

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 | 13th October 2023 DCC Prophet |
| COG meeting date / date of approval (Please indicate whether paper presented to COG or not) | COG – 18th October 2023 |

1.0 Purpose of Report

This report identifies the 2023/24 Month 6 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 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 September, Month 6, financial position.

5.0 Current Work and Performance

The Month 6 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 6 is £0.223m against the 2023/24 revenue budget of £363.7m (0.06% 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 September is 3,741 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of September is 46 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.624m.

The Police Staff strength at the end of August is 2,133 FTE. Total vacancies at 31st August are 276 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.549m.

The PCSO strength at the end of August is 96 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.148m.

RESERVES

The net appropriation from earmarked reserves for Month 6 is £0.052m.

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 6 is a forecast spend of £16.700m, which is a £3.004m underspend against the latest revised budget of £19.704m (15.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £8.183m which equates to approximately 49% of the year's financing plan. Based on the latest cashflow, there is expected to be a need for further external borrowing in 2023/24, in addition to the two previous short-term instances for the year to date.

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

2. List of Appropriations to/(from) Earmarked Reserves

| URN | Description | £'000 | Commentary/Description | Governance Process | Earmarked Reserve | Subjective Heading |
|---|--|-------------|--|--|--------------------------|---|
| Appropriations to Earmarked Reserves | | | | | | |
| N/A | None in the month | N/A | N/A | N/A | N/A | N/A |
| Total | | 0 | | | | |
| Appropriations (from) Earmarked Reserves | | | | | | |
| ER021/23 | Rapid Video Response (RVR) Home Office funding | (97) | Appropriation to meet the associated costs resulting from the implementation of the Rapid Video Response solution. | Appropriation from Earmarked Reserve for its intended use | Restricted Grant Reserve | Police Officer Pay and Allowances / Supplies & Services |
| ER022/23 | Essex Centre for Data Analytics (ECDA) | (85) | Appropriation from earmarked reserves to meet 2023/24 partnership contribution towards the Essex Centre for Data Analytics (ECDA). | Appropriation from Earmarked Reserve for its intended use | Transformation Reserve | Third Party Payments |
| ER023/23 | Reversal: Miscellaneous Insurance Premiums | 130 | Reversal of drawdown from Insurance Reserve to offset the current forecast overspend being recognised for miscellaneous insurance premiums, following underspend resulting from renewal of the motor insurance contract. | Reversal of prior month appropriation from Earmarked Reserve | Insurance Reserve | Third Party Payments |
| Total | | (52) | | | | |
| Net appropriation to/(from) Earmarked Reserves | | (52) | | | | |

