

Performance and Resources Scrutiny Programme 2024/25

Report to: the Office of the Police, Fire and Crime Commissioner for Essex

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| Title of Report: | 2024/25 Month 4 Financial Monitoring Report |
| Classification of Paper: | Official |
| Agenda Number: | 03.1 |
| Chief Officer: | DCC Prophet |
| Date Paper was Written: | 12th August 2024 |
| Version Number: | 2 |
| Report from: | Essex Police: Corporate Finance |
| Date of Meeting: | 29th August 2024 |
| Author on behalf of Chief Officer: | David Wederell, Temporary Head of Financial Performance and Reporting |
| Date of Approval by Chief Officer | 21st August 2024 |
| COG meeting date / date of approval (Please indicate whether paper presented to COG or not) | COG – 21st August 2024 |

1.0 Purpose of Report

This report identifies the 2024/25 Month 4 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 July, Month 4, financial position.

5.0 Current Work and Performance

The Month 4 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 and 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.

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 or more.

1. Executive Summary

REVENUE

The revenue forecast overspend as at month 4 is £2.125m against the 2024/25 revenue budget of £385.5m (0.55% 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.

WORKFORCE

Police Officer strength forecast at the end of July is 3,721 FTE and forecast to be 3,753 FTE at year end. The headcount for the end of July is 22 under 3,810 but forecast to reach 3,820 by March 2025. The overspend on Police Officer Pay and Allowances, excluding overtime and Temporary Duty Allowance, is £0.788m.

Police Staff strength at the end of June is 2,121 FTE. Total vacancies at 30th June are 228 FTEs. The overspend on Police Staff Pay and Allowances, excluding overtime, is £0.183m.

PCSO strength at the end of June is 88 FTE and forecast to be 85 FTE at year end. The overspend on PCSO Pay and Allowances is £0.069m.

RESERVES

The net appropriations from earmarked reserves for month 4 is £4.135m.

The forecast deficit before appropriations from earmarked reserves and general reserve is £4.922m.

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 4 is a forecast spend of £18.762m, which is a £2.432m underspend against the latest revised budget of £21.194m (11.5% variance).

The financing requirement for unfinanced capital expenditure is forecast at £13.967m, equating to 74% 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 | | | | | | |
| N/A | None in the month | N/A | N/A | N/A | N/A | N/A |
| Total | | 0 | | | | |
| Appropriations (from) Earmarked Reserves | | | | | | |
| ER009/24 | PFCC Commissioning Budget C/Fwd Reserve | (3,885) | PFCC Commissioning Budget C/Fwd for Community Safety Fund, Community Safety Development Fund and Safer Streets to fund planned expenditure in 2024/25. The V&V Commissioning Budget C/Fwd is to be retained for use in FY 2025/26. | Appropriation from Earmarked Reserve for its intended use | PFCC Commissioning Budget C/Fwd Reserve | Supplies & Services |
| ER010/24 | Chief Constables Operational C/Fwd - Exigency of Duty | (175) | One off funding of overtime for Exigency of Duty in July 2024, to all Essex Police officers in LPT, CPT, Town Centre Teams and OSG. | Appropriation from Earmarked Reserve for its intended use | Chief Constables Operational C/Fwd Reserve | Police Officer Pay & Allowances |
| ER011/24 | Chief Constables Operational C/Fwd - Op Ignition | (50) | One off funding of overtime to support Op Ignition - Roads Policing | Appropriation from Earmarked Reserve for its intended use | Chief Constables Operational C/Fwd Reserve | Police Officer Pay & Allowances |
| ER012/24 | Chief Constables Operational C/Fwd - Infrastructure Development Plans | (25) | Consultancy service to establish the skills and knowledge required to apply for Section 106 and Community Infrastructure Levy contributions related to local planning, which assist in funding vehicles, estate, other infrastructure such as ANPR, and tasked PCSO's. | Appropriation from Earmarked Reserve for its intended use | Chief Constables Operational C/Fwd Reserve | Supplies & Services |
| Total | | (4,135) | | | | |
| Net appropriation to/(from) Earmarked Reserves | | (4,135) | | | | |

