



**Philip Seccombe
Police and Crime
Commissioner
for Warwickshire**

Notice of Decision

Decision Title: To approve the outturn and reserve transfers for 2021/22, now revised due to the decision to make a payment to Worcestershire Pension Scheme for the PPL pensions liability.

Decision Reference Number: WPCC3-0068

Lead Officer: Sara Ansell, Treasurer

If force business, date approved by Chief Officer: N/A

Date: 31st July 2022

Status: Non confidential

If confidential or partly confidential, rationale:*

(* If partly confidential specify which parts are confidential)

[Click here to enter text.](#)

Decision summary:

Financial Regulations require a year end outturn report to be submitted for consideration and approval by the Police and Crime Commissioner (PCC). This should also include detail on the use of or transfer of any surplus/deficit on revenue budgets in line with the reserves strategy and the capital outturn and financing.

The PCC approved the draft outturn on decision notice WPCC3-0061, but a subsequent decision has been taken regarding the pensions liability for Warwickshire police for former Place Partnership Ltd (PPL) employees. The detail regarding the issue is included in decision notice WPCC3-0064 and is not reproduced here. Both decision notices should be read in conjunction with this one to provide an overview of the full position.

In the light of the decision on the PPL pensions liability, a payment will be paid to Worcestershire Pensions Scheme in 2021-22 and this has therefore changed the outturn and reserves position to that previously approved. This decision notice represents the final draft outturn position and the basis for the production of the PCC

and group statement of accounts 2021-22, which are published as draft on the website and are in the process of being audited by Grant Thornton.

All recommendations in the attached supporting documentation – the revised Money matters outturn report and approved in full, along with the amended position on the draft outturn and on reserves.

I confirm that my register of interests declaration is up to date and that none of my interests preclude me from making this decision.

Signature: Philip Seccombe

Date: 31.07.2022

Supporting information

1. Background information

Decision notice WPCC3-0061 outlined the draft outturn position prior to audit, however a subsequent decision to pay the confirmed pensions liability (WPCC3-0064) to Worcestershire pension scheme in respect of former PPL staff, will now create a change to the outturn and the year end transfer to reserves. All the background and details regarding the pensions liability and the previous draft outturn are included in both of the previous respective decision notices. These should be read in conjunction with this notice to provide a complete picture. The pensions liability payment of £0.735m is the only adjustment to the previously reported and approved position. The updated figures have been reflected in the statement of accounts for the PCC and Chief Constable, and these will be audited by Grant Thornton in the usual manner.

The additional payment of £0.735m in respect of the pensions liability is shown in the table below. Total net expenditure, after income, is £113.581m, which is £1.689m less than the £115.270m of core funding, which consists of government grant, including the one-off local council tax support grant and collection fund grant, as well as the precept. This is the amount now contributed to reserves at the end of 2021/22.

The supporting Money Matters report outlines the full detail and variances regarding the amended outturn revenue and capital position, including reserve transfers and year end balances.

	Budget 2021/22	Outturn 2021/22	Variance
	£m	£m	£m
Pay costs – officers, staff and PCSO's	87.974	88.998	1.024
Other employee expenses	0.711	1.055	0.344
Premises costs	3.065	3.166	0.101
Transport	2.754	2.417	(0.337)
Supplies & services	12.649	12.854	0.205
Third party payments	8.963	9.954	0.991
Capital financing	3.262	3.592	0.330
Gross Expenditure	119.378	122.036	2.658
Income - general	(6.605)	(8.276)	(1.671)
Vetting unit - net	(1.038)	(2.738)	(1.700)
OPCC - net	2.624	2.557	(0.067)
Net force/PCC Budget	114.359	113.579	(0.780)
Safer Roads - net	0.107	0.002	(0.105)
Total net budget	114.466	113.581	(0.885)
Contribution to/(from) reserves	0.884	1.689	0.805

TOTAL	115.350	115.270	(0.080)
Funded by:			
Core Govt grant	(62.188)	(62.108)	0.080
Council tax precept	(53.162)	(53.162)	0.000
TOTAL FUNDING	(115.350)	(115.270)	0.080

The transfers to reserves as a result of the amended underspend in 2021/22 are shown in the table below. It also includes the anticipated reserve balances over the medium term financial plan period. Column 8 of the table below identifies the closing reserve balances at the end of 2021/22, now totalling £14.306m rather than £15.041m as reported in decision notice WPC3-0061, this change reflects the £0.735m of pensions liability costs payable by Warwickshire PCC to Worcestershire pensions fund. This payment removes all liability for Warwickshire in respect of the pensions for former PPL staff. That cost and risk will now remain with Worcestershire pension fund.

