

Performance and Resources Scrutiny Programme 2023/24

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

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Chief Officer:	DCC Prophet
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Author on behalf of Chief Officer:	Richard Jones, Head of Financial Performance and Reporting
Date of Approval by Chief Officer	December 2023
COG meeting date / date of approval (Please indicate whether paper presented to COG or not)	COG - 13th December 2023

1.0 Purpose of Report

This report identifies the 2023/24 Month 8 position for the Force.

2.0 Recommendations

- 2.1 To note the latest position in the monitoring report.
- 2.2 To note any appropriations to earmarked reserves (virements and journals) that do not require approval, and to recommend approval of any 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.

Official

3.0 **Executive Summary**

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

4.0 **Introduction/Background**

This report sets out the November, Month 8, financial position.

5.0 **Current Work and Performance**

The Month 8 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** - N/A

6.4 **Equality and/or Human Rights Implications** - N/A

6.5 **Health and Safety Implications** - N/A

7.0 **Consultation/Engagement**

The pay forecasts are based on information received from HR Organisational Management.

8.0 **Actions for Improvement** - N/A

9.0 **Future Work/Development and Expected Outcome**

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

1. Executive Summary

REVENUE

The revenue forecast underspend as at month 8 is £0.192m against the 2023/24 revenue budget of £363.7m (0.05% variance).

Additional funding of £2.265m 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 for the first 45 officers recruited above the force's maintenance headcount and £24,000 per officer for a further 10 above the force's maintenance headcount.

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

WORKFORCE

The Police Officer strength forecast at the end of November is 3,709 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of November is 13 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.420m.

The Police Staff strength at the end of October is 2,148 FTE. Total vacancies at 31st October are 261 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.651m.

The PCSO strength at the end of October is 96 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.130m.

RESERVES

No further appropriations are included within the month 8 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 8 is a forecast spend of £15.733m, which is a £3.971m underspend against the latest revised budget of £19.704m (20.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £9.352m which equates to approximately 59% of the year's financing plan. There is no longer expected to be a need for external borrowing in 2023/24 to support capital expenditure, but short-term cashflow related external borrowing may still be required.

