

**Zoë Billingham BA Hons (Oxon)**  
HM Inspector of Constabulary, Eastern Region

28 September 2012

Mr Anthony Jackson  
Chair – Essex Police Authority

Mr Charles Garbett  
Chief Executive – Essex Police

Dear Anthony and Charles,

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

Thank you for the time the police authority spent with the HMIC team on 18 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 described a well established financial planning process, which is progressing well to deliver the 2013/14 budget, and the setting of a precept within the statutory deadlines. You outline a number of uncertainties most notably around the police grant and the precept increase. However you have made a comprehensive assessment of all potential pressures and have a timetable and plan to develop a budget once these become clear.

You have a healthy level of reserves which are being used to smooth out in year budget pressures and helping to bridge the gap each year. Your workforce reductions are broadly on track and you are delivering the savings ahead of schedule. There is still a gap for 2013/14 and 2014/15 and you need to identify £2.2m savings for these final two years.

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

You have considered drawing up options based upon the prospective candidates' manifestos; however none of the prospective candidates in Essex has made any clear statements on their intentions with regard to spending

and priorities, therefore specific costings and options have not yet been developed.

However, you are developing options to show PCC candidates the impact of a change to the precept increase from 2.5 percent, which is the current assumption in the financial planning. In addition you have developed a clear approach to setting out the forces financial position in order to effectively brief PCC candidates.

A significant proportion of your planned savings for the final two years of the spending review are from increasing collaboration with Kent Police. Current plans assume £4.9m of savings from sharing services and increasing efficiencies. You intend to cover this element in your briefing of PCC candidates and working with Kent you are developing collaboration narratives to explain the benefits in cost reduction and resilience of this approach.

### **Workforce and service impact**

You have a clear workforce plan to deliver the identified savings and this is broadly on track. Headcount management is strong, workforce reductions, savings and impact on the policing model are closely and robustly monitored with corrective action being taken.

You are carefully monitoring the impact on performance and service quality of restructuring the force and reducing costs. The current plans do not have any significant change on the service delivered to the public, this has been minimised by the new policing model and by generating significant efficiencies in back office functions from collaboration with Kent. However, you are conscious that there could be further reduction in the next spending review and you are in the early stages of planning what impact that could have on services.

### **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.

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 areas where services may be commissioned from the force such as press and media and research and analysis. At present the treasurer performs both roles (treasurer and a/chief executive).. You have now appointed temporary support to the treasurer role and you have plans, once the PCC is in post, to appoint a permanent chief executive so that you are able to meet the statutory requirements.

Progress has been made with developing governance arrangements for the OPCC, with a draft scheme of delegation and draft financial regulations being drawn up. You have also developed an interim constitution which sets out

how the PCC may operate. These interim arrangements propose a consultative board is established which will allow a range of information and expertise to inform the PCC.

You have developed a high level decision making framework and in consultation with other forces are scoping a range of options for accountability. You have also started to consider cost effective approaches to more extensive public engagement and whether there are existing mechanisms of partner engagement a PCC could also use.

A police and crime panel has been formed and proposals for the establishment of a joint audit committee are being developed.

In summary, you have a well developed 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.

You have developed plans for how the OPCC will operate to support the PCC in delivering their statutory functions. You have developed an interim governance approach to allow the PCC to operate on day one, you have developed a high level decision making process and a range of options about how the PCC may hold the Chief Constable to account. 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



**Zoë Billingham**  
HM Inspector of Constabulary, Eastern Region

Copied:

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Ms Denise Peacock  
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