

Performance and Resources Scrutiny Programme 2024/25

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 2024/25 Month 2 position for the Force.

2.0 Recommendations

- 2.1 To note the latest position for Police Officer, Police Staff and PCSO Pay and Allowances, in advance of a full reported pay position at month 3.
- 2.2 To note inflationary pressures and material cost pressures for non-pay expenditure; in advance of a full reported non-pay position at month 3.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the May, Month 2, financial position.

5.0 Current Work and Performance

The Month 2 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

Additional funding of £0.480m in relation to an overachievement of 2024/25 Police Officer Uplift is included in the revenue forecast, based on confirmation that the force will be eligible for a payment of £48,000 per officer recruited above the force's maintenance headcount of 3,810 (baseline plus total three-year allocation), up to a maximum of 10 officers, resulting in a Police Officer headcount of 3,820.

In the event that the PUP headcount target of 10 over is not met by financial year end, the force will forego income of £48,000 per officer for the first ten officers, and £80,000 per officer thereafter.

1. Executive Summary

REVENUE

The revenue forecast overspend as at month 2 is £1.457m against the 2024/25 revenue budget of £385.5m (0.38% variance).

Additional funding of £0.480m in relation to an overachievement of 2024/25 Police Officer Uplift is included in the revenue forecast, based on confirmation that the force will be eligible for a payment of £48,000 per officer recruited above the force's maintenance headcount of 3,810 (baseline plus total three-year allocation), up to a maximum of 10 officers. In the event that the PUP headcount target of 10 over is not met by financial year end, the force will forego income of £48,000 per officer for the first ten officers, and £80,000 per officer thereafter.

WORKFORCE

The Police Officer strength forecast at the end of May is 3,723 FTE and forecast to be 3,751 FTE at year end. The headcount for the end of May is 19 under 3,810. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £0.168m.

The Police Staff strength at the end of April is 2,102 FTE. Total vacancies at 30th April are 254 FTEs. The overspend on Police Staff Pay and Allowances, excluding overtime, is £0.260m.

The PCSO strength at the end of April is 92 FTE and forecast to be 88 FTE at year end. The overspend on PCSO Pay and Allowances is £0.135m.

RESERVES

There are no proposed appropriations to/from earmarked reserves as part of the month 2 financial monitoring process, aside from a forecast appropriation from the restricted grant reserve to meet additional software costs incurred in 2024/25.

The forecast deficit before appropriations from earmarked reserves and general reserve is £9.156m, predominantly due to the Police Officer Uplift grant for 2023/24 not being due for receipt until July 2024.

Any appropriations to/from earmarked reserves will be reported, and approval requested where applicable, at month 3.

FURTHER COMMENTARY

This represents a high level review as at month 2 for pay and significant areas of change on non-pay.

The forecasting of pay is challenging as there are only two months of data, with a forecast for the remaining ten months.

The significant non pay changes reflected are inflationary pressures and material cost pressures. Further variances will materialise as part of the month 3 report, with the force working towards a balanced budget.

The capital financial monitoring position will first be reported at month 3.

