



**LINCOLNSHIRE POLICE AUTHORITY
FINANCE AND PERFORMANCE COMMITTEE
9 JUNE 2011
10.00AM – 1.21PM**

PRESENT:

Members: Mr R Must (Chairman), Mr K Smith (Vice-Chairman), Mr J Atter, Mr G Dark, Mr A Dezonie, Mr J Walker

Apologies: Mr C Underwood-Frost, Mr B Young

Secretariat: Mr M Burch (Chief Executive), Ms J Flint (Treasurer), Mr J King (Committee and Administration Officer)

Force Officers: Mr P Steed (Assistant Chief Officer – Director of Resources), D/Chief Superintendent H Roach (Head of Crime Support), Mr A Tomlinson (Head of Finance), Mr N Rothwell (Head of Asset and Facilities Management), Mr I McCorriston (Head of ICT)

01/11 DECLARATIONS OF PERSONAL AND/OR PREJUDICIAL INTERESTS

None.

02/11 ELECTION OF CHAIRMAN FOR MUNICIPAL YEAR 2011/2012

Resolved	Responsible Officer
1. That Mr R Must be elected as Chairman of the Finance and Performance Committee for the municipal year 2011/2012.	-

03/11 ELECTION OF VICE CHAIRMAN FOR THE MUNICIPAL YEAR 2011/2012

Resolved	Responsible Officer
1. That Mr K Smith be elected as Vice Chairman of the Finance and Performance Committee for the municipal year 2011/2012.	-

04/11. MINUTES – 27 APRIL 2011

Resolved	Responsible Officer
1. That the Minutes of the Finance and Performance Committee meeting held on 27 April 2011 be taken as read and signed by the Chairman as a correct record.	-

05/11 ACTION SUMMARY

Resolved	Responsible Officer
1. That progress with the Action Summary be noted.	-

06/11. POLICE AUTHORITY RISK REGISTER

The Treasurer confirmed that the Risk Management Task and Finish Group had completed its review and assessment of risks facing the Authority in light of the revised strategic objectives detailed in the Policing Plan 2011-14 and the Authority's Strategy and Operations Plan. Members were invited to review critical risks (C01) and (C18) and to propose any amendments or changes as necessary. Members agreed that the overall risk scores for both critical risks should remain unchanged.

Resolved	Responsible Officer
1. That the overall risk scores for critical risks C01 and C18 remain unchanged.	-

07/11. COMMITTEE WORKPLAN

The Treasurer advised that the late receipt of documentation relating to the review of Treasury Management meant that a report would have to be deferred until the next meeting of the Committee in October.

The Committee's role in leading the production of the Annual Report was questioned and it was suggested that the Strategic Planning Committee was potentially better placed to take the action forward. The Treasurer had no objection to the suggestion although its role in

finance and performance issues had been a key driver for the Committee's involvement previously.

Whilst not directly related to the Action Plan, it was suggested that police authorities would have the responsibility for Transfer Orders as part of the transitional arrangements to Police and Crime Commissioners (PCCs). It was envisaged that Transfer Orders would be used to move the Police Fund, ownership of assets, contractual agreements and staff to either the PCCs or to chief constables. The Chief Executive advised that the national transition board was working to develop a model Transfer Order for all 43 police authorities along with new model governance arrangements.

Resolved	Responsible Officer
1. That progress with the Workplan be noted.	-

08/11. REVENUE OUTTURN 2010/11

The Assistant Chief Officer (ACO) referred to a reported underspend of £1.209m in the outturn which was significantly higher than the forecast reported to the Committee in April 2011. It was explained that whilst the forecast had taken into account known spending trends, it had been produced on a prudent basis with further underspend anticipated. The level of outturn confirmed the slowing down of expenditure during 2010/11 had continued through to the end of the financial year by budget managers. This followed instructions to carefully control expenditure and to prepare for a reduced base budget in 2011/12. Members were advised that the level of changes to the force structure had also contributed to the level of underspend in the final months of the year, as managers focused on organisational change rather than completing old spending plans. This had enabled the Authority to tackle what had historically been a difficult reserves position and would provide greater scope and flexibility going forward.

