

POLICE & CRIME COMMISSIONER FOR LEICESTERSHIRE POLICE & CRIME PANEL

PAPER MARKED

Report of	POLICE AND CRIME COMMISSIONER
Date	WEDNESDAY - 17th DECEMBER 2014
Subject	STRATEGIC UPDATE
Author	CHIEF FINANCE OFFICER

Purpose of Report

1. This report is intended to update the Police and Crime Panel on key strategic areas, which would not all necessarily be the subject of separate reports on the agenda but which are pertinent to the PCC in undertaking his role and will therefore be of interest to the Panel.
2. The strategic update is the first such report to the Panel and comments would be particularly welcomed on both the format and timeliness to develop and inform such reports in the future.

Recommendation

3. That the Panel consider and note the report and where appropriate comment on the format, content and timeliness of future reports.

Chief Constable's Contract

4. As the Panel will be aware from recent communication, the PCC has decided to extend the fixed term appointment of the Chief Constable Simon Cole QPM, in line with the maximum extension available within the current Police Regulations. This means he will remain in post until at least June 2018.
5. There is no stronger way for a Police and Crime Commissioner to demonstrate their support for their Chief Constable than this. Over the last two years the Chief Constable and PCC, along with the rest of the chief officer team, have established a powerful and mutually beneficial relationship, enabling the foundations for the Force change programme to be laid down. It is important that the operational architect of that change programme (ultimately the Chief Constable) is now given the opportunity - and the responsibility - of translating the programme into the reality that will continue to deliver the Police & Crime Plan. The PCC will, of course, be holding the Chief to account during his period of time as PCC to ensure that he sees these plans through to implementation and beyond.

6. Furthermore, recorded crime is coming down and the PCC would very much like the Chief to continue the good work he does with the Force and partners to see that this continues.

HMIC Inspections

7. Since April 2014, the Force has been subject to a number of HMIC Inspections, and it would be useful to apprise the Panel of some key inspections and pertinent elements:
8. In terms of holding the Chief Constable to account and gaining assurance from scrutiny, the PCC (or one of his team) attend every "hot debrief" at the end of each inspection to hear key findings at first hand. This is also a subject for any discussions with the PCC and Chief Constable in their 1 to 1 meetings, the joint OPCC and COT weekly meeting, and as a substantive item on the Strategic Assurance Board. Where recommendations are identified to improve services, the PCC holds the Chief Constable to account in their completion, receiving regular updates on their implementation.
9. Key HMIC inspections which will be of interest to the Panel include:

a. PEEL Inspection

Her Majesty's Inspectorate of Constabulary (HMIC) published its much-anticipated inaugural "PEEL" Inspections of all Police Forces in England and Wales. The assessments looked at the Effectiveness, Efficiency and Legitimacy of all forces, taking into consideration inspections and information gathered over the last 12 months - this is the first time the HMIC has sought to grade forces in a number of different categories, and Leicestershire Police was deemed as 'good' across the board.

The commitment to neighbourhood policing has been praised and Leicestershire have been singled out as having seen bigger reductions in crime and antisocial behaviour than anywhere else. Critically, partnership work has been highlighted, which is a testament to the work of Panel members and other key partners and stakeholders in helping the Force achieve such a high level of performance across the board.

These grading are significant, not least because of the financial constraint within which the Force has to operate, and is a tribute to the hard work undertaken by the Chief Constable and the entire workforce to help keep our communities safe. This achievement was, also significant in the PCC's decision to renew the Chief Constable's contract.

b. Valuing the Police 4

This fourth inspection reported in July 2014 and graded the force as 'good' in all four aspects of the inspection and reported the following:

'Leicestershire Police has made good progress in its response to the spending review challenge, and continues to develop its plans to address further cost reductions in the future while protecting its communities'.

