

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 provisional outturn position for the Force.

2.0 Recommendations

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

2.3 To approve an appropriation of £0.5m to the Transformation Reserve for expenditure linked to Welfare, Wellbeing and Workplace Improvement proposals, and £0.2m to the Insurance Reserve to mitigate any material impact resulting from future insurance claims, as noted in Section 2.3.

2.4 To approve the year end balances on earmarked reserves of £14.703m and the general reserve of £12.622m, which is 3.5% of the 2023/24 force budget of £363.7m (3.3% of the 2024/25 force budget of £385.5m), as noted in section 5 of the report, and based on the appropriations noted in item 2.3 above.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the provisional outturn, highlighting the changes from the Month 12 position.

5.0 Current Work and Performance

The provisional outturn 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

1. Executive Summary

REVENUE

The provisional outturn underspend is £3.073m against the 2023/24 revenue budget of £363.7m (0.84% variance).

There is a recommendation to place £0.7m in earmarked reserves for specific purposes, which if approved, would result in the contribution to General Reserve reducing from £3.073m to £2.373m.

The force variance to current budget at subjective level is detailed in Section 3 of the report.

WORKFORCE

The Police Officer strength at the end of March is 3,758 FTE. The headcount for the end of March is 62 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.482m.

The Police Staff strength at the end of March is 2,113 FTE. Total vacancies at 31st March are 239 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £3.231m.

The PCSO strength at the end of March is 93 FTE. The underspend on PCSO Pay and Allowances is £0.095m.

The workforce tables are noted in Section 4 of the report.

RESERVES

A list of all appropriations to and from earmarked reserves, captured as part of provisional outturn, is noted in Section 2 of the report.

The provisional outturn incorporates a series of year-end adjustments in support of the statutory work of the department, some of which could not be confirmed at the time of producing the Month 12 report. Appropriations to earmarked reserves require Chief Officer Group support and/or PFCC approval where stated.

The detailed breakdown of all earmarked reserves and general reserve is noted in Section 5 of the report.

CAPITAL

The provisional capital outturn position is a spend of £14.625m, which is a £5.316m underspend against the latest revised budget of £19.941m (26.7% variance).

The financing requirement based on the provisional outturn is £10.359m which equates to approximately 71% of the year's financing plan. Based on the actual position as at 31/3/24, the PFCC held a net cash deficit of £0.7m which was covered by its bank overdraft facility.

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

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

2.1 List of appropriations to Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
ER044/23	PFCC Safer Streets	2,883	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	Reversal of appropriation earlier in the financial year and returned in connection with its intended use	PFCC Commissioning Budget C/Fwd Reserve	Supplies & Services
ER047/23	PFCC Commissioning Budgets 2023/24 C/Fwd	1,650	PFCC Commissioning Budget net underspend for Community Safety Fund, Community Safety Development Fund, Victims, Violence & Vulnerability and Safer Streets to C/Fwd reserve for use in 2024/25	To be approved by PFCC	PFCC Commissioning Budget C/Fwd Reserve	Supplies & Services
ER046/23	Police Special Grant - Software Licence Costs	449	The Minister of State for Crime, Policing and Fire has made Section 31 grant payments towards additional software costs incurred during 2023/24, which meets the criteria for the funding to be held within the Restricted Grant Reserve for use in future years.	To be PFCC and Chief Officer approved	Restricted Grant Reserve	Government Grants and Contributions
ER041/23	Estates Electrical Testing	186	Transfer of 2023/24 revenue underspends to the Transformation reserve for electrical testing across the Essex Police estate, which is largely deferred until 2024/25	To be PFCC and Chief Officer approved	Transformation Reserve	Premises
ER042/23	Additional licence costs - ICCS and Contact Management Target Operating Model	112	Additional licence costs associated with the Contact Management Target Operating Model and ICCS project	To be PFCC and Chief Officer approved	Transformation Reserve	Supplies & Services
ER045/23	Chief Constables Operational C/Fwd	100	Forecast appropriation to the Chief Constables Operational C/Fwd Reserve in accordance with financial regulations	As permitted under financial regulations	Chief Constables Operational C/Fwd Reserve	General Reserve
ER048/23	POCA appropriations	67	POCA annual income budget exceeded and surplus transferred to the POCA Reserve, following the receipt of final quarter income (£0.261m), less adjustment in respect of legacy income previously transferred from the Balance Sheet in accordance with agreed annual process, reflecting a 2022/23 Statement of Accounts adjustment following completion of the related external audit process (£0.148m), and allocations to fund force expenditure, as agreed by the POCA Board (£0.046m)	s151 Officer and Chief Officer Group	POCA Reserve	Government Grants and Contributions / Fees Charges and Other Service Income / Supplies & Services / Training
ER049/23	Op Dagenham	8	Appropriation for Essex Police element of planned maintenance for future years in respect of jointly-controlled asset managed by Bedfordshire Police, less 2023/24 maintenance costs	s151 Officer and Chief Officer Group	Op Dagenham Reserve	Third Party Payments
Total		5,455				

