

Devon and Cornwall Police Authority

MINUTES

A meeting of the **Resources Committee** was held on Thursday 18th November 2010 in the Police Authority Conference Room at Endeavour House, Woodwater Park, Exeter, starting at 10:30hrs.

Present:

Chair: Mr B Greenslade

Vice Chair: Mr M Bull

Members: Mr M Clayton, Sir Simon Day, Mr M Hodge, Mr D Money, Mrs L Price, Lady Stanhope.

Police Authority

Mr D Walton (Treasurer), Mrs G Clifton (Committee & Meeting Services Officer).

Constabulary

Ms A Daveney (Head of Technical Accounting), Ms S Goscomb (Director of Finance and Resources), Mr S Jose (Head of Procurement) – agenda item 14 only, Mr A Morris (Head of Estates) – agenda items 14, 15, 16 only, Mr M Stamp (Director of Legal Services) - agenda item 13 only.

NB the minutes reflect the order in which the items were discussed rather than the order on the agenda.

R/894 Apologies for Absence

Apologies for absence were received from Mrs V Pengelly.

R/895 Declarations of Interest

The following declarations of interest were received:

Name	Agenda Item	Minute ref	Interest	Details	Action taken
Mr B Greenslade	10. Treasury Management Report	R/903	Personal	Member of Devon County Council	Spoke & voted
Sir Simon Day	10. Treasury Management Report	R/903	Personal	Member of Devon County Council	Spoke & voted
Mr B Greenslade	13. Significant Claims against the Authority.	R/907	Personal	Member of Devon County Council	Spoke & voted
Sir Simon Day	13. Significant Claims against the Authority.	R/907	Personal	Member of Devon County Council	Spoke & voted
Mr B Greenslade	16. Exeter & Headquarters Rationalisation Programme	R/909	Personal	Member of Exeter Airport	Spoke & voted

R/896 Chairman's Announcements

There were no Chairman's announcements.

R/897 Minutes

RESOLVED that the minutes of the meeting held on 9th September 2010 be confirmed as a correct record.

R/898 Comprehensive Spending Review (CSR)

The Treasurer gave an oral update on the implications from the Government announcement on 20th October 2010. Issues discussed during consideration of this item included:

- The CSR had proposed spending cuts of 20% over four years. The cuts were weighted to the first two years. If the council tax precept remained the same as last year the Authority should receive 2.5% in grants over the four-year period. The Risk Map had been updated but would require further review when more detail was available in December.
- Confirmation was still awaited on the grant funding for PCSOs but it was likely that numbers would remain the same at 356 PCSOs.
- Although the financial situation in two years is not yet known, it was unlikely that the Government would withdraw the 2.5% grant funding over four years, as this funding would then have to be found through Council Tax.

R/899 Financial Planning and Future Resource Cuts

The Treasurer introduced the report that reviewed the suitability of the existing three year financial strategy to ensure it supports the short and long term decision making of the Authority in delivering the proposed changes in public sector finance and police governance. Issues discussed during consideration of this item included:

- It was proposed to extend the three year financial planning strategy to four years to ensure the planning process reflected the budget cuts announced over four years.
- The Risk Register had been updated to include the resilience of the best and worst case scenarios and links to Value for Money (VFM) savings. It was essential that cut backs were not made in areas that might lead to operational risks.
- It was not easy to carry out an equality impact assessment on the people who use the Police Service but these assessments would continue to be done.
- The sensitivity analysis to be carried out on expenditure and income levels would be a combined process between the Police Authority and Force. The proposed approach will be brought to the seminar in January 2011 with details of best/worst case scenarios.

RESOLVED (i) to agree the enhancements in the Medium Term Financial Plan contained in Section 5 of the report.

R/900 Value for Money Strategy

The Treasurer presented the VFM strategy for discussion. Issues discussed during consideration of this item included:

- The main theme of the item was the adoption of an agreed strategic approach to VFM between the Authority and the Force. This was translated into a workplan of activities going forward beyond this financial year.
- There were some issues around how the Force reports VFM information to the Police Authority as their strategy includes work at an operational service delivery level. More work was necessary in this area.
- The 'efficiency' definition in the strategy should include labour.

