



CHESHIRE POLICE AUTHORITY

MINUTES OF THE MEETING OF THE POLICE AUTHORITY HELD ON TUESDAY 26 FEBRUARY 2008 IN CONSTABULARY HEADQUARTERS, WINSFORD

Present: P Nurse (*Chairman*)
P J Walker (*Vice-Chairman*)
D T Bateman
A Bradley
D Cargill
M Chapman
G A Cousins
M D Darby
A Doran

J P Findlow
R Hodson
C Kirkpatrick
E Lam
B Maher
M A Ollerenshaw
S Proctor
T Savage

Police Authority Officers:
M Sellwood, Chief Executive
L Lunn, Treasurer
M Eaton, Member Services Manager

Constabulary Officers:
P Fahy, Chief Constable
G Gerrard, Deputy Chief Constable
G Shewan, Assistant Chief Constable
B Simmons, Assistant Chief Officer
K Watkins, Director of Performance
Development
Chief Supt P Thompson, HQ Crime
R Muirhead, Head of Business
Management

106. DAVID BUTTERY, HEAD OF FLEET MANAGEMENT

The Chief Constable announced that David Buttery, had died suddenly, the previous night, following a short illness, and paid tribute to his contribution to the Constabulary. As a mark of respect the Authority stood for a minute's silence.

107. MINUTES

RESOLVED:

That the Minutes of the meeting held on 11 December 2007 be confirmed as a correct record.

108. MINUTES OF COMMITTEES AND PANELS AND SUMMARY OF ISSUES RAISED AT 'HAVE YOUR SAY' MEETINGS

RESOLVED: That

- (1) the Minutes of the following meetings be received and the recommendations from the specific Minutes listed below, be adopted:-
 - Remuneration Committee – 7 January 2008
 - Engagement Committee – 12 February 2008

- Staff Committee – 19 February 2008
- Performance Panel – 23 December 2007
Minute 44, Assessment of Policing and Community Safety: Strategic Consultation
- Service Improvement Panel – 15 January 2008
Minute 47, Scrutiny & Base Budget Review: Areas for activity
- Finance Panel – 22 January 2008
Minute 49, Review of Capital Expenditure & Financing: Three Quarter Year Review 2007/08
Minute 50, Financial Performance: Three Quarter Year Review 2007/08

(2) the summary of issues raised at the last cycle of 'Have Your Say' meetings, be noted.

109. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That under Section 100(A)(4) of the Local Government Act 1972, as applied by the Police Act 1996, and as amended, the press and public be excluded from the meeting for the items of business listed below on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act in the paragraphs indicated:-

Custody Facilities: Future Arrangements	7	Information relating to the prevention, investigation or prosecution of crime
Operational Training Facility: Final Business Case	6	Information relating to financial and business affairs of a proposed organisation
Air Support: Final Business Case	6	Information relating to financial and business affairs of a proposed organisation
Regional Serious Crime Unit: Final Business Case	6	Information relating to financial and business affairs of a proposed organisation
Regional Strategic Motorway Unit: Final Business Case	6	Information relating to financial and business affairs of a proposed organisation
Regional Strategic ANPR Capability: Outline Proposal	6	Information relating to financial and business affairs of a proposed organisation
Protective Services: Improvement Plans	7	Information relating to the prevention, investigation or prosecution of crime

PART 2 – MATTERS CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

110. CUSTODY FACILITIES: FUTURE ARRANGEMENTS

The Chief Constable and the Chief Executive submitted a joint report on the negotiations regarding the future of the Custody PFI contract.

The Head of Business Management outlined in detail the history of the contract, the negotiations with the contractor, the various options available regarding the future of the custody facilities, and the risks to the Authority.

The Authority considered the report in detail and the actions authorised by the Chief Executive, since the decision of the Authority on 20 December 2007 (Minute 80). Members commended the Head of Business Management on the progress of negotiations to date and discussed a number of issues relating to medical provision, transport, the financial implications and provision of grant from the Home Office.

RESOLVED:

That the recommendations contained in the Appendix to the joint report of the Chief Constable and the Chief Executive, be approved.

