

Police and Crime Panel – 17th December 2012

Briefing note in relation to item 4 – the budget/precept process (circulated to members of the Panel at the meeting)

Setting the annual precept

Police and Crime Commissioners are established as precepting authorities under the Local Government finance Act 1992. Schedule 5 of the Police Reform and Social responsibility Act sets out the process for issuing a precept and this includes some responsibilities on Police and crime panels. Under the Act;

- PCC's must notify the Police and Crime Panel of the proposed precept;
- the Police and Crime Panel must review the proposed precept and issue a report to the PCC on the proposed precept (this may include recommendations);
- Police and Crime Panels may veto a proposed precept. If they do, they must provide a statement on why they have vetoed it;
- a decision of veto must be agreed by two-thirds of the panel members;
- the PCC must consider the report by the Panel (including any recommendations) and give the panel a response to their report
- the PCC to publish the response.

It is for the panel to determine how a response to a report or recommendations is to be published.

If there is no veto and the PCC has published his response to the panel's report, the PCC may then issue the proposed precept - or a different precept (but only if in accordance with a recommendation in the panel's report to do so).

Timescales

The regulations set out some statutory timescales for all of this to take place;

- the PCC must notify the panel of the proposed precept by **1 February**;
- the panel to review and make a report to the PCC on the proposed precept (whether it vetoes the precept or not) by **8 February**;
- where the panel vetoes the precept, the PCC to have regard to and respond to the Panel's report, and publish his response, including his revised precept, by **15 February**;
- the panel must review the revised precept and issue a second report to the PCC by **22 February**;
- the PCC to have regard to and respond to the Panel's second report and publish his response, by **1 March**.

The Police and Crime Commissioner for Lancashire will be presenting the relevant budget information and proposed precept to the Police and crime Panel at the next meeting on 29 January. The panel has until 8 February to issue a report with a response to the proposed precept.

Panel's report on the proposed precept

If the panel fails to report to the PCC by 8 February the scrutiny process comes to an end, even if the panel have voted to veto the proposed precept, and the PCC may issue the proposed precept.

PCC's response to a veto

Where the panel vetoes the proposed precept, the PCC must have regard to the report made by the panel, give the panel a response to the report and publish the response, by 15 February. In his response, the PCC must notify the panel of the revised precept that he intends to issue.

Where the panel's report:

- indicates that they vetoed the precept because it was too high, the revised precept must be lower than the previously proposed precept.
- indicates that they vetoed the precept because it was too low, the revised precept must be higher than the previously proposed precept.

The PCP may only veto the first proposed precept. Such a veto must be agreed by two-thirds of PCP members (the full membership rather than those present at a meeting). Where a veto occurs, the report to the PCC must include a statement to that effect.

Panel's review of the revised precept

On receipt of a response from the PCC notifying them of the revised precept proposal, the panel must review the revised precept proposal and make a second report to the PCC on the revised precept by 22 February. This report may:

- indicate whether the panel accepts or rejects the revised precept (although rejection does not prevent the PCC from issuing the revised precept); and
- make recommendations, including recommendations on the precept that should be issued.

If the panel fails to make a second report to the PCC by 22 February, the PCC may issue the revised precept.

Issuing the precept

Excluding where the panel fails to report on the proposed precept by 8 February or make a second report on the revised precept by 22 February, the scrutiny process ends when the PCC gives the panel his response to their second report.

The PCC may then:

- issue the revised precept; or
- issue a different precept, although:
 - they must not issue a precept that is higher than the revised precept if the revised precept was lowered following the panel's initial report on the first proposed precept indicating it was vetoed because it was too high;
 - they must not issue a precept which is lower than the revised precept if the revised precept was raised following the panel's initial report on the first proposed precept indicating it was vetoed because it was too low.