



LANCASHIRE POLICE AUTHORITY

**THURSDAY, 11 FEBRUARY 2010 AT 10.00 AM
IN CABINET ROOM D - COUNTY HALL, PRESTON**

NB If you have any queries regarding the Agenda papers or required any further information please contact Stephen Pickup.

AGENDA

PART I (OPEN TO PRESS AND PUBLIC)

1 APOLOGIES

2 DECLARATION OF MEMBER'S INTERESTS

Members are asked to consider any personal/prejudicial interests they may have to disclose to the meeting in relation to any matters under consideration on the Agenda in accordance with the law, the Authority's Standing Orders and the Member Code of Conduct.

3 MINUTES OF THE LAST MEETING

The Minutes of the Meeting held on 9 December 2009 are attached for consideration.

4 MATTERS ARISING

ITEMS FOR DECISION

5 CAPITAL PROGRAMME 2010/11

The proposed Capital Programme for 2010/11 is attached for Members consideration. **Report to follow.**

6 REVENUE BUDGET 2010/11

A report on the Revenue Budget for 2010/11 is attached for Members

consideration. **Report to follow.**

Chief Constable's Report

7 CHIEF CONSTABLE'S REPORT

The Chief Constable will provide an oral report at the meeting.

MINUTES OF COMMITTEES

8 MINUTES OF THE RESOURCES COMMITTEE - 2 FEBRUARY 2010

The Minutes of the Resources Committee held on 2 February 2010 are attached for information. **Report to follow.**

ITEMS FOR INFORMATION

9 CHIEF EXECUTIVE'S UPDATE

A report from the Chief Executive on work the Police Authority has been involved in since the Authority's last meeting is attached.

10 REPORTS FROM MEMBERS

10.1 The Chair of the Authority will present an oral report at the meeting.

10.2 The Vice-Chair of the Authority will present an oral report at the meeting.

10.3 Reports on Special Interests

10.3.1 A report from Councillor Bell and Mrs Webster on Independent Custody Visiting and Animal Welfare Schemes is attached.

10.3.2 A report from Mrs Hendrix and County Councillor Roper on Information and Communication Technology is attached.

10.3.3 A report from County Councillor Jones on Retention and Progression / Workforce Modernisation is attached.

10.4 Attendance at Recent Events:

- Family Law Seminar – LGBT event -11th December 2009 - William Cropper
- The Taylor Reforms – One Year On – 21st January 2010 – Gary Bell
- Protective Services Familiarisation Day – Ms Afzal, Councillor Bell, Councillor Doherty, Mrs Webster, Ms Carruthers-Watt, Mrs Durber, Mr Pickup.

11 URGENT BUSINESS

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

12 DATE OF NEXT MEETING

The Authority's next meeting is scheduled to be held at 10.00am on Wednesday 24 March 2010, at County Hall, Preston.

13 EXCLUSION OF PRESS AND PUBLIC

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the press and public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraphs of Part I of Schedule 12A to the Act, as indicated against the heading to the items, and the public interest not to disclose it outweighs the public interest in disclosing it.

PART II (Private and Confidential)

14 THE ACCEPTANCE OF A TENDER FOR TEMPORARY STAFFING SERVICES TO LANCASHIRE CONSTABULARY

A report regarding the acceptance of a tender for the provision of temporary staffing services to Lancashire Constabulary is attached.

Miranda Carruthers-Watt
CHIEF EXECUTIVE

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LANCASHIRE POLICE AUTHORITY

ITEM 3

**MEETING HELD ON WEDNESDAY 9 DECEMBER 2009
AT 10.00 AM AT COUNTY HALL, PRESTON**

MINUTES

PART I

PRESENT:-

Councillor M T Doherty - Chair

Miss S Afzal
County Councillor W Cropper
Mr D Edmundson
County Councillor Grunshaw
Mrs G F Hendrix, JP
Mr B Jassi
County Councillor A P Jones
Mr I Master
Ms P McGirr
County Councillor N D Penney
County Councillor A Pimblett
County Councillor G W Roper
Mrs A Webster
County Councillor G Wilkins

IN ATTENDANCE:-

Ms M Carruthers-Watt	-	Chief Executive
Mr I Cosh	-	Treasurer
Mrs A Harrison	-	Monitoring Officer
Mr S Pickup	-	Policy and Performance Officer, Chief Executive's Office
Mr S Finnigan	-	Chief Constable
Mr D Brindle	-	Director of Resources
Chief Supt P White	-	Head of Corporate Development Department
Mr J O'Reilly	-	Police Federation

AWARDS PRESENTATION

The Chair of the Authority and the Chief Constable presented Awards for 2009 to the Student Officer of the Year, the Community Police Officer of the Year, the Community Support Officer of the Year, and the Diversity Team of the Year. The Chair paid tribute to the outstanding contributions to policing that all the awardees had made during the year.

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor G Bell and Mr S Sarwar.

DECLARATION OF INTERESTS

No declarations of interest were made at the meeting.

MINUTES OF THE MEETING HELD ON 14 OCTOBER 2009

The minutes of the meeting held on the 14 October 2009 were confirmed, subject to the inclusion of Mr K Williams on the list of attendees.

29/09 RESOLVED:- That the minutes of the last meeting be confirmed, subject to the inclusion of Mr Williams on the list of attendees.

BLUEPRINT

The Authority received a report on a refreshed version of the Blueprint document for 2010/11. The Blueprint examined the overall impact of the Blueprint process, and identified the 're-profiled' resourcing gap, the strategic risks and opportunities facing the Constabulary.

Members raised a number of issues in relation to the 2010/11 Blueprint report and it was agreed to consider these matters during the Seminar which was being held on the rise of the Authority meeting.

30/09 RESOLVED:- That the Blueprint report be accepted as the Constabulary's professional judgement of present and future resourcing challenges.

AUDIT COMMISSION AND HMIC FINAL INSPECTION REPORT ON LANCASHIRE POLICE AUTHORITY

The final report following the Audit Commission and HMIC inspection of Lancashire Police Authority was presented for Members' consideration.

The Authority's Chief Executive indicated that the report had been amended significantly following the Authority's response to the draft report and it now provided a better representation of the Authority's current position.

Members were pleased that the report stated that the Authority performed well and recognised its effective, robust and innovative approaches to holding the Constabulary to account for its performance. The Authority was also pleased that it had been recognised as performing excellently in the area of community engagement.

It was reported that the areas of improvement had been considered by the Inspection Working Group and it was planned to take these forward through the Authority's business plan for 2010/11.

The Authority placed on record its thanks to Mr Jassi, the Chief Executive and the Authority's Officers for all their hard work in preparation for the inspection. The Chair also asked the Chief Constable to pass on the Authority's thanks to those Constabulary officers who had taken part in the inspection. The Chief Constable placed on record the Constabulary's congratulations to the Authority on its inspection report.

31/09 RESOLVED:-

1. That the report be noted.
2. That the areas of improvement identified be taken forward through the Authority's business plan for 2010/11.

NORTH WEST REGIONAL JOINT COLLABORATION COMMITTEE

A report was presented providing Members with an update on the work of the North West Regional Collaboration Joint Committee.

32/09 RESOLVED:-

1. That the report be noted.
2. That the Chief Executive present any issues of performance or proposed scrutiny arising from the work of the Joint Committee to the Improvement & Scrutiny Group in the first instance, to decide on where any appropriate action should be taken by the Authority.

CHIEF CONSTABLE'S ANNUAL REPORT

The Chief Constable's Annual Report for 2008-09 was presented for the Authority's consideration. The Authority placed on record its thanks to the Constabulary for another excellent year's performance.

33/09 RESOLVED:- That the Chief Constable's Annual Report for 2008/09 and the arrangements for publication be noted.

CHIEF CONSTABLE'S REPORT

The Chief Constable was pleased to report on excellent levels of operational performance within the Constabulary. All recorded crime had been reduced by 6.6% in comparison to the same period last year and a number of other significant reductions were reported as follows:-

- Serious acquisitive crime had been reduced by 15.9% compared to the same period in the previous year.
- Vehicle crime had been reduced by 19.3% compared to the same period in the previous year.
- Domestic burglary had been reduced by 7.1% compared to the same period in the previous year and this was largely as a result of operation Julius, the successful burglary initiative undertaken during Summer 2009.

The detection rate for all crime currently stood at 34.7% which represented a slight improvement. However, the detection rate for racially/religious aggravated crimes had fallen by 0.2%, but remained above target.

User satisfaction in respect of the Constabulary's follow up to crimes had increased by 3.2% to 74.5%. The Force had undertaken an audit of its citizen focus bureaux and it was considered that this had contributed to the improvement in follow up and promoted consistency across the force. The Chief Constable indicated that he was not happy with the Constabulary's performance on user satisfaction compared to its group of most similar forces as Lancashire was currently in 7th position for overall experience. Whilst there had been no deterioration in Lancashire' performance, other Force's appeared to be improving at a faster

rate. A delegation of Lancashire officers had been to visit Hertfordshire who were currently the top performing force for user satisfaction in Lancashire's Most Similar Group. The Deputy Chief Constable had also commissioned additional work on the Quality Counts programme to seek improvements in user satisfaction. In respect of confidence, the latest survey indicated that the number of people who felt safe currently stood at 86, a slight increase of 1%.

Call handling performance had improved in respect of both emergency and non-emergency calls and the new Head of Contact Management was due to start in post in January 2010.

In respect of iQuanta data regarding performance against its most similar group, Lancashire was 4th in respect of reduction of all crime, but first in respect of detections. The Force was first in terms of both reductions and detections for the following categories of crime: serious acquisitive crime, domestic burglary, vehicle crime, all robbery and personal robbery. In respect of violent crime the Force was 6th on reductions and 3rd on detections.

The Chief Constable also reported that the Constabulary had solved the murder of a 9 year old school boy in 1985 after advances in DNA technology had led to the murderer being identified. The murder had been traced to Essex where he had died in 1997 and the police were currently working closely with the family of the victim.

The Constabulary had won the North West Public Sector Communications Award 2009 for its internal publicity campaign regarding the Policing Pledge. Operation Deface, a multi agency initiative to tackle criminal damage and an emerging gang threat in Preston had been a runner up at the international Herman Goldstein Awards 2009. The Constabulary's Training Centre and the University of Central Lancashire had also won the North West Award for Partnership and Collaboration for the foundation degree in policing.

34/09 RESOLVED:- That the Chief Constable's report be noted.

MINUTES OF THE APPOINTMENTS AND REMUNERATION COMMITTEE FROM ITS MEETING ON 22 OCTOBER 2009

The unconfirmed Minutes of the Committee's meeting held on 22 October 2009 were presented.

35/09 RESOLVED:- That the unconfirmed Minutes of the Appointments and Remuneration Committee from its meeting held on 22 October 2009 be received.

MINUTES OF THE STAFF CONSULTATIVE FORUM HELD ON 6 NOVEMBER 2009

The unconfirmed Minutes of the Forum's special meeting held on 6 November 2009 were presented.

36/09 RESOLVED:- That the unconfirmed Minutes of the Staff Consultative Forum from its meeting held on 6 November 2009 be received.

MINUTES OF THE PROFESSIONAL STANDARDS AND CITIZEN FOCUS COMMITTEE FROM ITS MEETING HELD ON 19 NOVEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 19 November 2009 were presented.

37/09 RESOLVED:- That the unconfirmed Minutes of the Professional Standards and Citizen Focus Committee from its meeting held on 19 November 2009 be received.

MINUTES OF AUDIT AND STANDARDS COMMITTEE FROM ITS MEETING ON 23 NOVEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 23 November 2009 were presented. A report was also presented to the Authority on observations made at the Police Authority's last meeting by Mr K Williams, one of the Authority's Lay Members on the Audit and Standards Committee.

38/09 RESOLVED:-

1. That the unconfirmed Minutes of the Audit and Standards Committee from its meeting held on 23 November 2009 be received.
2. That the report on observations made at the Authority's last by a Lay Member of the Audit and Standards Committee be noted.

MINUTES OF THE STAFF CONSULTATIVE FORUM MEETING HELD ON 25 NOVEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 25 November 2009 were presented.

39/09 RESOLVED:- That the unconfirmed Minutes of the Staff Consultative Forum Committee from its meeting held on 25 November 2009 be received and adopted.

MINUTES OF RESOURCES COMMITTEE FROM ITS MEETING ON 30 NOVEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 30 November 2009 were presented.

40/09 RESOLVED:- That the unconfirmed Minutes of the Resources Committee from its meeting held on 30 November 2009 be received.

MINUTES OF PLANNING AND PERFORMANCE REVIEW COMMITTEE FROM ITS MEETING ON 1 DECEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 1 December 2009 were presented.

41/09 RESOLVED:- That the unconfirmed Minutes of the Planning and Performance Review Committee from its meeting held on 1 December 2009 be received.

MINUTES OF THE HUMAN RESOURCES COMMITTEE FROM ITS MEETING ON 2 DECEMBER 2009

The unconfirmed Minutes of the Committee's meeting held on 2 December 2009 were presented.

42/09 RESOLVED:- That the unconfirmed Minutes of the Human Resources Committee from its meeting held on 2 December 2009 be received.

CHIEF EXECUTIVE'S UPDATE

A report was presented on work recently undertaken within the Chief Executive's Office.

43/09 RESOLVED:- That the report be noted.

REPORTS FROM MEMBERS OF THE AUTHORITY

The Chair of the Authority reported that he had attended the APA Annual Conference and he considered the event had been an improvement on previous years. On the second day of the event, Lancashire had delivered a presentation on the Authority's experience of the inspection process and this had been well received by delegates. The Chair also reported that he would be attending meetings of the Police Staff Council and Police Negotiating Board in the near future to consider pay issues.

The Vice-Chair reported that he had also attended the APA Conference and had received very positive feedback on Lancashire's inspection report from other police authorities.

The Authority received a report from Ms Afzal in respect of her national work as the APA Lead Member on Equality and Diversity. Ms Afzal asked the Chief Constable to thank the Members of the Constabulary for assisting her in preparing for an International event on a Human Rights Justice initiative.

The Authority received reports from County Councillor Penney, Mr Sarwar, Ms McGirr and Councillor Bell on their areas of special interest. In respect of Councillor Penney's report on protecting vulnerable people, a Member requested that the Constabulary submit a report to the Authority on its response to the recommendations in the Baby P enquiry.

44/09 RESOLVED:-

1. That the reports from Members be noted.
2. That the report on the Constabulary's response to the Baby P enquiry be provided at the next meeting.

REPORT ON THE TRANSACTION OF URGENT BUSINESS

The Authority received a report on the transaction of urgent business undertaken since its last meeting.

45/09 RESOLVED:- That the report be noted.

URGENT BUSINESS

An item of urgent business was tabled at the meeting regarding the Authority's potential involvement in Lancashire County Council's procurement of a Strategic Partner. The Chair of the Authority was of the opinion that the item should be considered at the meeting as a matter of urgency because the Authority needed to make a decision regarding its involvement prior to a notice being placed in the Official Journal of the European Union on 11 December 2009.

46/09 RESOLVED:- That the item of urgent business regarding the Authority's potential involvement in the County Council's procurement of a Strategic Partner be considered at the meeting.

POTENTIAL INVOLVEMENT IN LANCASHIRE COUNTY COUNCIL'S PROCUREMENT OF A STRATEGIC PARTNER

The Authority was informed that in view of the significant financial and service improvement challenges facing the public section the County Council had decided to seek a strategic partner to assist with crystallising the benefits from its investments in ICT and customer services. The County Council had written to all Local Authorities in the County offering the opportunity to participate in the partnership in the future through an option to buy services from the Partnership. The simplest way for the Authority to do this was for it to be named in the European procurement notice. The Authority noted that this option did not commit the Authority in any way to purchasing services. However, not being named in the notice would limit the potential for involvement without undertaking a costly and time consuming procurement.

47/09 RESOLVED:- That the Authority agree to being named within the European procurement notice for the County Council's procurement of a Strategic partner.

DATE OF NEXT MEETING

48 /09 RESOLVED:- That it be noted that the Authority's next meeting will be held at 10.00am on 11 February 2010 at County Hall, Preston.

MIRANDA CARRUTHERS-WATT
CHIEF EXECUTIVE

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LANCASHIRE POLICE AUTHORITY THURSDAY 11 FEBRUARY 2010

PART I

CAPITAL PROGRAMME 2010/11-2014/15 (Appendix A refers)

Issue for Consideration

To approve the Authority's Capital Programme for 2010/11 to 2014/15.

Information

The report on the Capital Programme 2010/11 - 2014/15 which was considered by the Resources Committee on 2 February 2010 is attached at Appendix A.

The Minutes concerning the Committee's deliberations on the Capital Programme will follow as part of Item 9, the Resources Committee Minutes. The unconfirmed minutes of the Committee recommend to the full Authority the approval of a capital programme delivering investment of £19.994m in 2010/11 comprising £4.129m expenditure from schemes approved in 2009/10 and £15.865m on new projects to start in 2010/11. The total planned investment over the 5 year period will amount to £64.1m, to be financed by a mixture of capital grants, revenue support and borrowing. The minutes also recommend that the prudential indicators which demonstrate the prudence, sustainability and affordability of this level of capital investment are approved.

Decision Required

The Authority is requested to consider the Resources Committee's recommendations and approve a final Capital Programme for 2010/11 of £19.994m, and to note the planned investment over the 5 year period of £64.1m and the methods of financing this level of expenditure and the prudential indicators reflecting this level of investment.

Background Papers

None.

Report Author

Name: Ian Cosh
Organisation: Treasurer  01772.534703



Lancashire
POLICE AUTHORITY
Your County, Your Police, Your Say

CAPITAL WORKING GROUP

22 JANUARY 2010

PART I

DRAFT FIVE YEAR CAPITAL PROGRAMME 2010-11 TO 2014-15

(Appendices A to F refer)

Issue for Consideration

The Authority's draft five year programme of capital expenditure and proposed financing covering the period from April 2010 to March 2015.

Information

Summary of the position following the Capital Working Group.

At the meeting of the Capital Working Group on the 22 January 2010 a report was presented which set out the proposed Capital Programme for 2010/11 to 2015/16 and the proposed method of financing this programme. The detailed report is set out later in this report as Annex 1.

The Working Group noted that the programme from 2010/11 to 2014/15 reflected the requirements set out in the constabulary's investment strategy for Estates and ICT, which have been discussed earlier in the meeting, and required a total investment over the period of £64.089m with a programme for 2010/11 of £19.994m including expenditure estimated to be carried forward of £4.129m

Following a detailed discussion on the draft programme and thorough scrutiny of the proposals for capital investment by the Working Group the following amendments to the draft programme were agreed by the working group and are reflected in the programme for consideration by the Resources Committee.

