

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 3 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/from earmarked reserves (virements and journals), as noted in Section 2 of the report.

3.0 Executive Summary

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

4.0 Introduction/Background

This report sets out the June, Month 3, financial position.

5.0 Current Work and Performance

The Month 3 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

Risk URN 2761: MTFS 2024/25 – Balancing the Budget & Its Potential Impact on Services and Outcomes for Victims and Public Trust and Confidence in Essex Police.

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

6.5 Health and Safety Implications - N/A

7.0 Consultation/Engagement – N/A

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.

If the additional PUP headcount target of 10 is not met in full by financial year end, the force will forego the total additional funding of £0.480m, rather than £48,000 per officer.

For any shortfall in relation to the force's maintenance headcount of 3,810, loss of income would be £80,000 per officer, up to a headcount shortfall of 57 officers (i.e. headcount of 3,753), followed by a total loss of all grant funding of £9.553m from a headcount shortfall of 58 officers and above.

1. Executive Summary

REVENUE

The revenue forecast overspend as at month 3 is £2.065m against the 2024/25 revenue budget of £385.5m (0.54% 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. If the additional PUP headcount target of 10 is not met in full by financial year end, the force will forego the total additional funding of £0.480m, rather than £48,000 per officer.

WORKFORCE

Police Officer strength forecast at the end of June is 3,745 FTE and forecast to be 3,751 FTE at year end. The headcount for the end of June is 4 over 3,810. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £0.325m.

Police Staff strength at the end of May is 2,102 FTE. Total vacancies at 31st May are 242 FTEs. The overspend on Police Staff Pay and Allowances, excluding overtime, is £0.297m.

PCSO strength at the end of May is 91 FTE and forecast to be 86 FTE at year end. The overspend on PCSO Pay and Allowances is £0.079m.

RESERVES

The net appropriations from earmarked reserves for month 3 is £0.809m.

The forecast deficit before appropriations from earmarked reserves and general reserve is £0.727m.

A list of all appropriations to and from earmarked reserves is noted in Section 2 of the report.

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

CAPITAL

The capital financial monitoring position for month 3 is a forecast spend of £18.827m, which is a £2.367m underspend against the latest revised budget of £21.194m (11.2% variance).

The financing requirement for unfinanced capital expenditure is forecast at £11.653m, equating to 62% of the year's financing plan. Based on the latest cashflow position, there is not expected to be a need for external borrowing to support capital expenditure in 2024/25 but further short-term external borrowing may be required.

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

2. List of Appropriations to/from Earmarked Reserves

URN	Description	£'000	Commentary/Description	Governance Process	Earmarked Reserve	Subjective Heading
Appropriations to Earmarked Reserves						
ER001/24	Reversal of budget setting appropriation from POCA Reserve	100	Contribution relates to the reversal of the budget setting contribution which was replaced by an increased in the Proceeds of Crime income budget	Return of funds - Chief Constable's Section 151 Officer	POCA Reserve	Income
Total		100				
Appropriations (from) Earmarked Reserves						
ER002/24	Software Licence Costs	(450)	To fund an overspend in relation to MTA charges received from the Home Office, which were communicated after 2024/25 budget setting, from a Section 31 grant received in 2023/24.	Appropriation from Earmarked Reserve for its intended use	Restricted Grant Reserve	Supplies & Services
ER003/24	Estates Electrical Testing	(186)	To meet the cost associated with electrical testing across the Essex Police estate, which was largely deferred from 2023/24.	Appropriation from Earmarked Reserve for its intended use	Transformation Reserve	Premises
ER004/24	Legal Claims - Allard claims	(99)	To offset the costs incurred in the financial year to the end of month 3, in respect of Allard claims and related compensation	Appropriation from Earmarked Reserve for its intended use	Legal Claims Reserve	Other Employee Expenses
ER005/24	Revenue expenditure funded from POCA Reserve	(84)	Annual contribution of £75k to the Essex Community Foundation and further allocations to fund force expenditure, as agreed by the POCA Board.	Appropriation from Earmarked Reserve for its intended use	POCA Reserve	Third Party Payments / Supplies & Services
ER006/24	Chief Constables Operational C/Fwd - Op Recover	(50)	One off funding to support back log of demand in Contact Management (Op Recover).	Appropriation from Earmarked Reserve for its intended use	Chief Constables Operational C/Fwd Reserve	Police Officer Pay & Allowances / Police Staff Pay & Allowances
ER007/24	Severance and Financial Strain - CMC and SCD	(39)	Funding of severance and financial strain expenditure incurred by the force.	Appropriation from Earmarked Reserve for its intended use	Restructuring Reserve	Other Employee Expenses
ER008/24	Revenue expenditure funded from Forfeitures Reserve	(2)	Allocation to fund force expenditure, as agreed by the POCA Board.	Appropriation from Earmarked Reserve for its intended use	Forfeitures Reserve	Police Officer Pay & Allowances
Total		(910)				
Net appropriation to/(from) Earmarked Reserves		(809)				

