

**SUSSEX POLICE AUTHORITY – 29 JULY 2010**

**REPORT OF THE RESOURCES SCRUTINY COMMITTEE**

**REPORT BY CHAIRMAN OF THE COMMITTEE**

**Introduction**

- 1.1 This report informs the Police Authority on matters considered by the Resources Scrutiny Committee at its meeting on 15 June 2010. The meeting was attended by Mr S Waight (Chairman), Prof G Bull, Dr L Bush, Mr G Daniel JP, Mr B Duncan, Mr P Jones and Mr A Price JP. Apologies were received from Mr P Bratton and Mr P Evans.
- 1.2 The Committee considered a wide range of policing issues at the meeting including the following matters. The full agenda and reports for this Committee are available on the Authority's website, and the webcasting of the meeting can also be accessed via the website.

**Financial Outturn Report for the Year Ended 31 March 2010**

- 2.1 At its meeting on 3 June 2010, the Authority approved the adjustments to financial provisions and reserves which were reflected in the report to the Resources Scrutiny Committee. The financial headlines for 2009-10 reported a net revenue spend of £250.2m with an underspend of £2.8m (1.1 per cent). After planned transfers to reserves, the net revenue underspend is £1.5m (0.6 per cent). The total capital spend was reported at £11.2m with an underspend of £6.0m (34.8 per cent).
- 2.2 At year-end, the Force budget delegated to the Chief Constable was underspent by £3.7m (1.4 per cent). The Force outturn comprises mainly of underspends in buildings and premises costs due to slippage in buildings maintenance projects and underspends on utilities. There were further underspends reported on police staff pay due to vacancies, after an allowance had been made for an overspend on agency staff. Police allowances were underspent by £0.44m due to fewer officers being eligible for allowances such as a compensatory grants and housing allowances.
- 2.3 The issue of underspends on capital projects, particularly the variance on estates where a substantial amount of slippage had been reported, was highlighted as a concern with the Committee seeking to closely monitor key dates and milestones.
- 2.4 There was a suggestion that the Authority's long-term debt of £4.5m should be cleared using the reserve fund. This would be considered as part of a spending review later in the financial year.

## **Updated Medium Term Financial Forecast to 2015**

- 3.1 The Police Authority agreed the Medium Term Financial Forecast (MTFF) for the period 2010-15 at its meeting in February 2010. The Committee received its first update, in the current financial year, on progress towards 2011-12 savings targets and also details of the budget planning for next year and the medium term to 2015.
- 3.2 The current year, 2010-11, is the final year of the current Comprehensive Spending Review and whilst funding is uncertain, real term and cash reductions in the level of general and specific grants are expected in the next four years. Reductions in grant funding for the current year of £2.4m for revenue and £0.2m for capital have already been announced by the Government. Further policy announcements with financial implications for police authorities have already been made, most notably a commitment to council tax freezes. A Comprehensive Spending Review is to be taken over the summer and autumn and it is expected that a more detailed picture of funding will be available later in the year.
- 3.3 The updated forecast continues to show a requirement for significant savings over the next four years as the assumptions agreed in February 2010 produced a shortfall of £30m over four years (2010-15) which has now been reassessed to a shortfall of £34m over the same period. The MTFF has not included a number of known potential costs or funding risks which include the introduction of the carbon trading scheme, additional funding to meet identified backlog maintenance gap, one-off cost associated with planning and resourcing the 2012 Olympics, on-going costs of implementing national IT systems, any additional investment required for the new regional serious and organised crime unit, and the additional reduction in funding recently announced by the Policing Minister. The likelihood, impact and justification of the above and any other significant pressures or proposed investments will be assessed during the budget proposals for 2011-12.
- 3.4 The Committee suggested that the impact of inflationary pressure could be higher than previously anticipated and a complete review of capital and revenue expenditure was needed, for example whether capital assets e.g. IT equipment, vehicles, building etc needed to be updated or replaced as frequently as planned.

## **HMIC Update Report**

- 4.1 The Committee received an update report on inspection activity in Sussex by Her Majesty's Inspectorate of Constabulary (HMIC). The Force has recently received an on-site inspection during May 2010 in relation to Anti-Social Behaviour. The HMIC intend to report their findings, for all forces, in July 2010. The report will be presented as a public facing document, similar to the reporting of the Policing Pledge.
- 4.2 With regard to Comprehensive Area Assessments (CAA), Ministers have stated that they intend to abolish the CAA and the Secretary of State for

Communities and Local Government has now written to local authorities and police authorities confirming this decision.

4.3 Some interesting points arising from a recent force liaison officers' day, hosted by HMIC, including:

- The Police Report Card's annual update is likely to be in September
- The Value for Money (VFM) domain will be graded during the next Police Report Card exercise
- An inspection of Major and/or Serious Organised Crime is likely in Autumn/Winter 2010-11
- Currently CAA 'green flags' will be removed automatically after 12 months. The removal of 'red flags' will be subject to a more comprehensive review
- The Working for the Public inspection will take place at the same time as the VFM inspection although they remain separate.