This report has been highlighted to the Panel in previous Change Programme reports.

c. **Core Business**

This was an inspection into crime prevention, police attendance and the use of police time. HMIC's inspectors visited all Forces between January and April this year and during their inspections, they specifically examined:

- How well forces are preventing crime and anti-social behaviour
- How forces respond to reports of crime, including investigating crime and bringing offenders to justice; and
- How forces are freeing up the time of their staff so they can focus on core policing functions.

Leicestershire is mentioned as examples of best practice nationally for:

- Its approach to policing the night-time economy; and
- The "triage car" system which is helping to more effectively respond to incidents involving issues of mental health

It is extremely important that, in times of financial austerity, the Chief Constable and his colleagues identify ways in which the Force can continuously improve the service provided but with less money and fewer officers and staff. This report suggests the Force is heading in the right direction and in some areas setting the national standard.

However, there is no complacency and it is recognised that there are areas for further improvement which the PCC will continue to seek assurances on which includes the development of a crime reduction strategy and a number of recommendations which have been addressed in the design of the new policing model.

d. **Crime Data Integrity**

All 43 police forces in England and Wales are being inspected in terms of how they record crime data. It is the most extensive investigation of its kind that HMIC has ever undertaken into crime data integrity. In respect of Leicestershire's inspection, HMIC said the victim-focussed approach taken by the force is:

"a credit to the officers and staff representing Leicestershire police on their front line".

They also praised chief officers for "strong and visible leadership throughout the organisation, with a real focus on crime data integrity".

They highlighted as "good practice" the processes used by the Force for the recording of sexual offences. HMIC made five recommendations in its report, which include the need, within six months, to review crime recording training, the PCC will ensure through holding the Chief Constable to account that this is completed.

e. **Value For Money (VFM) Profiles**

HMIC issue Value for Money Profiles as a tool to enable comparisons between forces and between most similar groups designed for use by force management and PCCs to prompt questions and enable discussions, it is issued each Autumn to help inform budget decisions for future years.

Whilst the profiles have only just been issued, the PCC will ensure that they are discussed with the Chief Constable and his team, prompting questions and seeking responses through the Strategic Assurance Board and other meetings.

Of particular note, Leicestershire broadly has a higher investment in frontline officers and lower costs of support functions than most other forces. The cost of the Office of the Police and Crime Commissioner at just over £1M (in respect of the Commissioner and the office) in total is below the national average, but slightly higher than the most similar group average.

In respect of Commissioning, the profiles highlight that Leicestershire has the second highest level of investment nationally in Community Safety (which includes Commissioned Services) and reflects the PCC's commitment to this area.

Internal Audits

10. In line with the principles of good governance, an independent Joint Audit, Risk & Assurance Panel (JARAP) is in place which covers the separate roles and offices of both the Police & Crime Commissioner (PCC) and the Chief Constable. It is an independent body which seeks assurance (and in turn provides the PCC and CC with assurance) over the adequacy of the following:
 - The risk management and the internal control framework operated by the PCC and Chief Constable.
 - The effectiveness of their respective governance arrangements.
 - The appointment, support and quality of the work of internal and external auditors as they provide assurance on risk management, internal controls and the annual accounts through their work.
 - Financial and non-financial performance to the extent that it affects the PCC and Chief Constable's exposure to risk, weakens the control environment and undermines their ability to provide good value for money.
 - The financial reporting process.
11. All internal audit reports are reported to the JARAP meeting and, in line with the internal auditors' usual practice, the reports are issued to management (PCC and CC) with all high and medium level recommendations tracked and monitored with updates reported to each meeting.
12. At the year end, an Internal Audit Opinion is received for both the Office of the Police and Crime Commissioner and the Office of the Chief Constable which provides reasonable assurance that there are no weaknesses in risk management, governance and control processes and is used in the compilation of the Annual Governance Statement which is then audited by the External Auditors.

