

27 January 2014

Dear Mr Rhodes,

### **Proposed Precept - Confirmation of Veto**

As you are aware the Police and Crime Panel at its meeting on 22 January reviewed your proposal for a 1.99% increase in the council tax precept and decided, unanimously and by the required majority, to exercise its right to veto your proposal in accordance with paragraph 4 of Schedule 5 of the Police Reform and Social Responsibility Act 2011.

The Panel feel that the precept is too high and the reasons for its decision to veto the proposal are:

- Because your budget plans assumed a 1.99% Council Tax increase, the Panel felt that they could not support them given that the financial premise on which they were based could change significantly in the near future.

The Panel are now aware that there is some uncertainty as to whether or not a 1.99% increase will be your final proposal as a result of the Government having not yet confirmed the Council Tax increase threshold for 2014/15. If the size of the increase that can be proposed before a local referendum is triggered is reduced (possibly to 1.5%) then it is assumed that an amended proposal consistent with the new threshold would be put forward. Whilst the immediate financial impact of a reduction to 1.5% would be relatively limited, the cumulative impact on police budgets over the next several years could be significant.

- The Panel also felt there was, in any event, insufficient clarity in the budget paper to support the proposed increase in the precept. This reflected the recognition that although significant amounts of financial information had been provided within the report there was limited discussion of why the increase in precept was needed from a service delivery perspective and also why existing high levels of reserves and previous years underspends were not being utilised.

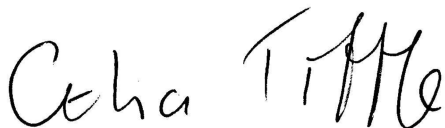
I do feel that we have both been put in a very difficult position by the Government on this matter. It is almost impossible for the Panel to

exercise its scrutiny functions properly given the lack of clarity about precept principles at such a late stage in the budget process when the timescales for scrutinising your proposed precept are so tightly defined in Regulations.

As you know you are now required to resubmit a lower Council Tax precept proposal to the Panel by no later than 15 February and the Panel must meet to consider this before 22 February. We have therefore agreed a special meeting of the Panel to review your revised precept on Thursday 20 February 2014 at 2pm in County Offices, Kendal. I would be grateful if you could attend this as usual.

I hope that this decision will not in any way affect what I think is a very good working relationship that exists between the Panel and yourself.

Yours sincerely,



Celia Tibble  
Chair of Cumbria Police and Crime Panel

Cc  
PCP members  
Stuart Edwards  
Ruth Hunter  
Dawn Roberts  
Julie Crellin  
Tracey Ingham  
Kieran Barr

