

# Preparing for Police and Crime Commissioners

A report on police authorities' budget preparations  
for 2013/14 and the development of governance  
and accountability models

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## Executive Summary

On 22 November, Police and Crime Commissioners (PCCs) will take office in 41 police force areas in England and Wales. HMIC visited all 41 police authorities to test the progress they are making in planning for future budgets and governance.

Although there is some variation between authorities in their approach and the progress achieved to date, we found that authorities were, in general, making considerable progress since we last looked at this.<sup>1</sup> We found authorities working on their plans with police forces and strong support from the Association of Police and Crime Commissioners/Association of Police Authorities (APCC/APA), the Association of Police Authorities Chief Executives (APACE) and the Police Authority Treasurers' Society (PATS).

They are making as much progress as possible given the uncertainties and risks, such as funding levels and – for some – gaps in the senior team. This, within the limits of these uncertainties, provides a level of reassurance.

We found:

- **In general, authorities are preparing their budget planning for 2013/14 and beyond as far as possible given the uncertainties.** At this stage authorities do not have certainty around their final budgets nor all of their budget pressures.
- **Some Offices of the Police and Crime Commissioner (OPCCs) are likely to lack senior team capacity early on.** When PCCs arrive, or soon after, nine OPCCs (at time of writing) may have one or more of the two required statutory posts (the chief executive and monitoring officer and the chief finance officer) vacant. The APA and APACE are currently liaising with four organisations which specialise in providing interim management expertise in

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<sup>1</sup> 'Preparing for Police and Crime Commissioners: an interim report on the progress made by police authorities in preparing for the introduction of PCCs', HMIC, July 2012, [www.hmic.gov.uk](http://www.hmic.gov.uk).

an attempt to provide interim cover. In addition, OPCCs may lack key skills such as commissioning.

- **Authorities are developing or have already developed structures for accountability and decision making.** All authorities recognise the need to strike a balance between arrangements that allow the PCC to function from day one and those that, through over-engineering or lack of flexibility, constrain the PCC. Authorities are drawing on national guidance to help them strike this balance. The final decision on the structures to adopt will be a matter for the PCC.

## Introduction

In July 2012, HMIC published an interim report on the progress made by police authorities in preparing for the introduction of Police and Crime Commissioners (PCCs).<sup>2</sup> The report, which looked at outline transition plans and their general scope rather than the detail or efficacy of what they contained, showed that all authorities were continuing to discharge their statutory responsibilities while also preparing for the arrival of PCCs.

We made a commitment to return to police authorities later in the year when they would be further advanced in the implementation of their transition plans to look in more detail at two key aspects of their preparations for PCCs:

- the budget development process and the options authorities were preparing to help PCCs make informed choices on the 2013/14 budget; and
- the proposals for governance, accountability and decision-making models that police authorities were developing for PCCs to consider as they set up their new office.

This report highlights our findings from September 2012 against these two themes.

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<sup>2</sup> 'Preparing for Police and Crime Commissioners: an interim report on the progress made by police authorities in preparing for the introduction of PCCs', HMIC, July 2012, [www.hmic.gov.uk](http://www.hmic.gov.uk).

## Budget development process and preparation for 2013/14 budgets

A key responsibility of the PCC is to set the annual budget and police component of the council tax precept. After PCCs take office they have a tight timescale to set a budget and the level of the precept for 2013/14 which is year three (out of four) of one of the most challenging funding settlements the police service has faced.

Regulations<sup>3</sup> set out the process for issuing a precept, and the deadlines for taking specific steps. There are two key dates for the PCC, to propose a precept to the police and crime panel (PCP)<sup>4</sup> for review by 01 February 2013 and secondly issuing the final precept by 01 March 2013. There are further deadlines set should the PCP veto the proposed precept, which are discussed in the technical annex.

### Preparing financial plans

Police authority treasurers, working with force finance departments are used to preparing, refining and developing multi-year financial plans (medium term financial plans or MTFPs) on a regular basis. We found for many authorities this 'business as usual' approach is the starting place for the preparatory work to support a PCC in setting budgets.

The inspection work with authorities was carried out in early September and refreshed MTFPs had been, or were about to be presented to police authorities. In our report, *Policing in Austerity: One Year On*<sup>5</sup> we reported that 35 forces and authorities had plans to balance their budgets in 2013/14. By 01 March 2013, all PCCs will have to set a balanced budget for 2013/14.

