

Performance and Resources Scrutiny Programme 2023/24

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

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1.0 Purpose of Report

This report identifies the 2023/24 Month 9 position for the Force.

2.0 Recommendations

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

Official

3.0 **Executive Summary**

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

4.0 **Introduction/Background**

This report sets out the December, Month 9, financial position.

5.0 **Current Work and Performance**

The Month 9 financial position is reported in the main body of the report.

6.0 **Implications (Issues)**

The implications are reported in the main body of the report.

6.1 **Links to Police and Crime Plan Priorities**

The Force budget is used to help meet the priorities of the Police and Crime plan.

6.2 **Demand**

The Force budget is reviewed and re-allocated within virement rules to match demand e.g. overtime funded by vacancies.

6.3 **Risks/Mitigation** - N/A

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

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

7.0 **Consultation/Engagement**

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

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

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

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

1. Executive Summary

REVENUE

The revenue forecast underspend as at month 9 is £0.189m against the 2023/24 revenue budget of £363.7m (0.05% variance).

Additional funding of £2.265m in relation to an overachievement of 2023/24 Police Officer Uplift is included in the revenue forecast, based on confirmation that the force will be eligible for a payment of £45,000 per officer for the first 45 officers recruited above the force's maintenance headcount and £24,000 per officer for a further 10 above the force's maintenance headcount.

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

WORKFORCE

The Police Officer strength forecast at the end of December is 3,751 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of December is 56 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.501m.

The Police Staff strength at the end of November is 2,151 FTE. Total vacancies at 30th November are 224 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.772m.

The PCSO strength at the end of November is 96 FTE and forecast to be 94 FTE at year end. The underspend on PCSO Pay and Allowances is £0.127m.

RESERVES

The net appropriation from earmarked reserves for Month 9 is £0.308m.

The forecast deficit before appropriations from earmarked reserves and general reserve is £10.207m.

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 9 is a forecast spend of £15.229m, which is a £4.611m underspend against the latest revised budget of £19.840m (23.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £8.813m which equates to approximately 58% of the year's financing plan. There is no longer expected to be a need for external borrowing in 2023/24 to support capital expenditure, but short-term cashflow related external borrowing may still be required.

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

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

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
Total		0				
Appropriations (from) Earmarked Reserves						
ER025/23	Forfeitures reserve funding of SVU overtime	(178)	Funding of Serious Violence Unit overtime expenditure from the forfeitures reserve.	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Police Officer Pay and Allowances
ER026/23	POCA Allocations	(91)	Annual contribution of £75k to the Essex Community Foundation and further allocations to fund force expenditure, as agreed by the POCA Board.	Appropriation from Earmarked Reserve for its intended use	POCA Reserve	Third Party Payments/ Supplies and Services / Transport
ER027/23	Crime & Public Protection Assessment Centre and Contact Management business cases - severance and financial strain	(34)	Funding of severance and financial strain expenditure incurred by the force.	Appropriation from Earmarked Reserve for its intended use	Restructuring Reserve	Other Employee Expenses
ER028/23	Rapid Video Response (RVR) Home Office funding	(5)	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
Total		(308)				
Net appropriation to/(from) Earmarked Reserves		(308)				