2. Revenue

2.1 Revenue Summary

In Month - Month 02			Year to Date - Month 02			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	Year End Forecast	Variance Over/(Under) Spend - Original Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000
20,427	20,175	(252)	40,854	39,260	(1,594)	Employees						
588	797	209	1,177	1,115	(61)	<u>Police Officer Pay and Allowances</u>						
89	85	(5)	179	148	(31)	- Police Officer Pay and Allowances	245,122	0	245,122	39,260	245,290	168
21,105	21,057	(48)	42,209	40,523	(1,686)	- Overtime and Operational Performance	7,060	0	7,060	1,115	7,632	572
						- Associated Police Pay	1,074	0	1,074	148	1,074	0
						Police Officer Pay and Allowances	253,256	0	253,256	40,523	253,995	740
297	310	13	594	626	31	PCSO Pay and Allowances	3,567	0	3,567	626	3,702	135
8,496	8,202	(294)	16,993	16,400	(593)	<u>Police Staff Pay and Allowances</u>						
93	162	69	186	236	50	- Police Staff Pay & Allowances	101,956	0	101,956	16,400	102,216	260
8,589	8,364	(225)	17,179	16,636	(543)	- Police Staff Overtime and Agency	1,116	0	1,116	236	1,368	252
398	384	(13)	795	721	(74)	Police Staff Pay and Allowances	103,072	0	103,072	16,636	103,584	512
134	118	(16)	269	356	87	Pensions (Ill Health / Medical)	4,770	0	4,770	721	4,770	0
33	(2)	(35)	65	(79)	(145)	Training	1,611	0	1,611	356	1,611	0
30,556	30,232	(324)	61,111	58,782	(2,329)	Other Employee Expenses	392	0	392	(79)	392	0
971	1,095	124	1,942	1,625	(317)	Employees Total	366,668	0	366,668	58,782	368,055	1,387
536	503	(33)	1,072	1,069	(3)	Premises	11,650	0	11,650	1,625	11,650	0
3,902	3,598	(304)	7,804	12,942	5,138	Transport	6,433	0	6,433	1,069	6,433	0
622	85	(537)	1,244	234	(1,011)	Supplies and Services	46,826	0	46,826	12,942	47,405	579
36,587	35,513	(1,074)	73,174	74,651	1,478	Third Party Payments	7,466	0	7,466	234	7,751	285
(3,227)	(2,364)	863	(6,454)	6,910	13,364	Gross Expenditure	439,043	0	439,043	74,651	441,294	2,251
(1,504)	(2,170)	(667)	(3,007)	(1,209)	1,798	<u>Income</u>						
(4,731)	(4,534)	197	(9,461)	5,701	15,162	- Government Grants & Contributions	(38,723)	0	(38,723)	6,910	(39,067)	(344)
31,856	30,979	(877)	63,713	80,352	16,639	- Fees Charges & Other Service Income	(18,045)	0	(18,045)	(1,209)	(18,045)	0
(14)	(19)	(5)	(28)	(34)	(6)	Income	(56,767)	0	(56,767)	5,701	(57,112)	(344)
107	0	(107)	214	0	(214)	Net Cost of Services	382,275	0	382,275	80,352	384,182	1,907
31,949	30,960	(989)	63,899	80,318	16,419	Other Expenditure / (Income)	(168)	0	(168)	(34)	(168)	0
(32,128)	(31,448)	680	(64,256)	(71,162)	(6,906)	Capital and Other Adjustments	1,284	0	1,284	0	1,284	0
(179)	(488)	(309)	(358)	9,156	9,514	Net Expenditure	383,391	0	383,391	80,318	385,298	1,907
108	0	(108)	216	0	(216)	Sources of Finance	(385,538)	0	(385,538)	(71,162)	(385,538)	0
71	0	(71)	142	0	(142)	(Surplus)/Deficit before appropriations	(2,147)	0	(2,147)	9,156	(240)	1,907
0	(488)	(488)	0	9,156	9,156	Contribution to/(from) Earmarked Reserves	1,297	0	1,297	0	847	(450)
						Contribution to/(from) General Reserve	850	0	850	0	(607)	(1,457)
						(Surplus)/Deficit after appropriations	0	0	0	9,156	0	0

¹Even monthly profile of Revised Budget

²2024/25 Budget agreed at Police, Fire and Crime Panel

2.2 Main Forecast Movements

Forecast Outturn Variance Summary up to Month 2

	Forecast Outturn Variance £m	
Police Officer Pay and Allowances	0.8	The forecast overspend includes the impact of the opening strength being 3 FTE more than budgeted and changes to recruitment and leaver profiles, totalling £0.168m; and forecast overspends for Police Officer overtime (including Bank Holiday overtime) of £0.572m, predominantly for OPC, SCD, LPAs, PSD and Force Tasking, based on vacancies and volumes of activity. These forecast overspends will be subject to continual review and mitigating action, including use of operational contingency budgets where approved
PCSO Pay	0.1	The forecast overspend includes the impact of the opening strength being 4 FTE more than budgeted, partially offset by leavers forecast during 2024/25, totalling £0.135m
Police Staff Pay and Allowances	0.5	The forecast overspend includes the impact of an opening strength difference, projected bulk intakes for 2024/25 and starters and leavers in April and May, totalling £0.260m; and forecast overspends for Police Staff overtime (including Back Holiday overtime) of £0.252m, predominantly for SCD, PSD and IT, based on vacancies and volumes of activity. These forecast overspends will be subject to continual review and mitigating action, including use of operational contingency budgets where approved
Supplies & Services	0.6	The forecast overspend includes an increase in Home Office/Police Digital charges for NLEDS and IAM (£0.596m), forecast increase in misconduct cases, in addition to new fees for panel attendees (£0.135m) and high demand on kennelling and fees in relation to Dangerous Dogs, which is a nationally recognised pressure (£0.158m). The forecast overspend is partially offset by a saving against budgeted inflationary cost pressures for Taser ammunition (£0.167m) and the impact of lower than expected Home Office recharges for CSP Data (£0.143m)
Third Party Payments	0.3	The forecast overspend includes the profile difference of ERSOU ROCU costs when compared to budget setting, offset by a corresponding underspend reflected within officer pay (£0.147m) and the annual contribution to NPAS budget, where the contribution from forces was communicated after finalisation of 2024/25 budget setting (£0.138m)
Income - Government Grants and Contributions	(0.3)	The forecast surplus includes additional Police Uplift Programme income to reflect recruitment of an additional 10 officer headcount over the PUP target of 3,810 (£0.480m). The forecast surplus is partially offset by a deficit relating to the uplift in pension funding rate for CT Grant funded officers not being reclaimable via the CT Grant. Notification was received from the Home Office in March 2024 that the Pension Uplift Grant includes funding for CT officers (£0.136m)
Contribution to/(from) earmarked reserves	(0.5)	The forecast is for an appropriation of a Section 31 grant that was provided to forces to fund additional software costs in 2023/24 (£0.450m). This funding was placed in the Restricted Grant Reserve to fund additional software costs incurred during 2024/25, which do not have sufficient budget provision
Month 2 Forecast Outturn Variance	1.5	Overspend

