

## Performance and Resources Scrutiny Programme 2023/24

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

<b>Title of Report:</b>	<b>2023/24 Month 7 Financial Monitoring Report</b>
<b>Classification of Paper:</b>	<b>Official</b>
<b>Agenda Number:</b>	<b>3i)</b>
<b>Chief Officer:</b>	<b>DCC Prophet</b>
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<b>Report from:</b>	<b>Essex Police: Corporate Finance</b>
<b>Date of Meeting:</b>	<b>27<sup>th</sup> November 2023</b>
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<b>Date of Approval by Chief Officer</b>	<b>15<sup>th</sup> November 2023</b>
<b>COG meeting date / date of approval (Please indicate whether paper presented to COG or not)</b>	<b>15<sup>th</sup> November 2023</b>

### **1.0 Purpose of Report**

This report identifies the 2023/24 Month 7 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 October, Month 7, financial position.

**5.0 Current Work and Performance**

The Month 7 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 7 is £0.066m against the 2023/24 revenue budget of £363.7m (0.02% 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 October is 3,721 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of October is 27 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.290m.

The Police Staff strength at the end of September is 2,135 FTE. Total vacancies at 30th September are 274 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.385m.

The PCSO strength at the end of September is 96 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.133m.

## RESERVES

The net appropriation from earmarked reserves for Month 7 is £0.145m.

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 7 is a forecast spend of £16.254m, which is a £3.451m underspend against the latest revised budget of £19.704m (17.5% variance).

The financing requirement for unfinanced capital expenditure is forecast at £9.103m which equates to approximately 56% 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
<b>Appropriations to Earmarked Reserves</b>						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
	<b>Total</b>	<b>0</b>				
<b>Appropriations (from) Earmarked Reserves</b>						
ER024/23	Crime & Public Protection Assessment Centre - severance and financial strain	(145)	Funding of severance and financial strain expenditure incurred by the force.	Appropriation from Earmarked Reserve for its intended use	Restructuring Reserve	Other Employee Expenses
	<b>Total</b>	<b>(145)</b>				
	<b>Net appropriation to/(from) Earmarked Reserves</b>	<b>(145)</b>				

