

## Police and Crime Commissioner for Surrey – Decision Making Record

**Report Title: Reserves Transfers and Capital Carry Forwards 2019/20**

**Decision number: 26**

**Author and Job Role: Kelvin Menon – Chief Financial Officer OPCC**

**Protective Marking: OFFICIAL**

### Executive Summary:

Financial Regulations require the Executive Director of Financial and Commercial Services prepare an outturn report and recommend for approval by the PCC the use/or transfer of surplus/deficit on revenue budgets in line with the reserves policy. The PCC is also asked to approve the carry forward of slippage within the 2019/20 Capital plan.

### Background

#### Revenue Outturn for the year

1. A total revenue budget of £235.1m was approved by the PCC in February 2019
2. Government Grants remained unchanged at £103.2m with the remaining £130.8m coming from the Precept and Collection fund with the remaining £1.1m from reserves
3. During the year a number of virements were approved but these did not change the overall budget
4. The unaudited revenue outturn for the year 2019/20 was as follows

	To the 31 <sup>st</sup> March 2020			
	Actual	Budget	Variance	
	£m	£m	£m	%
Operational delivery budget	229.649	233.010	3.361	1.4
Office of the PCC	2.098	2.118	0.020	1.0
Transfers from Reserves	0.000	(1.100)	(1.100)	
<b>Total Police Fund</b>	<b>231.747</b>	<b>234.028</b>	<b>2.281</b>	<b>1.0</b>

5. Savings have arising in areas such as Police Staff, ICT and Income offset by additional costs in premises and transport. Further details can be found on the agenda papers for the Performance Meeting held on the 21st May 2020.
6. The OPCC was underspent overall for the year despite increasing the level of support given to the Community Safety Fund and Community grants by £115,000 compared to budget.

7. The savings target for the year of £2.848m was achieved as was the increase in Police Officers and staff as a result of the 2019 precept increase.

### Transfer to Reserves

8. The PCC is asked to approve the following transfer of 2020 revenue underspends to reserves as follows:

- Covid 19 Reserve to be created for £1.0m to mitigate against the costs of the pandemic;
- OPCC Operational Reserve increased by £0.5m to allow the PCC to continue to assist organisations impacted by the pandemic;
- Chief Constable Reserve increased by £0.5m to allow for any emergency expenditure arising out of the pandemic;

9. This will result in the unaudited reserves and provisions being as follows as at the 31st March 2020:

	Balance at 31 March 2019 £'000	Transfers In 2019-20 £'000	Transfers Out 2019-20 £'000	Balance at 31 March 2020 £'000
<b>Provisions:</b>				
Restructuring Provision	(109)	0	0	(109)
Legal Claims Provision	(721)	0	0	(721)
<b>Total Provisions</b>	<b>(830)</b>	<b>0</b>	<b>0</b>	<b>(830)</b>

	Balance at 31 March 2019 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2020 £'000
<b>General Fund</b>				
General Fund	(6,812)	(259)	0	(7,071)
<b>Earmarked Reserves:</b>				
Chief Constable Reserve	(571)	(500)	0	(1,071)
OPCC Operational Reserve	(500)	(621)	0	(1,121)
PCC Estate Strategy Reserve	(2,800)	0	0	(2,800)
Estate Maintenance Reserve	(48)	0	48	0
Cost of Change Reserve	(1,443)	0	0	(1,443)
Local Reserve - Corporate Comms	(73)	0	73	0
Ill Health/Injury Reserve	(1,718)	0	0	(1,638)
Covid19 Reserve	0	(1,000)	0	(1,000)
Insurance Reserve	(3,288)	(1,643)	1,552	(3,379)
<b>Total Reserves</b>	<b>(17,253)</b>	<b>(4,023)</b>	<b>1,673</b>	<b>(19,603)</b>

### 2019/20 Capital Outturn

10. The Capital and Investment Plan has an outturn of £9.4m against a total approved budget of £18.1m
11. The table below shows the variances by area. Most of the variance relate to ICT and Estates projects that typically can span several year.

Capital Summary 2019/20 Portfolio	Budget £m	Actual £m	Variance £m
ICT Schemes	5.4	1.0	(4.3)
Fleet Renewals & Equipment	3.6	3.6	(0.1)
Estate Strategy	3.8	1.7	(2.3)
Operations	1.1	0.7	(0.4)
Local Policing	2.6	1.2	(1.3)
Specialist Crime	1.7	1.2	(0.5)
<b>Total</b>	<b>18.1</b>	<b>9.4</b>	<b>(8.9)</b>

12. The PCC is asked to approved a carry forward of £7.564m to the Capital Plan for 2020/21 giving a total of £18.044m.

**Recommendation:**

**It is Recommended that the Police and Crime Commissioner:**

- i. **Approves a revenue transfer of £2m from the 2019/20 unaudited underspend to reserves as follows:**
  - £1m to a new Covid 19 Reserve;
  - £0.5m to the OPCC Operational Reserve;
  - £0.5m to the CC Operational Reserve.
  
- ii. **Approves a transfer of £7.564m underspend from the 2019/20 Capital Budget to the 2020/21 Capital Budget**

**Police and Crime Commissioner Approval**

I approve the recommendation(s):

Signature: 

Date: 26 May 2020

All decisions must be added to the decision register.

## **Areas of consideration**

### **Consultation**

There is no requirement for Consultation on this matter

### **Financial implications**

These are as set out in the report

### **Legal**

The PCC must approve all transfer to reserves

### **Risks**

As a result of the External Audit the figures may change. If this is the case then the decision may have to be amended to take account of any change.

### **Equality and diversity**

No implications from this decision

### **Risks to human rights**

No implications from this decision