

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 12 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 and Section 2.1 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 March, Month 12, financial position.

5.0 Current Work and Performance

The Month 12 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

The underspend in the month 12 report follows the standard accounting treatment and is shown in the General Reserve. Ahead of the provisional outturn report, the Chief Officer Group will review the forecast underspend and make recommendations regarding how the underspend can be utilised, i.e. support one-off funding in 2025/26, fund shortfalls in 2024/25 and appropriations to earmarked reserves for specific purposes. The Chief Constable will work with the PFCC and discuss these options ahead of the outturn report being produced.

Additional funding for Op Hazel and Op Ivy, which unconfirmed at the end of Month 12 and is not included in the forecast. It has been confirmed in mid-April with Op Hazel at £0.720m and Op Ivy at £0.113m, and these will be included in the draft outturn report.

1. Executive Summary

REVENUE

The revenue forecast underspend as at month 12 is £1.735m against the 2023/24 revenue budget of £363.7m (0.48% 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 successful recruitment of 45 officers, and £24,000 per officer for a further 10 officers, 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 March is 3,758 FTE. The headcount for the end of March is 63 over 3,765. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £2.600m.

The Police Staff strength at the end of February is 2,135 FTE. Total vacancies at 29th February are 240 FTEs. The underspend on Police Staff Pay and Allowances, excluding overtime, is £3.305m.

The PCSO strength at the end of February is 95 FTE and forecast to be 93 FTE at year end. The underspend on PCSO Pay and Allowances is £0.128m.

RESERVES

The net appropriations to earmarked reserves for month 12 is £1.191m.

The forecast deficit before appropriations from earmarked reserves and general reserve is £3.761m.

A list of all appropriations to and from earmarked reserves processed in Month 12 is noted in Section 2.

A list of planned appropriations to earmarked reserves that are due for inclusion at provisional outturn, is noted in Section 2.1 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 12 is a forecast spend of £14.172m, which is a £5.668m underspend against the latest revised budget of £19.840m (28.6% variance).

The financing requirement for unfinanced capital expenditure is forecast at £10.159m which equates to approximately 72% 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

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
ER039/23	Immediate detriment costs relating to the McCloud judgement	889	Costs charged to revenue in 21/22, 22/23 and forecast in 23/24 for the application of immediate detriment in relation to the McCloud judgement for retirements ahead of the formal implementation of the remedy at 1st October 2023. These will now be recharged to the Police Officers Pension fund and funding claimed from the top up grant, with the resulting balance returned to the legal claims earmarked reserve having been appropriated from there previously.	Reversal of appropriation relating to multiple financial years, and returned in connection with its intended use	Legal Claims Reserve	Pensions (Ill Health / Medical)
ER040/23	Live Facial Recognition	237	Transfer of 2023/24 revenue underspends to the Future Capital Funding reserve to fund the Live Facial Recognition Project capital costs for vans and CCTV equipment	Approved under PFCC decision report 021-24	Future Capital Funding Reserve	Supplies & Services
ER043/23	Forfeitures	65	Additional income being recognised based on actuals to date, with the issue of Basildon Court awarding payments to charities having less of an impact than initially expected, to be applied to the forfeitures reserve to fund future bids at the POCA board	Chief Officer approved under scheme of virement	Forfeitures Reserve	Fees Charges and Other Service Income
Total		1,191				
Appropriations (from) Earmarked Reserves						
N/A	None in the month	N/A	N/A	N/A	N/A	N/A
Total		0				
Net appropriation to/(from) Earmarked Reserves		1,191				

2.1 List of appropriations to Earmarked Reserves – planned for provisional outturn

Appropriations to Earmarked Reserves						
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
Total (reported at Month 12)		449				
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
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
Total (reported prior to Month 12)		3,281				
Forecast appropriations to Earmarked Reserves		3,730				