Members noted that the target value of £6.9m for the General Reserve had been exceeded and currently stood at £7.4m. It was suggested that some or all of the £500k excess could be released to fund one off expenditure such as the cost of any future redundancies. The Treasurer suggested that the forthcoming discussions on the 2011/12 budget would provide an opportunity for Members to review allocations to the reserve. The ACO emphasised the importance of providing sufficient "head room" within the reserves given the uncertainties and instabilities ahead. Members sought an assurance that adequate controls were in place to deal with future uncertainty. The ACO advised that one of the key benefits to flow from the Support Services review was a significant improvement in the quality of budget management with budget holders taking a proactive approach to managing their budgets.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. budget managers be commended for the restraint shown during 2010/11 and the resultant Revenue Outturn position be noted; 2. the establishment of an earmarked reserve for Project Officers of £50k be approved; 3. the requirement under IFRS to establish nine small reserves totalling £45k be approved; 4. the schedule of contributions to and from Earmarked Reserves in Appendix 3 be noted; 5. the contribution to the General Reserve of £1,209k be approved. 	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>

09/11. REVENUE BUDGET MONITORING 2011/12

Resolved	Responsible Officer
<ol style="list-style-type: none"> 1. That the report be noted. 	<p>-</p>

10/11. FINANCIAL GOVERNANCE REPORT 2010/2011

The Head of Finance provided details of financial and procurement activity for the year required under Financial and Contract Regulations. Members were advised that the Force had engaged the services of a debt collection agency to assist in recovering difficult outstanding debts. However, despite enhancing the debt recovery activities of the Force only a very limited number of debts had been recovered. It was confirmed that the agency had been paid on a 'no win no fee' basis.

The Vice Chairman referred to the appended schedule of contracts awarded with a value in excess of £10k, and suggested that the Committee could not properly scrutinise the justification for awarding contracts without more information. The Head of Finance explained the process for awarding contracts which included final approval by a Chief Officer following robust scrutiny of the user justification. The Treasurer stated that there needed to be a balance between providing an adequate level of detail so that Members could fulfill their scrutiny role and the level of detail that could be disclosed to the public. She suggested that additional information be provided to Members under separate cover to assist with their deliberations.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. the report be noted; 2. additional detailed information in respect of the justification for awarding contracts in excess of £10k be provided to Committee members under separate cover. 	<p>- ACO</p>

11/11. INCOME GENERATION REPORT

The Chairman presented a detailed report on the deliberations of the Income Generation Task and Finish Group and invited the Committee to consider setting a level of assurance in relation to income generation. He advised that the group had been encouraged by the overall level of income generated in the last 3 years which had averaged £7.4m and was on a par with other forces. The group had recommended that the Force develop links with local authorities to ensure that it did not miss out on Section 106 planning income streams. The Assistant Chief Officer (ACO) confirmed that the Head of Asset and Facilities Management was establishing links with planning authorities.

Reference was made to the potential benefit of utilising “grant finder” organisations to identify funding opportunities. Whilst the ACO accepted that there were likely to be a number of funding streams that the Force was unaware of, this had to be balanced against the amount of time and resources that would be needed to identify appropriate UK and EU funding programmes. He acknowledged that whilst there were organisations that could assist there would be a cost implication in relation to subscription fees.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. the update be noted; 2. the Force continue to develop processes in support of section 106 Planning income generation opportunities; 3. the ‘Satisfactory (static)’ level of assurance received from the Task & Finish Group with regards to Income Generation, be endorsed. 	<p>- - -</p>

12/11. FORCE PERFORMANCE REVIEW 2011/12

The Head of Crime Support provided a detailed update on Force performance during the early part of 2011/12:

Burglary Dwelling

There had been a significant increase in burglary dwelling within the North and South Kesteven and East Lindsey district areas. However, a number of significant arrests had followed particularly within the Kesteven districts. A new protocol had been introduced in relation to attendance at burglary dwellings and incident reporting as well as addressing some 'house keeping' issues around Niche records management. It was expected that performance in this area would be more effectively managed going forward.

Robbery

There had been year-on-year increases in robbery, mainly involving offences around cash and mobile telephones. Three Fusion teams of detective officers were available as a county resource supporting volume crime investigations. Fusion had been partly responsible for a significant increase in the detection rate from 4.9% the previous year to 31.9%.

Most Serious Violence against the Person

It was accepted that the Force needed to focus on improving detection rates in this area and that working practices such as making earlier contact with victims would be crucial to achieving that goal. The objective would be for Lincolnshire to be in the top half of achieving forces by the year end.

