

# **CAMBRIDGESHIRE POLICE AUTHORITY**

## **FINANCE AND RESOURCES COMMITTEE: MINUTES**

**Date:** Tuesday 20<sup>th</sup> October 2009

**Time:** 4.00 pm until 6.15 pm

**Location:** Conference Rooms 1 and 2, Police Headquarters, Huntingdon

**Present:**

**Members:** Mr John Batchelor  
Mr John Clark  
Mr Benjamyn Damazer  
Mr Mahmood Fazal  
Ms Shona Johnstone  
Mrs Olive Main  
Ms Ruth Rogers  
Ms Nic Williams

**Executive Team:** Mr John Hummersone, Treasurer  
Dr Dorothy Gregson, Chief Executive  
Mr Ronnie Yellon, Policy and Performance Manager  
Miss Jackie Chapman, Committee and Support Services Officer

**Constabulary:** Assistant Chief Constable Mark Hopkins  
Mrs Niki Howard, Director of Resources  
Mr Colin Luscombe, Head of Estates and Facilities Management  
Mrs Margaret Grocott, Efficiency Planning and Quality Assurance

**1. Election of Chairman**

The Committee proposed, seconded and agreed to elect Ms Shona Johnstone as Chairman for the coming year.

***RESOLVED:***

*(i) To elect Ms Shona Johnstone as Chairman for the coming year*

**2. Election of Deputy Chairman**

The Committee proposed, seconded and agreed to elect Mr John Batchelor as Deputy Chairman for the coming year.

***RESOLVED:***

*(i) To elect Mr John Batchelor as Deputy Chairman for the coming year.*

3. **To note any apologies**

None were received.

4. **To note any Declarations of Interest**

None were declared.

5. **Questions and Statements from Members of the Public**

None were received.

6. **Any Other Items of Business that the Chairman decides should be considered as a matter of urgency pursuant to Section 100(B)(4)(b) of the Local Government Act 1972**

None were received.

7. **To confirm the minutes of the meeting held on 25<sup>th</sup> June 2009**

The minutes of the meeting held on 25<sup>th</sup> June 2009 were accepted as a correct record and signed by the Chairman.

8. **Revenue and Capital Budget Monitoring Report 2009/10**

The Committee received a comprehensive update on spending against the approved 2009/10 Revenue Budget and Capital Programme, for the 5 month period ending 31<sup>st</sup> August 2009. The report also showed details of the forecast outturn and significant revenue variances.

The Constabulary reported that the profiled revenue budget was on target at the end of August 2009, with a £0.6m (0.5%) overspend projected at the year end.

Principal variances against budget included under spending against Police and Police staff pay budgets, offset by overspending on Police staff overtime and agency staff and a range of goods and services. The Committee was assured that measures were in place to monitor this overspend and maintain performance.

The projected year overspend included £80k on electricity; £160k on vehicle fuel, £231k on Interpreters and a shortfall of £260k in interest earned on cash investments. The Director of Resources outlined the measures underway to address these overspends.

The Constabulary reported that 63% of the 2009/10 Capital Programme had been spent and committed as at the 31<sup>st</sup> August 2009, compared with 49% spent at this point last year.

The principal spends / commitments in August 2009 were £1.5m for Cambourne Police Station; £1.3m for the Copse Court refurbishment; £1m on HQ remodelling and £0.7m for planned major repairs. The actual and committed spend included £1.5m on the Microsoft Migration Project and £1m on the vehicle replacement programme.

In addition, capital resources received to date included £793k in grants from Central Government; and £191k in receipts from the sale of vehicles and property, added to receipts brought forward of £2.3m

The Committee approved a recommendation made by the Capital Panel meeting on 15<sup>th</sup> September 2009, to delete Schemes CP08/13, CP08/12 and CP07/27 and to vire the funds released (£373k) to complete two further schemes.

The Committee discussed the Superintendent's Car Scheme. The Director of Resources confirmed that the costs of replacement are included in the Force's Fleet Capital Programme. The Committee noted that a report detailing the cost benefit analysis of the Scheme would be prepared and reported back in due course, to the Scrutiny and Audit Committee.

The Committee thanked the Constabulary for the improvements in report format. It was noted the revenue and capital reports would be separated following the disbandment of the Capital Panel meeting in 2010.

