

## **LEICESTERSHIRE POLICE AUTHORITY**

### **Minutes of a meeting of the Finance and General Purposes Committee held at Leicestershire Police Headquarters, Enderby on Tuesday 8 September 2009**

#### **Present**

#### **Members**

Mr D Bill, Mr P Brown, Mr B Greaves, Dr S Hill, Mrs D Newton, Mr T Render, Mr B Rhodes and Mr B Roper.

#### **Officers**

Mr R Swinfield (Chief Executive), Mr C Smith (Treasurer) and Mrs A Perry (Deputy Chief Executive).

#### **Representatives from the Force**

Mr M Baggott (Chief Constable), Mr C Eyre (Deputy Chief Constable), Mr P Dawkins (Director of Finance) and Mrs R Gilbert (Head of Finance).

#### **Others**

Mr M Jones and Ms S Swann, (PricewaterhouseCoopers – External Auditors)  
Mr T Wadlow and Ms E Lam, Police Authority Inspection Team

#### **Mr B Rhodes – in the Chair**

#### **20/09. Apologies**

Apologies were received from Mr M Sood.

#### **21/09. Items of Urgent Business**

There were no items of urgent business.

#### **22/09. Declarations of Code of Conduct Interests**

The Chairman invited members who wished to do so to make declarations of any Code of Conduct interests in respect of items on the agenda for the meeting.

No such declarations were made at this stage of the meeting.

#### **23/09. Minutes of the Meeting held on 24 March 2009**

The minutes of the meeting held on 24 March 2009, having been previously circulated, were taken as read, confirmed and signed.

#### **24/09. Annual Audit Letter**

The Committee received a report from the external auditors PricewaterhouseCoopers following completion of their work for the year ended 31 March 2009. A copy of the report marked 'A' is filed with the minutes.

Mr Jones, PricewaterhouseCoopers, made the following comments regarding the audit:-

- It was fully anticipated that an unqualified audit opinion on the financial statements would be issued.
- There was a national technical issue regarding the pension fund which would be addressed with the auditor for Leicestershire County Council. If any issues were identified for the Police Authority the matter would be reported back.

*At this stage Mr Bill, Dr Hill, Mr Rhodes and Mr Roper declared a personal, non-prejudicial interest in their role as Councillors.*

- The accounts were timely, papers were of a high standard and staff had been helpful and responsive to enquiries. Formal thanks were given to the Finance Department for making this a positive experience for both parties.
- In relation to value for money and use of resources the scores were focussed on outcomes and not processes. Scores were still provisional at this stage but the Police Authority were expected to score well and strongly.

The Treasurer stated that the issue relating to the 2006 Police Pension Fund was being taken forward by Police Authority Treasurers with the Audit Commission and that it was unlikely that any Police Authority would have their accounts signed off until the matter was resolved nationally.

The Deputy Chief Constable stated that a great deal of work was underway to ensure a sustainable budget for future years. He added that scrutiny was being applied by the Police Authority and that any issues regarding use of resources which auditors may identify as providing further savings opportunities would be welcomed.

The Committee RESOLVED to note the Auditor's conclusions and agree the management response.

*Mr Jones and Ms Swann left the meeting.*

## **25/09. Revenue, Capital and Efficiency Plan Monitoring Report**

The Committee received a report of the Chief Constable informing members of the monitoring position as at 31 July 2009 regarding the Revenue and Capital Budgets for 2009/10 and the Efficiency Plan for 2009/10. A copy of the report marked 'B' is filed with the minutes.

In response to a question regarding the projected underspend by corporate IT infrastructure, the possibility of reducing the budget permanently, and the continuance of the ACPO Terrorism and Allied Matters specific grants, the Director of Finance stated that these areas were at risk of being compromised in future.

The Deputy Chief Constable stated that the Strategic Financial Planning Group was considering areas which were low risk but high value an example being the funding of Police Community Support Officers. He added that the Group were trying to ensure that the savings strategy did not adversely impact upon high value areas.

The Director of Finance stated that the current projected underspend of £720k was a prudent assessment based on the information available. He added that it was hoped that this figure would be increased, in a managed way, by the year end. He informed the meeting that Home Office reimbursement for the costs involved in the Ashwell Prison disturbance were still awaited but that all costs associated with the McCann inquiry had been received.

It was RESOLVED to note the contents of the report.

*The Chief Constable joined the meeting, and Mr Wadlow and Ms Lam left the meeting during the discussion of this item.*

**26/09. Capital Programme Update**

The Committee received a joint report of the Chief Constable and Treasurer updating members on the Capital Programme for 2009/10. A copy of the report marked 'C' is filed with the minutes.

The Director of Finance stated that since the Capital Programme had been approved significant funding had been received for mobile data terminals through Home Office grant.

The Deputy Chief Constable stated that all 'desirable' issues had been removed from the Capital Programme leaving only 'essential' items to be addressed. The Director of Finance stated that rigour was being applied to keeping costs down.

The Director of Finance stated that using resources more effectively would increase savings, in particular the reduction of carbon emissions, more efficient use of the fleet and the introduction of the NSPIS Duty Management System which was expected by 2012. However in the longer term the organisation did not have a satisfactory South Area Headquarters and the future of Wigston Police Station would be considered in the Estates Review which would be presented to the Police Authority later in the year.

The Committee RESOLVED to:-

- (a) note the contents of the report; and
- (b) approve the latest amendments to the 2009/10 Capital Programme.

