

ORIGINATOR: PCC CFO

DECISION NUMBER: 35-2016.

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

**SUBJECT: 2015-16 OUTTURN – CAPITAL SLIPPAGE FUNDING
AND TRANSFERS TO AND FROM RESERVES**

SUMMARY:

1. The Accountability and Performance Panel considered the draft 2015-16 revenue and capital outturn position of the Constabulary and PCC on 10 June 2016 (AP16-18). The paper included a number of proposed transfers to and from reserves and proposed capital slippage funding to be carried forward to 2016-17.

RECOMMENDATION:

It is recommended that the PCC approves the capital slippage funding set out in Appendices 3a and 3b, and updated revenue reserve transfers set out in Appendices 1 and 2.

APPROVAL BY: PCC

The recommendation set out is agreed.

Signature

Tim Parmer

Date 16/08/2016

DETAIL OF THE SUBMISSION

1. KEY ISSUES FOR CONSIDERATION:

Background

- 1.1 At its meeting held on 10 June 2016, the Accountability and Performance Panel (APP) considered Paper AP16-18, which provided details of the draft 2015-16 outturn position for both revenue and capital expenditure.
- 1.2 Included in the APP report are Appendices C and E, with Appendix C including details of those 2015-16 capital schemes where funding is required to be carried forward into 2016-17 in order to complete the respective elements of the approved capital programme (totalling £1.098m), and Appendix E summarising the proposed transfers to and from reserves for the financial year ending 31 March 2016. Following consideration of the report and its supporting appendices, the APP did not propose any changes to the recommendations in respect of 2015-16 reserve transfers.
- 1.3 For 2016-17, in addition to those areas of expenditure funded from reserves in the Medium Term Financial Plan 2016-17 to 2019-20 (Decision Paper 2016-3), three further areas of expenditure have been added to Appendix 2 following discussion with the PCC, namely, four casualty reduction team posts; police officer recruitment costs; and potential ill health retirement costs, with these costs being funded from reserves on a non-recurring basis in 2016-17.

2. FINANCIAL IMPLICATIONS:


- 2.1 Details of the financial consequences in regard to the recommended capital slippage funding and reserve transfers are attached as Appendices 1, 2, 3a and 3b to this paper.

3. OTHER IMPLICATIONS AND RISKS:

- 3.1 There are no other implications and risks associated with the recommendation.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	N/A
Has the PCC's Chief Finance Officer been consulted?	Yes – PCC CFO is originator of this report
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	N/A
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?	N/A
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	N/A
Have all ethical factors been taken into consideration in developing this submission?	N/A

APPROVAL TO SUBMIT TO THE DECISION-MAKER

PCC Chief Finance Officer	
I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.	
Signature: 	Date 27.7.2016

SUFFOLK ONLY								
PROJECT	Slippage (14-15)	Budget (Table A)	Current Budget (Slippage & Table A)			Outturn	Under/Over(-);	Slippage (inc Table B items)
			Budget (Table B)	(to be allocated)				
Estates								
Minor Improvements	65,000	60,000		125,000		59,958	85,041	
Estates Strategy			250,000	0		77,512	-77,512	160,000
Estates Downsizing	80,000		165,000	80,000		57,017	22,983	80,000
PHQ Security				0		-1,287	1,287	
ERSOU Newmarket				0		0	0	
Child SARC	5,000			5,000		0	5,000	
Carbon Management		100,000		100,000		115,974	-15,974	
SW Ipswich SNT Setup		85,000		85,000		1,763	83,237	
Estates Revenue Funded				0		250	-250	
Marlesham PHQ			160,000	0		0	0	
TOTAL	160,000	245,000	675,000	395,000		311,199	83,811	240,000
ICT								
ICT Replacements - Desktop Services		174,000		174,000		154,637	19,363	
ICT Replacements - Communications		22,000		22,000		20,334	1,666	
ICCS Replacement		300,000		300,000		255,863	44,147	44,147
LAN/WAN IP Telephony				0		-1,548	1,548	
Athena	239,000	384,000		623,000		687,467	-64,467	
Power UPS		10,000		10,000		1,570	8,430	
PSTN Migration to SIP	27,000			27,000		39,136	-12,136	
Charter	38,000			38,000		0	38,000	38,000
Mouchel Pensions System		31,000		31,000		10,277	20,723	
TOTAL	304,000	921,000	0	1,225,000		1,167,728	57,274	82,147
Equipment & Vehicles								
Equipment Renewals				0		34,378	-34,378	
Ballistic Shields & Helmets	10,000	7,000		17,000		0	17,000	
Donated Asset - Airwave						71,194	-71,194	
Catering Equipment				0		0	0	
Vehicle Replacements	95,000	1,083,000		1,178,000		1,074,776	103,224	103,224
TOTAL	105,000	1,090,000	0	1,195,000		1,180,348	14,652	103,224
Suffolk Capital Projects	559,000	2,256,000	575,000	2,815,000		2,660,264	155,736	425,371
Suffolk Share of Joint Projects	838,933	956,565	293,190	1,795,498		998,351	797,147	672,184
TOTAL	1,397,933	3,212,565	868,190	4,610,498		3,657,616	952,882	1,097,555
		5,478,688						