3. Revenue

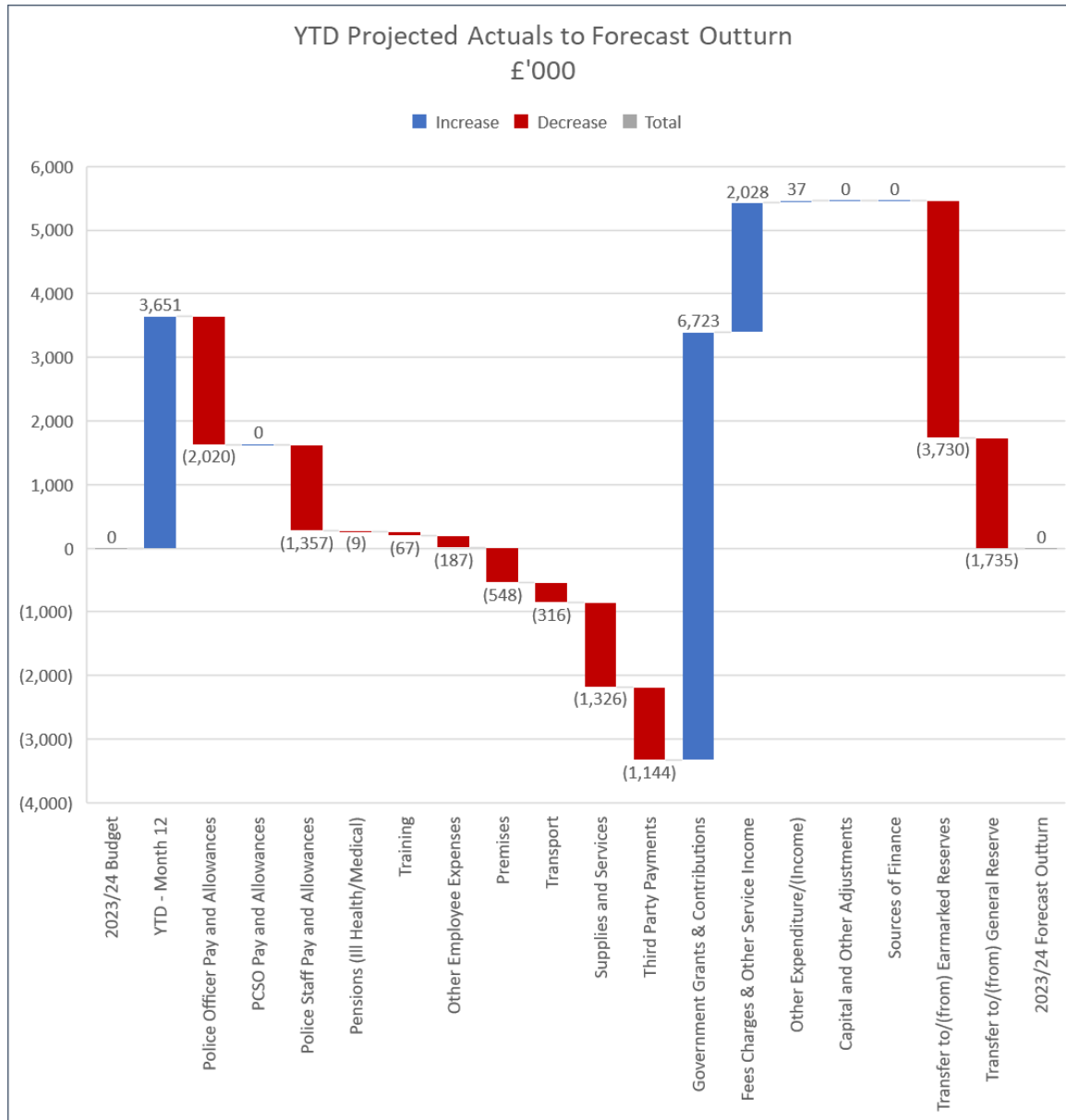
3.1 Revenue Summary

In Month - Month 12			Year to Date - Month 12			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			
18,775	19,405	630	225,296	226,327	1,031	Employees								
747	737	(10)	8,968	9,506	538	<i>Police Officer Pay and Allowances</i>								
89	111	22	1,065	1,335	270	218,616	6,681	225,296	226,327	227,896	9,281	2,600	103	
0	0	0	0	0	0	- Police Officer Pay and Allowances	7,127	1,841	8,968	9,506	9,930	2,803	962	0
19,611	20,253	642	235,329	237,167	1,838	- Overtime and Operational Performance	1,049	16	1,065	1,335	1,360	311	295	0
						- Associated Police Pay	0	0	0	0	0	0	0	0
						- In-Year Savings Shortfall/(Surplus)	226,792	8,537	235,329	237,167	239,187	12,395	3,858	103
						Police Officer Pay and Allowances								
317	315	(2)	3,808	3,679	(128)	PCSO Pay and Allowances								
						3,687	120	3,808	3,679	3,679	(8)	(128)	3	
						<i>Police Staff Pay and Allowances</i>								
8,367	7,367	(1,000)	100,407	95,847	(4,561)	97,785	2,622	100,407	95,847	97,103	(683)	(3,305)	(147)	
169	163	(6)	2,028	2,337	309	- Police Staff Pay & Allowances	1,124	904	2,028	2,337	2,439	1,314	410	51
8,536	7,531	(1,006)	102,436	98,184	(4,252)	- Police Staff Overtime and Agency	98,909	3,526	102,436	98,184	99,541	632	(2,894)	(96)
						Police Staff Pay and Allowances								
310	(238)	(548)	3,722	4,024	302	Pensions (Ill Health / Medical)	4,215	(493)	3,722	4,024	4,033	(182)	311	889
172	203	32	2,059	1,996	(63)	Training	2,019	40	2,059	1,996	2,063	44	5	0
71	126	55	853	645	(208)	Other Employee Expenses	399	453	853	645	832	433	(20)	0
29,017	28,190	(827)	348,206	345,696	(2,510)	Employees Total						13,314	1,130	899
1,031	1,221	190	12,368	11,677	(691)	Premises	12,317	51	12,368	11,677	12,225	(92)	(143)	186
586	623	37	7,027	6,858	(168)	Transport	6,934	93	7,027	6,858	7,174	240	148	0
						<i>Supplies and Services</i>								