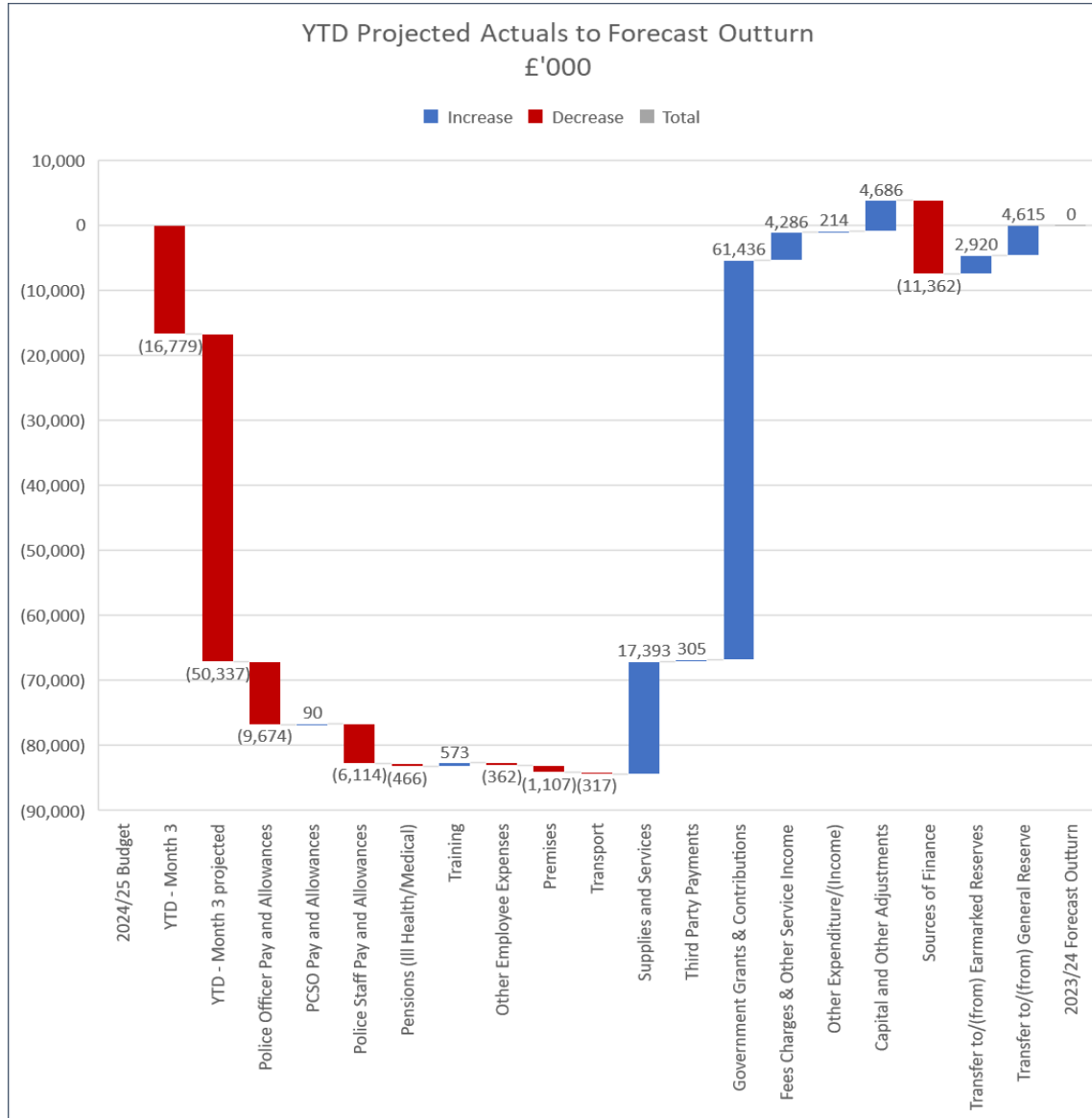
3. Revenue

3.1 Revenue Summary

In Month - Month 03			Year to Date - Month 03			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	Variance Over/(Under) Spend - Revised Budget
£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000
20,494	19,982	(512)	61,481	59,241	(2,239)	Employees							
615	898	283	1,845	2,013	168	Police Officer Pay and Allowances							
88	101	13	263	249	(14)	- Police Officer Pay and Allowances	245,122	800	245,922	59,241	246,248	1,126	325
21,196	20,981	(215)	63,589	61,504	(2,085)	- Overtime and Operational Performance	7,060	320	7,380	2,013	8,126	1,066	746
						- Associated Police Pay	1,074	(20)	1,053	249	1,317	243	263
						Police Officer Pay and Allowances	253,256	1,100	254,356	61,504	255,690	2,434	1,335
296	304	8	887	929	42	PCSO Pay and Allowances	3,567	(20)	3,547	929	3,626	59	79
8,547	7,816	(732)	25,642	24,216	(1,427)	Police Staff Pay and Allowances							
112	176	64	335	412	76	- Police Staff Pay & Allowances	101,956	613	102,569	24,216	102,865	909	297
8,659	7,992	(668)	25,978	24,627	(1,350)	- Police Staff Overtime and Agency	1,116	226	1,342	412	1,756	640	414
398	383	(15)	1,193	1,104	(89)	Police Staff Pay and Allowances	103,072	838	103,910	24,627	104,622	1,550	711
135	192	57	405	548	144	Pensions (Ill Health / Medical)	4,770	0	4,770	1,104	4,882	112	112
44	118	73	133	38	(94)	Training	1,611	8	1,619	548	1,619	8	0
30,728	29,969	(759)	92,183	88,751	(3,432)	Other Employee Expenses	392	138	530	38	514	122	(16)
988	1,075	87	2,965	2,700	(265)	Employees Total	366,668	2,064	368,732	88,751	370,953	4,285	2,221
536	469	(66)	1,608	1,538	(69)	Premises	11,650	211	11,861	2,700	11,907	257	46
3,970	3,274	(696)	11,910	16,216	4,306	Transport	6,433	(3)	6,430	1,538	6,469	36	39
615	1,734	1,119	1,846	1,968	122	Supplies and Services	46,826	814	47,639	16,216	47,471	646	(168)
36,837	36,522	(316)	110,512	111,173	661	Third Party Payments	7,466	(83)	7,383	1,968	7,567	101	183
(3,384)	(1,819)	1,564	(10,151)	5,091	15,242	Gross Expenditure	439,043	3,003	442,046	111,173	444,367	5,324	2,321
(1,530)	(2,262)	(732)	(4,589)	(3,471)	1,118	Income							
(4,913)	(4,081)	832	(14,740)	1,619	16,360	- Government Grants & Contributions	(38,723)	(1,882)	(40,604)	5,091	(41,072)	(2,349)	(467)
31,924	32,440	516	95,771	112,792	17,021	- Fees Charges & Other Service Income	(18,045)	(313)	(18,357)	(3,471)	(18,170)	(126)	187
(14)	(18)	(4)	(42)	(52)	(10)	Income	(56,767)	(2,194)	(58,962)	1,619	(59,242)	(2,474)	(280)
107	1,562	1,455	321	1,562	1,241	Net Cost of Services	382,275	809	383,085	112,792	385,125	2,850	2,041
32,017	33,985	1,968	96,050	114,303	18,252	Other Expenditure / (Income)	(168)	0	(168)	(52)	(422)	(254)	(254)
(32,128)	(28,063)	4,065	(96,384)	(99,225)	(2,841)	Capital and Other Adjustments	1,284	0	1,284	1,562	1,562	278	278
(111)	5,922	6,033	(334)	15,077	15,412	Net Expenditure	383,391	809	384,200	114,303	386,265	2,874	2,065
41	852	811	122	852	730	Sources of Finance	(385,538)	0	(385,538)	(99,225)	(385,538)	0	0
71	850	779	213	850	638	(Surplus)/Deficit before appropriations	(2,147)	809	(1,338)	15,077	727	2,874	2,065
0	7,623	7,623	0	16,779	16,779	Contribution to/(from) Earmarked Reserves	1,297	(809)	488	852	488	(809)	0
						Contribution to/(from) General Reserve	850	0	850	850	(1,215)	(2,065)	(2,065)
						(Surplus)/Deficit after appropriations	0	0	0	16,779	0	0	0

