

**CUMBRIA POLICE AUTHORITY**

Minutes of a Meeting of the Cumbria Police Authority held at 11.00 a.m. on Thursday 10 February 2005 at Police Headquarters, Carleton Hall, Penrith.

**PRESENT**

Mr R Watson (Chairman)

Mrs K E Brandwood	Mr C S Moth
Ms S E Donnelly	Mrs L L Shaw
Mrs C A Egan	Mrs L Slavin
Mr T Heslop	Mr W Smith
Mr G Humes	Mr I Stewart
Mrs M Johnson	Mr A R M Toft
Ms J Lashmar	Mr J Woolley
Ms J Manners- Armstrong	

**PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

**120. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr J Nicholson.

**121. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC**

**(a) Urgent Business**

The Chairman advised Members that he intended to take an item on Carlisle Police Station, Rickergate, Carlisle, as urgent business so that Members could be updated on developments in this matter before the next scheduled meeting of the Police Authority.

**(b) Admission of Press and Public**

**RESOLVED,** that under Section 100A(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the meeting for consideration of the Agenda Item “Carlisle Police Station, Rickergate, Carlisle”, on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 8 and 9 of Part 1 of Schedule 12A of the Act.

## **122. DISCLOSURE OF PERSONAL INTERESTS**

Mrs K E Brandwood, Mrs C A Egan, Mr T Heslop, Mr G Humes, Mr C S Moth, Mr W Smith, Mr I Stewart, Mrs L Slavin, Mr A R M Toft, Mr R Watson and Mr J Woolley declared personal, but not prejudicial, interests in the item of urgent business on Carlisle Police Station, Rickergate, Carlisle.

## **123. MINUTES**

The Minutes of the meeting of the Authority held on 31 January 2005 had been circulated to all Members.

**RESOLVED,** that the Minutes of the meeting of the Authority held on 31<sup>st</sup> January 2005 be confirmed as a correct record and signed by the Chairman

## **124. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS.**

The Treasurer presented a report prepared jointly with the Acting Chief Constable. The report proposed a Treasury Management Strategy and the required Prudential Indicators for the financial year 2005/6.

The latest Code of Practice on Treasury Management, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) recommended that an annual review of Treasury Management Strategy was undertaken. In addition, the Authority was required to formally approve a series of Prudential Indicators, as set out in the CIPFA Code of Practice for Capital Finance in Local Authorities.

Traditionally the Authority approved an annual Treasury Management Strategy in accordance with the CIPFA Code of Practice. However, from previous reports Members were aware that the system of Government control over borrowing to support capital spending had been replaced as part of the Local Government Act 2003 with a self regulatory system of borrowing controls based on a Prudential Code of Practice. The report before Members brought together a schedule of Prudential Indicators alongside the Treasury Management Strategy for Member endorsement.

**RESOLVED,** that

- (1) The Strategy for Treasury Management, as set out in paragraph 4 of the report be approved;
- (2) The Prudential Indicators for 2005/06, as described in Paragraph 5 of the report and as set out in detail in Appendix 4 to the report be approved;
- (3) the criteria for drawing up the lending schedules, the limits on individual investment as set out at Appendix 1 and the revised schedule of investment counterparties required by the Code of Practice as set out in Appendix 2 be noted; and

- (4) the detailed Treasury Management Practices as required by the CIPFA Code of Practice as set out in Appendix 3 to the report, be noted.

## **125 BUDGET AND COUNCIL TAX REQUIREMENTS 2005/06**

### **(a) Police Community Liaison Forum Minute Extracts.**

Extracts from the minutes of the Allerdale, Barrow, Copeland and South Lakeland Police Community Liaison Forums, at which the Authority's budget options were presented, had been circulated with the agenda for the meeting.

**RESOLVED,** that the views expressed at the consultation meetings be noted.

### **(b) Budget 2005/06 to 2007/08**

The Treasurer presented a report prepared jointly with the Acting Chief Constable which updated Members on the Final Revenue Support Grant Settlement and advised on all of the issues to be considered in setting the Police Authority's Budget for 2005/06, including –

- (i) the Revenue Budget Requirement to support a continuation of service in 2005/06 and a range of alternative illustrations,
- (ii) the Budgetary decisions required to be taken by the Authority
- (iii) a proposed Capital Programme for 2005/06
- (iv) the legal requirement on the Treasurer to report on the robustness of the estimates and the adequacy of the Authority's Balances and Reserves
- (v) the basic amount of Council Tax and the Precepts required to support the budgets illustrated
- (vi) the scope to make savings and the risk criteria against which they had been assessed
- (vii) new funding requirements for 2005/06
- (viii) the key dates for receiving reports on the development of the 2006/07 budget and the strategic plans in anticipation of the adoption by the Government of a 3 year Financial Settlement from April 2006.
- (ix) a model resolution which could be used to propose the recommended budget and the necessary determinations for 2005/06.