3. Revenue

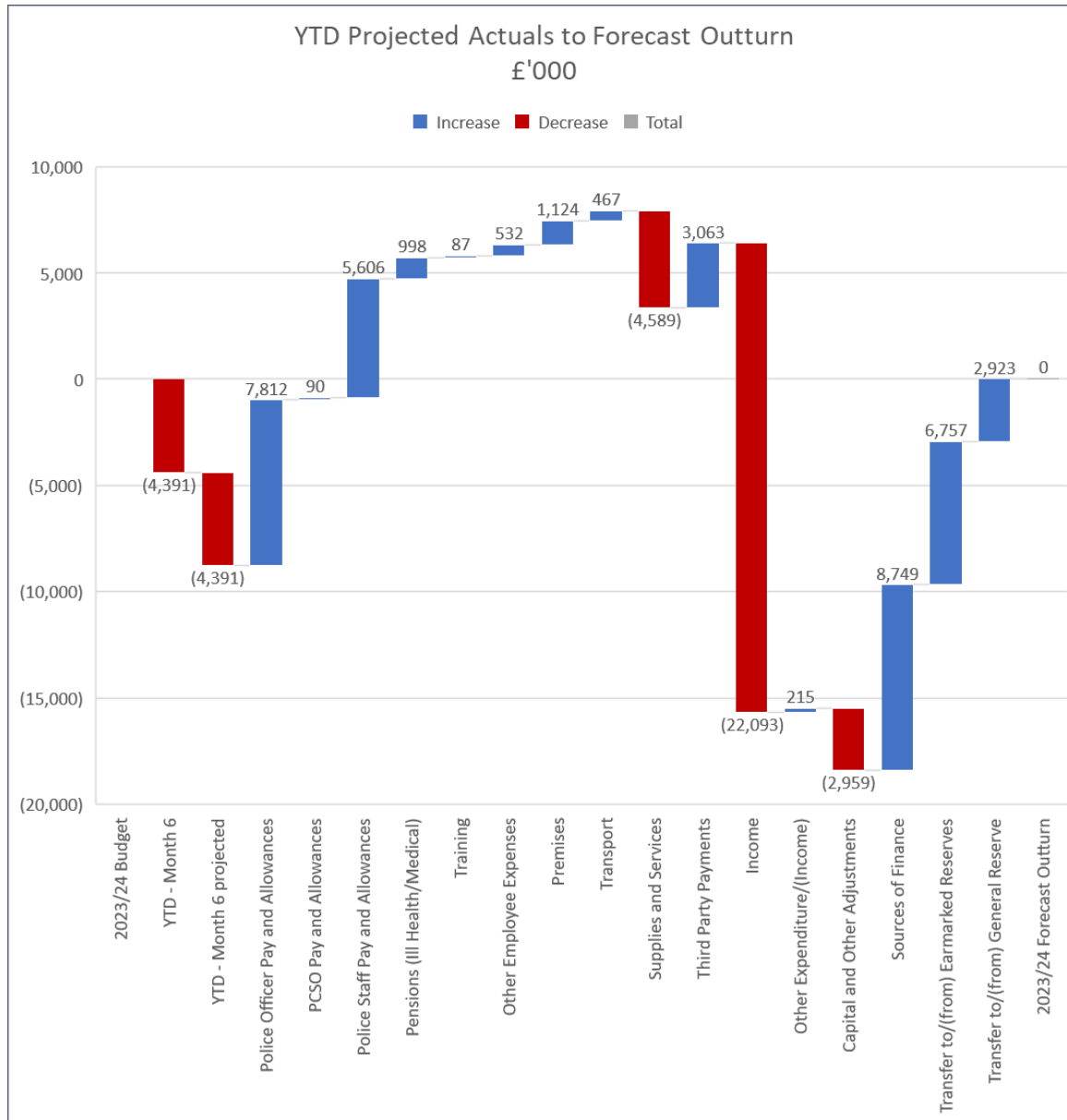
3.1 Revenue Summary

| In Month - Month 06 | | | Year to Date - Month 06 | | | 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 |
| 18,689 | 19,783 | 1,094 | 112,136 | 109,275 | (2,861) | Employees | | | | | | | | |
| 689 | 847 | 158 | 4,132 | 4,860 | 728 | <u>Police Officer Pay and Allowances</u> | | | | | | | | |
| 88 | 122 | 34 | 527 | 633 | 106 | - Police Officer Pay and Allowances | 218,616 | 5,656 | 224,272 | 109,275 | 226,896 | 8,281 | 2,624 | |
| 0 | 0 | 0 | 0 | 0 | 0 | - Overtime and Operational Performance | 7,127 | 1,137 | 8,264 | 4,860 | 9,146 | 2,018 | 881 | |
| 19,466 | 20,752 | 1,286 | 116,795 | 114,768 | (2,028) | - Associated Police Pay | 1,049 | 5 | 1,054 | 633 | 1,307 | 258 | 253 | |
| | | | | | | - In-Year Savings Shortfall/(Surplus) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | Police Officer Pay and Allowances | 226,792 | 6,799 | 233,591 | 114,768 | 237,349 | 10,557 | 3,758 | |
| 318 | 323 | 5 | 1,909 | 1,790 | (119) | PCSO Pay and Allowances | 3,687 | 130 | 3,817 | 1,790 | 3,670 | (18) | (148) | |
| | | | | | | <u>Police Staff Pay and Allowances</u> | | | | | | | | |
| 8,298 | 7,064 | (1,234) | 49,789 | 45,707 | (4,082) | - Police Staff Pay & Allowances | 97,785 | 1,793 | 99,579 | 45,707 | 97,029 | (756) | (2,549) | |
| 166 | 200 | 34 | 997 | 1,118 | 121 | - Police Staff Overtime and Agency | 1,124 | 870 | 1,994 | 1,118 | 2,227 | 1,103 | 233 | |
| 8,464 | 7,264 | (1,200) | 50,786 | 46,825 | (3,961) | Police Staff Pay and Allowances | 98,909 | 2,663 | 101,573 | 46,825 | 99,256 | 347 | (2,316) | |
| 387 | 325 | (62) | 2,324 | 1,963 | (361) | Pensions (Ill Health / Medical) | 4,215 | 433 | 4,648 | 1,963 | 4,924 | 709 | 276 | |
| 171 | 319 | 148 | 1,026 | 983 | (44) | Training | 2,019 | 33 | 2,052 | 983 | 2,053 | 34 | 0 | |
| 33 | 116 | 83 | 198 | (26) | (224) | Other Employee Expenses | 399 | (3) | 396 | (26) | 480 | 80 | 84 | |
| 28,840 | 29,100 | 260 | 173,039 | 166,302 | (6,737) | Employees Total | 336,022 | 10,056 | 346,078 | 166,302 | 347,731 | 11,710 | 1,654 | |
| 1,029 | 1,014 | (16) | 6,176 | 5,422 | (754) | Premises | 12,317 | 35 | 12,352 | 5,422 | 11,968 | (350) | (384) | |
| 583 | 417 | (166) | 3,498 | 3,273 | (225) | Transport | 6,934 | 62 | 6,996 | 3,273 | 7,013 | 79 | 17 | |
| | | | | | | <u>Supplies and Services</u> | | | | | | | | |
| 4,083 | 3,094 | (989) | 24,496 | 27,491 | 2,995 | - Supplies and Services | 42,281 | 6,712 | 48,992 | 27,491 | 50,393 | 8,112 | 1,401 | |
| 0 | 0 | 0 | 0 | 0 | 0 | - In-Year Investments | 446 | (446) | 0 | 0 | 0 | (446) | 0 | |
| 4,083 | 3,094 | (989) | 24,496 | 27,491 | 2,995 | Supplies and Services | 42,727 | 6,266 | 48,992 | 27,491 | 50,393 | 7,667 | 1,401 | |
| 672 | 355 | (317) | 4,033 | 2,492 | (1,540) | Third Party Payments | 7,382 | 684 | 8,066 | 2,492 | 8,047 | 665 | (19) | |
| 35,207 | 33,979 | (1,228) | 211,242 | 204,981 | (6,261) | Gross Expenditure | 405,381 | 17,103 | 422,484 | 204,981 | 425,152 | 19,771 | 2,668 | |
| (4,308) | (2,584) | 1,724 | (25,846) | (15,522) | 10,324 | Income | (40,074) | (11,618) | (51,692) | (15,522) | (53,137) | (13,063) | (1,445) | |
| 30,899 | 31,395 | 496 | 185,396 | 189,459 | 4,063 | Net Cost of Services | 365,307 | 5,485 | 370,792 | 189,459 | 372,015 | 6,708 | 1,223 | |
| (8) | (198) | (190) | (46) | (444) | (399) | Other Expenditure / (Income) | (91) | 0 | (91) | (444) | (673) | (581) | (581) | |
| 252 | 0 | (252) | 1,515 | 2,959 | 1,444 | Capital and Other Adjustments | 904 | 2,126 | 3,030 | 2,959 | 2,959 | 2,055 | (71) | |
| 31,144 | 31,197 | 53 | 186,865 | 191,974 | 5,108 | Net Expenditure | 366,120 | 7,611 | 373,731 | 191,974 | 374,301 | 8,181 | 570 | |
| (30,307) | (29,610) | 697 | (181,844) | (186,156) | (4,312) | Sources of Finance | (363,687) | 0 | (363,687) | (186,156) | (363,563) | 124 | 124 | |
| 837 | 1,588 | 751 | 5,022 | 5,818 | 796 | (Surplus)/Deficit before appropriations | 2,433 | 7,611 | 10,043 | 5,818 | 10,738 | 8,305 | 694 | |
| (575) | (52) | 523 | (3,449) | (7,064) | (3,615) | Contribution to/(from) Earmarked Reserves | 712 | (7,611) | (6,899) | (7,064) | (7,371) | (8,083) | (472) | |
| (262) | 0 | 262 | (1,572) | (3,145) | (1,572) | Contribution to/(from) General Reserve | (3,145) | 0 | (3,145) | (3,145) | (3,367) | (223) | (223) | |
| (0) | 1,536 | 1,536 | 0 | (4,391) | (4,391) | (Surplus)/Deficit after appropriations | 0 | 0 | 0 | (4,391) | (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 6 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