3. Revenue

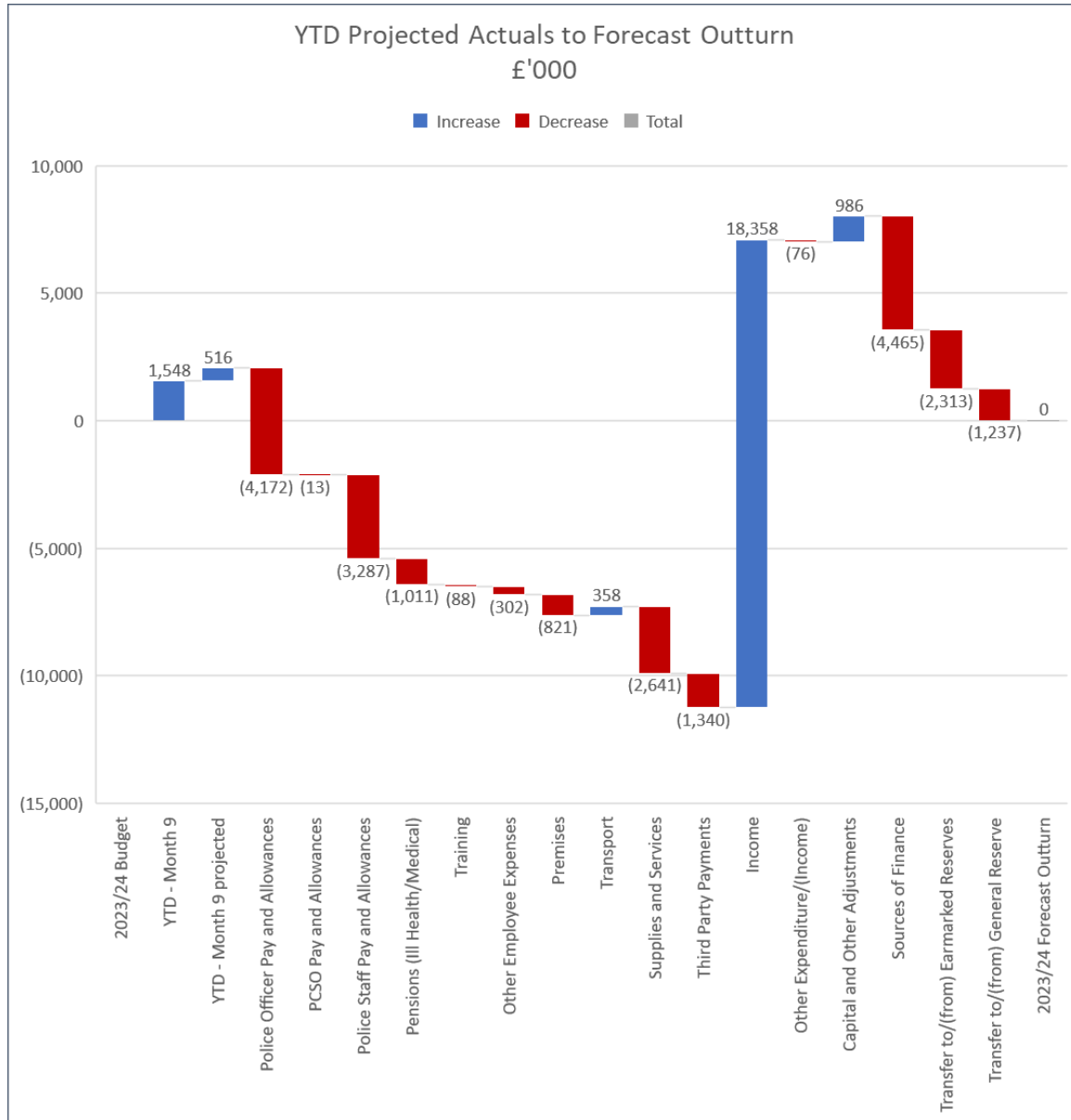
3.1 Revenue Summary

In Month - Month 09			Year to Date - Month 09			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
18,714	19,258	544	168,423	167,587	(835)	Employees								
735	613	(122)	6,611	6,902	291	<u>Police Officer Pay and Allowances</u>	218,616	5,948	224,564	167,587	227,064	8,449	2,501	
88	119	31	792	1,001	209	- Police Officer Pay and Allowances	7,127	1,687	8,815	6,902	9,729	2,602	915	
0	0	0	0	0	0	- Overtime and Operational Performance	1,049	8	1,056	1,001	1,365	316	309	
19,536	19,990	453	175,826	175,490	(336)	- Associated Police Pay	0	0	0	0	0	0	0	
						- In-Year Savings Shortfall/(Surplus)	226,792	7,643	234,435	175,490	238,159	11,367	3,724	
						Police Officer Pay and Allowances							62	
318	322	4	2,863	2,758	(105)	PCSO Pay and Allowances	3,687	130	3,817	2,758	3,690	3	(127)	
						<u>Police Staff Pay and Allowances</u>								
8,348	7,018	(1,330)	75,130	70,601	(4,528)	- Police Staff Pay and Allowances	97,785	2,388	100,173	70,601	97,400	(385)	(2,772)	
168	276	108	1,514	1,755	241	- Police Staff Overtime and Agency	1,124	894	2,019	1,755	2,362	1,238	343	
8,516	7,294	(1,222)	76,644	72,356	(4,287)	Police Staff Pay and Allowances	98,909	3,282	102,191	72,356	99,762	853	(2,429)	
387	320	(68)	3,486	2,930	(556)	Pensions (Ill Health / Medical)	4,215	433	4,648	2,930	4,918	703	270	
171	128	(44)	1,543	1,475	(68)	Training	2,019	38	2,057	1,475	2,055	36	(2)	
63	201	138	569	347	(222)	Other Employee Expenses	399	359	758	347	765	365	6	
28,992	28,254	(738)	260,930	255,357	(5,574)	Employees Total	336,022	11,885	347,907	255,357	349,349	13,327	1,442	
1,029	1,098	69	9,265	8,322	(943)	Premises	12,317	36	12,353	8,322	11,917	(400)	(437)	
585	580	(4)	5,261	5,633	372	Transport	6,934	81	7,015	5,633	7,153	219	138	
	0					<u>Supplies and Services</u>								
4,137	2,441	(1,696)	37,234	36,118	(1,116)	- Supplies and Services	42,281	7,365	49,646	36,118	50,798	8,517	1,152	
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	
4,137	2,441	(1,696)	37,234	36,118	(1,116)	Supplies and Services	42,727	6,919	49,646	36,118	50,798	8,071	1,152	
657	453	(204)	5,916	4,974	(943)	Third Party Payments	7,382	507	7,889	4,974	7,972	591	84	
35,401	32,826	(2,575)	318,608	310,404	(8,204)	Gross Expenditure	405,381	19,429	424,810	310,404	427,189	21,808	2,379	
						<u>Income</u>								
(2,888)	(1,324)	1,564	(25,990)	(16,188)	9,803	- Government Grants & Contributions	(23,795)	(10,858)	(34,654)	(16,188)	(37,123)	(13,327)	(2,469)	
(1,576)	(1,204)	372	(14,183)	(11,540)	2,644	- Fees Charges & Other Service Income	(16,279)	(2,633)	(18,911)	(11,540)	(18,207)	(1,928)	705	
(4,464)	(2,528)	1,936	(40,174)	(27,728)	12,446	Income	(40,074)	(13,491)	(53,565)	(27,728)	(55,329)	(15,255)	(1,764)	
30,937	30,298	(639)	278,434	282,676	4,243	Net Cost of Services	365,307	5,938	371,245	282,676	371,859	6,552	615	
(8)	(130)	(123)	(68)	(843)	(774)	Other Expenditure / (Income)	(91)	0	(91)	(843)	(1,048)	(956)	(956)	
252	0	(252)	2,272	2,959	686	Capital and Other Adjustments	904	2,126	3,030	2,959	2,959	2,055	(71)	
31,182	30,168	(1,014)	280,638	284,792	4,155	Net Expenditure	366,120	8,063	374,183	284,792	373,771	7,650	(413)	
(30,307)	(29,593)	714	(272,765)	(276,021)	(3,256)	Sources of Finance	(363,687)	0	(363,687)	(276,021)	(363,563)	124	124	
875	575	(300)	7,872	8,771	899	(Surplus)/Deficit before appropriations	2,433	8,063	10,496	8,771	10,207	7,774	(289)	
(613)	(130)	482	(5,514)	(7,174)	(1,660)	Contribution to/(from) Earmarked Reserves	712	(8,063)	(7,352)	(7,174)	(7,252)	(7,963)	100	
(262)	0	262	(2,358)	(3,145)	(786)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(2,956)	189	189	
0	445	445	0	(1,548)	(1,548)	(Surplus)/Deficit after appropriations	0	0	0	(1,548)	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 9 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

Expenditure relating to PFCC Commissioning Budgets, including Safer Streets, and force expenditure in relation to the roll out of new uniform, are forecast to materialise prior to financial year end.

