



Agenda

13 October 2010

FINANCE COMMITTEE

Bridgebury House, Woburn Road, Kempston, Bedford MK43 9AX

For further information, or to see the papers, please contact the Police Authority:



CALL Janet Wardell on (01234) 842066



IN PERSON, (by appointment) 9am to 5pm, Monday to Friday



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To: **Members of the Bedfordshire Police Authority
Finance Committee**

(Mr T Brown, Mr P Conniff, Mrs F Chapman, Mrs L Hockey, Mrs K Malik and Mr M Pantling,

A meeting of the **FINANCE COMMITTEE** of the **Bedfordshire Police Authority** will be held at **Bridgebury House, Woburn Road, Kempston**, at **10.00 am** on **Wednesday 13 October 2010**

JANET WARDELL
Member Services Support Manager

AGENDA

(*indicates that a supporting document accompanies this Agenda)

- 1. To confirm the minutes of the meeting of the Finance Committee held on 22 June 2010**

By Chairman - minutes*
- 2. Matters Arising**

Status Report* on the Progress of the actions arising from the last meeting (Pages
- 3. Declarations of Interest**

To receive any personal or prejudicial interests from Members
- 4. Revenue Budget and Capital Programme 2010/11- Performance**
 - a) 2010/11 Financial Outlook and Medium Term Financial Strategy 2011/12- 2014/15 Report* of the Chief Executive and Chief Constable (Pages)
 - (b) Revenue Budget – Report* of the Chief Constable (Pages
 - (c) Capital Programme - Report* of the Chief Constable (Pages
- 5. Asset Management**

Reports* by the Chief Constable on :
 - (a) ICT(Pages
 - (b) Chiltern Transport Consortium (Pages
 - (c) Estates (Pages
 - (d) Procurement – oral report will be given
- 6. Treasury Management - Operations Report 2010/11**

Report* of the Chief Constable (pages

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FINANCE COMMITTEE

22 June 2010

PRESENT

Mr T Brown (In the Chair)

Mr P Conniff Mrs F Chapman , Mrs K Malik and Mr M Pantling and
Mrs L Hockey

Mr L Denny and Mrs K Johnson also attended the meeting.

Officers in attendance

Chief Constable – Mrs Parker
Chief Executive Treasurer – Mrs McMenamy
Director of Corporate Services – Mr Hislop
Assistant Director Resources – Mr Wells

Head of Estates – Mr Leahy

Mr Premrose from the Audit Commission attended the meeting as an observer
as part of the Police Authority Inspection process

10/QF/13

2009/2010 REVENUE BUDGET - FINAL OUTTURN AND OUTCOMES

The Committee considered a joint report of the Chief Constable and the Chief Executive/Treasurer which set out the Final Outturn on 2009/2010 Revenue Budget and the proposed utilisation of the underspendings. The report also provided the outcome of the annual review of the policy on the use of reserves.

It was reported that the Final Outturn for 2009/2010 totalled £101.039M which provided an underspend of £0.193M. The underspending, was a variation of approximately 0.2% on overall resources and was £0.193M more than that reported to the Committee in January. The variation had been due to the receipt of a £0.500M grant from the Home Office towards the exploration of a merger with the Hertfordshire Constabulary.

Overall the budget for 2009/10 had been fully spent but within this there were significant overspend in overtime costs, underspends in the budget for PCSO's and reduced level of income from investments. The report provided a detailed analysis of the final spend on overtime which highlighted that the additional controls put in place in October 2009 had reduced overtime spending by 34%. An analysis of the overall outturn for each division was appended to the report.

The report also confirmed that improved performance during 2009/10 was very much linked to the increase in investment in specific areas approved by the Authority as part of the 2009/10 budgetary process. The 2009/10 budget was supplemented by carry forwards of the underspends from the 2008/09 budget

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and the Committee had received updates throughout the year on the return on the investment in the areas that had been identified as requiring additional funding. A further update was included in the report. In noting the update The Assistant Director (Resources) confirmed that monies had not been fully spent in relation to the collaboration set up costs and accommodation needs and would therefore be fed back into the reserves. These reserves required the Authority's approval to be utilised. Having clarified the authorisation process Members approved the revised policy on reserves.

Members were satisfied with the reasons for the underspend in these areas. Members questioned the sustainability of Operation Bahama, (DNA swabbing at Crime Scenes) when predicted savings in Scientific Services had not been achieved. The Assistant Director (Resources) clarified that this was a one off investment prioritised by the Tasking and Coordination group and was performance related. The savings associated with Scientific Services had to be considered as part of the overall collaboration programme. However structural changes to the SOCO teams were to be implemented shortly and this would bring significant benefits to the operation of the unit. The Chief Executive advised Members that a review of the collaborative ventures would be considered at the next meeting of the Bedfordshire and Hertfordshire Joint Collaboration Working Group and would ensure Members concerns were highlighted.

In terms of the 2009/10 underspendings a suggested utilisation of the resources available was detailed in the report. Given the recent Government announcement of an immediate £1.0M reduction in the 2010/11 budget it was proposed that a significant proportion of the under spends be used to offset this. It was also proposed that funding be made available to provide for enhanced training and recruitment of Special Constable's.

The levels and scope of grants and reimbursements received from the Home Office in 2009/10 were also detailed in the report. The Committee considered that the Government may reduce grants further and Members considered it would be useful if future performance reports set out the impact and the risks of such reductions.

As had previously been agreed by the Committee a review of the Policy on Reserves was to be undertaken at the time of the final outturn report and the Chief Executive /Treasurer advised that only minor changes had been required to the Policy for 2010/11.

Members requested that a further review be undertaken later in the year to ensure reserve levels were still appropriate. The Chief Executive/ Treasurer agreed to incorporate this into the Committee's work plan after the CSR had been made. Any changes to specific government grants would be updated to the Chairs meeting in the interim. Members requested that the impact of changes be heightened too

RECOMMENDED

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That approval be given to the proposed use of the underspending for 2010/2011, attached at Appendix A

It was also

RESOLVED

1. That the overall final outturn for 2009/10 be noted
2. That the revised policy on reserves be approved

10/QF/14

CAPITAL PROGRAMME – 2009/2010 – OUTTURN AND FINANCING

The Chief Constable and the Chief Executive/Treasurer submitted a joint report on the Capital Programme Outturn for 2009/2010 and the proposed method for financing that expenditure. The report also provided a summary of the outcomes from the investment made in 2009/10. Circulated at the meeting was a table showing the outturn compared to the revised Capital Programme submitted to the Committee at its meeting in January 2010. This table had been omitted from the papers.

The Committee noted that the actual payments in 2009/2010 amounted to £3.874M, compared to the approved Capital Programme, of £9.788M. It was noted that the resources available in 2009/10 exceeded the requirement to finance expenditure by £5.914M and the method of financing this was considered.

The Committee noted that the variance in the programme was due to both slippage and underspendings within the IS/IT and Estate Strategies.

The report highlighted the projects that had not been completed and the reasons for the slippage in the 2009/10 programme.

In noting the reasons for the slippage Members were particularly interested to know if a timescale had been set for installing CCTV in Custody Suites. The Assistant Director (Resources) advised that currently work was being undertaken to move this forward but it had been placed on the 2011/12 Capital Programme. Members were also concerned about the delay in the implementation of a new HR System and Members were advised that work was ongoing to implement a better system than originally envisaged and were assured that current systems in place would continue to deliver the requirements for the Force.

Given the uncertainty over future government funding arrangements the Committee wished to see control mechanisms in place that would enable Members to consider the impact of either delaying or not proceeding with specific projects over the medium term. The Chief Constable advised that the Senior Leadership Team already undertook this role and at this stage no

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decision had been made to stop the progress of any capital project either nationally or locally. The Chief Constable was happy to provide sufficient detail in future reports to the Committee which would enable the committee to review both the financial impact and the impact on the priorities for each local project in the event that it might need to be delayed or not go ahead.

The Chair of the Committee asked that the Chief Constable not to proceed with any new projects without making him aware of the financial impact on the revenue budget and this was agreed.

Members noted that at this stage no specific direction had been given about the progress of regional and national projects but Members would be updated at future meetings on the changes in the national landscape.

RECOMMENDED

- 1. That the Capital Expenditure Outturn for 2009/2010 of £3.874M be noted**
- 2. That the method proposed for financing Capital Expenditure in 2009/2010 as now reported, be approved.**

It was also

RESOLVED

1. That the arrangement for the carry forward of resources of £5.914M from 2009/2010 to 2010/2011, as now reported, be approved.
2. That future reports on the Capital Programme set out sufficient detail to enable the committee to review both the financial impact and the impact on the priorities for each local project in the event that it might need to be delayed or not go ahead
3. That prior to the start of any new projects the Chief Constable make the Chair of the Committee aware of the financial impact on the revenue budget
4. That Members be kept informed of any changes in national landscape that might impact upon the Capital Programme

10/qf/15

MINUTES

The minutes of the meeting of the Committee held on 27 January 2010 were confirmed.

10/qf/16

MATTERS ARISING

The Committee received a monitoring report of the action taken to implement

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the decisions arising from the last meeting.

The Chair commented that the specific Finance Committee training opportunities that had been arranged for members had been constructive and practical. The Chief Executive advised that it was intended to run a similar session after the AGM to ensure new Members on the Committee were equipped with appropriate skills to deal with the financial affairs of the Authority.

10/qf/17 DECLARATION OF INTERESTS

There were no declarations of personal or prejudicial interests from Members

10/qf/18 LEAD MEMBER SCHEME

The Chief Executive orally reported that each committee during the current cycle of meetings had been asked to consider the appointment of a Lead Member to a particular subject area linked to a Strategic priority or risk. The Finance Committee had not been assigned any specific operational risks however the Chief Executive considered that there were two areas where the committee would benefit from lead Member involvement.

The two areas for consideration were involvement in the lobbying campaign around the use of floor and ceilings for determining Government grant and Asset Management.

Members were supportive of a Lead Member role in each area. In respect of Asset Management the Chief Executive advised that ICT, Estates and Transport, the main elements of Asset Management were all part of a collaborative venture and received regular scrutiny through the Bedfordshire and Hertfordshire Police Authorities Collaboration Working Group. Two Members of the committee were already part of this group and this would be kept under review to ensure that effective scrutiny via this representation was sufficient.

The Chief Executive also asked Members to consider during the course of the meeting other areas that would benefit from a Lead Member role.

RESOLVED

1. That Peter Conniff be the Lead Member for the Lobbying Campaign in respect of the grant formula.
2. That a Lead Member role for Asset Management be reviewed later in the year.

10/qf/19 REPORT ON PLANNED MINOR WORKS AND SUSTAINABILITY

The report of the Chief Constable was considered which provided an update

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on the use of the capital provision for minor works and sustainability together with the current composition and value of the estate

The Committee noted that at a recent meeting of the Estates Working Group Members had asked that the Finance Committee receive more timely information around the estates provision and therefore agreed that at this meeting the Committee would consider the utilisation of and expected outcomes from the planned minor works and sustainability provision included in the 2010/11 capital programme.

At the October meeting of the Committee the Chief Constable's report would provide the latest Benchmarking data and a review of the Estates Strategy. A report on new capital schemes would be presented to the December meeting of the Committee.

Members raised no major concerns with the projects in relation to either the minor works or sustainability budgets. Clarification was however sought on the necessity for a new generator at Headquarters and Members were satisfied with reasons for its inclusion. An update was also provided at the meeting on the progress of the Bedford Town Centre redevelopment and the impact on the Greyfriars Police Station. Members were informed that it was now unlikely that the Greyfriars Police Station would need to be relocated because the town centre redevelopment was not expected to be on the scale envisaged. It was also confirmed that the Custody facilities at the Station had been upgraded and were now up to an acceptable standard.

The Committee noted that the value of the estate was £27,046M and details of the properties were appended to the report. In noting that the Authority leased Office accommodation at Luton Airport the Chair expressed his concern that the accommodation was poor. The Head of Estates had acknowledged that the facilities were poor and work was in progress to provide additional room on that site.

RESOLVED

That the report be noted.

10/qf/20

TREASURY MANAGEMENT – ANNUAL REPORT 2009/2010

The report of the Chief Constable was submitted which summarised those Treasury Management Operations that took place during 2009/2010. Members were assured that arrangements were in place to enable the Authority to benchmark its Treasury Management activity against other bodies.

RESOLVED

That the report be noted

10/qf/21

2009/10 STATEMENT OF ACCOUNTS

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The Chief Executive/Treasurer submitted the draft Statement of Accounts for 2009/10. In presenting the accounts to the Committee the Assistant Director (Resources) explained that the Audit and Business Assurance Committee, at its meeting on 8 June 2010, had approved the Annual Governance statement and the Accounting Policies for the Accounts.

The Accounts had been compiled in accordance with the SORP (Statement of Recommended Practice) and were subject to audit scrutiny. It was noted that a formal audit of the accounts by the External Auditor would commence on 28 June 2010 and would be completed by 15 August 2010. The audit opinion was expected in September in time for consideration by the Audit and Business assurance Committee at its meeting in September.

The Assistant Director (Resources) provided some clarity around the balance shown for depreciation and impairments, land and buildings and short term investments in comparison to that in 2008/09. He also highlighted that a new requirement for this year's Statement of Accounts was the inclusion of the Officer emoluments for all Chief Officer including the Treasurer to the Authority.

During the discussion on the Accounts and the Annual Governance Statement in particular, Members were satisfied that there was sufficient positivity had been demonstrated during the year to confirm that progression had been made in those areas defined as most vulnerable In the previous year.

RESOLVED

That the Statement of Accounts be approved subject to Audit by the Audit Commission.