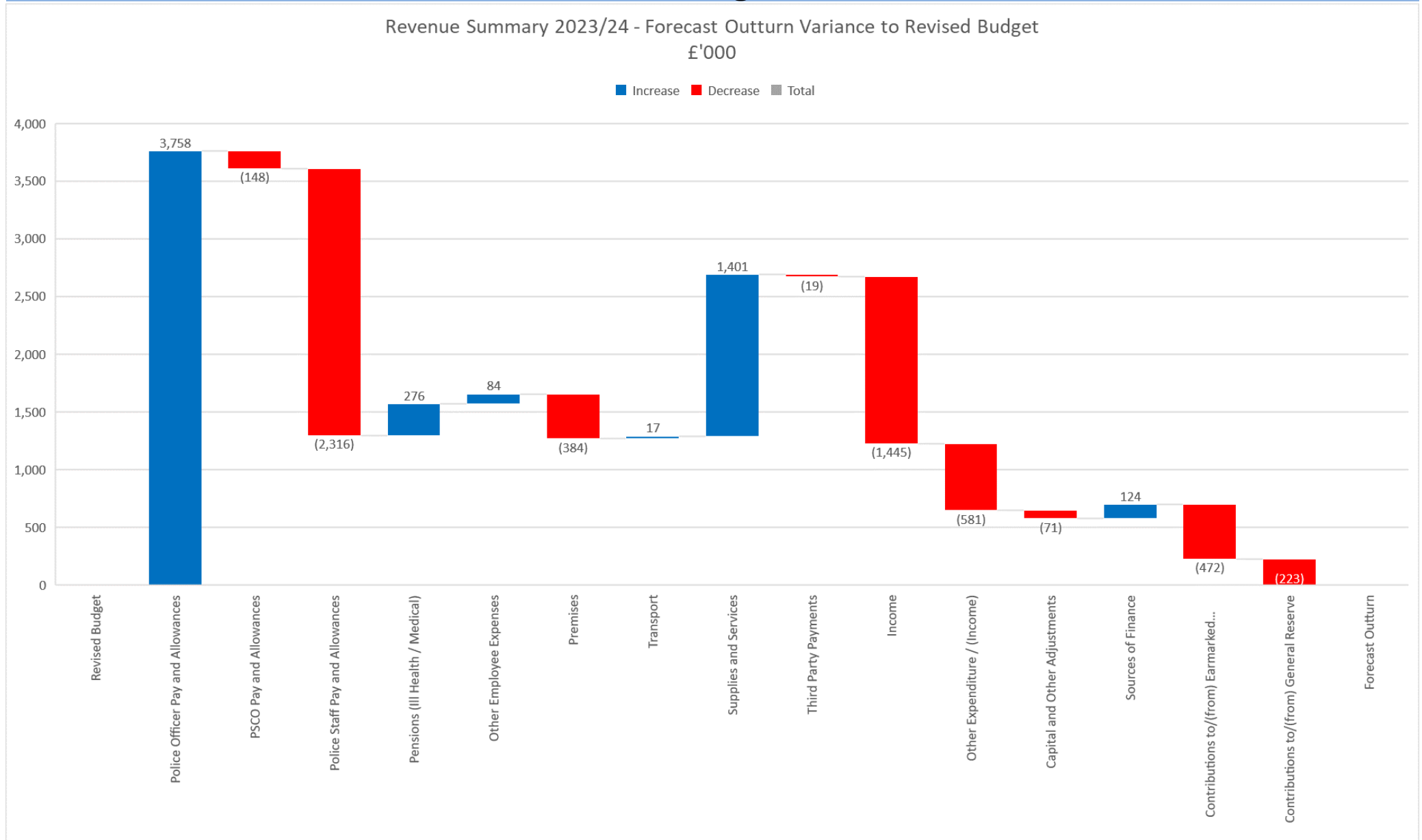
Transfer to/(from) Earmarked Reserve

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 Forecast Outturn Variance to Revised Budget



3.4 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £3.758m 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 - £2.316m 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 6 includes externally funded activity for Stansted (£0.424m increase).