# 3. Revenue

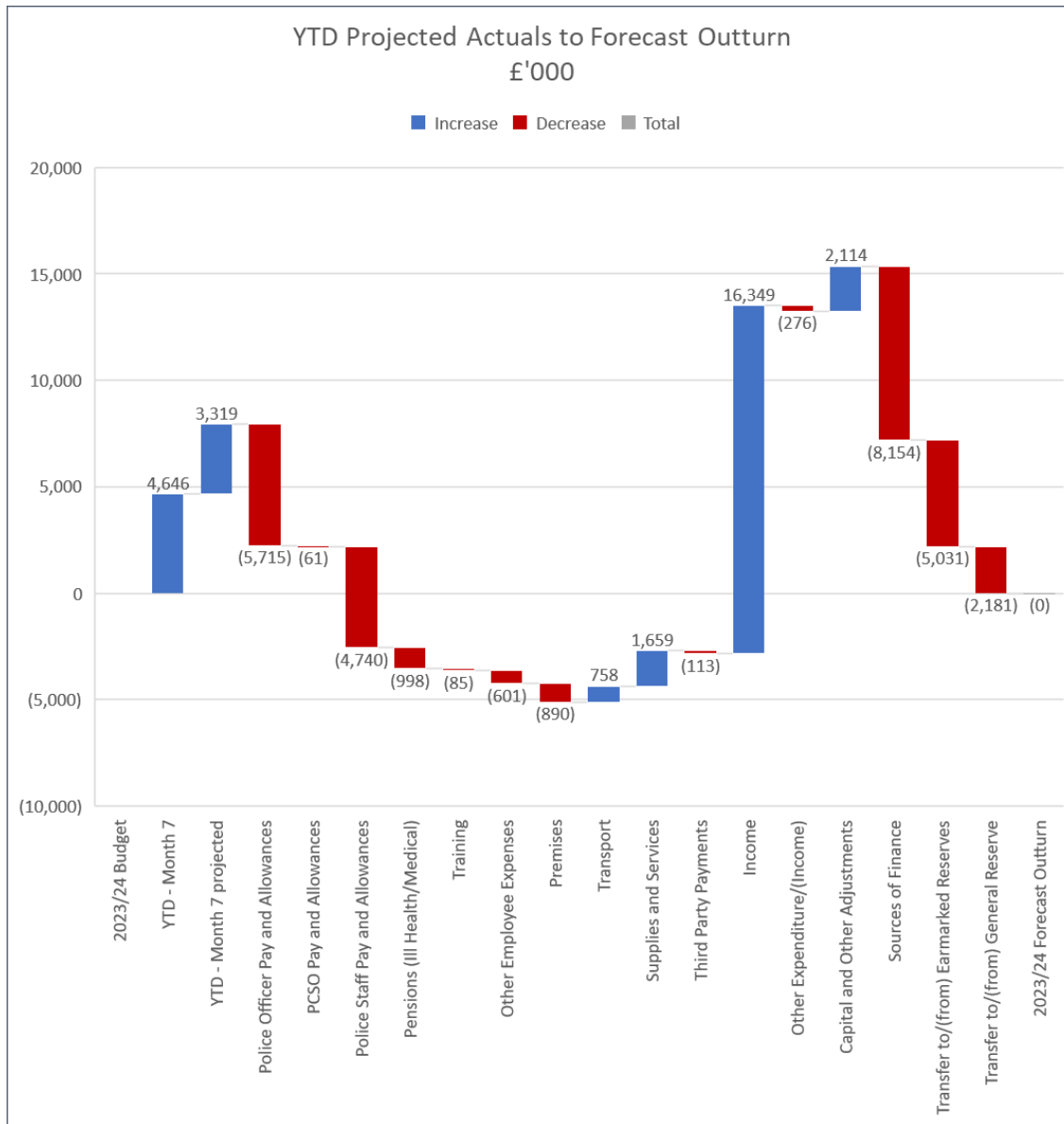
## 3.1 Revenue Summary

In Month - Month 07			Year to Date - Month 07			Subjective Heading	Full Year					Movement from Prior Month Revised Budget		
Budget <sup>1</sup>	Actual	Variance	Budget <sup>1</sup>	Actual	Variance		Original Budget <sup>2</sup>	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Year End Forecast		Variance Over/(Under) Spend - Original Budget	Variance Over/(Under) Spend - Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000		£000	£000
18,693	19,478	785	130,849	128,753	(2,097)	<b>Employees</b>								
692	631	(61)	4,841	5,490	650	<u>Police Officer Pay and Allowances</u>								
88	121	33	615	755	139	- Police Officer Pay and Allowances	218,616	5,698	224,313	128,753	226,603	7,987	2,290	
0	0	0	0	0	0	- Overtime and Operational Performance	7,127	1,171	8,298	5,490	9,225	2,098	927	
19,472	20,230	758	136,305	134,997	(1,308)	- Associated Police Pay	1,049	5	1,054	755	1,309	260	255	
						- In-Year Savings Shortfall/(Surplus)	0	0	0	0	0	0	0	
						<b>Police Officer Pay and Allowances</b>	<b>226,792</b>	<b>6,874</b>	<b>233,666</b>	<b>134,997</b>	<b>237,137</b>	<b>10,345</b>	<b>3,471</b>	
318	324	6	2,227	2,114	(113)	<b>PCSO Pay and Allowances</b>	<b>3,687</b>	<b>130</b>	<b>3,817</b>	<b>2,114</b>	<b>3,685</b>	<b>(3)</b>	<b>(133)</b>	
8,348	8,579	231	58,434	54,286	(4,148)	<u>Police Staff Pay and Allowances</u>								
167	178	11	1,166	1,295	129	- Police Staff Pay & Allowances	97,785	2,387	100,172	54,286	97,787	2	(2,385)	
8,514	8,756	242	59,600	55,582	(4,018)	- Police Staff Overtime and Agency	1,124	875	1,999	1,295	2,235	1,111	236	
387	326	(62)	2,712	2,289	(423)	<b>Police Staff Pay and Allowances</b>	<b>98,909</b>	<b>3,262</b>	<b>102,171</b>	<b>55,582</b>	<b>100,023</b>	<b>1,113</b>	<b>(2,148)</b>	
171	165	(6)	1,197	1,148	(50)	Pensions (Ill Health / Medical)	4,215	433	4,648	2,289	4,922	707	274	
45	40	(5)	316	14	(302)	Training	2,019	33	2,052	1,148	2,053	34	0	
28,908	29,841	933	202,356	196,143	(6,213)	Other Employee Expenses	399	142	541	14	625	225	84	
1,029	1,040	11	7,205	6,462	(743)	<b>Employees Total</b>	<b>336,022</b>	<b>10,874</b>	<b>346,896</b>	<b>196,143</b>	<b>348,444</b>	<b>12,423</b>	<b>1,548</b>	