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<sup>3</sup> The Police and Crime Panels (Precepts and Chief Constable Appointments) Regulations 2012.

<sup>4</sup> The Police and Crime Panel is composed of locally elected councillors along with some lay members and is responsible for scrutinising the actions and decisions of the PCC.

<sup>5</sup> HMIC, July 2012.

In September all authorities discussed ways of balancing a 2013/14 budget, however, to do so they may rely on drawing down reserves, bringing forward savings, identifying new savings or seeking an increase in the precept. The final position will become clearer once the grant settlement is announced and authorities finalise their plans for the 2013/14 budgets to present to PCCs.

Planning for 2013/14 follows the fact that the vast majority of forces and authorities have reported an under-spend in the first year of the spending review. For many forces, the under-spend is a result of a concerted effort to deliver their savings plan ahead of schedule. While some of these savings may not recur in future years, they enabled forces to add to their reserves, either in general terms or for one-off costs such as redundancy.

While forces and authorities have identified more savings since plans were prepared and reported in our earlier report, further pressures have also emerged. These include inflation in goods and services, which will fluctuate. Fuel prices in particular are being cited by many authorities as the cause of additional costs, albeit the overall impact of these will be less than other factors.

At this stage, authorities identified the Localisation of Council Tax Benefit Scheme (see the technical annex) as a potential pressure. Police authorities are working with billing authorities to determine the cost implications of the change and to mitigate the impact. Some forces are engaged in discussions with partner councils in their design of local schemes so that they will be cost neutral. Other forces have earmarked reserves in case additional costs materialise, while some have included it within their savings requirements. Other pressures identified include additional charges for national services e.g. the Police National Database.

There is still a considerable level of uncertainty involved in developing budget proposals and financial plans. Police authorities are funded from two key sources: central government grant and precept. Government has given an indication of the likely settlement but this will not be formally announced until after the Autumn

Statement<sup>6</sup> on 05 December. Both the consequence of adjusting the settlement in light of the pay restraint (see technical annex) and the outcome of the government's review of damping make the settlement uncertain. We found that all forces are taking a cautious approach to their assumptions in these areas.

Authorities have reviewed the savings from changes to workforce terms and conditions arising from the recommendations of Part I of the Winsor Review. A number of authorities took the opportunity to secure workforce savings, where possible, ahead of the implementation of the recommendations. At this stage, authorities have been cautious about the level of savings that can be achieved in 2013/14. Many authorities raised the potential savings available through the change to police staff regulations. But as these are yet to be progressed, authorities are not including them in their savings plans.

Authorities are conducting varying levels of preparation for the next spending review. While this work is in an early stage of development, it has enabled some forces and authorities to brief their prospective PCC candidates on the longer-term financial position and in some cases the impact this may have on service delivery. While this was not a focus of the inspection, authorities should continue to give this some consideration as the PCC's four year term will extend beyond this spending review period.

Because many authorities have increased, to varying degrees, their reserves following last year's under-spend they are able to 'buy some time' for the PCC in setting their budget. This under-spend could be used to fund specific projects or priorities. PCCs must propose a budget to the police and crime panel by 01 February 2013. This is tight for an incoming PCC and, given the spending review settlement in some cases, options for PCCs are fairly limited. The work undertaken to date by authorities, both financial planning and governance preparation will help. However, in some cases PCCs will still have to make tough choices to manage a challenging settlement.

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<sup>6</sup> [http://www.hm-treasury.gov.uk/as2012\\_index.htm](http://www.hm-treasury.gov.uk/as2012_index.htm)

## **Developing options for the PCC and costing the delivery of their commitments**

Police authorities have recognised the need to develop budgets that will deliver the manifesto commitments of PCCs. However, at this stage, many prospective PCC candidates have yet to release detailed proposals that can be costed. Authorities and force finance departments are either already engaged or are planning to brief candidates on the authority's finances. A number of PCC candidates are new to the policing environment so authorities have presented to them the mechanics of police finance, the particular financial position of the force and authority and the range of policing services it provides. For many this has consisted of a generic briefing session for all candidates followed by more tailored, individual sessions.

During the visits to authorities, HMIC saw some excellent examples of clear briefing on complex financial issues. Many have developed models to test, in real time, PCC's commitments and approaches. For example, West Midlands Police's approach to priority based budgeting has meant that there is a comprehensive and detailed range of information costed at individual service levels across all police operations. This will greatly assist the PCC in making informed choices about budget setting and the impact on service outcomes from those choices. Bedfordshire Police are developing a modelling tool to test the impact of different scenarios on service delivery.

