to/(from) Earmarked Reserves	712	(7,559)	(6,847)	(7,012)	(7,319)	(8,031)	(472)	
(262)	0	262	(1,310)	(3,145)	(1,834)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(3,229)	(84)	(84)	
0	101	101	0	(5,927)	(5,927)	(Surplus)/Deficit after appropriations	0	0	0	(5,927)	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 5 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 agreed Police Staff pay award from 1 September 2024. Impact of 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 - £2.457m overspend

Explanation of forecast variance

The forecast includes the agreed 2023/24 Police Officer pay award of 7% that is part funded by the Home Office based on NRE. 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 Pay and Police Staff Pay 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 - £2.154m underspend

Explanation of forecast variance

The forecast includes the agreed 2023/24 Police Staff pay award of 7% that is part funded by the Home Office based on NRE. In addition, a net underspend position results from the opening strength being 62 FTE less than budgeted 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 Pay underspends.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 5 includes Home Office funding in relation to the Police Staff pay award (£5.125m increase), which has a corresponding budget adjustment against Income.

Previously reported adjustments to Original Budget, up to and including Month 4, total £1.273m.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 5 includes Home Office funding in relation to the Police Staff pay award (2.026m increase), and reprofiling of externally funded activity for the Disclosure Barring Service (£0.175m increase), which has a corresponding budget adjustment against Income.

Previously reported adjustments to Original Budget, up to and including Month 4, total £0.353m.

Police PCSO Pay and Allowances - £0.113m underspend

Explanation of forecast variance

Forecast underspend due to opening strength being less than budgeted establishment, partially offset by the agreed 2023/24 PCSO pay award of 7% that is part funded by the Home Office based on NRE.

Police Pensions (Ill Health/Medical) - £0.276m 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 - £0.302m 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 - £0.652m overspend

Explanation of forecast variance

Forecast overspend for force mileage rate claims based on expenditure to date resulting from a change to force policy based on new national guidelines, and vehicle parts and equipment expenditure to reflect expenditure incurred to date, partially offset by a forecast underspend in respect of vehicle fuel, resulting from a reduction in fuel prices and fewer miles incurred.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 5 includes Home Office funding in relation to the PCSO pay award (£0.087m increase), which has a corresponding budget adjustment against Income.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 5 (which has a corresponding forecast change) is for immediate detriment costs for retiring police officers and sanction charges to HMRC in relation to police officer pension lump sums from the Legal Claims reserve.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Supplies and Services - £1.635m 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, and Airwave indexation increases, offset by DAMS project delays (£0.4m); 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 - £0.133m underspend

Explanation of forecast variance

The forecast underspend includes confirmation from the National Police Chief's Council that funding for the Science and Technology Strategy workstream is not required, partially offset by ERSOU ROCU costs following a financial monitoring update from the lead force, to include the estimated Essex ROCU share of the additional officer pay award incurred by other ROCU forces.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 5 (which has a corresponding forecast change) is for a series of appropriations from earmarked reserves relating to revenue consequences for ESMCP from the Transformation reserve (£0.113m), Allard & Ors claims from the Legal Claims reserve (£0.073m), and cash banking working group workstreams agreed at the POCA Board from the Forfeitures reserve (£0.021m).

Previously reported adjustments to Original Budget, up to and including Month 4, total £5.779m.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 5 (which has a corresponding forecast change) is for funding of miscellaneous insurance premiums for employer/public liability claims and property from the insurance reserve (£0.130m increase).

Previously reported adjustments to Original Budget, up to and including Month 4, total £0.622m.

Income - £1.319m surplus

Explanation of forecast variance

Forecast surplus includes 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) - £0.581m surplus

Explanation of forecast variance

Forecast surplus due to a net interest movement resulting from a decrease in interest payable due to a revised cashflow forecast following confirmation of additional government grant funding in the year and additional investment income now being forecast.

