

Cumbria Police Authority

23 March 2010
Agenda Item No 13

Budget and Council Tax increases in 2010-11.

A report by the Chief Constable and Treasurer

1. Summary

- 1.1 The purpose of this paper is to provide a resume of the final budget and Council Tax increases across the police sector for the forthcoming financial year.

2. Recommendations

- 2.1 Members are asked to note the contents of the report.

3. Details

- 3.1 Following on from the various budget reports during the current cycle, culminating in the agreements made on 17 February, this paper and attachments set out to show details of increases for all Police Authorities in England and Wales (excluding the City of London Police), in terms of individual increases in Net Budget requirement and Council Taxes. These are attached as Appendices 1 and 2.
- 3.2 But firstly to summarise the position, average increases in Council Tax and Budget requirement for the service in England and Wales and for Shire Authorities are set out in the table below, in comparison with Cumbria's position. Cumbria's ranking in the tables for both increases is also shown for information.

	Service (England and Wales) % Increase	Shire Authority % increase	Cumbria % increase	Cumbria 2010-11 increase (Rank)
Net Budget Requirement	3.05	3.05	2.78	34/42
Council Tax	3.08	3.05	3.00	=16/42

- 3.3 Members should note that, at a national level, increases in Net Budget Requirement and Council Taxes are both less than the corresponding increases for 2009-10 (which themselves were lower than the corresponding figures in 2008-09). Increases for 2010-11 will reflect the various impacts of the 'capping' regimes applied in both 2008-09 and 2009-10. In relation to increases in Council Tax, a cluster of settlements have centred around increases of 3%, with 16/42 increases amounting to an increase of 3% (+/- 0.1%).
- 3.4 So far as Cumbria's position is concerned, our increase in Net Budget Requirement was 34th out of 42 Authorities (33/42 for 2009-10) which was less than the national and shire average. In relation to Council Tax, Cumbria's increase was equal 16th out of 42 (17/42 for 2009-10) and was slightly below the service and shire average. The relationship between increases in Net Budget Requirement and the associated increase in Council Tax is not straightforward and can have a number of separate influences, including: -
- (i) The rate of increase in net spending, including the extent to which budgets are supported by reserves
 - (ii) The rate of increase in external grant
 - (iii) The proportions of external income which come from Government and Local Council Tax payers, which generates a 'gearing effect', where, in simple terms, Authorities which collect the lowest proportions of their external income from Council Taxes can have a disproportionate call to increase that income, for example to cover real terms reductions in Government Grant or real terms increases in net spending.
 - (iv) Changes to the size and composition of the Council Tax base, coupled with changes to the levels of surpluses / deficits by collection authorities

Notwithstanding the protection given to Cumbria and other Authorities, our increase in the level of grant is the equal lowest of any Police Authority, and will have impacted on our position for the coming year, as one of 16 forces and authorities whose increase in grant support for 2010-11 has been pegged to an increase of 2.5%, and has not grown at the rate of the majority of authorities, since the current formula was introduced in 2006-07.

- 3.5 In absolute terms, Cumbria's Council Tax for 2010-11, at £193.89, is the sixth highest from Authorities in England and Wales (and fourth highest shire Council Tax in England). Both these positions are unaltered from the current financial year.

- 3.6 At the time of writing this report, there have been no indications from the Department of Communities and Local Government (DCLG) about whether it intends to nominate or designate any Local Government body for capping in respect of the 2010-11 financial year. Members will be advised if any Police Authorities are placed in this position, but in the context that it is almost inconceivable to imagine that Cumbria will be nominated or designated.

Craig Mackey
Chief Constable

Douglas Thomas
Police Authority Treasurer

Appendices

1. Increases in Net Budget Requirement 2009-10 to 2010-11
2. Increases in Council Tax 2009-10 to 2010-11

Contact points for additional information

Michael Thompson – Director of Finance and Resources
Tel: 01768 217005
E Mail: michael.thompson@cumbria.police.uk

Douglas Thomas – Police Authority Treasurer
Tel: 01768 217631 (Monday and Tuesday)
E Mail: douglas.thomas@cumbria.police.uk

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Risk Management Implications: As identified in the report.

Financial Implications: As identified in the report

Personnel Implications: Non Identified

Council Tax 2009-10 to 2010-11

Appendix 2

Police Authority	Average Band D Equivalent Council Tax 09-10	Average Band D Equivalent Council Tax 10-11	% Change in Average Band D Council Tax
Name	£	£	%
Greater Manchester Police	134.26	144.33	7.50%
South Wales Police	146.35	153.67	5.00%
Devon & Cornwall Police	149.22	156.61	4.95%
Nottinghamshire Police	152.82	160.11	4.77%
Dyfed-Powys Police	173.70	181.44	4.46%
Dorset Police	172.44	180.00	4.38%
Avon & Somerset Police	161.26	168.03	4.20%
Durham Police	147.51	153.41	4.00%
Merseyside Police	140.61	146.23	4.00%
Gwent Police	174.66	181.38	3.85%
Northamptonshire Police	186.66	193.20	3.50%
Hertfordshire Police	142.82	147.82	3.50%
Wiltshire Police	152.59	157.77	3.39%
Essex Police	128.25	132.12	3.02%
Norfolk Police	185.58	191.16	3.01%
Lincolnshire Police	174.06	179.28	3.00%
Suffolk Police	156.06	160.74	3.00%
North Wales Police	195.48	201.34	3.00%
Cumbria Police	188.25	193.89	3.00%
Bedfordshire Police	140.56	144.77	3.00%
Kent Police	134.65	138.68	2.99%
Cambridgeshire Police	164.70	169.56	2.95%
Lancashire Police	142.08	146.27	2.95%
Cleveland Police	182.47	187.84	2.94%
Gloucestershire Police	193.99	199.69	2.94%
West Mercia Police	173.62	178.72	2.94%
Hampshire Police	142.11	146.25	2.91%
Northumbria Police	81.32	83.68	2.90%
South Yorkshire Police	128.60	132.33	2.90%
Staffordshire Police	172.71	177.61	2.84%
Sussex Police	134.73	138.42	2.74%
Cheshire Police	140.70	144.53	2.72%
North Yorkshire Police	199.17	204.55	2.70%
Leicestershire Police	165.21	169.63	2.68%
Humberside Police	162.41	166.47	2.50%
West Yorkshire Police	127.32	130.50	2.50%
Surrey Police	193.86	198.54	2.41%
Thames Valley Police	151.27	154.30	2.00%
Warwickshire Police	171.22	174.10	1.68%
West Midlands Police	97.98	99.45	1.50%
Derbyshire Police	161.32	163.74	1.50%
Metropolitan Police	224.34	216.83	-3.35%

Class Averages

London	-3.35%
Metropolitan Authorities	3.97%
Shire Police Authorities	3.05%
Welsh Police Authorities	4.08%

Police Authorities

Maximum	7.50%
Minimum	-3.35%
Average	3.08%