



Chief Executive's Department  
Civic Centre  
HARTLEPOOL

1 December 2008

The Mayor (Stuart Drummond)

Councillors Aiken, Akers-Belcher, Allison, Atkinson, Barker, Brash, R W Cook, S Cook, Coward, Cranney, Fenwick, Fleet, Fleming, Flintoff, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Johnson, Kaiser, Laffey, Lauderdale, A E Lilley, G Lilley, London, A Marshall, J Marshall, McKenna, Dr. Morris, Payne, Plant, Preece, Richardson, Rogan, Shaw, Simmons, Sutheran, Tumilty, Turner, Wallace, Wistow, Worthy, Wright, and Young.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 11<sup>th</sup> December, 2008 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

P Walker  
Chief Executive

Enc

# PLEASE NOTE VENUE

## COUNCIL AGENDA



**11<sup>th</sup> December 2008**

**at 7.00 p.m.**

**in the Council Chamber**

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the last meeting of the Council held on 30<sup>th</sup> October 2008, as a correct record (copy attached).
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
  - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
  - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
  - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given. Minutes of the meetings of the Cleveland Police Authority held on 17<sup>th</sup> September 2008 and 30<sup>th</sup> September 2008 and the meetings of the Cleveland Fire Authority held on 26<sup>th</sup> September 2008 are attached.

# PLEASE NOTE VENUE

8. To deal with any business required by statute to be done.
  - (i) Special Urgency Decisions – No decisions taken in respect of the period October 2007 - September 2008
9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;
  - (i) Report of General Purposes Committee – Council Election by Thirds
12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;
13. To consider reports from the Executive:-
  - (a) Proposals in relation to the Council's budget and policy framework
  - (b) Proposals for departures from the budget and policy framework
  - (i) Report of Executive – Stagecoach Services 1, 6, 7 and 7a-Supported Contracts and the Health Bus Service – Funding Requirements
14. To consider any motions in the order in which notice has been received.
15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

# **COUNCIL**

## **MINUTES OF PROCEEDINGS**

### **30 October 2008**

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

#### **PRESENT:-**

The Chairman (Councillor C Richardson) presiding:

The Mayor, Stuart Drummond

#### **COUNCILLORS:**

Aiken	Akers-Belcher	Allison
Brash	R W Cook	S Cook
Coward	Fenwick	Fleet
Fleming	Flintoff	Gibbon
Griffin	Hall	Hill
Jackson	James	Laffey
Lauderdale	A Lilley	G Lilley
London	A Marshall	J Marshall
McKenna	Dr. Morris	Preece
Rogan	Shaw	Tumilty
Turner	Wistow	Worthy
Young		

#### **OFFICERS:-**

Peter Devlin, Chief Solicitor  
Andrew Atkin, Assistant Chief Executive  
Adrienne Simcock, Director of Children's Services  
Dave Stubbs, Director of Neighbourhood Services  
Mike Ward, Chief Financial Officer  
Stuart Green, Assistant Director, Regeneration and Planning Services  
Alan Dobby, Assistant Director, Adult and Community Services  
Steve Hilton, Public Relations Officer  
Denise Wimpenny, Principal Democratic Services Officer  
Sarah Bird, Democratic Services Officer

#### **77. APOLOGIES FOR ABSENT MEMBERS**

Councillors Atkinson, Barker, Cranney, Hargreaves, Johnson, Kaiser, Payne, Simmons, Sutheran, Wallace and Wright

78. DECLARATIONS OF INTEREST FROM MEMBERS

None

79. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None

80. PUBLIC QUESTION

None

81. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on 18 September 2008, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

82. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

The Neighbourhoods and Communities Portfolio Holder provided an update for information purposes in relation to the following issues:-

With reference to Minute No 64 (i) relating to a question from a member of the public regarding contract arrangements, the Portfolio Holder confirmed that only one contract had been awarded.

With reference to Minute No 67(b)(i) relating to the planning for the Tall ships event, the Neighbourhoods and Communities Portfolio Holder highlighted the work that had been completed to date on the railway approaches which included improvements to the toilets, lights and ticket office. Improvements at Seaton Carew and approaches to the north and south of the town were currently ongoing and work on the transport interchange would commence shortly.

## 83. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

Councillor Wistow thanked the Adult and Public Health Portfolio Holder for circulating a report on public health issues following a question raised in this regard at a previous meeting of Council and questioned the Portfolio Holder's interest in promoting a debate on this issue at a future meeting of Council.

In response, the Adult and Public Health Portfolio Holder stated that a debate would be welcomed.

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given

- (i) Question from Cllr James to the Children's Services Portfolio Holder:-

*"In the (November to February) Forward Plan published on 17th October it states that a key decision to be taken in November, is to put out to tender the outreach services package delivered via Children's Centres. I understand that this will go to Portfolio meeting on 11th November. (Allowing only a little over 3 weeks notice to members)*

*Can the Portfolio Holder for Children's Services explain to Council why this key decision has not appeared in previous copies of the Forward plan?"*

In response, the Portfolio Holder advised that it was proposed that there would be two service specifications for children's centres services. The first service specification was the one that went in the forward plan published on 17<sup>th</sup> October 2008. This was an outreach package which would provide a visit to every newborn child and also group support for parents with children aged 0- 5 that required it.

The second service specification as being developed to include debt counselling, money management and benefits advice. Consultation would take place with partners on the content of this service specification over the next month. It was not anticipated that this service specification would be over £100,000 therefore it had not been included in the Forward Plan.

The outreach service specification outlined in the question was intended to be available for all parents with children aged between 0- 5 years old. A task group was set up in July 2008 to look at how to deliver this new outreach service. The task group was a sub group of the Children's Centres, Extended Services and Ten Year Childcare Strategy partnership. The outreach service was a requirement of children's centre guidance issued by the Department for Children, Schools and Families. The task group consisted of representatives from schools, Primary Care Trust, Voluntary and Community Sector and Children's Services (Children's Centres, Psychology team, parenting commissioner). Many options were discussed and explored. The initial option was to employ outreach workers in the children's centres. At this stage it was

not anticipated that it would meet the test 1 (financially significant with an expenditure of £100,000 or more) for the Forward Plan as this would have been achieved through a restructure agreed by the director. After a number of meetings it was decided that a commissioning model would be more appropriate for outreach work and this would ultimately achieve better results. A draft service specification was developed and presented to the Children's Centres, Extended Services and Ten Year Childcare Strategy partnership for approval on 17<sup>th</sup> September 2008.

Following this approval advice was sought from democratic services in terms of whether it was a non key or key decision as the cost of the contract would not be determined until the tendering process was complete. Democratic services advised that it was a key decision and the report was added to the forward plan at the beginning of October.

In a supplementary question, Councillor James stated that this was new information with no reference to draft on the specification and highlighted that this was a £1 million contract. Councillor James asked whether the Portfolio Holder was aware that Outreach Services were currently provided by the voluntary sector and queried the risk to front line services.

In response, the Portfolio Holder stated that the contract would be subject to a tendering process.

In a second supplementary question, Councillor James stated that if the contract was let in this way there would be sub-contractor costs and requested confirmation that no funding would be removed from front line services.

The Portfolio Holder agreed to look into this issue and provide clarification following the meeting.

Members of the Council then made comments upon issues raised by the question.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given.

There were no questions relating to Police and Fire Authority issues.

Minutes of the meetings of the Cleveland Police Authority held on 5 June 2008 and the meeting of Cleveland Fire Authority held on 25 July 2008 were circulated.

84. BUSINESS REQUIRED BY STATUTE

None

85. ANNOUNCEMENTS

None

86. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None

87. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

- (a) Report of the Constitution Committee – Revisions to the Role and Remit of the Contract Scrutiny Panel

The Vice-Chair of the Constitution Committee presented the report which invited Council to:-

- (i) Approve the establishment of a Contract Scrutiny Committee in the form as illustrated in Appendix 1 to the report to replace and supersede the Contract Scrutiny Panel.
- (ii) Approve that the current Chair of the Contract Scrutiny Panel shall be the Chair of the Contract Scrutiny Committee.
- (ii) Approve that membership of the Contract Scrutiny Committee be drawn from nominations from the political groups to achieve political balance on the Committee.
- (iv) Refer the remuneration of the Chair of the Contract Scrutiny Committee to the Independent Remuneration Panel for consideration.
- (v) Determine a date for the proposed changes to take effect.

Following presentation of the report, Members discussed the role, remit and purpose of the Committee.

The Mayor highlighted that if the recommendations of the Constitution Committee were adopted in terms of membership of the Committee, an Independent Member could not be accommodated on the Committee. He suggested, therefore, that the membership of the Committee be increased from 8 to 9 Members.

In response to a request for clarification, the Chief Solicitor provided advice on the political composition of an 8 and 9 Panel membership as follows:-



8 Member Panel – 4 Labour, 2 Admin Group, 1 Conservative, 1 Liberal Democrats

9 Member Panel – 4 Labour, 2 Admin Group, 1 Conservative, 1 Liberal Democrats, 1 Independent

Nominations were made at the meeting with the exception of the Liberal Democrats nomination which would be provided within 14 days of Council.

RESOLVED that:-

- (i) The establishment of a Contract Scrutiny Committee in the form as illustrated in Appendix 1 to the report to replace and supersede the Contract Scrutiny Panel be approved subject to an increase in Panel Membership from 8 to 9.
- (ii) The current Chair of the Contract Scrutiny Panel, Councillor Laffey, be appointed as Chair of the Contract Scrutiny Committee.
- (iii) That membership of the Contract Scrutiny Committee be drawn from nominations from the political groups to achieve political balance.
- (iv) The following nominations to the Committee be agreed:-  
     Councillors Simmons, Richardson, S Cook and Sutheran - Labour  
     Councillors Akin and Allison - Administration  
     Councillor Laffey - Conservatives  
     The Mayor, Stuart Drummond - Independent  
     Liberal Democrats – to be advised within 14 days
- (v) The remuneration of the Chair of the Contract Scrutiny Committee be referred to the Independent Remuneration Panel for consideration.
- (vi) The proposed changes shall take effect from 1 December 2008.

#### 88. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None

#### 89. REPORTS FROM THE EXECUTIVE

- (a) Proposals in relation to the Council's budget and policy framework
  - (i) Hartlepool Local Plan Saved Policies

The Mayor presented the report which sought Council's approval to the schedule of policies of the Hartlepool Local Plan which the Secretary of State would be asked to include in a Direction to enable them to be saved beyond April 2009. The Hartlepool Local Plan was prepared and adopted following a resolution of Council on 13 April 2006. The policies it contained would therefore only be retained until 13 April 2009. The Council, as Local Planning Authority could, however, seek the express consent of the Secretary of State who in turn

may issue a Direction to save specified policies beyond the 3 year period. A request to save the policies and accompanying justification was required to be submitted six months before the expiry period. The schedule, attached at Appendix 1, had therefore been prepared for consideration by the Secretary of State which sets out the reasoned justification why the policies should be saved together with a separate list of Local Plan policies which it was not proposed to save.

RESOLVED – That the schedule of policies be approved and the Secretary of State be asked to include the schedule in a Direction to enable them to be saved beyond April 2009.

(b) Proposal for Departure from the Budget and Policy Framework

(i) Building Schools for the Future (BSF)

The Children's Services Portfolio Holder presented the report which sought Council's approval of Cabinet's proposal to delegate authority to Cabinet and the Chief Financial Officer to finalise the Section 151 letter to be included in the Building Schools for the Future Outline Business Case.

The Council had been approved as a Wave 5 BSF authority and was now working through the detailed Department for Children, Schools and Families criteria to demonstrate the Council had robust plans for delivering this project. Various criteria needed to be met before the BSF funding was released and physical building work could progress, details of which were outlined in the report.

The next key milestone was the submission of the Outline Business Case (OBC) on 2 December 2008. The OBC would be approved by the BSF Project Board and Cabinet prior to submission. The OBC would include a specific "Section 151 Letter", signed by the Chief Financial Officer to demonstrate the local authority's ownership and understanding of the OBC and specifically state how the authority would address a funding shortfall on the BSF project should such a situation arise. At this stage it was not possible to determine whether the anticipated BSF funding would meet the costs of this project or whether there would be a funding shortfall. A number of principles for funding a shortfall should the need arise were set out in the report for approval by Council.

During discussion, the importance of any shortfall being reported to Council for debate was highlighted.

RESOLVED -

- (i) That delegated authority be granted to Cabinet and the Chief Financial Officer to finalise the Section 151 letter to be included in the BSF Outline Business Case.
- (ii) That in the event of a shortfall, and prior to any measures being implemented to address such a shortfall, a report on the proposals be submitted to Council for debate.

## 90. MOTIONS ON NOTICE

The following Notice of Motion had been received:-

“At the last Ward Surgery in St Hilda Ward, Councillor Fleming and I received a representation from two extremely distressed residents. These residents have been caught up in the “plastic windows” saga and were served with an enforcement notice literally “years ago”.

A new set of guidelines have been drawn up and are now going out to consultation, again. These people and many like them have had the threat of legal action hanging over their heads like the sword of Damocles for years.

I call on this Council to recognise that this is both cruel and inhumane and ask that before the introduction of any new guidelines this Council offer a one-off amnesty to all residents and properties which are currently the subject of suspended enforcement action. This will draw a line in the sand and allow a fresh start to what has been an unreasonably protracted episode.

Signed:

S Allison  
T Fleming  
G Lilley  
A Lilley  
S Gibbon”

It was moved and seconded that the motion be referred to Planning Committee for consideration.

RESOLVED – That this motion be referred to Planning Committee for consideration.

## 91. APPOINTMENT OF INDEPENDENT MEMBER TO THE COUNCIL'S STANDARDS COMMITTEE AND THE INDEPENDENT REMUNERATION PANEL REPORT

The Chief Solicitor reported that the Relevant Authorities (Standards Committees) Regulations, 2001 and the Standards Committee (England) Regulations, 2008, provide that Standards Committees must ensure that at least 25 per cent of its membership are “independent members”. As previously noted to Council, the 2008 Regulations also provide the criteria for the appointment of independent members, as follows:

- approved by majority of the members of the authority;
- advertised in one or more newspapers circulating in the area of the authority, and in such other publications or websites as the authority considers appropriate;
- of a person who submitted an application to the authority;

- has within a period of five years immediately preceding the date of the appointment has not been a member or officer of the authority; or
- is a relative or close friend of a Member or Officer of the authority.

As a result of a publicity exercise, an application had been received from Mrs Joan Norman and Mrs Norman was interviewed for these positions before a meeting of Standards Committee on 15 September 2008. The Committee had recommended that Mrs Norman be appointed for a term of four years upon the Council's Standards Committee and also upon the Independent Remuneration Panel.

The Leader of the Labour Group stated that this application could not be supported by the Labour Group due to Mrs Norman's association with certain Members of the Council.

RESOLVED - That the appointment of Joan Norman as an Independent Member upon the Council's Standards Committee and Independent Remuneration Panel for a term of four years, be declined.

## 92. TEESSIDE VALUATION TRIBUNAL

Members were advised that the Council currently had 5 representatives appointed to the Teesside Valuation Tribunal and the Tribunal was seeking an extension to the terms of office of the representatives which ended on 31 March 2009. The background to this request was included within the letter from the Tribunal attached at Appendix 1.

One of the Council's representatives, Mr B Smith, had indicated that he did not wish to continue in office beyond 31 March 2009. Under normal circumstances, a replacement representative would be requested, however, due to the imminent changes to the national tribunal system fewer tribunal members were required. In light of this, the request referred to the following representatives' terms of office being extended to 31 March 2011:

Councillors W J Coward, A Lilley, G Lilley and Mr E Jeffries.

RESOLVED – That the terms of office of the above Council representatives on the Teesside Valuation Tribunal be extended to 31 March 2011.

## 93. RESIGNATION FROM POLITICAL GROUP

The Chief Solicitor reported on the recent resignation of Councillor J Marshall from the Administrative Group.

RESOLVED – That Councillor J Marshall's resignation from the Admin Group, be noted.

94. APPOINTMENT OF A MEMBER TO THE COUNCIL'S ADOPTION AND FOSTERING PANELS

It was reported that the Council currently had 2 Elected Member representatives appointed to the Adoption and Fostering Panels. One of the Council's representatives, Councillor Jane Shaw, had resigned from both panels and nominations were sought for a replacement Member.

RESOLVED – That Councillor Mary Fleet replace Councillor Shaw on the Adoption Panel and Fostering Panel.

The meeting concluded at 7.45 pm.

C RICHARDSON

CHAIRMAN

**CLEVELAND POLICE AUTHORITY EXECUTIVE**

A meeting of Cleveland Police Authority Executive was held on Wednesday 17 September 2008 in the Members Conference Room at Police HQ.

**PRESENT :** Councillor Caroline Barker, Councillor Barry Coppinger, Councillor Paul Kirtan, Councillor Mary Langan, Councillor Ron Lowes, Councillor Dave McLuckie, Councillor Hazel Pearson OBE, Councillor Victor Tumilty and Councillor Steve Wallace

Magistrate Members  
Mr Ted Cox JP and Mr Mike McGrory JP

Independent Members  
Miss Pam Andrews-Mawer, Mr Chris Coombs, Mr Aslam Hanif, Mr Alf Illingworth TD JP and Mr Peter Race MBE

**OFFICIALS:** Mr Joe McCarthy and Mrs Julie Leng (CE)  
Mr Sean Price, Mr Derek Bonnard, Mr Graeme Slaughter, Mrs Heather Allen, Ms Anne-Marie Salway and Miss Kate Rowntree (CC)

123 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Keith Fisher JP.

124 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

125 **NOTE OF APPRECIATION**

**ORDERED** that Sarah Wilson and Jayne Harpe be formally thanked for their participation in the Youth Proof Local Policing Plan and the launch of the plans that had taken place on Tuesday 16 September 2008.

126 **CHANGE TO THE AGENDA**

It was agreed that Item 4 – Annual Governance Report – Report of the District Auditor would be considered as Item 3 and Item 3 – Statement of Accounts – Report of the Chief Executive would be considered as Item 4.

127 **ANNUAL GOVERNANCE REPORT**

## **7(c)**

The District Auditor presented the Annual Governance Report to Members. The report summarised the findings from the 2007/08 audit. It identified the key issues that should be considered before the District Auditor's opinion, conclusion and certificate is issued.

The report only included matters of governance interest that had come to the attention of the District Auditor in performing their audit. The audit was not designed to identify all matters that might be relevant to the Authority.

The detail of the report had been considered by the Audit and Internal Control Panel who recommended the full Authority to:

- Consider the matters raised in the report before approving the financial statements and recommend the financial statements for approval;
- Approve the representation letter before we issue our opinion, conclusion and certificate; and
- Agree the proposed action plan.

In conclusion the District Auditor completed the audit in accordance with the Code of Audit Practice and had regard to the criteria for police authorities specified by the Audit Commission and published in December 2006. The District Auditor was satisfied that, in all significant respects, Cleveland Police Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.

**ORDERED** that:-

1. the contents of the report be noted and the following recommendations by the Audit and Internal Control Panel be agreed:-
  - the matters raised in the report be considered and the financial statements be approved;
  - the representation letter be approved;
  - the proposed action plan be agreed.

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## **AUDITED STATEMENT OF ACCOUNTS 2007/08**

The Chief Executive presented the report to Members. Members had received and approved the Statement of Accounts 2007/08, subject to Audit, at the meeting in June. It was agreed that the audited accounts and any amendments resulting from the audit would be presented to a future meeting of the Police Authority.

