

Her Majesty's Inspectorate of Constabulary
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Zoë Billingham BA Hons (Oxon)
HM Inspector of Constabulary, Eastern Region

28 September 2012

Steve Waight
Chair – Sussex Police Authority

Mr Dan Steadman
Deputy Chief Executive – Sussex Police Authority

Dear Steve and Dan

HMIC Police and Crime Commissioner (PCC) Budget Preparedness Visits

Thank you for the time the police authority spent with the HMIC team on 06 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 the discussions and to highlight any areas that emerged for further consideration.

Budget setting process

You have adopted a 'business as usual' approach to budget setting and are developing the 2013/14 budget. Your medium term financial planning is being regularly refreshed and updated and you have identified the factors that have an impact on your budget, including new council tax benefit localisation arrangements, the council tax base, the police precept component of local council tax (precept) and grant income.

You are engaging with stakeholders and prospective PCC candidates to brief them on the budget outlook and you have more events of this type planned in the next few months.

Preparation of scenarios to support the PCC in setting the budget

You have prepared alternative scenarios to assist the incoming PCC with setting the budget. These include a worst case scenario that involves a precept freeze and scenarios which include precept increases. You have taken the view, based on current information, that you can bridge the worst case budget scenario for 2013/14 through savings from the Serving Sussex 2015 Programme and existing reserves.

Workforce and service impact

You described your current workforce plans that are progressing as planned and while you are not expecting any changes to your workforce projections for the next two years you will be reassessing the position from 2015/16 onwards. None of the scenarios you have explored are expected to result in major changes to the existing service delivered to the public and your aim is to improve services wherever possible.

You are continuing to pursue options for collaborating more closely with Surrey and partnering with other organisations as a means of increasing efficiency and reducing costs.

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

Your provisional budget for the OPCC is based on the current police authority budget. On current projections, you expect that this budget will also be able to meet any one-off transition costs incurred in setting up the OPCC.

You have considered how the OPCC will operate although this is still very much work in progress. You have considered staffing requirements and are identifying areas where further support may be needed.

We have now been advised of the police authority's plan to appoint an interim chief executive of the authority and the OPCC for a period of up to six months. This appointment is likely to take place a matter of weeks before the PCC takes office. You appreciate that it is important that the authority should avoid taking steps that might fetter the discretion of the incoming PCC. Accordingly you have provided us with an assurance that the terms of the interim chief executive appointment will provide the PCC with immediate flexibility to either continue or discontinue the interim arrangement as they see fit. We are currently seeking immediate clarification from you in respect of the arrangements you have put in place to provide finance officer capacity in the future.

You are now developing an infrastructure to support the PCC which will focus on the four key policy areas of confidence, use of resources, crime and victims. You are developing a diary for the PCC's first few weeks in office.

You have given some thought to your decision making process and governance and accountability arrangements but these are areas that will benefit from the further work you are now planning to complete. You are also thinking through the options for how the public will be updated on key decisions made by the PCC.

You have yet to finalise your draft schemes of consent and delegation and intend to use national guidance provided by CIPFA to assist you with this. An interim Joint Audit Committee is now in the process of being set up with the terms of reference drafted. You are aiming for the key governance tools for the PCC to be approved at the October police authority meeting.

In summary, you have a budget development process in place that is based on prudent assumptions and takes account of a range of funding scenarios. You are now beginning to develop a range of options for the PCC to consider once in post to assist them in delivering their statutory functions although this is still work in progress and will benefit from the further work you have planned.

You have begun planning how the OPCC will operate to support the PCC in delivering their statutory functions and are focusing on four key policy areas to assist with this.

HMIC is awaiting immediate clarification of the arrangements you have made relating to finance officer capacity, and in particular an assurance that the discretion of the incoming PCC is not being fettered in this regard.

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 Martin Richards QPM
Chief Constable – Sussex Police

Ms Caroline Downing-Waite
HMIC Liaison Officer