

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

28 September 2012

Cllr Bill Weightman
Chair – Merseyside Police Authority

RB/LKB

Mr Paul Johnson
Chief Executive – Merseyside Police Authority

Dear Bill 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 11 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

Your budget setting process is in place and your plans are based on up-to-date and prudent assumptions. Your medium term financial plan (MTFP) is being regularly refreshed and updated; it now extends to 2016/17. You have completed a detailed analysis of the impact on your budget from a wide range of factors including the localisation of council tax benefit, changes to the council tax base, the police precept component of council tax and grant income.

Preparation of scenarios to support the PCC in setting the budget

You are preparing a range of alternative scenarios for the incoming PCC to consider in order to assist with setting the budget for 2013/14. Modelling a range of options and 'unknowns' you have developed scenarios based on the best and worst cases within the

current MTFP and their impact to 2016/17. You acknowledge the significant financial challenges faced over the next four years, much of which remains uncertain. You are responding to these challenges through the Sustaining Excellence programmes which builds on earlier change programmes.

Workforce and service impact

You described your current workforce plans which are progressing as planned and take the force through to 2014/15. All of your plans take into account the need to ensure that service delivery is maintained or improved and this features in the scenarios discussed

You are involved in embedded collaborative working with other forces and a paper has been prepared for any incoming PCC candidate to set out the benefits in respect of this.

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

A transition budget has been set aside and a provisional budget for the office of the PCC based on the current police authority budget.

You have plans to consider at what the OPCC will look like. There is a well resourced unit to support the PCC, but nonetheless you have considered the additional roles and skills that might be required. You recognise the PCC may want their own media capability and there may also be a need for additional support around correspondence and are currently looking at capacity building in existing staff.

You have developed plan around the PCC's first 100 days which includes an induction, invitations to key events, engagement with community safety and other partners as well as addressing key legacy issues.

In respect of governance, you have considered six options and have run scenarios to test each one. The preferred option for governance has been selected and is being refined including options for how the PCC will hold the Chief Constable to account.

You are still in the process of establishing and recruiting your joint audit committee.

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.

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 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 Jon Murphy QPM
Chief Constable – Merseyside Police

Mr Eddie Williams
HMIC Liaison Officer