CAPITAL FINANCING			
Source	Brought Forward	New	Outturn
Applied			
Capital Grant		1,000,000	856,534
MoJ Livellink	10,653		10,653
Unapplied			
PICS (ICT & Project Costs)	9,981		9,981
Charter System	3,377		2,289
Donated Asset			71,194
Received in Advance			
Mobile Data	277,614		63,569
Total Grants	301,625	1,000,000	1,014,214
Transfer of Helicopter		198,000	0
Sale of Police Properties		325,000	1,165,602
Sale of Vehicles			81,394
Deferred Receipts from 14/15	566,000		0
Total Capital Receipts	566,000	523,000	1,248,996
Revenue Funding - MTFP		592,000	419,269
- New budget: Cybercrime		17,400	
- additional slippage (exc grants)		692,358	
- Safecam Reserve		17,000	17,218
- Cybercrime HTCUC Tech from Revenue		88,305	88,305
- Minor improvements to Revenue			
Capital Financing Reserve		1,433,000	629,324
Change Reserve		161,000	161,000
- additional: ERP		87,000	81,289
Total Capital Financing	0	3,086,063	1,998,406
TOTAL	867,625	4,611,063	3,657,616
	5,478,688		

CAPITAL MONITORING as at 31 March 2016

JOINT							
PROJECT	Slippage (14-15)	Budget (Table A)	Budget (Table B)	Current Budget	Outturn	Under/Over(-)	Slippage
				(Slippage & Table A)			
Estates							
PSU Training Facility	44,000	0	0	44,000	-3,375	47,375	0
ICT							
Joint ICT Replacements - Servers	78,000	368,000	0	446,000	428,448	17,552	0
Joint ICT Replacements - Communications	0	35,000	0	35,000	34,435	565	0
ICT Replacements - Network	0	131,000	0	131,000	129,835	1,165	0
Microwave Refresh	0	50,000	0	50,000	44,669	5,331	0
IP Call Manager	22,000	0	0	22,000	-3,758	25,758	22,000
LAN/WAN Tech Refresh	0	0	0	0	0	0	0
Network Tools	10,000	0	0	10,000	0	10,000	10,000
ANPR Cameras	0	170,000	0	170,000	0	170,000	170,000
ANPR BOF	0	0	0	0	-5,611	5,611	0
ERP	0	570,000	0	570,000	492,737	77,263	64,355
ERP Change Control	116,814	0	0	116,814	81,289	35,525	0
GL Wand Licences	0	0	0	0	0	0	0
Socrates	0	0	0	0	2,920	-2,920	0
I2	17,000	0	0	17,000	18,529	-1,529	0
Transearch	37,000	0	0	37,000	18,092	18,908	18,908
Electronic Access Control Rationalisation	5,946	0	0	5,946	0	5,946	0
Live Link Project	137,000	100,000	0	237,000	115,025	121,975	121,975
Vigilance Pro	0	0	0	0	0	0	0
Cybercrime	190,650	243,000	0	433,650	339,999	93,651	88,707
HTCU Lace Server	0	0	0	0	4,943	-4,943	0
CAID	0	0	0	0	0	0	0
PNN4 (PSN)	90,000	0	0	90,000	28,984	61,016	61,016
CCR Telephony	208,000	0	0	208,000	-53,736	261,736	208,000
PICS (ICT)	10,000	0	0	10,000	7,122	2,878	0
Digital Strategy (inc Mobile Data)	403,000	0	0	403,000	146,136	256,864	256,864
Information Management	15,000	0	0	15,000	2,188	12,812	12,800
MIT Radio Frequency Project	0	0	0	0	0	0	0
Community Messaging	0	15,000	0	15,000	0	15,000	0
Privasoft Replacement (CycFreedom)	70,000	60,000	0	130,000	78,804	51,196	21,260
Intranet	0	44,000	31,000	44,000	46,021	-2,021	25,000
Constabulary Website		250,000	0	250,000	82,671	167,329	167,000
MFDs from Pavilion	81,240		0	81,240	81,240	0	0
Internet Mapping Solution			150,000	0	0	0	0
Intranet Refresh		50,000	50,000	50,000	25,143	24,857	24,857
Egress		13,000	0	13,000	13,500	-500	0
HTCU Hardware Refresh			200,000	0	0	0	0
IP Contact Centre			93,000	0	0	0	0
Equipment							
TSU Equipment	2,000	0	0	2,000	3,420	-1,420	0
New Print Room	2,000	0	0	2,000	1,958	42	0
Confidential Waste			150,000	0	0	0	30,000
Genie		100,000	0	100,000	0	100,000	100,000
TOTAL	1,539,650	2,199,000	674,000	3,738,650	2,161,628	1,577,022	1,402,742
Norfolk	700,717	1,242,435	380,810	1,943,152	1,163,277	779,875	730,558
Suffolk	838,933	956,565	293,190	1,795,498	998,351	797,147	672,184
	1,539,650	2,199,000	674,000	3,738,650	2,161,628	1,577,022	1,402,742
				3,738,650			