583	1,324	741	4,082	4,598	516	Premises	12,317	35	12,352	6,462	11,968	(350)	(384)	
4,088	2,619	(1,469)	28,614	30,111	1,497	Transport	6,934	64	6,998	4,598	7,124	190	126	
0	0	0	0	0	0	<u>Supplies and Services</u>								
4,088	2,619	(1,469)	28,614	30,111	1,497	- Supplies and Services	42,281	6,772	49,052	30,111	49,960	7,679	908	
649	1,961	1,311	4,545	4,453	(92)	- In-Year Investments	446	(446)	0	0	0	(446)	0	
35,258	36,785	1,528	246,803	241,767	(5,036)	<b>Supplies and Services</b>	<b>42,727</b>	<b>6,326</b>	<b>49,052</b>	<b>30,111</b>	<b>49,960</b>	<b>7,233</b>	<b>908</b>	
(4,346)	(6,244)	(1,898)	(30,423)	(21,766)	8,657	Third Party Payments	7,382	410	7,792	4,453	7,747	365	(45)	
30,911	30,541	(370)	216,380	220,001	3,621	<b>Gross Expenditure</b>	<b>405,381</b>	<b>17,709</b>	<b>423,091</b>	<b>241,767</b>	<b>425,243</b>	<b>19,861</b>	<b>2,152</b>	
(8)	(138)	(131)	(53)	(583)	(529)	Income	(40,074)	(12,080)	(52,154)	(21,766)	(53,662)	(13,587)	(1,508)	
252	0	(252)	1,767	2,959	1,191	<b>Net Cost of Services</b>	<b>365,307</b>	<b>5,630</b>	<b>370,937</b>	<b>220,001</b>	<b>371,581</b>	<b>6,274</b>	<b>644</b>	
31,156	30,403	(753)	218,094	222,377	4,283	Other Expenditure / (Income)	(91)	0	(91)	(583)	(723)	(631)	(631)	
(30,307)	(30,679)	(372)	(212,151)	(216,835)	(4,684)	Capital and Other Adjustments	904	2,126	3,030	2,959	2,959	2,055	(71)	
849	(276)	(1,125)	5,943	5,542	(401)	<b>Net Expenditure</b>	<b>366,120</b>	<b>7,755</b>	<b>373,876</b>	<b>222,377</b>	<b>373,817</b>	<b>7,697</b>	<b>(58)</b>	
(587)	20	607	(4,109)	(7,044)	(2,935)	Sources of Finance	(363,687)	0	(363,687)	(216,835)	(363,563)	124	124	
(262)	0	262	(1,834)	(3,145)	(1,310)	<b>(Surplus)/Deficit before appropriations</b>	<b>2,433</b>	<b>7,755</b>	<b>10,188</b>	<b>5,542</b>	<b>10,254</b>	<b>7,821</b>	<b>66</b>	
0	(256)	(256)	0	(4,646)	(4,646)	Contribution to/(from) Earmarked Reserves	712	(7,755)	(7,044)	(7,044)	(7,044)	(7,755)	0	
						Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(3,210)	(66)	(66)	
						<b>(Surplus)/Deficit after appropriations</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(4,646)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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

