

**Cumbria Police Authority**

Appendix No.	Title	Budget Report 2006 – 07 - Summary of Appendices
1	Final Police Service Financial Settlement 2006 – 07	Summarises the National Local Government Settlement for Police in 2006 – 07
2	Cumbria Police Authority Settlement 2006-07	Summarises the impact of the National Settlement on Cumbria Police Authority in 2006-07
3	Revenue Budget 2005-06 to 2007-08	Summarises Original and Revised Budgets for 2005 – 06 and the Estimated Budget for 2006-07 to 2007-08
4	Movements Table 2005–06 to 2006-07	Summarises and reconciles budget movements from 2005 – 06 to 2006-07
5	Capital Programme 2005–06 to 2008-09	Sets out the impact of those capital schemes in progress and the new schemes to be adopted in 2006-07 and their sources of funding over a three year period to 2008-09
6	Budget Illustrations 2006 - 07	Sets out Financial Impact of the illustrated and Recommended Budgets including impact on Council tax
7	Three Year Impact to 2008– 09	Shows the financial consequences of the recommended budget over a period of three years.
8	Tax Base and Precepts	Shows the Council tax base and tax surplus of the six Districts and the amount of Precept required for each of the illustrations at Appendix 6
9	Precept and Council Tax Requirements	Shows the amount of Basic Council Tax and how the Precept will be applied to each of the six Districts for each of the options illustrated at Appendix 6
10	Chief Constable Savings	Savings identified as part of the Efficiency Programme
11	Essential New Developments for 2006-07	Essential new developments to be met in 2006- 07
12	Strategic and Financial planning Processes	Sets out a recommended timetable for receipt and consideration of budget and other strategic reports over 2006-07 in preparation for 2007-08
13	Model Resolution	A model resolution reflecting the ‘Recommended’ budget
14	Council tax analysis 2006-07	Shows the impact which the ‘recommended’ budget will have on Council taxes for the eight property Bands in 2006-07 and the incidence within each District Council area.
15	Police Council Tax Levies and Budgets 1995-96 – 2006 – 07	Charts the changes in Budget and Council tax levels since 1995-96, showing for each year the Budget and % increase, and the level of Council tax and % increase.
16	ODPM response to representations	ODPM reply to representations made by Cumbria Police Authority to Provisional Settlement Proposals.
17	Manpower Statistics	Analysis of Officer and Support Staff since 1980

Appendix 1

Cumbria Police Authority

Police Funding Settlements for 2006/07 and 2007/08 compared to 2005/06

	Actual Settlement	Provisional Settlement	Final Settlement	Year on year increase	Provisional 2007-08
	2005/06	2006/07	2006/07	2006/07	2007/08
	£m	£m	£m	%	£m
<b>1. Direct funding for police authorities:</b>					
Home Office Police Grant	4,574	4,714	4,719	3.1	4,831
Transfers for Pensions & Dedicated Security Posts (DSPs) <sup>(1)</sup>	-498	-576	-594	19.2%	-608
RSG/NNDR	3,044	3,229	3,247	6.6	3,397
<b>Total General Formula Grant</b>	<b>7,120</b>	<b>7,367</b>	<b>7,372</b>	<b>3.5</b>	<b>7,620</b>
Specific Grants for police authorities	559	588	588	5.2	840
Special Formula Grant <sup>(2)</sup>	193	193	193	0.0	193
Transfers for Pensions & DSPs	498	576	594	19.2	608
<b>Total Specific Grants etc</b>	<b>1,250</b>	<b>1,357</b>	<b>1,375</b>	<b>10.0</b>	<b>1,641</b>
<b>2. Capital Grants &amp; Support</b>	362	413	413	14.1	370
<b>3. Central Spending</b>	1333	1433	1,433	7.5	1,416
<b>Grand Total</b>	<b>10,065</b>	<b>10,570</b>	<b>10,593</b>	<b>5.2%</b>	<b>11,047</b>

Police Specific and Special Grants 2006-07 and 2007-08 compared to 2005-06

	Actual Settlement	Provisional Settlement	Final Settlement	Year on year increase	Provisional
	2005/06	2006/07	2006/07	2006/07	2007/08
	£m	£m	£m	%	£m
Crime Fighting Fund	277	277	277	0%	277
Neighbourhood Policing Fund	37	88	88	138%	340
Community Support Officers	42	44	44	5%	47
Counter Terrorism (Existing provision)	99	99	99	0%	99
Basic Command Units	50	50	50	0%	50
Initial Police Learning & Development Programme	5	13	13	171%	13
Other	49	17	17	-65%	14
<b>Total specific grant</b>	<b>559</b>	<b>588</b>	<b>588</b>	<b>5.2%</b>	<b>840</b>

