

**CUMBRIA POLICE AUTHORITY**

**Minutes of a Meeting of Cumbria Police Authority held on Wednesday 15  
February 2006 at Police Headquarters,  
Carleton Hall, Penrith commencing at 1.30pm.**

**PRESENT**

Mr R Watson (Chairman)

Mr M Ash	Mr J Mallinson
Mr A L Barry	Mr C S Moth
Mr R S Cole	Mr J Nicholson
Ms S E Donnelly	Mrs L L Shaw
Mrs C A Egan	Mrs L Slavin
Mrs P M Halfpenny	Mr W Smith
Mrs M Johnson	Mr J Woolley
Ms J Lashmar	

**Also present:**

Clerk /Chief Executive (Mr C.R. Alcock)  
Treasurer (Mr D. Thomas)  
Chief Constable (Mr M Baxter)  
Deputy Chief Constable (Mrs C. Twigg)  
Assistant Chief Constable (Mr N Rhodes)  
Constabulary Director of Finance and Resources (Mr M Thompson)  
Chief Superintendent R Smith  
Constabulary Head of Marketing and Communications (Ms G Shearer)  
District Auditor (Mr M Thomas)  
District Audit Manager (Mr R McGahon)  
Deputy Clerk (Mr S. Edwards)

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

**154. APOLOGIES FOR ABSENCE**

There were no apologies for absence, all Members being present.

**155. EXCLUSION OF THE PRESS AND PUBLIC**

There were no items on the Agenda for which the Press and Public were to be excluded.

**156. DISCLOSURE OF PERSONAL INTERESTS**

Mrs C A Egan and Mr C S Moth declared personal and prejudicial interests in Agenda Item No. 11, Carlisle Custody Facilities, as North Cumbria Magistrates. Mrs

C A Egan declared further personal and prejudicial interests in Agenda Item No. 11 as a local resident and as her husband was an officer of Carlisle City Council.

Mr J Mallinson declared a personal, but not prejudicial, interest in Agenda Item No. 11, Carlisle Custody Facilities, as a Member of Cumbria County Council and the Local County Councillor for Houghton and as a Member of Carlisle City Council.

Mr R Watson declared a personal, but not prejudicial, interest in Agenda Item No. 11, Carlisle Custody Facilities, as a Member of Cumbria County Council, and Carlisle City Council.

Mr M Ash, Mr A L Barry, Mr R S Cole, Mrs P M Halfpenny, Mr J Nicholson, Mr W Smith and Mr J Woolley declared personal, but not prejudicial, interests in Agenda Item No. 11, Carlisle Custody Facilities, as Members of Cumbria County Council.

### **157. MINUTES**

The Minutes of the meeting of the Authority held on 18 January 2006 had been circulated with the Agenda.

**RESOLVED,** that the Minutes of the meeting of the Authority held on 18 January 2006 be confirmed as a correct record and signed by the Chair.

### **158. OVERVIEW OF THE POLICING PLAN 2006/07**

The Chief Constable introduced a report that provided up to date information on the Policing Plan for 2006/07. The report indicated the policing services that it was planned to deliver with the recommended Budget. The report was intended to support consideration of the Budget Report and Efficiency Plan later on the Agenda.

**RESOLVED,** that the information on the 2006/07 Policing Plan contained within the report by the Chief Constable be noted.

### **159. TREASURERY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2006/07**

The Treasurer reminded Members that 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 be undertaken by public authorities. He presented a report, prepared jointly with the Chief Constable, which proposed the strategy for the Financial Year 2006/07. 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. This latter item was to reflect that the system of Government control over borrowing to support capital spending had been replaced with a self regulatory system of borrowing controls based on a Prudential Code of Practice.

The strategy to manage Treasury risks for 2006/07 reflected the practice in both current and recent years and a major factor of the management of risk was that the

Authority would continue to search for optimum returns on investments, taking into account at all times the security of the sums invested.

With regard to the Prudential Indicators the Authority had inherited a debt of approximately £4 million from Cumbria County Council in 1995 which related to external borrowing by the Council for police Capital expenditure prior to 1990. This had subsequently been repaid and refinanced through the PWLB, of which the current balance was £1.4m. For the Financial Year 2006/07, as for all previous years since 1990, the Capital programme as put forward for approval by the Authority would not require new external borrowings. However, at the present time the programme did not make proposals to address the replacement of facilities in the North Cumbria BCU seriously damaged and vacated as a result of the storms in January 2005. Once these proposals became more robust borrowing might be required, and if that was the case then the Prudential Indicators could be reviewed at that time. In addition, the Capital programme for 2006/07 was less clear than would normally be the case because of uncertainties arising from proposals for the amalgamation of Police Authorities and Forces.

