

Devon and Cornwall Police Authority

Minutes

A meeting of the **Corporate Governance Committee** was held on 10 February 2010 in the Conference Room, endeavour House, Pynes Hill, Woodwater Park, Exeter, starting at 14:00hrs.

Present:

Chairman.....Ms J Norton
 Vice Chairman.....Mrs L Williams
 Mrs J Owen, Mrs J Stanhope, Mrs L Price

Other members in attendance:

Mr M Bull, Mr B Greenslade

Officers in Attendance: Mrs A Daveney (Head of Technical Accounting) Miss J Norris (Assistant Chief Executive)

Other

Mr M Barnes – (Marsh)

CG/269 Chairman's Announcements

The Chairman explained that the reason for having the special meeting was to scrutinise the draft Treasury Management Policy and Strategy prior to consideration by the Police Authority on 12 February 2010. The Chairman sought the Committee's agreement, which was given, to taking agenda item 5 – Insurance Renewals – as a closed item (e.g. excluding the press and public and not webcast) and considering it as the last agenda item.

CG/270 Apologies For Absence

Apologies for absence were received from Mr J Hart and Mrs J Zito.

CG/271 Declarations of Interest

The following Declarations of interest were made:

Name	Agenda Item	Type of Interest	Nature of Interest	Action
Mr M Bull	Agenda item 6 Police Authority Constitution - Allowances Scheme	Personal	Chairman of the Authority	Not applicable
Mr B Greenslade (NB this interest was declared during discussion on the item)	Agenda Item 4 Treasury Management	Personal	Member of Devon County Council Investment Committee	Not applicable

CG/272 Treasury Management

The Committee was asked to scrutinise the Treasury Management Policy and Practices and the Treasury Management Strategy, suggested changes to Financial Regulations relating to these items were also presented.

Issues discussed during consideration of this item included:

- The roles of the Resources Committee and the Corporate Governance Committee in treasury management
- The potential conflicts between managing risk and obtaining yield
- The standards that the Treasurer should be expected to meet in relation to treasury management
- The Prudential Indicators
- Training for Members, especially those who sit on the Corporate Governance and Resources Committees, about treasury management
- The delegated authority to committee chairs for agreeing additions to the list of approved borrowers
- Investment limits and potential cumulative effects of different fund managers investing in the same organisations
- Use of credit rating agencies and other credit information to assist decision making regarding whether or not an institution is eligible for inclusion on the counterparty list
- Reporting procedures for decisions made under delegated authority or when a decision may knowingly result in a deviation from the adopted treasury management practices
- The flexibility permitted within the treasury management policy, strategy and practices to maximise returns whilst managing risks
- Documenting the allocation of decision making responsibilities in the absence of the Treasurer
- Equality and diversity statements on Authority policies
- The methods of allocating funds and deciding funding amounts for individual fund managers

RESOLVED to recommend to the Police Authority that

- (i) The Authority supports the principles in the draft Treasury Management Policy and Practice and the Treasury Management Strategy**
- (ii) That delegated authority be given to the Corporate Governance Committee to approve and adopt the Treasury Management Policy and Practice and the Treasury Management Strategy 2010-2011**
- (iii) That the Corporate Governance Committee be given delegated authority to specifically approve the following which are contained in the treasury management / investment strategy 2010-2011:**
 - **The annual investment strategy**
 - **The borrowing and debt management strategy**
 - **The retention of Investec to invest surplus funds on behalf of the police Authority, subject to satisfactory performance**
 - **The services of Devon County Council are retained to provide investment and cash management services on behalf of the Police Authority**
 - **That the Police Authority continues to operate a Devon and Cornwall Police Investment Fund operated by the Treasurer**
 - **That the treasurer should retain the flexibility to invest funds directly and to vary amounts invested with Investec and in the Devon and Cornwall Police Investment Fund within the limits set out in the strategy**
 - **Approval of the counter party lists**
 - **Approval of the treasury management indicators**
 - **The noting of Barclays as the Authority's bankers**
- (iv) That delegated authority be given to the Corporate Governance Committee to approve changes required to the Constitution by way of Financial Regulations and Delegated Powers as a result of the adoption of the Treasury Management Policy and Practice and the Treasury Management Strategy 2010-2011**

NB: Mr B Greenslade declared a personal interest in this item as a member of Devon County Council's investment committee.

CG/273 Police Authority Constitution – Allowances Scheme

The Authority's allowances scheme forms part of the Constitution and as such any changes to the scheme should be considered by the Committee. A Member task and finish group have reviewed the existing allowances scheme and presented a draft revised scheme for comment and consideration.

Issues discussed during consideration of this item included:

- A passenger allowance to encourage car sharing
- Inclusion of the Freedom of Information requirements regarding the publication of allowances and reimbursements paid to Members
- Rail fares
- Subsistence allowances
- Booking of hotel accommodation through the procurement process
- The criteria for the carers/dependants allowance

RESOLVED

- (i) that consideration be given to the inclusion of a passenger allowance and the re-wording of the criteria for the carers/dependants allowance**
- (ii) to recommend to the Authority the adoption of the allowances scheme subject to the recommendations in (i) above being implemented**

NB: Mr M Bull declared a personal interest in this item as Chair of the Authority

CG/274 Closed Items (items considered by the Committee with only Members of the Authority, appropriate Officers and expert advisors present, on the grounds of exempt / confidential items for discussion)

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

Agenda Item No	Minute No	Report Title	Relevant Act	Relevant Section
5	CG/275	Insurance Renewals	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)

CG/275 Insurance Renewals

This report provided Members with the results of the insurance renewal exercise for 2010/11. Mr Michael Barnes from Marsh was available to answer members' questions regarding insurance issues. Issues discussed during consideration of this item included:

- The timing of information provided to the committee in relation to the renewal process
- Extension of the current long term agreement for motor and liability cover
- Vehicle cover
- Claims history
- Claims handling

RESOLVED

- (i) That the Authority's property, damage, fidelity guarantee and personal accident / travel insurance cover be placed with Chartis Insurance (formerly AIG UK Ltd) under the current long term agreement
- (ii) That the Authority's motor and liabilities insurance cover be placed with Chartis (formerly AIG (Risk Management Partners)) by extending the current 3 year agreement for 2 years
- (iii) That Engineering inspection insurance be renewed with Zurich Municipal
- (iv) That marine insurance be renewed with Navigators and General
- (v) That Authority be delegated to the Treasurer following consultation with the Chair of Corporate Governance to agree renewal terms for the helicopter insurance and the claims handling insurance.

The meeting closed at 16:15hrs