3. Revenue

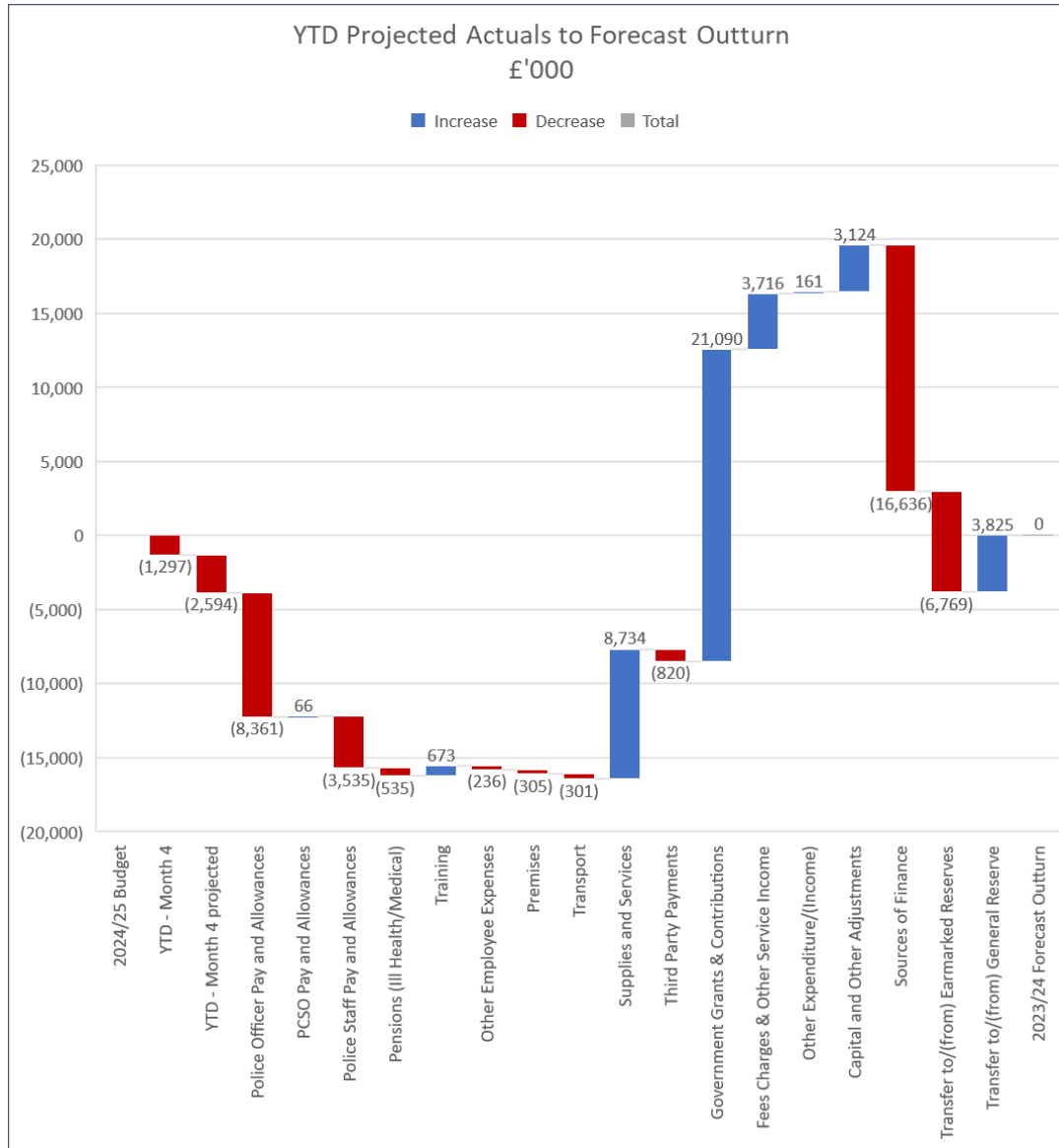
3.1 Revenue Summary

| In Month - Month 04 | | | Year to Date - Month 04 | | | 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 | Movement from Prior Month - Revised Budget |
| £000 | £000 | £000 | £000 | £000 | £000 | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 20,495 | 20,252 | (243) | 81,981 | 79,493 | (2,488) | Employees | | | | | | | | |
| 632 | 777 | 145 | 2,528 | 2,790 | 262 | Police Officer Pay and Allowances | | | | | | | | |
| 88 | 104 | 16 | 351 | 353 | 2 | - Police Officer Pay and Allowances | 245,122 | 820 | 245,942 | 79,493 | 246,730 | 1,608 | 788 | 463 |
| 21,215 | 21,132 | (83) | 84,860 | 82,636 | (2,224) | - Overtime and Operational Performance | 7,060 | 525 | 7,585 | 2,790 | 8,318 | 1,258 | 733 | (13) |
| | | | | | | - Associated Police Pay | 1,074 | (20) | 1,053 | 353 | 1,221 | 147 | 167 | (96) |
| | | | | | | Police Officer Pay and Allowances | 253,256 | 1,325 | 254,581 | 82,636 | 256,269 | 3,014 | 1,689 | 354 |
| 296 | 298 | 2 | 1,182 | 1,227 | 45 | PCSO Pay and Allowances | 3,567 | (20) | 3,547 | 1,227 | 3,615 | 48 | 69 | (11) |
| 8,547 | 8,874 | 327 | 34,190 | 33,090 | (1,100) | Police Staff Pay and Allowances | | | | | | | | |
| 112 | 157 | 46 | 447 | 569 | 122 | - Police Staff Pay & Allowances | 101,956 | 613 | 102,569 | 33,090 | 102,751 | 795 | 183 | (114) |
| 8,659 | 9,032 | 373 | 34,637 | 33,659 | (978) | - Police Staff Overtime and Agency | 1,116 | 226 | 1,342 | 569 | 1,761 | 644 | 419 | 4 |
| 398 | 346 | (52) | 1,590 | 1,450 | (140) | Police Staff Pay and Allowances | 103,072 | 838 | 103,910 | 33,659 | 104,512 | 1,440 | 601 | (110) |
| 135 | 216 | 81 | 540 | 764 | 224 | Pensions (Ill Health / Medical) | 4,770 | 0 | 4,770 | 1,450 | 4,885 | 115 | 115 | 4 |
| 44 | 68 | 24 | 177 | 107 | (70) | Training | 1,611 | 8 | 1,619 | 764 | 1,619 | 8 | 0 | 0 |
| 30,746 | 31,092 | 345 | 122,986 | 119,842 | (3,144) | Other Employee Expenses | 392 | 138 | 530 | 107 | 557 | 165 | 27 | 43 |
| 988 | 1,129 | 140 | 3,954 | 3,829 | (125) | Employees Total | 366,668 | 2,289 | 368,957 | 119,842 | 371,458 | 4,790 | 2,501 | 280 |
| 536 | 547 | 11 | 2,143 | 2,085 | (58) | Premises | 11,650 | 212 | 11,862 | 3,829 | 11,792 | 142 | (70) | (116) |