All authorities have modelled or understand the impact of differing precept levels. Some authorities consider that a zero percent precept increase is the most likely position, so this is their main scenario. Other authorities have followed suggested levels from the Office of Budget Responsibility, while others have modelled a number of precept scenarios.

Some authorities are beginning to get an early sense of PCC priorities (these tend to be around local policing priorities such as anti-social behaviour, domestic violence, and substance misuse) and think about how these fit with existing plans and local policing structures. Some authorities are briefing PCC candidates about the less



visible demands relating to vulnerable people, firearms, homicide and the strategic policing requirement.<sup>7</sup>

## **Workforce and service delivery**

Our report on collaboration<sup>8</sup> in July 2012 found that forces are relying on collaboration to varying degrees to deliver the total savings needed to fill their spending review gap and one force (Suffolk) is relying on it to deliver around half. We highlighted that collaboration has the potential to deliver savings and protect the front line. Several collaborations (e.g. the Yorkshire and Humberside Regional Collaboration; Kent and Essex; Bedfordshire, Cambridgeshire and Hertfordshire) are developing a joint briefing for their respective PCCs, highlighting the benefits – both collectively and individually – for communities.

Many forces have identified the potential for targeted recruitment. Those that are recruiting are doing so cautiously and within their overall workforce plans but see this as a significant opportunity and a benefit to supporting service delivery.

Forces and authorities recognise the locally contentious issue of station or front counter closure and much of this debate is already ongoing with communities; we found no excessive reliance on estate reconfiguration to deliver savings.

There is some evidence of authorities mapping local funds to influence the community safety and partnership working agenda. Humberside Police for example have earmarked some additional funds for community safety recognising the likely importance of the wider PCC role, and Hertfordshire are carrying out a detailed mapping exercise to identify relevant partner funding which contributes to community safety. This will place them in a good position when the community safety fund becomes part of the main grant from 2014.

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<sup>7</sup> <http://www.homeoffice.gov.uk/publications/police/pcc/strategic-policing-requirement>

<sup>8</sup> 'Increasing efficiency in the Police Service: The role of collaboration', HMIC, July 2012.

## Governance, accountability and decision making models

In July<sup>9</sup> we reported that, at the time of our support and challenge visits between April and June, most authorities had understandably been at an early stage in anticipating the requirements of PCCs. Few authorities were developing options for the processes and structures PCCs might wish to consider in order to discharge their statutory responsibilities.

We suggested in July that ongoing work by the Association of Police Authorities (APA) and the Association of Police Authority Chief Executives (APACE) might assist in progressing this work.

In September we found that authorities were using a mix of guidance from the APCC/APA, APACE, PATS and the Chartered Institute of Public Finance and Accountancy (CIPFA) to assist their planning for the arrival of PCCs.

Guidance has been used to assist with areas such as closing one organisation and opening another; arrangements for the Office of the Police and Crime Commissioner (OPCC); and decision-making models. We also found that authorities are sharing plans among themselves in order to benefit from the work of others where possible.

### **The office of the PCC (OPCC)**

#### ***Funding***

Our interim report found that all authorities had made some financial provision for transition although amounts varied. The method and source of funding differed with some authorities setting aside or identifying a dedicated budget or contingency fund while others were planning to use reserves.

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<sup>9</sup> *Preparing for Police and Crime Commissioners, An interim report on the progress made by police authorities in preparing for the introduction of PCCs*, HMIC July 2012.

We therefore followed this up in our interviews in September by asking about:

- the cost of transition and where it was being funded from; and
- the provisional budget for the OPCC in 2013/14.

In our interim report, more than a third of police authorities identified transition being more costly than expected, due to uncertainty in their estimates, as one of their top ten risks. In September we found that authorities are taking a prudent approach to any one-off transition costs often funding these from their current police authority budget or identifying reserves that could be used if required. Transition costs were not highlighted as an issue.

All police authorities are provisionally budgeting for the cost of running the OPCC in 2013/14 to be broadly the same as their current police authority budget. This is consistent with the Home Office's assumption that the new governance arrangements for policing would not cost any more than those currently in place.