The Statement of Accounts had been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: Statement of Recommended Practice 2007/08 and the subsequent Police Pension Fund Regulations 2007 (SI 1932/2007) and 'present fairly' the financial position and transactions of the Authority and the Police Pension fund for the year ended 31 March 2008.

**ORDERED** that:-

1. the Statement of Accounts for 2007/08 be agreed.

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**MINUTES OF THE AUDIT AND INTERNAL CONTROL PANEL HELD ON 28 MAY 2008**

**ORDERED** that the following minutes of the Audit and Internal Control Panel held on 28 May 2008 were submitted and approved.

**AUDIT AND INTERNAL CONTROL PANEL**

**ACTION**

A meeting of the Audit and Internal Control Panel was held on Thursday 28 May 2008 commencing at 10.00 am in the Members Conference Room, Police Headquarters.

PRESENT

Mr Mike McGrory JP (Chair), Councillor Victor Tumilty, Mr Chris Coombs (ex officio), Mr Keith Fisher JP, Councillor Mary Lanigan

OFFICIALS

Mr Joe McCarthy, Mr Paul Kirkham and Mr John Bage (CE)  
ACC Derek Bonnard and Miss Kate Rowntree (CC)

AUDITORS

Mr Ian Wallace (RSM Bentley Jennison) Ms Kath Andrew (Audit Commission)

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**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Councillor Ron Lowes, Councillor Caroline Barker, Mr Aslam Hanif, Mr Graeme Slaughter.

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**DECLARATIONS OF INTERESTS**

There were no declarations of interests.

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**MINUTES OF THE PREVIOUS MEETING HELD 13 MARCH 2008**

The minutes were agreed as a true and accurate record.



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**OUTSTANDING RECOMMENDATIONS**

Updates were provided in relation to all outstanding recommendations.

**ORDERED that:-**

1. the Outstanding Recommendations were noted and updated.

135

**STATEMENT OF RESPONSIBILITIES**

The Executive Accountant informed members that the Audit Commission published a document which supports the Code of Audit Practice and defines the respective roles and responsibilities of auditors and audited bodies. The Audit Commission has reviewed its 2005 Statement of Responsibilities to take account of changes in its audit practice regime, and to further clarify arrangements in certain areas.

The report focused on organisational health and governance issues, which if not addressed would represent reputational risks to the Police Authority and the Force.

**ORDERED that:**

1. the Audit Commission Report be received and agreed.

136

**WHISTLE-BLOWING POLICY**

The Executive Accountant informed Members that as part of the rolling programme of review of governance arrangements commissioned by the Chief Executive, the Authority had agreed a new Code of Corporate Governance.

This report deals specifically with Whistleblowing, and the proposed policy which makes the commitment of the Authority much more explicit.

**ORDERED that:**

1. the draft policy set out at Appendix A to the report be agreed.
2. the policy becomes effective from 1<sup>st</sup> June 2008.
3. the Authority and Force communicate this policy to all relevant stakeholders.

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**COUNTER FRAUD AND CORRUPTION POLICY**

The Executive Accountant informed Members that as part of the rolling programme of examination of existing governance arrangements the Chief Executive commissioned internal audit to review practices in relation to Counter-fraud and Corruption.

The review identified that the implementation of the 2006 Fraud Act in January 2007 required existing policies relating to Counter-fraud & Corruption to be updated to take account of the new definitions of fraud and related offences.

Articulating its commitment to an effective Counter-Fraud and Corruption policy, and communicating this to stakeholders contributes to reducing the risk of this occurring.

**ORDERED that:**

1. the draft policy set out at Appendix A to the report be agreed.
2. this Policy becomes effective from 1<sup>st</sup> June 2008.
3. the Authority and Force communicate this policy to all relevant stakeholders.

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**INTERNAL AUDIT SERVICE – TERMS OF REFERENCE**

The Executive Accountant informed Members that the Performance and Audit Panel had reviewed the Internal Audit Terms of Reference at its meeting on the 30<sup>th</sup> May 2007. To ensure currency, the agreed Terms of Reference require an annual review.

A joint review had been undertaken by the Chief Executive and Internal Audit.

This report was focused on Internal Audit Services which is an integral component of the Authority's assurance framework.

This report updated the terms of reference agreed in 2007, in accordance with the annual review process.

**ORDERED that:**

1. the revised Terms of Reference set out at Appendix A to the report be agreed and adopted for 2008/2009 onwards.

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**INTERNAL AUDIT SERVICE - ANNUAL REVIEW**

The Executive Accountant informed Members that each year, the Authority is required to review the effectiveness of the Internal Audit Service. This report is intended to allow Members to discharge that responsibility.

All public authorities have a statutory responsibility to maintain an adequate and effective system of internal audit of their accounting records and control systems. Internal auditors provide Officers and Members with an independent assessment of the adequacy and effectiveness of the internal controls operating within the organisation.

Internal audit work is carried out to standards set out by CIPFA in their 'Code of practice for internal audit in local government in the United Kingdom' (the Code'). This Code is periodically updated - the current version was issued in late 2006.

**ORDERED that:**

1. the Cleveland Police Authority specific analysis at Appendix A to the report and the corporate self assessment from RSM Bentley Jennison at Appendix B to the report were both agreed.

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**INTERNAL AUDIT ANNUAL REPORT**

The Head of Internal Audit informed members that as the provider of the internal audit service to Cleveland Police Authority they are required to provide the Section 151 Officer with assurance on the system of internal control.

The Head of Internal Audit informed Members that they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of Cleveland Police Authority's risk management, control and governance processes.

In their opinion, based upon the work they had undertaken, for the 12 months ended 31 March 2008 Cleveland Police Authority had adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

**ORDERED that:**

1. the report be agreed

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**STRATEGY FOR INTERNAL AUDIT**

The Head of Internal Audit informed Members that HM Treasury are reviewing their approach to the Government Internal Audit Standards, and they are expecting Treasury to require a far closer link to the International Internal Audit Standards (IIA Standards).

Although the Internal Audit methodology already meets the IIA Standards, they have taken this opportunity to revisit their internal audit approach.

As part of embedding their updated internal audit approach, during 2008/09 they will be undertaking a risk maturity thematic review.

**ORDERED that:**

1. the report be agreed

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**SOURCES OF ASSURANCE**

The Executive Accountant asked Members of the Audit and Internal Control Panel to review and comment on the Sources of Assurance as part of the process of establishing the assurance framework in support of the Annual Governance Statement.

As part of the framework for preparing the Annual Governance Statement the "PURE & Annual Governance Statement Group" (PURE & AGS Group) has identified through its work, the Sources of Assurance which underpin the provision of assurance on the adequacy and effectiveness of controls over key risks. Members reviewed the list of sources at the Performance & Audit Panel on 30th June 2007

**ORDERED that:**

1. the Sources of Assurance be agreed.

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**SERVICE UNIT ASSURANCE QUESTIONNAIRE**

The Executive Accountant provided Members with a summary of the responses

from the survey of Service Unit Managers, undertaken as part of the process of establishing the assurance framework in support of the Annual Governance Statement.

At its meeting on 11<sup>th</sup> December 2007 the Police Authority Executive received and agreed a report in relation to the requirements to produce an Annual Governance Statement. Members were advised that the mechanism to be used was to be the same group that prepared the Statement of Internal Control (SIC).

The Executive Accountant informed Members that as with the SIC work, the methodology used has been to follow the CIPFA "Rough Guide" in this case - "The Annual Governance Statement – meeting the requirements of the Account and Audit Regulations 2003 – Incorporating Account and Audit (Amendment) (England) Regulations 2006

The report represents the progression of advice in the CIPFA – Rough Guide to the Annual Governance Statement.

**ORDERED that:**

1. a report on the progress in making improvements be presented to a future panel meeting be agreed.
2. improvements will be promoted through the Police Use of Resources & Annual Governance Statement Working Group, the Organisational Governance Board and Service Unit Action Plans, as appropriate be noted.

144

**STATEMENT OF KEY CONTROLS**

The Executive Accountant informed Members that as part of the framework for preparing the Annual Governance Statement the PURE & Governance Work Group has collated a Statement of Key Controls, as one of the Sources of Assurance which underpin the provision of assurance on the adequacy and effectiveness of controls over key risks. This is similar in content, and exactly the same format as that considered and agreed by the Performance and Audit Panel on 30<sup>th</sup> May 2007.

The PURE & Governance Workgroup has reviewed the extent to which there is evidence to support compliance with these key controls and show the source of assurance relied upon.

**ORDERED that:**

1. the Statement of Key Controls as set out at Appendix A to the report be agreed.

145

**REVIEW OF INTERNAL CONTROL AND AGS ASSURANCE GATHERING PROCESS**

The Executive Accountant informed Members that the report "Review of Internal Control and the Annual Governance Statement Assurance gathering process" had been circulated to Members.

This report is focused on organisational health and governance issues which if not addressed represent risks to the reputation of the Police Authority and the

Force.

This report represents the progression of advice in the CIPFA – Rough Guide to the AGS.

**ORDERED that:**

1. the working document “Review of Internal Control and the Annual Governance Statement Assurance gathering process” was circulated to all Members of the Police Authority on 7<sup>th</sup> May 2008, be noted.

146

**THE ANNUAL GOVERNANCE STATEMENT 2007-8**

The Executive Accountant informed Members that with effect from the financial year 2007/2008 the requirement to produce a Statement of the Systems of Internal Control ceases.

The review of the internal control arrangements, now form part of a wider ranging document entitled, “Annual Governance Statement”.

The Members CIPFA/SOLACE working group had produced a governance framework. It is an interrelated system that brings together an underlying set of legislative requirements, governance principles and management processes. Most crucially, however, is the doctrine that good governance relates to the whole organisation.

**ORDERED that:**

1. Members consider and amend as appropriate, the draft Annual Governance Statement for recommendation for approval to the Police Authority Executive meeting on the 5<sup>th</sup> June 2008 be agreed.

147

**STATEMENT OF ACCOUNTS 2007-8**

The Executive Accountant informed Members that under the Account and Audit Regulations 2003, local authorities, including police authorities, are required to receive and approve the Statement of Accounts for 2007/08 before the end of June.

The accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: Statement of Recommended Practice (SORP) 2007/08. This specifies the principles and practices of accounting required to prepare a Statement of Accounts which ‘presents fairly’ the financial position and transactions of the Authority.

**ORDERED that:**

1. the Statement of Accounts for 2007/08 subject to audit be agreed.
2. the establishment of provisions totalling £291k be approved.
3. the establishment of earmarked reserves totalling £7,004k be approved.

148

**CORPORATE RISK REGISTER**

The Assistant Chief Constable (Corporate Performance) informed Members that the purpose of the report is to provide members with the latest copy of the Force's Corporate Risk Register as approved by the Strategic Development Group (SDG).

Members are aware of the progress made to introduce new risk management procedures and to embed risk management within the Force through the SDG. Members have also reviewed the new risk management procedures and agreed the regularity with which it wishes to receive such reports.

To ensure that the Members are able to discharge their oversight duties, within the new risk management procedures, a summary copy of the latest approved Corporate Risk Register was attached in the Appendices.

**ORDERED that:**

1. the report be noted.

149

**EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED that:**

1. pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraphs 3 and 7 of Part 1 of Schedule 12A to the Act.

The Chair agreed to re-order the remaining agenda items due to certain Members needing to attend other meetings.

150

**INTERNAL AUDIT SERVICE – RENEWAL OF CONTRACT**

The Executive Accountant informed members that by the end of March 2009, the Authority will need to have renewed the contract for provision of internal services. This report sets out the proposed arrangements and timetable to achieve this.

Current arrangements for provision of internal audit services arise from work undertaken in January and February 2003 to let a contract which became operational from 1<sup>st</sup> April 2003. The contract was let on the basis of 3 years with an option to extend its period of operation by a maximum further 2 years. Members will be aware that Pritchard Wood was the successful tenderer.

In 2005 the contract transferred to RSM Bentley Jennison when that company took over Pritchard Wood. Further in 2007 under provisions within the contract its period of operation was extended. Under Contract Standing Orders no further extension is possible. A new contract needs now to be in place effective from 1<sup>st</sup> April 2009.

**ORDERED that:**

1. the proposed timetable set out at para 3.7 to the report be agreed.
2. the Chief Executive acts in consultation with the Chair and Vice Chair be agreed.

151

**COUNTER FRAUD AND CORRUPTION AUDIT**

The Executive Accountant informed Members that as part of the rolling programme of examination of existing governance arrangements the Chief Executive commissioned internal audit to review practices in relation to Counter-fraud and Corruption. This was the subject of a separate report.

The review did identify that the implementation of the 2006 Fraud Act in January 2007 requires existing policies relating to Counter-fraud & Corruption to be updated to take account of the new definitions of fraud and related offences.

Appendix A to the report contains a draft policy which has been the subject of discussion with the Force, and which reflects the recommendations from the Internal Audit report.

**ORDERED that:**

1. the draft policy set out at Appendix A to the report be agreed.
2. this policy becomes effective from 1<sup>st</sup> June 2008.
3. the Authority and Force communicate this policy to all relevant stakeholders.

152

**FRAUD RESPONSE PLAN**

The Head of Internal Audit informed Members that RSM Bentley-Jennison were commissioned to undertake a review of Counter Fraud and Corruption arrangements.

Members were informed that one of the recommendations of the review was to establish a Fraud Response Plan to be activated in the event that the Authority experiences such an event.

A copy of the latest version of the plan was attached at Appendix A to the report.

**ORDERED that:**

1. the draft Fraud Response Plan be noted.

153

**SICKNESS AND ABSENCE REPORT**

The Head of Internal Audit verbally reported on the Internal Audit Report on Sickness and Absence.

He informed that the first draft of the report was delivered on 18 February 2008 and that this was still under review

There followed discussion of the protocols in place for the production and management review of internal audit reports and concern was expressed regarding the length of time taken for some reports to be presented to the Panel. It was agreed that a review take place of the protocols in place and the nature of any difficulties being experienced in meeting target timescales in order to ensure that future reports may receive timely consideration by the Panel.

**ORDERED that:**

1. the report be noted.

154

**ANY OTHER URGENT BUSINESS**

The Chair informed Members of the National Audit Office Self Assessment check list to assist police authorities in their audit and internal controls.

The Chair informed the meeting that this police authority is committed to continuous improvement and that the uptake of the checklist will allow us to benchmark our current audit and internal control position.

The use of the check list will permit prioritisation of future tasks in the coming 12 – 18 months.

**ORDERED that:**

1. the National Audit Office checklist be adopted and the process be carried out be agreed.

155

**STRATEGIC POLICING & PERFORMANCE HELD ON 29 MAY 2008**

**ORDERED** that the following minutes of the Strategic Policing & Performance Panel held on 29 May 2008 were submitted and approved.

**STRATEGIC POLICING & PERFORMANCE**

A meeting of the Strategic Policing & Performance Panel was held on Thursday 29 May 2008 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

**PRESENT**

Miss Pam Andrews-Mawer, Mr Ted Cox JP, Mr Keith Fisher JP, Mr Aslam Hanif (Vice Chair), Mr Alf Illingworth TD JP, Councillor Victor Tumilty and Mr Peter Race MBE (Chair).

**OFFICIALS**

Mr John Bage (CE)  
Mr Ron Hogg, Mr Dave Pickard, Miss Kate Rowntree (CC)

156

**APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Chris Coombs (ex officio) Councillor Ron Lowes, and Councillor Mary Lanigan

157

**DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

158

**MINUTES OF THE STRATEGIC POLICING AND PERFORMANCE PANEL HELD ON 31 JANUARY 2008**



The minutes were agreed as a true and accurate record.

159

## **MATTERS ARISING FROM THOSE MINUTES**

One typographical error on page 2 of the minutes correcting the word summery to summary.

160

## **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations be noted.

161

## **2007-8 YEAR END PERFORMANCE REPORT**

Temporary Assistant Chief Constable (Territorial) informed Members of the Force performance against the strategic policing objectives, set out in the 2007-10 Corporate Policing Strategy and 2007-08 Local Policing Plan.

Members were informed that there had been improvements in eleven of the thirteen crime categories across the year. In addition to this the Force had "Good and improving" scores against the Investigating Crime and Detecting Crime categories in the Policing Performance Assessment Framework (PPAF).

The Temporary Assistant Chief Constable (Territorial) informed Members that there had been a change in the way Violence would be recorded in the future. Violent crime would now be recorded as :

- Violence Categories
  - Serious Violent Crime
  - Assault with injury
  - Assault with-out injury

The performance figures show that the Force continues to work to make good progress in reducing crime and increasing detections

**ORDERED** that:-

1. the force performance against the strategic policing objectives set out in the 2007-10 Corporate Policing Strategy and 2007-08 Local Policing Plan be noted.

162

## **NATIONAL STANDARD FOR INCIDENT RECORDING (NSIR)**

The Deputy Chief Constable updated Members on the development work that had been undertaken with regards to the use of the 'hate crime' qualifier codes in NSIR, and to update Members on the NPIA health check review that was completed in February 2008.

Members were informed that in September 2007 a concern was raised regarding the apparent high number of incidents that had been recorded as a 'hate crime'.

The Communications Centre has since undertaken a review on the use of the qualifier codes. Every incident between April and October had been

checked and amended if necessary.

Compliance is much improved and to ensure this continues there is continual monitoring of the use of these qualifier codes, with feedback to operators if necessary.

In January 2008 the Force was subject to a baseline review of the implementation of National Standard for Incident Recording by the National Police Improvement Agency.

The review highlighted the good use of the data within the Force, with Anti-social behaviour data being well utilised through the National Intelligence Model by District Intelligence Analysts.

The report also identified a number of areas where compliance with NSIR could be improved. A working group has been established to address the recommendations

**ORDERED** that:-

1. the report be noted.

163

#### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraph 7 of Part 1 of Schedule 12A to the Act.

164

#### **PROTECTIVE SERVICES UPDATE**

The Deputy Chief Constable updated Members on the position of Protective Services.

**ORDERED** that the recommendations be agreed.

165

#### **EXPRESSION OF THANKS**

The Chair passed on the thanks and gratitude of this Panel to the Deputy Chief Constable for his commitment, enthusiasm, and experience, and on behalf of the Panel wished him well for his retirement.

166

#### **MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON 4 JUNE 2008**

**ORDERED** that the following minutes of the Policy & Resources / Corporate Development Panel held on 4 June 2008 were submitted and approved.

#### **POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Thursday 4 June 2008 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

PRESENT Miss Pam Andrews-Mawer, Councillor Barry Coppinger (Chair), Mr Keith Fisher JP, Mr Aslam Hanif, Mr Alf Illingworth TD JP and Councillor Hazel Pearson OBE.

OFFICIALS Mrs Julie Leng and Mrs Clare Hunter (CE)  
A/DCC Bonnard, Mr Graeme Slaughter, Miss Kate Rowntree and Inspector Rob Donaghy (CC).

ADDITIONAL MEMBERS Councillor Ron Lowes and Councillor Victor Tumilty  
167

#### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Chris Coombs (ex officio), Mr Ted Cox JP, Councillor Dave McLuckie (ex officio), Mr Peter Race MBE and Mr Sean Price.

168 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

169 **MINUTES OF THE POLICY & RESOURCES – CORPORATE DEVELOPMENT PANEL HELD ON 1 MAY 2008**

The minutes were agreed as a true and accurate record.

170 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

2. the Outstanding Recommendations be noted.

171 **REVENUE OUTTURN 2007/08**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the year end position against the revenue budget for 2007/08.

In overall terms the year end outturn is in line with forecasts that had remained consistent since November, when the Pay Awards were released. There had been a significant amount of variations to the forecast that were provided in Period 11 and there were areas for improvements in both forecasting and financial management that had been learned during the 2007/08 closure of accounts process.

