



**NOTTINGHAMSHIRE
POLICE & CRIME
COMMISSIONER**

DRAFT

Reserves
2024-2029

Reserves

Background

1. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Act require Precepting authorities (and billing authorities) in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
2. In England and Wales, earmarked reserves remain legally part of the General Reserve, although they are accounted for separately.
3. There are other safeguards in place that help to prevent Police & Crime Commissioners over-committing themselves financially. These include:
 - The balanced budget requirement (Local Government Act 1992 s32 and s43).
 - Chief Finance Officers duty to report on the robustness of estimates and adequacy of reserves (Local Government Act 2003 s25) when the Police & Crime Commissioner is considering the budget requirement.
 - Legislative requirement for each Police & Crime Commissioner to plan for the proper administration of their financial affairs and that the Chief Finance Officer has responsibility for the administration of those affairs (section 151 of the Local Government Act 1972).
 - The requirements of the Prudential Code.
 - Auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

Current Reserves Strategy

The current reserves strategy is included below, this was approved by the PCC in March 2023.



2023.044-Reserves-
Strategy-2023-28-Fir

Reserves Strategy 2024-25 to 2028-29

To assist the Panel with an early oversight of the future reserves plan the table below depicts the movement in the Total Earmarked Reserves and General Fund Reserves through to 2028-29 however please note this is still to be finalised so is subject to change:

Reserve	2022-23	2023-24		2024-25		2025-26		2026-27		2027-28		2028-29	
	Balance 31st March	Change in year	Est. Balance 31st March	Change in year	Est. Balance 31st March	Change in year	Est. Balance 31st March	Change in year	Est. Balance 31st March	Change in year	Est. Balance 31st March	Change in year	Est. Balance 31st March
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total Earmarked Reserves	24.281	1.637	25.918	-2.440	23.478	-1.610	21.868	-2.210	19.658	-1.967	17.691	0.200	17.891
General Fund Reserves	9.014	0.000	9.014	0.000	9.014	0.000	9.014	0.000	9.014	0.000	9.014		9.014
<i>% of net budget</i>			3.4%		3.1%		3.0%		2.9%		2.8%		2.8%

The review of the Reserves Strategy is currently taking place and a revised strategy will be approved and published in March 2024.