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**Drusilla Sharpling, CBE**  
Her Majesty's Inspector of Constabulary

28 September 2012

Mr Gwyn Hopkins  
Chair – Dyfed-Powys Police Authority

Mr Keith Reeves  
Chief Executive – Dyfed-Powys Police Authority

Dear Gwyn and Keith,

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

Thank you for the time the police authority spent with the HMIC team on 13 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 are taking a 'business as usual' and well established approach to your 2013/14 budget setting process. Your medium term financial planning 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 and grant income.

You are engaging with stakeholders and prospective PCC candidates to brief them on the budget outlook and you have more events of this type planned in the next couple of months. You have met with the police and crime panel and have started discussions on the budget setting process and how this supports 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 variations in the government grant settlement as well as a worst case scenario which involves a precept freeze and scenarios based on precept increase over the spending period.

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 as planned, and while you are not expecting any changes to your workforce projections for the next two years, you will be reassessing the position from 2015/16 onwards. Similarly, none of the scenarios you have explored are expected to result in major changes to existing service delivery plans although you acknowledge that once more information on 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. It is envisaged that the four Welsh PCCs will be brought together in early December by the Welsh Government to discuss collaborative arrangements and their governance.

### **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 and the provisional budget for the OPCC is based on the current police authority budget. At senior leadership level, you have decided to review arrangements as currently the force and authority finance arrangements are shared. Both the PCC and Chief Constable will have separate chief finance officers in line with the Financial Management Code of Practice.

You have identified the principles for how the OPCC will operate and you are developing arrangements 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. You have an induction plan and diary for the PCC's first 130 days which identifies essential activities.

You are also developing a decision making process which is flexible and able to deal with different types of decision. You are also thinking through a range of options for how the public will be updated on key decisions.

You are now focusing on drafting your schemes of consent and delegation, and are using national guidance to assist you with this. You are currently setting up an interim joint audit committee and three members from the current authority committee will be appointed for an initial twelve months. A commissioning framework is also in development, focusing on how to evidence what is achieved. The director of finance and resources is the lead for commissioning on the strategic transition board.

You are still in the process of developing a range of options for how the PCC will hold the Chief Constable to account. Although this is work in progress you are drawing on guidance issued by the Association of Police Authority Chief Executives and the Association of Police Authorities to assist you with this.

In summary, you have a well established budget development process which is based on prudent assumptions and takes account of 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.

While your decision making processes and governance options for how the PCC might hold the Chief Constable to account are still work in progress, you have a clear idea of the choices 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 'Drusilla Sharpling'.

**Drusilla Sharpling**  
HM Inspector of Constabulary  
Wales and Western Region

Copied:  
Ms Jackie Roberts  
Chief Constable – Dyfed-Powys Police

Mr Paul Morris  
HMIC Liaison Officer