The major drivers for the Authority and Constabulary in addressing the 2005/06 budget were –

- the impact of a 3.75% grant increase compared to 5.7% requirement;
- the expectation of Government for Council tax increases averaging under 5%
- a requirement to identify 3% efficiency gains of which half must be cashable
- an assumption that "efficiency gains" would be reinvested in front line policing
- the development needs of the service to meet external targets and standards

NOT PROTECTIVELY MARKED

- the impact of the Authority's budget for 2004/05 having had a lower amount "nominated" as a basis for measuring the increase in Council tax and budget spending in 2005/06, and
- the organisational and financial impact of the recent storms on the Authority's estate and assets.

Together these factors represented a significant challenge to the Authority to reconcile what were competing and incompatible demands. A budget which met the most critical of these factors could be delivered only by applying a high proportion of the cashable savings and efficiency gains to hold down the level of council tax increase that would otherwise be required. This would mean severely limiting the new investment in the service to those items which were inescapable, and deferred items which in the longer term must be addressed.

A "continuation of service" budget including the full year impact of commitments entered into in the current year, would require a budget of £89.5 million, which would in turn require a council tax increase of £9.46 (6.3%) over that for the "nominated" budget which would clearly be in excess of Government expectations and would probably lead to the Authority's budget being capped by the Secretary of State.

The Acting Chief Constable had identified savings which were analysed on a risk assessed basis in Appendix 10 to the report, and against criteria set out in Appendix 11. Appendix 12 to the report set out the essential growth required to meet inescapable developments, with a part year cost totalling £139,000 together with further needs which were to be addressed, largely by the internal reallocation of resources. There were a small number of items, including changes in the national arrangements for training new recruits, where it would not be possible to make an estimate of the likely costs, and these would be reported to the Authority as soon as they were published. A 'Reserve' had been created to pick up any infrastructure costs associated with the changes. When adjusted against the "continuation of service" budget, and assuming acceptance of a recommendation to make a contribution of £104,000 from balances to offset the temporary reduction from the council tax base yield as a result of the storms in Carlisle in January, this would support a budget of £89 million. This would require a band 'D' council tax of £155.43, an increase of £5.95 (3.98%) over the council tax to support the "nominated" budget set by the Secretary of State for 2004/05. In real terms this represented a 3.4% (£5.15) actual increase over the council tax set for 2004/5. This was the budget recommended to the Authority by the Treasurer and Acting Chief Constable.

Section 4 of the report by the Treasurer and Acting Chief Constable, together with Appendix 5, dealt with the proposed capital programme for 2005/6 which proposed 'new starts' totalling £4.339 million. After providing for slippage and commitments arising from approvals given in earlier years, the Capital Programme would total £10.610m of which £9.308m would fall to be funded in 2005-06. No borrowing would be required for 2005/6 but Members were asked to note that the reducing level of capital receipts meant that borrowing under the Prudential Borrowing Code was likely in future years. The report set out the revenue implications of the capital programme in 2005/6 and future years.

NOT PROTECTIVELY MARKED

In addition the report asked Members to approve a further capital scheme in 2004/5, in the sum of £86,000, funded from existing revenue resources, to enable the replacement of the existing Video Identification system with alternative technology which would produce savings on running costs in future years.

The Treasurer advised Members that Section 5 of the report dealt with regulatory issues arising from Section 25 of the Local Government Act 2003, including the Treasurer's statutory declaration on the robustness of the budget estimates and reserves. In presenting this section of the report he drew Members attention to the fact that £400,000 of reserves had been set aside to deal with potential outcomes from the recent storms. Subject to the comments made in the report the Treasurer believed that the balances, reserves and provisions to be adequate to underpin the budget for 2005/06.

Appendix 7 to the report set out a forecast of the committed revenue expenditure which would be incurred over the next three years to 2008-09 as a consequence of adopting the recommended budget and the potential impact on Council tax levels assuming a 3.5% increase in grant over the period. Appendix 13 provided a recommended budget timetable for the development of the 2006/07 budget. This timetable would represent a challenge but would provide benefits to the Authority in terms of its budget and strategic development processes in anticipation of 3 year financial settlements from April 2006.

The Treasurer then guided Members through Section 6 and Appendices 8 and 9 of the report which contained statutory information which enabled the Police Authority to calculate the council tax requirement and agree the precept.

In concluding his presentation to the Authority the Treasurer thanked all the staff within the Constabulary, especially those within the Financial Services directorate, who had contributed a considerable amount of hard work throughout the budget process.