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

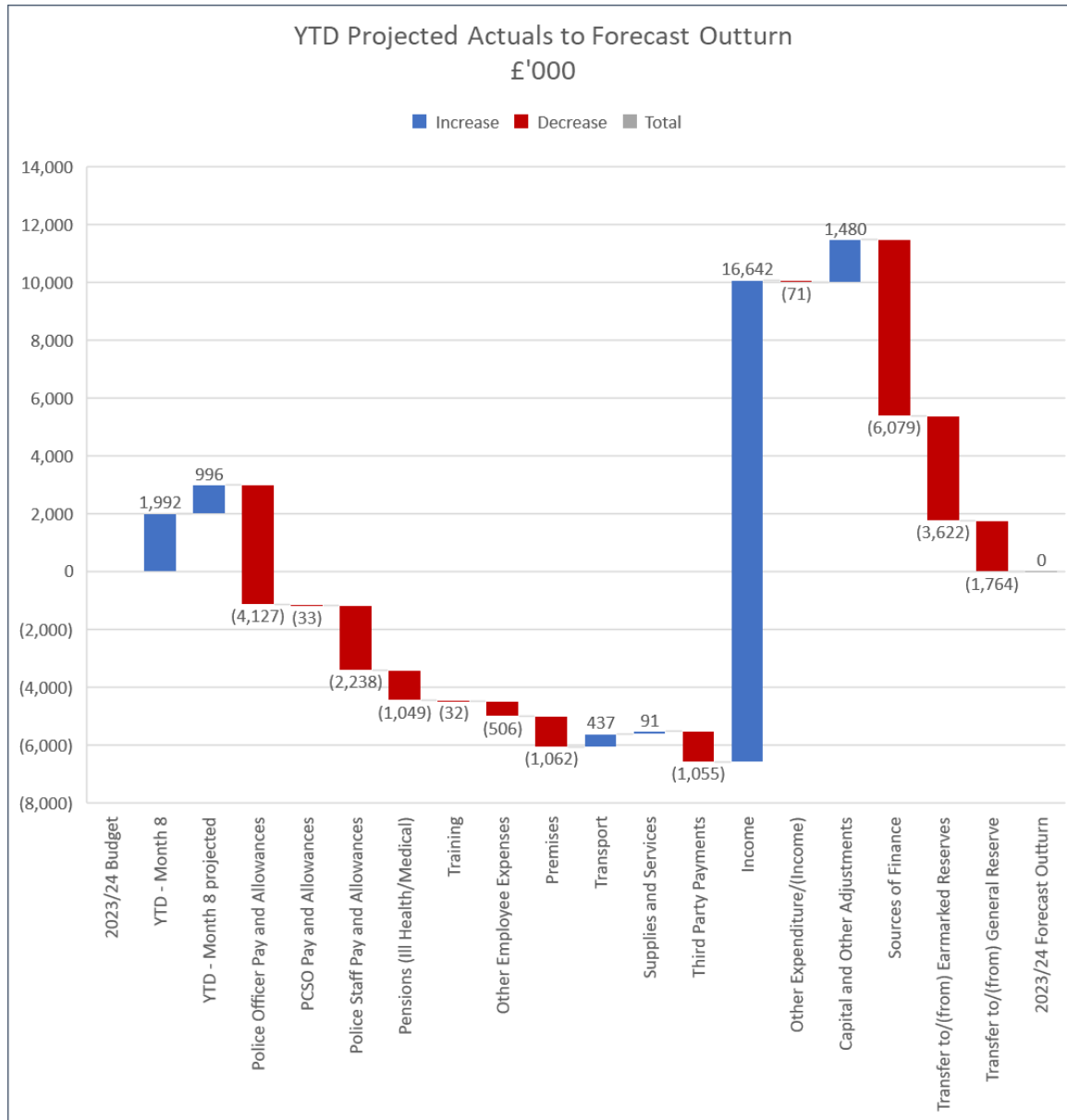
3.1 Revenue Summary

In Month - Month 08			Year to Date - Month 08			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
18,693	19,577	884	149,546	148,330	(1,216)	Employees								
695	799	103	5,561	6,289	728	<u>Police Officer Pay and Allowances</u>								
88	127	39	703	882	179	- Police Officer Pay and Allowances	218,616	5,704	224,319	148,330	226,739	8,124	2,420	
0	0	0	0	0	0	- Overtime and Operational Performance	7,127	1,214	8,342	6,289	9,284	2,157	943	
19,476	20,503	1,027	155,810	155,500	(310)	- Associated Police Pay	1,049	5	1,054	882	1,354	305	299	
						- In-Year Savings Shortfall/(Surplus)	0	0	0	0	0	0	0	
						Police Officer Pay and Allowances	226,792	6,923	233,715	155,500	237,377	10,585	3,662	
318	322	4	2,545	2,436	(109)	PCSO Pay and Allowances	3,687	130	3,817	2,436	3,687	0	(130)	
8,348	9,297	950	66,781	63,583	(3,198)	<u>Police Staff Pay and Allowances</u>								
167	184	17	1,333	1,479	146	- Police Staff Pay & Allowances	97,785	2,387	100,172	63,583	97,521	(264)	(2,651)	
8,514	9,481	967	68,114	65,063	(3,052)	- Police Staff Overtime and Agency	1,124	875	1,999	1,479	2,312	1,187	312	
387	322	(66)	3,099	2,611	(488)	Police Staff Pay and Allowances	98,909	3,262	102,171	65,063	99,832	923	(2,339)	
171	200	29	1,368	1,347	(21)	Pensions (Ill Health / Medical)	4,215	433	4,648	2,611	4,965	750	316	
51	132	81	410	146	(263)	Training	2,019	33	2,052	1,347	2,053	34	0	
28,918	30,959	2,041	231,346	227,103	(4,243)	Other Employee Expenses	399	215	614	146	725	325	110	
1,029	761	(268)	8,235	7,224	(1,011)	Employees Total	336,022	10,997	347,019	227,103	348,639	12,617	1,620	
583	455	(128)	4,666	5,053	387	Premises	12,317	35	12,352	7,224	11,898	(419)	(453)	
4,122	3,567	(555)	32,979	33,677	698	Transport	6,934	65	7,000	5,053	7,143	209	143	
0	0	0	0	0	0	<u>Supplies and Services</u>								
4,122	3,567	(555)	32,979	33,677	698	- Supplies and Services	42,281	7,188	49,469	33,677	50,424	8,143	955	
						- In-Year Investments	446	(446)	0	0	0	(446)	0	
651	68	(584)	5,209	4,521	(689)	Supplies and Services	42,727	6,742	49,469	33,677	50,424	7,698	955	
35,304	35,811	506	282,435	277,578	(4,858)	Third Party Payments	7,382	432	7,814	4,521	7,836	455	23	
(4,393)	(3,434)	959	(35,144)	(25,200)	9,944	Gross Expenditure	405,381	18,272	423,653	277,578	425,941	20,559	2,287	
30,911	32,377	1,466	247,291	252,378	5,087	Income	(40,074)	(12,642)	(52,716)	(25,200)	(54,442)	(14,368)	(1,726)	
(8)	(130)	(122)	(61)	(713)	(652)	Net Cost of Services	365,307	5,630	370,937	252,378	371,498	6,191	561	
252	0	(252)	2,020	2,959	939	Other Expenditure / (Income)	(91)	0	(91)	(713)	(998)	(906)	(906)	
31,156	32,247	1,091	249,250	254,624	5,374	Capital and Other Adjustments	904	2,126	3,030	2,959	2,959	2,055	(71)	
(30,307)	(29,593)	714	(242,458)	(246,428)	(3,970)	Net Expenditure	366,120	7,755	373,876	254,624	373,460	7,339	(416)	
849	2,654	1,805	6,792	8,196	1,404	Sources of Finance	(363,687)	0	(363,687)	(246,428)	(363,563)	124	124	
(587)	0	587	(4,696)	(7,044)	(2,348)	(Surplus)/Deficit before appropriations	2,433	7,755	10,188	8,196	9,896	7,463	(292)	
(262)	0	262	(2,096)	(3,145)	(1,048)	Contribution to/(from) Earmarked Reserves	712	(7,755)	(7,044)	(7,044)	(6,944)	(7,655)	100	
0	2,654	2,654	0	(1,992)	(1,992)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(2,953)	192	192	
						(Surplus)/Deficit after appropriations	0	0	0	(1,992)	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 8 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

