


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

REF: 013-2014  
DATE: 3 JUNE 2014

<b>SUBJECT</b>		<b>USE OF 2013/14 UNDERSPENDING AND ALLOCATIONS TO RESERVES</b>
<b>REPORT BY</b>	<b>CHIEF FINANCE OFFICER</b>	
<b>CONTACT OFFICER</b>	<b>ALUN JONES, FINANCE OFFICER</b>  <b>Tel 01522 558187</b>	
<b>EXECUTIVE SUMMARY AND PURPOSE OF REPORT</b>		
<p>The provisional outturn of actual expenditure and income for 2013/14 shows a provisional underspending of £2.5m.</p> <p>The report makes proposals for the use of this underspending.</p> <p>It also makes proposals on allocations to reserves at 31 March 2014.</p>		
<b>RECOMMENDATION</b>	<p><i>It is recommended that :</i></p> <ul style="list-style-type: none"> <li><i>(a) the proposed reserves at 31 March 2014 as set out in Table A of the report are agreed ;</i></li> <li><i>(b) the proposed use of the 2013/14 underspending carried forward as set out in Table B of the report is agreed ;</i></li> <li><i>(c) the proposed reserves be adjusted to reflect any changes to the provisional figures by the Chief Finance Officer in consultation with the Police and Crime Commissioner ;</i></li> <li><i>(d) the proposed carry forward of capital spending and funding as set out in Table C is agreed.</i></li> </ul>	

<b>POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE</b>	
I hereby approve the recommendation above, having considered the content of this report.	
<b>Signature:</b> 	<b>Date:</b> 03/06/14

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

## Earmarked reserves

1. A variety of reserves are maintained for specific purposes.
2. The following is proposed in relation to the main earmarked reserves :
  - Major incidents – retain at £1.850m. Actual spending on major incidents in 2012/13 was £0.469m. but increased to £0.934m in 2013/14. The 2014/15 major incidents budget provides £0.600m with the reserve funding any excess above this.
  - Insurance – retain at £0.750m.
  - Reserve for 2013/14 budget – retain at £1.500m. and retitle. This reserve was established originally to balance the 2013/14 budget. It is now planned to use the reserve to balance the 2015/16 budget.
  - The use of the Pension Reserve has been formally agreed.
  - The Performance and Productivity Reserve was established last year to fund the one off costs of projects which will improve performance or productivity, or produce cash savings. £0.037m of the reserve was allocated in 2013/14 and a further £0.260m of the original £0.500m is committed. It is proposed to add a further £0.500m to this reserve to give an uncommitted balance of £0.703m. Funding will continue to be released as business cases are approved by the PCC.
  - The use of the Volunteers Reserve reflects actual expenditure on this initiative during the year.
  - Similarly, the use of other reserves reflects actual expenditure during the year.
  - It is proposed to transfer the balance of the surplus available to the Underspendings Carried Forward Reserve. The potential use of this reserve is described below.

## General reserve

3. The requirement for a general reserve for general financial risks is based on a financial risk assessment. The current assessment suggests that reserves for general risks should be maintained at around 5% of total annual expenditure. The amount for 2014/15 is £5.6m. The existing level of reserves is £5.663m and it is proposed to maintain the reserve at this level..

## Proposed reserves

4. Proposals on reserves are summarised in Table A below.

TABLE A

<b>PROPOSED RESERVES</b>	<b>Actual at 31.3.2013 £m</b>	<b>Proposed Use £m</b>	<b>Additions £m</b>	<b>Balance at 31.3.2014 £m</b>
Major incidents	1.850			1.850
Insurance	0.750			0.750
2015/16 Budget	1.500			1.500
Pension	1.116	-1.116		0
Performance and Productivity	0.500	-0.037	0.500	0.963
Volunteers	1.000	-0.180		0.820
Second Homes	0.252	-0.098		0.154
Migration impact	0.054			0.054
POCA	0.146	-0.074	0.149	0.221
EMSOU	0.123			0.123
Employee welfare	0.042			0.042
Underspendings carried forward	0.887	-0.887	2.333	2.333
<b>Total earmarked reserves</b>	<b>8.220</b>	<b>-2.392</b>	<b>2.982</b>	<b>8.810</b>
<b>General Reserve</b>	<b>5.663</b>			<b>5.663</b>
<b>Total reserves</b>	<b>13.883</b>	<b>-2.392</b>	<b>2.982</b>	<b>14.473</b>

Use of underspendings carried forward

5. The proposed use of the £2.333m balance available is summarised below.

Items 1 to 4 have been formally agreed.

Items 5 to 17 are committed.

**TABLE B**

REF.	PROPOSED USE OF THE UNDERSPENDINGS CARRIED FORWARD	£M
1	External training	0.105
2	CPT consultancy	0.060
3	Chronicle	0.053
4	ANPR	0.250
5	Victims' Services Commissioning	0.264
6	Regional transformation	0.133
7	Strategic Partnership – milestone payments	0.464
8	Dog School bequest	0.001
9	Licensing Ring fenced Grant	0.009
10	LCJB	0.062
11	Restorative Justice	0.077
12	NHS Custody Project	0.100
13	ANPR	0.050
14	Communications programmes	0.035
15	Commercial Partnership Team	0.045
16	Revenue funding of capital spending	0.280
17	Other	0.345
18	<b>Total</b>	<b>2.333</b>

**Capital programme**

6. The 2013/14 capital programme was underspent by £1.578m largely as a result of slippage in the programme. It is proposed to carry forward £1.125m to allow completion of the agreed projects. This is shown in Table C below.

**TABLE C**

PROPOSED CARRY FORWARD OF CAPITAL SPENDING AND FUNDING	£M
Capital spending :	
Building schemes	0.383
Mobile data	0.269
Vehicles	0.201
Business transformation	0.272
<b>Total spending</b>	<b>1.125</b>
Borrowing ( to fund building schemes )	0.383
Mobile data funding	0.269
Capital grants carried forward	0.473
<b>Total funding</b>	<b>1.125</b>

Total borrowing over 2013/14 to 2014/15 will be £0.413m less than planned.

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

The recommendations include providing additional funding to help improve performance, productivity and value for money. Additional funding is also provided to extend the ANPR network.

**B. FINANCIAL CONSIDERATIONS**

As described in the report.

**C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS**

The recommended decisions are lawful within the PCC's discretionary powers.

**D. PERSONNEL AND EQUALITIES ISSUES**

None.

**E. REVIEW ARRANGEMENTS**

None required.

**F. RISK MANAGEMENT**

Financial risks are taken into account in the recommendations including proposals on carry forward of underspendings and allocations to reserves.

**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

### ORIGINATING OFFICER DECLARATION

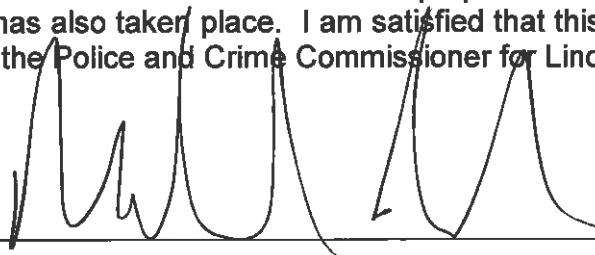
	Tick to confirm
Originating Officer: Alun Jones recommends this proposal for the reasons outlined above.	✓
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal. The CC's Chief Finance Officer has been consulted on this proposal.	✓
	✓
Monitoring Officer: The PCC's Monitoring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

3/6/14