

Nottinghamshire Police and Crime Commissioner
Notice of Decision



Author:	Chief Finance Officer
For Decision or Information	Decision
Date received*:	4 th February 2016
Ref*:	2016.011

TITLE: Use of Reserves

EXECUTIVE SUMMARY:

In February 2015 the Commissioner approved the use of £1.6m from reserves to balance the budget for 2015-16. In the summer of 2015 there were indications that the force would require further funding from reserves to meet a predicted budget shortfall and therefore in the Autumn the Commissioner approved a further £3.5m to be used to meet the shortfall from the problems identified.

In October, under the joint workings of the Strategic Alliance a temporary appointment for the Head of Finance in Nottinghamshire Police was made.

During the budget process the Head of Finance notified the Commissioner of a further need of reserves to achieve a balance budget. It is estimated that a further £4.2m will be required to balance the budget for 2015-16. This totals a use of £9.3m from reserves.

A further short term risk has also been identified in that reserves may be required to meet the costs of voluntary redundancy prior to the end of the financial year. Therefore, some reserves may be required in March, which can be repaid in April from the savings achieved.

Whilst the reserves do hold this available balance the CFO has highlighted the risk in the reduced levels of reserves and this has been entered on the strategic risk register.


The reserves strategy which is updated as part of the budget process now includes a requirement for reserves to be repaid at £3m per annum in 2018-19 and 2019-20. This is where the MTFP indicates an improvement in the revenue position. In addition to this the recent notification of collection fund balances will provide an additional £1m into reserves in 2016-17.

Process changes have been put in place to ensure that the errors which required and additional use of reserves will not be replicated in the 2016-17 budget.

INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)

FINANCIAL INFORMATION:

This has revenue and reserves implications as detailed above.

Signature: 
Chief Finance Officer

Date: 4th February 2016

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Is any of the supporting information classified as non public or confidential information**?	Yes		No	✓
If yes, please state under which category number from the guidance**				

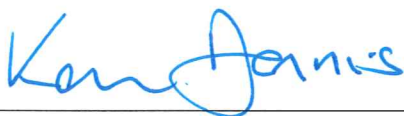
DECISION:

The Commissioner is requested to formally approve the further use of £4.2m from reserves to meet the estimated shortfall against the budget in 2015-16.

OFFICER APPROVAL

I have been consulted about the proposal and confirm that the 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:
Chief Executive



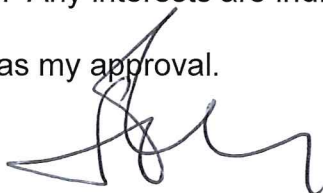
Date: 11th February 2016

DECLARATION:

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature:
Nottinghamshire Police and Crime Commissioner



Date:

15/2/16