

HUMBERSIDE POLICE AUTHORITY

(Special Meeting)

29 June 2007

<u>PRESENT:-</u>	Ms Branton MBE in the Chair
Elected Members:-	Councillors Black, Hull, Parsons, Rudd, Uzzell, Vickers
Independent Members:-	Mr J Shipley and Mr G Southern.
Officers: -	Ms S Ismail, Chief Executive, Mr J Bates, Director of Performance and Resources, Mr Neil Kingston, Assistant Chief Executive, Mr D Griffin, Deputy Chief Constable, Mr M Higinbotham, M G Dawson, Mr K Pryday, Inspector D Braysmith, Mr I Porter, Mr M Horne and Mr M Moore, Audit Commission.

The Authority met at Pacific Exchange, Kingston upon Hull.

FLOODS - The Chair opened the meeting by referring to the recent floods and to the marked increase in calls for service and incidents. She praised all of the partner agencies for their co-ordinated response and thanked Humberside Police for their work.

The Deputy Chief Constable detailed the work that had been undertaken and outlined the current position.

- 29 **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 offering of gifts or hospitality.

No interests were declared or disclosures made.

- 30 **APOLOGIES** – Apologies for absence were submitted on behalf of Councillor De Freitas, Mr Doherty, Mrs Groves, Councillor Kirk, Councillor Matthews, Mr Palmerley JP and Mr Smith JP.

- 31 **(21) ANNUAL ACCOUNTS 2006/07** – The Chief Constable and Director of Performance and Resources submitted a joint report that sought Members' approval of the Annual Accounts 2006/07. The report covered a range of issues including the fact that the accounts reflected the Statement of

Recommended Practice (SORP) and included a Pensions Fund although the Home Office had yet to lay the necessary regulations before Parliament. This would be done by early July and they were likely to be approved by August at which point they would have retrospective effect from 1 April 2006. The report also set out details of the revised format of the accounts following SORP changes, particularly in relation to the differences between the new Income and Expenditure Account format and that this was on a different basis to the way the Authority was required to raise Council Tax. The report explained the impact of incorporating Financial Reporting Standard (FRS) 17 adjustments, which were principally responsible for generating a deficit of £70.915m on the Income and Expenditure Account and a negative balance sheet position. The report gave information on the changes to reserves during the year and on the overall level of reserves held at 31 March 2007. The accounts remained subject to audit and would be re-submitted for approval following receipt of the District Auditor's opinion in September.

The Director of Performance and Resources commented on the accounts in detail, making specific reference to a number of issues including the changes to the way in which Police Authorities accounted for pensions. He thanked the Assistant Chief Officer (Support) and the Force Finance team their work in preparing the accounts.

Members made comments regarding (i) the funding of Police Pensions, to which it was reported that Police Pensions were previously funded from the revenue account, unlike the arrangements for the Local Government Pensions Scheme, however from April 2006 a Police Pensions Fund would be created with the Government meeting any deficit rather than the Police Authority; (ii) officers were commended on the compilation of a comprehensive report; (iii) the level of reserves and the need to actively control how they were utilised – the Director of Performance and Resources advised that the Medium Term Financial Strategy, including the level and use of reserves and balances, would be reviewed on a regular basis and that planned improvements in budget monitoring should lead to the Authority having greater confidence in the ability to manage finances and reserves; (iv) the reference to monitoring reports to the Audit and Strategy Committee, which with the revised Committee Structure would now be changed, and to the need to receive timely revenue and budget outturn information – the Director of Performance and Resources reported that information on resource use was being included in the PMG and work was in hand to generate more sophisticated monitoring reports to enable Members and officers to drill down to challenge monitoring returns from budget managers at a more detailed level; (v) the reference on page 12 to the Revenue Budget and the need to know exactly what the budget consisted of – the Director of Performance and Resources commented on the information contained in the report on Financial Resources 2007/08 which included information on a subjective and objective basis derived from the e-Financials ledger used by