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, PCSO 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 - £0.084m

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 5 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 4

	Change in Forecast Outturn £m	Virement - Pay Award £m	Change in Forecast Outturn Variance £m	
Month 4 Forecast Outturn Variance	0.4		0.4	Overspend
Police Officer Pay and Allowances	(0.2)	5.1	(5.3)	The decrease in forecast includes the allocation of Home Office Pay Award funding from Income by way of virement, and the impact resulting from changes in recruitment and leaver profiles.
Police Staff Pay and Allowances	0.1	2.2	(2.1)	The decrease in forecast includes the allocation of Home Office Pay Award funding from Income by way of virement, and the impact resulting from a net monthly increase in Police Staff strength.
PCSO Pay and Allowances	0.0	0.1	(0.1)	The decrease in forecast includes the allocation of Home Office Pay Award funding from Income by way of virement.
Transport	0.4		0.4	The increase in forecast is due to an increase in Force Mileage Rate claims based on expenditure to date. This follows a change in policy (new national guidelines) in September 2022, which has resulted in larger claims, additionally more claims are being submitted; the CFO is reviewing the data and will be proposing changes to the policy.
Supplies and Services	(0.2)		(0.2)	The remaining decrease in forecast includes underspends being released within the DAMS Project due to delays in the implementation of the management team and saving on the optimum bias assumptions within the business case, and an underspend on Revenue Consequences of Capital for various workstreams.
Third Party Payments	(0.4)		(0.4)	The decrease in forecast includes confirmation from the National Police Chief's Council that funding for the Science and Technology Strategy workstream is not required (£0.250m) and an appropriation from the Insurance reserve to fund a forecast overspend for miscellaneous insurances that was reported earlier in the year (£0.130m).
Income	0.0	(7.4)	7.4	The increase in forecast reflects the allocation of Home Office Pay Award funding to Officer, Staff and PCSO pay budgets by way of virement.
Other Expenditure / (Income)	(0.2)		(0.2)	The decrease in forecast is due to a net interest movement resulting from a decrease in interest payable due to a revised cashflow forecast following confirmation of additional government grant funding in the year and additional investment income now being forecast.
Further Variances	0.2		0.2	Various changes across the force to reflect latest information which are less than £100k, including Other Employee Expenses and Premises Related Costs.
Month 5 Forecast Outturn Variance	0.1	0.0	0.1	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
	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	3,721	3,705	3,675	3,741	3,720	3,698	3,743	3,721	3,701	
16	Leavers	(26)	(24)	(23)	(20)	(29)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(283)
17	Joiners (note 7)	3	6	40	4	0	89	2	1	68	1	2	78	294
20	Other Adjustments (note 8)	(0)	0	2	0	(1)	0	0	0	0	0	1	(0)	2
21	Net change	(23)	(18)	19	(16)	(30)	66	(21)	(22)	45	(22)	(20)	55	12
22	Officer strength - month end	3,720	3,702	3,721	3,705	3,675	3,741	3,720	3,698	3,743	3,721	3,701	3,755	
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(50)	(80)	(14)	(35)	(57)	(12)	(34)	(54)	0	
24	Difference to PUP Headcount of 3765 - over / (under)	28	10	28	9	(21)	45	24	2	47	25	4	59	
Actuals /Forecast £	Actual FTE				Forecast FTE									Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
25	Costed Strength before joiners/leavers	£16.97m	£18.28m	£17.90m	£18.13m	£18.32m	£19.95m	£19.23m	£19.37m	£19.28m	£19.40m	£19.46m	£19.05m	£225.34m
26	Leavers						(£0.09m)	(£0.18m)	(£0.28m)	(£0.37m)	(£0.46m)	(£0.55m)	(£0.65m)	(£2.59m)
27	Joiners						£0.02m	£0.33m	£0.32m	£0.33m	£0.65m	£0.56m	£0.60m	£2.81m
28	Other Costs						£0.01m	£0.01m	£0.01m	£0.01m	£0.01m	£0.01m	£0.01m	£0.07m
29	Monthly Actual	£16.97m	£18.28m	£17.90m	£18.13m	£18.32m	£19.89m	£19.39m	£19.42m	£19.25m	£19.60m	£19.47m	£19.01m	£225.64m
Variance from Budget Setting														
	Actual FTE				Forecast FTE									Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs		
30	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(23)	(17)	(25)	(3)	(2)	(2)	(1)	(1)	1	
31	Leavers (positive number = less leavers)	8	(1)	0	3	(6)	0	0	0	0	0	0	0	4
32	Joiners	2	5	(27)	3	(1)	22	1	0	1	0	1	0	7
32	Other Adjustments	(0)	0	2	0	(1)	0	0	0	0	1	(0)		2
33	Month End Strength Change - FTEs	(2)	2	(23)	(17)	(25)	(3)	(2)	(2)	(1)	(1)	1	0	12
34	Change per month FTEs	10	4	(25)	6	(8)	22	1	0	1	0	2	(0)	
	Actual FTE				Forecast FTE									Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
35	Monthly Financial Change	(£1.13m)	£0.27m	(£0.24m)	£0.08m	£0.36m	£1.44m	£1.03m	£1.15m	£0.86m	£1.30m	£1.26m	£0.63m	£7.02m