Expected savings from members' allowances are often being used as a way of meeting any additional costs the OPCC may incur such as covering the wider responsibilities of the PCC compared to police authorities (see Annex A).

### ***Capacity***

At the time of our interim report, we found nine police authorities which could have vacancies in their senior teams by November 2012. These vacancies were due to chief executives retiring or temporary contracts coming to an end (three authorities) and/or one person currently covering the roles of both chief executive and treasurer (six additional authorities).<sup>10</sup>

Where the roles of chief executive and treasurer are being carried out by one individual, there will be an immediate gap in the office of the PCC: legislation

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<sup>10</sup> Bedfordshire, Derbyshire, Essex, Leicestershire, Merseyside, North Wales, South Wales, South Yorkshire and Thames Valley.

requires a separate chief executive and monitoring officer and chief financial officer. In September, we found four authorities with one person covering both chief executive and treasurer roles<sup>11</sup> with some authorities making interim appointments since July.

A balance undoubtedly needs to be struck between handing over a 'going concern' to the PCC while at the same time not fettering their discretion by putting in place interim arrangements that cannot be changed quickly should the PCC wish to do so.

In summary, and at the time of writing, nine police authorities may have senior team vacancies in the early months after the arrival of the PCC.<sup>12</sup> The APA and APACE are currently liaising with four organisations which specialise in providing interim management expertise in an attempt to provide interim cover.

The potential gap in senior roles within the OPCC in about a fifth of police authorities represents a key risk which may well diminish the effectiveness with which PCCs are able to discharge their statutory responsibilities from day one. This remains a concern for HMIC.

### ***Preliminary infrastructure for OPCC***

In our interim report we found that 16 authorities<sup>13</sup> were at an advanced stage in their practical arrangements for anticipating the requirements of the PCC. In September all authorities had made progress and were either developing or had already established provisional arrangements for how the OPCC would operate from day one in support of the PCC.

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<sup>11</sup> Bedfordshire, Essex, Merseyside and Thames Valley.

<sup>12</sup> Bedfordshire, Derbyshire, Essex, Leicestershire, Merseyside, North Wales, South Wales, South Yorkshire and Thames Valley.

<sup>13</sup> Avon and Somerset, Bedfordshire, Cambridgeshire, Cumbria, Durham, Greater Manchester, Gwent, Hertfordshire, Humberside, Lancashire, Lincolnshire, Merseyside, Norfolk, Nottinghamshire, South Yorkshire and West Yorkshire.

To support the preliminary operating model for the OPCC, authorities already have in place or are developing:

- a diary or induction plan for the early months of the PCC to schedule key activities and meetings;
- a legacy document to brief the PCC and support their understanding of policing governance; and
- an assessment of the staffing requirements for the office including a current skills audit and plans for how gaps might be filled.

Some authorities are going further still in their preparations. For example Devon and Cornwall has a legacy document for the PCC which details the rationale and implications of key decisions made over the last two years, while Avon and Somerset is producing legacy reports for each police authority committee.

Ensuring the OPCC has the appropriate mix of skills to support the PCC in their broader role compared to that of the police authority is something that police authorities themselves are assessing through the completion of skills audits.

In order to mitigate the risk of having key skills gaps, some authorities have already considered how certain roles and functions will be delivered through the OPCC. Options being explored include recruitment, sharing resources with the force or working in partnership with other agencies, which might have greater experience in some areas such as commissioning.

Having the right skills in place to support the PCC from day one remains a risk, particularly in areas that police authorities have previously not had experience of, such as commissioning services.

## **Governance and accountability options**

It is entirely a matter for the PCC to decide how they wish to exercise their responsibilities. However, they will need to set up processes and structures for how they will meet with and hold the Chief Constable to account and communicate and engage with the public they represent. It will therefore be useful for police authorities to have options prepared for the PCC to consider when they take office.

Understandably, no authority had fully worked up options by April 2012 for the PCC to consider, with their focus being the transition period rather than planning for after the arrival of the PCC.

In September we found a greater emphasis on forward planning; all police authorities were developing options for how meetings between the PCC and Chief Constable could take place in order to hold the Chief Constable to account. Police authorities differed in the extent of their preparations and there was an awareness of the need to balance detailed planning and use of limited resources while also having plans to draw on to provide ideas and options for the incoming PCC.

For some this was still work in progress while for others more detailed planning was evident with options including a board structure, scrutiny panels (including performance scrutiny) and ways of involving the public and allowing them to ask questions of the PCC.

