

For Public Release

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

**REF: 005/2021
DATE: 8 March 2021**

SUBJECT		ALLOCATION OF RESERVES, REVISIONS TO THE REVENUE BUDGET 2020/21 AND REVISIONS TO THE 2020/21 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 2020/21 and the approved Capital Programme 2020/21. 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 Revenue Budget for 2020/21 as summarised in paragraph 2.</i><i>2. That approval is given to the proposed changes to the Earmarked Reserves as summarised in paragraphs 10 and 17.</i><i>3. That approval is given to the proposed changes of the Capital Programme 2020/21 as summarised in paragraphs 25 and 28.</i>	

POLICE AND CRIME COMMISSIONER FOR LINCOLNSHIRE

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

Signature:



Date: 8 March 2021

A. NON-CONFIDENTIAL FACTS AND ADVICE TO THE PCC

A1. INTRODUCTION AND BACKGROUND

1. This report sets out further changes that are required to the Revenue Budget 2020/21 and the Capital Programme 2020/21 and of its financing. This report also looks to make changes to the Earmarked reserves.

A2. REVENUE BUDGET 2020/21 CHANGES

Previous approval of budgets to the Strategic Partnership

2. The following budgets have been approved via the appropriate Strategic Partner Change Control Documents. They are now included for information and to allow the amendments to be made on the t-Police accounting system.

Description	Amount £000	Funded from:
CMB Staffing	78	Force Contingency
CJ Staffing	40	Force Contingency
Street to Suite	21	Force Contingency
Proof of Concept	43	Performance & Productivity
HR Horizons Budget	122	Special Grant Reserve
HR Horizons Budget	(62)	Special Grant Reserve
Total	242	

The final amount included in the above table is to transfer back unrequired funds. This is not part of the previously approved reserve transactions and so approval is sought to return the funding.

Fraud Prevention Officer

3. A total of £9k additional budget was drawn down from the Proceeds of Crime Act (POCA) reserve and allocated to the POCA cost centre. This was to fund a specialist member of staff post. However, the employee is working under the Chief Constable and so a virement is required to move the funding to the support staff salaries budget.
4. The following table summarises the proposed revenue adjustments:

Revenue Budget Changes	Amount £000	From Budget Head/Funding	To Budget Head
Funding of developments in Strat' Partnership	139	Contingency	Strategic Partnership
Funding of developments in Strat' Partnership	103	Earmarked Reserves	Strategic Partnership
Fraud Prevention Officer	9	Proceeds of Crime (PCC)	Support Staff Salaries (CC)
Total	251		

A3. TRANSFER TO RESERVES

5. The following are proposals for the earmarking of reserves for additional incomes received.

PUP Specific Grant

6. The second and final instalment of the Home Office uplift grant for £696k has been received due to COVID-19, to help alleviate cost pressures encountered. It is proposed that the additional revenue income is included and an earmarked reserve is created while spending plans are established.

Covid Surge Funding

7. A special grant from the Home Office for £249k has been received to alleviate some of the pressure placed on the budget due to the Covid-19 pandemic.

E-Safe

8. An amount of £32k was released from reserve to cover the cost of software enhancements in ICT. This is no longer required and can be returned to the Performance & Productivity reserve.

Airwave Boosters

9. An amount of £40k was approved for transfer from the Force contingency to ICT Monitored and Managed earlier the year in order to fund boosters to the Airwave network. This work will not complete in the current financial year and so it is proposed to carry this funding forward into 2021/22.

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

New Revenue Income /Revenue Budget	Amount	Transfer to Reserve
	£000	
PUP Grant	696	Operational Service Priority
Surge Funding (Covid)	249	Performance & Productivity
ICT Monitored & Managed - Esafe	32	Performance & Productivity
ICT Monitored & Managed - Airwaves	40	Aiwave Booster Carry forward
Total	1,017	

A4. RELEASE OF RESERVES TO REVENUE

11. The following are proposals for the drawdown of specific earmarked reserves.

Bank Holiday Overtime

12. A cost pressure arises as the 2020/21 financial year contains 9 bank holidays due to how Christmas falls. This is one bank holiday above normal and the amount contained in the base budget. A drawdown from the reserve of £95k is therefore proposed in order to compensate for this.