Previously reported adjustments to Original Budget, up to and including Month 5, total £6.391m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 5, total £2.673m.

PCSO Pay and Allowances - £0.148m 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 - £0.384m 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 - £0.017m 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; 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 5, total £0.130m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 5, 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 - £1.401m 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 - £0.019m 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, largely offset by overspends for 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; and insurance premiums for employer/public liability claims and property, that are no longer subject to funding from the insurance reserve.

These overspends are partially offset by 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 confirming their forecast positions for Council Tax collection (0.1m).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 6 (which has a corresponding forecast change) is for externally funded activity for Stansted and Athena recharges (£0.106m increase) and an appropriation from the Restricted Grant earmarked reserve in connection with Home Office funding of implementation costs for the Rapid Video Response solution (£0.067m increase).

Previously reported adjustments to Original Budget, up to and including Month 5, total £6.063m.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 6 is for a reversal of funding of miscellaneous insurance premiums for employer/public liability claims and property from the insurance reserve (£0.130m decrease) and an appropriation from earmarked reserves to meet the 2023/24 contribution towards Essex Centre for Data Analytics (£0.085m increase).

Previously reported adjustments to Original Budget, up to and including Month 5, total £0.752m.

Income - £1.445m 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) - £0.581m 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 - £0.223m

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.

3.5 Main Forecast Movements since last month

Main Changes to Forecast Outturn Variance since Month 5

| | Change in Forecast Outturn Variance £m | |
|--|---|---|
| Month 5 Forecast Outturn Variance | 0.1 | Overspend |
| Police Officer Pay and Allowances | 1.3 | The increase in forecast includes the impact of additional officers joining the pension scheme following the three yearly pension auto enrolment exercise and the impact resulting from changes to the recruitment and leaver profiles. In addition, there has been an Increase to the OPC Police Officer overtime forecast in relation to the Firearms Support Unit which is facing a significant increase in vacancies and pressure to maintain the STRA. |
| Police Staff Pay and Allowances | (0.2) | The decrease in forecast includes the impact of starters and leavers in August and September, partially offset by the impact of additional staff joining the pension scheme following the three yearly pension auto enrolment exercise. |
| Transport | (0.6) | The decrease in forecast is due to a reduction in the vehicle insurance premium following conclusion of the tendering process and negotiations between SEERPIC forces, and a reduction in the forecast for vehicle fuel based on average fuel prices experienced in the first half of the financial year. |
| Supplies and Services | (0.2) | The decrease in forecast includes a reduction in revenue consequences of capital reflecting estates expenditure for the TSU Accommodation project now being financed from alternative revenue sources and a net decrease in respect of the Council Tax Sharing Agreement based on billing authorities confirming their forecast positions for Council Tax collection; partially offset by an overspend in relation to the 2022/23 external audit fees. |
| Third Party Payments | 0.1 | The increase in forecast is due to a reversal of an appropriation from the Insurance reserve to fund a forecast overspend for miscellaneous insurances that was reported earlier in the year, resulting from the underspend achieved in relation to the motor insurance contract. |
| Income | (0.1) | The decrease in forecast includes confirmed additional Home Office income available for a further 10 officer PUP uplift, in addition to the original 45 over-allocation above the Officer headcount figure of 3,765, partially offset by a forecast reduction in income for vehicle recovery, based on average seized vehicle income for year to date, and firearms certificates income, which is significantly lower than same period for last financial year. |
| Further Variances | (0.2) | Various changes across the force to reflect latest information which are less than £100k, including PCSO Pay and Allowances and Premises Related Costs. |
| Month 6 Forecast Outturn Variance | 0.2 | Overspend |