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

Capital and Other Adjustments

MRP adjustment and technical appropriation to reflect financing of the capital programme with revenue funding from the Future Capital Funding Reserve transacted for the full year vs an even monthly profile of the budget

Sources of Finance

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

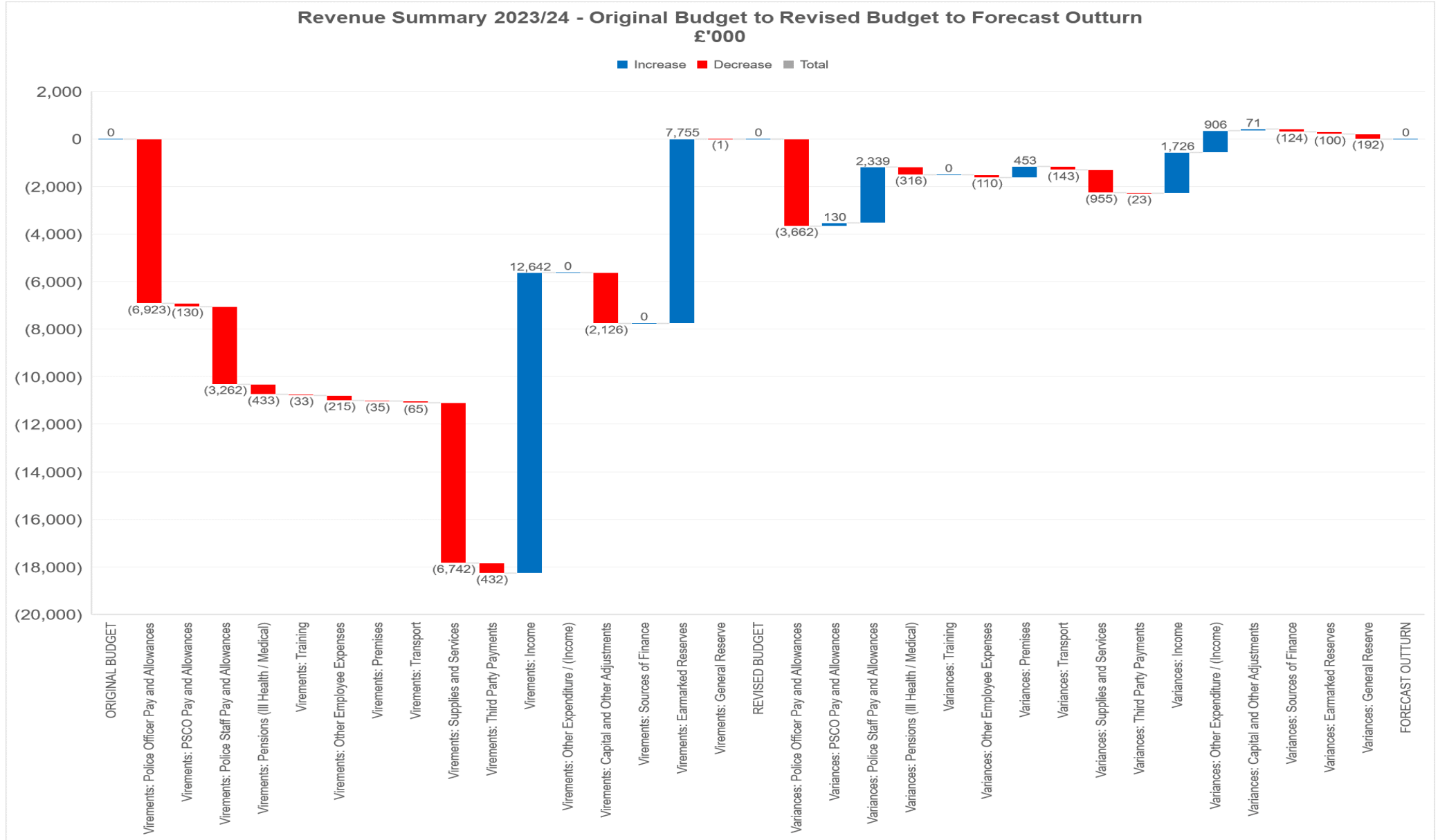
Transfer to/(from) Earmarked Reserve

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

Transfer to/(from) General Reserve

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

3.3 Original Budget to Revised Budget to Forecast Outturn



3.4 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £3.662m 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; the impact of additional staff joining the pension scheme following the three yearly pension auto enrolment exercise; Bank Holiday overtime overspend mainly relating to Golden Orb and Op Hallmark; Police Officer overtime overspends for Crime & Public Protection, OPC, 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 - £2.339m 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, IT, 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 8 includes Home Office funded activity for Op Valance, which is in connection with the Ukraine Recovery Conference and Artificial Intelligence Conference (£0.049m increase), which has a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 7, total £6.874m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 7, total £3.262m.

PCSO Pay and Allowances - £0.130m 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) - £0.316m 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 - £0.453m 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 - £0.143m overspend

Explanation of forecast variance

Forecast overspend for force mileage rate and car allowance 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; largely offset by a forecast underspend in respect of vehicle fuel, resulting from a reduction in fuel prices and fewer miles incurred, and a reduction in the vehicle insurance premium following conclusion of the tendering process and negotiations between SEERPIC forces.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 7, total £0.130m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 7, total £0.433m.