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

## 3.2 Year to Date Projected Actuals to Forecast Outturn



### Supporting Commentary

#### **YTD – Month 7 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

#### **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**

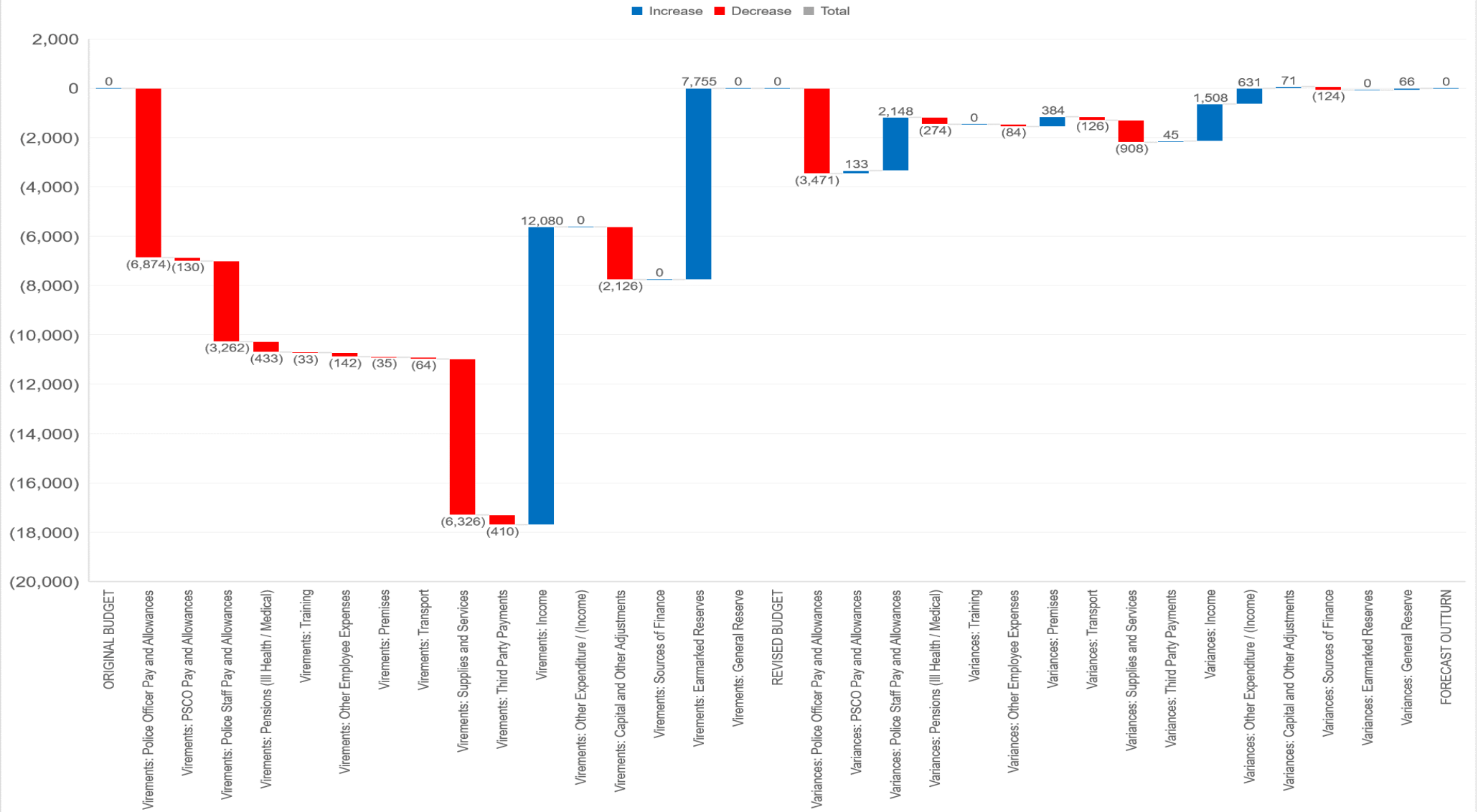
Appropriations from earmarked reserves performed to date to reflect the annual drawdown from reserves vs an even monthly profile of the budget

#### **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

Revenue Summary 2023/24 - Original Budget to Revised Budget to Forecast Outturn  
£'000



## 3.4 Revenue Summary – Supporting Commentary

### Police Officer Pay and Allowances - £3.471m 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 - £2.148m 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 7 includes externally funded activity for the Safer Essex Roads Partnership (£0.007m increase) and Operation Safeguard (£0.068 increase), both of which have a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 6, total £6.799m.

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

The adjustments from Original Budget to the Revised Budget during Month 7 includes externally funded activity for the Safer Essex Roads Partnership (£0.578m increase) and Operation Safeguard (£0.021 increase), both of which have a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 6, total £2.663m.



### PCSO Pay and Allowances - £0.133m 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) - £0.274m 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 - £0.126m 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 6, total £0.130m.

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

Previously reported adjustments to Original Budget, up to and including Month 6, 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 - £0.908m 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 - £0.045m 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.

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 7 is in relation to externally funded activity for the Safer Essex Roads Partnership (£0.060m increase), which has a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 6, total £6.266m.

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

The adjustment from Original Budget to the Revised Budget during Month 7 is in relation to externally funded activity for the Safer Essex Roads Partnership (£0.274m decrease), which has a corresponding adjustment to Income.

Previously reported adjustments to Original Budget, up to and including Month 6, total £0.684m.

### Income - £1.508m 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) - £0.631m 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 General Reserve - £0.066m**

**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 6		
	Change in Forecast Outturn Variance £m	
<b>Month 6 Forecast Outturn Variance</b>	<b>0.2</b>	<b>Overspend</b>
Police Officer Pay and Allowances	(0.3)	The decrease in forecast includes the auto-enrolment exercise after three months, and the impact of officers withdrawing from the pension scheme following the three yearly pension auto enrolment exercise and the impact resulting from changes to the recruitment and leaver profiles.
Police Staff Pay and Allowances	0.2	The increase in forecast includes the impact of starters and leavers in September and October and the redeployment of displaced staff following the implementation of the Crime and Public Protection business case.
Transport	0.1	The increase in forecast is in relation to car allowance claims for the OPC dog section following an update to the policy which allows for back dated claims.
Supplies and Services	(0.5)	The decrease in forecast includes a one-off saving of £170k across a number of IT BAU contracts and £130k in relation to IT Projects (ICCS Legal Fees, Data Centre Circuit Fees and the deferment of the PNC project to 24/25). £118k relates to a reduction in forecast expenditure relating to the Council Tax Sharing Agreement, following confirmation of the Quarter 2 figures from billing authorities. In addition, £127k of reduction has been applied in respect of accruals for PPA claims now being discharged based on updated advice from the force's tax advisors.
Contributions from Earmarked Reserves	0.5	The reduction in forecast appropriation from the Chief Constable's carry-forward reserve, previously assumed to fund the roll out of replacement uniform items, is now not required following a decision to fund within existing revenue budgets.
Further Variances	(0.1)	Various changes across the force to reflect latest information which are less than £100k, including surplus income from the HM Prison and Probationer service for Op Safeguard and additional investment income.
<b>Month 7 Forecast Outturn Variance</b>	<b>0.1</b>	<b>Overspend</b>