13. These opinions have been received and both the Office of the Police and Crime Commissioner and the Chief Constable received unqualified external audit opinions for the year 2013/14.
14. Whilst the 2014/15 Internal Audit Plan is ongoing, a significant number of reports are being finalised and audits are planned to complete in Quarters 3 and 4. The majority of these audits relate to the Force from which the PCC also seeks and gains assurance.
15. The following audits for 2013/14 specifically for the OPCC were as follows:

Audit	Assessment	Comment
Publication Scheme	Advisory Audit	6 recommendations to improve disclosure requirements
Monitoring and Delivery of the Police and Crime Plan	Green	2 low level recommendations which were force related in respect of monitoring.
Governance	Green	5 low level recommendations for which both the force and OPCC were action leads.
Risk Management	Amber/Green	2 medium and 4 low level recommendations for which both the force and OPCC were action leads.

16. In addition, Internal Audits conducted into the force during 2013/14 for which the PCC has sought and gained assurance are as follows:
- Payroll
 - Health and Safety
 - Winsor Review – Payments for Unsocial Hours
 - HR – Absence Management
 - Change Programme
 - General Ledger
 - Payroll and Expenses
 - Budget Setting, Control and Monitoring
 - Mobile Device Security
 - Follow up of previous recommendations
17. An Internal audit (requested by participating PCCs) into collaboration arrangements took place, was assessed as Amber/Red and highlighted five medium and two low level recommendations. These are being monitored and progressed both regionally and at a force level with scrutiny and assurance applied by the PCCs. A workshop has taken place with the auditors to develop regional assurances, and additional work is being taken forward by each OPCC and Force lead to develop a Regional assurance approach in this area.
18. Internal audits for 2014/15 are underway with most scheduled in Quarter 4 and these include, specifically for the OPCC: Commissioning, Governance and Risk Management. In addition, collaboration assurance has been identified by all regional forces and OPCCs.
19. The JARAP produce an annual report of the scrutiny applied and assurances gained during the year. This is presented to the PCC and the Chief Constable and was discussed at the Strategic Assurance Board. It is available on request and online on the OPCC website.

Structure Review of the Office of the Police and Crime Commissioner

20. At the September meeting, the PCC updated the Panel on the work he was undertaking into a review of the OPCC structure. This review was important in recognising that different skills are required to deliver and embed the work of the Office of the Police and Crime Commissioner than were required to create and set up the office.
21. This review has now been completed, and HR processes completed in respect of the restructure and process for recruitment. At the time of writing, a number of posts have been filled internally, and external recruitment processes will now be progressed for remaining vacancies.
22. As highlighted to the Panel previously, a greater emphasis has been made on sharing resources where appropriate with the Force, such as for the Communications and Engagement Directorate and Executive Support arrangements which will be delivered through an SLA. These costs equate to £64K and are shown in the OPCC budget for transparency as a contribution towards shared services.
23. The June 2013 and revised structure lists are shown in the table below:

June 2013 Structure	Revised Structure
Chief Executive	Chief Executive
Chief Finance Officer	Chief Finance Officer
Accountant	Resources Manager
Planning and Performance Co-ordinator	Planning and Performance Co-ordinator
Policy and Performance Officer	
Senior Commissioning Manager	Head of Partnerships and Commissioning
	Commissioning Manager
	Partnerships Co-ordinator
	Commissioning and Contracts Officer
Head of Governance	Head of Governance and Assurance
Governance Support Officer	Governance Officer
Governance Support Officer	Assurance Officer
Governance Support Officer	
	Head of Policy and Strategy
	Policy and Research Officer
Personal Assistant to OPCC	Personal Assistant to OPCC
OPCC Administrator	Resource requirements reviewed and Executive Support and Communications Provided by the Force with funding transferred from OPCC
Communications and PR Manager	
Engagement and Consultation Manager	

24. Key changes of note are as follows:

a. The permanent establishment of the OPCC has remained at 14 members of staff.

b. Investment in Partnerships and Commissioning

The capacity for Commissioning and Partnerships has been strengthened to reflect the high value placed on this work with the PCC and partners. A strategic post of Head of Partnerships and Commissioning has been created to which Sue Haslett has been appointed.