Finance staff and budget managers; (vi) the reference on page 16 and the need for this to be reviewed in light of the recent floods and for any Government funds available to be pursued either individually or with partners – the Director of Performance and Resource advised that the Force had created a specific code so that any costs associated with the floods could be identified – the Deputy Chief Constable reported on the initial assessment of insurance cover for the Force in respect of Priory and commented on the additional operational costs that were being incurred and that the possibility of Government support would be explored; (vii) the Performance Management Framework and the need for budget monitoring and resource use to feed into this important aspect of work in the future structure; (viii) the purchase of computer equipment and depreciation to which it was reported that this was included in the Revenue Budget with large scale replacements being included in the capital budget; (ix) the availability of capital receipts; (x) interest on investments and how this would be managed in the future; (xi) the 2005/06 audit fees and how they compared with the 2006/07 figures; (xii) the reference on page 39 to physical assets and to the increase in fleet despite comments made during the year; (xiii) the reference on pages 45/46 to Lifestyle Rock Challenge – the Director of Performance and Resources commented on the revised arrangements showing an Income and Expenditure Account for the initiative and on the possibility of further reports being submitted to the Communities and Partnerships Committee, and (xiv) that consideration should be given to how the information contained within the accounts could be explained to the public in simple terms, particularly with regard to the exceptional long term liabilities associated with pensions - the Director of Performance agreed and commented on the work being undertaken nationally to explore the development of summary accounts but indicated that care needed to be taken to ensure that any summary information did not misrepresent the audited position.

Resolved – (a) That the comments regarding the timescale for approval to the proposed Pension Fund Regulations be noted; (b) that the Annual Accounts for 2006/07 be approved as presented, including the Pension Fund as required by the SORP and assuming that the Regulations are approved and effective from 1 April 2006, and (c) that a further report be submitted following completion of the external audit.

32 **(22) 2006/07 REVENUE BUDGET OUTTURN CARRY FORWARD AND CAPITAL SLIPPAGE** – The Chief Constable submitted a report that apprised Members of the 2006/07 revenue budget outturn position.

The Deputy Chief Constable reported that operational budgets tended to come in on budget and that underspends were more likely to occur on projects and long term investments.

It was commented that Appendix E to the report in relation to the capital

programme was missing and it was reported that this would be circulated.

Members referred to (i) the need to receive accurate and timely information throughout the year regarding spend; (ii) the lack of information relating to the £2.04m carry forward on the Development Fund and the hope that the business case process would be improved which would lead to improved performance, and (iii) the delay in the implementation of business cases. The Deputy Chief Constable advised that steps were being put in place to increase the staffing resources available to the Assistant Chief Officer (Support) and the increased emphasis that was being placed on improving monitoring arrangements. He indicated that projects could be delayed for reasons beyond the Force's control and advised that Members should have been kept better informed. He indicated that, in future, more detailed and accurate information would be submitted. He referred specifically to the Business and Workforce Modernisation Project and advised that regular reports against approvals given by Members were submitted and this would be extended to cover other projects.

Members referred to the use of temporary employment contracts and the Deputy Chief Constable advised that these were used throughout the Divisions but were highlighted in C Division as it was this factor that had caused the budget variation.

The Director of Performance and Resources reported that the carry forward processes adopted by other Police Authorities were being investigated with a view to adopting best practice and that this would be covered in the review of the Financial Regulations that was currently underway.

Members discussed the recommendation requesting that they ratify the Chief Officer decisions and Mr Higinbotham clarified that Financial Regulations required Police Authority approval to take money out of reserves. The Chief Executive pointed out that this would be a retrospective ratification and the Deputy Chief Constable commented on other Forces which allowed variances.

Resolved - (a) That the additional carry forward into 2007/08 of revenue budget contractual commitments of £2.042m be approved; (b) that additional Capital Programme Slippage into 2007/08 totalling £1.514m be approved, subject to details of the capital programme being circulated to Members, and (c) that Chief Officers' RMCOG decisions be endorsed to (i) approve contractual commitments to be carried forward and (ii) utilise 2006/07 under spends to fund business cases to drive performance as set out in appendices B and C of the report.