## Schedule of Savings Resulting from Cashable Efficiencies Approved for Efficiency Plan 2006-07

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
1	Reduce - Other Contracted Out Services ( CJU Sen Enq level)	4	Negligible Impact – Very limited & Temporary reduction in user (staff) satisfaction	3	The filling of the long time vacant Decision Maker post by a retiring police officer and robust management of existing staff should alleviate the pressures in CJU.
2	Reduced cost of ID parade management. Change to PROMAT.	5	Negligible Impact – Very limited & Temporary reduction in user satisfaction	4	Change in supplier and system. Review effectiveness of substitute system
3	Reduce Car Allowances - reduced no's staff attracting allowances	3	Negligible Impact – Very limited & Temporary reduction in user (staff) satisfaction	4	Robust monitoring of allowances required.
4	Reduce Furniture budget	2	Negligible Impact – Very limited & Temporary reduction in user satisfaction/Failure to achieve an internally agreed objective	3	Ensure H & S requirements are met
5	Reduce Medical Fees budget	4	Negligible Impact –Failure to achieve an internally agreed objective – budget may be insufficient due to unknown no. of PM's in any one year. 2 <sup>nd</sup> year of reduced devolvement – 1 <sup>st</sup> yr achieved £4k saving at yr end	3	Take steps to supplement from other budgets if disproportionate no. of PM's arise
6	Review Operational Equip budget	3	Negligible Impact –Failure to achieve an internally agreed objective.	2	Evaluate all requests for large items of equipment ensuring corporate approach. Will require strong local management of resources
7	Reduce number of Publications	2	Negligible Impact –Failure to achieve an internally agreed objective – knock on effect of other budget (i e. stationery) that have historically been supplemented by this budget.	2	Monitor usage of resources and evaluate requirements. Robust local monitoring to ensure achieved.
8	CSI Standby, reduce from 2 to 1 for BCU. (inc Ers NI)	14	On Trial 2005/6, limited and short term reaction from staff.	4	Constant review of performance, introduced 05/06 without problems occurring.
9	ID Parades – PROMAT to replace VIPER	10	Introduced 2005/2006, teething problems being overcome.	1	New system bedding, additional savings identified.
10	Police Staff – Public Holidays. ( inc Ers NI)	4	Negligible impact, staff prefer CTO Which can be managed	4	Robust management. Use of Light Duty officers.

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
11	Police Staff – Overtime. ( inc Ers NI)	6	Remote chance of short-term task backlogs. Fund from vacancies	1	Robust management of staff and tasks. Review of outputs
12	Agency Staff	3	Fund from vacancies. Possible short term backlogs	2	Planned management of work flows. Robust management
13	Furniture	3	Short term staff reaction	4	Only respond to H&S requests
14	Operational Equipment	3	Short term staff reaction	4	Introduce better management and care of equipment by Officers.
15	Community Safety	5	None.	1	Tap into more external funding
16	Reduced travel and Subsistence budget – targeted use of travel, zoning of minimum cover overtime	10	Likelihood 4 – impact 2	8	Need to ensure co-ordinating and supervision not adversely affected
17	Reduced electricity budget. Gains over previous years not adjusted in the budget. Reduce electricity budget	10	Impact 1 – Likelihood 4	4	Based on current prices little or no effect to performance
18	Reduced numbers of staff attracting casual and essential user classification. Reduce Car allowance budget	5	New force policy introduced post budget setting – Likelihood 4 impact 2	8	N/A unless policy revised and more posts attract the allowance.
19	Reduced cost of ID parade management. Change to PROMAT. Further reduction on 2005/6 target	5	Likelihood 4 – impact 1	4	Change in supplier and system. Review effectiveness of substitute system
20	Telephone input re. Crime Recording	6.5	Cashable savings relate to reduced overtime costs in the Crime Input Bureau	2	Current policy of telephone inputting to remain in place.
21	Reduction in number of qualification shoots required on the baton gun and a reduction in the number of BCU based AFO's	5	Cashable savings as less baton rounds required. Saving is net of new equipment requiring initial expenditure.	2	Ensure new policy is adhered to.
22	Change of kennel cleaning product in Dog section and introduction of dispensers. New product 25% cheaper than previous product.	3.6	Negligible – new product already in use.	2	Animal welfare checks, together with H&S checks for staff, to ensure no adverse reaction to new product.