**ORDERED** that:-

1. the revenue outturn position for 2007/08 of a £1,087k underspend which was in line with forecast be noted.
2. this outturn position is consistent with the assumptions that underpin the Long Term Financial Plan agreed by Members at their meeting on the 28 February 2008, where an underspend of £1.1m in 2007/8 was assumed to provide additional revenue support in 2008/09.
3. these results were presented subject to audit and that any

amendments resulting from the audit would be presented to a future Authority meeting.

172

#### **CAPITAL OUTTURN 2007/08**

The Temporary Assistant Chief Officer (Finance and Commissioning) set out the year end position against the capital programme for 2007/08 and the capital plan for 2008/10 which Members had approved at their meeting on 23 February 2007.

This report is the final report for 2007/08. It set out the year end position against the approved programme and was consistent with the Revenue Outturn Report and Statement of Accounts which were also presented to this meeting.

This report set out the progress made in delivering the Capital Programme for 2007/08 to refresh and develop the asset base for policing in the 21<sup>st</sup> Century in line with the vision of 'Putting People First'.

#### **ORDERED that:-**

1. the capital outturn position for 2007/08 be noted.
2. the carry forward of funding totalling £8,379k to 2008/09 to complete schemes in progress be approved.
3. the carry forward of unallocated funding of £778k to fund new projects be approved.
4. these results were presented subject to audit and that any amendments resulting from the audit would be presented to a future meeting be noted.

173

#### **TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS OUTTURN 2007/2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) provided details of the Treasury Management performance in 2007/08 and details of performance against the Prudential Indicators for 2007/08, approved by Members on 23 February 2007.

This report also confirmed that the Authority had complied with the requirements of the CIPFA Codes for Treasury Management and Prudential Borrowing.

#### **ORDERED that:-**

1. the contents of the report be noted.

174

#### **POLICE USE OF RESOURCES EVALUATION (PURE) 2007/2008 AREAS FOR IMPROVEMENT - DRAFT**

The Temporary Assistant Chief Officer (Finance and Commissioning) reported the result of initial discussions with the Audit Commission relating to those themes in Police Use of Resources Evaluation (PURE) 2007/2008

where the fieldwork had been completed, and where draft areas for improvement have been identified.

PURE is now an annual process which involves the Authority, with the Force, undertaking a process of self assessment for submission to the Audit Commission. Following review including fieldwork, the Audit Commission forms a judgement of performance against standard levels. One output of this work is a series of recommendations – Areas for Improvement – which are contained in a report produced by the Audit Commission following a national assessment and moderation of the conclusion and scoring determined by the local audit team. That final report is not due until October 2008, and will contain a full summary of use of resources by theme for the Police Authority.

Appendix 1 to this report contained the draft areas for improvement, and these were being submitted as early as practical in order to afford the maximum time to develop and implement appropriate responses. There were no surprises in the areas identified, since they echoed the results of our own self assessment and the work undertaken to produce the Annual Governance Statement.

It was likely that the formal report from the Audit Commission would reflect a steady improvement, on the basis of what was known to date. The key challenges were likely to be:

- Development and testing of business continuity plans.
- The Assessment Management Plan and supporting arrangements.
- Partnership governance arrangements.

**ORDERED** that:-

1. Members consider and where appropriate comment on Appendix 1 to the report.
2. when the work on Financial Reporting and Value for Money themes was complete, a further report on areas for improvement would be submitted to this panel be noted.
3. future progress reports relating to those areas for improvement identified at Appendix 1, and from Financial Reporting and Value for Money Themes be submitted to future meetings of this panel.

175

#### **HEALTH AND SAFETY UPDATE**

The Temporary Deputy Chief Constable provided Members with an insight into the position with regard to health and safety and fire safety within Cleveland Police for the period 1 January 2008 to 31 March 2008 respectively.

**ORDERED** that:-

1. the contents of the report be noted.
2. future quarterly reports set out in summary format the

programme and processes underlying health and safety inspections, and the actions taken to reduce incidents be agreed.

3. that the future reports also provide information on the impact of health and safety injuries to sickness.

176

## **FLEXIBLE RETIREMENTS – POLICE STAFF**

The Temporary Deputy Chief Constable outlined to Members the process relating to Flexible Retirement for police staff members and proposed changes.

It was recommended that the Police Authority consider delegating decision making authority for Flexible Retirement request up to the value of £1000 per case, be delegated to the Chief Constable. A formal process would be devised in order to manage and review such requests.

**ORDERED** that:

1. Members considered the issues relating to Flexible Retirement requests and agreed to delegate to the Chief Constable, any future decisions relating to Flexible Retirement requests which may have associated financial cost implications up to the value of £1,000 per case.
2. An annual report of the number of applications be submitted to this Panel.

177

## **CAPITAL PROGRAMME 2008/09 PROJECT: MULTIMEDIA EQUIPMENT PURCHASE**

The Temporary Assistant Chief Officer Finance and Commissioning sought approval from the Authority for the inclusion of a project in the Capital Programme 2008/09 to acquire two multi media devices costing in total £49.6k, which would be utilized to convert media into the format required by the Criminal Justice system.

One of these devices would be purchased using funding from the Office for Criminal Justice Reform (OCJR), whilst the other would be funded from the Capital Programme for 2008/09.

The devices would be located at Hartlepool and Redcar & Cleveland Districts and ongoing maintenance and running costs would be met from those District Revenue budgets.

The purchase of this equipment would increase resource availability by reducing officer traveling time, and improve Cleveland's performance on a national monitor.

**ORDERED** that:-

1. the inclusion of a project in the 2008/09 Capital Programme for the acquisition of two multi media devices at a total cost of £49.6k, one being funded externally and the other being funded from the 2008/09 Capital Programme be approved.

178

**ECONOMIC CRIME UNIT PROJECT**

The Temporary Deputy Chief Constable requested Members permission to vary the approved Crime structure for a 12 month period by the addition of two Police Staff Investigator posts at scale 5/6 to deliver the economic crime unit project. The additional costs would be met by existing Incentivisation funding.

The Economic Crime Unit had recently identified a further opportunity to increase its asset recovery capabilities. This is through the confiscation of any proceeds of crime which were not identified at the time of the original court proceedings.

The extension of the Forces current activities would send a strong message to the criminal community that the Force would pursue and confiscate all proceeds of crime, not just assets identified at the time of the original confiscation proceedings. This would support the Forces strategic aim to protect the public from the threat of serious crime and terrorism.

To deliver this the Crime Unit would need to identify, research, and develop financial intelligence relating to persons who have already been subject of a Confiscation Order. Once this intelligence had been gathered the team would then prepare a case requesting the court to reconsider the amount available for confiscation. It is anticipated that the volume and level of work undertaken to facilitate this new activity would equate to 2 FTE's at a salary of scale 5 / 6.

This report sought approval to fund 2 fixed term Police Staff Investigator posts for 12 months at scale 5 / 6 to focus on this project. During this period the Force would assess the long term impact of this activity on the Forces strategic aims and any ongoing financial implications to the Force.

An update report on progress 10 months after the appointment of the 2 Police Staff Investigators, with a recommendation to implement, extend or cease the project would be provided.

**ORDERED** that:

1. Two Police Staff Investigator posts on 12 month fixed term contracts at scale 5/6 be approved.

179

**MINUTES OF THE POLICE AUTHORITY ANNUAL GENERAL MEETING HELD ON 5 JUNE 2008**

**ORDERED** that the minutes of the Police Authority Annual General Meeting held on 5 June 2008 were approved and signed by the Chair as a true and accurate record.

180

**COMMUNITY PROTECTION PANEL HELD ON 12 JUNE 2008**

**ORDERED** that the following minutes of the Community Protection Panel held on 12 June 2008 were submitted and

approved.

### COMMUNITY PROTECTION PANEL

A meeting of the Community Protection Panel was held on Thursday 12 June 2008 in the Members Conference Room at Police Headquarters.

**PRESENT:** Miss Pam Andrews-Mawer, Mr Chris Coombs (ex officio) Mr Ted Cox JP, Cllr Ron Lowes, Mr Mike McGrory JP,, Cllr Hazel Pearson OBE (Chairman), Mr Peter Race MBE and Cllr Victor Tumilty (Vice Chair)

**ADDITIONAL MEMBERS** Mr Keith Fisher JP

**OFFICIALS:** Mr John Bage and Mr Norman Wright (CE)  
Mr Dave Pickard, Mrs Tara Holford, Miss Ann-Marie Salway, and Miss Kate Rowntree (CC)

### 181 APOLOGIES FOR ABSENCE

Cllr Dave McLuckie (ex officio)

### 182 DECLARATIONS OF INTERESTS

There were no declarations of interests.

### 183 MINUTES OF THE PREVIOUS MEETING

The minutes of the Community Protection Panel meeting held on 8 May 2008 were agreed as a true and accurate record.

### 184 OUTSTANDING RECOMMENDATIONS

Domestic Violence Court

The Temporary Assistant Chief Constable (Crime) informed Members that he would bring an interim internal evaluation report on the Domestic Violence Court to the next meeting of this panel.

Domestic Abuse

The Temporary Assistant Chief Constable (Crime) informed Members that the Domestic Abuse Gold Group would be re-established to deal with Domestic Abuse. Member of the police authority would be nominated to represent the Authority on this Group.

**ORDERED** that:-

1. the outstanding recommendations be noted.
2. Miss Pam Andrews-Mawer was nominated to represent the police authority on the Domestic Violence Gold Group.

### 185 VOLUNTEER POLICE CADET SCHEME

The Temporary Assistant Chief Constable (Crime) informed Members of the



progress to date of the Volunteer Police Cadet Scheme.

A working party had been established involving the Executive, the Districts in the form of Community Safety Chief Inspectors, Inspectors, the Police Authority and Safe in Tees Valley.

The working party has progressed funding internally and externally, begun the process of consultation with young people, reviewed the frameworks for the scheme and looked at how the scheme can be co-ordinated within the districts.

The scheme seeks to engage and involve young people in a much more inclusive and positive way, providing opportunities to improve community cohesion and reduce undesirable behaviour.

**ORDERED that:**

1. the Cleveland Police Cadet Scheme be launched in each of the four districts based on the structure outlined in 3.14 of the report be agreed.

186

## **NEIGHBOURHOOD POLICING**

The Temporary Assistant Chief Constable (Crime) updated Members on the progress of implementation of Neighbourhood Policing.

The Force's approach to Neighbourhood Policing was based on the Chief Constable's Ward based model of a named police constable per neighbourhood. In addition, each neighbourhood has a minimum of one PCSO working alongside the Officer.

In line with the principles of Neighbourhood Policing, additional Police Officers and PCSOs had been allocated to neighbourhoods where demand is greatest.

The Force continued to build upon the experience and identification of effective practice in embedding Neighbourhood Policing. Surveys indicated the public continue to support Neighbourhood Policing and recognise the increase in visible patrols and improved service. The Force continues to reduce crime rates whilst embedding Neighbourhood Policing.

**ORDERED that:**

1. the report be noted

187

## **ANTI-SOCIAL BEHAVIOUR UPDATE**

The Temporary Assistant Chief Constable (Crime) provided an overview of the current anti-social behaviour initiatives that had taken place in the Force area.

Members were informed that the strategic approach within the Force was for District and Council staff to share information to help identify a problem individual or group. Acting together they then involve other agencies for example, Children's Services, Education Youth Service providers, such as the Youth Inclusion Project or Connexions, and where appropriate Registered Social Landlords.

Data continued to indicate that the largest problem in all four districts is rowdy and inconsiderate behaviour by young people. The response to such problems requires a balanced and proportionate approach to enforcement, education and diversionary activities.

**ORDERED that:**

1. the report be noted.

188

**ALCOHOL ABUSE UPDATE**

The Temporary Assistant Chief Constable (Crime) provided an overview of the current alcohol abuse initiatives taking place in the Force area.

Members were informed that a report compiled by the North East Public Health Observatory in January 2006 identified key factors regarding alcohol misuse in the North East.

Most alcohol related problems in the Cleveland area are associated with alcohol abuse, manifesting in disorder within town centre areas, predominantly on a Friday and Saturday night, between the hours of 21:00 and 03:00. Force data provided an indication of the prevalence of alcohol related incidents within the force area.

Districts continue to work collaboratively with partners in the production of responses that reflect the creation of a safe, sensible and social drinking culture within Cleveland. Initiatives for prevention, education and enforcement continue to be evidenced. Positive action by District Licensing Units with partners such as Trading Standards in dealing with those individuals who flout Licensing laws is evident in all districts.

**ORDERED that:**

1. the report be noted

189

**STOP AND SEARCH STATISTICS**

The Temporary Assistant Chief Constable (Crime) presented Members with the latest statistics on stop and search by ethnicity and the reason for stop and search.

Members were informed that the Force policy on stop and search was agreed in December 2007 setting out the responsibilities of officers and staff in relation to stop and search powers. This policy would be the subject of annual review. During the period January to March 2008 the Force carried out 3246 stop and searches, of which 96.3% were white and 1.6% were of a visible minority ethnic origin. Of those stopped and subsequently arrested, 97.1% were white and 1.4% were of VME origin. The Force will continue to monitor the use of stop and search powers across the Force.

**ORDERED that:**

1. the report be noted

190

**YOUNG PERSONS LOCAL POLICING SUMMARY 2008-2009**

**ORDERED that:**

1. this report be presented to the next meeting of the Community Protection Panel.

191

**PRECEPT LEAFLET 2008 CONSULTATION REPORT**

The Strategy and Performance Manager presented the report on the findings of consultation activity undertaken as part of the precept leaflet distribution for 2008.

Consultation activities inform the Police Authority of public concerns and priorities and go towards fulfilling its core legal requirement.

The policing priorities and anti-social behaviour concerns of the residents of Cleveland remain consistent with previous years, with anti-social behaviour remaining the key public priority.

**ORDERED that:**

1. the report be noted.

192

**LOCAL POLICING SUMMARY'S 2008-9**

The Planning and Development Manager verbally reported to Members the results of the local policing summaries for the four police districts.

Members were given copies of the final drafts of the four summary's and informed that the final documents were going to print the following week, and would be distributed in July 2008.

Members sought clarification on the methods of distribution, expressing concern from previous experiences of distribution problems.

**ORDERED that:**

1. the report be noted.
2. a report on the methodology and an evaluation of the distribution be brought to a future meeting.

The next meeting will take place on 14 August 2008, at 2.00pm

193

**MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT HELD ON 9 JULY 2008**

**ORDERED** that the following minute of the Policy & Resources / Corporate Development Panel held on the 9 July 2008 were submitted and approved.

**POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Wednesday 9 July 2008 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

PRESENT Miss Pam Andrews-Mawer, Councillor Barry Coppinger (Chair), Mr Ted Cox, Mr Alf Illingworth TD JP, Councillor Hazel Pearson OBE and Mr Peter Race MBE.

OFFICIALS Mrs Caroline Llewellyn, Mrs Julie Leng, Mr Paul Kirkham and Mrs Clare Hunter (CE)  
Mr Bonnard, Mr Graeme Slaughter and Miss Kate Rowntree (CC).

ADDITIONAL MEMBERS Councillor Ron Lowes and Councillor Victor Tumilty.  
194

#### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Chris Coombs (ex officio), Mr Keith Fisher JP, Mr Aslam Hanif, Councillor Dave McLuckie (ex officio) and Mr Sean Price.

#### 195 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

#### 196 **MINUTES OF THE POLICY & RESOURCES – CORPORATE DEVELOPMENT PANEL HELD ON 4 JUNE 2008**

The minutes were agreed as a true and accurate record.

#### 197 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations be noted.

#### 198 **BUDGET MONITORING REPORT TO 31 MAY 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the report. Members had approved a Net Budget Requirement (NBR) of £124,623k and budgeted revenue expenditure of £145,301k, the balance of expenditure being funded by specific grants, other income and transfers from reserves at their meeting on 28 February 2008. This report sets out the progress against delivery of that budget and was part of the process introduced by the Authority to maintain prudent financial management.

The position to date and the year-end forecast were shown at Appendix A to the report. No material risk, other than those set out in the Risk Monitor at Appendix D to the report had been identified to the delivery of a break-even position for 2008/09.

However, the recent developments on the provision of air support were not extant when the Long Term Financial Plan was agreed by Members in February and create a significant financial pressure on the years 2009/10 and beyond. It was recommended that the expenditure for 2008/09 be reviewed and proposal for creating a provision against the future costs of a stand alone Air Support Unit be brought forward to a future meeting.

**ORDERED** that:-

1. the contents of the report be noted.
2. the expenditure plan for 2008/09 be reviewed and proposal for creating a provision against the future costs of a stand alone Air Support Unit be brought forward to a future meeting be agreed. ACO (F & C)

199

**CAPITAL MONITORING REPORT TO 31 MAY 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the progress against the delivery of the Capital Programme for 2008/09 and the Capital Plan for 2008/ 11 which Members had approved at their meeting on 28 February 2008.

This report set out the progress made in delivering the Capital Programme for 2008/09 and recommendations to make optimum use of the capital resource available to the Authority to refresh and develop the asset base for policing in the 21<sup>st</sup> Century in line with the vision of 'Putting People First'.

**ORDERED that:-**

1. the contents of the report be noted.
2. the addition of the following projects (all to be revenue funded) to the 2008/09 Capital Programme be approved:-
 

▪ Audio to Cells and Matrix Upgrade at Middlehaven	£19.0k
▪ Speed Awareness Module	£25.0k
▪ E-forms increase	£9.6k
3. the following have now been added to the Capital Programme which Members approved at previous meetings of the Policy & Resources panel be noted:-
 

▪ Increase for Storage Management & DR Capability	£16.0k
▪ Multi Media Equipment	£49.6k
4. the following transfer to unallocated funding be approved:-
 

▪ OCU Vehicle Replacement	£124.0k
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200

**TREASURY MANAGEMENT TO 31 MAY 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the report to Members.

Local Authorities' (including Police Authorities) treasury management activities are prescribed by the Local Government Act 2003. Essentially a police authority may borrow or invest for any purpose relevant to its functions, under any enactment, or 'for the purpose of the prudent management of its financial affairs'.

An investment strategy for 2008/09 was agreed by Members at their meeting on 28 February 2008. This report provided an update on the status

of the Authority's investments and borrowing. It was part of the process introduced by the Authority to maintain prudent financial management.

**ORDERED** that:-

1. the contents of the report be noted.

201

## **HEALTH AND SAFETY ANNUAL REPORT**

The Temporary Deputy Chief Constable provided Members with the annual report with regard to Health and Safety and Fire Safety within Cleveland Police for the period 1 April 2007 to 31 March 2008.

Throughout the year the approach had been to ensure that the health and safety and fire safety standards expected by regulators and equally as importantly by staff. This report reflected how this had been achieved in 2007/08.

**ORDERED** that:-

1. the content of the report be noted.

202

## **PENSION CONTRIBUTION RATES**

The Temporary Deputy Chief Constable outlined to Members issues arising from the changes to the Local Government Pension Scheme on the 1 April 2008, specifically in relation to pension contribution rates.

As part of a general review of public sector pension schemes, the Government introduced changes to the Local Government Pension Scheme (LGPS) for employees in England and Wales from 1 April 2008.

In the new scheme rather than most employees paying a standard contribution rate of 6% of their pensionable pay, there were different contribution rates for different pay bands. These new rates have been designed to give more equality between the cost and benefits of scheme membership.

