

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

REF: 011-2014
DATE: 31 March 2014

SUBJECT		CHANGES REQUIRED TO THE REVENUE BUDGET 2013/14
REPORT BY	FORCE CHIEF FINANCE OFFICER	
CONTACT OFFICER	Tony Tomlinson, Force Chief Finance Officer Telephone 01522 558179	
EXECUTIVE SUMMARY AND PURPOSE OF REPORT		
This report provides details of changes now required to the Revenue Budget for 2013/14 in order to ensure that the current budget reflects decisions relating to the Medium Term Financial Strategy and also in year changes in income and expenditure.		
RECOMMENDATION	<i>That the Chief Finance Officer to the Police and Crime Commissioner use urgency powers delegated under Section 9 of the Scheme of Arrangements for the Discharge of Functions, to approve the changes detailed in Paragraph 10 of this Decision Report.</i>	

CHIEF FINANCE OFFICER TO THE POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE	
I hereby approve the recommendation above, having considered the content of this report, under urgency powers delegated to me under Section 9 of the Scheme of Arrangements for the Discharge of Functions	
<i>Signature: JSPlint</i>	<i>Date: 31/3/14</i>

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. The preparation of the Medium Term Financial Strategy and the setting of a balanced budget for the 2014/15 financial year required the use of revenue underspend in 2013/14 and specific reserves in the financing of capital expenditure rather than incurring future capital financing charges. This has been approved as part of the budget proposals for 2014/15.
2. The first part of this arrangement involves the release of the specific pension reserve held by the PCC of £1.116 million and its inclusion in the capital financing charges budget together with an increase in the Contribution from reserves budget of the same amount.

3. The revenue budget for 2013/14 includes provision for Historic Pension costs of £1.116 million, this budget was intended to be utilised for a further contribution to the Pension Reserve prior to the results of the triennial valuation being announced. The results of this valuation have allowed this budgetary provision to be utilised for capital financing in 2013/14. The change in the budget required is an increase of £1.116 million in the capital financing charges, together with the removal of the same amount from the Historic Pension costs budget.
4. A further £1.800 million is required for capital financing in 2013/14 in order to support the Medium Term Financial Strategy, this has been identified from underspendings across the revenue budget; Police Officer Salaries £1.150million, Strategic Partnership contract payments (following a one off accrual adjustment) £0.432million; ICT Monitored and Managed Costs £0.218 million.
5. The allocation of the Contingency budget is required to support the Major Incidents budget, several exceptional incidents including the December flooding resulting from a tidal surge have placed the Major Incidents budget in an overspend position. The allocation of the contingency budget of £200k will support this area of the budget.
6. Changes to the allocation of costs associated with audit review, has resulted in the budget for the Retained Finance function being overspent, transfers from the National contributions and central costs of £0.030 million and Council tax support grant £0.060 million will support this area of the budget.
7. The Ministry of Justice has announced allocations of budgets for Victim Services Commissioning Lincolnshire has received an allocation of £0.264 million for 2013/14 and it is proposed that the Grant and corresponding expenditure be included in the PCC's budget.
8. Decision Report 002/2014 approved the purchase of the Chronicle IT system amendments to the budget will be required transferring £0.109 million from ICT Monitored and Managed Costs to capital financing, with £0.036 million allocated in ICT Monitored and Managed for support costs. It may be necessary to place some of this funding in a reserve at the year-end depending on when the expenditure is incurred.
9. The Home Office has recently announced the allocation of funding from the Innovation Fund, Lincolnshire will administer £0.214 million on behalf of the Region for Transformation work. This is required to be included in the PCC's budget.
10. In order to prepare for the financial year end three areas of expenditure have been highlighted as being committed in 2013/14 but the expenditure will not be incurred until 2014/15 making these unsuitable for normal accrual. The first relates to external training costs committed with the College of Policing as the only service provider but who are unable to provide the required mandatory courses until the new financial year. These courses total £0.105 million.

11. Secondly, the Commercial Partnership team have committed to undertaking review work which will require the carry forward of Consultancy costs of £0.060 million.
12. Finally, an amount of £0.155 million has been committed from the Community Safety Fund budget of the PCC for a scheme to improve ANPR coverage which will require the carry forward of £0.155 million.
13. The following table summarises the changes to the budget required.

Item	Virement £'000	
Capital Financing – Pensions Reserve		
Use of Earmarked Reserve	(1,116)	
Capital Financing		1,116
Capital Financing – Historic Pensions		
Historic Pensions costs	(1,116)	
Capital Financing		1,116
Capital Financing – Budget Underspends		
Police Officer Salaries	(1,150)	
Strategic Partnership contract payments	(432)	
ICT Monitored and Managed Costs	(218)	
Capital Financing		1,800
Contingency – Major Incidents		
Contingency	(200)	
Major Incidents		200
Retained Finance – Others		
National contributions and central costs	(30)	
Council tax support grant £0.060 million	(60)	
Retained Finance		90
Victim Services Commissioning – Grant		
Victim Services Commissioning Grant	(264)	
Victim Services Commissioning		264
Capital Financing - Chronicle IT system		
ICT Monitored and Managed Costs	(109)	
Capital Financing		109
Innovation Fund Grant – Regional Transformation Project		
Innovation Fund Grant	(214)	
Regional Transformation Project		214
Training – Ear marked Reserve		
External Training budget	(105)	
Ear marked Reserve		105
CPT – Ear marked Reserve		
CPT Consultancy	(60)	
Ear marked Reserve		60
CSF Payments - Ear marked Reserve		
CSF Payments	(155)	
Ear marked Reserve		155
	(5,229)	5,229

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

These changes are needed to ensure that the budget will support the intention to have 1,100 officers and 149 PCSO's who will directly support the PCC's strategies of:

- Reducing Crime
- Police and services that are there when you need them

B. FINANCIAL CONSIDERATIONS

The impact of these changes on the forecast outturn position is shown in the attached Budget Monitoring Schedule.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

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

The PCC is responsible for the movement of revenue budgets with a value greater than £100,000 under the Scheme of Arrangements for the Discharge of Functions.