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

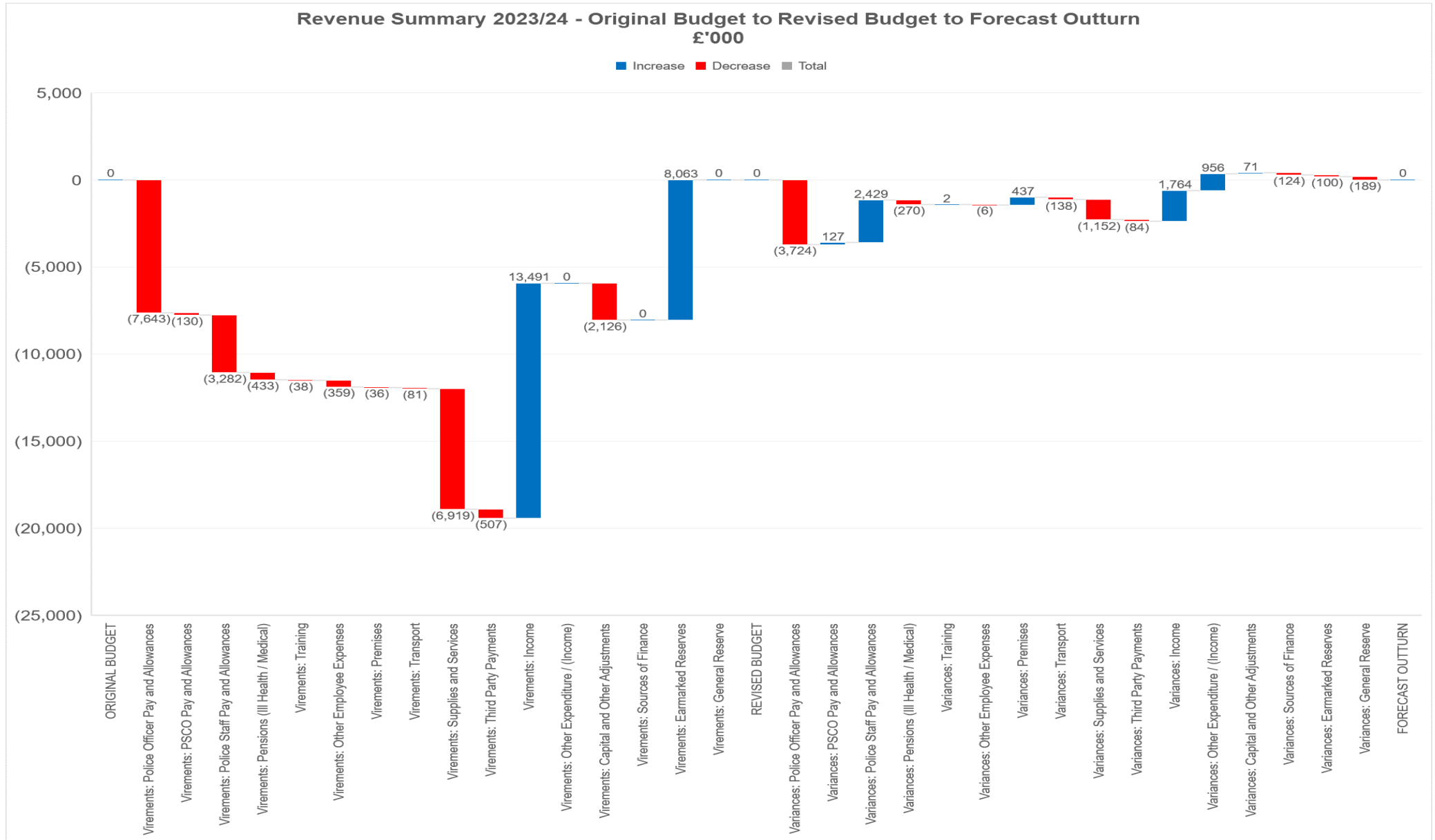
Transfer to/(from) Earmarked Reserve

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 to the general reserve resulting from the revenue forecast underspend position

3.3 Original Budget to Revised Budget to Forecast Outturn



3.4 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £3.724m 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, Criminal Justice, 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 - £2.429m 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, Support Services, 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 9 include Kent Police funded activity for Op Magenta (£333k increase) and National County Lines Co-ordination funding for OPC/Op Raptor activity (£166k increase), which each have a corresponding adjustment to Income. In addition, appropriations from earmarked reserves for funding of Serious Violence Unit overtime expenditure from the forfeitures reserve (£178k increase) and Home Office funding for the implementation of the Rapid Video Response (RVR) from the Restricted Grant Reserve (£5k increase).

Previously reported adjustments to Original Budget, up to and including Month 8, total £6.923m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 8, total £3.262m.

PCSO Pay and Allowances - £0.127m 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) - £0.270m 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 - £0.437m 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 - £0.138m 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 8, total £0.130m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 8, 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 - £1.152m overspend

Explanation of forecast variance

The forecast overspend includes one-off expenditure associated with the roll out of replacement uniform items (£0.5m); insurance claims position for the force resulting in a £0.3m overspend in relation to seven material claims notified during 23/24, comprising of six motor claims and one employer liability claim; 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 - £0.084m overspend

Explanation of forecast variance

The forecast overspend includes costs associated with ERSOU ROCU following a financial monitoring update from the lead force, to include the estimated Essex ROCU share of the additional officer pay award incurred by other ROCU forces. The overspend is largely offset by an underspend resulting from the National Police Chief's Council confirmation that funding for the Science and Technology Strategy workstream is no longer required.

