

PROTOCOLS FOR EARMARKED RESERVES

| RESERVE | DEVOLVEMENT RESERVE | VIPER RESERVE |
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| REASON/PURPOSE | To carry forward underspendings on devolved budgets for use in the following financial year, in accordance with Financial Regulations. | To retain the operating surplus on VIPER resulting from increased efficiencies and reduction in replacement costs (net of cost savings passed on to users). |
| HOW AND WHEN USED | <p>Amounts underspent are transferred into the reserve at the year end.</p> <p>Expenditure in the following year is supported by a contribution from the reserve.</p> | <p>To support future replacement of equipment and research and development costs for existing or new proposed products or services.</p> <p>To meet any trading deficit should one arise.</p> |
| MANAGEMENT AND CONTROL | Budget holders must submit a proposal to Chief Officer Team to justify the amount carried forward and spending plans for the following year. Agreed as part of the spending pressures process. | The Treasurer for the OPCC has management control of the reserve. |
| PROCESS AND TIMESCALE FOR REVIEW | The principle of carry forward is reviewed as part of the regular update of Financial Regulations | The adequacy of the reserve is considered as part of the budget and closedown process. |

| RESERVE | PRIVATE FINANCE INITIATIVE RESERVE/SINKING FUND | REGIONAL WORKING RESERVE |
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| REASON/PURPOSE | To support the delivery of the PFI scheme for police operational and training accommodation. To smooth the impact of PFI costs on the revenue budget. | Formed from an underspending in excess of the agreed carry forward, this is ringfenced to promote future collaborative activity within the region. |
| HOW AND WHEN USED | To finance professional consultancy costs and internal PFI project team costs over the period of preparation for delivery of the scheme. Contributions are made and drawn down annually to smooth the impact on the revenue budget. | Proposals for utilisation of this reserve are subject to a business case to be approved by the Joint Police Authorities Committee. |
| MANAGEMENT AND CONTROL | Utilisation of the reserve is controlled by the ACO Finance and Business Services. | Approved expenditure would be controlled by the Regional Programme Director in consultation with regional finance lead officer (ACO Finance and Business Services West Yorkshire Police). |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | DILAPIDATIONS RESERVE | CAPITAL FINANCING RESERVE |
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| REASON/PURPOSE | To fund the repair, redecoration and return of lease properties to their original condition. | To provide additional flexibility in the financing of the capital programme, i.e. to meet the costs of any new borrowing taken in year, pending the recurring impact being built into the base budget. |
| HOW AND WHEN USED | To meet the costs of repair, decoration and alteration of lease properties at the end of the lease agreement. | Funds may be drawn down when a decision is made to take new long term borrowing |
| MANAGEMENT AND CONTROL | The ACO Finance and Business Services retains management control of the reserve. | The PCC's Chief Finance Officer has delegated responsibility for treasury management decisions including utilisation of the reserve. |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | PNLD RESERVE | ORGANISATIONAL CHANGE RESERVE |
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| REASON/PURPOSE | To retain the operating surplus on PNLD resulting from increased efficiencies and reduction in replacement costs (net of cost savings passed on to users). | To meet the costs associated with Programme of Change, predominantly employee costs. |
| HOW AND WHEN USED | To support future replacement and development costs for existing or new proposed products or services. To meet any trading deficit should one arise. | To fund the costs of necessary organisational restructure through Programme of Change. |
| MANAGEMENT AND CONTROL | The PCC's Chief Executive retains management control of the reserve. | Utilisation of the reserve is controlled by the ACO Finance and Business Services. |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | INSURANCE RESERVE | CAPITAL INVESTMENT RESERVE |
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| REASON/PURPOSE | To provide additional funding to the Insurance Provision should the annual budgeted contribution be inadequate to meet assessed liabilities at the balance sheet date. | To provide additional funding for the approved capital programme in the event that capital receipts do not materialise in accordance with the planned schedule. |
| HOW AND WHEN USED | To top up the amount provided to meet known insurance liabilities at the balance sheet date. | At the year end when decisions are taken regarding funding of the capital programme |
| MANAGEMENT AND CONTROL | The PCC's Chief Finance Officer retains management control of the reserve. | The PCC's Chief Finance Officer retains management control of the reserve. |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | COMMUNITY SAFETY FUND RESERVE | INNOVATION IN PARTNERSHIP DELIVERY RESERVE |
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| REASON/PURPOSE | To provide time limited additional resources to the PCC's Community Safety Funding to partners, through either grants or commissioning, in support of the outcomes in the Police and Crime Plan. | To encourage innovation in partnership delivery in support of the outcomes in the Police and Crime Plan. |
| HOW AND WHEN USED | To be incorporated into the grant/commissioning round for the PCC's Community Safety Fund and utilised according to the process and principles established for that. | Bids against the reserve will be reviewed by the OPCC prior to presentation to the Partnership Executive Group for approval. A proforma will be prepared for submissions. |
| MANAGEMENT AND CONTROL | The OPCC will retain management control of the reserve. | The OPCC will retain management control of the reserve. |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | WyFi RESERVE | DEBT REPAYMENT RESERVE |
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| REASON/PURPOSE | To meet any necessary start up costs to establish the PCC's Innovation, Income and Investment entity, to work with all partners to identify opportunities to bid for funds and re-invest the surplus back into communities. | To provide funding if appropriate to repay external debt should the opportunity arise to make recurring revenue savings in the base budget. |
| HOW AND WHEN USED | In the development of the 3i initiative, to meet any necessary non recurring costs. Costs will be approved by the PCC, subject to normal procurement arrangements. | Subject to monitoring of the position to identify any opportunities to repay external debt and make recurring revenue savings to the base budget. |
| MANAGEMENT AND CONTROL | The PCC's Chief Executive will retain management control of the reserve. | The PCC's Chief Finance Officer has delegated responsibility for treasury management decisions including utilisation of the reserve, subject to approval by the PCC. |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. |

| RESERVE | FORCE TRANSFORMATION RESERVE | |
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| REASON/PURPOSE | To reinvest in the Force for time limited or non recurring initiatives which reduce costs, increase efficiency or reduce demand, in support of the outcomes in the Police and Crime Plan. | |
| HOW AND WHEN USED | Bids against the reserve will be made via a business case to the Community Outcomes meeting for approval by the PCC. Bids must include costings (including any additional recurring costs), benefits, risks and links to the Police and Crime Plan. | |
| MANAGEMENT AND CONTROL | Management and control of the reserve will be through approval at the Community Outcome / Joint Executive Group Meetings, plus regular reporting back against the business case presented, to ensure benefits are achieved. | |
| PROCESS AND TIMESCALE FOR REVIEW | The reserve is reviewed during budget preparation and as part of the annual closure of accounts to assess its adequacy and utilisation. | |