111. OPERATIONAL TRAINING FACILITY: FINAL BUSINESS CASE

The Deputy Chief Constable presented a report on the Operational Training Facility project and the outcome of the tender evaluation exercise. The report sought approval of the final business case; the appointment of the preferred construction company; and the progression of the project to implementation.

The Deputy Chief Constable outlined the collaboration opportunities and financial implications.

RESOLVED: That

- (1) the progress of the Operational Training Facility project, be noted;
- (2) the final business case for the Operational Training Facility, be approved;
- (3) Pierse Contracting Limited be appointed the construction company to build the Facility; and
- (4) the revised capital allocation, as detailed in the Chief Constable's report, be approved.

112. PROCUREMENT OF A REPLACEMENT AIRCRAFT: FINAL BUSINESS CASE

The Chief Constable submitted a report which sought approval to the final business case for the procurement of a replacement aircraft, as the existing aircraft frame would exceed its operational life in 2010. The report detailed the cost of air support, the funding options; the financial implications; the provision of air support resources; and the successful outcome of a bid to the Home Office for additional capital funding.

Members in considering the report, raised several issues relating to the current aircraft; the operational benefits of a helicopter; and the location of the Air Support Unit to which the Deputy Chief Constable responded.

RESOLVED: That

- (1) the final business case for a replacement aircraft, be approved;
- (2) the successful bid to the Home Office for funding towards the cost of a replacement aircraft, be noted;
- (3) provision be made for the procurement of a new Eurocopter EC135P2 helicopter to replace the existing aircraft, in the 2009-11 capital programme and 2009/10 budget on the basis of outright purchase, the lowest cost means of procurement to be determined when the order is placed in April 2008, and be the subject of a further report to the Authority; and
- (4) the deposit, identified in the Chief Constable's report, for the purchase of the helicopter be released in April 2008 from the funding received from the Home Office.

113. REGIONAL SERIOUS & ORGANISED CRIME UNIT: FINAL BUSINESS CASE

The Chief Constable presented a report on the successful Protective Services Demonstrator Site bid, to establish a Regional Serious and Organised Crime Unit and sought approval to establish the Unit. The report outlined the collaboration between Merseyside, Lancashire and Cheshire police forces; the development of the Unit; and the financial implications. The Unit would combat cross force serious and organised crime, targeting the organised crime groups identified by the North West Regional Intelligence Unit as causing the most risk and harm to the region.

The Authority welcomed the effective collaboration and the development of the Unit.

RESOLVED: That

- (1) the establishment of a Regional Serious and Organised Crime Unit, with effect from 1 April 2008, as detailed in the Chief Constable's report, be approved;
- (2) the Authority's revenue contribution of £66,000 (excluding the deployment of four staff into the Unit) be approved and included in the 2008/09 budget; and
- (3) a further report be submitted to Service Improvement Panel on the proposed governance arrangements including the process for allocating any income under the Proceeds of Crime Act, amongst the participating Authorities.

114. REGIONAL STRATEGIC MOTORWAY UNIT: FINAL BUSINESS CASE

The Chief Constable submitted a report on the proposed establishment of a Regional Strategic Motorway Unit between Cheshire, Lancashire and

Merseyside police forces and the Highways Agency. The report included the final business case and outlined the operational benefits, risks and opportunities for Cheshire, in relation to protective services on the strategic road network.

Members considered the report and discussed the improved capabilities and benefits of the Unit, and financial implications. The Authority welcomed the effective collaboration that was taking place, which would help make the region safer.

RESOLVED:

- (1) the final business case for the establishment of a Regional Strategic Motorway Unit, be approved;
- (2) the capital implications outlined in the business case (£24,300) be included in the 2008/09 capital programme;
- (3) the revenue implications outlined in the business case (£30,000) be included in the 2008/09 revenue budget proposals; and
- (4) a further report be submitted to Service Improvement Panel on the process for allocating any income under the Proceeds of Crime Act amongst the organisations participating in the Unit.

115. REGIONAL STRATEGIC ANPR CAPABILITY: OUTLINE PROPOSAL

The Chief Constable submitted a report on the proposed establishment of a regional strategic Automatic Number Plate Recognition (ANPR) capability between Cheshire, Lancashire, Greater Manchester, Cumbria and Merseyside police forces.