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 - £0.955m overspend

Explanation of forecast variance

The forecast overspend includes one-off expenditure associated with the roll out of replacement uniform items (£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 and one-off savings for BAU contracts and related projects (£0.1m); 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 - £0.023m overspend

Explanation of forecast variance

The forecast overspend includes costs associated with ERSOU ROCU 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. The overspend is largely offset by an underspend resulting from the National Police Chief's Council confirmation that funding for the Science and Technology Strategy workstream is no longer required.

These overspends are partially offset by a reduction in respect of contingencies for PPA claims now being discharged based on updated legal advice (£0.1m), a reduction in revenue consequences of capital reflecting estates expenditure for the TSU Accommodation project now being financed from alternative revenue sources (£0.2m) and a net decrease in respect of the Council Tax Sharing Agreement based on billing authorities updating their forecast positions as at Q2 23/24 for Council Tax collection (£0.2m).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 8 reflects a change in partnership lead in connection with the SARC contract where costs are incurred by the force and partnership contributions are provided via NHS England (£0.483m increase), which has a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 7, total £6.326m.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 8 includes Home Office funded activity for Op Valance, which is in connection with the Ukraine Recovery Conference and Artificial Intelligence Conference (£0.022m increase), which has a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 7, total £0.410m.

Income - £1.726m surplus

Explanation of forecast variance

Forecast surplus includes additional funds in relation to an overachievement of 2023/24 PUP of £2.265m, based on confirmation that the force will be eligible for a payment of £45,000 per officer for the first 45 officers recruited above the force's maintenance headcount (baseline plus total three-year allocation) and £24,000 per officer for a further 10 recruited above the force's maintenance headcount. This forecast surplus is partially offset by a forecast deficit for Magistrates Costs Awarded income budget as a result of the 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) - £0.906m 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 to Earmarked Reserves - £0.100m

Explanation of forecast variance

Forecast appropriation to the Chief Constables Operational C/Fwd Reserve in accordance with financial regulations.

Explanation of adjustments to Original Budget (virements)

As noted in Section 5 of the report.

Contribution to General Reserve - £0.192m

Explanation of forecast variance

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

Explanation of adjustments to Original Budget (virements)

Nothing to report.

3.5 Main Forecast Movements since last month

Main Changes to Forecast Outturn Variance since Month 7

	Change in Forecast Outturn Variance £m	
Month 7 Forecast Outturn Variance	0.1	Overspend
Police Officer Pay and Allowances	0.2	The increase in forecast includes changes to the recruitment and leaver profiles plus a reduction in recharges to Kent Police.
Police Staff Pay and Allowances	(0.2)	The reduction in forecast includes delays in recruitment to, and the transfer of, existing staff into 2023/24 Growth posts; changes in forecast average national insurance and pension contribution rates based on monthly expenditure to date; and an increase in recharges to Kent Police.
Income	(0.2)	The increase in forecast reflects NLEDS home office grant income claimed to date for project resources (£36k), continuation of OIC secondment role to Devon & Cornwall (£67k), Home Office income for Stansted Airport deportations (£38k) and increase of 7F Procurement recharge income, which is offset by expenditure incurred (£76k).
Other Expenditure / (Income)	(0.3)	The decrease in forecast is in respect of additional investment income, based on continuing higher than anticipated yields being received from treasury investments, principally due to cash balances remaining higher than forecast and being invested in money market funds.
Contributions from Earmarked Reserves	0.1	The increase in forecast results from a forecast appropriation to the Chief Constables Operational C/Fwd Reserve to replenish to a level of £0.750m, in accordance with financial regulations.
Further Variances	0.1	Various changes across the force to reflect latest information which are less than £100k, including Third Party Payments (£68k) and Supplies and Services (£48k).
Month 8 Forecast Outturn Variance	(0.2)	Underspend