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		INTAKE		INTAKE		
	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
	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 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
	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 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 5

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 @ 30 June 23	3,755	3,722	3,743	259	30	(279)	2	3,755
HR data @ 31 July 23	3,755	3,705	3,743	267	27	(283)	2	3,755
Change		(17)		8	(3)	(5)	(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 @ 30 June 23	2,409	2,111			31	(66)
HR data @ 31 July 23	2,407	2,137			75	(84)
Change		26			44	(18)

* 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 @ 30 June 23	99	97	99	94	10	(6)	0	98
HR data @ 31 July 23	99	96	99	94	10	(6)	0	98
Change		(1)			0	(0)	0	(0)

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 @ 30 June 23	301	427
HR data @ 31 July 23	294	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	-	£0.101m	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	£0.000m	£0.101m	
2	Ringfenced Reserve							
Proceeds of Crime Act	£1.696m	(£0.301m)	£0.034m	£0.011m	£1.440m	(£0.358m)	£1.082m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.414m	-	£0.337m	(£0.140m)	£0.611m	-	£0.611m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m	-	-	-	£0.963m	(£0.656m)	£0.307m	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	-	-	(£1.328m)	£1.019m	-	£1.019m	Reserve to help fund the one-off costs of implementing the IT, Estates and Digital Forensic Transformation Strategies.
Legal Reserve	£0.836m	-	-	(£0.506m)	£0.330m	-	£0.330m	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	-	(£0.130m)	£0.070m	-	£0.070m	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)	£0.371m	(£2.284m)	£4.789m	(£1.014m)	£3.775m	

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	£0.119m	(£2.126m)	(£0.006m)	£0.106m	£0.100m	Reserve to apply revenue financing to fund the force capital programme
Total	£3.151m	£1.000m	£0.119m	(£2.126m)	£2.144m	(£0.366m)	£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	(£0.084m)	£10.165m	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 £10.165m, which represents 2.8% of the 2023/24 force budget of £363.7m.
Total Revenue Reserves	£28.895m	(£2.433m)	£0.490m	(£8.049m)	£18.902m	(£1.464m)	£17.438m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 05 MONITORING POSITION SUMMARY REPORT