¹Even monthly profile of Revised Budget²2024/25 Budget agreed at Police, Fire and Crime Panel

3.2 Year to Date Projected Actuals to Forecast Outturn



Supporting Commentary

YTD – Month 3 projected

Actuals to date, extrapolated for remaining months of the year

Police Officer Pay and Allowances

Impact of joiners/leavers during the year, Detective and AFO Bonus Payments, pay increments, and overtime paid in arrears

Police Staff Pay and Allowances

Impact of staff pay award, force growth posts, and overtime paid in arrears

Supplies and Services

Communications and Technology expenditure for IT software and Home Office recharges that are invoiced in full at the start of the financial year

Income – Government Grants & Contributions

Year end debtor entries that are yet to be received, namely accrued income for Home Office PUP grant and PFCC Commissioning budgets

Income – Fees Charges & Other Service Income

Year end debtor entries that are yet to be received, namely accrued income for Safer Essex Roads Partnerships, Athena, 7F collaboration

Capital and Other Adjustments

MRP adjustment for the full year vs an even monthly profile of the budget

Sources of Finance

Council Tax Support and Freeze Grant both received in total in the Month of April, rather than by monthly instalment

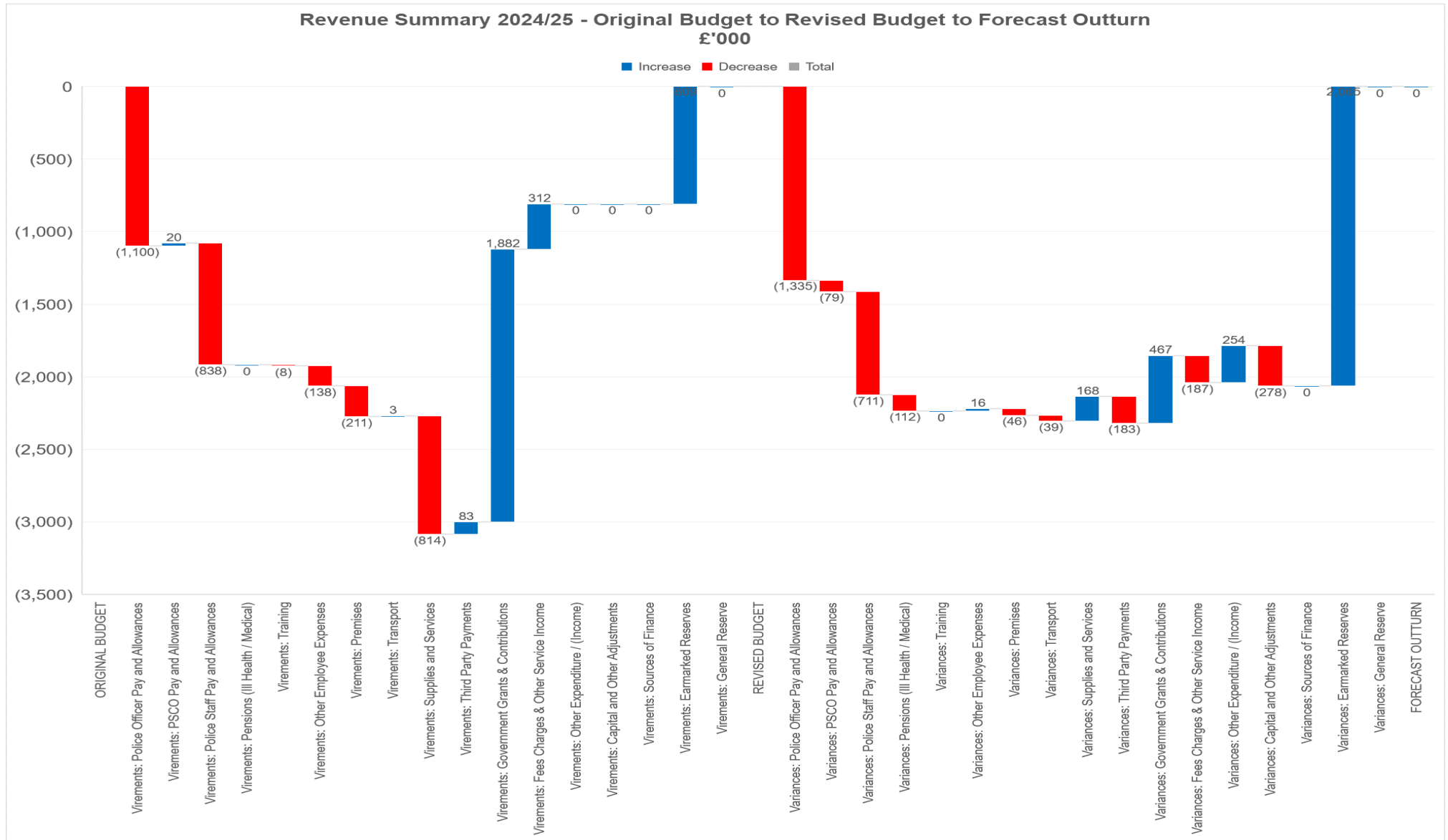
Transfer to/(from) Earmarked Reserve

Appropriations from earmarked reserves performed to date to reflect the annual drawdown from reserves vs an even monthly profile of the budget

Transfer to/(from) General Reserve

Appropriation performed for 2024/25 budget setting contribution to the general reserve, offset by forecast contribution from the general reserve resulting from the revenue forecast overspend position

3.3 Original Budget to Revised Budget to Forecast Outturn



3.4 Revenue Summary – Supporting Commentary

Police Officer Pay and Allowances - £1.335m overspend

Explanation of forecast variance

The forecast overspend includes the impact of the opening strength being 3 FTE more than budgeted and changes to recruitment and leaver profiles (£0.325m). The forecast also includes overspends for Police Officer overtime for Forcewide Operations, OPC, SCD, C&PP, LPAs, PSD and Force Tasking, based on vacancies and volumes of activity (£0.696m), in addition to Bank Holiday overtime across the force (£0.050m); and Temporary Duty Allowance based on the impact of abstraction from LPA teams for other demands (£0.263m).

PCSO Pay and Allowances - £0.079m overspend

Explanation of forecast variance

The forecast overspend includes the impact of the opening strength being 4 FTE more than budgeted, partially offset by leavers forecast during 2024/25.

