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Friday 17th November

Thank you for your letter dated 11 October 2017 regarding police force reserves and for the accompanying reserves survey. I am grateful for the time you and PCC Treasurers have taken to collate this information.

This information dovetails with the programme of engagement I have led with policing to build a clearer picture of the demand on forces, their resilience and how changes in demand can be managed by improvements in efficiency and productivity, and prudent use of reserves. I have spoken to policing leaders in each of the 43 police forces of England and Wales ahead of the 2018/19 police funding settlement as part of this process.

PCCs collectively hold more than £1.6 billion in usable resource reserves. Your work highlights that part of these are earmarked for useful purposes such as enhancing mobile working and delivering transformation. To fully understand a force's financial position and their plans to improve services to the public, a member of the public or a Minister needs access to high quality information about why a PCC holds such earmarked reserves, and what their future plans for them are.

There are already many areas which provide details of their reserves plans. However, I would like every PCC to produce clear, easily understandable explanations of the rationale for holding reserves that have been earmarked for a particular purpose, and for how these reserves will be used over time. This will enable members of the public to be able to understand the link

between financial reserves held and the service delivered. To achieve this, I propose to strengthen Home Office statutory guidance on transparency around reserves by amending the Financial Management Code of Practice.

While police reserves figures are published in annual statements of account, it is difficult for members of the public to easily obtain information on reserves figures and compare their local PCC's reserves to others. Therefore, the Home Office will publish the latest police reserves data on [police.uk](https://www.police.uk), providing one place where individual PCC reserves levels as well as the national picture can be understood more easily.

Together, these measures will contribute to a wider understanding of police finance and enhance accountability around public money.

My officials will be in contact with you and the PCC Treasurers Society to discuss this further.

A handwritten signature in blue ink that reads "Nick Hurd". The signature is written in a cursive, slightly slanted style.

Nick Hurd MP