D. PERSONNEL AND EQUALITIES ISSUES

None specific to this decision.

E. REVIEW ARRANGEMENTS

The Revenue Budget is monitored by the Resource Governance Meetings of the PCC.

F. RISK MANAGEMENT

Risks associated with the overall financial position are included within the chief Constable's and PCC's 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

	Tick to confirm
Originating Officer: Tony Tomlinson recommends this proposal for the reasons outlined above.	✓
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	✓
The CC'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: 

Date: 3/3/2014

REVENUE BUDGET SUMMARY

	Original Budget 2013/14	M10 Current Budget 2013/14	Changes	Current Budget 2013/14	Projected outturn	Projected over(+) or under(-) spend £000's
	£000's a	£000's	£000's	£000's	£000's c	d = c - b
POLICE AND CRIME COMMISSIONER						
INCOME :						
Police Grant	(64,772)	(64,772)		(64,772)	(64,772)	0
Security Grant	(375)	0		0	(37)	(37)
Community Safety Grant	(587)	(587)		(587)	(587)	0
Victim Services Commissioning Grant			(264)	(264)	(264)	0
Innovation Fund Grant			(214)	(214)	(214)	0
Council Tax Compensation Grant	(1,058)	(1,058)		(1,058)	(1,058)	0
Council Tax Support Grant	(5,757)	(5,817)		(5,817)	(5,834)	(17)
LCC PCSO funding	(1,500)	(1,500)		(1,500)	(1,500)	0
Council tax	(39,996)	(39,996)		(39,996)	(39,996)	0
Total income	(114,045)	(113,730)	(478)	(114,208)	(114,262)	(54)
EXPENDITURE :						
Police and Crime Commissioner's Office	950	950		950	950	0
Community safety grants and contributions	1,112	1,112	(155)	957	957	0
Victim Services Commissioning			264	264	264	0
Strategic partnership contract payments	22,546	23,479	(432)	23,047	23,047	0
Regional Transformation Project			214	214	214	0
Historic pension costs	1,116	1,116	(1,116)	0	0	0
Capital financing charges	3,789	3,771	4,141	7,912	8,117	205
Investment income	(100)	(100)		(100)	(117)	(17)
Total PCC Direct Expenditure	29,413	30,328	2,916	33,244	33,432	188
TOTAL PCC	(84,632)	(83,402)	2,438	(80,964)	(80,830)	134
CHIEF CONSTABLE						
Police officer salaries	56,471	56,430	(1,150)	55,280	55,113	(167)
Police officer ill health and injury benefit costs	1,245	1,245		1,245	1,392	147
Crime & Operations - support staff	3,773	4,810		4,810	4,837	27
Crime & Operations - other expenditure	1,994	2,197		2,197	1,852	(345)
Local Policing - PCSO's	3,995	1,836		1,836	1,855	19
East PCSOs		2,120		2,120	2,130	10
Local Policing - other expenditure						
LP East	789	446		446	441	(5)
LP West		627		627	529	(98)
LRSP expenditure	598	506		506	627	121
LRSP - income	(846)	(846)		(846)	(967)	(121)
Operations Command - expenditure	1,300	0		0	0	0
Major incidents	740	740	200	940	1,098	156
Regional collaboration	2,450	2,199		2,199	2,165	(34)
Seconded officers - expenditure	959	959		959	1,330	371
Seconded officers - income	(963)	(963)		(963)	(1,307)	(344)
Monitored and managed - premises costs	2,704	2,638		2,638	2,551	(87)
Monitored and managed - vehicle costs	1,709	1,540		1,540	1,627	87
Monitored and managed - HR and training costs	435	553	(105)	448	347	(101)
Monitored and managed - ICT costs	1,533	1,533	(327)	1,206	1,011	(195)
Monitored and managed - other costs	646	674		674	546	(128)
Strategic Development	1,998	1,778		1,778	1,618	(160)
Communications	488	488		488	447	(41)
Legal Services	421	421		421	409	(12)
Volunteers		456		456	227	(229)
Commercial Partnership Team	365	365	(60)	305	334	29
Finance - retained budget	382	611		611	664	53
Professional Standards	216	216		216	204	(12)
National contributions and central costs	1,030	1,011		1,011	835	(176)
Contingency	200	200	(200)	0	0	0
Total Chief Constable	84,632	84,790	(1,642)	83,148	81,913	(1,235)
GROUP POSITION	0	1,388	796	2,184	1,083	(1,101)
Use of Earmarked Reserves	0	(1,388)	(796)	(2,184)	(1,976)	208
GROUP POSITION	0	0	0	0	(893)	(893)

Notes on budget:

Original budget is that described by the PCC in his delegation letter of 5 June 2013.