

Her Majesty's Inspectorate of Constabulary  
Unit 2 Wakefield Office Village, Fryers Way  
Silkwood Park, Wakefield WF5 9TJ West Yorkshire  
Direct Line: 01924 237722 Fax: 01924 237705  
Email: roger.baker@hmic.gsi.gov.uk



**Roger Baker QPM MBA MA**  
**Her Majesty's Inspector of Constabulary**

28 September 2012

Mrs Margaret Ollerenshaw  
Chair – Cheshire Police Authority

RB/LKB

Mr Mark Sellwood  
Chief Executive – Cheshire Police Authority

Dear Margaret and Mark,

### **HMIC Police and Crime Commissioner (PCC) Budget Preparedness Visits**

Thank you for the time the police authority spent with the HMIC team on 10 September 2012. The meeting presented an opportunity for you to provide an overview of your budget development process for 2013/14, the funds identified for transition and the development of potential models of governance, decision making and accountability.

I am writing to provide you with a summary of the discussions and to highlight any areas that emerged for further consideration.

#### **Budget setting process**

Your approach to the 2013/14 budget setting process is well established and your medium term financial strategy continues your four year approach, covering the period 2013 – 2017. The medium term financial strategy has been regularly refreshed and updated to take account of a wide range of factors including new council tax benefit localisation arrangements, pay increases, inflation and dampening arrangements.

You are engaging with key stakeholders and you will continue to meet with prospective PCC candidates to brief them on the budget outlook. You have attended the first meeting of the police and crime panel (PCP) and although the final membership has yet to be agreed you will continue to engage with the PCP.

#### **Preparation of scenarios to support the PCC in setting the budget**

You have prepared a range of alternative scenarios for the incoming PCC to consider in order to assist with budget setting. These scenarios are based on the areas of greatest uncertainty and impact. You have factored in a precept increase in line with the Office for Budgetary Responsibility suggestions.

## **Workforce and service impact**

The force has benefited from an underspend of £8m in 2011/12 as well as achieving savings of £11m. A quarterly review of 2012/13 forecasts a possible underspend of £3.6m. These savings come from greater than expected natural wastage in workforce numbers (for example staff leaving or retiring), early achievement of savings plans and application of a systems thinking approach across the force which has a large number of smaller savings. These savings have been used to increase the level of officer recruitment.

The authority is continuing to pursue options for collaborating with others as a means of increasing efficiency and reducing costs.

## **Forward planning: governance and the Office of the PCC (OPCC)**

You intend to use the current budget to meet any one-off costs associated with the transition to PCC. The provisional budget for the OPCC is based on the current police authority budget.

You have identified the principles for how the OPCC will operate and arrangements are being put in place for when the PCC takes up office. You have considered staffing requirements and undertaken a skills audit to identify areas where further support may be needed. The post of commissioning officer has been created and filled. Work is underway to map the decisions the PCC will be required to make and a timeline for the first 130 days has been drafted. You intend to share this with prospective PCC candidates.

The transition board has approved proposals on decision making, scrutiny and the first 130 days.

You have prepared detailed proposals for a decision making process which you describe as being dynamic but adhering to principles of good governance. You propose that decision making meetings will be held in public, with reports published on the PCC's website within three working days.

You have completed proposals for the establishment of an independent interim Joint Audit Committee, with membership initially drawn in from independent members of the authority and the standards committee.

You are developing proposals for scrutiny meetings as a means for the PCC to hold the Chief Constable to account. You will give consideration to the guidance issued by the Association of Police Authority Chief Executives (APACE) and Association of Police Authorities (APA).

In summary you have a well developed budget development process that looks beyond the coming financial year. It is based on assumptions that take account of a wide range of funding scenarios. The authority has developed proposals for decision making and PCC governance arrangements are being progressed. Ongoing dialogue with PCC candidates should ensure that the proposals will meet the PCC's needs.

These arrangements should allow the PCC to operate on day one but enable them the flexibility to amend the plans where necessary in due course.

I would like to take this opportunity to thank the police authority for its continuing commitment to plan and prepare for the transition to a PCC.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Baker', with a large, sweeping flourish above the name.

**Roger Baker**  
**HM Inspector of Constabulary**

Copied:

Mr David Whatton QPM  
Chief Constable – Cheshire Constabulary

Mr Paul Woods  
HMIC Liaison Officer