The new regulations allow an employer to reallocate an employee to a new pension contribution band following a material change in pay. Three options were detailed within the report for consideration.

Consideration had been given to all of the available options and the advantages and disadvantages of each. The Finance community had also been consulted in order to take account of the impact on workload of each option.

It was concluded that Option 3 (reallocating the pension contribution band at the point of pay change) was the most appropriate option to pursue. However, in order to assess its full impact on potential changes to workload and in particular financial systems, it was advised to implement Option 1 in the first instance.

Members considered the issues presented and decided upon the method of reallocating pension contribution bands following a material change in pay.

**ORDERED** that:-

1. Members approved that Option 1 be implemented for the financial year 2008/09 with the inclusion that any reductions be discussed with the individual concerned. Subject to confirmation that the required system changes were possible, Option 3 would be implemented with effect from 1 April 2009.

203

## **DISCRETIONARY POLICY STATEMENT**

The Temporary Deputy Chief Constable outlined to Members issues in relation to the statutory requirement, under Local Government Pension Scheme regulations, to formulate and publish a discretionary policy statement.

A draft Discretionary Statement Policy is attached at Appendix A to the report. This was an interim policy statement to ensure that the Force meets the statutory requirement. The HR Department in consultation with Authority Officers is in the process of formulating a more detailed policy statement which will be the subject of consultation with Unison. Once finalised this Policy Statement will be presented for consideration and approval by Members of the Policy & Resources / Corporate Development Panel.

**ORDERED** that:

1. Members considered the issues presented and approved the interim discretionary policy statement.

204

## **POLICE USE OF RESOURCES AUDITOR FEEDBACK INTERIM REPORT**

The District Auditor presented the results of the 2007/08 police use of resources assessment (PURE) at Cleveland Police Authority. The Audit Commission undertook the review during the period March 2007 to May 2007, as part of their responsibility to examine the economy, efficiency and effectiveness of the Authority's use of resources under section 5(1)(e) of the Audit Commission Act 1998.

The review had been completed in accordance with the methodology and guidance issued by the Audit Commission (the Commission). The results were subject to internal and national quality control arrangements, designed to ensure compliance with the methodology and guidance, and consistency.

The report summarised the approach taken and the results of the assessment. It also highlighted areas for improvement based on the criteria issued by the Commission.

Table 1 to the report summarized the scores and 2006/7 comparative judgements for each theme. During 2007/08 there had been an improvement in internal control. Risk management had continued to improve as had the assurance framework in relation to risks, controls and

assurances. Financial management and financial standing scores have remained at their 2006/07 levels but have become increasingly embedded. The overall value for money score has remained at the same level.

The key actions for Police Authority Members to ensure a continued focus on effective use of resources were:-

- Adopt the asset management plan to ensure that it is updated annually;
- To develop business continuity plans and ensure that these are regularly tested and reviewed;
- Continue to develop collaborative and partnership working to progress against the modernization agenda;
- Ensure there are arrangements in place for the expanded use of resources assessment being introduced in 2008/09.

**ORDERED** that the report be noted and the recommendations agreed.

205

## **MINUTES OF THE AUDIT AND INTERNAL CONTROL PANEL HELD ON THE 17 JULY 2008**

**ORDERED** that the following minutes of the Audit and Internal Control Panel held on the 17 July were submitted and approved.

### **AUDIT AND INTERNAL CONTROL PANEL**

### **ACTION**

A meeting of the Audit and Internal Control Panel was held on Thursday 17 July 2008 commencing at 10.00 am in the Members Conference Room, Police Headquarters.

#### **PRESENT**

Mr Mike McGrory JP (Chair), Councillor Ron Lowes (Vice Chair), Councillor Caroline Barker, Councillor Hazel Pearson OBE, Cllr Mary Lanigan, Mr Keith Fisher JP, Cllr Victor Tumilty, Mr Chris Coombs (ex-officio), Mr Ted Cox JP and Mr Peter Race MBE

#### **OFFICIALS**

Mr Joe McCarthy and Mrs Jayne Harpe (CE)  
T/DCC Derek Bonnard, Mr Graeme Slaughter and Miss Kate Rowntree (CC)

#### **AUDITORS**

Ms Sue Turner (RSM Bentley Jennison)  
Ms Catherine Andrew (Audit Commission)

206

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Adam Hanif

207

### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

208

### **MINUTES OF THE PREVIOUS MEETING HELD 28 MAY 2008**



The minutes were agreed as a true and accurate record.

209

## **OUTSTANDING RECOMMENDATIONS**

Report on the latest insurance position would be presented at the next Audit and Internal Control Panel in September 2008.

**ORDERED** that:-

2. the Outstanding Recommendations were noted and updated.

210

## **CORPORATE RISK REGISTER**

The Temporary Deputy Chief Constable presented the latest copy of the Force's Risk Register to Members.

**ORDERED** that:-

1. Members noted the document and the progress to date on mitigating risk within the force.

211

## **POLICE AUTHORITY RISK REGISTER**

The Chief Executive informed Members that the Police Authority Risk Register would be updated in line with the policy to review the document at six monthly intervals.

**ORDERED** that:-

1. Members agreed the Police Authority Risk Register as detailed in Appendix 1, noting the new register item No PA7 relating to the relocation of the Police HQ.
2. Members noted the Police Authority Risk Register Analysis in Appendix 2, which provided the rationale behind the items included within the Risk Register.
3. Members noted that the risk score for item PA1 (consultation) had increased owing to the pending staffing shortfall as a consequence of maternity leave.
4. Members considered re-instating a Risk Register item PA2 relating to the promotion of economy, efficiency, effectiveness and continuous improvement in services, subject to there being no overlap with the items on the revised Force Risk Register. Details of the analysis for this item were included within Appendix 2.

212

## **INTERNAL AUDIT REPORTING TIMETABLE**

The Temporary Assistant Chief Officer for Finance & Commissioning requested that the existing timetable be reviewed and refined to ensure the timeliness of audits and reporting to the panel.

**ORDERED** that:-

1. the Panel approved the revised reporting timetable set out in

## Appendix A.

213 **ANNUAL GOVERNANCE REPORT**

The External Auditor summarised the findings from their 2007/08 audit, which was substantially complete. It identified the key issues that should be considered before they issued their opinion, conclusion and certificate.

Member's attention was drawn to paragraph 4 and the points referred to at paragraphs 5, 12 and 13 will be resolved prior to the Police Authority Executive meeting in September 2008.

**ORDERED** that:-

1. the report be noted.

214 **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, excluding the press and public from the meeting under Paragraphs 3 and 7 of Part 1 of Schedule 12A to the Act.

215 **SICKNESS ABSENCE**

The Internal Auditor informed Members that the action plan recommendations were agreed with the exceptions of paragraphs 5, 7 and 1 which were to be subject to further consultation.

**ORDERED** that:-

1. the report be noted..

216 **WORKFORCE STRATEGY/RECRUITMENT PLAN**

The Internal Auditor draw Members attention to page 5. Temporary Deputy Chief Constable informed the meeting that actions were monitored through the minutes of the Resource Management Group (RMG).

**ORDERED** that:-

1. the report be noted.

217 **TIME OFF IN LIEU**

The Internal Auditor informed Members that an audit of Time Off in Lieu (TOIL) was undertaken in addition to the approved internal audit plan for 2007/08.

**ORDERED** that:-

1. the report and recommendations be noted.

218 **DISTRICTS & SUB UNITS**

The Internal Auditor informed Members that an audit of one of the Districts was undertaken as part of the approved internal audit periodic plan for 2007/08.

**ORDERED** that:-

1. the report and recommendations be noted.

219

**IT DISASTER RECOVERY**

The Internal Auditor informed Members that an audit review of IT Disaster Recovery was undertaken as part of the approved internal audit periodic plan for 2007/08.

**ORDERED** that:-

1. the report and recommendations be noted.

220

**RISK MANAGEMENT**

The Internal Auditor informed Members that an audit of Risk Management was undertaken as part of the approved internal audit periodic plan for 2007/08.

**ORDERED** that:-

1. the report and recommendations be noted.

221

**PARTNERSHIPS**

The Internal Auditor informed Members that an audit of Partnerships was undertaken as part of the approved internal audit periodic plan for 2007/08. For the purposes of this audit, partnership arrangements within two Districts were examined.

**ORDERED** that:-

1. the report and recommendations be noted.

222

**PROCUREMENT & PAYMENTS**

The Internal Auditor informed Members that an audit of Procurement was undertaken as part of the approved internal audit periodic plan 2007/08. The Temporary Deputy Chief Constable informed the meeting that a review was currently pending.

**ORDERED** that:-

1. the report and recommendations be noted.

223

**EFFICIENCY SAVINGS**

The Internal Auditor informed Members that an audit of Efficiency Savings was undertaken as part of the approved internal audit periodic plan for 2007/08. The Temporary Assistant Chief Officer for Finance & Commissioning informed the meeting that Efficiency Strategy for the force was work in progress.

**ORDERED** that:-

1. the report and recommendations be noted.

224

**FOLLOW UP REVIEW**

The Internal Auditor informed Members that as part of the approved internal audit periodic plan for 2007/08, they had undertaken a review to follow up progress made by Cleveland Police Authority to implement previous internal audit recommendations. Recommendations with dates for implementation not yet due will be followed up as part of the 2008/09 follow up work. A review of petty cash by the Police Authority Technical Accountant will resolve recommendations.

**ORDERED** that:-

1. the report and recommendations be noted

225

**ANNUAL AUDIT REPORT FINAL**

The Internal Auditor informed Members that this report had been presented previously, it now contained all final reports and nothing had changed substantially.

**ORDERED** that:-

1. the report be noted.

226

**ANNUAL PROGRESS REPORT**

The Internal Auditor informed Members that the periodic internal audit plan for 2008/09 was approved by the Audit & Internal Control Panel on 28 May 2008. This report summarised the outcome of work completed to date against that plan.

**ORDERED** that:-

1. the report be noted.

227

**RISK REGISTER**

The Risk Register was presented to Members.

**ORDERED** that:-

1. the Risk Register will be presented at all future Audit & Internal Control Panel meetings.

228

**MINUTES OF THE STRATEGIC POLICING & PERFORMANCE PANEL HELD ON 30 JULY 2008**

**ORDERED** that the following minutes of the Strategic Policing & Performance Panel held on 30 July 2008 were submitted and approved.

**STRATEGIC POLICING & PERFORMANCE**

A meeting of the Strategic Policing & Performance Panel was held on

Wednesday 30 July 2008 commencing at 10.00 am in the Members Conference Room at Police Headquarters.

**PRESENT** Miss Pam Andrews-Mawer, Mr Chris Coombs (ex officio), Mr Ted Cox JP, Mr Keith Fisher JP, Mr Aslam Hanif (Chair), Mr Alf Illingworth TD JP (Vice Chair), Councillor Mary Lanigan and Councillor Ron Lowes.

**OFFICIALS** Mrs Julie Leng and Mr Norman Wright (CE)  
Mr Ron Hogg, Mr Dave Pickard, Miss Kate Rowntree (CC)

**ADDITIONAL MEMBERS** Councillor Hazel Pearson OBE and Councillor Victor Tumilty

229

#### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Barry Coppinger, Councillor Dave McLuckie (ex officio) and Mr Peter Race MBE.

230

#### **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

**Action**

231

#### **MINUTES OF THE STRATEGIC POLICING AND PERFORMANCE PANEL HELD ON 29 MAY 2008**

The minutes were agreed as a true and accurate record.

232

#### **MATTERS ARISING FROM THOSE MINUTES**

One typographical error on page 2 of the minutes correcting the wording under the Violence Categories to Serious Violent Crime.

233

#### **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations be noted.

234

#### **PERFORMANCE REPORT**

Temporary Assistant Chief Constable (Crime Operations) presented an update on Force performance for the period 1 April to 30 June 2008.

Recorded crime during the period showed a reduction in the number of crimes. There was a 16% decrease in overall crime, which equated to 2805 fewer victims of crime.

The Force sanction detection rate during the reporting period increased to 38.5%, a 5.5 percentage point improvement from the same period last year.

The performance figures show that the Force continued to work to make excellent progress in reducing crime and increasing detections.

The improvements detailed in the report in relation to recorded crime and sanction detection rates would assist us to achieve our vision of Putting People First and helping to make our communities and neighbourhoods safer places to live and work.

**ORDERED** that:-

1. the positive performance figures for the first quarter of the year be noted.

235

#### **NATIONAL STANDARD FOR INCIDENT RECORDING (NSIR)**

The Temporary Assistant Chief Constable (Crime Operations) informed Members of the Force's current position with regards to compliance with the National Standard for Incident Recording (NSIR).

Cleveland Police went live with NSIR on 1 April 2006 to record all non crime incidents using the National Incident Category List (NICL). The introduction of NSIR aims to ensure Forces adopt a similar approach to recording incidents so meaningful comparison could be made.

Progress towards compliance is measured by the Force Incident Registrar, the Communications Quality Team and External Auditors. The Force was also required to provide a monthly data return to the NSIR Team at the Home Office.

During 2007/08 a monthly evaluation report was sent to ACPO for their information. This report showed a compliance average of 82.25%.

The April 2008 audit of NSIR had now been completed and this showed that overall Force compliance stands at 86.76%, which is a grade of 'Fair'.

The Force would continue to develop and improve its data quality and compliance with NSIR in line with the recommendation of the NPIA. This would assist the Force in delivering on both Neighbourhood Policing and Citizen Focus.

**ORDERED** that:-

1. the progress to date be noted.
2. the action plan containing the 17 recommendations identified by the NPIA to improve the Force's compliance with NSIR detailed in paragraph 3.6 to the report be submitted to a future meeting of this Panel.

236

#### **FORCE COMPLIANCE WITH THE NATIONAL CRIME RECORDING STANDARDS (NCRS)**

The Assistant Chief Constable (Territorial Operations) informed Members of the Force's current position with regards to compliance with the National Crime Recording Standard (NCRS).

The National Crime Recording Standard was introduced in April 2002 with the aim of promoting greater consistency between Police Forces in the recording of crime, requiring Forces to take a more victim orientated approach to crime recording.

The NCRS audit arrangements continued to be very effective and efficient. With the continue development of NSIR this will support and improve performance in NCRS.

However, the Force is actively working to ensure that whilst it has a strong ethical and robust approach to incidents and crime recording, it only records matters as 'crimes' that properly sit within this category. It is important to be both ethical and proportionate in recording crime properly whilst reducing the bureaucratic burden on officers and the Force and reducing crime further.

**ORDERED** that the progress to date be noted.

237

#### **SICKNESS ABSENCE REPORTING**

The Temporary Assistant Chief Constable (Crime & Operations) presented this report which provided the final figures for 2007/08 and figures for the first quarter of 2008/09.

The figures for 2007/08 had seen a significant reduction for both officers and staff. There had also been a good start to the current year in that the figures for the first quarter of 2008/09 were equally encouraging.

The data forms part of the Force's ongoing monitoring of sickness absence. The figures for 2007/08 were very positive. Attendance management must continue to be given a high priority if the improvements were to be maintained.

**ORDERED** that:-

1. the contents of the report be noted.

238

#### **LSP / CDRP COMMUNITY SAFETY TARGETS WITHIN LOCAL AREA AGREEMENTS 2008-09**

The Strategy and Performance Manager provided members with an overview of LSP / CDRP Community Safety Targets within Local Area Agreements for 2008/09.

The report compared the LSP / CDRP targets with those set by Cleveland Police as part of the Policing Plan process.

The LAA community safety targets are now nearing completion/agreement between the LSPs and Government Office. It was expected that the target setting process for forthcoming years would be more timely and coordinated.

**ORDERED** that:-

1. the analysis of LSP/CDRP community safety targets and relevant comparisons with Police targets for 2008/09 as outlined in Appendix A to the report be noted.
2. the different levels of targets set, for example, the police have set a 6% reduction target for serious violent crime, whereas Middlesbrough and Stockton LSPs/CDRPs have set their targets at a 3% reduction be noted.

239

#### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraph 7 of Part 1 of Schedule 12A to the Act.

240

## **BRITISH CRIME SURVEY**

The Assistant Chief Constable (Territorial Operations) provided members with an overview of Force performance in relation to fear of crime, perceptions of disorder, anti-social behaviour and drug use/dealing as reported via the British Crime Survey (BCS). This report covered the 12 months ending December 2007.

In all the PPAF indicators from the British Crime Survey, Cleveland was performing well. In all of the PPAF Indicators, Cleveland had a rate which was better than the MSF average and was also in the top 3 positions in the MSF group.

From April 2008, the PPAF framework is being replaced by Assessment of Police and Community Safety (APACS) and as a result the performance indicators were changing. The indicators in relation to fear of crime would no longer be statutory performance indicators under APACS although the data would continue to be available for analysis.

**ORDERED** that:-

1. the contents of the report be noted.

241

## **MINUTES OF THE COMPLAINTS PANEL HELD ON 31 JULY 2008**

**ORDERED** that the following minutes of the Complaints Panel held on 31 July 2008 were submitted and approved.

	<b>COMPLAINTS PANEL</b>	<b>ACTION</b>
	A meeting of the Complaints Panel was held on Thursday 31 July 2008 in the Executive Conference Room at Police Headquarters.	
<b>PRESENT:</b>	Mr Ted Cox JP (Chair), Mr Keith Fisher JP (Vice Chair), Cllr Paul Kirton, Mr Mike McGrory JP, Cllr Caroline Barker, Mr Chris Coombs (ex-officio) and Mr Alf Illingworth.	
<b>OFFICIALS:</b>	A/Supt Darren Best, Mrs Jacqueline Chaffey and Miss Kate Rowntree (CC). Mrs Jayne Harpe (CE)	

242

## **APOLOGIES FOR ABSENCE**

Apologies for absence were received from T/DCC Bonnard, Cllr Ron Lowes, Mr Aslam Hanif, Cllr Dave McLuckie (ex officio) and Mrs Joanne Monkman.

243

## **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

244

## **CIVIL CLAIM STATISTICS**



The Legal Advisor presented the Civil Claim Statistics for the period 1<sup>st</sup> April 2008 – 30<sup>th</sup> June 2008. The Panel was informed of the number and types of civil claims against the Force received during that period, the amount paid out for those claims finalised during the period and the amount recovered. The report also detailed a comparison between the Basic Command Units.

**ORDERED** that:

1. Members noted there had been a very slight decrease in the number of claims received when compared with the same period last year. Public liability was the leading category.
2. There had been a slight increase in the number of claims finalised when compared with the same period last year.
3. 23% of finalised cases during the period were successfully defended which was to be compared with 15% successfully defended during the same period last year.
4. The 20 cases settled during the period cost the Force £144,824. This was to be compared with the 17 cases settled during the same period last year at a cost of £118,379.
5. Headquarters continued to be the area with most claims.
6. The contents of the report be noted.

**COMPLAINTS STATISTICS**

The Head of Professional Standards presented the Complaints Against Police for the period 1<sup>st</sup> April 2008 to 30<sup>th</sup> June 2008. The Quarterly Progress Report on Complaint Issues for Cleveland Police for the period April to June 2008 was attached to the report.

There had been a 31% increase in the number of Cases recorded during this period (90 to 118), with a 23% increase in the number of complaints (up from 164 to 202).

Complaints of other neglect/failure in duty and Incivility continued to outnumber those of Assault allegations, 43 and 48 complaints respectively compared to 22 in the Assault categories.

34.7% (52) of completed complaints had been locally resolved. During this period 73% (38) of locally resolved complaints had been by District and 27% (14) by the Professional Standards Unit.

46 letters of appreciation had been received.