# 4. Workforce Analysis

## 4.1 Police Officer – FTEs and Monthly Financial detail

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

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	3,721	3,699	3,744	3,722	3,702	
16	Leavers	(26)	(24)	(23)	(19)	(32)	(24)	(23)	(23)	(23)	(23)	(23)	(23)	(286)
17	Joiners (note 7)	3	6	41	4	0	94	2	1	68	1	2	76	298
20	Other Adjustments (note 8)	(0)	0	1	0	(1)	(1)	0	0	0	0	1	0	0
21	Net change	(23)	(18)	19	(15)	(33)	69	(21)	(22)	45	(22)	(20)	53	12
22	Officer strength - month end	3,720	3,702	3,721	3,706	3,673	3,742	3,721	3,699	3,744	3,722	3,702	3,755	
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(49)	(82)	(13)	(34)	(56)	(11)	(33)	(53)	0	
24	Officer headcount - month end	3,793	3,775	3,793	3,775	3,742	3,813	3,792	3,770	3,815	3,793	3,772	3,825	
25	Difference to PUP headcount of 3765 - over / (under)	28	10	28	10	(23)	48	27	5	50	28	7	60	
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	£19.39m	£19.52m	£19.36m	£19.46m	£19.52m	£20.31m	£226.85m
27	Leavers								(£0.09m)	(£0.18m)	(£0.28m)	(£0.37m)	(£0.46m)	(£1.39m)
28	Joiners								£0.01m	£0.02m	£0.34m	£0.25m	£0.29m	£0.89m
29	Other Costs								£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.24m
30	Monthly Actual	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.39m	£19.48m	£19.24m	£19.57m	£19.45m	£20.18m	£226.60m
Variance from Budget Setting														
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	
31	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(23)	(16)	(27)	(2)	(1)	(1)	0	0	2	
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)	27	1	0	1	0	1	(2)	11
32	Other Adjustments	(0)	0	1	0	(1)	(1)	0	0	0	0	1	0	0
33	Month End Strength Change - FTEs	(2)	2	(23)	(16)	(27)	(2)	(1)	(1)	0	0	2	0	12
34	Change per month FTEs	10	4	(25)	7	(11)	25	1	0	1	0	2	(2)	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
	£m	£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	£1.03m	£1.21m	£0.85m	£1.27m	£1.24m	£1.80m	£7.98m

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)				(207,534)
	<b>Net Impact</b>												<b>112,647</b>

	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)
	<b>Net Impact</b>												<b>1,126,469</b>

	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)
	<b>Net Impact</b>												<b>1,464,410</b>



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

### FTE Changes Impacting Pay Forecasts - 2023/24 Month 7

#### 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	
<b>Budget Setting</b>			3,755	275	12	(287)	0	3,755
HR data @ 31 August 23	3,755	3,673	3,743	266	31	(286)	2	3,755
HR data @ 30 September 2023	3,755	3,742	3,743	267	31	(286)	0	3,755
<b>Change</b>		<b>(32)</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>(0)</b>

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

	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
<b>Budget Setting</b>			2,374	2,208		
HR data @ 31 August 23	2,409	2,133			83	(96)
HR data @ 30 September 2023	2,409	2,135			117	(128)
<b>Change</b>		<b>3</b>			<b>35</b>	<b>(32)</b>

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

#### 3. PCSOs - Budget Based on Establishment

	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2023	Strength at 1st April 2023	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
<b>Budget Setting</b>			102	102				
HR data @ 31 August 23	99	96	99	94	4	(3)	(0)	94
HR data @ 30 September 2023	99	96	99	94	4	(3)	0	94
<b>Change</b>		<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

4. Specials - Headcount	Actual Strength	Target Strength
<b>Budget Setting</b>		427
HR data @ 31 August 23	288	427
HR data @ 30 September 2023	283	427
<b>Change</b>	<b>(5)</b>	