4,179	3,593	(586)	50,147	46,401	(3,745)	- Supplies and Services	42,281	7,866	50,147	46,401	47,727	5,446	(2,420)	(440)
0	0	0	0	0	0	- In-Year Investments	446	(446)	0	0	0	(446)	0	0
4,179	3,593	(586)	50,147	46,401	(3,745)	Supplies and Services	42,727	7,420	50,147	46,401	47,727	5,000	(2,420)	(440)
						Third Party Payments	7,382	453	7,835	6,541	7,685	303	(150)	(116)
653	1,122	469	7,835	6,541	(1,294)	Gross Expenditure						18,766	(1,435)	529
35,465	34,749	(716)	425,582	417,173	(8,409)	<i>Income</i>								
						- Government Grants & Contributions	(23,795)	(12,774)	(36,569)	(32,824)	(39,547)	(15,752)	(2,978)	(450)
(3,047)	(1,635)	1,412	(36,569)	(32,824)	3,745	- Fees Charges & Other Service Income	(16,279)	(2,654)	(18,932)	(17,011)	(19,039)	(2,761)	(107)	(323)
(1,578)	(2,155)	(577)	(18,932)	(17,011)	1,921	Income						(18,513)	(3,085)	(773)
(4,625)	(3,790)	835	(55,501)	(49,835)	5,666	Net Cost of Services						253	(4,520)	(243)
30,840	30,959	119	370,081	367,338	(2,742)	365,307	4,773	370,081	367,338	365,561				
						Other Expenditure / (Income)	(91)	0	(91)	(1,052)	(1,089)	(998)	(998)	0
(8)	(72)	(65)	(91)	(1,052)	(961)	Capital and Other Adjustments	904	2,020	2,924	2,853	2,853	1,949	(71)	0
244	0	(244)	2,924	2,853	(71)	Net Expenditure						1,204	(5,589)	(243)
31,076	30,887	(189)	372,913	369,139	(3,774)	366,120	6,793	372,913	369,139	367,324				
(30,307)	(28,356)	1,952	(363,687)	(363,564)	123	Sources of Finance	(363,687)	0	(363,687)	(363,564)	(363,563)	124	124	0
769	2,531	1,762	9,226	5,575	(3,651)	(Surplus)/Deficit before appropriations						1,328	(5,465)	(243)
						Contribution to/(from) Earmarked Reserves	712	(6,793)	(6,081)	(6,081)	(2,351)	(3,063)	3,730	(742)
(507)	1,191	1,698	(6,081)	(6,081)	0	Contribution to/(from) General Reserve	(3,145)	0	(3,145)	(3,145)	(1,410)	1,735	1,735	985
(262)	0	262	(3,145)	(3,145)	0	(Surplus)/Deficit after appropriations						0	0	0
0	3,722	3,722	0	(3,651)	(3,651)	0	0	0	(3,651)	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 12

