

HUMBERSIDE POLICE AUTHORITY

FINANCE COMMITTEE

31 MARCH 2009

<u>PRESENT:-</u>	Councillor Parsons in the Chair.
Elected Members:-	Councillors Black, Matthews and Rudd.
Independent Members:-	Ms Branton MBE, Mr Shipley and Mr Southern.
Officers:-	Mr K Sharp, Chief Executive, Mr J Bates, Deputy Chief Executive and Treasurer, Mr P Goatley, Assistant Chief Officer (Support) and Ms C Wilson, Group Auditor, North Lincolnshire Council.

The Committee met at Pacific Exchange, Kingston upon Hull.

85 **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.

There were no declarations or disclosures made.

86 **APOLOGIES** – There were no apologies for absence.

87 **MINUTES** – **Resolved** – That the minutes of the meeting held on 27 January 2009, having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chair.

88 **UPDATE ON MINUTES** – The Deputy Chief Executive and Treasurer referred to minute 75 regarding the Icelandic Banks situation and advised that it was hoped that there would be some information received from the Administrators towards the end of April. He referred to the Audit Commission report that had been published on 26 March 2009 and advised that 7 authorities had been identified as having failures in their administrative systems or breaches of their rules which had led them to making investments. Humberside was not on this list. He advised that the amount contained within the report related only to Humberside's investment in Heritable bank. He reported that the Authority had invested £1m in the Dunfermline Building Society and this was now with the Nationwide Building Society. Although a counterparties list had not been submitted to Members, investments were being restricted to short term loans principally to British banks and building societies. A Member suggested that there may be scope for investing in Treasury Bonds and the Deputy Chief Executive and Treasurer advised that external advice, which was currently being sought,

would be required before doing this as specialist expertise was required.

Resolved – That the updates be noted.

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

The Deputy Chief Executive and Treasurer referred to minute 55 relating to financial regulations and advised that income generation was to be included in the Choices Programme. He commented on the issue of benchmarking that was to be considered by the Regional Treasurers and Force Finance Directors on 15 April and advised that he would report back to the next meeting. A Member referred to the length of time that it was taking to try to achieve some regional alignment of financial regulations and suggested that if no progress was made within the next quarter then the planned review of Humberside's financial regulations should go ahead. The Deputy Chief Executive and Treasurer advised of a dispute between the APA and ACPO on the issue of income generation but agreed that the matter needed to be progressed.

The Deputy Chief Executive and Treasurer referred to minute 48 relating to advancing capital projects and advised that the Police service was not included in the list of services for additional spending on public works. The Metropolitan Police Authority in particular was lobbying Government on the matter.

The Assistant Chief Officer (Support) referred to minute 67 relating to whether contractors on the select list had to declare if they had any relatives in the Force and advised that although this information was not sought as a matter of course, contractors were vetted. Consideration was currently being given to enhancing this and to requiring contractors to wear photographic identification.

The Deputy Chief Executive and Treasurer referred to minute 79 relating to the issuing of tender documents and advised that the query raised had related to the Police Authority's request for expressions of interest in a media contract. The high number of tender documents issued, but not returned, arose due to interested persons accessing the information on the internet.

Resolved – That the action schedule and updates be noted.

- 90** **(64) 2008/09 REVENUE BUDGET MONITORING** – The Chief Constable submitted a report that provided information to enable Members to scrutinise the management of Humberside Police Revenue Budget 2008/09. The information contained within the report related to the position as at the end of period 11 (February 2009). The report also sought approval for the carry forward of budget underspends to 2009/10.

The Assistant Chief Officer (Support) advised that he sought a steer from

Members regarding the future format of the monitoring reports. He advised that the report provided information as at Period 11 and highlighted that the projected underspend had increased to £3.965m as opposed to £3.6m reported at Period 9. A Member referred to this variance and queried whether there was sufficient confidence in the figures to be able to approve carry forwards at this stage. The Assistant Chief Officer (Support) advised that he did not anticipate the variance between Periods 11 and 13 would be as great as between 9 and 11 as the figures became more reliable towards the end of the year. He also advised that a series of technical workshops were planned to improve proficiency in outturn projections for the future.