Members considered the report which detailed the capabilities, the operational benefits and the bids that had been made for funding from the North West Development Agency and the ACPO Terrorism and Allied Matters Committee.

RESOLVED: That

- (1) the proposals for a regional strategic ANPR capability, as detailed in the Chief Constable's report, be supported in principle; and
- (2) the final business case for the proposed capability be submitted to a future meeting of the Authority for consideration and approval.

116. PROTECTIVE SERVICES: IMPROVEMENT PLANS

The Chief Constable submitted a report on the action being undertaken to improve capability and capacity in protective services and sought approval to the improvement plans. The report detailed the actions required to be undertaken by authorities and forces to close the gap in protective services in accordance with the letter from the Minister of State for Policing on 14 February 2007, and the Constabulary's self assessment against the ACPO threshold standards for protective services and took into account the significant investment from reserves over the last two years, which had enabled the current position to be reached.

The Chief Constable presented the improvement plans for Counter Terrorism; Firearms; Strategic Roads Policing; Serious & Organised Crime; Critical Incident; Major Crime; Protecting Vulnerable People; Public Order; and Civil Contingencies and discussed the necessary actions which had been reflected in the 2008/09 budget options.

The Chairman commented upon the regular briefings he received from the Head of Crime Operations on protective services.

The Authority welcomed the development of the improvement plans and discussed issues relating to protecting vulnerable people; civil contingencies and strategic roads policing to which the Chief Constable and senior officers responded.

RESOLVED: That

- (1) the work being undertaken by the Constabulary to improve capability and capacity in relation to protective services, as outlined in the Chief Constable's report, be supported;
- (2) the improvement plans for protective services as contained in Appendices 2-10 of the Chief Constable's report, be approved;
- (3) progress on implementing the improvement plans be reported to Service Improvement Panel on 9 September 2008; and
- (4) the report from HMIC on both phases of the protective services assessments be reported to Service Improvement Panel.

PART 1 – MATTERS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

117. LOCAL GOVERNMENT RE-ORGANISATION IN CHESHIRE

The Chief Executive submitted a report on the revised local government structures in Cheshire announced by the Secretary of State for Communities and Local Government on 18 December 2007 and the implications for the Authority and the Constabulary. The Chief Executive would be discussing the implications with the new unitary authorities' interim Chief Executives.

Members noted that a report outlining the opportunities from re-organisation was to be submitted to the Authority on 8 April 2008.

RESOLVED:

That the report be noted.

118. REVIEW OF POLICING: SIR RONNIE FLANAGAN'S REPORT

The Chief Constable gave an oral report on the content of the Review of Policing report written by Sir Ronnie Flanagan and commissioned by the Home Secretary.

The Chief Executive commented that the Home Secretary proposed to publish a Green Paper to progress the Report's recommendation and the matter would be debated in more detail at the Discussion Day on 28 April 2008.

RESOLVED:

That the report be noted.

119. TREASURY MANAGEMENT 2007/08 & 2008/09

The Treasurer presented a report which sought endorsement for the Authority's treasury management strategy and the Annual Investment Strategy for 2008/09, together with an update on treasury management activity.

RESOLVED: That

- (1) the Authority's Treasury Management Strategy 2008/09, be approved;
- (2) the 2008/09 Annual Investment Strategy, as set out in Appendix 1 to the Treasurer's report, be adopted with a limit of £15m in total be approved for non-specified investments;
- (3) the treasury management activities for 2007/08 to end of January, be noted; and
- (4) the prudential indicators for 2008-11, as outlined in Appendix 2 to the Treasurer's report, be approved.

120. INVESTMENT STRATEGY CONSULTATION

The Deputy Chief Constable presented a detailed report on the outcome of the consultation programme undertaken to identify the degree of public support for increasing the police precept to fund additional investment in policing. The report detailed the activities undertaken over the last six months and the feedback from all the consultees which evidenced significant support for further investment in policing. Support had been expressed by key stakeholders and extensively by the public at numerous consultation events, including a MORI survey across the Authority area. The results of the MORI survey showed that 87% of the 2407 Cheshire council tax payers consulted would pay at least £1.50 extra per month in Council Tax for additional investment in policing.

The Deputy Chief Constable and Members expressed their appreciation to all staff who had been involved in the consultation programme.