RESOLVED (i) to agree the VFM Strategy

R/901 Efficiency and Productivity Plan Progress Report 2010-11

The Director of Finance and Resources presented the report that provided an update on the efficiency savings forecast for 2010-11 as compared to the Home Office indicative target set over the three-year period 1st April 2008 to 31st March 2011. Issues discussed during consideration of this item included:

- The Force was on track to exceed the three-year target. The paper included details of some of the efficiencies achieved through the Quest project. The focus had changed to deliver cashable savings rather than productivity savings as officer numbers were lower.
- The findings from Quest are being fed into the Blueprint process with two main themes. a) a cultural change i.e. is there a better way to do this? and b) adjustment of processes to enable fewer staff to

deliver the same service. Some savings e.g. from double handling of information had been fundamental to Blueprint. The Force agreed to check whether a backward looking assessment of the Quest deliveries would be carried out.

- The report showed that nearly £2.5m in savings had been achieved through the Quest project. The Force agreed to provide a short report on the deliveries from Quest to the next meeting.
- Members wanted assurance that procedures were in place to confirm that the 200 officers returned to the front line over the last few months were still working on the frontline. As officer numbers reduced this was all the more important. This formed part of the Blueprint process.

- RESOLVED**
- (i) that the forecast efficiency savings for 2010-11 as compared to the target be noted;
 - (ii) that the progress on the plan to ensure that the Police Authority continues to make value for money improvements in 2011-12 and beyond be noted;
 - (iii) that evidence that Quest provided the payback for its investment be provided.

R/902 Financial Monitoring Report

The Director of Finance and Resources presented the report that provided an update on the financial position based on the spend profile. Issues discussed during consideration of this item included:

- The underspend was attributable to the halt in recruitment; this was expected to continue to increase throughout the year. The in-year cuts have not been balanced in the current year but have been balanced for ongoing years.
- The Capital Programme was to be revised to account for the decrease in capital grant and borrowings and leases would reduce.
- The underspend on the Major Operations Contingency was a pre-flood figure, the costs of which were not yet known, but it was proposed that any year-end underspend would be transferred to the Major Operations Reserve.
- It was not yet known whether the national review of terms and conditions would affect the 2011-12 budget, the earliest this would be known is June 2011.
- If the PCSO grant is ring-fenced then PCSO recruitment would resume. If not then PCSO numbers would have to be balanced with the intake of other officers.
- The terms and conditions review would include consideration of the Special Priority Payments. Further savings had to be identified to meet an additional £0.6m for 2011-12 onwards. However, the VFM savings achieved were better than anticipated.
- The medium term strategy had assumed that recruitment would be halted after Christmas 2010 when in fact it was halted earlier. This had resulted in an underspend of £750k.

- RESOLVED**
- (i) that the latest revenue projection for 2010-11 be noted;
 - (ii) that any year-end underspend on the Major Operations Contingency be transferred to the Major Operations Reserve;
 - (iii) that the required increase in the level of the Insurance Provision be noted;
 - (iv) that the revenue programme budget be adjusted to reflect the reduced draw-down of reserves;
 - (v) that the latest capital projection for 2010-11 be noted; and
 - (vi) that the latest Police Officer staffing levels be noted.

R/903 Treasury Management Report

NB Mr Greenslade and Sir Simon Day declared a personal interest in this item.

The Treasurer introduced the report that gave an update on the Treasury Management performance for the period 1 April 2010 to 31 September 2010. Issues discussed during consideration of this item included:

- Performance had been generally better than expected. Approval was given to look at longer term funding with the preferential rates available at present. Two loans were arranged of £2m one over 15 years and one over 20 years. Fortuitously these were arranged before the CSR when interest rates increased resulting in considerable savings.

- Devon County Council had given notice that it would be withdrawing its Treasury Management advice services. The alternative options had been looked at and the preferred option was to bring the transactional elements in-house and engage an external specialist advisor. Tenders would be sought for an advisor using the usual procurement processes.
- The banking contract with Barclays was due to end but a two year extension had been offered at the current tariff. It was not therefore worth going through a new tendering exercise.

RESOLVED (i) that the treasury management performance for the period 1 April 2010 to 31 September 2010 be noted;
(ii) that day to day cash management processes currently provided under a Service Level Agreement by Devon County Council are undertaken in-house from March 2011;
(iii) that the Police Authority enter into a procurement process to obtain specialist treasury management advice from 1 March 2011;
(iv) that the option to extend the current banking contract by two years to 31 March 2013 is exercised.

