



OFFICE OF THE POLICE & CRIME COMMISSIONER FOR NORFOLK

ORIGINATOR: Assistant Chief Officer

DECISION NO. 05/2019

REASON FOR SUBMISSION: For decision.

SUBMITTED TO: Police and Crime Commissioner

SUBJECT: Use of reserves 2018/19 and change to proposed use of reserves 2019/20.

SUMMARY: The planned use of reserves for the PCC Group in 2018/19 was £3.478m. Due to in-year decisions to use corporate budgets to fund short-life capital assets in order to protect reserves, the actual requirement was £0.659m (a benefit to reserves of £2.819m).

In addition the final underspend for the group was £0.266m. Of this, £0.094m related to a net underspend on the PCC Commissioning budget, and £0.172m underspend related to the budgets of the constabulary.

Since the approval of the MTFP more detailed information is now available about the 2019/20 financial impact of the Police Education Qualification Framework (£1.500m), the potential pay settlement for officers (£0.800m), and the finalisation of the business case in respect of the provision of Tasers to officers in Norfolk (£0.715m).

As a result of this there is an additional maximum requirement for reserves in 2019/20 of £3.015m (this is offset by the 2018/19 benefit to reserves of £2.819m plus the underspend of £0.266m adding to £3.085m in total).

The capital budget for 2018/19 was £11.242m, and spending against this budget was £4.941m, an underspend of £6.080m. Slippage against the schemes in the 2018/19 programme was £6.155m. The reason for this slippage was predominately caused by the re-profiling of the Estates programme.

The detail for the above is in the 2018/19 Outturn Report.

RECOMMENDATION:

The PCC is asked to sign this decision notice to approve:

- the final reserve movements for 2018/19 as set out in the table in the body of this report.
- the additional requirement for reserves in 2019/20.
- the slippage on the capital programme from 2018/19 into 2019/20.

OUTCOME/APPROVAL BY: PCC/CHIEF EXECUTIVE/CHIEF FINANCE OFFICER
(Delete as appropriate)

The recommendations as outlined above are approved.

Signature

A handwritten signature in black ink, appearing to be 'A. J. ...', written over a horizontal line.

Date 11/06/17

DETAIL OF THE SUBMISSION

1. OBJECTIVE:

This paper is requesting approval for the use of reserves in 2018/19, additional use of reserves in 2019/20 and slippage against the 2018/19 capital programme into 2019/20.

2. BACKGROUND:

The planned use of reserves for the PCC Group in 2018/19 was £3.478m. Due to in-year decisions to use corporate budgets to fund short-life capital assets in order to protect reserves, the actual requirement was £0.659m (a benefit to reserves of £2.819m).

The detail is shown in the table below:

Use of Reserves:	Budget	Actual	Variance
Capital Programme Funding from Reserves	-1,345	0	-1,345
Norfolk 2020 transitional costs	-804	-295	-508
Approved temporary posts	-446	-393	-53
Cost of Change	-516	0	-516
Commissioning Plan	-200	0	-200
7 Force Collaboration Contribution	-167	-167	0
Total transfer from Reserves (budgeted)	-3,478	-855	-2,622
Transfer to reserves:			
Regional Partnership Reserve		71	-71
Budget Reserve		39	-39
Invest to Save Reserve		87	-87
Net transfer from Reserves	-3,478	-659	-2,819

In addition the final underspend for the group was £0.266m. Of this, £0.094m relates to a net underspend on the PCC Commissioning budget, and £0.172m underspend related to the budgets of the constabulary.

This is set out in the table below:

	£000
Transfer to PCC Reserve	94
Transfer to Budget Support Reserve	172
Total	266

Since the approval of the MTFP more detailed information is now available about the 2019/20 financial impact of the Police Education Qualification Framework (£1.500m), the potential pay settlement for officers (£0.800m), and the finalisation of the business case in respect of the provision of Tasers to officers in Norfolk (£0.715m).

As a result of this there is an additional maximum requirement for reserves in 2019/20 of £3.015m (this is offset by the 2018/19 benefit to reserves of £2.819m plus the underspend of £0.266m adding to £3.085m in total).

The capital budget for 2018/19 was £11.242m, and spending against this budget was £4.941m, an underspend of £6.080m. Slippage against the schemes in the 2018/19 programme was £6.155m. The reason for this slippage was predominately caused by the re-profiling of the Estates programme.

The detail for the above is in the 2018/19 Outturn Report.

3. OTHER OPTIONS CONSIDERED:

The level of spending in 2018/19 for revenue and capital is now confirmed and will only change should any issues be picked up during the audit process (but these are unlikely to be significant)

Therefore the only alternative could be to alter which reserves are impacted on as part of the outturn process for 2018/19. However, the proposal has been considered by both the Assistant Chief Officer of the constabulary, and the Chief Finance Officer of the Office of the Police and Crime Commissioner and the recommendation from both Section 151 officers is as set out above.

The request for additional reserves in 2019/20 could be rejected. However, this would impact against the PCC objective for visible policing (by increasing the number of officers to support the introduction of the Police Education Qualification Framework) and the PCC support for more Tasers being made available to front line officers (in respect of the Taser business case). The uplift in officer pay, if approved, will be unavoidable.

4. STRATEGIC AIMS/OBJECTIVE SUPPORTED:

Visible policing.
Delivering a modern, innovative service.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS:

As set out in the above paper.

6. OTHER IMPLICATIONS AND RISKS:

None identified at this point.

APPROVAL TO SUBMIT TO THE DECISION-MAKER (this approval is required only for submissions to the PCC).

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report, that the recommendations have been reviewed and that this is an appropriate request to be submitted to the PCC.

Signature:



Date 21.5.19

Chief Finance Officer (Section 151 Officer)

I certify that:

- a) there are no financial consequences as a result of this decision,
OR
- b) the costs identified in this report can be met from existing revenue or capital budgets,
OR
- c) the costs identified in this report can be financed from reserves
AND
- d) the decision can be taken on the basis of my assurance that Financial Regulations have been complied with.

Signature:



Date: 21.5.2019

PUBLIC ACCESS TO INFORMATION: *Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the OPCC website. Submissions should be labelled as 'Not Protectively Marked' unless any of the material is 'restricted' or 'confidential'. Where information contained within the submission is 'restricted' or 'confidential' it should be highlighted, along with the reason why.*

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	N/A
Has communications advice been sought on areas of likely media interest and how they might be managed?	No
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	Yes