Police Staff Pay and Allowances - £0.711m overspend

Explanation of forecast variance

The forecast overspend includes the impact of an opening strength difference, projected 2024/25 bulk intakes predominantly for the Contact Centre, and starters and leavers during the first quarter (£0.297m). The forecast also includes overspends for Police Staff overtime for Contact Management and SCD, based on vacancies and volumes of activity (£0.320m), in addition to Bank Holiday overtime across the force (£0.062m).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 3 (which has a corresponding forecast change) includes Home Office funding for Op Dial overtime expenditure (£0.887m increase), realignment of seconded officer budgets, including those deployed to Op Magenta (£0.216m increase), externally funded activity for Safer Essex Roads Partnership and Stansted (£0.147m increase), reprofiling of the 7 Forces Collaboration budget (£0.135m decrease), and funding of Op Recover from the Chief Constables Operational Reserve (£0.020m increase).

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 3 (which has a corresponding forecast change) includes externally funded activity for Safer Essex Roads Partnership, Stansted, and the Disclosure Barring Service (£0.952m increase), reprofiling of the 7 Forces Collaboration and Athena Management Office budget (£0.194m decrease), and funding of Op Recover from the Chief Constables Operational Reserve (£0.030m increase).

Police Pensions (Ill Health/Medical) - £0.112m overspend

Explanation of forecast variance

The forecast overspend reflects additional injury pension-related costs, in respect of unbudgeted lump sums payable as well as an increase in monthly pension costs, based on demand-led factors with additional officers being paid injury pensions compared to the budget setting assumption.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Other Employee Expenses (Ill Health/Medical) - £0.016m underspend

Explanation of forecast variance

Nothing to report.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 3 includes an appropriation from the Legal Reserve to fund costs incurred in respect of Allard claims and related compensation (£0.099m increase) and severance and financial strain expenditure incurred by the force (£0.039m increase).

Premises - £0.046m overspend

Explanation of forecast variance

Nothing to report.

Explanation of adjustments to Original Budget (virements)

The adjustments from Original Budget to the Revised Budget during Month 3 includes an appropriation from the Transformation Reserve to fund electrical testing across the Essex Police estate, which was largely deferred from 2023/24 (£0.186m increase).

Transport - £0.039m overspend

Explanation of forecast variance

The forecast includes material overspends for Vehicle Parts, Equipment and Tyres (£0.518m), offset by material underspends for Vehicle Fuel (£0.285m) and Vehicle Insurance premium (£0.209m).

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Supplies and Services - £0.168m underspend

Explanation of forecast variance

The forecast underspend includes an increase in Home Office/Police Digital charges for NLEDS and IAM, which is offset by an appropriation of a Section 31 grant from the Restricted Grant Reserve, in addition to communications and technology underspends for airwave call charges and IT circuit costs (£0.248m); 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). The forecast underspend is partially offset by an 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 (£0.254m).

Third Party Payments - £0.183m overspend

Explanation of forecast variance

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 (£0.142m) and the annual contribution to NPAS budget, where the contribution from forces was communicated after finalisation of 2024/25 budget setting (£0.138m). These overspends are partially offset by an underspend resulting from slippage in the Athena work programme, predominantly for digital case file functionality (£0.078m).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 3 (which has a corresponding forecast change) includes an appropriation from the restricted grant reserve for MTA charges received from the Home Office (£0.450m increase) and externally funded activity for Safer Essex Roads Partnership (£0.183m increase) and Stansted (£0.152m increase).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 3 (which has a corresponding forecast change) includes externally funded activity for the Safer Essex Roads Partnership (£0.274m decrease), reprofiling of the 7 Forces Collaboration budget (£0.116m increase) and an annual POCA contribution to the Essex Community Foundation from the POCA reserve (£0.075m increase).

Income – Government Grants & Contributions - £0.467m surplus

Explanation of forecast variance

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) and Home Office funding for force funded officers deployed to Op Ivy in 2024/25 (£0.149m). 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).

Income – Fees, Charges & Other Service Income - £0.187m deficit

Explanation of forecast variance

The forecast overspend includes a deficit for the Magistrates Costs Awarded income budget as a result of the 2023/24 Roads Policing restructure, on the basis that monthly income does not reflect the additional court spaces being filled (£0.352m), partially offset by surplus income for works carried out to vehicles on behalf of City of London Police (£0.060m) and recharges for force funded officers on short term attachment to HMICFRS (£0.050m).

Other Expenditure/(Income) - £0.254m surplus

Explanation of forecast variance

The forecast surplus is due to a decrease in interest payable forecast based on an updated cashflow position. The reduction reflects the expectation that external borrowing will only be required in last quarter of the financial year.

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.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Capital and Other Adjustments - £0.278m overspend

Explanation of forecast variance

The forecast overspend is due to an increase in minimum revenue provision (MRP) forecast based on greater demand on the financing requirement at 2023/24 year end compared to the budget setting assumption. This is due to reduced capital receipts receivable in 2023/24, leading to a greater MRP burden in respect of short-life assets from 2024/25 onwards.

Contribution from Earmarked Reserves

Explanation of forecast variance

Nothing to report.

Contribution from General Reserve - £2.065m

Explanation of forecast variance

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

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Explanation of adjustments to Original Budget (virements)

As noted in Section 2 and Section 5 of the report.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