- a) The re-phasing of the Covert WAN scheme to £0.450m in 2010/11 and £0.250m in 2011/12. The total cost of the scheme at £0.7m remains unchanged);
- b) A reduction in the IT Strategy – System Replacement of £0.400m in each year from 2011/12 – 2014/15. This equates to a total reduction of £1.600m over the life of the programme.

c) The CPWG were also informed of that the strategy to secure additional revenue savings as part of the approach to meet the budget pressures from 2010/11 and apply these as one year only contribution to capital investment in 2010/11 had identified an additional £0.490m of resources to be applied to support capital investment in 2010/11. In total items b and c above free up £2.090m additional revenue resources and this has the following impact on the financing of the proposed programme.:

Although the Authority has applied the policy of financing its short life assets from its own resources the overall scale of the proposed programme required that £1.519m of the replacement helicopter cost (10year life asset) requires financing from unsupported borrowing. The release of the additional revenue will enable a reduction of this unsupported borrowing by £1.245m in 2012/13 along with a small reduction £0.045m in 2011/12 relating to the financing of the IT Strategy.

The remaining £0.800m, which accrues in later years, will increase the balance available in the Capital Funding Reserve at 31 March 2015 for future capital schemes to £1.401m.

The revised Capital Forecast is attached at Appendix A and the revised financing of the programme is set out below:

Capital Financing 2010/11 to 2014/15							
	2010/11 £M	2011/12 £M	2012/13 £M	2013/14 £M	2014/15 £M	Total £M	%
Capital Grant	3.908	2.615	2.615	2.615	2.615	14.368	23
Capital Receipts	0.498	1.494	3.100	0.600	0.600	6.292	10
Capital Reserve (CFR)	2.427	1.972	0.845	(0.645)	(0.756)	3.843	6
In-year revenue contribution	4.258	2.013	2.250	2.500	2.750	13.771	22
Borrowing							
-Supported	1.782	1.782	1.782	1.202	1.782	8.330	13
- Unsupported	6.871	3.216	1.378	-	4.420	15.885	26
Total Programme	19.744	13.092	11.970	6.272	11.411	62.489	100

The impact of the above changes in financing on the revenue budget over the five year forecast is as follows:

	£m
2012/13	-0.028
2013/14	-0.213
2014/15	-0.292

And the impact of the proposed capital investment on the council tax over the programme would change to:

Council Tax Increase required to fund Revenue Consequences					
	2010/11 %	2011/12 %	2012/13 %	2013/14 %	2014/15 %
Council Tax increase	0.55	1.57	1.65	0.82	0.58

In addition the working group identified a number of key projects which are rightly included in the programme over the 5 year period but there was a recognition that in a number of cases there would need to be a more detailed business case before actual commitment to spend is agreed. In order to take this forward it was agreed that the CPWG consider proposals relating to preparing outline business cases and detailed business cases with a view to ensuring that proper rigour is given to investment requirements but in an efficient way.

The working group considered the proposed investment in the context of its affordability, prudence and sustainability. This is demonstrated by a set of prudential indicators which are set out in Annex 1 appendix F. On the basis of these indicators the working group considered that the proposed investment and method of financing demonstrated an prudent, affordable and sustainable approach to capital investment. A revised set of indicators is attached at Appendix F, representing the position after the changes agreed at CPWG.

Summary

The detailed scrutiny of the proposed capital programme by the capital working group has resulted in a revised capital investment requirement of just over £62m over the 5 year programme and a revision to the proposed financing of the programme as set out above. The impact of this is to reduce the impact on the revenue budget and to improve the affordability of the proposed investment. In addition the working group considered that there is a need for a template for business cases to be developed and requested that this be progressed by officers of the constabulary and the authority.

The working group considered that the proposed capital investment is affordable, prudent and sustainable on the basis of the prudential indicators.

Decision Required

The Committee is requested to:

- (i) recommend to the authority the draft Capital Programme for 2010/11 and the method of financing;
- (ii) note the proposed Capital Programme for 2011/12 to 2014/15 and the method of financing and agree that detailed business cases need to be produced for a number of schemes prior to commitment of expenditure;
- (iii) note the requirement that template business case for capital investment proposals is produced and delegate this work to the Director of Resources and Treasurer;
- (iii) recommend to the authority the prudential indicators as set out in the report .

Draft capital programme 2010-11 to 2014-15

The draft capital programme for the five years from April 2010 has been revised following the meeting of the Capital Working Group and is attached at Appendix A, together with a brief description of each of the schemes and the reasons for the proposed level of investment at Appendix B.

The programme has been put together in the light of the very challenging financial future faced by the Authority and with a view to not increasing the burden on the revenue budget. It has been subject to considerable internal scrutiny by both the Constabulary and the Authority's officers and a number of schemes have been removed or reduced in order to make the programme as affordable as possible.

The programme has been mainly built up from the ICT and Accommodation strategies which have been considered in detail by the Authority previously and reflect the need for prioritised investment in these key areas which increasingly underpin the delivery of an efficient and effective police service. The other key area of investment is in vehicle replacement and the vehicle replacement programme, provision for the replacement of the helicopter and some essential technical equipment are included.

Each of the schemes has been classified by the Constabulary's Business Group into three categories, committed, essential or desirable (C, E or D).

The programme developed by the Constabulary follows the principles of affordability, prudence/sustainability, value for money, stewardship, planning and practicality found within the Prudential Code. More details of how we comply with these principles and an explanation of the process adopted by the Constabulary when compiling this capital programme can be found at Appendix "C". The Appendix clearly sets out the detailed appraisal process followed by the Constabulary in terms of assessing requirements for capital investment and the scrutiny approach taken to determine prioritised areas of investment. The consideration of requirements over a 5 year period meets the best practice outlined by the various inspection regimes which the Authority and Constabulary are covered by.

The total overall requirement for investment over the 5 years is £64.1m and is summarised as follows:-

	2009-10 Carry forward £M	2010-11 £M	2011-12 £M	2012-13 £M	2013-14 £M	2014-15 £M	TOTAL £M
IS/IT Strategy	1.346	6.522	4.512	3.072	3.022	3.022	21.496
Accommodation Strategy	2.783	7.080	6.750	1.300	1.300	6.300	25.513
Vehicle replacement		2.063	1.780	1.798	2.150	2.289	10.080
Other Schemes		0.200	0.200	6.200	0.200	0.200	7.000
TOTAL	4.129	15.865	13.242	12.370	6.672	11.811	64.089
Committed	3.631	6.112	1.762	0.972	0.722	0.722	13.921
Essential	0.498	8.378	7.130	10.648	5.050	5.189	36.893
Desirable		1.375	4.350	0.750	0.900	5.900	13.275
TOTAL	4.129	15.865	13.242	12.370	6.672	11.811	64.089

In setting the current year's programme the Authority approved forecast payments in 2010-11 of £13.739M compared £15.865M above

The increase over last year is £2.126M and the following are the major changes.

IS/IT Strategy (Initial Programme £3.550M ; Current Requirement £6.522M)

(a) Desktop Replacement - reduced from £0.500M to £0.200M as the requirement now covers replacement screens only.

(b) System Replacement – programme increased by £0.510M from £1.4M to £1.910M.
Additional provision required for the schemes below :-

	£M
Symposium	0.100
Mobile Data (AVLS/APLS)	0.025
Workforce Management System	0.175
Telephony & Server Room	0.500
STORM Upgrades	0.025
Human Resources Recruitment System	<u>0.085</u>
	<u>0.910</u>

Offset by reductions in

Remote Access/Mobile Office	0.150
Integrated Command & Control System	<u>0.250</u>
	<u>0.510</u>

(c) Network Access & Security – programme increased by £2.762M from £1.650M to £4.412M.
Additional provision required for:-

	£M
Unified Communications/Telephony Upgrade	0.100
Microsoft Enterprise Agreement	0.422
Community Security Project	0.600
Data/Image Storage	0.050
ANPR	0.960
Testing Software	0.030
Covert WAN and COFDM IP “Mesh” Radios	<u>0.700</u>
	<u>2.862</u>

Offset by reductions in

WAN Refresh	0.050
Technology Refresh (Servers)	<u>0.050</u>
	<u>2.762</u>

Accommodation Strategy (Initial Programme £7.880M ; Current £7.080M)

Rephasing of Accrington Town Centre Police Base (- £1m) and Training Centre Modernisation (+£0.200M)

Vehicle Replacement Programme (Initial Programme £2.309M ; Current £2.063M)

Requirement reduced in line with the Fleet OSR recommendation to save £0.750M on the replacement programme over 3 years.

Other Schemes

Provision now included of £0.200M for TSU equipment requirements.

Capital Programme Financing

The shape of the financing needed to support the proposed programme in 2010/11 and future years depends upon the extent of Government support for capital expenditure and upon financing decisions which the Authority itself can take. In terms of the first, a distinction should be drawn between capital grant which reflects direct funding provided by Government to support our capital programme, and supported borrowing which reflects the amount of capital expenditure the Government has supported within the revenue grant settlement by funding the cost of borrowing.

The announcement of the capital financial settlement for 2010/11 has recently been made and Government support in 2010/11, which is the same as in previous years, is as follows:-

	£M
Capital Grant	3.487
Supported Borrowing	<u>1.782</u>
	<u>5.269</u>

However in confirming the allocation the Home Office has stated “...*the 2009 budget and Pre-Budget Report indicated that the overall public sector capital position would be tighter in 2011/12 and onwards than it has been in the recent past. No spending review has been conducted and police capital allocations for those years have not yet been decided. Police Authorities and Forces should plan their medium term capital programme on a sustainable basis recognising both the importance of capital investment in driving forward public confidence and value for money and also the implications of the tighter fiscal position outlined in the Budget.*” In the light of expected reductions in capital grant for future years an assumption has been made that the current level of support may reduce to around £2.615M (a loss of 25%) after 2010/11.

Whilst Government support for capital expenditure is a vital source of funding, the proportion of funding from this source tends to be around 30% of the Authority's identified capital requirements and therefore places significant pressure on local resources. The likely reduction in capital expenditure in the period beyond 2010/11 will place additional pressure on local resources.

Other financing available to support expenditure arises from capital receipts (sale of police property), revenue contributions and monies held within the capital funding reserve (generally from prior years' underspends and specific additional provision).

However this is a particularly turbulent financial period due to existing pressures on the revenue budget. The capital programme also impacts on revenue expenditure from three main sources :-

- capital financing charges and the impact of borrowing particularly for long term assets (buildings)
- the use of our own resources, and
- revenue consequences arising from capital expenditure (computer hardware/software maintenance costs and running costs of new builds)

Financing of the proposed 2010/11 - 2014/15 Programme

The financing of the draft 2010/11 to 2014/15 programme is proposed as follows:

Capital Financing 2010/11 to 2014/15							
	2010/11 £M	2011/12 £M	2012/13 £M	2013/14 £M	2014/15 £M	Total £M	%
Capital Grant	3.908	2.615	2.615	2.615	2.615	14.368	22
Capital Receipts	0.498	1.494	3.100	0.600	0.600	6.292	10
Capital Reserve (CFR)	3.167	2.077	-	-0.245	-0.356	4.643	7
In-year revenue contribution	3.768	2.013	2.250	2.500	2.750	13.281	21
Borrowing							
-Supported	1.782	1.782	1.782	1,202	1.782	8.330	13
-Unsupported	6.871	3.261	2.623		4.420	17.175	27
Total Programme	19.994	13.242	12.370	6.672	11.811	64.089	100

The financing above includes the value of slippage from 2009/10 of £4.129M; unsupported borrowing of £2.285m and £1.844m from own resources.

It can be seen from the above table that the Authority would be making unsupported borrowing of £6.871M in 2010/11 with borrowing requirements reducing in subsequent years in line with the lower programme values (except in the last year due to the potential significant cost for Blackpool Property Refurbishments). The assumption has been made in this financing proposal that the approach being developed as part of the revenue budget strategy whereby additional revenue savings will be made in 2010/11 to assist with the significant financial savings required from 2011/12 onwards will provide a source of one off additional revenue resources will be made available to support the capital programme as part of the revenue budget considerations. At this point in time the strategy includes £3.768m of revenue contributions of which £1.980m is one year only. It may be possible to increase this contribution and given the likelihood of reducing government support and the necessity for funding short life assets this will provide an efficient source of capital investment. Further consideration of the total level of revenue contributions to capital will be given by the Resources Committee in February when it considers the proposals for the overall revenue budget.

Capital Funding Reserve

The proposals above have the following impact on the Capital Funding Reserve (CFR) :-

CFR 2009/10 to 2014/15				
Financial Year	Balance Brought Forward £M	Receipts in Year £M	Anticipated Usage In Year £M	Balance Carried Forward £M
2009/10	8.054	2.400	-5.210	5.244
2010/11	5.244	3.768	-6.935	2.077
2011/12	2.077	2.013	-4.090	0
2012/13	0	2.250	-2.250	0
2013/14	0	2.500	-2.255	0.245
2014/15	0.245	2.750	-2.394	0.601

The Five Year Revenue Forecast reflects an annual increase in the 2009/10 revenue contribution to capital budget (currently £1.250M) by £0.500M in 2010/11, and a further £0.250M per year over the next 4 years, resulting in the budget in 2014/15 being £2.750M. Further one off contributions are anticipated to be available in 2010/11 of £1.980M as referred to above.

Capital Receipts

The following indicates the anticipated position on capital receipts across each financial year:-

Capital Receipts 2008/09 to 2013/14				
Financial Year	Balance Brought Forward £M	Capital Receipts in Year £M	Anticipated Usage In Year £M	Balance Carried Forward £M
2009/10	0.569	1.335	-1.512	0.392
2010/11	0.392	1.000	-0.498	0.894
2011/12	0.894	0.600	-1.494	0
2012/13	0	3.100	-3.100	0
2013/14	0	0.600	-0.600	0
2014/15	0	0.600	0.600	0

As ever, it is difficult to be precise about the likely level of receipts to be generated from future planned disposals. However, the proposed financing assumes that available receipts will be utilised in the year they are generated. Close monitoring of capital receipts will continue to be carried out. It is clear that the potential source of capital receipts is reducing and curtailing the ability to support capital expenditure from this source.

Affordability of the Programme**Revenue Consequences**

As a result of the level of the new programme proposed for 2010/11 and subsequent years (excluding slippage from 2009/10), the additional costs falling on the revenue budget would be :-

Revenue Consequences 2010/11 to 2014/15					
	2010/11 £M	2011/12 £M	2012/13 £M	2013/14 £M	2014/15 £M
Financing Charges	0.096	0.354	0.298	0.400	0.452
Running Costs	0.271	0.686	0.825	0.356	0.242
Total Revenue Costs	0.367	1.040	1.123	0.756	0.694
Included in Revenue Forecast	0.482	1.160	1.131	0.724	0.600
Excess over Forecast	-0.115	-0.120	-0.008	0.032	0.094

The capital financing costs included within the above table have been calculated on the assumption that the write down of assets is based on asset life. In effect short term assets e.g vehicles and IT strategy from own resources, furniture and buildings from borrowing. This is consistent with the authority's policy to avoid wherever possible the need to finance short life assets by borrowing.

Council Tax Increase

Given the proportion of expenditure which is funded from local sources and in particular, borrowing and direct revenue contributions a key decision on any investment programme is the impact on the revenue budget not only in the year in which the expenditure is incurred but over the longer term. A measure of this is the increase in council tax arising from the additional revenue costs. The council tax increases which would be necessary each year to fund the revenue consequences of this capital programme are shown in the table below:

However, in considering this table it is important to note that the level of council tax increase is determined by a range of factors having a bearing on the authority's overall expenditure requirements.

Council Tax Increase required to fund Revenue Consequences					
	2010/11 %	2011/12 %	2012/13 %	2013/14 %	2014/15 %
Council Tax increase	0.55	1.57	1.69	1.14	1.05

Outstanding Debt

A further indication of affordability is the amount of debt the Authority has outstanding at a point in time. The graphs at Appendix "D1" and "D2" show Lancashire's debt as a proportion of fixed assets compared to other shire police authorities as at 31 March 2008 and 31 March 2009. Appendix "E" shows how our debt as a proportion of fixed assets is expected to change over the programme's five year period. The Graphs indicate that the level of debt as a proportion of fixed assets is forecast to increase over the period. However, the level of borrowing relative to other shire police authorities is below average and whilst the proportion of debt is forecast to increase over the period the ratio of asset cover to debt is still healthy.

Prudential Indicators

From the financing proposals set out above, and from the overall capital programme being recommended for approval, it is now possible to produce a suite of the prudential indicators. Under the prudential system the Authority is required to approve these indicators, within which the capital programme must be set. The main emphasis of the indicators is to enable the Authority to assess whether its capital investment plans are affordable, prudent and sustainable.

Lancashire does, however, have a tradition of prudent financial management, which in the early years of its existence minimized the use of borrowing as a means of capital finance, even to the extent of repaying half of the debt inherited from the County Council.

The indicators for this draft capital programme can be found at Appendix F.

Decision Required

The Sub Committee are asked to:-

- (i) recommend the draft Capital Programme for 2010/11 and the method of financing to the Resources Committee for approval.
- (ii) note the proposed Capital Programme for 2011/12 to 2014/15 and the method of financing
- (iii) recommend the prudential indicators as set out in the report to the Resources Committee for approval.