2.2 List of appropriations from Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations (from) Earmarked Reserves						
ER050/23	Capital Expenditure Funded by Revenue via Future Capital Funding Reserve	(383)	Technical appropriation to reflect financing of the capital programme with revenue funding from the Future Capital Funding Reserve	To be PFCC and Chief Officer approved	Future Capital Funding Reserve	Capital & Other Adjustments
ER051/23	Allard-related undercover claims	(291)	Essex share of national position (based on NRE) based on confirmation received via the NPCC Finance Coordination Committee. This necessitates creation of a Legal Claims Provision, with no impact on the force underspend.	s151 Officer for the Chief Constable and s151 Officer for the PFCC	Legal Claims Reserve	Other Employee Expenses
ER052/23	Forfeitures appropriations	(196)	Adjustment in respect of legacy income previously transferred from the Balance Sheet in accordance with agreed annual process, reflecting a 2022/23 Statement of Accounts adjustment following completion of the related external audit process (£0.202m), and allocations to force funded expenditure as agreed by the POCA Board (£0.005m), offset by additional virement to ensure the total forfeitures income budget for 2023/24 (and corresponding appropriation) matches the actual income received in year (£0.011m)	s151 Officer for the Chief Constable and s151 Officer for the PFCC	Forfeitures Reserve	Fees Charges and Other Service Income / Supplies & Services
Total		(870)				
Net appropriation to/(from) Earmarked Reserves		4,585				

2.3 List of appropriations to Earmarked Reserves - Recommendation

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
ER053/23	Welfare, Wellbeing and Workplace Improvement	500	To support the work of the recently organised Welfare, Wellbeing and Workplace Improvement working group.	To be PFCC and Chief Officer approved	Transformation Reserve	General Reserve
ER054/23	Insurance Reserve	200	To smooth the ebb and flow of insurance claims to avoid unexpected material impacts on the revenue budget.	To be PFCC and Chief Officer approved	Insurance Reserve	General Reserve
Total		700				