Actuals to date, prior to year end accounting entries

Police Officer Pay and Allowances

Year end adjustments to externally funded units, and year end accruals (including overtime, Detective and AFO Bonus Payments, and on-call allowance)

Police Staff Pay and Allowances

Year end adjustments to externally funded units, and year end accruals (including overtime, weekend enhancement and standby allowance)

Supplies and Services

Several instances of services invoiced in arrears and subject to year end accruals, including expenditure to be reflected for PFCC Commissioning Budgets and Insurance Claims Expenditure

Third Party Payments

2023/24 ATHENA/7 Force/ERSOU expenditure to date that is yet to be invoiced and subject to year end accruals

Income – Government Grants & Contributions

Several income streams that are yet to materialise in 2023/24, for example, Home Office PUP grant, and PFCC Victims, Safer Streets, and Violence and Vulnerability commissioning budgets, which will be reflected by way of accrued income entries

Income – Fees Charges & Other Service Income

Several income streams that are recharged on a quarterly basis and will be recovered in full as part of year end processes, for example, Safer Essex Roads Partnerships, Disclosure Barring Service and Seconded Officers

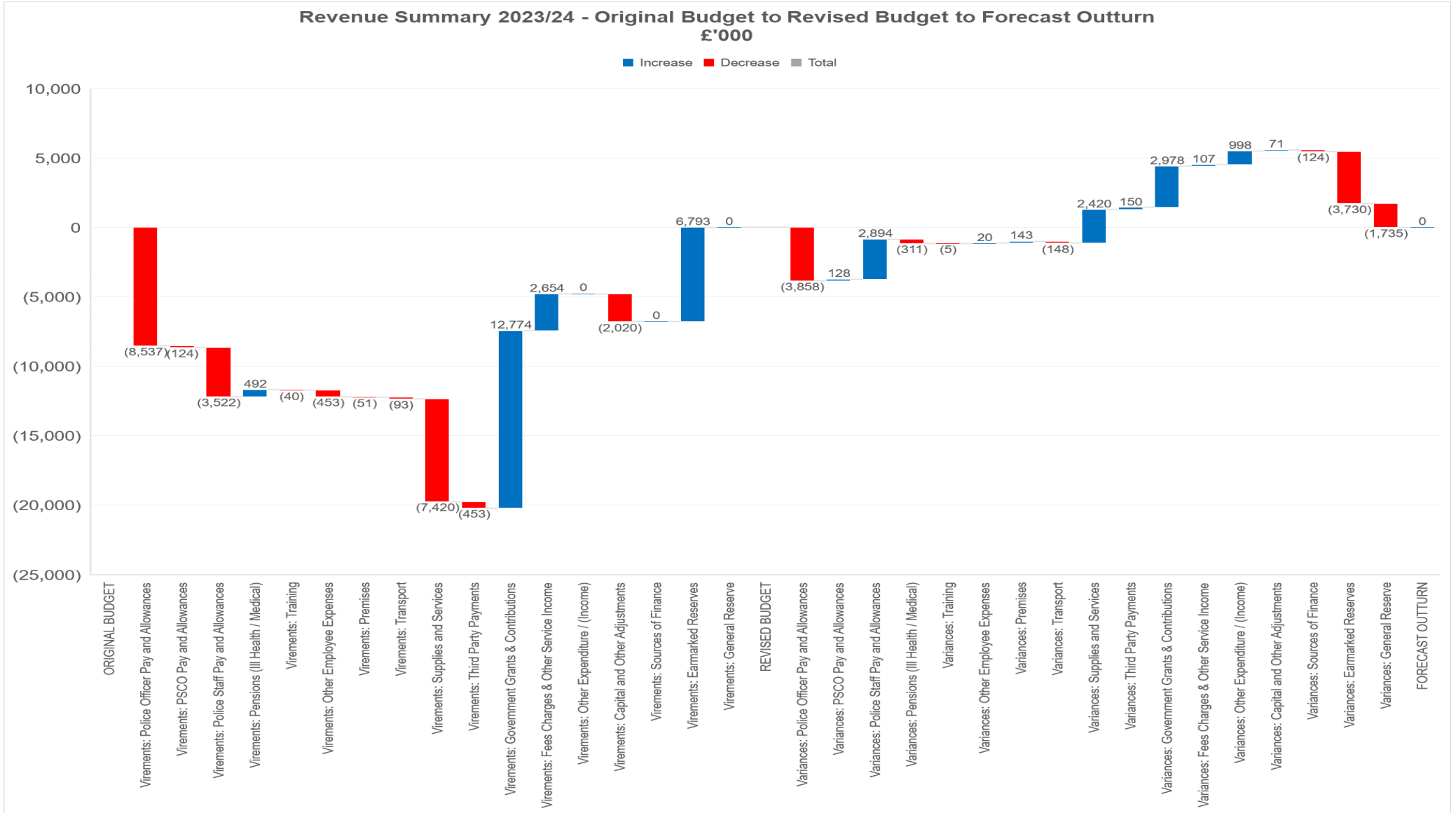
Transfer to/(from) Earmarked Reserve

Forecast appropriations to earmarked reserves, as noted in Section 2.1 of the report

Transfer to/(from) General Reserve

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 - £3.858m 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 - £2.894m 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)

Previously reported adjustments to Original Budget, up to and including Month 11, total £8.537m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 11, total £3.526m.

PCSO Pay and Allowances - £0.128m 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) - £0.311m 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 - £0.143m 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 £0.4m in relation to the Trade Waste contract, which is under further review.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 11, total £0.120m.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 12 is for costs charged to revenue in 21/22, 22/23 and forecast in 23/24 for the application of immediate detriment in relation to the McCloud judgement for retirements ahead of the formal implementation of the remedy at 1st October 2023. These will now be recharged to the Police Officers Pension fund and funding claimed from the top up grant with the resulting balance now returned to the legal claims earmarked reserve having been appropriated from there previously (£0.889m decrease).

Previously reported adjustments to Original Budget, up to and including Month 11, total £0.396m (increase).

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

Transport - £0.148m overspend

Explanation of forecast variance

Forecast overspend for force mileage rate and car allowance claims based on expenditure to date resulting from a change to force policy based on new national guidelines, and vehicle parts and equipment expenditure to reflect expenditure incurred to date; largely offset by a forecast underspend in respect of vehicle fuel, resulting from a reduction in fuel prices and fewer miles incurred, and a reduction in the vehicle insurance premium following conclusion of the tendering process and negotiations between SEERPIC forces.

Supplies and Services - £2.420m 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, but 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 (£0.7m), a reduction for Airwave credits that are due for receipt following a Competitions and Market Authority price cap ruling (£0.5m), a reduction in 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 (£0.1m), and a reduction in the Forensic Analysis forecast based on monthly expenditure to date since the introduction of the NGP Forensic Services Contract from 1st April 2023 (£0.2m).

These underspends are partially offset by an overspend in relation to one-off expenditure associated with the roll out of replacement

Explanation of adjustments to Original Budget (virements)

Nothing significant to report.

uniform items (£0.3m); insurance claims position for the force resulting in an overspend in relation to eight material claims notified during 23/24 (£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 are forecast to meet 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); and PFCC Public and Partner engagement, internal audit and external audit are forecast to overspend (£0.2m).

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 12 is for funding of the Live Facial Recognition Project capital costs for vans and CCTV equipment (£0.237m decrease).

Previously reported adjustments to Original Budget, up to and including Month 11, total £7.658m.

Third Party Payments - £0.150m 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 partially offset by an overspend associated with ERSOU ROCU expenditure following a financial monitoring update from the lead force.

Income – Government Grants & Contributions - £2.978m surplus

Explanation of forecast variance

The forecast 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 will be eligible for a payment 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 forecast includes receipt of a Section 31 grant totalling £0.449m to fund additional software costs incurred during 2023/24, which is planned for appropriation to earmarked reserves as part of provisional outturn.