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
23	Reduce Force Contingency Fund with a view to either reducing the Force Budget or reinvesting in Policing. The reduction will require the Force to think smarter about how we resource activities, rather than relying on the fund for additional resources.	12	Very limited and temporary reduction in user satisfaction. Due to processes in accessing the Fund. It has not been fully consumed over the past few years. Therefore the likelihood that any reduction will impact on delivery of service is nil.	1	Make sure BCU Commanders and Department Heads are aware there will be a reduced fund against which they can bid and that they will be required to resource more growth from existing resources.
24	Review and manage Printing & Stationery costs	3	Negligible Impact. Very limited and temporary reduction in user satisfaction	1	Requires strong local management
25	Revise the mix of internal & external printing to ensure value for money for print orders.	9	Marginal Impact. Temporary reduction in user satisfaction	2	Introduce & communicate strong guidelines for process
26	Broad estimate of procurement savings available across authority	100	Marginal Impact. Temporary reduction in user satisfaction	4	Set up evaluation process to consider current and future requirements
27	Reduction of Treasury Staff Hours, Service Maintained	4.6	Negligible Impact. Very limited and temporary reduction in user satisfaction	1	Utilise performance monitoring to ensure maintenance of service
28	Enable child minder payments via payroll. Net effect of reduction of Employers NI and cost of processing	8.2	Negligible Impact. Very limited and temporary reduction in user satisfaction	1	Project allows for external expertise to promote and deliver. Utilise strong project management techniques to deliver the project on time and within budget.
29	Pro-active management of duty rostering and recruitment profiling to enable police staff vacancies to be managed at an efficient level.	250	Negligible Impact	2	Not applicable.
30	Amend the format and style of the Statutory Accounts. Prepare, and print, the document in black and white, not colour. Use cheaper materials to produce hard copies (lighter weight of paper). E-mail, or send on disc, copies to other Forces etc rather than mailing a hard copy.	1	Negligible Impact. Very limited and temporary reduction in user satisfaction. Isolated adverse media coverage	1	Effective consultation with stakeholders
31	Review the managed budget "Grants & Contribution" (Subscriptions). Evaluate the requirements for subscriptions, etc to groups and forums.	5	Negligible Impact. Very limited and temporary reduction in user satisfaction	2	Set up evaluation process to consider current and future requirements
32	Review the use of the Miscellaneous Budget currently managed by Financial Services	30	Negligible Impact. Very limited and temporary reduction in user satisfaction	2	Set up evaluation process to consider current and future requirements

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
33	Reduction of Employee Relations Officer Post to 4 days a week – not filling current one day vacancy	8.3	Critical Impact in reduction of user satisfaction with services. The likelihood is probable.	12	Monitor performance levels  The risk level was discussed at some length by RSB, who decided it should remain at that level due to increasing burdens place upon the unit and the risk of not dealing with issues likely to lead to employment disputes, which are both costly and damaging to the reputation of the Constabulary.
34	Reduction of stationery budget by 10% - manage resources more efficiently	0.75	Negligible impact on failure to achieve an internally agreed objective to remain within budget. The likelihood is remote.	2	Monitor usage of resources to avoid excess buying and reduce wastage.
35	Assessment Centres – change of assessment process to national SEARCH model. This results in a large reduction in the number of assessment centres to just one four-day week instead of ten weekends to recruit the same number of people.	4	Marginal impact on failure to achieve recruitment targets if insufficient numbers pass the recruitment process. The likelihood is remote	2	Monitor percentage of successful candidates at assessment.  Monitor staffing levels to ensure appropriate numbers of officers are recruited to cover wastage.
36	Revised process for Recruitment medicals by vetting recruits prior to medical to avoid wasted appointments and unnecessary bills in doctor time and associated clerical work.	0.7	Negligible impact with very limited and temporary reduction in user satisfaction if medical appointments continue to be wasted. Likelihood is probable.	4	Build up list of candidates that can be called at short notice to fill cancellations
37	Cancelling publications – new internet service will delete duplication and provide one point for research	0.7	Negligible impact on failure to achieve locally agreed objective. The likelihood is reasonably probable.	3	Monitor new resource to ensure fit for purpose.
38	Change of policy for reimbursement of spectacles – issue for VDU use only.	10	Marginal impact with temporary reduction in user satisfaction from staff that could result in localised adverse media coverage. Likelihood is remote.	4	Ensure new policy is adhered to.
39	Pension review to reduce injury on duty awards.	25	Marginal impact with temporary reduction in user satisfaction from pensioners that could result in localised adverse media coverage. Likelihood is very probable.	8	A feasibility study is being carried out at present to ensure viability.

