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Police and Crime
Commissioner
for Warwickshire

RESERVES STRATEGY

2018/19 to 2021/21

**Warwickshire Police and Crime
Commissioner**

Reserves Strategy

The use of a significant proportion of the Commissioner's reserves over the life of the Medium Term Financial Plan is an important element of the financial strategy. This is summarised below and shows the full expected deployment of reserves over the life of the plan and the associated movement in the total reserve balance over the MTFP period.

	£m
<i>Projected reserves at the 1st April 2018</i>	16.711
<i>Amount required to support the budget over the life of the Medium Term Financial Plan</i>	(3.772)
<i>Funds to transform policing and meet associated costs</i>	(0.817)
<i>Provisions to meet known risks and commitments</i>	(1.200)
<i>Investment in infrastructure</i>	(4.000)
<i>Reserves remaining at the end of the MTFP period.</i>	6.922

Each year the Treasurer carries out an assessment of the risks facing the Commissioner to determine the minimum level of reserves which the Commissioner needs to continue to hold. This year the assessment is that £5.0m needs to be held to provide adequately for these risks. Further details of the risk assessment are included in section 9 of the 2017/18 budget report.

The amount required for general budget support is significant because it provides for higher levels of support in the first year of the plan than would be typical, this will enable time for the local policing model and transformation changes to bed in, and for the benefits and savings to be realised. The latest settlement gives increased clarity regarding funding and the options for raising the local precept, over the next couple of years, although further clarity regarding funding in the longer term will be subject to review in the next Comprehensive Spending Review.

There remain considerable opportunities to drive out further efficiencies through our joint working with West Mercia and by transforming and reforming policing. To achieve them, while minimising the impact on the service to the public, will require us to continue to focus on areas like modernisation, with more self-service facilities for the public and the greater use of agile and mobile working by police officers and staff. We will also continue to rationalise our estate through the ongoing co-location of what have hitherto been separate teams within West Mercia and Warwickshire and by sharing premises and facilities with key partners

such as other blue light services, local authorities, the criminal justice system and the NHS. This creates the need for a significant provision for invest to save initiatives.

The table below shows the estimated reserve balances at the end of each financial year:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
General Reserves	5.000	5.000	5.000	5.000	5.000
Earmarked Reserves					
Budget Reserve	4.869	1.097	1.097	1.097	1.097
Transformation reserve	0.817	0.445	0.135	0.000	0.000
Investment in Infrastructure	4.000	2.000	0.000	0.000	0.000
Safer Roads Partnership	0.825	0.825	0.825	0.825	0.825
Redundancy Reserve	0.400	0.200	0.000	0.000	0.000
Insurance and Legal Claims	0.300	0.000	0.000	0.000	0.000
Income	0.500	0.000	0.000	0.000	0.000
Total Earmarked Reserves	11.711	4.567	2.057	1.922	1.922
Total Reserves	16.711	9.567	7.057	6.922	6.922

The MTFP and reserves are reviewed and updated fully each year as part of the budget process, and any in-year reserve movements are monitored closely during the course of the year, within the normal budget monitoring and final accounts processes. Further supporting details to this strategy, particularly on the MTFP and risk management are contained within the 2017/18 budget report,