

For Public Release

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

REF: 023/2020

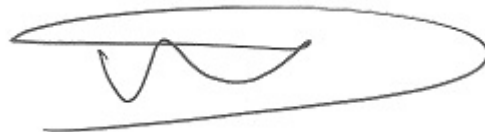
DATE: 2 December 2020

SUBJECT		ALLOCATION OF RESERVES, REVISIONS TO THE REVENUE BUDGET 2019/20 AND REVISIONS TO THE 2019/20 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 2019/20 and the approved Capital Programme 2019/20. It also proposes changes to the Earmarked Reserves.		
RECOMMENDATIONS		<ol style="list-style-type: none"><i>1. That approval is given to the proposed changes to the Earmarked Reserves and Revenue Budget for 2019/20 as summarised in paragraphs 5, 12, 16 and 31.</i><i>2. That approval is given to the proposed changes of the Capital Programme 2019/20 and 2020/21 as summarised in paragraphs 34, 50 and 51.</i>

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

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

Signature:



Date: 2 December 2020

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 2019/20 and the Capital Programme 2019/20 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

Reserves to be Earmarked

2. The following are proposals for the earmarking of reserves to enable existing projects with slippage to continue.
3. **Performance and Productivity**
The National Enabling Project (NEP) is about understanding and improving processes with new technology. £0.130m allocated to the NEP project was not required during 2019/20 therefore it is proposed that £0.130m continues to be earmarked for the NEP project within the Performance and Productivity reserve until 2020/21.
4. **Telematics**
It is proposed that £0.105m continues to be earmarked for the Telematics project within the Performance and Productivity reserve until 2020/21, to allow telematics devices to continue to be installed into the vehicle fleet. £0.125m had been allocated for the project although just £0.020m was required and drawn down in 2019/20.
5. The following table summarises the proposed earmarking of reserves:

Project	Para No	Earmarked Amount £'000	Reserve
National Enabling Project	3	(130)	Performance & Productivity
Telematics	4	(105)	Performance & Productivity
Total		(235)	

Transfer to Reserves - Budget Virement Required

6. The following are transfers that are required to reserves for slippage on existing projects, to allow specific income to be spent as intended and to allow outstanding expenditure to occur in 2020/21 and the projects to complete.

Special Grant Reversal

7. It is proposed that £0.105m from the Office of the Police & Crime Commissioner outturn under spend is returned to the Special Grant earmarked reserve, community engagement expenditure funded by the Special Grant will now be incurred in 2020/21. The initial release from the Special Grant earmarked reserve was approved in November 2019, Decision Report Reference 021/2019 "Amendments to 2019/20 Budget & Medium Term Financial Plan".

Police Transformation Fund (PTF) Domestic Abuse

8. The balance on this grant, of £0.007m, is for distributing to partners in 2020/21 therefore it is proposed that £0.007m is transferred to the PTF Domestic Abuse reserve.

Mini Police Income

9. This is £0.046m of income received to be used specifically for the Mini Police, which was not spent in 2019/20, so it is proposed that £0.046m is transferred to the Mini Police reserve for spending in 2020/21.

Regional NICHE

10. It is proposed that £0.304m is transferred to the Regional Niche reserve for distributing to the Forces involved with Regional Niche during 2020/21.

PCC Regional Collaboration

11. It is proposed that £0.026m is transferred to the PCC Regional Staffing reserve. This is the remaining balance, following income and expenditure in 2019/20, and is to be reinvested into the collaboration in 2020/21.

12. The following table summarises the proposed transfers to reserves:

Transfer from Revenue	Para No	Transferable Amount £'000	Transfer to Reserve
Transfer from Revenue, Budget virement required:			
Office of the Police & Crime Commissioner	7	(105)	Special Grant
Domestic Abuse	8	(7)	Police Transformation Fund
Mini Police Income	9	(46)	Mini Police
Regional NICHE	10	(304)	Regional NICHE
PCC Regional Collaboration	11	(26)	PCC Regional Staffing
Total		(488)	

Transfer between Reserves

13. The following are proposals for the reallocation of reserves, where identified reserves are no longer being required for their original purpose.

14. **Reallocate £0.250m from Development and Partnership Working**

It is proposed that £0.250m from the Development and Partnership Working earmarked reserve is transferred to the newly created Victims Major Incidents risk based earmarked reserve.