Members commented on the improved format of the report and supported and commended its use in the future. Reference was made to the amount of information available via the Members' Area of the website and the difficulties in teasing out the relevant information and tracking trends. Members commented on the importance of receiving regular budget monitoring reports and officers indicated that consideration was being given to alternative ways of providing reports and briefings as opposed to it always being done via Committee. The Assistant Chief Officer (Support) advised that the current format would be continued and advised that he would review the information that was posted on the website.

A Member commented on the excellent performance of D Division, who had aligned their resources to meet demand, which had been reported to the Deputy Chief Constable's Performance Conference.

Discussion took place regarding the requests for carry forwards and the Assistant Chief Officer (Support) advised that those within Corporate Governance Limits (outlined at paragraph 17 of the report) were submitted for information, however, more information could be provided if Members wished to see it. The Deputy Chief Executive and Treasurer outlined the Corporate Governance limits and Members indicated that requests that fell within these had to be allowed.

Referring to the request for carry forward outside of Corporate Governance limits, Members commented specifically in relation to (i) Support Services and suggested that the implications of growth in other areas were not being taken into account and indicated that in approving this request they would expect any ongoing ancillary costs to be built into any future growth areas; (ii) Information Services and to the implications of staff obtaining regradings over which the budget holder had no control, the Assistant Chief Officer (Support) advised that this issue had been discussed with the Assistant Chief Officer (HR); (iii) Human Resources and it was suggested that the £314k be held in the ringfenced part of the Performance Improvement Reserve and drawn down when necessary; (iv) the Impact Project and it was suggested that this be subject to the proviso that a review of finance and IT be conducted so that the starting position and intended end position were clear; (v) the Leadership Project and concern was expressed regarding the continued spend on accommodation at Queens Gardens when it was intended to move out of the

site, the Assistant Chief Officer (Support) advised that the only spend on this site related to the Leadership Project and to the Custody Suite and advised that the situation regarding any sale of Queens Gardens Police Station would be at least dependent upon improvement in the property market situation. This matter would be covered in the review of the estate that was currently underway.

In response to queries relating to the carry forward of the Chief Constable's Performance Fund, the Assistant Chief Officer (Support) advised (i) that the Data Quality Improvement Team would not be funded beyond one year; (ii) that the £100k relating to integrated business management was a time limited consultancy to bring performance and resources together; (iii) that temporary funding had been allocated for an overlap between the new Head of Financial Services and the outgoing Head of Support Services to ensure continuity and the retention of important historical knowledge; (iv) that the request for the CIS4 Test and Development Team was an additional provision, and (v) that the early retirement related to a member of staff who had been allowed to retire on compassionate grounds.

The Deputy Chief Executive and Treasurer advised that issues raised by Members in relation to IT/costs would be picked up. He reported that there was to be a meeting week commencing 6 April to look at the Corporate Governance framework. Issues relating to the need for Members to be aware of the full costs of Business and Workforce Modernisation, and for these to be held in one place, would be raised at the Business and Workforce Modernisation Board.

Resolved – (a) That the information available, taking into account the information contained in this report and the information on the Members' section of the Police Authority website, is sufficient to provide assurance regarding the current spending position against the approved Revenue Budget for 2008/09 as at the end of February 2009; (b) that the carry forward of underspends within the Corporate Governance Framework, as identified in paragraph 16, and on the Chief Constable's Performance Fund, as identified in paragraph 21, be noted; (c) that the carry forward of supported devolved budget underspends that exceed the Corporate Governance Framework limits, as identified in paragraph 19, be approved, and (d) that the carry forward of supported protected budget underspends, as identified in paragraph 20 of the report, be approved subject to (i) the request for £314k for Human Resources be held in the Performance Improvement Reserve and drawn down when necessary, and (ii) the Impact Project being awarded the carry forward subject to the proviso that a review of finance and IT is conducted.