## 5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances								
Reserve	1st April 2023 - Opening Balance	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/ (Allocation)	Forecast Year End Balance	Description of Earmarked Reserve
<b>1</b>	<b>Reserves held by Essex Police but managed as third party reserves</b>							
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.
<b>Total</b>	<b>£0.101m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>£0.101m</b>	<b>£0.000m</b>	<b>£0.101m</b>	
<b>2</b>	<b>Ringfenced Reserve</b>							
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	-	£0.934m	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	(£0.210m)	£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	-	£0.148m	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. Includes annual budgeted contribution of £0.2m to the reserve.
<b>Total</b>	<b>£6.991m</b>	<b>(£0.287m)</b>	<b>£0.372m</b>	<b>(£2.481m)</b>	<b>£4.594m</b>	<b>(£0.858m)</b>	<b>£3.737m</b>	

### Earmarked Reserves and Provisions - Opening and Closing Balances

Reserve	1st April 2023 - Opening Balance	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/ (Allocation)	Forecast Year End Balance	Description of Earmarked Reserve
<b>3 Operational Reserves</b>								
Major Operational Reserve	£1.500m	-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office. These reserves are typically 1% of the force budget.
Chief Constables Operational C/Fwd	£0.650m	-	-	-	£0.650m	-	£0.650m	Operational Carry Forward resulting from the 2021/22 force underspend.
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.
<b>Total</b>	<b>£3.151m</b>	<b>£1.000m</b>	<b>£0.119m</b>	<b>(£2.126m)</b>	<b>£2.144m</b>	<b>£0.106m</b>	<b>£2.250m</b>	
<b>4 PFFC Reserves</b>								
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.
<b>Total</b>	<b>£5.258m</b>	<b>£0.000m</b>	<b>£0.000m</b>	<b>(£3.639m)</b>	<b>£1.619m</b>	<b>£0.000m</b>	<b>£1.619m</b>	
<b>5 General Reserve</b>								
General Reserve	£13.394m	(£3.145m)	-	-	£10.249m	(£0.066m)	£10.183m	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 £10.183m, which represents 2.8% of the 2023/24 force budget of £363.7m. Includes £3.145m budgeted contribution to the reserve to fund one-off cost pressures.
<b>Total Revenue Reserves</b>	<b>£28.895m</b>	<b>(£2.432m)</b>	<b>£0.491m</b>	<b>(£8.246m)</b>	<b>£18.707m</b>	<b>(£0.818m)</b>	<b>£17.890m</b>	

# 6. Capital

## 6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 07 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
<b>EXPENDITURE -</b>									
ANPR projects	0	110	5	115	115	115	0	115	0
Estates projects	3,353	1,215	3,217	7,785	4,073	7,464	(321)	7,518	(54)
IT projects	542	3,052	977	4,571	209	3,935	(636)	3,941	(6)
Transport projects	1,295	2,200	783	4,278	2,423	3,417	(861)	3,417	0
OPC projects	26	400	76	502	45	502	0	500	2
SCD projects	0	24	15	39	8	38	(1)	39	(1)
Other projects	0	237	48	285	90	582	297	582	0
<i>Subject to Approval projects</i>	8,783	(7,238)	584	2,130	0	201	(1,929)	588	(387)
<b>TOTAL EXPENDITURE</b>	<b>13,999</b>	<b>(0)</b>	<b>5,705</b>	<b>19,704</b>	<b>6,964</b>	<b>16,254</b>	<b>(3,451)</b>	<b>16,700</b>	<b>(447)</b>
<b>FINANCING -</b>									
Capital Receipts	4,100	0	1,813	5,913		5,068	(845)	6,434	(1,366)
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		9,103	(2,608)	8,183	919
<b>TOTAL FINANCING</b>	<b>13,999</b>	<b>0</b>	<b>5,705</b>	<b>19,704</b>	<b>6,964</b>	<b>16,254</b>	<b>(3,451)</b>	<b>16,700</b>	<b>(447)</b>

1. The revised budget reflects all changes to the capital programme since the original budget was approved at the Police, Fire and Crime 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 £3.451m 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 7 the £2m deficit is now expected to be a £1m surplus (the £10m requirement is 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 7. 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 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 7 reflects a forecast underspend of (£3.451m) compared to the previous month 6 reported underspend of (£3.004m). The decrease in the forecast spend since the previous month equates to (£0.447m), 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 7 is a year-end spend of £16.254m which is a (£3.451m) forecast variance against the current budget of £19.704m. This comprises slippage of (£3.436m) and an underspend of (£0.560m) both offset by a net forecast overspend of £0.544m.

### **Forecast slippage of £3.436m (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 6 with no material movements reported in month 7, 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 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 7 to report.

**IT** – who are reporting a slippage of £0.589m in previous month with no movement at month 7. The movements in previous months comprise of £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.