15. **Reallocate £0.100m from CATS/Niche Back Office**

It is proposed that the uncommitted £0.100m in the CATS/Niche Back Office earmarked reserve is transferred to the General Reserve, as it is no longer required.

16. The following table summarises the proposed transfer between reserves:

Transfer from Reserve	Para No	Transferable Amount £'000	Transfer to Reserve
Development & Partnership Working	14	250	Victims Major Incidents
CATS/Niche Back Office	15	100	General Reserve
Total		350	

A3. UNDERSPEND ALLOCATIONS £3.709m

Transfers to Earmarked Reserves for Specific Projects/Activities

17. The accounts for 2019/20 have been closed and, subject to audit, show a surplus of income over expenditure of £3.709m. A significant part of the underspend arose from additional income and reduced regional charges which will need to be allocated to specific reserves. The underspend of £3.709m includes £1.600m of special grant money which was received during the year but was being held on the balance sheet until all conditions had been met. The surplus increases reserves by £3,709m and below proposes how this should be allocated between the various reserves.
- PCC Development and Partnership Working**
18. It is proposed that the PCC Community Grants and Contributions underspend of £0.028m is transferred into the existing PCC Development and Partnership Working reserve.
- West Football Policing**
19. £0.010m income has been recovered from the courts from bringing football disorder offenders to justice. It is therefore proposed that £0.010m is transferred to the existing reserve West Division Football to support football related operations expected to occur in 2020/21.
- Bluelight (Revenue)**
20. It is proposed that an earmarked reserve of £0.003m is created to address timing issues with sundry expenditure set to occur in 2020/21.
- Proceeds of Crime Income**
21. Additional income has been generated from the prosecutions and asset recovery associated with modern slavery cases. It is therefore proposed that £0.257m is transferred into this existing Proceeds of Crime reserve.
- Victims Major Incidents**
22. It is proposed that the £0.019m underspend on Victims Commissioning Services is transferred into the Victims Major Incident reserve, to add to the £0.250m already there, see para 14.
- Bank Holiday**
23. It is proposed that £0.294m is transferred to the bank holiday overtime reserve to alleviate cost pressures in future years. The base budget allows for 8 bank holidays each year, with this reserve picking up the cost pressures of any further bank holidays.
- Regional Underspend**
24. A regional underspend of £0.279k has arisen as part of the year end consolidation. It is therefore proposed that the regional underspend of £0.279m is transferred to the Regional Underspend reserve.

ICT Home Office Charges

25. It is proposed that an earmarked reserve of £0.122m is created to cover increases in Home Office ICT charges in 2020/21.

Operation Forge

26. It is proposed that an earmarked reserve of £0.060m is created to carry forward the costs for Operation Forge.

South Park Bandwidth

27. Following occupation of the new site at South Park in Lincoln, the available bandwidth needs to be increased. It is proposed that an earmarked reserve of £0.032m is created for South Park bandwidth.

Intelligence Review Building Work

28. The outcome of the Intelligence Staffing review is that more space is needed. It is therefore proposed that an earmarked reserve of £0.100m is created for Intelligence review building work to create this additional space.

Income Pressures

29. It is proposed that an earmarked reserve of £0.400m is created to cover income pressures.

Service Priority Reserve

30. With the further £2.105m it is proposed that a Service Priority earmarked reserve is created, to address issues as they arise.

31. The following table details the proposed transfers from 2019/20 underspends to reserves:

Reserve	Para No	Transferable Amount £'000
Specific Projects/Activities Earmarked Reserve		
PCC Development & Partnership Working	18	28
West Football Policing	19	10
Bluellght (Revenue)	20	3
Proceeds of Crime Income	21	257
Victims Major Incidents	22	19
Bank Holiday	23	294
Regional Underspend	24	279
ICT Home Office charges	25	122
Operation Forge	26	60
South Park Bandwidth	27	32
Intelligence Review Building Work	28	100
Income Pressures	29	400
Service Priority Reserve	30	2,105
Total		3,709

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

Capital Programme 2019/20

33. The following table summarises the current approved Capital Programme. The programme includes the original figures agreed in the February 2019 approved Budget, Decision Report Reference 004/2019 "Budget Report" and subsequent approved changes.