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	3,721	3,706	3,673	3,742	3,725	3,709	3,754	3,732	3,712	
16	Leavers	(26)	(24)	(23)	(19)	(32)	(24)	(19)	(16)	(23)	(23)	(23)	(23)	(275)
17	Joiners (note 7)	3	6	41	4	0	94	0	0	68	1	2	67	286
20	Other Adjustments (note 8)	(0)	0	1	0	(1)	(1)	1	0	0	0	1	(1)	1
21	Net change	(23)	(18)	19	(15)	(33)	69	(18)	(16)	45	(22)	(20)	43	12
22	Officer strength - month end	3,720	3,702	3,721	3,706	3,673	3,742	3,725	3,709	3,754	3,732	3,712	3,755	
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(49)	(82)	(13)	(30)	(46)	(1)	(23)	(43)	0	
24	Officer headcount - month end	3,793	3,775	3,793	3,775	3,742	3,813	3,795	3,778	3,823	3,801	3,780	3,824	
25	Difference to PUP headcount of 3765 - over / (under)	28	10	28	10	(23)	48	30	13	58	36	15	59	
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		
26	Costed Strength before joiners/leavers	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.61m	£19.33m	£19.40m	£19.46m	£20.08m	£226.64m
27	Leavers									(£0.09m)	(£0.19m)	(£0.28m)	(£0.37m)	(£0.93m)
28	Joiners									£0.01m	£0.33m	£0.24m	£0.28m	£0.86m
29	Other Costs									£0.04m	£0.04m	£0.04m	£0.04m	£0.16m
30	Monthly Actual	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.61m	£19.29m	£19.59m	£19.47m	£20.03m	£226.74m
Variance from Budget Setting														
	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		
31	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(23)	(16)	(27)	(2)	3	9	10	10	12	
32	Leavers (positive number = less leavers)	8	(1)	0	4	(9)	(1)	4	7	0	0	0	0	12
33	Joiners	2	5	(26)	3	(1)	27	(1)	(1)	1	0	1	(11)	(1)
32	Other Adjustments	(0)	0	1	0	(1)	(1)	1	0	0	0	1	(1)	1
33	Month End Strength Change - FTEs	(2)	2	(23)	(16)	(27)	(2)	3	9	10	10	12	0	12
34	Change per month FTEs	10	4	(25)	7	(11)	25	4	6	1	0	2	(12)	
	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		
35	Monthly Financial Change	(£1.13m)	£0.27m	(£0.24m)	£0.08m	£0.26m	£1.33m	£1.12m	£1.34m	£0.90m	£1.29m	£1.26m	£1.65m	£8.12m

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 8

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2023	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
Budget Setting			3,755	275	12	(287)	0	3,755
HR data @ 30 September 2023	3,755	3,742	3,743	267	31	(286)	0	3,755
HR data @ 31 October 2023	3,755	3,725	3,743	258	28	(275)	1	3,755
Change		(17)		(9)	(3)	11	1	(0)

2. Police Staff - Budget Based on Establishment (please see note below)*						
	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
Budget Setting			2,374	2,208		
HR data @ 30 September 2023	2,409	2,135			117	(128)
HR data @ 31 October 2023	2,409	2,148			160	(158)
Change		12			42	(30)

* Vacancy Factor is 10% for most areas with the main exceptions being FCR, Resolution Centre, PFCC's Office and externally funded posts which have a 0% Vacancy Factor

3. PCSOs - Budget Based on Establishment								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2023	Strength at 1st April 2023	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
Budget Setting			102	102				
HR data @ 30 September 2023	99	96	99	94	4	(3)	0	94
HR data @ 31 October 2023	99	96	99	94	5	(4)	0	94
Change		0			1	(1)	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 September 2023	283	427
HR data @ 31 October 2023	286	427
Change	3	

5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances									
Reserve	1st April 2023 - Opening Balance	Base Budget Allocations from Earmarked Reserves	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	£0.000m	£0.101m	£0.000m	£0.101m	
2 Ringfenced Reserve									
Proceeds of Crime Act	£1.696m	(£0.300m)	-	£0.034m	£0.011m	£1.441m	£0.096m	£1.537m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure. Includes budgeted allocation of £0.3m for Financial Investigator posts.
Forfeiture Monies Reserve	£0.414m		-	£0.338m	(£0.140m)	£0.612m	-	£0.612m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m		-	-	(£0.145m)	£0.819m	(£0.705m)	£0.114m	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		-	-	(£1.413m)	£0.934m	(£0.114m)	£0.820m	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	(£0.210m)	£0.120m	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	(£0.039m)	£0.072m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme. Includes budgeted allocation of £0.187m for external training costs.
Restricted Grant and Contributions Reserve	£0.436m		-	-	(£0.288m)	£0.148m	(£0.006m)	£0.142m	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. Includes annual budgeted contribution of £0.2m to the reserve.
Total	£6.991m	(£0.300m)	£0.013m	£0.372m	(£2.481m)	£4.594m	(£0.978m)	£3.616m	

Earmarked Reserves and Provisions - Opening and Closing Balances

Reserve	1st April 2023 - Opening Balance	Base Budget Allocations from Earmarked Reserves	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	£0.100m	£0.750m	Operational Carry Forward resulting from the 2021/22 force underspend. Forecast in-year contribution of £0.1m resulting from force underspend, in accordance with financial regulations.
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. Includes annual budgeted contribution of £1m.
Total	£3.151m	£1.000m	£0.000m	£0.119m	(£2.126m)	£2.144m	£0.206m	£2.350m	
4	PFCC Reserves								
Commissioning Grants / Safer Streets	£5.258m		-	-	(£3.639m)	£1.619m	-	£1.619m	Includes PFCC Commissioning Budget C/Fwd of £2.428m and Safer Streets funding of £2.830m. The CSF, CSDF, Victims and Safer Streets Commissioning C/Fwd has been drawdown from reserves in anticipation of utilisation in 2023/24. The V&V C/Fwd has been retained for use in 2025/26, when Home Office funding is forecast to cease.
Total	£5.258m	£0.000m	£0.000m	£0.000m	(£3.639m)	£1.619m	£0.000m	£1.619m	
5	General Reserve								
General Reserve	£13.394m		(£3.145m)	-	-	£10.249m	£0.192m	£10.441m	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 £10.441m, which represents 2.9% of the 2023/24 force budget of £363.7m. Includes £3.145m budgeted contribution to the reserve to fund one-off cost pressures.
Total Revenue Reserves	£28.895m	£0.700m	(£3.132m)	£0.491m	(£8.246m)	£18.707m	(£0.580m)	£18.127m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 08 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	1,215	3,217	7,785	4,561	7,542	(243)	7,464	78
IT projects	542	3,052	977	4,571	447	3,336	(1,235)	3,935	(599)
Transport projects	1,295	2,214	1,183	4,692	2,829	3,839	(853)	3,417	422
OPC projects	26	400	(324)	102	45	102	0	502	(400)
SCD projects	0	24	15	39	12	38	(1)	38	0
Other projects	0	237	48	285	92	574	289	582	(8)
<i>Subject to Approval projects</i>	8,783	(7,252)	584	2,115	0	187	(1,928)	201	(14)
TOTAL EXPENDITURE	13,999	(0)	5,705	19,704	8,101	15,733	(3,971)	16,254	(521)
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		4,298	(1,615)	5,068	(770)
Revenue Contributions	1,131	0	950	2,081		2,020	(61)	2,020	0
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	2,942	11,710		9,352	(2,358)	9,103	250
TOTAL FINANCING	13,999	0	5,705	19,704	8,101	15,733	(3,971)	16,254	(521)