Background Papers

None

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DRAFT CAPITAL PROGRAMME 2010/11 - 2014/15

Appendix A

5 Year Capital Forecast

	STATUS	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
		Carry Forward £m	£m	£m	£m	£m	£m	£m
Capital Expenditure								
Force IS/IT Strategy								
Desktop / Monitor replacement programme	E		0.200	0.200	0.200	0.200	0.200	1.000
System Replacement								
Symposium Upgrade	E		0.100	0.200				0.300
Remote Access/Mobile Office	D		0.150	0.150		0.250	0.250	0.800
Mobile Data (AVLS/APLS)	E	0.225	0.025	0.250	0.100			0.600
Integrated Command & Control System	E		0.250	0.750				1.000
Communications OSR:-								0.000
Customer Relationship Management	D			0.400				0.400
Workforce Management System	E		0.175					0.175
Telephony and Server Room	E		0.500					0.500
STORM Upgrades	E		0.025					0.025
Human Resources Recruitment System (HR OSR)	E		0.085					0.085
HOLMES	E				0.050			0.050
Digital Voice Recording and CJ Improvements	C	0.700	0.600	0.250	0.250			1.800
Future System Requirements	D							0.000
Total System Replacement		0.925	1.910	2.000	0.400	0.250	0.250	5.735
Network Access & Security								
Unified Communications/Telephony Upgrade	E		0.200	0.100	0.100	0.100	0.100	0.600
LAN Refresh	E		0.050	0.050	0.050	0.050	0.050	0.250
WAN Refresh	E		0.250		0.100	0.100	0.100	0.550
Microsoft Enterprise Agreement	C		0.722	0.722	0.722	0.722	0.722	3.610
Technology Refresh (Servers)	E		0.200	0.250	0.250	0.250	0.250	1.200
Community Security Project and Disaster Recovery	E		0.800		0.100	0.200	0.200	1.300
Airwave Development/Upgrades	E		0.100	0.100	0.100	0.100	0.100	0.500
Data/Image Storage	E		0.300	0.300	0.300	0.300	0.300	1.500
Security Software	E		0.050	0.050	0.050	0.050	0.050	0.250
ANPR	C/D	0.421	0.960	0.290	0.250	0.250	0.250	2.421
Testing Software	E		0.030					0.030
CJ Exchange	E		0.050	0.050	0.050	0.050	0.050	0.250
Covert WAN and COFDM IP "Mesh" Radios	E		0.450	0.250				0.700
Total Network & Security		0.421	4.162	2.162	2.072	2.172	2.172	13.161
Total Force IS/IT Strategy		1.346	6.272	4.362	2.672	2.622	2.622	19.896
Accommodation Strategy								
Western Div - Property Refurbishments	D						5.000	5.000
Eastern Div - Accrington Town Centre Police Base	E	0.498	0.750	1.500				2.748
HQ Accommodation Extension	C	2.285	3.630	0.500				6.415
Training Centre Modernisation	D		1.200	3.150				4.350
Refurbishment Lancasteria Block for H Div staff	C		0.200					0.200
General Improvements to HQ Site	E			0.300				0.300
Minor Capital Works and Refurbishments	E		1.300	1.300	1.300	1.300	1.300	6.500
Total Accommodation Strategy		2.783	7.080	6.750	1.300	1.300	6.300	25.513
Vehicle replacement programme	E		2.063	1.780	1.798	2.150	2.289	10.080
Other Schemes								
Replacement Helicopter	E				6.000			6.000
Technical Support Unit Equipment	E		0.200	0.200	0.200	0.200	0.200	1.000
Total Other Schemes		0.000	0.200	0.200	6.200	0.200	0.200	7.000
TOTAL EXPENDITURE		4.129	15.615	13.092	11.970	6.272	11.411	62.489
OF WHICH DESIRABLES AMOUNT TO			1.375	4.350	0.750	0.900	5.900	13.275

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CAPITAL PROGRAMME 2010/11 – 2014/15
SCHEME DESCRIPTIONS

FORCE IS/IT STRATEGY

DESKTOP/ MONITOR REPLACEMENT PROGRAMME

£0.200M per annum

We maintain a constant refresh of desktop equipment for which a regional framework contract is now in place for procurement of computers. A critical element of the CSP / PND solution is the move to Virtual Desktop Infrastructure (VDI) which will initially be deployed to the existing desk tops but over the following years they will be replaced by Thin Client Monitors which will enable us to more than half the previous costs of this programme.

VDI will have a significant impact on the user experience of ICT, how files and folders are managed and the access to systems and the Intranet

SYSTEM REPLACEMENT

Symposium Upgrade

Year 1: £0.100M

Year 2: £0.200M

This work, initially planned for 2009 -2010, is now being aligned to the new Contact Management structure and its timing will be dictated by the implementation schedule for associated programme. The original estimate has been reduced by £100k to reflect savings possible by the reduced number of rooms.

Symposium is a system by which we have managed call routing, networking etc across the Communications Rooms and is now requiring major upgrade.

Remote Access / Mobile Office

Year 1 & Year 2: £0.150M each

Year 4 & Year 5: £0.250M each

Over-the- air PDA development will focus on an in house crime reporting solution, the integration of PNC with e forms and the introduction of driver licence and insurance details. We will then focus on the next generation solution and devices, looking to exploit our in house capabilities and standard products.

A major device change out is anticipated in year 4. The possibility of moving to a more effective and lower cost in house hosted solution now also appears a distinct possibility and will be the subject of a viability assessment. E-forms will continue to be developed in line with business and legislative requirements and the integration with back of house systems will also be progressed.

The focus on In-vehicle solutions will seek to provide access to desk top systems to officers via the secure 3G product currently under evaluation. Using this route for the

initial evaluation stages will significantly reduce costs over the original projections, which are considered unaffordable in the current financial climate, but still leave the option open for adopting fixed devices in the future if so desired. A proposal to this effect will be presented to STCG in early 2010.

The Secure 3G solution currently in pilot phase is progressing well and is expected to be extended to approximately 300/350 devices in 2010, as well as becoming a more efficient and cost effective solution for neighbourhood policing sites. The features of the new Windows 7 product to be adopted in 2010 are more closely aligned to remote working than XP and will enhance the user experience of this product.

Mobile Data (AVLS/APLS)

Year 1: £0.025M (plus £0.225M c/f)

Year 2: £0.250M

Year 3: £0.100M

It has been a standing ambition, recently endorsed by the Sustaining Excellence programme, to provide Communication Rooms with the automated visibility of vehicle and officer locations on the mapping systems we have installed as part of the Storm implementation.

The new vehicle radios and the replacement hand held radios procured for the coming year now offer us the capability to integrate them into such a system. Pilot activity is underway in Eastern Division with a view to force wide implementation commencing in 2010.

Integrated Command and Control System

Year 1: £.0250M

Year 2: £0.750M

The Cortex ICCS system is 10 years old and there have been an increasing concern over performance, reliability and support for such an integral component of our Communications Rooms environment. The intention is to replace it over a two year period, possibly in line with solutions deployed regionally and in line with emerging convergence strategies.

The possibility of a joint procurement with GMP is a distinct possibility. The replacement schedule will also be dictated by the changes identified in the Comms OSR.

The possibility of using Unified Communications solutions to provide some of the functionality currently delivered via Cortex is also a distinct possibility which may help in reducing the final costs of this project.

Comms OSR

(Year 1: £0.700M Year 2: £0.400M, as detailed below)

The Constabulary's Comms Rooms will centre on Greenbank and Preston with back up provided at Hutton. The transition to this arrangement will be over a two/ three year period and will have some significant bearing on ICT, including:

The network support

- Airwave
- ICCS replacement
- Symposium refresh
- Telecoms and Unified Communications
- Storm configuration
- Server location and Disaster Recovery

Products:

a. Customer Relationship Management

Year 2: £0.400M

A number of options exist for this solution, including Search products, standard CRM solutions or integrated products within our Command and Control system. Options will be explored in 2010 to enable a more precise bid in 2011/12.

b. Workforce Management System

Year 1: £0.175M

The need for a Workforce Management System was identified as a result of the Communications OSR to provide improved alignment of Resources and Demand in Communications Call Handling and Incident management.

c. Telephony and Server Room

Year 1: £0.500M

This is the estimate for the cost of telephony to support the centralised facilities and to accommodate a Command and Control system server at Greenbank.

d. STORM Upgrades

Year 1: £0.025M

The new Comms environment will require a number of minor upgrades to the Steria Storm product.

Human Resources Recruitment System (HRS2)

Year 1: £0.085M

Implementation work of phases II & III will continue including the introduction of on line recruitment in 2010. The budget covers for the procurement of a recruitment package and for contractor work for 6 months to integrate this within HRS2 as well as carry out some system enhancements.

Holmes

Year 3: £0.050M

This national product for handling major incidents is scheduled for a major upgrade in 2011/12 and the option of it being regionally hosted, probably at GMP, should provide both financial and resilience benefits.

Digital Voice Recording and CJ Improvements

Year 1: £0.600M (plus £0.700M c/f)

Year 2: £0.250M

Year 3: £0.250M

Lancashire Constabulary has been piloting a digital recording of interviews in custody model at Greenbank since July 2008. A Statutory Instrument has been created by Parliament to exempt the facility from statutory provisions in relation to police interviews. Due to the success of the trial and the business case for savings and reduction in bureaucracy, the Heads of Criminal Justice and IT would now like to roll the system out across 36 custody interview rooms and 23 PACE Voluntary Attendee interview rooms at an overall indicative cost of £ 2.63 million. The intention would be to fund this over two financial years.

Subject to a legislation change in Parliament, we will expand the Eastern Division pilot across the county in 2010. However this change in PACE legislation has been delayed on a number of occasions and may well not survive the current parliament, in which case it may be Summer 2010 before we can progress.

The original business case identified cashable savings of £300k pa and reduced interview time by 20mins per occasion which would represent a force wide efficiency saving of £600K per annum. These figures will be validated as part of the final scheme proposal. Genuine opportunities exist for the provision of a managed service to other forces, particularly those in the region. Work will also continue with the CPS towards the development of the Multi Media case file, where the constabulary is lead force.

Future System Requirements

Years 2-5 - £0.400M per annum

A general future provision for as yet unidentified requirements.

NETWORK ACCESS & SECURITY

Unified Communications/Telephony Upgrade

Year 1 £0.200M

Years 2-5: £0.100M pa

The ability to manage data and voice over the same network and infrastructure presents a genuine opportunity to redesign the desktop environment and reduce both capital and revenue expenditure whilst enabling access to staff and information regardless of location.

We commence research of the options, likely to be based around the Microsoft OCS product, in 2010 with an objective of achieving significant revenue budget reductions in 2011. The work will also be closely aligned with the solutions deployed in the new Communications Room set up.

LAN Refresh

Years 1-5: £0.050M pa

The local area networks will continue to be refreshed as technology changes and existing infrastructure ages.

WAN Refresh

Year 1 £0.250M

Years 3-5: £0.100M pa

The microwave based Wide Area Network, which like the Local Area Network is managed by ourselves, is now 8 years old and some components are becoming obsolete. A refreshment programme is proposed for 2010/11.

Microsoft Enterprise Agreement

YEARS 1-5: £0.722M pa

The Enterprise Agreement agreed in 2009 covers all our Microsoft computer licensing and also provides us with an exciting opportunity to embrace new IT products and services, including:

- Unified Communications
- Voice Recording
- Desk top video conferencing
- Presence
- Live meeting
- Locally delivered training
- Search
- New Outlook
- Windows 7
- New Share point
- We will work with Microsoft to develop a Technology Roadmap for the next 2/3 years which will sit with planning objectives, resources, training and implementation

Technology Refresh (Servers)

Year 1: £0.200M

Year 2-5: £0.250M pa

We will continue to refresh servers in line with capacity requirements, replacement, security standards and increased usage of key applications.

Community Security Project and Disaster Recovery

Year 1: £0.800M

Year 3: £0.100M

Year 4&5: £0.200M pa

This is proving to be the most technically and politically demanding of our ICT activities with the completion of the 17 projects required to ensure our timely compliance with the mandated ACPO Community Security Project. Our work on three key projects, VDI, Identity and Access Management and Public Key Infrastructure, in particular is without stable or proven points of reference and has been subject to forever changing policy. The impact has been to extend our

schedules and absorb additional cost and resources. This situation will remain volatile until the project completion in mid 2010.

The work enables us to handle CONFIDENTIAL data across our systems and networks which is a fundamental requirement of meeting the national data sharing capabilities required by the Bichard Inquiry into the Soham tragedy.

A deferred activity from the last two years, the Disaster Recovery facility at Preston will be established in 2010. It will likely develop into an incremental piece of work as DR and Business Continuity requirements expand with time. National and Regional infrastructure developments will also impact on decision making and the design of this facility.

Airwave Development / Upgrades

Years 1-5: £0.100M pa

We will complete the introduction of the new radios and provide the opportunity to exploit the APLS capability.

Data/Image Storage

Years 1- 5: £0.300M pa

Our data storage requirement continues to increase year on year. Combining this massive rate of increase with the mandated requirements of MoPI and CSP leaves us with no alternative than to readdress the design of our storage infrastructure.

The increasing use of Digitised Voice Recording, CCTV, ANPR, Head cams, Scanning etc present new challenges for ensuring secure and accessible storage which need urgently addressing. Business engagement is an essential in identifying requirements for this work and this is likely be an incremental process over the next few years.

Security Software

Years 1-5: £0.050M pa

New software solutions are consistently brought to market and as the challenges to offset virus, Trojan and hacking become even greater we need to consistently utilise all technical options available to us.

ANPR

Year 1: £ 0.960M (plus £0.421M c/f)
Year 2: £ 0.290M
Year 3-5: £0.250M pa

The use of ANPR as a key intelligence and road policing product is now a force priority. Major elements of the solution have been identified and 2010 will see a significant increase in the number of fixed site cameras in the county and the introduction of the new ANPR software.

We will also link in to the VSRA project for secure connection to covert cameras. Possibilities exist for regional collaboration in this area.

Testing Software

Year 1: £0.030M

Whenever we release new versions of in house systems internally or to Durham / Cumbria we are dependent upon experienced users being made available for testing, a process that can be time consuming and requiring experienced staff. When issues are identified and remedied then additional testing is required.

New software would automate much of this process and via improved auditing would improve reproducibility and reduce the problems associated with re testing

CJ Exchange

Years 1-5: £0.050M pa

The PNN3 / CJX networks remain increasingly important in managing our day to day business. The PND, INI, Regional and Partner data sharing are all users of this private police network and as the use of CONFIDENTIAL data sharing continues to expand so will our use of this network.

Covert WAN and COFDM IF 'Mesh' Radios

Year 1: £0.700M

Whilst these systems are interoperable they are not interdependent.

The provision will allow for the purchase of equipment and licences for a dedicated Wide Area Network (WAN).

The majority of major incidents, serious crime and TCU tasks require the transmission of " products" across the County from the subject premises for the purpose of recording or live monitoring facilities. The original WAN specification did not include the requirement to transport covert products across the force area and therefore there is no dedicated bandwidth for this purpose. The alternative would be to "borrow" bandwidth, utilising specific channels on the network but these have extremely limited capacity and are becoming increasingly unavailable with increased network traffic.

The force WAN is due for an upgrade and this additional provision will provide an opportunity to establish a dedicated "sub network" within the WAN technology specifically for the secure transportation of covert information and products on a forcewide basis.

The upgrade of the WAN will take place over a period of three years therefore the cost could be spread over the same period.

Whilst the title sounds technical and complicated COFDM is in simple terms very similar to digital TV and the equipment is the latest innovation in mobile surveillance technology being increasingly utilised within the TSU arena. The system will provide more channels which are of better quality

In essence this is the means by which TSU would get products from a “front end” to the WAN and therefore provide county wide coverage.

This will provide a transportable network which could be deployed practically anywhere in the county and provide immediate coverage.

The system will negate the need for built in “hops” which will enhance the security of operations

ACCOMMODATION STRATEGY

Western Division – Property Refurbishments

Year 5: £5M

A replacement for the existing Blackpool Police Station has been the subject of debate for the past 5 years or so. This was initially perceived as a windfall opportunity arising from the now curtailed “super casino” development on the Bonny Street site. The opportunity to continue discussions with ReBlackpool, the development arm of Blackpool Borough Council, regarding a replacement police station is still open and should some significant development funding become available then this would be the preferred option.

Notwithstanding the above the existing buildings are becoming increasingly obsolete in terms of physical condition, functionality and technical services. It is envisaged that the current “running repairs” situation can be sustained for around a further 3 to 5 years. However after this time significant major investment in the building structure, fabric and services will be required.

Eastern Division - Accrington Town Centre Police Base

Year 1: £0.750M (plus £0.498M c/f)

Year 2: £1.500M

This scheme is contained in the approved Estates Strategy. It proposes a replacement for the existing Grade 2 listed Accrington Police Station which requires extensive and expensive refurbishment works including rewiring, new heating system, replacement roof, replacement windows, external fabric repairs and internal remodelling.

The refurbishment costs are estimated at between £1.5 to £1.75 million plus fees, charges and decanting costs which would probably also include the adjacent magistrates’ courts.

The provision of a replacement station is considered to be the most cost effective and least disruptive solution. Two options are currently under consideration.

HQ Accommodation Extension

Year 1: £3.630M (plus £2.285M c/f)

Year 2: £0.500M

This scheme has previously been approved by the Police Authority. The design is well advanced; tenders are due to be invited in February 2010 with a start on site planned for April 2010.

As well as providing a new roof to the accommodation at the rear of the main HQ building this scheme provides fit for purpose, co-located accommodation for the principal departments of G Division.

Training Centre Modernisation

Year 1: £1.200M

Year 2: £3.150M

This scheme has four principal components aimed at providing the constabulary with a state of the art training facility.

The components which can be phased over a 3 year period are as follows:-

Replacement of the Langdale Teaching Block £2.4m

Refurbishment of the Ellis Block £800k

Refurbishment of the sports hall £650k

Modernisation of the Administration Block £500k

Over the last 18 months there has been considerable emphasis on the modernisation and professionalisation of our training programmes within Lancashire Constabulary. In order to maintain and develop the potential of all our staff and to meet the requirements of the Sustaining Excellence programme, it is key that all our programmes are up to date meeting the needs of the organisation and are as efficient and effective as possible. There is also considerable potential in marketing our training programmes externally to other Forces and Agencies, as Lancashire Constabulary has always maintained a good reputation as a training provider.

This has been supported by the modernisation of our programmes and external accreditation of courses by UCLan and the achievement of the Investors in People Standard.

However, facilities within the Training Centre site also need to be of a standard equivalent to those of other providers, in order to effectively market training products externally, and improvements to date such as the Lecture Theatre and provision of en-suite bedrooms have supported this. Classroom facilities, particularly those in the Langdale Building, are in a particularly poor condition.

The Training Centre currently generates in excess of £400,000 per year income from external sources (such income funds the training of Lancashire Officers, Staff and Specials) and there is potential for this to be increased by at least another £150,000 if the site were to be marketed more effectively. To achieve this, however, requires modernisation of the training facilities.

In 2008/9, approximately 6,900 members of the Constabulary and 450 students from other Forces, the Military, other Agencies etc attended for training at the Training Centre site. In addition to these, approximately 24,750 individuals, both internal and external to the Constabulary, attended the site for a variety of Conferences, Seminars, Ceremonies, meetings etc.

The existing teaching accommodation is outdated and not conducive to modern teaching practices. If the Constabulary wishes to train its staff in modern facilities and continue to attract income from the private sector then the Training Centre requires modernisation and a capital investment of around £4.350m over the next 3 years. It is anticipated that the revenue consequences of borrowing this level of capital could be met from the additional income generated by the Centre. The site already has in place the supporting infrastructure of en-suite facilities, secure car parking and recreational facilities.

The current economic climate, particularly in the construction industry, makes this the optimum opportunity for undertaking sizeable projects of this nature.

The consequence of not investing further in the site would be that other Forces and Agencies will look elsewhere for their training requirements and the loss of this resultant income will mean Lancashire having to either find the equivalent funding from elsewhere or to reduce the amount of training to Lancashire Officers, Staff and Specials by the equivalent value.

Refurbishment Lancasteria Block for H Div staff

Year 1: £0.200M

Following the removal of asbestos and remodelling of the Lancasteria Building this scheme, to provide accommodation for H Division, is ahead of programme.

General Improvements to HQ site

Year 2: £0.300M

This allocation is to replace water mains, drainage systems, lighting, car parking and general improvements to the roadways at the headquarters site complex.

The benefits are an improved and more professional appearance of the site, reduction of risk of a major water main burst or drainage collapse and improvements to site security and Health and Safety of staff.

Minor Capital Works and Refurbishments

Year 1-5: £1.300M pa

This allocation is used to fund a number of smaller schemes across the whole portfolio. Included in the programme of works for 2010/11 is the implementation of the estates work resulting from the Communications OSR.

VEHICLE REPLACEMENT PROGRAMME

Year 1: £2.063M

Year 2: £1.780M

Year 3: £1.798M

Year 4: £2.150M

Year 5: £2.289M

Provision for the replacement of vehicles that have reached their planned replacement date due to mileage, age and running costs. Newer vehicles have lower

running costs, less down time and lower carbon emissions. A robust replacement policy ensures that the fleet is fit for purpose and supports operational policing.