	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12
	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Closing Balance	MTFP Feb 2021 Transfers	Contribution to Finance Capital	MTFP Budgeted Contribution to Reserves	PCC Initiatives	Movement to and (from) Reserves Table 3.1	Forecast Closing Balance	Forecast Closing Balance	Forecast Closing Balance	Forecast Closing Balance	Forecast Closing Balance	Forecast Closing Balance
		+-		+-	+-	+-						
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
General Reserves	5.000					1.000	6.000	6.000	6.000	6.000	6.000	6.000
Budget & Transformation	2.103	1.331		0.778		-0.735	3.477	3.210	3.210	3.210	2.860	2.860
Pay Reserve	0.000						0.000	0.500	0.500	0.500	0.500	0.500
Transformation Reserve	1.378	-1.378					0.000	0.000	0.000	0.000	0.000	0.000
Investment in Infrastructure	1.051	-1.051				0.774	0.774	0.774	0.774	0.774	0.774	0.774
Pensions & Redundancy	0.500	0.400					0.900	0.667	0.667	0.667	0.667	0.667
Insurance & Legal	0.253	0.247					0.500	0.500	0.500	0.500	0.500	0.500
Income	0.000	0.250					0.250	0.250	0.250	0.250	0.250	0.250
Covid-19 & Operational	0.299	0.201					0.500	0.500	0.500	0.500	0.500	0.500
Collection Fund	0.000			0.339		-0.339	0.000	0.000	0.000	0.000	0.000	0.000
Sustainability Reserve	0.000						0.000	0.250	0.250	0.250	0.250	0.250
PCC Grants and Initiatives	0.300						0.300	0.300	0.300	0.300	0.300	0.300
National Commercial Vetting Service	0.573						0.573	0.573	0.573	0.573	0.573	0.573
Safer Roads	1.231		-0.071		-0.233	0.105	1.032	0.782	0.632	0.532	0.432	0.332
Earmarked Reserves	7.688	0.000	-0.071	1.117	-0.233	-0.195	8.306	8.306	8.156	8.056	7.606	7.506
Total Reserves	12.688	0.000	-0.071	1.117	-0.233	0.805	14.306	14.306	14.156	14.056	13.606	13.506

2. List of additional information attached as appendices

Amended Money Matters Outturn report 2021/22

3. Expected benefits

The amended outturn report, appended to this decision notice, outlines the final position and financing of the 2021/22 revenue and capital expenditure, the capital slippage into 2021/22 and the reserve transfers and year end balances. The budget supports the effective delivery of the policing service in Warwickshire, and its approval will ensure that the Local Government Capital Finance & Accounting Regulations (England) are complied with. This decision notice reflects and seeks approval of the revised outturn position in the light of decision notice WPC3-0064, which was agreed after the previous draft outturn was approved by the

Commissioner. The outturn remains draft, until the auditors have completed their work and provide their opinion on the 2021/22 Statement of Accounts.

4. Impact of not approving the application

Compliance with the requirements under the Local Government and Accounting Regulations (England) would not be achieved.

5. Costs (including any identified savings)

The attached Money Matters outturn report outlines all the relevant revenue and capital costs and provides detail on the 2021/22 transfers to and from reserves and the resulting year end reserve balances. The draft outturn has been amended following the impact of decision notice WPCC3-0064. The figures shown above are reflected in the draft Statement of Accounts for the PCC and Chief constable.

6. Equality implications

All relevant policies apply to all aspects of the budget and spending

7. Legal comments

The PCC is required to set a balanced budget and requires the force to operate within it. The 2021/22 outturn is one of underspending and increased transfers to reserves are therefore recommended at year end. Governance arrangements are in place to ensure that the PCC is informed of the financial position regularly throughout the year, and previous recommendations have been approved at the governance board meetings.

8. Publication

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Unless the information provided is covered by an exemption and stated to be either confidential or partly confidential, the information contained in the form will be published on the OPCC website.

Comments from the Treasurer

All financial detail is included either within this decision notice or within the more detailed amended Money Matters report, which supports this decision. The content of the supporting report has been scrutinised and it is essential that the recommendations are approved to ensure compliance with statutory financial regulations. The figures have been amended solely to reflect the changes as a result of decision WPCC3-0064 and have been incorporated into the Statement of Accounts, which will now be audited in the usual manner.

Comments from the Chief Executive and Monitoring Officer

The attached outturn report outlines the final position, as amended due to the decision to make a one-off payment to Worcestershire Pensions fund in respect of the liability for former PPL staff. Confirmation that this will remove all future liability for Warwickshire has been received from the Worcestershire scheme. The recommendations in this decision notice require approval by the PCC to ensure compliance with the requirements under the Local Government and Accounting Regulations (England) and compliance with statutory financial regulations.