	2023/24 Original Budget PF&C Panel	2023/24 Subject to Approvals Funding Distribution	2023/24 Other Approved Changes (Table 6.3.1)	2023/24 Revised Budget	2023/24 Actuals (to end of reporting period)	2023/24 Forecast Outturn	2023/24 Forecast Budget Variance (Table 6.3.2)	2023/24 Previous Month Forecast Outturn	2023/24 Movement to Previous Month (Table 6.3.3)
	£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	2,143	7,451	(82)	7,406	45
IT projects	542	3,052	977	4,571	105	4,402	(169)	4,499	(97)
Transport projects	1,295	2,200	783	4,278	1,472	3,413	(865)	3,869	(456)
OPC projects	26	400	76	502	35	500	(2)	500	0
SCD projects	0	24	15	39	5	39	0	15	24
Other projects	0	237	48	285	90	556	271	315	241
<i>Subject to Approval projects</i>	8,783	(7,048)	584	2,319	0	2,319	(1)	2,343	(24)
TOTAL EXPENDITURE	13,999	(0)	5,643	19,642	3,966	18,795	(847)	19,062	(267)
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		5,878	(35)	5,733	145
Revenue Contributions	1,131	0	950	2,081		2,020	(61)	2,126	(106)
Capital Grant	0	0	0	0		0	0	0	0
External & Other Income	0	0	0	0		63	63	63	0
Financing Requirement	8,768	0	2,880	11,648		10,834	(814)	11,140	(306)
TOTAL FINANCING	13,999	0	5,643	19,642	3,966	18,795	(847)	19,062	(267)

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 £0.847m 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 5. 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 £2.537m 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 £1.694m 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 £7.048m 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 £7.048m of schemes approved at the boards include:

- £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 the 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 projects relating to the Marine Launch.
- £0.023m of SCD projects relating to Long Range Camera, approved under the delegated authority governance route for projects under £0.050m.

Movements since previous month

The projected capital position for month 5 reflects an underspend of (£0.847m) compared to the previous month 4 reported underspend of (£0.580m). The decrease in the forecast variance since the previous month equates to £0.267m, all relating to approved budgets lines, the details of which are included in the supporting tables.

Forecast Variances

The forecast for month 5 is a year-end spend of £18.795m which is a (£0.847m) forecast variance against the current budget of £19.642m. This comprises slippage of (£1.271m), an underspend of (£0.099m) both offset by a net forecast overspend of £0.524m.

Forecast slippage of £1.271m (from 2023/24 to 2024/25)

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

Estates - which is expected to slip £0.292m into future years and is reporting no material changes in month 5, 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). £0.049m 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 £0.865m relating to both the 2022/23 and 2023/24 replacement programmes due to continuing serious delays with deliveries of parts, and ongoing uncertainty in respect of forecasting when deliveries will actually arrive compared to what the suppliers are indicating.

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. The forecast for IT slippage remains unchanged in month 5.

Net forecasts overspend of £0.524m

Estates - £0.212m of which £0.164m 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. Additional expenditure of £0.020m relating to TSU Accommodation – MIP3 (Disposal) due to final build costs being higher than forecast. Increased expenditure for Chelmsford Police Station of £0.024m has been recognised due to additional remedial work identified associated with some works not meeting the Fire Regulation Standards.

IT – including advanced works of £0.034m for the Dashcams project.

Other – including £0.274m relating to body armour due to a forecast increase relating to a bulk order to remedy defective equipment which did not meet the safety standards expected and needs to be separately replaced. £0.039m related to smaller projects including Estates and SCD.

Net forecast underspend of £0.099m

IT – The reduction in forecast comprises Infrastructure Technical Refresh 2023/24 for £0.063m and Dashcams for £0.033m.

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. Following a review of the month 5 position, whereby a further variance has arisen, Corporate Finance will be following up with colleagues in the Transport team to review the forecasting process for vehicle deliveries to determine whether any improvements can be made going forward, to try and minimise the current volatile profile of these forecasts.

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 £5.878m for 2023/24 with all the receipts forecast to be used in financing the capital programme in 2023/24 and £0.063m Grants & contributions to be applied 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 £10.834m 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

6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 MONTH 05 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	1,694	-	3,155
IT projects	727	-	250	-	-	977
Transport projects	757	-	-	-	26	783
OPC projects	10	-	-	-	66	76
SCD projects	15	-	-	-	-	15
Other projects	18	-	30	-	-	48
<i>Subject to Approval projects</i>	-	584	-	-	-	584
TOTAL	2,537	584	736	1,694	92	5,643

