

**Devon and Cornwall Police Authority
Minutes**

A meeting of the **Resources Committee** was held on the 20 November 2008 in the Conference Room, Police Authority, Endeavour House starting at 10:00 hrs.

Present

ChairmanMr B Greenslade
Mrs A Malcolm, Mr D Money, Mr J Smith (to item R/ 756 only).
Mrs L Price (Observer).

Officers in Attendance

Police Authority

Mr J Glasby (Treasurer), Mrs E Tanner (Meeting Administrator)

Force

Mrs S Goscombe, (Interim Director of Resources & Administration), Mrs A Daveney (Head of Technical Accounting), Mr R Wheeler (Head of Finance), Mr A Morris (Head of Estates), Mr S Jose (Head of Procurement), Mr T Bishop (Airwave Development and Services Manager).

R/742 Apologies

Apologies for absence were received from Mr M Bull and Mr B Preston.

R/743 Declarations of Interests

The following declarations of interest were received:

Name	Agenda Item	Minute ref	Interest	Details	Action taken
Mr B Greenslade	11 Procurement Update	R/752	Personal	Member of Devon County Council	Spoke & voted
Mr B Greenslade	14 Estate Strategy and Programme Update	R/755	Personal	Member of Devon County Council	Spoke & voted
Mr J Smith	11 Procurement Update	R/752	Personal	Member of Devon County Council	Spoke & voted
Mr J Smith	14 Estate Strategy and Programme Update	R/755	Personal	Member of Devon County Council	Spoke & voted

R/744 Chairman's Announcements

The Chairman welcomed Mrs Lynda Price to the meeting. Mrs Price is a newly appointed Independent Member who was present as an observer only.

R/745 Resources Committee Minutes

RESOLVED that the minutes of the meetings held on 9 September 2008 be confirmed as a correct record.

It was confirmed that a number of issues arising from the last meeting had been addressed as follows:

- Clarification of ACPO post holders in Force.
- Provision of vehicle numbers.
- Steps being taken to reduce energy costs and consumption.

- Investment Management training will be provided on 8 December at 2pm.

R/746 Dates of meetings

RESOLVED that the dates of meetings of the Resources Committee in 2009/10 be:

5 February 2009
 2 April 2009
 11 June 2009
 3 September 2009
 19 November 2009
 4 February 2010

⌘ R/747 Financial Monitoring

This report provided an update on the financial position based on the spend profile and included information on Financial Health Indicators, revenue budget, capital programme and police officer staffing levels.

Issues discussed during consideration of this item included:

- The latest financial monitoring information suggested a revenue underspend could occur in 2008-09. Delays in the civilianisation programme was a contributory factor. Due to volatility in the budget, the forecast underspend may be reduced by year end.
- Overall, the pay award agreed for police officers was in line with expectations. A decision on the police staff pay award was expected in December.
- Distribution of funds from the inflation contingency to BCUs had been welcomed following the impact of exceptional increases in fuel and utility costs.
- Ill-Health retirements had increased and as a result an amount from the police officer ill-health reserve had been factored into the budget forecast. Reasons for these increases were discussed later in the meeting.
- Capital programme.
- The development programme was failing to deliver savings and spending against the programme had also stalled. Projects expenditure was also slipping.
- Helicopter fund – some equipment would be purchased in Dollars and some in Euros. It was therefore recommended that £0.5m of the excess profit from interest receipts be allocated to the helicopter reserve to mitigate against any shortfall as a result of unfavourable exchanges rates / devaluation.
- The announcement regarding the police grant from the Government was expected soon.
- The Home Secretary was expected to make an announcement concerning council tax capping limits. Potentially capping limits could be reduced to under 5%. Because the Authority had agreed a 3 year financial plan in February 2008 whereby the police precept levels for 2009 and 2010 had been agreed at 4.9%, there was a risk that these figures would need to be re-considered and the financial plan revised. If it were to be decided that the police precept for 2009 and 2010 should be reduced because of revised capping levels, some decisions regarding further efficiency savings would be needed. There were a few options available which included revising the development programme and re-prioritising the release of officers to the frontline (civilianisation programme). The shortfall could be found from reserves but this was not considered to be the best solution for long term financial security.
- Quest was not anticipated to release financial savings. This initiative was expected to deliver savings in police officer time and efficiency. Members were provided with an overview of the aims and objectives of Quest, and the timescale for completion. So far, the group tasked with taking this initiative forward had proved to be extremely focussed and efficient. A report to the Chairs' Committee regarding