3. Workforce Analysis

3.1 Police Officer – FTEs and Monthly Financial detail

2024/25 - Police Officers Pay/Strength - Using 2024/25 Budget Setting Model

Ref	2024/25 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	3,734	3,712	3,743	3,721	3,700	3,743	3,722	3,700	3,743	3,721	3,700	
2	Leavers	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(276)
3	Joiners - Probationers	0	0	52	0	0	65	0	0	64	0	0	62	243
4	Joiners - Transferees	2	1	2	1	2	1	2	1	2	1	2	1	18
5	Total Joiners	2	1	54	1	2	66	2	1	66	1	2	63	261
6	Net change	(21)	(22)	31	(22)	(21)	43	(21)	(22)	43	(22)	(21)	40	(15)
7	Officer strength FTEs - month end	3,734	3,712	3,743	3,721	3,700	3,743	3,722	3,700	3,743	3,721	3,700	3,740	
8	Difference to 3,755 FTEs - over / (under)	(21)	(43)	(12)	(34)	(55)	(12)	(33)	(55)	(12)	(34)	(55)	(15)	
	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 2024 Strength (note 2)	£20.36m	£20.36m	£20.36m	£20.36m	£20.36m	£20.87m	£20.87m	£20.87m	£20.87m	£20.87m	£20.87m	£20.87m	£247.93m
10	Leavers (note 3)	(£0.11m)	(£0.21m)	(£0.32m)	(£0.43m)	(£0.54m)	(£0.64m)	(£0.75m)	(£0.86m)	(£0.97m)	(£1.07m)	(£1.18m)	(£1.29m)	(£8.38m)
11	Joiners	£0.00m	£0.00m	£0.20m	£0.20m	£0.20m	£0.44m	£0.44m	£0.44m	£0.68m	£0.68m	£0.68m	£0.91m	£4.85m
12	Starters - Transferees	£0.01m	£0.02m	£0.03m	£0.04m	£0.05m	£0.05m	£0.07m	£0.07m	£0.08m	£0.09m	£0.10m	£0.11m	£0.71m
13	Starters - Total	£0.01m	£0.02m	£0.22m	£0.23m	£0.24m	£0.49m	£0.50m	£0.51m	£0.76m	£0.77m	£0.78m	£1.02m	£5.56m
14	Monthly Budget (note 5 & 6)	£20.27m	£20.17m	£20.27m	£20.17m	£20.07m	£20.72m	£20.63m	£20.52m	£20.67m	£20.57m	£20.47m	£20.60m	£245.12m