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 £3.971m underspend incorporates slippage carried forward to 2024/25, and other changes, as set out in Table 6.3.2.

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 September 2023 Strategic Board), a net external borrowing requirement of circa £2m was expected by the end of 2023/24 primarily for capital expenditure, with an additional £10m required for liquidity purposes and compliance with MiFID II legislation. However, based on the latest cashflow forecast at month 8 the £2m deficit has now reduced to £1m (with the £10m requirement being unchanged). 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 **£19.704m** as at month 8. The increase of £5.705m also comprises slippage to 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 includes £0.736m of business cases approved as Stage C's where no previous Stage B budget setting bid was submitted, £0.646m mainly comprised reprofiled subject to approvals, and £1.694m of previous subject to approval funding from future years which has now been approved. The latter relates to the Boreham Infrastructure MIP4 project with funds advanced from future years, having been approved at the March 2023 Strategic Board.

Since the original budget was approved there have been £7.252m of business cases, previously categorised as subject to approval, that have been approved. The impact of these approvals is reflected within the 'subject to approvals' columns in the capital tables contained within this report.

The £7.252m of schemes approved at the boards include:

- £3.052m of IT projects relating to the Technical Refresh programme for servers and 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 Capitalised 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
- £0.190m relating to Laindon CEL (with a subsequent adjustment to re-profile this approved spend to 2024/25, reported within the c/f slippage)

Movements since previous month

The projected capital position for month 8 reflects a forecast underspend of (£3.971m) compared to the previous month 7 reported underspend of (£3.451m). The decrease in the forecast spend since the previous month equates to (£0.520m), relating to both approved budgets and subject to approval lines, the details of which are included in the supporting tables.

Forecast Variances

The forecast for month 8 is a year-end spend of £15.733m which is a (£3.971m) forecast variance against the current budget of £19.704m. This comprises slippage of (£3.505m) and an underspend of (£1.088m) offset by a net forecast overspend of £0.622m.

Forecast slippage of £3.505m (from 2023/24 to 2024/25)

The four principle areas being forecast to slip into 2024/25 are Estates, Transport, IT and Subject to Approvals, and are comprised of:

Estates - which is expected to slip £0.481m into future years which was reported in month 7 with no material movements reported in month 8, the main projects including:

- Harwich & Dovercourt Collaboration project of £0.128m 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 the 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
- £0.190m relating to Laindon CEL being re-profiled to 2024/25 following the recognition of this new approved bid in month 6

Transport - which is expected to slip by £0.867m relating to both the 2022/23 and 2023/24 replacement programmes due to continuing delays with deliveries of parts, and ongoing uncertainty in respect of forecasting when deliveries will arrive compared to what the suppliers are indicating, with no further material variance in month 8 to report.

IT – who are reporting a slippage of £0.658m in month 8 compared to £0.589m in month 7. The movements in previous months comprise £0.111m relating to Specials Body Worn Video & Mobile First reported in month 5. 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. Additional IT slippage in previous months comprises of £0.201m relating to Infrastructure Technical Refresh, the slippage is due to the strategic decision pending around future and current purchase of servers, DFU Digital Forensic Platform slippage of £0.128m due to changes relating to the Softcat DF Cloud Networking proposal, slippage of £0.117m for Dashcams and £0.033m for the QAS and Compass Upgrade project. Additional slippage in of £0.070m in month 8 relates to the Dashcams project which has been reprofiled to 2024/25 due to a delay in the delivery of the equipment.

Subject to Approvals – which continues to report slippage in month 8 of (£1.496m), mainly relating to the impact of updated subject to approval bids being included in the current year programme, mainly for Estates, with various projects refreshed and reprofiled in line with the Estates Strategy and start dates deferred to 2024/25 onwards. The capital projects reprofiled to 2024/25 include HQ Refurbishment of (£0.250m), Boreham Infrastructure (£0.328m), Disposal Reprovisions (£0.500m), Estates Transformation (£0.330m) and Electric Vehicle Charging Infrastructure (£0.050m). For month 7 onwards an additional (£0.040m) of slippage has been recognised relating to the Marine Unit Rigid Inflatable Boat.