These overspends are partially offset by a reduction in respect of contingencies for PPA claims now being discharged based on updated legal advice (£0.1m), a reduction in revenue consequences of capital reflecting estates expenditure for the TSU Accommodation project and CCTV replacement custody suites project now being financed from alternative revenue sources (£0.3m), 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 9 includes a realignment of 7 Force Procurement budgets for legal advice rechargeable to all forces, which has a corresponding adjustment to Income (£166k increase), and allocation of POCA funding to various non-pay budgets across force, which has a corresponding adjustment to Earmarked Reserves (£15k increase).

Previously reported adjustments to Original Budget, up to and including Month 8, total £6.742m.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 9 includes an annual POCA contribution to the Essex Community Foundation (£0.075m increase), which has a corresponding adjustment to Earmarked Reserves.

Previously reported adjustments to Original Budget, up to and including Month 8, total £0.432m.

Income - £1.764m 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) - £0.956m surplus

Explanation of forecast variance

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

Sources of Finance - £0.124m deficit

Explanation of forecast variance

Forecast deficit relating to an adjustment to core council tax funding from Thurrock Council as a result of the ongoing intervention at Thurrock and related delay in budget decisions for 2023/24, with information received after the force budget setting position was confirmed.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget reflect the other side of some of the adjustments noted under Police Officer Pay and Allowances, Police Staff Pay and Allowances, PCSO Pay and Allowances, Supplies & Services, Third Party Payments, and appropriations to earmarked reserves, for Home Office funding and externally funded activity, all of which have a corresponding forecast adjustment.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Contribution to Earmarked Reserves - £0.100m

Explanation of forecast variance

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

Contribution to General Reserve - £0.189m

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)

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 8

	Change in Forecast Outturn Variance £m	
Month 8 Forecast Outturn Variance	(0.2)	Underspend
Police Staff Pay and Allowances	(0.1)	The reduction in forecast includes the net impact of joiners/leavers and delays in recruitment to, and the transfer of existing staff into, 2023/24 growth posts.
Other Employee Expenses	(0.1)	The reduction in forecast includes the impact of additional budget transferred to recruitment advertising to support police officer recruitment, which is subject to additional Home Office funding.
Supplies and Services	0.2	The increase in forecast includes an updated review of the insurance claims position for the force which has resulted in a £0.3m overspend in relation to seven material claims notified to the force during 23/24, comprising of six motor claims and one employer liability claim. This is overspend is partially offset by a £0.1m revenue consequences of capital underspend for the CCTV replacement custody suites project, which is now being financed from alternative revenue sources.
Income	0.0	The movement in forecast includes the impact of additional budget transferred to recruitment advertising to support police officer recruitment, which is subject to additional Home Office funding, offset by an unexpected recovery of a historic business rates charge in respect of a radio mast at Swards End, Saffron Walden, dating back to 2009/10.
Month 9 Forecast Outturn Variance	(0.2)	Underspend

4. Workforce Analysis

4.1 Police Officer – FTEs and Monthly Financial detail

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

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

2023/24 Forecast Strength														
Strength	Actual FTE									Forecast FTE				Total FTEs
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs		
15	1st April 2023 Strength	3,743	3,720	3,702	3,721	3,706	3,673	3,742	3,725	3,709	3,751	3,729	3,709	
16	Leavers	(26)	(24)	(23)	(19)	(32)	(24)	(19)	(16)	(13)	(23)	(23)	(23)	(265)
17	Joiners (note 7)	3	6	41	4	0	94	0	0	55	1	2	70	276
20	Other Adjustments (note 8)	(0)	0	1	0	(1)	(1)	1	1	0	0	1	(1)	1
21	Net change	(23)	(18)	19	(15)	(33)	69	(18)	(15)	42	(22)	(20)	46	12
22	Officer strength - month end	3,720	3,702	3,721	3,706	3,673	3,742	3,725	3,709	3,751	3,729	3,709	3,755	
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(49)	(82)	(13)	(30)	(46)	(4)	(26)	(46)	0	
24	Officer headcount - month end	3,793	3,775	3,793	3,775	3,742	3,813	3,795	3,779	3,821	3,799	3,778	3,825	
25	Difference to PUP headcount 3765 - over/(under) (note 9)	28	10	28	10	(23)	48	30	14	56	34	13	60	
Actuals /Forecast £	Actual £									Forecast £				Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
26	Costed Strength before joiners/leavers	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.58m	£19.38m	£19.40m	£19.44m	£20.76m	£227.32m
27	Leavers										(£0.09m)	(£0.19m)	(£0.28m)	(£0.56m)
28	Joiners										£0.01m	£0.02m	£0.05m	£0.07m
29	Other Costs										£0.08m	£0.08m	£0.08m	£0.23m
30	Monthly Actual	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.58m	£19.38m	£19.39m	£19.34m	£20.61m	£227.06m
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	
	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)	3	9	7	7	9	
32	Leavers (positive number = less leavers)	8	(1)	0	4	(9)	(1)	4	7	10	0	0	0	22
33	Joiners	2	5	(26)	3	(1)	27	(1)	(1)	(12)	0	1	(8)	(11)
32	Other Adjustments	(0)	0	1	0	(1)	(1)	1	1	0	0	1	(1)	1
33	Month End Strength Change - FTEs	(2)	2	(23)	(16)	(27)	(2)	3	9	7	7	9	0	12
34	Change per month FTEs	10	4	(25)	7	(11)	25	4	7	(2)	0	2	(9)	
	£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	
	£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	£1.12m	£1.31m	£0.99m	£1.09m	£1.13m	£2.23m	£8.44m

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
- 9 The PUP requirement is to surpass a headcount of 3,765 by 45 officers, plus an additional 10 officers (total 55 officers)

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
	April	May	June	July	August	September	October	November	December	January	February	March	Total
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	
	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 10 FTE less Leavers	492,616	451,565	410,513	369,462	328,411	287,359	246,308	205,257	164,205	123,154	82,103	41,051	3,202,003
Estimated Impact of 30 FTE less probationer			(988,349)			(691,845)			(395,340)				(2,075,534)
Net Impact													1,126,469
	April	May	June	July	August	September	October	November	December	January	February	March	Total
	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 9