OTHER SCHEMES

Replacement Helicopter

Year 3: £6M

Provision to replace existing helicopter. A business case will be developed to consider options available when the current helicopter is due for replacement.

Technical Support Unit Equipment

Year 1-5: £0.200M pa

The currently centralised structure for TCU was put in place in 2007, however whilst salary cost were recovered from divisions no recurring capital budget was established to provide funding for specialist equipment.

As a result the current inventory of technical equipment is almost entirely first generation in nature, with an average shelf life of 5 years. The lack of a recurring capital budget removes any ability to review and prioritise the procurement of equipment, and fails to recognise the speed in which new technologies emerge and are adopted by those engaged in criminality.

The Unit is unable to keep pace with increased demand particularly in terms of NIM level 2/3 resilience and the subsequent requests for tracking, 3G, audio and video capability, nor is there the ability to keep pace with technological advances in the specialist equipment field. Current levels of equipment available to the Unit potentially restrict opportunities for collaboration and leaves the Force vulnerable in relation to its ability to respond to demands across all levels of NIM but specifically the level 2 threat presented by Organised Crime Groups and those involved in Child Sexual Exploitation.

The increased demand on TSU resources, particularly since the inception of the 6 Targeted Crime Units within Geographic Divisions can be illustrated as follows

- An 80% increase in all deployments from 2007 to 2008.
- The first six months of 2009 showed a 27% increase in deployments compared to all of 2008.
- If extrapolated across the full twelve months this will show an increase of 130% on 2007
- Vehicle deployments show a 100% increase in deployments for 2008 compared to 2007.
- 2009 demonstrated a 73% increase in first two quarters compared to all of 2008.
- A 54% increase in Property Interference authorities and a 67% increase in Intrusive Surveillance authorities over the past twelve months.

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The Prudential Code**Capital Programme process: Value for Money, Stewardship, Strategic Planning and Practicality**

The Constabulary continues to operate a well-tried approach to capital programming which is integrated into the five-year planning cycle and is based upon two overarching strategies, one for Accommodation and one for IS/IT. The strategies for Accommodation and IS/IT are developed by the Heads of those Departments based on strategic investments necessary to meet operational demand, national initiatives and statutory requirements. Consultation takes place with Divisional Commanders on specific proposals and where requirements are considered to be in excess of available resources or can be delayed without any detrimental impact on operational policing objectives they are deferred. This ensures that the strategies that are developed are achievable within a suitable timeframe, meet operational/national statutory objectives, and are affordable within the constraints for the financial resources likely to be available to the Force.

Although under the prudential regime the constraints are no longer imposed by national government, the Force has continued its approach of seeking to contain capital bids wherever possible within the levels of resources experienced in previous years. There has been no “dash for growth” in the way in which the programme has been compiled for the coming year and future years but where operational requirements are considered essential the relevant schemes have been included in the draft programme. It is likely that the scale of the programme for future years will be different from the existing forward look. However, any resultant programme will be based on legitimate operational reasons for growth. Scheme sponsors are also mindful of the financial pressures on the Authority when considering schemes for inclusion in the programme.

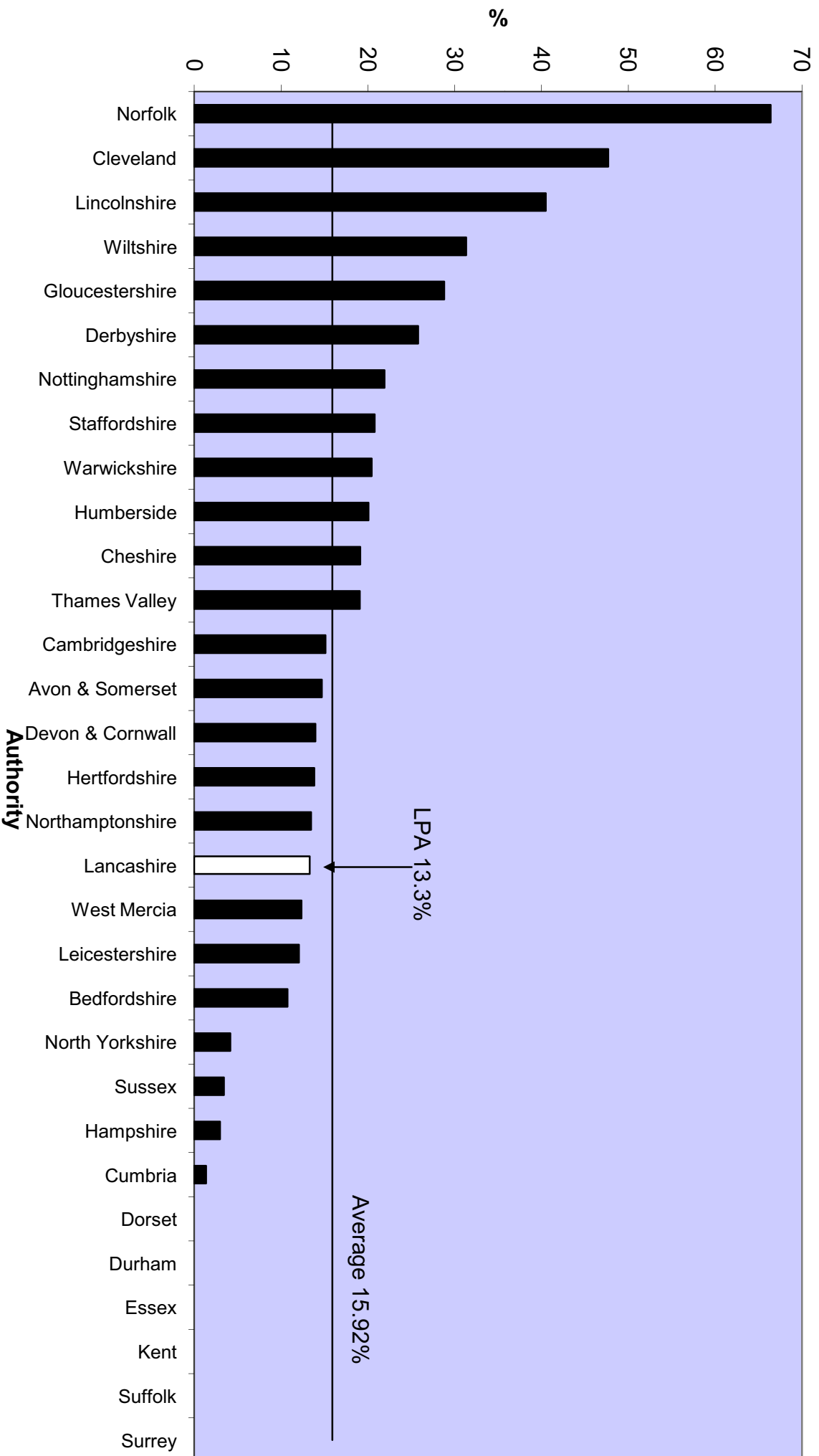
Bids for capital expenditure are submitted to the Business Group for formal approval prior to being included in the 5 year forecast. Option appraisal takes the form of a Business Case presentation which will include a robust analysis of alternative options for service/operational delivery together with the financial consequences of each option. Once the strategies have been developed and approved by the Business Group, they are reported to the Resources Committee and are periodically updated to reflect changing priorities both from a Force perspective and nationally. The 5 year forecast is continually updated as requirements change and the Director of Resources provides a level of management control over what can be accommodated within the likely level of resources. In addition, once the programme is finalised, expenditure is only incurred after approval by the Director of Resources. This again ensures that the schemes proceed provided there is no other priority area that has come to light after Committee approval to the programme.

The process outlined above continues to position the Authority well in relation to the principles of the Prudential Code dealing with value-for-money, asset stewardship, strategic planning and practicality.

Capital Programme Financing: Affordability, Prudence and Sustainability

As well as satisfying the criteria for value-for-money, stewardship, strategic planning and practicality, the capital programme must also pass the tests of affordability and prudence. These tests are assessed in relation to a number of “prudential indicators” which are prescribed in the Code. It is essentially the Authority’s task to satisfy itself that the financial implications of the proposed programme are acceptable in these terms as well. The main emphasis of the indicators is to enable the Authority to assess whether its capital investment plans are affordable, prudent and sustainable.

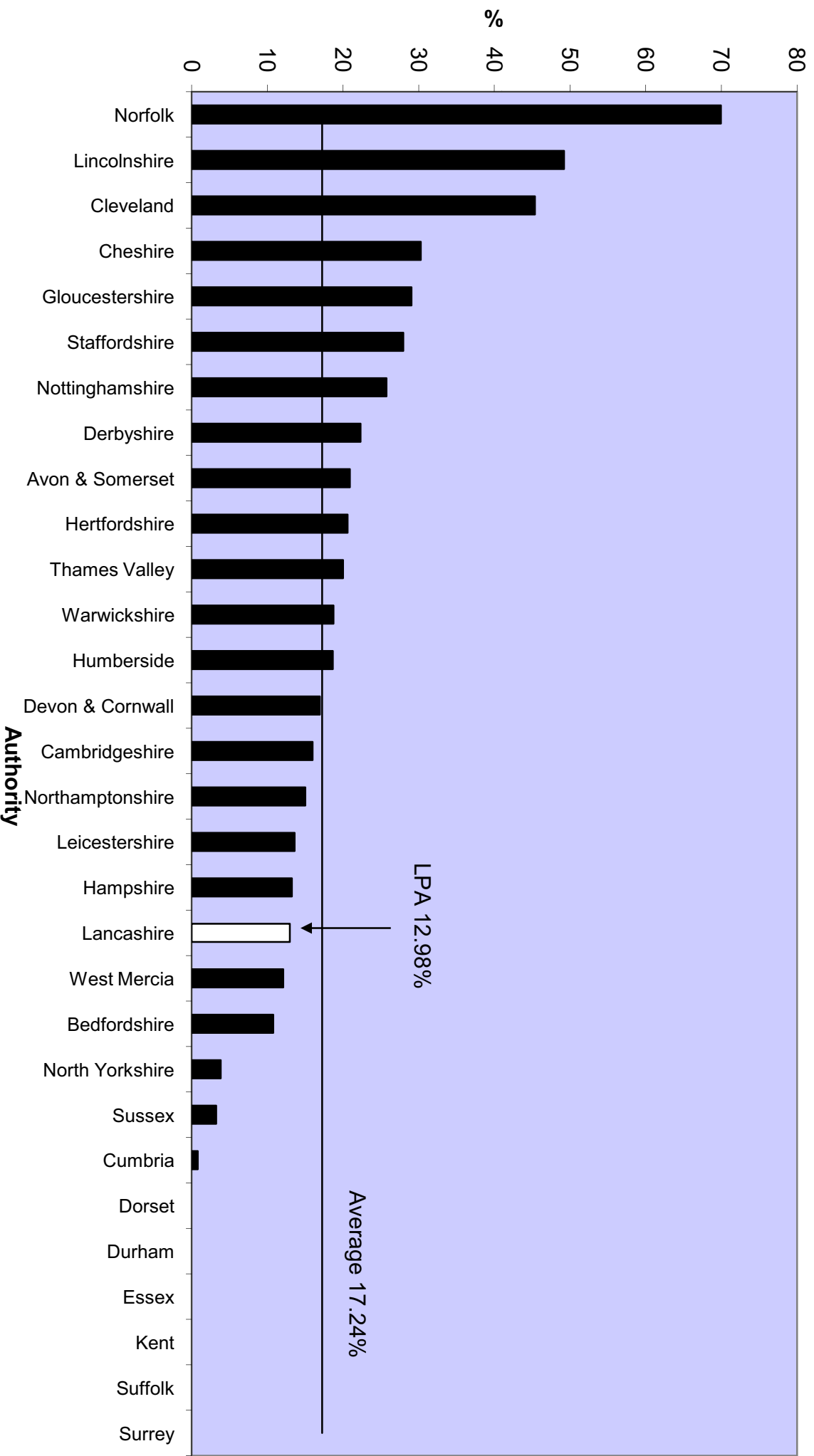
Debt as a % of Fixed Assets as at March 2008 - Shire Police Authorities



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Debt as a % of Fixed Assets as at March 2009 - Shire Police Authorities

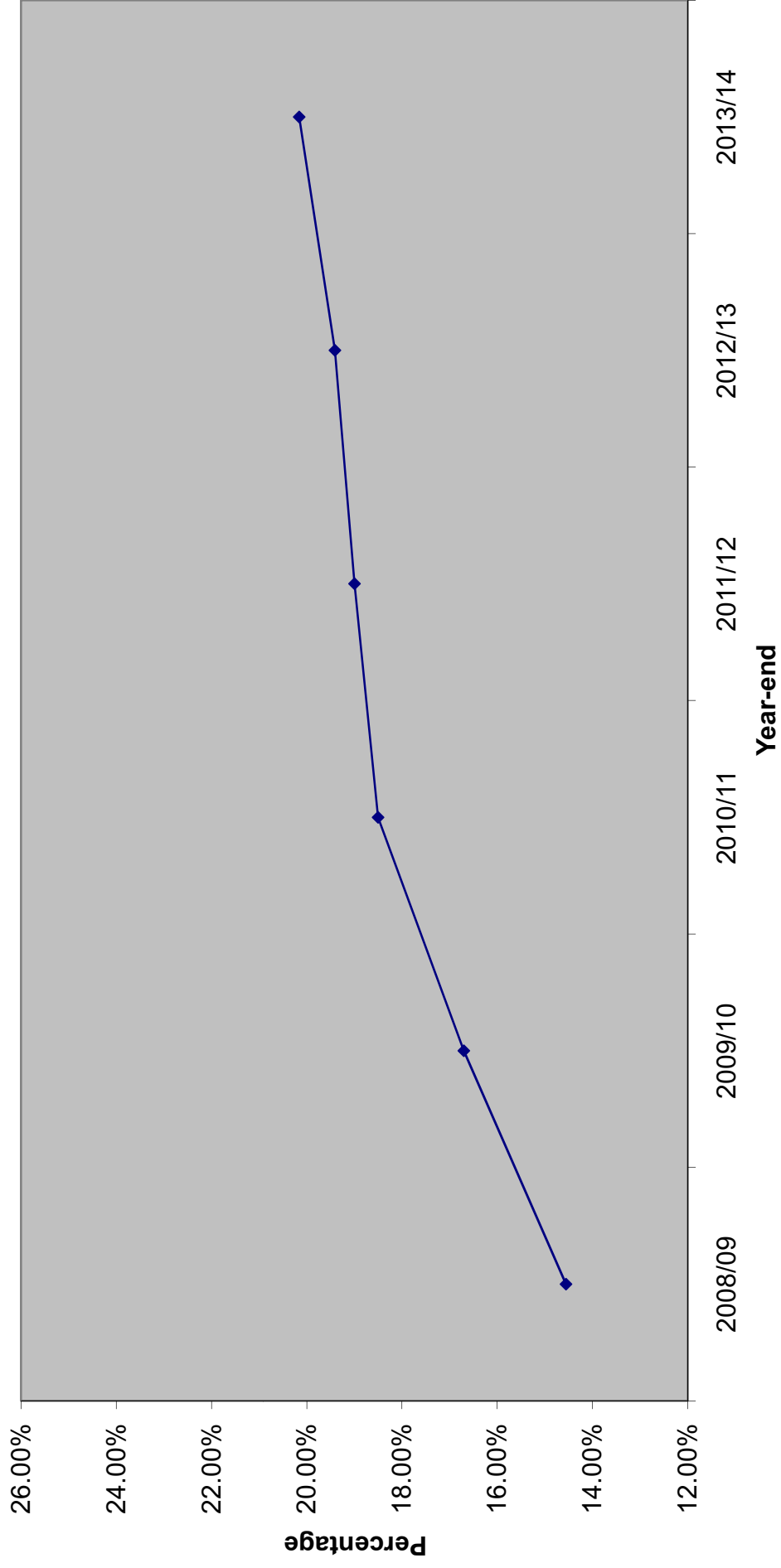
Appendix D2



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Projected Debt as % of Fixed Assets (proposed programme)

APPENDIX E



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Prudential Indicators

Indicators on Capital Expenditure and Financing

There are two indicators required by the code in respect of capital expenditure and financing. The first of these is the total capital expenditure, irrespective of the method of financing, to be incurred by the Authority.

Total Capital Expenditure

Capital Programme Year	2008/9 £M Actual	2009/10 £M Estimate	2010/11 £M Estimate	2011/12 £M Estimate	2012/13 £M Estimate	2013/14 £M Estimate	2014/15 £M Estimate
2010/11	15.753	15.496	19.744	13.092	11.970	6.272	11.411
2009/10	17.230	16.226	13.739	9.240	10.096	5.282	

This indicator shows the capital expenditure forecast at the current time compared with the forecast made for the same period at this time last year.

As set out earlier in the report a mixture of sources, including borrowing, will finance the estimated capital spending stated above. A key control of the prudential system is the underlying need to borrow for capital purposes, which is represented by the cumulative effect of past borrowing decisions and future plans. This is shown by the second indicator, the capital financing requirement.

Capital Financing Requirement

Capital Programme Year	2008/9 £M Actual	2009/10 £M Estimate	2010/11 £M Estimate	2011/12 £M Estimate	2012/13 £M Estimate
2010/11	32.400	35.800	43.200	46.700	48.300
2009/10	32.400	38.200	44.000	45.700	

This indicator shows the capital financing requirement at the current time compared with the forecast made for the same period at this time last year.

Prudence and Affordability

The Prudential code states the following as a key indicator of prudence:

“in order to ensure that, over the medium term, net borrowing will only be used for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years”.

Based on the existing plans and proposals outlined in the main report, it is not envisaged that the Authority will have any difficulty in meeting this requirement.

It is important to ensure that the plans for capital expenditure and borrowing are affordable in the long term. This leads to the third indicator, which provides estimates of the ratio of financing costs to net revenue stream:

Ratio of Financing Costs to Net Revenue Stream

Capital Programme Year	2008/9 Actual	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate	2012/13
2010/11	0.06%	0.71%	0.93%	0.98%	0.89%
2009/10	0.06%	0.80%	1.03%	1.09%	

This indicator shows the ratio at the current time compared with the forecast made for the same period at this time last year. The net revenue stream is defined as the amount required to be funded from Government Grants and local taxpayers, it is in effect the budget requirement. The financing costs in the above ratios are the total interest payable and the MRP chargeable net of interest receivable. The sharp increase from 2008-09 to 2009-10 is due to historically low interest rates leading to a collapse of investment income.

The fourth indicator is the impact of the authority's capital investment decisions for the Band D council tax, which is as follows:

Impact of Capital Investment Decisions on Band D Council Tax

Table 1 – Total Revenue Costs

Capital Programme Year	2010/11 £	2011/12 £	2012/13 £
2010/11	14.51	9.50	8.17

Table 2 – Net of Government Support

Capital Programme Year	2010/11 £	2011/12 £	2012/13 £
2010/11	14.47	9.25	7.71

Table 1 – Net of Contributions from Revenue Reserves

Capital Programme Year	2010/11 £	2011/12 £	2012/13 £
2010/11	0.16	0.72	1.09

This indicator represents how much the taxpayers have to pay towards the schemes which are presently uncommitted within the capital programme through financing charges (interest and repayments) and revenue contribution (RCCO & CFR).

