

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 10 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.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the January, Month 10, financial position.

5.0 Current Work and Performance

The Month 10 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 £0.658m against the 2023/24 revenue budget of £363.7m (0.18% 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 January is 3,731 FTE and forecast to be 3,755 FTE at year end. The headcount for the end of January is 37 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.497m.

The Police Staff strength at the end of December is 2,137 FTE. Total vacancies at 31st December are 237 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £2.939m.

The PCSO strength at the end of December is 96 FTE and forecast to be 95 FTE at year end. The underspend on PCSO Pay and Allowances is £0.122m.

RESERVES

The net appropriations to earmarked reserves for month 10 is £0.054m.

The forecast deficit before appropriations from earmarked reserves and general reserve is £6.802m.

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 10 is a forecast spend of £14.467m, which is a £5.373m underspend against the latest revised budget of £19.840m (27.1% variance).

The financing requirement for unfinanced capital expenditure is forecast at £9.620m which equates to approximately 66% 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						
ER029/23	Capital expenditure funded from revenue partnership funding	6	Monies received from Epping Forest District Council towards purchase of ANPR camera being transferred to Future Capital Funding Reserve	To be approved by Chief Officer Group and PFCC	Future Capital Funding Reserve	Income
ER030/23	Forfeitures income 2023/24	(100)	Reversal of appropriation to allocate in-year forfeitures income to Forfeitures Reserve	To be approved by Chief Officer Group and PFCC	Forfeitures Reserve	Income
Total		(94)				

Appropriations (from) Earmarked Reserves						
ER031/23	Allard claims and related compensatory costs	(95)	Appropriation from Legal Claims Reserve to offset the impact of additional costs incurred within employee-related expenditure in respect of Allard-related claims	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Employee Expenses
ER032/23	Revenue expenditure funded from Forfeitures Reserve	21	*Reversal of appropriation in relation to funding the workstreams of the Cash Banking Working Group (as approved at the July 2023 POCA Board) based on these costs now being met from in-year budgetary provision (links to appropriation reported earlier in year, ER020/23)	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Supplies & Services
ER033/23	Sanction charges - Police Officer Pensions	37	Part reversal of appropriation from Legal Claims Reserve to meet the burden of sanction charges to HMRC in relation to police officer pension lump sums, which are met by the force (links to appropriation reported earlier in year, ER018/23)	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Supplies & Services
ER034/23	Capital expenditure funded from Forfeitures Reserve	79	*Part reversal of appropriation in relation to capital funding for drug containers relocation and associated costs at Boreham and purchase of TruNarc portable drug testing device, as previously approved at the POCA Board, based on these costs now being met from in-year budgetary provision (links to appropriation reported earlier in year, ER016/23)	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Supplies & Services
ER035/23	Capital expenditure funded by revenue via Future Capital Funding Reserve	106	Technical appropriation to reflect financing of the capital programme with revenue funding from the Future Capital Funding Reserve (additional appropriation linked to appropriation reported earlier in year, ER016/23)	Appropriation from Earmarked Reserve for its intended use	Future Capital Funding Reserve	Capital & Other Adjustments
Total		148				
Net appropriation to/(from) Earmarked Reserves		54				

*These part reversals relate to 23/24 budget setting which included a base appropriation, which was overlooked when actioning in-year adjustments. For 24/25 there are no corresponding annual base appropriations.