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2023	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
Budget Setting			3,755	275	12	(287)	0	3,755
HR data @ 31 October 2023	3,755	3,725	3,743	258	28	(275)	1	3,755
HR data @ 30 November 2023	3,755	3,709		249	27	(265)	1	3,755
Change		(16)		(9)	(1)	10	(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 October 2023	2,409	2,148			160	(158)
HR data @ 30 November 2023	2,375	2,151			173	(168)
Change		3			13	(10)

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

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

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

4. Specials - Headcount		
	Actual Strength	Target Strength
Budget Setting		427
HR data @ 31 October 2023	286	427
HR data @ 30 November 2023	280	427
Change	(6)	

5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances									
Reserve	1st April 2023 - Opening Balance	Base Budget Allocations from Earmarked Reserves	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/ (Allocation)	Forecast Year End Balance	Description of Earmarked Reserve
1 Reserves held by Essex Police but managed as third party reserves									
Op Dagenham Maintenance Reserve	£0.101m		-	-	-	£0.101m	-	£0.101m	Essex share of maintenance reserve held by each of the 7F to fund the cost of minor repairs to multi-occupancy building held for Op Dagenham.
Total	£0.101m	£0.000m	£0.000m	£0.000m	£0.000m	£0.101m	£0.000m	£0.101m	
2 Ringfenced Reserve									
Proceeds of Crime Act	£1.696m	(£0.300m)	-	£0.034m	(£0.080m)	£1.350m	£0.096m	£1.446m	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	(£0.318m)	£0.434m	(£0.052m)	£0.382m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m		-	-	(£0.179m)	£0.785m	(£0.705m)	£0.080m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses). Awaiting the outcome of business case consultations to determine any drawdown from reserve.
Transformation Reserve	£2.347m		-	-	(£1.413m)	£0.934m	(£0.114m)	£0.820m	Reserve to help fund the one-off costs of implementing the IT, Estates and Digital Forensic Transformation Strategies.
Legal Reserve	£0.836m		-	-	(£0.506m)	£0.330m	(£0.173m)	£0.158m	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		-	-	(£0.293m)	£0.143m	(£0.006m)	£0.137m	Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred.
Insurance Reserve	-		£0.200m	-	-	£0.200m	-	£0.200m	Reserve to hold balances to help manage the impact of volatile claim trends on revenue, and to assist with any unforeseen shortfalls in respect of premium cover. Includes annual budgeted contribution of £0.2m to the reserve.
Total	£6.991m	(£0.300m)	£0.013m	£0.372m	(£2.789m)	£4.286m	(£0.993m)	£3.294m	

Earmarked Reserves and Provisions - Opening and Closing Balances

Reserve	1st April 2023 - Opening Balance	Base Budget Allocations from Earmarked Reserves	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/ (Allocation)	Forecast Year End Balance	Description of Earmarked Reserve
3	Operational Reserves								
Major Operational Reserve	£1.500m		-	-	-	£1.500m	-	£1.500m	It is good practice to hold a reserve for dealing with major incidents that will not be reimbursed by the Home Office. These reserves are typically 1% of the force budget.
Chief Constables Operational C/Fwd	£0.650m		-	-	-	£0.650m	£0.100m	£0.750m	Operational Carry Forward resulting from the 2021/22 force underspend. Forecast in-year contribution of £0.1m resulting from force underspend, in accordance with financial regulations.
Future Capital Funding	£1.001m	£1.000m	-	£0.119m	(£2.126m)	(£0.006m)	£0.106m	£0.100m	Reserve to apply revenue financing to fund the force capital programme. Includes annual budgeted contribution of £1m.
Total	£3.151m	£1.000m	£0.000m	£0.119m	(£2.126m)	£2.144m	£0.206m	£2.350m	
4	PFCC Reserves								
Commissioning Grants / Safer Streets	£5.258m		-	-	(£3.639m)	£1.619m	-	£1.619m	Includes PFCC Commissioning Budget C/Fwd of £2.428m and Safer Streets funding of £2.830m. The CSF, CSDF, Victims and Safer Streets Commissioning C/Fwd has been drawdown from reserves in anticipation of utilisation in 2023/24. The V&V C/Fwd has been retained for use in 2025/26, when Home Office funding is forecast to cease.
Total	£5.258m	£0.000m	£0.000m	£0.000m	(£3.639m)	£1.619m	£0.000m	£1.619m	
5	General Reserve								
General Reserve	£13.394m		(£3.145m)	-	-	£10.249m	£0.189m	£10.438m	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 £10.438m, which represents 2.9% of the 2023/24 force budget of £363.7m. Includes £3.145m budgeted contribution to the reserve to fund one-off cost pressures.
Total Revenue Reserves	£28.895m	£0.700m	(£3.132m)	£0.491m	(£8.554m)	£18.399m	(£0.598m)	£17.802m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 09 MONITORING POSITION SUMMARY REPORT

	2023/24 Original Budget PF&C Panel	2023/24 Subject to Approvals Funding Distribution	2023/24 Other Approved Changes (Table 6.3.1)	2023/24 Revised Budget	2023/24 Actuals (to end of reporting period)	2023/24 Forecast Outturn	2023/24 Forecast Budget Variance (Table 6.3.2)	2023/24 Previous Month Forecast Outturn	2023/24 Movement to Previous Month (Table 6.3.3)
	£000	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE -									
ANPR projects	0	110	5	115	115	115	0	115	0
Estates projects	3,353	1,215	3,217	7,785	4,679	7,509	(276)	7,542	(33)
IT projects	542	3,052	821	4,415	1,576	2,739	(1,676)	3,336	(597)
Transport projects	1,295	2,214	1,183	4,692	3,229	3,987	(705)	3,839	148
OPC projects	26	454	(324)	156	45	135	(21)	102	33
SCD projects	0	24	15	39	12	38	(1)	38	0
Other projects	0	237	340	577	152	574	(4)	574	(1)
<i>Subject to Approval projects</i>	8,783	(7,306)	584	2,061	0	133	(1,928)	187	(54)
TOTAL EXPENDITURE	13,999	0	5,841	19,840	9,808	15,229	(4,611)	15,733	(504)
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		4,333	(1,580)	4,298	35
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	3,078	11,846		8,813	(3,033)	9,352	(539)
TOTAL FINANCING	13,999	0	5,841	19,840	9,808	15,229	(4,611)	15,733	(504)