In considering the budget proposals Members acknowledged that the Authority was in a difficult position in that it would like to do more to meet the aspirations of the people it had consulted who were generally willing to pay higher levels of council tax for improved policing services, but were prevented from doing so by the Government's desire to see lower levels of council tax, a desire which was backed by the threat of capping if council tax and budget increases were seen as excessive. These pressures had served to drive the Authority to its current position and the budget that was now being contemplated.

However Members were mindful that the Constabulary in Cumbria now had more police officers and more police staff than at any other time and that the special constabulary were contributing more hours than had ever previously been the case, all of which served to increase police visibility and therefore provide the reassurance the public required. In addition Airwave would be introduced within the current calendar year and there was considerable public support for the Local Policing Team initiative. These were very positive achievements by the Authority and Constabulary in recent years.

Members thanked all those within both the Authority and Constabulary who had developed the current year's budget, mentioning in particular the Treasurer, Acting Chief Constable, the Director of Finance and Resources and staff within the Finance Directorate.

**RESOLVED,** that

**1 Revised Estimates 2004-05**

(a) the revised net revenue estimates for 2004/05 as set out in appendix 3 to the report, be noted in the revised expenditure of £83.603 million plus £235,000 contingency;

(b) Approval be given for the 'Promat' System to be acquired in support of the Video Identification Parade facilities at a cost of £86,000 in 2004-05, to be financed from savings identified in the current year, and which will yield ongoing savings.

(c) The following additional sums totalling £2.433m be transferred to the stated Reserve, it being noted that at 31 March 2005, it is estimated that the Authority's General Reserve will stand at £2.830m:

	£000
• General Fund	245
• Capital Reserve	500
• IPLDP	350
• Storm Reserve	400
• Pensions – Police Officers	
Equalisation	718
Ill Health Retirement	<u>220</u>
	<u>£2,433</u>

**2 Revenue Estimates 2005-06**

(a) That the Revenue Estimates prior to use of Reserves, totalling be amended as follows:	90,446,000
(b) approve Essential New Developments detailed in Appendix 12(a)	139,000
(c) approve other developments detailed in Appendix 12(b) totalling £274,000 which can be largely met from within the Constabulary's existing resources.	16,000
(d) delete savings detailed in Appendix 10(a) to the report totalling	-609,000
	<b>89,992,000</b>
(e) That the following transfers be made to or from Earmarked Reserves	
Private Finance Initiative Reserve	100,000
Public Holidays Reserve	65,000
Pension Equalisation Reserve	-753,000
Airwave Revenue Reserve	<u>-404,000</u>
	<u>-992,000</u>
<b>(f) and the Net Revenue Estimates for 2005-06 be approved in the sum of</b>	<b>89,000,000</b>
(g) That a contribution be made from the Authority's General Reserve of	-104,000
(h) That provision be made to repay Revenue Support Grant for 2003-04 totalling	219,200
<b>(i) It being noted that the Authority's Budget Requirement for 2005-06 will be</b>	<b>£89,115,200</b>

**3. Council Tax Base 2005-06**

It be noted that the Authority has calculated the amount of 172,355.62 as the council tax base for 2005 – 06 being the aggregate of the tax bases calculated by the District Councils in accordance with Regulation 3 of the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended) made under Section 33 (5) of the Local Government Finance Act 1992.

**4. Budget Requirement**

That the following amounts be now calculated by the Authority for the year 2005 – 06 in accordance with Sections 43 to 48 of the Local Government Finance Act 1992.

(a) £100,309,000 being the aggregate of the amounts which the Authority estimates for the items set out in Section 43(2) (a) to (d) of the Act, as amended by the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2005

(b) £11,193,800 being the aggregate of the amounts which the Authority estimates for the items set out in Section 43(3) (a) and (b) of the Act, as amended by the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2005, including the amount of £219,200 deducted in respect of the repayment of Revenue Support Grant to the Secretary of State for the Amendment Report 2003-04.

(c) £89,115,200 being the amount by which the aggregate at 4(a) above exceeds the aggregate of 4(b) above, calculated by the Authority in accordance with Section 43 (4) of the Act, as its Budget Requirement for the year.

(d) £62,325,629 being the aggregate of the sums which the Authority estimates will be payable for the year in to its General Fund in respect of

Redistributed Non Domestic Rates,	£ 7,958,191
Revenue Support Grant,	£17,572,398
Principal Formula Police Grant,	£36,571,836
and the Collection Fund surplus.	£ 223,204

(e) the amount at 4(c) above	£89,115,200
less the amount at 4(d) above	<u>-£62,325,629</u>
	£26,789,571

all divided by the amount at 3 above      :- 172,355.62

£155.43 being the amount calculated by the Authority in accordance with Section 44 (1) of the Act, as the basic amount of its Council Tax for the year.