3. Revenue

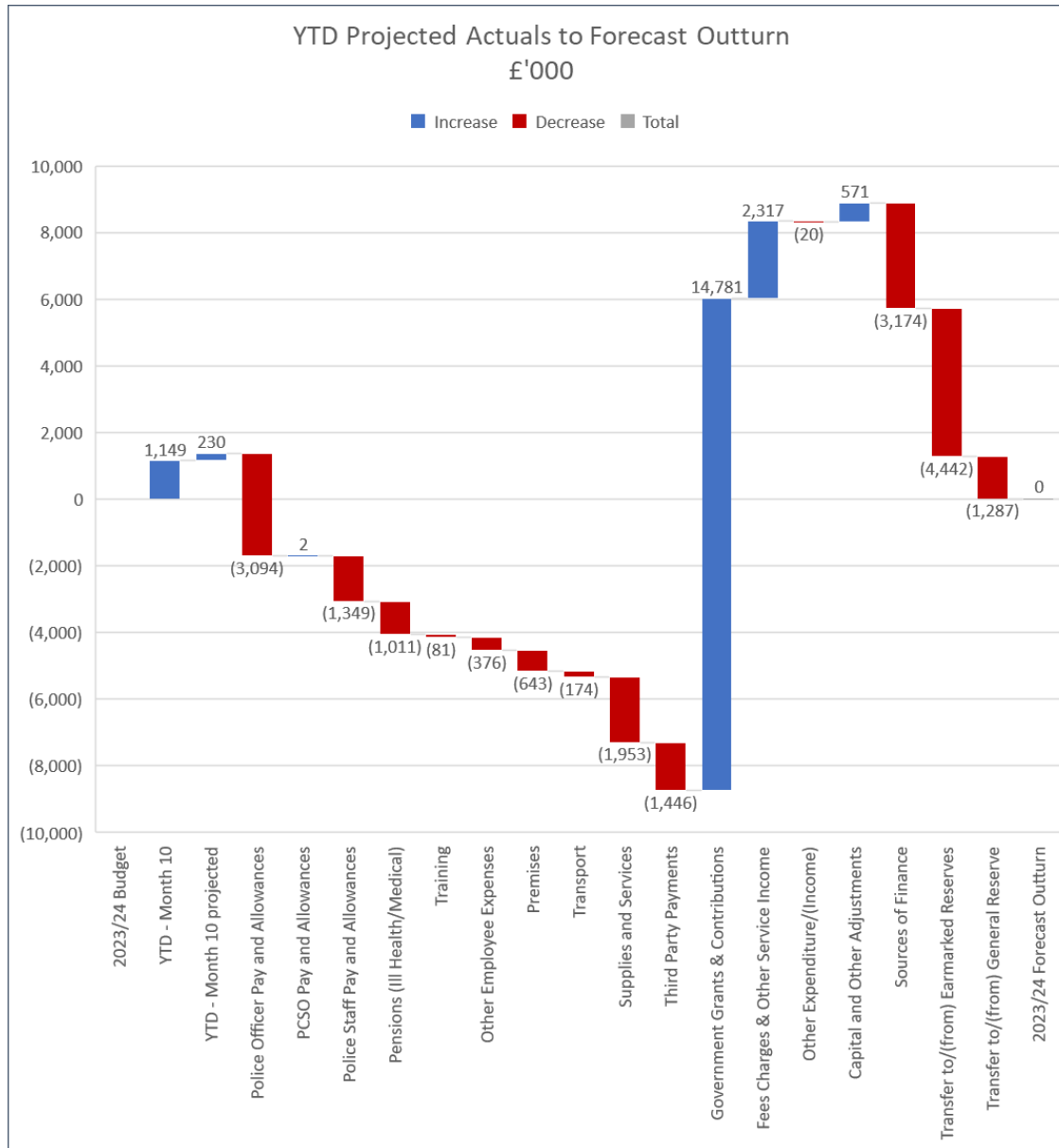
3.1 Revenue Summary

In Month - Month 10			Year to Date - Month 10			Subjective Heading	Full Year					Variance Over/(Under) Spend - Original Budget	Variance Over/(Under) Spend - Revised Budget	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					
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000				£000	£000
18,766	19,807	1,041	187,661	187,394	(267)	Employees										
						Police Officer Pay and Allowances										
746	1,210	464	7,460	8,112	652	- Police Officer Pay and Allowances	218,616	6,577	225,193	187,394	227,690	9,075	2,497	(3)		
89	108	19	887	1,109	222	- Overtime and Operational Performance	7,127	1,825	8,952	8,112	9,971	2,844	1,019	104		
0	0	0	0	0	0	- Associated Police Pay	1,049	15	1,064	1,109	1,371	322	307	(2)		
19,601	21,125	1,524	196,008	196,615	607	- In-Year Savings Shortfall/(Surplus)	0	0	0	0	0	0	0	0		
						Police Officer Pay and Allowances	226,792	8,418	235,210	196,615	239,032	12,240	3,823	99		
318	322	4	3,181	3,080	(101)	PCSO Pay and Allowances	3,687	130	3,817	3,080	3,695	8	(122)	5		
						Police Staff Pay and Allowances										
8,367	9,562	1,195	83,673	80,163	(3,509)	- Police Staff Pay & Allowances	97,785	2,622	100,407	80,163	97,468	(317)	(2,939)	(167)		
168	219	50	1,682	1,974	291	- Police Staff Overtime and Agency	1,124	894	2,019	1,974	2,418	1,294	399	56		
8,535	9,780	1,245	85,355	82,137	(3,218)	Police Staff Pay and Allowances	98,909	3,516	102,426	82,137	99,886	977	(2,540)	(111)		
384	325	(59)	3,843	3,255	(588)	Pensions (Ill Health / Medical)	4,215	396	4,611	3,255	4,917	702	305	35		
171	193	22	1,714	1,668	(46)	Training	2,019	38	2,057	1,668	2,083	64	27	28		
71	33	(38)	711	380	(331)	Other Employee Expenses	399	453	853	380	832	433	(20)	(27)		
29,081	31,778	2,697	290,811	287,135	(3,677)	Employees Total	336,022	12,952	348,974	287,135	350,445	14,424	1,472	30		
1,031	1,130	100	10,306	9,452	(854)	Premises	12,317	51	12,368	9,452	11,985	(332)	(383)	54		
586	171	(415)	5,855	5,804	(51)	Transport	6,934	92	7,026	5,804	7,139	205	113	(25)		
	0					Supplies and Services										
