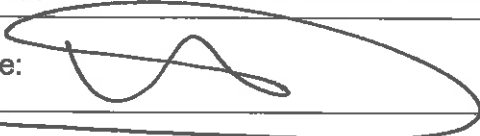


POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION

REF: 010/2019
DATE: 29 May 2019

SUBJECT	
ALLOCATION OF RESERVES, REVISIONS TO THE REVENUE BUDGET 2018/19 AND REVISIONS TO THE 2018/19 APPROVED CAPITAL PROGRAMME	
REPORT BY	FORCE CHIEF FINANCE OFFICER
CONTACT OFFICER	SHARON CLARK, FORCE CHIEF FINANCE OFFICER TEL: 01522 947468
EXECUTIVE SUMMARY AND PURPOSE OF REPORT	
This report proposes changes to the Revenue Budget for 2018/19 and the approved Capital Programme 2018/19. It also proposes changes to the Earmarked Reserves.	
RECOMMENDATIONS	<ol style="list-style-type: none">1. <i>That approval is given to the proposed changes to the Revenue Budget for 2018/19 as summarised in paragraph 9, 11, 14.</i>2. <i>That approval is given to the proposed changes to the Earmarked Reserves as summarised in paragraph 15 and 30.</i>3. <i>That approval is given to the proposed changes of the Capital Programme 2018/19 and 2019/20 as summarised in paragraph 51, 52 and 53.</i>

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE	
I hereby approve the recommendations having considered the content of this report.	
Signature: 	Date: 29/5/19

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 2018/19 and the Capital Programme 2018/19 and of its financing. It also looks to make changes to the Earmarked reserves. Technical adjustments are included in section A2, with underspend adjustments included in section A3.

A2. TECHNICAL ADJUSTMENTS

Release of Reserves to Revenue - Budget Already Approved

Proceeds of Crime Act (POCA)

2. Decision Report Reference "027/2018" approved POCA grants of £0.029m. The grants were awarded to Crowland Parish Council and Operation Signature. It is proposed that £0.029m is released from the Proceeds of Crime Act earmarked reserve to the revenue account to cover the approved grant.
3. Decision Report Reference "005/2019" approved POCA grants of £0.020m in 2018/19 and £0.032m in 2019/20. The grants were awarded to Operation High Jump and LPFT. It is proposed that £0.010m is released from the Proceeds of Crime Act earmarked reserve to the revenue account.
4. Decision Report Reference "020/2018" approved numerous crime and disorder reduction grants, of which £0.003m was awarded to Sandi Starfish. It is proposed that £0.003m is released from the Proceeds of Crime Act earmarked reserve to the revenue account.

Release of Reserves to Revenue - Budget Virement Required

Book On Book Off (Direct Revenue Financing)

5. It is proposed that £0.038m is released from the Performance and Productivity earmarked reserve to the revenue account, financing the Book On Book Off capital scheme (see paragraph 28).

Mobile Data Terminals (Direct Revenue Financing)

6. It is proposed that £0.068m is released from the Mobile Data Terminals earmarked reserve, reducing the general borrowing requirement of the capital programme.

Mobile Data (Direct Revenue Financing)

7. It is proposed that £0.003m is released from the Mobile Data earmarked reserve, reducing the general borrowing requirement of the capital programme.
8. The following table summarises the required changes to the 2018/19 budget:

Released from Reserve	Para No	Decision Report	Transferable Amount £'000	Transfer to Revenue Budget to be Established
Released to Revenue, Budget already approved:				
Proceeds of Crime Act	2	027/2018	29	POCA Expenditure
Proceeds of Crime Act	3	005/2019	10	POCA Expenditure
Proceeds of Crime Act	4	020/2018	3	POCA Expenditure
Released to Revenue, Budget virement required:				
Performance & Productivity	5	N/A	38	Capital Financing (DRF)
Mobile Data Terminals	6	N/A	68	Capital Financing (DRF)
Mobile Data	7	N/A	3	Capital Financing (DRF)
Total			151	

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

Transfer to Reserves - Budget Virement Required

Police Officer Bank Holiday Overtime

10. It is proposed that £0.095m of Police Officer Bank Holiday Overtime is transferred to the Police Officer Bank Holiday Overtime earmarked reserve. This is to provide a smoothing effect to budgets in years when there are more than eight bank holidays.