10/qf/22

POLICE PROPERTY REGULATIONS 1997 – ANNUAL REPORT OF NOMINATED ORGANISATION

The report of the Chief Executive/ Treasurer was submitted which provided an annual report of the nominated charitable organisation, which had been awarded funding under the Police (property Regulations 1997) in 2009.

Members were reminded that it had awarded £30, 800 last year to the Bedfordshire Police Partnership Trust to support the Bobby Scheme. The Partnership Trust had produced a report on how this fund had been utilised and this was appended to the report.

Members were advised that at 31 March 2010 the amount in the Police Property Act Fund for distribution was £17, 100 and the report set out some options for the distribution of the funds. The preferred option was to continue to support the Partnership Trust as the work of the partnership was aligned to the priorities set out in both the Local Strategic and Annual Policing Plans.

Members supported the preferred option and highlighted the number of positive

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comments that were made about the scheme by Members of the Public at Safer Neighbourhood forums. Given that protecting vulnerable was a key area for the Authority it was suggested that the Partnership Trust be asked to consider extending the scheme to the adults with learning difficulties and the Chief Executive agreed to pursue this. Members also asked that a press Release be issued on the Authority's support of the work being done by the Bobby Scheme to improve public confidence

Members questioned the sustainability of the Partnership in the current economic climate.

RESOLVED

1. That annual report of Bedfordshire Police Partnership Trust, be noted
2. That the Committee approves the funds currently available being awarded to the Bedfordshire Police Partnership Trust for a third year.
3. That a full evaluation of charitable organisations be undertaken in advance of the Finance Committee awarding the Police Property Act Fund in June 2011.
4. That a press Release be issued on the Authority's support of the work being done by the Bobby Scheme to improve public confidence
5. That the Partnership Trust be asked to consider extending the Bobby Scheme to include adults with learning difficulties

10/qf/23

REVENUE BUDGET AND CAPITAL PROGRAMME 2010/2011

The Committee considered reports by the Chief Executive and Chief Constable on the implementation and management of the 2009/2010 Revenue Budget and the Capital Programme.

2010/11 Budget reductions

The report advised Members of the implications of the recent Government announcement to reduce police funding allocations for 2010/11 .For Bedfordshire the reductions were as follows and the report set out how these reduction would be met.

- £1M from core funding;
- £0.1M from Capital Grant; and
- £0.1M from Counter Terrorism Grants.

The Chief Executive advised that Michael Romberg, Head of the Police

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Finance and Pensions Unit, from the Home Office, had been invited to the Members seminar on Friday 25th June to brief Members more fully on the budget reductions.

The Chief Constable mentioned that the Chief Constable's from all 43 Force had been invited to meet with Prime Minister, the Home Secretary and the Policing Minister on 21 June. The Prime Minister had confirmed that there would be a 3 year Comprehensive Spending Review with year on year reduction. Partnership working was considered to be key in the delivery of efficiencies.

During the discussion on how the reductions might be met Members thanked the Officers for determining those areas where there would be limited impact on the ability to deliver against the approved Strategic and Policing plans and supported the reductions proposed.

Members noted as the reductions were coming out of the base budget for 2010/11, the forecast underspending referred to later in the agenda would be reduced to a position of break-even.

Revenue Budget

The Assistant Director (Resources) advised that current performance on the revenue budget had been written before the consideration of the Governments reduction to the 2010/11 report and as referred to earlier in the meeting the forecast was now at this stage a break even position.

The Committee noted that there was an overspend in the devolved budgets and under spends in the Corporate budgets and Police Authority budget. The reasons for the variances were detailed in the report. Of particular interest to Members was the overspend in the devolved budget which was in the main due to high levels of Officers serving on the Territorial Divisions. Members noted that some Officers would be reallocated from the Territorial Divisions to Protective Services and asked to be notified of the timescale for this. Members were concerned how the Force intended to achieve the appropriate skills mix required for the posts in Protective Services. and the Chief Constable would provide a briefing note for the Chief Executive to circulate to Members on how this was to be managed.

The Committee was also advised of the current forecast for Police officer overtime. At this stage the levels continued to be reducing due to the effectiveness of improved controls. A clearer picture would be available after July once the impact on the additional policing required for policing the world cup tournament had been assessed. However Members were not satisfied that overtime was at the desired level, particularly as the controls were now in place. A detailed paper setting out the background to the issues which were preventing further reductions was therefore asked to be presented to the next meeting. Members considered that targets should set for achieving the reductions and the levels would be informed by this paper as full establishment should significantly reduce the need for officer overtime. Members also considered that this area would benefit from a task and finish lead Member role.

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In terms of efficiency productivity it was forecasted that the outturn would be on target.

Details of the specific government grants were appended to the report and had been adjusted to reflect recent Government reductions in the grant levels for Counter Terrorism

Capital Programme

With regard to the Capital Programme Members noted that the slippage of payments totalling £0.744M from 2009/10 programme had been forwarded to the 2010/11 programme. £0.346M expenditure had already been incurred and the effect was that the capital Programme had increase by £1.090M. The total cost of the programme was now £30.709M

The latest estimate of total costs indicated that expenditure would exceed the revised programme by £0.004M due to the Airwave handset replacement programme.

The latest estimates of the 2010/11 payments indicated decrease in expenditure of £0.360M due to variations were contained within the IS/IT and Estate Strategies.

Appended to the report was a progress report on the largest projects included in the IS/IT Strategy

As mentioned earlier in the meeting the capital grant provided from the Home Office had recently reduced the capital grant by £0.100M in 2010/11 and therefore it had to be assumed that grant would remain at this lower level in 2011/12 & 2012/13. In recognition of the funding pressure on the capital programme the Committee had approve a process earlier in the meeting to review current and future projects for inclusion in the Capital Programme

RESOLVED

1. That the budgetary reduction proposal be approved in principle subject to any alternative proposals being notified to the Authority during the financial year.
2. That the latest estimate of payments and resources In the revenue budget be noted
3. That a report be made to the next meeting setting out the factors for preventing a reduction in the levels of Overtime and that based upon this targets be set for reducing the level of expenditure
4. That Fiona Chapman be the Lead Member for Reducing Police Officer Overtime expenditure

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5. That the Chief Constable provide a briefing note on the management of the transfer of Officers from the Territorial to the Protective Services Division.
6. That the slippage of £0.744M from the 2009/10 capital programme be added to the 2010/11 capital programme
7. That the reduction in the capital grant provided from the Home office be noted when considering the programme for 2011/12 & 2012/13.

10/qf/24

TREASURY MANAGEMENT – OPERATIONS REPORT

The Chief Constable submitted a report which summarised the Treasury Management Operations that had taken place since the last report to the Committee in January 2010. Appended to the report was a list of the investments

RESOLVED

That the report be noted.

10/qf/25

MEDIUM TERM FINANCIAL STRATEGY 20011/12-2013/14

The joint report of the Chief Executive /Treasurer and Chief Constable was considered which set out the financial prospects in the medium term covering the period 2011/12 to 2013/14 and set out the assumptions to be used for the 20011/12 budgetary process to ensure that the priorities in the three year Strategic plan will be delivered.

As the starting point for planning the three revenue budgetary process Members were reminded of the £1m government reduction in the 2010/11 budget Also too be taken into consideration was the Governments indication that the Police service needed to deliver £545M of cashable savings and £500M efficiencies over the next three years. Details of how this might be achieved were set out in the report.

Across the country there were differing thoughts in terms of grant and specific grant levels increases and this ranged from standstill up to a 3.0% reduction per annum. The draft plan had used the assumption that figures the grant levels over the medium term would reduce by 1.5% per annum.

It was also envisaged that Council Tax levels may be kept to a minimum over the medium term and it had been muted that for 2011/12 there would be a requirement to freeze Council Tax. On this basis the report considered council tax levels of standstill levels for 2011/12 and 2.5% for the remaining years.

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Based upon the assumptions around Council Tax and government funding and the report identified a £10m shortfall over the next 3 years.

Given that the financial outlook was bleak Members considered that the Authority would need to be making tough decisions on its priorities and asked to be kept up to date on Programme 2011 which would provide the building blocks for the future. The Chief Executive hoped that by the time the Authority meets to prepare for the 2011/12 budget at its Seminar in September there would be a clearer picture on the funding available. Member identified that an early strategic look at activities was required as an element of the seminar.

Members considered that the Strategic Planning Working Group should also be kept informed of future funding arrangements and the Chief Executive/Treasurer would ensure this.

Note Post this meeting the coalition government made its budget announcement which mentioned 25% real term reductions , potentially in the police service. Assumptions therefore had been subsequently revised from 1,5% to 3% reduction per annum

RESOLVED

That the three year Revenue Budget Forecast, 2011/2012– 2013/2014 be endorsed and used as a basis for planning the Revenue Budget for 2011/2012 and that due to the current financial volatile financial climate that the plan be regularly reviewed at meetings of the Committee.

**Finance Committee
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Provisional Carry Forwards**

	£'000	£'000
Total Variance		(193)
Proposed Utilisation		
One – Off Initiatives		
2010/11 budget reductions	(150)	
Specials capability	(40)	
		(190)

Note: minor balance to be transferred to general reserves.

FINANCE COMMITTEE
STATUS REPORT ON THE PROGRESS OF THE ACTIONS ARISING FROM THE LAST MEETING

	ITEM	DECISION	ACTION BY	CURRENT POSITION
1	2009/10 Revenue Budget – Final Outturn and Outcomes	Authority to approve use of the underspends		Approved 16 July 2010
		Future Performance Reports to set out the impact and risks of further reductions in government grants Any changes to specific government grants to be update to the Chairs meeting in the interim	Asst Director Resources/ Chief Executive	Incorporated into reports
		Reserves to be reviewed after the CSR has been made .	Chief Executive	Incorporated into workplan for meeting of the Committee in December
2	2009/10 Capital Programme Outturn, Outcomes and Financing	Authority to approve proposed method of financing capital expenditure		Approved 16 July 2010
		That future reports on the Capital Programme set out sufficient detail to enable the committee to review both the financial impact and the impact on the priorities for each local project in the event that it might need to be delayed or not go ahead	Asst Director Resources	Incorporated into reports
		That prior to the start of any new projects the Chief Constable make the Chair of the Committee aware of the financial impact on the revenue budget	Chief Constable	Process in Place

		That Members be kept informed of any changes in national landscape that might impact upon the Capital Programme	Chief Constable/ Treasurer	Regular Finance Briefings provided
3	Police Property Regulations – Annual Report of Nominated Organisation	Press Release to be issued on the Authority's support for the work being done by the Bobby Scheme to improve public confidence.	Chief Executive	Issued
		Partnership Trust to be asked to consider extending the Bobby Scheme to include adults with learning difficulties	Chief Executive	Agreed
4	Revenue Budget and Capital Programme 2010/2011 – Performance	That a report be made to the next meeting setting out the factors for preventing a reduction in the levels of Overtime and that based upon this targets be set for reducing the level of expenditure	Asst Director Resources	See Agenda Item 4(b)
		That the Chief Constable provide a briefing note on the management of the transfer of Officers from the Territorial to the Protective Services Division.	Chief Constable	See Agenda Item 4(b)
5	Medium Term Financial Strategy	Committee to regularly review to the Strategy in the light of the current volatile financial climate	Asst Director Resources/ Treasurer	See Agenda Item 4(a)



Bedfordshire Police Authority

COMMITTEE AND MEETING DATE	FINANCE COMMITTEE 13 OCTOBER 2010
AGENDA ITEM No:	4(a)
TITLE:	2010/11 FINANCIAL AND MEDIUM TERM FINANCIAL STRATEGY OUTLOOK
DATE OF REPORT:	01 OCTOBER 2010
REPORT OF:	CHIEF EXECUTIVE / TREASURER
AUTHOR:	CHIEF EXECUTIVE / TREASURER
ACTION REQUIRED:	NOTE THE REPORT
APPENDICES:	NONE

RECOMMENDATIONS:

Recommendation 1: That Members note this report.

Originators: Chief Executive / Treasurer

Date: 01 October 2010

Telephone No: 01234 842066

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BACKGROUND PAPERS:

None

ADDITIONAL PAPERS:

None

1. INTRODUCTION

- 1.1 The two reports that follow outline the performance of the Force for 2010/11, for the Revenue Budget and Capital Programme. This Report sets these in the context of overall financial position of the Authority.
- 1.2 At the last Finance Committee meeting members considered a three year forecast for initial planning. Since this meeting in June, in addition to the 2010/11 budget reductions, the Government has announced that over the next four years, 2011/12 to 2014/15, police funding will reduce by 25%. The report sets this reduction out in more detail.

2. PERFORMANCE

Revenue Budget

- 2.1 The Chief Constable has highlighted that spending is currently forecast as £102.065M therefore an overspend against the revised revenue budget, after in year reduction of £1M, of £0.244M is reported. The position is subject to the volatility of policing, particularly around major crime and major operations which could still impact on this forecast position. During the remainder of the year the financial position will be subject to continuous review by the Force with the objective of containing spending within the agreed resources.
- 2.2 The Finance Committee identified a lead member for Overtime in order to enable the Committee to set a 'SMART' overtime target at this meeting in October and identify further work that would need to be progressed to produce a sustainable long term solution.
- 2.3 The forecast for the Authority for 2010/11 is a breakeven position at year end.

Capital Programme

- 2.4 The report of the Chief Constable shows a reduction in payments of £0.863M for the current year largely due to re-phasing into 2011/12. The overall capital programme costs have reduced by £0.179M over the three years considered in the report.

3. ECONOMIC OUTLOOK

Contingency Provision

3.1 Pay

Average annual earnings increased by 1.5% in the year to July, up from 1.1% to June 2010. Private sector earnings stood at 1.2% compared with 2.7% for the public sector.

The Government has made agreements with pay bodies for 2010/2011, effective from 01/09/2010 increases of 2.55% and 2.58% for police officers and staff respectively, this being the last year of the three year pay

settlement. These have now been implemented and are included in the revenue forecast.

