

HUMBERSIDE POLICE AUTHORITY

FINANCE COMMITTEE

11 December 2007

<u>PRESENT:-</u>	Mr Stuart JP in the Chair.
Elected Members:-	Councillors Black, Matthews, Parsons, Rudd and Vickers.
Independent Members:-	Mr Southern.
Officers:-	Ms S Ismail, Chief Executive, Mr J Bates, Director of Performance and Resources, Mr P Goatley, Assistant Chief Officer (Support), Mr N Kingston, Assistant Chief Executive, Mr M Higinbotham, Finance Manager, Mr M Ransom, Financial Management and Mr M Newbury and Mr P Hamner, Audit Commission.

The Committee met at Pacific Exchange, Kingston upon Hull.

CHAIR – The Chair opened the meeting by advising that he would be leaving the Authority at the end of the year. This would therefore be his last meeting as Chair of this Committee. He thanked officers of the Secretariat, Force and District Audit for their work and assistance.

- 21 **DECLARATIONS OF INTEREST/OFFERS OF GIFTS OR HOSPITALITY** – The Chair reminded Members of the need to record any personal or prejudicial interest in items on the agenda and to disclose any relevant receipt or offers of gifts or hospitality.
- No declarations or disclosures were made.
- 22 **APOLOGIES** – There were no apologies for absence.
- 23 **MINUTES** – **Resolved** – That the minutes of the meeting held on 11 September 2007, having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chair.
- 24 **UPDATE ON MINUTES** – The Director of Performance and Resources referred to minute 4 regarding risk management and advised that he was talking to North Lincolnshire regarding arranging briefings on this subject. He also advised that John Ford was conducting a gap analysis that may lead to training on risk management.
- Resolved** – That the updates be noted.

- 25 **(16) ACTION SCHEDULE** – Members received a rolling schedule of actions arising from previous meetings of the Committee.

Resolved – That the action schedule be noted.

- 26 **(17) FORCE AUDIT BOARD – AUDIT AND INSPECTION REPORTS AND RISK MANAGEMENT ISSUES** – The Chief Constable and Chief Executive submitted a joint report that summarised the activities of the Force Audit Board, updated Members on the progress of the audits and inspections that had taken place and set out details of risks currently under consideration.

The Director of Performance and Resources advised that Internal Audit reports were now also submitted to the Force Audit Board for consideration.

Resolved – That the report be noted.

- 27 **(18) AUDIT COMMISSION UPDATE** – The Director of Performance and Resources submitted a report that detailed information on current Audit Commission and external audit activity and considered key issues in respect of work being undertaken as part of the Audit Plan. The report also provided information on the action taken to seek a review of the Police Use of Resources Evaluation (PURE) and outlined details of an online survey “Your Business @ Risk” that had been undertaken earlier in the year.

The Director of Performance and Resources advised that at the time of preparing the report an appeal had been lodged requesting a review of the PURE score, particularly around value for money. The Commission had appointed a reviewer, however, the review had been completed via a desktop exercise based on evidence already submitted. The outcome of the review had been that the PURE score was to remain at 2, placing the Authority in the bottom 8 of Police Authorities nationally which was extremely disappointing and at odds with the recent findings of the HMIC. Now that the review had been completed the District Auditor had issued his formal report which had been circulated to the Committee, together with the PURE feedback report.

The Director of Performance and Resources commented on the fact that he had participated in workshops organised by the Audit Commission in connection with consultation on the PURE arrangements for 2007/08. The APA and Police Authority Treasurers Society had responded to the consultation and the Authority had also responded directly, emphasising the need objectivity in relation to the value for money element of the evaluation.

Mr Newbury advised that, as reviews were conducted independently of the local teams, he had not been involved in this. He advised that his original scoring had been achieved by looking at the key lines of enquiry that he was statutorily required to do at that time. He reported, however, that the organisation was travelling in the right direction and expected that more progress would be detected next year to increase the score. He referred to

the consultation that was currently ongoing on the 08/09 Use of Resources which would be linked to the Comprehensive Area Assessments and advised that there would be general key lines of enquiry for public organisations, with all being held to a similar set of criteria. He highlighted that this was an important issue which the Authority should start to consider.