3. Revenue

3.1 Revenue Summary

In Month - Month 13			Year to Date - Month 13			Subjective Heading	Full Year							
Budget ¹	Actual	Variance	Budget ¹	Actual	Variance		Original Budget ²	Adjustments to Original Budget	Revised Budget	Year to Date Actual	Provisional Outturn	Variance Over/(Under) Spend - Original Budget	Variance Over/(Under) Spend - Revised Budget	Movement from Prior Month Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000
18,752	1,180	(17,572)	243,777	227,507	(16,270)	Employees								
809	914	104	10,521	10,419	(102)	Police Officer Pay and Allowances	218,616	6,409	225,025	227,507	227,507	8,891	2,482	(118)
87	52	(35)	1,136	1,387	251	- Police Officer Pay and Allowances	7,127	2,584	9,712	10,419	10,419	3,292	708	(255)
0	0	0	0	0	0	- Overtime and Operational Performance	1,049	(0)	1,049	1,387	1,387	338	338	43
19,649	2,146	(17,503)	255,434	239,313	(16,121)	- Associated Police Pay	0	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	226,792	8,993	235,785	239,313	239,313	12,521	3,528	(330)
						Police Officer Pay and Allowances								
318	(0)	(318)	4,129	3,716	(413)	PCSO Pay and Allowances	3,687	124	3,811	3,716	3,716	29	(95)	32
						Police Staff Pay and Allowances								
8,362	1,271	(7,091)	108,711	97,118	(11,593)	- Police Staff Pay & Allowances	97,785	2,564	100,349	97,118	97,118	(667)	(3,231)	74
174	142	(32)	2,268	2,443	174	- Police Staff Overtime and Agency	1,124	970	2,094	2,443	2,443	1,318	349	(61)
8,537	1,414	(7,123)	110,980	99,561	(11,419)	Police Staff Pay and Allowances	98,909	3,534	102,443	99,561	99,561	651	(2,882)	13
310	0	(310)	4,033	4,024	(8)	Pensions (Ill Health / Medical)	4,215	(493)	3,722	4,024	4,024	(191)	302	(9)
167	1	(166)	2,171	1,997	(173)	Training	2,019	(15)	2,004	1,997	1,997	(22)	(6)	(11)
94	526	432	1,222	1,171	(51)	Other Employee Expenses	399	728	1,128	1,171	1,171	771	43	64
29,074	4,087	(24,988)	377,968	349,782	(28,185)	Employees Total	336,022	12,871	348,893	349,782	349,782	13,760	889	(241)
1,017	568	(449)	13,225	12,245	(980)	Premises	12,317	(109)	12,208	12,245	12,245	(72)	37	180
586	194	(393)	7,619	7,052	(567)	Transport	6,934	99	7,033	7,052	7,052	118	19	(129)
	0					Supplies and Services								
4,025	2,711	(1,313)	52,322	49,113	(3,210)	- Supplies and Services	42,281	6,017	48,298	49,113	49,113	6,832	815	3,235
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	0
4,025	2,711	(1,313)	52,322	49,113	(3,210)	Supplies and Services	42,727	5,571	48,298	49,113	49,113	6,386	815	3,235
666	1,435	769	8,660	7,976	(684)	Third Party Payments	7,382	612	7,994	7,976	7,976	595	(18)	132
35,369	8,995	(26,374)	459,794	426,168	(33,626)	Gross Expenditure	405,381	19,044	424,426	426,168	426,168	20,787	1,742	3,177
						Income								
(3,363)	(10,963)	(7,601)	(43,715)	(43,787)	(72)	- Government Grants & Contributions	(23,795)	(16,557)	(40,352)	(43,787)	(43,787)	(19,992)	(3,435)	(457)
(1,572)	(2,278)	(707)	(20,432)	(19,290)	1,143	- Fees Charges & Other Service Income	(16,279)	(2,582)	(18,861)	(19,290)	(19,290)	(3,011)	(429)	(322)
(4,934)	(13,242)	(8,307)	(64,147)	(63,077)	1,071	Income	(40,074)	(19,139)	(59,213)	(63,077)	(63,077)	(23,003)	(3,864)	(779)
30,434	(4,247)	(34,681)	395,647	363,091	(32,556)	Net Cost of Services	365,307	(94)	365,213	363,091	363,091	(2,216)	(2,122)	2,398
(8)	(144)	(136)	(99)	(1,195)	(1,097)	Other Expenditure / (Income)	(91)	0	(91)	(1,195)	(1,195)	(1,104)	(1,104)	(106)
276	383	107	3,582	3,235	(347)	Capital and Other Adjustments	904	2,402	3,306	3,235	3,235	2,331	(71)	0
30,702	(4,008)	(34,710)	399,130	365,131	(33,999)	Net Expenditure	366,120	2,308	368,428	365,131	365,131	(989)	(3,297)	2,292
(30,307)	1	30,308	(393,995)	(363,563)	30,431	Sources of Finance	(363,687)	0	(363,687)	(363,563)	(363,563)	124	124	0
395	(4,007)	(4,402)	5,136	1,568	(3,568)	(Surplus)/Deficit before appropriations	2,433	2,308	4,741	1,568	1,568	(865)	(3,173)	2,292
(133)	4,585	4,718	(1,729)	(1,496)	233	Contribution to/(from) Earmarked Reserves	712	(2,308)	(1,596)	(1,496)	(1,496)	(2,208)	100	(3,630)
(262)	0	262	(3,407)	(72)	3,335	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(72)	(72)	3,073	3,073	1,338
0	578	578	0	0	0	(Surplus)/Deficit after appropriations	0	0	0	0	0	0	0	0

¹Even monthly profile of Revised Budget

²2023/24 Budget agreed at Police, Fire and Crime Panel

3.2 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £3.528m overspend

Explanation of outturn variance

The outturn 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 of £0.1m mainly relating to Golden Orb and Op Hallmark; Police Officer overtime overspend of £0.6m across the force due to vacancy levels and volumes of activity, with some areas funded by way of virement from Police Officer 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 - £2.882m underspend

Explanation of outturn variance

The outturn 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 due to slippage. The underspend is partially offset by a Police Staff overtime overspend of £0.1m due to vacancy levels and volumes of activity, with some areas funded by way of virement from Police Staff Pay underspends; and an overspend of £0.2m on Police Staff Agency expenditure.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget at provisional outturn include recognition of Home Office funding received, via the PFCC office, in relation to Op Dial (£0.493m increase), funding received in relation to overtime incurred on a range of major incident operations (£0.202m increase), and reprofiling of externally funded activity for Stansted (£0.313m decrease),

Previously reported adjustments to Original Budget, up to and including Month 12, total £8.537m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 12, total £3.526m.

PCSO Pay and Allowances - £0.095m underspend

Explanation of outturn variance

Outturn underspend due to opening and closing 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) - £0.302m overspend

Explanation of outturn variance

Outturn 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 - £0.037m overspend

Explanation of outturn variance

Outturn underspend of £0.6m to reflect a one-off rates refund for Chelmsford HQ and Southend following rates valuations appeals, offset by an overspend of £0.6m in relation to both the trade waste and cleaning contract.