It has now been announced that a comprehensive review to be undertaken by Tom Winsor with a remit to consider all aspects of police pay and conditions which aims to bring modern management practices into policing to help cope with the budget cuts. The review is expected to report on short term improvements in February 2011 and on longer term reform in June 2011.

3.2 Prices

CPI annual inflation was 3.1% in August, unchanged from July. Although unchanged overall there were significant upward and downward pressures on CPI annual inflation between July and August.

3.3 Interest Rates

The Bank of England Base Rate has remained at 0.5% since March 2009 and was left unchanged again in September. The Bank of England confirmed in its quarterly inflation report that it expects to remain below the 2% target in two years time leading analysts to conclude that rate rises are not needed.

4. GENERAL BALANCES/RESERVES/PROVISIONS

4.1 General Balances at 31 March 2010 were £2.860M. This represents approximately 2.8% of net expenditure and as raised with Members previously above the prudent level of 2.5%.

4.2 In addition to General Balances, the Police Authority had the following Specific Reserves and provisions at 31 March 2010.

Reserves

Devolved Budget Reserves	294
Insurance Reserve	1,498
Capital Expenditure Reserve	5,383
Pensions Reserve	300
Collaboration/Performance Reserve	483
CASU Revenue Reserve	31
Total Reserves at 31st March 2010	<u>7,989</u>

Provisions

Insurance	260
Transport Consortium Insurance	316
Redundancy Costs	
Total Provisions at 31st March 2010	<u>576</u>

4.3 It is likely that the full level of devolved reserves will be utilised as per the approved use of the carry forwards from 2009/10 and the collaboration reserve is likely to be reduced in funding the one-off set up costs for those collaborations already agreed. With the reduction in capital grant in 2010/11 of £0.1M as well as the actual funding of the capital programme in 2010/11, and the use of the Insurance provision, £0.2M, agreed by the Finance

Committee in June 2010 the resultant impact is that the level of earmarked reserves and provisions is expected to reduce from £8.6M to £5.5M by 31 March 2011.

5. **MEDIUM TERM FINANCIAL STRATEGY**

5.1 **National Financial Outlook**

5.1.1 The 2010 Comprehensive Spending Review will cover the four years from 2011/12 to 2014/15 and is expected to conclude on 20 October 2010. It has been suggested that the Police Service government funding will reduce by 25%. As this funding represents approximately 71% of Bedfordshire Police's total funding this will equate to an overall reduction in funding of 18%.

5.1.2 Bedfordshire Police has received substantial ring fenced grants in the past, provided for specific purposes such as the Airport Grant. It is anticipated that the majority of these grants will be transferred into the funding formula and therefore subject to reductions of 25% over the four years. Rule 2 grants have also been received which are likely to be subject to reductions of 25% too. There are specific officer and staff posts funded through these grants.

5.1.3 As members heard at the recent seminar it is not clear whether the grant reduction that Bedfordshire has suffered each year since 2005/06 relative to its needs through the floors and ceilings adjustment will continue to be applied. This has equated to more than £3.5M per annum.

5.1.4 The other significant factor is the restriction which is expected to be placed on precept increases over the four year period thereby eliminating an element of flexibility that the Authority has previously had to increase the precept without being penalised.

5.1.5 The latest forecasts therefore anticipated that the budget over the four year period, 2011/12 to 2014/15, will reduce by more than 19%.

5.1.6 A recent report published by HMIC 'Valuing the Police' highlighted the characteristics of those Forces most at risk of struggling to meet the financial challenges ahead and these included:

- Low spend compared to their peers. They are already cheaper, although this does not mean there is no scope for further cost cutting;
- Higher reliance on central government funding as opposed to precept income. They will see proportionately larger reductions in funding;
- Smaller budgets. There is generally less room for manoeuvre in small budgets;
- Less funding relative to their need (as the result of police grant damping mechanism);
- Low levels of reserves. They will not have the flexibility to cushion funding reductions; and
- Low workforce turnover rates and higher proportions of police officers in their workforce.

5.1.7 All of this suggests that not only are the financial challenges facing the police over the next four years unprecedented but that due to the relevance of the above characteristics to Bedfordshire the Force and Authority could be in a comparatively worse position than its peers.

5.2 Medium Term Forecast

5.2.1 The starting point for the four year forecast is the reduced 2010/11 revenue budget of £101.82M at outturn prices. For comparative purposes all figures within the forecast are at outturn prices, meaning inflation has been estimated to enable year on year comparisons.

5.2.2 A detailed breakdown of the forecast is not included on this occasion due to the uncertainty of the announcements highlighted above due to be announced the week after this Committee meets. Instead the table below provides a summary of the impact of expected budget reductions and council tax restrictions. It is assumed that council tax will standstill in 2011/12 and 2.5% increase for the remaining three years.

Standstill Pressures				
	2011/12	2012/13	1213/14	2014/15
Standstill	3.2	2	2.1	2.1
Investment	0	0	0	0
Use of Reserves	0	0	0	0
Standstill Funding Gap	3.2	2	2.1	2.1
2.5% Increase in Council Tax – 0% in 11/12 (incl. 0.5% taxbase inc.)	-0.2	-1	-1	-1
Grant Reduction	2.5	3.5	3.5	3.5
Actual Funding Gap	5.5	4.5	4.6	4.6
Cumulative Funding Gap	5.5	10	14.6	19.2

5.2.3 The table highlights that the standstill and mandatory pressures, such as financing of the existing capital programme, actuarial impact of pension schemes and incremental drift, over the four years total £9.4M.

5.2.4 It is assumed that there will be no additional investment into the service over the four years and at this stage it is also assumed that reserves will not be used.

5.2.5 The impact of the reduced funding assumptions highlighted in Section 5.1 increases the funding gap so that in 2011/12 the gap is £5.5M and the the following three years is between £4.5M and £4.6M, cumulatively £19.2M.

5.2.6 Work continues to determine how the funding gap can be eliminated through low impact zero based budget reviews, continuing with the existing collaboration programme and capital expenditure reductions as well as value for money and productivity initiatives such as Programme 2011, overtime reductions and support service savings. However the level and severity of the budget gaps will still require difficult decisions to be made in relation to sustaining service delivery as illustrated by the 'operational activity' reductions required.

Areas of Reduction				
	2011/12	2012/13	1213/14	2014/15
Cumulative Funding Gap	5.5	10	14.6	19.2
Zero Base Budget Review	-1.4	-1.7	-1.85	-2
Existing Collaboration	-0.4	-0.6	-0.7	-1.25
Capital Expenditure Reductions	-0.5	-0.9	-0.9	-1.2
Programme 2011	-2	-3.9	-4	-4
Support Services	-0.65	-1.55	-1.8	-1.8
Overtime	-0.2	-0.5	-0.65	-1
Operational Activity	-0.35	-0.85	-4.7	-7.95

5.2.7 In addition to the funding gaps highlighted it should also be noted that any investment required will have to be found by securing further savings over and above those identified above.

5.3 Reserves

5.3.1 The reserves held by the Authority as highlighted in Section 4.2 will need to be considered as part of the budgetary processes, along with proposed capital expenditure, to try to minimise the impact on operational policing. It is expected that the capital grant received by the police service during the four years 2011/12 to 2014/15 will reduce and the Capital Reserve held of £5.383M could be fully utilised by 2012/13.

6. OTHER IMPLICATIONS

6.1 **Service and Financial Implications:** The funding gap identified in each of the four years included within the above at 5.2.6 are well beyond any increases to the policing precept over the period therefore a level of budget reductions will be needed to balance the revenue budget in future years.

6.2 **Corporate Governance:** The provision of a four year financial strategy, rather than the previous three year strategy, provides for an overall assessment of risk in terms of the financial outlook aligned with the CSR 2010 which will also cover the four year 2011/12 to 2014/15. It also enables an assessment of the

potential risk on future performance delivery due to the limited financial resources.

- 6.3 **Policy and Strategic Aims:** The finance reports for 2010/11 and the medium term financial strategy particularly provides a financial forecast for the Authority and Force. It provides a financial basis on which the Authority and Force can develop longer term plans to deliver efficiencies and savings enabling robust business and finance challenge to the delivery of the priorities set out in the strategic plan.

7. **RISK**

- 7.1 One of the main operational risks highlighted at the September Audit and Business Assurance Committee meeting was the significant budget gap over the medium term plan through to 2014/15. This operational risk has an impact on all the strategic risks facing the Force and Authority.
- 7.2 The Joint Strategic Working Group, which reports into Performance and Planning Committee, is developing the medium to long term strategic direction for policing within Bedfordshire. This Group is meeting on a weekly basis to challenge the Authority and Force to bring about the transformational change needed to maintain public confidence whilst tackling the efficiency, productivity and savings required over the medium term.

8. **CONCLUSION**

- 8.1 The four year medium term forecast sets out the significant financial challenges facing Bedfordshire Police over the medium term. To meet these challenges the Joint Strategic Working Group is developing a strategic plan which will include long term savings. This can then inform the medium term savings, through specific programmes and initiatives delegated to the appropriate committee as well as the more immediate annual policing plan and budgetary processes.
- 8.2 Members will be provided with a briefing note once the Comprehensive Spending Review 2010 is announced ahead of the November seminar to inform the reports brought to the Finance Committee in December.

7. **RECOMMENDATION**

- 7.1 That Members note this report.

Stephanie McMenemy
Chief Executive/Treasurer



Bedfordshire Police Authority

COMMITTEE AND MEETING DATE	FINANCE COMMITTEE 13 OCTOBER 2010
AGENDA ITEM No:	4(b)
TITLE:	2010/11 REVENUE BUDGET PERFORMANCE
DATE OF REPORT:	30 SEPTEMBER 2010
REPORT OF:	CHIEF CONSTABLE
AUTHOR:	ASSISTANT DIRECTOR – RESOURCES
ACTION REQUIRED:	TO REPORT PROGRESS ON THE IMPLEMENTATION AND MANAGEMENT OF THE 2010/11 REVENUE BUDGET
APPENDICES:	APPENDIX A – FORECAST OUTTURN APPENDIX B – DIVISIONAL FORECAST APPENDIX C – SPECIFIC GOVERNMENT GRANTS

RECOMMENDATIONS:

Recommendation 1

That Members note the report paying particular attention to the reductions in Police funding detailed at paragraph 2.2 and 2.3 along with the forecast overspend of £0.244M at paragraph 3.1.

Originators: Stuart Goodwin – Principal Accountant
Date: 30th September 2010
Telephone No: 01234 842240
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BACKGROUND PAPERS:

Statement from the Minister of State for Policing and Criminal Justice (Nick Herbert) dated 27th May 2010 outlining reductions in Police Funding in 2010/11.
2010/11 Annual Policing Plan
2010/11 Budget Reductions (Finance Committee 11th June 2010)

ADDITIONAL PAPERS:

None

1. Background

- 1.1 The Financial Management Scheme requires the budget to be managed during the year within agreed resources; it anticipates that any extra expenditure / reduction in income will be contained by making compensating savings or exercising virement elsewhere within the overall budget.

2. Revenue Budget Provision

- 2.1 The Police Authority at its meeting on 12th February 2010 approved a revenue budget of £102.821M.

	£'000
Force Budget	102,083
Authority Budget	888
Funding from Reserves	<u>(150)</u>
Total Resources	102,821

- 2.2 Following this, in May 2010 the Secretary of State for Policing and Criminal Justice announced that previously notified Police Funding Allocations for 2010/11 were to be reduced.
- 2.3 The effect on Bedfordshire's revenue budget was a reduction of £1M, changing the above figure to £101.821M as shown in the table below. The specific areas affected by these reductions were detailed in a report that went to this Committee on 11th June 2010.

	£'000
Force Budget	101,281
Authority Budget	840
Funding from Reserves	<u>(300)</u>
Total Resources	101,821

3. Latest Assessment

- 3.1 Details of budget provision and expenditure incurred up to 31st August 2010 and forecast outturn are provided at Appendix A. This shows at this stage of the year that an over spend of £0.244M compared to the revised budget has been forecast. This is broken down as shown below:

	£'000
Devolved Budgets	671
Corporate Budgets	(427)
Police Authority Budgets	-
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- 3.2 Following the announcement of funding reductions, additional controls have been put in place across the Force aimed at reducing expenditure. These include additional scrutiny of Police Overtime, the postponement of new officer recruit intakes, only vacancies that are considered essential and business critical are being filled on a permanent basis and the use of agency staff and consultants has been widely reduced.
- 3.3 It is as a result of these additional controls that the Force is able to report such a reduction in its overspend forecast especially when the speed of implementation of budget reductions is taken into account.

3.4 **Basis of Forecast**

- 3.4.1 Forecasts have been made on the basis that the reallocation of officers from Territorial Divisions to Protective Services continues to be implemented during the remainder of the financial year. A phased approach has been used recognising that there has not always been the appropriate skill mix in addition to the impact on performance to enable Divisional Commanders to release large levels of officers at the same point.
- 3.4.2 The budget relating to the reallocation of officers has been devolved for the Public Protection Unit (PPU) and the Eastern Region Special Operations Unit (ERSOU). At this time a further £0.134M has been held centrally to fund officer costs at either Protective Services or Territorial Policing depending upon the final distribution of officers. Either way this will reduce both the under spend shown on Corporate Budgets and the over spend on devolved budgets.