PTF Domestic Abuse

11. It is proposed that the balance on the PTF Domestic Abuse grant of £0.074m is transferred to a PTF EIR Project earmarked reserve, to enable distribution in future years (see paragraph 12).

Transfer from Revenue	Para No	Transferable Amount £'000	Transfer to Reserve
Transfer from Revenue, Budget virement required:			
Police Officer Bank Holiday Overtime	10	(95)	Police Officer Bank Holiday Overtime
PTF Domestic Abuse	11	(74)	PTF EIR Project
Total		(169)	

Revenue Budget 2018/19 Changes

PTF Domestic Abuse

12. Income and expenditure budgets are required to be established in order to reflect the £0.664m PTF Domestic Abuse grant income and 2018/19 expenditure of £0.590m. It is proposed that the remaining balance of £0.074m is transferred to reserves (see paragraph 11).

Mini Policing

13. Income and expenditure budgets of £0.024m are required to be established in respect of Mini Policing.

14. The following table details the proposed Revenue Budget changes:

Creation of Budget	Para No	Budgeted Amount £'000
Domestic Abuse Grant Income	12	(664)
Domestic Abuse Grant Expenditure	12	590
Transfer to Reserves	11 & 12	74
Mini Police Income	13	(24)
Mini Police Expenditure	13	24
Total		-

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

Transfer between Reserves

Reallocate £0.014m from Operation Hillstar Staffing Commitment

15. It is proposed that the uncommitted £0.014m in the Op Hillstar Staffing earmarked reserve is transferred to the General Reserve.

Transfer from Reserve	Para No	Transferable Amount £'000	Transfer to Reserve
Op Hillstar Staffing	15	14	General Reserve
Total		14	

A3. UNDERSPEND ALLOCATIONS £1.817m

Transfers to Earmarked Reserves for Specific Projects/Activities

Capital Financing

16. It is proposed that £0.310m of the Capital Financing underspend is transferred back to the Capital Financing earmarked reserve to make provision for future borrowing costs.

Development & Partnership Working

17. It is proposed that the £0.178m underspend on Community Grants and Contributions, is transferred to the Development and Partnership Working earmarked reserve.

Strategic Partnership

18. It is proposed that the £0.075m underspend on Strategic Partnership is transferred to the Strategic Partnership earmarked reserve to support any retender/extension costs.

EMOpSS

19. It is proposed that an earmarked reserve of £0.151m is created for potential disaggregation adjustments.

Forensic

20. It is proposed that an earmarked reserve of £0.100m is created for future Forensic services.

EMSOU

21. It is proposed that an earmarked reserve of £0.060m is created for risks around future regional commitments.

Excellence in Police Finance

22. It is proposed that an earmarked reserve of £0.060m is created for the CIPFA Finance Excellence in Policing programme.

Ops Tasers

23. It is proposed that an earmarked reserve of £0.038m is created for taser consumables including batteries and training cartridges, ordered but not delivered in 2018/19, expenditure will now be incurred in 2019/20.

West Division Football

24. In 2018/19 West Division received £0.015m from the Home Office for bringing 30 football disorder offenders to justice. It is proposed that an earmarked reserve of £0.015m is created in respect of football related operations in 2019/20.

Special ANPR

25. It is proposed that an earmarked reserve of £0.012m is created for Special ANPR from the Volunteer underspend, although equipment was ordered in 2018/19 it was not delivered in 2018/19, expenditure will now be incurred in 2019/20.

Family Day 2019

26. It is proposed that an earmarked reserve of £0.010m is created for the 2019/20 Family Day, funded from the additional earned income generated by Corporate Communications.