Transport - £0.019m overspend

Explanation of outturn variance

Outturn overspend for force mileage rate and car allowance claims resulting from a change to force policy based on new national guidelines, and vehicle parts and equipment expenditure; largely offset by an 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 12, total £0.120m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 12, total £0.493m.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget at provisional outturn include transfer of 2023/24 revenue underspends to the Transformation reserve for electrical testing across the Essex Police estate, which is largely deferred until 2024/25 (£0.186m decrease).

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Supplies and Services - £0.815m overspend

Explanation of outturn variance

The outturn includes overspends in relation to insurance claims based upon a detailed review of the outstanding claims in relation to motor and liability at the end of March, with £0.5m having been previously reported in relation to eight material claims notified during 23/24 (£0.9m); one-off expenditure associated with the roll out of replacement uniform items (£0.5m); communications and technology expenditure based on ongoing ITD contracts and project provisions, with the main variances relating to Data Centre, Airwave and DAMS (£0.1m); the custody medical provision and SARC contract have met with an inflationary increase (£0.2m); 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); internal audit and external audit has overspent against budget (£0.2m).

These overspends are partially offset by underspends in relation to 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 (£0.7m), a reduction for Airwave credits that are due for receipt following a

Third Party Payments - £0.018m underspend

Explanation of outturn variance

The outturn includes an underspend resulting from the NPCC Science and Technology Strategy workstream being no longer required, which is partially offset by an overspend associated with ERSOU ROCU expenditure.

Competitions and Market Authority price cap ruling (£0.5m), a reduction in the Forensic Analysis expenditure since the introduction of the NGP Forensic Services Contract from 1st April 2023 (£0.3m), a reduction in contingencies for PPA claims now being discharged based on updated legal advice (£0.1m), and a net decrease in respect of the Council Tax Sharing Agreement based on billing authorities updating their year end position (£0.1m).

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget at provisional outturn is predominantly in connection with the year end accounting entries for the PFCC Commissioning Budgets, specifically resulting from the year end appropriation to the PFCC Commissioning Budgets C/Fwd reserve, recognition of funding received from the Home Office and Ministry of Justice, other partnership funding received and committed, and funding of force funded expenditure in connection with Violence and Vulnerability (£2.060m decrease).

Previously reported adjustments to Original Budget, up to and including Month 12, total £7.420m.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget at provisional outturn include reprofiling of externally funded activity for Safer Essex Roads Partnership (£0.161m increase).

Previously reported adjustments to Original Budget, up to and including Month 12, total £0.453m.

Income – Government Grants & Contributions - £3.435m surplus

Explanation of outturn variance

The outturn includes a surplus in respect of additional funds relating to an overachievement of 2023/24 PUP of £2.265m, based on confirmation that the force has secured funding of £45,000 per officer for the successful recruitment of 45 officers, and £24,000 per officer for a further 10 officers, above the force's maintenance headcount. In addition, the outturn includes Home Office funding, confirmed in April 2024, of £0.720m for Op Hazel, relating to expenditure incurred in 2022/23, and £0.113m for Op Ivy.

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.

Income – Fees, Charges & Other Service Income - £0.429m surplus

Explanation of outturn variance

The outturn includes a surplus, above budget assumptions, for insurance recoveries, historic business rates recovery, information rights income, vehicle seizures recovery, immigration income, and recharges for Federation national board members. This surplus is largely offset by a 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.

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.

Other Expenditure/(Income) - £1.104m surplus

Explanation of outturn variance

Surplus due to a net interest movement resulting from a decrease in interest payable due to confirmation of additional government grant funding in the year and additional investment income received.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Sources of Finance - £0.124m deficit

Explanation of outturn variance

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 - £0.100m

Explanation of outturn variance

Appropriation to the Chief Constables Operational C/Fwd Reserve, resulting from force underspend, in accordance with financial regulations.

Contribution to General Reserve - £3.073m

Explanation of outturn variance

As noted in Section 1, the provisional outturn underspend is £3.073m against the 2023/24 revenue budget of £363.7m (0.84% variance).

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.

