

DEVON AND CORNWALL POLICE AUTHORITY

RESOURCES COMMITTEE

Meetings of the Resources Committee were held on 26 July 2004 and 21 September 2004.

Further information on the items referred to below is contained in the agenda for this meeting, which has been circulated to all members.

The following recommendations arose from the meetings:

[R/370] FINANCIAL MONITORING 2004-05

Detailed outturn forecasts based on the August spend profile had been completed and at the time of writing the report the overall financial position had improved with an underspend of £339,000 being projected. The reported £600,000 overrun on the major operations budget had been offset by devolved budget and project savings and a significant increase in net interest receipts. However, since the report had been compiled a new murder investigation had begun that could have a significant impact on operational spend. Management arrangements were in place to ensure that resources were allocated to best effect.

The outturn forecast was excellent given the pressures faced by the Constabulary over the last month. There was an opportunity to put aside resources towards the recruitment of more Police Officers in 2005-06. This was in addition to the £1.8m recruitment fund for 2004-05 which was unlikely to be fully spent by the end of the financial year.

It was anticipated that Police Officer strength would reach 3400 officers before the end of the year despite National Police Training reducing a training intake.

RECOMMEND that the Police Recruitment Fund balance of £1.822m is transferred to the Service Commitment Fund to help fund the planned increase in police officers in the next financial year.

[R/373] FACILITIES MANAGEMENT CONTRACT

Members were provided with an update on the progress of the project to put in place a new facilities management contract to deliver ICT services by March 2005. The tenders for the contract were due on the 24th September. The invitation to tender had specified required service and outcomes rather than stipulate how these should be delivered. This allowed flexibility to achieve economies of scale.

It was important for an early decision on the preferred tender to limit disruption for staff and to allow optimum time for the transition period.

RECOMMEND that delegated authority be given to the Resources Committee to agree the preferred supplier at their meeting on 1 December 2004.

Matters discussed (with minute reference shown in brackets) include: -

[R/359] ANNUAL STATEMENT OF ACCOUNTS 2003-04

The Government had brought forward the time by which the accounts needed to be approved from September to July and these were presented for Members consideration. New rules determined a need for the balance sheet to include the liability for Police Officer pensions and as a result showed £1bn deficit. Although this was a sensible inclusion to the accounts, it distorted the overall picture and Members were assured that the Authority continued to be a going concern.

The Government's Review of Police Pensions was ongoing with agreement to suggested changes due later in the year. The valuation of the Local Government Scheme was also due to be announced shortly.

Members approved the Statement of Accounts for 2003-04.

[R/360] TREASURY MANAGEMENT 2004-05

Members considered a report providing a summary of investment performance for 2004-05 to the end of June and progress made against the approved Prudential Indicators, including levels of external borrowing.

Overall, returns by both Managers were steady and close to benchmark. The recent increases in interest rates were good news and would benefit the Authority financially.

A dip in the long-term interest rates had given an opportunity to borrow £2m over 25.5 years repayable on maturity. Members were assured that overall the level of debt was very low and not considered to be a problem.

Members and officers had met with the fund managers earlier in the year.

[R/362] BALANCE OF FUNDING REVIEW

There had been substantial press coverage of the review of Local Government Finance undertaken recently by the Government, in particular around potential changes to the council tax system.

The review of Local Government Finance was an ambitious one with the balance of funding review initially being a comparatively minor part of it. However, it had since become quite significant and many saw it as a way of solving problems of funding local government. Issues included gearing, equalisation and subsequent governments asking more from the council tax.

The review acknowledged the regressive nature of the council tax and problems in the South West where people were generally asset rich and cash poor. One of the problems not covered by the review was that council tax was expected to fund too much.

The main conclusion resulting from the review was that another review was required and this would be undertaken by Sir Michael Lyons, reaching a conclusion in 2005.

Later in the year, Sir Michael will be taking evidence and it was important that the Authority take this opportunity to give it.

R/371 BUSINESS BENEFITS DELIVERED OR PLANNED FROM PROGRAMMES 2004-05 AND 2005-06

Members were provided with an update on the situation of business benefits identified or delivered through the various programmes of work currently and recently in hand in Strategic Development. The ability to quantify financial benefits was vital in the development of the budget for future years.

Subsequent to the last meeting, Craig Bulley had agreed to become the Lead Member on the National Forum which had been created to look to align and draw best practice amongst police forces. This piece of work would focus on the benefits, outcomes and impacts of projects rather than on inputs.

R/377 ANNUAL REPORT OF DEVON AND CORNWALL CONSTABULARY CLAIMS EXPERIENCE

Members considered a report which provided a briefing on the way the Constabulary currently handle civil claims and details of claims that were initiated against them in the financial year 2003-4. Information was also provided on claims commenced in previous years that had been settled, disposed of or otherwise handled throughout the past financial year.

The Force Legal Department now handled all work relating to Employer's Liability and Public Liability claims. This new approach had resulted in considerable cost savings. It was anticipated that with the subsequent increase in effective risk management further cost savings, reduction of claims and improved practices would follow.

A further meeting of the Resources Committee will be held on 26 October. Any matters of urgency will need to be reported orally to this meeting.

**Mr Brian Greenslade
Chairman Resources Committee**