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Drusilla Sharpling, CBE
Her Majesty's Inspector of Constabulary

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Bishop Derek Webley
Chair – West Midlands police authority

Ms Jackie Courtney
Chief Executive – West Midlands police authority

Dear Derek and Jackie

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 our discussions and to highlight areas that emerged for further consideration.

Budget setting process

Your budget setting process for 2013/14 is continuing in a 'business as usual manner'.

The savings required from the 2013/14 budget have been identified and the implementation governance is in place to deliver. The medium-term financial plan (MTFP) has not yet been updated for 2013/14 as there remain some significant uncertainties particularly with regard to the grant settlement.

You estimate that there could potentially be a further £8m savings requirement for 2013/14 depending on the final outcome. The draft budget will continue to be refined as more detailed information on grant income becomes available. However, the budget reserve is high and using the reserve has been pivotal in balancing your budget over 2012/13 and given the future uncertainties and challenges you consider it to be inevitable that the use of reserves will be a key part of the new Commissioners medium term financial strategy.

You have taken the view that the precept increase projections of three percent are realistic and in any event the impact of a lower increase is relatively minor given that a comparatively smaller proportion of the budget comes from council tax than in most forces.

Preparation of scenarios to support the PCC in setting the budget

It is accepted that any detailed scenarios for 2013/14 budget setting will depend on the outcome of the grant settlement and the resolution of other uncertainties.

There is already an impressive wealth of high quality information available to the PCC across the full range of force activities, providing very detailed information on service levels and associated costs. The force's approach to priority-based budgeting (PBB) has meant that there is a comprehensive and detailed range of information costed at 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.

Workforce and service impact

You described your current workforce plans and although the reductions in the workforce have been, and will continue to be significant, the new local policing model has enabled the force to minimise the impact on service delivery and target remaining resources at areas of greatest need.

The very rigorous approach to PBB and the reviews of all operations put you and the force in a good position to readily assess the impact of changes in resourcing in terms of service levels and outcomes. This means that the PCC will be able to see very clearly the outcomes for local people of changes in the budget in any area of service delivery.

Work is continuing to develop collaborative arrangements with Staffordshire Police. At present, there are no savings included in the plans from any potential business partnering initiatives.

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

You are taking a pragmatic approach to new governance and decision making arrangements and are assuming that in the short term it will be expedient to put in place simple and straightforward arrangements which will enable the office of the PCC to function effectively until the PCC has determined what they want for the longer term.

You are currently giving consideration to the governance model developed by the Association of police authority Chief Executives (APACE) and you are keeping abreast of all national developments and guidance. You expect that the PCC will continue with the existing scheme of delegation again for the short term.

Your Transition Board is actively involved in the planning and preparations and you are progressing with a 'business as usual' approach to budget setting and decision making.

The Police and Crime Panel (PCP) has now been appointed and is being supported by one of the local authority Chief Executives. The police authority has recommended that an interim Joint Audit Committee is set up and this will be made up, in the short term, of the existing independent members of the authority.

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 the transition to a PCC.

Yours sincerely



Drusilla Sharpling

HM Inspector of Constabulary, Wales and Western Region

Copied:
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