Sandi Starfish Income

27. It is proposed that an earmarked reserve of £0.003m is created to carry forward income received in 2018/19, for Sandi Starfish activities on the East Cost to be incurred in 2019/20.

Transfers to Risk Based Earmarked Reserves

Ill Health Retirements

28. It is proposed that £0.150m of underspend is transferred to Ill Health Retirements to meet potential future ill health retirements.

General Reserve

29. It is proposed that the remaining underspend of £0.655m is transferred to the General Reserve to replenish some of £3.100m which was drawn down earlier in the year to balance the 2018/19 budget.

30. The following table details the proposed transfers from 2018/19 underspends to reserves:

Reserve	Para No	Transferable Amount £'000
Specific Projects/Activities Earmarked Reserve		
Capital Financing	16	310
Development & Partnership Working	17	178
Strategic Partnership	18	75
EMOpSS	19	151
Forensic	20	100
EMSOU	21	60
Excellence in Police Finance	22	60
Ops Tasers	23	38
West Division Football	24	15
Special ANPR	25	12
Family Day 2019	26	10
Sandi Starfish Income	27	3
Risked Based Earmarked Reserve		
Ill Health Retirements	28	150
General Reserve		
General Reserve	29	655
Total		1,817

31. Approval is sought for the above transfers to reserves and the consequent budget virements where required to the revenue account.

Capital Programme 2018/19

32. 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.

33. The following changes are required to the 2018/19 Capital Programme:

Capital Schemes	2018/19 Original Programme £'000s	2017/18 Carry Forward £'000s	2018/19 Approved Changes £'000s	2018/19 Current Approved Programme £'000s	2018/19 Proposed Changes £'000s	2018/19 Proposed Carry Forward £'000s	2018/19 Proposed Programme £'000s
Building maintenance/improvements	1,300	40	-	1,340	(100)	(399)	841
Vehicle replacement	1,100	23	(480)	643	32	-	675
Blue Light Collaboration Partner	6,010	(45)	(833)	5,132	-	(887)	4,245
Blue Light Collaboration Police	8,505	829	(751)	8,583	-	(1,636)	6,947
ICT Transformation	2,419	232	(1,255)	1,396	73	(460)	1,009
Command and Control	3,540	-	(1,487)	2,053	-	(1,005)	1,048
Telephony Replacement	150	-	-	150	(2)	(100)	48
ESMCP	1,000	-	(700)	300	-	(140)	160
ANPR	400	-	-	400	-	(54)	346
Equipment replacement	250	39	-	289	(20)	(87)	182
Telematics	500	-	-	500	(375)	(125)	-
LRSP Camera Upgrade	-	-	200	200	116	-	316
Gymnasium Upgrades	-	-	269	269	-	-	269
Over accruals from previous year	-	-	-	-	(28)	-	(28)
Total	25,174	1,118	(5,037)	21,255	(304)	(4,893)	16,058
Funding :							
Capital receipts	60	-	-	60	43	-	103
Capital Grants Unapplied - ESMCP	450	-	(150)	300	-	(140)	160
Capital Grants Unapplied - Home Office	-	-	100	100	-	-	100
Capital Grants Unapplied - BWV	-	-	-	-	44	-	44
Capital Grants Received in Advance	-	-	30	30	-	-	30
Earmarked Reserves	500	68	-	568	(334)	(125)	109
Borrowing - General	8,543	266	(3,560)	5,249	(121)	(1,805)	3,323
Borrowing - Blue Light	8,505	829	(751)	8,583	-	(1,636)	6,947
Borrowing - Salix	649	-	-	649	(100)	(300)	249
Grant - General	457	-	(73)	384	4	-	388
LRSP Partner Contribution	-	-	200	200	116	-	316
Other Partner Contribution	-	-	-	-	44	-	44
Blue Light Partner Contribution	6,010	(45)	(833)	5,132	-	(887)	4,245
Total	25,174	1,118	(5,037)	21,255	(304)	(4,893)	16,058

Building Maintenance and Improvements

34. It is proposed that £0.399m for building maintenance and improvements is carried forward into 2019/20 to enable the following projects to either commence or complete:

- Solar PV Works (SALIX) £0.300m
- Gymnasium Upgrade £0.066m
- Firedoor replacement £0.018m
- Special Branch accommodation £0.015m

Approval is sought for this carry forward of £0.399m with £0.099m funded from general borrowing and £0.300m funded from a SALIX interest free loan.