The Chair of the Panel informed Members that he would be meeting with the Commissioner from the Independent Police Complaints Commission on 13 August 2008 during his annual visit to Chairs of Complaints Panels to discuss any problems.

**ORDERED** that:

1. The contents of the report be noted.

246

**DELIBERATE DAMAGE STATISTICS**

The Head of Professional Standards informed Members of the cost to the Force of deliberate damage by way of forced entry into premises for the period 1<sup>st</sup> April 2008 to 30<sup>th</sup> June 2008 and of the operational results achieved through such forced entry and other premises searches.

Members were informed that the Force had paid out £8,599 in compensation for acts of deliberate damage. Whilst 3143 searches were conducted, only 248 (7.9%) resulted in deliberate damage. The value of property, cash and drugs seized totaled £1,079,186.

**ORDERED** that:

1. The contents of the report be noted
2. The operational benefits accruing to the Force in terms of property, drugs and cash seized, outweigh the cost of the damage claims be noted.
3. Future reports would contain comparisons with the same period the previous year.

247

**MEMBERS TRAINING FOR NEW REGULATIONS**

The Chair of the Complaints Panel informed the meeting that arrangements for training would be made within the next 2 weeks.

The Head of Professional Standards added that his Department would be delivering 10 training sessions on the new regulations. Members would be invited to attend these sessions commencing 1<sup>st</sup> December 2008

**ORDERED** that:

1. The verbal update be noted.

248

**EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the local Government Act 1972, excluding the press and public from the meeting under Paragraphs 1 and 7 of Part 1 of Schedule 12A to the Act.

249

**CASES FROM THE COMPLAINTS REGISTER**

Members of the Complaints Panel were shown the cases from the Complaints Register which they had previously selected.

250

**MINUTES OF THE POLICY & RESOURCES / CORPORATE DEVELOPMENT PANEL HELD ON 7 AUGUST 2008**

**ORDERED** that the following minutes of the Policy & Resources / Corporate Development Panel held on 7 August 2008 were submitted and approved.

**POLICY & RESOURCES / CORPORATE DEVELOPMENT**

A meeting of the Policy & Resources / Corporate Development Panel was held on Thursday 7 August 2008 commencing at 10.00 am in Conference Rooms 5 and 6 at Police Headquarters.

**PRESENT** Miss Pam Andrews-Mawer, Councillor Barry Coppinger (Chair), Mr Ted Cox JP, Mr Alf Illingworth TD JP, Councillor Hazel Pearson OBE, Mr Peter Race MBE, Cllr Dave McLuckie (ex officio), Mr Chris Coombs (ex officio), Mr Aslam Hanif, Cllr Steve Wallace and Mr Keith Fisher JP

**OFFICIALS** Mr John Bage (CE)  
Mr Sean Price, Mr Derek Bonnard, Mr Graeme Slaughter, Mr Glenn Gudgeon, Miss Kate Rowntree and Miss Ann –Marie Salwey (CC).

**ADDITIONAL ATTENDEES** Mr Rob Beattie - CUPID

251

**APOLOGIES FOR ABSENCE**

There were no apologies for absence.

252

**DECLARATIONS OF INTERESTS**

Mr Peter Race MBE declared an interest in Agenda Item 8, as he is in receipt of national utility retirement pension.

**Action**

253

**MINUTES OF THE POLICY & RESOURCES – CORPORATE DEVELOPMENT PANEL HELD ON 9 JULY 2008**

The minutes were agreed as a true and accurate record.

254

**OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the Outstanding Recommendations be noted.

255

**BUDGET MONITORING REPORT TO 30 JUNE 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the report. Members had approved a Net Budget Requirement (NBR) of £124,623k and budgeted revenue expenditure of £145,301k, the balance of expenditure being funded by specific grants, other income and transfers from reserves.

The position to date and the year-end forecast were shown in Appendix A of the report. No material risks, other than those set out in the Risk Monitor or those mentioned in the report, had been identified to the delivery of a break-even position for 2008/09.

At their meeting on 9<sup>th</sup> July Members agreed the expenditure plan for 2008/09 be reviewed and proposals for creating a provision against the future costs of a stand alone Air Support Unit be brought forward to a future meeting. An updated Long Term Financial Plan will be brought to the September meeting of the Police Authority Executive.

Although some pressures were emerging there is sufficient resilience in

budgets to absorb them in 2008/09.

**ORDERED** that:-

1. the contents of the report be noted.
2. that a feasibility report be produced into the use of Liquid Petroleum Gas (LPG) as a potential future fuel source.

T/ Asst Ch  
Off (F +C)

256

#### **CAPITAL MONITORING REPORT TO 30 JUNE 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the progress against the delivery of the Capital Programme for 2008/09 and the Capital Plan for 2008/ 11 which Members had approved at their meeting on 28 February 2008.

The report set out the progress against delivery of the programme and is part of the process introduced by the Authority to maintain prudent financial management.

The Authority had made optimum use of the capital resource available to the Authority to refresh and develop the asset base for policing in the 21<sup>st</sup> Century in line with the vision of 'Putting People First'.

**ORDERED** that:-

1. the contents of the report be noted.
2. the addition of the following projects which will be funded by transfers from revenue to the capital be approved:
  - OCR/ICR Technology £14.7k
  - Officer Enforcer Software £9.5k
3. the following transfer to unallocated funding be approved:
  - LOCARD Upgrade £44.0k
  - Sexual Assault & Referral Centre £2.6k
  - Stockton Police Station Upgrade £2.5k

257

#### **TREASURY MANAGEMENT TO 30 JUNE 2008**

The Temporary Assistant Chief Officer (Finance and Commissioning) presented the report to Members.

Local Authorities' (including Police Authorities) treasury management activities are prescribed by the Local Government Act 2003. Essentially a police authority may borrow or invest for any purpose relevant to its functions, under any enactment, or 'for the purpose of the prudent management of its financial affairs'.

An investment strategy for 2008/09 at their meeting of 28<sup>th</sup> February 2008. The report updated Members on the status of the Authority's investments and borrowing. It was part of the process introduced by the Authority to maintain prudent financial management.

The Authority manages its cash resources in a low risk yet highly liquid manner. Returns on the investments are very competitive given that no risk is taken and the funds are only invested in the short term.

**ORDERED** that:-

1. the contents of the report be noted.

258

#### **PROPOSALS FOR REDUCING ELECTRICITY/GAS CONSUMPTION**

The Temporary Assistant Chief Officer (Finance and Commissioning) advised Members that the Utilities budgets were under pressure due to rising prices throughout 2007/08 and continue to be so in 2008/09. Unless the components of utilities expenditure i.e. price and usage were controlled the pressure on utilities budgets would add to an already challenging savings target in future years. The current and proposed arrangements to manage both elements were detailed in the report.

As previously reported, utilities budgets were under pressure due to rising prices throughout 2007/08. The 2008/09 budget was increased to the level of the 2007/08 outturn with an additional 16% to provide for price inflation. However, the current forecast was for price pressures in excess of this and the forecast overspending against these budget heads was for an overspending of circa £175k that was being absorbed by underspends across other budget headings.

In respect of price controls, the Office of Government Commerce has cited North East Purchasing Organisation (NEPO) as an example of best practice stating "It is estimated that NEPO's could save up to 10% in energy costs."

In respect of usage controls, the Carbon Trust's recommendations would reduce usage, promote a greater understanding of environmental issues and reduce the organisation's carbon footprint. The total cost of implementing the recommendations is £137k generating annual savings of approximately £116k.

**ORDERED** that:-

1. the programme of works by the Carbon Trust at an estimated cost of £137k to be funded from the Invest to Save Reserve with the balance being funded from existing Facilities budgets be agreed.
2. a further report on proposals to reduce energy costs be brought to a future meeting be agreed.

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Off (F +C)

259

#### **RECRUITMENT UPDATE**

The Temporary Deputy Chief Constable provided Members with performance outturn information regarding recruitment activities carried out by the Force from April 2008 to date.

During 2006/7 a Resourcing Team within the Human Resources Dept. had been established to provide a single point of contact for all recruitment and selection activities, except Special Constable recruitment, which is currently managed by a separate grant funded team. In 2008/9 the team was expanded to include a Police Officer with the remit to increase awareness of all policing roles within our local communities.

A recruitment plan for 2008/9 had also been agreed as part of the Long

Term Financial Plan, which resulted in a 1% vacancy rate for Police Officers, a 1.5% vacancy rate for PCSOs and 2% vacancy rate for Police Staff. In addition it was agreed that the Force would employ the maximum 197 PCSOs at the earliest available opportunity.

Members were informed that the report provided performance outturn information regarding recruitment activities carried out by the Force in quarter 1 2008/9. Further reports would be provided to the Policy and Resources / Corporate Development Panel in November, February and May.

**ORDERED** that:-

1. the report be noted.

260

#### **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972, excluding the press and public from the meeting under Paragraph 3 of Part 1 of Schedule 12A to the Act.

261

#### **ROAD POLICING UNIT TENDER**

The Chief Constable presented the report to Members

**ORDERED** that:

1. the recommendations be approved.

262

#### **CUPID TENDER**

The Chief Constable presented the report to Members.

**ORDERED** that:

1. the recommendations be approved.

263

#### **MINUTES OF THE COMMUNITY PROTECTION PANEL HELD ON 14 AUGUST 2008**

**ORDERED** that the following minutes of the Community Protection Panel held on 14 August 2008 were submitted and approved.

#### **COMMUNITY PROTECTION PANEL**

A meeting of the Community Protection Panel was held on Thursday 14 August 2008 in the Executive Conference Room at Police Headquarters.

PRESENT:

Miss Pam Andrews-Mawer, Mr Ted Cox JP, Mr Mike McGrory JP,, Cllr Hazel Pearson OBE (Chairman), Mr Peter Race MBE and Cllr Victor Tumilty (Vice Chair)

ADDITIONAL  
MEMBERS

Mr Keith Fisher JP

OFFICIALS: Mr John Bage and Mrs Sarah Wilson (CE)  
Mr Derek Bonnard, Mr Graeme Slaughter, Miss Ann-Marie Salway, Miss  
Caroline Kerr, and Miss Kate Rowntree (CC)

264 **APOLOGIES FOR ABSENCE**

Cllr Dave McLuckie (ex officio), Mr Chris Coombs (ex officio), Mr Dave  
Pickard

265 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

266 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the Community Protection Panel meeting held on 12 June  
2008 were agreed as a true and accurate record.

267 **OUTSTANDING RECOMMENDATIONS**

**ORDERED** that:-

1. the outstanding recommendations be noted.

268 **COMMUNITY JUSTICE INITIATIVE (EAST MIDDLESBROUGH  
COURT)**

The T/Deputy Chief Constable informed Members that Cleveland's  
participation in the Government's Community Justice Initiative was  
announced by the Lord Chancellor in November 2006. Following the  
announcement a local multi-agency project board was established and the  
initiative became operational in April 2007.

Members were informed the aims of the project were to:

- Reduce repeat offending and increase compliance with orders  
of the court
- Ensure that the criminal justice system was seen to be  
responsive to local people
- Increase public confidence in the courts and criminal justice  
agencies
- Identify those aspects of community justice that can be  
extended to other parts of the community
- Identify good news that can support the development of new  
community justice initiatives elsewhere.

Performance is monitored by the project board with reports being compiled  
by the Local Criminal Justice Board support team. Monitoring and evaluation  
areas include:

- The number of completed cases
- Average number of hearings per case
- Types of case disposal
- Number of community orders made and any breaches.
- Payment rate of fines and compensation orders.

The initiative is a positive step in delivering Community Justice within  
Cleveland and its progress is worthy of note by the Community Protection  
Panel.

**ORDERED that:**

1. the report be noted.

269

**SEXUAL OFFENCES**

The T/Deputy Chief Constable presented the report to provide Members with an overview of the current procedures for dealing with victims of sexual offences and details of current force performance in this area.

Rape and serious sexual assault portfolio responsibility sits with a Detective Chief Inspector (DCI) within the Crime Operations Dept. The current procedures for dealing with sexual offences vary depending upon the age of the victim and nature of the offence.

Members were informed that the conviction rate for Cleveland is 69.2% and that this relates to the percentage of convictions of those cases that go to trial. As was recently highlighted in a report by the Fawcett Society (based on 2006 data), conviction rates in Cleveland were the highest in the country and showed significant improvements since 2004. The national average conviction rate was 6.1%.

The Force has a robust action plan aimed at improving service delivery, policy and procedures in line with national best practice. The action plan is overseen by an executive officer and monitored through the Rape Steering Group.

**ORDERED that:**

1. the report be noted.

270

**VOLUNTEER SCHEME UPDATE**

The Volunteer Scheme Project Manager presented the report to update Members as to the present position with regard the Cleveland Police Volunteer Scheme.

The official launch of the force wide volunteer scheme took place at Force Headquarters on the 29<sup>th</sup> February 2008. The Chief Constable and the Chair of Cleveland Police Authority hosted the event. The event was well attended by Members of the Police Authority, Honorary Guests from the Local Authorities, MPs, members of the Special Constabulary, service unit managers and members of our communities who had expressed an interest in volunteering with the force.

A robust recruitment process is now in place enabling the smooth and timely processing of candidates applications. The process is a simple one but ensures that rigorous vetting and selection processes are in place. All volunteers will be vetted to the same level as police staff.

A work stream, made up of the key stakeholders from the Volunteer Project board has been established to examine the roles currently identified for volunteers. These roles are:

- School Liaison



- Neighbourhood Policing
- Website/Newsletter
- Road Safety
- Crime prevention

The Force is on target to have 100 volunteers in place by the end of 2008. The program is now moving to the next phase which is the placement of volunteers into roles and the monitoring of their effectiveness.

**ORDERED that:**

1. the report be noted

271

**YOUTH ENGAGEMENT**

The T/Deputy Chief Constable presented the report on the range of youth engagement activities taking place across the Force area.

Youth engagement across the Force continues to be diverse in frequency, method and purpose. Youth Activities Guidelines for Neighbourhood Policing have been produced by the Force's Youth Manager and circulated to all officers to ensure that any activities with young people are planned and delivered within safe guidelines including parental consent, risk assessment and safe supervision levels.

An arrangement has been made with Safe in Tees Valley to include youth activities carried out by Police within Safe in Tees Valley's current Youth Activities Public Liability Policy at no additional cost to the Force.

A system has been developed whereby Community Safety Inspectors are requested to inform the Youth Manager monthly of current/changes to activity with young people within their District.

The Force continues to participate in a number of youth engagement activities, both with partners and on their own. The Youth Manager will continue to offer support and advice to all Cleveland Police Officers in relation to engagement of young people at all levels.

**ORDERED that:**

1. the report be noted.

272

**YOUNG PERSONS LOCAL POLICING SUMMARY 2008-09 UPDATE**

The Police Authority's Consultation Officer presented a report to Members with an overview of the Young Persons Local Policing Summary initiative.

A small team of 4 young people have been recruited from each of the four policing districts by Just 4 Youth, a local organisation set up for the development of youth involvement and peer support work. Each group will produce a version of the Local Policing Summary for their Policing District.

This project will allow Cleveland Police Authority to engage young people in their community – giving them an active role to play in helping shape the future of policing. The Young Persons Local Policing Summary will be launched on 16<sup>th</sup> September 2008.

**ORDERED that:**

1. the report be noted

**273 EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraphs 1, 2, 3 and 4 of Part 1 of Schedule 12A to the Act.

**274 PFI UPDATE**

The Chief Executive presented the report to Members.

**ORDERED** that the recommendations be approved.

**275 STRATEGIC PROCUREMENT REVIEW**

The Chief Constable and Chief Executive presented the report to Members.

**ORDERED** that the recommendations be approved.

**276 APPOINTMENT OF THREE INDEPENDENT MEMBERS ON CLEVELAND POLICE AUTHORITY**

The Secretariat Manager invited Members to make three appointments to the Independent Membership of the Police Authority.

This followed the change of Police Authority membership to nine Councilors and eight Independent Members (with at least one been a Lay Justice) in accordance with the Police Authority Regulations 2008 (SI 630 2008).

**ORDERED that:-**

1. the following candidates be appointed as Independent Members for a term of four years commencing on Wednesday 1 October 2008:-
  - Mr Mike McGrory JP
  - Mr Ted Cox JP
  - Mr Peter Hadfield

**277 MINUTES OF THE SELECTION PANELS HELD ON 18 JULY 2008, 31 JULY 2008 AND 1 AUGUST 2008**

**7(c)**

**ORDERED** that the Selection Panel minutes be noted.

**CLEVELAND POLICE AUTHORITY EXECUTIVE**

A Special meeting of Cleveland Police Authority Executive was held on Tuesday 30 September 2008 in the Members Conference Room at Police HQ.

**PRESENT :** Councillor Caroline Barker, Councillor Barry Coppinger, Councillor Paul Kirton, Councillor Mary Lanigan, Councillor Ron Lowes, Councillor Dave McLuckie, Councillor Hazel Pearson OBE, Councillor Victor Tumilty and Councillor Steve Wallace

Magistrate Members  
Mr Ted Cox JP and Mr Keith Fisher JP

Independent Members  
Miss Pam Andrews-Mawer, Mr Chris Coombs, Mr Aslam Hanif and Mr Alf Illingworth TD JP

**OFFICIALS:** Mr Joe McCarthy, Mrs Caroline Llewellyn, Mrs Julie Leng and Mr Norman Wright (CE)  
Mr Graeme Slaughter and Miss Kate Rowntree (CC)

283 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Mike McGrory JP and Mr Peter Race MBE..

284 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

285 **EXCLUSION OF THE PRESS AND PUBLIC**

**ORDERED** that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraph 3 of Part 1 of Schedule 12A to the Act.

286 **INVESTMENT STRATEGY UPDATE – SEPTEMBER 2008**

The Chief Executive presented the report to Members and detailed 4 options for Members to consider.

The Authority had always managed its cash resources in a low risk yet highly liquid manner. However market changes have required a review of whether our current Strategy remains low risk. Returns on investments are of secondary importance in the current financial markets but of utmost importance is the

**7(c)**

protection of the underlying investments. The approval of Option 2 above will maintain this low risk option whilst allowing the Authority to manage the cash flows of the Force to enable suppliers and employees to be paid on time.

**ORDERED that:-**

1. Option 2 of the report be agreed – this would give the delegated authority to the Chief Executive in consultation with the Deputy Section 151 Officer to amend the approved list of Counterparties and the Investment Limits with institutions. The delegated Authority would be reviewed at 31 March 2009.
2. a further report be commissioned outlining the full business case benefits/dis-benefits of investing part / all of our funds with Government backed financial instruments (Option 4) – this would be reported at the earliest opportunity.



# CLEVELAND FIRE AUTHORITY

## MINUTES OF ORDINARY MEETING HELD ON

FRIDAY, 26 SEPTEMBER 2008

**PRESENT:** **CHAIRMAN:**  
Councillor Porley – Middlesbrough Council  
**HARTLEPOOL BOROUGH COUNCIL:**  
Councillor Cook  
**MIDDLESBROUGH COUNCIL:-**  
Councillors Clark, Ismail, Jones, Rogers, Williams  
**REDCAR AND CLEVELAND BOROUGH COUNCIL:-**  
Councillors Briggs, Cooney, Forster, Ovens  
**STOCKTON ON TEES BOROUGH COUNCIL:-**  
Councillors Beall, Cherrett, Dixon, O'Donnell, Salt, Stoker  
**PROPER OFFICERS:-**  
Clerk, Legal Adviser, Treasurer, Deputy Clerk  
**FIRE BRIGADE OFFICERS:-**  
Chief Fire Officer, Executive Director, Assistant Director of Performance  
**AUDIT COMMISSION**  
Diane Harold, Lynne Snowball  
**APOLOGIES FOR ABSENCE** Councillors Dunning, Fitzpatrick (Redcar & Cleveland)  
Councillors Fleming, Payne, Wright (Hartlepool)  
Councillor Woodhead (Stockton)

### 66 DECLARATIONS OF MEMBERS INTEREST

It was noted no declarations of interest were submitted to the meeting.