- RESOLVED,** that,
- (1) The Strategy for Treasury Management as set out in Paragraph 4 of the report, be approved.
  - (2) The Prudential Indicators for 2006/07, as described in Paragraph 5 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 investments as set out at Appendix 1 to the report, and the revised schedule of investment counterparties required by the Code of Practice as set out in Appendix 2 to the report be noted: and
  - (4) The detailed Treasury Management Practices (TMP's) as required by the Code of Practice, as set out in Appendix 3 to the report, be noted.

#### **160. TREASURY MANAGEMENT ACTIVITIES FOR THE PERIOD DECEMBER 2005 TO JANUARY 2006**

The Treasurer presented a report jointly with the Chief Constable the purpose of which was to report on the Treasury Management activities that had taken place between December 2005 and January 2006, as required by the CIPFA Code of Practice on Treasury Management.

**RESOLVED,** that, the report be noted.

#### **161. BUDGET AND COUNCIL TAX REQUIREMENTS 2006/07**

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

Extracts from the Minutes of the Allerdale, Barrow, Carlisle, Copeland, Eden 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 2006/07 to 2008/09**

The Treasurer presented a report prepared jointly with the Chief Constable that updated Members on the Final Grant Settlement and advised on all aspects to be considered in setting the Police Authority's Budget for 2006/07. In particular the report addressed –

- (a) The Local Government Financial Settlement for 2006/07 and the 2007/08 settlement;
- (b) The Budget requirement to support a continuation of service in 2006/07, a range of alternative illustrations and a recommended Budget;
- (c) The Budgetary decisions required to be taken by the Authority;
- (d) A proposed Capital programme for 2006/07;
- (e) The legal requirement on the Treasurer to report on the robustness of the estimates and the adequacy of the Authority's Balances and Reserves;
- (f) The basic amount of Council Tax and the Precepts required to support the Budgets illustrated and the recommended Budget;
- (g) The scope to make Budget savings under the efficiency programme for 2006/07 and other savings;
- (h) New funding requirements for 2006/07;
- (i) The key dates for receiving reports on the development of the 2007/08 Budget and the Strategic Plans;
- (j) A model resolution which may be used to propose the recommended Budget and the necessary determinations for 2006/07.

In developing the 2006/07 Budget the major drivers which had impacted on the Authority and the Constabulary were –

- Development and strategic plans in tandem with the Budget process;
- Adverse impact of new spending needs and grant distribution formulae;
- 3.1% grant increase compared to the need for 6% identified by the APA;
- Expectations of Government for Council Tax increases averaging under 5% backed by a continued commitment to capping;
- The use of a re stated "alternative notional budget amount" for 2005/06 as a basis of measuring increases in 2006/07 for capping purposes;
- Requirement to identify 3% efficiency gains of which half must be cashable;
- Assumption that "efficiency gains" will be reinvested in front line policing;
- Development needs of the service to meet external targets and standards;
- Organisation and financial impact of the January 2005 storms on the Authority's estate and assets;
- Uncertainty on the Government's proposals for restructuring the Police Service.

Taken together these factors represented a range of significant challenges in reconciling competing and incompatible demands. A Budget which met the most critical of these factors could be delivered only by retaining a high proportion of the cashable savings and efficiency gains and applying them in holding down the level of Council Tax increase that would otherwise be required. However, this meant severely limiting new investment in the service to those items which were inescapable and deferring items which in the longer term needed to be addressed.

Overlying the Strategic Planning and Budget process had been the proposals tabled by the Home Secretary requiring a restructuring of the Police Service. This had had a significant impact on the strategic planning and development of the service in the outlook period covered by the Budget.

The assumption used for budget planning purposes based upon the Medium Term Financial Forecast updated and reported to the September meeting of the Authority would have required a Budget of £90.8 million and this was the figure which had been used as part of the consultation through the Police Community Liaison Forums. This figure included the full year impact of commitments entered into in the current year and was adjusted for the repayment of £461,000 of grant arising from Amending Reports for 2004/05 and 2005/06 Financial Settlement. A Budget at this level would have required a Council Tax increase of 6.4%, clearly in excess of Government expectations. Before the inclusion of savings and growth items for 2006/07 the underlying Budget requirement had come down from the planned figure to a firm estimate of £90.643 million as a continuation Budget. This would still require an unacceptable Council Tax increase of 6.1%. The Chief Constable had identified the scope to make Budget efficiency savings of £763,000 and other savings totalling £430,000, together totalling £1.193million, and these were detailed in Appendix 10 to the report.

Appendix 11 to the report set out the essential growth items presented to the Authority at its meetings in November and December 2005 and January 2006. Other needs were to be addressed largely by the internal reallocation of resources through the efficiency programme.

On capital expenditure a small number of new projects totalling £295,000 were included within the capital programme, together with the 2006/07 instalments of the vehicle and IT renewal programmes. These, together with ongoing projects approved in the current and earlier years were summarised in Section 4 of the report and detailed in Appendix 5 to the report together with the capital programme funding sources.

