

CUMBRIA POLICE AUTHORITY

Minutes of a Meeting of Cumbria Police Authority held on Tuesday 25 July 2006 in Conference Room 1, Police Headquarters, Carleton Hall, Penrith commencing at 1.15pm.

PRESENT

Mrs L Slavin (Vice Chair, in the Chair)

Mr M Ash
Mr A L Barry
Mr J Bland
Mr R S Cole
Ms S E Donnelly
Mrs C A Egan

Mrs M Johnson
Ms J Lashmar
Mr J Nicholson
Mrs L L Shaw
Mr W Smith
Mr J Woolley

Also present:

Chief Executive (Mr C. R. Alcock)
Chief Constable (Mr M Baxter)
Deputy Chief Constable (Mrs C Twigg)
Assistant Chief Constable (Mr N Rhodes)
Constabulary Director of Finance & Resources (Mr M. Thompson)
Inspector M Stamper (Marketing and Communications)
Deputy Clerk (Mr S. Edwards)

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

34. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mrs P M Halfpenny and Mr R Watson.

35. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

(a) Urgent Business

The Chair advised that there were no items of urgent business.

(b) Exclusion of the Press and Public

There were no items on the agenda for which the press and public were to be excluded.

36. DISCLOSURE OF PERSONAL INTEREST

There were no disclosures of personal interests in relation to any item on the agenda for the meeting.

37. AMALGAMATION OF CUMBRIA AND LANCASHIRE POLICE AUTHORITIES

The Chair advised of her intention to take the reports by the Chief Executive and the Chief Constable circulated under this item, plus the Treasurer's report for item 5 on the agenda (Cumbria and Lancashire Police Authorities Precept Harmonisation), together under this item. She would ask the relevant officers to present their reports and Members would then have an opportunity to ask questions before the item was opened for debate.

The Chief Executive presented his report, much updated from the report submitted to the Authority's Annual Meeting on 28 June, stating the merger process had now run its course and the Authority's need to seal that process with some final decisions. The report before Members –

- (i) recapped on where the Authority had reached in the process;
- (ii) recorded the reasons for the decisions the Authority had made during the course of the process;
- (iii) updated Members on key developments and the implications of those developments since the meeting of the Authority on 28 June.

He reminded Members that, when both Cumbria and Lancashire Police Authorities volunteered on 24 February 2006 to merge (the only example in the country where all police authorities in a Home Office-specified grouping agreed to do so), this agreement was nevertheless only provisional, since it was subject to the prior satisfaction by Government of six conditions clearly set out in this Authority's resolution. (A point regularly omitted from much media reporting of the position).

Government's eventual admission, in a meeting in London on 10 July 2006, that it could not fulfil at least one of the key conditions set out in the resolution of Cumbria Police Authority (one which was also a key issue for Lancashire – namely Council Tax Precept Harmonisation) not only meant that the merger between Cumbria and Lancashire could not proceed, but that other mergers were unlikely to proceed in the foreseeable future, either. It also meant that the Authority and Constabulary would now have to consider alternative ways of addressing the issues identified in the "Closing the Gap" report* by HMIC which had triggered the whole process. (*A report commissioned by the Home Secretary in response to concerns about Protective Services, raised with him by the Association of Chief Police Officers, which recommended larger, "strategic forces" of at least 4,000 police officers and 2,000 police staff).

After the then Home Secretary made clear his approval of that report, he directed all Police Forces on 22nd September 2005 to review their capacity and present him with options for merger; limiting those options to Forces

within regional areas and setting a very tight timescale to undertake the work. The timescale he set required a final “business case” for change to him by 23 December 2005. This deadline was met by many forces, but only by some authorities. In Cumbria the Chief Constable had shared his business case, his professional opinion on the various options available, with the Authority and submitted it to Government in time for December. This business case provided the legal basis for the Home Secretary ‘s published finding in March 2006 that “the best, most efficient and effective policing option”, for Cumbria Constabulary was for it to merge with Lancashire Constabulary.