3.5 Main Forecast Movements

Forecast Outturn Variance Summary up to Month 3

	Forecast Outturn Variance £m	
Police Officer Pay and Allowances	1.3	The forecast overspend includes the impact of the opening strength being 3 FTE more than budgeted and changes to recruitment and leaver profiles (£0.325m). The forecast also includes overspends for Police Officer overtime for Forcewide Operations, OPC, SCD, C&PP, LPAs, PSD and Force Tasking, based on vacancies and volumes of activity (£0.696m), in addition to Bank Holiday overtime across the force (£0.050m); and Temporary Duty Allowance based on the impact of abstraction from LPA teams for other demands (£0.263m).
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 (£0.079m).
Police Staff Pay and Allowances	0.7	The forecast overspend includes the impact of an opening strength difference, projected 2024/25 bulk intakes predominantly for the Contact Centre, and starters and leavers during the first quarter (£0.297m). The forecast also includes overspends for Police Staff overtime for Contact Management and SCD, based on vacancies and volumes of activity (£0.320m), in addition to Bank Holiday overtime across the force (£0.062m).
Pensions (Ill Health / Medical)	0.1	The forecast overspend reflects additional injury pension-related costs, in respect of unbudgeted lump sums payable as well as an increase in monthly pension costs, based on demand-led factors with additional officers being paid injury pensions compared to the budget setting assumption.
Supplies & Services	(0.2)	The forecast underspend includes an increase in Home Office/Police Digital charges for NLEDS and IAM, which is offset by an appropriation of a Section 31 grant from the Restricted Grant Reserve, in addition to communications and technology underspends for airwave call charges and IT circuit costs (£0.248m); 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). The forecast underspend is partially offset by an 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 (£0.254m).
Third Party Payments	0.2	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 (£0.142m) and the annual contribution to NPAS budget, where the contribution from forces was communicated after finalisation of 2024/25 budget setting (£0.138m). These overspends are partially offset by an underspend resulting from slippage in the Athena work programme, predominantly for digital case file functionality (£0.078m).
Income - Government Grants and Contributions	(0.5)	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) and Home Office funding for force funded officers deployed to Op Ivy in 2024/25 (£0.149m). 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).
Income - Fees Charges and Other Service Income	0.2	The forecast overspend includes a deficit for the Magistrates Costs Awarded income budget as a result of the 2023/24 Roads Policing restructure, on the basis that monthly income does not reflect the additional court spaces being filled (£0.352m), partially offset by surplus income for works carried out to vehicles on behalf of City of London Police (£0.060m) and recharges for force funded officers on short term attachment to HMICFRS (£0.050m).
Other Expenditure / (Income)	(0.2)	The forecast surplus is due to a decrease in interest payable forecast based on an updated cashflow position. The reduction reflects the expectation that external borrowing will only be required in last quarter of the financial year.
Capital and Other Adjustments	0.3	The forecast overspend is due to an increase in minimum revenue provision (MRP) forecast based on greater demand on the financing requirement at 2023/24 year end compared to the budget setting assumption. This is due to reduced capital receipts receivable in 2023/24, leading to a greater MRP burden in respect of short-life assets from 2024/25 onwards.
Further Variances	0.1	Various changes across the force which are less than £0.100m, including Premises (£0.046m) and Transport (£0.039m) related costs, which include material overspends for Vehicle Parts, Equipment and Tyres (£0.5m overspend), offset by material underspends for Vehicle Fuel (£0.3m underspend) and Vehicle Insurance premiums (£0.2m underspend).
Month 3 Forecast Outturn Variance	2.1	Overspend

4. Workforce Analysis

4.1 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	3,745	3,723	3,702	3,751	3,730	3,708	3,751	3,729	3,708	
16	Leavers	(19)	(21)	(30)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(277)
17	Joiners (note 7)	2	1	53	1	2	72	2	1	66	1	2	66	269
20	Other Adjustments (note 8)	1	1	(1)	0	0	0	0	0	0	0	0	0	1
21	Net change	(16)	(19)	22	(22)	(21)	49	(21)	(22)	43	(22)	(21)	43	(7)
22	Officer strength FTEs - month end	3,742	3,723	3,745	3,723	3,702	3,751	3,730	3,708	3,751	3,729	3,708	3,751	
23	Difference to 3755fte - over / (under)	(13)	(32)	(10)	(32)	(53)	(4)	(25)	(47)	(4)	(26)	(47)	(4)	
24	Officer headcount - month end	3,810	3,791	3,814	3,792	3,771	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)	4	(18)	(39)	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	£19.08m	£20.18m	£19.84m	£20.12m	£20.19m	£21.41m	£20.72m	£20.80m	£20.75m	£20.88m	£20.91m	£22.93m	£247.80m
25	Leavers				(£0.10m)	(£0.20m)	(£0.30m)	(£0.40m)	(£0.50m)	(£0.60m)	(£0.70m)	(£0.80m)	(£0.90m)	(£4.51m)
26	Joiners				£0.01m	£0.02m	£0.02m	£0.29m	£0.29m	£0.30m	£0.54m	£0.54m	£0.55m	£2.54m
27	Other Costs				£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.05m	£0.42m
28	Monthly Actual	£19.08m	£20.18m	£19.84m	£20.07m	£20.05m	£21.18m	£20.65m	£20.63m	£20.49m	£20.76m	£20.69m	£22.62m	£246.25m
Variance from Budget Setting														
	Actual			Forecast										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		
29	Strength @ beginning of month (negative=reduction)	3	8	11	2	2	2	8	8	8	8	8	8	
30	Leavers (positive number = less leavers)	4	2	(7)	0	0	0	0	0	0	0	0	0	(1)
31	Joiners	(0)	0	(1)	0	0	6	0	0	0	0	0	3	8
32	Other Adjustments	1	1	(1)	0	0	0	0	0	0	0	0	0	1
33	Month End Strength Change - FTEs	8	11	2	2	2	8	8	8	8	8	8	11	8
34	Change per month FTEs	5	3	(9)	0	0	6	0	0	0	0	0	3	
	Actual			Forecast										Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
35	Monthly Financial Change	(£1.19m)	£0.01m	(£0.43m)	(£0.10m)	(£0.02m)	£0.46m	£0.02m	£0.11m	(£0.18m)	£0.19m	£0.22m	£2.02m	£1.13m

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

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, 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)	INTAKE												Total	
	April	May	June	July	August	September	October	November	December	January	February	March		
	12 months	11 months	10 months	9 months	8 months	7 months	6 months	5 months	4 months	3 months	2 months	1 month		
	£	£	£	£	£	£	£	£	£	£	£	£	£	
Estimated Impact of 1 FTE less Leaver	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	

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

FTE Changes Impacting Pay Forecasts - 2024/25 Month 3

1. Police Officers - Budget Based on Strength								
	Current Position - FTEs		Financial Forecasting FTEs					Strength at 31st March 2025
	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	
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
HR data @ 31 May 24	3,755	3,723	3,758	251	18	(277)	1	3,751
Change				3	0	(3)	0	0

2. Police Staff - Budget Based on Establishment (please see note below)*							
	Current Position - FTEs		Financial Forecasting FTEs				Other adjustments e.g. change in hours
	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			2,346	2,127			
HR data @ 30 April 24	2,356	2,102			12	(21)	(2)
HR data @ 31 May 24	2,349	2,107			28	(33)	(1)
Change					16	(12)	1

* 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					Strength at 31st March 2025
	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	
Budget Setting			99	89				
HR data @ 30 April 24	98	92	99	93	0	(5)	(0)	88
HR data @ 31 May 24	98	91	99	93	0	(8)	(0)	86
Change					0	(3)	0	(3)

Note: The PCSO Establishment includes 8 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
HR data @ 31 May 24	249	427
Change	(7)	