4,198	2,681	(1,517)	41,977	38,799	(3,178)	- Supplies and Services	42,281	8,092	50,373	38,799	48,512	6,231	(1,861)	(3,013)		
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	0		
4,198	2,681	(1,517)	41,977	38,799	(3,178)	Supplies and Services	42,727	7,646	50,373	38,799	48,512	5,785	(1,861)	(3,013)		
653	343	(310)	6,529	5,316	(1,212)	Third Party Payments	7,382	453	7,835	5,316	7,825	443	(10)	(94)		
35,548	36,103	555	355,479	346,507	(8,972)	Gross Expenditure	405,381	21,194	426,575	346,507	425,906	20,525	(669)	(3,048)		
						Income										
(3,037)	(3,977)	(940)	(30,368)	(20,165)	10,203	- Government Grants & Contributions	(23,795)	(12,646)	(36,442)	(20,165)	(38,952)	(15,157)	(2,510)	(42)		
(1,570)	(1,834)	(264)	(15,697)	(13,374)	2,323	- Fees Charges & Other Service Income	(16,279)	(2,558)	(18,837)	(13,374)	(18,365)	(2,086)	472	(233)		
(4,607)	(5,811)	(1,204)	(46,065)	(33,538)	12,527	Income	(40,074)	(15,204)	(55,278)	(33,538)	(57,317)	(17,243)	(2,039)	(275)		
30,941	30,292	(649)	309,414	312,969	3,555	Net Cost of Services	365,307	5,990	371,297	312,969	368,589	3,282	(2,708)	(3,322)		
(8)	(71)	(63)	(76)	(914)	(838)	Other Expenditure / (Income)	(91)	0	(91)	(914)	(1,077)	(986)	(986)	(29)		
244	(106)	(350)	2,436	2,853	416	Capital and Other Adjustments	904	2,020	2,924	2,853	2,853	1,949	(71)	0		
31,177	30,115	(1,062)	311,774	314,908	3,133	Net Expenditure	366,120	8,009	374,129	314,908	370,365	4,245	(3,765)	(3,352)		
(30,307)	(29,593)	714	(303,073)	(305,614)	(2,542)	Sources of Finance	(363,687)	0	(363,687)	(305,614)	(363,563)	124	124	0		
870	522	(348)	8,702	9,293	591	(Surplus)/Deficit before appropriations	2,433	8,009	10,442	9,293	6,802	4,369	(3,641)	(3,352)		
(608)	(123)	485	(6,081)	(7,297)	(1,216)	Contribution to/(from) Earmarked Reserves	712	(8,009)	(7,297)	(7,297)	(4,315)	(5,026)	2,983	2,883		
(262)	0	262	(2,621)	(3,145)	(524)	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(2,487)	658	658	469		
0	399	399	(0)	(1,149)	(1,149)	(Surplus)/Deficit after appropriations	0	(0)	0	(1,149)	0	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 10 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 – Government Grants & Contributions