3.5 Devolved Budgets

- 3.5.1 The forecast overspend of £0.671M will be reduced by £0.134M once the final allocation of centrally held budgets is made. The remaining overspend occurs within both Territorial Policing and Protective Services. It can be attributed to the high levels of officers serving on territorial divisions compared to the budgeted establishment encountered in the first four months of the year. During this time the Force was virtually up to strength and the Territorial Divisions were over establishment, this is reflected in their current forecasts.
- 3.5.2 This situation also puts additional pressure on the police overtime budget as in the past this has been supplemented from vacancies within the Force. Future officer intakes have been rescheduled to avoid the budgeted establishment being breached and work continues around the analysis and scrutiny of overtime to ensure cost reductions are made in this area.
- 3.5.3 The forecast for Protective Services takes into account the collaborative work with other forces within the eastern region (ERSOU). While the unit is being set up it is difficult to accurately forecast the year-end spend and the figure currently used has been provided by Hertfordshire Constabulary who have taken the responsibility of providing the financial monitoring support for this unit. The migration of these officers to the eastern region commenced in July 2010 and is due to be completed by the end of the calendar year.
- 3.5.4 Over spends are currently forecast in both the Public Protection Unit (PPU) and Serious and Organised Crime (SOC). Within the PPU additional officers had been budgeted for from 1st July, however the high volume of work caused by additional referrals meant that additional costs were incurred in the first quarter of the financial year. The resources set aside for SOC have also been used to fund ERSOU including relevant set up costs with the remaining budget held centrally.
- 3.5.5 At this stage a small over spend is forecast for units that have already been collaborated with Hertfordshire Constabulary. It should be noted however that this is after £0.100M has been taken out of the budget for Bedfordshire's share of the Major Crime Unit.

3.6 Corporate Budgets

3.6.1 The budget initially proposed for SOC of £0.134M is currently being held centrally as previously mentioned. An under spend on consultancy is now anticipated as a result of controls put in place. There is a forecast under spend of the revenue financing of the capital programme, external interest paid is lower than budgeted for as any borrowing that may take place this year will be later than anticipated. The likely reduced spend on the capital programme will also reduce the minimum revenue provision the force has to provide for. These under spends are offset by a reduction in investment income the force will receive as detailed in the treasury management operations report also on this agenda.

3.7 Police Authority

3.7.1 The current forecast of the Police Authority is for a breakeven position at year end. Monitoring of this budget is regularly reviewed by the Chief Executive/Treasurer who supports this forecast.

3.8 Overview

3.8.1 This forecast is based upon expenditure incurred in the first five months of the year and therefore it is likely that this forecast will fluctuate throughout the remainder of the year due to the volatility of policing.

3.8.2 It should also be noted that the allocation of budgets may be subject to change depending upon the movement of officers from Territorial Policing to Protective Services.

4. Police Officer Overtime

4.1 As reported in the 2009/10 revenue outturn report Divisional Commanders have been made aware of the need to reduce spend on Police Officer overtime. Duty planners have been tasked with planning officer duties well in advance to reduce the need for overtime and authorisation is required at an appropriate level.

4.2 From July 2010 a working group was formed to set some principals to assist in the consistent use of overtime and ensure our total resource management is effective. More stringent controls have now been put in place around authorisation of overtime and all double-time overtime must be pre-authorised at Superintendent level (or police staff equivalent) and all time and a half overtime and time and a third overtime is pre-authorised at Chief Inspector level (or Police Staff equivalent).

- 4.3 To help monitor the effectiveness of these controls spend on overtime is being monitored by Divisional Leadership Teams via hours and scrutiny is being undertaken at Senior Leadership Team (SLT) level as part of the Forces' drive around value for money.
- 4.4 The financial results of these controls can now be clearly seen as spend to date on Police overtime is £0.680M lower than at the equivalent stage last year. In the last two months payments have dropped by 45% and if this continues it will impact positively on the current forecast. The SLT have set a target for overtime spend of £2.75M and while the current forecast is slightly higher than this figure as shown in the table below it will be achieved if the early success is maintained. However, it still needs to be seen if there is a significant impact on performance and whether these reduced payments can be sustained.

	2007/08	2008/09	2009/10	2010/11(est)
	£'000	£'000	£'000	£'000
Territorial Policing	2,594	2,548	2,476	1,676
Protective Services	991	1,064	1,265	959
Other	45	41	43	24
Externally Funded	392	309	295	225
Total	4,022	3,962	4,079	2,884

- 4.5 As Members will be aware from the presentation provided to Members at their Seminar on 27 September 2010, the Force has included targets in each of the next four years to further reduce overtime. The targeted levels are as follows:

Financial Year	£'000
2011/12	200
2012/13	500
2013/14	650
2014/15	1,000

- 4.6 These targets will need to be reviewed on a regular basis, upon their achievability, particularly in the later years, as in 2014/15 these savings would equate to a 75% reduction in spend compared to 2009/10 outturn.

5. Specific Government Grants

- 5.1 The Force will continue to receive additional specific grants, mainly from Government Agencies, for additional expenditure incurred as a result of specific ring fenced initiatives. Appendix C details the larger specific grants that are confirmed to be received during 2010/11.

- 5.2 Since the original notification of grant levels and following the announcement from the Home Office detailed in section 2.2 grant levels have been reduced by £0.093M, appendix C has been adjusted to reflect these changes.

6. Efficiency/Productivity

- 6.1 As reported orally to Members of the Audit and Business Assurance Committee in June the final outturn for the 2009/10 efficiency / productivity savings was a figure of £3.723M (or 3.47%) compared with a target of £2.925M (or 2.7%). As a result of this outturn position and as incorporated into the 2010/11 Policing Plan the efficiency target for 2010/11 as agreed by the Authority was increased from 3.4% of expenditure to 3.6% or £3.650M.
- 6.2 At this stage in the year it is forecasted that the outturn will be on target at £3.650M as the majority of these efficiencies were removed from the 2010/11 revenue budget, although with business cases now being considered around findings from Programme 2011 this figure may increase by the year end.

7. Service and Financial Implications

- 7.1 As mentioned at 3.1, the financial implications equate to a £0.244M over spend at this stage of the year. The stringent control of resources is paramount to ensuring that this can be reduced during the remainder of the financial year.

8. Other Implications

- 8.1 Corporate Governance: stringent budgetary control is extremely important to ensure resources are being used effectively and that finances are being directed to the correct areas of priority.
- 8.2 Policy and Strategic Aims: The budget has been set in line with the strategic plan and annual policing plan and has a direct impact on the ability the Authority and Force has in delivering these aims and priorities.
- 8.3 Reducing Carbon Footprint / Waste: No direct impact apart from better use of resources in relation to the efficiency plan.
- 8.4 Confidence: Good financial control of public spend is paramount to providing customers assurance that the budget is being used effectively and resources are being directed towards areas of priority.

9. **Risk**

- 9.1 The current forecasts are that expenditure will be higher than the revised budget and while efforts are made to prevent this happening the risks highlighted at 3.7 could alter this situation. These figures take into account the reductions in funding shown at 3.2.

10. **Recommendation**

- 10.1 That Members note the report paying particular attention to the reductions in funding detailed at paragraph 2.2 and 2.3 along with the forecast over spend of £0.244M at year end at paragraph 3.1.

2010/11 Revenue Budget Summary

	Budget Provision £'000	Expenditure to 31st August 2010 £'000	%	Forecast Outturn £'000	Forecast Variation £'000
Force					
Employee Expenses					
Police Pay	50,839	20,473	40	50,773	-66
Police Overtime	2,489	1,220	49	2,884	395
Police Staff Pay	30,778	13,267	43	30,778	0
Pensions	11,418	4,917	43	11,418	0
Other Employee Costs	2,929	704	24	2,929	0
Premises	2,881	1,261	44	2,881	0
Transport	2,559	859	34	2,559	0
Supplies & Services					
Equipment & Uniforms	1,607	497	31	1,607	0
I.T.	3,629	1,202	33	3,629	0
Other	3,175	1,330	42	3,175	0
Agency & Contracted Services	3,078	1,196	39	3,008	-70
Capital Financing	659	12	2	519	-140
Income					
Grants	-11,916	-3,752	31	-11,916	0
Interest	-300	-40	13	-175	125
Other	-2,544	-1,281	50	-2,544	0
Contribution from Reserves	-300	0		-300	0
	100,981	41,865	41	101,225	244
Police Authority					
Employees	274	153	56	274	0
External Audit	59	1	2	59	0
Bank Charges & Internal Audit	33	21	64	33	0
Youth Action	36	10	28	36	0
Members Allowances	231	96	42	231	0
Conferences, Grants & Subscriptions	59	39	66	59	0
Consultancy & Publicity	114	31	27	114	0
Other Expenses	34	15	44	34	0
	840	366	44	840	0
Total	101,821	42,231	41	102,065	244

2010/11 Revenue Budget Monitoring Analysis of Forecast Outturn

The following table provides a brief analysis of the current forecast outturn position for each Division

	Forecast Variance £'000	Forecast compared to Divisional Budget %	Forecast compared to Force Budget %	
Territorial Policing				
J Div	23	0.11	0.02	A small overspend that it is hoped will be eliminated if overtime spend continues to reduce.
C Div	348	2.30	0.34	The Division is currently over establishment and this forecast assumes officers will transfer out of the Division. Work continues on overtime and other areas of expenditure to further reduce this variance.
K Div	3	0.04	0.00	Minor variance
Total	374	0.85	0.37	
Protective Services				
Protective Services	272	0.82	0.26	Overspends on both Public Protection and Serious & Organised Crime, centrally held budget may offset some of this.
Collaborated Units	26	0.23	0.03	A small overspend is forecast on Dogs, Firearms & Civil Contingencies.
Total	298	1.05	0.29	
Corporate Services				
People Services	-41	-0.88	-0.04	Underspends within IPLDP as new recruit numbers reduce.
Resources	-41	-1.61	-0.04	Underspends forecast within Transactional Services and Procurement as vacancies arise.
Estates	9	0.26	0.01	Minor Variance
Legal	13	6.74	0.01	Legal Software as used by Herts Constabulary
Corporate Communications	11	1.61	0.01	Small overspend on salary budget
IS/IT	-11	-0.29	-0.01	Minor Variance
Total	-60	-0.39	-0.06	
Corporate	-368	-2.78	-0.36	See body of report
Authority	0	0.00	0.00	
Total	244	0.24	0.24	

Appendix C**Grant Funded Initiatives 2010/11**

	£'000	
• Neighbourhood Policing Fund	2,764	contribution towards the cost of employing Community Support Officers Forcewide
• Counter Terrorism	1,295	funding provided for the policing of Luton Airport against the threat of terrorism, this also covers the cost of policing MANPADS
• Dedicated Security Posts	1,781	funding from the Home Office for 34 dedicated security posts
• Basic Command Unit Fund	418	a fund provided to individual BCU's to compliment the CDRP monies made available through partnering Authorities
• Drug Testing Programme	316	funding to conduct Drug Testing as part of the Criminal Justice Interventions programme
• PREVENT funding	499	funding has been received for eight officers & one staff member specifically to undertake additional roles specified under the PREVENT element of Counter Terrorism.

For information, the grants already included as part of the National Settlement are:

	£'000
Crime Fighting Fund	2,713
IPLDP	238
Additional Rule 2 Grant	698

Bedfordshire Police Authority



COMMITTEE AND MEETING DATE	FINANCE COMMITTEE 13 OCTOBER 2010
AGENDA ITEM No:	4(c)
TITLE:	2010/11 CAPITAL PROGRAMMEME PERFORMANCE
DATE OF REPORT:	30 SEPTEMBER 2010
REPORT OF:	CHIEF CONSTABLE
AUTHOR:	ASSISTANT DIRECTOR – RESOURCES
ACTION REQUIRED:	TO REPORT PROGRESS ON THE IMPLEMENTATION AND MANAGEMENT OF THE 2010/11 TO 2012/13 CAPITAL PROGRAMMEME
APPENDICES:	APPENDIX A – LATEST ESTIMATE OF CAPITAL PAYMENTS APPENDIX B – PROGRESS ON IS/IT STRATEGY APPENDIX C – 2010/11 TO 2012/13 FINANCING OF THE CAPITAL PROGRAMMEME

RECOMMENDATIONS:

Recommendation 1

That Members note the report and in doing so approve the commencement of the CCTV (Custody) project as detailed in paragraph 3.2

Originators: Hannah Broadbank – Accountancy Assistant

Date: 30 September 2010

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BACKGROUND PAPERS:

Estates Strategy

ICT Strategy.

Statement from the Minister of State for Policing and Criminal Justice (Nick Herbert) dated 27th May 2010 outlining reductions in Police Funding 2010/11.

ADDITIONAL PAPERS:

None

1. Overall Assessment

1.1 Revised Programme

As reported to the Police Authority Committee meeting in June, slippage of £0.744M has been added to the revised capital programme. This results in a capital programme for 2010/11 of £30.709M.

2. Latest Estimate of Total Costs

2.1 Details of the latest estimate of total costs compared with the revised programme are detailed at Appendix A.

2.2 As the Appendix shows, the latest estimate of total costs compared to the revised programme is a decrease of £0.179M from £30.709M to £30.530M. The reasons for this are as follows:-

Estates – Decrease of £0.003M

- HQ Radio Mast - Tenders are currently being considered for the new radio mast. Assuming the cheapest quote is acceptable the expected cost is likely to be increased by £0.030M.
- Luton Boiler – This is expected to cost Bedfordshire Police £0.033M less than originally planned as a share of the costs can be reclaimed from Luton Magistrates Court.

ICT – Decrease of £0.180M

- Mobile Data - £0.080M has been saved by renegotiating a contract to supply handsets.
- Command and Control – Expected costs can be reduced by £0.050M due to increased resource input from Bedfordshire Police being needed on the project.
- NMIS-Reduction of £0.050M for a custody link that now forms part of the Athena Project and is no longer required in this programme.