In essence, this indicator shows how much the Council Tax could be reduced if none of the uncommitted schemes within the Programme are approved and all of the revenue money earmarked to fund the uncommitted schemes was returned to Council Tax payers. This is a complex indicator to determine as it includes the effect of government support on capital financing and this is reflected in the second table. It also shows those contributions which have been funded from revenue and therefore a charge against the council tax in previous years. The third table strips out this effect and shows the net impact of the proposed programme on the council tax over the period.

Indicators relating to Debt and Borrowing

The previous indicators focus upon capital expenditure and its impact upon the revenue account of the authority. There are also indicators specifically targeted at the borrowing arising from the agreed programme of capital expenditure, covering external debt and treasury management. The latter are also contained within the overall treasury management strategy but for completeness are included here.

In the first place, the Authority will have to approve an authorised limit and an operational boundary for external debt. The limits proposed are consistent with the proposals for capital investment and with the Authority's approved treasury management policy statements and practices. The indicator is split between borrowing and other long term liabilities, such as finance leases. Currently, finance leases are not included within the capital programme, although there may be a requirement to enter into some property leases during the year which will be finance leases. Therefore, it is proposed to set a limit of £1M for this purpose.

The authorised limit is a prudent estimate of external debt. The indicator is cumulative because it takes into account outstanding debt brought forward from prior years and planned borrowing in upcoming years including sufficient headroom for unusual cash movements. After taking into account the capital plans and estimates of cashflow, the proposed authorised limits for external debt are:

Authorised Limit of Debt

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Borrowing	38,000	45,000	51,000	53,000
Other long term liabilities	1,000	1,000	1,000	1,000
Total (2010/11)	39,000	46,000	52,000	54,000
2009/10 Programme	45,000	51,000	49,000	

The proposed operational boundary for external debt is based on the same estimates as the authorised limit, but is lower because there is no provision for unusual cash movements. In effect, it represents a realistic estimate of external debt arising as a consequence of the authority's current known plans.

As required by the code, this indicator will be carefully monitored during the year. The proposed operational boundary for external debt is:

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Borrowing	34,200	41,600	45,200	48,000
Other long term liabilities	1,000	1,000	1,000	1,000
Total (2010/11)	35,200	42,600	46,200	49,000
2009/10 Programme	38,300	40,400	41,100	

Finally, indicators need to be set for Treasury Management. The prudential code requires Authorities to adopt the CIPFA Code of Practice for Treasury Management in the Public Services. The Authority has adopted this code for several years and will continue to do so, consistent with the Authority's Treasury Management strategy. Treasury management indicators are closely monitored during the year to ensure that they are up to date with changing market conditions. In addition, the following treasury management indicators are recommended.

- Upper limits on the authority's exposure to the effect of changes in interest rates, both in terms of fixed and variable interest

Upper limit of borrowing in fixed interest	100%
Upper limit of borrowing in variable interest	25%
Upper limit in fixed rate investments	100%
Upper limit in variable rate investments	100%

- Upper and lower limits for the maturity structure of its borrowings as follows:-

	Upper Limited	Lower Limit
Under 12 months	10%	0%
12 months and within 24 months	10%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	60%	0%
10 years and above	85%	25%

The above structure is a prudent attempt to reflect the likelihood of future borrowing decisions. It reflects the authority's desire to align (as much as possible) maturity structure of debt to the average life of the total assets in the capital programme.

- Upper limit for sums invested for periods longer than 364 days constrained to a total of £3M over a maximum of 3 years.

LANCASHIRE POLICE AUTHORITY
11 FEBRUARY 2010

PART I

REVENUE BUDGET 2010/11
(Appendix 'A' refers)

Issue for Consideration

The approval of the Authority's revenue Budget and Council Tax for 2010/11.

Information

The Resources Committee, at its meeting on 2 February, discussed in detail the 2010/11 revenue budget. A copy of the report presented to the Resources Committee is attached at Appendix 'A' and an extract from the unconfirmed minutes of the Committee's meeting is set out below:-

REVENUE BUDGET 2010/11
EXTRACT FROM RESOURCES MINUTES

The Committee considered the Authority's Revenue Budget and Council Tax Precept for 2010/11.

Following consideration at the Committee's meeting in November a number of changes had been made to the underlying budget requirement and the level of council tax resources which had resulted in the a reduction in the budget requirement by £1.3M. This had enabled some £1m of additional revenue contributions to be made to support capital investment in 2010/11 on a one year only basis with the remaining £0.3m applied to close the gap in savings required at a 3% council tax level. The impact of these changes resulted in a net budget requirement of £277.836M, which represented a 2.81% increase over the 2009/10 budget.

In relation to the medium term financial position members endorsed the progress made with the programme of efficiencies being driven forward by the constabulary and noted that already some £1.5 - £2m would be available as a one year only contribution to capital in 2010/11 and then be available to contribute towards the level of savings required from 2011/12 onwards.

in relation to the level of council tax for 201011 members noted the outcome of the various consultation exercises and feedback which showed that 84% of respondents surveyed were willing to pay an increase of £4 per annum or above. The Treasurer set out the latest position on capping and emphasis from the Government that it will cap increases above an "appropriate level". Latest intelligence from the Police Authority Treasurers (PATs) suggested that the Authority's planning assumption for a 3% increase in council tax was in line with the average for shire authorities. The Authority's planned increase in the budget of 2.81% would be just below the average shire increase on 2.87%.

Members agreed that the final decision on the level of council tax for 2010/11 should be considered by the full authority at its meeting on the 11 February 2010 but recommended that the increase should be no higher than 3%..

Members also requested that the committee had a greater role in the consultation exercises carried out in relation to budgets, council tax levels and value for money process.. The Chief Executive informed the Committee that she would be delighted to strengthen the links between community engagement activity and the Committee and would ensure that the committee had a role in the consultation exercises carried out in the above areas,

RESOLVED: - *That the Committee:*

1. *Note the report*
2. *Note the budget requirement for 2010/11 and the implications of the five year forecast for the following years.*
3. *Endorse the strategy taken by the Constabulary to save further cashable efficiency savings in 2010/11 to help mitigate the potential significant medium term budget position.*
4. *Agree that the additional savings generated through the efficiency programme in 2010/11 be applied as a one year only contribution to support the capital investment requirements.*
5. *Note the findings of the budget consultation exercises carried out by the Authority.*
6. *Note the advice from the treasurer on the appropriate level of balances and the robustness of the estimates.*
7. *Consider the implications of capping by the Government.*
8. *Recommend to the Authority a budget requirement and council tax precept of no higher than 3%.*

The Authority will further consider the budget at this meeting and the Chief Executive and Treasurer will report to the Authority meeting any further information which has become available since the Resources committee met.

It should also be noted that, under the provisions of section 19 of the Police Act 1996, the Authority cannot take a decision about its precept without a minimum of nine Members of the Police Authority voting in favour of the decision, five of whom must be Councillor Members. Members also need to be aware that, under the provisions of the Local Government Finance Act 1992, any Member with arrears on their Council Tax is not permitted to vote on the budget and Council Tax.


Decision Required

The Authority is requested to consider the Resources Committee's recommendations and approve a final budget requirement and council tax for 2010/11.

Background Papers

Police Act 1996.
Local Government and Finance Act 1992.

Report Originator

Name: Ian Cosh
Organisation: Treasurer  01772.534703

RESOURCES COMMITTEE

2 FEBRUARY 2010

PART I

REVENUE BUDGET 2010/11

Issue for Consideration

Recommendations to be made to the full Authority on 11th February in respect of the Authority's revenue Budget and Council Tax Precept for 2010/11.

Information

1.0 POLICE GRANT SETTLEMENT 2010/11

- 1.1 The provisional level of Police Grant increase for 2010/11 was announced as part of the three-year settlement in December 2007. The Government has confirmed the final settlement figures as a 2.7% increase in the level of general grant for 2010/11. Thereafter, an increase of 1.5% has been used for modelling purposes but, given the uncertainty surrounding the public finances and the possibility of political change, at the moment it is difficult to predict with any certainty the likely level of support in the next three year spending cycle, Based on previous practice, the next Comprehensive Spending Review cycle would commence in 2010/11, but it is clear from recent commentary that there may be a hardening of the public finances over the next cycle.
- 1.2 The equivalent cash increase in general grant support for the Authority for 2010/11 is £5.523m (or 2.7%), and the specific components are set out below.

	2009/10 £m	2010/11 £m	Change £m	%
RSG & NNDR	94.479	96.872	2.393	2.5
Police Grant	109.659	112.789	3.13	2.8
	204.138	209.661	5.523	2.7

- 1.3 In announcing the overall settlement for 2010/11 the Home Office also confirmed a number of specific grants but confirmation is still awaited in relation to PREVENT and Dedicated Security Posts (DSP). The Government has also announced that BCU funding will run for one final year at the same rate as 2009/10. Funding for

Counter Terrorism will be increased again in 2010/11. Details of specific grant funding are set out in the following table.

1.4

	2009/10 £m	2010/11 £m
<u>Additional Rule 2:</u>		
Rural Policing Fund	0.06	0.06
Special Priority Payments	1.71	1.71
DNA Expansion Programme	1.72	1.72
IPLDP	0.54	0.54
<u>Others:</u>		
Crime Fighting Fund	6.58	6.58
BCU Fund	0.92	0.92
Neighbourhood Policing / PCSOs	8.00	8.22
Dedicated Security Posts	2.92	3.01
Prevent	0.76	0.78

- 1.5 The provisional figures for 2010/11 indicate that as in previous years no allowance has been assumed by the Government for inflation in next year, with the exception of Neighbourhood Policing / PCSOs and Prevent. The amounts for DSP and Prevent are provisional, with the announcement on allocations awaited, but include an assumed inflationary increase in line with last year's settlement.
- 1.6 Following discussion at the last committee, representations on the provisional grant settlement to CLG were made by the Treasurer on 6 January 2010 on the Provisional Settlement and a copy is attached at Appendix "A".

POLICE EXPENDITURE 2010/11

- 1.7 The Authority's expenditure budget for 2010/11 was considered by the Committee at its last meeting in November 2009. Since then the following changes have been made to the underlying budget requirement and level of council tax resources which has resulted in a reduction in the budget requirement by £1.3m, details of which are set out below.

	£m	£m
2010/11 budget reported to November Resources		278.033
Reduction in Inflation provision	-0.743	
Reduced revenue consequences of capital programme	-0.095	
Reduction in Capital Financing requirements	-0.370	
Police Authority efficiency savings	-0.035	-1.243
		<hr/>
Reduced Investment Income		0.08
Second Homes		-0.004
Additional one year only Revenue Contribution to Capital		0.970
Budget Requirement		<u>277.836</u>
Additional Resources:		
Tax base Increase	0.107	
Increased Collection Fund Deficit	-0.030	0.077
		<hr/>

At the last meeting the approach to secure additional savings over those required to balance the budget at the level assumed for planning purposes (3% council tax increase) and to utilise these savings as a potential one year only revenue contribution to capital investment was endorsed. At this stage the additional reductions fund set out above has enabled almost £1m of additional expenditure to be included in the budget requirement for 2010/11 as a one year only revenue contribution to support capital investment. The excess available after this contribution of £0.350m eliminates the previous gap in efficiency savings required at that time to deliver a balanced budget. The impact of the above changes results in a net budget requirement of £277.836m, which represents a 2.81% increase over the 2009/10 budget.

2.0 CONSTABULARY'S APPROACH TO MEETING THE MEDIUM TERM BUDGET REQUIREMENT

- 2.1 The constabulary operates a rolling five year financial strategy, which captures future prospects over the medium term. Details are set out in Appendix "B". From previous reports the committee are well aware that the next three to five years are likely to pose the most difficult and volatile financial environment that the Authority and Constabulary has had to face. While the Government's three-year settlement provides some certainty about grant income in 2010/11, the uncertainty and lack of clarity over the period from 2011/12 has required a planned approach to managing

the financial risks which seem certain to prevail as the hardening in public sector spending levels emerges. In addition to the uncertainty regarding the level of reductions in grant funding there has also been a clear indication from the government that it expects council tax increases to not be excessive in 2010/11 and close dialogue between the authority members and officers and the Constabulary throughout the planning process has taken place to ensure that the correct balance is found between protecting the previous investment in the policing service and delivering an affordable council tax increase. As reported to the Committee on 30 November, the current planning assumptions are for a 3% council tax increase in 2010/11 and zero in the following years.

Faced with this challenge the Constabulary has sought to plan a robust approach, under the banner of the Sustaining Excellence programme, to deliver a package of financial savings which will meet the difficulties which lie ahead. Whilst the programme has commenced and some £2m of efficiency savings have been included in the plan from 2011/12 onwards, the programme will seek to deliver around £6.5m of efficiencies during 2010/11. Also included within the efficiency strategy is a plan to deliver budget reductions of 0.5% to 1% across all devolved budgets and is considered achievable.

As indicated above this approach will deliver additional savings over and above those required in 2010/11 to deliver the council tax increase of 3% used in planning assumptions. Included within the budget requirement at this level of council tax increase is an additional one year only revenue contribution to capital of just over £1m which will provide valuable support to capital investment requirements in 2010/11. However, in addition to the £1m included already the work being progressed as part of the efficiency programme is likely to yield up to £1.5m to £2m additional savings in 2010/11 and the options available to the authority that this further saving included further one off contribution to the capital programme, or a revenue contribution to balances or a combination of both approaches. In either case this approach would enable these savings to be used to meet the financial challenges likely to emerge from 2011/12 onwards.

Elsewhere on the agenda is a report setting out the recommendations from the Capital Programme Working group for capital investment. At this stage the planning assumption used in relation to additional savings delivered through the efficiency strategy is that these will be used as a one year only revenue contribution to capital and accordingly an additional £1.5m revenue contribution is included within the capital strategy and programme being considered.

3.0 COUNCIL TAX PRECEPT 2010/11

- 3.1 The amount of general Government grant to be received by the Police Authority for 2010/11 was known and fixed for the three years beginning in 2008/09. Any net expenditure not financed by Government grant must be found from the council tax. The contribution made by council taxpayers in 2009/10 is 24.5% of the budget requirement. This is one of the lowest proportions of any shire police authority, the average of which in 2009/10 is approximately 33.9%. This means that for every 1% of additional spending, a council tax increase of 4.27% is required in the Lancashire Police Authority's area. This "gearing" is also much higher than the shire police authority average.

The council tax position for the Lancashire Police Authority is created by three factors:

- The relatively low level of council tax compared with other authorities (£142.08 at Band D compared with a shire authority average of £162.18 – a gap of 14%)
- The relatively low value of the council tax base in Lancashire, with 40% of properties in Band A and 20% in Band B.
- A relatively high need for policing in the area, which produces a higher proportion of Government grant compared with other shire police authorities and is reflected by the fact that Lancashire employs more police officers per 1000 population than the Shire average.

This means that a budget requirement which requires expenditure increases above that assumed in the calculation of Government grant are particularly difficult in Lancashire because of the impact on percentage council tax increases.

- 3.2 The position on the Council Tax precept for 2010/11 depends on figures for the Lancashire council tax base for the year, and for surpluses/deficits brought forward from previous years on the council tax account. These have now been received from district councils and whilst there is still an overall deficit on district collection funds, this is more than offset by an increase in the tax base which results in an increase in resources over that previously assumed of £0.077m

The total budget of £277.836m (including total reductions of £1.853m to get to 3% council tax) is equivalent to a total increase in Band D council tax of £4.26, from £142.08 to £146.34. The equivalent figure for a Band B property, which better reflects the average property in Lancashire, is an increase of £4.23 from £110.51 to £113.82.

For the Committee's guidance, every £1m change in the Authority's expenditure roughly results in a 1.5% change in its council tax (£2.14 per annum at Band D); and every 1% change in the council tax (£1.43 per annum at Band D) roughly equates to around a £0.664m change in expenditure.

The changes to the budget requirement which would be required for alternative levels of council tax increase are set out below:

Council Tax Increase	Additional reductions required from position at 3%	Additional resources available from position at 3%
%	£m	£m
1%	-1.328	
2%	-0.664	
3%	-	-
4%		+0.664

- 3.3 The Committee now has to make recommendations on the budget and council tax to the full Authority meeting on 11 February that take account of a number of factors: the prospects for future years; the scope for savings; the case for additional growth, the position on balances; public opinion in Lancashire; and the government's potential control of council tax through "capping".

4.0 ROBUSTNESS OF THE 2010/11 ESTIMATES

- 4.1 As the statutory finance officer to the Authority, the Treasurer must advise on the robustness of the estimates upon which the Authority's budget is based. At this stage the Treasurer's opinion is that the budget process has taken all practical steps to identify and make appropriate provision for the commitments to which the Police Authority will be exposed in 2010/11.

However, policing by its nature has the potential to be exposed to significant unforeseen costs from major incidents and the number of these has been increasing in recent years. The financial strategy cannot forecast such incidents, but the Authority must retain adequate resourcing cover to deal with them when they occur. The Authority does have a major incident reserve which will help to minimise this risk but nevertheless the potential call on balances if a major incident were to occur could be substantial.

The Treasurer considers that the balance of risk between probability and scale for those items noted above is manageable within the overall level of general balances as they currently stand.

5.0 RESERVES

- 5.1 It would be illegal for the Authority to allow its expenditure to exceed the resources available to it, and the Treasurer of the Authority, has a statutory duty to report if it appears that this is likely to arise. A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, including levels of inflation (pay awards, etc.) in excess of budget provision, and unanticipated expenditure on major incidents or other "demand-led" budgets. Reserves also enable the Authority to provide for expenditure which was not planned at the time the budget was approved, but which the Authority now deems necessary. Appendix "C" lists the various reserves of the authority, the purpose for which they are held, and the estimated opening and closing balances which reflect planned additions and withdrawals. At £6.461m, the Treasurer confirms that, to the best of his knowledge, earmarked reserves (i.e. those set aside for specific contingencies) are adequate for the purposes for which they are provided.

- 5.2 In terms of general reserves, at £7.402m overall they would be 2.7% of the revised budget requirement at the beginning of 2010/11 of £277.836. The report elsewhere on the agenda on the in year position on the budget clearly indicates that a number of devolved budgets are facing difficult challenges. Whilst management plans are in place to manage down this expenditure the need for budget savings coupled with increasing operational demands does place the authority at some risk. Therefore, it is felt that consideration be given to making a contribution to general balances during 2010/11, which would act as a hedge against the underlying financial pressures within devolved budgets, whilst at the same time enabling the reserves to be applied to meet the budget challenge likely to emerge from 2011/12 onwards. The Treasurer

continues to believe the level of reserves at 2.7% is appropriate, although it stands at the lower end of figures for police authorities generally.

6.0 CONSULTATION

Details of the various consultation exercises on the budget carried out this year and the feedback from them are set out below.

