

## **POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Thursday 5 March 2009 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

PRESENT	Miss Pam Andrews-Mawer, Councillor Barry Coppinger (Chair), Mr Chris Coombs (ex officio), Mr Ted Cox JP, Mr Peter Hadfield, Mr Aslam Hanif, Mr Alf Illingworth TD JP, Councillor Hazel Pearson OBE, Mr Peter Race MBE and Councillor Steve Wallace (Vice Chair).
OFFICIALS	Mrs Julie Leng and Mrs Clare Hunter (CE) Mr Derek Bonnard, Mrs Ann Hall and Miss Kate Rowntree (CC).
ADDITIONAL ATTENDEES	Councillor Ron Lowes and Councillor Victor Tumilty

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from, Councillor Dave McLuckie, Mr Joe McCarthy and Mr Bonnard.

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

### **MINUTES OF THE POLICY & RESOURCES – CORPORATE DEVELOPMENT PANEL HELD ON 5 FEBRUARY 2009**

The minutes were agreed as a true and accurate record.

### **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations be noted.

### **BUDGET MONITORING REPORT TO 31 JANUARY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report. Members had approved a Net Budget Requirement (NBR) of £124,623k and budgeted revenue expenditure of £145,301k, the balance of expenditure being funded by specific grants, other income and transfers from reserves at their meeting on 28 February 2008. This report set out the progress against delivery of that budget and was part of the process introduced by the Authority to maintain prudent financial management.

The Authority was on target to deliver the £750k provision against the cost of a stand alone air support unit in 2009/10. The budget of £300k form the non-recurring costs of the Project I to be set aside from additional savings generated during the year. Project I would run significantly into 2009-10 and therefore Members agreed, at their meeting on 5 February

that any money remaining unspent at the end of the 2008-9 financial year, along with any underspends within the ICT revenue budget, would be earmarked for the completion of this project.

Members also approved, at their meeting on 5 February to set up an earmarked reserve totalling £810k for Injury / Medical Requirements budget to be reduced on a non-recurring basis in 2009/10 and 2010/11 contributing to the achievement of a balanced budget in 2009/10 whilst retaining the resilience to make Medical Retirements where appropriate.

The position to date and the year-end forecast were shown at Appendix A to the report and reflected the decisions detailed above and were subject to members approval of the carry forwards requested in 2.2 to the report.

No material risks, other than those mentioned in the report or set out in the Risk Monitor at Appendix D, had been identified to the delivery of the forecast position for 2008/9. Although some pressures were emerging there was currently sufficient resilience in budgets to absorb them in the current year.

**ORDERED** that:-

1. the contents of the report be noted.
2. the carry forward of budgets totaling £662k to 2009-10 as detailed below be approved:-

<b>Carry Forwards</b>	
	£000s
Dilapidation Costs	200
Neighbourhood Policing Grant	196
Medical/Injury Pensions	170
Devolved Budget Carry Forwards	96
<b>Forecast Outturn</b>	<b>662</b>

#### **CAPITAL MONITORING REPORT TO 31 JANUARY 2009**

The Assistant Chief Officer Finance and Commissioning presented the progress against the delivery of the Capital Programme for 2008/09 and the Capital Plan for 2008/11 which Members had approved at their meeting on 28 February 2008.

The report set out the progress made in delivering the Capital Programme for 2008/09 and recommendations to make optimum use of the capital resource available to the Authority to refresh and develop the asset base for policing in the 21<sup>st</sup> Century in line with the vision of 'Putting People First'.

**ORDERED** that:-

1. the contents of the report be noted.
2. the addition of Easytask Software at a cost of

£12.9k be approved.

3. the adding back to unallocated monies the budget of the following project be approved:-

➤ Vehicle Data Recorders - £3k

4. the carry forward to 2009/10 of the following budgets be approved:-

➤ Impact Data Preparation - £5.2k

➤ Hartlepool upgrade to Voice Over Internet Protocol - £10k

➤ Integrated Risk & Performance Management - £20k

➤ Criminal Justice Extranet (CJX) Resilience - £12.7k

➤ Specialist Vehicle - £15k

## **TREASURY MANAGEMENT TO 31 JANUARY 2009**

The Assistant Chief Officer Finance and Commissioning presented the report to Members.

Local Authorities' (including Police Authorities) treasury management activities are prescribed by the Local Government Act 2003. A police authority may borrow or invest for any purpose relevant to its functions, under any enactment, or 'for the purpose of the prudent management of its financial affairs'.