**Subject to Approvals** – which is reporting slippage in month 7 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 an additional (£0.040m) of slippage has been recognised relating to the Marine Unit Rigid Inflatable Boat.

#### Net forecasts overspend of £0.544m

**Estates** - £0.162m being reported in month 7 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.

**IT** – including advanced works of £0.077m of which £0.034m for the Dashcams project reported in month 5, £0.39m for Data Centre Migration in month 6 with no further movements reported in month 7.

**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. There were no further movements to report in month 7.

#### Net forecast underspend of £0.560m

**IT** – The reduction in 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.

**Subject to Approvals** – Comprising £0.432m of forecast underspend movement, including prior month reductions of (£0.083m) for Milestone Evidence software, and a Serious Crime Directorate 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 the Contact Management Workforce Management Tool forecast of £0.349m has been 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 7. 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 £5.068m 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, 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 £9.103m which equates to approximately 56% of the year's financing plan. Based on the latest treasury management information available, there is now expected to be a minor surplus at year-end with no further need for external borrowing in 2023/24 to support capital expenditure (see 6.1, note 5). There have been two instances of external borrowing for the year to date covering short-term cashflow commitments only.



## 6.3 Capital Summary – Supporting Tables

### 6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 MONTH 07 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
<b>OTHER APPROVED BUDGET CHANGES</b>						
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
<b>TOTAL</b>	<b>2,537</b>	<b>646</b>	<b>736</b>	<b>1,694</b>	<b>92</b>	<b>5,705</b>

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

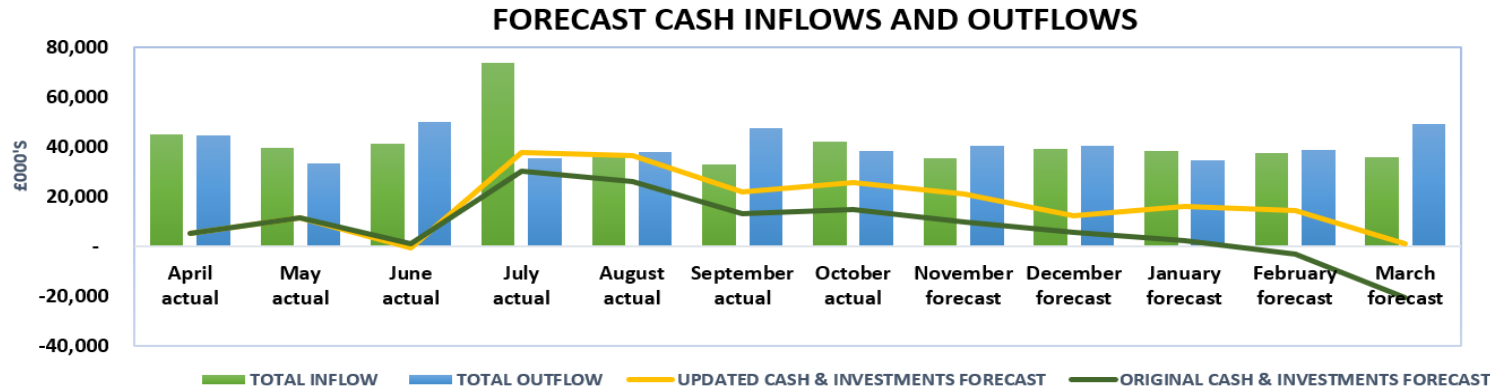
### 6.3.2 Forecast Expenditure Variances

CAPITAL PROGRAMME 2023/24 MONTH 07 MONITORING POSITION FORECAST EXPENDITURE VARIANCES					
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
<b>FORECAST OUTTURN VARIANCES</b>					
ANPR projects	0	0	0	0	0
Estates projects	0	162	(2)	(481)	(321)
IT projects	0	77	(125)	(589)	(636)
Transport projects	0	5	0	(867)	(861)
OPC projects	0	0	0	0	0
SCD projects	0	0	(1)	0	(1)
Other projects	0	300	0	(3)	297
<i>Subject to Approval projects</i>	0	0	(432)	(1,496)	(1,928)
<b>TOTAL</b>	<b>0</b>	<b>544</b>	<b>(560)</b>	<b>(3,436)</b>	<b>(3,451)</b>

## 6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 07 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH		
	Changes in Forecast Outturn Variance	Explanation
	£000	
<b>Month 6 Forecast Outturn</b>	<b>16,700</b>	
Harwich & Dovercourt Collaboration (EP / ECFRS)	(55)	Realignment of forecast expenditure within project plan
Marine Unit: Rigid Inflatable Boat	(40)	Subject to approvals moved to 2024/25 budget following information received from Transport
IT Workforce Management Tool	(349)	Subject to approvals removed following paper to September SB - revenue funding approach now proposed instead
Net impact of other immaterial movements < £50k	(3)	Various
<b>Month 7 Forecast Outturn</b>	<b>16,254</b>	