**27/09. Treasury Management Performance 2008/09**

The Committee received a report of the Treasurer informing members of the borrowing, capital financing, lending and cash management activities during 2008/09. A copy of the report marked 'D' is filed with the minutes.

Mrs Gilbert stated that currently borrowing was undertaken internally as the interest rate was low and that this was a decision taken each year with the Treasurer and Director of Finance. The Treasurer stated that the Authority had £30m to invest at any one time and that currently this was invested with a reduced number of approved institutions.

The Committee RESOLVED to note the contents of the report.

**28/09. Treasury Management – Investment Strategy**

The Committee received a joint report of the Chief Constable and Treasurer reviewing the Investment Strategy in accordance with the Police Authority decision on 5 May 2009. A copy of the report marked 'E' is filed with the minutes.

In response to a question regarding the appropriate time to amend the policy to include other institutions, the Treasurer stated that it would be best to remain circumspect at the present time and to continue to place money where funds were guaranteed.

It was RESOLVED to:-

- (a) approve the investment Strategy as set out in paragraph 9 of the report; and

- (b) review the Strategy again at the next meeting of the Finance and General Purposes Committee.

**29/09. Strategic Financial Planning Group**

The Committee received a joint report of the Treasurer and Chief Constable reminding members of the role and purpose of the Strategic Financial Planning Group and to update on recent work undertaken by the Group. A copy of the report marked 'F' is filed with the minutes.

The Deputy Chief Constable stated that plans on how to balance the budget in 2011/12 would be brought to a future meeting. He added that during the time that a new Chief Constable was being recruited the current ACC(O) would lead on this area of business.

The Chief Constable stated that, in his opinion, now would be the appropriate time to write to MPs about the funding settlement and to encourage them to see the financial landscape on a Force by Force basis.

It was RESOLVED to note the contents of the report.

**30/09. Medium Term Financial Plan 2009-2012**

The Committee received a joint report of the Treasurer and Chief Constable presenting a forecast of possible financial trends from 2009 to 2011/12. A copy of the report marked 'G' is filed with the minutes.

The Treasurer highlighted the following:-

- This area of business was one of the top strategic risks to the organisation and was on the Force risk register and contained in the Police Authority's own register.
- The underspend for 2008/09 had been identified as £1.158m more than anticipated and it was recommended that this amount be placed in the Equalisation Reserve to reduce future shortfalls.
- The grant income for 2010/11, including specific grants, was fairly secure.
- The funding shortfall in 2011/12 was now likely to be £7.5m.
- The Authority were still at the lower end of the policy regarding the General Reserve which currently stood at just under 3% of all revenue budget.
- Future efficiency savings needed to be cash savings to go back into the budget.
- ACPO and the APA were evidence gathering for a national campaign on police funding.
- Regular updates would be provided on Appendix 'C' to the report to inform members on how work was progressing.

The Deputy Chief Constable stated that fundamental reorganisation would be required to meet the predicted funding shortfall. He added that business benefits realisation would be identified to drive the delivery of the Plan.

The Chief Constable stated that consideration would be given to suspending Special Priority Payments and Competency Related Threshold Payments. He added that the Home Office needed to be aware that the Force would have to move to a functional model whereby service would be provided from the centre with no accountability at local level in order to maintain a balanced budget.

The Committee RESOLVED to:-

- (a) note the contents of the report; and

- (b) ask the Strategic Financial Planning Group to monitor the financial model and report back to this Committee on a regular basis.

**31/09. East Midlands Collaboration - Update**

The Committee received an oral report by Mrs Newton informing members of the outcome of a meeting of the East Midlands Collaboration Board held on 7 September 2009.

Mrs Newton informed members of the following:-

- A presentation was given by Peter Holland and Peter Neyroud from NPIA. The presentation included a request for more interaction with police authorities requiring advice, assistance that could be provided in the field of collaboration, and with changing cultures. Concern was also expressed about information systems nationally.
- Views and comments were requested on the 2010 Collaboration Plan.
- Replacement of Programme Director. The replacement would also head up EMSOU and EMCTU and therefore it was felt that this should be at Deputy Chief Constable level. Chief Constable's felt strongly that the line of accountability should be to regional ACPO and the Collaboration Board.

The Committee RESOLVED to note the contents of the oral report.

**32/09. Exclusion of the Public and Press**

It was RESOLVED that under Section 100A of the Local Government Act 1972 the public, including the press, be excluded from the meeting during consideration of the following items on the grounds specified on the agenda.

**33/09. Exception to Contract Standing Orders –  
Acceptance of Other Than the Lowest Quotation**

*(Exempt by virtue of para 3 of Part 1 of Schedule 12A to the Act – information relating to the financial affairs of the Authority)*

The Committee received a joint report of the Chief Constable and Treasurer seeking approval to accept other than cheapest quotations from suppliers of gas and electricity to the Force. A copy of the report marked 'H' is filed with the minutes.

The Director of Finance stated that the quotations provided by the existing supplier in each case was not the cheapest but any potential saving in choosing the cheapest would be outweighed by administration costs of switching supplier.

The Committee RESOLVED to place a contract with Corona Energy for natural gas and with E-ON for electricity for a 2-year period commencing 1 January 2010.

**CHAIRMAN**

10.00 a.m. – 12.32 p.m.  
8 September 2009