### 67 CHAIRMAN'S ANNOUNCEMENT

67.1 A one minutes silence was observed in memory of Councillor Terry Cooney, a member of the Regional Management Board and a long serving member of the Tyne and Wear Fire and Rescue Service, who had died on the 19 September 2008.

### 68 MINUTES

68.1 The Executive Director referred to Minute 39.1 of the Cleveland Fire Authority meeting held on the 25 July 2008 when Members resolved to provide financial support to the Cleveland Fire Fighters participating in the World Firefighters Games. The 15 competitors who had taken part in a variety of events had achieved 3 silver and a bronze medal, and England had emerged as top of the medal table with 217 gold medals which was a massive achievement. On behalf of all the participants, Jeff Crawford, FBU, had asked the Executive Director to record their thanks to Members for their support.

68.2 The Chief Fire Officer reported that the Executive Director and himself had participated in the Chiefs Challenge at the Firefighter Games where approximately 70 Chiefs and Executives from various Brigades had taken part. He informed Members a considerable sum of money had been raised from this event which would go to the Firefighters Charity, and the Chief Fire Officer conveyed his thanks to all who had sponsored this event.

**RESOLVED - that the Minutes of the Cleveland Fire Authority Meeting held on 25 July 2008 be confirmed.**

**69 REPORT OF THE CHIEF FIRE OFFICER**

**69.1** The Chief Fire Officer introduced Peki Prince, Assistant Fire Chief from Peachtree City, Georgia, USA, to the meeting. The Chief Fire Officer reported that he had got to know Peki as a result of his work with the 'Baggers', and outlined to the meeting the history of the 'Baggers' and how they came to be named as such.

Peki informed Members that the Chief Fire Officer was the only non American to be invited to be a member of the 'Baggers' which was quite an honour. Peki then gave a presentation which included information on Peachtree City where she had served as Assistant Fire Chief since 2007, the political backdrop, risk management, the everyday challenges faced by firefighters in the United States and her own experiences of working for the American Fire Service. She informed Members that she had been extremely impressed with the many innovative initiatives the Brigade has in place.

On behalf of the Cleveland Fire Authority, the Chairman thanked Peki for her very interesting and informative presentation.

**70 MINUTES OF COMMITTEES**

**RESOLVED - that the Minutes of the Executive Committees held on 5 September and 15 September 2008, and the Policy Committee held on 5 September 2008 be confirmed.**

**71 REPORTS OF THE EXECUTIVE DIRECTOR**

**71.1 Review of Operational Response to the Flooding of 2007**

The Executive Director advised in September 2007 the Chief Fire and Rescue Adviser, Sir Ken Knight, was asked by the Secretary of State for Communities and Local Government to undertake a review of the Fire and Rescue Service operational response to flood-related emergencies. The review had two distinct phases, the first phase resulted in the circulation of an 'Emerging Issues' report to all Fire and Rescue Authorities seeking a wider consultation base, and the second entailed a much broader consultation with the FRAs and key stakeholders. The final report 'Facing the Challenge' was published at the end of March 2008, and sets out 28 recommendations, seven of which had particular significance for Cleveland and were set out in the Executive Director's report.

The Executive Director drew Members attention to Recommendation 12 – 'Where an FRA provides a response to flooding, they must also ensure that personnel are appropriately equipped and trained to meet the duties of the Health and Safety at Work Act 1974 and subordinate legislation.' The Executive Director advised that currently all operational response personnel had been trained in basic water awareness skills and all fire appliances carry a range of water safety equipment. The water awareness training provided all operational response personnel with the knowledge of the hazards present at water incidents and the levels of risk they cause. A Working Group had been convened within the Brigade to fundamentally review the Authority's policy with regard to water related incidents, the findings of which would be fed back to the Fire Authority.

**RESOLVED - That the report be noted.**

## **71.2 Fire Control Project – Initial Staffing Pool**

The Executive Director appraised Members of the current CLG proposals in respect of the creation of a control room staffing pool for each of the three FiReControl first wave regions. The proposed approach was deemed necessary in order to ensure that existing Fire and Rescue Authority control rooms could continue to function during the training, testing and cutover phases of the FiReControl project. It had been established that in this region, based on current CLG information, a minimum of 37 additional staff will be required to cutover the first FRA and that the introduction of these additional staff into existing control rooms will need to be undertaken on a rolling basis commencing in October 2008 in order to reduce the training and supervision demands that would be placed on existing supervisory staff.

The Executive Director reported that funding for these additional posts would be provided by Government under its 'New Burdens' principle. In acknowledgement of this, CLG have published Fire Service Circular 5/2008 which states that a least £1million is available for each first wave region in order to cover the costs of the staffing pool. In addition, CLG have also intimated that this figure could be higher depending upon the final approved outcome in respect of the actual staffing pool numbers.

The Executive Director advised it was estimated a temporary increase in the control room establishment of 6 posts would be needed, subject to written confirmation being received from CLG regarding their underwriting the financial implications of both the establishment increase and the subsequent potential redundancies.

Councillor Williams queried if there would be difficulties in recruiting to these temporary posts. The Executive Director advised the Brigade had not experienced recruitment problems in the past, and added it was not known how many substantive control room staff would wish to transfer over to the new facility.

### **RESOLVED –**

- (i) that the report be noted**
- (ii) that Members approved the creation of a staffing pool through a temporary increase in the control room establishment, currently estimated at 6 posts, subject to written confirmation being received from CLG with regard to underwriting the financial implications of both the establishment increase and the subsequent potential redundancies;**
- lii) that Members delegate the implementation of the staffing pool to the Executive Director in accordance with the Authority's Scheme of Delegation and in line with any project requirements but subject to the caveat in (ii) above.**

## **71.3 Cleveland Fire Authority Corporate Risk Register 2008/09**

The Executive Director reported that Cleveland Fire Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, thereby implementing the principles and responsibilities of effective corporate governance arrangements. The Cleveland Fire Authority Corporate Risk Register is the tool used to identify the threats and risks to the achievement of the Cleveland Fire Authority vision and corporate objectives, and summarised the control measures required to reduce those risks and inform business planning.



To ensure Members continue to be fully informed a Risk Management Presentation and Workshop had been held for the Members of the Policy Committee on Monday 15th September. During the interactive workshop Members comments were noted and contributed to the formation of the Cleveland Fire Authority Corporate Risk Register 2008/9 (Appendix 1)

**RESOLVED –**

- (i) that the report be noted**
- (ii) that Members approved Cleveland Fire Authority's Corporate Risk Register 2008/2009**
- (iii) that Members approved the use of the Cleveland Fire Authority's Corporate Risk Register 2008/2009 as an integral part of the business planning process**
- (iv) that the Corporate Risk Register 2008/2009 be submitted to the Audit and Governance Committee on a quarterly basis, and that the Committee reports to the Cleveland Fire Authority on any matters of a significant nature**

**71.4 Comprehensive Area Assessment**

The Executive Director reported that from April 2009, the Comprehensive Area Assessment (CAA) would replace the Comprehensive Performance Assessment (CPA). This marked a significant change to the current assessment regime following the passing of the Local Government and Public Involvement in Health Act (2007). CPA focused on services provided by local authorities whereas CAA would look at the public services in an area delivered by councils and their partners including the private and voluntary sectors. The Executive Director reported work was ongoing with the key stakeholders within the Fire and Rescue Service in relation to this proposed new assessment regime.

The Executive Director advised it was proposed that the new assessment process would comprise of three main components:

- Operational Assessment
- Organisational Assessment
- Area Assessment

and drew attention to the briefing paper attached at Appendix 1 which set out the details of each of these component parts. The Executive Director reported the Authority's Strategic Management Team would be further examining the proposals and liaising with the CFOA with a view to ensuring that the Brigade can transit to the new assessment regime as seamlessly as possible. Update reports on progress would be brought the Cleveland Fire Authority as required.

**RESOLVED –**

- (i) that the report be noted**
- (ii) that the brief on the Joint Inspectorate's proposed assessment regime for public services – Comprehensive Area Assessment (CAA) be noted**
- (iii) that the Strategic Management Team report to the CFA on the process developments as required**

**71.5 Indicative Analysis of Station Configuration within Cleveland Fire Brigade – Project Report**

The Executive Director informed Members that the Indicative Analysis of Station Configuration within Cleveland Fire Brigade was scrutinised by the Overview and Scrutiny Committee on 15 September 2008 and sought Members approval that the report be used as a basis for the future development and improvement of the Authority's premises assets.

The Executive Director reported the Fire Station Configuration Project evaluated the effectiveness of current arrangements in the location, design and overall suitability of fire station premises to meet the Authority's objectives and the needs of local communities.

The Executive Director stated the stringent response times had been determined as part of specific actions within the Cleveland Fire Authority Plans 2006/07 and 2007/08. The key findings arising from the initial findings of the Indicative Analysis indicated that

- Emergency response against the High Risk 5 minute benchmark may be better supported in the medium term (up to five years) at some current locations by dividing a station with 2 appliances between 2 locations, with one appliance at each. However, dividing resources would have a consequential impact on the response time of the second appliance to areas adjacent to the respective current station locations, and would present challenges for the organisation.
- All other site locations, including retained duty system sites in rural locations, appear adequate to meet the current response benchmarks.
- The redesign or rebuild of stations to modern standards around current locations appeared to be a more suitable option for the provision of emergency services with no detrimental effect on the emergency response benchmarks

**RESOLVED –**

- (i) **that Members approved the project report 'Indicative Analysis of Station Configuration within Cleveland Fire Brigade, and that it be used as a basis for the future development and improvement of the Authority's premises assets**

**71.6 REPORT OF THE EXECUTIVE DIRECTOR**

**Executive Directors Information Pack – September 2008**

**72.6.1 Fire and Rescue Service Circulars**

**72.6.2 NE Regional Management Board Meeting 16 September 2008**

**72.6.3 FiReBuy National Framework Arrangement for Purchase of a Pumping Appliance**

**RESOLVED – that the report be noted**

**72 REPORT ON THE NE FIRE CONTROL COMPANY BOARD**

**72.1 Local Authority Controlled Company (LACC)**

Councillor Forster, Chair of the LACC Board, informed Members that it was the responsibility of the LACC to make decisions on a number of human resource matters in relation to the operation of the RCC including 'steady state' staff numbers and shift patterns. Steady state numbers related to the number of staff required once all nine Regional Control Centres in England were fully operational and processing calls at their intended capacity. Consequently it was also the responsibility of the LACC to communicate decisions made to existing employers who had a further responsibility to share the appropriate and relevant information with their staff affected by the forthcoming transfer process. Councillor Forster reported that at a recent LACC Board meeting decisions directly related to human resource policies and procedures had been taken.

**72.1 Local Authority Controlled Company (LACC) contd**

Publishing details of the LACC decisions was an important milestone in establishing how the Regional Control Centre would operate and what the future operating costs would be, and the first meeting of the North East Fire Control Company Governance and Resource Committee was held on Tuesday 9 September 2008. The main terms of reference for this committee was to support company decision making and governance processes, and ensure they were kept under review.

**72.2 The Fire Control Business Case Part 1**

Councillor Forster reported the Fire Control Business Case was published by CLG in July 2008. This document provided an indicative staffing number for 'steady state' operations within the Regional Control, with their published steady state figures being set at 55. After careful consideration the LACC for the North East had determined that it would require a 'steady state' staffing number of 63 in total, 8 persons more than the indicative numbers suggested by CLG. The LACC figure represented a 43% reduction in the current staffing across the four North East Control Rooms (currently at 110).

Councillor Forster stated that in addition the CLG business case made no mention of any support roles while the LACC had indicated the requirement for 11 support roles, giving a total operational staff complement of 74 persons at 'steady state'. The Board had yet to finalise 'transition' staffing numbers and these were envisaged to be higher as there was every likelihood that the North East Fire Control Centre would be expected to handle additional emergency calls from other regions of England as more and more Fire and Rescue Services cut over their emergency call business to the Regional Control Centre national network.

However, in terms of the LACC decisions, there was clearly an additional funding gap of at least £600,000 to be addressed between the staffing levels indicated by CLG and those considered prudent by the LACC. Following the agreement at the last CFA meeting held on the 25 July 2008, the Chairman of the Authority had sent a letter to the national Fire Control Project Director in CLG highlighting the Authority's concerns in respect of the content of the North East Regional Control Centre case.

In response to a query from Councillor Williams, Councillor Forster advised that the 110 current staffing figure did not include support workers. The Executive Director added one of the difficulties was what was considered to be out of scope work, Control Room Operatives in Cleveland managed the Home Fire Safety Visit programme, however in the Control Centre this would be out of scope and would have to be managed by someone else.

**RESOLVED – that the report be noted**

**73. AUDIT AND GOVERNANCE CHAIR INFORMATION PACK**

The Chairman of the Audit and Governance Committee reported that at the Audit and Governance Committee meeting held on 19 September 2008, Members had expressed concern regarding the sickness levels and current staffing arrangements, and had requested a further detailed report. The operational staffing situation had improved, with additional trainee recruitment and temporary secondment arrangements. Members were assured that the situation was still being closely monitored and that account of the staffing implications of IRMP and the revised organisation would be taken into account.

Regarding sickness absence management, Members had been happy with the measures that had been put in place, and that this would remain a major brigade priority to reduce current levels. An update would be presented to the next meeting.

**73. AUDIT AND GOVERNANCE CHAIR INFORMATION PACK contd**

The Chairman added he wished to place on record his thanks to the Executive Director for all the hard work he had undertaken to get the Co-responder initiative back on track and hoped that one day Co-responder would be available nationally.

**RESOLVED - that the report be noted**

**74. REPORTS OF THE OVERVIEW & SCRUTINY CHAIR**

**74.1 Forward Work Programme 2008/09**

The Chairman of the Overview and Scrutiny Committee sought approval for the Forward Work Programme for 2008/2009 which was attached at Appendix 1 to the report. She reported that the Forward Work Programme would remain flexible to enable referrals from the Authority, its committee or individual Members to be included.

**RESOLVED - that the Overview and Scrutiny Committee Forward Work Programme 008/2009 be approved**

**74.2 Overview and Scrutiny Chairs Information Pack**

The Chairman of the Overview and Scrutiny Committee reported the Fire and Rescue Performance Assessment 2008 was scrutinised by the Committee on 29 August 2008 and was then approved by the Executive Committee on 5 September 2008 prior to the 8 September 2008 deadline.

Members had also scrutinised the evaluation of the current 'Whatever It Takes (WIT) initiative and the proposals to extend the campaign into three other districts. Liaison was taking place with the Safer Partnerships to agree the proposals and following this an agreement would be reached on the specific outcomes of the various partners which would be linked to the various Local Area Agreement (LAA) targets of the Districts.

**RESOLVED - that the report be noted**

**75. REPORTS OF THE CLERK TO THE AUTHORITY**

**75.1 Chief Fire Officers Association Conference 5 November 2008 – Climate Change**

The Clerk sought Members wishes in respect of Member attendance at the Chief Fire Officers Association Conference covering Climate Change to be held on the 5 November 2008 at De Vere Oulton Hall, Leeds. After discussion Members agreed that the Chairman, Vice Chair or substitute attend this event.

**RESOLVED – that the Chairman, Vice Chair or substitute attend the Chief Fire Officers Association Conference covering Climate Change to be held on the 5 November 2008 at De Vere Oulton Hall, Leeds.**

**75.2 Practical Challenges Facing Fire Authorities – A Workshop for Elected Members**

Members wishes were sought by the Clerk regarding attendance at the Practical Challenges Facing Fire Authorities – A Workshop for Elected Members, to be held at the Fire Service college over the weekend of 31 October to 2 November 2008. After discussion Members agreed that the Chairman, Vice Chair, Portfolio Holder or substitute attend this event.

**RESOLVED – that the Chairman, Vice Chair, Portfolio Holder or substitute attend the Practical Challenges Facing Fire Authorities – A Workshop for Elected Members, to be held at the Fire Service college from the 31 October to 2 November 2008.**

**75.3 Governance of Potential Private Finance Initiative**

The Clerk reported the Executive Committee had met on the 5 and 15 September 2008 under delegated powers to consider the submission of an 'initial expression of interest' in the Fire and Rescue Service Private Programme Round 6. Members views were sought regarding the governance of this potential Private Finance Initiative, and after discussion it was agreed that the governance be added to the remit of the Executive Committee under delegated powers.

**RESOLVED – that the governance of the proposed Private Finance Initiative be added to the remit of the Executive Committee under delegated powers.**

**75.4 CLERK'S INFORMATION PACK**

**RESOLVED - that the report be noted.**

**76. REPORT OF THE LEGAL ADVISER**

**76.1 Amendments to Standing Orders and Contract Procedure Rules**

The Legal Adviser advised that at the CFA meeting held on 25 July 2008 Members approved the updated Contract Procedure Rules by the inclusion of a section on partnerships, and the updating of the Authority's Standing Order No 41 and Annex. Under Standing Order No 27 the amendments had stood adjourned since the CFA meeting of the 25 July 2008.

**RESOLVED –**

- (i) that the updated Contract Procedure Rule be noted
- (ii) that the updated Standing Order No 41 and Annex be noted

**77. REPORT OF THE TREASURER TO THE AUTHORITY**

**77.1 FINAL 2007/08 STATEMENT OF ACCOUNTS AND AUDIT COMMISSION ANNUAL GOVERNANCE REPORT**

The Chairman welcomed Ms L Snowball and Ms D Harold from the Audit Commission to the meeting. Lynne Snowball presented the Audit Commissions Annual Governance Report and informed Members that this was a very positive report. She drew attention to Appendix 2 – Adjusted misstatements and confirmed it had been agreed to adjust the financial statements in respect of these errors with additional controls now in place to address these issues..

As Chairman of the Audit and Governance Committee, Councillor Briggs queried if there were any issues to go before this committee. Ms Snowball stated there were no significant issues to raise, this was a very positive report.

The Treasurer appraised Members of the requirement for Local Authorities, including Fire Authorities, to approve draft Statement of Accounts before 30 June, which had been a challenging deadline particularly in relation to the significant accounting changes which had been introduced. He informed Members that following the approval of the draft accounts on 27 June 2008, the Audit Commission had now completed the Audit of the 2007/08 Statement of Accounts and their recommendations were contained within the Annual Governance Report. The Treasurer reported that the external auditor had advised that there were no issues within the Annual Governance Report which effect the level of Authority reserves as reported in the draft accounts and that the increase in reserves would not have a fundamental impact on the Authority's ongoing financial position, as it was planned to use £1.691m of reserves to support the budget over the next three years

**77.1 FINAL 2007/08 STATEMENT OF ACCOUNTS AND AUDIT COMMISSION ANNUAL GOVERNANCE REPORT contd**

therefore planned efficiency savings would still need to be implemented by 1 April 2010 to ensure ongoing service costs did not exceed ongoing resources.

Referring to the Governance Report, the Treasurer drew attention to the bank reconciliation which was completed on 3 April 2008 rather than the 31 March 2008. This had resulted from problems with the automated year end close down procedures, said problems had been resolved and this would not re-occur. The Treasurer reassured Members this was not indicative of a failure of internal control as the Authority's bank account was reconciled on a daily basis during 2007/2008 and did not expose the Authority to any financial risk. Additional controls had been put in place to strengthen the year end reconciliation arrangements.