| 4,349 | 3,961 | (387) | 17,395 | 20,177 | 2,782 | Transport | 6,433 | (3) | 6,430 | 2,085 | 6,556 | 123 | 125 | 86 |
| 615 | 324 | (291) | 2,461 | 2,292 | (169) | Supplies and Services | 46,826 | 5,360 | 52,186 | 20,177 | 51,797 | 4,971 | (389) | (221) |
| 37,235 | 37,053 | (182) | 148,940 | 148,226 | (714) | Third Party Payments | 7,466 | (83) | 7,383 | 2,292 | 7,696 | 230 | 312 | 129 |
| (3,437) | (11,948) | (8,511) | (13,747) | (6,857) | 6,890 | Gross Expenditure | 439,043 | 7,776 | 446,819 | 148,226 | 449,299 | 10,256 | 2,480 | 159 |
| (1,530) | (1,355) | 175 | (6,119) | (4,827) | 1,292 | Income | | | | | | | | |
| (4,967) | (13,303) | (8,336) | (19,866) | (11,684) | 8,183 | - Government Grants & Contributions | (38,723) | (2,519) | (41,242) | (6,857) | (41,661) | (2,938) | (420) | 48 |
| 32,268 | 23,750 | (8,519) | 129,073 | 136,542 | 7,469 | - Fees Charges & Other Service Income | (18,045) | (313) | (18,357) | (4,827) | (18,197) | (153) | 160 | (27) |
| (14) | (75) | (61) | (56) | (127) | (71) | Income | (56,767) | (2,832) | (59,599) | (11,684) | (59,859) | (3,091) | (260) | 20 |
| 107 | 0 | (107) | 428 | 1,562 | 1,134 | Net Cost of Services | 382,275 | 4,944 | 387,219 | 136,542 | 389,440 | 7,165 | 2,220 | 180 |
| 32,361 | 23,674 | (8,687) | 129,445 | 137,977 | 8,532 | Other Expenditure / (Income) | (168) | 0 | (168) | (127) | (542) | (374) | (374) | (120) |
| (32,128) | (34,833) | (2,705) | (128,513) | (134,058) | (5,545) | Capital and Other Adjustments | 1,284 | 0 | 1,284 | 1,562 | 1,562 | 278 | 278 | 0 |
| 233 | (11,158) | (11,391) | 932 | 3,919 | 2,987 | Net Expenditure | 383,391 | 4,944 | 388,335 | 137,977 | 390,460 | 7,069 | 2,125 | 60 |
| (304) | (4,324) | (4,020) | (1,216) | (3,472) | (2,257) | Sources of Finance | (385,538) | 0 | (385,538) | (134,058) | (385,538) | (0) | (0) | 0 |
| 71 | 0 | (71) | 283 | 850 | 567 | (Surplus)/Deficit before appropriations | (2,147) | 4,944 | 2,797 | 3,919 | 4,922 | 7,069 | 2,125 | 60 |
| 0 | (15,483) | (15,483) | 0 | 1,297 | 1,297 | Contribution to/(from) Earmarked Reserves | 1,297 | (4,944) | (3,647) | (3,472) | (3,647) | (4,944) | 0 | 0 |
| | | | | | | Contribution to/(from) General Reserve | 850 | 0 | 850 | 850 | (1,275) | (2,125) | (2,125) | (60) |
| | | | | | | (Surplus)/Deficit after appropriations | 0 | 0 | 0 | 1,297 | 0 | 0 | 0 | 0 |