Income – Fees, Charges & Other Service Income - £0.107m surplus

Explanation of forecast variance

The forecast includes a forecast 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)

Previously reported adjustments to Original Budget, up to and including Month 11, total £0.453m.

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) - £0.998m 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.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Sources of Finance - £0.124m deficit

Explanation of forecast variance

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

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Contribution to Earmarked Reserves - £3.730m

Explanation of forecast variance

As noted in Section 2.1 of the report in terms of the forecast appropriations to earmarked reserves.

Explanation of adjustments to Original Budget (virements)

As noted in Section 5 of the report.

Contribution to General Reserve - £1.735m

Explanation of forecast variance

As noted in Section 1 of the report in terms of the revenue forecast underspend position for the force.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

3.5 Main Forecast Movements since last month

Main Changes to Forecast Outturn Variance since Month 11

	Change in Forecast Outturn £m	Virement - Earmarked Reserves £m	Change in Forecast Outturn Variance £m	
Month 11 Forecast Outturn Variance	(0.8)		(0.8)	Underspend
Police Officer Pay and Allowances	0.1		0.1	The increase in the forecast includes Employers National Insurance costs relating to overtime and allowances.
Police Staff Pay and Allowances	(0.1)		(0.1)	The decrease in forecast Includes the impact of the cancellation of a previously forecast Force Control Room bulk intake in March and a lower than anticipated cost for staff in joint Force/Safer Essex Roads Partnership posts.
Pensions (Ill Health / Medical)	0.0	(0.9)	0.9	The virement to earmarked reserves is to reflect costs charged to revenue in 21/22, 22/23 and forecast in 23/24 for the application of immediate detriment in relation to the McCloud judgement for retirements ahead of the formal implementation of the remedy at 1st October 2023. These will now be recharged to the Police Officers Pension fund and funding claimed from the top up grant with the resulting balance now returned to the legal claims earmarked reserve having been appropriated from there previously.
Premises	0.2		0.2	The increase in forecast relates to further expenditure associated with Trade Refuse Collection, Building Grounds Maintenance and Building Services Maintenance.
Supplies and Services	(0.6)	(0.2)	(0.4)	The decrease in forecast includes Airwave credits that are due for receipt, and to be applied to revenue budgets, following a Competitions and Market Authority (CMA) price cap ruling (£0.5m), 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). The virement to earmarked reserves is to reflect the transfer of 2023/24 revenue underspends to the Future Capital Funding reserve to fund the Live Facial Recognition Project capital costs for vans and CCTV equipment
Third Party Payments	(0.1)		(0.1)	The decrease in forecast includes a reduction in Athena costs, due to a combination of delays in the work programme with NEC and recruitment to vacancies in the Athena Management Office.
Income - Government Grants and Contributions	(0.5)		(0.5)	The forecast includes surplus income following receipt of a Section 31 grant totalling £449,560 to fund additional software costs incurred during 2023/24. The conditions of the grant allow for the funding to be held with the Restricted Grant Reserve for use in future years, and is planned for appropriation as part of provisional outturn work.
Income - Fees Charges & Other Service Income	(0.4)	(0.1)	(0.3)	The forecast includes surplus income resulting from the recharge of Police Federation National Board Member costs for 2020/21 to 2023/24 (£0.3m), and an increase in forecast recoveries from third party insurers for damage caused to police vehicles based on increased income realised during the final quarter of the financial year (£0.1m). The virement to earmarked reserves is to reflect additional income based on actuals to date, with the issue of Basildon Court awarding payments to charities having less of an impact than initially expected, applied to the Forfeiture Monies Reserve to fund future bids at the POCA board.
Contributions to Earmarked Reserves	0.5	1.2	(0.7)	The forecast is for a planned appropriation of a Section 31 grant totalling £449,560 to fund additional software costs incurred during 2023/24. The conditions of the grant allow for the funding to be held with the Restricted Grant Reserve for use in future years, and is planned for appropriation as part of provisional outturn work. The virement reflects the contra entry for the items noted above for appropriations impacting <i>Pensions (Ill Health/Medical)</i> , <i>Supplies and Services</i> , and <i>Income - Fees Charges & Other Service Income</i>
Month 12 Forecast Outturn Variance	(1.7)	0.0	(1.7)	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		
		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
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	3,828		
25	Difference to PUP headcount 3765 - over/(under) (note 9)	28	10	28	10	(23)	48	30	13	54	37	29	63		
Actuals /Forecast £		Actual £											Total		
		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	
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	£20.97m	£227.90m	
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	£20.97m	£227.90m	
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	£2.59m	£9.28m	

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 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
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 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
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 12 months	May 11 months	June 10 months	July 9 months	August 8 months	September 7 months	October 6 months	November 5 months	December 4 months	January 3 months	February 2 months	March 1 month	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£
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 12

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 @ 31 January 2024	3,755	3,731	3,743	231	33	(251)	(1)	3,755
HR data @ 29 February 2024	3,755	3,758	3,743	232	33	(250)	(0)	3,758
Change		27		1	0	1	1	3

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

	Current Position - FTEs		Financial Forecasting FTEs			
	Establishment @ 100%	Strength @ month end	Establishment @ 100% at 1st April 2023	Vacancy Factor Establishment @ 1st April 2023 *	Actual starters to date	Actual leavers to date
Budget Setting			2,374	2,208		
HR data @ 31 January 2024	2,374	2,136			194	(203)
HR data @ 29 February 2024	2,375	2,135			205	(216)
Change		(1)			12	(13)

