

**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

REF: 018/2018


DATE: 31 May 2018

SUBJECT	CHANGES REQUIRED TO THE REVENUE BUDGET 2017/18 AND REVISIONS TO THE 2017/18 APPROVED CAPITAL PROGRAMME
REPORT BY	FORCE CHIEF FINANCE OFFICER
CONTACT OFFICER	SHARON CLARK, FORCE CHIEF FINANCE OFFICER, TELEPHONE (01522) 947468
EXECUTIVE SUMMARY AND PURPOSE OF REPORT This report provides proposals for changes to the Revenue Budget for 2017/18 and the approved Capital Programme 2017/18. It also proposes changes to the Earmarked Reserves and amendments to the Treasury Management Strategy 2017/18.	
RECOMMENDATION	<ol style="list-style-type: none"><i>1. That approval is given to the proposed changes to the Revenue Budget for 2017/18 as shown in paragraph 17.</i><i>2. That approval is given to the proposed changes of the Capital Programme 2017/18 as shown in paragraph 18.</i><i>3. That approval is given to the proposed changes to the Earmarked Reserves as in paragraph 37.</i><i>4. That approval is given to the proposed changes to the Capital Programme 2018/19 as shown in paragraph 38.</i><i>5. That approval is given for the proposed change to the Treasury Management Strategy 2017/18 as shown in paragraph 41.</i>

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

I hereby approve the recommendation above, having considered the content of this report.

Signature:



Date: 31/5/18

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. This report sets out the changes that are required to the Revenue Budget 2017/18 and the Capital Programme 2017/18 and of its financing. It also looks to make

changes to the Earmarked Reserves and update the Treasury Management Strategy 2017/18.

Revenue Budget 2017/18

2. Previously a virement had been made from the contingency budget to cover overspend on the external training budget. Of this £70k was not required and is therefore being proposed to be put back into the contingency budget.
3. There is an underspend of £274k on community grants and contributions. It is proposed that the £274k is transferred to the development and partnership working earmarked reserve.
4. It is proposed that an income and expenditure budget of £100k is included for the Mini Police. The expenditure budget is split £48k for revenue and £52k for direct revenue funding to fund capital expenditure.
5. It is proposed that an earmarked reserve is created for regional collaboration, with the balance of £118k being transferred to fund expenditure in 2018/19.
6. It is proposed that the excess proceeds of crime income of £58k are transferred to the proceeds of crime earmarked reserve for the costs of the financial investigators.
7. The special grant of £874k has been received for 2017/18. It is proposed that a budget of £874k is included for the special grant income. It is also proposed that the £874k is transferred to a continuing special operations earmarked reserve for the ongoing costs of specific operations.
8. It is proposed that £280k is released from the strategic partnership earmarked reserve to the revenue account to cover the FME costs.
9. It is proposed that the EMOPSS ARV grant of £257k is transferred to the regional collaboration earmarked reserve as payments to regional forces will be made in 2018/19.
10. It is proposed that £293k is released from the regional niche earmarked reserve to the revenue account for direct revenue funding for the regional niche programme for G4S capital invoices for implementation of the general incident management module. This is from monies contributed from Derbyshire when they joined the Niche platform, which are being used as we didn't receive any police transformation funding for the second year.
11. It is proposed that £218k is transferred to the regional niche earmarked reserve for the payments due to other forces within the collaboration. This is reimbursement as the data centre is now being used by 6 forces instead of 5, with the City of London coming on-board.
12. £9k was released in the year from the mobile data earmarked reserve, with only £6k being required. So it is proposed that £3k of direct revenue financing is added back to this reserve and that £3k is removed from the capital programme.
13. £26k was released in the year from the performance and productivity earmarked reserve for the policing model project, with only £15k being required. So it is

proposed that £11k of direct revenue financing is added back to this reserve and that £11k is removed from the capital programme.