Airwave – Increase of £0.004M

3. Latest Estimate of 2010/11 Payments

3.1 The latest forecast of payments in 2010/11 shows a reduction of £0.863M compared to the revised programme. The details of all variances are shown below:

3.2 The detail of the slippage in payments is shown below and as part of these estimates an assumption has been made that the project to install CCTV in the Custody Suites at Luton and Greyfriars is brought forward into the current financial year. This has the support of the Senior Leadership Team who make this recommendation in the knowledge that while the Force will still progress with the Digital Evidence project it is likely not to happen until early 2011/12 because it is subject to NPIA national framework which is still work in progress.

Estates – Decrease of £0.205M

- Neighbourhood Policing – In addition to slippage of £0.100M reported at the June Committee meeting, the difficulty in finding both suitable and economically viable properties has caused further slippage of £0.035M.
- Greyfriars Replacement – As previously reported planning committee requirements have led to the planning application being considered later than anticipated therefore £0.090M has slipped to 2011/12.
- Luton Boiler – £0.050M has been slipped into 2011/12 relating to retention fees.
- Single Storage Solution – Slippage of £0.200M to 2011/12 as the scope of this project will be reconsidered once the findings of Programme 2011 are known.
- CCTV (Custody) - £0.240M has been brought forward from 2011/12 to 2010/11 in line with the force's current priority to address the risks associated, subject to Police Authority approval.

ICT – Decrease of £0.558M

- £0.180M decrease is due to the ICT reductions made as detailed in paragraph 2.2.
- Desktop Upgrades - £0.022M brought forward due to new PCs purchased in advance of price increase.
- Identity and Access Management – Slippage of £0.170M into 2011/12 due to delayed regional collaboration arrangements to provide the IAM solution.
- Digital Evidence System – Force prioritisation has meant that this project will not begin until April 2011 causing slippage of £0.230M.

Airwave – Decrease of £0.100M

- A large amount of the terminals that required replacement this year have been sourced free of charge from other forces, meaning that £0.100M can be slipped to 2011/12.

- 3.3 With the cost reductions shown at 2.2, the slippage of payments into future years, and the increasing risk of staff and visitor safety into the Force's custody area, it is suggested and incorporated into the figures at Appendix A, that the custody CCTV project is brought forward into 2010/11 and that the procurement process is commenced. Whilst the procurement process may result in payments being incurred in 2011/12 the bringing forward of the project will allow for some payments yet to be qualified to be incurred in this financial year.
- 3.4 Appendix B provides a brief update of progress against the main capital schemes within the ICT strategy.

4 Funding 2010/11 to 2012/13

- 4.1 Appendix C assesses the implications on resources as a result of the variations arising from this report.
- 4.2 The capital grant provided from the Home Office has been reduced by £0.088M in 2010/11 since the draft programme was approved, this is part of the recently announced cuts by the Minister of State for Policing and Criminal Justice. This is £0.012M less than anticipated and reported to this committee in June. For the purpose of this report it has been assumed that grant will remain at this lower level in 2011/12 & 2012/13. This has added pressure to the capital programme and should be considered when reviewing future projects.
- 4.3 The estimated funding surplus at the end of the three-year programme is currently forecasted at £0.181M, albeit that this surplus will be fully utilised in any future years capital expenditure but is also obviously dependent upon actual costs incurred in this financial year.

5. Service and Financial Implications

- 5.1 It is estimated that payments in 2010/11 will be £0.863M lower than the revised programme.

6. Other Implications

- 6.1 Policy and Strategic Aims: The successful delivery of the capital programme will assist the Authority and Force in the delivery of its strategic aims.

7. **Risk**

- 7.1 There are no risks to the achievement of the Force's objectives arising from this report, however it is felt that the risks associated with current CCTV in the custody areas should be addressed in this financial year rather than future years as previously agreed.

8. **Conclusion**

- 8.1 It is estimated that payments in 2010/11 will be £0.863M lower than the revised programme.

9. **Recommendation**

- 9.1 That Members note the report and in doing so approve the commencement of the CCTV (Custody) project as detailed in paragraph 3.2.

Capital Programme 2010/11 to 2012/13

SUMMARY

Strategy	Description	Revised Programme					Latest Estimate (September 2010)					Variation	
		Total Cost	Prior to	2010/11	2011/12	2012/13	Total Cost	Prior to	2010/11	2011/12	2012/13	Total Cost	Payments
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	2010/11
Estates	General Minor Capital Work	750	0	250	250	250	750	0	250	250	250	0	0
	Minor Works - Sustainability	450		150	150	150	450		150	150	150	0	0
	General Major Capital Work	700	0	300	200	200	700	0	300	200	200	0	0
	Neighborhood Policing Acc	200	65	135	0	0	200	65	0	135	0	0	(135)
	Greyfriars Replacement	771	661	110	0	0	771	661	20	90	0	0	(90)
	Criminal Justice Centre North	12,000	0	0	7,000	5,000	12,000	0	0	7,000	5,000	0	0
	Eastern Avenue	402	389	13	0	0	402	389	13	0	0	0	0
	New Generator at HQ	450	24	426	0	0	450	24	426	0	0	0	0
	New Boilers (Luton)	200	29	171	0	0	167	29	121	17	0	(33)	(50)
	Single Storage Solution	1,000	0	200	800	0	1,000	0	0	1,000	0	0	(200)
	Collaboration Set Up - Dogs	41	37	4	0	0	41	37	4	0	0	0	0
	HQ Mast	100	0	100	0	0	130	0	130	0	0	30	30
	CCTV (Custody Suites)	240	0	0	240	0	240	0	240	0	0	0	240
IS/IT	Mobile Data	1,307	840	217	130	120	1,227	840	137	130	120	(80)	(80)
	CCTV - Level One	130	24	106	0	0	130	24	106	0	0	0	0
	Command & Control	379	100	279	0	0	329	100	229	0	0	(50)	(50)
	Impact/MOPI	825	195	480	0	150	825	195	480	0	150	0	0
	Infrastructure Upgrades	550	0	250	150	150	550	0	250	150	150	0	0
	Desktop Upgrades	470	295	35	0	140	470	295	57	0	118	0	22
	Minor Systems	720	0	230	230	260	720	0	230	230	260	0	0
	Telephony	559	305	254	0	0	559	305	254	0	0	0	0
	Identity & Access Management	236	8	208	10	10	236	8	38	170	20	0	(170)
	Inspire	41	33	8	0	0	41	33	8	0	0	0	0
	SNT / Citizen Focus	70	60	10	0	0	70	60	10	0	0	0	0
	Intranet	63	34	29	0	0	63	34	29	0	0	0	0
	Digital Evidence System	430	0	230	200	0	430	0	0	430	0	0	(230)
	NMIS	300	0	50	50	200	250	0	0	50	200	(50)	(50)
	Analytical Capability	150	0	150	0	0	150	0	150	0	0	0	0
	Integrated Communication & Control	210	0	100	100	10	210	0	100	100	10	0	0
	ICT Helpdesk	50	0	50	0	0	50	0	50	0	0	0	0
	Inter Force Links	250	0	150	0	100	250	0	150	0	100	0	0
	Microsoft Software Assurance	559	389	170	0	0	559	389	170	0	0	0	0
	HR System	370	0	0	350	20	370	0	0	350	20	0	0
	Flexible Working	230	0	0	200	30	230	0	0	200	30	0	0
	Geographic Information System	150	0	0	100	50	150	0	0	100	50	0	0
	Crime & Intelligence System	500	0	0	500	0	500	0	0	500	0	0	0
	Customer Relationship Management	100	0	0	100	0	100	0	0	100	0	0	0
	Electronic Records Management	300	0	0	300	0	300	0	0	300	0	0	0
Airwave	Airwave	874	318	271	285	0	878	318	171	389	0	4	(100)
ANPR	ANPR (M1)	75	0	75	0	0	75	0	75	0	0	0	0
	ANPR (Vehicle Upgrade)	76	0	76	0	0	76	0	76	0	0	0	0
Equipment	Equipment	236	0	136	50	50	236	0	136	50	50	0	0
Transport	Vehicle Replacement	2,325	0	750	775	800	2,325	0	750	775	800	0	0
	Air Support	870	76	94	600	100	870	76	94	600	100	0	0

Summarised as;

Estates	17,304	1,205	1,859	8,640	5,600	17,301	1,205	1,654	8,842	5,600	(3)	(205)
IS/IT	8,949	2,283	3,006	2,420	1,240	8,769	2,283	2,448	2,810	1,228	(180)	(558)
Airwave	874	318	271	285	0	878	318	171	389	0	4	(100)
ANPR	151	0	151	0	0	151	0	151	0	0	0	0
Equipment	236	0	136	50	50	236	0	136	50	50	0	0
Transport	3,195	76	844	1,375	900	3,195	76	844	1,375	900	0	0
TOTAL CAPITAL PROGRAMME	30,709	3,882	6,267	12,770	7,790	30,530	3,882	5,404	13,466	7,778	(179)	(863)

Appendix B**Progress Report on the IS/IT Capital Programme**

This Appendix provides a brief progress report on the largest projects included within the 2010/11 Capital Programme.

IMPACT (encompassing MoPI and PND/IAM/ODS)

The Force has started uploading data to PND from ODS in line with national timescales. Bulk upload of data commenced at the end of August, in line with other Eastern Regional Forces and will continue throughout September for Child Protection and Intelligence data. Bedfordshire data will then go through a series of reconciliation processes, starting at the end of September, ready for the launch of PND to 'early adopter' forces in December 2010.

Implementation of the force data quality tool 'Clearcore' is underway. Sample data has been provided to the supplier, for quality evaluation purposes, and installation is planned to commence on 15th September.

PC Replacement

The rolling replacement of PCs is continuing throughout this financial year, with 200 PCs bought prior to the price increase announced by HP, saving £30 per unit. This quarter, work has continued on roll-out of these to end-of-life machines at Luton, Dunstable and HQ.

Telephony

The roll out of IP Telephony continues throughout this financial year, with installation underway at Dunstable, and Luton and preparatory work started at Greyfriars. The new handsets and facilities continue to be well received by users.

It is still anticipated that the IPT rollout will be completed during 2010/11 FY.

Airwave

A programme of Airwave radio replacement was planned for 2010/11, as the force terminals (handhelds radios) are now beyond warranty and faulty units are now subject to costly fixed price repairs. Large scale replacement of the majority of the force radios was planned by Beds, using the Metropolitan Police National Consortium Arrangement, although over recent months discussions have been taking place with Herts to ensure that volume purchasing discounts are maximised across the two forces and procurement planning is now underway.

Due to the budget constraints of the force over the forthcoming year, a decision has been made only to replace front-line officers' radios and to use several hundred

second-hand units from TVP, Gwent and Cambridgeshire forces, reducing the capital requirement for this initiative in this financial year.

Infrastructure Upgrades

As part of the disaster recovery (DR) programme of work an initiative to replicate HQ-hosted applications to a DR site for resilience has now been completed and data has been migrated to it. This has now allowed the duplication of applications across to the force DR site at Dunstable to be progressed and a much more resilient architecture provided for critical force applications.

Compression and acceleration technology was tested across our wide-area network links between sites, but was found to be expensive in comparison to other technologies. Consequently, the more cost-effective option of upgrading force routers is now being progressed.

A trial of Microsoft Communication Server is underway in a limited form at HQ, which allows low-cost video-conferencing from the desktop and instant messaging between all PCs in the force.

Mobile Data – Phase 2

The Mobile Data User Group has been established to consider the ongoing policy and practice issues necessary for ongoing 'business-as-usual' use of Blackberrys.

Work is now complete to include Blackberry telephone numbers in the Force telephone directory so that officers can take advantage of free calls between Blackberry devices. A new airtime contract has been negotiated, resulting in some capital allowance to replace some existing handsets as part of the deal.

Feasibility work is continuing on the implementing 'single-search capabilities' as a result of £150,000 being awarded to the force from the NPIA.

Command and Control replacement and GIS replacement

Hertfordshire Constabulary and Bedfordshire Police are working together on the Command and Control Collaboration project; both forces will upgrade their existing Northgate OASIS Command and Control Systems to the latest Northgate product, Integrated Incident Management (IIM). In preparation for the upgrade both forces are also upgrading their Geographical Information Systems (GIS) to Northgate's xc product and migrating existing street indexes to the Compass Gazetteer.

Both forces have committed resources to the development of the product, and rescheduled testing with a view to a stable product of suitable quality being available in both forces by 31st December 2010 for training and roll-out thereafter.

Athena

The Regional Programme to procure a common Custody, Crime, Case and Intelligence System, named 'Athena' is progressing well, and was commended in the September ACPO Cabinet Debrief. The Invitation to Participate in Dialogue (ITPD) was issued to six shortlisted suppliers later than planned, on 24 August. As a result the tender evaluation completion has slipped to the end of November 2010. The Regional timetable has now specified that for all Forces involved contract signing will take place on 18th August 2011.

CAPITAL PROGRAMME 2010/11 to 2012/13 FINANCING

	2010/11 £000	2011/12 £000	2012/13 £000
Expenditure			
Estates	1,654	8,842	5,600
IS/IT	2,770	3,199	1,228
Transport	844	1,375	900
Equipment	136	50	50
Total	5,404	13,466	7,778
Resources			
External Borrowing (long term)	1,000	8,500	6,500
Capital Receipts		1,150	
Annual Government Grant	1,209	1,209	1,209
Revenue Contributions			
Capital Financing Reserve	5,383	2,468	250
Other External Resources	280	389	
Total	7,872	13,716	7,959
Surplus / (Shortfall)	2,468	250	181



Bedfordshire Police Authority

COMMITTEE AND MEETING DATE	FINANCE COMMITTEE, 13TH OCTOBER 2010
AGENDA ITEM No:	5(a)
TITLE:	ICT STRATEGY REVIEW
DATE OF REPORT:	4 OCTOBER 2010
REPORT OF:	CHIEF CONSTABLE
AUTHOR:	EMMA PAYNE – ACTING HEAD OF ICT PROJECTS
ACTION REQUIRED:	FOR INFORMATION AND CONSULTATION
APPENDICES:	NONE

EXECUTIVE SUMMARY:

The Bedfordshire ICT Strategy was agreed by the Police Authority in October 2009, and this document is produced in order to inform the Police Authority of progress against the rolling implementation plan, as specified in the Strategy.

