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**NORTHUMBRIA PCC MINUTES**

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**Title**

Office of the Police and Crime Commissioner (OPCC) - BUSINESS MEETING

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**Date**

Thursday 16 October 2020

**Location**

Microsoft Teams

**Duration**

10am – 11am

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**Present:**

Kim McGuinness – Police and Crime Commissioner  
Ruth Durham – Chief of Staff  
DCC Ford – Deputy Chief Constable  
John Leslie – Estates Manager  
Adrian Pearson – Director of Planning and Delivery  
Mike Tait – Joint Chief Finance Officer  
Dean Lowery – Officer of the PCC

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**OPEN SESSION****1. Welcome**

The PCC welcomed all members to the virtual meeting.

**2. Open Session Minutes from 16<sup>th</sup> July 2020**

The minutes were agreed as a true and accurate record.

**3. Police Property Fund (Key Decision)**

The Joint Chief Finance Officer presented a report and key decision which advised the PCC of funds available to her through the Police Property Act 1987 which gives PCCs discretion “To make payments of such amounts as the relevant PCC may determine for such charitable purposes as they may select”.

The report highlighted that there was £245,445 available for disposal in 2020/21 following the approval of a £2,000 grant to Care of Police Survivors in 2020/21.

The report recommended further donations to be made to the following charities:

- £10,000 to the Police Treatment Centres.
- £15,000 to the Police Arboretum Memorial Trust.
- £15,000 to the Northumbria Police Charity Fund.
- £5,000 to the National Ugly Mugs (NUM).

Following payment of the above donations, it was noted that £200,445 would therefore remain for future disbursement.

The Commissioner **agreed** the donations as set out in the report and noted the final figure of £300,445 for future disbursement.

#### **4. Budget Monitoring Report as at 30 September 2020**

The Joint Chief Finance Officer presented the budget monitoring report which noted the forecast revenue position of £2.244m, against a budget of £2.264m reflecting an in-year underspend of £0.020m (0.8%) ; this remains in line with the position reported at Qtr.1.

The forecast year-end outturn for the OPCC revenue budget was noted as £2.264m.

#### **5. Heritable Bank Investment Update**

When Heritable Bank entered administration in October 2008 the former Police Authority had £5.238m invested which was due to mature with interest by the end of 2008/09; the total value including accrued interest was £5.300m.

In 2010/11 the investment was impaired to reflect an expected return of 90p in the £. In September 2015 it was reported that dividends totalling £5.194m had been received to date representing 98p in the £, an overachievement against the original estimate.

On 29 July 2020 the administrators confirmed the sixteenth and final dividend, a further 0.95p in the £ which equates to £0.050m for Northumbria Police. Total dividends received in relation to the investment in Heritable Bank are £5.244m, equivalent to 98.95p in the £.

As the original investment was impaired in 2010/11 to reflect the expected return, all additional income above 90p in the £ is revenue income. This new dividend will therefore be reflected as additional investment income in the accounts of the Police and Crime Commissioner 2020/21.

The report was noted.

#### **6. Capital Financing Budget Update – Quarter 2**

The Director of Finance and ICT presented the Capital Financing Budget update which showed a net underspend of £0.719m representing a further reduction in the net cost of capital financing of £0.709m.

In relation to Interest on borrowing – the Quarter 2 forecast is an underspend of £0.282m, a further reduction of £0.150m against the position reported at Quarter 1. Temporary borrowing taken in Quarter 1 was secured at 0.50%-0.58% and rates have continued to fall further in Quarter 2 with rates now forecast by Link Asset Services as low as 0.05% for up to 3 months, and 6 month rates at 0.1%, in-line with Bank Rate and no expectation of any increase this year.

Actual temporary borrowing costs are therefore minimal, attributed to historically low short-term rates and also a reduction in the forecast borrowing requirement for the year due to reduced spending against the capital programme.

The forecast as at Q2 includes a contingency of £0.060m to cover any additional cashflow requirements arising between now and the year-end and to mitigate against any temporary rise in Local Authority lending rates that might be experienced.

The Quarter 2 forecast remains broadly in-line with the position reported at Quarter 1, a shortfall of £0.115m in investment interest against the budget of £0.255m. This is a minor movement of £0.007m additional income against the position reported at Quarter 1.

The report was noted.

## 7. Any Other Business

There was no further business to discuss.