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

3. PCSOs - Budget Based on Establishment

	Current Position - FTEs		Financial Forecasting FTEs					
	Establishment @ month end	Strength @ month end	Establishment @ 1st April 2023	Strength at 1st April 2023	Starters for the year	Leavers for the year	Other adjustments e.g. change in hours	Strength at 31st March 2024
Budget Setting			102	102				
HR data @ 31 January 2024	99	96	99	94	5	(4)	0	95
HR data @ 29 February 2024	99	95	99	94	5	(5)	(0)	93
Change		(1)			0	(1)	(0)	(1)

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

4. Specials - Headcount	Actual Strength	Target Strength
Budget Setting		427
HR data @ 31 January 2024	267	427
HR data @ 29 February 2024	261	427
Change	(6)	

5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances									
Reserve	1st April 2023 - Opening Balance	Base Budget Allocations from Earmarked Reserves	Budget Setting Contribution / (Allocation) 2023/24	In-Year Contribution 2023/24	In-Year Allocation 2023/24	31st March 2024 Closing Balance	Forecast In-Year Contribution/ (Allocation)	Forecast Year End Balance	Description of Earmarked Reserve
1	Reserves held by Essex Police but managed as third party reserves								
Op Dagenham Maintenance Reserve	£0.101m		-	-	-	£0.101m	-	£0.101m	Essex share of maintenance reserve held by each of the 7F to fund the cost of minor repairs to multi-occupancy building held for Op Dagenham.
Total	£0.101m	£0.000m	£0.000m	£0.000m	£0.000m	£0.101m	£0.000m	£0.101m	
2	Ringfenced Reserve								
Proceeds of Crime Act	£1.696m	(£0.300m)	-	£0.034m	(£0.080m)	£1.350m	£0.096m	£1.446m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure. Includes budgeted allocation of £0.3m for Financial Investigator posts.
Forfeiture Monies Reserve	£0.414m		-	£0.303m	(£0.218m)	£0.499m	-	£0.499m	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). Awaiting the outcome of business case consultations to determine any drawdown from reserve.
Transformation Reserve	£2.347m		-	-	(£1.527m)	£0.820m	£0.298m	£1.118m	Reserve to help fund the one-off costs of implementing the IT, Estates and Digital Forensic Transformation Strategies. The forecast appropriations to the reserve are for electrical testing across the Essex Police estate, which is largely deferred until 2024/25, and additional licence costs associated with the Contact Management Target Operating Model and ICCS project.
Legal Reserve	£0.836m		-	-	£0.324m	£1.160m	(£0.140m)	£1.020m	Reserve established to fund the cost of one-off commitments for legal claims (Allard & Ors v Devon, Cornwall Constabulary and McCloud v Sargeant). The forecast appropriations to the reserve includes costs charged to revenue in 21/22, 22/23 and forecast in 23/24 for the application of immediate detriment in relation to the McCloud judgement for retirements ahead of the formal implementation of the remedy at 1st October 2023. These will now be recharged the Police Officers Pension fund and funding claimed from the top up grant.
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		-	-	(£0.293m)	£0.143m	£0.443m	£0.586m	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	£0.337m	(£1.974m)	£5.067m	£0.697m	£5.764m	

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 regs.
Future Capital Funding	£1.001m	£1.000m	-	£0.499m	(£2.020m)	£0.480m	-	£0.480m	Reserve to apply revenue financing to fund the force capital programme. Includes annual budgeted contribution of £1m. The forecast appropriation to reserves includes the transfer of 2023/24 revenue underspends in order to fund the Live Facial Recognition Project capital costs for vans and CCTV equipment.
Total	£3.151m	£1.000m	£0.000m	£0.499m	(£2.020m)	£2.630m	£0.100m	£2.730m	
4 PFCC Reserves									
Commissioning Grants / Safer Streets	£5.258m		-	-	(£3.639m)	£1.619m	£2.883m	£4.502m	Includes PFCC 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	£1.735m	£11.984m	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 £11.984m, which represents 3.3% 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)	£0.836m	(£7.632m)	£19.666m	£5.415m	£25.081m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2023/24 MONTH 12 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	124	0
Estates projects	3,353	1,215	3,217	7,785	5,882	6,500	(1,285)	6,500	0
IT projects	542	3,052	821	4,415	2,531	3,015	(1,400)	3,015	0
Transport projects	1,295	2,214	1,183	4,692	3,576	3,768	(924)	3,968	(200)
OPC projects	26	454	(324)	156	81	135	(21)	135	0
SCD projects	0	24	15	39	54	35	(4)	35	0
Other projects	0	237	340	577	529	575	(2)	575	0
<i>Subject to Approval projects</i>	8,783	(7,306)	584	2,061	0	20	(2,041)	20	0
TOTAL EXPENDITURE	13,999	0	5,841	19,840	12,776	14,172	(5,668)	14,372	(200)
FINANCING -									
Capital Receipts	4,100	0	1,813	5,913		1,550	(4,363)	1,550	0
Revenue Contributions	1,131	0	950	2,081		2,400	319	2,400	0
Capital Grant	0	0	0	0		0	0	0	0
External & Other Income	0	0	0	0		63	63	63	0
Financing Requirement	8,768	0	3,078	11,846		10,159	(1,687)	10,359	(200)
TOTAL FINANCING	13,999	0	5,841	19,840	12,776	14,172	(5,668)	14,372	(200)

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 £5.668m 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 **£19.840m** as at month 12. 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, £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.