4. Workforce Analysis

4.1 Police Officer – FTEs and Monthly Financial detail

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

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

| 2023/24 Forecast Strength | | | | | | | | | | | | | | |
|------------------------------|--|----------|---------|----------|---------|--------------|---------|----------|----------|----------|----------|----------|----------|------------|
| Strength | Actual FTE | | | | | Forecast FTE | | | | | | | | Total FTEs |
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | | |
| | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | | |
| 15 | 1st April 2023 Strength | 3,743 | 3,720 | 3,702 | 3,722 | 3,706 | 3,673 | 3,741 | 3,720 | 3,698 | 3,743 | 3,721 | 3,701 | |
| 16 | Leavers | (26) | (24) | (23) | (19) | (32) | (24) | (23) | (23) | (23) | (23) | (23) | (23) | (286) |
| 17 | Joiners (note 7) | 3 | 6 | 41 | 4 | 0 | 92 | 2 | 1 | 68 | 1 | 2 | 77 | 297 |
| 20 | Other Adjustments (note 8) | (0) | 0 | 2 | (1) | (1) | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 21 | Net change | (23) | (18) | 20 | (16) | (33) | 68 | (21) | (22) | 45 | (22) | (20) | 54 | 12 |
| 22 | Officer strength - month end | 3,720 | 3,702 | 3,722 | 3,706 | 3,673 | 3,741 | 3,720 | 3,698 | 3,743 | 3,721 | 3,701 | 3,755 | |
| 23 | Difference to 3755fte - over / (under) | (35) | (53) | (33) | (49) | (82) | (14) | (35) | (57) | (12) | (34) | (54) | 0 | |
| 24 | Officer headcount - month end | 3,793 | 3,775 | 3,793 | 3,775 | 3,742 | 3,811 | 3,790 | 3,768 | 3,813 | 3,791 | 3,770 | 3,824 | |
| 25 | Difference to PUP headcount of 3765 - over / (under) | 28 | 10 | 28 | 10 | (23) | 46 | 25 | 3 | 48 | 26 | 5 | 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 | £18.33m | £19.89m | £19.13m | £19.27m | £19.18m | £19.29m | £19.34m | £22.12m | £227.83m |
| 27 | Leavers | | | | | | | (£0.09m) | (£0.18m) | (£0.28m) | (£0.37m) | (£0.46m) | (£0.55m) | (£1.94m) |
| 28 | Joiners | | | | | | | £0.01m | £0.02m | £0.03m | £0.35m | £0.26m | £0.30m | £0.96m |
| 29 | Other Costs | | | | | | | £0.01m | £0.01m | £0.01m | £0.01m | £0.01m | £0.01m | £0.05m |
| 30 | Monthly Actual | £16.97m | £18.28m | £17.90m | £18.13m | £18.33m | £19.89m | £19.06m | £19.11m | £18.94m | £19.27m | £19.15m | £21.87m | £226.90m |
| 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 | (22) | (16) | (27) | (3) | (2) | (2) | (1) | (1) | 1 | |
| 32 | Leavers (positive number = less leavers) | 8 | (1) | 0 | 4 | (9) | (1) | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 33 | Joiners | 2 | 5 | (26) | 3 | (1) | 25 | 1 | 0 | 1 | 0 | 1 | (1) | 10 |
| 32 | Other Adjustments | (0) | 0 | 2 | (1) | (1) | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| 33 | Month End Strength Change - FTEs | (2) | 2 | (22) | (16) | (27) | (3) | (2) | (2) | (1) | (1) | 1 | 0 | 12 |
| 34 | Change per month FTEs | 10 | 4 | (24) | 6 | (11) | 24 | 1 | 0 | 1 | 0 | 2 | (1) | |
| | 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 | £0.37m | £1.44m | £0.70m | £0.84m | £0.55m | £0.97m | £0.94m | £3.49m | £8.28m |

Notes

- 1 The budget was built on the assumption that at the start of April 2023 we would have reached the approved establishment of 3,755 FTE.
- 2 The 1st April 2023 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2.0% payrise in September i.e. there is no profile adjustment for incremental increases.
- 3 Leavers could be at any rank but assumed to be at constable level for the purpose of profiling the monthly budget. Figures are cumulative.
- 4 The monthly budget for joiners is based on the profile and entry routes assumed at budget setting.
- 5 The budget includes Police Officer pay, NI, pension, allowances, 0.5% employers apprenticeship levy and recharges for collaborative posts. Overtime and Bank Holiday pay is not included.
- 6 The change in strength and budget may not always match due to the mix of joiners and leavers.
- 7 Joiners includes probationers, transferees and rejoiners
- 8 Other adjustments include miscellaneous losses and gains e.g. officers going on secondment or career break. It also includes net adjustments to part time hours

4.2 Modelling of Financial impact from changes to Officers leaver and joiner profile

The table below seeks to model the estimated financial impact from 1, 10, or 13 FTE less leavers than the leavers projections supplied by HR, with an even adjustment to the intakes scheduled for June, September, December, and March (no financial impact) to maintain an end of year projection of 3,755 FTE Officers. The financial impact of 1, 10 or 13 FTE less leavers per month is £0.113m, £1.126m or £1.464m, respectively. The same would apply in reverse for more leavers.

**Estimated impact of changes to leavers and joiners profiles
Cost/(Saving)**

| | INTAKE | | | INTAKE | | | INTAKE | | | INTAKE | | | Total |
|---|-----------|-----------|-----------|----------|----------|-----------|----------|----------|----------|----------|----------|---------|----------------|
| | April | May | June | July | August | September | October | November | December | January | February | March | |
| | 12 months | 11 months | 10 months | 9 months | 8 months | 7 months | 6 months | 5 months | 4 months | 3 months | 2 months | 1 month | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Estimated Impact of 1 FTE less Leaver | 49,262 | 45,156 | 41,051 | 36,946 | 32,841 | 28,736 | 24,631 | 20,526 | 16,421 | 12,315 | 8,210 | 4,105 | 320,200 |
| Estimated Impact of 3 FTE less probationer | | | (98,835) | | | (69,184) | | | (39,534) | | | | (207,553) |
| Net Impact | | | | | | | | | | | | | 112,647 |

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

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

1. Police Officers - Budget Based on Strength

| | Current Position - FTEs | | Financial Forecasting FTEs | | | | | Strength at 31st March 2024 |
|------------------------|-------------------------|----------------------|----------------------------|-----------------------|--------------------------|----------------------|--|-----------------------------|
| | Establishment Target | Strength @ month end | Strength at 1st April 2023 | Starters for the year | Transferees for the year | Leavers for the year | Other adjustments e.g. change in hours | |
| Budget Setting | | | 3,755 | 275 | 12 | (287) | 0 | 3,755 |
| HR data @ 31 July 23 | 3,755 | 3,705 | 3,743 | 267 | 27 | (283) | 2 | 3,755 |
| HR data @ 31 August 23 | 3,755 | 3,673 | 3,743 | 266 | 31 | (286) | 2 | 3,755 |
| Change | | (32) | | (1) | 4 | (3) | (0) | 0 |