The equivalent of one post (the Commissioning Manager) will be funded in full by the additional grant resourcing provided to deliver on the new Victims and Witnesses agenda. Additional one-off Home Office grant funding has also been received to support the implementation and development of this area and this has (and will be) utilised on a temporary support basis.

Over £1m will be received and nearly all of this will be used on services commissioned in respect of Victims and Witnesses but this will bring with it a significantly increased workload for which there is insufficient capacity within the current team.

As previously highlighted to the Panel, an additional post of Partnerships Co-ordinator has been created to reflect the PCC's commitment to the priority of effective partnership relationships and support.

c. Review of Resources and Performance

To reflect the substantial amount which has taken place to design, implement and align processes and systems for Performance between the OPCC, Partners and the force, these have now been embedded and this has enabled Performance resources to be reduced by one post.

The post of accountant has been deleted and a new post of Resources Manager created to give wider involvement and assurance on other functional areas such as Procurement, Estates and HR and to take a key role in working with the Force to take forward and strengthen relationships between the Force, OPCC and planning authorities.

d. Investment in Policy and Strategy

Investment has been made in the creation of a Head of Policy and Strategy post to provide essential horizon scanning, assessment and implementation of policies and legislative changes at a national, regional and local level. This post is supported by a Policy and Research Officer.

e. Executive Support and Communications

These areas have been detailed in paragraph 23 above.

f. Policing Advisor

A Policing Advisor is seconded to the OPCC from the force. The role was established as a development opportunity for a Police officer to

enable them to have exposure to the Office of the Police and Crime Commissioner. The role provides a key link between the OPCC and the Force on connected projects such as developing and embedding the Youth Commission.

g. Review of Governance and Assurance

Now that the setting up of the governance and structure arrangements of the OPCC have been embedded, it was possible to reduce the resourcing in this area and responsibilities have been separated for Independent Custody Visitors which are overseen by the OPCC and other assurance activities which include Freedom of Information, the Publication Scheme and Complaints.

25. From the current year's budget, the OPCC has also contributed the sum of £28K over a two-year period to a two-year fixed term appointment for a Mental Health Co-ordinator. This post is a partnership post, created to develop the Mental Health agenda across partners in LLR, taking forward the work of the Mental Health Partnership sub-group chaired by an Assistant Director of West Leicestershire CCG, employed by and part funded by the force and for which the OPCC financially contribute and line manage through the Head of Partnerships and Commissioning.
26. Furthermore, as highlighted to the Panel in September is the critical area of policy support to the PCC to ensure he is cognisant of partner and stakeholder issues in the development of policy decisions and actions. Steph Morgan has been appointed for up to one day per week to support the PCC directly on policy areas within the criminal justice environment, linking to key partnerships and forthcoming reforms, including victims and witnesses. This work will start to develop over the coming months and will be shared with the Panel in due course. A Policy Advisor Protocol has been developed and this is attached as an Appendix to this report
27. When the budget was reported to the Police and Crime Panel in January 2013, there was an indicative budget for the OPCC of £1.077M, which was reduced to £1.046M in 2013/14.
28. Mindful of reducing budgets, the PCC set a budget for his office in 2014/15 of £1.031M and it is his intention to maintain the budget at this level for 2015/16, absorbing the cost of inflation and pay increases in line with the challenges which the Force and many other public sector organisations are facing.
29. There will not be an increase in the OPCC budget as a result of the OPCC restructure. Careful consideration has been given to the skills, capacity and resources required to undertake the duties required and costs will be met from within existing budgets. A full review of the OPCC budgets has taken place to ensure an affordable budget for the OPCC can be achieved for 2015/16 and it will be frozen at a level of £1.031M, reflecting a reduction in real terms when taking into account pay and inflation increases.
30. The OPCC team has strong working relationships with key teams in the OCC, such as Human Resources, Finance, Procurement and Corporate Development. The office also uses regional collaborative arrangements for areas such as legal services. By operating in this way we avoid duplicating resources and benefit from using the same basis of information, avoiding

potential confusion by having information and advice derived from multiple sources.

