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

28 September 2012

Councillor Ray Cole
Chair – Cumbria Police Authority

RB/LKB

Mr Stuart Edwards
Chief Executive – Cumbria Police Authority

Dear Ray 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 21 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 follows a detailed budget preparation timetable. Your medium-term financial forecast is being regularly refreshed and updated, and you have completed a detailed analysis of the impact on your budget from a wide range of factors including new council tax benefit localisation arrangements, the council tax base, the police precept component of local council tax (precept), pay, and grant income.

You are engaging with key stakeholders and you are arranging meetings with prospective PCC candidates to brief them on the budget outlook. The content of your medium-term financial forecast has been revised to assist with the understanding of budgetary considerations. You are arranging a number of briefings for Police and Crime Panel (PCP) members in October to discuss finance and the development of the police and crime plan.

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 setting the budget. These include a scenario which includes a precept freeze and a grant reduction of 1 percent above government indicative figures as well as scenarios based on different levels of precept increase and council tax subsidy loss. The

implications of each scenario on the force's savings requirement has been calculated as well as plans for how these savings might be made.

Workforce and service impact

You described your current workforce plans which are progressing with a review across all policing areas including staffing levels. You anticipate that none of the scenarios you are exploring are expected to result in major changes to existing service delivery plans although you acknowledge that once more information from the next comprehensive spending review is available this may change.

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 have set aside a small transition budget to take account of any one off costs. The provisional budget for the OPCC is based on the current police authority budget and is designed to provide resources and capacity for the first six months of the OPCC.

You have identified the principles for how the OPCC will operate and comprehensive arrangements are being put in place for when the PCC takes up office. You have considered staffing requirements and identified areas where further support may be needed such as commissioning services and media and communications. You are developing an induction plan and a forward plan of the key decisions that the PCC will have to make between 01 December 2012 and 30 June 2013. A familiarisation document will provide key information to assist the PCC in their early days.

You have prepared detailed proposals for a decision making process which is flexible and able to deal with different types of decision. This incorporates opportunities for public consultation.

The authority is in the process of appointing members to the Joint Audit Committee, subject to confirmation by the PCC, using national guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA) and HM Treasury.

You have identified principles and options for a framework for the PCC to hold the Chief Constable to account. You have drawn on the guidance issued by Association of Police Authority Executives (APACE) and the Association of Police Authorities (APA) to assist you with this.

In summary, you have a well developed budget development process with assumptions that take into account a broad range of funding scenarios. You are also developing a range of options for the PCC to consider once in post to assist them in delivering their statutory functions.

Your plans for how the OPCC will operate to support the PCC in delivering their statutory functions are flexible and provide for a range of options. Proposals for decision making processes have been progressed in detail. A governance framework for how the PCC

might hold the Chief Constable to account is still being developed and you are using national guidance to assist in developing these further. 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

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 Bernard Lawson QPM
Temporary Chief Constable – Cumbria Constabulary

Ms Julie Johnston
HMIC Liaison Officer