3.3 Main Outturn Movements since last month

Main Changes to Provisional Outturn Variance since Month 12

	Change in Outturn £m	Virement - Appropriation £m	Change in Outturn Variance £m	
Month 12 Forecast Outturn Variance	(1.7)		(1.7)	Underspend (£1.735m)
Police Officer Pay and Allowances	(0.3)	0.0	(0.3)	The decrease in outturn variance includes the impact of a movement in Kent recharges, additional budget applied in respect of the PFCC funded Anti Social Behaviour Grant, and a reduction on the previous estimate relating to overtime incurred in respect of Major Incident and Mutual Assistance operations, which would be covered by income received from host forces.
Other Employee Expenses	0.3	0.3	0.0	The virement from earmarked reserves is for the Essex share of the national position for Allard-related undercover claims (based on NRE) based on confirmation received via the NPCC Finance Coordination Committee. This necessitates creation of a Legal Claims Provision, with no impact on the force underspend.
Premises	0.0	(0.2)	0.2	The virement to earmarked reserves is to reflect the transfer of 2023/24 revenue underspends to the Transformation reserve for electrical testing across the Essex Police estate, which is largely deferred until 2024/25 (£0.2m - previously forecast)
Transport	(0.1)	0.0	(0.1)	The decrease in outturn variance is in connection to vehicle fuel, to reflect lower expenditure resulting from a reduction in fuel prices and fewer miles incurred.
Supplies & Services	0.2	(0.1)	0.3	<p>The increase in outturn variance includes an updated insurance claims position for year end, encompassing both liability and motor claims, with additional costs now needing to be included within the Insurance Provision, and not subject to funding from the Insurance Reserve (£0.370m), contractors expenditure linked to the Athena AMO workstream, which is recharged to the consortium on a quarterly basis, and consultancy costs linked to Op Minerva and other IT projects, i.e. LDDS (£0.200m); partially offset by a reduction in the roll out of replacement uniform due to some items having to be returned due to quality issues, and therefore some of the issue of uniform delayed until 2024/25 (£0.165m), PFCC Public/Partner expenditure in relation to website development, which is now due to materialise in 2024/25 at lower cost (£0.050m), and a reduction in Forensic Analysis expenditure where monthly expenditure to date has been sporadic, and as a result, difficult to quantify since the introduction of the NGP Forensic Services (£0.050m)</p> <p>The virement to earmarked reserves is to reflect the transfer of 2023/24 revenue consequences underspends to the Transformation reserve for additional licence costs associated with the Contact Management Target Operating Model and ICCS project (£0.1m - previously forecast)</p>
Supplies & Services - PFCC Commissioning Budgets	(1.6)	(4.5)	2.9	<p>The movement in outturn results from a net in-year underspend of £1.650m for the Community Safety Fund, Community Safety Development Fund, Victims, Violence & Vulnerability and Safer Streets commissioning budgets, which has been appropriated to the PFCC Commissioning Budgets C/Fwd Reserve for use in 2024/25, and has no impact on the force underspend.</p> <p>The virement to earmarked reserves is to reflect return of PFCC Safer Streets funding of £2.883m (previously forecast) to the PFCC Commissioning C/Fwd Reserve, following appropriation from the C/Fwd Reserve at the commencement of the 2023/24 financial year. In addition, the net total underspend of £1.650m for the PFCC Commissioning Budgets has been appropriated to the PFCC Commissioning Budgets C/Fwd reserve for use in 2024/25, which was not previously forecast, pending completion of year end closure work.</p>
Third Party Payments	0.1	0.0	0.1	The increase in forecast is in respect of ERSOU ROCU charges.
Income - Government Grants & Contributions	(1.2)	(0.7)	(0.5)	<p>The increase in surplus income, contributing to the force underspend, includes Home Office funding for Op Hazel, relating to expenditure incurred in 2022/23 (£0.7m) and Op Ivy (£0.1m). The movement in outturn variance is impacted by the virements listed below, where appropriations were previously forecast (i.e. Section 31 grant for additional software costs).</p> <p>The virement to earmarked reserves is for a Section 31 grant payment towards additional software costs incurred during 2023/24, which meets the criteria for the funding to be held within the Restricted Grant Reserve for use in future years (£0.5m - previously forecast), and the POCA annual income budget was exceeded and the surplus transferred to the POCA Reserve, following the receipt of the final quarter income (£0.2m).</p>
Income - Fees Charges & Other Service Income	0.0	0.3	(0.3)	<p>The increase in surplus income, contributing to the force underspend, includes additional Athena AMO income, as a result of costs being recharged to the consortium on a quarterly basis, which is offset by expenditure held against supplies and services (£0.2m), and an increase in vehicle seizure income due an increased focus on the seizure of vehicles at various intervals in the year, generating higher disposal income, as well as back dated income received following a change to the salvage contractor (£0.1m).</p> <p>The virement from earmarked reserves is for an adjustment to POCA and Forfeitures in respect of legacy income previously transferred from the Balance Sheet in accordance with agreed annual process, reflecting a 2022/23 Statement of Accounts adjustment following completion of the related external audit process.</p>
Other Expenditure/(Income)	(0.1)	0.0	(0.1)	The increase in surplus income, contributing to the force underspend, is due to additional investment income exceeding forecast levels, with the majority relating to money market funds and call accounts.
Capital & Other Adjustments	0.4	0.4	0.0	The virement from earmarked reserves is for a technical appropriation to reflect financing of the capital programme with revenue funding from the Future Capital Funding Reserve, which has no impact on the force underspend.
Contribution to/(from) Earmarked Reserves	0.9	4.5	(3.6)	The virement reflects the contra entry for the items noted above for appropriations impacting Other Employee Expenses, Premises, Supplies and Services (including PFCC Commissioning Budgets), Income (both Government Grants and Contributions, and Fees Charges & Other Service Income), and Capital and Other adjustments, of which £3.6m was forecast at Month 12 and £0.9m was identified and adjusted as part of provisional outturn.
Provisional Outturn Variance	(3.1)	0.0	(3.1)	Underspend (£3.073m)