¹Even monthly profile of Revised Budget

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

3.2 Year to Date Projected Actuals to Forecast Outturn



Supporting Commentary

YTD – Month 4 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

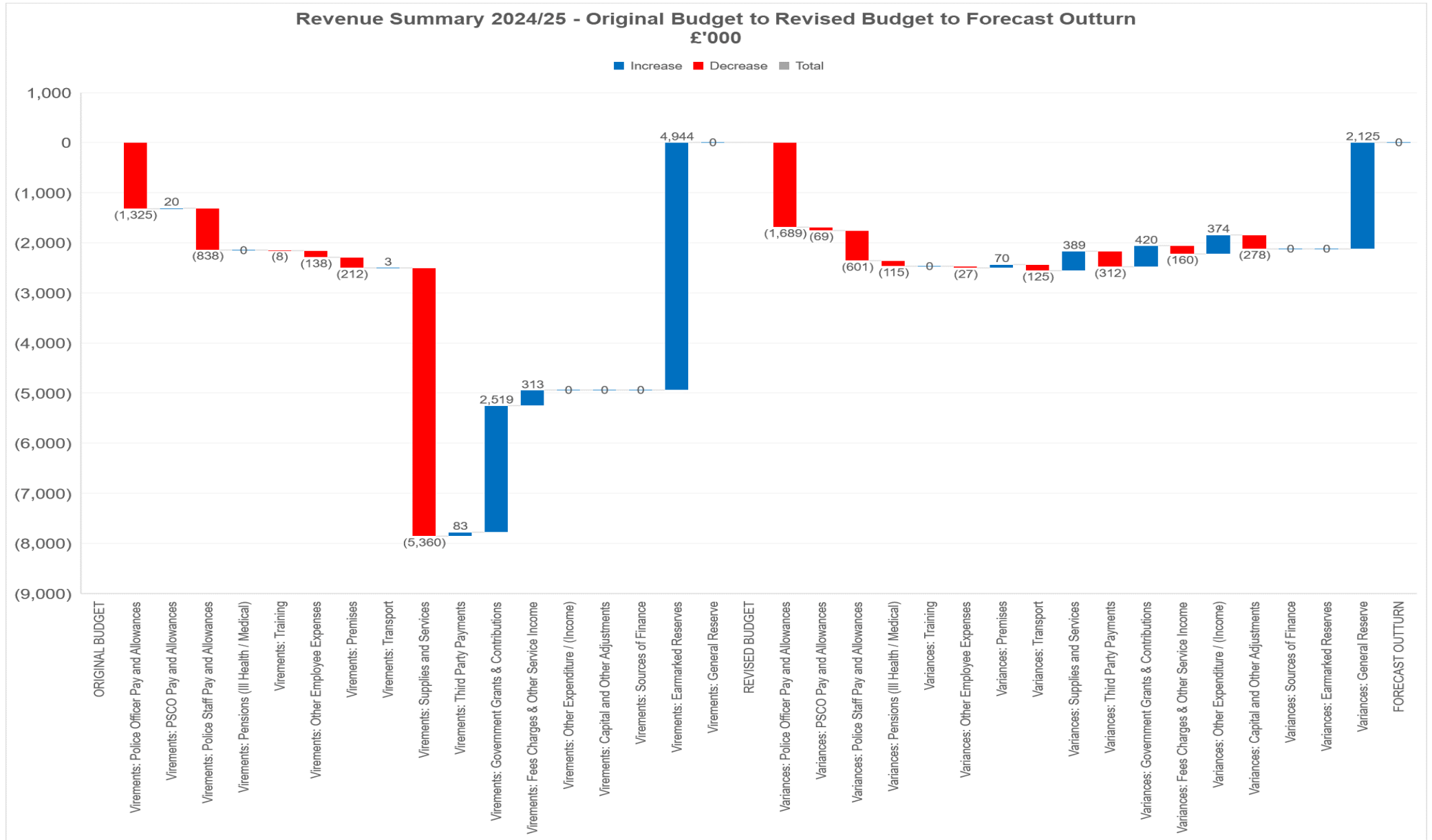
Transfer to/(from) Earmarked Reserve

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 - £1.689m 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 (£0.350m). 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 (£0.683m), in addition to Bank Holiday overtime across the force (£0.050m); Temporary Duty Allowance based on the impact of abstraction from LPA teams for other demands (£0.300m) and resources directed at policing of violent hot spots under Op Grip to ensure that the full grant is claimable (£0.306m).

PCSO Pay and Allowances - £0.069m 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 - £0.601m 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 (£0.183m). The forecast also includes overspends for Police Staff overtime (including Back Holiday overtime), including Contact

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 4 (which has a corresponding forecast change) includes funding of overtime for the Exigency of Duty in July 2024 (£0.175m increase) and Op Ignition (£0.050m increase) from the Chief Constables Operational Reserve.

Previously reported adjustments to Original Budget, up to and including Month 3, total £1.100m.

Explanation of adjustments to Original Budget (virements)

Nothing to report.

Management and SCD, based on vacancies and volumes of activity (£0.419m).

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 3, total £0.838m

Police Pensions (Ill Health/Medical) - £0.115m 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) - £0.027m overspend

Explanation of forecast variance

Nothing to report.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 3, total £0.138m.

Premises - £0.070m overspend

Explanation of forecast variance

The forecast includes a one-off credit received for contract cleaning regarding recovery of a proportion of SARC related expenditure from the prior 3 years.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 3, total £0.211m.

Transport - £0.125m overspend

Explanation of forecast variance

The forecast includes material overspends for Vehicle Parts, Equipment and Tyres (£0.518m) and the impact of the annual review of Detention Officer eligibility to claim Essential User Lump Sum Allowance (0.069m), 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 - £0.389m underspend

Explanation of forecast variance

The forecast underspend includes a saving in respect of revenue consequences of capital following a detailed analysis of the in-year requirement, encompassing the underlying movement in the capital programme since 2024/25 budget setting (£0.4m); 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 (£0.3m); a saving against budgeted inflationary cost pressures for Taser ammunition (£0.2m) and the impact of lower than expected Home Office recharges for CSP Data (£0.1m). The forecast underspend is partially offset by high demand on kennelling and fees in relation to Dangerous Dogs, which is a nationally recognised pressure (£0.3m); an increase in misconduct cases, in addition to new fees for panel attendees (£0.1m); an increase in legal fees, which is linked to vacancies within the Legal team (£0.1m); and an increase in the forecast for Preservation and Production Order costs for comms data, together with other small adjustments across the range of supplies and services budgets (£0.1m).

Third Party Payments - £0.312m overspend

Explanation of forecast variance

The forecast overspend includes the profile difference of ERSOU ROCU costs when compared to budget setting (£0.220m) 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 (£0.056m).

Explanation of adjustments to Original Budget (virements)

The adjustment from Original Budget to the Revised Budget during Month 4 (which has a corresponding forecast change) includes an appropriation from the PFCC Commissioning Budgets C/Fwd Reserve for Community Safety Fund, Community Safety Development Fund and Safer Streets to fund planned expenditure in 2024/25 (£3.885m increase); to reflect the agreed 2024/25 Home Office VRU grant, Home Office serious violence duty grant, and Essex contribution to the PFCC Violence and Vulnerability budget, in addition to the 2024/25 budget setting provision (£0.637m increase); and to fund consultancy work in respect of Infrastructure Development Plans from the Chief Constables Operational Reserve (£0.025m increase).

Previously reported adjustments to Original Budget, up to and including Month 3, total £0.814m.

Explanation of adjustments to Original Budget (virements)

Previously reported adjustments to Original Budget, up to and including Month 3, total £0.083m.