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

| | Current Position - FTEs | | Financial Forecasting FTEs | | | |
|------------------------|-------------------------|----------------------|--|---|-------------------------|------------------------|
| | Establishment @ 100% | Strength @ month end | Establishment @ 100% at 1st April 2023 | Vacancy Factor Establishment @ 1st April 2023 * | Actual starters to date | Actual leavers to date |
| Budget Setting | | | 2,374 | 2,208 | | |
| HR data @ 31 July 23 | 2,407 | 2,137 | | | 75 | (84) |
| HR data @ 31 August 23 | 2,409 | 2,133 | | | 83 | (96) |
| Change | | (4) | | | 8 | (12) |

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

3. PCSOs - Budget Based on Establishment

| | Current Position - FTEs | | Financial Forecasting FTEs | | | | | Strength at 31st March 2024 |
|------------------------|---------------------------|----------------------|--------------------------------|----------------------------|-----------------------|----------------------|--|-----------------------------|
| | Establishment @ month end | Strength @ month end | Establishment @ 1st April 2023 | Strength at 1st April 2023 | Starters for the year | Leavers for the year | Other adjustments e.g. change in hours | |
| Budget Setting | | | 102 | 102 | | | | |
| HR data @ 31 July 23 | 99 | 96 | 99 | 94 | 10 | (5) | (0) | 98 |
| HR data @ 31 August 23 | 99 | 96 | 99 | 94 | 4 | (3) | (0) | 94 |
| Change | | 0 | | | (6) | 2 | (0) | (4) |

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

| 4. Specials - Headcount | Actual Strength | Target Strength |
|-------------------------|-----------------|-----------------|
| Budget Setting | | 427 |
| HR data @ 31 July 23 | 294 | 427 |
| HR data @ 31 August 23 | 288 | 427 |
| Change | (6) | |

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 | - | - | (£1.413m) | £0.934m | - | £0.934m | 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 | - | - | (£0.288m) | £0.148m | - | £0.148m | Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred. |
| Insurance Reserve | - | £0.200m | - | - | £0.200m | - | £0.200m | Reserve to hold balances to help manage the impact of volatile claim trends on revenue, and to assist with any unforeseen shortfalls in respect of premium cover |
| Total | £6.991m | (£0.288m) | £0.371m | (£2.336m) | £4.737m | (£1.014m) | £3.723m | |

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 | (£0.223m) | £10.026m | 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 £10.026m, which represents 2.8% of the 2023/24 force budget of £363.7m. |
| Total Revenue Reserves | £28.895m | (£2.433m) | £0.490m | (£8.101m) | £18.850m | (£1.603m) | £17.247m | |

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 06 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 | 2,926 | 7,518 | (266) | 7,451 | 67 |
| IT projects | 542 | 3,052 | 977 | 4,571 | 169 | 3,941 | (630) | 4,402 | (461) |
| Transport projects | 1,295 | 2,200 | 783 | 4,278 | 1,684 | 3,417 | (861) | 3,413 | 4 |
| OPC projects | 26 | 400 | 76 | 502 | 45 | 500 | (2) | 500 | 0 |
| SCD projects | 0 | 24 | 15 | 39 | 8 | 39 | 0 | 39 | 0 |
| Other projects | 0 | 237 | 48 | 285 | 90 | 582 | 297 | 556 | 26 |
| <i>Subject to Approval projects</i> | 8,783 | (7,238) | 584 | 2,130 | 0 | 588 | (1,541) | 2,319 | (1,731) |
| TOTAL EXPENDITURE | 13,999 | (0) | 5,705 | 19,704 | 5,037 | 16,700 | (3,004) | 18,795 | (2,095) |
| FINANCING - | | | | | | | | | |
| Capital Receipts | 4,100 | 0 | 1,813 | 5,913 | | 6,434 | 521 | 5,878 | 556 |
| 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 | | 8,183 | (3,527) | 10,834 | (2,651) |
| TOTAL FINANCING | 13,999 | 0 | 5,705 | 19,704 | 5,037 | 16,700 | (3,004) | 18,795 | (2,095) |

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 £3.004m 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 Strategic Board), it is

expected that there will be a net external borrowing requirement of circa £2m 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 **£19.704m** as at month 6. The movement since month 5 is comprised of an increase of £0.062m to the approved budget relating to the Harwich & Dovercourt project. The total 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 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.

Since the original budget was approved there have been £7.238m of business cases, previously categorised as subject to approval, that have been approved at the March, June and September Strategic Boards. The impact of these approvals is reflected within the 'subject to approvals' columns in the capital tables contained within this report.

The £7.238m 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 6 reflects a forecast underspend of (£3.004m) compared to the previous month 5 reported underspend of (£0.847m). The decrease in the forecast spend since the previous month equates to (£2.095m), 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 6 is a year-end spend of £16.700m which is a (£3.004m) forecast variance against the current budget of £19.704m. This comprises slippage of (£3.399m) and an underspend of (£0.205m) both offset by a net forecast overspend of £0.598m.