R/904 Police Authority Risk Register

The Treasurer introduced the report that provided the Committee with the most recent changes to the Police Authority's Risk Register. Issues discussed during consideration of this item included:

- The Register was complementary to financial planning and additional risks had been included. These were mainly the uncertainties surrounding grant funding and the CSR. Risks would be updated on a regular basis.
- Risk Management was to be developed using a framework for both the Police Authority and the Force.
- The figures in the CSR showed an assumption of Council Tax rises over the four years of 2.5%.
- Any member can recommend risks to the Risk Review Group that should be added to the Register. The Corporate Governance Committee has the responsibility for oversight of the Risk Register and ensuring that committees monitor their risks closely.
- If the Police Authority Risk Register is to be aligned with that of the Force more up to date information would be required. The Police Authority officers that attend the Force Risk meeting should feedback any changes to the relevant members as soon as practical.

RESOLVED (i) that the key updates to the Authority's Risk Register as indicated in the report be noted;
(ii) that Police Authority officers attending the Force Risk meeting should feedback any changes to the relevant members as soon as practical.

R/905 Consideration to Exclude the Press and Public

Closed Items (items considered by the Committee with only members of the Police Authority, appropriate officers and expert advisors present, on the grounds that exempt/confidential information may be disclosed.)

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

Agenda Item	Minute No.	Report Title	Relevant Act	Relevant Section
13	R/907	Significant Claims against the Police Authority.	Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985	Schedule 12A, Paragraph 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
14	R/908	Procurement	Local Government Act	Schedule 12A, Paragraph 3.

		Update	1972 as amended by the Local Government (Access to Information) Act 1985	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
15	R/910	Estate Strategy and 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)
16	R/909	Exeter and Headquarters Rationalisation Programme	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)
17	R/906	Force Helicopter 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/906 Force Helicopter Update

Since the purchase of the new helicopter in 2010 the Authority has been seeking to sell the old helicopter. The Director of Finance and Resources introduced the report that provided an update on progress. Issues discussed during consideration of this item included:

- The introduction of the National Police Air Service had reduced the opportunities to sell. A company that had been interested in buying wants to lease the helicopter for four months prior to the purchase completion. However, the final purchase is not assured and the offer price lower than anticipated.
- Checks would be carried out on the suitability of the company that purchases the helicopter and fed back to the Committee.

RESOLVED to note the contents of the report

Mr M Stamp joined the meeting

R/907 Significant Claims against the Police Authority

NB Mr Greenslade and Sir Simon Day declared a personal interest in this item.

The Director of Legal Services introduced the report that provided a briefing on significant claims and sought instruction. Issues discussed during consideration of this item included:

- The Authority has been indemnified against any liability in the claim by Devon County Council for losses arising from an electrical surge and has had costs reimbursed.
- Authority was sought for the continued defence of a case where the claimant has instructed Queen's Counsel. The merits of the Constabulary's defence are strong but if the case is lost the resultant damages and costs might be above the claims handling limit. The Committee welcomed early notification of this case and agreed that the defence should continue.
- Medical reports were awaited for a claim for psychological damage resulting from sexual harassment.
- The Committee agreed that the offer outlined in the report on C v Devon and Cornwall Constabulary should be made in settlement of costs for a claimant's solicitors following robust challenge to their bill.
- There had been a significant increase in the number of Employment Tribunal claims.
- Civil claims can be expensive in legal costs but Cost Draughtsmen are used to challenge cost submissions, saving significantly more than the fee they charge.
- An update on the Equal Pay litigation would be provided to the next Police Authority meeting. Only approximately a dozen or so cases remain outstanding out of an original total of 300.

- Recently announced restrictions on Legal Aid provision might result in more claimants defending themselves without legal representation.

RESOLVED (i) to note the outcome of the claim for damages at Barnstaple Civic Centre;
(ii) to note the case of W v Devon and Cornwall Constabulary and authorise its continued defence.
(iii) to note the case of P v Devon and Cornwall Constabulary;
(iv) to note the case of C V Devon and Cornwall Constabulary and authorise settlement of the Claimant's costs up to the maximum noted in the report;
(v) to note the general update on significant development in claims handling generally.

