

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

28 September 2012

Mr Stuart Drummond
Chair – Cleveland Police Authority

RB/LKB

Mr Stuart Pudney
Chief Executive – Cleveland Police Authority

Dear Stuart and Stuart,

HMIC Police and Crime Commissioner (PCC) Budget Preparedness Visits

Thank you for the time the police authority spent with the HMIC team on 04 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

You have made good progress in developing a budget for 2013/14, which takes account of known funding outcomes and cost pressures. Your medium term financial strategy forecasts deficits of about £2m and £2.3m in 2013/14 and 2014/15 respectively. These are expected to rise to £6.2m and £10m in 2015/16 and 2016/17 respectively. You are currently developing plans to address the forecast deficit in 2013/14 through force modernisation initiatives. These are not expected to have any impact on frontline staff or service delivery. You have consulted widely on your budget proposals, including with the police and crime panel, prospective PCC candidates and other stakeholders.

Preparation of scenarios to support the PCC in setting the budget

You have prepared a realistic scenario based on a range of financial assumptions and their implications and are able to model the impact of different precept decisions and their resultant cost pressures. You have plans to develop alternative precept options based on prospective PCC candidate manifestos once these are published.

Workforce and service impact

You are not anticipating any changes to the current agreed workforce projections up to 2014/15, including the proportion of staff in frontline roles and the mix of officers and police staff. However, the next comprehensive spending review round will require a reassessment if forecast budget shortfalls in 2015/16 and 2016/17 are to be bridged. You

are working with the force to explore future options to meet any such shortfall. You do not expect any major changes to service delivery in 2013/14 and 2014/15. However, for 2015/16 and 2016/17, the position will need to be reassessed to bridge forecast budget shortfalls.

You continue to explore collaboration opportunities with other forces, in particular Durham Constabulary. You are also monitoring partnership funding streams to ensure that any associated financial risks are minimised. You have already outsourced a significant proportion of backroom services and further opportunities for savings from this contract or remaining backroom services are limited.

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

You have developed strong governance arrangements to safeguard the OPCC. These include arrangements to establish an advisory board and the recording and publication of decisions made by the PCC. You have plans to establish an interim Joint Audit Committee. These plans have already been shared with key stakeholders, including the police and crime panel. You are in the process of briefing prospective PCC candidates on the planned arrangements. Induction plans and the timelines for key decisions required by the PCC have also been developed.

Informal weekly meetings between the PCC and the Chief Constable are planned but you have not yet developed arrangements for holding the Chief Constable to account. You do, however, have plans for performance monitoring of the force through district council scrutiny committees. You fully understand that it will be a matter for the PCC which, if any, options they choose to adopt.

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



Roger Baker
HM Inspector of Constabulary
Northern Region

Copied:
Mrs Jacqui Cheer QPM
Chief Constable – Cleveland Constabulary

Ms Gill Currie
HMIC Liaison Officer