Net forecasts overspend of £0.622m

Estates - £0.240m being reported in month 8 including £0.164m originally recognised in month 5 relating to additional expenditure for the CCTV project, and increased expenditure for Chelmsford Police Station of £0.024m due to additional remedial work associated with works to meet the Fire Regulation Standards. In month 7 an earlier month increase for Harwich & Dovercourt has been reduced by £0.055m contributing to the net decrease of overspend in month 7. An additional increase of £78k has been included in month 8 relating to retention payments due for the Boreham Infrastructure project, which are expecting to be paid by year-end.

IT – including advanced works of £0.076m of which £0.034m for the Dashcams project reported in month 5, £0.39m for Data Centre Migration in month 7 with no material movements reported in month 8.

Other –The month 8 forecast is £0.292m including £0.274m reported in month 5 with a further net increase of £0.018m relating to a bulk order to remedy defective equipment which did not meet the safety standards expected and needs to be separately replaced.

Net forecast underspend of £1.088m

IT – forecasting an additional underspend of £0.528m in month 8 with the total underspend of £0.653m reporting to date. The original reduction to the forecast comprises Infrastructure Technical Refresh 2023/24 for £0.063m and Dashcams for £0.033m, both reported in month 5 with further underspend of £0.022m in month 6 mainly relating to

£0.021m for the Taser Tracking project, and only immaterial movements thereafter. The additional reduction in month 8 of £0.528m further relates to the Infrastructure Technical Refresh project due to the review of the planned procurement for IT hardware. The ongoing impact of agile working and the overall review of the IT capital programme has influenced the original replacement programme, resulting in the reduction of IT hardware such as servers, workstations being replaced by laptops, and a reduction of licence requirements.

Subject to Approvals – Comprising £0.432m of forecast underspend movement, including prior month reductions of (£0.083m) for Milestone Evidence software, TSU New Card for Covert Communications Data Capture and the Covert Tracker Solution project, all of which are being removed from the Subject to Approvals programme due to being below the de minimis Stage A threshold. For month 7 onwards the Contact Management Workforce Management Tool forecast of £0.349m was removed following confirmation that this project is no longer required in the programme on the basis this will now be a revenue-based solution.

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 recognised within this area of the capital programme. 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. This process is ongoing at month 8. 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 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 £4.298m for 2023/24 with £0.063m grants & contributions also forecast to be received. All of these resources are 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, together with £1.119m of additional revenue in 2023/24, 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 £9.350m which equates to approximately 59% 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) but only to support cashflow-related requirements. This is in addition to the two instances of external borrowing for the year to date which were for similar purposes.

6.3 Capital Summary – Supporting Tables

6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 MONTH 08 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	62	456	1,694	-	3,217
IT projects	727	-	250	-	-	977
Transport projects	757	400	-	-	26	1,183
OPC projects	10	(400)	-	-	66	(324)
SCD projects	15	-	-	-	-	15
Other projects	18	-	30	-	-	48
<i>Subject to Approval projects</i>	-	584	-	-	-	584
TOTAL	2,537	646	736	1,694	92	5,705

6.3.2 Forecast Expenditure Variances

CAPITAL PROGRAMME 2023/24 MONTH 08 MONITORING POSITION
FORECAST EXPENDITURE VARIANCES

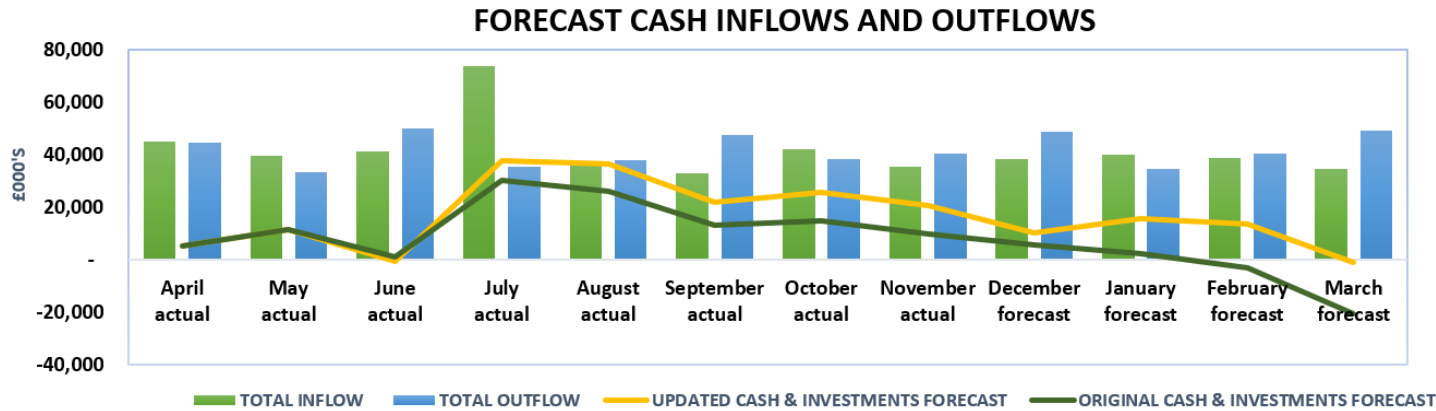
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	0	0	0	0
Estates projects	0	240	(2)	(481)	(243)
IT projects	0	76	(653)	(658)	(1,235)
Transport projects	0	14	0	(867)	(853)
OPC projects	0	0	0	0	0
SCD projects	0	0	(1)	0	(1)
Other projects	0	292	0	(3)	289
<i>Subject to Approval projects</i>	0	0	(432)	(1,496)	(1,928)
TOTAL	0	622	(1,088)	(3,505)	(3,971)