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

Forecast Position – Summary

The forecast for month 12 is a year-end spend of £14.172m, reflecting a forecast underspend of (£5.668m) against the current budget of £19.840m, compared to the previous month 11 reported underspend of (£5.468m). The decrease in the forecast spend since the previous month equates to (£0.200m), relating to approved budgets only.

Forecast Variances

The forecast underspend of (£5.668m) comprises slippage of (£4.785m) and an underspend of (£1.305m), both offset by a net forecast overspend of £0.422m.

Forecast slippage of (£4.785m) (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 (£1.488m), with the material variances comprising:

- Harwich & Dovercourt Collaboration project of (£0.797m), based on delayed contractual negotiations impacting the final delivery of the project
- (£0.190m) relating to Laindon CEL being re-profiled to 2024/25 following the recognition of this new approved bid in month 6
- (£0.274m) relating to the Capital Maintenance Programme with various maintenance work no longer expecting to be commissioned in 2023/24

Transport - which is expected to slip by (£0.913m) with the previously reported (£0.713m) relating to both the 2022/23 and 2023/24 replacement programmes as previously reported, 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. A further (£0.200m) of slippage has been recognised in month 12 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 (£0.864m) in month 12, principally comprising (£0.628m) 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 & 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 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, 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).

Net forecasts overspend of £0.422m

Estates - £0.282m being reported in month 12 including £0.164m recognised in month 5 relating to additional expenditure for the CCTV project, and £0.041m relating to Laindon CEL Phase 2.

IT – including advanced works of £0.117m of which £0.074m relates to Dashcams.

Net forecast underspend of (£1.305m)

The two main applicable areas are IT and Subject to Approvals and are comprised of:

IT – forecasting an underspend of (£0.653m) mainly comprising Infrastructure Technical Refresh (£0.591m) 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 – Comprising (£0.545m) of forecast underspend movement, 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. From month 11 onwards a further (£0.113m) has been removed from the remaining contingency balance for projects below the de minimis Stage A threshold, leaving a remaining forecast of £0.020m for the new Marine Unit purchase currently in progress and expected to be finalised in 2023/24.

Financing

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 is £1.550m for month 12, reflecting the delay with the sale of Harlow MIT, Ongar Police Station, and 35 Kingston Avenue. These amounts have been offset by additional non-property capital receipts recognition relating to Transport. £0.063m of grants & contributions are also forecast to be received, with all 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 £1.499m 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 £10.159m which equates to approximately 72% of the year's financing plan.

6.3 Capital Summary – Supporting Tables

6.3.1 Other Approved Budget Changes

CAPITAL PROGRAMME 2023/24 MONTH 12 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 12 MONITORING POSITION
FORECAST EXPENDITURE VARIANCES

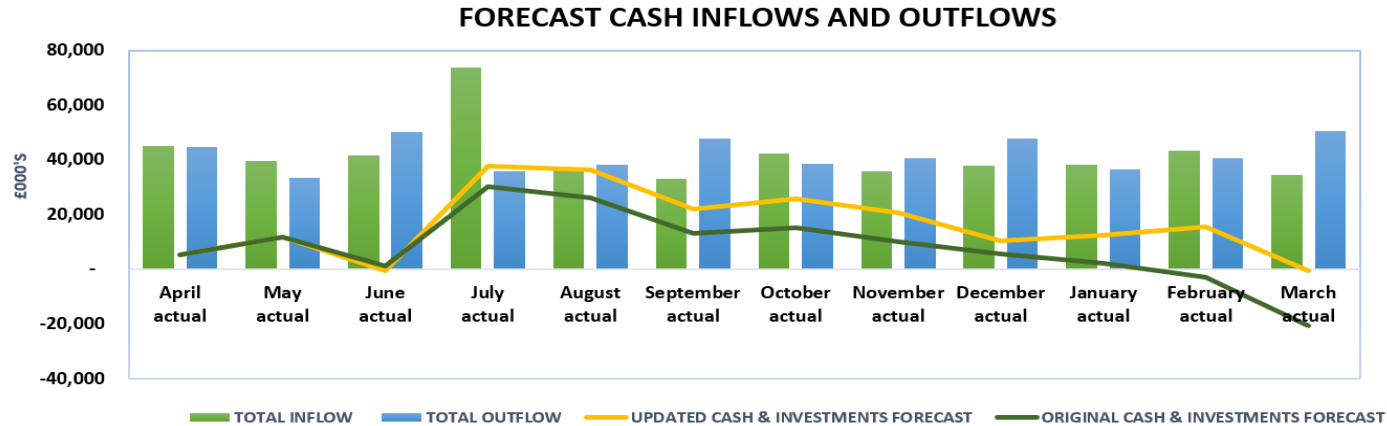
	Additions	Forecast Overspend	Forecast Underspend	Slippage c/f	Total Variances
	£000	£000	£000	£000	£000
FORECAST OUTTURN VARIANCES					
ANPR projects	0	9	0	0	9
Estates projects	0	282	(79)	(1,488)	(1,285)
IT projects	0	117	(653)	(864)	(1,400)
Transport projects	0	12	(23)	(913)	(924)
OPC projects	0	0	(1)	(20)	(21)
SCD projects	0	0	(4)	0	(4)
Other projects	0	2	0	(4)	(2)
<i>Subject to Approval projects</i>	0	0	(545)	(1,496)	(2,041)
TOTAL	0	422	(1,305)	(4,785)	(5,668)