Several income streams that are yet to materialise in 2023/24, for example, Home Office 2023/24 pay award funding (part), Home Office PUP grant, 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

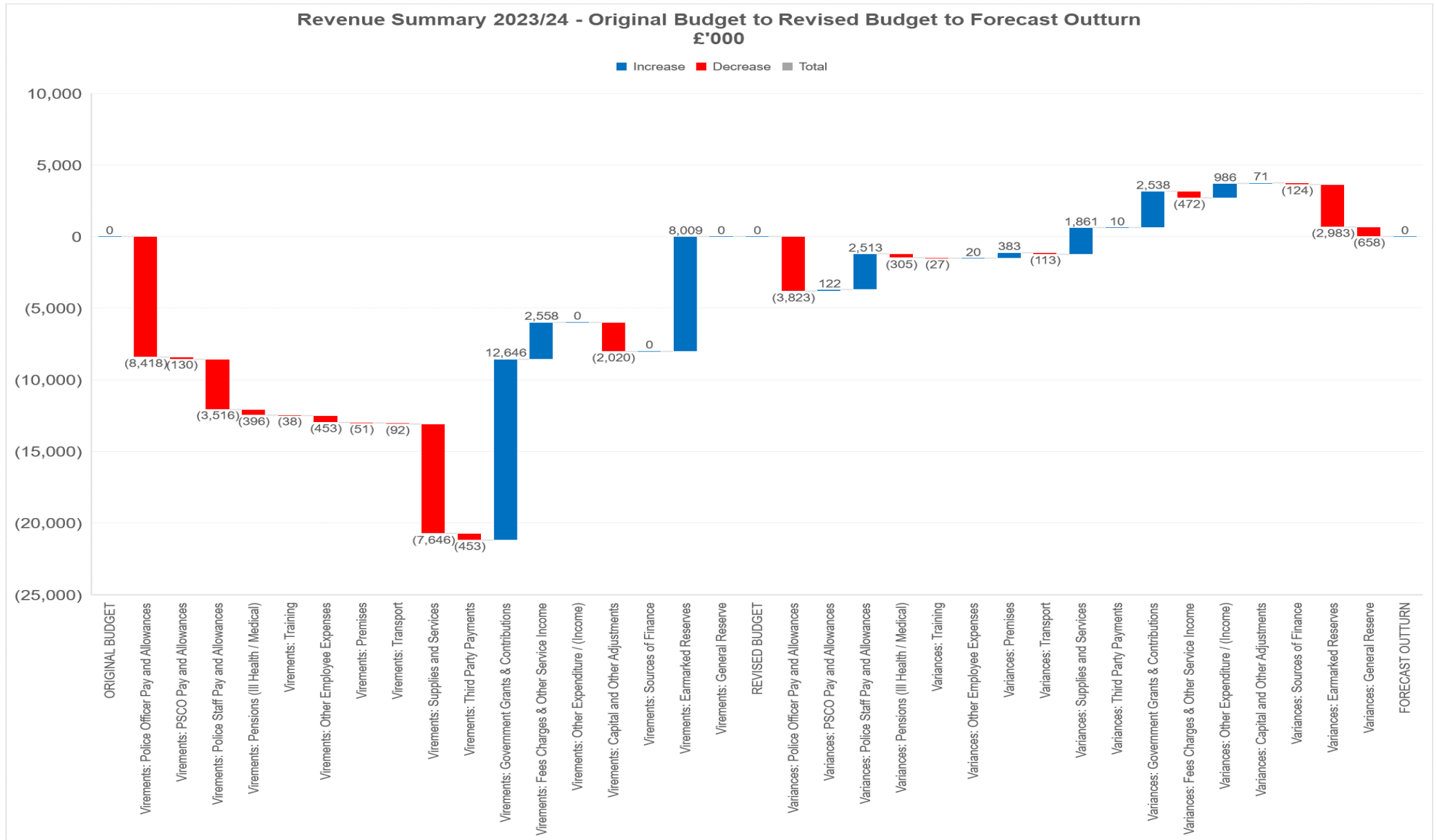
Transfer to/(from) Earmarked Reserve

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 - £3.823m 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 - £2.540m 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 10 include externally funded activity for realignment of Counter Terrorism and ERSOU ROCU expenditure budgets (£749k increase) and Kent Police funded activity for Op Magenta (£25k increase), which each have a corresponding adjustment to Income and Third-Party Payments.

Previously reported adjustments to Original Budget, up to and including Month 9, total £7.643m.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 10 is for funding of PFCC Violence and Vulnerability (V&V) posts from the PFCC V&V Commissioning budget, which has a corresponding adjustment to Supplies and Services (£234k increase).

Previously reported adjustments to Original Budget, up to and including Month 9, total £3.282m.

PCSO Pay and Allowances - £0.122m 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) - £0.305m 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 - £0.383m 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 - £0.113m 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

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 9, total £0.130m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 9, total £0.433m.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

the vehicle insurance premium following conclusion of the tendering process and negotiations between SEERPIC forces.

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Supplies and Services - £1.861m underspend

Explanation of forecast variance

The forecast includes an underspend in relation to PFCC Safer Streets activity, where funding was appropriated from the PFCC Commissioning C/Fwd Reserve at the commencement of the 2023/24 financial year to reflect planned expenditure, which is now due to materialise in future years (£2.9m), 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, in addition to an overall review of IT projects requirement across the remainder of the financial year (£0.7m), a reduction in respect of contingencies for PPA claims now being discharged based on updated legal advice (£0.1m), a net decrease in respect of the Council Tax Sharing Agreement based on billing authorities updating their forecast positions as at Q3 23/24 for Council Tax collection (£0.1m), and a reduction in the Forensic Analysis forecast where monthly expenditure to date has been sporadic, and as a result, difficult to forecast since the introduction of the NGP Forensic Services Contract from 1st April 2023 (£0.1m).

These underspends are partially offset by an overspend in relation to one-off expenditure associated with the roll out of replacement uniform items (£0.5m); insurance claims position for the force resulting in an overspend in relation to eight material claims notified during 23/24, comprising of six motor claims, one employer liability claim and one public liability claim (£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 (£0.2m); 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).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 10 includes Home Office funding of 2023/24 Safer Streets expenditure, which has a corresponding adjustment to Income (£963k increase), and funding of PFCC Violence and Vulnerability (V&V) posts from the PFCC V&V Commissioning budget, which has a corresponding adjustment to Police Staff Pay and Allowances (£234k decrease).

Previously reported adjustments to Original Budget, up to and including Month 9, total £6.919m.

Third Party Payments - £0.010m underspend

Explanation of forecast variance

The forecast includes an underspend resulting from the NPCC Science and Technology Strategy workstream being no longer required, which is offset by an overspend associated with ERSOU ROCU expenditure following a financial monitoring update from the lead force.

Income – Government Grants & Contributions - £2.510m surplus

Explanation of forecast variance

The forecast includes a forecast surplus in respect of additional funds relating 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. In the event that the PUP headcount target of 55 over is not met by financial year end, the force will forego income of £24,000 per officer for the first ten officers, and £30,000 per officer thereafter.

Income – Fees, Charges & Other Service Income - £0.472m deficit

Explanation of forecast variance

The forecast includes a forecast deficit for the 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.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 9, total £0.507m.

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)

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.

Other Expenditure/(Income) - £0.986m 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.

Contribution to Earmarked Reserves - £2.983m

Explanation of forecast variance

Forecast appropriation of £0.100m to the Chief Constables Operational C/Fwd Reserve in accordance with financial regulations and return of PFCC Safer Streets funding of £2.883m to the PFCC Commissioning C/Fwd Reserve, following appropriation from the C/Fwd Reserve at the commencement of the 2023/24 financial year.