35. It is proposed that £0.100m is removed from the capital programme as the LED Lighting Upgrade has costed less than expected, reducing the SALIX interest free loan by the same amount.

Vehicle Replacement

36. It is proposed that the capital programme is increased by £0.032m to cover the additional expenditure in 2018/19. This is to be funded by £0.016m of regional partner contributions with £0.016m from general borrowing.

Bluelight

37. It is proposed that £2.523m of the Blue Light collaboration scheme is carried forward into 2019/20, in order to maintain the overall approved programme budget. This is split £1.636m Borrowing – Blue Light and £0.887m Blue Light Partner Contribution.

ICT Transformation

38. It is proposed that £0.460m for the ICT Transformation scheme is carried forward into 2019/20, to enable the the following projects to complete:

- Agile working £0.189m;
- Refresh of ICT Equipment £0.148m;
- Mobile phones £0.039m;
- TWiF £0.033m;
- HR digital solution £0.024m;
- DEMS £0.020m;
- Chous £0.007m.

Approval is sought for this carry forward of £0.460m with funding from general borrowing.

39. It is proposed that the capital programme is increased by £0.038m for the Book On Book Off scheme. This is to be funded by the Performance and Productivity earmarked reserve (as per paragraph 5).
40. Laptops to the value of £0.023m have been purchased on behalf of EMSOU. These laptops are to be funded through regional partner contributions. It is proposed that the capital programme is increased to reflect this expenditure.
41. It is proposed that the capital programme is increased by £0.004m for Biometric Vetting Project, this is wholly funded by regional partner contributions.
42. It is proposed that the capital programme is increased by £0.008m to reflect unforeseen capital expenditure relating to Niche. This is to be funded by general borrowing.

Command and Control

43. It is proposed that £1.005m of the Command and Control scheme is carried forward into 2019/20, in order to maintain the overall approved programme budget. Funding is from general borrowing.

Telephony Replacement

44. It is proposed that £0.100m for telephony replacement is carried forward into 2019/20 to provide for enhancements to the telephony infrastructure. This is to be funded by General Borrowing. It is also proposed that the capital programme is reduced by £0.002m to reflect actual expenditure.

ESMCP

45. It is proposed that £0.140m of the ESMCP scheme is carried forward into 2019/20, to enable the scheme to continue. Funding is from capital grants unapplied.

ANPR

46. It is proposed that £0.054m of ANPR is carried forward into 2019/20, in order to enable enhancements to existing fixed site ANPR cameras deployed throughout the county. Approval is sought for this carry forward of £0.054m with funding from general borrowing.

Equipment Replacement

47. It is proposed that £0.087m is carried forward into 2019/20, to enable the following projects to complete or commence:-
- NPT to City Hall £0.017m;
 - Additional Drones to be purchased £0.070m.

Approval is sought for this carry forward of £0.087m with funding from general borrowing. It is also proposed that the capital programme is reduced by £0.020m to reflect actual expenditure.

Telematics

48. It is proposed that £0.125m of Telematics is carried forward into 2019/20, no expenditure has been incurred in 2018/19. The business case is awaiting approval. £0.375m is to be removed from the capital programme as the cost of the scheme is expected to be significantly lower. Funding is from earmarked reserves.

LRSP Camera Upgrade

49. The Lincolnshire Road Safety Partnership are upgrading several of the analogue camera sites around the county and installing digital versions. This project is funded by Lincolnshire County Council. Additional expenditure of £0.116m has been incurred in 2018/19, which is matched by funding from Lincolnshire County Council.

Over Accruals from Previous Year

50. Prior year over accruals of £0.028m for the CAID project, Force Intranet and the Policing Model project have been released due to lower capital expenditure. It is proposed that the capital programme is reduced by £0.028m, reducing the general borrowing requirement in 2018/19.