(f) Valuation Bands

	A	B	C	D	E	F	G	H
Proportions	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
Amounts	£103.62	£120.89	£138.16	£155.43	£189.97	£224.51	£259.05	£310.86

being the amounts (appropriately rounded) given by multiplying the amount at 4(e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular band divided by the number which in that proportion is in accordance with Section 47 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(g) The amount payable by each Billing Authority is set out below calculated as being the amount given by multiplying the amount at 4(e) by the tax base calculated by each District in accordance with Section 33(1) of the Act.

Calculation of the amount (of Precept) payable by each Billing Authority

C x T

Where C is the amount calculated by the Authority as its basic amount of tax at 4(e) above;

T is the amount determined by each Billing Authority as its tax base in accordance with S 33(1) of the Act as set out below

<u>District</u>	<u>Tax Base</u>	<u>Basic Tax Amount</u> £	<u>Amount Payable</u> £
Allerdale	31,516.52	155.43	4,898,613
Barrow	21,146.24	155.43	3,286,760
Carlisle	32,622.92	155.43	5,070,580
Copeland	22,030.47	155.43	3,424,196
Eden	20,100.61	155.43	3,124,238
South Lakeland	44,938.86	155.43	6,984,847
	<b>172,355.62</b>		<b>£26,789,234</b>

**5 Capital Programme**

(a) that the revised Capital Programme for 2004 – 05 and earlier years, based on an estimated out-turn of £2,615,372 for new starts in that year and £3,399,121 for approvals given in earlier years be noted together with the funding sources totalling £6,014,493 detailed in Appendix 5 to the Report.

(b) that the proposed Capital Programme for 2005 – 06 be approved in the following sums

	<u>New</u>	<u>Expenditure in Year</u>	
	<u>Scheme</u>	2005 – 06	2006 – 07
	<u>Totals</u>		
	£	£	£
New Schemes starting in 2005-06	4,339,000,	3,037,000	1,302,000
Expenditure on Schemes			
approved in earlier years			
2004 – 05		1,442,000	
2003 – 04		4,467,420	
Earlier Schemes		361,137	
<b>Total</b>		<b>9,307,557</b>	<b>1,302,000</b>

(c) that the proposed funding for the 2005 – 06 Capital Programme be financed as follows:

Capital Grants	5,486,711	1,302,000
Revenue Contributions	1,500,000	
Capital Reserve - Airwave	533,249	
- General	546,000	
Specific Grants - Airwave	400,000	
- NMIS	225,215	
- Case and Custody	616,382	
<b>Total</b>	<b>9,307,557</b>	<b>1,302,000</b>

(d) that the revenue effects on completion of the above schemes be noted at £378,000 in 2005 – 06 and £382,000 in 2006 – 07 as detailed at paragraph 4.2 of the report, and which are factored in to the three year forecasts detailed in Appendix 7 of the report.

## 6 Budget and Strategic Timetable 2005-06

(a) In preparation for the potential introduction of multi-year Financial Settlements for 2006-07 and to assist and better integrate the medium term strategic and financial planning processes, the following dates are set on which the Authority or any appointed Committee, will receive and consider reports on the budget elements detailed below.

28 June 2005	Updated three-year Medium Term Financial Forecast to 2008-09. Provisional out-turn report for 2004-05.
26 Sept 2005	Budget Outlook Report and Update to MTFF
10 Nov 2005	Efficiency and other savings for the period to 2008-09. Business case for revenue development items in period to 2008-09. Business case for Capital Expenditure in the period to 2008-09.
15 Dec 2005	Revenue Continuation Budget for the period 2006-07 to 2008-09 Report on the Provisional Financial Settlement and likely capital resources. Draft Budget options for the purposes of public consultation.
18 Jan 2006	Report detailing all strategic issues to be considered in setting a budget for 2006-07 and possibly for the period to 2008-09
15 Feb 2006	Report on the Final Settlement for 2006-07 and any further period. Budget Report for 2006-07 and any further years.

(b) The Policing Plan and Best value Committee be delegated to consider a report and to agree a timetabled programme which will deliver the Authority's strategic plans in tandem with the timetable in (a) above.

**PART II – ITEMS CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC**

**126. CARLISLE POLICE STATION, RICKERGATE, CARLISLE**

The Acting Chief Constable briefed Members on the current position concerning Carlisle Police Station following the damage incurred during the storms of the weekend 7/9 January 2005.

To progress matters with regard to the property, meetings would be required with the other organisations that occupied the site. To expedite this process it was suggested that the Clerk & Chief Executive, as the Statutory Officer, make arrangements to progress matters, including, if necessary, meetings with those other organisations.

**RESOLVED,** that the verbal report provided by the Acting Chief Constable be noted.

The meeting ended at 12.30 p.m.