RECOMMENDATIONS:

Recommendation 1

Members are asked to note this report.

Originator: Emma Payne, Acting Head of ICT Projects
 Date: 4th October 2010
 Telephone No: 01234 842372
 E-mail: emma.payne@bedfordshire.pnn.police.uk

BACKGROUND PAPERS:

Bedfordshire Police ICT Strategy 2010/11 – 2015/16

1 INTRODUCTION

- 1.1 The Bedfordshire ICT Strategy was agreed by the Police Authority in October 2009, and this document is produced in order to inform the Police Authority of progress against the rolling implementation plan. This document also seeks to highlight the developments in the environment in which Bedfordshire ICT operate, both within the mainstream technical landscape, and the fiscal, policing and collaborative issues that have influenced the department over the past 12 months, and their likely impact on strategic direction over forthcoming years.

2 ICT VISION

- 2.1 The ICT Vision as described in the Strategy 2010/11 2015/16 has enabled the department to focus on key areas, and ensure its activities are aligned to core functions. It remains a sound framework upon which to build over the remaining life of the strategy.

“ICT systems for the Bedfordshire Force will be business-led and delivered as a package including business process change and training. ICT will be responsive to user needs and will provide realisable benefits as measured against the high-level vision for Bedfordshire Police under accountable management. It will support users in meeting the objectives and priorities set out in the Local Strategic Plan and the Annual Policing Plan, including engendering confidence.

The ICT will strongly support information management, timely access to relevant information for all users wherever they are located within the Bedfordshire Police area of responsibility, and privacy and security requirements. It will be procured and operated in line with the best practice set out in the Greening Government initiative. Systems and users will be appropriately supported and users will be trained as necessary. Users will be consulted as necessary and kept informed of ICT developments and issues which might affect them.

The Bedfordshire Force will not normally be in the vanguard of ICT implementations unless there is an overwhelming business case for an emerging capability. The achievement of this strategy will rely on Bedfordshire, Hertfordshire, and other Forces in the Eastern Region converging on similar business processes, ICT architecture and solutions together with related training across the Eastern Region in the short to medium term and nationally in the longer term. The Bedfordshire Force will adopt the emerging ISIS strategy, business processes, architecture and solution offerings when these are available. Until then, subject to Value for Money (VfM) and an acceptable business case, the Bedfordshire Force will adopt Hertfordshire or Eastern Region offerings.

- 2.2 Whilst the vision remains sound, the Force, whilst potentially being driven nationally down the ISIS path of convergence with other police forces, will where appropriate consider other partnership arrangements to deliver value for money and effectiveness through ICT.

2.3 Business-Alignment

In response to the requirement to remain business-led and ensure new systems, whether sourced externally or developed in-house, are focussed on business priorities, all proposed ICT changes are assessed by the Business Change Advisory Board. This has allowed multi-disciplinary rigour to be applied to the assessment of the appropriateness and value for money of proposed new initiatives.

3 **ENVIRONMENTAL FACTORS**

3.1 Economic Climate

The current economic conditions mean that the Bedfordshire Police is likely to be required to make savings of £19.2M over the next 4 years. The ICT Department continue to seek ways to facilitate the most efficient use of technology. We recognise our role in enabling savings to be made in other areas of the force, where existing and new technologies can be used to ensure most effective use of our limited and reducing resources.

In recognition that there are concerns about the affordability of the ICT and Estates Capital Programmes prior to the FY2010/11 budget allocation, the ICT capital programme was vigorously assessed by SLT in line with strategic drivers and objectives during its budget planning process in January 2010 and is continually assessed in a climate of potential declining resources.

ICT has itself been subject to financial scrutiny along with all other areas of Force activity, but most particularly with the development of the business case for a collaborated ICT function with Herts. Approved by the Joint Statutory Committee in late September and subsequently the individual Police Authorities, the implementation plans for a combined unit are well advanced. The efficiencies associated with more effective processes, consolidation of infrastructure and applications, and an overall reduction in staff numbers have identified significant savings to both forces, whilst ensuring the level service to the people of Bedfordshire is sustained through service to our officers and staff.

3.2 ISIS and Regional Collaboration

With the announcement of the cessation of the National Policing Improvement Agency (NPIA) in 2012, the focus on delivering the Information Systems Improvement Strategy (ISIS) has intensified around regional initiatives such as the production of the business case for a regional ICT capability, and the Athena Programme. Bedfordshire continue to be heavily involved with the work of both Athena technical and business strands, and in developing proposed structures for the regional ICT organisation and a robust regional governance mechanism.

3.3 ICT and the Environment

In addition to the rolling strategic plan, the department has continued its commitment to reducing the impact on the environment of the delivery of ICT services across the country and the innovative use of technology to reduce the carbon footprint of the Force as a whole.

Initiatives during this year have included:

- Force-wide access to Tele-conferencing facilities
- Continued virtualisation of server platforms
- Hibernation of desktop screens and power units during periods of inactivity
- Continued purchasing of duplex-only printers
- Reduction in cooling requirement for Airwave room due to hot air extraction

Further planned initiatives, throughout the forthcoming year and beyond include:

- Trialling of desk-top video and audio-conferencing, with instant messaging between desktops
- Feasibility study for the replacement of printers with Multi-Functional Devices (MFDs)
- Promotion of the further use of Electronic Document and Records Management System and SharePoint technology for the electronic storage of documents

4 ROLLING STRATEGIC PLAN

At the time of production of the Strategy in October 2009, there was considerable uncertainty over the Herts/Beds ICT Collaboration, and proposals for public consultation for a Beds/Herts Force merger were under discussion. Recognising these two options, a further status-quo scenario, and that of an Eastern Regional ICT Collaboration, the Strategy comprised four scenarios, and proposed a rolling strategic plan for each. In many cases there are only minor distinctions between the scenarios, since the ICT Strategic principle of migration towards ISIS is a common factor, and regional collaboration on the implementation of common applications and infrastructure is well advanced.

Over the past year the status-quo scenario has been pursued, and a summary of progress against it is provided below:

4.1 Command and Control

Herts and Beds forces continue to work together on the Command and Control Collaboration project to upgrade existing Command and Control systems, mapping and street gazetteers. Revised milestones for the project now plan for the product being available to both forces by 31st December, with training and roll-out thereafter to suit the exigencies of each force.

4.2 Crime Management, Intelligence, Custody and Case Preparation

Bedfordshire continue to participate in the Eastern Region Athena Programme which will select successor, and ISIS compliant, applications for Crime Management, Intelligence, Custody and Case Preparation. Recent announcements concerning delays in the regional project, with contract signing now anticipated to be in August of 2011, will mean that the capital funding of

£500K that has been allocated in FY 2011/12 may not now be required until 2012/13 for the first two modules. At this stage, although subject to affordability and need, it is still anticipated that a further £500K will be required in FY13/14 for the two remaining modules.

4.3 Mobile Data

The force now has 1650 devices, allowing officers and staff access to approximately 20 applications. Users can now take full advantage of free calls between blackberry devices, with access to the telephone directory from the device itself. A new airtime contract has been negotiated and signed, resulting in some capital allowance to replace some existing handsets as part of the deal. This has reduced the need for capital funding for FY2010/11 for handset replacement.

The project is now moving towards closure and the Mobile Data User Group has been established to consider the ongoing policy and practice issues necessary for 'business-as-usual' use of Blackberrys. As a separate initiative, feasibility work is continuing on the implementing 'single-search capabilities' as a result of £150,000 being awarded to the force from the NPIA.

4.4 Telephony

The roll out of IP Telephony has continued throughout this financial year, with new handsets and facilities being well received by users. HQ, and Greyfriars are the final remaining sites to be completed it is anticipated that they will be completed by the end of the financial year.

4.5 IMPACT

The Force has complied with national deadlines for the provision of data to PND, which currently sees the force undertaking bulk data load of historical data from Crime, Intelligence and Child Protection data. The data will facilitate the national launch of PND to 'early adopter' forces in December 2010. Bedfordshire staff will have access to the application in 2011.

The implementation of PND has also necessitated the implementation of a secure network infrastructure and the user authentication system, IAM (Identity and Access Management) in collaboration with Herts.

Implementation of the force data quality tool 'Clearcore' is underway following a regional procurement of the product.

4.6 Airwave

A programme of Airwave radio replacement is planned to commence during FY2010/11, as the force terminals (handheld radios) are now beyond warranty and faulty units are now subject to costly fixed price repairs. Large scale replacement of the majority of the force radios was planned by Beds and Herts, using the Metropolitan Police National Consortium Arrangement, to ensure that volume purchasing discounts are maximised across the two forces. Due to the budget constraints of the force, a decision has been made only to replace front-line officers' radios to further reduce costs, and to use several hundred second-hand units from TVP, Gwent and Cambridgeshire forces, reducing the capital requirement for this initiative further.

4.7 Small Systems Development - INSPIRE and SNT

The INSPIRE Performance Management system was rolled out across the force between April and June, and the SNT system has been successfully piloted and was launched force-wide on 1st October. Developed in-house by 3-4 subject matter experts and ICT development staff, both INSPIRE and the SNT systems have been produced for less than a quarter of the cost that Microsoft quoted to produce the applications. INSPIRE and SNT have shown that, where off-the-shelf products do not exist, the force can produce extremely high-quality systems.

4.8 Digital Evidence Recording

The planning for digital evidence and interview capabilities is continuing within the force and with reference to Herts, however the NPIA purchasing framework has been delayed due to a moratorium from Treasury. To ensure best value for money and consistency within the Police Service no firm commitments will be made on this project until the framework is concluded.

4.9 Infrastructure

During the year the department has undertaken a programme of infrastructure improvements to enhance resilience of critical business applications. An upgrade to the force Storage Area Network (SAN), which is a centralised data storage mechanism, has been undertaken. The SAN is the technology that supports server virtualisation, allowing one central system to support multiple software applications, rather than one discrete server per application. This allows instantaneous switching of an application to a new 'virtual hardware space' should a fault occur. This is part of an ambitious programme of virtualisation over a two-year period during which server numbers have been reduced by 90, with an estimated saving of £40,500 on power costs to run the hardware and cool the server room via air-conditioning.

As part of the disaster recovery (DR) programme of work an initiative to replicate HQ-hosted applications to the Dunstable DR site for resilience has now been completed. New backup hardware systems have also been purchased and installed, allowing much more robust backup of data to disk rather than tape technology.

5 BENCHMARKING AND PERFORMANCE DATA

- 5.1 It was hoped that this report would include specific VFM benchmarking data from the HMIC VFM profiles to ensure that consistent national benchmarking data was used, however, the profile has been delayed and will be subject to a later report to this committee.
- 5.2 From a local performance perspective, the department has performed well against its service levels agreements. Bedfordshire has the lowest total ICT revenue spend in the Eastern Region at £4,800,000, with the number of staff within ICT being in the lower quartile of all Forces. Even with this low cost and staffing base it continues to achieve a rolling yearly average of 96.4% customer satisfaction with ICT service delivery.

- 5.3 Critical System availability since the beginning of the year has been 100% and similarly 100% of new PCs requested by user departments were delivered within 10 working days.

6 CONCLUSION

- 6.1 Significant progress across the ICT rolling strategic plan continues against a rapidly changing environment. Nevertheless, the strategy remains a firm foundation on which to build a collaborated Beds/Herts ICT function.

7 RECOMMENDATIONS

Recommendation 1

That members note this report.



Bedfordshire Police Authority

COMMITTEE AND MEETING DATE:	FINANCE COMMITTEE 13 OCTOBER 2010
AGENDA ITEM:	5(b)
TITLE:	CHILTERN TRANSPORT CONSORTIUM – COLLABORATION UP-DATE
DATE OF REPORT:	30 SEPTEMBER 2010
REPORT OF:	CHIEF CONSTABLE
AUTHOR:	IAN GODOLPHIN – HEAD OF CHILTERN TRANSPORT CONSORTIUM
ACTION REQUIRED:	FOR INFORMATION
APPENDICES:	N/A

EXECUTIVE SUMMARY:

The purpose of this report is to provide Bedfordshire Police Authority with an annual up-date briefing report on the Bedfordshire fleet collaboration arrangements with Thames Valley Police (lead authority), Hertfordshire Police and Civil Nuclear Constabulary, collectively known as Chiltern Transport Consortium (CTC).

RECOMMENDATIONS:

Bedfordshire Police Authority notes the contents of this paper.

1. INTRODUCTION

- 1.1 The purpose of this report is to provide Bedfordshire Police Authority with the background to the collaborative arrangements for fleet, along with an annual up-date report on the Bedfordshire fleet collaboration arrangements with Thames Valley Police (lead authority), Hertfordshire Police and Civil Nuclear Constabulary, collectively known as Chiltern Transport Consortium (CTC).

2. BACKGROUND

- 2.1 Bedfordshire Police Transport Department underwent a number of inspections (HMIC 1995 & 2001/2002; EFQM 1998 and Business Concepts Ltd. 1999/2000). The reviews all highlighted a decline in performance over a five-year period.