5. Detailed Reserves Analysis

Earmarked Reserves and Provisions - Opening and Closing Balances								
Reserve	1st April 2024 - Opening Balance	Budget Setting Contribution / (Allocation) 2024/25	In-Year Contribution 2024/25	In-Year Allocation 2024/25	31st March 2025 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	£0.109m	-	-	-	£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	£0.109m	£0.000m	£0.000m	£0.000m	£0.109m	£0.000m	£0.109m	
2	Ringfenced Reserve							
Proceeds of Crime Act	£1.414m	(£0.100m)	£0.100m	(£0.084m)	£1.330m	(£0.234m)	£1.096m	POCA Reserve holds receipts received through the Asset Recovery Incentive Scheme to fund crime reduction related expenditure.
Forfeiture Monies Reserve	£0.304m	(£0.055m)	-	(£0.002m)	£0.247m	-	£0.247m	Forfeiture Monies Reserve holds funds transferred from the Misuse of Drugs Act Seizures Fund.
Restructuring Reserve	£0.785m	-	-	(£0.039m)	£0.746m	(£0.250m)	£0.496m	Reserve to help fund future years restructuring costs (Redundancies, LGPS Financial Strain and relocation expenses).
Transformation Reserve	£1.618m	(£0.289m)	-	(£0.186m)	£1.143m	-	£1.143m	Reserve to help fund the one-off costs of implementing the IT, Estates, and Welfare, Wellbeing and Workplace Improvement proposals.
Legal Reserve	£0.869m	£0.654m	-	(£0.099m)	£1.424m	(£0.555m)	£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).
PCER (formerly PEQF) Reserve	£0.111m	-	-	-	£0.111m	(£0.111m)	-	PCER (formerly PEQF) mobilisation costs to be used for the introduction of the new PCER (formerly PEQF) training programme.
Restricted Grant and Contributions Reserve	£0.593m	(£0.113m)	-	(£0.450m)	£0.030m	-	£0.030m	Reserve to hold balances of restricted grants and contributions to allow balances to be held until eligible spend incurred.
Insurance Reserve	£0.400m	£0.200m	-	-	£0.600m	-	£0.600m	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.
Total	£6.092m	£0.297m	£0.100m	(£0.859m)	£5.630m	(£1.150m)	£4.481m	

Earmarked Reserves and Provisions - Opening and Closing Balances

Reserve	1st April 2024 - Opening Balance	Budget Setting Contribution / (Allocation) 2024/25	In-Year Contribution 2024/25	In-Year Allocation 2024/25	31st March 2025 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	£0.750m	-	-	(£0.050m)	£0.700m	(£0.100m)	£0.600m	Operational Carry Forward resulting from the force underspend. Allocation to date for Op Recover. Forecast allocation for Live Facial Recognition implementation in the event one-off funding is not available from the Revenue Consequences of Capital budget.
Future Capital Funding	£0.100m	£1.000m	-	-	£1.100m	(£1.000m)	£0.100m	Reserve to apply revenue financing to fund the force capital programme.
Total	£2.350m	£1.000m	£0.000m	(£0.050m)	£3.300m	(£1.100m)	£2.200m	
4 PFFC Reserves								
Commissioning Grants / Safer Streets	£6.152m	-	-	-	£6.152m	-	£6.152m	Includes PFFC Commissioning Budget C/Fwd of £2.650m and Safer Streets funding of £3.502m.
Total	£6.152m	£0.000m	£0.000m	£0.000m	£6.152m	£0.000m	£6.152m	
5 General Reserve								
General Reserve	£12.622m	£0.850m	-	-	£13.472m	(£2.065m)	£11.407m	The 2024/25 General Reserve opening balance is £12.622m. The 2024/25 General Reserve closing balance is £11.407m, which represents 3.0% of the 2024/25 force budget of £385.5m. Includes £0.850m budgeted contribution to the General Reserve.
Total Revenue Reserves	£27.325m	£2.147m	£0.100m	(£0.909m)	£28.663m	(£4.315m)	£24.349m	

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2024/25 MONTH 3 MONITORING POSITION SUMMARY REPORT

	2024/25 Original Budget PF&C Panel	2024/25 Subject to Approvals Funding Distribution	2024/25 Other Approved Changes (Table 6.3.1)	2024/25 Revised Budget	2024/25 Actuals (to end of reporting period)	2024/25 Forecast	2024/25 Forecast Budget Variance (Table 6.3.2)
	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE -							
ANPR projects	0	0	0	0	0	120	120
Estates projects	6,681	890	328	7,899	434	5,736	(2,163)
IT projects	6,409	3,850	(1,728)	8,530	1,467	8,389	(141)
Transport projects	1,000	2,119	100	3,219	118	3,182	(37)
OPC projects	0	0	74	74	0	74	0
SCD projects	0	0	298	298	122	298	0
Other projects	25	0	294	319	0	478	159
<i>Subject to Approval projects</i>	<i>8,596</i>	<i>(6,859)</i>	<i>(884)</i>	<i>854</i>	<i>0</i>	<i>550</i>	<i>(304)</i>
TOTAL EXPENDITURE	22,711	0	(1,517)	21,194	2,142	18,827	(2,367)
FINANCING -							
Capital Receipts	4,260	0	1,914	6,174		6,174	0
Revenue Contributions	1,000	0	0	1,000		1,000	0
Capital Grant	0	0	0	0		0	0
External & Other Income	0	0	0	0		0	0
Financing Requirement	17,451	0	(3,431)	14,020		11,653	(2,367)
TOTAL FINANCING	22,711	0	(1,517)	21,194	2,142	18,827	(2,367)

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 £2.367m underspend incorporates slippage carried forward to 2025/26, and other changes, as set out in Table 6.3.2.
3. The financing model has been updated as per the separate working paper
4. There are no actuals to date in the financing column as this process is undertaken at year-end (hence the shading applied to this column).

5. The term financing requirement refers to the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income i.e. an underlying need to borrow for capital purposes. This need to borrow can include external borrowing from bodies such as the Public Works Loans Board (PWLB) or other public sector bodies. It also includes internal borrowing whereby forces fund capital expenditure from a temporary surplus of cash. For treasury management purposes, and based on the latest cashflow forecast, a net small surplus is expected by the end of 2024/25. Whilst not mandatory, an additional amount of cash may also be sourced via external borrowing to meet the PFCC's £10m minimum threshold for liquidity purposes and compliance with MiFID II legislation. 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 £22.711m as set at the February 2024 Police Fire & Crime Panel, has been uplifted to a revised budget of £21.194m as at month 3. The decrease of £1.517m comprises slippage to existing approved budget brought forward from 2023/24 of £1.523m, changes to existing budget of (£3.628m), £0.529m of new approved projects, and £0.059m of new projects approved under delegated authority.

The 2024/25 slippage of £1.523m brought forward includes IT related projects of £0.250m, Estates related projects of £1.095m, Transport slippage of £0.100m, as well as OPC projects totalling £0.074m.

