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

28 September 2012

Mr Alun Lewis  
Chair – North Wales Police Authority

Mr Ken Finch  
Chief Executive – North Wales Police Authority

Dear Alun and Ken

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

Thank you for the time the police authority spent with HMIC on 05 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 are taking a 'business as usual' (and well established) approach to your 2013/14 budget setting process. Your medium-term financial plan (MTFP) is currently being refreshed to take account of a range of reviews and analysis of a new cost pressures including the police precept component of local council tax (precept), the impact of dampening and changes to your overall grant income. You aim to have a proposed 2013/14 budget prepared in early November ready for the incoming PCC.

Your reserves are comparatively high, but it is anticipated that they can be used underpin any short fall in the next two years of your plan.

#### **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 North Wales has made any specific statements on their intentions with regard to spending and priorities, therefore options have not yet been developed. It is your intention to cost any proposals as soon as you become aware of them.

You have made a planning assumption for a four percent increase in precept in your MTFP and have costed the impact if this is not agreed.

### **Workforce and service impact**

You described your current workforce plans and it is clear that police officer reductions are being kept to a minimum and will not significantly impact on service delivery. Your use of agency staff and carrying of police staff vacancies provides flexibility should changes be required.

You are involved in collaboration and partnering work with other forces and the benefits of this will form part of your briefing for candidates.

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

Preparations are underway for the first week following election of the PCC and you are working to develop a detailed diary for the period beyond.

There is a joint transition board in place with active engagement of the force and representation from local authority partners.

The detailed governance proposals for the PCC are at an early stage of development. A broad outline of a rationalised decision making and governance model is currently being developed to take to the transition board later in September 2012.

You are taking a pragmatic approach planning a 'skeleton structure' sufficient to allow the PCC to operate but allow flexibility in determining the final model of operation. This is based on a strategic executive board made up of the Chief Constable and the PCC supported by four force level committees, which mirrors the recently revised police authority structure.

You are currently costing the OPCC but anticipate that this will be consistent with the current police authority budget. You have identified skills gaps in areas such as media and communications. You are preparing a legacy statement for the incoming PCC to identify any risk areas and issues for immediate consideration.

The police and crime panel is in place holding its first meeting on 13 September 2012. Plans for the establishment of the joint audit committee are in train with terms of reference being drawn up and recruitment to the Committee expected to take place in January.

The Deputy Chief Executive and force intend to meet the candidates for a further combined briefing session later in the year.

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 that 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 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



**Drusilla Sharpling**

HM Inspector of Constabulary, Wales and Western Region

Copied:

Mr Mark Polin QPM  
Chief Constable – North Wales Police

Ms Catherine Pritchard  
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