An investment strategy for 2008/09 was agreed by Members at their meeting on 28 February 2008. Due to the unprecedented turbulence of the financial markets, this initial strategy had been updated to enable speed of action when responding to emerging risks to the Authority's investment portfolio. At their meeting on the 30 September 2008, Members resolved to delegate authority to amend the approved List of Counterparties and the investment limits with institutions to the Chief Executive in consultation with the Deputy Section 151 officer. This delegated authority would automatically be withdrawn at 31 March 2009.

This report updated Members on the status of the Authority's investments and borrowing. It was part of the process introduced by the Authority to maintain prudent financial management.

Given the current unprecedented turbulence and uncertainty in financial markets and financial institutions, the protection of the Authority's underlying investments was of utmost importance. The investment strategy that underpins this had recently been reviewed and amended to enable a quick response to changes in market conditions as they take place. Consequently, the Authority continued to manage its cash resources in a low risk yet highly liquid manner.

**ORDERED** that:-

1. the contents of the report be noted.
2. members were informed that the following recommendation had been agreed at the Police Authority Executive meeting on the 26 February 2009 and that future Treasury Management reports would reflect this updated position:-

“the period of delegated authority to the Chief Executive in consultation with the Deputy Section 151 Officer, to amend the approved List of Counterparties and the Investment Limits within institutions be extended to 30 September 2009 be agreed”.

### **FIRE AND SAFETY UPDATE**

The Deputy Chief Constable provided Members with an insight into the position with regard to health and safety within Cleveland Police for the period 1 October 2008 to 31 December 2008 respectively.

**ORDERED** that:

1. the contents of the report be noted.

### **PENSION CONTRIBUTION RATES**

The Deputy Chief Constable presented this report which was a follow up to the report that was submitted to the Policy & Resources / Corporate Development Panel meeting held on 9 July 2008. The report highlighted changes to the Local Government Pension Scheme made on 1 April 2008, specifically in relation to pension contribution rates.

Members agreed that for the financial year 2008/09 pension contribution rates would be allocated on 1 April 2008 and from 1 April 2009 pension contribution rates would be re-allocated whenever pay changes.

The regulations allow an employer to reallocate an employee to a new pension contribution band following a material change in pay. There were three options to consider. The previous paper had highlighted the advantages and disadvantages of each option.

Consideration had been given to all of the available options and the advantages of each.

It was concluded that Option 1 (reallocating every year on 1 April) was the most appropriate option to implement at the

present time due to the limitations of the existing payroll system and was the most practical option to adopt.

**ORDERED** that:-

1. members reconsidered the issues presented and decided upon the method of reallocation pension contribution rates.
2. the implementation of Option 1 with effect from 1 April 2009 and that such changes to pension contribution rates were made on the 1 April every year thereafter be approved.
3. assessment of employees' pensionable pay for all staff within the Force would take place annually on 28 February and any staff who moved from one band to another would be advised accordingly prior to 1 April be approved.

**RECRUITMENT UPDATE**

The Deputy Chief Constable provided performance outturn information regarding recruitment activities carried out by the Force between January 2009 and March 2009.

As part of the Long Term Financial Plan a recruitment plan for 2008/9 was agreed, which resulted in a budgeted vacancy rate of 1% for Police Officers and an increase in PCSO numbers to 197. Both targets were achieved.

This report provided performance outturn information regarding recruitment activities carried out by the Force in quarter 3 2008/9 and projected financial outturns on appropriate budgets. A further work report would be delivered in June 2009 to this Panel.

**ORDERED** that:-

1. the contents of the report be noted.

**PROCUREMENT REOPORT FOR 'PENSION ADMINISTRATION SERVICES CONTRACT'**

The Assistant Chief Officer Finance and Commissioning presented the report to members.

HBS Business Services (who were acquired by Mouchel in 2008) had provided the Authority with an Administration Service for its Pension Scheme since the Authority came in being.

The contract with Mouchel for Pension administration services was due to expire on 31 March 2009.

The Procurement Department in conjunction with Corporate

Finance had completed an options appraisal of this service to ensure that the Authority achieved best value for the services procured via contract.

To ensure business continuity for the Force and to also resume a local partnership arrangement, it was recommended that the Authority enter into a new agreement with Mouchel for the provision of Pension Administration Services for the period 1 April 2009 to 31 March 2012.

The award of a new three year agreement with Mouchel was fully compliant with EU procurement legislation as the pension fund administration service falls under a part B service; therefore a full EU tender was not compulsory.

The new agreement would provide business continuity for the Authority and also offer value for money when compared to national arrangements.

**ORDERD** that:-

1. the award of a 3 year contract for Pension Administration Services via an exemption to standing order to Mouchel be approved.
2. the criteria for exemption from the normal requirement to tender set out in Contract Standing Order 4 were satisfied be agreed.
3. the terms were more favourable than those under the national framework agreement, benefiting the Authority by £39.6k be noted.