Serious Sexual Offences

A dedicated investigative capacity had been created for serious sexual offences called Emerald Team which was expected to be at full strength by the end of the summer. Whilst Emerald would assist in delivering a better detection rate for serious sexual offences, targets needed to be realistic.

Summary

Significant improvements in performance were expected by the end of the summer months once new working practices had become embedded and through initiatives such as Operation Stronghold (targeting prolific offenders) and dedicated investigative resources such as Fusion and Emerald teams.

The Chairman was encouraged by the performance report and in particular with improvements made to the rate of sanction detections in a number of areas. He remained concerned at the rate of sanction detections for Serious Sexual Offences but was pleased to note the efforts that were being made to lift performance.

Resolved	Responsible Officer
That	
1. the Force performance be noted;	-
2. a 'Satisfactory (static)' level of assurance has been received with regards to Sanction Detections;	-
3. a 'Limited (improving)' level of assurance has been received as regards Response Times.	-

13/11. ASSURANCE UPDATE

The Treasurer referred to key issue (4) under the Assurance Framework concerning Efficiency/Effectiveness/Savings. As the Value for Money Board had not met for some time she questioned what plans were being put in place to deliver on the efficiencies performance indicator. The Assistant Chief Officer undertook to raise the matter with the Deputy Chief Constable before coming forward with proposals.

Reference was made to key issue (10) regarding Road Safety and the increasing numbers of road safety cameras being covered up. It was agreed that the Committee would receive a briefing on the Road Safety Partnership policy on safety cameras, including an operational perspective from the Force.

The Chairman suggested that assurance levels for Asset Management, ICT and Procurement be determined after the relevant reports had been considered by the Committee later on the agenda.

Resolved 1. That the Committee receives a briefing on the Road Safety Partnership policy on road safety cameras, including an operational perspective from the Force.	Responsible Officer RPO
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14/11. EXCLUSION OF PRESS AND PUBLIC

Resolved: That the press and public be excluded from the meeting on the grounds that the following items involved the disclosure or likely disclosure of exempt information as detailed in paragraph 3 of schedule 12A of the Local Government Act 1972 (as amended).	Responsible Officer: -
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15/11. BANKING AND INSURANCE BROKING ARRANGMENTS

Resolved 1. That approval be given to the current arrangements with HSBC Bank PLC and Henderson's Insurance Brokers Limited to be continued in their existing form, prior to the implications of the Business Transformation Project being known.	Responsible Officer -
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16/11. CAPITAL PROGRAMME – OUTTURN 2010/11 AND 2011/12

The Head of Finance advised that the overall spend on the 2010/11 Capital Programme had been £7.5m less than the original programme and £1.166m less than was anticipated at the February meeting of the Committee. As a consequence, there had also been an underspend against the revenue account for capital charges of approximately £170k for the year. Whilst a Capital Programme for 2011/12 had been appended to the report, this was being re-examined as part of the budget savings requirement and to reflect delivery of the Asset and ICT strategies.

Members queried why the Force had consistently failed to meet the Capital Programme and whether it was symptomatic of poor planning or a structural problem. The Assistant Chief Officer (ACO) acknowledged the Committee's concerns and suggested that managers had been overly optimistic about delivering capital schemes without the benefit of having properly developed plans or ensuring adequate resources were in place. However he assured Members that the development of strategies for Asset Management, ICT and Procurement would ensure a better understanding of commitments going forward. Members questioned whether the delivery of capital schemes was reflected in individual performance targets. The ACO was unsure if that was the case but undertook to follow up with budget managers.

The Treasurer suggested that it would be beneficial if she wrote to the Chief Constable on behalf of Members to emphasise the importance of keeping a tight control over financial management to minimise future underspends.

Resolved	Responsible Officer
That 1. the outturn for 2010/11 and method of financing be approved; 2. the revised programme for 2011/12 of £10,641,200 and the method of financing that programme be approved. 3. the Treasurer write to the Chief Constable on behalf of the Committee to emphasise the importance of keeping a tight control over financial management minimise future underspends.	- - Treasurer

17/11. DRAFT ASSET MANAGEMENT STRATEGY

The Assistant Chief Officer (ACO) presented a draft Asset Management Strategy which set out how the Force would manage the asset base and deliver changes to the estate, necessary to support the delivery of operational and strategic policing objectives, through a proposed Asset Development Programme. He invited the Committee to comment on the

development of the document and to endorse the approach taken by the Force of seeking to reduce the estate, realise savings and maintain a policing presence through the use of co-location and community based facilities. Once the Strategy had been fundamentally signed off it would be released to bidder teams under the Business Transformation Project.