- progress was expected in December.
- Procurement - it was confirmed that body armour was provided to the special constabulary and PCSOs.
- Firearms training losses - the NPIA had recommended that the firearms training programme provided by the Constabulary to other Forces be revised and updated. As a result there was a period of time when the Constabulary was unable to deliver training and this was the cause of the loss of revenue reported.
- There were three area of consultancy work ongoing within the Constabulary. One of which was looking at best practice for delivery of development programmes, one at savings or areas of potential savings to be made in relation to the civilianisation programme, and one at identifying efficiency savings. It was likely that as a result of these reviews, additional resources would be required to progress recommendations arising from them.

RESOLVED

- i) That the financial targets, health indicators and acceptable variations be noted;
- ii) That the latest revenue projection for 2008/09 be noted;
- iii) That members note the virement of £435k from the inflation contingency;
- iv) That the latest capital projection for 2008/09 be noted;
- v) That the potential impact of the current economic conditions on existing plans be evaluated.
- vi) That the Treasurer be authorised to transfer up to £500.000 from the additional interest receipts to the helicopter scheme.

R/748 Budget Working Party

Members considered the notes of the last meeting of the group. Because of the current financial situation and the expected announcement from Government concerning council tax capping, it was considered that further discussion on the 3 year financial programme would be beneficial prior to the budget meeting in February 2009. There was a budget working party scheduled for 18 December, however an additional meeting was considered necessary to enable discussion following the government's announcement regarding capping, and the grant settlement statement which was expected on 4 December.

RESOLVED to hold an additional budget working party on 12 December 2008 at 3.30pm.

⌘ R/749 Treasury Management

The report provided details of Treasury Management performance for the period 1 April 2008 to 31 October 2008.

Issues discussed during consideration of this item included:

- The internally managed Investment Fund was outperforming the market and external manager.
- An additional £965,000 in interest receipts had been achieved. Base rates had reduced significantly and so continued high returns were not expected. It was anticipated that the next financial year would also see a shortage on investment income. Regardless, many current investments would continue to attract interest at between 5-6% for some time however this protection would not continue forever. A significant decrease in returns was anticipated in the next financial year.
- It was suggested that the current financial climate would have an impact on acquisitive crime which would be an additional drain on resources.

- The Treasury Management Strategy would be revised and proposed at the February Police Authority meeting. It was impossible to invest without risk and an interim strategy was proposed that recommended no lending on money market funds, no investment in foreign banks without prior consultation with the Police Authority and revised limits to a similarly revised counter party list. Lowering the maximum investment amount to each counter party would reduce the risk.
- Prudential indicators - The CIPFA prudential code specified that a limit be set on investments set to mature beyond 31 March. As this date approaches, the upper limit is not sufficient. It was suggested that the code would be more sensible if a time period be specified rather than a date. However, whilst this is challenged, there remained a requirement to raise the limit whilst continuing to comply with the guidelines.
- It was confirmed that British banks had only offered guarantees to individuals and not organisations.
- The Treasurer confirmed that the financial health of this Authority was good in comparison with other Police Authorities.

RESOLVED

- i) the treasury management performance for the period 1 April 2008 to 31 October 2008 be noted
- ii) the change to prudential indicators described in paragraph 6 be approved.
- iii) the application of the Treasury Management Strategy as set out in paragraph 3.3 and as implemented by the Treasurer be supported
- iv) the prudential indicators of the investments that will mature beyond 31 March 2009 be raised £50m, beyond 31 March 2010 to £20m and beyond 31 March 2011 to £10m.

R/750 Efficiency and Productivity Strategy Mid-Year Report

The Home Office has required Police Authorities to achieve 3% efficiency savings for a number of years. This report provided details of the revised Efficiency and Productivity Strategy that had been issued by the Home Office. It also provided progress against the 2008-09 target set by the Police Authority to achieve savings of £8.322m.

