

DEVON AND CORNWALL POLICE AUTHORITY

BUDGET WORKING PARTY, 20/12/07 : BRIEFING NOTES

1. **Present** : John Smith, Lynne Dunne, Mike Bull, William Thomas, Brian Greenslade, Mike Nevitt, Martyn Hodge, Alison Malcolm, David Money.
2. **Property Strategy** : The Resources Committee had approved the identification of a fund to progress the property strategy subject to further consideration by the Chair of the Authority and the Chair of Resources. This took place in a review immediately before this working party. It was made clear that the property strategy was being updated in-house and that the additional resources were to be used to facilitate delivery. A range of development opportunities across the two counties was discussed. Implementation will require a mix of some enhanced in-house capacity and a series of specialist skills to be bought in from time to time for advice for particular projects. It was agreed that the original proposal had been a little ambiguous and that members were now content. Individual projects will be considered by Brian Greenslade and Mike Nevitt.
3. **Provisional Grant Settlement** : All members had received the Treasurer's analysis. Broadly the Settlement was challenging but could have been worse. In particular, some of the worst options for grant redistribution had been avoided. The Treasurer had written to all MPs thanking them for their support (!) but PA members should be under no illusion about the amount of work which had gone on behind the scenes. Particular attention was drawn to the result on the Rural Fund and other issues Brian Greenslade had achieved at the relevant APA committee. It was agreed that representations to Government should not be negative but that the Treasurer should focus on two specific issues - the adjustment for stray dogs and the grant for initial officer training. The sums were not large but grant improvement on specific technical grounds was more likely to be successful than the kind of general complaint which ministers will get from many authorities.

Members were keen that the Federation and others should be aware of the Authority's efforts to secure funding for policing. In this context, the Chair had written to the Prime Minister and the Home Secretary asking them to reconsider the decision not to back-date the police pay award. The Treasurer had made enquiries about the possibility of Devon and Cornwall making the payments anyway but the general consensus nationally was that this could be unlawful.

4. **Budget Preparation** : The latest stage in the preparation of a base budget for 2008/09 was presented. The latest figures for the different elements of inflation, commitments and savings were detailed. Just to stand still would require savings of £5.8m and a council tax increase of 5%. Further progress will be reported as the figures are worked up.

5. Budget Policy Options : 3 basic policy options were described in some detail by the Director of Finance and Resources. All Options retained 3,500 police officers and 356 PCSOs. Option 1 limited the council tax increase to 3% but involved savings of £7.3m, the loss of 256 civilian staff and an actual reduction of

60 front-line uniformed officers as these would have to move to administrative duties to cover some of the police staff posts given up. This kind of reverse civilianisation is actually happening in some authorities but the option found little favour with members.

Option 2 was the standstill budget referred to above. Officer numbers would be retained but it would not be possible to fund the Chief Constable's vision of enhancing the front line. Savings of £5.8m would still be necessary as would the loss of 196 police staff posts.

Option 3 was the really challenging option delivering the Chief Constable's vision as backed by members. 200 officers could be moved from back office to the front line next year. Over time, the backfill of civilian posts necessary to cover these officers' current work would match the post losses necessary to deliver the £5.8m savings. There was a real opportunity to enhance policing and deliver savings with a minimum of redundancy but it would require a clear contract showing what the Force and the Authority would sign up to over the 3 year life of the plan. Help from reserves would be necessary over more than one year. The option was extremely attractive to members but it would require a council tax increase of some 8+%. A 5% council tax increase would cost a band D household some 13 pence a week extra. 8% would cost a further 7 pence a week but would net us some +£2.4m.

6. **Council Tax Capping :** Ministers have stated that government expects average council tax increases to be 'significantly' under 5%. It is asserted that they will not hesitate to use capping powers against authorities passing unreasonable increases. This is stated to apply to all authorities including police authorities. This is similar to wording in previous years when some police authorities were not capped. As usual the rules will only be announced after tax levels have been set(!)

It is possible that some multiple criteria could be applied such as under the average tax level for the class, or average within an area, or budget increase under 5% and so on. It would be easy to construct criteria which enabled Devon and Cornwall to set a 5-9% tax increase but, given recent decisions on police pay, it is difficult to tell what government will do.

Ministers have the power to call in any budget, to let the authority off, to reprimand, to set a smaller increase for the subsequent year or, in the extreme, to order a budget reduction in year and rebilling. Rebilling in a police authority would be very expensive - perhaps £1m - but the Treasurer is not aware of this ever being done to a police authority.

Information on capping and budgets was exchanged. Nationally it seems no more than half a dozen police authorities appear to be considering increases in the 5-9% range but this could increase once the implications start to be worked out. Many Treasurers seem to be saying 5 is the absolute limit regardless of local democracy(!). What other police authorities and the local counties and unitaries do will be critical and the decision could go right to the wire. Work on the budget will proceed on the basis of option 3 but with the knowledge that the 5% tax

option must also be clearly available to members if the situation demands it at the time. Members and officers agreed to make enquiries and share information. The seminar on 28th of Jan will be critical.

7. **Partnership and Alternative Sources of Funding** : The Chair introduced Alison Davenport, the Force's new Business Development and Funding Manager. She presented a paper on all the various short, medium and long-term issues. There is clearly much to be done to generate extra resources through sponsorship, grant aid and partnership. There followed a discussion including the use of mobile police stations and possible access points in schools and supermarkets. The issue of mobile police stations has been raised repeatedly by members but it is difficult to see who in the force would be responsible for delivery. Members welcomed Alison's work but stressed some of the potential problems, particularly concerns over the reputation of the Force.

8. **Next Meeting : 14/01/08 @ 2.00 pm**