The Treasurer referred to the recent investment which was inadvertently made from the Authority's bank account instead of Hartlepool Borough Council's bank account. This was identified the following day and the monies immediately reinstated to the Authority's bank account. Additional controls had been put in place to strengthen arrangements and prevent a repeat occurrence. He advised that the District Auditor was satisfied that controls had been put in place to ensure this would not happen again.

The Treasurer drew attention to the requirement for the Authority to provide the Auditor with a letter of representation, this was included at Appendix 3 of the Governance Report and a copy had been signed by the Chair and the Treasurer.

**RESOLVED:**

- (i) that the report be noted
- (ii) that the final 2007/2008 Statement of Accounts which incorporated the changes agreed with the Auditor be approved that the Chief Fire Officer and Treasurer implement any actions recommended in the Annual Governance Report

**77.2 Treasury Management Annual Review 2007/2008**

The Treasurer reported that as part of the annual Budget process, the Authority approved an outline of the overall Treasury Management Strategy and associated Prudential Indicators at its meeting held on 30 March 2008. The report presented to the meeting provided a review of the actual treasury activity for 2007/2008 and the actual Prudential Indicators for 2007/2008. The Treasurer advised the submission of this report to the Authority was a legal requirement under the Local Government Act 2003, and met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The report summarized:

- Capital expenditure and financing
- Treasury position as at 31 March 2008
- Prudential Indicators and Compliance Issues
- Economic background for 2007/2008
- Regulatory framework, risk and performance

The Treasurer drew Members attention to Appendix A to the report which set out the Prudential Indicators and confirmed that all Indicators had been complied with, and that there were no issues or any action to be brought to the attention of Members.

**RESOLVED - that the report be noted.**

**78. ANY OTHER BUSINESS**

**78.1 CFOA Equality and Diversity Conference**

The Clerk sought Members wishes in respect of Member attendance at the CFOA Equality and Diversity Conference to be held on 25 November 2008 in London. After discussion Members agreed that Councillor Forster attend this event.

**RESOLVED – that Councillor Forster attend the CFOA Equality and Diversity Conference to be held on 25 November 2008 in London.**

**78.2 Asian Fire Service Annual Conference and Dinner – 26 November 2008**

Members wishes were sought by the Clerk regarding Member attendance at the Asian Fire Service Annual Conference and Dinner to be held on 26 November 2008 in London. After discussion Members agreed that Councillor Forster attend this event.

**RESOLVED – that Councillor Forster attend the Asian Fire Service Annual Conference and Dinner to be held on 26 November 2008 in London.**

**79. LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) (VARIATION ORDER) 2006**

**RESOLVED - “That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006,**

**Minute No. 81 - Paragraph 1 - namely information relating to any individual**

**Minute No. 81 & 82.1 - Paragraph 3 - namely information relating to the financial or business affairs of any particular person (including the authority holding that information)**

**80. CONFIDENTIAL MINUTES**

**RESOLVED – that the confidential minutes of the Executive Committee meetings held on the 5 September and 15 September 2008, and the Policy meeting held on the 5 September 2008 be approved.**

**81. REPORT OF THE EXECUTIVE DIRECTOR**

**81.1 PFI Project Expression of Interest**

This report was noted.

**COUNCILLOR PETER PORLEY  
CHAIRMAN**

# COUNCIL REPORT

11<sup>th</sup> December, 2008



**Report of:** Executive

**Subject:** BUILDING SCHOOLS FOR THE FUTURE (BSF)

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## 1. PURPOSE OF REPORT

- 1.1 To update Council on the requirements relating to the finalisation of the Section 151 letter to be included in the Building Schools for the Future Outline Business Case.

## 2. REASON FOR SUBMITTING REPORT

- 2.1 At your meeting on 30<sup>th</sup> October, 2008 Council resolved to delegate authority to Cabinet and the Chief Financial Officer (CFO) to finalise the Section 151 letter to be included in the BSF Outline Business Case (OBC). This report proposed the following funding strategy showing the order in which funding will be used if there is a funding shortfall:-
- Capital receipts generated from the sales of surplus school assets arising from the implementation of BSF;
  - Capital receipts generated from the sale of other Children's Services assets;
  - Prudential borrowing funded by secondary schools (this would require Schools Forum approval and potentially Department for Children's, Schools and Families approval);
  - Prudential borrowing funded from the Council's own budget
- 2.2 Council also resolved that in the event of a funding shortfall a report on the measures to address such a shortfall be submitted to Council for debate.

## 3. LATEST POSITION

- 3.1 Further clarification on the requirements of OBC and the Section 151 letter, has recently been received and the Authority is required to provide clarification on how any shortfall will be funded and the level of provision the Authority has made for a contingency in the OBC.
- 3.2 These additional requirements do not affect the previous strategy outlined above for funding any shortfall, however Partnership for Schools (PFS) require a value to be placed on the options for addressing the shortfall and level of contingency provided. A shortfall of £0.9m has been identified and



the latest guidance from PFS indicates that the Authority needs to demonstrate the OBC includes an appropriate level of contingency.

- 3.3 It must be stressed at this stage that this contingency may not be needed and it is included to demonstrate that the Authority has made adequate provision for any additional risk.
- 3.4 Therefore in order for the CFO to sign the OBC members are requested to re-endorse the principles set out in para 2.1 and approve a maximum prudential borrowing limit of £2m as a backstop, in the event that Capital Receipts are received later than anticipated, or the other funding does not materialise. This amount would cover the identified shortfall of £0.9m and provide a £1.1m contingency if needed.

#### **4. PROPOSAL**

- 4.1 To enable the CFO to sign the Section 151 letter, Council is requested to confirm the funding strategy detailed in Para 2.1 and approve a maximum prudential borrowing limit of £2m as a backstop, in the event that Capital Receipts are received later than anticipated, or the other funding does not materialise as listed in 2.1.

# COUNCIL

11 December 2008



**Report of:** General Purposes Committee

**Subject:** COUNCIL ELECTION BY THIRDS

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## 1. PURPOSE OF REPORT

- 1.1 On 14<sup>th</sup> February, 2008, Council received a Motion on Notice relating to the electoral scheme currently operating with the Borough and that "Council debates and recognises that major budgetary savings could be made by holding whole council elections once every four years". Following an addendum to that Motion, it was moved and seconded "that the General Purposes Committee, complete its good work in investigating this issue and report back to full Council".
- 1.2 Following the referral from Council, the General Purposes Committee met on the 4<sup>th</sup> July, 22<sup>nd</sup> August and 14<sup>th</sup> November. At their meeting on 22<sup>nd</sup> August, the Committee sought the views of the Council's Cabinet, who similarly received a report on this subject at their meeting on 27<sup>th</sup> October. Accordingly, the views of the Cabinet are contained within this report along with the recommendations of the Committee.

## 2. BACKGROUND

- 2.1 The General Purposes Committee, at its meeting held on 4 July 2008, considered a report of the Chief Solicitor, which concentrated upon the provisions of the Local Government and Public Involvement in Health Act, 2007, which allows for changes to Council electoral schemes. Members in noting the contents of the report, requested "that the costs of consulting with all registered electors on the most appropriate electoral scheme" be provided through a further report to the Committee. A further report was submitted to the General Purposes Committee held on 22 August 2008 that included some indicative costs of consultation that are included at Appendix 1.
- 2.2 Since 1974, following local government reorganisation, elections in Hartlepool had taken place by thirds. Local government reorganisation in 1996, arising from the provisions of the Local Government Act, 1994, confirmed the holding of elections by thirds through the Cleveland (Structural Change) Order, 1995, which provided all out elections in 1995, but for elections then to revert to election by thirds. A report had been presented to the Council's Unitary Status

Committee on 11 January, 1995, informing the Committee of the intended provisions of the Order. It is indicated, in the requisite minute from that Committee, that the report was duly noted, but without further comment. The Chief Solicitor, in his report to the General Purposes Committee on 18th January, 2008, indicated a total of 137 authorities, currently elect by thirds, with one third of Members retiring each year and their seats up for fresh election. Seven authorities elected by halves, whilst 234 held whole Council elections once every four years. Although, indicative costs were supplied as to the holding of an election, a number of factors could influence such a consideration, not least, having a combined poll such as a Parliamentary and European election. For the elections in 2008, the direct elections costs are approximated at £75,000. These recent elections covered 15 wards as opposed to 17 and did not include the rural wards of Greatham and Elwick, which can have a profound effect on the issue of costs. The average cost of organising and staffing a polling station is £1000 which would take the costs of an election in all wards of the borough to around £83000 under the current electoral arrangements.

- 2.3 At the meeting of the General Purposes Committee on 22 August 2008, Members discussed the additional costs that could be incurred at an “all out” election and asked for a breakdown of the costs of both types of election. In addition to the costs identified above, additional expenditure of around £27000 would be incurred in the following areas at an “all out” election:

Staffing (admin support in relation to dealing with extra candidates)  
 Election staff training  
 Count staff  
 Electoral Participation/Advertising/Information to electors

- 2.4 A further area of consideration is in relation to by-elections. Consultation with other Councils who currently hold “all out” elections has indicated that around 3-4 by-elections occur during the intervening period between elections. The average cost of any by-election would be £6000 but is dependent upon the number of polling stations in the ward in question.
- 2.5 Further, it was clearly noted, that any move to alter the current arrangements, would require considerations other than matters of cost. Indeed, it was noted that issues such as community engagement, staff skills and training and a “democratic deficit issue”, needed to be considered.

### **3. THE LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT, 2007**

- 3.1 This legislation enables a local authority to change their electoral scheme. However, the provisions require a process of consultation to be followed. There is also the stipulation of certain periods during which a resolution may be passed and at which point a resolution will be capable of implementation, so as to ensure that the implementation fell in line with the ordinary day of elections for authorities of the type to which the change was made. Accordingly, in the case of Hartlepool, the decision to change from current arrangements made prior to 31 December, 2010; take effect at the elections immediately following

that date ie May, 2011. Thereafter, such a decision could be made in 2014 and in each fourth year thereafter between the date of Annual Council and 31 December and would be implemented at the date of elections in the following year.

- 3.2 Of particular note, any change needs to be approved by Council at a meeting specially convened for that purpose and be carried by a two thirds majority.
- 3.3 It is a requirement under the Act that before a Council can proceed to a resolution for whole Council elections it must have *“taken reasonable steps to consult such persons as it thinks appropriate on the proposed change”*. (Section 34(2) of the Act refers). Although, the extent of any consultation is not prescribed within the Act, the Cabinet Office has issued a “Code of Practice on consultations”. Within that consultation document, are six consultation criteria, as follows;
  1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
  2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
  3. Ensure that your consultation is clear, concise and widely accessible.
  4. Give feedback regarding the responses received and how the consultation process influenced the policy.
  5. Monitor your department’s effectiveness at consultation, including through the use of a designated Consultation Co-ordinator.
  6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.
- 3.4 It should be noted that this Cabinet Office document does not have legal force, and therefore cannot prevail over statutory or mandatory requirements. That said, its use and application is encouraged on aspects of consultation by public authorities. The Electoral Commission have indicated, although as indicated the same is not prescribed, that consultation should be “all encompassing”, a view endorsed by Members of the General Purposes Committee at their meeting on 4 July, 2008.

#### **4. CABINET DISCUSSION**

- 4.1 At a meeting of the General Purposes Committee held on 22 August, 2008, Members requested a report be submitted to Cabinet to seek its views on the proposed consultation and the possible identification of an appropriate budget.
- 4.2 In their discussions, Cabinet endorsed the view of the Committee that any consultation “needed to reach everyone”. Consequently, on the likely expenditure of costs, the pertinent indication of costs related to that which involved consulting with “all electors”, approximately 69,000 individuals.

However, Cabinet were concerned of the level of costs associated with such an exercise, when the existing system of election “by thirds” did not appear to warrant change. It was also suggested (although not within the remit of the matter before General Purposes) that any consultation on changes to the electoral system should cover the issue of whether there should be ‘Single Member Wards’. Given the views expressed by Cabinet, no specific budget provision was identified in relation to undertaking any form of consultation.

## **5. RECOMMENDATIONS**

1. That Council notes the Committee’s recommendation that consultation on any changes to the electoral scheme should involve consulting with all registered electors, subject to a budget provision being identified.
2. That Council discuss and debate.

### **CONTACT OFFICER**

Peter Devlin, Chief Solicitor

## APPENDIX 1

## CONSULTATION COSTS

Description	Approximate Costs
Consult all electors – printing information and response sheets, inserting information into envelopes and delivery/return postage costs (approx 69,000 electors)	£40,000
Advertising costs (Hartlepool Mail)*	£300
Receipt, opening and counting responses for 30% response rate	£700
TOTAL	£41,000

Description	Approximate Costs
Consult all households – printing information and response sheets, inserting information into envelopes and delivery/return postage costs (approx 43,000 households)	£30,000
Advertising costs (Hartlepool Mail)*	£300
Receipt, opening and counting responses for 30% response rate	£600
	£30,900

\*Article in Hartbeat could be provided free of charge and press releases issued.

## COUNCIL

11th December 2008



**Report of:** The Executive

**Subject:** STAGECOACH SERVICES 1, 6, 7 AND 7a-  
SUPPORTED CONTRACTS AND THE HEALTH BUS  
SERVICE- FUNDING REQUIREMENTS

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### 1. PURPOSE OF REPORT

To recommend that Council approve the supporting of services 1, 6, 7 and 7A (Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays) and the Health Bus until 31 March 2009 with the costs being met from General Fund Balances.

### 2. BACKGROUND

At the meeting of Cabinet on 4<sup>th</sup> August 2008 Members were advised that Stagecoach were proposing to withdraw the bulk of their evening services from the 23<sup>rd</sup> August 2008, due to the fact that they were no longer commercial.

Stagecoach had expressed their concern at the ongoing decline in the adult fare-paying market which they say has struck at the heart of the viability of their present network. The volume and price of car parking in Hartlepool, coupled with the buoyancy of the taxi market were issues that they have struggled to respond to given their rapidly increasing cost base.

All Cabinet Members expressed their grave concerns at what they saw as manipulative practices by Stagecoach in withdrawing services as being unprofitable and looking to the local authority to pick up the base cost of the service through a contract.

The report detailed quotations that had been received from Stagecoach as to the cost of retaining the services on a supported basis until August 2009 these being: -

Service 1 £42,971  
Service 6 £20,148  
Service 7/7A £16,502

Withdrawal of the above Stagecoach services will leave a substantial gap in the availability of public transport on an evening and will mean that there will be no bus links to and from the Headland after 6:30pm

Member agreed to support the Stagecoach Services until 31<sup>st</sup> March 2009 and requested that a report be submitted to a future Cabinet meeting setting out the funding arrangements for the services.

At the meeting of Cabinet on 14<sup>th</sup> November 2008 a report was submitted to update Members as to the potential costs of supporting both the Stagecoach services detailed above and the Health Bus Service, that has been operating as a joint venture between Hartlepool Borough Council, the Primary Care Trust and the National Health Service between Hartlepool and North Tees Hospitals, until the 31<sup>st</sup> March 2009.

Cabinet recommended that Council approve the supporting of services 1, 6, 7 and 7A (Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays) and the Health Bus until 31 March 2009 with the costs being met from the General Fund.

With regard to the Stagecoach services payments are made to Operators in 13 monthly instalments. This being the case if the services are supported until March 2009 the total payment required will be £48,998.

With regard to the Health Bus the total cost of the service to operate up to the 31<sup>st</sup> March 2009 will be £44,309

Total amount needed to support all services is **£93,307**

### **3. FINANCIAL CONSIDERATIONS**

As Members are aware it is anticipated there will be an over-spend on departmental budgets at the year end. In addition, whilst the Council will benefit from increased investment income in the current year this amount has provisionally been allocated within the budget strategy report to offset the loss of income, then for additional costs in relation to Building Schools for the Future and Tall Ships. Therefore, it is not anticipated there will be resources available from the current year's budget to fund bus service payments and an alternative funding source will need to be identified.

As reported to Cabinet on 13<sup>th</sup> October 2008 the level of uncommitted General Fund Balances is £0.79m. This amount, together with other one off funding, has provisionally been allocated within the budget strategy report to partly fund the budget deficits over the next three years. These one off



resources will not fund the whole of the budget gap. Cabinet have determined to seek Council's approval to use these one off resources to fund the cost of supporting bus services. This proposal would reduce the funds available to support the revenue budget over the next three years, which would make balancing the budget more difficult.

**4. PROPOSAL**

That Council approve the supporting of services 1, 6, 7 and 7A (Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays) and the Health Bus until 31 March 2009 with the costs being met from General Fund Balances.

## COUNCIL

11<sup>th</sup> December 2008



**Report of:** Chief Executive

**Subject:** BUSINESS REPORT

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**1. NORTH EAST AMBULANCE SERVICE NHS TRUST RE-LOCATION OF THE AMBULANCE CONTACT CENTRE IN MIDDLESBROUGH - REFERRAL OF DECISION TO THE SECRETARY OF STATE FOR HEALTH**

- 1.2 As outlined to Members in correspondence dated 6 November 2008, the Tees Valley Health Scrutiny Joint Committee, at its meeting on 11 July 2008, agreed to refer the North East Ambulance Trust's decision to re-locate the Ambulance Contact Centre in Middlesbrough to Monkton, South Tyneside to the Secretary of State for Health.
- 1.3 Upon receipt of the referral, the Secretary of State requested that the Independent Reconfiguration Panel (IRP) undertake an initial review of the Tees Valley Health Scrutiny Joint Committee's proposals / concerns. The results of this review were reported to the Secretary of State on 30 September 2008 and the Chair and Vice Chair of the Tees Valley Health Scrutiny Joint Committee on the 4 November 2008.
- 1.4 In summary, based upon the outcome of the review, the Secretary of State has concluded that he fully supports the IRP's recommendations for the NHS to now:-
- i) Replace the current working model of the single contact centre in Newcastle plus its satellite centre in Middlesbrough and the back up control facility at NHS Direct with two operational contact centres;
  - ii) Locate one contact centre in Newcastle (on the site of the North East Ambulance Service) and the other in South Hebburn, South Tyneside; and
  - iii) Use both contact centres daily, to ensure a continuous and uninterrupted service in the event of disruption on one site.
- 1.5 The Secretary of State has also indicated that he is satisfied that the IRP's recommendations are the way forward and hopes that the Tees Valley Health Scrutiny Joint Committee will now work with partners to ensure that the proposals are fully implemented.

- 1.6 At the most recent meeting of the Tees Valley Health Joint Scrutiny Committee held on 13 November 2008, consideration was given to Secretary of State's decision. Given the strength of feeling expressed by the Committee, it was unanimously agreed that a further letter be sent to the Secretary of State reiterating their concerns of public safety not being fully addressed and seeking clarification on the criteria the IRP used, having recommended that a full review not be undertaken. Such letter was despatched to the Secretary of State for Health on 19 November 2008 and upon receipt of his response, a copy will be distributed to all Members for information.
- 1.7 Copies of all letters have been placed in the Members Library for your information, with individual copies available from the Scrutiny Support Team if required.

## **2. TREASURY MANAGEMENT UPDATE**

### **2.1 Purpose of Report**

- To update member on matters relating to treasury management and consider proposals for revising the existing Treasury Management Strategy.
- To seek approval for changes to the Prudential Indicators relating to borrowing.

### **2.2 Background**

The current Investment and Borrowing Strategy was approved by the Council on 14th February, 2008.