For the Authority a Council Tax increase of between 3% and 5% would support a narrow Budget range of between £89.809million and £90.350million. A minimum Budget requirement of £89.809 million incorporating the growth bids of £332,000, injury award pension liabilities of £480,000 retained by the Authority under the new pension arrangements, repayment of £461,000 grant amendments from earlier years, and offset by scope for savings of up to £1.193 million confirmed that a Budget within this restricted range could be delivered without the need to find further savings. However, a Budget at this level left only a small balance of £27,000

available to be contributed to the General Reserve towards the higher target set by the Treasurer in the light of new advice. It was a matter of judgement by the Authority as to whether it was prepared to set the Budget higher up the range in order to take greater regard of the new target of 5% set by the Treasurer for the level of General Reserve. This target took on particular significance against the increased uncertainty in the light of the Home Secretary's restructure proposals, the impact on the Authority's estate of the January 2005 storms, and the increased operational risks in today's climate of policing – and none of these events had a specific budget provision in the Budget recommended for adoption.

A Budget of £90.328 million would require a band D Council Tax of £163.08 – an increase of £7.65 (4.92%) over the £155.43 for the current year and this was the Budget which was recommended to the Authority by the Treasurer and the Chief Constable. This was the minimum level of Budget which the Chief Constable was able to commend, consistent with the risks to policing services of setting the Budget at a lower level. Both the Treasurer and the Chief Constable believed that to recommend a level of funding beyond a Council Tax increase of 5% would run the very real risk of the Authority's Budget again being subjected to Government intervention, with a heightened risk of the Budget being "capped".

The Budget as recommended by the Treasurer and Chief Constable met three basic requirements, namely –

- (1) It could be achieved without further cuts or savings;
- (2) It enabled a contribution of approximately £500,000 to balances;
- (3) It met the Government's requirement of being no more than a 5% increase.

The Treasurer then guided Members through the report drawing specific attention to key items such as the Final Local Government Financial Settlement for 2006/07; the likely outturn for the current year; the capital programme, including new starts and the impact of the existing capital programme; his report on the robustness of the estimates and the adequacy of the Authority's balances and reserves; details of the tax base and precepts together with precept and Council Tax requirements and details of the impact which the recommended Budget would have on Council Taxes for each of the eight property bands in 2006/07 and the incidence within each district council area.

In conclusion the Treasurer acknowledged the fact that, without exception, there had been a tremendous amount of hard work and commitment by officers at all levels within the Constabulary throughout the year to develop the Budget that was now presented to Members. He considered it only appropriate that he acknowledge their contribution at this point. He also thanked Members for their contribution to the process which was much appreciated. The whole overall process had been helped by the adoption of a new timetable for the development of the 2006/07 Budget and he recommended that a similar timetable be approved for the following year.

The Chief Constable commended the report, as presented by the Treasurer to Members. In doing so he drew Members attention to the fact that the Neighbourhood Policing Fund was currently supporting 18 PCSO's and he reminded

the Authority that a bid for additional PCSO's had recently been submitted. He also drew to the attention of Members the fact that a number of funds from which the Constabulary drew had not been index linked which served to reduce the spending power available to the Constabulary. In addition the Constabulary had made a considerable number of cashable and non cashable savings as part of the development of the Budget.

The Constabulary's Director of Finance and Resources advised Members that recent changes made to the Budget planning process had gone a long way to improving the overall process which had started in mid 2005 and had seen an item included on most Authority Agendas from that point on. The report now before Members was a comprehensive one which he believed would stand comparison with any other Budget Report submitted to Police Authorities throughout the Country.

**RESOLVED**, that

**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>
<b>Net Transfer <u>from</u> Earmarked Reserves for 2005-06</b>		<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	<u>-430,000</u>
	<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	<u>-460,000</u>
	<b><u>-1,324,000</u></b>
(g) <b>and the Net Revenue Estimates for 2006-07 be approved in the sum of</b>	<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 2006, 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 2006, 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	<u>45,031.33</u>	163.08	<u>7,343,709</u>
	<b>173,617.07</b>		<b>£28,313,469</b>

## 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 Scheme Totals</u>	<u>Expenditure in Year</u>	
	£	2006 – 07 £	2007 – 08 £
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.

## **162. CONSTABULARY EFFICIENCY PLANNING 2006/09**

The Assistant Chief Constable presented a report by the Chief Constable, the purpose of which was to present the Constabulary's three year efficiency plan and to seek Authority approval to submit the efficiency plan to the Home Office. The plan was set out at appendix 1 to the report.