Income – Government Grants & Contributions - £0.420m 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 - £0.160m 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) - £0.374m surplus

Explanation of forecast variance

The forecast surplus is due to an increase in investment income based on a revised calculation of expected returns across the remainder of year and 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 - £2.125m

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

Main Changes to Forecast Outturn Variance since Month 3

| | Change in Forecast Outturn Variance £m | |
|--|--|--|
| Month 3 Forecast Outturn Variance | 2.1 | Overspend |
| Police Officer Pay and Allowances | 0.3 | The increase in forecast includes changes to the recruitment and leaver profiles and reflects additional resources targeted at Op Grip work (policing of violent crime hotspots) to ensure that the full grant is claimable. |
| Police Staff Pay and Allowances | (0.1) | The reduction in forecast includes the net impact of joiners/leavers and changes to the profile of forecast bulk intakes into the Contact Centre. |
| Premises | (0.1) | The reduction in forecast includes a one-off credit received for contract cleaning regarding recovery of a proportion of SARC related expenditure from the prior 3 years. |
| Transport | 0.1 | The increase in forecast includes the impact of the annual review of Detention Officer eligibility to claim Essential User Lump Sum Allowance. |
| Supplies and Services | (0.2) | The decrease in forecast includes a saving in respect of revenue consequences of capital following a detailed analysis of the in-year requirement, encompassing the underlying movement in the capital programme since 2024/25 budget setting (£0.4m); partially offset by an increase in legal fees, which is linked to vacancies within the Legal team (£0.1m); and an increase in the forecast for Preservation and Production Order costs for comms data, together with other small adjustments across the range of supplies and services budgets (£0.1m). |
| Third Party Payments | 0.1 | The increase in forecast includes the impact of the ERSOU finance department restating the allocation of budgeted costs for 2024/25 across regional forces. |
| Other Expenditure / (Income) | (0.1) | The forecast includes an increase in investment income based on a revised calculation of expected returns across the remainder of year. |
| Month 4 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 FTEs | |
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | | |
| | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | | |
| 15 | 1st April 2024 Strength | 3,758 | 3,742 | 3,722 | 3,746 | 3,721 | 3,700 | 3,753 | 3,734 | 3,715 | 3,753 | 3,731 | 3,710 | |
| 16 | Leavers | (19) | (22) | (28) | (26) | (23) | (23) | (23) | (23) | (23) | (23) | (23) | (23) | |
| 17 | Joiners (note 7) | 2 | 1 | 53 | 1 | 2 | 76 | 4 | 4 | 61 | 1 | 2 | 66 | |
| 20 | Other Adjustments (note 8) | 1 | 1 | (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 21 | Net change | (16) | (20) | 24 | (25) | (21) | 53 | (19) | (19) | 38 | (22) | (21) | 43 | |
| 22 | Officer strength FTEs - month end | 3,742 | 3,722 | 3,746 | 3,721 | 3,700 | 3,753 | 3,734 | 3,715 | 3,753 | 3,731 | 3,710 | 3,753 | |
| 23 | Difference to 3755fte - over / (under) | (13) | (33) | (9) | (34) | (55) | (2) | (21) | (40) | (2) | (24) | (45) | (2) | |
| 24 | Officer headcount - month end | 3,810 | 3,790 | 3,813 | 3,788 | 3,767 | 3,820 | 3,801 | 3,782 | 3,820 | 3,798 | 3,777 | 3,820 | |
| 25 | Difference to PUP headcount 3810 - over/(under) (note 9) | (0) | (20) | 3 | (22) | (43) | 10 | (9) | (28) | 10 | (12) | (33) | 10 | |
| Actuals /Forecast £ | Actual £ | | | Forecast £ | | | | | | | | | Total £m | |
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | |
| 24 | Costed Strength before joiners/leavers | £19.08m | £20.18m | £19.85m | £20.27m | £20.34m | £21.54m | £20.85m | £20.94m | £20.89m | £21.01m | £21.05m | £21.06m | £247.06m |
| 25 | Leavers | | | | | (£0.10m) | (£0.20m) | (£0.30m) | (£0.40m) | (£0.50m) | (£0.60m) | (£0.70m) | (£0.80m) | (£3.61m) |
| 26 | Joiners | | | | | £0.01m | £0.03m | £0.31m | £0.33m | £0.34m | £0.56m | £0.56m | £0.57m | £2.71m |
| 27 | Other Costs | | | | | £0.03m | £0.03m | £0.03m | £0.03m | £0.03m | £0.03m | £0.03m | £0.03m | £0.26m |
| 28 | Monthly Actual | £19.08m | £20.18m | £19.85m | £20.27m | £20.29m | £21.40m | £20.90m | £20.90m | £20.75m | £21.00m | £20.94m | £20.86m | £246.42m |
| Variance from Budget Setting | | | | | | | | | | | | | | |
| | Actual FTE | | | Forecast FTE | | | | | | | | | Total FTEs | |
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | | |
| | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | FTEs | | |
| 29 | Strength @ beginning of month (negative=reduction) | 3 | 8 | 10 | 3 | (0) | (0) | 10 | 12 | 15 | 10 | 10 | 10 | |
| 30 | Leavers (positive number = less leavers) | 4 | 1 | (5) | (3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 31 | Joiners | (0) | 0 | (1) | 0 | 0 | 10 | 2 | 3 | (5) | 0 | 0 | 3 | |
| 32 | Other Adjustments | 1 | 1 | (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | |
| 33 | Month End Strength Change - FTEs | 8 | 10 | 3 | (0) | (0) | 10 | 12 | 15 | 10 | 10 | 13 | 10 | |
| 34 | Change per month FTEs | 5 | 2 | (7) | (3) | 0 | 10 | 2 | 3 | (5) | 0 | 0 | 3 | |
| | Actual £ | | | Forecast £ | | | | | | | | | Total £m | |
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | | |
| 35 | Monthly Financial Change | (£1.19m) | £0.01m | (£0.42m) | £0.10m | £0.22m | £0.68m | £0.27m | £0.38m | £0.08m | £0.43m | £0.47m | £0.26m | £1.30m |