RESOLVED:

That the report be noted.

121. BUDGET AND COUNCIL TAX PRECEPT 2008/09

The Treasurer and the Chief Constable submitted a joint report setting out the draft budget and the implications for the Authority's council tax precept for 2008/09. The report outlined how the police service was financed and detailed the final revenue support grant settlement for 2008/09; the Prudential Code; the policy and expenditure proposals for the coming year; pay and price changes; reserves; and staffing levels. The budget had been developed following the Authority's approval of the 'Ambition' strategy on 26 June 2007. The budget proposals recognised that the Authority had identified a need for additional investment in policing following extensive evaluation of the policing needs in

Cheshire, including the requirement to improve, capacity and capability in protective services and the response to community needs.

The Treasurer presented the budget report and reiterated the challenges facing the Constabulary in tackling crime and the clear support from the public to increase investment in policing. The grant settlement at 2.5% was only sufficient to cover inflation. The Treasurer commented that the proposed budget would make the Constabulary more effective and efficient and would respond appropriately to the risk and gap analysis of protective services and the enhancement required in neighbourhood policing to meet both community demands and Government expectations. The Authority had achieved significant savings in recent years from remodelling the delivery of policing and utilising Government assistance to reform policing processes. In assessing the policing needs and the Government's requirement on the service, an increase in council tax above the 5% level was unavoidable, if severe cuts in the number of police officers were to be prevented.

The Chief Constable presented a series of budget options which ranged from a 5% to a 19.99% increase in council tax. The Chief Constable detailed the operational policing case for both critical investment in protective services and neighbourhood policing and stressed that if investment above a council tax increase of 5% was not supported, severe cuts would be required in the service provided to citizens. Such cuts would have an adverse impact not only on performance, but also on the Constabulary's capacity and capability to deal with the growing policing demands.

The Treasurer concluded the presentation with a report on the Government's capping criteria which would not be formally set until all police authorities had set their budgets. Based on previous years' criteria, it was possible that capping could be considered by the Government if the Authority exceeded a 5% increase in the precept. The levels of precept set by a number of other authorities, including neighbouring areas and most similar forces, was also reported. It was noted that the Chairman and officers had met with the Minister of State for Policing, earlier in the month, to discuss the budget requirement and the Authority's business case for investment.

The Chairman opened the debate by proposing a council tax increase of 17%, which was duly seconded. The Chairman stated that this would equate to an increase of £1.64 per month for a Band D household. The Chairman stressed that the policing needs were clear and had been thoroughly debated and scrutinised over the past six months. The risk and gap assessments that had been undertaken made a compelling operational case for investment. The Authority had managed to keep council tax levels to the lowest of all shire areas for many years, but it was now essential that investment was made available, as supported by the public, to ensure that the Constabulary could address the threats to the citizens of Cheshire. The Chairman acknowledged the possibility of capping and the potentially severe implications for the budget and the police service but recognised that the risks of not investing in the Constabulary were greater. The Chairman outlined each recommendation contained in the budget proposal.

The Authority undertook a full and frank discussion of the budget proposal. Members recognised the assessments that had been undertaken in recent months and the significant support from the public and stressed that they had a duty to consult the community for their views and equally had a duty to act upon

those views. A number of Members indicated that they would have supported a higher increase in council tax but acknowledged the Chairman's proposal that allowed the Constabulary to move forward and address those clear and undeniable risks that had been identified. One Member indicated that they did not support the proposal and felt that the budget should be cut to contain the council tax increase below 5%.