Contribution to General Reserve - £0.658m

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.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

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 9

	Change in Forecast Outturn Variance £m	
Month 9 Forecast Outturn Variance	(0.2)	Underspend
Police Officer Pay and Allowances	0.1	The increase in forecast is in relation to Police Officer overtime that has been allocated to tackle road crime.
Police Staff Pay and Allowances	(0.1)	The decrease in forecast includes the net impact of joiners/leavers and delays in recruitment to 2023/24 growth posts, partially offset by a forecast overspend on agency fees, reflecting the additional resources utilised to complete the Data Centre Migration project following significant challenges and delays.
Supplies and Services - PFCC Safer Streets	(2.9)	The decrease in forecast is to reflect an underspend in relation to PFCC Safer Streets activity, where funding was appropriated from the PFCC Commissioning C/Fwd Reserve at the commencement of the 2023/24 financial year to reflect planned expenditure, which is now due to materialise in future years.
Supplies and Services	(0.1)	The decrease in forecast includes an underspend in relation to revenue consequences of capital, predominantly relating to a review of IT project requirements across the remainder of the financial year (£0.4m), and a reduction in the Forensic Analysis forecast where monthly expenditure to date has been sporadic, and as a result, difficult to forecast since the introduction of the NGP Forensic Services Contract from 01 April 2023 (£0.1m). These underspends are partially offset by an increase to the Council Tax Sharing Agreement, which has reduced the previously reported underspend, following receipt of Q3 returns from billing authorities (£0.1m); a further increase to expenditure incurred in connection with the national increase in the volume of Dangerous Dogs being housed by Police Forces (£0.1m); and an increase to the forecast insurance claims expenditure of the force in relation to an update to the forecast liability connected to one material public liability claim (£0.2m).
Third Party Payments	(0.1)	The decrease in forecast includes the impact of a revised forecast from ERSOU for 2023/24 ROCU costs.
Income	(0.3)	The increase in forecast relates to the following areas; an increase in expected insurance recoveries from incidents involving police vehicles where a third party is at fault; Home Office funding for the NLEDS project to reflect increase in modules being delivered in this financial year; and increased volumes experienced in relation to collection of immigration income.
Contributions to Earmarked Reserves	2.9	The increase in forecast is to reflect the return of PFCC Safer Streets funding of £2.883m to the PFCC Commissioning C/Fwd Reserve, following appropriation from the C/Fwd Reserve at the commencement of the 2023/24 financial year.
Month 10 Forecast Outturn Variance	(0.7)	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	3,708	3,749	3,731	3,715	
16	Leavers	(26)	(24)	(23)	(19)	(32)	(24)	(19)	(17)	(14)	(18)	(23)	(23)	(262)
17	Joiners (note 7)	3	6	41	4	0	94	0	0	55	1	6	66	276
20	Other Adjustments (note 8)	(0)	0	1	0	(1)	(1)	1	1	(1)	(1)	1	(3)	(2)
21	Net change	(23)	(18)	19	(15)	(33)	69	(18)	(16)	40	(18)	(16)	40	12
22	Officer strength - month end	3,720	3,702	3,721	3,706	3,673	3,742	3,725	3,708	3,749	3,731	3,715	3,755	
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(49)	(82)	(13)	(30)	(47)	(6)	(24)	(40)	0	
24	Officer headcount - month end	3,793	3,775	3,793	3,775	3,742	3,813	3,795	3,778	3,819	3,802	3,785	3,825	
25	Difference to PUP headcount 3765 - over/(under) (note 9)	28	10	28	10	(23)	48	30	13	54	37	20	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	£19.48m	£19.58m	£19.26m	£19.84m	£19.93m	£20.30m	£227.67m
27	Leavers											(£0.09m)	(£0.18m)	(£0.28m)
28	Joiners											£0.03m	£0.06m	£0.10m
29	Other Costs											£0.10m	£0.10m	£0.20m
30	Monthly Actual	£16.97m	£18.28m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.58m	£19.26m	£19.84m	£19.97m	£20.28m	£227.69m
Variance from Budget Setting														
	Actual FTE										Forecast FTE			Total FTEs
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs		
31	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(23)	(16)	(27)	(2)	3	8	5	9	15	
32	Leavers (positive number = less leavers)	8	(1)	0	4	(9)	(1)	4	6	9	5	0	0	25
33	Joiners	2	5	(26)	3	(1)	27	(1)	(1)	(12)	0	5	(12)	(11)
32	Other Adjustments	(0)	0	1	0	(1)	(1)	1	1	(1)	(1)	1	(3)	(2)
33	Month End Strength Change - FTEs	(2)	2	(23)	(16)	(27)	(2)	3	8	5	9	15	0	12
34	Change per month FTEs	10	4	(25)	7	(11)	25	4	6	(4)	4	6	(15)	
	Actual £										Forecast £			Total £m
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
35	Monthly Financial Change	(£1.13m)	£0.27m	(£0.24m)	£0.08m	£0.26m	£1.33m	£1.12m	£1.31m	£0.87m	£1.54m	£1.76m	£1.90m	£9.07m

