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Drusilla Sharpling, CBE
Her Majesty's Inspector of Constabulary

28 September 2012

Cllr Sheila Blagg
Chair – West Mercia Police Authority

Mr David Brierley
Clerk – West Mercia Police Authority

Dear Sheila and David

HMIC Police and Crime Commissioners (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 the discussions and to highlight any 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 planning is being regularly refreshed and your plan will be updated again in October. You have completed a detailed analysis of the impact on your budget from a wide range of factors including new council tax benefit localisation arrangements, the council tax base, the police precept component of local council tax (precept) and grant income.

You have engaged with stakeholders and prospective PCC candidates to brief them on the budget outlook and you are in a position to respond to any queries raised by prospective candidates in the next couple of months.

Preparation of scenarios to support the PCC in setting the budget

You aim to prepare a range of alternative scenarios for the incoming PCC to consider in order to assist with setting the budget. These include a worst case scenario which involves a precept freeze and alternative scenarios based upon different levels of precept increase over the spending review period. You are in a position to advise the PCC on the implications of each scenario on the force's savings requirement, as well as plans for how these savings might be made.

Workforce and service impact

You described your current workforce plans which 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. However, the strategic alliance with Warwickshire is critical to realising your service delivery and cost reduction plans. While the concept is agreed you are deliberately leaving the detail for when the PCC arrives and will be providing a menu of cost reduction options for them to consider.

You have kept prospective PCC candidates informed about the strategic alliance blueprint which focuses on threat, harm and risk and the benefits it brings.

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

The provisional OPCC budget is similar to the current police authority budget and includes the cost of any necessary changes. You have set aside a total budget of £1.8m, which includes a cost of change provision of £210K.

You have identified the principles for how the OPCC will operate and arrangements are being put in place for when the PCC takes up office. You have considered staffing requirements and identified areas where further support may be needed such as commissioning services. You have an induction plan and diary for the PCC's first 130 days which identifies essential activities which includes the budget as well as agreeing the detail of the strategic alliance blueprint.

You are developing a decision making process which is flexible and able to deal with different types of decision. You are also thinking through a range of options for how the public will be updated on key decisions. You are now focusing on drafting your schemes of consent and delegation and are using national guidance to assist you with this.

You are still in the process of developing a range of options for how the PCC will hold the Chief Constable to account. Although this is work in progress you are drawing on guidance issued by the Association of Police Authority Chief Executives and the Association of Police Authorities to assist you with this. An interim Joint Audit Committee has not yet been set up and until the permanent OPCC Chief Finance Officer is appointed, you are planning to appoint the Warwickshire Police Authority Treasurer to act as a Chief Finance Officer to the West Mercia PCC.

In summary, you have a well established budget development process which is based on prudent assumptions and takes account of different funding scenarios. You are continuing to develop your plans for how the OPCC will operate to support the PCC in delivering their statutory functions. While your governance options and decision making processes for how the PCC might hold the Chief Constable to account are still work in progress, you have a clear idea of what the options are and are using national guidance to assist in developing these further, 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 the transition to a PCC.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Drusilla Sharpling', written in a cursive style.

Drusilla Sharpling

HM Inspector of Constabulary, Wales And Western Region

Copied:

Mr David Shaw

Chief Constable – West Mercia Police

Mr Peter Davies

HMIC Liaison Officer