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(23) FINANCIAL RESOURCES 2007/08 – The Chief Constable submitted a report that provided Members with information on the approved budget

2007/08 and initial information on the comparison of spend against budget profile for the first two four weekly accounting periods. The report set out details of the revenue budget analysed both objectively and subjectively, derived from information from the Force's e-Financial ledger that was used by finance staff and budget holders.

The Director of Performance and Resources indicated that future reports would be submitted in the same format and would provide Members with the opportunity for greater monitoring and challenge.

A member queried the figures for premises in the "actual to date" and "variance to date" columns and it was agreed that this would be investigated.

Resolved – That the report be noted.

- 34** **(24) MOBILE DATA / INFORMATION FACTORY BUSINESS CASE** – The Chief Constable submitted a report that sought Members' approval for the release of funding from the Performance Improvement Reserve to deliver an Information Factory Programme and Mobile Data Pilot project.

Members referred to the presentation on this subject that had been given to the Police Authority on 24 April and advised that as new Members had now joined the Authority it would be useful for the detailed presentation to be given to a Thematic Panel. It was also suggested that it would be useful for a demonstration of the capability of the Force's IT Systems to be given to a future Thematic Panel. Members queried (i) whether the project had been compiled using PRINCE principles - Mr Dawson confirmed that it had and that a Project Board was in place to oversee the work; (ii) whether it was felt that it would be successful; (iii) how many were involved in the mobile data pilot – Mr Dawson confirmed that the pilot would be implemented in 1 Division and would provide for 20 incident response vehicles to be kitted out and for approximately 80 hand held terminals to be issued to front line officers; (iv) the project costs if the mobile data project was implemented Force wide – Mr Dawson advised that these would be identified by the pilot scheme; (v) assurances that the funding would be used in the years identified and not allowed to slip; (vi) the need for a link Member from the Police Authority to be appointed to the Project Board so that the Authority could be part of the control of the project; (vii) the possibility of sharing the costs of the pilot with the Yorkshire and Humberside Joint Police Authorities Committee, a possibility which Mr Dawson indicated could be explored; (viii) the possibility of capitalising some of the expenditure so that all of the costs would not have to be met from the Performance Improvement Reserve and whether costs could be met from the underspends on projects in the Revenue Budget – the Director of Performance and Resources advised that the possibility of capitalising some of the project would be investigated and the Deputy Chief Constable indicated that whilst he would look at the underspends on the

projects budget, he understood that these had all been allocated to existing initiatives, and (ix) how long the pilot would last - Mr Dawson advised that the mobile data project was an 18 month pilot and following this it would be assessed whether it was worthwhile to implement it Force wide.

Resolved – (a) That the release of funding from the Performance Improvement Reserve for the 2007/08 costs of the Information Factory Programme and Mobile Data Project totalling £1,082,920 be approved, subject to (i) progress reports on the mobile data pilot, including information on implementation, take up, performance, benefits etc, being submitted to the Authority, and (ii) the investigation of the possibility of capitalising costs to avoid calls being made on the Performance Improvement Reserve; (b) that the inclusion of the Information Factory costs from 2008/09 in the Medium Term Financial Strategy be approved with projected costs for financial years 2008/09 to 2011/12 totalling £765,332, subject to the investigation of the possibility of capitalising expenditure, and (c) that a link Member from the Police Authority be indentified for the Project Board.

35 **(25) THE REVIEW OF POLICING IN ENGLAND AND WALES** – The Chief Executive submitted a report that informed Members of the Review of Policing in England and Wales to be carried out by Her Majesty’s Chief Inspector of Constabulary at the request of the Home Secretary.

Resolved – That the report be noted with any views on the Review of Policing being submitted to the APA for onward transmission to the Review Team.