**RESOLVED:**

- (i) *To note the report.*
- (ii) *To approve the virements as recommended by the Capital Panel meeting on 15<sup>th</sup> September including:-*
  - the deletion of three Schemes – CP08/13, CP08/12 and CP07/27 – noting that allocated budgets totalling £373k are no longer required, and*
  - The virement of funds released (£373k) to complete two further schemes - £250k to improve the infrastructure of the Force Control Room and £123k to meet emerging capital schemes (as yet unallocated).*
- (iii) *For the Director of Resources to prepare a cost benefit analysis of the Superintendents Car Scheme, for report back to the Scrutiny and Audit Committee in due course.*

**9. Efficiency Plan: 2008/11**

The Chief Executive confirmed that the Authority had formally changed the Terms of Reference for this Committee to approve and monitor the Efficiency Plan (previously the Scrutiny and Audit Committee).

The Constabulary then presented a report which updated the Committee on the progress of the Efficiency Productivity Plan 2008/11.

At the last meeting, the Committee approved an increase of 1% in the overall efficiency target to 10.3% (£12.9m) for the CSR07 period, along with a carry forward of 83.43% (£3.12m) of the surplus from CSR04 to the CSR07 period.

The Constabulary reported that the total forecast of Efficiency and Productivity gains to be achieved stands at £1.4m. The Constabulary would need to deliver a further £4.8m in gains by the end of March 2011. The Constabulary described a number of potential initiatives (and the difficulties involved) in order to achieve this.

The Committee discussed the current year's initiatives. The Constabulary was asked whether those initiatives in the section marked 'Value for Money' are 'cashable', and if so, had the potential savings (~£368k) been built into next year's budget? The Constabulary confirmed that all savings were, by the Home Office definition, 'cashable', but were not necessarily cash releasing. The Constabulary agreed that in preparing the next update, the report would link to the recently issued HMIC Value for Money profiles, and would separate out any cash releasing efficiencies.

The Committee noted the progress made to deliver the CSR07 Efficiency target.

**RESOLVED:**

- (i) *To note the report and the progress made to deliver the CSR07 Efficiency target.*

**10. Capital Strategy and Asset Management Plan 2010/13**

The Director of Resources presented two reports which set out the Capital Strategy and Asset Management Plan (AMP) for the years 2010/11 to 2012/13.

The reports underpinned the financial process and standing of the organisation, and included the proposed Capital Programme for 2010/13. The Plans further link with the Medium Term Financial Plan and the Estates Plan, and could be subject to further amendments if required.

The Committee was informed that the main expenditure for the Capital Programme over the next few years would be the replacement of Parkside Police Station, further custody upgrades and the ICT infrastructure. It was noted that the majority of ICT projects are collaboration initiatives or flow from Home Office requirements.

The Committee discussed the benefits and risk factors in the replacement of Parkside; including the long term affordability. The Constabulary reported that a number of options had been put forward and work was underway to identify suitable premises, and in line with the Authority's requirements.

The Director of Resources confirmed that capital payments for 2010/11 had been budgeted at £15.4m. The revenue implications of borrowing to finance this expenditure have been factored into the Medium Term Financial Plan.

The Committee briefly discussed the issue of Section 106 bids / contributions. The Director of Resources agreed that all future reports would include a section showing details of all Section 106 bids / contributions.

The Committee acknowledged the challenging and difficult financial pressures to be faced in the coming years.

However, the Committee was satisfied with the Plans as presented, noting the significant increase in the Capital Programme in 2010/11.

The Treasurer concluded that further budget discussion was underway and a recommendation would be made to the full Authority meeting on 21<sup>st</sup> December 2009, for the Authority to approve the Strategy, Asset Management Plan and Capital Programme.

**RESOLVED:**

- (i) *To note the report and the significant increase in the Capital Programme in 2010/11.*
- (ii) *For the Director of Resources to include a section within all future reports showing details of all Section 106 bids / contributions.*
- (iii) *To recommend the full Police Authority meeting on 21<sup>st</sup> December 2009, approve the Capital Strategy and Asset Management Plan (AMP) for the years 2010/11 to 2012/13.*

**11. Medium Term Financial Plan 2010/11 to 2012/13**

The Committee considered the Medium Term Financial Plan (MTFP) for the three year period 2010/11 to 2012/13.

The MTPF identified the early forecast Revenue Budget and Capital Programme required by the Authority and Constabulary for the next three years. The Plan also covered areas such as Treasury Management, the level of reserves and financial risk and the predicted difficult budget settlements in the next few years.