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												Total	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
		FTEs	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	3,724		
16	Leavers	(26)	(24)	(23)	(19)	(32)	(24)	(19)	(17)	(14)	(19)	(12)	(22)	(250)	
17	Joiners (note 7)	3	6	41	4	0	94	0	0	55	1	4	57	265	
20	Other Adjustments (note 8)	(0)	0	1	0	(1)	(1)	1	1	(1)	0	0	(1)	(0)	
21	Net change	(23)	(18)	19	(15)	(33)	69	(18)	(16)	40	(18)	(7)	34	14	
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	3,724	3,758		
23	Difference to 3755fte - over / (under)	(35)	(53)	(34)	(49)	(82)	(13)	(30)	(47)	(6)	(24)	(31)	3		
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	3,794	3,827		
25	Difference to PUP headcount 3765 - over/(under) (note 9)	28	10	28	10	(23)	48	30	13	54	37	29	62		
Actuals /Forecast £		Actual £												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		£m
26	Costed Strength before joiners/leavers	£16.97m	£18.27m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.58m	£19.26m	£19.81m	£19.53m	£20.58m	£227.51m	
27	Leavers													£0.00m	
28	Joiners													£0.00m	
29	Other Costs													£0.00m	
30	Monthly Actual	£16.97m	£18.27m	£17.90m	£18.13m	£18.22m	£19.78m	£19.48m	£19.58m	£19.26m	£19.81m	£19.53m	£20.58m	£227.51m	
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
31	Strength @ beginning of month (negative=reduction)	(12)	(2)	2	(23)	(16)	(27)	(2)	3	8	5	9	24		
32	Leavers (positive number = less leavers)	8	(1)	0	4	(9)	(1)	4	6	9	4	11	1	37	
33	Joiners	2	5	(26)	3	(1)	27	(1)	(1)	(12)	0	3	(21)	(22)	
32	Other Adjustments	(0)	0	1	0	(1)	(1)	1	1	(1)	0	0	(1)	(0)	
33	Month End Strength Change - FTEs	(2)	2	(23)	(16)	(27)	(2)	3	8	5	9	24	3	14	
34	Change per month FTEs	10	4	(25)	7	(11)	25	4	6	(4)	4	15	(21)		
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
35	Monthly Financial Change	(£1.13m)	£0.26m	(£0.24m)	£0.08m	£0.26m	£1.33m	£1.12m	£1.31m	£0.87m	£1.51m	£1.32m	£2.20m	£8.89m	

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 Outturn

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 @ 29 February 2024	3,755	3,758	3,743	232	33	(250)	(0)	3,758
HR data @ 31 March 2024	3,755	3,758	3,743	232	33	(250)	(0)	3,758
Change		0		0	0	(0)	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 @ 29 February 2024	2,375	2,135			205	(216)
HR data @ 31 March 2024	2,352	2,113			209	(242)
Change		(22)			4	(26)

* 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 @ 29 February 2024	99	95	99	94	5	(5)	(0)	93
HR data @ 31 March 2024	99	93	99	94	5	(5)	(0)	93
Change		(2)			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 @ 29 February 2024	261	427
HR data @ 31 March 2024	251	427
Change	(10)	

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		-	£0.014m	(£0.006m)	£0.109m	-	£0.109m	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	£0.014m	(£0.006m)	£0.109m	£0.000m	£0.109m	
2 Ringfenced Reserve									
Proceeds of Crime Act	£1.696m	(£0.300m)	-	£0.462m	(£0.444m)	£1.414m	-	£1.414m	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		-	£0.113m	(£0.223m)	£0.304m	-	£0.304m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.963m		-	-	(£0.179m)	£0.785m	-	£0.785m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Transformation Reserve	£2.347m		-	£0.298m	(£1.527m)	£1.118m	£0.500m	£1.618m	Reserve to help fund the one-off costs of implementing the IT, Estates and Digital Forensic Transformation Strategies. The forecast appropriation to the reserve is for expenditure linked to Welfare, Wellbeing and Workplace Improvement proposals
Legal Reserve	£0.836m		-	£0.555m	(£0.522m)	£0.869m	-	£0.869m	Reserve established to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon, Cornwall Constabulary and McCloud v Sargeant).
PEQF Reserve	£0.298m		(£0.187m)	-	-	£0.111m	-	£0.111m	PEQF mobilisation costs to be used for the introduction of the new PEQF training programme. Includes budgeted allocation of £0.187m for external training costs.
Restricted Grant and Contributions Reserve	£0.436m		-	£0.449m	(£0.292m)	£0.593m	-	£0.593m	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	£0.400m	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 and £0.2m forecast appropriation.
Total	£6.991m	(£0.300m)	£0.013m	£1.876m	(£3.188m)	£5.392m	£0.700m	£6.092m	