14. It is proposed that the capital financing underspend of £145k is transferred back to the capital financing earmarked reserve to make provision for the increased costs of borrowing.
15. It is proposed that £100k of budget underspend is transferred back to the performance and productivity reserve to maintain reserve levels.
16. It is proposed that the remaining budget underspend of £687k is transferred to the budget flexibility earmarked reserve.
17. The following table summarises the required changes to the 2017/18 budget:

Paragraph	Item	Virement £'000	
2.	External Training Courses Contingency	70	70
3.	Community Grants and Contributions Earmarked Reserves	274	274
4.	Mini Police Grant Income Mini Police Expenditure – Uniforms Mini Police Expenditure – DRF	48 52	100
5.	Regional Collaboration Earmarked Reserves	118	118
6.	Proceeds of Crime Earmarked Reserves	58	58
7.	Government Grants Earmarked Reserves	874	874
8.	Earmarked Reserves Strategic Partnership	280	280
9.	EMOPSS ARV Grant Earmarked Reserves	257	257
10.	Earmarked Reserves Niche Collaboration	293	293
11.	Niche Collaboration Earmarked Reserves	218	218
12.	Mobile Data - DRF Earmarked Reserves	3	3
13.	Policing Model - DRF Earmarked Reserves	11	11
14.	Capital Financing Earmarked Reserves	145	145
15.	Budget Underspend Earmarked Reserves	100	100
16.	Budget Underspend Earmarked Reserves	687	687
		3,488	3,488

Capital Programme 2017/18

18. The following table summarises the current approved Capital Programme and the proposed programme. The original programme was agreed in the Decision Report Reference 005/2017 "Budget Report" and subsequent changes following the 2016/17 Capital Outturn were agreed in Decision Report Reference 016/2017 "Allocation to Reserves 2016/17 Outturn." The proposed changes to the 2017/18 Capital Programme are as summarised below.

Capital Schemes:	Original Programme £'000	2016/17 Carry Forward £'000	Current Approved Programme £'000	Proposed Changes £'000	Proposed Carry Forward £'000	Proposed Programme £'000
Building Maintenance and Improvements	1,849	239	2,088	-	(389)	1,699
Vehicle Replacement	1,200	400	1,600	82	(23)	1,859
Blue Light Collaboration - Partner/PIF	6,445	-	6,445	(840)	-	5,605
Blue Light Collaboration - Police	-	-	-	676	-	676
Blue Light Collaboration - C/Fwd	-	-	-	-	(784)	(784)
EM Non-Crime Collaboration	1,246	-	1,246	(1,246)	-	-
ICT Projects	500	-	500	41	(164)	377
ICT Refresh	1,755	-	1,755	-	(1,755)	-
Telephony Replacement	1,000	-	1,000	-	(150)	850
ESMCP	1,070	276	1,346	-	(1,000)	346
ANPR	400	-	400	-	(400)	-
Equipment Replacement	250	-	250	(250)	-	-
Policing Model	-	77	77	(11)	-	66
Mobile Data	-	10	10	(3)	-	7
Book On Book Off	-	134	134	(87)	-	47
Intranet Redevelopment	-	-	-	68	-	68
Drone Trial	-	-	-	32	-	32
EMOpSS Mobile Data	-	-	-	21	-	21
Tasers	-	-	-	237	(39)	198
Mobile Data Terminals	-	-	-	-	-	-
Body Worn Cameras	-	-	-	28	-	28
Mini Police	-	-	-	52	-	52
Regional Niche	-	-	-	293	-	293
Total Expenditure	15,715	1,136	16,851	(907)	(4,704)	11,240
Funding:						
Capital Receipts	260	-	260	-	-	260
Capital Grants Received in Advance	-	21	21	-	-	21
Earmarked Reserves	-	221	221	41	-	262
Borrowing - General	6,857	894	7,751	21	(3,470)	4,302
Borrowing - Blue Light	798	-	798	(122)	-	676
Blue Light - C/Fwd	-	-	-	-	(784)	(784)
Grant - General	457	-	457	-	-	457
Grant - Police	-	-	-	-	-	-
Transformation Fund	1,246	-	1,246	(1,246)	-	-
Grant - Blue Light	-	-	-	-	-	-
Innovation Fund	4,849	-	4,849	-	-	4,849
Grant - ESMCP	450	-	450	-	(450)	-
Blue Light Partner Contribution	798	-	798	(42)	-	756
Direct Revenue Financing	-	-	-	441	-	441
Total Funding	15,715	1,136	16,851	(907)	(4,704)	11,240

19. The following changes are required to the 2017/18 Capital Programme:

Building Maintenance and Improvements

20. It is proposed that £349k for the LED lighting scheme is carried forward into 2018/19 as the project is to go out to tender again. With SALIX funding of £349k carried forward from borrowing. It is also proposed that a further £40k is carried forward into 2018/19 to complete the upgrades to CCTV in several stations and for the final stages of phase 4 and 5 windows replacement, along with the last parts of the top floor improvements at HQ. Funding is from borrowing.