Mr A Morris and Mr S Jose joined the meeting

R/908 Procurement Update

The Head of Procurement introduced the report that updated the Committee on procurement activities and procurement savings achieved. Issues discussed during consideration of this item included:

- The in-house shared service for procurement had been agreed by SWPAJC at its meeting on 5th November; Devon and Cornwall Constabulary would be the lead Force. Savings were expected through a programme of work across the four forces, some indications of which should be known this financial year. A commitment from all forces was necessary to drive forward standardisation. Regular updates would be provided through this report to future meetings. A briefing note on the in-house shared service was being prepared for members and the Police Authority Chairman would inform the seminar of progress on 26th November. Gloucestershire will seek approval from its Police Authority on 16th December and the issue would be brought before Devon and Cornwall Police Authority at its meeting on 10th December.
- A recent efficiency review by Philip Green had shown vast variations in the prices paid for items such as paper or hotel rooms. Devon and Cornwall Constabulary were at the lowest end of the range.
- Government Procurement Cards had been supplied to some regular suppliers to save money in transaction costs.
- A further report had been provided to request authority to extend the current Driver Improvement Scheme contract to allow more information to be gathered on likely future demand before re-tendering.

RESOLVED (i) to note the reports
(ii) to approve the extension of the current Driver Improvement Scheme up until 31st October 2011 if required, with the initial extension up until 30th June 2011.

Sir Simon Day, Mr S Jose and Mr M Stamp left the meeting

R/909 Exeter and Headquarters Rationalisation Programme

NB Mr B Greenslade declared a personal interest in this item

The Head of Estates introduced the report that contained a series of recommendations regarding the disposal of part of the Middlemoor site, the relocation of a number of offices, the removal of the helicopter from Middlemoor and the construction of a new 40 cell custody centre and associated offices. Issues discussed during consideration of this item included:

- The new custody suite was essential as the existing suite could be condemned at any time.
- There was a risk that the land that the helicopter uses at present could be seized by Government for the provision of the National Police Air Service. The relocation of the helicopter was therefore critical to the retaining the continuity of the Middlemoor site. Negotiations were underway with Exeter Airport but substantial investment would be needed to provide the necessary infrastructure. The proposed site would have secure boundaries.
- Pre-application work with the Chief Planning Officer seemed to favour Option 1 in the report.

- Phase 1 would initially retain the football pitch; phase 2 would provide a multi-games area for use by the wider community.
- Authorisation was given for a budget to progress the pre-construction phase to mitigate risk over planning, funding, cost and the relocation of the helicopter. The latter should be progressed with some urgency.
- More detail on the critical path and timescale for the development was needed to enable risks to be identified. This would be done through the Property Sub Group.

RESOLVED (i) to agree the recommendations as stated in the covering paper to the Business Case – “The Exeter and Headquarters Rationalisation Programme”
(ii) to progress with urgency the relocation of the helicopter.

R/910 Estate Strategy and Programme Update

The Head of Estates introduced the item that gave a progress update on the delivery of the capital building programme and Estate Strategy including recommendation requests. Issues discussed during consideration of this item included:

- Additional funding was required to complete the construction work at Ashburton following the cessation of trading of the existing contractor. Some of this funding might be recovered from the Quantity Surveyors to whom a significant overpayment had been made. Approval for the funding would be delegated to the Chair and Vice- Chair of the Resources Committee.
- The facility at Cowick Street, Exeter did not fulfil requirements. A Business Case had been prepared to dispose of the site and lease a smaller facility. No additional funding would be required. The BCU had set aside funding to enable the move to happen.
- Planning consent for a number of residential units had been obtained for the Paignton Police Station site. Members suggested that Paignton staff could co-locate at Brixham Police Station, which is underused. This would be considered in the options appraisal for the Business Case.
- The Regional Serious Organised Crime relocation agreed at the last meeting was now complete.
- All Business Cases now include a breakdown of running costs for the expected life of the facility.

RESOLVED (i) that approval for the additional funding to complete the new building at Ashburton be delegated to the Chair and Vice-Chair of the Resources Committee;
(ii) that the disposal of the lease at 174/175 Cowick Street be approved and the acquisition of a lease at Gilbert House on the terms detailed within the Business Case be agreed
(iii) that the Estates Programme highlight report be noted.

There being no other business the meeting closed at 13.20hrs.