



Eric Wood  
Chief Executive  
Warwickshire Police Authority  
3 Northgate Street  
Warwick  
CV34 4SP

27<sup>th</sup> March 2008

Dear Mr Wood

I am writing to inform the authority that the Secretary of State has formed the opinion that the amount calculated by the authority as its budget requirement for 2008-09 is excessive, and that the Secretary of State has decided to "designate" the authority pursuant to section 52D(2)(a) of the Local Government Finance Act 1992 ("the Act"). This letter is written in accordance with section 52E of the Act and should be treated as notification under that section.

Designation is a means of initiating a process which may lead either to the Secretary of State setting a maximum budget requirement for Warwickshire Police Authority ("capping") for 2008-09 or to "nomination". Nomination is a means of initiating a process which may lead either to the Secretary of State capping an authority in advance for 2009-10 or setting a notional budget requirement for 2008-09 which will be used in any future capping comparisons with that year. This letter sets out the legal requirements with regard to this process and also explains how the authority can make representations to the Secretary of State before final decisions are taken.

The set of principles determined for the authority under section 52B of the Act are that an authority's budget requirement is excessive if:

- (a) an authority has increased its budget requirement by more than 5% between 2007-08 and 2008-09; and
- (b) an authority has increased its council tax by more than 5% in the same period.

The amount which the Secretary of State proposes should be the maximum for the amount calculated by Warwickshire Police Authority as its budget requirement for the financial year 2008-09 is £84,082,000. This is also the target amount for the financial year 2008-09, which is the maximum amount which the authority could calculate as its budget requirement without it being judged excessive in accordance with the principles set out above. For the avoidance of doubt, the Secretary of State expects the amount calculated by the authority as its budget requirement for the year to be equal to or less than that target amount in the financial year 2008-09.

Department for Communities and Local Government  
5/D2 Eland House  
Bressenden Place  
London  
SW1E 5DU

Tel: 020 7944 6680  
Email: [Richard.harries@communities.gsi.gov.uk](mailto:Richard.harries@communities.gsi.gov.uk)

The authority has 21 days, beginning with the day of receipt of this letter, within which to inform the Secretary of State by notice in writing that it wishes to challenge the amount stated.

#### Challenging the maximum amount

If the authority wishes to challenge the maximum amount proposed as the budget requirement, the authority should set out in a notice, in writing, the maximum amount it believes should be stated under section 52E(2)(d), together with its reasons. The authority should also provide three copies of all of the information requested in the schedule to this letter within the 21 days deadline. The notice and information should be sent to me at:

Department for Communities and Local Government  
5/D2 Eland House  
Bressenden Place  
London  
SW1E 5DU

After she has considered the reasons set out in the authority's notice and any additional information that has been provided, the Secretary of State will either:

- a) make an order, subject to the approval of the House of Commons, under section 52F(4) stating the amount which the amount calculated by the authority as its budget requirement for the year 2008-09 is not to exceed; or
- b) cancel the designation and notify the authority in writing of the cancellation of designation as regards 2008-09 in accordance with section 52F(11) and nominate the authority under section 52D(2)(b) instead.

If the Secretary of State decides at that stage to nominate the authority she will have two options. These are:

- a) to designate the authority for 2009-10 and determine the maximum for the amount to be calculated by the authority as its budget requirement for that year (section 52M); or
- b) to determine a notional amount to be calculated by the authority as its budget requirement for 2008-09 (Section 52N), which will be used in any future capping comparisons with that year.

The nominated authority will be notified of the Secretary of State's decision in writing and will be given an opportunity to challenge or accept this in accordance with sections 52M, 52N and 52Q as relevant.

#### Accepting designation

If Warwickshire Police Authority does not wish to challenge the maximum budget requirement of £84,082,000 the authority should write to the Secretary of State informing her that the authority accepts the maximum amount stated in this letter,

within 21 days, beginning with the day of receipt of this letter. The Secretary of State will then serve a notice on the authority confirming this in accordance with section 52G(2). On receipt of this notice, the authority will need to make substitute calculations for its budget requirement in 2008-09 in accordance with section 52I.

If the authority requires any further information regarding the contents of this letter please do not hesitate to contact me or Robert Crangle at the same address, e-mail: [robert.crangle@communities.gsi.gov.uk](mailto:robert.crangle@communities.gsi.gov.uk) or telephone 020 7944 3054.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Richard Harries', written in a cursive style.

**Richard Harries**  
**Deputy Director, Council Tax**

## **Schedule**

### **Information specified by the Secretary of State for the purposes of section 52F of the Local Government Finance Act 1992**

1. Reports to and minutes of the budget and council tax setting meetings for 2008/09 of the authority, its executive, committees of the authority and committees of the executive, as the case may be.
2. The report of the authority's chief finance officer for 2008/09 made in accordance with section 25 of the Local Government Act 2003.
3. Reports to and minutes of the meetings of the authority, its executive, committees of the authority and committees of the executive, as the case may be, relating to the authority's determination of its affordable borrowing limit for 2008/09 under section 3 of the Local Government Act 2003.
4. The authority's most recent statement of accounts, and in addition, if no audit opinion has been given on that statement, its latest statement of accounts with an audit opinion.
5. The authority's most recent annual audit and inspection letter; and any reports received from its auditor since 1 January 2005 which are public interest reports under section 8 of the Audit Commission Act 1998 or contain a recommendation within section 11(3) of that Act.
6. Information on rebilling costs as set out in the questionnaire at the annex to this schedule.

## Council Tax Rebilling Costs Survey

### Contact information

1. Your name and telephone number.
2. The name of your authority and each relevant billing authority.

### The Survey

For each relevant billing authority:

3. The number of full-time equivalent staff in the revenues team(s). Please indicate whether this covers more than council tax, such as business rates or benefits.
4. The names(s) of the software supplier(s) for both benefits and revenues.
5. The total number of council tax bills sent out at initial billing.
6. The total number of council tax benefit claimants (based on the initial billing level in each authority).
7. The total number of council tax payers who pay by Direct Debit.
8. Whether the authority produces instalment slips.
9. The number of full-time equivalent temporary staff, if any, that would be taken on for rebilling, and for how long.
10. The estimated cost for each of the activities below:

	Total cost (£)
Printing – council tax bills	
Printing – benefits notifications	
Postage – council tax bills	
Postage – benefits notifications	
Software – council tax bills	
Software – benefits notifications	
Staff – council tax bills	
Staff – benefits notifications	
Abortive Recovery Costs	
Other (please state what this includes)	
TOTAL:	

11. Is there any reason why the cost of rebilling would be different from the initial cost?

**Notes for filling in the table in question 10 overleaf:**

- 1) Printing, postage, software and staff costs are included twice, once for council tax bills and once for benefit notifications. If the relevant billing authority would only incur this cost once (such as sending bills and notifications in the same envelope) please put zero in the benefits box.
- 2) Printing should include all printing and packaging costs, but not leaflets.
- 3) Postage should include walksort ordering in addition to postage rates.
- 4) Software should include the amount payable to the software company for any changes required and the cost of re-running the program.
- 5) Staff should include call handling costs, additional computer processing staff and resources to handle refunds.
- 6) Abortive Recovery Costs should include any additional cost of cancelling existing summonses and having to re-issue them.
- 7) Other – please give specific detail of anything you put in here.