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

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

	April	May	June	July	August	September	October	November	December	January	February	March	
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month	
	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 13 FTE less Leavers	640,401	587,034	533,667	480,300	426,934	373,567	320,200	266,834	213,467	160,100	106,733	53,367	4,162,604
Estimated Impact of 39 FTE less probationer			(1,284,854)			(899,398)			(513,942)				(2,698,194)
Net Impact													1,464,410

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

FTE Changes Impacting Pay Forecasts - 2023/24 Month 10

1. Police Officers - Budget Based on Strength

	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2024
	Establishment Target	Strength @ month end	Strength at 1st April 2023	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	
Budget Setting			3,755	275	12	(287)	0	3,755
HR data @ 30 November 2023	3,755	3,709	3,743	249	27	(265)	1	3,755
HR data @ 31 December 2023	3,755	3,749	3,743	245	31	(262)	(2)	3,755
Change		40		(4)	4	3	(3)	0

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

	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
Budget Setting			2,374	2,208		
HR data @ 30 November 2023	2,375	2,151			173	(168)
HR data @ 31 December 2023	2,374	2,137			175	(183)
Change		(13)			2	(15)

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

3. PCSOs - Budget Based on Establishment

	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2023	Strength at 1st April 2023	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
Budget Setting			102	102				
HR data @ 30 November 2023	99	96	99	94	5	(4)	0	94
HR data @ 31 December 2023	99	96	99	94	5	(4)	0	95
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 @ 30 November 2023	280	427
HR data @ 31 December 2023	266	427
Change	(14)	

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		-	£0.238m	(£0.218m)	£0.434m	£0.215m	£0.649m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m		-	-	(£0.179m)	£0.785m	(£0.069m)	£0.715m	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		-	-	(£0.564m)	£0.272m	(£0.191m)	£0.081m	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	£0.272m	(£2.748m)	£4.228m	(£0.109m)	£4.119m	

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	-	£0.125m	(£2.020m)	£0.106m	(£0.006m)	£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	£0.125m	(£2.020m)	£2.256m	£0.094m	£2.350m		
4	PFFC Reserves									
Commissioning Grants / Safer Streets	£5.258m		-	-	(£3.639m)	£1.619m	£2.883m	£4.502m	Includes PFFC Commissioning Budget C/Fwd of £2.375m and Safer Streets funding of £2.883m. The CSF, CSDF, Victims and Safer Streets Commissioning C/Fwd has been drawdown from reserves in anticipation of utilisation in 2023/24, however the Safer Streets expenditure is no longer expected to be required in 2023/24, so it is forecast to return to the C/Fwd Reserve at financial year end. 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	£2.883m	£4.502m		
5	General Reserve									
General Reserve	£13.394m		(£3.145m)	-	-	£10.249m	£0.658m	£10.907m	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 £10.907m, which represents 3.0% 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)	£0.397m	(£8.406m)	£18.453m	£3.526m	£21.979m		

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 10 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	124	124	9	115	9
Estates projects	3,353	1,215	3,217	7,785	5,208	6,499	(1,286)	7,509	(1,010)
IT projects	542	3,052	821	4,415	1,697	2,998	(1,417)	2,739	259
Transport projects	1,295	2,214	1,183	4,692	3,286	3,964	(728)	3,987	(23)
OPC projects	26	454	(324)	156	81	135	(21)	135	0
SCD projects	0	24	15	39	12	39	0	38	1
Other projects	0	237	340	577	168	575	(2)	574	1
<i>Subject to Approval projects</i>	8,783	(7,306)	584	2,061	0	133	(1,928)	133	0
TOTAL EXPENDITURE	13,999	0	5,841	19,840	10,576	14,467	(5,373)	15,229	(762)
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		2,758	(3,155)	4,333	(1,575)
Revenue Contributions	1,131	0	950	2,081		2,026	(55)	2,020	6
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		9,620	(2,226)	8,813	807
TOTAL FINANCING	13,999	0	5,841	19,840	10,576	14,467	(5,373)	15,229	(762)

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 £5.373m 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 surplus of circa £1m is now expected at year-end, with an additional £9m required for liquidity purposes and compliance with MiFID II legislation. Based on the latest cashflow forecast at month 10 this position has not materially changed, although it is now unlikely the force will look to undertake any external borrowing in year, with assurance around immediate access to funds being the more critical factor. 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 10. 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 included £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 10 reflects a forecast underspend of (£5.373m) compared to the previous month 9 reported underspend of (£4.611m). The decrease in the forecast spend since the previous month equates to (£0.762m), relating to approved budgets only, the details of which are included in the supporting tables.

Forecast Variances

The forecast for month 10 is a year-end spend of £14.467m which is a (£5.373m) forecast variance against the current budget of £19.840m. This comprises slippage of (£4.628m) and an underspend of (£1.167m) offset by a net forecast overspend of £0.422m.