On 24 February 2006, Cumbria Police Authority, under Section 36 of the Police Act 1996 the only body that can request alteration of their police areas (not the police force), submitted a voluntary offer to merge, subject to six key conditions. Their conditions to be satisfied covered:-

- (1) operational and protective policing services (for improving their efficiency and effectiveness in delivery, in the best interests of policing in Cumbria);
- (2) finance (start up and transitional costs; grant formulae applied);
- (3) precept equalisation (equitable arrangements for Council Tax payers);
- (4) governance of police authorities (in transitional; strategic and sub strategic accountability, including precept and membership arrangements);
- (5) human resources (assuring fair treatment for police officers and police staff to build an organisation fit to deliver);
- (6) timetabling (in establishing certain timing and a smooth change process).

This decision was made in knowledge of the fact that the Home Secretary had expressly stated that, if authorities did not volunteer, then he would use his powers under Section 32 (3) (b) of the Police Act 1996 to initiate compulsory amalgamations; and in the expectation that, by volunteering, significant extra funding could be obtained. In addition, significant advice in support of merger had been given to the Authority by the Home Office, the Chief Constable, the regional HMIC, and the Authority’s Treasurer. The Authority had also carried out wide-ranging consultations, from September 2005 onwards.

Since the meeting in February, both Authorities and Constabularies had worked hard together to take forward the amalgamation constructively and many meetings had been held with the Home Office. Throughout that period, and well before, the importance of resolving the issue of Council Tax Precept Harmonisation had always been stressed to the Home Office and Ministers.

During May and June a series of meetings were held between the two Authorities, the two Constabularies, and the Home Office in order to drive the process forward. Cumbria Police Authority had asked the Home Office to produce its conclusive statement of terms for merger by 13 July 2006 at the latest, to enable timely submission of papers to this meeting.

The Chief Executive advised Members how the preview meeting of 10 July 2006 took representatives of Cumbria and Lancashire Police Authorities to meet with the Policing Minister; who straightway apologised and admitted that the Government was unable to find a workable solution to the problem of the equalising the police element of Council Tax Precepts across both areas. On that basis the Minister realised and accepted that it was most unlikely the proposed merger between Cumbria and Lancashire could go ahead.

On 12 July the Home Secretary told a meeting of the National Policing Board that the ultimate goal remained to improve Protective Policing Services so that all Forces had the necessary capacity and resilience to tackle those areas of criminal activity, but that it was not his wish to force people into mergers they did not want.

The Chief Executive then took Members through the six individual conditions specified by the Authority in their resolution as needing to be satisfied before they could confirm their former, conditional decision to volunteer. Members noted and agreed his advice that as many as four out of the six conditions (namely Operational and Protective Policing Services; Council Tax Precept Harmonisation; Human Resources; and Timetabling) could be regarded as not having been adequately met.

The vehicle for merger was to have been in the form of a Statutory Instrument, the Amalgamation Order; an aspect of negotiations with the Home Office where Cumbria had led for the two Authorities over a document intended to deal with many of the issues within the six. The Chief Executive was able to advise Members that, somewhat ironically, the work which had been done meant that the way in which the latest (13th) draft of Amalgamation Order was expressed, apart from a gap left to insert paragraphs dealing with Council Tax Harmonisation, was satisfactory overall; subject only to a certification about efficiency and effectiveness needed from the Home Secretary. As it stood, it could at least provide template for any future amalgamations.

He then drew Members attention to that part of his report identifying five recommended actions for the Authority: namely the withdrawal of their conditional offer to volunteer to amalgamate with Lancashire; the withdrawal of nominations for Members to serve on the 'shadow' Strategic Police Authority; the pursuit by officers of the Authority (in consultation with the Chief Constable) of reimbursement from the Home Office for abortive costs incurred during the amalgamation process; effecting recruitment to two current vacancies on the Authority (a magistrate/lay justice member and an independent member); and, finally, the investigation of alternative options for improving protective services under the "Closing the Gap" report.