Issues discussed during consideration of this item included:

- Previously the Home Office had set targets for and monitored progress against achieving efficiency gains. It was now the responsibility of Police Authorities themselves to do this and the Audit Commission is responsible for examining processes. Whilst the Home Office had not set specific targets for individual Forces it had set a national target of at least 9.3% of 2007/08 gross revenue expenditure and this was considered to be the benchmark against which Forces would be judged.
- Progress against the 2008-09 target was good.
- The Home Office Strategy included in the report mirrored that of the Constabulary.
- Proceeds of crime act payments.
- BCU devolved budget savings - Members were reassured that BCU budgets and efficiency savings were closely monitored with regular reports being considered by the Command Team. Cashable efficiency gains were more closely monitored than non-cashable ones however. Members requested that BCU devolved budget monitoring processes be explained at a future seminar so that they could be properly reassured.

RESOLVED that the progress in achieving the targeted efficiency savings for 2008/09 be noted.

R/751 III-Health capital charges and injury awards.

Members considered the report which provided further information on the reasons for the overspend on ill health retirements and injury awards. The current forecast showed an overspend of £670,000.

Issues discussed during consideration of this item included:

- The contribution required by the Police Authority to the pension fund for officers retiring without 30 years pensionable service, or before the age of 55 was twice the pensionable pay of the officer concerned.
- In the past, the number of ill-health and injury pensions awarded has been low. Typically when the number of cases is low year on year it is because there is significant sickness levels being carried.
- A number of factors were considered to have contributed to the rise in cases in 2008-09 and forecast for 2009-10 and these included a more robust approach to sickness management and improved resources to clear the backlog.
- Comparing Devon and Cornwall to other Forces, the number of cases over a two year period was actually about average.
- Reviews of medical retirements were now being undertaken more regularly and more robustly.

RESOLVED to note the background information provided on ill health capital charges and injury awards.

R/752 Procurement Update

NB Mr B Greenslade and Mr J Smith declared a personal interest.

The purpose of this report was to update the Committee as to current progress on procurement activity.

Issues discussed during consideration of this item included:

- Body armour was provided to all police officers, specials and PCSOs.
- A full uniform review was scheduled to be undertaken. Uniforms for female officers had been redesigned to provide more comfort for the female figure, and for the early stages of pregnancy.
- The Constabulary was the National lead organisation for travel procurement, a number of other organisations were now using the Devon and Cornwall framework with a national spend of approximately £12m. A 3% annual rebate on the total volume of business purchased through the national framework was anticipated and would result in a considerable saving.
- A national travel policy was planned which would enable a standardised police system for travel provision. Members requested that they be provided with access to this system to enable them to purchase travel and accommodation at short notice and to benefit from any savings. It was anticipated that this could be provided through the ordering department at headquarters. Members would be advised of the procedure by letter in due course.
- Members asked to be able to review the travel policies in place. The Association of Police Authorities was reviewing the Members' allowances scheme and it would be beneficial to consider Force travel policies and Police Authority policies at the same time.
- It was confirmed that contracts were not awarded unless the Constabulary was satisfied that the working standards of the suppliers complied with equality rights, minimum payment legislation etc. Further, the procurement department undertook an annual audit of all suppliers to ensure that they continued to comply.
- There was some concern about the colour of Police Officer waistcoats. A yellow waistcoat was proposed by Members. It was understood that the Chief Constable was considering the options of yellow or black but there was concern that if yellow was decided on, it might result in Officers not bothering to wear the high visibility jacket which was essential under Health and Safety rules.
- Members would be shown the new uniform at their meeting in December.

RESOLVED to note the contents of the report.

R/753 Airwave Business Benefits Update

The report provided Members with an update on the current state of benefits realisation of the Airwave Service in Devon and Cornwall.