6.3.2 Forecast Expenditure Variances

CAPITAL PROGRAMME 2023/24 MONTH 05 MONITORING POSITION FORECAST EXPENDITURE VARIANCES

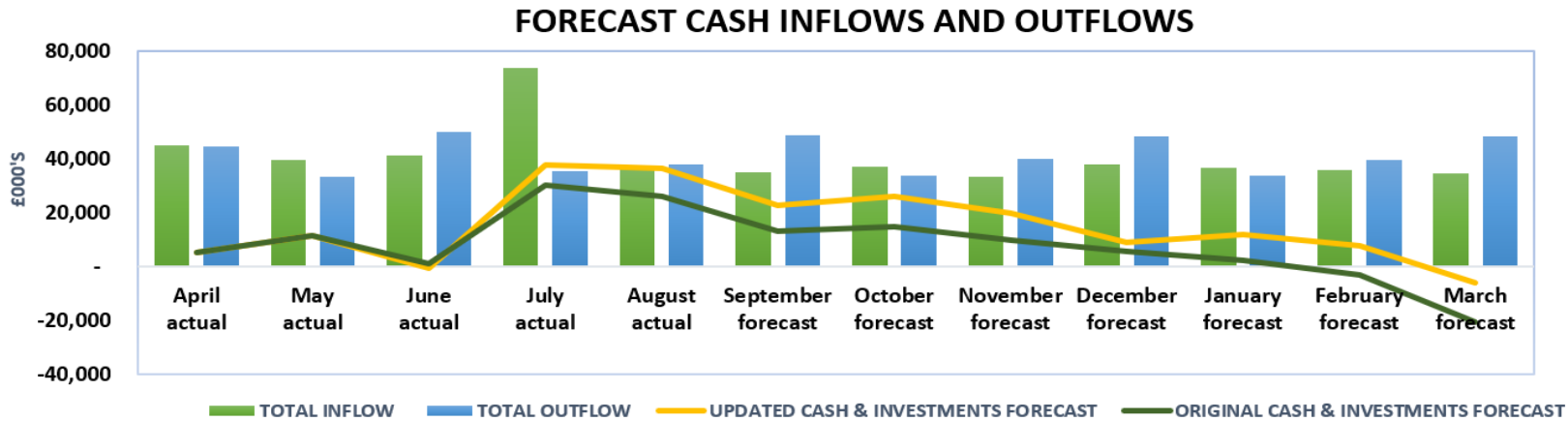
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	0	0	0	0
Estates projects	0	212	(2)	(292)	(82)
IT projects	0	38	(96)	(111)	(169)
Transport projects	0	0	0	(865)	(865)
OPC projects	0	0	(1)	0	(2)
SCD projects	0	0	0	0	0
Other projects	0	274	0	(3)	271
<i>Subject to Approval projects</i>	0	0	0	0	0
TOTAL	0	524	(99)	(1,271)	(847)

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 05 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 4 Forecast Outturn	19,062	
Body Armour Incl. Police Officer Uplift	241	Increase due to bulk order of £203k relating to need to replace defective equipment not covered contractually elsewhere.
Vehicle Replacement Programme 2022/23 & 2023/24	(475)	Due to continuing manufacturers delays and forecast volatility in respect of the delivery of vehicles, and the national shortage of vehicles parts.
Infrastructure Technical Refresh 2023/24 & Dashcams	(97)	Reduction in IT forecasts based on latest projections.
Chelmsford PS	20	Additional costs due to rectifying the defects identified which did not comply with Fire regulation relating remedial works to the doors carried out by a different contractor.
TSU Accommodation - MIP3 (Disposals Provision Facility 3/5)	26	The works have reached completion however the final build will cost £26k more than the original contract value.
Other immaterial movements < £50k	18	Various
Month 5 Forecast Outturn	18,795	

7. Cashflow Forecast



August Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	9,484	9,108	(376)
HMRC payments	7,161	7,161	0
Essex LGPS payments	1,567	1,567	0
Payroll	20,065	20,260	195
Total cash outflow	38,277	38,096	(181)
Income			
Govt grant	(16,274)	(16,924)	(650)
Precepts	(13,331)	(13,331)	0
Other net receipts	(4,702)	(6,675)	(1,973)
Total cash inflow	(34,307)	(36,930)	(2,623)
Total cash (inflow)/outflow	3,970	1,166	(2,804)

