

**Report of the Treasurer to the Chair and Members  
of the Policy & Resources Panel  
16<sup>th</sup> February 2012**

**Executive and Presenting Officer: Michael Porter, Treasurer**

**Status: For Approval**

**Investigation – Financial Update**

**1 Purpose**

- 1.1 This report is to provide Members with an opportunity to review and scrutinise the expenditure being incurred in relation to the on going criminal investigation that is currently being undertaken by Warwickshire Police *'into a number of people with current or past associations with Cleveland Police Authority and the manner in which the Authority may have conducted some of its business'*

**2 Recommendations**

Members are asked to:

- 2.1 Note that the direct costs of the investigation to the end of December 2011 totals £1,024k, Appendix A refers.
- 2.2 Note that the additional costs resulting from the investigation totals £150k to the end of December 2011.

### **3 Reasons**

- 3.1. Members are aware of the on-going criminal investigation that is currently being undertaken by Warwickshire Police *'into a number of people with current or past associations with Cleveland Police Authority and the manner in which the Authority may have conducted some of its business'*
- 3.2. The costs of this investigation will fall to Cleveland Police Authority to pay for, based on the actual costs incurred by Warwickshire Police, both in relation to the resources it has specifically allocated to this operation and also for the work that is being undertaken, on behalf of the Chief Constable of Warwickshire Police, by Police Officers from both North Yorkshire and West Yorkshire.
- 3.3. Further to this the Authority will also incur costs in relation to the professional advice and support it has requested from both Eversheds and North Yorkshire Police Authority to support and advise the Authority through these unique times and will also incur the additional costs of the appointment of a Temporary Chief Constable and the appointment of a Temporary Assistant Chief Constable.
- 3.4. Alongside the current criminal investigation Members also made the decision to refer conduct matters relating to the Chief Constable and Deputy Chief Constable to the IPCC. Members have been briefed on the process **if** it is determined that there is a case to answer and also informed that the cost of any subsequent proceedings will fall on the Authority.
- 3.5. Expenditure to December 2011  
As at the end of December 2011 the costs incurred by Warwickshire Police in undertaking this investigation totalled £1,024k, Appendix A refers.
- 3.6. In addition to this further costs of £150k have been incurred by the Authority in relation to Legal Advice, Procedural Support and Advice in relation to the investigation and also the appointment of a Temporary Chief Constable.
- 3.7. Updates on the costs incurred will be provided to Members of this panel throughout the investigation.
- 3.8. Application for a Special Grant  
Members have been forwarded a copy of the application, sent in December 2011, for a Special Grant, which the Authority made to the Minister of State for Policing and Criminal Justice, in relation to the costs of the investigation.

- 3.9. Members will be provided with any further updates on how the application is proceeding, via this report, at future meetings of this panel.
- 3.10. Use of General Reserves  
Member approved the use of General Reserves to cover the costs of the investigation during 2011-12. With these forecast to amount to £1.44m of costs incurred by Warwickshire Police and a further £0.2m incurred by the Authority itself.
- 3.11. The future funding of this operation will be kept under review as the costs and timeframes for the Operation progresses and the results of the application for Special Grant becomes known. Decisions required for the funding of this operation beyond the current financial year will be incorporated in the 2012/16 Long Term Financial Plan.

## **4. Implications**

### Sustainability

- 4.1 At this stage it is projected to fund the investigation from reserves however if the Authority was unsuccessful in its' application for a Special Grant and the costs go beyond those identified in this report it could become possible that the costs of this investigation could start to impact on the funding available to sustain front line services.

### Financial Implications

- 4.2 The known financial implications for the current financial year are set out in the report however being able to forecast the exact financial impact of the investigation is not possible at this time given the lack of control the Authority has over the timeframes of the investigation and the resources being used.

### Diversity and Equal Opportunities

- 4.3 There are no diversity and equal opportunity implications arising from this report.

### Risk Management

- 4.4 The risks to the Authority are being monitored, via the Leadership Panel, through the Authority's Risk Register given the financial and reputational risks that could potentially result from the on-going investigation.

### Human Rights

- 4.5 There are no human rights implications in this report.

## **5 Conclusions**

- 5.1 The report provides Members with information on the costs of the investigation to enable the requisite scrutiny and oversight of the costs and through the use of reserves ensures that the investigation does not impact on the funds that have been delegated to the Chief Constable to deliver Operational Policing during 2011/12.

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**Michael Porter**  
**Treasurer**