- 2.2 In 1995, 'Her Majesty's Inspectors were highly impressed at the efficiency and sound business practices of the Fleet Manager. Robust systems and performance monitoring of staff and vehicles has ensured that Bedfordshire Police has one of the lowest vehicle running costs per officer.'*(1995 HMIC Inspection of Bedfordshire Police)*

- 2.3 Between 1998 and 2001, the overall performance of the transport department had fallen to un-acceptable levels identified in the following reports:

'A major failing when measuring departmental performance...was the lack of 'hard evidence' provided or otherwise uncovered.'*(1998 EQFM Assessment)*

'The current quality and performance measurements are not related to the outcome of the Transport Unit'*(1999 Review by Business Concepts Ltd.)*

'The computer database ... does not provide sufficient management information to monitor performance against targets.'*(2000/01 HMIC Inspection of Bedfordshire Police)*

- 2.4 During the time leading up to September 2001 the level of service provided by the Transport Department had fallen noticeably. Bedfordshire were without a Fleet Manager and as a result the Director of Finance and Administration requested assistance from Thames Valley Police Fleet Management Department, and commissioned a Best Value Review to be undertaken by ADvisa in conjunction with Bedfordshire Police.

- 2.5 This review led to Bedfordshire Police Authority agreeing an innovative and pathfinder approach to Fleet Management and as such entered into a formal section 23 agreement to collaborate on the co-joined Transport Support Function from the 1st November 2003.

- 2.6 Since implementation the Consortium has continued to evolve and improve and has seen both Hertfordshire Police Authority and Civil Nuclear Constabulary join and sign up to the Section 23 agreement.

- 2.7 Since 2008, CTC has continued to be recognised by Home Office as a national model for the provision of transport services and integrated cross boarder police back office shared services.

- 2.8 As a result of the National recognition Chiltern Transport Consortium (CTC) has received through inclusion in a number of reports including HMIC report – Closing the Gap and Sir Ronnie Flanagan’s Review of Policing 2008, the Consortium continues to be recognised as ‘best practice’ as the only large scale fully integrated back office support shared service within the Police Service. This recognition has led to inclusion in the recent Home Office / ACPO / AOPA / NPIA / HMIC Collaboration Programme Toolkit for Police Collaboration, dated 12th March 2010.
- 2.9 CTC current members of the Consortium are Bedfordshire Police, Civil Nuclear Police, Hertfordshire Constabulary and Thames Valley Police. CTC also provide a turnkey solution to a number of other regional/national police collaboration units including:
- Eastern Region Special Operations Unit (ERSOU)
 - South East Counter Terrorism Unit (SCTU)
 - South East Technical Support Unit (SETSU)
 - South East Serious Regional Crime Investigation Team (SERCIT)
- 2.10 During 2010/11 CTC has continued to be gain national recognition as a model approach with several other regional visits and possible expressions of interest in the Consortium. The Consortium is currently 2010/11 scoping and preparing a business proposal the future possibility of Cambridgeshire joining the arrangements.

3. CTC FINANCIAL PERFORMANCE

- 3.1 The following section provides the Bedfordshire Police Authority with an up-date on performance and achievements of the Consortium.
- 3.2 The following table shows the annual financial performance of CTC over the last six years. The accounts represent the actual audited performance of the Consortium with the figures endorsed by all Force DoR’s as well as subject audit and challenge in December 2009 by the Home Office and Tribal prior to CTC being involved and named in the development of the statutory collaboration legislation and tool kit as a model.

CTC Summary Outturn Stats	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	CTC Totals To-Date	Notes: (Six (6) Years)
CTC Budget	£7,918,768	£8,201,903	£8,342,117	£8,760,202	£13,538,520	£13,677,782	<u>£60,439,292</u>	Total CTC Budget 6 years
CTC Outturn Surplus (Deficit)	£9,813	£3,694	£160,910	£130,235	£230,722	£480,833.0	<u>£1,016,207</u>	Total CTC Audited Under spend £
Cashable Efficiency % (Removed from the base budget)	7.00%	1.98%	3.89%	2.00%	4.36%	1.94%	<u>21.17%</u>	Total Accumulative Removed From The Base Budget Saving %
Cashable Efficiency £ (Removed from the base budget)	£569,242	£126,000	£290,000	£175,204	£507,440	£236,828	<u>£1,904,714</u>	Total Accumulative Saving £
Cashable Efficiency & Surpluses %	7.31%	1.58%	5.41%	3.49%	5.45%	5.25%	<u>28.48%</u>	Total Accumulative Budget Saving Efficiency Plus Surpluses %
Total Savings (Planned Efficiency Plus Surpluses) £	£579,055	£129,694	£450,910	£305,439	£738,162	£717,661	<u>£2,920,921</u>	Total Cashable Savings Plus Surpluses
Net cost to CTC Forces (Outturn less other income)	£7,034,861	£7,191,182	£7,351,154	£7,694,119	£11,970,527	£11,774,928	<u>£53,016,771</u>	Total net Cost to CTC Forces
No. of Vehicles	1,224	1,252	1,309	1,405	2,175	2,175	<u>9,540</u>	Total No vehicles
Average CTC Cost net per unit	£5,747	£5,744	£5,616	£5,476	£5,504	£5,414	<u>£5,557</u>	(Mean AVE) Unit Cost

Source CTC Accounts August 2010

3.3 The above table shows that despite high levels of inflation over the six-year period in this business sector even with the improved specification of vehicles and equipment the actual unit cost of fleet vehicles has reduced in real terms.

3.4 The other interesting figure given the current financial climate in public sector is that the actual percentage of identifiable cash savings achieved over the six-year period is equal to 28.48%.

4. CTC OPERATIONAL PERFORMANCE

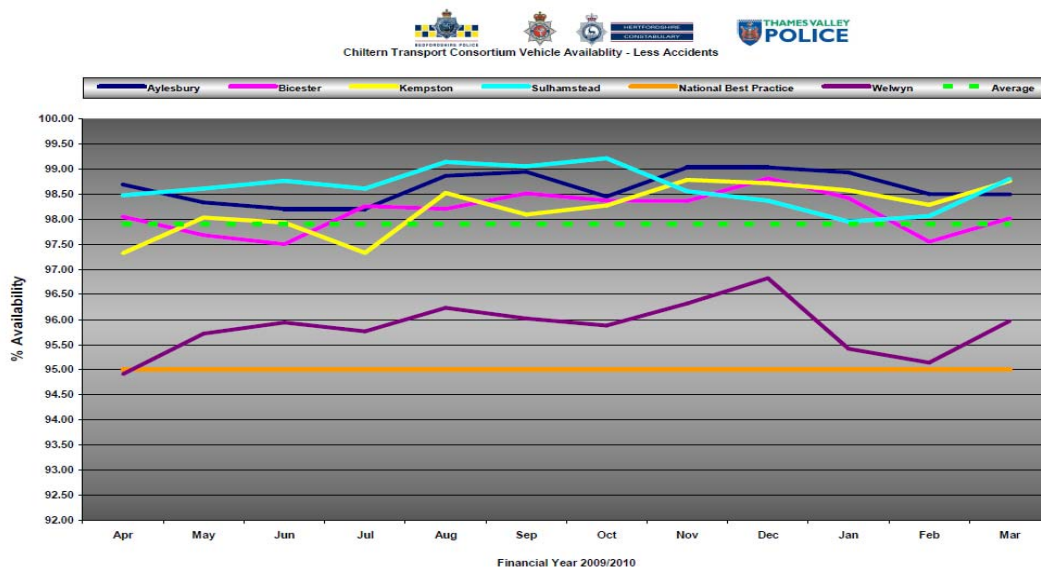
4.1 Vehicle availability is a key performance indicator for the Consortium and its operational end users. There are several different formula's used by other forces and private sector organisations to measure vehicle availability or downtime often driven by reflecting best case scenario. CTC use the following formula for the calculation of true vehicle downtime or availability:

4.2 The actual time/date of the vehicle being reported not fit for service until the time/date that the end user is informed the vehicle is available for use. This calculation is based on 24 hours a day and seven days a week to reflect our core customer business.

4.2 CTC monitor vehicle availability/downtime weekly and report internally monthly this monitoring enables the CTC management team to measure the efficiency of each workshop in the group. Vehicle availability also represents part of the annual performance report to the CTC Corporate Governance Board.

4.3 The below graph shows the 2009/10 CTC group vehicle availability by month by workshop/county. The graph shows vehicle availability in Bedfordshire less road traffic collisions has maintained a position of over 97%. This exceeds the national

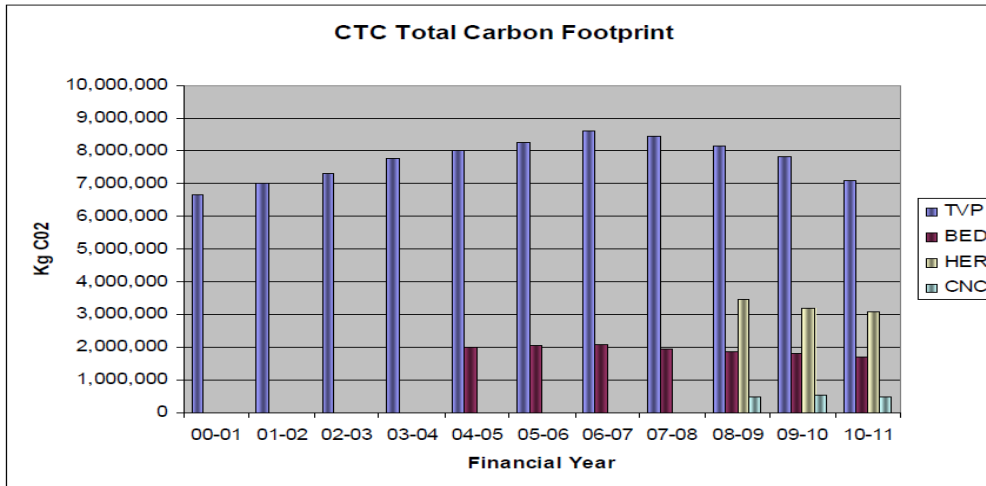
police average benchmark of 95%. The overall Bedfordshire vehicle fleet availability including all collision and criminal damage is 96.4%.



- 4.4 Business and process re-engineering coupled with workforce modernisation at the CTC workshops has enabled overall vehicle availability performance levels to be in the top quartile nationally. This has been achieved over the six years despite a reduction in staff levels and increased outputs/productivity in excess of 28%.

5. CTC ENVIRONMENTAL PERFORMANCE

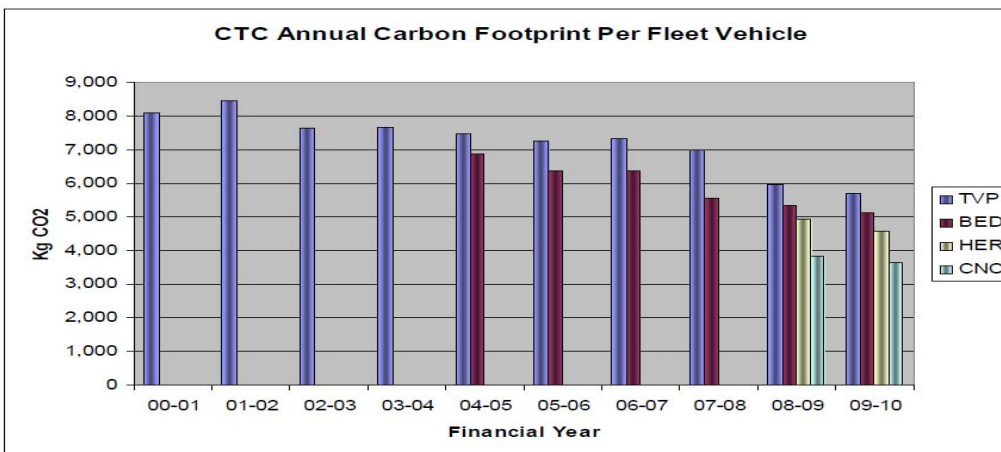
- 5.1 CTC lead nationally in the police service on environmental fleet management, CTC is the only police fleet operation that is a member of the National Carbon Trust and is represented on national industry working parties.
- 5.2 All CTC workshops are licensed environmental waste producers, each CTC workshop sorts and separate all waste achieving a waste re-cycling rate of over 90%. In 2009/10 two of CTC workshops were formally inspected by the environmental agency and complemented on their environmental management and compliance with the regulations.
- 5.3 The CTC environmental strategy was first launch in 2007, the overall carbon footprint for the Bedfordshire, Hertfordshire and Thames Valley fleets has continued to fall against annual increases in fleet numbers and mileage. This has been achieved by a procurement strategy to select the most environmentally friendly vehicles in each of the operational roles; CTC includes environmental measures in its evaluation of all tenders.
- 5.4 CTC has also had a strategy for the last five years to use diesel for all vehicles where they meet the operational role requirement, this delivers 25% increase fuel efficiency and reduces the carbon footprint of the fleet. CTC national influence has in 2010 led to the NPIA/Home Office including this as mandatory requirement in the new national vehicle frameworks due to be announced in October 2010.
- 5.5 The average CO₂ emissions for CTC per fleet car operated is currently 142g/km, the industry average for all fleet and new cars in 2009/10 was higher at 143.9g/km indicating the success of CTC long-term fleet procurement strategy. The Bedfordshire Police fleet carbon footprint reduction in 2009/10 was 4.44%.
- 5.6 The following graph shows the actual carbon footprint at force level for each financial year, it shows a positive continual reduction in the carbon footprint for all forces.



Total carbon footprint for each force including hire vehicles

5.6 The following graph shows the average carbon footprint per fleet vehicle in each of the CTC forces, demonstrating at individual vehicle level a continual improvement in carbon emissions.

Chiltern Transport Consortium Serving Bedfordshire Police, Civil Nuclear Police, Hertfordshire Constabulary & Thames Valley Police



6. Conclusion

6.1 As a result of the National recognition Chiltern Transport Consortium has received through inclusion in a number of reports - including the HMIC report – Closing the Gap and Sir Ronnie Flanagan’s Review of Policing 2008, the Consortium continues to be recognised as ‘best practice’ as the only large scale fully integrated back office support shared service within the Police Service. This recognition has led to our inclusion in the recent Home Office / ACPO / AOPA / NPIA / HMIC Collaboration Programme Toolkit for Police Collaboration, dated 12th March 2010.