Additional budgetary movement comprises £0.529m of business cases approved as Stage C's where no previous Stage B budget setting bid was submitted. A further £0.059m of projects have been approved under delegated authority utilising the capital holding account and revised capital governance arrangements in place from the 1st April 2024 onwards (see table 6.3.3. *Delegated Authority Approvals*).

Other changes to the existing programme include an increase of £0.074m for the Charging Infrastructure MIP7 project and reprofiling of the SARC project of £0.840m to 2025/26. Changes to the IT approved budget comprise a reduction to the DFU budget to 2025/26 totalling (£1.978m), and changes to the subject to approval programme since the February budget was approved comprising a £0.825m reduction for FCR platform which has now been replaced by the Contact Management (CMTR) project.

Since the original budget was approved there have been £6.859m 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 £6.859m approved at the boards include the following material schemes:

- £3.675m of IT projects relating to the Infrastructure Technical Refresh programme and £0.175m for Contact Management Technology review project
- £2.119m for the Fleet Replacement rolling programme 2023/24

- £0.890m of Estates projects including £0.050m for Boreham Infrastructure MIP4 and £0.840m relating to the SARC project subsequently reprofiled to 2025/26

Forecast Position – Summary

The forecast for month 3 is a year-end spend of £18.827m, reflecting a forecast underspend of (£2.367m) against the current budget of £21.194m.

Forecast Variances

The forecast underspend of (£2.367m) comprises slippage of (£1.853m) and an underspend of (£0.920m), both offset by a net forecast overspend of £0.405m.

Forecast slippage of (£1.853m) (from 2024/25 to 2025/26)

Estates – all of the month 3 variance falls under this area, with the material variances comprising:

- Harwich & Dovercourt Collaboration project of (£1.718m) into 2025/26 due to delays in the tendering process.
- (£0.034m) relating to Laindon CEL being re-profiled to 2025/26. The project is expected to be completed in the third quarter of the year, with the slippage specifically relating to retention covering the defect period.
- (£0.084m) relating to EV Charging Infrastructure MIP7 due to delays with starting the project
- (£0.017m) slippage recognised for Harlow Police Station Rest Area, relating to retention covering the defect period.

Net forecasts overspend of £0.405m

The main elements comprise:

Estates - £0.092m being reported in month 3 including an in-month movement of £0.064m relating to Harlow Rest Area and £0.028m relating to capital maintenance. The overspend will be offset by the reported underspend in other projects.

ANPR – Expenditure of £0.120m for purchase of equipment. The C1 business case is in progress to approve the budget, which is currently included within subject to approvals.

Other projects – Expenditure of £0.183m relating to the body armour replacement programme. A budget of £0.280m is currently included in the subject to approval programme for which a C1 business case is currently in progress.

Net forecast underspend of (£0.920m)

The main areas comprise:

Estates – (£0.284m) for Laindon CEL Phase 2 MIP3 following a project review at month 3, including an additional amount which has been recognised as slippage.

IT – forecasting an underspend of (£0.151m) mainly comprising Special Body Worn Video & Mobile First Technical Refresh, for which the budget is not required due to the devices already being included within the Tech Refresh budget (£0.111m).

Subject to Approvals – Comprising (£0.304m) of forecast reductions, with the movement mainly relating to ANPR equipment replacement (£0.120m) and body armour (£0.183m), with a C1 business case currently in progress for both of these projects.

Financing

The financing plan for 2024/25 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 £6.174m for month 3. These amounts are subject to change due to the continued challenges within in the property market, as well as high development costs. £1m of revenue contributions are available to fund the 2024/25 capital programme, reducing 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 available.

The financing requirement for unfinanced capital expenditure is forecast at £11.653m which equates to approximately 62% of the year’s financing plan. Based on the latest treasury management information available, there is expected to be a need for further external borrowing in 2024/25 however this will most likely be short-term only and will not be required to support capital expenditure.

6.3 Capital Summary - Supporting Tables

6.3.1 Other Approved Budget Changes

**CAPITAL PROGRAMME 2024/25 MONTH 3 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	-	-	-	-	-	-
Estates projects	1,095	(766)	-	-	-	329
IT projects	250	(1,978)	-	-	-	(1,728)
Transport projects	100	-	-	-	-	100
OPC projects	74	-	-	-	-	74
SCD projects	5	-	235	-	59	298
Other projects	-	-	294	-	-	294
<i>Subject to Approval projects</i>	-	(884)	-	-	-	(884)
TOTAL	1,523	(3,628)	529	0	59	(1,517)

*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 2024/25 MONTH 3 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	120	0	0	120
Estates projects	0	92	(403)	(1,853)	(2,163)
IT projects	0	10	(151)	0	(141)
Transport projects	0	0	(37)	0	(37)
OPC projects	0	0	0	0	0
SCD projects	0	0	0	0	0
Other projects	0	183	(25)	0	159
<i>Subject to Approval projects</i>	0	0	(304)	0	(304)
TOTAL	0	405	(920)	(1,853)	(2,367)

6.3.3 Delegated Authority Approvals

CAPITAL PROGRAMME 2024/25 MONTH 3 MONITORING POSITION DELEGATED AUTHORITY APPROVALS WITHIN PRECEDING PERIOD

		Amount approved*
		£000
PROJECT	AREA	
Ninhydrin Oven	SCD	12
Rechargeable batteries & related equipment	SCD	47
TOTAL		59

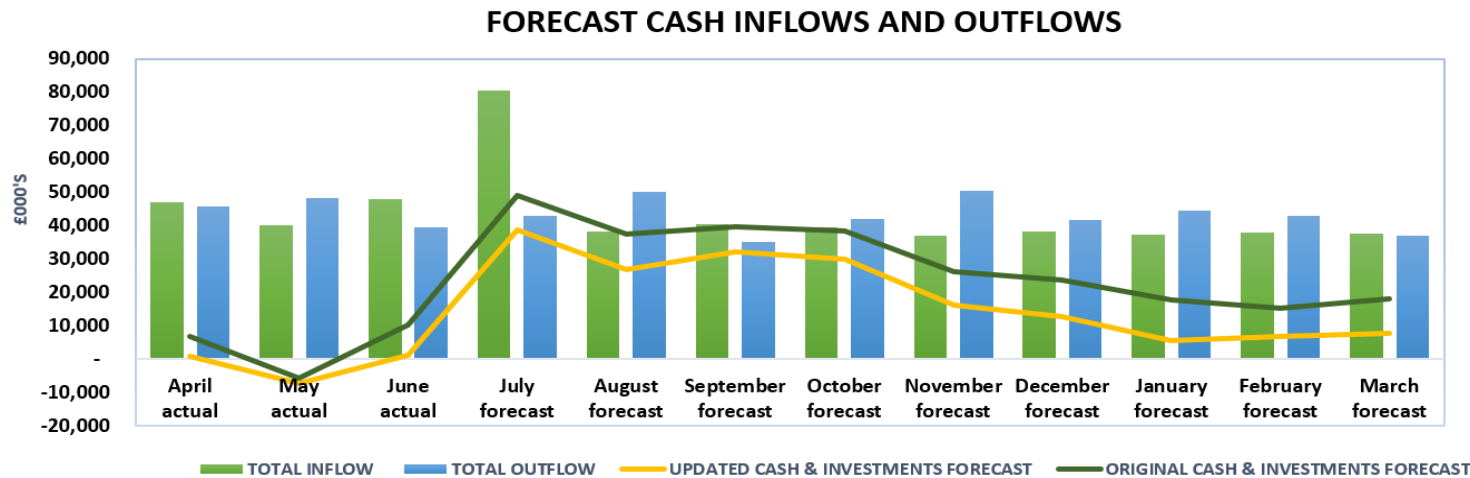
*for month 3 all amounts approved under delegated authority fall within scope of the Capital Holding Account (e.g. bids < £0.050m), with a corresponding budget reduction actioned from the *Subject to Approvals* line

