

**NOTES FROM THE MANAGEMENT BOARD HELD ON 31 JANUARY 2019 IN CR8,  
CHESHIRE CONSTABULARY HQ, CLEMONDS HEY, WINSFORD, CW7 2UA**

*Present:* D Keane, Police & Crime Commissioner  
D Martland, Acting Chief Constable

Office of the Police & Crime Commissioner

P Astley, Chief of Staff  
C Tozer, Senior Communications Officer  
M Walton, Senior Governance & Performance Officer

Cheshire Constabulary

J Gill, Assistant Chief Officer  
D Bryan, Head of Legal Services  
W Bebbington, Head of Finance

**Part 1 - Public items**

**1. NOTES OF MEETING HELD ON 16 JANUARY 2019**

The notes of the meeting held on 16 January 2019 were accepted.

**2. MANAGEMENT BOARD ACTION LOG**

The action log was reviewed and updated.

**3. TREASURY MANAGEMENT STRATEGY 2019/20**

The Treasury Management Strategy for 2019/20 was presented for approval including the associated prudential indicators, annual investment strategy and minimum revenue provision statement.

The Commissioner approved the recommendation that:

(1) approval be given to the Treasury Management Strategy (Appendix 1) for 2019/20 including:

- the Ratio of financing costs to net revenue funding (Appendix 1, paragraph 4.3.3);
- the Authorised External Debt Limits (Appendix 1, paragraph 5.2.7);
- the Interest Limits and Maturity structure of fixed interest rate borrowing (Appendix 1, paragraph 5.7.1);
- the Annual Investment Strategy (Appendix 1, paragraph 6); and
- the Minimum Revenue Provision Statement (Appendix 1, paragraph 7).

The rationale was that the adoption of the Treasury Management Strategy supports the Commissioner's ongoing commitment to ensure effective stewardship and the efficient use of public funds.

**4. MEDIUM TERM FINANCIAL STRATEGY 2019-2021**

The Commissioner is required to set an annual budget and precept (the Commissioner's share of Council Tax) taking into account Government funding, precept regulations and organisational demands. This requirement is supported by the production of a Medium Term Financial Strategy (MTFS) with the annual budget forming the first year of the Strategy. The

creation and maintenance of the MTFFS is fundamental in promoting good financial planning and delivery of value for money.

The MTFFS is supported by the Reserves Strategy which highlights the reserves held, their usage in support of delivering the Police & Crime Plan and operational objectives and the appropriateness of the amounts held.

In light of the Home Office's Provisional Grant Settlement announced on the 13 December 2018 and finalised on 24 January 2019, the MTFFS has been updated as attached at Appendix 1.

The Commissioner approved the Medium Term Financial Strategy for 2019-21.

The rationale was that the Medium Term Financial Strategy 2019-21 is fundamental in promoting good financial planning, the delivery of value for money, ensuring operational threats and risks are addressed and managed to protect front line policing and make Cheshire's communities safer.

## **5. 2019/20 BUDGET AND COUNCIL TAX PRECEPT**

The Commissioner is required to set an annual budget and issue a precept (the Commissioner's element of council tax) taking into account Government grant funding, precept regulations, operational demands and resource requirements to deliver the Police and Crime Plan and meet the Strategic Policing Requirement.

Over £60m of savings have already been delivered by Cheshire Constabulary and the Police and Crime Commissioner since 2010. A further £1.3m of efficiencies have been identified for 2019/20 as part of the budget planning process.

Additional funding of £970m nationally was announced in the 2019/20 Police Settlement. Cheshire's share of the funding is £14m however, of this £9.7m (69%) relates to a Government assumption of a £24 per annum precept increase for band D properties (with a pro rata increase for other bandings).

Cheshire Constabulary has lost 135 officers since 2010 as a result of reduced central funding. Demands on policing have also increased, particularly in more complex areas such as cyber-crime. A precept increase of £24 per annum would be a small step towards addressing these losses.

The report contained the following:

- Appendix 1 – Detailed 2019/20 budget report
- Appendix 2 – Budget and Precept Setting Timetable
- Appendix 3 – Robustness of Estimates
- Appendix 4 – Capital Programme 2019/20
- Appendix 5 – Capital Strategy
- Appendix 6 – Reserves Strategy

The Commissioner approved the following recommendations submitted by the Acting Chief Constable:

(1) the Police & Crime Panel be notified that it is proposed to increase the police element of council tax by £24 p.a. (13.6%) for a Band D equivalent property for 2019/20, from £176.44 to £200.44; i.e. by £2 per month, in line with the flexibility in precept increase permitted by the Government;

(2) the net budget requirement for the financial year commencing 1 April 2019 be set at £182,791,245.

(3) the proposed 2019/20 precepts be as follows:-

	Number of Band D equivalent houses	Precept on Collection Fund £
Cheshire East	149,517.54	29,969,296
Cheshire West and Chester	121,757.60	24,405,093
Halton	34,950.00	7,005,378
Warrington	67,892.00	13,608,272
Total	<u>374,117.14</u>	<u>74,988,039</u>

(4) the surplus of collection funds allocated to the Commissioner of £840,612 included in the budget be noted;

(5) the £2.269m funding in support of Additional Policing Services as set out in of Table 3, be approved;

(6) the net commitments and unavoidable demand pressures of £3.787m as set out in Table 4 of the report, be approved;

(7) the establishments of 2046 police officers and 200 PCSOs be approved;

(8) the savings proposals for 2019/20, totalling £1.3m as set out in the budget report, be approved;

(9) the financial health targets for monitoring purposes as set out below, be approved:-

(i) Reserves

That the level of general reserves, after allowing for potential financial risks be maintained, at no lower than 3% of the net budget and that this be monitored by the Commissioner on a quarterly basis.

(ii) Revenue Spending

That the Chief Constable maintains revenue spending within 1% of the net budget and that this is monitored by the Commissioner on a quarterly basis.

(iii) Capital Programme Management

That the Chief Constable maintains the projected capital outturn at a level that does not vary from the original capital programme by more than 20%. The total capital programme includes the new schemes for 2019/20 and those schemes brought forward from previous years. This target is to be monitored by the Commissioner on a quarterly basis.

(iv) Debt

That the Chief Constable collects at least 50% of debtor income within one month of the invoice being raised.

(v) Prudential Indicators

That the actual prudential indicators be monitored by the Commissioner on an annual basis against the indicators set in the budget.

(10) the Capital Strategy in Appendix 5 be approved; and

(11) the Reserves Strategy in Appendix 6 be approved.

The rationale was that the decision provides a balanced budget for 2019/20. This will enable Cheshire Constabulary to meet increased costs due to inflation, to deliver policing services for the people of Cheshire in accordance with the priorities set out in the Police and Crime Plan and continue to address increasingly complex policing demands in a robust, sustainable and efficient way. The increase in the police element of Council Tax is necessary to maintain

effective frontline policing in light of the ongoing underfunding of policing by the Government, and is supported by the outcome of public consultation.

## **6. Joint Strategic Risk Register**

The Joint Strategic Risk Register was deferred to a future Joint Management Board.

### ***Part 2 - Private Items***

The Part 2 papers were considered in private.

*Duration of meeting: The meeting commenced at 10am and finished at 11.15am.*