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)

| | 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 | | | | | | | | | | | | | Total |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Estimated Impact of 1 FTE less Leaver | 55,651 | 51,013 | 46,376 | 41,738 | 37,101 | 32,463 | 27,825 | 23,188 | 18,550 | 13,913 | 9,275 | 4,638 | | | | | | | | | | | | | 361,730 |
| Estimated Impact of 3 FTE less probationer joiner | | | (111,819) | | | (78,274) | | | (44,728) | | | | | | | | | | | | | | | | (234,821) |
| Net Impact | | | | | | | | | | | | | | | | | | | | | | | | | 126,910 |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 12 months | 11 months | 10 months | 9 months | 8 months | 7 months | 6 months | 5 months | 4 months | 3 months | 2 months | 1 month | | | | | | | | | | | | | Total |
| 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 |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 12 months | 11 months | 10 months | 9 months | 8 months | 7 months | 6 months | 5 months | 4 months | 3 months | 2 months | 1 month | | | | | | | | | | | | | Total |
| 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 4

| 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 @ 31 May 24 | 3,755 | 3,723 | 3,758 | 251 | 18 | (277) | 1 | 3,751 |
| HR data @ 30 June 24 | 3,755 | 3,746 | 3,758 | 248 | 25 | (279) | 1 | 3,753 |
| Change | | | | (3) | 7 | (2) | (0) | 2 |

| 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 @ 31 May 24 | 2,349 | 2,107 | | | 28 | (33) | (1) |
| HR data @ 30 June 24 | 2,349 | 2,121 | | | 57 | (47) | (2) |
| Change | | | | | 30 | (14) | (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 @ 31 May 24 | 98 | 91 | 99 | 93 | 0 | (8) | (0) | 86 |
| HR data @ 30 June 24 | 98 | 88 | 99 | 93 | 0 | (9) | (0) | 85 |
| Change | | | | | 0 | (1) | 0 | (1) |

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 @ 31 May 24 | 249 | 427 |
| HR data @ 30 June 24 | 245 | 427 |
| Change | (4) | |

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 | - | - | (£0.300m) | £0.450m | - | £0.450m | Operational Carry Forward resulting from the force underspend. Allocations to date for Exigency of Duty (July 2024), Op Recover, Op Ignition and Infrastructure Development Plans. |
| 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 | (£0.300m) | £3.050m | (£1.000m) | £2.050m | |
| 4 PFFC Reserves | | | | | | | | |
| Commissioning Grants / Safer Streets | £6.152m | - | - | (£3.885m) | £2.267m | - | £2.267m | Includes PFFC Commissioning Budget C/Fwd of £2.650m and Safer Streets funding of £3.502m. |
| Total | £6.152m | £0.000m | £0.000m | (£3.885m) | £2.267m | £0.000m | £2.267m | |
| 5 General Reserve | | | | | | | | |
| General Reserve | £12.622m | £0.850m | - | - | £13.472m | (£2.125m) | £11.347m | The 2024/25 General Reserve opening balance is £12.622m. The 2024/25 General Reserve closing balance is £11.347m, which represents 2.9% 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 | (£5.044m) | £24.528m | (£4.275m) | £20.254m | |

6. Capital

6.1 Capital Summary

CAPITAL PROGRAMME 2024/25 MONTH 4 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) | 2024/25 Previous Month Forecast Outturn | 2024/25 Movement to Previous Month (Table 6.3.3) |
|-------------------------------------|--|---|---|------------------------------|--|---------------------|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| EXPENDITURE - | | | | | | | | | |
| ANPR projects | 0 | 0 | 0 | 0 | 0 | 120 | 120 | 120 | 0 |
| Estates projects | 6,681 | 890 | 622 | 8,193 | 524 | 5,966 | (2,228) | 5,736 | 230 |
| IT projects | 6,409 | 3,850 | (1,728) | 8,530 | 2,381 | 8,391 | (139) | 8,389 | 2 |
| Transport projects | 1,000 | 2,119 | 100 | 3,219 | 405 | 3,182 | (37) | 3,182 | 0 |
| OPC projects | 0 | 0 | 74 | 74 | 0 | 74 | 0 | 74 | 0 |
| SCD projects | 0 | 0 | 298 | 298 | 123 | 298 | 0 | 298 | 0 |
| Other projects | 25 | 0 | 0 | 25 | 26 | 181 | 156 | 478 | (297) |
| <i>Subject to Approval projects</i> | 8,596 | (6,859) | (884) | 854 | 0 | 550 | (304) | 550 | 0 |
| TOTAL EXPENDITURE | 22,711 | 0 | (1,517) | 21,194 | 3,458 | 18,762 | (2,432) | 18,827 | (65) |
| FINANCING - | | | | | | | | | |
| Capital Receipts | 4,260 | 0 | (478) | 3,782 | | 3,782 | 0 | 6,174 | (2,392) |
| Revenue Contributions | 1,000 | 0 | 0 | 1,000 | | 1,000 | 0 | 1,000 | 0 |
| Capital Grants & Contributions | 0 | 0 | 13 | 13 | | 13 | 0 | 0 | 13 |
| Financing Requirement | 17,451 | 0 | (1,052) | 16,399 | | 13,967 | (2,432) | 11,653 | 2,313 |
| TOTAL FINANCING | 22,711 | 0 | (1,517) | 21,194 | 3,458 | 18,762 | (2,432) | 18,827 | (65) |

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 £2.432m 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 a 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 small net 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 reduced to a revised budget of **£21.194m** as at month 4. 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 brought forward slippage from 2023/24 totalling £1.523m 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.

Other changes to the existing programme of (£3.628m) 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 4 is a year-end spend of £18.762m, reflecting a forecast underspend of (£2.432m) against the current budget of £21.194m, compared to the month 3 underspend of (£2.367m). The decrease in the forecast since previous month equates to (£0.065m), solely relating to approved budgets.