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		-	£0.100m	-	£0.750m	-	£0.750m	Operational Carry Forward resulting from the force underspend.	
Future Capital Funding	£1.001m	£1.000m	-	£0.501m	(£2.402m)	£0.100m	-	£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	£0.601m	(£2.402m)	£2.350m	£0.000m	£2.350m		
4	PFFC Reserves									
Commissioning Grants / Safer Streets	£5.258m		-	£1.650m	(£0.756m)	£6.152m	-	£6.152m	Includes PFCC Commissioning Budget C/Fwd of £2.650m and Safer Streets funding of £3.502m.	
Total	£5.258m	£0.000m	£0.000m	£1.650m	(£0.756m)	£6.152m	£0.000m	£6.152m		
5	General Reserve									
General Reserve	£13.394m		(£3.145m)	£3.073m	-	£13.322m	(£0.700m)	£12.622m	The 2023/24 General Reserve opening balance is £13.394m. The 2023/24 General Reserve closing balance is £13.322m, which represents 3.7% of the 2023/24 force budget of £363.7m. Includes £3.145m budgeted contribution to the reserve to fund one-off cost pressures. The forecast appropriation to earmarked reserves is for expenditure linked to Welfare, Wellbeing and Workplace Improvement proposals and the Insurance Reserve.	
Total Revenue Reserves	£28.895m	£0.700m	(£3.132m)	£7.214m	(£6.351m)	£27.325m	£0.000m	£27.325m		

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 FINAL OUTTURN 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 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
EXPENDITURE -								
ANPR projects	0	110	5	115	116	1	124	(9)
Estates projects	3,353	1,215	3,068	7,636	6,474	(1,163)	6,500	(26)
IT projects	542	3,052	821	4,415	3,263	(1,152)	3,015	248
Transport projects	1,295	2,214	1,183	4,692	3,814	(878)	3,768	46
OPC projects	26	454	(324)	156	81	(75)	135	(54)
SCD projects	0	24	265	289	304	15	35	269
Other projects	0	237	340	577	575	(2)	575	0
<i>Subject to Approval projects</i>	<i>8,783</i>	<i>(7,306)</i>	<i>584</i>	<i>2,061</i>	<i>0</i>	<i>(2,061)</i>	<i>20</i>	<i>(20)</i>
TOTAL EXPENDITURE	13,999	0	5,942	19,941	14,625	(5,316)	14,172	453
FINANCING -								
Capital Receipts	4,100	0	1,813	5,913	1,551	(4,362)	1,550	1
Revenue Contributions	1,131	0	950	2,081	2,402	321	2,400	2
Capital Grant	0	0	0	0	0	0	0	0
External & Other Income	0	0	250	250	313	63	63	250
Financing Requirement	8,768	0	2,929	11,697	10,359	(1,338)	10,159	200
TOTAL FINANCING	13,999	0	5,942	19,941	14,625	(5,316)	14,172	453

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 £5.316m 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 actual position as at 31/3/24, the PFCC held a net cash deficit of £0.7m which was covered by its bank overdraft facility. 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 **£19.941m** for the provisional outturn position. The increase of £5.942m 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 £0.830m of business cases approved as Stage C's where no previous Stage B budget setting bid was submitted, £0.749m mainly comprised of reprofiled subject to approvals, and £1.734m of previous subject to approval funding from future years which has now been approved. The latter relates to the Boreham Infrastructure MIP4 project with funds advanced from future years, having been approved at the March 2023 Strategic Board.

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

The £7.306m approved at the boards include the following material schemes:

- £3.052m of IT projects relating to the Infrastructure Technical Refresh programme
- £0.110m for the ANPR 2023/24 equipment replacement programme as part of the forces annual rolling programme
- £0.237m relating to the body armour replacement rolling programme 2023/24
- £2.2m for the Fleet Replacement rolling programme 2023/24
- £1.215m of Estates 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

Provisional Outturn Position – Summary

The provisional outturn position reflects a spend of £14.625m, reflecting an underspend of

(£5.316m) against the current budget of £19.941m, compared to the previous month 12 forecast underspend of (£5.668m). The decrease within the outturn position compared to the previous month forecast equates to (£0.453m), relating to approved budgets only.

Year-End Variances

The provisional underspend of (£5.316m) comprises slippage of (£4.631m) and an underspend of (£1.138m), both offset by an overspend of £0.453m.