In addressing the Authority, the Chief Constable reminded Members that the driver behind the amalgamation process had been the need to address the issues identified in that report by HMIC. He reiterated his previous advice to the Authority that amalgamation with Lancashire had represented, in his professional opinion, the best option for addressing that gap in Cumbria. He

believed that it was also in the best interests of both staff and the people of Cumbria. Right throughout the process, the Home Office had, until the very end, demonstrated their strong commitment to the amalgamation in terms of practical and financial support. Until the Home Office had announced on 10 July that it was unable to address the issue of Council Tax Precept Harmonisation, amalgamation had represented the best option. However, since failing to address the Council Tax Precept Harmonisation issue would leave any new, amalgamated Cumbria/Lancashire Constabulary with a considerable budget deficit, then a business case no longer existed to support voluntary amalgamation.

However, doing nothing was not an option as the policing realities within Cumbria were unchanged and there was a considerable risk to Cumbria if the protective services gap was not addressed. The challenge for the Constabulary now was to consider ways in which to provide services that would enable it both to address the protective services gap whilst also providing the excellent neighbourhood policing services for which it was renowned. To complicate matters all this would have to be achieved in the face of a worsening financial picture as no new grant funding was available and significantly increasing funding by increasing the Council Tax precept was not an option.

The protective services issue was not something that Cumbria should or needed to address in isolation and the Chief Constable looked forward with interest to hearing Government proposals on this matter, likely in the Autumn.

The Constabulary Director of Finance and Resources then presented the report submitted by the Treasurer. It set out for Members the financial issues derived from Council Tax Precept Harmonisation. Essentially, at Band D level the Policing element of Cumbria's Council Tax was almost exactly £50 more than in Lancashire. To equalise the precepts over three-year period, total increases of 9% would be required in Lancashire, as opposed to reductions of 3% in Cumbria. However, the Treasury were not prepared to waive their capping rules which set maximum increases at 5% and meant that Council Tax levels in Lancashire could not reach those in Cumbria within the three year period. Even if Cumbria's increases were set at 0% or Council Tax in Cumbria was "frozen" until those in Lancashire came level with it, it would take 8 years to achieve and by then the combined Authority's annual budget would be £13.3 million lower than if full increases had been allowed in each year, with a cumulative loss of over £34 million in that period. By contrast, the savings assumed from merger were estimated at between £5m and £7m per annum, and needed to be retained in the budget to improve protective services. As no sustainable solution to Council Tax Harmonisation was offered by the Home Office, they had withdrawn the funding offer and effectively ended the process for voluntary amalgamation themselves.

Members received these reports and thanked all the officers involved, within both the Authority and the Constabulary, for their hard work during the amalgamation process. They indicated their support for the five individual recommendations contained within the Chief Executive's report. They

expressed the view that the Authority had acted correctly throughout the process, on the best possible advice, and that there had been no way of knowing that circumstances would change so much as they had during the course of the previous ten months.

It was now important to acknowledge the new position in which the Authority and Constabulary found themselves and to begin the process of looking for alternatives other than amalgamation which could address the issues identified in HMIC's "Closing the Gap" report. They acknowledged that no change was not an option and that there would be difficult times ahead as solutions to the problems identified were sought.

RESOLVED, that

- (1) the Authority's conditional offer to volunteer under Section 32 of the Police Act 1996 for merger of its Police Area with that of the Lancashire Police Authority be withdrawn on the basis that the conditions specified in its February resolution had not been satisfied;
- (2) the Authority's nominations of Members to serve on the Strategic Police Authority, made on 26 April 2006, be withdrawn;
- (3) the Authority authorises its officers, in consultation with the Chief Constable, to pursue the Home Office for reimbursements of those abortive costs incurred by the Authority and Constabulary pursuing the Government's merger programme between September 2005 and July 2006;
- (4) the Authority's officers begin the process of recruiting a new independent and a new magistrate/lay justice member to the Authority;
- (5) alternative options be investigated for dealing with the gap identified as part of "Closing the Gap" report, including participating closely with the Constabulary and examining at a strategic level ways of improving current arrangements in Protective Policing Services, possibly including the exploration of collaborative initiatives with Lancashire or other neighbouring Forces.

39. INDEMNITIES FOR POLICE AUTHORITY MEMBERS AND OFFICERS

The Chief Executive advised he was working to develop a report for consideration by Members at the September meeting of the Authority.

RESOLVED, that the position be noted

The meeting ended at 2.30pm.