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

28 September 2012

Mr Peter Thompson JP  
Chair – Durham Police Authority

RB/LKB

Mrs Lesley Davies  
Chief Executive – Durham Police Authority

Dear Peter and Lesley,

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

Thank you for the time the police authority spent with the HMIC team on 12 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 our discussions and to highlight areas that emerged for further consideration.

#### **Budget setting process**

You have a well established budget setting process in place which includes early planning for the 2013/2014 budget. Over the summer, you worked with the force to identify opportunities to make further savings while not impacting on force performance.

Your medium term financial plan assumes that precept levels will rise by 3.5 percent per annum. The plan is being regularly refreshed and updated, and you have completed analysis of the impact on your budget from a wide range of factors. You have included prudent assumptions in respect of a number of factors such as the removal of the damping grant and the cost of the localisation of council tax benefit.

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

In partnership with the force, you have developed a number of prudent scenarios for the PCC to consider when setting the budget, including the impact of a precept freeze as well as different levels of increase.

## **Workforce and service impact**

You described your workforce plans which are progressing as planned. Your early response to the spending review by developing a workforce modernisation programme has ensured staffing levels were constantly reviewed and monitored. This included freezing recruitment for two years however you have recommenced recruiting new officers in order to maintain appropriate staffing levels.

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

You have a £50K transition budget for 2012/13 bolstered by an underspend from the previous year. The provisional budget for the OPCC is slightly less than the current authority budget.

The authority and the force have worked with partners to develop a range of options for the PCC to enable effective decision making, community engagement and commissioning. This work has taken account of the products issued by the Association of Police Authority Chief Executives and you are checking progress against them. The model proposed is based on good administrative process and effective planning.

The draft community engagement strategy has been informed by public consultation. Face-to-face engagement with the PCC was the preferred option for the majority of respondents. Managing this expectation may prove challenging for the PCC during their first days in office.

There is a coherent plan for the first 100 days which is being populated with commitments and guidance. It includes suggestions as to how the OPCC might work. Key meetings have been planned and include options for the election of a deputy PCC.

The police and crime panel have had their first meeting and the terms of reference have been agreed. They are currently recruiting independent members and will be presented with the budget plans in accordance with the prescribed statutory timetable.

In summary, your budget development process is based on prudent assumptions and takes account of a range of funding scenarios. You are developing proposals for PCC governance arrangements and whilst some areas are more advanced than others you are aware of what is required and have a timetabled plan so that a range of options will be finalised in advance of the election and available for you to brief prospective candidates.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Baker', enclosed within a simple rectangular box.

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

Copied:  
Mr T J [Jon] Stoddart OBE QPM BA (Hons)  
Chief Constable – Durham Constabulary

Mr Ian Sturrock  
HMIC Liaison Officer