RESOLVED: That

- (1) the very strong support of the budget proposals expressed by the Cheshire public, through the MORI poll and other budget consultation, and by representatives of the Business Ratepayers, be welcomed;
- (2) the compelling operational case for the budget proposals as detailed in the Chief Constable's and Treasurer's joint report and outlined below, be supported:-
 - Significant operational risks in protective services have been identified. Finance for this has relied on temporary funding from reserves and £2.6m has been incorporated into the budget to meet the Constabulary's protective services risk assessment and to undertake collaboration with neighbouring forces to target serious and organised crime.
 - Neighbourhood policing will be strengthened by further investment of £1.6m throughout the police area.
 - Nationally driven improvements in management information standards require significant investment of £0.5m and investment in mobile data systems of £0.3m, which together provide an improved and more efficient service.
- (3) the level of the Authority's total budget requirement for the financial year commencing 1 April 2008 be increased by 6.76% to £168,058,000, to be funded by a £560,000 invest to save contribution from general reserves, a net surplus on collection funds, Government grant and a council tax increase of 17% (£19.72 per annum or £1.64 per month on a Band D property), bringing the council tax level for 2008/09 for a Band D equivalent property to £135.75;
- (4) an additional 54 front line officers in protective services and neighbourhood policing and the civilianisation of 63 non-front line posts be supported; the civilianisation proposals to be "starred" and the recruitment plan be submitted to the Staff Committee on 20 May 2008 for approval;
- (5) the total number of officers and staff employed by the Authority at 31 March 2009 will be 3945 full time equivalents, comprising 2142 officers and 1803 staff, including 237 police community support officers;
- (6) the proposals for further savings of £1.121m be "starred" and submitted to Finance Panel on 15 April 2008;
- (7) the provision of £4,172,000 for pay and price increases between November 2006 and November 2007 and the provision of £2,324,000 for

pay and price increases between November 2007 and March 2009, be approved;

- (8) a provision of £355,000 in respect of approved amendments and £1,544,000 in respect of revenue expenditure commitments; be approved;
- (9) a provision of £5,291,000 be approved to meet new revenue expenditure proposals, of which £560,000 be funded from reserves:-

	£000
Information Management	514
<i>Protective Services</i>	
Witness care	214
Witness protection	598
Intelligence Analysts	300
Counter terrorism, surveillance	631
Regional collaboration funds	221
Computer Unit	300
Sex Offender Liaison Officers	150
Administration of Justice	45
Public Protection Unit	80
Cautioning Administrators	75
<i>Neighbourhood Policing</i>	
Officer investment	1351
Customer service improvement	252
<i>Invest to Save – funded from reserves</i>	
Workforce modernisation	200*
Performance improvement	80*
Business transformation	<u>280*</u>
	<u>5291</u>

(* To be funded from reserves and be treated as starred items)

- (10) the capital payments programme totalling £14,614,000 for 2008/09, as set out in Appendix 9, and the associated revenue implications of £457,000 together with the method of financing, resulting in £76,000 borrowing costs, be approved;
- (11) the proposed three year Efficiency Plan, as set out in Appendix 5, to deliver efficiencies of £19.3m against a target of £16.1m; be approved;
- (12) management costs be reviewed and reported to Finance Panel on 15 April 2008;
- (13) the policies on the robustness and adequacy of estimates (paragraphs 54-60 of the Treasurer's report), and on general revenue reserves (Appendix 6), be approved and due consideration be given to remedial action in the event of any in-year unbudgeted expenditure arising, which cannot be absorbed by the Constabulary, before any call on reserves is contemplated;

(14) £2m be set aside from general reserves into an earmarked capital reserve for the purposes of reducing borrowing costs and/or funding some reserve capital schemes in 2008/09 or 2009/10; these matters to be considered by Finance Panel on 15 April 2008;

(15) the prudential indicators for 2008-11 as detailed in Appendix 2 to the Treasurer's report and the financial health targets for monitoring purposes set out below, be approved:-

(i) *Reserves*

That the Authority maintains its level of general reserves, after allowing for potential financial risks, at no lower than 3% of the net budget and that this be monitored by Finance Panel on a quarterly basis.

(ii) *Revenue Spending*

That the Authority maintains its revenue spending within 0.75% of its net budget and that this be monitored by Finance Panel on a quarterly basis.

(iii) *Capital Programme Management*

That the Authority reduces slippage to 20% of the total Capital Programme in 2008/09. (The total Capital Programme includes the 2008/09 capital programme and the slippage brought forward from previous years). This be monitored by Finance Panel on a quarterly basis.

(iv) *Prudential Indicators*

That the Authority continues to monitor actual prudential indicators on an annual basis against the indicators set in the budget.