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
40	Counselling/Physio – change in policy to encourage GP referral.	10	Marginal impact with temporary reduction in user satisfaction. Likelihood is reasonably probable.	6	Monitor GP referral times to ensure no detriment to health of individual.
41	Change of system process in HMU making a computer system redundant therefore deletion of maintenance contract	1.7	Negligible impact as data is still available. Likelihood is extremely remote.	1	No risk
42	Reduce the amount of funding available in the IT consultancy budget	30	Reduction in the flexibility and service IT could provide in supporting systems where external expertise is required and there is no in-house expertise or free resource available. Flexibility often required matching shortfalls in funding or urgent demand.	6	<p>Reduced funding available for system management of changes required by the Constabulary where not covered by the hardware/software maintenance contracts This could result in long periods of systems not being available for use. For Example flood usage of HP consultants to advise on recovery</p> <p>No funds for buying in services for consultants to look at business change and IT management developments designed to drive productivity and effectiveness</p> <p>No funds for support to force projects where the projects have failed to secure sufficient funds for the work/backfill required. For Example ANPR, VISOR</p> <p>No research or quick win funding to try/trial new ideas.</p>
43	Reduce IT hardware purchase Budget	12	Reduction in the purchase that IT can make for the constabulary to support its business for hardware items that are outside of the capital program (value and quantity below the capitalisation limit). This runs the risk of directly impacting operational policy.	6	Area/departments requiring hardware in the future will need to vire the funds to IT. For example Control Centre upgrade of telephones to support voice recording system.
44	Reduce IT software purchase Budget	5	Reduction in the purchase that IT can make for the constabulary to support its business for software items that are outside of the capital program (value and quantity below the capitalisation limit). This runs the risk of directly impacting on operational policy.	6	Area/departments requiring software in the future will need to vire the fund to IT. For example PIMMS, Fleet Upgrades.

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
45	Network Hardware maintenance	10	Review and reline existing contracts.	4	NO risk to current services.
46	Telephone calls and rental	5	Negotiate new call tariff with suppliers.	4	
47	Radio Pagers	20	Pagers no longer supplied cease service provided. Impact on users with poor mobile access, which may impact on call duties.	4	Look at keeping minimal services for users in mobile hotspots.
48	Renegotiate catering contract and make vending machines self-funding.	20 (as a result of removing subsidy)	The impact is likely to be a removing of vending machines for food and hot drinks. Other vending machines may come under threat. Consequent impact on staff morale considered low. Risk of contract not being renegotiated on that basis is medium.	6	Potential to increase food prices to make vending machines viable.  Confident target achievable. Impact not known until catering contract re-negotiated but should be ok.
49	IT Hardware Maintenance	50	Review existing contracts and services. Once out of warranty do not put equipment on maintenance either hold appropriate spares or replace from capital when faulty. Increases risk of hardware failure and / or increased repair and management times for fault resolution. This will in the long run, reduce the services provided by IT.	12	Confident that this reduced target (previously £85k) is achievable and recommend referred to next stage.
50	Deletion of ½ post in Data Protection which was being “protected” to support Vetting Officer and vetting checks (internal recruitment)	8	Delays in recruitment process. Likelihood is remote if control measures are effective.	4	Absorb work into IPCC funded growth, implement Parasol database.  Whilst PESG is of the opinion that the risk might be understated we cannot think of anything else that delivers service without significant impact on service/response.