Domestic Abuse continuation of Early Intervention Project

13. A total of £50k is required to be drawn down from the reserve in order to fund the contribution made to Respect to ensure the early intervention project previously funded by Innovation funds can continue.

ARV Funding (Body worn video cameras)

14. As part of the final settlement and accounting adjustments relating to EMOpSS a drawdown of this reserve is required for £68k with the remaining balance being carried in to next year.

Excellence in Police Finance

15. The final instalment of £30k is required to be drawn down from the reserve to cover the charge received from CIPFA.

Performance & Productivity Reserve – Strategic Development Training

16. An £8.2k drawdown is required to fund additional training requirements of a staff member in the department.

17. The following table summarises the release of reserves to revenue:

Description	Amount £000	Funded from:
Bank Holiday Overtime	95	Bank Holiday Reserve
Domestic Abuse Project	50	Domestic Abuse
Notts ARV Funding	68	ARV Reserve
CIPFA	30	Excellence in Police Finance
Training (Strategic Dev)	8	Performance & Productivity
Total	251	

18. Change of Reserve: Intelligence Department Building Works

There is £88k in a reserve. This was earmarked for use by the Intelligence department as their office space was not suitable. However, it is unlikely this amount will be required in full, but the wider Crime department have other similar requirements. A request is made to change the name of the reserve to Crime Building Works.

19. Police Staff and PCSO Pay-award allocation of budget

It is proposed that Staff pay-award of £140k and PCSO pay-award of £50k is transferred from the PCC to the Chief Constable in order to cover the impact of the pay-award agreed in September 2020.

A5. CAPITAL PROGRAMME 2020/21

20. The Original Capital Programme of £4.909m including financing arrangements was approved by the PCC on the 20th February 2020, in the Decision Report Reference 003/2020 “Budget Report”. The proposed programme of £10.178m consisted of the original programme of £4.909m and expected carry forward from 2019/20 of £5.269m. Several decision reports have since been approved which have given a budget and funding of £10.700m currently. Further amendments are now proposed to this budget as follows;

Nexus Core Switch

21. Budget and funding of £381k is required to be added to the capital programme. Full details for this project are included in the business case.

Horizons BI Tool

22. The project total of £1,513k has been approved but is included here for information. The increase in funding required was £1,313k due to £200k already having been allocated within the initial programme.

Skegness Former Magistrates Works

23. The decision report signed in the autumn to increase the budget in order for works to commence failed to cover the full project value including the amount being reclaimed from the National Probation Service. A further £0.62m is required.

Victim Lincs Case Management System

24. A budget increase of £4k is required to cover the additional system cost. The funding for this is provided from the Victim Services revenue budget.

25. The following table summarises the proposed adjustments to the 2020/21 capital programme:

Proposed Budget Changes	Amount £000	Funded by
East Coast Learning Facility	620	Cost Reclaim from NPS
Victim Lincs Case Management	4	DRF- Victim Lincs
NEXUS Core Switch	381	General Borrowing
Horizons BI Tool	1,313	General Borrowing
Total	2,318	

26. The following project requires re-profiling into the following year.

Horizons BI Tool Emergency Services Mobile Communications Programme

27. The project will be delivered in stages with milestone payments being made. £1,313k is to be carried forward in to 2021/22 financial year.

28. The following table summarises the proposed adjustments to the 2020/21 and 2021/22 capital programme:

Proposed Carry Forward to 2021/22	Amount £000
Horizons BI Tool	1,313

A6. 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 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>
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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.	CH

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: 8 March 2021</p>
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