Forecast slippage of £3.399m (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 £0.483m into future years, the main projects including:

- Harwich & Dovercourt Collaboration project of £0.073m, due to a delay in the approval of the scheme and with delayed contractual negotiations impacting the final delivery of the project.
- A small slippage of £0.020m for Haven Rooms due to remedial works required at the Braintree location prior to main works being completed
- Boreham Infrastructure MIP3 £0.132m relating to funds set aside for retention once the defective period ends
- Slippage for Boreham C Block refurbishment (Locker Room & Drug Drying Room). £0.049m 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 £0.865m 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, with no further variance in month 6 to report.

IT – who are reporting a slippage of £0.590m at month 6 of which £0.111m relates 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 month 6 comprises £0.201m relating to Infrastructure Technical Refresh. The slippage is due to the strategic decision pending around future and current purchase of servers, related expansion storage and bringing projects align with IT's strategy, DFU Digital Forensic Platform slippage of £0.128m due to changes relating to the Softcat DF Cloud Networking proposal, as well as slippage of £0.117m for Dashcams and £0.033m for the QAS and Compass Upgrade project.

The remaining material slippage in month 6 of (£1.458m) includes the impact of updated subject to approval bids being included in the current year programme, mainly relating to 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 Revisions (£0.500m), Estates Transformation (£0.330m) and Electric Vehicle Charging Infrastructure (£0.050m).

Net forecasts overspend of £0.598m

Estates - £0.217m in month five 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 £0.02m relating to TSU Accommodation – MIP3 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. The movement reported in month 6 of £0.062m relates to Harwich & Dovercourt due to with a corresponding budget increase also actioned in September.

IT – including advanced works of £0.073m of which £0.034m for the Dashcams project reported in month 5 and £0.39m for Data Centre Migration in month 6.

Other – including £0.274m reported in month 5 with a further increase of £0.026m in month 6 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 £0.205m

IT – The reduction in forecast comprises Infrastructure Technical Refresh 2023/24 for £0.063m and Dashcams for £0.033m, both reported in month 5. Additional underspend of £0.022m in month 6 mainly relates to £0.021m for the Taser Tracking project.

Subject to Approvals - The remaining forecast movement comprises (£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.

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 6. 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 £6.434m 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 £8.183m which equates to approximately 49% 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 06 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 | - | - | - | 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 | 646 | 736 | 1,694 | 92 | 5,705 |

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

6.3.2 Forecast Expenditure Variances

CAPITAL PROGRAMME 2023/24 MONTH 06 MONITORING POSITION
FORECAST EXPENDITURE VARIANCES

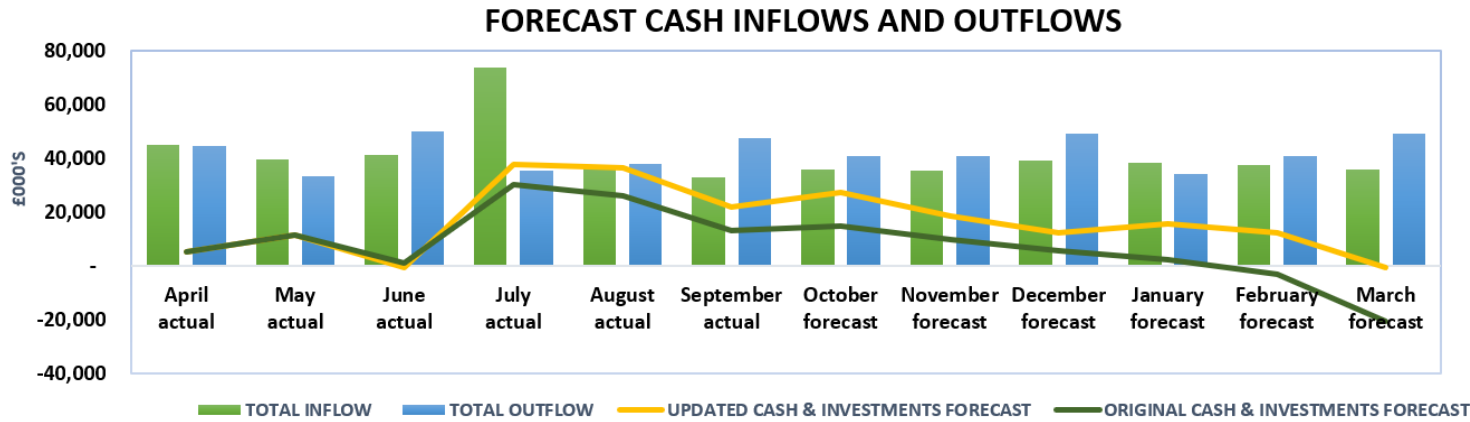
| | Additions | Forecast Overspend | Forecast Underspend | Slippage c/f | Total Variances |
|-------------------------------------|-----------|-----------------------|------------------------|----------------|--------------------|
| | £000 | £000 | £000 | £000 | £000 |
| FORECAST OUTTURN VARIANCES | | | | | |
| ANPR projects | 0 | 0 | 0 | 0 | 0 |
| Estates projects | 0 | 217 | (2) | (483) | (266) |
| IT projects | 0 | 77 | (118) | (590) | (630) |
| Transport projects | 0 | 4 | 0 | (865) | (861) |
| OPC projects | 0 | 0 | (2) | 0 | (2) |
| SCD projects | 0 | 0 | (0) | 0 | 0 |
| Other projects | 0 | 300 | 0 | (3) | 297 |
| <i>Subject to Approval projects</i> | 0 | 0 | (83) | (1,458) | (1,541) |
| TOTAL | 0 | 598 | (205) | (3,399) | (3,004) |