### **Workforce Plan**

5.1 The most important asset to the Force is its people. Without the right people, it is unlikely that even the most comprehensive finance and business plans will deliver the performance required to succeed. This is the third Workforce Plan to be produced which was considered and welcomed by the Committee. It was emphasised that a continuing assessment needs to be undertaken in relation to the people resources of the Force to assess the impact of changing political and economic issues that have arisen since last year's plan was written.

5.2 The Workforce Plan also provides the opportunity for longer term planning and forecasting to consider future service pressures and needs. It includes:

- the link between organisational strategies/objectives and people plans;
- the identification of future skills and competencies needed to deliver new and improved services;
- an analysis of the current workforce;
- the consideration of external factors which affect the makeup of the Force;
- the comparison between the present and future to identify gaps; and
- recommendations to address gaps.

### **Equal Pay Audit**

6.1 The Force commissioned Hay Group in 2008 to conduct an Equal Pay Audit (EPA). The objective was to review the current pay and allowances for Police Staff and identify any potential areas of risk or improvement for the organisation relating to equal pay. The Committee welcomed that there were no significant equal pay risks identified by Hay Group.

6.2 The EPA has enabled the Force to conduct a thorough review of the pay and allowances of police staff in order to recognise potential areas of risk relating

to equal pay and also to identify positive practices that can be developed for the future. For example, the adoption of hidden increments poses some risk to the organisation and the Force needs to be satisfied that the practices are justified.

- 6.3 Taking the recommendations from the Hay report forward, the Force will be in a position to ensure pay practices are fair and consistent and that variations in pay arrangements can be justified due to a genuine material factor.

### **Joint Procurement Update**

- 7.1 The Committee received an update on the collaborative procurement initiatives currently being undertaken. The initiatives include the procurement work stream of the South East Region Collaboration Programme (SERCP), the proposed appointment of a joint Head of Procurement for Surrey and Sussex Police, and other collaborative procurement initiatives.
- 7.2 The report to the Committee in September 2009 outlined proposals to appoint a temporary joint Head of Procurement for Surrey and Sussex Police. The approach had been supported by the Committee and work was undertaken by the Directors of Finance for Sussex and Surrey Police to progress the appointment. However, it was concluded that it would be best for both forces to continue to support the collaborative procurement initiatives of the South East Region Collaboration Programme whilst maintaining separate procurement units under individual Heads of Procurement. Sussex Police has appointed a Temporary Head of Procurement. The Committee supported the exploration of procurement initiatives, for example leading the procurement work stream of the Finance and Business Review; reviewing internal processes and working with other forces in potential collaborative initiatives.
- 7.3 The development of future collaboration opportunities around procurement has been prioritised by the Regional Directors of Finance and they are currently being progressed.

### **Riot Damages Act 1886 – Yarls Wood (Court of Appeal)**

- 8.1 The Riot Damages Act 1886 places significant potential financial implications and liabilities onto police authorities. The Committee received a briefing which also provided a legal update on the Yarls Wood case in the Court of Appeal.
- 8.2 Group 4 managed the Yarls Wood Immigration Detention Centre in Bedfordshire where a riot broke out in 2002 and almost half of the buildings were burnt down. Bedfordshire Police Authority argued that no duty was owed to public authorities such as the operator of a detention centre which was contested by Group 4. The Court of Appeal allowed the appeal and declared that Group 4 was allowed to make a claim under the 1886 Act for the riot damage within the detention centre. Bedfordshire Police Authority did have insurance to cover this loss at the time. However, insurance

became very swiftly unavailable for police authorities at economic cost. As a result, any liabilities under the Act are likely to fall on police budgets.

- 8.3 The risk at detention centres, such as Brook House Immigration Detention Centre at Gatwick, is understood to be minimised as all contracts with the Home Office now include a clause preventing a claim under the Act. However, the Committee agreed that an entry relating to the Riot Damages Act should be made in the Authority's Risk Register.

### **Airwave Refresh, Vehicle Fit Programme – Interim Report**

9. The Committee were advised that the vehicle element of the Airwave Refresh Programme has been completed, other than for a number of retained vehicles that are due for disposal. The Fleet Review is currently underway and is set to report to the Committee at its meeting in October 2010.

### **Risk Management**

- 10.1 The Committee received a report on Risk Management which is exempt under paragraph 14 of Schedule 12A of the Local Government Act 1972.
- 10.2 The report described how risks identified as part of the directions of the Best Use of Resources Board are currently being managed and outlined progress that the Force has made with embedding dynamic risk management processes into decision making meetings.

**Recommended** – that the report be noted.

STEVE WAIGHT  
Chairman

Contact:  
Debbie Hill, Policy Officer  
Telephone: 01273 482634  
Email: [debbie.hill@sussexpa.gov.uk](mailto:debbie.hill@sussexpa.gov.uk)