6.3.4 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2024/25 MONTH 3 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS TO BUDGET

	Changes in Forecast Outturn	Explanation
	£000	
Month 3 budget	21,194	
Harlow Police Station - Rest Area	64	Work still to be completed in Q2
Laindon CEL Phase 2 MIP3	(318)	Project completed with £33k slipped to meet retention costs, with the remainder of £284k an underspend
Harwich & Dovercourt Collaboration (EP / ECFRS)	(1,718)	Expenditure reprofiled to 2025/26. Process of contract award is being finalised for new contractor.
Chelmsford PS	(72)	Slippage to 2025/26 for retention payments
EV Charging Infrastructure Estate Bid MIP7	(84)	Some slippage into 2025/26 due to delay in commencement of works as the project is in procurement stage
Specials Body Worn Video & Mobile First	(111)	Budget not required as purchase of the devices was included within the IT Tech Refresh budget
Net impact of other immaterial movements < £50k (reductions, underspends and slippage)	(128)	
Month 3 forecast	18,827	

7. Cashflow Forecast



Summary	Forecast £000	Actual £000	Variance £000
Expenditure			
Supplier payments	10,700	14,301	3,601
HMRC payments	7,509	7,549	40
Essex LGPS payments	1,751	1,751	0
Payroll	15,550	15,806	256
Total cash outflow	35,510	39,407	3,897
Income			
Govt grant	(28,221)	(29,257)	(1,036)
Precepts	(14,235)	(14,266)	(31)
Other net receipts	(9,937)	(4,408)	5,529
Total cash inflow	(52,393)	(47,931)	4,462
Total cash (inflow)/outflow	(16,883)	(8,524)	8,359

June Commentary

Expenditure

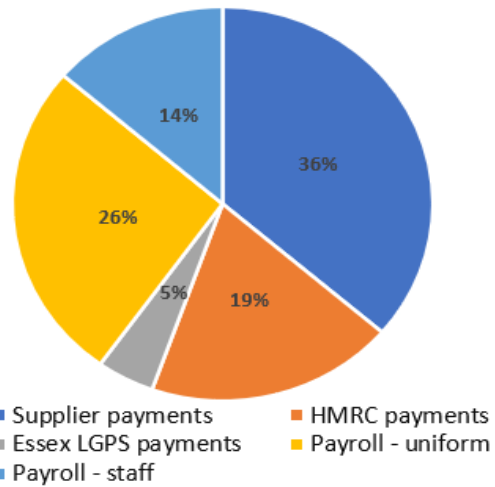
Supplier payments were £3.601m higher than forecast, mainly in respect of payment to the Home office of £3.650m for ICT centrally-delivered services included in the final payment run of the month, which was not included in the original plan

The other significant variance to payroll which was £0.256m higher than anticipated, of which £0.148m related to core payroll and overtime, with £0.108m relating to Apprenticeship Levy for May.

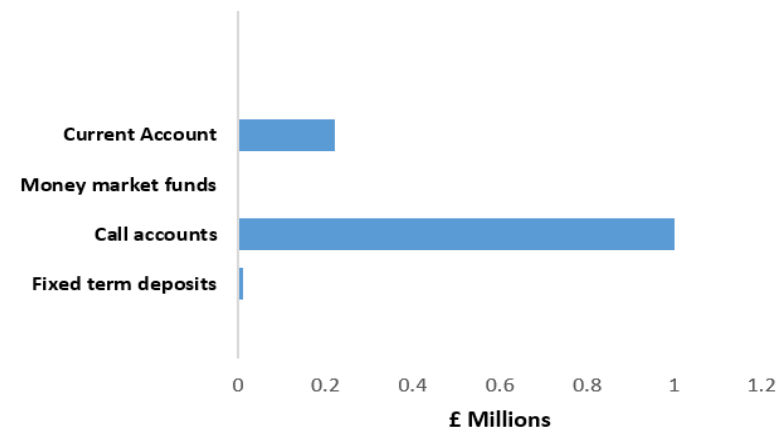
Income

The significant variance for income related to net receipts, with a reduction of £5.529m compared to the plan. This included £3.77m of VAT reimbursements which was due in June but deferred, pending queries relating to the claim from HMRC (this has subsequently been received). There was also a £0.392m decrease in property sales all offset by additional government grant income, comprising a number of separate grants, which made up the remainder of the variances.

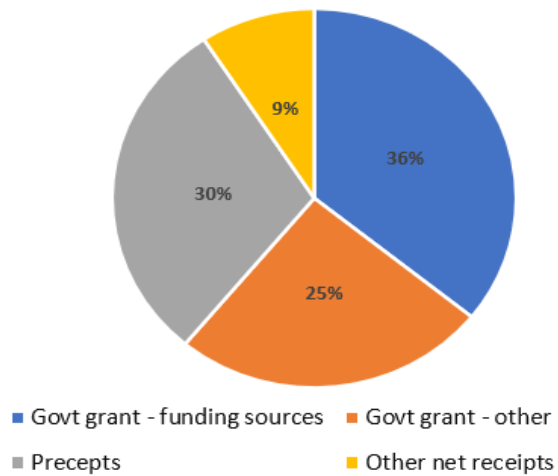
June Expenditure Breakdown



Investments @ 30th June



June Income Breakdown



External Borrowing/Financing

The PFCC cashflow position as at 30th June 2024 reflected a surplus balance of £1.213m.