- 91 **(65) BUDGET VIREMENTS PERIODS 10 AND 11 2008/09** – The Chief Constable submitted a report that gave an update on virements of £250,000 and over processed during January and February 2009 (accounting periods 10 and 11) and sought approval for these in accordance with Financial Regulations.

The Deputy Chief Executive and Treasurer advised that the majority of the virements related to BWFM. He commented on the transfer of monies for this project which involved them going through the Performance Improvement Reserve into Projects and then to Human Resources and commented on the need to simplify this process so that it could be tracked more easily.

He further reported that in addition to the information in the report he also received details of all virements and journal information below the delegated limits.

Resolved – That the virements detailed in the report be approved.

- 92 **(66) 2008/09 CAPITAL BUDGET MONITORING REPORT** – The Chief Constable submitted a report that gave an update on the position of the approved budget for the Authority's capital programme as at the end of period 11 2008/09 (February 2009); provided explanations for any significant variances, and updated on relevant budget management issues.

The Assistant Chief Officer (Support) commented on the progress being made in relation to the Clough Road site. He commented on due diligence work conducted by the Force through the East Riding of Yorkshire Council and on safeguards being put in place to ensure that the junction and services would be completed in the event of adverse circumstances.

He advised that work at Priory was going well, however, the request for additional funding arose from a need to change the material to be used for the car park. He also commented that it had been discovered that the original architect's plan were not up to date and had been updated.

Resolved – (a) That the estimated outturn position, as shown in the appendix, be noted; (b) that the request for additional funding of £75k for the Priory Road flood defence scheme, as set out in paragraph 9 of the report, be approved, and (c) that the requests for slippage to 2009/10, as set out in paragraph 10, be approved.

- 93 **(67) ADDITION OF CONTRACTORS TO HUMBERSIDE POLICE SELECT LISTS** – The Chief Constable submitted a report that sought approval to add organisations to the Select List for Contractors.

The Assistant Chief Officer (Support) commented on insurance issues and the expectation that all Contractors would have public liability and public indemnity insurances.

Resolved – That the Select List for Contractors be amended as listed in paragraph 1 section ii and the Select List of Consultants be amended as listed in paragraph 1 section iii.

- 94 **(68) INTERNAL AUDIT UPDATE** – The Audit and Risk Manager submitted a

report that informed Members of progress against the approved audit plan for 2008/09 and set out details of the planned activity for 2009/10.

The Group Auditor advised that the audits in relation to payroll and risk management had now been completed and, as of last week, 180 audit days had been conducted. Work had commenced on the 2009/10 audit plan and a meeting would be held with the Deputy Chief Executive and Treasurer and the Force Audit Manager to discuss the possible need for Internal Audit to cover areas of work that may be affected by the Assessment and Review Team supporting the Choices Programme.

Reference was made to the table at paragraph 6 of the report and to the 3 high risks that had been identified in relation to property management. The Group Auditor advised that she had tried to progress this matter without success. It was advised that details would be submitted to the next meeting of this Committee and to the Force Audit Board. Reference was also made to the amount of time it had taken to audit travel and subsistence and the Group Auditor indicated that this had taken longer than anticipated as a result of visiting Branches and Divisions to look at claims and receipts. This would also be considered by the Force Audit Board.

Resolved – (a) That the progress made in achieving the 2008/09 Internal Audit Plan be noted; (b) that the areas identified for audit activity in 2009/10 and the work that is being undertaken to finalise the Internal Audit Plan be noted, and (c) that the detailed Internal Audit Plan be submitted to the next meeting of this Committee.

- 95 **(69) PROVISION OF INTERNAL AUDIT SERVICES – UPDATE** – The Deputy Chief Executive and Treasurer submitted a report that provided information in relation to the possibility of Humberside taking part in an arrangement for a shared regional internal audit service.