No	Description of Efficiency	Cashable Saving £k	Description of Impact and Likelihood (see below)	Risk Score (see below)	Risk Management Steps Required
51	Reduction in Contracted out Services budget line	2.7	Marginal (2) x Probable (4)	8	Prioritisation of initiatives
	<b>Total</b>	<b>762.75k</b>			

## Impact Assessment

Potential Impact	Catastrophic	Critical	Marginal	Negligible
Failure to meet a Constabulary or local objective	Failure to deliver on a priority.	Failure to deliver on an objective.	Failure to deliver on a publicly stated performance target (PSA 5 year targets)	Failure to achieve an internally agreed objective.
Death, injury, or illness of staff or a member of the public	Death or serious injury of a service user, member of staff, or member of the public due to police actions or inaction	Injury of a service user, member of staff, or member of the public due to police actions or inaction	Death or serious injury of a service user, member of staff, or member of the public despite appropriate police actions	Injury of a service user, member of staff, or member of the public despite appropriate police actions
Disruption to service provision	Inability to provide emergency policing services	Reduced ability to provide emergency policing services in more than one location	Reduced ability to provide emergency policing services in one location	Slight reduction in emergency policing services in one location
Damage to public confidence in the police	Widespread and permanent reduction in public confidence	Limited but permanent reduction in public confidence	Very limited and temporary reduction in public confidence.	
Reduced user satisfaction with services	Widespread and permanent reduction in user satisfaction	Limited but permanent reduction in user satisfaction	Temporary reduction in user satisfaction	Very limited and temporary reduction in user satisfaction
Damage to the Constabulary's and/or the Authority's reputation	National adverse media coverage. Damage to reputation with the government.	Countywide adverse media coverage. Compulsory redundancies	Localised adverse media coverage	Isolated adverse media coverage
Failure to comply with legislation	Conscious failure to comply with legislation.	Unconscious failure to comply with legislation.		
Failure to deliver government policy		Failure to deliver on stated government priority.	Failure to deliver on multiple other government policies.	Failure to deliver on one government policy.
Damage to assets/infrastructure	Destruction of building (s) Inability to maintain information infrastructure.	Damage in excess of £100k Minor reductions in information infrastructure.	Damage in excess of £10k	Damage less than £10k
Damage to the environment	Permanent and significant environmental damage	Permanent environmental damage.	Temporary environmental damage	

**Likelihood Assessment:****Probable** – likely to occur in the short term**Reasonably probable** – probably will occur at some point**Remote** – may occur in time**Extremely remote** – unlikely to occur**Risk Scoring:**

Probable 4	4	8	12	16
Reasonably probable 3	3	6	9	12
Remote 2	2	4	6	8
Extremely Remote 1	1	2	3	4
	Negligible Impact 1	Marginal Impact 2	Critical Impact 3	Catastrophic Impact 4

**Cumbria Police Authority  
Assessment of Essential Developments for 2006-07:**

Description	Value 2006-07 £000	Full Year £000	Risk of Not Doing	Impact on Performance of Not Doing
<p><b>Support for PNC Bureau</b></p> <p>Recent changes in legislation have impacted on the way in which the PNC is updated. This has resulted in a significant growth in the work of PNC records bureau, with recordable offences having increased by about 80% as a result of the changes. As a consequence of the above increase, the various performance targets for timely input to PNC cannot be met from existing staff resources. The bid is for two additional members of staff, initially for two years to allow performance to recover and to assess the longer term requirements of the unit.</p>	40	40	<p>There are a number of serious implications of not maintaining an up to date PNC. Clearly, most recent information will not be available to the system and there would be implications for the Constabulary in the event that a serious event took place, which might have been prevented with more up to date information. Not progressing this issue would, in addition, be seen as not embracing the Bichard agenda.</p>	<p>There are a number of specific PI's relating to performance inside the PNC recording bureau. Specifically, 90% of new recordable offences are required to be input onto PNC within 24 hours and 75% of all court results are required to be input within 10 days. The growth in workload, from about 1000 recordable offences per month to about 1800. These PI's are not being met without additional staff to support the bureau.</p>

Description	Value 2006-07 £000	Full Year £000	Risk of Not Doing	Impact on Performance of Not Doing
<p><b>Upgrade of CJX to PNN3</b></p> <p>PNN3 is the national infrastructure for the secure communications service CJX. As a result of significant increases in national usage, plus further projected national increases, there is a requirement to upgrade the network infrastructure. Forces have been advised that they will be expected to absorb the additional costs.</p>	25	50	The PNN is a national police infrastructure. Forces have no option other than to accept the increases if they wish to remain within the infrastructure.	Forces have no real option other than to stay within the national infrastructure.
<p><b>Neighbourhood policing Analyst</b></p> <p>The Police Authority has supported the development of Local Policing Teams and a community policing philosophy. Part of that philosophy is that Neighborhood officers need to properly understand the communities they operate within. A neighborhood policing pilot study has been established to take forward this work, including developing a number of analytical products around community information. This work now needs a full time analyst to formally take forward the current pilot work.</p>	25	25	Some of the wider benefits of the neighborhood policing policy would be lost without the ability to properly analyse community demographics and neighborhood social and crime data.	Better performance, brought about by properly maintained social and crime profiles, would be lost.

