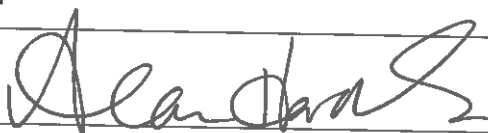


**POLICE AND CRIME COMMISSIONER (PCC) FOR LINCOLNSHIRE
REQUEST FOR DECISION**

REF: 001-2015

DATE: 15 January 2015

SUBJECT	CHANGES TO 2014/15 REVENUE BUDGET & CAPITAL PROGRAMME
REPORT BY	CHIEF FINANCE OFFICER AND FORCE CHIEF FINANCE OFFICER
CONTACT OFFICER	Tony Tomlinson, Force Chief Finance Officer Tel 01522 558187
EXECUTIVE SUMMARY AND PURPOSE OF REPORT This report aims to: <ul style="list-style-type: none"> • Review the Revenue Spend position and make proposals for changes to the Revenue Budget 2014/15. • Highlight proposals for changes to the Capital Programme 2014/15. 	
RECOMMENDATION	That approval is given to the changes to the 2014/15 Revenue Budget and Capital Programme summarised in the Financial Considerations section.

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE	
I hereby approve the recommendation above, having considered the content of this report.	
Signature: 	Date: 15/01/15

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC**A1. INTRODUCTION AND BACKGROUND**

1. It is normal at this time of year to undertake a review of the spending position and make changes to the budget to reflect spending priorities for the year and actions required with regard to future years.
2. The following paragraphs identify the issues which require addressing and the potential changes to the revenue budget to provide this funding.

Police Staff Pension Scheme

3. One of budget savings proposals for balancing the 2015/16 revenue budget is to fund the Police staff pension scheme lump sum payment from underspend in 2014/15. It is proposed therefore that the projected cost of £407k is set aside in an earmarked reserve from the following sources within the PCC's budget.

- Capital Financing Charges £379k
- Strategic Partnership Contract £28k

Strategic Partnership

4. Service credits have accrued in this area of the budget and in order to separately account for this against future requirements it is proposed that the amount is included within the existing Performance and Productivity Reserve with the amount separately ear marked to enable the monitoring and control of these amounts.

- Strategic Partnership contract £206k

Mobile Data

5. The Mobile Data project requires revenue funding in 2014/15, part of the funding of the project in relation to 2014/15 requires the identification of £512k of revenue funding. It is proposed that this is funded from the following source

- Police Officer Pay £512k.

6. In addition there is a capital requirement in the Business Case for £750k. The funding for this would be found from the following sources:

- Mobile Data Grant Carried Forward £269k
- Performance and Productivity Projects provision in Programme £280k
- Performance and Productivity Reserve £201k

Innovation Funding Schemes

7. The current understanding of the Innovation Fund bids which the Force is leading on or a participant in has highlighted a requirement to provide for the revenue and capital budgets to reflect the transactions required to be processed in 2014/15. There are a number of variables associated with the timing of payments which will be clarified as the schemes are finalized. The budget provision highlighted here is the current understanding of the amounts to be paid and their funding. The schemes covered here are:

- Body Worn Video
- Virtual Courts (Live Links)
- Precursor Scheme – Regional Transformation
- Regional IT Integration

Expenditure

Revenue Requirement	£3,784k
Capital Requirement	£498k

Financed by:

Existing Capital Grant Funding	£100k
Performance and Productivity Projects provision in Programme (£1m in 2016/17)	£189k

Police Officer Pay Underspend	£76k
Innovation Fund Grant	£3,079k
Recharge to other Forces	£838k

8. It should be noted that, in order to account for reclaimable staffing costs at the end of the 2014/15 financial year, an accrual of £355k in the revenue account grant income will be required, this will be utilised to increase the balance available on the Performance and Productivity Reserve against future development activity.

Police Sector Network

9. A business case is being prepared which highlights a significant revenue and capital requirement for this project which is nationally mandated. The PSN Project consists of 3 elements:
- Extension of the current PNN provision pending PSN implementation
 - Ongoing Revenue £124k. (Until commencement of PSN, first year revenue £13k)
 - Capital £21k
 - Compliance with the PSN Code of Connection
 - Capital £200k
 - Ongoing Revenue £24k per annum
 - Implementation of PSN
 - Capital £9k
 - Ongoing revenue £53k per annum
10. It is proposed that provision be made for the first year revenue costs £13k together with one off capital costs of £230k. Ongoing revenue costs will need to be accommodated from the revenue budget in future years as a cost pressure.
- Police Officer Pay £243k