Staffordshire police authority, for example, has produced a PCC scrutiny timetable which sets out a programme of scheduled decision and performance monitoring meetings to allow the PCC to scrutinise the force. Police and crime panel (PCP) meetings are scheduled to take place after these quarterly performance meetings with the force.

The majority are advanced in their preparations for forming a Joint Audit Committee with recruitment either beginning or already underway. In a few cases, an interim committee has already been established. Avon and Somerset has done so, and it held its first meeting in September; it is planning for this interim arrangement to continue until March 2013 to provide continuity.

### ***Decision-making process***

Overall, plans for how decisions could be made by the PCC are more advanced and more clearly defined than possible options for holding the Chief Constable to account.

This may be because early APCC/APA and APACE guidance has been used by authorities to assist in developing their decision making processes, including ensuring that these are based on sound evidence and that key elements such as schemes of delegation are redrafted prior to the arrival of the PCC.

All authorities have either already updated their scheme of governance, delegation or consent or are currently doing so in readiness for approval by their PCC.

Some authorities are considering the use of decision logs; South Wales is considering publishing these on its website. Authorities are also planning to use submissions or business cases to inform and support decision making.

Police authorities are taking a flexible approach depending on the type and level of decision being made. Many authorities plan to involve partners in the decision-making process, both for their expertise and to ensure a range of views are incorporated.

Several authorities<sup>14</sup> are particularly advanced in their planning and have a well defined approach. Some are testing this with decisions currently being made to identify any problems and refine the process as necessary.

Cambridgeshire, Bedfordshire and Hertfordshire are developing a decision-making model to support their collaborative working, which they are now testing. The incoming PCC will have to make a decision regarding the next steps for delivering organisational support to the three forces, potentially with a private sector partner.

Merseyside has developed six decision-making and governance options which were assessed against a range of criteria including: transparency; effectiveness; type of decision; and audit trail in order to identify a preferred option.

All police authorities have given some thought to how decisions can be communicated more widely – including to the public, such as: publishing decisions on the website (the most common option), public meetings, and real time webcasts<sup>15</sup> (Hampshire and Sussex – among others – are considering this).

South Wales is looking at a range of options for involving the public and is consulting more widely to gather views, while Cheshire is considering making all meetings public, other than those between the PCC and Chief Constable. Durham has specifically surveyed local communities to ask how they would like to engage with their PCC.

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<sup>14</sup> Avon and Somerset, Kent, Wiltshire, Hampshire, Bedfordshire, Hertfordshire, Cambridgeshire, Merseyside and Humberside.

<sup>15</sup> To provide real-time or pre-recorded transmission of meetings.



## Conclusion

Although there is some variation between authorities in their approach and the progress achieved to date, we found that authorities were, in general, making considerable progress since we last looked at this.<sup>16</sup> We found authorities working on their plans with police forces and strong support from the Association of Police and Crime Commissioners/Association of Police Authorities (APCC/APA), the Association of Police Authorities Chief Executives (APACE) and the Police Authority Treasurers' Society (PATS).

They are making as much progress as possible given the uncertainties and risks, such as funding levels and – for some – gaps in the senior team. This, within the limits of these uncertainties, provides a level of reassurance.

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<sup>16</sup> 'Preparing for Police and Crime Commissioners: an interim report on the progress made by police authorities in preparing for the introduction of PCCs', HMIC, July 2012, [www.hmic.gov.uk](http://www.hmic.gov.uk).

## Annex A

### Comparison of statutory responsibilities for police authorities and PCCs

<b>Police authorities</b>	<b>Police and crime commissioners</b>
<p><b>Efficiency and Effectiveness:</b></p> <p>To ensure the maintenance of an effective and efficient police force for the police area</p>	<p><b>Efficiency and Effectiveness:</b></p> <p>To maintain an efficient and effective police force for the police area</p>
<p><b>Finance:</b></p> <p>To hold the Police Fund and maintain accounts.</p> <p>To agree the police budget and set the precept.</p>	<p><b>Finance:</b></p> <p>To decide the budget, allocating assets and funds to the Chief Constable and set the precept for the police area</p>
<p><b>Planning/Performance:</b></p> <p>To publish a Policing Plan setting out the local policing objectives for the year</p> <p>To monitor the performance of the force against the Policing Plan</p>	<p><b>Planning/Performance:</b></p> <p>The PCC for a police area must issue a police and crime plan within the financial year in which the election is held.</p> <p>A PCC will scrutinise, support and challenge the overall performance of the force including against the priorities agreed within the Plan.</p> <p>Hold the Chief Constable to account for the performance of the force's officers and staff</p>