2024/25 Forecast Strength														
Strength	Actual FTE	Forecast 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	
15	1st April 2024 Strength	3,758	3,742	3,723	3,744	3,722	3,701	3,751	3,730	3,708	3,751	3,729	3,708	
16	Leavers	(19)	(21)	(27)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(274)
17	Joiners (note 7)	2	1	49	1	2	73	2	1	66	1	2	66	266
20	Other Adjustments (note 8)	1	1	(1)	0	0	0	0	0	0	0	0	0	1
21	Net change	(16)	(19)	21	(22)	(21)	50	(21)	(22)	43	(22)	(21)	43	(7)
22	Officer strength FTEs - month end	3,742	3,723	3,744	3,722	3,701	3,751	3,730	3,708	3,751	3,729	3,708	3,751	
23	Difference to 3755fte - over / (under)	(13)	(32)	(11)	(33)	(54)	(4)	(25)	(47)	(4)	(26)	(47)	(4)	
24	Officer headcount - month end	3,810	3,791	3,813	3,791	3,770	3,820	3,799	3,777	3,820	3,798	3,777	3,820	
25	Difference to PUP headcount 3810 - over/(under) (note 9)	(0)	(19)	3	(19)	(40)	10	(11)	(33)	10	(12)	(33)	10	
Actuals /Forecast £	Actual £	Forecast £												Total
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
24	Costed Strength before joiners/leavers	£19.16m	£20.12m	£20.06m	£20.15m	£20.24m	£21.46m	£20.77m	£20.85m	£20.80m	£20.93m	£20.97m	£21.06m	£246.57m
25	Leavers			(£0.12m)	(£0.21m)	(£0.31m)	(£0.42m)	(£0.52m)	(£0.62m)	(£0.72m)	(£0.82m)	(£0.92m)	(£1.02m)	(£5.70m)
26	Joiners			£0.01m	£0.21m	£0.19m	£0.20m	£0.47m	£0.46m	£0.48m	£0.72m	£0.71m	£0.73m	£4.17m
27	Other Costs			£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.02m	£0.24m
28	Monthly Actual	£19.16m	£20.12m	£19.98m	£20.17m	£20.14m	£21.26m	£20.74m	£20.72m	£20.58m	£20.85m	£20.78m	£20.79m	£245.29m
Variance from Budget Setting														
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	
														FTEs
29	Strength @ beginning of month (negative=reduction)	3	8	11	1	1	1	8	8	8	8	8	8	
30	Leavers (positive number = less leavers)	4	2	(4)	0	0	0	0	0	0	0	0	0	2
31	Joiners	(0)	0	(5)	0	0	7	0	0	0	0	3	5	
32	Other Adjustments	1	1	(1)	0	0	0	0	0	0	0	0	1	
33	Month End Strength Change - FTEs	8	11	1	1	1	8	8	8	8	8	11	8	
34	Change per month FTEs	5	3	(10)	0	0	7	0	0	0	0	3		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
														£m
35	Monthly Financial Change	(£1.11m)	(£0.05m)	(£0.29m)	£0.00m	£0.07m	£0.54m	£0.11m	£0.20m	(£0.09m)	£0.28m	£0.31m	£0.19m	£0.17m

Notes

- 1 The budget was built on the assumption that at the start of April 2024 we would have reached the approved establishment of 3,755 FTE.
- 2 The 1st April 2024 strength is not profiled on a monthly basis for budget setting and the above shows the annual amount divided over 12 months with a 2.5% 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 experienced constable level for the purpose of profiling the monthly budget. Figures are cumulative.
- 4 The monthly budget for starters 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 starters and leavers.
- 7 Joiners includes probationers, transferees and rejoiners
- 8 Other adjustments include miscellaneous losses and gains e.g. officers going on secondment or career break. It also includes net adjustments to part time hours
- 9 The PUP requirement is to achieve a headcount of 3,810, plus an additional 10 officers

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

The table below seeks to model the estimated financial impact from 1, 5, or 10 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, 5 or 10 FTE less leavers per month is £0.127m, £0.635m or £1.269m, respectively. The same would apply in reverse for more leavers.

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

	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	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	INTAKE	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Estimated Impact of 1 FTE less Leaver	55,651	51,013	46,376	41,738	37,101	32,463	27,825	23,188	18,550	13,913	9,275	4,638													361,730
Estimated Impact of 3 FTE less probationer joiner			(111,819)			(78,274)			(44,728)																(234,821)
Net Impact																									126,910
Estimated Impact of 5 FTE less Leavers	278,254	255,066	231,878	208,691	185,503	162,315	139,127	115,939	92,751	69,564	46,376	23,188													1,808,651
Estimated Impact of 15 FTE less probationer joiner			(559,097)			(391,368)			(223,639)																(1,174,103)
Net Impact																									634,548
Estimated Impact of 10 FTE less Leavers	556,508	510,132	463,757	417,381	371,005	324,630	278,254	231,878	185,503	139,127	92,751	46,376													3,617,302
Estimated Impact of 30 FTE less probationer joiner			(1,118,194)			(782,735)			(447,277)																(2,348,206)
Net Impact																									1,269,096

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

FTE Changes Impacting Pay Forecasts - 2024/25 Month 2

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment Target	Strength @ month end	Strength at 1st April 2024	Starters for the year	Transferees for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2025
Budget Setting			3,755	243	18	(276)	0	3,740
HR data @ 30 April 24	3,755	3,742	3,758	248	18	(274)	1	3,751
Change			3	5	(0)	2	1	11

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 2024	Vacancy Factor Establishment @ 1st April 2024 *	Actual starters to date	Actual leavers to date
Budget Setting			2,367	2,147		
HR data @ 30 April 24	2,356	2,102			12	(23)
Change						

* Vacancy Factor is 13% for larger commands and 7% for smaller teams with the main exceptions being most of Contact Management 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 2024	Vacancy Factor Establishment @ 1st April 2024 *	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2025
Budget Setting			99	89				
HR data @ 30 April 24	98	92	99	93	0	(5)	(0)	88
Change								

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 April 24	256	427
Change		