34. The following changes are required to the 2019/20 Capital Programme:

Capital Schemes	2019/20 Original Programme £ms	2018/19 Carry Forward £ms	2019/20 Current Programme £ms	2019/20 Proposed Changes £ms	2019/20 Proposed Carry Forward £ms	2019/20 Proposed Programme £ms
Building maintenance/improvements	0.995	0.333	1.328	(0.200)	(0.300)	0.828
Vehicle replacement	1.000	-	1.000		(0.198)	0.802
Blue Light Collaboration Partner	1.278	0.887	2.165		(0.193)	1.972
Blue Light Collaboration Police	1.324	1.636	2.960		(0.193)	2.767
ICT Transformation	1.952	0.460	2.412		(0.724)	1.688
Command and Control	2.992	1.005	3.997		(3.686)	0.311
Telematics	-	0.125	0.125		(0.105)	0.020
Telephony Replacement	-	0.100	0.100		(0.050)	0.050
ESMCP	1.700	0.140	1.840		(1.560)	0.280
ANPR	0.000	0.054	0.054		(0.020)	0.034
Equipment replacement	0.250	0.087	0.337	0.059	(0.107)	0.289
LRSP Camera Upgrade	-	-	-	0.071		0.071
Gymnasium Upgrades	0.231	0.066	0.297	(0.060)	(0.035)	0.202
Taser	-	-	-	0.035		0.035
RTC Measurement Scanner	-	-	-	0.068		0.068
Over accrual adjustment	-	-	-	(0.036)		(0.036)
Total	11.722	4.893	16.615	(0.063)	(7.171)	9.381
Funding :						
Capital receipts	0.060	-	0.060			0.060
Capital Grants Unapplied - ESMCP	0.150	-	0.150			0.150
Capital Grants Unapplied - Home Office	-	-	-			-
Capital Grants Received in Advance	-	-	-			-
National Taser uplift Grant	-	-	-	0.035		0.035
RTC Grant	-	-	-	0.068		0.068
Direct Revenue Financing	-	-	-			-
Earmarked Reserves	-	0.125	0.125		(0.105)	0.020
Borrowing - General	8.798	1.805	10.603	(0.037)	(6.580)	3.986
Borrowing - Blue Light	1.052	1.636	2.688		(0.193)	2.495
Borrowing - Salix	-	0.300	0.300	(0.200)	(0.100)	-
Grant - General	0.384	0.140	0.524			0.524
LRSP Partner Contribution	-	-	-	0.071		0.071
Blue Light Partner Contribution	1.278	0.887	2.165		(0.193)	1.972
Total	11.722	4.893	16.615	(0.063)	(7.171)	9.381

Building Maintenance and Improvements

35. It is proposed that £0.335m for building maintenance and improvements is carried forward into 2020/21 to enable the following projects to either commence or complete:

- Front Entrance HQ £0.110m
- Solar Photovoltaic (PV) Works (SALIX) £0.100m
- Skegness Magistrates £0.090m
- Gymnasium £0.035m

Approval is sought for this carry forward of £0.335m with £0.235m funded from general borrowing and £0.100m funded from a SALIX interest free loan.

Vehicle Replacement

36. It is proposed that £0.198m for vehicle replacement is carried forward into 2020/21, with funding from general borrowing.

Bluelight

37. It is proposed that £0.386m of the Blue Light collaboration scheme is carried forward into 2020/21, in order to complete the project. This is split £0.193m Borrowing – Blue Light and £0.193m Blue Light Partner Contribution.

ICT Transformation

38. It is proposed that £0.724m for the ICT Transformation scheme is carried forward into 2020/21, to enable the following projects to complete:
- Refresh of ICT Equipment £0.195m;
 - Digital Interviewing £0.105m;
 - Digital asset Management System (DAMS) £0.180m;
 - Desktops £0.049m;
 - Mobile Phones £0.025m;
 - Laptops £0.039m.
 - Anti Corruption Unit Software Replacement £0.059m
 - WIFI Upgrade £0.040m
 - Chorus £0.017m
 - Enterprise Vault £0.015m

Approval is sought for this carry forward of £0.724m with funding from general borrowing.

Command and Control

39. It is proposed that £3.686m of the delayed Command and Control system implementation is carried forward into 2020/21, in order to maintain the overall approved programme budget. Funding is from general borrowing.

Telematics

40. It is proposed that £0.105m of Telematics is carried forward into 2020/21. Funding is from earmarked reserves.

Telephony Replacement

41. It is proposed that £0.050m for telephony replacement is carried forward into 2020/21 to provide for enhancements to the telephony infrastructure. This is to be funded by general borrowing.