- 6.1 **Opinion** - The latest budget consultation exercise sought to gain a view from the public about their willingness to pay an increase in their council tax to improve policing. At the time of consultation, respondents were informed that an increase just over £4 per annum was the 'standstill' position. Respondents were given options for increases between £3.40 and £10.20 extra per year or could opt for no increase.
- 6.2 84% of respondents surveyed were willing to pay an increase at the then £4 standstill figure or above. The consultation also indicated that amongst those surveyed there was a willingness to pay for improvements to services for 2010-11. Appendix D illustrates 'Willingness to pay increase in Council Tax' by Division.
- 9.4 **Business representatives** - Copies of the budget material were sent to Lancashire business representatives, with a request that any comments on the budget proposals be made to the authority. At the time of finalising this report no comments had been received; if any comments are received they will be reported at the meeting.

7.0 CAPPING OF LOCAL AUTHORITY BUDGETS

- 7.1 The Authority has to balance the financial needs of the service and the outcome of consultation on council tax with the clear prospect that the government will cap increases above what it believes to be an appropriate level. If the Authority was forced by capping to reduce its council tax demand for 2010/11, the costs of re-billing have been estimated to be a minimum of £1.0m. If the Authority were not "designated" in this way, but "nominated", the effect would instead be that its 2011/12 budget would have to start from a lower base than the actual budget it had set for 2010/11, but it would not have to re-bill.
- 7.2 The government has made it clear that it will apply capping to 2010/11 budgets if it deems it necessary. Announcing the provisional settlement, the Parliamentary Under Secretary of State said

"I am pleased that the average band D council tax increase this year was 3.0% - the Government expects to see it fall further next year while authorities protect and improve front line services. We expect the average Band D council tax increase in England to fall to a 16 year low in 2010-11. We remain prepared to take capping action against excessive increases set by individual authorities and requiring them to rebill for a lower council tax if necessary. We are already capping the police authorities of Cheshire, Leicestershire and Warwickshire in advance of 2010-11 because of previous excessive increases set by these authorities. My officials are today writing to the three police authorities setting out their proposed maximum budget requirements for 2010-11."

In confirming the final settlement figures the Government reaffirmed its position as set out above and also emphasised that it would be a mistake for any authority to presume they will not be capped if they stay within the capping principles which applied in 2009/10".

The principles referred to here for police authorities were a combination of a 5% increase in council tax and a 4% increase in expenditure.

As previously, the government takes a view on how to operate the cap after all budgets have been set, effectively such that “outliers” with well above average increases are not permitted to continue with such increases.

- 7.3 Latest intelligence from Police Authority Treasurers society (PATs) suggests that the Authority's planning assumption for a 3% increase in council tax is in line with the average Shire Police Authority Council Tax increases of 3%. In relation to the increase in budget the authority's 2.81% increase is just below the shire police authority increase of 2.87%

Decision Required

The committee is requested to:

- (i) Note the report
- (II) Note the budget requirement for 2010/11 and the implications of the five year forecast for the following years;
- (III) Endorse the strategy taken by the Constabulary to save further cashable efficiency savings in 2010/11 to help mitigate the potential significant medium term budget position.
- (IV) Agree that the additional savings generated through the efficiency programme in 2010/11 be applied as a one year only contribution to support capital investment requirements.
- (V) Note the findings of the budget consultation exercises carried out by the Authority.
- (VI) Note the advice from the Treasurer on the appropriate level of balances and the robustness of the estimates;
- (VII) Consider the possibility and implications of capping by the Government
- (VIII) Recommend a budget requirement and council tax precept for 2010/11 to the Police Authority on 11 February 2010.

Background Papers

2010/11 LPA Budget working papers

Report Author

Name: Mr Ian Cosh, Treasurer
Organisation: Lancashire Police Authority
 (01772) 534757

5 January 2010

Mr Andrew Lock
Zone 5/J2,
Eland House
Bressenden Place
London
SW1E 5DU

settlement.consult@communities.gsi.gov.uk

Dear Mr Lock

2010/11 Local Government Finance Settlement Consultation

I am responding on behalf of Lancashire Police Authority to the provisional settlement announced on 26 November 2009.

The Authority welcomes the opportunity to respond, and endorses the points made in response to the Settlement Consultation by the Association of Police Authorities (APA) and the Police Authority Treasurers Society (PATS).

The Authority is pleased to note that the settlement figures for Lancashire are consistent with those provided in the government's previous announcements. The stability afforded by this in planning terms is helpful.

However, the absence of firm or detailed information for years beyond 2010/11 is a very serious concern, and the Authority supports the APA and PATS comments on this aspect as we move into the next spending review period which is expected to cover 2011/12, 2012/13 and 2013/14. In his 2009 Pre-Budget Report the Chancellor said that front-line schools, hospitals and policing would receive real-terms increases, but made no announcement regarding specific government department spending limits after 2010/11. The only specific details released related to a promise of 'sufficient funding....available in the years to 2012/13 to enable Police Authorities to maintain the current number of warranted Police Officers, Police Community Support Officers and other staff exercising police powers'. This lack of certainty, heightened by the downturn in public finances, is leading to concerns over how this will affect police funding and, most importantly, the damaging impact this could have on front-line policing services.

As part of the same theme of the earliest possible provision of information, the authority urges the Government to provide members with as much advance information as possible, particularly as next year should mark the start of a new multi-year settlement. This is particularly important because, if the same timescale is followed next year, Provisional 2011/12 Formula Grant allocations will be first published in December 2010 just four months before the start of the 2010/11 financial year.

Whilst Provisional 2010/11 Formula Grant allocations have been re-published unchanged, police authorities also await the publication of some key specific grants

including Capital Grants and Counter Terrorism Grant. Late disclosure of potential cuts in Capital Grant or Counter Terrorism Grant, which represents a large proportion of funding for police authorities, only undermines the stability of the multi-year settlement process and furthermore is particularly unhelpful in the negotiating process to meet budget setting deadlines.

The continuation of a 2.5% floor increase to ensure stability year on year for authorities is welcomed. However the continuation of scaling back of individual authorities' grant levels to fund the floor is disappointing, and in Lancashire's case this results in £2.6m of grant being withheld, which would have enabled significant further investment in protective services in 2010/11. The Authority continues to argue, along with APA and PATS, that the floor should be funded by additional money from central government and not through the scaling back of other authorities' grant sums.

Along with APA and PATS, the Authority would be relieved to be assured that, if policing standards are to be maintained, future grant settlements will not be reduced to account for the additional efficiencies set out in both the Policing White Paper and in the Pre-Budget report. In recent years the police service has already delivered substantial efficiency savings, which represent a significant contribution to the Government's efficiency agenda.

The escalating pressures on police services are made worse by the current economic climate, with falling revenues and rising demands. Given the pressure to keep Council Tax increases to a 16-year low (below 3%), the Government has created a situation where a lack of manoeuvrability or autonomy on budgets can only result in service and personnel cuts. It is essential authorities are given some flexibility in setting police precepts.

I hope that these comments are helpful and look forward to the Minister's response in due course.

Yours Sincerely

Sent unsigned via email

Ian Cosh, MA, CPFA
Treasurer to the Police Authority

Lancashire Constabulary
Five Year Forecast 2010/11 onwards
21 January 2010

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
BASE BUDGET REQUIREMENT	270.250	277.836	280.981	284.173	287.413
Budget Adjustments:					
Revenue consequences of capital programme	0.271	0.686	0.825	0.356	0.242
Revenue consequences (growth assumptions inc ANPR maintenance in 10/11)					
HRS2 project implementation - budgeted withdrawal of project team		-0.101			
Connect posts (as agreed with Corp Dev)	-0.105	-0.043			
Triennial Superannuation Scheme Valuation (3 Yr Phasing-in each time)	0.300	0.500	0.500	0.500	0.600
Capital Financing Charges (10/11-14/15 programme)	0.096	0.354	0.297	0.400	0.451
Capital Financing Charges (Effects of 09/10 slippage & reducing debt re earlier yrs)	0.109	0.004	-0.109	-0.123	-0.121
Capital Financing Charges (Removal of voluntary MRP charge)	-0.142				
Capital Financing Charges (Additional Revenue Contribution to Capital)	0.500	0.250	0.250	0.250	0.250
Balancing one-off Rev Contr to Capital	0.970	-0.970			
Reduction then improvement in Investment Income	0.375	-0.160	-0.160	-0.320	-0.400
2nd Homes Grant Increases	0.006				
Total Budget Adjustments	2.380	0.520	1.603	1.063	1.022
Subtotal	272.630	278.356	282.584	285.236	288.435
Inflation					
Police pay inflation (2.6% Sept 09; 2.55% Sept 10; 1.5% thereafter)	2.6%	3.541	2.952	2.327	2.441
Police staff pay inflation (2.6% Sept 09; 2.58% Sept10; 1.5% thereafter)	2.6%	1.791	1.359	1.049	1.058
Police Pensions Inflation (2.6% Sept 09; 2.55% Sept 10; 1.5% thereafter)	2.6%	0.779	0.604	0.474	0.488
Energy costs inflation	16.3%	0.400	0.100	0.000	0.000
Funding of other price increases (2.5%)	2.5%	0.831	1.163	1.193	1.241
PCSO/DSP Grant increase	2.6%	-0.283	-0.218	-0.171	-0.176
Total Inflation		7.059	5.960	4.872	5.052
Budget requirement	279.689	284.316	287.456	290.193	293.487
Less Planned Cashable Efficiency Savings					
Finance OSR		-0.400			
HR OSR		-0.430	-0.160		
QUEST 2		-0.425			
Fleet OSR		-0.250	-0.250	-0.250	
Estates OSR		-0.075	-0.068		
Contact Management OSR (say)		-0.200	-0.730		
CSI OSR (provisional - pending clarification of vehicles/essential users)		-0.038	-0.277		
CJS OSR (timing of savings tbc)			-0.428		
Corporate Development OSR			-0.098		
Other reviews					
Police Authority		-0.035			
Total Efficiency Savings already agreed		-1.853	-2.011	0.000	0.000
Subtotal	277.836	282.305	287.206	290.193	293.487
Further Budget reductions/savings required at CT of 3% in 10/11 and 0% thereafter	0.000	-1.324	-3.033	-2.780	-2.785
FINAL BUDGET	277.836	280.981	284.173	287.413	290.702
Council Tax: Absolute	£146.27	£146.27	£146.27	£146.27	£146.27
Increase	3.00%	0.00%	0.00%	0.00%	0.00%

1% increase in Council Tax = approx £0.663
1% increase in Home Office Grant = approx £2m

OTHER RISKS NOT SPECIFICALLY INCLUDED ABOVE

Possible reduction in PCSO funding from partner agencies
Possible loss of BCU Fund grant

Worst case scenario

Further Budget reductions/savings required at Grant increase of 0% from 2011/12 and CT increase of 0% from 2011/12

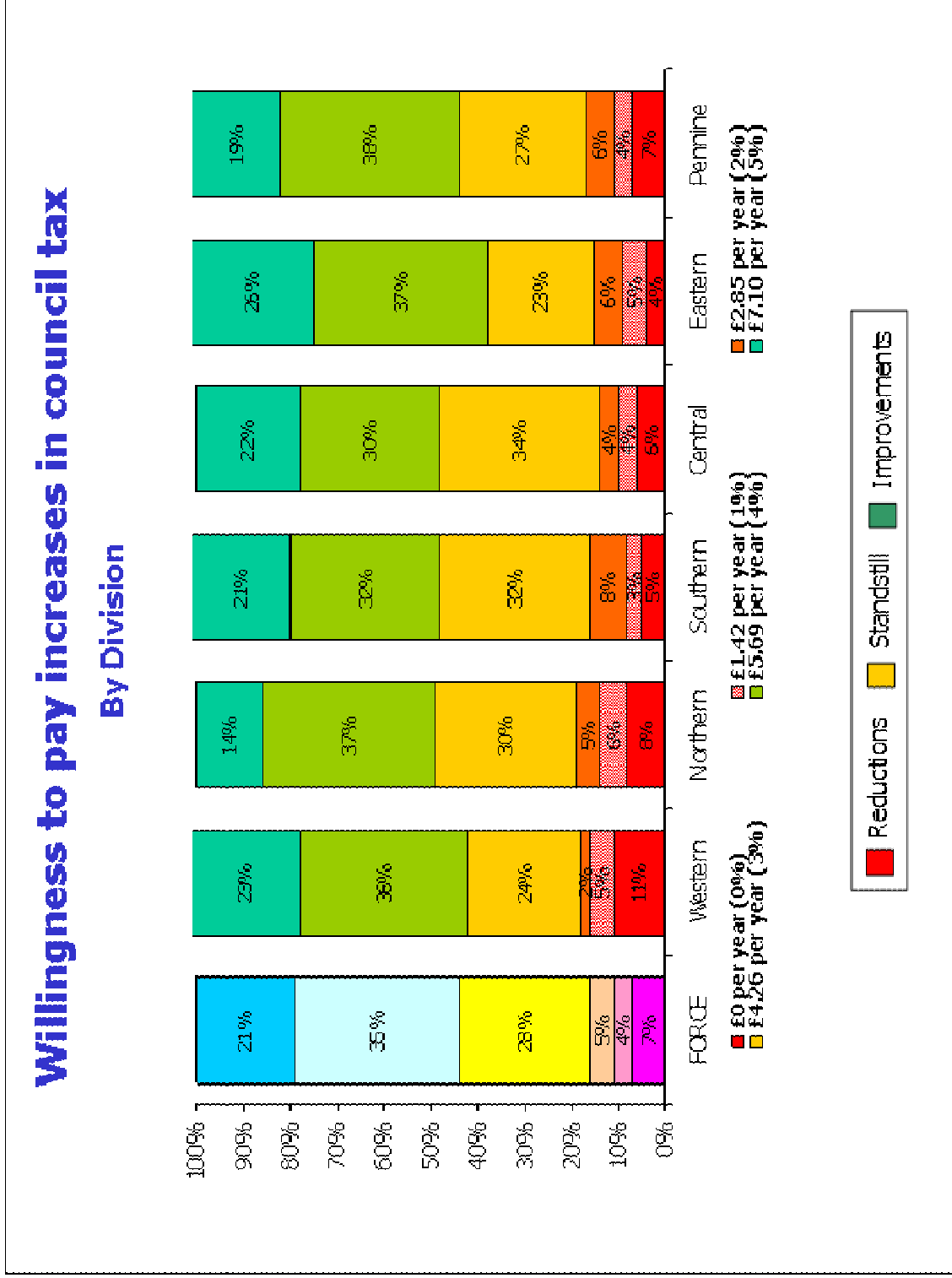
-4.324 -6.033 -5.780 -5.785

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ANALYSIS OF RESERVES & PROVISIONS

	ACTUAL AT 31/3/09 £000	CHANGE IN 2009/10 £000	ESTIMATE AT 31/3/10 £000	CHANGE IN 2010/11 £000	ESTIMATE AT 31/3/11 £000
<u>EARMARKED RESERVES</u>					
Capital Funding	8,054	-2,810	5,244	-3,167	2,077
Neighbourhood Policing Reserve	598	0	598	0	598
Clothing Reserves	823	-23	800	-150	650
POCA Equalisation Reserve	71	237	308	-134	174
Drugs Forfeiture	85	0	85	0	85
VMU reserves	89	0	89	0	89
Authority IT Replacement	41	-10	31	0	31
Early Debt Repayment Reserve	-3,300	300	-3,000	300	-2,700
Total Earmarked Reserves	6,461	-2,306	4,155	-3,151	1,004
<u>GENERAL RESERVES</u>					
DFM	1,595	-917	678		678
General Fund	5,726	998	6,724		6,724
Total General Reserves	7,321	81	7,402	0	7,402
<u>PROVISIONS</u>					
Insurances	2,493		2,493		2,493
Compensatory Grant	700	-90	610	-90	520
	3,193	-90	3,103	-90	3,013

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ITEM 8

LANCASHIRE POLICE AUTHORITY

11 FEBRUARY 2010

PART I

MINUTES OF THE RESOURCES COMMITTEE FROM ITS MEETING HELD ON TUESDAY 2 FEBRUARY 2010

The unconfirmed Minutes of the Resources Committee meeting held on 2 February 2010 are set out below.

The Authority is asked to note the proceedings and consider the following recommendations:

POLICE AUTHORITY BUDGET 2010/11 (pg 4)

Resolution (7) - In light of the above, recommend to the Authority a budget requirement of £1.943m for consideration at its budget meeting on 11 February 2010.

CAPITAL PROGRAMME 2010/11 - 2014/15 (pg 5)

Resolution (1) - recommend to the Authority the draft Capital Programme for 2010/11 and the method of financing.

Resolution (4) - Recommend to the Authority the prudential indicators as set out in the report.

REVENUE BUDGET 2010/11 (pg 5/6)

Resolution (8) - Recommend to the Authority a budget requirement and council tax precept of no higher than 3%.

LANCASHIRE POLICE AUTHORITY TREASURY MANAGEMENT STRATEGY 2010/11 (pg 6/7)

RESOLVED: - That the Committee recommend to the Authority to approve the Treasury Management Strategy 2010/11, including

1. Treasury Management prudential indicators,
2. the borrowing strategy,
3. the revised approach to investment centred on the call account option provided by Lancashire County Council.

Background Papers

Part I Agenda and papers for the Resources Committee Meeting – 2 February 2010.

Report Author

Name: Miss L Heath
Organisation: Chief Executive's Office
 01772 533589



RESOURCES COMMITTEE

TUESDAY, 2 FEBRUARY 2010 AT 10.00 AM
AT CABINET ROOM C - COUNTY HALL

MINUTES

PRESENT

County Councillor Clive Grunshaw (Chair)
County Councillor William Cropper
Councillor Malcolm Doherty
Frances Hendrix
Bruce Jassi (Vice-Chair)
County Councillor Tony Pimblett
County Councillor Geoffrey Roper

IN ATTENDANCE

Mr S Finnigan	Chief Constable
Mr I Cosh	Treasurer, Lancashire Police Authority
Mr D Brindle	Director of Resources, Lancashire Constabulary
Mr S Hodkinson	Estates Manager, Lancashire Constabulary
Mr S Fillingham	Head of ICT, Lancashire Constabulary
Mr L Heath	Lancashire Police Authority

APOLOGIES FOR ABSENCE

Apologies for absence were presented on behalf of Councillor Gary Bell, David Edmundson and County Councillor Anthony Jones

MINUTES OF THE MEETING HELD ON 30 NOVEMBER 2009

RESOLVED: - That the minutes of the meeting held on 30 November 2009 be confirmed as a correct record and signed by the Chair.

MATTERS ARISING

There were no matters arising which were not covered elsewhere on the Agenda.

CAPITAL MONITORING REPORT 2009/10

Members received a report setting out the Capital monitoring position at 31 December 2009 and confirmation of the projected expenditure to the end of the financial year.

Members noted that apart from the approved transfers between schemes to support costs of the Community Security Project, which was agreed at the last meeting, there has been no other change to the programme.