In response to a query the Director of Performance and Resources advised that he would be examining ways in which improvements could be achieved. In addition he would also be working with partners regarding the Comprehensive Area Agreement and how it would be possible to work together.

Members considered whether the matter should be considered by this Committee or by the Communities and Partnerships Committee and it was suggested that the final detail, following the consultation, needed to be seen before this could best be decided.

The Assistant Chief Officer (Support) re-iterated concerns that District Audit had come to different results to HMIC based on the same body of evidence. Mr Newbury confirmed that he had had to take account of the criteria and key lines of enquiry that the Commission required him to and advised that the challenge, in the future, would be how to join up different organisations that had different criteria.

Mr Newbury referred to his Annual Audit letter and advised that the key message was that the Authority was making progress and advised that the organisation needed to ensure that mechanisms were in place to confirm the delivery of actions.

The Director of Performance and Resources concluded the discussion by advising that the Thematic Panel scheduled for April would concentrate solely on audit issues.

Resolved – That the report be noted.

- 28** (19) **INTERNAL AUDIT UPDATE** – The Director of Performance and Resources submitted a report that informed Members of progress made against the approved audit plan for 2007/08.

The Director of Performance and Resources reported that (i) the Authority would be taking part in the National Police Audit Group, and (ii) he was in discussion with North Lincolnshire regarding the outstanding audits, particularly on the issue of Corporate Governance and that this would be linked to the proposals in respect of the Scheme of Delegation and Financial Regulations that were to be considered by the Police Authority on 18 December 2008. He also commented on the recommendations that had been identified as high risk. Regarding the review of casual and agency workers it was suggested that this could also include temporary workers and the Director of Performance and Resources advised that he had spoken to

the Chair of the Human Resources Committee and that it may be appropriate for this Committee to consider the Force arrangements for temporary posts in the first instance.

Resolved – That the progress made in achieving the 2007/08 Internal Audit Plan be noted.

- 29 **(20) 2007/08 REVENUE BUDGET** – The Chief Constable submitted a report that provided details of spending to the end of period 7 (31 October 2007) against budget profiles, together with information on the latest forecast outturn for the 2007/08 financial year.

The Assistant Chief Officer (Support) indicated that, next year it would assist if the scheduling of this Committee was linked to the closure of accounting periods which would enable more timely reporting. He referred specifically to PCSOs and advised that the current underspend of £1.283m had been returned to reserves. He commented on the number currently in post, the shortfall towards meeting the target of 332 by 31 March 2008, the number of vacancies and the 2 intakes that would take place before the end of the financial year. Subject to these intakes being full to capacity, it was anticipated that there would be 311 PCSOs in post by 31 March 2008, however, this figure would be affected by any attrition.

Members commented on variances in respect of police pay, pensions and transport.

The Assistant Chief Officer (Support) highlighted that overspends would be carried forward in the devolved budget in which they occurred and advised that although there was no direct line of accountability between this Committee and budget holders, he would welcome Member involvement in RPAF.

He referred to the decisions of Resource Management Chief Officer Group and advised that Members had the opportunity to endorse them or otherwise. All permanent cost pressures would be reported to the budget workshop in January. He advised that the Development Fund would cease to exist and that consideration needed to be given to how much financial discretion should be given to the Chief Constable. Members discussed the figures and the potential impact they could have on future base budgets and considered the possibility of referring recommendations iv), v) and vi) to the Budget Workshop. The Assistant Chief Officer (Support) indicated that the virements would only be made to the Performance Development Reserve and it was therefore:-

Resolved – (a) That the report and the current budget positions against the approved budgets be noted; (b) that the estimated outturn position based on the position on 31 October 2007 be noted; (c) that the carry forward to 2008/09 of £25k for the Impact project outlined at paragraph 8 of the report be approved; (d) that the virement of the £1.283m from the Neighbourhood