Description	Value 2006-07 £000	Full Year £000	Risk of Not Doing	Impact on Performance of Not Doing
<p><b>Vetting and Disclosure support</b></p> <p>The Constabulary has recently assessed the effects of the recommendations arising from Bichard on disclosure and vetting processes, and believes that there will be a greater demand for Criminal Record Bureau (CRB) searches, with increasing numbers of more complex searches. It is estimated that the vetting and disclosure teams need three and two more staff respectively. The additional staffing costs will be offset, to some extent by additional income from fees for this work.</p>	45	45	The Constabulary will, increasingly, be unable to meet the vetting and disclosure responsibilities placed upon it. There will be longer lead times between requests made of the constabulary and the ability to effectively manage those requests.	The Performance Indicators which measure the effectiveness of this function will decrease as demand increases. There is a general public expectation that vetting and disclosure processes will be carried out in a timely and effective manner. Failure to do so will impact on the reputation of the Constabulary.
<b>Total</b>	<b>135</b>	<b>160</b>		

## Cumbria Police Authority

### Recommended Budget and Strategic Timetable 2006-07

1. In order to support the further development of multi-year Financial Settlements for 2007-08 and future years and to assist and further integrate the medium term strategic and financial planning processes, the following timetable is recommended for the Authority or an appointed Committee, to receive and consider reports on the budget and strategic elements detailed below.

#### **Audit and Performance Committee**

22 June 2006 Provisional out-turn report for 2005-06

#### **Authority Meetings**

- |              |  |
|--------------|--|
| 28 June 2006 | Updated three-year Medium Term Financial Forecast to 2009-10.  |
| Sept 2006    | Budget Outlook Report and Update to Medium Term Financial Forecast   |
| Nov 2006     | Efficiency and other savings for the period to 2009-10.<br>Business case for revenue development items in period to 2009-10.<br>Business case for Capital Expenditure in the period to 2009-10.  |
| Dec 2006     | Revenue Continuation Budget for the period 2007-08 to 2009-10<br>Updating report on the already announced Provisional Financial Settlement and the allocation of capital resources for 2007-08.<br><br>Draft Budget options for the purposes of public consultation. |
| Jan 2007     | Report detailing all strategic issues to be considered in setting the budget for 2007-08 and possibly for the period to 2009-10  |
| Feb 2007     | Report on the Final Settlement for 2007-08 and any further period.<br>Budget Report for 2007-08 and any further years.   |

2. As was the case in the current year, it is recommended that the Policing Plan and Best Value Committee be delegated to consider a report and to agree a timetabled programme to be tabled by the Chief Constable in consultation with the Authority Treasurer and the Director of Finance and Resources, which will deliver the Authority's strategic and budget plans in accordance with the timetable detailed above.

# Cumbria Police Authority

Appendix 13

## Formal Resolution – Revenue Budget, Precept and Capital Programme 2006 – 07

### 1. Revised Estimates 2005-06

(a) That the revised net revenue estimates for 2005 – 06 as summarised in Appendix 3 to the report of the Treasurer and Chief Constable in the estimated amount of £88.949m, plus £142,000 contingency, be noted

(b) The following revised amounts totalling (-£195,000) net be transferred from (£3,327m) or to (£3.132m) the stated Revenue Reserve for the year ending 31 March 2006, it being noted that at that date it is estimated that the Authority's General Reserve will stand at £3.458m, equivalent to 3.8% of forward year expenditure:

	<b>Transfers 2005-06</b>	
	<b>To</b>	<b>From</b>
	<b>£000</b>	<b>£000</b>
<b>Revenue Reserves (Earmarked)</b>		
Airwave Reserve	373	405
Pensions Reserve –Police Officers	400	
Equalisation		752
Ill Health	50	
Public Holidays	65	
IPLDP		275
Pay Arrears		42
LPT Accommodation Phase 1		157
Management of Change		33
Devolved Budgets	42	105
Revenue Financing of Capital	324	18
LDSAMRA – Grant Reserve	167	
RMS/IMPACT Reserve	212	
Major Storm Reserve	<u>1,036</u>	1,436
	2,669	
<b>General Reserve Fund</b>	<b>463</b>	
Precept Contribution 2005-06	<u>0</u>	<u>104</u>
	<b>3,132</b>	<b>3,327</b>
		<b><u>-3,132</u></b>
<i>Net Transfer <u>from</u> Earmarked Reserves for 2005-06</i>		<b><u>195</u></b>

## 2. Revenue Estimates 2006-07

(a) That the Revenue Estimates prior to use of Reserves or reduction for efficiency savings or approvals to growth and totalling be amended as follows:	<b>91,506,000</b>
(b) approve Essential New Developments detailed in Appendix 11 and having a full year cost of £160,000 in 2007-08	135,000
(c) approve the revenue effects of Capital Schemes detailed in Section 4 paragraph 4.2 of the report totalling	197,000
(d) delete efficiency savings detailed in Appendix 10 to the report	- 763,000
(e) note the achievement of 'other savings' totalling	-430,000
	<b>90,645,000</b>
(f) that the following transfers be made to or from (-) Earmarked Reserves	
Public Holidays Reserve	65,000
Management of Change Reserve	-100,000
IPLDP Reserve	-150,000
Devolved Budgets Reserve	-30,000
LDSAMRA Grant Reserve	-56,000
LPT Accommodation Reserve – Phase 1	-57,000
RMS / IMPACT Reserve	-212,000
Revenue Financing of Capital Reserve	-324,000
Airwave Revenue Reserve	-460,000
	<b><u>-1,324,000</u></b>
(g) and the Net Revenue Estimates for 2006-07 be approved in the sum of	<b>89,321,000</b>
(h) That a contribution be made to the Authority's General Reserve of	545,855
(i) That provision be made to repay Revenue Support Grant for 2004-05 and 2005-06 Amending Reports totalling	461,145
(j) It being noted that the Authority's <b>Budget Requirement</b> for 2006-07 will be	<b>£90,328,000</b>

## 3. Council Tax Base 2006-07

It be noted that the Authority has calculated the amount of 173,617.07 as the council tax base for 2006 – 07 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 2006 – 07 in accordance with Sections 43 to 48 of the Local Government Finance Act 1992.

(a) £100,612,855 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, including a contribution of £545,855 to its General Reserve Fund and £205,000 to earmarked reserves

(b) £10,284,855 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 amounts totalling £1,389,000 to be transferred from earmarked reserves in 2006-07 and the sum of £461,145 deducted in respect of the repayment of Revenue Support Grant to the Secretary of State in respect of the Grant Amendment Reports 2004-05 and 2005-06.

(c) **£90,328,000** 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) £62,014,049 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,	£27,077,697
Revenue Support Grant,	£ 5,226,960
Principal Formula Police Grant,	£29,461,117
and the Collection Fund surplus.	£ 248,275

(e) the amount at 4(c) above £90,328,000  
less the amount at 4(d) above -£62,014,049  
£28,313,951

all divided by the amount at 3 above :- 173,617.07

£163.08 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	£108.72	£126.84	£144.96	£163.08	£199.32	£235.56	£271.80	£326.16

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 of £163.08 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	31,458.69	163.08	5,130,283
Barrow	21,211.00	163.08	3,459,089
Carlisle	33,562.83	163.08	5,473,426
Copeland	22,137.67	163.08	3,610,211
Eden	20,215.55	163.08	3,296,751
South Lakeland	45,031.33	163.08	7,343,709
	<u>173,617.07</u>		<u>£28,313,469</u>

## 5 Capital Programme

(a) that the revised Capital Programme for 2005 – 06 and earlier years, based on an estimated out-turn of £6,227,115, be noted together with the funding sources detailed in Appendix 5 to the Budget Report.