Forecast slippage of £4.628m (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 £1.510m into future years, with additional material movements reported in month 10, the main projects including:

- Harwich & Dovercourt Collaboration project of £0.797m, including £0.669m additional slippage in month 10, based on 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
- £0.352m relating to the Capital Maintenance Programme with various maintenance work no longer expecting to be commissioned in 2023/24
- £0.033m relating to CCTV replacement in custody suites

Transport - which is expected to slip by £0.717m 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.

IT – who are reporting a slippage of £0.881m in month 10 compared to £1.101m in month 9, the reduction in slippage mainly relating to Dashcams with £0.302m of previous slippage now expecting to be delivered in 2023/24. 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 slipped back. Additional IT slippage 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 £0.033m for the QAS and Compass Upgrade project, a minor slippage of £0.023m for ESMCP, and additional slippage of £0.039m relating to DAMS reported in month 10.

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

Net forecasts overspend of £0.422m

Estates - £0.282m being reported in month 10 including an in-month movement of £0.041m relating to Laindon CEL Phase 2. The other overspend includes £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.

IT – including advanced works of £0.117m of which £0.074m relates to Dashcams and £0.039m for Data Centre Migration.

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 with no further movements in month 10.

Net forecast underspend of £1.167m

Estates – Forecasting an underspend of £0.058m in month 10 relating to EPC Replacement Portakabin's and Local Digital Media Hubs.

Transport – Forecasting an underspend of £0.023m in month 10 relating to the Fleet Replacement Programme.

IT – forecasting an underspend of £0.653m, mainly comprising Infrastructure Technical Refresh (£0.591m), Dashcams (£0.033m), and Taser Tracking (£0.021m). The Infrastructure Technical Refresh underspend is 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 10.

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 continue to work 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. 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. The forecast for capital receipts has reduced to £2.758m for month 10, reflecting the delay with the sale of Harlow MIT. £0.063m of grants & contributions are also forecast to be received, with all of these resources 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 £1.125m 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 £9.620m which equates to approximately 66% of the year's financing plan. Based on the latest treasury management information available, there is no longer expected to be a need for further external borrowing in 2023/24 (see 6.1, note 5). This follows the two instances of external borrowing for the year to date which were for short-term cashflow-related requirements.

6.3 Capital Summary – Supporting Tables

6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 MONTH 10 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 10 MONITORING POSITION FORECAST EXPENDITURE VARIANCES

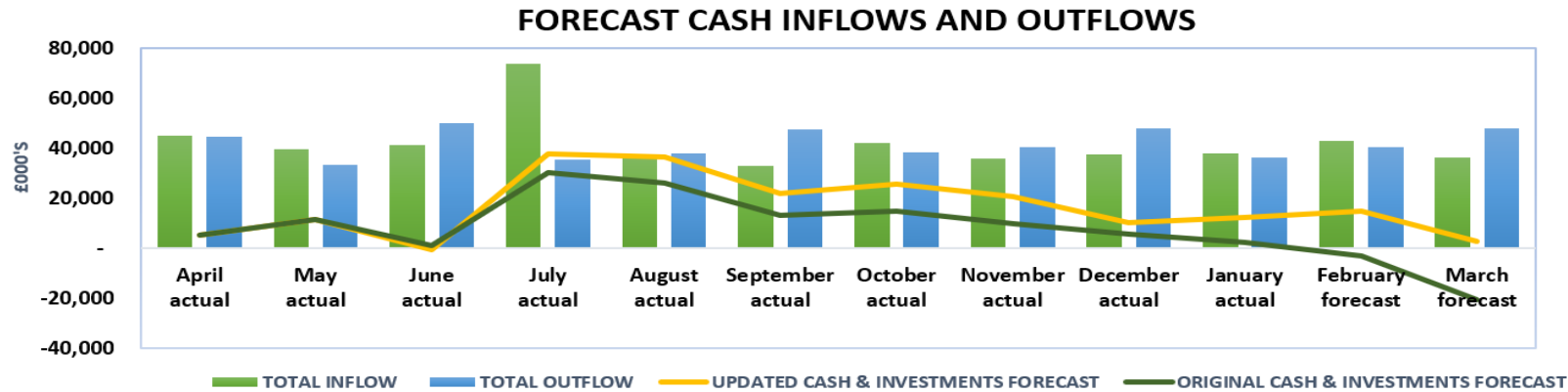
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	9	0	0	9
Estates projects	0	282	(58)	(1,510)	(1,286)
IT projects	0	117	(653)	(881)	(1,417)
Transport projects	0	12	(23)	(717)	(728)
OPC projects	0	0	(1)	(20)	(21)
SCD projects	0	0	0	0	0
Other projects	0	2	0	(4)	(2)
<i>Subject to Approval projects</i>	0	0	(432)	(1,496)	(1,928)
TOTAL	0	422	(1,167)	(4,628)	(5,373)