Notes

1. The revised budget reflects all changes to the capital programme since the original budget was approved at the PF&C Panel, including the allocation of subject to approval funding into the approved programme, as well as other changes such as slippage carried forward from the previous year, and other approved budget changes from the PFCC governance process.
2. The forecast budget variance reflects all in-year changes to the capital programme compared to the revised budget. The forecast £4.611m 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 December 2023 Strategic Board), a cashflow credit position of circa £1m is now expected, with an additional £9m required for liquidity purposes and compliance with MiFID II legislation. Based on the latest cashflow forecast at month 9 this position has not materially changed. 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 **£19.840m** as at month 9. The increase of £5.841m also comprises slippage to existing approved budget brought forward from 2022/23 as well as new approved capital projects.

The 2022/23 slippage of £2.537m brought forward comprises IT related projects of £0.727m, Estates related projects of £1.005m, Transport slippage of £0.757m, and other immaterial balances totalling £0.048m.

Additional budgetary movement includes £0.580m of business cases approved as Stage C's where no previous Stage B budget setting bid was submitted (representing a reduction for month 9 based on the revised DFU Stage C business case approved at the December Strategic Board), £0.938m mainly comprised of reprofiled subject to approvals, and £1.694m of previous subject to approval funding from future years which has now been approved. The latter relates to the Boreham Infrastructure MIP4 project with funds advanced from future years, having been approved at the March 2023 Strategic Board.

Other approved budgetary changes in month 9 also include £0.291m for body armour, with the Strategic Board approving additional funding to cover the existing overspend on this project as reported in previous months.

Since the original budget was approved there have been £7.306m of business cases, previously categorised as subject to approval, that have been approved. The impact of these approvals is reflected within the 'subject to approvals' columns in the capital tables contained within this report.

The £7.306m 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)
- £0.054m relating to the replacement of roadside breath test devices, also drawn down from the lower value projects contingency fund (newly recognised within the approved budget for month 9 onwards)

Forecast Position - Summary

The projected capital position for month 9 reflects a forecast underspend of (£4.611m) compared to the previous month 8 reported underspend of (£3.971m). The decrease in the forecast spend since the previous month equates to (£0.503m), 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 9 is a year-end spend of £15.229m which is a (£4.611m) forecast variance against the current budget of £19.840m. This comprises slippage of (£3.820m) and an underspend of (£1.122m) offset by a net forecast overspend of £0.331m.

Forecast slippage of £3.820m (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 8 with no material movements reported in month 9, 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 £0.718m 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. Additional movements of £0.148m reduction in slippage reporting in month 9 was due to early delivery of vehicles which were previously reporting to slip.

IT – who are reporting a slippage of £1.101m in month 9 compared to £0.658m in month 8. The movements in previous months comprise £0.111m relating to Specials Body Worn Video & Mobile First reported in month 5. This project slipped to 2023/24, however the refresh of the equipment is now expected to be delivered in 2025/26 and therefore has been further reprofiled accordingly. Additional IT slippage in comprised £0.201m relating to Infrastructure Technical Refresh, due to the strategic decision pending around future and current purchase of servers. A further £0.471m of slippage for the same project was subsequently recognised in month 9 due to ongoing approval/governance delays (including £0.464m from the 23/24 programme budget). In respect of the DFU Digital Forensic Platform slippage of £0.128m was originally recognised relating to the Softcat DF Cloud Networking proposal, however this has been derecognised following approval of a revised DFU Stage C business case at the December 2023 Strategic Board. Other slippage includes £0.262m for Dashcams based on equipment delays (including £0.075m additional movement for month 9), £0.033m for the QAS and Compass Upgrade project, and a minor slippage of £0.023m for ESMCP project.

OPC – reporting a minor slippage of £0.020m, deferring replacement of equipment in the current year to enable the purchase of technological advance equipment in 2024/25.

Subject to Approvals – which continues to report slippage in month 9 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 Revisions (£0.500m), Estates Transformation (£0.330m) and Electric Vehicle Charging Infrastructure (£0.050m). For month 7 onwards an additional (£0.040m) of slippage has been recognised relating to the Marine Unit Rigid Inflatable Boat.

Net forecasts overspend of £0.332m

Estates - £0.241m being reported in month 9 including £0.164m originally recognised in month 5 relating to additional expenditure for the CCTV project, and increased expenditure for Chelmsford Police Station of £0.024m due to additional remedial work associated with works to meet the Fire Regulation Standards. In month 7 an earlier month increase for Harwich & Dovercourt has been reduced by £0.055m contributing to the net decrease of

overspend in month 7. An additional increase of £78k has been included from month 8 relating to retention payments due for the Boreham Infrastructure project, which are expecting to be paid by year-end. There was no further overspend reported in month 9.

IT – including advanced works of £0.077m of which £0.034m for Dashcams was reported in month 5, £0.039m for Data Centre Migration in month 7, with no material movements reported in month 9.

Other – The month 8 forecast was £0.292m comprising £0.274m relating to an additional bulk order for body armour. Subsequently the body armour budget has been uplifted by £0.292m at the December 2023 Strategic Board, thus resulting in a net zero variance for this budget line from month 9 onwards.

Net forecast underspend of £1.122m

Estates – Forecasting an underspend of £0.036m in month 9 relating to EPC Replacement Portakabin's.

IT – forecasting an additional underspend of £0.653m in month 8 with no further underspend in month 9. The forecast mainly comprises Infrastructure Technical Refresh (£0.591m), Dashcams (£0.033m), and Taser Tracking (£0.021m). The main underspend recognised in month 8 relates to the Infrastructure Technical Refresh project due to the review of the planned procurement for IT hardware. The ongoing impact of agile working and the overall review of the IT capital programme has influenced the original replacement programme, resulting in the reduction of IT hardware such as servers, workstations being replaced by laptops, and a reduction in licence requirements.