(b) that the proposed Capital Programme for 2006 – 07 detailed in Appendix 5 to the report of the Treasurer and Chief Constable be approved in the following sums

	<u>New</u>	<u>Expenditure in Year</u>	
	<u>Scheme</u>	2006 – 07	2007 – 08
	<u>Totals</u>		
	£	£	£
New Schemes starting in 2006-07	295,000	295,000	
Vehicle and It Renewal			
Programmes 2006-07	1,311,000	1,311,000	
Indicative Renewals Programme 2007-08			1,703,000
Expenditure on Schemes approved			
to start in - 2005 – 06		4,289,426	626,500
2004 – 05		578,859	
Earlier Years		2,447,527	1,225,812
<b>Total</b>	<b>1,606,000</b>	<b>8,921,812</b>	<b>3,555,312</b>

(c) that the 2006 – 07 approved Capital Programme be financed as follows:

Capital Grants	3,522,415	1,905,312
Capital Receipts	150,000	150,000
Revenue Contributions	1,824,098	1,500,000
Earmarked Revenue Reserve	100,000	
Capital Reserve - Airwave	400,000	
- General	1,675,000	
Capital Income	70,133	
Specific Capital Grants	1,180,166	
<b>Total</b>	<b>8,921,812</b>	<b>3,555,312</b>

(d) that the additional revenue effects on completion of the above schemes be noted at £197,000 in 2006 – 07 and future years 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 2006-07**

(a) In order to support the further development of multi-year Financial Settlements for 2007-08 and future years and to assist and further integrate the medium term strategic and financial planning processes, the following dates be set on which the Authority or an appointed Committee, will receive and consider reports on the budget and strategic elements detailed below.

### **Audit and Performance Committee**

22 June 2006 Provisional out-turn report for 2005-06

### **Authority Meetings**

28 June 2006 Updated three-year Medium Term Financial Forecast to 2009-10.

Sept 2006 Budget Outlook Report and Update to MTFF

Nov 2006 Efficiency and other savings for the period to 2009-10.  
Business case for revenue development items in period to 2009-10.  
Business case for Capital Expenditure in the period to 2009-10.

Dec 2006 Revenue Continuation Budget for the period 2007-08 to 2009-10  
Updating report on the already announced Provisional Financial Settlement and allocation of capital resources for 2007-08.  
Draft Budget options for the purposes of public consultation.

Jan 2007 Report detailing all strategic issues to be considered in setting a budget for 2007-08 and possibly for the period to 2009-10

Feb 2007 Report on the Final Settlement for 2007-08 and any further period.  
Budget Report for 2007-08 and any further years.

(b) The Policing Plan and Best value Committee be delegated to consider a report and to agree a timetabled programme to be tabled by the Chief Constable in consultation with the Authority Treasurer, which will deliver the Authority's strategic plans in accordance with the timetable detailed in (a) above.



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GJMBRIA

26 JAN 2006

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24 January 2006

Dear Mr Thomas,

**PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2006/07 AND 2007/08**

Thank you for your letter of 9 January 2006 about the provisional local government finance settlement for 2006/07 and 2007/08.

Can I first of all assure you that Ministers have carefully considered the points made, alongside all others, in making their final decisions on the settlement. The final settlement will be announced shortly.

The Government proposals for local government provide continued investment in local services. Overall Government grant will increase by 4.5% and 5.0% over the next two years.

Ministers are pleased that the Government have been able to deliver a provisional settlement for local government which provides, for the first time, allocations for all English local authorities for 2006/07 and 2007/08. The vast majority of individual specific grant allocations have also been announced to local authorities covering these two years.

The Government's proposals for grant distribution include a new grant system which focuses on the cash which councils are to receive, and incorporates updated grant formulae that use data from the 2001 census and recent information on what drives service costs. The introduction of the new formulae will be phased in to provide a further level of protection for authorities whose formula share will be smaller. The Government proposals for the floor guarantee means that all authorities will see a reasonable increase in ODPM formula grant each year.

Following the work which the Government undertook jointly with the Local Government Association, the provisional settlement incorporates extra provision over and above previous plans of £305m in 2006/07 and £508m in 2007/08. The Government are also committed to working with local authorities to take action on pressures, including a strengthening of the New Burdens procedure and a continued commitment to discussing new burdens with local government and measures to mitigate them. The Government will also be looking at managing pressures in the areas of pay and pensions, adult social services and waste, particularly in the context of CSR07. Ministers believe that it is, of course, important that local government look to continue to deliver efficiency gains which the Government expect to be at least £6.45 billion by 2007/08.

The Government's proposals will enable councils to deliver effective services without imposing excessive council tax increases. The Government expects the average council tax increase in England in 2006/07 and 2007/08 to be less than 5% in each year. The Government are prepared to take capping action to deal with any excessive increases, as the Government have done over the past two years.

Yours sincerely,

**Peter Gibb**