<p><b>Collaboration:</b></p> <p>To collaborate with other police authorities where such cooperation would be in the interests of efficiency and effectiveness of one or more police forces or police authorities.</p>	<p><b>Collaboration:</b></p> <p>The PCC must keep under consideration the ways in which the collaboration functions could be exercised to improve the efficiency and effectiveness of the police force, local policing body and of one or more local policing bodies and police forces.</p>
<p><b>Complaints:</b></p> <p>To investigate complaints about the conduct of ACPO rank or where appropriate refer complaints to the IPCC</p>	<p><b>Complaints:</b></p> <p>To monitor all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable</p>
<p><b>Appointments:</b></p> <p>The Chief Constable, Deputy Chief Constable and Assistant Chief Constable of a police force shall be appointed by the Police Authority responsible for maintaining the force, but subject to the approval of the Secretary of State (and with consultation with the Chief Constable for appointment of a Deputy and Assistance Chief Constable).</p>	<p><b>Appointments:</b></p> <p>To appoint the Chief Constable (except in London where the appointment is made by the Queen on the recommendation of the Home Secretary).</p>
<p><b>Dismissals:</b></p> <p>A PA with the approval of the Secretary of State could call upon a Chief Constable of a police force to retire or resign in the interests of efficiency and effectiveness</p>	<p><b>Dismissals:</b></p> <p>The PCC may call upon a Chief Constable to retire or resign</p>

<p><b>Partnership Working:</b></p> <p>The PA has a duty to work together with other 'responsible authorities' in formulating and implementing crime and disorder strategic assessment and partnership plans, and in consulting communities about crime and disorder matters</p>	<p><b>Partnership Working:</b></p> <p>The PCC must in exercising its functions have regard to the relevant priorities of each responsible authority and must act in cooperation with a 'responsible authority'</p>
	<p><b>Commissioning inspections:</b></p> <p>A PCC may at any time for a police area request HMIC to carry out an inspection of a police force.</p>
	<p><b>Commissioning community safety and crime reduction services:</b></p> <p>A responsibility for the delivery of community safety and crime reduction; the ability to bring together Community Safety Partnerships at the force level (except in Wales); the ability to make crime and disorder reduction grants within their force area and a responsibility for the enhancement of the delivery of criminal justice in their area.</p>

## Technical annex

### PCC Budget Preparedness Report

#### Process for issuing precept and timeline

The budget setting process follows both a national and local timeline. On 05 December 2012, the Chancellor of the Exchequer will make his autumn statement; this provides an update on the Government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility.

This is followed in December 2012<sup>17</sup> when The Minister of State for Policing and Crime is expected to make the Government's provisional police funding announcement where the overall police settlement will be set out, including how it will be allocated to particular funding streams. Announcements from Welsh Government setting out the position for Welsh forces are expected broadly at the same time.

#### Localisation of council tax benefit

A number of elderly, disabled and low income groups presently receive help with paying their council tax. Currently, the Government pays this benefit, which is administered locally by billing authorities (District Council, Borough Council or Unitary Council) based on a national scheme. The Government proposes to transfer responsibility for paying this benefit to local authorities, including the police from April 2013. As part of this transfer the Government are seeking a ten percent reduction in costs. Each billing authority will be required to set up their own scheme, within parameters set by the Government. The Government will allocate funding to billing authorities to support the provision of the localised schemes. However, this may create additional cost pressures for the local authorities, including the police. An additional cost pressure associated with this change comes from non-collection rates and the risk that they may increase.

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<sup>17</sup> No date has been set but it is likely to be before parliamentary recess on 20 December 2012.

The Government has made clear that billing authorities should engage as early as possible over the design of schemes with precepting authorities so that they can develop a shared understanding of any implications on budget in their area

## **Pay “claw back”**

HM Treasury’s 2011 autumn statement announced that public sector pay awards will average one percent for 2013/14 and 2014/15, and that departmental budgets will be adjusted in line with this policy, since spending review forecasts assumed higher pay awards. Authorities are planning that they will not benefit from lower-than-anticipated pay awards and that their grant will be amended accordingly.