Revenue Summary and Recommended Reserve Transfers

Appendix 1

Ref	Reserves at 01/04/2015	Budget	2015/16 Outturn	Variance	Recommended Reserves at 31/03/2016
	£000	£000	£000	£000	£000
Net budget / expenditure :					
1		109,489	111,933	2,444	
2		803	526	-277	
3		941	839	-102	
3		2,408	2,093	-315	
4 Total net budget / expenditure:		113,641	115,391	1,750	
Transfers to / from Reserves:					
Earmarked Reserves:					
5	0	0	0	0	0
6	194	-183	-65	118	129
7	404	0	-30	-30	374
8	7,116	-80	-1,789	-1,709	5,327
9	275	0	-275	-275	0
10	420	0	-220	-220	200
11	89	0	277	277	366
12	0	0	0	0	0
13	1,044	-952	-1,044	-92	0
14 Earmarked Reserves - Total	9,542	-1,215	-3,146	-1,931	6,396
Capital Reserves					
15	1,669	-807	-626	181	1,043
16	5,000	0	0	0	5,000
17 Total Reserves	16,211				12,439
18 Total Transfers to / from Reserves		-2,022	-3,772	-1,750	
19 BUDGET REQUIREMENT		111,619	111,619	0	

Explanation of Purpose of Reserves

5	Carry Forwards	Represents planned under-spends from previous year which are carried forward to meet a specific purpose.
6	Specific Purposes Fund	Represents ring-fenced funds in relation to contributions from third parties.
7	Safecam Reserve	Earmarked to fund future road safety initiatives.
8	Budget	Used to pump-prime initiatives to produce cost reductions.
9	Pensions	This reserve exists to meet unexpected liabilities arising from injury and ill-health retirements
10	PCC Reserve	This uncommitted reserve comprises under-spends arising from the PCC's corporate budget and is utilised at the PCC's discretion.
11	Crime and Disorder Reduction Reserve	Earmarked to fund future crime and disorder initiatives.
12	PCC Police and Crime Plan	Earmarked to fund investments which support the delivery of the PCC's Police and Crime Plan objectives.
13	Change Reserve	Reserve was established to meet the one-off costs of changes to the Constabulary which will support the delivery of permanent savings.
15	Capital Financing	Balances are committed to financing the capital programme.
16	General reserve	This uncommitted reserve is available for major unplanned expenditure.

RESERVES SUMMARY										
PROJECTION OF RESERVES LEVELS:										
	General £000	Budget £000	Change £000	Specified Purposes Fund £000	PCC Reserve £000	Crime and Disorder Reduction Reserve £000	Safecam Reserve £000	Pensions £000	Capital Financing £000	Total £000
31/03/2015 Actual	5,000	7,116	1,044	194	420	89	404	275	1,869	16,211
Proposed Changes 2015/16:										
ERP										
Cost of change			-242							-242
Cost of change - in addition to budgeted			-865							-865
Use of Safecam reserve			-397							-397
Use of Specified Purposes Fund				-194						-194
Transfer to Specified Purposes Funds re 16/17				129						129
Transfer to Pension reserve		-108						108		0
Use of Pension reserve								-383		-383
BSE Casualty Reduction		-80								-80
Transfer to Change Reserve		-460	460							0
Use of Capital Financing Reserve									-626	-626
Transfer to Budget Reserve		220			-220					0
OPCC underspend		102								102
PCC Commissioning Under-spend						277				277
Constabulary Overspend		-1,463								-1,463
31/03/2016 Balance	5,000	5,327	0	129	200	366	374	0	1,043	12,439
Proposed Changes 2016/17:										
Redundancy/Pay Protection/Temp Staff			-216							-216
Cost of Change (CSR2)			-250							-250
Learning and Development - Recruitment			-40							-40
Public Access - 3 posts			-145							-145
E Safety			-102							-102
Public Service Facility			-65							-65
MRP - Reserve funded in 2016/17			-389							-389
7 Force Collaboration Contribution			-124							-124
PCSOs -12 partnership funded		-189								-189
Use of capital financing reserve									-882	-882
Transfer from Budget to Change Reserve		-1,331	1,331							0
BSE Casualty Reduction Team		-206								-206
Police Officer Recruitment		-205								-205
Ill Health retirement costs		-200								-200
31/03/2017 Forecast	5,000	3,196	0	129	200	366	374	0	161	9,426