Emergency Services Mobile Communications Programme (ESMCP)

42. It is proposed that £1.560m of the delayed national ESMCP is carried forward into 2020/21, to enable the scheme to continue. Funding is from general borrowing.

Automatic Number Plate Recognition (ANPR)

43. It is proposed that £0.020m of ANPR is carried forward into 2020/21, in order to enable continued enhancements to existing fixed site ANPR cameras deployed throughout the county. Approval is sought for this carry forward of £0.020m with funding from general borrowing.

Equipment Replacement

44. It is proposed that £0.107m is carried forward into 2020/21, to enable additional Drones to be purchased. Approval is sought for this carry forward of £0.107m with funding from general borrowing.

45. It is proposed that the capital programme is increased by £0.059m for Mobile Data Terminals. This is to be funded by general borrowing.

LRSP Camera Upgrade

46. The Lincolnshire Road Safety Partnership (LRSP) 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 £0.071m has been incurred in 2019/20, which is matched by funding from Lincolnshire County Council.

Taser

47. It is proposed that the capital programme is increased by £0.035m for new Tasers. This project is funded by the National Taser Uplift Grant.

Road Traffic Collision (RTC) Measurement Scanner

48. It is proposed that the capital programme is increased by £0.068m for RTC Measurement Scanner. This project is funded by the RTC Grant.

Over Accrual Adjustment

49. The prior year capital accrual of £0.036m has been released due to lower capital expenditure. It is proposed that the capital programme is reduced by £0.036m, reducing the general borrowing requirement in 2019/20.

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

Carry Forward Requirement	Para No	Amount £'000	Funded by:
Building Maintenance and Improvements:			
Solar PV	35	100	Borrowing - Salix
Front Entrance HQ	35	110	Borrowing - General
Gymnasiums	35	35	Borrowing - General
Skegness Magistrates	35	90	Borrowing - General
Blue Light:			
Blue Light Police	37	193	Borrowing - Bluelight
Blue Light Partner	37	193	Blue Light Partner Contribution
ICT:			
Refresh Programme	38	195	Borrowing - General
Digital Interviewing	38	105	Borrowing - General
DAMS	38	180	Borrowing - General
Desktops	38	49	Borrowing - General
Mobile Phones	38	25	Borrowing - General
Laptops	38	39	Borrowing - General
ACU Replacement	38	59	Borrowing - General
WIFI Upgrade	38	40	Borrowing - General
Chorus	38	17	Borrowing - General
Enterprise Vault	38	15	Borrowing - General
Command & Control:			
Command & Control	39	3,686	Borrowing - General
Telephony Replacement:			
Telephony	41	50	Borrowing - General
ESMCP:			
ESMCP	42	1,560	Borrowing - General
Vehicles			
Vehicles	36	198	Borrowing - General
ANPR:			
ANPR	43	20	Borrowing - General
Equipment Replacement:			
Drones	44	107	Borrowing - General
Telematics:			
Telematics	40	105	Earmarked Reserve
Total		7,171	

51. The following table summarises the proposed adjustments to the 2019/20 capital programme:-

Proposed Budget Changes	Para No	Amount £'000	Funded by:
Building Maintenance and Improvements:			
Solar PV	35	(200)	Borrowing - Salix
Gymnasiums	35	(60)	Borrowing
Taser			
National uplift	47	35	Grant - Capital
RTC Measurement Scanner			
Scanner purchase	48	68	Grant - Capital
Equipment Replacement:			
Equipment Replacement	45	59	Borrowing - General
LRSP Camera Upgrade:			
LRSP Camera Upgrade	46	71	LRSP Partner Contributions/ DRF
Over accruals from previous year:			
Over accrual adjustment	49	(36)	Borrowing - General
Total		(63)	

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 Revenue Budget and Capital Programme to be approved by the PCC having consulted with the PCC's Chief Finance Officer.

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>
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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>
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ORIGINATING OFFICER DECLARATION

	Initials
Originating Officer: CC's Chief Finance Officer, recommends this proposal for the reasons outlined above.	SC
Financial advice: The PCC's Chief Finance Officer has been consulted on this proposal.	JF
Monitoring Officer: The PCC's Monitoring Officer has been consulted on this proposal.	MB
Chief Constable: The Chief Constable has been consulted on this proposal.	BS

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:  _____</p> <p>Date: 27 October 2020</p>