31. In addition to the OPCC budget, there is an OPCC Transition Reserve which has been used to fund set up and transitional arrangements as highlighted in the report to the Panel in June 2013. The balance on this reserve is contained within the Budget Equalisation Reserve (BER) and was provided to use towards set up costs and new initiatives and costs of recruitment of significant structural changes. As at 31/3/14 a balance of £165K remains on the reserve and this will be used for new and developing initiatives as they arise such as the creation of an Ethics and Integrity Committee.
32. In line with the transparency agenda and publication scheme requirements, the Panel can be assured that the cost of the office is as disclosed on the OPCC website, and once the 2015/16 OPCC budget has been finalised (which includes the realignment of budgets for the new structure), and the 2014/15 accounts closed, they will also be included.
33. A breakdown of the OPCC budget since the Panel was first advised in January 2013 has reduced from £1.077M to £1.046M in 2013/14 and further to £1.031M 2014/15 and for the first draft of the 2015/16 budget (which incorporates the new structure) as follows:

	2013/14 Budget	2013/14 Outturn	2014/15 Original Budget	2015/16 Initial Draft
	£000	£000	£000	£000
Staffing, Agency and Comms Agency Costs net of grant funding	834	876	807	783
Contribution towards force shared Executive Support and Communications Arrangements	-	-	-	64
Legal Costs, Audit Fees,	105	79	101	97
Transport, Independent Custody Visitors and other training and recruitment expenses	21	57	31	23
Subscriptions (e.g. ACPO, APCC, APACE, PACCTS), Policy Advisor and other Supplies and Services Office costs	86	76	92	64
Funding from Transitional Reserve		(42)		
	1,046	1,046	1,031	1,031

35. On an ongoing basis, close collaboration with the OCC enables further areas where joint working (such as a shared in-house Internal Audit approach) or the sharing of resources may benefit both organisations and keep the cost of the support functions as low as possible.

Update on Communications and Engagement

36. Following the update to the September 2014 Panel meeting, it is now helpful to update the Panel on the progress of the work which is continuing on the development of the new Communications and Engagement Directorate.

37. Legislation allows for PCCs to transfer, at any time, support staff to the employ of Chief Constables, with the prior approval of the Home Secretary, and it was always the PCC's intention to consider doing that with the new Communications and Engagement Directorate, but only once the PCC and Chief Constable were satisfied that the new Directorate was developed and operating in the way required.
38. The PCC has confirmed since the last Panel meeting that progress is being made in setting up the new Directorate and it is the PCC's intention to transfer staff into the employ of the Chief Constable as part of this process.

Two Year Anniversary

39. In conclusion, it is appropriate to highlight that to mark the anniversary of Sir Clive Loader's second year since being elected as PCC, he recently undertook a number of interviews with the local and regional media, and also made a short video (available on the OPCC website) in which he sets out what he believes his office has achieved since November 2012 and which signposts the areas in which he intends to focus in the coming 18 months, in order to protect the vulnerable and to further enhance community safety.

Implications

Financial :	No new financial implications.
Legal :	None.
Equality Impact Assessment :	Discussed within report.
Risks and Impact :	This report covers a programme of work which carries a large risk for the organisation and the delivery of the Police and Crime Plan. This is recognised within the Change Programme and reflected through the governance arrangements.
Link to Police and Crime Plan :	Discussed within report.

List of Appendices

Policy Advisor Protocol

Background Papers

JARAP Annual Report 2013/14

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