

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

28 September 2012

Mr Barrie Roper  
Chair – Leicestershire Police Authority

Mr Paul Stock  
Chief Executive – Leicestershire Police Authority

Dear Barrie and Paul,

### **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 our discussions and to highlight areas that emerged for further consideration.

#### **Budget setting process**

Leicestershire has a budget setting process in place. Your budget plans are based on up-to-date assumptions. You have adopted a 'business as usual' approach, while allowing the potential for flexibility for the new PCC.

Your four year medium term financial plan has been extended beyond this spending review to 2015/16. It has been refreshed and updated during the year reflecting decisions and adjustments made, as well as additional savings and pressures identified.

You have developed a balanced budget for 2013/14 based on zero percent precept increase, using reserves to make up the gap. However, in the final year of the spending review period even with further use of reserves you still have an outstanding gap of £4.7m in 2014/15, this creates a significant challenge for an incoming PCC.

While plans are currently being developed to close the gap, this work should be prioritised so that the incoming PCC has options to enable a balanced budget to be set not only in 2013/14 but the remainder of the spending review and beyond.

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

Your Chief Executive and Chief Constable are discussing different scenarios and their impact with all the prospective PCC candidates and dates have been set for budget briefing meetings with all candidates. As yet there is not sufficient detail to cost bespoke manifestos.

The budget is built on the assumption of a zero percent precept increase, however, you can explain the change in funding position as a result of flexing your precept levels.

## **Workforce and service impact**

The budgeted savings plan includes reduction in head count, however you still need to work through the workforce implications of some of later savings so existing plans are likely to change. Broader workforce issues are tackled in your change plan, such as a review of shift patterns to align officer resources to demand which has been carried out and will be implemented in January 2013.

Leicestershire's involvement in collaborative working is an established part of service delivery. You have taken steps to ensure that the prospective PCC candidates understand the benefits accruing from collaboration.

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

Leicestershire has transition arrangements in place which are supported by agreed budgets and reserves. Partners are involved and engaged in transition. Work is in progress on a transition governance plan which provides a framework for decision making for the incoming PCC. You are drawing on the Association of Police Authority Chief Executive's Good Governance Guide and have developed a decision-making protocol including publication of decisions, schemes of delegation and consent have also been drafted

The proposed structure for the OPCC is flexible and you are undertaking work to assess skills gaps. You are considering options for how areas of functional work currently carried out by the force for the authority (e.g. finance, HR) might be delivered. You fully understand that it will be a matter for the PCC which, if any, options he or she chooses to adopt.

In short, you have developed an approach for a balanced budget in 2013/14 and are engaging PCC candidates to ensure that this budget can be set when the PCC takes office. However, while the first year's budget will balance, the significant shortfall at the end of the spending review period gives the incoming PCC a significant issue to address.

Your plans for the OPCC and the governance models for the PCC are being finalised and are sufficiently flexible to be adapted going forward.

I hope that the above comments are beneficial as you continue to plan and prepare for transition to a PCC.

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 that reads "Zoë Billingham". The signature is written in a cursive style with a large initial 'Z'.

**Zoë Billingham**

HM Inspector of Constabulary, Eastern Region

Copied:

Mr Simon Cole  
Chief Constable – Leicestershire Constabulary

Mr Roy Mollett  
HMIC Liaison Officer