August Commentary

Expenditure

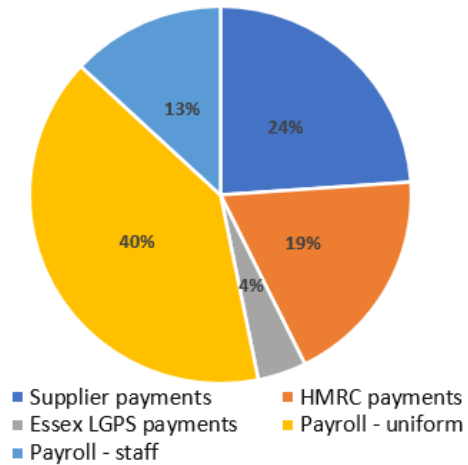
Supplier payments were £0.376m lower than forecast reflecting a variance to the expected payments profile of payments. The main reason for this variance is related to two of the four weekly BACS run for the month being lower in total than the plan, based on the average weekly payment run value.

The other small variance related to Payroll which was £0.195m higher than the plan, mainly due to two elements, £0.123m in relation to accounting for tax payments, and £0.099m of apprenticeship levy in relation to the July payroll.

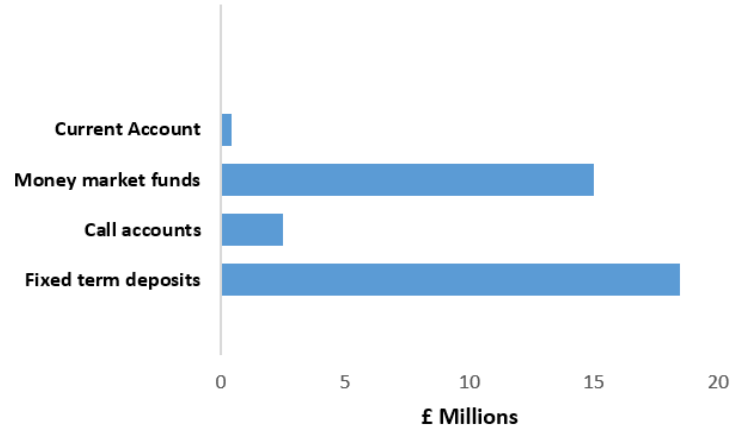
Income

Government grants were £0.650m higher due to additional grants from the Home Office relating to Barring & Disclosures (£0.395m), Domestic Abuse Focused Perpetrator Grant (£0.184m) and Serious Violence Grant (£0.071m). The increase of other net receipts of (£1.973m) in the main comprise customer receipts of (£1.401m) received from Kent Police and (£0.571m) relating to receipts from Stansted Airport.

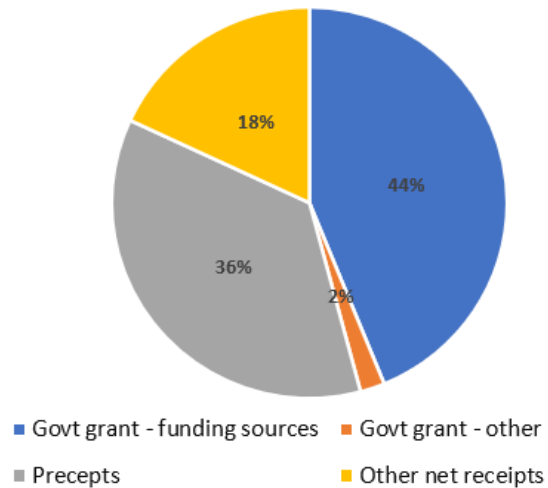
August Expenditure Breakdown



Investments @ 31st August



August Income Breakdown



External Borrowing/Financing

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 £6m by year-end, comprising approximately £16m external borrowing and £10m liquid investments.