# 7. Cashflow Forecast



October Summary	Forecast £000	Actual £000	Variance £000
<b>Expenditure</b>			
Supplier payments	10,581	13,520	2,939
HMRC payments	7,294	8,092	798
Essex LGPS payments	1,600	1,760	160
Payroll	15,270	15,114	(156)
<b>Total cash outflow</b>	<b>34,745</b>	<b>38,486</b>	<b>3,741</b>
<b>Income</b>			
Govt grant	(19,191)	(20,669)	(1,478)
Precepts	(14,400)	(14,400)	0
Other net receipts	(5,717)	(7,085)	(1,368)
<b>Total cash inflow</b>	<b>(39,308)</b>	<b>(42,154)</b>	<b>(2,846)</b>
<b>Total cash (inflow)/outflow</b>	<b>(4,563)</b>	<b>(3,668)</b>	<b>895</b>

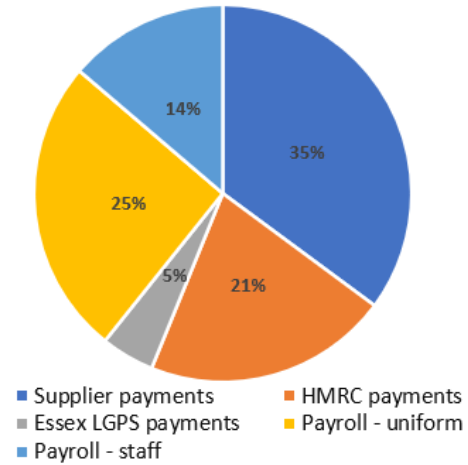
**October Commentary**

Expenditure  
Supplier payments were £2.93m higher than forecast due to two of the four weekly BACS runs for the month being significantly higher than the average value, mainly due to insurance renewals payable to Marsh JLT.

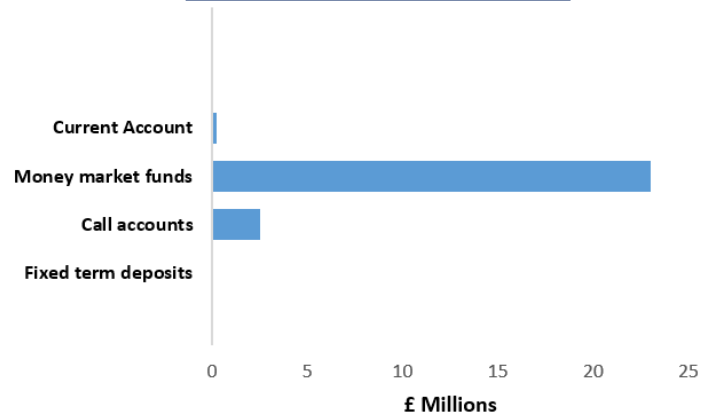
The other main variance related to payments to HMRC relating to officers which was £0.796m higher than the plan due to the inclusion of the full impact of the 7% pay increase, one month after the related salary increases. This has been amended in the forecast going forward.

Income  
The increase in other government grants included income from the Home Office of £0.796m relating to Op Golden Orb, £0.277m relating to Safer Streets and £0.409m for Disclosure and Barring services. Other net receipts increased by £1.368m, mainly due to over £1.8m receipts from Kent Police (higher than forecast) as well as additional reimbursements not forecast from Essex Fire and VAT monies from HMRC.

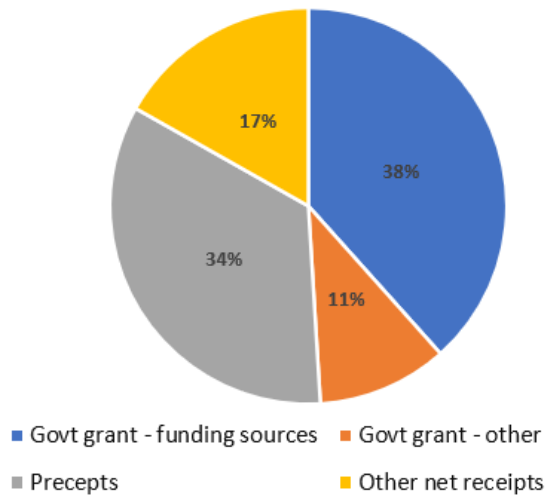
### October Expenditure Breakdown



### Investments @ 31st October



### October Income Breakdown



### External Borrowing/Financing

The PFCC cashflow position is expected to remain in surplus 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, £10m external borrowing will also be required at this time.