The Director of Resources reported that the Constabulary had identified a budget gap of £1.1m for 2010/11 (Year 1) on the assumption of a 3% council tax increase. This could potentially increase to £10m for years 2 and 3 (based on zero grant increases and 3% council tax increases). The report detailed various scenarios and sensitivity analysis which showed that 1% on/off council tax is £0.45m [equivalent to 13.5 Police Officers], 1% on/off grant is £0.8m [or 22 Police Officers].

The Committee noted the 'significant' budget gaps in years 2 and 3 and the likelihood that grant settlement were unlikely to be published until well after the May/June 2010 general election and possibly as late as December 2010. The Constabulary assured the Committee that work was underway to look at budget reduction options for these difficult years. This included a review of service delivery and back office functions, to identify any potential savings and value for money initiatives. The Director of Resources reported that the Committee would have an opportunity to consider further options/exemplifications at its meeting in December 2009.

The Committee highlighted some other significant financial pressures faced by the Constabulary which would need to be factored into the MTFP. For example the 2012 Olympics, collaboration initiatives and partnership working. The Director of Resources confirmed that work was ongoing to address these issues and would be reported back to the next meeting.

The Committee highlighted the discussions which took place under Agenda Item 10, surrounding the future replacement of Parkside Police Station. In light of the various options being considered, the Committee agreed that it would be prudent for the Chairman to link in with the Head of Estates and Facilities Management (in a non-decision making capacity) to ensure that any arising issues are communicated back to the Committee.

The Constabulary further agreed to provide the Executive Office with a copy of the Consultant's Executive Summary outlining the future options for Parkside.

The Committee acknowledged the challenging times ahead but approved the Medium Term Financial Plan for 2010/11 as a basis for the detailed budget process.

**RESOLVED:**

- (i) *To note the report.*
- (ii) *To approve the MTFP as a basis for the detailed budget preparation process for year 1 (2010/11).*
- (iii) *For the Chairman to link in with the Head of Estates and Facilities Management to ensure that any arising issues regarding the future of Parkside are communicated back to the Committee.*

**12. Environmental Review**

The Committee received a review of progress in environmental management in the past year and the Constabulary's plans for the coming year.

The Constabulary outlined its commitment to reduce its carbon footprint and implement energy saving measures across all Police premises. The Committee noted that since May 2008, steady progress had been made across several areas including the appointment of a new Environment Officer; and various projects promoting cost savings, energy efficiency and sustainable travel.

In addition, new policies and procedures had been produced along with an ongoing media campaign to raise awareness and promote environmental issues across the organisation.

The Committee discussed issues surrounding the fuel consumption for Police vehicles and workplace travel plans; particular reference was made to the current car parking facilities. The Constabulary reported that these areas were currently under review.

In response to a question raised, the Constabulary confirmed that New Display Energy Certificates (DECs) would be issued for all Police buildings, at a cost of approximately £250 per building. The Committee acknowledged the implications for not displaying the certificates.

The Committee was assured that the Constabulary was taking appropriate measures to reduce its energy consumption. The Environmental Officer was thanked for an interesting and informative report.

**RESOLVED:**

- (i) *To note the report.*

**13. Policing Plan**

The Committee received a report which outlined the progress made to prepare the 2010/13 Cambridgeshire Policing Plan.

The Chief Executive reported that since the last meeting, the Home Office had introduced a further five strategic policing priorities which would be incorporated into Cambridgeshire's Policing Plan for 2010/11.

Other significant areas which will form an integral part of the Plan include:-

- Achieving public confidence (captured by the Confidence Strategy).
- Clear descriptions throughout the Plan of four key strands – People, Partnerships, Performance and Communication.

The Chief Executive outlined the planning process underway to form the Policing Plan for 2010/13. The Committee was assured that it would be kept updated on progress, prior to the final Plan being issued by 31<sup>st</sup> March 2010.

**RESOLVED:**

- (i) *To note the report.*

**14. Report of the Capital Panel meeting held on 15<sup>th</sup> September 2009**

The Committee received an update on the business discussed at the recent Capital Panel meeting.

The Committee noted the report having already discussed the substantive matters.

**RESOLVED:**

- (i) *To note the report.*

**15. To note the date of the next meeting**

It was noted that the next Finance and Resources Committee would be held on **Monday 14<sup>th</sup> December 2009 at 4.00 pm**, at Police Headquarters, Huntingdon.

This would be preceded by a 3.00 pm pre-meeting for Committee Members and Executive Team Officers.

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**CHAIRMAN**