Victims Services Commissioning

11. It is proposed to allocate the earmarked reserve in respect of funding carried from 2013/14 to the Victims Commissioning project as follows:

Transition to new Victims' Services Commissioning (development, implementation and delivery)	£50k
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Police governance transition	£50k
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Customer interface development (including development and implementation of new Force website in 15/16 and development of full business case and project for fully integrated approach to Force/PCC customer interaction)	£189k
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Communications IT System

12. A grant from the College of Policing in respect of the Communication Capability Development Programme has been obtained. This will require an increase in the

ICT Monitored and Managed Budget of £18.5k funded by grant income of an equivalent amount.

Capital Programme

Recent reviews of the Capital Programme have highlighted:

- The Asset Management Group has identified two schemes, relating to window replacement at Lincoln West Parade, totalling £300k forecast expenditure which can be removed from the building schemes schedule for the year, and will not be reallocated to other building schemes. It is proposed that this be carried forward into 2015/16 in order to fund schemes in that year.
- The Force is working to reduce the size of its fleet. £544k has already been spent or committed in 2014/15 and no further purchases are to be made in 2014/15. This will result in a £721k underspend in this area. This amount is to be removed from the Capital Programme.
- A planned scheme for the replacement and renewal of a number of speed cameras across the county is estimated at approximately £420k and needs to be added to the capital programme. The scheme will be financed by the Lincolnshire Road Safety Partnership, through Lincolnshire County Council, this being partly through a carried forward grant from 2013/14 (£250k) and the remainder through additional grant funding in 2014/15 (£170k).
- Regional Scheme in relation to the purchase of a discreet building. It is proposed that an initial allocation of £196k is made funded by Home Office grant £128k and contribution £68k.

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

The capital programme assists in the delivery of core elements of the Strategies which underpin the Police and Crime plan, specifically the ICT Strategy, Asset Management Strategy and Fleet Strategy.

B. FINANCIAL CONSIDERATIONS

The following tables summarise the changes to be made to the revenue budget and capital programme.

Revenue Budget

Budget Heading	Movement 2014/15 £'000
Contribution to Earmarked Reserves:	
Police Staff Pension Scheme	407
Performance and Productivity	206
Victim Services Commissioning	289
Revenue Budgets	
ICT Monitored and Managed – Mobile Data	512
ICT Monitored and Managed – Comms Grant	18
ICT Monitored and Managed – Police Sector Network	13

Innovation Fund Schemes	3,784
Revenue contribution to capital - PSN Project	230
Total	5,459
Financed By:	
Capital Financing Charges	(379)
Strategic Partnership Contract	(234)
Police Officer Pay	(831)
Budget Carry forward Reserve	(289)
Home Office Grant	(18)
Innovation Fund Grant	(2,870)
Recharge Other Forces	(838)
Total	(5,459)

Capital Programme

Programme Heading	Movement 2014/15 £'000	Movement 2015/16 £'000
Building Schemes	(300)	300
Fleet Replacements	(721)	-
LRSP Cameras	420	-
Discreet Building	196	-
Mobile Data Project	750	-
Innovation Fund Schemes	209	189
Body Worn Video	(100)	100
Police sector Network	230	-
Total	684	589
Financing		
Borrowing	(300)	300
HO Grant	(721)	-
LRSP Grant Bfwd	250	-
LRSP Grant in year	170	-
Performance and Productivity Projects	280	189
Provision	269	-
Mobile data Grant Carried Forward	201	100
Performance & Productivity Reserve	209	-
Innovation Fund Grant	(100)	-
Body Worn Video grant	128	-
Discreet Building HO Grant	68	-
Discreet Building Contribution	230	-
Revenue Contribution		
Total	684	589

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

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

The PCC is responsible for setting the budget for policing.

D. PERSONNEL AND EQUALITIES ISSUES

No direct Personnel and equalities issues have been identified.

E. REVIEW ARRANGEMENTS

The Revenue Budget and Capital Programme are monitored on a regular basis including a full statement of the outturn spend at the conclusion of the financial year.

F. RISK MANAGEMENT

Risks relating to the financial position in Lincolnshire are included on the PCC and Chief Constables Risk Registers.

H. 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: The ACO recommends this proposal for the reasons outlined above.	H.L.G.
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	JCF
The CC's Chief Finance Officer has been consulted on this proposal.	AF
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal	JO
Deputy Chief Constable: The Deputy Chief Constable has been consulted on this proposal	HR

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: 15/1/15