Policing Project underspend to the Performance Improvement Reserve as outlined at paragraph 9 of the report be approved; (e) that the virement of the £354k Minimum Revenue Provision budget not required to the Performance Improvement Reserve as outlined at paragraph 13 be approved; (f) that the virement of finance from the Development Fund for the items approved by the Resource Management Chief Officer Group meeting on 7 November 2007, as set out at paragraph 16, be endorsed; (g) that a further report on the revenue budget be submitted to the March 2008 meeting, and (h) that Members be provided with the Month 8 figures as soon as possible.

- 30** **(21) 2007/08 CAPITAL BUDGET – MONITORING REPORT** – The Chief Constable submitted a report that outlined the position as at 31 October 2007 (month 7) against the approved Capital Programme. The report also sought approval to transfer funding to 2008/09 for schemes that could not be completed in 2007/08.

Resolved – (a) That the report be noted; (b) that the changes to the 2007/08 and 2008/09 capital spending as outlined in paragraphs 6 – 12 of the report, be approved, and (c) that a further report be submitted to the March meeting of this Committee.

- 31** **(22) UPDATE TO THE INFORMATION AND COMMUNICATIONS TECHNOLOGY STRATEGY** – The Chief Constable submitted a report that gave an update on the Information and Communications Technology (ICT) Strategy.

Members commented on national standards for IT and to a national scheme for the exchange of data.

Resolved – That the draft Information and Communications Technology Strategy be approved.

- 32** **PRESENTATION – MEDIUM TERM FINANCIAL STRATEGY** – The Assistant Chief Officer (Support) reported that the Authority's provisional grant settlement had been announced on 7 December. This was part of a consultation which required a response by 8 January 2008. Authorities had been asked to submit any immediate observations by 10 December when a meeting of the Settlement Working Group would be held. The settlement had been slightly better than expected. A 2.6% increase in main grants had been awarded (against a grant floor of 2.5%). He commented on the Home Secretary's decision not to back date the police pay increase to 1 September and to the impact that this had on the Medium Term Financial Strategy. He advised that Rule 2 grants including Rural Funding and other grants had not been taken into general grants and commented on the amounts of the grants where these were available. Some information remained outstanding including: - there had been a significant drop in BCU funding in 2008/09 the reasons for which were unknown; the allocation for counter terrorism was unknown, and there appeared to be some unusual allocations to authorities/forces which could carry implications for future Comprehensive

Spending Reviews. He advised that 3 years of main grants figures could now be reported to the Resources Workshop which would allow for better planning. The Director of Performance and Resources advised that BCU funding would be the subject of further consultations in 2009/10 and 2010/11 to determine which partners would make best use of this resource. He advised that although the settlement had been better than expected it was still less than other shire authorities and for the service as a whole and that this would be the case for the next 2 years. He indicated that to avoid capping, the Government were looking for precept increases to be "substantially less than 5%", however, there was no definition of what constituted "substantially less" and discussions were ongoing regionally and nationally to determine what other authorities were planning. He further commented on consultation and on questions around the 3% cashable efficiency savings target.

In response to a query the Director of Performance and Resources advised that a briefing note highlighting the headlines of the settlement would be circulated to Members in advance of the budget workshops.

Members commented on the tight timescales for consultation that were often imposed and suggested that the APA be approached to ensure that adequate consultation periods were built in.

Resolved – (a) That the report be noted; (b) that the headlines of the settlement be circulated to Members prior to the budget workshops, and (c) that the APA be approached regarding the often inadequacy of consultation periods.

- 33** **(23) ANNUAL ACCOUNTS** – The Director of Performance and Resources submitted a report that outlined the procedures to be implemented in connection with the closure of the Authority's Accounts for 2007/08 and sought endorsement of the timetable required to enable the financial statements to be approved by the deadline of 30 June 2008.