Subject to Approvals – Comprising £0.432m of forecast underspend movement, including prior month reductions of (£0.083m) for Milestone Evidence software, TSU New Card for Covert Communications Data Capture and the Covert Tracker Solution project, all of which are being removed from the Subject to Approvals programme due to being below the de minimis Stage A threshold. For month 7 onwards the Contact Management Workforce Management Tool forecast of £0.349m was removed following confirmation that this project is no longer required in the programme on the basis this will now be a revenue-based solution. No further movements have been reported in month 9.

General Update

Transport teams are still suffering significant vehicle delivery delays, due to the ongoing issues with the delays in delivery of parts. Orders are being placed but delivery timescales remain unclear. This, and the worldwide shortage of semi-conductor chips and the ongoing war with Russia and Ukraine has significantly delayed delivery and this is the principal reason for the slippage recognised within this area of the capital programme. Corporate Finance will be following up with colleagues in the Transport team to review the forecasting process for vehicle deliveries to determine whether any improvements can be made going forward, to try and minimise the current volatile profile of these forecasts. This process is ongoing at month 8. In addition, other external forces including the slow economic recovery, high inflation, overall global and regional recession and increase in energy costs are all contributing to the delay in the delivery of the PFCC capital programme. The force continues to be faced with practical issues including problems with supply chains and shortage.

The Estates capital programme has been reprofiled to reflect the 2023/24 Estates Strategy and the delivery of various major projects including Boreham Infrastructure MIP4 and the Disposal Reprovision Facilities project. A Stage C business case for the Boreham Infrastructure MIP4 was presented at COG and the PFCC Strategic Board in March 2023 to reprofile the funding by transferring future years budgets to 2023/24 and amalgamate with the Boreham C Block project. The Disposal Reprovision Facilities project within the subject to approval programme has now been divided into individual projects to provide greater transparency and visibility.

The financing plan for 2023/24 reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. Capital receipts are forecast to be £4.333m for 2023/24 with £0.063m grants & contributions also forecast to be received. All of these resources are forecast to be used in financing the capital programme in 2023/24

£1.001m of revenue contributions were also brought forward from 2022/23 to fund the 2023/24 capital programme. This, together with £1.119m of additional revenue in 2023/24, will reduce the immediate financial burden on the revenue account over the coming years from high Minimum Revenue Provision (MRP) charges that would be required if these resources were not held back for this purpose, due to the level of planned spend on short-life assets across this period.

The financing requirement for unfinanced capital expenditure is forecast at £8.813m which equates to approximately 58% of the year's financing plan. Based on the latest treasury management information available, there may be a need for further external borrowing in 2023/24 (see 6.1, note 5) but only to support cashflow-related requirements. This is in addition to the two instances of external borrowing for the year to date which were for similar purposes.

6.3 Capital Summary – Supporting Tables

6.3.1 Other Approved Budget Changes

**CAPITAL PROGRAMME 2023/24 MONTH 09 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	-	94	-	-	821
Transport projects	757	400	-	-	26	1,183
OPC projects	10	(400)	-	-	66	(324)
SCD projects	15	-	-	-	-	15
Other projects	18	292	30	-	-	340
<i>Subject to Approval projects</i>	-	584	-	-	-	584
TOTAL	2,537	938	580	1,694	92	5,841

*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 09 MONITORING POSITION FORECAST EXPENDITURE VARIANCES

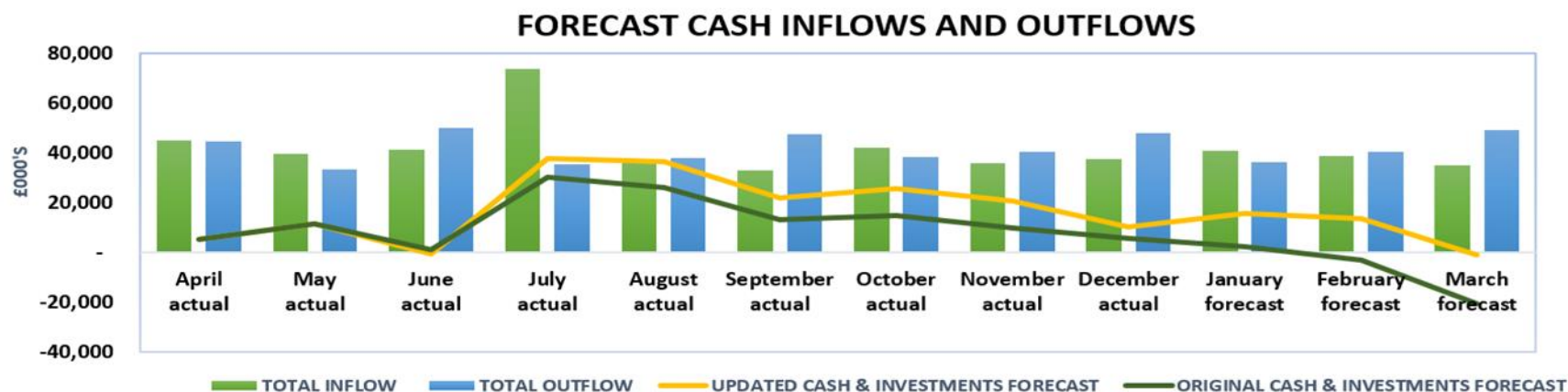
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	0	0	0	0
Estates projects	0	241	(36)	(481)	(276)
IT projects	0	77	(653)	(1,100)	(1,676)
Transport projects	0	12	0	(717)	(705)
OPC projects	0	0	0	(21)	(21)
SCD projects	0	0	(1)	0	(1)
Other projects	0	1	0	(5)	(4)
<i>Subject to Approval projects</i>	0	0	(432)	(1,496)	(1,928)
TOTAL	0	331	(1,122)	(3,820)	(4,611)