Forecast Variances

The forecast underspend of (£2.432m) comprises slippage of (£2.221m) and an underspend of (£0.924m), both offset by a net forecast overspend of £0.712m.

Forecast slippage of (£2.221m) (from 2024/25 to 2025/26)

Estates – all of the month 4 variance falls under this area, with the material variances comprising:

- Harwich and Dovercourt Collaboration - (£1.718m) slipping into 2025/26 due to delays in the tendering process with no further movement in month 4.
- Capital Maintenance Programme - (£0.360m) of new slippage being recognised in month 4 for various major remedial works now delayed until 2025/26.
- Laindon CEL - (£0.038m) of slippage, including a minor additional movement in month 4. 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.
- EV Charging Infrastructure MIP7 – (£0.036m) of slippage, incorporating a reduction of £0.048m in month 4 compared to the (£0.084m) slippage reported in month 3.
- Boreham Infrastructure – (£0.050m) of new slippage in month 4, with related works reprofiled to 2025/26.

Net forecasts overspend of £0.712m

The main elements comprise:

Estates - £0.397m being reported in month 4 including an additional £0.300m being recognised in month 4 in relation to Harwich and Dovercourt, relating to the purchase sum of the land not previously being recognised within the forecast.

ANPR – Expenditure of £0.120m for purchase of equipment as reported in month 3 with no further movement in month 4. The Stage C1 business case is in progress to ensure the budget is approved, which is currently included in the subject to approvals line.

Other projects – Expenditure of £0.183m in month 3 relating to the body armour replacement programme with no variance to report in month. A budget of £0.280m is currently included in the subject to approval programme for which a Stage C1 business case is currently in progress.

Net forecast underspend of (£0.924m)

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 which was previously reported in month 3 of (£0.151m) mainly comprising Special Body Worn Video and 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 as previously reported in month 3, comprising ANPR equipment replacement (£0.120m) and body armour (£0.183m), with a Stage 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 £3.782m in month 4 compared to £6.174m for month 3, a reduction of £2.392m. In both cases the full amount of capital receipts receivable in year were expected to be used for financing in 2024/25. The reduction in capital receipts is due to the delay in the sale of Stanway RPU and MIT and Eastwood Police Office, both now moving to 2025/26. These amounts are subject to change due to the continued challenges within in the property market, as well as high development costs.

£1.000m 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. This includes the higher MRP costs which accrue from spend on short-life assets.

The financing requirement for unfinanced capital expenditure is forecast at £13.967m which equates to approximately 74% 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 4 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) | 294 | - | - | 622 |
| IT projects | 250 | (1,978) | - | - | - | (1,728) |
| Transport projects | 100 | - | - | - | - | 100 |
| OPC projects | 74 | - | - | - | - | 74 |
| SCD projects | 5 | - | 235 | - | 59 | 298 |
| Other projects | - | - | - | - | - | - |
| <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 4 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 | 397 | (404) | (2,221) | (2,228) |
| IT projects | 0 | 12 | (151) | 0 | (139) |
| 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 | (28) | 0 | 156 |
| <i>Subject to Approval projects</i> | 0 | 0 | (304) | 0 | (304) |
| TOTAL | 0 | 712 | (924) | (2,221) | (2,432) |

6.3.3 Delegated Authority Approvals

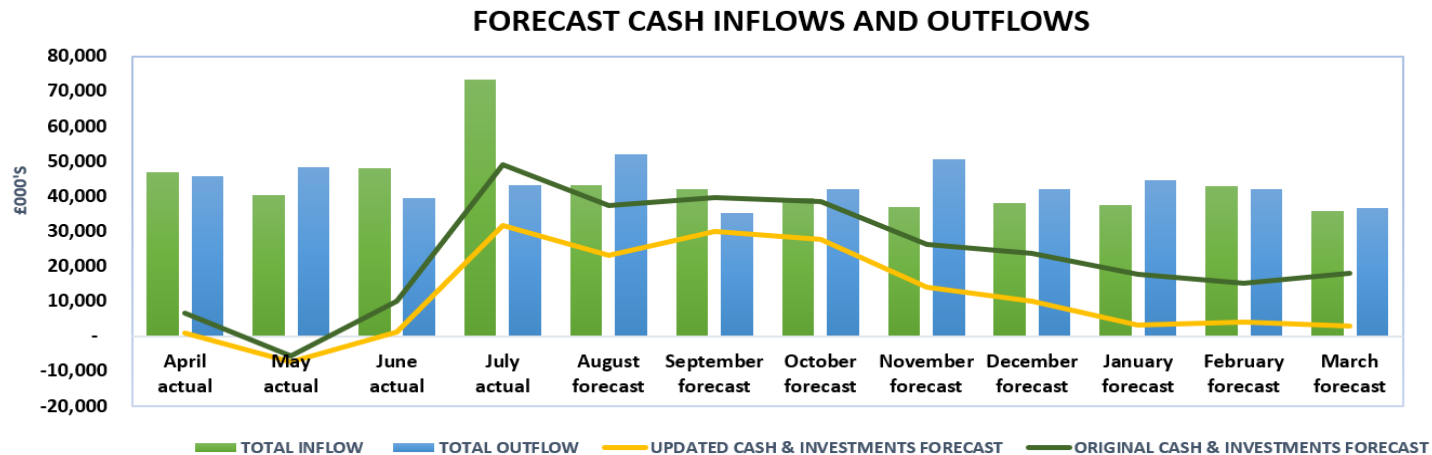
There were no delegated authority approvals for capital projects within month 4.