Issues raised during consideration of this item included:

- All technology benefits had been met.
- The majority of national business benefits had been met.
- An appendix to the report provided a summary of the plans in place to develop and meet benefits for the service.
- One of the benefits not met was delivery of PNC via the Airwave handset. This was because the NPIA who own PNC access had not developed this part of the service.
- Information on the mobile data bid was due at the end of the week. Mobile data would improve effective use of officer time and reduce demand on the busy Airwave Talk Groups.
- The Force was at the limit of the voice traffic allowance and was therefore focussing on promoting brevity and usefulness of conversations over the network.
- The automatic person location system was proving very beneficial.
- Members were reassured that the Force was actively driving out the benefits of the service.
- Mobile data would require an additional handset for the time being. In time, it was anticipated that the radio and mobile data would be provided through one piece of equipment. There was concern about the need for additional equipment to be carried by police officers because they already were carrying a number of weighty items.
- Airwave handsets were personal issue, with a pool of one or two being available in case of malfunction or for officers who only had need of the device from time to time. All handsets were trackable.
- Members requested a short report from time to time.

RESOLVED

- i) to note the report
- ii) to receive a further report providing a summary of benefits realised, target dates of benefits to be realised and barriers to achieving realisation of barriers at the February meeting of the committee, and
- iii) Further update reports as in (ii) from time to time.

R/754 Exclusion of Press and Public

RESOLVED that the Agenda items detailed in the table below be considered as closed items

Minute number	Report Title	Relevant Act	Relevant section
R/755	Estate Strategy & Programme Update	Local Government Act 1972 as amended by the Local Government (access to information) Act 1985	Schedule 12A, paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

R/756	Mercury Project: Exit Strategy Negotiations with Northgate Information Systems	Local Government Act 1972 as amended by the Local Government (access to information) Act 1985	Schedule 12A, paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
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⌘ **R/755 Estate Strategy & Programme Update**

NB Mr B Greenslade and Mr J Smith declared a personal interest.

This report provided an update on the progress of the long-term Estate Programme. It highlighted the achievement of important milestones and major issues that were likely to threaten the delivery of any individual scheme.

Issues discussed during consideration of this item included:

- Bodmin was on programme and on budget.
- A pre-tender costing had been prepared for the Pool project and Members were asked to give full approval for delivery within the cost provided.
- The report detailed two solutions for Devonport - a short term solution and a medium to long term solution. The short-term solution was delayed by one month. Members were asked to provide approval for the proposed expenditure to progress the medium to long term solution, which was to allow design work to be advanced and finalised for the site in Chapel Street. There was a risk to this option in that it might not progress to completion and Members expressed concern that no money should be spent without consultation with the Treasurer and only if progression was favourable. Members were reassured that legal advice was being sought.
- The Chairman of the Authority asked for a meeting with the Head of Estates to enable him to be fully updated on the Teignmouth development.
- A potential site had now been identified in Tavistock.
- The shop front in Ottery St Mary was being progressed and was welcomed.
- A further report concerning Heavitree Road would be brought before the committee in April.
- Property storage – a review of property storage was needed to establish whether additional storage was required, or whether too much was being stored. It was anticipated that in due course a computer system would be developed to calculate space requirements.
- In Torbay and Paignton, the Force was looking to provide a station enquiry officer in the same public facing office as council operatives.

RESOLVED

- i) The Estate Programme highlight report be noted;
- ii) Resources Committee provide full approval for the delivery of Pool PPU within the cost provided within this report
- iii) Resources Committee provide approval for the expenditure detailed within this report to progress the delivery of the new Devonport Police Station
- iv) Resources Committee approve the acquisition of the lease to extend Seaton Police Station and the capital expenditure associated with it as detailed within this report

⌘ **R/756 Mercury Project: Exit Strategy Negotiations with Northgate Information Systems**

NB. Mr J Smith left the meeting.

Members considered the report.

The Mercury project was charged with implementing replacement command and control IT systems. As a means to mitigating the risk that the transition might not be fully completed by the end of the current contract, an extension to the current contract was proposed and the associated costs reported.

Issues raised during consideration of this item included:

- The scale of investment required.
- Likely timescales.
- The need for continuity planning.

RESOLVED

- i) That the Committee agrees the recommendation to extend the support and licensing arrangements for its OIS and CIS applications by a further six months from April to September 2011 at a committed cost of £249,320
- ii) That the Committee acknowledges that, should the extension period contained in the above not be required, then the monies will be used to fund other, ongoing, Northgate services in use at the time of the transition (see Schedule 1)
- iii) That the Committee acknowledges the options of two, three month extensions of contract at £100,000 per quarter
- iv) That negotiations continue to achieve potential cover for periods beyond that.

The meeting closed at 12:50pm