
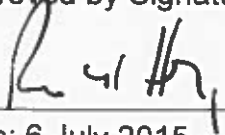


Durham Police and Crime Commissioner Decision Record

Key Decision No	20150706
Subject:	Asset Depreciation
Executive Summary	PCC approval to use £2.8m of reserves to depreciate midlife assets in order to generate an ongoing revenue saving of £0.2m
Recommendation	<p>The report seeks to restructure the balance sheet in order to deliver ongoing revenue savings of £0.2m per annum which is equivalent of approximately 0.25% cut in government funding.</p> <p>The PCC is recommended to approve this report (see attached).</p>

Risks and Implications identified and considered in making this decision:			
Finance	Y	Environment	
Accommodation		Potential Impact on Police and Crime Plan Priorities	
Stakeholder / Community Engagement			
Value for Money and Productivity	Y	Equality and Diversity	
Commissioning		Children's Act 2004	
Staffing		Collaboration and Partnerships	
Crime and Disorder		Other risks	

Approval	
Chief of Staff	Police & Crime Commissioner
Alan Reiss	Ron Hogg
Approved by Signature: 	Approved by Signature: 
Date: 6 July 2015	Date: 6 July 2015
Contact Officer	
Name	Gary Ridley
Position	Chief Finance Officer
Tel	0191 375 2207
Email	Gary.ridley@durham.pnn.police.uk



**Report to Police and Crime
Commissioner**

6th July 2015

Asset Depreciation

Report of Chief Finance Officer



Purpose of Report

To seek approval to use £2.8m of reserves to depreciate midlife assets in order to generate an ongoing revenue saving of £0.2m.

Background

Midlife assets are depreciated over a 15 year period within the balance sheet of the PCC. There are a number of midlife assets, with a total value of £2.8m held in the balance sheet. A discussion has taken place with the Chief of Staff regarding the potential to use reserves to bring forward depreciation of such assets in order to generate an ongoing revenue saving of £0.2m per annum from 1st April 2015.

The Police Authority and PCC have previously fully depreciated short life assets once purchased/procured in order to avoid an ongoing revenue charge (and associated interest charge). The proposal within this report seeks to extend this principle as part of sound financial management. In order to achieve this it will require £2.8m from reserves to be used.

This will reduce the level of reserves available to support other initiatives. The PCC is aware of the sensitivity around levels of reserves across policing. This report therefore seeks to use reserves in a way which delivers clear revenue savings going forward.

Conclusion

It is important that asset management is kept under continuous review and is linked to sound financial management. This report seeks to restructure the balance sheet in order to deliver ongoing revenue savings of £0.2m per annum which is equivalent of approximately 0.25% cut in government grant funding.

Recommendation

The PCC is recommended to agree the report.

Appendix 1: Risks and Implications

Finance

As indicated in the report. Reserves will reduce by £2.8m which is considered sustainable, and will deliver £0.2m of revenue savings per annum.

Staffing

N/A

Equality and Diversity

N/A

Accommodation

N/A

Crime and Disorder

N/A

Children's Act 2004

N/A

Stakeholder/Community Engagement

N/A

Environment

N/A

Collaboration and Partnerships

N/A

Value for Money and Productivity

The proposal in the report seeks to restructure the PCC balance sheet in order to deliver ongoing efficiencies. It will reduce the cost of delivering services across County Durham and Darlington with no impact on service delivery.

Potential Impact on Police and Crime Plan Priorities

N/A

Commissioning

N/A

Other risks

N/A

Contact Officer:	Gary Ridley
Job Title:	Assistant Chief Officer
Telephone:	0191 375 2207
Email:	gary.ridley@durham.pnn.police.uk