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 10 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 9 Forecast Outturn	15,230	
Capitalised Maintenance Programme	(352)	Slippage across the maintenance programme due to Estates team not being able to fully commission the related works in 23/24 as originally intended
Harwich & Dovercourt Collaboration (EP / ECFRS)	(669)	Slippage due to contractual issues meaning the project will no longer commence during 2023/24, with re-tender of construction works now to be progressed. Revised anticipated start date on site is Autumn 2024.
Dashcams	302	Previous months slippage now reporting to spend due to supplier confirming that existing orders will be fulfilled during 2023/24
Net impact of other immaterial movements < £50k (reductions and underspends)	(44)	Various
Month 10 Forecast Outturn	14,467	

7. Cashflow Forecast



January Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	11,802	10,777	(1,025)
HMRC payments	8,002	7,806	(196)
Essex LGPS payments	1,700	1,699	(1)
Payroll	14,770	16,143	1,373
Total cash outflow	36,274	36,425	151
Income			
Govt grant	(19,606)	(16,983)	2,623
Precepts	(13,315)	(13,315)	0
Other net receipts	(7,949)	(7,724)	225
Total cash inflow	(40,870)	(38,022)	2,848
Total cash (inflow)/outflow	(4,596)	(1,597)	2,999

January Commentary

Expenditure

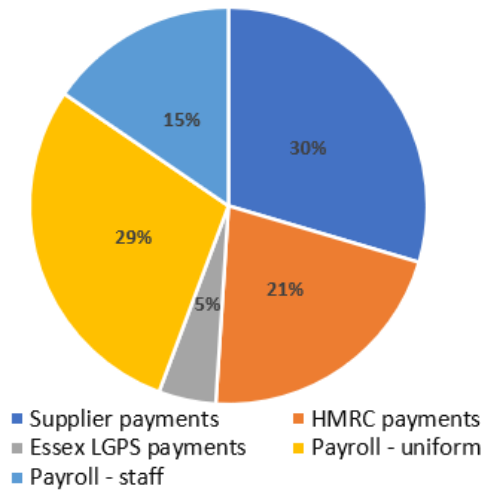
Supplier payments were £1.025m lower than forecast, with three of the four weekly BACS runs netting to a reduction of £1.799m compared to the expected values, offset by the mid-month payment run increasing by £0.667m due to additional Kent Police invoices.

The other significant variance to payroll which was £1.373m higher than anticipated comprising £0.698m of core payroll costs being higher than forecast with the remainder relating to overtime payments for bank holidays, and additional payments relating to pensioners.

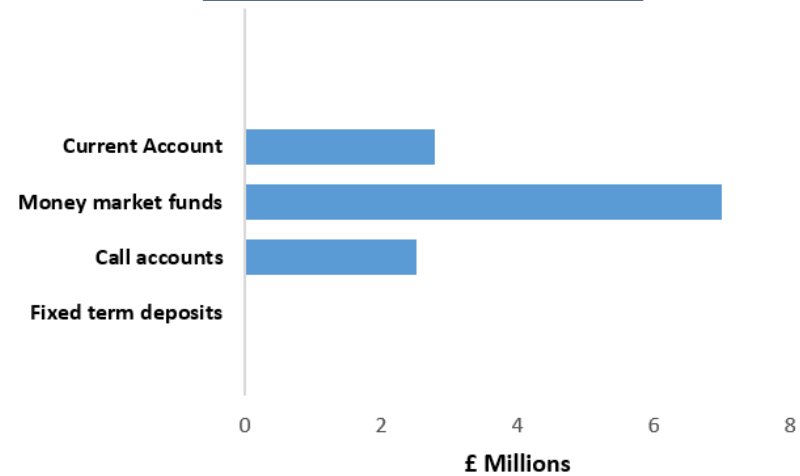
Income

The £2.623m decrease in government grants was principally due to the delay with PUP funding of £3m, offset by additional Barring Disclosure & Fingerprint HO grant. The deferral of the Harlow MIT sale to 2024/25 for £1.575m mainly contributed to a shortfall in other net receipts but this was offset by additional VAT reimbursements as well as higher levels of miscellaneous receipts, equating to an overall surplus compared to the plan of £0.225m.

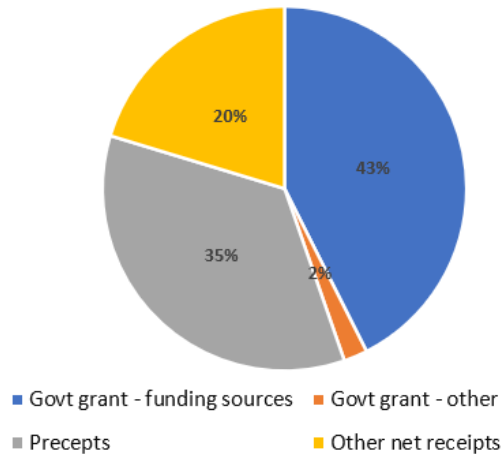
January Expenditure Breakdown



Investments @ 31st January



January Income Breakdown



External Borrowing/Financing

The PFCC cashflow position is expected to remain in credit for the remainder of the calendar year with a surplus balance of circa £3m by the end of 2023/24. Due to MiFiD requirements and for liquidity/cash management purposes, the PFCC may choose to source an additional £7m short-term external borrowing at this time, thus meeting the minimum cash threshold requirement of £10m.