Slippage of (£4.631m) (from 2023/24 to 2024/25)

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

Estates - which is slipping (£1.319m) into future years, representing a £0.169m decrease compared to the month 12 forecast, mainly relating to the Laindon CEL impact previously reported, now being reversed. The remaining material variances comprised:

- Harwich & Dovercourt Collaboration project of (£0.798m), based on delayed contractual negotiations impacting the final delivery of the project
- (£0.310m) relating to the Capital Maintenance Programme with various. maintenance work no longer expecting to be commissioned in 2023/24

Transport - which is slipping by (£0.868m) compared to the previously reported (£0.913m), primarily relating to both the 2022/23 and 2023/24 replacement programmes, due to continued delays with deliveries of parts. A further (£0.200m) of slippage has been recognised for the Marine Unit Launch Replacement project due to ongoing complications in respect of the supplier and related build specifications for this asset.

IT – who are reporting a slippage of (£0.869m), principally comprising (£0.602m) relating to Infrastructure Technical Refresh, due to delays with strategic decisions pending around future and current purchase of servers, and subsequent/ongoing delays with approval and governance. An additional (£0.111m) relating to Specials Body Worn Video and Mobile First has been slipped based on the refresh of this equipment not now expected to be delivered until 2025/26.

Subject to Approvals – which is reporting slippage of (£1.498m), mainly relating to the impact of updated subject to approval bids being included in the current year programme, principally 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) and Estates Transformation (£0.330m).

Overspends of £0.453m

Estates - £0.248m being reported for outturn including £0.164m for CCTV Replacement in Custody Suites.

IT – £0.182m being reported for outturn, £0.092m of which relates to Dashcams.

Underspends of (£1.138m)

The two principle areas are IT and Subject to Approvals, and are comprised of:

IT – reflecting an underspend of (£0.465m) mainly comprising Infrastructure Technical Refresh (£0.377m) with the ongoing impact of agile working and the overall review of the IT capital programme influencing 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 – reflecting an underspend of (£0.563m), with the main variance being (£0.349m) for the Contact Management Workforce Management Tool which is no longer on the basis this will now be a revenue-based solution. (£0.131m) has also been removed from the remaining contingency balance for projects below the de minimis Stage A threshold, as not utilised in year.

Financing

The financing plan for the 2023/24 provisional outturn position reflects the optimal allocation of capital resources over the medium-term financial period to minimise costs to the force. The capital receipts received in 2023/24 were £1.551m for month 12, with an additional £0.313m of grants and contributions also recognised in year. The latter reflected new external funding being incorporated within the outturn position, including £0.250m to offset additional spend in SCD. All of these resources were 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 £1.502m of additional revenue in 2023/24, reduced 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 was £10.359m which equates to approximately 71% of the year's financing plan.

6.3 Capital Summary – Supporting Tables

6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 FINAL OUTTURN 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	(127)	456	1,734	-	3,068
IT projects	727	-	94	-	-	821
Transport projects	757	400	-	-	26	1,183
OPC projects	10	(400)	-	-	66	(324)
SCD projects	15	-	250	-	-	265
Other projects	18	292	30	-	-	340
<i>Subject to Approval projects</i>	-	584	-	-	-	584
TOTAL	2,537	749	830	1,734	92	5,942

6.3.2 Expenditure Variances

CAPITAL PROGRAMME 2023/24 FINAL OUTTURN 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	(8)	0	1
Estates projects	0	248	(91)	(1,319)	(1,163)
IT projects	0	182	(465)	(869)	(1,152)
Transport projects	0	12	(23)	(868)	(878)
OPC projects	0	0	(1)	(74)	(75)
SCD projects	0	0	14	0	14
Other projects	0	2	(0)	(4)	(2)
<i>Subject to Approval projects</i>	0	0	(563)	(1,498)	(2,061)
TOTAL	0	453	(1,138)	(4,631)	(5,316)

6.3.3 Monthly Movement

CAPITAL PROGRAMME 2023/24 FINAL OUTTURN POSITION OUTTURN MOVEMENTS SINCE PRIOR MONTH FORECAST

	Changes in Forecast Outturn	Explanation
	£000	
Month 12 Forecast Outturn	14,172	
SCD Technical Equipment	250	Additional spend funded by contribution from Kent Police
Infrastructure Technical Refresh 2023/24	214	Reduction in previous underspend declared due to additional equipment required in current year
Boreham Infrastructure MIP4	65	Reduction in previously reported slippage
Alcoquant Devices (Breath Test Devices)	(54)	Reprofiled to 2024/25 (expected to complete in Q1)
Net impact of other immaterial movements < £50k (reductions, underspends and slippage)	(22)	Various
Final Outturn	14,625	