Vehicle Replacement

21. It is proposed that £30k is added to the vehicle replacement programme for the purchase of two vehicles for a major incident operation with funding from the major incidents revenue budget. It is also proposed that £52k is added to the vehicle replacement programme for the purchase of 4 mini police cars with funding from the mini police grant. It is also proposed that £23k is carried forward into 2018/19 for a Ford ranger not yet delivered with funding from borrowing.

Blue Light Collaboration

22. It is proposed that £164k is reprofiled from the Blue Light collaboration scheme to bring the total programme in line with the latest project plans. This reduces the 2017/18 Blue Light borrowing by £122k and the Blue Light partner contribution by £42k. And brings the programme total for 2017/18 to £6,281k which is £5,605k for the partner/PIF element and £676k for the Police. The expenditure in 2017/18 is only £5,497k therefore a carry forward of £784k is proposed, in order to maintain the overall approved programme budget.

EM Non-Crime ICT Platform

23. The budget of £1,246k is to be removed from the capital programme as the grant funding has not been received.

ICT Projects

24. There are a further 4 schemes within the ICT Projects budget that require funding to be carried forward in to 2018/19, to enable the projects to complete. These consist of:

- Upgrades to the Dave Goodwin suite £25k;
- A HR digital solution £33k;
- An FCR evaluation £12k;
- Further agile working laptops for round III £14k.

Approval is sought for this carry forward of £84k with funding from borrowing.

ICT Refresh

25. The programme of £1.755m is proposed to be carried forward into 2018/19 as there will be no spending until next year now. Funding is from general borrowing.

Telephony Replacement

26. £150k of the £1,000k telephony replacement programme is proposed to be carried forward into 2018/19, as the scheme will now run over the 2 years. Funding is from general borrowing.

ESMCP

27. The ESMCP programme of £1,346k only commenced in 2017/18 so it is proposed that £1,000k is carried forward to 2018/19. It is also proposed that the grant funding of £450k is carried forward into 2018/19 to match expenditure. This is to be used towards the command and control room project as the grant was to ensure control room readiness for the new service. We are upgrading the ICCS and this will be used towards that.

ANPR

28. The programme of £400k is proposed to be carried forward into 2018/19 as there will be no spending until next year now. Funding is from general borrowing.

Book On Book Off

29. Only £47k of this £134k budget is now required, so it is proposed that £87k is transferred back to the Performance and Productivity Reserve.

Intranet Redevelopment

30. £85k was released in the year from the development and partnership working earmarked reserve to implement a new intranet service, with only £68k being required. So it is proposed that £17k is added back to this reserve.

Drone Trial

31. £32k is proposed for the purchase and use of trial drones with £13k funding coming from the Equipment replacement budget and it is proposed that £19k is released from the Performance and Productivity Reserve.

EMOpSS Mobile Data

32. The £21k is the second year of contributions made towards the EMOpSS (regional) mobile data project and funding is from the mobile data grant held in capital receipts in advance.

Firearms Digital Solution

33. A further £41k is proposed for the firearms digital solution with funding coming from reserves and being added to the ICT projects programme. It is proposed that £41k is released from the Strategic Partnership Earmarked Reserve.

Tasers

34. This project for £237k is for the renewal of tasers in this year and next with funding from the equipment replacement budget. It is proposed that £39k is carried forward to 2018/19 to fund the second year.

Mobile Data Terminals

35. It is proposed that £68k is added to the capital programme for the purchase of mobile data terminals with funding from the Fleet revenue budget. There is a further £80k required for this project that will be funded out of the ICT projects capital programme. This programme of £80k is proposed to be carried forward into 2018/19 as there will be no spending until next year now. The £80k funding is from general borrowing. It is also proposed that the £68k direct revenue financing is transferred back to an earmarked reserve.

Body Worn Cameras

36. It is proposed that £28k is added to the capital programme for body worn cameras with funding from the ICT monitored and managed budget.