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 09 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 8 Forecast Outturn	15,733	
Infrastructure Technical Refresh 2023/24	(464)	Slippage due to delays with the procurement process relating to ongoing approval processes and route of direction. The contract is now at the negotiating stage subject to approval by Essex PFCC.
Dashcams	(75)	Slippage to 2024/25
Vehicle Replacement Programme 2023/24	148	Some vehicles arrived earlier than anticipated
Net impact of other immaterial movements < £50k (slippage)	(43)	Various
Net impact of other immaterial movements < £50k (reductions and underspends)	(70)	Various
Month 9 Forecast Outturn	15,229	

7. Cashflow Forecast



December Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	12,169	11,295	(874)
HMRC payments	8,002	7,971	(31)
Essex LGPS payments	1,711	1,711	0
Payroll	26,710	26,872	162
Total cash outflow	48,592	47,849	(743)
Income			
Govt grant	(18,655)	(19,611)	(956)
Precepts	(13,348)	(13,348)	0
Other net receipts	(6,775)	(4,775)	2,000
Total cash inflow	(38,778)	(37,734)	1,044
Total cash (inflow)/outflow	9,814	10,115	301

December Commentary

Expenditure

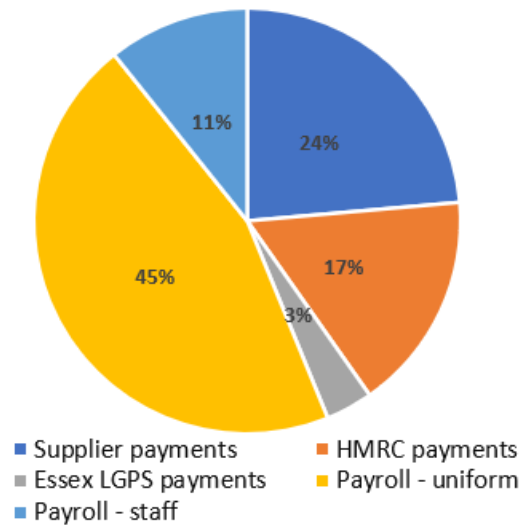
Supplier payments were £0.874m lower than forecast, with three of the four weekly BACS runs netting to a reduction of £2.039m compared to the expected values, offset by the mid-month payment run increasing by £1.005m due to additional Kent Police invoices. The remainder of the variance related to ad-hoc BACS runs processed outside of the weekly payment run.

The payroll variance of £0.162m related to £0.056m of core payroll costs being higher than forecast, as well as apprenticeship levy costs of £0.106m relating to October.

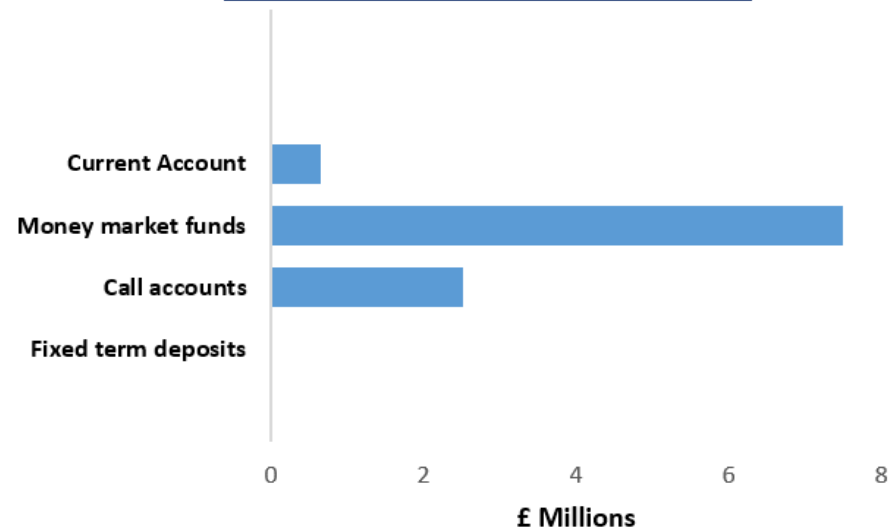
Income

The £0.956m increase in government grants comprised £0.229m relating to Barring Disclosure & Fingerprint HO grant as well as £0.727m for Serious Violence Grip Fund HO funding, both which were unexpected and not forecast. The shortfall in other net receipts of £2m related to daily miscellaneous receipts being £2.220m lower than the forecast (approx. £117k less based on daily average), a delay in receiving the monthly Stansted MAG reimbursement of £0.577m, offset by £0.797m relating to higher VAT reimbursements.

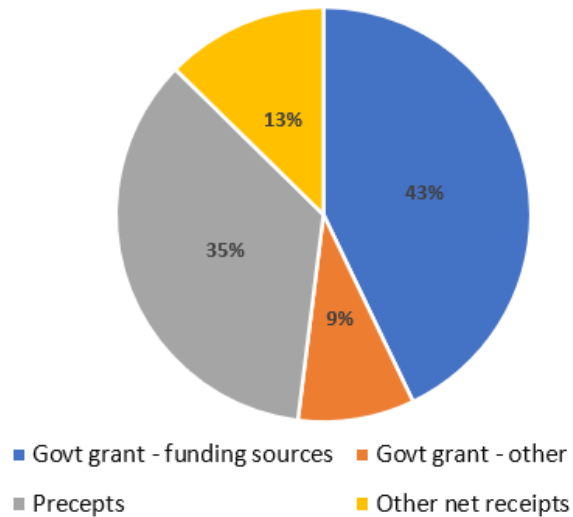
December Expenditure Breakdown



Investments @ 31st December



December Income Breakdown



External Borrowing/Financing

The PFCC cashflow position is expected to remain in credit for the remainder of the calendar year with an immaterial balance of circa £1m in credit by the end of 2023/24. Due to MiFiD requirements and for liquidity/cash management purposes, £9m external borrowing will also be required at this time, meaning the PFCC meets its minimum cash threshold requirement of £10m.