

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE **DECISION RECORD**

To be completed in cases where a decision is required

DECISION OF POLICE AND CRIME COMMISSIONER

Date: 03 September 2013
Officers present: Peter Lewis

Received in OPCC Date: 02 September 2013

OPCC Ref:

EXE 0020/13

Title: Consolidation of Reserves

Summary of Issue:

As part of the process of closing the accounts the Finance Director (Paul Dawkins) and Chief Finance Officer (Peter Lewis) reviewed the reserves as at 31 March 2013. The intention of such a review is to ensure that reserves are either justified and maintained at the correct level or, if not required, are consolidated in a way that enables the funds to be released for other purposes.

The attached sheet illustrates the proposals made for the consolidation of the reserves. Those marked with * are recommended to be removed (consolidated) because they are no longer required in this form. The sums from each reserve to be removed will be consolidated into either the Budget Equalisation Reserve or the General Fund. The former exists to both invest in the Change Programme and to smooth the impact of funding reductions over the medium term. The latter is provided to enable the Office of the Police and Crime Commissioner (OPCC) and the Office of the Chief Constable (OCC) to manage any unexpected events that confront the organisations. It is generally good practice to have this fund at between 3% and 5% of the net revenue budget.

It is proposed to increase the General Fund to £6.0m (from £5.253m), which will make it 3.4% of the net revenue budget, at the bottom end of the "good practice" range. This increase will also assist in mitigating any risks that may ensue from the removal of the public order reserve (POR) that currently stands at £1.134m.

The remainder of the funds released from the reserves no longer required (£1.733m) is proposed to be transferred to the Budget Equalisation Reserve (BER). This would make the reserve £13.261m, of which £1.452m is committed to expenditure incurred in 2012/13 and £1.0m is committed to the Community Safety Fund. This will leave £10.809m in the BER.

If agreed, these changes will remove 9 reserves.

Recommendation(s) presented:

It is recommended that the reserves are consolidated as described above and as listed in the attached appendix to this decision record. Particularly, it is recommended that £747,000 is moved to the General Fund and £1.733m to the BER.

Key discussion points

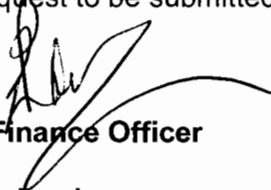
It is appropriate to review reserves at least annually
The General Fund needs to be robust, especially at a time of reducing budgets
The BER is a vital source of funding to support the Change Programme

OFFICE OF PCC APPROVAL

Chief Finance Officer:

I have been consulted about the proposal and confirm that appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner

Signature:



Title: Chief Finance Officer

Name: Peter Lewis

Date: 04 Sept 2013

Publication Scheme

Decision of Monitoring Officer:

As Monitoring Officer for the Office of Police and Crime Commissioner for Leicestershire I have determined that:

It is appropriate to publish this record of decision made by the Police and Crime Commissioner : **Yes / ~~Part Redacted~~ / No**

It is appropriate to publish the contents of the report proposing this course of action prepared by either of the senior post holders in the Office of the Police and Crime Commissioner for Leicestershire (i.e. either the Chief Executive or Chief Finance Officer) : **Yes / ~~Part Redacted~~ / No**

It is appropriate to publish details of the decision by the Police and Crime Commissioner for Leicestershire : **Yes / ~~Part Redacted~~ / No**

Reasons for any non Publication (referencing appropriate legislation):

Signature: Paul Stock
Monitoring Officer

Name: PAUL STOCK

Date: 4/9/13

Police and Crime Commissioner for Leicestershire

Having received the advice set out above and reviewed relevant documentation my decision in regard of this matter is:

APPROVED / ~~NOT APPROVED~~

Signature: Clive Loader

Sir Clive Loader

Date: 4/9/13

Reserve name	Balance at			Balance at			Balance at
	1 April 2011 £000	transfers out 2011/12 £000	transfers in 2011/12 £000	31 March 2012 £000	transfers out 2012/13 £000	transfers in 2012/13 £000	31 March 2013 £000
Capital expenditure	1,146	-1,593	2,291	1,844	-1,709	625	760
Budget equalisation	8,883	-2,215	4,010	10,678	-3,041	3,891	11,528
PCSOs	2,381	-	205	2,586	-	356	2,942
Proceeds of Crime Act	1,054	-259	160	955	-309	157	803
Carry-forwards (specific)	1,021	-1,021	2,006	2,006	-2,006	1,452	1,452
Public order	1,000	-	134	1,134	-	-	1,134 *
Civil claims	806	-196	147	757	-300	-	457
Pensions (general)	751	-	-	751	-	-	751 *
SPP (Special priority payments)	175	-175	-	-	-	-	-
Job evaluation	150	-	-	150	-	-	150 *
Equipment replacement	149	-	-	149	-27	-	122 *
Juniper Lodge	111	-43	44	112	-	107	219
Fleet insurance	107	-160	153	100	-199	199	100
Drug testing on charge (Counties BCU)	60	-	-	60	-	-	60 *
Radio mast income	59	-59	-	-	-	-	-
PA development programme	50	-	-	50	-	-	50 *
CRB	40	-	19	59	-	-	59
PCC transition	-	-	500	500	-342	-	158 *
IT infrastructure	35	-	-	35	-	-	35 *
PA tribunals	20	-	-	20	-	-	20 *
Other	18	-5	8	21	-	2	23
General Fund	5,253	0	0	5,253	0	0	5,253
Subtotal : force	18,016	-5,726	9,677	27,220	-7,933	6,789	26,076
EMSOU reserves - 23.1% share	221	-20	53	254	-74	34	214
EMTSU - 23.1% share	-	-	40	40	-	3	43
EMASU reserves - 1/3 share	103	-19	-	84	-	65	149
Grand total	18,340	-5,765	9,770	27,598	-8,007	6,891	26,482
Funds held on behalf of partners							
Operation Liberal	173	-	205	378	-57	-	321
Regional collaboration	-	-	515	515	-115	975	1,375
Total	173	0	720	893	-172	975	1,696
Proposed BER							
Balance B/Fwd	11,528						
Additions *	1,733						
Balance C/Fwd	<u>13,261</u>						
Proposed General Fund							
Balance B/Fwd	5,253						
Additions *	747						
Balance C/Fwd	<u>6,000</u>						

NB. Public Order Reserve (POR) was set up for Olympics and future public order protests. Suggest increasing General Fund to £6m to mitigate loss of POR around potential future unbudgeted public order costs.