The CIPFA Code of Practice for Treasury Management recommends as best practice, interim reporting of treasury management activities. This report provides details of treasury management activity for the year to date and recommends changes to the strategy to respond effectively to the current economic environment. The review covers the following areas:

- Interest Rates & Economic Outlook
- Borrowing Strategy
- Investment Strategy and Counter Party Risk
- Prudential Code Monitoring and revisions to Prudential Limits

### **2.3 Interest Rates and Economic Outlook**

The economic position has deteriorated to a much greater extent than anticipated when the original treasury strategy was approved. The economic downturn now looks set to be more severe and last longer than was originally expected.

The global 'credit crunch' has resulted from an unwillingness of banks to lend to each other, underpinned by a significant loss of confidence. There has been a paradigm shift in the modus operandi with unprecedented events occurring regularly in the rapidly changing economic landscape. Even within the last three months, some of the key events include:

- The collapse of Lehmans Brothers, Fannie Mae and nationalisation of Bradford and Bingley in September.
- The Irish government guarantee of investments with the top 6 Irish banks and building societies
- The announcement by the US government in late September of a \$700bn rescue deal, originally involving the US government taking over bad debt but now changed to a plan of part nationalisation of the banks capital.
- Failure of three Icelandic banks in October with all deposits being 'frozen', including over £1bn owing to public bodies such as councils, universities and the Audit Commission.
- Announcement in October by the UK government of a £500bn rescue package for UK banks and building societies involving the partial nationalisation of eight of the UK's largest banks and building societies the provision of short term loans and loan guarantees to encourage the banks to lend to each other.
- A 0.5% reduction in the Bank of England Base Rate as part of an internationally coordinated move, followed by a further 1.5% reduction in November, taking the Bank Rate to a historic low of 3%
- The governments Pre-Budget Report contained a significant fiscal stimulus of £20bn, which will result in government borrowing being increased to an unprecedented level in an attempt to stimulate the economy and mitigate the scale of potential recession.

In addition to the credit crunch, the overall economic outlook is bleak. As part of the Pre Budget Report, the government has had to revise its growth forecasts from 2.5% in March to between minus 0.75% and 1.25%. Public spending growth has been reduced from 1.8% to 1.2%. The economy is expected to move into serious recession next year. Inflation concerns have now eased and there is even a risk of 'deflation'.

The table below details the latest interest forecast provided by the Councils treasury advisors, Butlers.

**Interest Rate Forecasts – 2007/2010**

Year	End Period	Money Rates				PWLB Rates*		
		Bank Rate	3mth	6mth	12-mth	5 yr	20 yr	50 yr
2007	Dec	5.50	6.0	5.9	5.6	4.6	4.6	4.4
2008	Mar	5.25	6.0	6.0	5.8	4.1	4.7	4.4
	Jun	5.00	6.0	6.2	6.5	5.3	5.1	4.6
	Sep	5.00	6.3	6.4	6.5	4.4	4.8	4.6
	Dec	3.00	4.3	4.3	4.4	3.4	4.8	4.5
2009	Mar	2.50	3.5	3.6	3.8	3.3	4.5	4.4
	Jun	2.25	2.8	3.2	3.5	3.1	4.4	4.4
	Sep	2.00	2.6	3.1	3.4	3.1	4.4	4.4
	Dec	2.00	2.6	3.0	3.4	3.1	4.4	4.4
2010	Mar	2.00	2.6	3.0	3.4	3.1	4.4	4.5

The 2009 forecast shows that the bank rate is expected to reach a low of 2% by June. However, it is possible that a reduction to this level could occur much sooner.

Despite the attempts of the government to inject liquidity into the banking system the margin of the inter bank lending rate and the official bank rate remains higher than would otherwise be expected. The table above includes an assumption that as confidence in the financial sector improves gradually, the differential between the Bank of England Base Rate and LIBOR will narrow over the forecast period.

Longer term borrowing rates are expected to ease a little in the short term before returning to a trend of increasing beyond 2010. The increase will be higher as a result of the scale of government borrowing.

As a result of the economic conditions described above, the Council will receive lower investment returns in the future.. The Council is partially protected from this reduction in interest rates in the current year, because of the fixed deposits taken out before the drastic reduction to interest rates. However as these deposits mature, the rates available for new investments will be much lower. At the same time the level of investments will also reduce as resources are used to support the revenue budget, job evaluation and Building Schools for the Future.

Fortunately the Council does not budget for the whole of this investment income in the base budget. However, the loss of this income will significantly reduce the Councils flexibility and its ability to manage in year budget pressures. It is estimated that the reduction in investment returns will be £1.5m. This could increase by a further £0.5m if interest rates fall to 2%.

## 2.4 **Borrowing Strategy**

The Council's borrowing and investment position as at 27th November, 2008 was as follows:

	£m	Average Rate
PWLB	24.3	4.33%
LOBO	45.0	4.00%
Gross Debt	69.3	4.11%
Investments	56.9	5.3%
Net Debt	12.4	

During the first half of 2008/09 the Council has taken advantage of reducing longer term borrowing rates and borrowed £2.5m at 3.21%. Since then shorter period long term PWLB rates have reduced further.

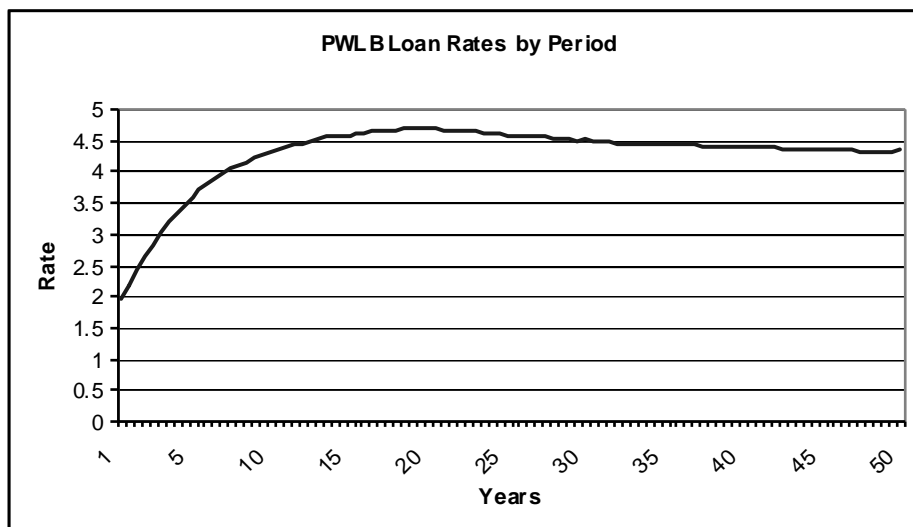
As interest rates move towards the anticipated position and the marginal rate of investment reduces to below the average rate of borrowing, the Council would ideally repay some of its existing long term debt by reducing investments. However, whilst that is the correct strategy on a theoretical basis, it is not possible without incurring significant costs because of existing PWLB repayment terms and the high level of premium attributable to the market loans. In any case, the majority of the Council's long term debt is held on a fixed interest rate basis and consists of loans with rates which are at a historically low level, which are unlikely to be bettered in the medium term.

The Council is currently under-borrowed in relation to its Capital Finance Requirement (CFR) which was £76.3m as at 31st March, 2008. This has been achieved by internalising the Council's borrowings and temporarily using reserves to avoid external borrowing. This has mitigated some of the counterparty risk that has been endemic in the financial markets in the first half year.

The current low levels available for new long term borrowing provide opportunities for locking into very attractive rates to fund the Council's CFR. However, the benefit of locking into these low rates has to be weighed against the risk of being able to temporarily deposit the cash securely and at the appropriate interest rate. It is recommended that further long term borrowing is undertaken if opportunities arise which give greater assurance over the security of funds temporarily invested until used for capital purposes. There is also a risk that interest rates may fall further. The marginal rate of borrowing needs to be lower than the marginal rate of investment before any new borrowing is taken.

The Chief Financial Officer, under delegated powers, will take the most appropriate form of borrowing in terms of whether market or PWLB, depending on the prevailing interest rates at the time. Borrowing may also be considered to fund capital expenditure in advance of future year's requirements.

Because of the changing shape of the yield curve, as shown in the graph below, shorter period PWLB loans are now at lower rates of interest than longer period loans.



The shape of the yield curve may provide opportunities for debt restructuring by replacing some longer term loans with loans over a shorter period. Consideration will also need to be given to the premiums or discounts arising from the repayment of existing loans. Debt restructuring will only be considered where it will result in the least cost option.

## 2.5 Investment Strategy and Counter Party Risk

The level of investments as at 21<sup>st</sup> November, 2008, was £56.9m.

The aim of the Treasury Management Strategy is to provide a framework for managing the Authority's borrowings and investments. The management of investments is governed by the Local Government Act 2003 and the Chartered Institute of Public Finance and Accounting (CIPFA) Treasury Management Code of Practice (the code). The regulations and the code require authorities to consider the following criteria when managing investments:

- Security of the cash investment;
- Liquidity; and
- Return on Investment.

The Council has taken a prudent approach to managing its investments and institutions have only been included on the approved investment list after careful assessment. The criteria determining whether a counterparty is eligible for inclusion on the lending list was approved by Council in February 2008 and is based on:

- credit ratings for banks and building societies are used in the first instance to determine whether the a counterparty is eligible for further consideration.
- a consideration of the underlying assets for building societies
- the country the institution is registered in.

On the basis of these criteria, the Council's lending list only includes the UK clearing banks, UK building societies with assets over £1bn, specified Irish banks (included since the Irish Government guaranteed these organisations), the Debt Management Office and other local authorities. The Council's approved lending list has only ever included UK and Irish banks and therefore never Icelandic banks, owing to the risk that if these banks ran into financial difficulties the Icelandic Government may not have been able to underwrite depositors funds.

During the year, the Chief Financial Officer has used his delegated powers to further tighten the lending criteria in response to the deteriorating economic conditions and events caused by the Global 'credit crunch'. These actions reflect the Chief Finance Officer's assessment of risk which is particularly important as credit ratings are not a guarantee of an organisation's financial strength and can only provide a starting point for assessing risk. Actions taken include:

- Placing of new deposits with Irish banks was temporarily suspended and reinstated following the Irish governments guarantee
- The Council has stopped depositing sums in Money Market Funds
- New fixed deposits with building societies have been limited to periods of six months
- Increased the limit to £7m for banks and the Nationwide Building Society, covered by the UK government guarantee
- The lending limit with the Debt Management Office has been increased to £20m. This is the day to day cash management office of central government. As sums are guaranteed by government, it has a AAA credit rating.
- New deposits up to 3 months have been made with Northern Rock as result of it being nationalised and effectively guaranteed by the government because it is required to give a three month notice period prior to de-nationalisation.

In response to the extreme uncertainties and risks resulting from the global 'credit crunch', the Council needs flexibility to take advantage of opportunities arising where maximum security can be obtained to reduce the risk of financial loss, while still benefitting from competitive rates of return. It is therefore proposed that the following changes to the Councils investment strategy be approved:

- Continuation of the £7m limit for UK banks and Nationwide Building Society covered by the UK government.



- Approval for the CFO to set lending limits as he considers appropriate for counterparties where further government assurance is provided. This should also apply to any counterparties which are nationalised.
- The amounts which can be deposited with the Debt Management Office should be unlimited. In practice the Chief Financial Officer will determine appropriate operational levels for amounts to be deposited, after an assessment of the rates available and the risks attributable to other counterparties.

The Council currently provides a treasury management service as part of a Service Level Agreement to the Cleveland Fire Authority. As a result of this existing collaboration, both organisations share the same Treasury Management Strategies and approved investment counter-parties. The only material difference is that the Fire Authority has lower limits for the maximum investment with each counter-party.

In view of these existing arrangements we have examined the potential benefit of pooling the investments of the CFA and HBC. This would require approval by both the Council and the Fire Authority. Under such an arrangement the Council would manage a single “Investment Fund” equal to the aggregate value of the two organisations cash balances. This amount would then be invested in accordance with the existing Treasury Management Strategy and Hartlepool’s counter-party limits. Each organisation would then be allocated an appropriate share of the investment with each counter-party based on their share of the overall “investment fund”.

On the basis of current investment levels 5/6th of the investment fund would relate to the Council and 1/6th to the Fire Authority. Both organisations would earn interest at the average rate of all investments. In the unlikely event of a default, the loss would be shared in proportion to the total level of funds pooled.

A key advantage of this arrangement is that it will enable the Council to further diversify investments and reduce the value of investments with each counter-party. This will become even more important when the amount of funds invested reduces and it becomes more difficult to achieve a wide spread of risk.

## **2.6 Prudential Code Monitoring**

As part of the treasury strategy for 2007/2008, the Council set a number of prudential indicators. Compliance against these indicators is monitored on a regular basis.

Where there is a need to revise these limits, approval is required by full Council. One item to bring to Members attention relates to the Central Hartlepool Housing Regeneration Scheme. The scheme is currently showing as spending according to budget. However, Officers have been made aware

of the possibility of additional funding becoming available which the Council would be in a stronger position to secure if it was able to accelerate expenditure on house purchases. It is proposed that Council approve additional temporary prudential borrowing of £1.5m to fund this additional expenditure as a contingency in the event that additional grant funding is not obtained. This prudential borrowing will not result in an unbudgeted pressure as it is expected that the resulting capital financing costs would be met by the capital grant.

It is therefore proposed that the following changes to Prudential Limits be approved.

<b>Prudential Limit</b>	<b>Original £000</b>	<b>Revised £000</b>
Capital Financing Requirement	87,086	88,586
Operational Limit for External Debt	88,000	89,500
Capital Expenditure Financed by Borrowing	7,120	8,620

## 2.7 Proposals

It is proposed that members:

- i) Note the report.
- ii) Approve the Borrowing and Investment strategies outlined above.
- iii) Approve the proposed arrangement for pooling investments with the Fire Authority and authorise the CFO and Chief Solicitor to conclude the necessary legal agreements.
- iv) Approve the changes to Prudential Limits

## 3. TEESSIDE VALUATION TRIBUNAL

As Members will recall, the following appointments to the Teesside Valuation Tribunal were confirmed at the Council meeting on 30 October 2008 with a term of office until 31 March 2011:

Councillors Coward, A Lilley and G Lilley and Mr Jeffries.

In addition to these appointments, an additional five 'non-councillor' appointments are required, see Appendix A. In view of the impending legislation changes, it is suggested that as an interim measure, it is more sensible to use some of the currently fully trained existing members from the

Tyne and Wear, Durham and North Yorkshire tribunals to cover any temporary shortages which could arise in Teesside after 31 March 2009.

**Recommendation**

Council's views are sought on the Tribunal's suggestion that fully trained existing members from the Tyne and Wear, Durham and North Yorkshire tribunals are appointed to cover any temporary shortages which arise in Teesside after 31 March 2009.



Angela Hunter  
Principal Democratic Services Officer  
Hartlepool Borough Council  
Civic Centre  
Hartlepool  
TS24 8AY

**David P Mulgrew IRRV**

**Clerk of the Tribunals**

VTS North Region

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Southfield Way, Durham, DH1 5JY

Telephone : 0191 384 8020

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Our Ref :

Your Ref :

Date : Friday, 13 June 2008

Dear Angela

### **Teesside Valuation Tribunal**

Thank you for your letter received on 6 June 2008 and my apologies for not providing a written response to your earlier email.

### **Current Membership**

The Teesside Valuation Tribunal has 15 members from four appointing authorities, which includes Hartlepool.

Out of those 15, the following are from Hartlepool:

Name	Address	Tel No	Councillor/ Non Councillor
Mr. W. J. Coward	16 Coniscliffe Road, Hartlepool TS26 0BS	(H) 01429 273643	Councillor
Mr. E. Jeffries	28 Lowthian Road, Hartlepool. TS26 8AN	(H) 01429 867122	Non Councillor
Ms. A. Lilley	68 Fens Crescent, Hartlepool, TS25 2QN	(H) 01429 291542	Councillor
Mr. G. Lilley	68 Fens Crescent, Hartlepool, TS25 2QN	(H) 01429 291542	Councillor
Mr. B. Smith	12 Chepstow Walk, Hartlepool. TS26 0TF	(H) 01429 263588	Non Councillor

The Teesside Valuation Tribunal will lose five of its 15 members by October 2009 when they reach the statutory age limit of 72 years. Two of those members are from Redcar, two are from Middlesbrough and Mr B Smith of Hartlepool has replied to a general survey of tribunal

members indicating he does not wish to continue in office beyond 31 March 2009. This will leave 10 members in post and under normal circumstances we would be looking for replacements across Teesside.

However, imminent changes are on the horizon after the Local Government and Public Involvement in Health Act 2007 paved the way for the creation of a single Valuation Tribunal for England (VTE), which will replace the 56 English valuation tribunals. At the time of writing, work is ongoing to appoint a National President to take responsibility for the VTE. It is anticipated that the VTE will formally replace the 56 English valuation tribunals in the autumn of 2009.

A consequence of the VTE is likely to be less tribunal members needed nationally as members will have no geographical boundaries to their jurisdiction. The benefits will be an improved standard of tribunal member, more consistency and more efficient use of public money.

### **Member re-appointments**

The current term of office for all of the members from the Hartlepool area ends on 31 March 2009. However, VTE may not come into operation until the autumn of 2009. Although the legislation is now in force to create a VTE there is nothing in place which automatically transfers Teesside members in office at 31 March 2009 to the VTE.

Therefore, there is likely to be a gap of up to one year and it is therefore necessary to re-appoint the existing members to a term ending no sooner than 31 March 2010, preferably 31 March 2011 to allow for any unforeseen delays in the creation of a VTE.

Until the VTE starts up, legislation requires the appointment of tribunal members to be determined jointly by the President of the Teesside Valuation Tribunal (Mr I Irvine) and the appointing authority (Hartlepool Borough Council).

Mr Irvine has asked me to seek re-appointment of Mr Jeffries, Mr Coward, Ms Lilley and Mr Lilley for a minimum term taking them up to 31 March 2010, preferably 31 March 2011.

### **Appointment rules**

There are regulations which limit the percentage of councillor tribunal members. Essentially, regulations provide that an appointment to fill any vacancy in the membership of a tribunal will not be valid if its effect would make the aggregate number of tribunal members who are councillors exceed one third of the total number of tribunal members the local authority concerned is entitled to participate in appointing.

Excluding Mr Smith for the reasons stated above, you will note that three out of the four tribunal members from Hartlepool are councillors. In view of the falling numbers of tribunal members the Teesside Valuation Tribunal would need five new 'non-councillor' members to retain the existing councillor members.

Mr Irvine would like to retain all of the existing tribunal members from Hartlepool, as they regularly undertake refresher training and actively participate at hearings. Please remember that the office of a tribunal member is non-political; tribunal members act impartially and, like courts, make decisions based on the evidence presented to them.



## **Issues needing a decision by Hartlepool Borough Council**

Mr Irvine does not wish to appoint any new members because by the time they are fully trained they may no longer be required. However, as an interim measure, it is more sensible to use some of our fully trained existing members from the Tyne & Wear, Durham and North Yorkshire tribunals to cover any temporary shortages which could arise in Teesside after 31 March 2009.

Please can you confirm that this would be acceptable to your authority?

If this is acceptable then we can discuss the details of the five individual members.

I must emphasise that both Mr Irvine and I are happy to meet with any representatives of Hartlepool Borough Council to discuss the issues.

Yours sincerely



**David Mulgrew**  
**Clerk of the Teesside Valuation Tribunal**

Copy to Mr I Irvine, MRICS, President of the Teesside Valuation Tribunal