

Title

OFFICE OF THE PCC BUSINESS MEETING

Date

22nd September 2016

Location

Office of the PCC

Duration

09:45 – 10:35am

Present:

Vera Baird - Police and Crime Commissioner
Elaine Snaith – Chief Executive, OPCC
Mike Mullen – Head of Strategic Asset Management
Mike Tait – Joint Chief Finance Officer
Iain McCulloch – Deputy Director of Finance
Dean Lowery – Officer of the PCC

Apologies for absence:

Mr Richard Heron – T/Director of Legal Services

Item 1- Treasury Management Annual Report 2015-16

Mr McCulloch presented this paper to the meeting, which requires the Commissioner to receive a Treasury Management Annual report on borrowing and investment activity by the 30th September of each year.

In addition to the content of the paper, the following points were made:

- Money had been saved by refinancing short term loans, the finance team continue to monitor longer term loans as the base rate has declined.
- Internal audit gave a clean bill of health, new controls have been introduced to ensure brokerage fees are introduced in overall costs.
- Options to avoid brokerage fees were discussed and will be look at by the finance department.

The key decision in relation to this report was signed off by the Police & Crime Commissioner.

Item 2 – Treasury Management Mid-Year Report 2016/17

Mr McCulloch presented this paper to the meeting, which presents the Police & Crime Commissioner with a report on Treasury Management performance up to and including 31st August 2016. The CIPFA Code of Practice for Treasury Management recommends that those charged with governance and scrutiny receive regular updates – hence the delivery of this report.

A comprehensive discussion took place in relation to this matter, including –

- Replacing mature loans with short terms loan, this is forecast to make a saving of around £500,000 and further savings could be made in the future.
- Due to the change in the financial market, it is estimated that the forecast will be around £100,000 lower than expected, but this will be compensated by the changes to short term loans.
- The Police & Crime Commissioner questioned the amount in reserves, how it is invested and allocated.

Item 3 – Treasury Management – Chang to Loan Arrangements.

Mr McCulloch presented this paper to the meeting following a letter the Police & Crime Commissioner had received from Barclays Bank, setting out their decision to change the terms of a loan arrangement that is held with them. Mr McCulloch discussed the implications of the change and recommendations.

The LOBO (Lender Option, Borrower Option Loan) will be converted into a fixed rate loan to meet the new standards under banking regulations. Advice had been sought from Capita and it was determined that it would not be cost effective to repay the loan.

It was agreed to keep the loan and continue to monitor it as a fixed rate, fixed term loan

Item 4 – Debt Management

Mr Tait updated the meeting about the amounts of debt written off during 2015/16. Current delegated authority allows the Chief Finance Officer to authorise a debt write off up to £10,000, for each individual sum – anything over, must be authorised by the Police & Crime Commissioner.

As part of the regulations, the Police & Crime Commissioner must be presented with an annual summary of accounts written off.

A discussion took place in relation to this matter, including –

- The Chief Finance Officer meets every quarter with his principal accountant to discuss write offs.
- Lots of the written of debt originated when the finances were administered by the previous provider of this service – some debts went back as far as 2006.
- The total amount of debt written of in 2015/16 was £26,360.25. Many of the payments were small amounts for overpayment of salary which occurred before the establishment of the Office of the Police & Crime Commissioner and had not been pursued by the previous provider of this service. It is now uneconomical to pursue due to the timescales involved.
- The Chief Finance Officer gave an assurance that there would not be as many write offs in future years as this was a clean-up of work that should have occurred before the service transferred to Northumbria Police.

Item 5 - Pay award 2016.

Following national negotiations (as the OPCC follow the terms and conditions of pay that apply to police staff) it was reported that a 1% pay award has been agreed for staff of the OPCC with effect from the 1st September 2016. The pay award does not apply to the Police & Crime Commissioner, whose salary is set by the Home Secretary as remains at the same level as November 2012.

Staff of the OPCC will be informed of the change via email from the payroll department of Northumbria Police.

Any other Business

The Chief Finance Officer, Mr Tait, reported that Mazars have had information from Ernest & Young regarding audit. They are satisfied that all documents have been signed off by the Police & Crime Commissioner. There are no outstanding issues.

The Police & Crime Commissioner gave a verbal update about the police funding formula and what the government were hoping to do as part of their consultation. Mrs Baird informed the meeting that the Home Office is establishing an oversight group and a technical group, Mrs Baird will be on the oversight group, she also stated that it is important that there is representation from across England and Wales on the groups. Vera is keen that Northumbria Police are involved in the Home Office work in this area.

Actions – Reports to be presented to the Joint Business Meeting on the 29th September 2016.

Mr Tait confirmed that he would bring a paper regarding the appointment of a new auditor.

Mr Mullen confirmed that he would bring a paper regarding the refresh of the estates policy for Northumbria Police.

Future reports

Mr Tait is to provide the Police & Crime Commissioner with a paper in October regarding future police funding.