6.3.4 Forecast Outturn Monthly Movement

CAPITAL PROGRAMME 2024/25 MONTH 4 MONITORING POSITION FORECAST OUTTURN VARIANCE MOVEMENTS TO BUDGET

| | Forecast Outturn | Forecast Outturn Variance | Explanation |
|---|---------------------|---------------------------------|--|
| | £000 | £000 | |
| Month 3 reported position | 18,827 | (2,367) | |
| Harwich & Dovercourt Collaboration (EP / ECFRS) | 300 | 300 | Overspend recognition based on forecast now including purchase of land |
| Capitalised Maintenance Programme - 23/24 & 2024/25 | (360) | (360) | Slippage to 2025/26 |
| Boreham Infrastructure MIP4 | (50) | (50) | Slippage to 2025/26 |
| EV Charging Infrastructure Estate MIP7 | 48 | 48 | Reversal of previous month slippage e.g. now reporting to spend in 2024/25 |
| Various smaller projects (IT and transport) | (3) | (3) | Various |
| Month 4 forecast outturn | 18,762 | (2,432) | |

7. Cashflow Forecast



| Summary | Forecast £000 | Actual £000 | Variance £000 |
|------------------------------------|------------------|-----------------|------------------|
| Expenditure | | | |
| Supplier payments | 11,772 | 11,639 | (133) |
| HMRC payments | 7,742 | 7,589 | (153) |
| Essex LGPS payments | 1,700 | 1,771 | 71 |
| Payroll | 21,839 | 22,022 | 183 |
| Total cash outflow | 43,053 | 43,021 | (32) |
| Income | | | |
| Govt grant | (55,453) | (51,188) | 4,265 |
| Precepts | (14,173) | (14,173) | 0 |
| Other net receipts | (10,589) | (8,039) | 2,550 |
| Total cash inflow | (80,215) | (73,400) | 6,815 |
| Total cash (inflow)/outflow | (37,162) | (30,379) | 6,783 |

July Commentary

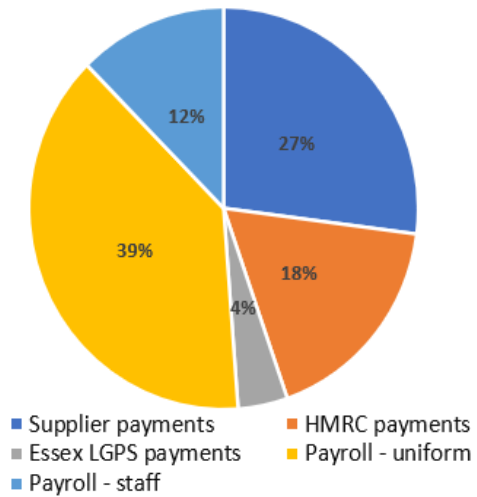
Expenditure

There were no material variances in relation to expenditure in month 4, with some minor movements to forecast only in the main categories of spend, relating to one-off amounts within payroll, offset by minor reductions in creditor-related

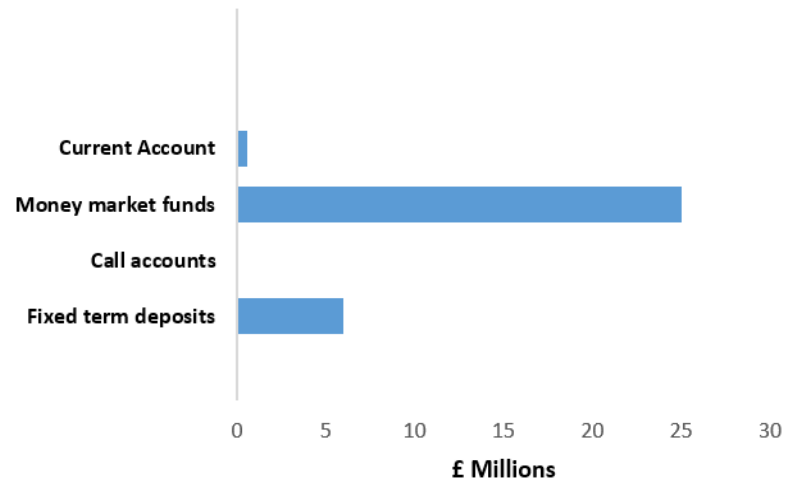
Income

Of the adverse £6.815m income variance, the majority of this related to £4.681m of PUP grant expected by the end of July but now delayed until late August. The other net receipts reduction of £2.550m principally related to daily customer receipts being significantly lower in month than the standard average forecast assumption, with other specific variances relating to a £0.617m reduction relating to a delay in the sale of Tilbury Police Station, offset by an extra £0.535m relating to higher VAT reimbursements for centrally delivered services.

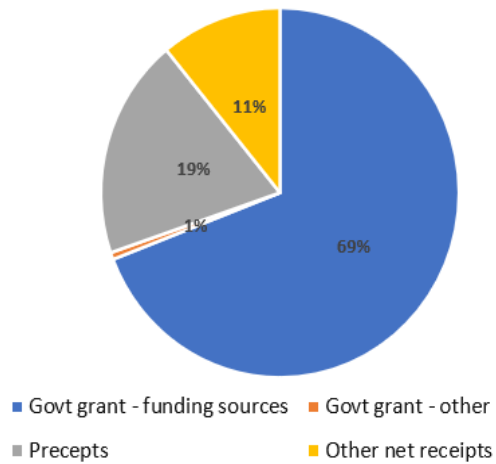
July Expenditure Breakdown



Investments @ 31st July



July Income Breakdown



External Borrowing/Financing

The PFCC cashflow position reflected a surplus balance of £31.710m as at 31st July 2024, encompassing both investments and current account balances. Thereafter, the cashflow position is expected to remain in credit for the remainder of the majority of 2024/25 with a small surplus balance forecast by the end of the year. Due to MiFiD requirements and for liquidity/cash management purposes, the PFCC may choose to source additional monies for short-term external borrowing at this time, thus meeting the minimum cash threshold requirement of £10m.