Earmarked Reserves

37. The following table summarises the proposed changes to the earmarked reserves:

Earmarked Reserve	Revenue Items/ Project	Added/ (Released) £'000	
Development and Partnership Working	Community Grants & Contributions Intranet Redevelopment	274 <u>17</u>	291
Performance and Productivity	Book On Book Off Drone Trial Policing Model Budget Underspend	87 (19) 11 <u>100</u>	179
Strategic Partnership	Firearms Digital Solution FME Costs	(41) <u>(280)</u>	(321)
Regional Collaboration	Regional Collaboration EMOPSS ARV Grant	118 <u>257</u>	375
Budget Flexibility	Budget Underspend		687
Proceeds of Crime	Proceeds of Crime		58
Special Operations	Government Grants		874
Regional Niche	Niche Collaboration Niche Collaboration	(293) <u>218</u>	(75)
Mobile Data	Mobile Data		3
Capital Financing	Capital Financing		145
Mobile Data Terminals	Mobile Data Terminals		68
			2,284

Capital Programme 2018/19

38. The following table summarises the proposed carry forwards from the 2017/18 capital programme into the 2018/19 capital programme.

Capital Scheme:	2017/18 Proposed Changes £'000	2018/19 Proposed Changes £'000
SALIX LED Lighting scheme	(349)	349
Building Maintenance/Improvements	(40)	40
Vehicle Replacement	(23)	23
Blue Light Collaboration	(784)	784
ICT Projects	(84)	84
ICT Refresh	(1,755)	1,755
Telephony Replacement	(150)	150
ESMCP	(1,000)	1,000
Tasers	(39)	39
ANPR	(400)	400
ICT Projects	(80)	80
Total	(4,704)	4,704
Funding:		
Borrowing – General	(3,470)	3,470
Borrowing - Blue Light	(784)	784
Grant – ESMCP	(450)	450
Total	(4,704)	4,704

Changes to the Treasury Management Strategy 2017/18

39. The Treasury Management Strategy 2017/18 was approved on 24th February 2017 within decision report 'Financial Strategy and Supporting Plans' (Ref: 006/2017).
40. It is requested that an amendment is made to the creditworthiness policy table in paragraph 4.2. To include that the limit to be placed with Money Market Funds is the higher of £4m and 20% of the total of the internally managed funds.
41. The table extract would then be:

	Fund Rating	Money and/or % Limit	Time Limit
Money Market Funds	AAA	£4m / 20%*	Liquid

* whichever is the higher of

A2. LINKS TO POLICE AND CRIME PLAN AND PCC'S STRATEGIES/PRIORITIES

The Revenue Budget changes are needed to ensure the budget will support the PCC's strategies.

The Capital Programme assists in delivering the Asset Management Strategy, the ICT Strategy and the Business Transformation Programme.

B. FINANCIAL CONSIDERATIONS

Included within the report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

[This should include the legal powers the PCC has for making the decision]

The Scheme of Arrangements and Financial Regulations require changes to the Revenue Budget and Capital Programme to be approved by the PCC having consulted with the PCC's CFO.

D. PERSONNEL AND EQUALITIES ISSUES

None

E. REVIEW ARRANGEMENTS

Monitoring of the revenue budget and capital programme is carried out monthly by the Resource Governance Meeting.

F. RISK MANAGEMENT

Risks associated with the overall financial position are included within the Chief Constable's and PCC's Risk Registers.

Major capital schemes are controlled under the project methodology adopted by the Force with individual projects being controlled by a project Board chaired by a senior officer of the Force. Other areas of the programme are monitored and controlled by the relevant service leads and the Commercial Partnership team.

G. PUBLIC ACCESS TO INFORMATION

Information in this form along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation. Part 1 of this form will be made available on the PCC's website within one working day of approval. However, if release by that date would compromise the implementation of the decision being approved, publication may be deferred. An explanation for any deferment must be provided below, together with a date for publication.

Is the publication of this form to be deferred? No

If Yes, for what reason:





Until what date:

Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate part 2 form.

Is there a part 2 form? No

If Yes, for what reason:

ORIGINATING OFFICER DECLARATION

	Initial to confirm
Originating Officer: Sharon Clark, CC's Chief Finance Officer, recommends this proposal for the reasons outlined above.	
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	
Chief Constable: The Chief Constable has been consulted on this proposal	

OFFICER APPROVAL

Chief Executive

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. Consultation outlined above has also taken place. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner for Lincolnshire.

Signature: JS Flint

Date: 31.5.18

