

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

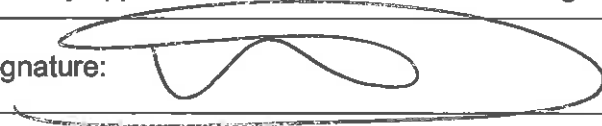
**REF: 026/2018
DATE: 12 October 2018**

SUBJECT	
ALLOCATION OF RESERVES, REVISIONS TO THE REVENUE BUDGET 2018/19 AND REVISIONS TO THE 2018/19 APPROVED CAPITAL PROGRAMME	
REPORT BY	The Commissioner's Chief Finance Officer and Force Chief Finance Officer
CONTACT OFFICER	Sharon Clark, Force Chief Finance Officer Tel: 01522 947468
EXECUTIVE SUMMARY AND PURPOSE OF REPORT	
This report aims to:	
<ul style="list-style-type: none">• Consider and approve the allocation of Earmarked Reserves to the Revenue Budget;• Review the Revenue expenditure position and make proposals for changes to the Revenue Budget 2018/19;• Highlight proposals for changes to the approved Capital Programme 2018/19.	
RECOMMENDATIONS	<ol style="list-style-type: none">1. That the proposed allocation of the Earmarked Reserves be approved as summarised in paragraph 18 and reallocation as in paragraph 22;2. That approval is given to the proposed changes to the Revenue Budget 2018/19 as summarised in paragraph 24;3. That approval is given to the proposed changes of the Capital Programme 2018/19 as summarised in paragraph 26;

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

I hereby approve the recommendations having considered the content of this report.

Signature:



Date:

12/10/18

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. The Commissioner maintains a policy on the levels of balances and reserves and, as part of the closure of the 2017/18 accounts, approved a series of Earmarked Reserves for specific purposes.
2. Financial Regulation FR17.4 states that reserves may only be used with the approval of the Commissioner. This report seeks approval to release and make changes to the General Reserve and certain Earmarked Reserves.
3. It is normal at this time of the year to undertake a review of the spending position and make changes to the budget to reflect spending priorities for the year. This report identifies the issues which require addressing and the potential changes to the Revenue Budget to provide this funding.
4. This report also sets out the changes that are required to the Capital Programme 2018/19, and of its financing.

Release of Reserves - Budget Already Approved

5. In order to provide for a balanced budget in 2018/19 the Commissioner approved the utilisation of £5.068m of revenue reserves. Decision Report Reference "010/2018 Budget Report". It is proposed that these are released into the revenue account:

General Reserve

6. £3.1m release of risk based reserve to support current year revenue expenditure.

Budget Flexibility

7. This reserve was specifically earmarked for supporting the revenue budget through periods of funding uncertainty. £1.847m release of reserve for use in supporting current year revenue expenditure. No balance will remain at the end of 2018/19.

Capital Financing Reserve

8. £121k release of reserve to fund increased capital charges in respect to the Capital programme.

Release of Reserves - Budget Virement Required

9. The following amounts are currently held following an allocation as part of the closedown of the 2017/18 accounts for expenditure identified in 2018/19. It is proposed that they are released into the revenue account:

Regional NICHE (Direct Revenue Financing)

10. £282k drawdown for regional development from surplus generated on Derbyshire NICHE project and income from City of London on joining the collaboration.

NICHE Data Quality

11. The posts to be funded from this reserve have been added to the base budget so this reserve is no longer required. It is proposed that they are allocated as follows:
 - £133k is to be released to the Police Staff budget for temporary Operational Support Officers pay.

- £19k is required by the Strategic Partnership for an additional 'Street-to-Suite' van to support summer policing requirements.
- An amount of £10k is required by Local Policing East for accommodation, travel and associated costs to support summer policing requirements.

Operation HILLSTAR Staffing Equipment

12. There is £134k remaining in Earmarked Reserves for additional staffing for Op HILLSTAR. £120k is required by Major Incidents for the resource level identified for the six month extension.