The Director of Performance and Resources advised that it may be necessary to hold a special meeting of the Finance Committee in June and reiterated that next year the dates of the Finance Committee would be re-examined to ensure that they co-incided better with reporting and budgetary timescales.

Resolved – (a) That the report be noted; (b) that the timetable for the closure of the accounts for 2007/08 be endorsed, and (c) that the Director of Performance and Resources provide a progress report to the next meeting of this Committee.

- 34** **(24) EXTERNAL FUNDING** – The Chief Constable submitted, in accordance with minute 100, a report that provided information on external funding.

Resolved – (a) That the report be noted; (b) that the proposal to include

externally funded partnership risk within the Financial Risk Register at a rate of 6% of the budget be endorsed; (c) that the need to come to a collective judgement on the cash backing of the risk associated with partnership funding be acknowledged, and (d) that a further report be submitted to the March meeting of this Committee.

- 35 **(25) VALUE FOR MONEY, SAVINGS AND EFFICIENCY PLANS 2006/07 AND 2007/08** – The Chief Constable and the Director of Performance and Resources submitted a joint report that gave an update on Value for Money, Savings and Efficiency Plans.

The Director of Performance and Resources advised that in relation to value for money, lobbying was being conducted regarding the importance of resources being made available for up front investment. He also advised that in relation to efficiency the Home Office were developing an Efficiency and Productivity Strategy that had been considered by the Force's Efficiency Plan Steering Group. It had been agreed that this Group would be restructured to mirror this. Attention continued to be focussed on Workforce Modernisation. It was noted that the NPIA would be reporting on Workforce Modernisation at the Police Authority meeting on 18 December 2008.

Resolved – (a) That the report be noted, and (b) that a further report, as part of the 2008/09 Resource Workshop on 16 January 2008, be submitted.

- 36 **(26) HANWaG SERVICE LEVEL AGREEMENT QUARTERLY MONITORING REPORT** – The Chief Executive submitted in accordance with minute 2187 (2004/05), a report that contained the monitoring information received for the second quarter of the third year, covering the period 1 July to 30 September 2007.

The Chief Executive commented that a request from HANWaG to extend the SLA, when it ended in March 2008, was to be submitted to the Police Authority on 18 December for consideration.

Resolved – That the activity during the period 1 July to 30 September 2007 be noted.

URGENT ITEM – The following item of business, minute 37, was considered after the Chair had considered it urgent in view of the need to seal both the Lease and the Licence.

- 37 **(27) GOOLE MAGISTRATES' COURT AND SCUNTHORPE MAGISTRATES' COURT** – The Chief Constable submitted a report that detailed the lease arrangements for the Magistrates' Courts facilities at Scunthorpe and Goole to the Court service.

Resolved – (a) That the report be noted; (b) that the Chief Executive be authorised to seal the Leases in respect of Goole and Scunthorpe Magistrates' Courts and seal the Licence to carry out works at Scunthorpe.

38 **EXCLUSION OF PRESS AND PUBLIC** – **Resolved** - That in accordance with the provisions of Section 100 (A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting for the following items of business, minutes 39 and 40, on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

39 **(28) PROCUREMENT ISSUES** – The Chief Constable submitted a report that detailed the contracts that had been entered into in compliance with Humberside Police Authority Standing Orders, United Kingdom and European commercial legislation and appropriate European procurement directives.

Resolved – That the report be noted.

40 **(29) ESTATE ISSUES** – The Chief Constable submitted a report that gave an update on estate issues and sought approval for the disposal of surplus buildings and a building tender for work at Priory Police Station

Resolved – (a) That the disposal of Walker Street Box and Holderness Road Box, Hull and the old Withernsea Police Station be approved and they be sold on the open market; (b) that the tender for the work to convert the current Priory Property Store from PDR at a cost of £340,838 be approved, and (c) that the inclusion of the £340,838 within the Capital Programme be approved, to be funded from unsupported borrowing.

CHAIR – The Chair concluded the meeting and Members thanked him for his service and wished him well for the future.