With regard to Digital Voice Recording systems, parliamentary change to PACE legislation had still not been forthcoming. Accordingly, expenditure of £0.8m planned to be spent this year may not now be spent, which may result in an increase in the year end carry forward to a sum just under £5M.

Members noted that overall the programme was expected to be overspent by £0.641M and this, together with the carry forward of £4.129M, had been reflected in the compilation of the 2010/11 – 2014/15 draft capital programme / financing which had been considered by the Capital Working Group and considered elsewhere on the Agenda.

RESOLVED: - That the position on capital expenditure at the end of December 2009 and the projected position at 31 March 2010 be noted.

REVENUE BUDGET MONITORING 2009/10

The Committee received a report setting out the Revenue Budget position at the end of December 2009 and an updated estimated year end position at 31 March 2010.

The Committee noted that there had been a significant improvement in the Non DFM position mainly from additional OSR savings (£94k), capital financing (£66k) and pensions (£159k) resulting in a projected overspend of £159k at the end of December compared a £556k overspend in October 2009.

It was noted that 5 of the 6 policing divisions were still overspent, largely due to the over establishment of police officers and divisional overtime at the beginning of the year. However, this position was expected to improve by the year end and it was forecast that overall DFM balances at 31 March 2010 would be £0.678m

Mr Cosh reported that the overall level of reserves at 31 March 2010 was forecast to be £7.402m (2.7% of the budget) and whilst this was towards the lower end of the range of balances held by police authorities he felt that this level was reasonable and that the risks were being well monitored and managed but close management would be required as the Authority entered a difficult financial climate. He suggested that the Committee consider the position again at the year end.

Both Mr Brindle and Mr Finnigan gave assurances that the Constabulary realised that the financial climate was more challenging and that close management of resources and budgets would continue. In relation to ensuring that the overspend brought about by over recruitment did not reoccur, Mr Brindle outlined the role of the Constabulary's strategic resourcing group which would ensure that recruitment and resource decisions were closely aligned.

RESOLVED: - That the report be noted.

INFORMATION AND COMMUNICATION TECHNOLOGY 3 YEAR STRATEGY

A report was presented on the Constabulary's ICT Strategy for 2010 – 2014.

The Committee noted that the Organisational Review for ICT had commenced on the 18 January 2010 and the requirement that 10% savings would be realised.

The Constabulary had a good platform of regional collaboration and this perspective had become more important with the emergence of ISIS. Opportunities for income, cost reduction and service improvement were significant through regional working and the Constabulary's strategy would be to maximise their engagement and influence and enthusiastically collaborate with regional colleagues.

Members welcomed the work that the Constabulary were undertaking with Microsoft through the Enterprise Agreement but expected some benefits from the partnerships.

Members also felt that the Constabulary needed wherever possible to maximise income generation. It was reported that a member of staff was already employed in this capacity and members requested that a report be brought to the Committee setting out the approach taken to marketing and quantifying the level of additional resources generated over the current and previous financial year. Members also requested that that a more proactive approach to marketing should be investigated.

It was agreed that regional and national work was key to maximising income generation as it highlighted Lancashire's status of excellence and knowledge in the ICT world; however, in such a challenging financial climate, priorities would need to be constantly reviewed. There was also concern over the constantly changing processes nationally and the pressures this put on all forces both financially and resources and felt that in some cases ACPO should be more challenging of the reasoning.

There was also concern over the barriers to sharing data between forces, as cross border crime was becoming more of an issue. Mr Fillingham confirmed that there had been some issues with the sharing of information; however it was felt that forces were moving past that point now. Work was ongoing to make better use of the PNC as this would allow more information to be shared across a secure network.

RESOLVED:

1. That the Committee agree the Constabulary's ICT Strategy 2010/11 – 2011/14
2. That a report be brought to the Committee's meeting in March setting out the revenue generation activities carried out by the constabulary and identifying the level of additional revenue generated in the current and previous financial year.

THE ESTATES STRATEGY CAPITAL INVESTMENT REVIEW

(The press and public were excluded from the meeting during consideration of the item on the grounds that there would be likely disclosure of exempt information as defined under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, and that public interest not to disclose the information outweighed the public interest in disclosing it.)

Members took the decision to bring this item forward on the Agenda to allow it to be considered inline with the ICT Strategy 2010/11 – 2013/14. The Committee welcomed the report and noted that with the exception of Western Division, no new schemes had been proposed for the 5 year period covered by the strategy.

In respect of proposals for the Western Division HQ in Blackpool, it was agreed that a scheme providing £5m development options for the divisional HQ in Blackpool should be included in the 2014/15 capital programme.

In relation to the replacement of the Accrington police base Mr Hodgkinson outlined proposals relating to the potential sale process relating to the existing building which is a grade 2 listed building

RESOLVED: -

1. That the Committee approves the Estates strategy and capital investment strategy, including the inclusion of provision of £5m in 2014/15 for potential development options relating to the Western Division HQ in Blackpool.

POLICE AUTHORITY BUDGET 2010/11

Members considered the 2010/11 budget for the Authority's own directly controlled activities.

(A copy of the report is set out in the Minute Book)

The challenging financial position had meant that the Authority's officers had undertaken a robust review of all the areas of expenditure and had identified substantial cash savings of £0.080m, which represented 4% of the 2009/10 budget. The Authority was also due to commence a review on expenditure in line with the QUEST methodology, to identify further savings which would assist in the period from 2011/12.

However, in reviewing the budget for 2010/11 two service pressures had been identified; the need for a permanent Partnership and Policy Officer and an increase in the number of Police Appeals Tribunals.

Members welcomed the report and the proposed savings and a robust discussion was held on the need for additional staffing, however there was a clear need to take forward work in this area and members agreed to finance this post and the increased cost pressures on police appeal tribunals from the efficiency savings identified.

RESOLVED: - That the Committee,

1. Consider the Authority's own directly controlled budget for 2010/11.
2. Note the approach taken to contain additional costs in the Authority's budget through the redeployment of £45k efficiency savings identified within the budget.
3. Agree the proposed reduction of £35k in the Authority's budget for 200/11.
4. Agree that requirement for £7k to fund the full year effect of the cost the Partnerships and Policy Officer be included as a commitment on the revenue forecast for 2011/12.
5. Note the increase in grants available to CDRPs in 2009/10 funded from 2nd homes discounts.

6. Note the transfer of £10k resources to the Constabulary in respect of research costs.
7. In light of the above, recommend to the Authority a budget requirement of £1.943m for consideration at its budget meeting on 11 February 2010

CAPITAL PROGRAMME 2010/11 - 2014/15

The Committee considered the Authority's draft 5 year programme of capital expenditure and proposed financing covering the period from April 2010 to March 2015.

(A copy of the report is set out in the Minute Book.)

The Programme had been considered in detail at the Authority's Capital Working Group on 22 January 2010 and had resulted in a revised capital investment requirement of just over £62m over the 5 years. The impact of this was to reduce the impact on the revenue budget and to improve the affordability of the proposed investment. In addition the Working Group considered that there was a need for a template for business cases to be developed and requested that this be progressed by officers of the Constabulary and Authority.

The Committee agreed with the Working Groups thoughts that the proposed capital investment was affordable, prudent and sustainable on the basis of the prudential indicators.

A Member queried the difference in supported and unsupported borrowing. It was explained the supported borrowing was supported through the Government by way of revenue grants. Unsupported borrowing received no Government support.

Members also queried whether the Constabulary had considered leasing the helicopter to partners or it being sponsored as a way of income generation.

RESOLVED: - that the Committee:

1. recommend to the Authority the draft Capital Programme for 2010/11 and the method of financing.
2. note the proposed Capital Programme for 2011/12 to 204/15 and the method of financing, and agree that the detailed business case needed to be produced for a number of schemes prior to commitment of expenditure.
3. note the requirement that template business case for capital investment proposals is produced and delegate this work to the Director of Resources and Treasurer.
4. Recommend to the Authority the prudential indicators as set out in the report.

REVENUE BUDGET 2010/11

The Committee considered the Authority's Revenue Budget and Council Tax Precept for 2010/11.

(A copy of the report is set out in the Minute Book.)

Following consideration at the Committee's meeting in November a number of changes had been made to the underlying budget requirement and the level of council tax resources which had resulted in the a reduction in the budget requirement by £1.3M.

This had enabled some £1m of additional revenue contributions to be made to support capital investment in 2010/11 on a one year only basis with the remaining £0.3m applied to close the gap in savings required at a 3% council tax level.

The impact of these changes resulted in a net budget requirement of £277.836M, which represented a 2.81% increase over the 2009/10 budget.

In relation to the medium term financial position members endorsed the progress made with the programme of efficiencies being driven forward by the constabulary and noted that already some £1.5 - £2m would be available as a one year only contribution to capital in 2010/11 and then be available to contribute towards the level of savings required from 2011/12 onwards.

in relation to the level of council tax for 2010/11 members noted the outcome of the various consultation exercises and feedback which showed that 84% of respondents surveyed were willing to pay an increase of £4 per annum or above .

The Treasurer set out the latest position on capping and emphasis from the Government that it will cap increases above an "appropriate level". Latest intelligence from the Police Authority Treasurers (PATs) suggested that the Authority's planning assumption for a 3% increase in council tax was in line with the average for shire authorities. The Authority's planned increase in the budget of 2.81% would be just below the average shire increase on 2.87%.

Members agreed that the final decision on the level of council tax for 2010/11 should be considered by the full authority at its meeting on the 11 February 2010 but recommended that the increase should be no higher than 3%..

Members also requested that the committee had a greater role in the consultation exercises carried out in relation to budgets, council tax levels and value for money process.. The Chief Executive informed the Committee that she would be delighted to strengthen the links between community engagement activity and the Committee and would ensure that the committee had a role in the consultation exercises carried out in the above areas,

RESOLVED: - That the Committee:

1. Note the report
2. Note the budget requirement for 2010/11 and the implications of the five year forecast for the following years.
3. Endorse the strategy taken by the Constabulary to save further cashable efficiency savings in 2010/11 to help mitigate the potential significant medium term budget position.
4. Agree that the additional savings generated through the efficiency programme in 2010/11 be applied as a one year only contribution to support the capital investment requirements.
5. Note the findings of the budget consultation exercises carried out by the Authority.
6. Note the advice from the treasurer on the appropriate level of balances and the robustness of the estimates.
7. Consider the implications of capping by the Government.
8. Recommend to the Authority a budget requirement and council tax precept of no higher than 3%.

LANCASHIRE POLICE AUTHORITY TREASURY MANAGEMENT STRATEGY 2010/11

The Authority's Treasury Management Strategy 2010/11 was presented to the Committee for consideration.

(A copy of the report is set out in the Minute Book.)

CIPFAs Prudential Code for Capital Finance, which had previously been adopted by the Authority, required that authorities produce an annual Treasury Management Strategy. Following the collapse of the Icelandic banking situation the Code had been amended.

Also in light of the lessons learnt following the Icelandic banking collapse, the County Council had fundamentally reviewed its Treasury Management policies and strategies with a view to de-risking the overall portfolio. The County Council was now offering the Authority an enhanced call account arrangement where the Authority's counterpart would be the County Council itself, thus eliminating all credit risk to the Authority. The Treasurer explained that continuing with the current arrangement was an option for the Authority; however he recommended the Authority adopt the new policy.

In relation to borrowing requirements the Treasurer outlined the proposed policy and the prudential indicators arising from the planned capital investment, which he felt reflected a prudent, affordable and sustainable approach over the medium term.

RESOLVED: - That the Committee recommend to the Authority to approve the Treasury Management Strategy 2010/11, including

1. Treasury Management prudential indicators,
2. the borrowing strategy,
3. the revised approach to investment centred on the call account option provided by Lancashire County Council.

DONATIONS TO POLICE CHARITIES

The Committee considered a request for donations to the Care of Police Survivors (COPS) and the National Memorial Repair and Maintenance Fund charities.

RESOLVED: - That the Committee

1. Approve the donation of £1,000 to both the COPS and National Police Memorial Repair and Maintenance Fund.
2. Delegate to the Chief Constable the Authority in future years to make donations to police related charities only, to a maximum of £1,000 to any one charity, and subject to surplus funds being available from the Proceeds of Crime Act.

REVIEW OF THE USE OF SECOND HOMES FUNDING

Members were presented with the revised grant conditions for the allocation of the general grant and the use of the additional council tax collected from second homes to Crime and Disorder Reduction Partnerships.

The revised conditions aimed to: provide clarity to CDRPs around the types of eligible expenditure, ensure CDRPs submit details of the expenditure items early on in the financial year, provide clarity about, and streamline the funding process / approval process, and strengthen the importance of the year end reporting of outcomes by CDRPs to the Authority.

RESOLVED: - That the Committee approve the revised grant conditions for the allocation of general grant and the use of the additional council tax collected from second homes.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) SURVEY

A report was presented to the Committee on the implementation of the Financial Reporting Standards (IFRS) on the Authority's accounts.

It was reported that police authorities were currently required to prepare their annual Statement of Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). However, it had recently been announced that authorities must implement IFRS from 2010/11 onwards.

The implementation date is 1 April 2010 and a project group had been set up and was working well to complete the transition for this time. It was expected that substantial additional guidance would be produced over the coming months.

RESOLVED: - That the Committee note the report.

DATE OF NEXT MEETING

RESOLVED: - that the next meeting of the Resources Committee be scheduled to be held on Tuesday 1 May 2010 at County Hall, Preston.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: - That the press and public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined under the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972, as indicated against the heading to each item and that the public interest not to disclose the information outweighs the public interest in disclosing it.

EXTENSION TO HEADQUARTERS FOR G DIVISION PROTECTIVE SERVICES

(Not for publication – exempt information as defined in Paragraph 3 of Part 1 to Schedule 12A to the Local Government Act 1972.)

The Committee considered a report requesting delegation to the Director of Resources to accept a tender for the extension to Headquarters for G Division Protective Services. The request was agreed subject to consultation with the Treasurer prior to accept of the tender.

RESOLVED: - That the Committee grant the Director of Resources delegated authority to approve the construction tender for the extension to Police HQ, subject to prior consultation with the Treasurer and subject to it being within the approved capital allocation and receipt of an acceptance report from the Quantity Surveyor.

AUTOMATIC NUMBER PLATE RECOGNITION (ANPR) DEVELOPMENT

(Not for publication – exempt information as defined in Paragraph 3 of Part 1 to Schedule 12A to the Local Government Act 1972.)

The Committee had requested some additional information on the business case for ANPR. The report set out additional information which provided the necessary information sought by the committee.

RESOLVED: - That the committee note and accept the revised business case for ANPR.

**MIRANDA CARRUTHERS-WATT
CHIEF EXECUTIVE**

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ITEM 9

LANCASHIRE POLICE AUTHORITY

PART I

CHIEF EXECUTIVE'S UPDATE

Issue for Consideration

To update Members on the work that the Authority has been involved in since the last Police Authority meeting.

Information

Police Authority

Mr Cosh has been appointed Treasurer to the Police Authority Treasurers Society (PATS). The day to day work will continue to be done by Somerset with Ian providing an overview and direction. He has also been asked to join a PATS group looking at the precept harmonisation issue, WHICH will involve working with Michael Romberg at the Home Office.

The Deputy Chief Executive has been asked to support the Association of Police Authorities and Ms Afzal in the work that is being done regarding guidance on Forced Marriage. A visit has been arranged to Lancashire.

We have also been asked to become involved in a Home Office Senior Stakeholder Forum, with membership coming from a range of local partner bodies; councils, the police, fire and rescue services, health services, police authorities and probation. We hope to be able to feed in the outcomes of the Divisional meetings.

The Authority has also been asked to become a Member of the Council of Lancaster University and the Chief Executive represented the Authority at the meeting in January.

Police Authority Inspections

The Chief Executive, Mr Jassi and Ms Afzal have undertaken the training to undertake Police Authority Inspections and Mr Jassi has been selected to be the Peer Member of the Warwickshire Inspection Team.

The Chief Executive has been asked to be a member of the National Police Authority Improvement Group to support sector led improvement. She has agreed to do this but has reminded the NPIA that Police Authorities have substantial workloads and these too need to be managed and delivered.

Chief Police Officer Appointments

The timetable for the ACPO appointment process has been announced. The Strategic Command Course is due to finish on 12th March 2010 and in agreement with the NPIA the adverts for ACC posts should not be posted before the last week of the course, to ensure the delegates are not unduly distracted from their studies. To ensure sufficient time for the relevant parties to complete applicant reports and collate the packs for SAP to consider, we have been asked to place our advert no later than 26th March 2010. We have however been advised that we are relatively late in the interview process.

A schedule of the interview dates is listed below.

Order of Prioritisation		Interview Date (based on priority & availability)
1st	Leicestershire	1st June 2010
2nd	Nottinghamshire	4th June 2010
3rd	Greater Manchester Police	2nd June 2010
4th	South Wales	8th June 2010
5th	North Wales	15th June 2010
6th	Derbyshire	16th June 2010
7th	Thames Valley x2	21/22nd June 2010
8th	Cheshire	18th June 2010
9th	British Transport Police	24th June 2010
10th	Metropolitan Police Service	28-30 June 2010
11th	Wiltshire	23rd June 2010
12th	Lancashire	25th June 2010
13th	Hertfordshire	5th July 2010
14th	Merseyside	30th June 2010
15th	Suffolk	7th July 2010
16th	Gloucestershire	9th July 2010

Protective Services Familiarisation Day

Members and Officers of the Authority who have received enhanced vetting clearance attended a Protective Services Familiarisation Day at Police Headquarters on 29 January 2010. The visit was very interesting and informative and the Authority would like to thank all those Officers in the Constabulary who were involved in organising this event. It is also planned to organise a visit to the Scientific Support Department which will be open to all Members of the Authority to attend.

Independent Member Appointment 2010

The longlisting stage of the Independent Member selection process has been completed. Panel interviews were held on 3rd February and the final interviews will take place on the 23rd February. There was an extremely strong field of candidates for this round of vacancies.

Community engagement

The Typecast project culminated in a very successful awards ceremony on 22nd January with over 150 attendees. See the website www.typecastawards.co.uk for photos and winner details. The Head of Community Engagement is currently working with the Youth parliament to develop the next stage of the young peoples scrutiny process. There has been a lot of national interest and Typecast also featured on Cool FM in Northern Ireland, as an example of a "cool" site and "cool" project.

Work is underway to recruit 1400 online respondents to be involved in a new online consultation panel. The panel will be recruited to enable the Authority to measure a variety of subjects inclusive of Anti Social Behaviour (ASB), the policing pledge, neighbourhood policing, stop and search, policing priorities, precept, and value for money. The portal will also enable our partners to provide information to residents in regards to community payback, tackling ASB, engagement events as well as the posting of video content. Each month respondents will be asked to answer topic questions via a survey as well as give feedback on uploaded material such as videos, photos, newspaper articles etc.

This approach will enable the PA to collect a wider wealth of material across the spectrum of policing while demonstrating partnership working and innovation in our community engagement activity.