**RESOLVED,** that, the Constabulary's three year efficiency plan be approved for submission to the Home Office.

## **163. AUDIT COMMISSION REPORTS**

The following Audit Commission reports had been circulated with the Agenda-

- (a) Annual Audit letter for 2004/05;
- (b) Auditors Statutory Report on the Best Value Performance Plan 2005/06

The Chair welcomed the District Auditor, Mr M Thomas, and the District Audit Manager, Mr R McGahon to the Authority meeting.

### **(a) Annual Audit Letter 2004/05**

With regard to the Annual Audit letter Mr Thomas advised it gave him great pleasure to present another positive letter to the Authority. Once again this illustrated the sound financial management arrangements that the Authority had in place.

The Audit Commission had been able to give an unqualified opinion on the Authority's Accounts for 2004/05 on 7 October 2005. The Authority had approved the Accounts on 27 July 2005, in accordance with the planned timetable. For 2005/06 the deadline for the production of the Accounts came forward a further month to 30 June 2006 and the deadline for the completion of the Audit came forward to 30 September. The Audit Commission would continue to work closely with officers during the coming months to ensure the earlier deadlines could be met.

Key messages for the Authority were set out within the letter. The decision of the Authority's Insurer not to meet the full cost of the insurance claim in respect of the damage caused by the storms in January 2005 presented the Authority with a major challenge, but it was able to meet the costs from a variety of sources, including earmarked reserves and operational savings.

Once again in 2006/07 the Authority faced difficult choices in setting its Budget to ensure the effective delivery of Policing Services while maintaining an adequate level of reserves and, at a time of uncertainty over the structural review of the police service. Financial regulations, which had been in the process of updating for a number of months, now needed to be finalised, approved and issued to staff.

The Authority was a statutory partner in the Crime and Disorder Reduction Partnerships which were expected to work closely with the local Drug and Alcohol Action Team. As part of the audit progress in improving the effectiveness of joint working to reduce the impact of drug use in communities within Cumbria had been

assessed and the conclusion was that there was improved clarity about objectives and outcomes , creating a more collaborative approach across partners. However, progress still needed to be made in addressing weaknesses in equality of access to services.

As a result of the above specific actions which needed to be taken by Members to further enhance the management of the Authority and Constabulary were –

- To ensure the Authority's financial position continued to be closely monitored and that balances were maintained at a prudent level;
- Support the partnership working involved in tackling the impact of drug use in local communities.

Mr Thomas referred to negative reports in the previous year on Activity Based Costing and Crime Recording. Follow up work had now been undertaken on both of these areas and the outcomes were positive with regard to direction of travel.

He concluded by thanking both the Treasurer and the Constabulary's Director of Finance and Resources for their assistance and the good working relationship which existed between the Authority, Constabulary and Auditors during the year.

The Chief Constable referred to references within the letter to safer communities and the aim of reducing the impact of drug use within the communities follow up and advised that the Constabulary made a considerable contribution to this work and had responded positively to the challenges it had faced.

**RESOLVED,** that, the Annual Audit letter for 2004/05 be noted.

#### **(b) Auditor's Statutory Report on the Best Value Performance Plan 2005/06**

Mr McGahon presented the Auditor's statutory report on the Best Value Performance Plan 2005/06. He advised Members that the Plan had been prepared and published in accordance with the relevant legislation and statutory guidance issued by the Government.

**RESOLVED,** that, the Auditor's Report on the Best Value Performance Plan 2005/06 be noted.

#### **164. CARLISLE CUSTODY FACILITIES**

The Chief Constable informed Members that an application had been submitted for outline planning consent for the development of a Custody Centre on land at Durranshill in Carlisle. The application had been submitted to Carlisle City Council.

**RESOLVED,** that, the report be noted.

#### **165. POLICE FORCE STRUCTURES**

The Chief Constable advised Members that since he had issued his press statement on Monday 13 February following the meeting between the Constabulary, Authority,

representatives of the Constabulary and Authority from Lancashire and Home Office officials some further clarity had been provided on the questions put to the Home Office. The Home Office in turn were in discussions with ODPM and Treasury seeking answers to further questions on which they had undertaken to provide answers to police authorities within days of the 13 February meeting. It was clear that the information contained in these answers was required in advance of the 24 February deadline for decision by police authorities on whether to volunteer for merger.

The Clerk/Chief Executive advised that the Home Secretary had set the date of 24 February for police authorities to decide whether or not to volunteer for merger and the Home Office needed to provide clear answers to the questions which had been posed in advance of that date. He suggested that it would be appropriate for the Authority to agree to hold a special meeting on 24 February at which it could, in public, consider whether or not to volunteer for merger based on the information available at that time.

Members supported the proposal to hold a special meeting of the Authority on 24 February and urged that all the relevant information be put in the public domain in advance of that date.

**RESOLVED,** that, a special meeting of the Authority be held on 24 February 2006 commencing at 2pm.

The meeting ended at 2.15 p.m.