



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST:

Approval to make a Voluntary Minimum Revenue Provision contribution for the financial year 2014-15

Title:

Voluntary Minimum Revenue Provision (MRP)

Executive Summary:

PCC's who have debt are required each year to set aside some of their revenues as provision for this debt. More precisely, the provision is in respect of capital expenditure financed by borrowing or credit arrangements.

In February 2014 the PCC approved the MRP Strategy (Decision 14 – 2014) to be used during the 2014-15 financial year and this has been followed. Within the MRP regulations, amendment regulation 4(1) of the 2008 Regulations revised the former regulation 28. In the new regulation 28, the detailed rules are replaced with a simple duty for an authority each year to make an amount of MRP which it considers to be "prudent".

This provides a great deal of discretion, and therefore options, to a PCC in the way in which a prudent MRP strategy is delivered. Given the current financial position and the expected continuation of funding reductions in future years there is an option for the PCC to make a Voluntary MRP contribution in 2014-15 which will then reduce the amount that the PCC needs to set aside in future years. The table below shows the potential impact:

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	Totals
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current MRP Charges	1,097	1,102	1,107	1,111	1,115	1,271	1,208	1,183	963	702	10,859
Proposed MRP Charges	1,097	1,102	788	793	797	801	775	750	725	702	8,331
Voluntary MRP Charge	2,528										2,528
Variance to Current plan	2,528	0	-318	-318	-318	-470	-433	-433	-238	0	0

The underspend that has developed during 2014-15 combined with the current level of General and Earmarked Reserves provides the PCC with an option to make a voluntary MRP charge in 2014-15 which will then reduce the MRP charges in future years.

Decision:

The PCC is asked to approve making a Voluntary MRP contribution within the 2014/15 financial year of £2,528k which will be funded from underspends and reserves. This will then reduce the need to set aside as much for MRP in future years.

Implications:

Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes please provide further details below)

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

The proposals set aside within the Decision have been pulled together by the PCC's CFO. The proposals are affordable within 2014/15 and will provide financial benefits in future years, while still enabling the PCC to maintain a reasonable level of reserves that can support the PCC's financial plans in the way set out in the February 2015.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

There are no legal implications that result from this decision.

Equality and Diversity Implications

N/A

Human Rights Implications

N/A

Sustainability Implications

By making a voluntary MRP contribution during 2014-15, when funding is available, this will reduce the level of MRP that needs to be set aside in future years as funding levels continue to reduce. This will then provide more resources for front line services in future years.

Risk Management Implications

Once the reserves have been applied in the way that has been proposed, they cannot be utilised for other purposes. This will provide the PCC will less capacity in terms of reserves than would otherwise be the case. The PCC would still however have sufficient reserves to support the PCC's current financial plans.

OFFICER APPROVAL

Chief Executive

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed: 

Date: 11/6/15

Police and Crime Commissioner:

The above request HAS / ~~DOES NOT HAVE~~ my approval.

Signed: 

Date: 11/6/15