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 08 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 7 Forecast Outturn	16,254	
Boreham Infrastructure MIP4	78	Retention payment now due for the project
Infrastructure Technical Refresh 2022/23	(70)	SAP PUP licences carried forward from last year no longer required
Infrastructure Technical Refresh 2023/24	(458)	Underspend relating to workstations, equipment, servers and licences. Latter no longer required due to sufficient amounts already in place, with purchase of laptops now replacing the planned purchase of workstations due to the ongoing impact of agile working. Other indirect contributing factors to the underspend include the delay in the start of the DFU project, thus influencing the procurement of IT equipment and impacting on the replacement programme.
Dashcams	(70)	Reprofiled to 2024/25
Net impact of other immaterial movements < £50k	(1)	Various
Month 8 Forecast Outturn	15,733	

7. Cashflow Forecast



November Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	11,412	9,823	(1,589)
HMRC payments	7,820	7,802	(18)
Essex LGPS payments	1,724	1,723	(1)
Payroll	20,749	21,288	539
Total cash outflow	41,705	40,636	(1,069)
Income			
Govt grant	(16,186)	(16,562)	(376)
Precepts	(13,320)	(13,320)	0
Other net receipts	(6,744)	(5,491)	1,253
Total cash inflow	(36,250)	(35,373)	877
Total cash (inflow)/outflow	5,455	5,263	(192)

November Commentary

Expenditure

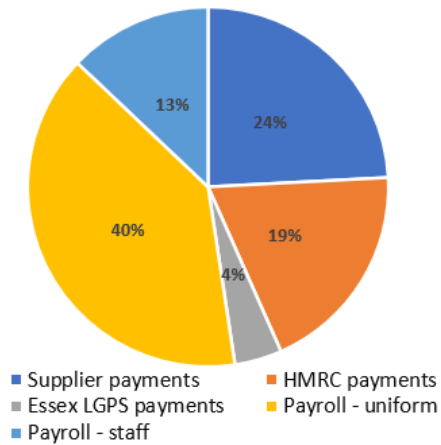
Supplier payments were £1.589m lower than forecast including some volatility in the month, with two of the four weekly BACS runs lower than the average £2.5m value, offset by one mid-month payment run of £4.4m alone.

The other main variance of £0.539m related to additional payroll costs, including payments for substantial overtime claims, south-eastern allowance and payments related to legal settlements for backdated Allard claims.

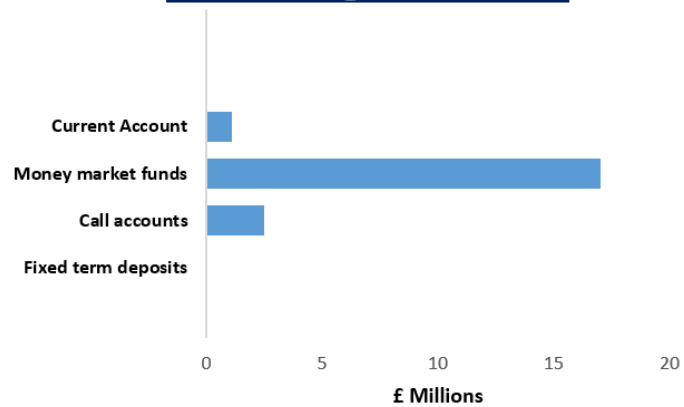
Income

The £0.376m increase in government grants mainly comprised Home Office grant of £0.307m relating to DA Preparator Intervention Fund not included in the forecast. The shortfall in other net receipts of £1.253m related to daily miscellaneous receipts being £1.672m lower (approx. £70k less based on daily average) offset by additional VAT reimbursements of £0.338m, and £0.055m relating to property sales.

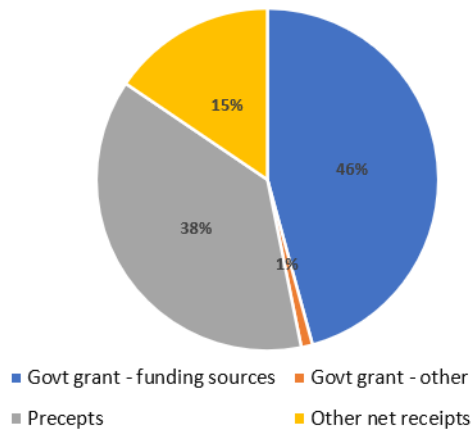
November Expenditure Breakdown



Investments @ 30th November



November Income Breakdown



External Borrowing/Financing

The PFCC cashflow position is expected to remain in deficit for the remainder of the calendar year with an immaterial balance of circa £1m by the end of 2023/24. Due to MiFiD requirements and for liquidity/cash management purposes, £11m external borrowing will also be required at this time.