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 06 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

| | Changes in Forecast Outturn Variance | Explanation |
|---|---|---|
| | £000 | |
| Month 5 Forecast Outturn | 18,795 | |
| Infrastructure Technical Refresh 2023/24 | (201) | Slippage pending strategic decision around future and current purchase of servers and replacement of servers for IT projects |
| DFU Digital Forensic Platform | (128) | Forecast reduction based on Softcat DF cloud networking proposals |
| Dashcams | (117) | Delays to rollout programme due to insufficient storage space for the proposed kits to be purchased |
| Harwich & Dovercourt | 62 | Additional forecast over and above previous recognition |
| Net impact of other immaterial movements in approved programme < £50k | 20 | Various |
| Laindon CEL Phase 2 - MIP 3 | (190) | New approved bid (previously within subject to approvals) re-profiled to 2024/25 |
| Subject to Approvals - Estates | (1,458) | Reprofiling following receipt of draft 24/25 budget setting information and related Stage B bids |
| Subject to Approvals - SCD | (83) | Bids below de minimis Stage A threshold removed from programme following receipt of draft 24/25 budget setting information and related Stage B bids |
| Month 6 Forecast Outturn | 16,700 | |

7. Cashflow Forecast



| September Summary | Forecast £000 | Actual £000 | Variance £000 |
|------------------------------------|------------------|-----------------|------------------|
| Expenditure | | | |
| Supplier payments | 12,953 | 11,436 | (1,517) |
| HMRC payments | 7,294 | 7,206 | (88) |
| Essex LGPS payments | 1,600 | 1,612 | 12 |
| Payroll | 26,805 | 27,458 | 653 |
| Total cash outflow | 48,652 | 47,712 | (940) |
| Income | | | |
| Govt grant | (16,182) | (16,182) | 0 |
| Precepts | (13,348) | (13,339) | 9 |
| Other net receipts | (5,706) | (3,629) | 2,077 |
| Total cash inflow | (35,236) | (33,150) | 2,086 |
| Total cash (inflow)/outflow | 13,416 | 14,562 | 1,146 |

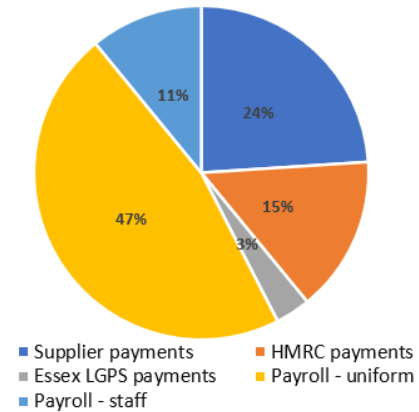
September Commentary

Expenditure
Supplier payments were £1.517m lower than forecast due to two of the four weekly BACS runs for the month having a lower than average weekly payment run value. This was despite a one-off invoice to the Home Office being paid for £0.555m.

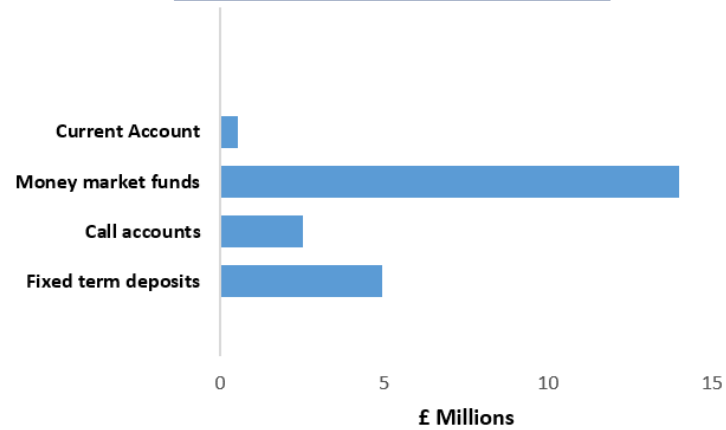
The other main variance related to Payroll which was £0.653m higher than the plan, with the bulk of this (£0.553m) relating to the 7% pay increase not being fully accounted for within the forecast.

Income
The shortfall in other net receipts of £2.077m comprised a delay with the forecast £0.750m for the August VAT return, with HMRC subsequently reimbursing this on 3/10/23. In addition, £0.240m relating to the Walton PS property sale was deferred to October. The £1.138m balance of the shortfall related to daily miscellaneous receipts being on average half of the usual daily value during the month of September.

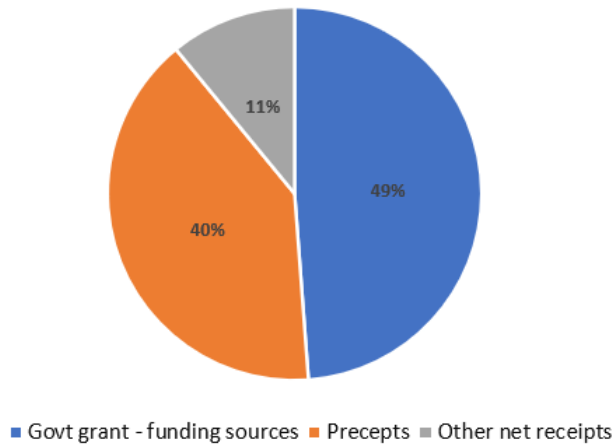
September Expenditure Breakdown



Investments @ 30th September



September 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 £2m by year-end, comprising approximately £12m external borrowing and £10m liquid investments.