(16) council tax income of £81,902.05 on second homes for 2008/09 be paid to the Crime & Disorder Reduction Partnership in which the income arose and spent in accordance with the policy agreed for 2007/08;

(17) the following policy on the Annual Minimum Revenue Statement be approved:-

For capital expenditure incurred before 1 April 2008 or which in the future will relate to supported capital expenditure, the Minimum Revenue Provision be based on the capital financing requirement at 4% of the opening balance.

From 1 April 2008, for all unsupported borrowing exercised under the Prudential Code, the Minimum Revenue Provision be based on the Asset Life Method: i.e. the estimated life of the assets for which the borrowing is undertaken, in accordance with the proposed regulations.

(18) a report on the financial implications of Operation Safeguard/Lockout be submitted to Finance Panel on 15 April 2008;

(19) precepts on collection funds be levied as follows:-

	£
Chester	6,271,926
Congleton	4,792,707
Crewe & Nantwich	5,569,953
Ellesmere Port & Neston	3,746,281
Halton	5,126,361
Macclesfield	9,082,089
Vale Royal	6,367,157
Warrington	9,378,736
Total Precept	<u>50,335,210</u>

(20) the work by the Treasurer to examine the grant distribution formula be endorsed and the results be reported to Finance Panel on 10 June 2008; and

(21) the highly challenging financial scenario for 2009-12, in respect of both revenue and capital pressures, be noted.

122. COUNCIL TAX LEAFLET

The Chief Executive reported on the production of the council tax leaflet which as a precepting authority, the Authority was required to issue. It was reported that Finance Panel on 22 January 2008 (Minute 58) had considered and agreed the format and content of the draft leaflet.

RESOLVED:

That the Chief Executive, in consultation with the Chairman, be authorised to approve the final council tax leaflet for 2008/09.

123. CHIEF CONSTABLE'S REPORT

The Chief Constable presented an update on operational matters which showed a reduction in the total number of recorded crimes, together with decreases across all the other main crime areas, for the period December 2007 to January 2008. The Chief Constable reported on a number of issues including the reduction in serious injuries or deaths on roads in the force area; the work undertaken to target alcohol related anti-social behaviour and violence and the sentencing of the three individuals for the murder of Garry Newlove; improvements in call handling and responding to incidents; the impact of the introduction of customer service desks; and the positive work of the Neighbourhood Policing Units in particular in Runcorn NPU.

Members raised a number of issues relating to the report including the operation and progress of the QUEST project; the improvements in forensics performance; and speed enforcement on dedicated red routes to which the Chief Constable responded.

RESOLVED:

That the report be noted.

124. MEMBERS' ACTIVITY

The Chief Executive submitted a report which contained Members reports on their attendance at recent meetings where they represented the Authority which included collaboration meeting with North Wales Police and Authority; North West Regional Meeting of Chairmen, Chief Executives and Chief Constables; the APA and other bodies.

RESOLVED:

That the report be noted.

125. STANDING ORDERS: POWERS OF OFFICERS

The Chief Executive reported on a revised process for approving the Authority's Equality Impact Assessments.

RESOLVED: That

- (1) the Chief Executive, after consultation with the Chairman of Engagement Committee, be authorised to approve the Authority's Equality Impact Assessments; and
- (2) standing orders relating to the power of officers be amended to reflect the delegation approved in (1) above.

126. MEMBER APPOINTMENTS

RESOLVED: That

- (1) the appointment of a substitute Member for the Congleton CDRP be deferred until the Annual Meeting;
- (2) the following appointments be approved:-
 - (a) A Bradley as the Wilmslow NPU Lead Member; and
 - (b) A Doran as the Congleton NPU Lead Member.

127. URGENT BUSINESS: POLICE & JUSTICE ACT 2006 – POLICE AUTHORITIES ADDITIONAL FUNCTIONS

In accordance with Standing Order 5.3, the Chairman was of the opinion that this matter be considered as a matter of urgency as it was necessary to inform the Authority of the implementation of additional functions before their implementation.

The Chief Executive reported on the implementation of additional functions of police authorities as provided in the Police & Justice Act 2006 which would become effective on 14 March 2008. The functions included a duty to monitor the performance of the force in relation to compliance with the Human Rights Act 1998 and carrying out local policing plans; to secure collaboration; and to promote equality & diversity.

RESOLVED:

That the report be noted.

Duration of meeting: The meeting commenced at 9.30am and finished at 1.05pm.