6.3.3 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2023/24 MONTH 12 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS SINCE PRIOR MONTH

	Changes in Forecast Outturn Variance	Explanation
	£000	
Month 11 Forecast Outturn	14,372	
Marine Unit Launch Replacement & Inflatable Ridge Boat	(200)	Slippage due to complications with the supplier and related build of the unit, with estimated delivery time of completed asset currently unknown
Month 12 Forecast Outturn	14,172	

7. Cashflow Forecast



March Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	12,005	13,632	1,627
HMRC payments	8,002	7,758	(244)
Essex LGPS payments	1,700	1,703	3
Payroll	26,704	27,394	690
Total cash outflow	48,411	50,487	2,076
Income			
Govt grant	(17,493)	(17,284)	209
Precepts	(12,126)	(12,126)	0
Other net receipts	(6,967)	(4,879)	2,088
Total cash inflow	(36,586)	(34,289)	2,297
Total cash (inflow)/outflow	11,825	16,198	4,373

March Commentary

Expenditure

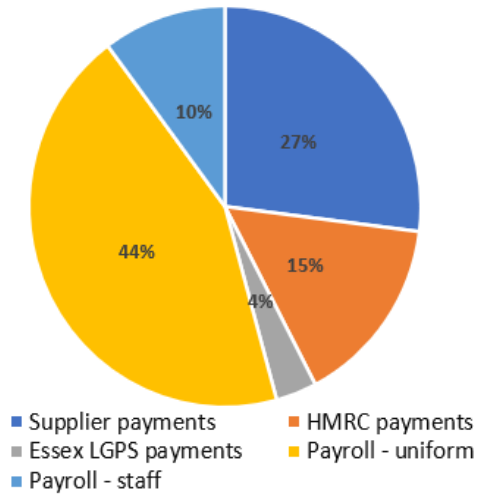
Supplier payments were £1.627m higher than forecast, mainly in respect of the final payment run of the year which was £2m higher than forecast, including material payments to Beds Police, South Yorks PCC, Laser Energy Group and NHS England.

The other significant variance to payroll which was £0.690m higher than anticipated, comprising £0.504m of core payroll costs and the remainder relating to overtime and additional pension payments. Other contributing costs included £0.108m for February Apprenticeship Levy payments.

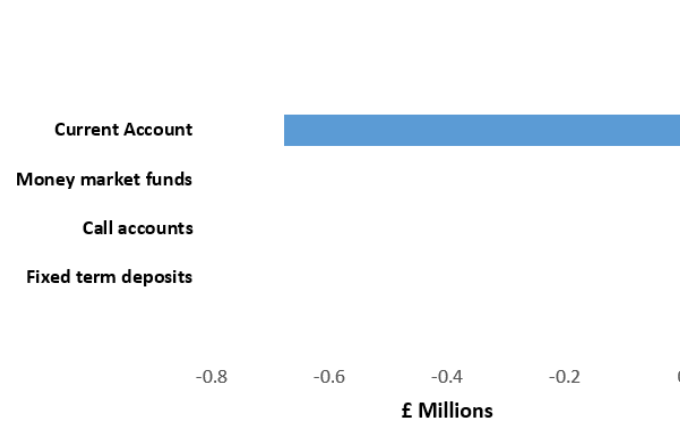
Income

The significant variance for income related to net receipts, with a reduction of £2.088m compared to the plan. This mainly related to £1.250m of property sales being deferred to 2024 (Ongar Police Station & Kingston Avenue) with the remainder of £0.838m relating to miscellaneous daily income receipts being lower than the average forecast values assumed in the plan.

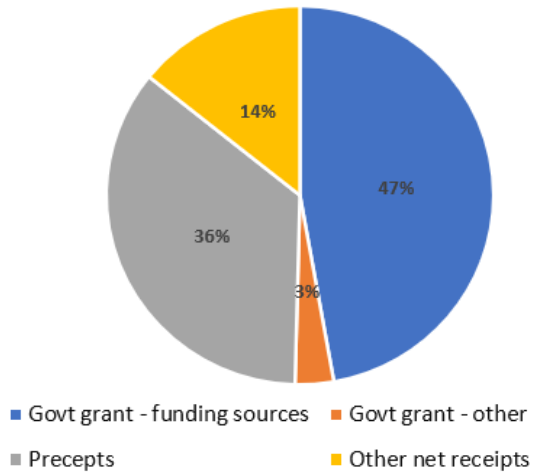
March Expenditure Breakdown



Investments @ 31st March



March Income Breakdown



External Borrowing/Financing

The PFCC cashflow position as at 31st March 2024 reflected a deficit balance of £0.7m, which was covered by the PFCC's overdraft facilities with Lloyds Bank.