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| For Information | |
| Public/Non Public* | Public |
| Report to: | Audit and Scrutiny Panel |
| Date of Meeting: | 15th September 2016 |
| Report of: | Chief Finance Officer |
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| Other Contacts: | Pamela Taylor |
| Agenda Item: | 08 |

RESERVES AND PROVISIONS OUT-TURN REPORT 2015-16

1. Purpose of the Report

- 1.1 To inform members on the level of reserves and provisions balances held at the end of the financial year 2015-16.

2. Recommendations

- 2.1 Members are requested to note the attached report.

3. Reasons for Recommendations

- 3.1 This complies with good financial management and assurance.

4. Summary of Key Points

- 4.1 The Police & Crime Commissioner is required to maintain a prudent level of reserves and provisions for items/risks that are known to be accruing and for unforeseen items that might be incurred.
- 4.2 Provisions are held for risks that we know are accruing and where we can reasonably calculate the financial impact.
- 4.3 Reserves are held for potential risks and for items which may become provisions, but where the full cost cannot accurately be calculated at this point in time. The most significant risk we have is in relation to the A19 judgement.
- 4.4 In 2013-14 the DCLG undertook a review of local government reserve levels including Policing. At that point we were deemed to have low levels or reserves when compared with many other local government bodies and in comparison with other Police & Crime Commissioners.
- 4.5 The position for 2015-16 has deteriorated. Like other organisations we have had to utilise the use of reserves to deliver a balanced budget and to meet the shortfall on savings not achieved during the year. For 2015-16 this has been significant and has been identified as a risk within the Reserves Strategy and Strategic Risk Register.

- 4.6 It should be noted that not all of our reserves and balances are cash backed. A significant amount of them are recurrently utilised as part of our planned under borrowed position.

5. Financial Implications and Budget Provision

- 5.1 This report complies with reporting requirements, good financial management and financial regulations.
- 5.2 The risk identified in relation to the level of reserves will continue to be monitored and during this medium term financial plan period there is an intention that £6m will be re-imbursed to the reserves we hold.

6. Human Resources Implications

- 6.1 None as a direct result of this report.

7. Equality Implications

- 7.1 None as a direct result of this report.

8. Risk Management

- 8.1 The holding and use of reserves is done to manage significant risks as they arise. See also 5.2 above.

9. Policy Implications and links to the Police and Crime Plan Priorities

- 9.1 The use of reserves is linked to the achievement of the Police & Crime Plan priorities.

10. Changes in Legislation or other Legal Considerations

- 10.1 None as a direct result of this report. This report complies with financial accounting requirements.

11. Details of outcome of consultation

- 11.1 Not applicable.

12. Appendices

- 12.1 A – Reserves and Provisions Out-turn Report 2015-16