6.2 The Chiltern Transport Consortium is recognised as a major enabler in the success of the operational collaboration between Bedfordshire and Hertfordshire Police. The level of service improvements, financial savings and resilience that the arrangements have delivered is well documented along with an increasing amount of other forces and public sector bodies showing an interest in our shared service model.

- 6.3 Chiltern Transport Consortium is exploring a number of other opportunities currently as well as an internal review of its operation, it clearly recognises the pressures on future public sector/police funding and is looking at options to assist individual forces in meeting these challenges.

7. Recommendation

- 7.1 Bedfordshire Police Authority notes the contents of this report.



Bedfordshire Police Authority

COMMITTEE AND MEETING DATE	FINANCE COMMITTEE 13 OCTOBER 2010
AGENDA ITEM No:	6
TITLE:	2010/11 TREASURY MANAGEMENT OPERATIONS REPORT
DATE OF REPORT:	30 SEPTEMBER 2010
REPORT OF:	CHIEF CONSTABLE
AUTHOR:	ASSISTANT DIRECTOR – RESOURCES
ACTION REQUIRED:	TO REPORT ON THE TREASURY MANAGEMENT OPERATIONS THAT HAVE TAKEN PLACE IN THE 2010/11 FINANCIAL YEAR
APPENDICES:	APPENDIX A – OUTSTANDING INVESTMENTS

RECOMMENDATIONS:

Recommendation 1 That members note the treasury management operations that have taken place in the 2010/11 financial year and the projected budgetary shortfall detailed in paragraph 4.5 and 5.1.

Originators: Julie Jackson – Accountancy Assistant
Stuart Goodwin – Principal Accountant

Date: 30 September 2010

Telephone No: 01234 842122

E-mail: julie.jackson@bedfordshire.pnn.police.uk

BACKGROUND PAPERS:

Treasury Management Strategy 2010/11

ADDITIONAL PAPERS:

None

1. **Background**

- 1.1 This report summarises the Treasury Management operations that have taken place in the 2010/11 financial year.

2. **Borrowing/Investment Operations**

2.1 Long Term Borrowing

- 2.1.1 No long term borrowing has been undertaken in this financial year.

2.2 Short Term Borrowing

- 2.2.1 No short-term borrowing has taken place in this financial year. Any short falls in daily cash flow have been met by the Authority's overdraft facility (£0.5M).

2.3 Investment

- 2.3.1 Levels of investment have varied from £10.0M to £22.5M and as at 30 September 2010 the amount invested was £14.2M. This includes both fixed term deposits of £6.0M and instant access accounts, including the Special Interest Bearing Account (SIBA) account balance, of £8.2M. As previously reported to this Committee the use of the force's SIBA has increased in recent months due to the poor interest rates on fixed term deposits. In addition to the SIBA account the force also invest in two other instant access accounts.

- 2.3.2 Appendix A shows a detailed list of the fixed term investments which were outstanding as at the 30 September 2010 along with the current approved lending list.

- 2.3.3 The current economic climate has reduced the amount of choice available to the Force when considering investments. To counter this, as part of the 2010/11 Treasury Management Strategy it was decided that the following rules would apply when making investments:

<ul style="list-style-type: none"> • Short term rating of F1+ and long term rating above AA- and individual rating higher than C and support higher than 2 	£7M investment limit
<ul style="list-style-type: none"> • Short term rating of F1 and long term rating above A and individual rating between A and B and a support rating of 1 or 2 	£7M investment limit
<ul style="list-style-type: none"> • Short term rating of F1+ and long term rating above AA- and individual rating between C and A/B and a support rating of 3 	£5M investment limited for 3 months
<ul style="list-style-type: none"> • Short term rating of F1 and long term rating above A and individual rating between B/C and C and a support rating of 3 	£5M investment limited for 3 months
<ul style="list-style-type: none"> • Where long term rating one rating below criteria and short term, support and individual ratings meet criteria 	£2M investment limited for 3 months

2.3.4 Ratings are currently checked on a weekly basis and lists updated when information is received from Sector, our Treasury Management advisors, regarding changes in ratings. Although consideration is once again being given to investing in foreign banks, currently all investments are with UK based banks and building societies. No new funds are currently being placed with Irish banks as per recommendations from Sector and credit rating agencies.

2.3.5 The force has continued to keep investments short term with higher rated institutions and government backed nationalised banks as this allows the Authority to react to changes in financial institutions' status and to hopefully take advantage of future rises in interest rates. Currently the highest term length is around 5 months as detailed in Appendix A; which is still considered short term. Interest rates continue to remain low.

2.3.6 The Force has been making use of an instant access account alongside the bank accounts currently used by the Force since February 2005. This Special Interest Bearing Account (SIBA) had previously been used for funds required at either short notice or of a value too small to invest. Due to the current economic climate and subsequent low levels of interest rates on offer when taking out fixed term investments, the Force has utilised the account more, depositing larger sums of money in order to take advantage of the more favourable rates on offer. This has led to the force investing in two further instant access accounts that currently pay a higher rate of interest than the fixed rates given on specific investments over the short term. These new instant access accounts give additional flexibility to cash flow planning and the current balance on these is shown at paragraph 4.3. The balances held are included in the limits applied to banking groups when considering potential investments.

2.3.7. Current market advice indicates that investment rates will remain at this level for the remainder of this financial year.

2.3.8 Information from other local authorities suggests that the majority are also currently investing in similar banks/building societies to the Force and some are using Money Market Funds and foreign banks; these options continue to be explored.

3. Performance

3.1 Performance is measured by comparing the actual rates of interest achieved and borne against the average Local Authority 7-day rate.

3.2 For investments made this year the average interest rate achieved from temporary investment is 1.0%. This is 0.64% higher than the average Local Authority 7-day rate of 0.36% over the same period.

3.3 Until 20 May 2010, the interest earned on the SIBA was 0.25% above the base rate, i.e. previously 0.75%. However following negotiations with the bank, the rate has been increased to 0.40% above the base rate, making the current rate 0.90%, more in line with the rates offered by the other two instant access accounts: currently 1.15% and 0.80%.

4. Summary of Treasury Management Transactions

4.1 The following tables summarise the treasury management transactions since the last report to this committee.

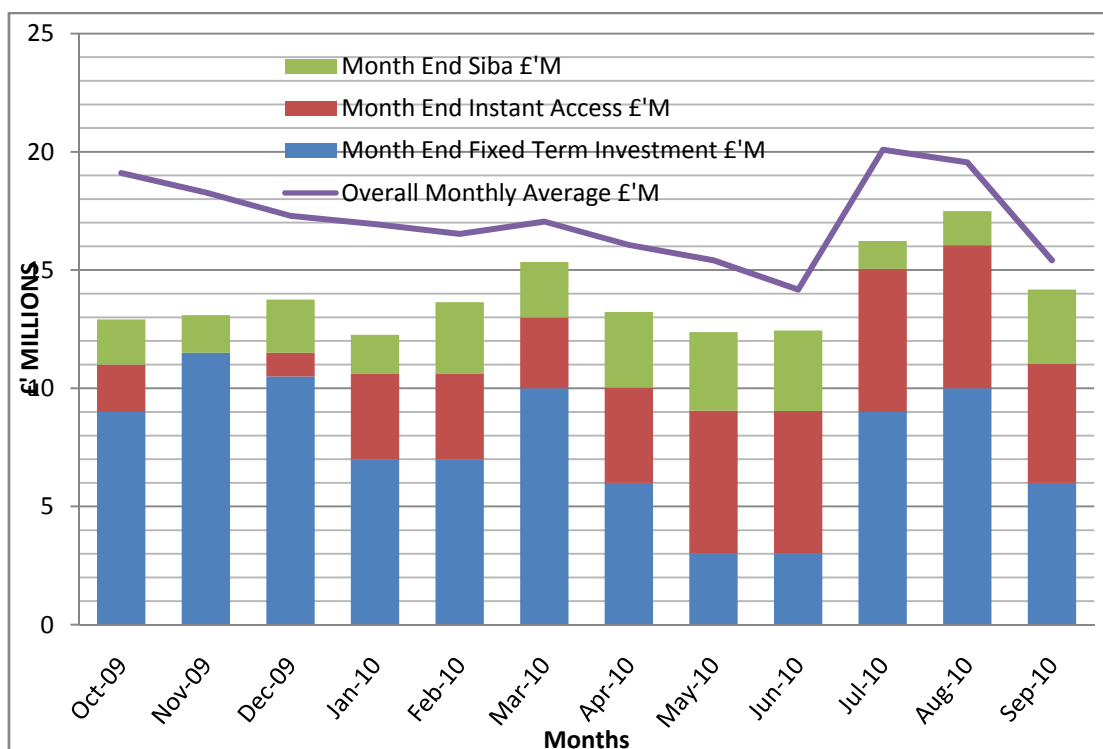
4.2 Current Borrowing

	Long Term Borrowing	Short Term Borrowing
	£'000	£'000
Balance at 25 May 2010	5,720	-
Raised	-	-
Repaid	-	-
Balance at 7 Sept 2010	5,720	-

4.3 Current Investments

	Instant Access Accounts	SIBA Account	Temporary Investments
	£'000	£'000	£'000
Balance at 25 May 2010	7,035	4,691	6,000
Raised	13,000		11,000
Repaid	(15,000)	(1,574)	(11,000)
Interest Received	23	7	
Balance at 30 Sept 2010	5,058	3,124	6,000

4.4 The following diagram shows the month end levels of temporary investment for the last twelve months. It also analyses these totals by the type of investment i.e. fixed term investments, SIBA and other instant access accounts represented by the different shades on the bars. The monthly average shown on this chart is usually higher than the month end figure because the larger out flows of cash tend to happen at month end.



4.5 For the financial year to date the average daily level of investment has been £16.7M with interest of £0.082M earned to 30 September 2010 (including instant access accounts). The base interest rate has

remained at 0.50% and forecasts suggest that they will remain at this level until the third quarter of 2011. Investment income has been estimated at £0.175M for 2010/11, £0.125M less than budgeted for. This variance is incorporated within the financial forecasts featured elsewhere on this agenda.

5. Service and Financial Implications

- 5.1 Due to the volatility in the financial markets, at this early stage in the year it is anticipated that there will be an expected shortfall against the investment income budget of £0.300M, however this will be monitored closely and is incorporated into the budgetary forecasts reported to this Committee.

6. Other Implications

- 6.1 Corporate Governance: Directly linked to effective treasury management
- 6.2 Policy and Strategic Aims: Directly linked to effective use of resources

7. Risk

- 7.1 There are no risks to the achievement of the Forces objective arising from this report, however, it should be recognised that at this stage in the year investment income is unlikely to be less for the year than that budgeted for.

8. Recommendation

- 8.1 That members note the Treasury Management operations that have taken place in the 2010/11 financial year and the projected budgetary shortfall detailed in paragraph 4.5 and 5.1.

**BEDFORDSHIRE POLICE AUTHORITY
OUTSTANDING INVESTMENTS AS AT 30 SEPTEMBER 2010**

Date	Ref	Institution	Broker	£000s	Interest rate	Maturity date
27-Sep-10	PX981FT	20 Santander	Direct	1,000	1.1200%	27-Jan-10
06-Jul-10	PX970FT	6 Nationwide	PY	2,000	0.6800%	21-Oct-10
06-Jul-10	PX971FT	6 Nationwide	PY	1,000	0.6900%	27-Oct-10
01-Jul-10	PX967FT	19 Barclays bank plc	SIB	2,000	0.7500%	26-Nov-10
				6,000		

APPROVED LENDING LIST

	Banking Group	Investment Limit	Total Invested	Available to Invest	Duration (Mths)	
FB	ABN AMRO	RBS Group	7,000	0	7,000	12
FB	Allied Irish Bank plc		0	0	0	0
FB	5 Bank of Ireland		0	0	0	0
FB	BNP Paribas		7,000	0	7,000	12
FB	Bank of America NA		2,000	0	2,000	3
FB	Credit Suisse		7,000	0	7,000	12
FB	Deutsche Bank		7,000	0	7,000	12
FB	Fortis Bank NV		0	0	0	0
FB	8 Dexia Bank Belgium		0	0	0	0
FB	KBC Bank		2,000	0	2,000	3
FB	Svenska Haandlesbanken		7,000	0	7,000	12
UKBS	3 Coventry Building Society		5,000	0	5,000	3
UKBS	Leeds Building Society		5,000	0	5,000	3
UKBS	6 Nationwide Building Society		7,000	3,000	4,000	12
UKBS	Newcastle Building Society		0	0	0	0
UKBS	11 Principality Building Society		0	0	0	0
UKBS	7 Skipton Building Society		0	0	0	0
UKBS	9 West Bromich Building Society		0	0	0	0
UKBS	12 Yorkshire Building Society		0	0	0	0
UKCB	20 Santander	Santander	7,000	1,000	6,000	12
UKCB	19 Barclays Bank plc		7,000	2,000	5,000	12
1 UKCB	1 Clydesdale Bank		5,000	0	5,000	3
UKCB	HSBC Bank plc		7,000	0	7,000	12
UKCB	16 Co-operative Bank		0	0	0	0
1 UKCB	Lloyds TSB Bank plc	HBOS	5,000	0	5,000	3
1 UKCB	17 National Westminster Bank p	RBS Group	7,000	0	7,000	12
1 UKCB	21 Bank of Scotland	HBOS	7,000	0	7,000	12
1 UKCB	Royal Bank of Scotland plc	RBS Group	7,000	0	7,000	12
				6,000		
FB	Foreign Bank		0			
UKCB	UK Clearing Bank		3,000			
UKBS	UK Building Society		3,000			
				6,000		