

**MINUTES OF A MEETING HELD ON 26 JANUARY 2010 IN CONSTABULARY HEADQUARTERS, WINSFORD**

*Present:* D Bateman, Chairman  
M Ollerenshaw, Vice-Chairman  
M Chapman  
M Darby  
A Doran  
J Ebo  
E Lam  
R McNeil  
A Walmsley

Also in attendance: D Cargill and R Hodson

*Authority Officers:*  
M Sellwood, Chief Executive  
L Lunn, Treasurer  
M Eaton, Member Services Manager  
*Constabulary Officers:*  
D Whatton, Chief Constable  
B Simmons, Assistant Chief Officer  
K Watkins, Director of Performance Development  
R Muirhead, Head of Finance & Planning

31. MINUTES

*RESOLVED:* That

- (1) the Minutes of the meeting held on 8 December 2009 be received; and
- (2) the notes of the Policing Objectives & Budget Seminar held on 11 January 2010, be received.

32. REVENUE BUDGET: THREE QUARTER YEAR REVIEW 2009/10

The Chief Constable and the Treasurer submitted a report on the projected revenue outturn based on a review of revenue expenditure at the three quarter year stage, which showed a projected £1.2m underspend.

The Head of Finance & Planning outlined the factors influencing the projected revenue outturn; the performance of Constabulary budgets; centrally recorded expenditure; risk analysis; revenue reserves; and the financial health targets.

Members discussed with the Assistant Chief Officer, Treasurer and Head of Finance & Planning a number of issues which included the funding of the regional crime unit; the impact of the changes in the pension scheme on the Authority's budget, the Transforming business services programme; and the costs associated with the Confidence Strategy. The panel scrutinised the requests for carry forward and the additional funding for burglary and serious sexual offences initiatives.

*RECOMMENDED:* That

- (1) the projected 2009/10 revenue outturn at the end of the third quarter, be accepted;

- (2) the following requests for carry forward be approved, subject to the final 2009/10 budget outturn:-
  - (i) £50,000 for Tactical Training Centre relocation
  - (ii) £250,000 for Confidence Strategy, broken down as £150,000 for surveys, engagement support and training and a further £100,000 for improvement initiatives;
- (3) an £220,000 additional allocation to the operational contingency, for burglary and serious sexual offence initiatives in 2009/10, to be funded from the projected underspend, be approved;
- (4) the up-front payment of early retirement actuarial costs be approved, should it prove more economic to do so; and
- (5) the accrual of March 2010 overtime costs in the 2009/10 budget as an amendment to accounting policy, at an estimated cost of £445,000 be agreed, subject to affordability after taking account of the costs at recommendation (4) above.

### 33. CAPITAL EXPENDITURE AND FINANCING: THREE QUARTER YEAR REVIEW 2009/10

The Head of Finance & Planning presented an assessment of the projected capital outturn for 2009/10 and the capital financing arrangements, based on a review of capital projects at the three quarter year stage.

Members were updated on the cost of the capital programme; the progress of the projects; current expenditure and that anticipated during the remainder of the year; and the capital programmes for future years.

*RECOMMENDED:* That

- (1) the revised 2009/10 capital programme and its associated funding as detailed in the joint report, be approved; and
- (2) the impact on future years' capital programmes as outlined in the joint report, be approved.

### 34. EFFICIENCY AND PRODUCTIVITY STRATEGY 2008-11

The Director of Performance Development presented an update on the Efficiency and Productivity Strategy 2008-11, and reported on the progress to date; the outlook for the remainder of 2009/10; and the challenge to identify and deliver increased target savings in 2010/11.

*RESOLVED:* That

- (1) the progress in achieving the targets in the Efficiency & Productivity Strategy 2008-11 and the work to identify further savings, be supported; and
- (2) the draft 2010/11 Efficiency Plan to be submitted to the Authority on 23 February 2010, detail the savings to be achieved in year to deliver the 2008-11 Efficiency & Productivity Strategy of £18.4m.

### 35. HELICOPTER: FINANCING AND OPERATION

The Assistant Chief Officer presented a report on the procurement of the new air support unit helicopter which outlined the expected timescale for delivery; hours of operation; and staffing. The collaboration with North Wales Police Authority to ensure operating costs were kept to a minimum was progressing well and the new joint air support unit would be achieved within the timescale planned.

*RESOLVED:* That

- (1) progress in the procurement of a helicopter and the development of operating procedures, as set out in the Chief Constable's report, be noted; and
- (2) the revised operational costs, as set out in the Chief Constable's report, be confirmed in the 2010/11 budget.

### 36. TREASURY MANAGEMENT STRATEGY 2010/11

The Treasurer submitted a report on the changes to treasury management as a consequence of the banking crisis and the review of the draft Authority's Treasury Management Strategy for 2010/11, the prudential indicators for 2010-13, the Authority's 2010/11 Investment Strategy and the Minimum Revenue Provision Statement.