Whilst the Committee welcomed and supported the general direction of the Strategy, Members were nervous about approving spending options without the benefit of seeing how they fitted into the overall capital programme. The ACO suggested that it would be appropriate for the Committee to simply note the capital spend proposed in the Strategy.

The Chief Executive queried when the finalised Strategy would be ready for consideration by the Authority. The ACO anticipated that the document would be signed off by the Force Command Group in time for the next ordinary meeting of the full Authority scheduled for 22 July. Members agreed to delegate authority to the Treasurer to approve the strategy for release to bidder teams.

Members were concerned to ensure that a communications plan was developed as the Strategy was likely to generate a significant amount of interest from the public and local media when published.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. the general direction of the Asset Strategy be supported; 2. the proposed capital spend on the Strategy be noted; 3. the finalised version of the Strategy be presented to the 22 July 2011 full Authority meeting; 4. a communications plan be developed in preparation for the publication of the Strategy; 5. the Treasurer be delegated authority to approve the Strategy for release to bidder teams under the BTP. 	<p>-</p> <p>-</p> <p>ACO</p> <p>ACO</p> <p>Treasurer</p>

18/11. DRAFT ICT STRATEGY

The Head of ICT detailed the aims and purpose of the draft ICT Strategy which included taking forward technological improvements, reducing the cost of service provision and continued implementation of good practice and improved processes. Members were advised that details of capital expenditure set out in the document were based on the current capital programme. However, expenditure would be re-profiled without adding to the list of proposed developments contained within the draft.

The Vice Chairman, as lead Member for ICT, welcomed progress in the development of the Strategy. However, performance monitoring remained a key concern in relation to the implementation of future ICT projects and services and measuring outcomes.

Given the close alignment of the Asset and ICT strategies, the Chief Executive emphasised the importance of having both documents finalised in time for the full Authority meeting on 22 July. He further suggested that both he and the Treasurer be delegated authority to sign off the ICT Strategy prior to the document being released to bidder teams under BTP.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. the progress with the draft ICT Strategy be noted; 2. the finalised version of the Strategy be presented to the 22 July 2011 full Authority meeting; 3. the Chief Executive and the Treasurer be delegated authority to approve the Strategy for release to bidder teams under the BTP. 	<p>- HoICT CE / Treasurer</p>

19/11. DRAFT PROCUREMENT STRATEGY

The Assistant Chief Officer updated the Committee on progress with developing a draft Procurement Strategy. Appended to the document was a list of fixed term contracts which were due to expire during the period to 31 March 2015. The list included a summary of options regarding extensions to contracts and future procurement routes although this remained work in progress. The draft was not as advanced as the complementary strategies for Asset Management and ICT and was unlikely to be finalised before the October 2011 meeting of the Committee.

Resolved	Responsible Officer
<ol style="list-style-type: none"> 1. That the report be noted. 	<p>-</p>

20/11. ASSURANCE UPDATE (CONTINUED)

The Chairman invited the Committee to determine a level of assurance in respect of Asset management, ICT and Procurement.

Resolved	Responsible Officer
<p>That</p> <ol style="list-style-type: none"> 1. a 'Limited (improving)' level of assurance has been received with regards to Asset Management; 	<p>-</p>

<ul style="list-style-type: none"> 2. a 'Limited (improving)' level of assurance has been received with regards to ICT; 3. a 'Limited (static)' level of assurance has been received as regards to procurement. 	<ul style="list-style-type: none"> - -
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URGENT ITEM

21/11. DIGITAL INTERVIEW RECORDING – REGIONAL PROJECT

<p>Resolved</p> <ul style="list-style-type: none"> 1. That authority be delegated to the Treasurer to approve contract award, on behalf of the Authority, prior to the presentation of the contract to Derbyshire Police Authority for regional sign off. 	<p>Responsible Officer</p> <ul style="list-style-type: none"> -
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Chairman