51. The following table summarises the proposed carry forwards:-

Carry Forward Requirement	Para No	Amount £'000	Funded by:
Building Maintenance and Improvements:			
Solar PV Salix	34	300	Borrowing - Salix
Gymnasium Upgrades	34	66	Borrowing - General
Firedoors	34	18	Borrowing - General
Special Branch Accommodation	34	15	Borrowing - General
Blue Light:			
Blue Light Police	37	1,636	Borrowing - General
Blue Light Partner	37	887	Blue Light Partner Contribution
ICT Transformation:			
Agile Working	38	189	Borrowing - General
Refresh of ICT Equipment	38	148	Borrowing - General
Mobile Phones	38	39	Borrowing - General
TWIF	38	33	Borrowing - General
HR Digital Solution	38	24	Borrowing - General
DEMS	38	20	Borrowing - General
Chous	38	7	Borrowing - General
Command & Control:			
Command & Control	43	1,005	Borrowing - General
Telephony Replacement:			
Telephony	44	100	Borrowing - General
ESMCP:			
ESMCP	45	140	Capital Grant Unapplied
ANPR:			
ANPR	16	54	Borrowing - General
Equipment Replacement:			
NPT To City Hall	47	17	Borrowing - General
Drones	47	70	Borrowing - General
Telematics:			
Telematics	48	125	Earmarked Reserve
Total		4,893	

52. The following table summarises the proposed adjustments to the 2018/19 capital programme:-

Proposed Budget Changes	Para No	Amount £'000	Funded by:
Building Maintenance and Improvements:			
LED Lighting Upgrade	35	(100)	Borrowing - Salix
Vehicle Replacement:			
Vehicle Replacement	36	32	Borrowing - General
ICT Transformation:			
Book On Book Off	39	38	Earmarked Reserve
Laptops	40	23	Other Partner Contributions
Biometric Vetting Project	41	4	Other Partner Contributions
Niche	42	8	Borrowing - General
Telephony Replacement:			
Telephony Replacement	44	(2)	Borrowing - General
Equipment Replacement:			
Equipment Replacement	47	(20)	Borrowing - General
Telematics:			
Telematics	48	(375)	Earmarked Reserve
LRSP Camera Upgrade:			
LRSP Camera Upgrade	49	116	LRSP Partner Contributions
Over accruals from previous year:			
Over accrual adjustment	50	(28)	Borrowing - General
Total		(304)	

53. Additional funding streams were applied in 2018/19. It is proposed that these funding streams reduce the general borrowing requirement by £0.111m.

Funding	Amount £'000
Capital Receipts	43
Capital Grants Unapplied	44
Mobile Data Earmarked Reserve	3
Grant - General	4
Cyber Grant	17
Total	111

A4. 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 this report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

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

Monitoring of the revenue budget and capital programme is carried out monthly by the Resource Governance Meeting. The outturn position will be subject to External Audit review and will be reported as part of the formal Accounting Statements.

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.

<p>Is the publication of this form to be deferred? No</p> <p>If Yes, for what reason:</p> <p>Until what date:</p>
--

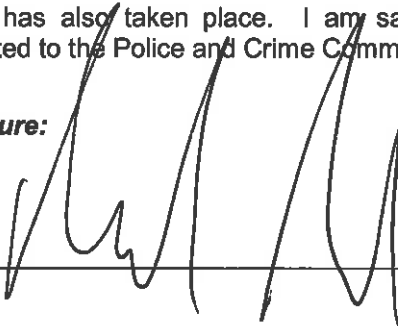
Any facts, advice or recommendations that should not be made automatically available on request should not be included in Part 1 but on the separate Part 2 form.

<p>Is there a Part 2 form? No</p> <p>If Yes, for what reason:</p>
--

ORIGINATING OFFICER DECLARATION

	Initials
Originating Officer: 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

<p>Chief Executive</p> <p>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.</p> <p>Signature:  Date:</p>
--