The following consultations are currently in progress:

- Setting of Constabulary employment targets
- Awareness of LPA and knowledge of activity
- Communicating with the public to increase confidence with police/local authorities
- Stop and Search awareness and perception

APA Police Authority Awareness Campaign

The Authority participated in the awareness campaign and we believe that the value to the Authority based on potential advertising values was in the region of £100,000. If we take into account the recent Typecast coverage, including BBC News, we believe that the true value is closer to £200,000. A full of evaluation of this will be undertaken.

Coverage was obtained in a variety of print, broadcast and digital media including the Lancashire Evening Post, Lancashire Telegraph, Asian News, Police Professional, BBC Radio Lancashire, BBC North West News, Rock FM and across the full spectrum of digital news sites including blogs and social network sites.

Decision Required

The Authority is asked to note the report.

Background Papers

None.

Report Author

Name: Miranda Carruthers-Watt
Organisation: Police Authority  01772 533699

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ITEM XX.X.X

LANCASHIRE POLICE AUTHORITY
11 FEBRUARY 2010

PART I

**SPECIAL INTEREST REPORT ON INDEPENDENT CUSTODY
VISITING AND ANIMAL WELFARE SCHEMES**

CONTEXT.

The Authority's revised Independent Custody Visiting Scheme (ICV) has been in operation since May 2002. Under the Scheme, volunteers from the community regularly visit police custody cells to check and report to the Authority on the welfare of, and the conditions under which, detainees are held there. Similarly, under the Animal Welfare Lay Visiting Scheme community volunteers check and report to the Authority on the welfare of the police dogs and horses.

ACTIVITY.

Independent Custody Visitors.

Regional Conference.

The Independent Custody Visitors (ICV) Regional Conference which Councillor Bell attended was held at the Marriott Hotel, Preston on 3rd October 2009. The event was very well supported and provided an ideal opportunity for practitioners to come together in convivial surroundings to network, share best practice and receive updates on topics of interest and relevance.

With regard to attendance he would like to take this opportunity to say thank you to those Members of the Authority who attended in support of the event. He knows from talking with a number of Custody Visitors that their attendance was very much appreciated and was seen as recognition of the value and importance of the work undertaken by the Custody Visitors. He must also express his sincere thanks to those officers who were involved in organising this event. Its success was undoubtedly due, not only to a tremendous amount of detailed planning and hard work but also to the professionalism and dedication of all those involved.

During the event a broad range of topics were discussed and a number of interesting and pertinent presentations given. The variety and relevance of the subject matter prompted a fair degree of lively discussion, which further enhanced the learning experience. Of the presentations given, two that proved particularly popular were:

- a. Arrest & Restraint Techniques. A demonstration of Arrest and Restraint techniques¹ by officers from Lancashire Constabulary. This involved an extensive presentation of the various methods that are used to control violent and/or non-compliant individuals. The demonstration and explanation of the procedures that can be employed within Custody Suites in order to effect compliance were of particular value/interest.
- b. Travelling Community. Ms Win Lawlor provided an extremely interesting and thought provoking presentation on issues relating to the Travelling Community. Perhaps not surprisingly the presentation prompted a great deal of discussion, particularly with regard to the history and needs of such communities.

The conference once again provided an ideal opportunity for all those involved with the Custody Visiting scheme to come together to train and share best practice. The enthusiasm and commitment of those attending the event forcibly demonstrated that the continuing regional collaboration goes from strength to strength and certainly bodes well for the future.

Death In Custody Conference

Mrs Webster attended the above conference in London on 20th October 2009 with Ian Dickinson which was an interesting analysis of preventative measures and the immense impact any such death has.

Two main points came out of the conference for us. The first was that Members can be reassured that Lancashire is ahead of many other Forces in recognising and addressing the risks posed by detaining people. The second was the reinforcement of the fact that custody remains an area of huge risk to the Constabulary because of the vulnerability of many of the prisoners and the LPA must remain vigilant in our scrutiny. There can be no substitute for cover at appropriate Officer level and for thorough risk assessments on all detainees that are then acted upon.

Annual Dinner

The Annual Volunteers Dinner was held on 20th November 2009 at Barton Grange attended by Mrs Webster and supported by officers of the LPA, the Chairman and other Members whose support was very much appreciated.

It was also good to see the event well supported by Officers from the Constabulary with a warm tribute to the Volunteers being given by Acting ACC Graham Gardner.

The evening was excellent and a very good way of thanking our volunteers who contribute a huge amount of time and effort helping to maintaining the Constabulary at the forefront of good practice.

It also provided a good opportunity to recognise the contribution of our retiring LPA Member Mrs Stuart to the Volunteers scheme.

¹ There may well be a more technical term but I am sure that this will suffice for the purposes of explanation within this report.

Police Volunteers

We have also supported the Constabulary in recognising the amazing contribution that Police Volunteers make to policing in Lancashire. Mrs Webster was involved in judging the Volunteer of the Year Award in January 2010 which went to David Marland from Central Division.

David volunteers at Broughton Police Office bringing a variety of skills to the role which have earned him the respect of colleagues and the community alike. He has proved to be an integral part of the Policing team with a keen eye on problem solving and fostering public confidence.

We were due to attend the Annual Police Volunteers Conference on the 10th of January but it was cancelled due to the adverse weather. We will attend the rescheduled event.

Special Constables Annual Awards Ceremony

Mrs Webster will be attending this event to recognise the invaluable contribution of our Special Constables which will be held on the 25th of February with Miranda Carruthers-Watt.

Issues Relating To The Independent Custody Visitors Scheme.

In general the Independent Custody Visitors scheme continues to function in a highly effective manner, thus helping to ensure the welfare of those individuals who are detained within Custody Suites. Whilst also assisting in maintaining public trust and confidence. However, there are currently a couple of issues that need to be addressed and these are detailed below:

- a. General Recruitment. In general recruitment for the ICV scheme is quite healthy and the production of a recruitment DVD has no doubt assisted in raising the scheme's profile.² However, it is felt that the effectiveness of the scheme would be further enhanced from the benefits associated with a more diverse membership base. Whilst, it is acknowledged that significant efforts are made to ensure that panels are indeed representative of local communities, it is felt that every effort should be made to try and attract younger members.
- b. Recruitment - Northern Panel. Northern Panel membership is declining and there is now a need to address the situation by undertaking a robust recruiting drive. At present operational effectiveness is not being compromised as sufficient capacity exists within neighbouring Panels to allow cover to be provided as and when required. However, the provision of cover from neighbouring panels does increase the costs associated with travel and this is having a negative impact on the allocated budget.
- c. Custody Organisational Review. The current OR in which we are involved is reviewing all aspects of detention. We plan to canvass the views of the ICV's as to current practices and areas for improvement to feed that back to the OR. The Police Federation are keen for us to take this approach.

² Note specific comment regarding membership of the Northern Panel.

Animal Welfare Visitors

New Kennel Complex.

In August 2009 a new suite of kennels at the Police Dog Unit were officially opened by ACC Wendy Walker. This significant investment provided a new purpose built kennel block housing 20 animals in canine comfort.

The need for improvement to the kennel suite had been identified on a number of occasions by Animal Welfare Visitors and the investment highlighted both the positive role undertaken by the Visitors and the value the Constabulary and Authority place on their input.

Health Issues.

Members may be aware that last year one of the search dogs was diagnosed as suffering from hip displacement. The animal had served some 5 years and was due to retire in Oct 09, therefore the decision was taken to initiate early retirement.

Hip displacement is a painful, debilitating and serious condition that in the past would most likely have required the animal to be humanely destroyed. However, advances in animal medicine now mean that surgical intervention is possible.

Post Op, the Authority has been informed that the operation was so successful that the veterinarian was of the opinion that if required, could now undertake an additional two years of service.

Mounted Branch.

There are no issues to report with regard to the Mounted Branch.

Custody Suite

Members will be aware that the Custody Suite at Blackpool Central Police Station (Western Division) has recently undergone a total renovation and refurbishment lasting some 13 weeks at a cost of approximately £500,000.

The transformation has been truly remarkable and now provides a significantly enhanced facility. This facility will not only allow officers to process and deal with detainees in a far more efficient and effective manner but will also provide a safer and more attractive working environment.

We would urge any Member that has not yet viewed the enhanced facility to do so at their earliest convenience.

The next improvement to the Custody Suite will take place in March 2010 with the installation of the new Pod Suite. This will create an additional 10 cells thus taking the overall capacity to 41. Given the workload that Blackpool routinely experiences this additional capacity will make a welcome enhancement and reduce the frequency and requirement to transport detainees to other Custody Suites.

Whilst the Custody Suite was closed detainees were transported and held at the Lawson Street facility in Preston. This process worked extremely well and the success of this operation was undoubtedly due to the highly effective and detailed planning that was

undertaken prior to commencement. All of those involved in the planning and day to day management of this operation should be very proud of the outcome.

In addition a number of valuable lessons were learned with regard to the arrest, processing and handling of detainees, a number of which have been incorporated/introduced at the new facility. It is important that all lessons learned, both positive and negative, are retained by the Constabulary for possible future use.

Custody Detention Officers.

The new Custody Detention Officer (CDO) contract has recently been awarded to G4S, this should result in significant year on year savings of approx £300,000.00.

Independent Inspections of Custody Suites.

Under the UN Optional Protocol (OPCAT - 2003), independent inspections must be undertaken of all police custody facilities. In England and Wales, Ministers agreed that the inspection of police custody facilities will be jointly carried out by Her Majesty's Inspector of Constabulary (HMIC) and Her Majesty's Inspector of Prison's (HMI Prisons).

Colleagues will be aware that Police Authorities own the estate that holds police custody suites in addition to having a statutory responsibility to ensure an effective Independent Custody Visiting Scheme operates in their area.

Colleagues will also be aware that in his last submission Councillor Bell reported that from March 2009 the joint inspection regime will be fully operational and that inspections will be unannounced, with 12 - 13 force inspections being carried out each year.

To date, Lancashire Constabulary has not been subject to any such inspection. However, preparations have been undertaken to ensure that all of the Constabulary's Custody Suites are well prepared to receive and deal with any such inspection.

It is worth noting that other Forces who have been subject to these inspections have raised concerns as to their focus/thrust. These concerns seem to relate to the fact that those members of the Inspection Team drawn from HMIP appear to be confusing the standards required within Police Custody Suites with those required within HM Prisons. It is believed that these concerns are being staffed via the appropriate Chain of Command.

Summary

Overall the ICV and Animal Welfare schemes continue to go from strength to strength. No doubt this is due in large part to the dedication and commitment of the scheme members. However, due regard must be given to the professionalism of all those who provide support to the scheme, particularly those officers within Lancashire Police Authority.

In concluding this report, we would once again wish to draw attention to all those who are responsible for the operation and manning of the Custody Suites, be they Police Officers, Police Staff, CDOs or maintenance personnel. They work under difficult and trying circumstances and the potential risk to the Constabulary's reputation, should they make a mistake can not be overstated. It is fortunate therefore that their commitment, enthusiasm and pro-activity under difficult and trying circumstances is truly commendable.

PERFORMANCE

Overall, both Schemes are working well at present.

Councillor G Bell and Mrs Amanda Webster



LANCASHIRE POLICE AUTHORITY
11 FEBRUARY 2010

ITEM 10.3.2

PART I

**SPECIAL INTEREST REPORT ON INFORMATION AND
COMMUNICATIONS TECHNOLOGY (ICT)**

CONTEXT

Lancashire Police Authority has a responsibility to secure and efficient and effective police service. The special interest role is one way for Authority members to support this.

Ensuring the effective use of ICT to support high quality performance in a shrinking economy will form an important element of future proofing the Constabulary.

ACTIVITY

During 2009 and January 2010, meetings have been attended covering all areas of ICT activities, including covering Management of Police Information (MOPI) and Police National Computer (PNC). A number of one to one meetings with members of the ICT Department have also taken place during this time and Mrs Hendrix has also attended an ICT awareness workshop held for Police Authority Members

PERFORMANCE

The latest position in respect of a number of ICT projects is set out below:

1. Sleuth

Technical developments to the Sleuth system in respect of Protecting Vulnerable People (including a new National Risk Assessment (DASH)) have been completed. The commencement date in Lancashire has been delayed in order to allow officer training on national risk assessment element which was previously unscheduled.

There have been some issues in respect of user engagement by Lancashire in respect of solution design and testing with Cumbria. However, this situation has now improved and a meeting has been held to discuss a less risk averse way forward. The implementation of Sleuth into Durham Constabulary has been highly successful and the Chief Constable at Durham has given commendations to Lancashire staff. An initial income of £500K and an ongoing revenue stream of £125K per annum will result from this sale. Work is now underway between Lancashire, Cumbria and Durham in respect of Scientific Support products. A good working relationship also appears to be developing between Durham and Cumbria.

2. Team Output Results and Analysis (TORA)

This has now gone live force wide with enhancements being progressively added and mobile data and e-forms performance have also now been included.

3. C3PO

The specified product for part 4 of the Custody Upgrade (bail and Court Diary) has been completed but implementing Requests for Change (RFC's) identified during training has meant a 5 week delay. However, the ICT Department report an excellent user response to the product during training. The temporary relocation of Western Division Custody Suite impacted on the testing of the new functionality and there is concern over loss of training impact.

Work on a two way interface has commenced with a view to delivery in summer 2010. The Constabulary has actively been involved in developing the national requirements and standards for this and the Head of ICT sits on the national implementation board.

The potential opportunity for a funded expansion of C3PO into an NSPIS replacement, possibly in collaboration with Durham and Cumbria was rejected by National Police Improvement Agency but Cumbria and, especially, Durham are still keen to progress evaluation.

4. Digital Voice Recording/Information Systems Improvement Strategy (ISIS) and Digital Evidence

A pilot project continues but Parliamentary changes in legislation continue to be delayed. A preferred supplier is to be identified shortly and there is some regional interest in taking it as a managed service from Lancashire based on transaction costs.

5. Mobile Data

A Secure Remote working pilot is underway in respect of lap tops, 10" web books, Neighbourhood Policing sites and Automatic Number Plate Recognition (ANPR) fixed site cameras. The pilots on the last two of these will commence in February 2010. This work is starting to highlight areas of poor/limited coverage, but coverage is better than the published maps and there remains a strong appetite for the product. The development of a camera facility on PDAs is underway and will be used as part of the e-forms product. A report will be presented to Strategic Tasking and Co-ordinating Group in February with options and recommendation for a mobile office solution. 'Mobile Data month' in November resulted in a very significant (up to double) increase in usage which has been subsequently been maintained. The work has also helped start to identify legitimate non users from whom the devices will be withdrawn and subsequent support costs reduced.

6. Automatic Vehicle Location System (AVLS)

A pilot of AVLS has now commenced in Eastern division.

7. Automatic Number Plate Recognition (ANPR)

New ANPR software has now been procured and the implementation process commenced. Service mapping of the solution will be undertaken as part of Service Improvement Programme.

8. ACPO Community Security Policy

The resource and associated costs implications of the National Police Improvement Agency's adoption of T-scheme for auditing the PKI and IAM solutions has significantly affected the Constabulary's Community Security Policy project schedule and budget. The Force is currently assessing a revision of both and determining how the force manages the consequences.

9. HMIC Assessment of ITIL (Service Management Framework)

A self assessment was completed in November which shows Lancashire in the top half of forces nationwide, but low in comparison with regional colleagues.

A project Combining Microsoft Risk Assessment Process (RAP) of ICT Operations and ITIL into Service Improvement Programme is taking place. This is a major piece of "back of house" work to enable better control, testing and quality assurance of our product releases into live environments with the main product focus on Sleuth, Storm and ANPR.

10. Resourcing

The ICT Department has been focussing upon gaining a consistent approach to 2-4 week planning and tasking, which has now been achieved. Using the ICT Organisational Review and departmental plans as the vehicles we will now be extending this into medium term planning and forecasting.

11. Microsoft

A number of workshops are in progress to ensure the Force exploit the benefits of the Enterprise Agreement negotiated with Microsoft last year. This will include the move to Windows 7 and a new e-mailing product which will highlight the need for improving our ICT user training in force.

12. Other Matters

Work on implementation of the Police National Database is not going to plan or to schedule, and the position of early adopter has caused difficulties. Subsequently the timescale and requirements have been changed.

The storage of data is an issue and plans are being discussed to have a force wide policy, using scanning and cutting down duplication, and a withdrawals policy. An Information data/records manager is required urgently.

Frances Hendrix, JP and County Councillor G Roper
Lancashire Police Authority
January 2010

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LANCASHIRE POLICE AUTHORITY
11 FEBRUARY 2010

SPECIAL INTEREST REPORT FROM COUNTY COUNCILLOR A P JONES
ON RECRUITMENT, RETENTION, PROGRESSION AND WORKFORCE
MODERNISATION

CONTEXT

The Stephen Lawrence Report made many recommendations concerning the relations between the Police and the Black and Minority Ethnic Community. One of the recommendations was that over a ten year period (1999-2009), the Police should recruit Police Officers from the BME Community, which over the ten year period would equal the percentage of the BME working population in each force area. This target proved challenging to many forces across the Country. The Breaking Through Template was subsequently adopted; this provided not only for monitoring of recruitment but also retention and progression. Lancashire Constabulary has been consistently successful in achieving and indeed exceeding this target in recent years. From 2009/10 recruitment targets are set by the Authority.

Lancashire Constabulary has been a pilot force in the national workforce modernisation initiative. The Pilot has now completed and an evaluation of the pilot has been prepared. The evaluation report was considered by the Authority at its evening Seminar on the 29 July 2009..

ACTIVITY

I attended the Workforce Modernisation Seminar at Hutton on the 29 July 2009 when a paper on Workforce Modernisation was presented by myself and Bruce Jassi. I hosted a Reception at County Hall for the LGBT network on the 10 August 2009 and for the LBPA on the 13 August 2009. I also held a Reception for the Disability Support Working Group at County Hall on the 1 September 2009.

I attended the Diversity Conference at Hutton on the 15 October 2009 concerning transgender communities. I chaired the Divisional Meeting at Lancaster Town Hall on the 23 November 2009 and I attended the LGBT Family Law Seminar at Hutton on the 11 December 2009.

On the 27 January I hosted a Reception for the Black and Minority Ethnic Communities in Lancashire and I invited the Constabulary Minority Recruitment Team to give a Presentation on their work. The Presentation given by Zeg Awan was very well received.

PERFORMANCE

It is worth reflecting that, since the Stephen Lawrence Report in 1999 and the recommendations made by Sir William Macpherson, the number of BME officers has risen from 30 in 1999 to 120 in 2009/10, an increase of 400%. In 1999 there were 15 BME staff and currently there are 77 BME police staff, an increase of 500%.

In 2009, the National Police Improvement Agency described Lancashire Constabulary Minority Recruitment Team as "A Beacon of Good Practice".

Lancashire is one of the four Forces to exceed its recruitment targets for the last four years and, this year, Lancashire Constabulary will recruit 7.2% of its officers from the BME community.

There are currently 97 Constables, 17 Sergeants, 5 Inspectors and 1 Chief Inspector from the BME Community.

**County Councillor Tony Jones
Lancashire Police Authority
February, 2010**

Agenda Item 14

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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