The Chair suggested that as Humberside could not join the shared services agreement until 2010, unless an extension beyond 2011 was agreed then caution needed to be exercised.

Resolved – (a) That the report be noted, and (b) that the Deputy Chief Executive and Treasurer provide a further report to the 30 June 2009 meeting of this Committee.

- 96 **(70) FORCE AUDIT BOARD – AUDIT AND INSPECTION REPORTS AND RISK MANAGEMENT ISSUES** – The Chief Constable and the Deputy Chief Executive and Treasurer submitted a joint report that outlined the matters considered at the meetings of the Force Audit Board held on 18 January and 5 March, it gave an update on those areas that had recently been subject of audits and inspections on behalf of the Force Audit Board and informed of the risks that had been identified through the Force Risk Register and reviewed by the Force Audit Board.

Members commented in relation to CIS4 training and the Assistant Chief Officer (Support) reported that the take up of the e-learning package had been disappointing, however, a deadline of 1 July for relevant staff to have undertaken the package had now been introduced.

Members expressed concern regarding the delays in relation to CRB checks and queried whether there was a penalty for not meeting deadlines. The Assistant Chief Officer (Support) advised that he would report back to Members on this issue outside of the meeting.

Members indicated that it was hoped that audit staff would not be taken away from their normal duties for too long in order to carry out work in relation to Choices and the Assistant Chief Officer (Support) confirmed that only one member of staff was being utilised. The Deputy Chief Executive and Treasurer indicated that every effort would be made to ensure that any shortfalls created by this would be met by other means.

Resolved – That the report be noted.

- 97 **(71) STANDING ORDERS – QUOTATIONS AND TENDERS** – The Chief Constable submitted a report that detailed contracts entered into in compliance with Humberside Police Authority Standing Orders since the last meeting of this Committee.

Resolved – That the report be noted.

- 98 **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 99 to 102, on the grounds that they may involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

- 99 **(72) PROCUREMENT OF MICROSOFT SOFTWARE** – The Chief Constable submitted a report that sought approval to procure licenses from Microsoft Software.

The Assistant Chief Officer (Support) advised that although the price per licence was fixed, the cost per annum was estimated as it was not definite how many licences would be required. Members commented on the possible benefits of regional collaboration and the Assistant Chief Officer (Support) advised that it had been ensured that the Enterprise Agreement was open to other Forces.

Resolved – That the procurement of the OGC Enterprise Agreement for Microsoft desktop and server software, at an estimated cost of £462k per annum plus charges for additional machines and software for a 3 year period commencing 1 April 2009, via the Microsoft reseller Software Box Limited (SBL) be approved as a single tender action in line with Financial Standing

Orders relating to contracts paragraph 6.3(e) in that tendering procedures that comply with all relevant legislation have been undertaken by a public procurement agency and the contracts are available for use by the Authority.

- 100** **(73) PURCHASE OF MOBILE DATA DEVICES AND CONNECTIVITY** – The Chief Constable submitted a report that sought approval for the purchase of mobile data devices and connection charges in order to deliver against a commitment to the NPIA for which the Force was in receipt of £1.5m Home Office Capital Grant funding.

A Member suggested that there was a need for feedback on the mobile data project pilot and the Police Authority representative on the Project Board advised that a comprehensive report had been commissioned from Leeds University Business School to see if the results that they expected from the use of such technology had been realised and they found that it had. The Assistant Chief Officer (Support) advised that he would circulate a copy of the report to Members.

Resolved – That the purchase of 530 mobile data devices and a 36 month connectivity contract, at a cost of £300k, as per option 3 in the report be approved.

- 101** **(74) CIVIL CLAIMS AGAINST THE FORCE** – The Chief Constable submitted a report that detailed claims settled between 13 September 2008 and 6 March 2009.

Resolved – That the report be noted.

- 102** **OPEN BOOK AUDIT OF THE NPT PROGRAMME** – This presentation was deferred to a future meeting.