PCC Regional Reserve

13. Funding of the regional collaboration team established in 2017/18. Transfer from reserves of £118k.

Development and Partnership Working

14. Two contributions funded from carried forward funds in 2017/18 of £90k to Victims Service Expenditure for the Trust House and Rape Crisis.

Partner Agency Funding

15. £15k drawdown of Earmarked Reserve to ICT Monitored and Managed for installation costs of HSCN, access to detainee NHS medical information, into all custody suites and Year 1 running.

FCR Mental Health Nurse

16. Release of the £15k reserve is required to fund a registered mental health nurse within the FCR.

Internship

17. Release of the £12k reserve to the Police Staff budget. These costs have been added to the 2018/19 base budget and include funding for the Demand programme intern in 2018/19.

18. The following table details the proposed movements from reserves:

Reserve	Para No	Balance Before Transfer £'000	Transferable Amount £'000	Transfer to/Budget to be Established
Released to Revenue, Budget already approved:				
General Reserve	6	5,629	3,100	Transfers from Reserves
Budget Flexibility	7	1,847	1,847	Transfers from Reserves
Capital Financing Reserve	8	796	121	Transfers from Reserves
Released to Revenue, Budget virement required:				
Regional NICHE	10	282	282	Capital Financing (DRF)
NICHE Data Quality	11	162	162	Police Staff/Strategic Partnership/East
Op HILLSTAR Staffing Equipment	12	134	120	Major Incident
PCC Regional Reserve	13	118	118	Regional Collaboration Support Expenditure
Development and Partnership Working	14	1,044	90	Victims Service Expenditure
Partner Agency Funding	15	121	15	ICT Monitored and Managed
FCR Mental Health Nurse	16	15	15	Office of the Police and Crime Commissioner
Internship	17	12	12	Police Staff
Total			6,137	

19. Approval is sought for the above allocation of reserves and the consequent budget virements where required to the revenue account.

Reserve Transfers

20. **Reallocate £15k from Telephony System Scoping to Capital Financing**
Reallocation to cover costs of development work for a new phone system as the project nears completion.
21. **Reallocation of £11k from Crime Prevention South Kesteven District Council (SKDC) to Development and Partnership Working**
Crime Prevention SKDC Reserve of £11k was established for a CCTV initiative in connection with a partner agency. This cost was paid in 2017/18 therefore it is proposed that the reserve is reallocated to the Development and Partnership Working earmarked reserve.
22. It is proposed that the following reserves are reallocated:

From Budget Head/ Funding	Amount £'000	To Budget Head
Telephony System Scoping	15	Capital Financing Reserve
Crime Prevention SKDC	11	Development and Partnership Working

Revenue Budget Changes

23. **Reallocation of budget of £660k on Central Pay Award Provision to Police Officer Budget**
£660k from Central Pay Award Provision is to be reallocated to fund the Police Officer pay award.
24. The following table details the proposed Revenue Budget change:

	Amount £'000	From Budget Head/ Funding	To Budget Head
Police Officer Pay Award	660	Central Pay Award Provision	Police Officer budget

Approval is sought for the above change to the 2018/19 Revenue Budget.

Capital Programme 2018/19

25. The following table summarises the current approved Capital Programme. The programme includes the original figures agreed in the February 2018 approved Budget. Decision Report Reference "010/2018 Budget Report" and subsequent approved changes.
26. Recent reviews of the Capital Programme have highlighted the following changes are required to the Programme:

Capital Schemes	Original Programme £'000s	2017/18 Carry Forward £'000s	2018/19 Approved Changes £'000s	Current Approved Programme £'000s	Proposed Changes £'000s	2018/19 Proposed Programme £'000s
Building maintenance/improvements	1,300	40	-	1,340	(300)	1,040
Vehicle replacement	1,100	23	-	1,123	(180)	943
Blue Light Collaboration Partner	6,010	(45)	-	5,965	(833)	5,132
Blue Light Collaboration Police	8,505	829	-	9,334	(751)	8,583
ICT Transformation	2,419	232	-	2,651	-	2,651
Command and Control	3,540	-	-	3,540	(1,487)	2,053
Telephony Replacement	150	-	-	150	-	150
ESMCP	1,000	-	-	1,000	(700)	300
ANPR	400	-	-	400	-	400
Equipment replacement	250	39	-	289	-	289
Telematics	500	-	-	500	-	500
LRSP Camera Upgrade	-	-	200	200	-	200
Gymnasium Upgrades	-	-	200	200	-	200
Total	25,174	1,118	400	26,692	(4,251)	22,441
Funding :						
Capital receipts	60	-	-	60	-	60
Capital Grants Unapplied - ESMCP	450	-	-	450	(150)	300
Capital Grants Unapplied - Home Office	-	-	-	-	100	100
Capital Grants Received in Advance	-	-	-	-	30	30
Earmarked Reserves	500	68	-	568	-	568
Borrowing - General	8,543	266	200	9,009	(2,274)	6,735
Borrowing - Blue Light	8,505	829	-	9,334	(751)	8,583
Borrowing - Salix	649	-	-	649	(300)	349
Grant - General	457	-	-	457	(73)	384
LRSP Partner Contribution	-	-	200	200	-	200
Blue Light Partner Contribution	6,010	(45)	-	5,965	(833)	5,132
Total	25,174	1,118	400	26,692	(4,251)	22,441

Bluelight

27. It is proposed that the Blue Light programme budget is reprofiled to reflect the latest estimated expenditure profile. A reduction of £1.584m in 2018/19 is required, with budget transferring into 2019/20.

Command and Control

28. It is proposed that the Command and Control programme budget is reprofiled to reflect the latest estimated expenditure profile. A reduction of £1.487m in 2018/19 is required, with budget transferring into 2019/20.

SALIX

29. Two projects within the year were expected to receive SALIX funding. However, the Solar PV scheme will not qualify for funding as expected under the regulations of the loan and will therefore not proceed.

ESMCP

30. £700k of the ESMCP programme budget is not required for in-year costs.

Vehicles

31. The procurement of three replacement riot vans is no longer taking place resulting in a £180k budget reduction.
32. Approval is sought for the proposed changes to the Capital Programme.

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

No direct links other than the most effective use of resources for Policing in Lincolnshire.

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

B. FINANCIAL CONSIDERATIONS

Included within this report are relevant financial considerations.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The proposals described in this paper respond to the requirements of the Police Reform and Social Responsibility Act 2011.

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

D. PERSONNEL AND EQUALITIES ISSUES

There are none.

E. REVIEW ARRANGEMENTS

The Revenue Budget and Capital Budget are subject to regular monthly review.

F. RISK MANAGEMENT

The Financial, Regulations provide a framework for the operation of Internal Control and give assurance on financial processes. The transactions within this report conform to those requirements.

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 or recommendations that should not be made automatically available on request should not be included in Part 1 but on the separate Part 2 form.

Is there a Part 2 form? No

If Yes, for what reason:

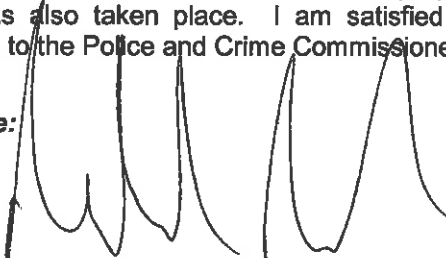
ORIGINATING OFFICER DECLARATION

	Initials
Originating Officer: PCC's Chief Finance Officer recommends this proposal for the reasons outlined above.	JBF
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	JBF
The CC's Chief Finance Officer has been consulted on this proposal.	SR
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal.	Jee
Chief Constable: The Chief Constable has been consulted on this proposal.	W

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:  **Date:** 12/10/18