The Treasurer invited Members to consider the appointment of a Lead Member on Treasury Management issues.

*RESOLVED:* That the Authority on 23 February 2010 be recommended to approve the following:-

- (1) the revised Treasury Management in Public Services Code of Practice as set out in paragraph 3 of the Treasurer's report;
- (2) the maximum investment amount for money market funds be increased to £10m as set out in the Treasurer's report;
- (3) the Treasury Management Strategy, the Annual Investment Strategy, and the Minimum Revenue Provision Statement as set out in Appendices 1, 1a and 1b respectively to the Treasurer's report; and
- (4) M Darby be appointed as the Lead Member for treasury management.

### 37. DRAFT REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX PRECEPT 2010/11

The Treasurer and the Assistant Chief Officer submitted a report on the draft revenue budget, capital programme and the council tax precept for 2010/11 which would be further developed and submitted to the Authority on 23 February 2010 for consideration and determination. The Authority would also be asked to approve draft budget proposals for 2011/12 in order to form a two year budget and the Efficiency and Productivity Strategy for 2010-13.

Members were reminded that at the Policing Objectives & Budget Seminar on 11 January 2010, the initial proposals on the revenue budget and capital programme

for 2010/11 had been considered and subsequently updated to reflect the work under the Constabulary and the Treasurer.

Members discussed with the Treasurer a number of issues including the future funding of PCSOs; the need to review partnerships working to ensure it represented value for money; the rates of interest on investments; and the proposed income generation associated with the Tactical Training Unit, and Proceeds of Crime Act income.

The Chief Constable supported the Treasurer's professional advice to set the 2010/11 budget at the maximum level permitted by the Government to ensure the protection of frontline services, in an increasingly financially constrained climate.

*RESOLVED:* That

- (1) the draft budget and capital programme for 2010/11, be received;
- (2) the savings required to balance the budget for 2010/11, and the level of council tax, be noted;
- (3) the review of partnership funding relating to community safety activity across the Constabulary, the four borough councils and the Fire Authority being led by the Community Safety and Criminal Justice Commission, be supported and:-
  - (i) the review encompass a cost benefit analysis of partnership working;
  - (ii) the scope and progress of the review be reported to Finance Panel on 6 April 2010; and
  - (iii) the Treasurer ensure the Lead Members for partnerships are kept briefed on the progress of the review; and
- (4) a report on the projected Proceeds of Crime Act income streams against budget be reported to Finance Panel on 6 April 2010.

### 38. POLICING CHESHIRE 2011 – 2014 MEDIUM TERM FINANCIAL STRATEGY

The Assistant Chief Officer and the Head of Finance & Planning presented an update on the Medium Term Financial Strategy. The report detailed the review of the Policing Cheshire 2009-14 document; the operational and financial challenges facing the Authority and Constabulary; balancing the budget and prioritising service delivery; budgeted expenditure; efficiency programme priorities; value for money comparisons; and the funding required to support the change programme.

*RESOLVED:* That

- (1) the updated Medium Term Financial Strategy as set out in the Chief Constable's report be supported and submitted to the Authority on 23 February 2010, for approval;
- (2) Service Improvement Panel receive reports on the change programme within the Constabulary; and

- (3) a further report detailing the proposed delivery of 2011-14 savings, updated as necessary to reflect the emerging Government funding plans after the General Election, be submitted to Finance Panel on 8 June 2010.

39. BASE BUDGET REVIEW: CONSTABULARY'S LEGAL SERVICES FUNCTION

The Treasurer presented a report on the proposed undertaking of a base budget review of the Constabulary's legal services function, which was supported by the Chief Constable. The report outlined the aims; the draft terms of reference; and the proposed process for undertaking the review to commence in March 2010; and the composition of the Review Team.

In considering the terms of reference, the Chief Constable requested the inclusion of 'and collaboration' in number (4).

*RECOMMENDED:* That

- (1) the proposed terms of reference for a base budget review of legal services function, as amended above and set out in the Treasurer's report, be approved;
- (2) M Darby and R Hodson be appointed to the review; and
- (3) the final report be submitted to the Finance Panel on 27 July 2010, for consideration.

40. BUDGET 2010/11: COMMUNICATIONS PLAN

The Chief Executive submitted a draft Communication Plan for the purpose of briefing key stakeholders on the budget for 2010/11 as requested by Members at the Policing Objectives Budget Seminar on 11 January 2010.

In considering the draft Plan, Members discussed a number of issues for inclusion which related to the need to consult with the business community; and the current level of pay and price inflation.

*RECOMMENDED:* That

- (1) the proposed communication plan for the 2010/11 budget, as amended and set out in the Chief Executive's report, be approved; and
- (2) Engagement Committee on 9 February 2010 be informed of the Panel's comments and the Committee be recommended to adopt the plan.

*Duration of Meeting: The meeting commenced at 9.30am and concluded at 11.15am.*