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**Enquiries to: Mrs P Coulter**  
**Telephone: 01768 217734**

**Our reference: PC**

**Date 09 April 2020**

### **CUMBRIA POLICE & CRIME COMMISSIONER'S PUBLIC ACCOUNTABILITY CONFERENCE**

In line with the COVID-19 Government Guidelines The Police and Crime Commissioner's Public Accountability Conference will take place **remotely** by telephone conference on **Wednesday 20<sup>th</sup> May 2020, at 10.00am.**

The purpose of the Conference is to enable the Police and Crime Commissioner to hold the Chief Constable to account for operational performance.

If you would like to join the meeting as a member of the public or press, please contact Paula Coulter on [paula.coulter@cumbria.police.uk](mailto:paula.coulter@cumbria.police.uk) you will then be provided with a copy of the dial in details. Following the meeting papers will be uploaded on to the Commissioner's website.

**G Shearer**  
**Chief Executive**

#### **Attendees:**

Police & Crime Commissioner	- Mr Peter McCall (Chair)
OPCC Chief Executive	- Mrs Gill Shearer
Joint Chief Finance Officer	- Mr Roger Marshall
Chief Constable	- Mrs Michelle Skeer

# **AGENDA**

## **PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

### **1. APOLOGIES FOR ABSENCE**

### **2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC**

To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.

### **3. QUESTIONS FROM THE PUBLIC**

An opportunity (not exceeding 20 minutes) to deal with any questions which have been provided in writing within at least three clear working days before the meeting date to the Chief Executive.

### **4. DISCLOSURE OF PERSONAL INTERESTS**

Attendees are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the Agenda. If the personal interest is a prejudicial interest, then the individual should not participate in a discussion of the matter and must withdraw from the room unless a dispensation has previously been obtained.

### **5. MINUTES OF MEETING**

To receive and approve the minutes of the Public Accountability Conference held on the 4th March 2020

### **6. VERBAL UPDATE - THE CONSTABULARY RESPONSE TO THE COVID-19 PANDEMIC**

To receive and note a verbal update from the Chief Constable on the Constabulary response to the COVID-19 pandemic

### **7. DECISION 009-2020- CAPITAL BUDGET PROVISIONAL OUTTURN 2019/20**

To receive, note and approve the provisional capital outturn position for 2019/20

8. **CONSABULARY REVENUE BUDGET PROVISIONAL OUTTURN REPORT 2019/20**  
To receive and note the provisional outturn report on the Constabulary revenue budget for 2019/20 (note PART.2. report later on agenda)
  
9. **DECISION 010-2020 FINANCIAL OUTTURN REPORT 2019/20**  
To receive, note and approve the provisional financial outturn for the 2019/20 financial year
  
10. **TREASURY MANAGEMENT ACTIVITIES JANUARY to MARCH 2020 and ANNUAL REPORT 2019/20**  
To receive and note the Treasury Management Activities January – March 2020 and Annual Report 2019/20
  
11. **DECISION 011-2020 - INTERNAL AUDIT ANNUAL REPORT 2019/20**  
To receive and note the annual report from the Head of Internal Audit
  
12. **DECISION 013-2020 – EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS (OPCC) 2019/20**

**Effectiveness of Governance arrangements**

(a) A report of the Chief Executive and Chief Finance Officer of the Commissioner on the effectiveness of Governance arrangements

**The Commissioner’s Annual Governance Statement**

(b) For approval of the Commissioner’s 2019/20 Annual Governance Statement

**The Commissioner’s Code of Corporate Governance**

(c) For approval of the Commissioner’s 2020/21 Code of Corporate Governance

**PART 2 – ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC**

*(Any members of the public or press in attendance will be asked to leave the meeting room prior to consideration of these matters.)*

8. **PART .2. CONSTABULARY REVENUE BUDGET PROVISIONAL OUTTURN REPORT 2019/20**  
To receive and note the PART .2. section of the provisional outturn report on the Constabulary revenue budget for 2019/20

**CUMBRIA POLICE & CRIME COMMISSIONER  
PUBLIC ACCOUNTABILITY CONFERENCE**

Minutes of the Public Accountability Conference held on  
Wednesday 4<sup>th</sup> March 2020 at Carleton Hall, Penrith  
at 10:00am

**PRESENT**

Police & Crime Commissioner - Mr Peter McCall (Chair)

**Also present:**

Chief Constable (Michelle Skeer);  
Deputy Chief Constable (Mark Webster);  
Joint Chief Finance Officer (Roger Marshall);  
Superintendent (Sarah Jackson);  
Detective Superintendent (Dave Pattinson);  
Chief Inspector (Jon Sherlock);  
Diversity Unit Manager (Sarah Dimmock);  
Communications Officer (Nick Griffiths);  
OPCC Chief Executive (Vivian Stafford);  
OPCC Deputy Chief Executive (Gill Shearer);  
OPCC Executive Support Officer (Paula Coulter) – taking minutes

**In attendance:**

Fred Witt

**PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC**

**001. APOLOGIES FOR ABSENCE**

Apologies for absence were received from the Assistant Chief Constable (Andy Slattery); Head of Estates & Facilities (Phil Robinson); Head of Procurement (Barry Leighton); and Head of ICT (Sean Robinson);

**002. QUESTIONS FROM MEMBERS OF THE PUBLIC**

No questions had been received from members of the public prior to the meeting.



### 003. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There were no items of urgent business to be considered by the Committee.

**RESOLVED,** that under section 100A(4) of the Local Government Act 1972, (as amended), the press and public be excluded from the meeting during consideration of the following items on the grounds that they involve the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A to the Act –

Item No	Item	Paragraph No
10	Decision 003-2020 Estate & Fleet Strategies	1
11	Decision 004-2020 ICT Strategy 2019-2022	3 & 7
12	Decision 005-2020 Procurement Strategy 2019-2022	3 & 7

### 004. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the Agenda.

### 005. MINUTES

The Chair presented the minutes of the Public Accountability Conference held on the 19<sup>th</sup> February 2020, these had previously been circulated with the agenda. The minutes were agreed as an accurate record and signed by the Chair.

**RESOLVED,** that, the

- (i) Minutes of the Public Accountability Conference held on the 19<sup>th</sup> February 2020 be confirmed as a correct record and signed by the Chair;

### 006. THEMATIC REPORT – HATE CRIME

The report was presented by Detective Superintendent Dave Pattinson and Diversity Manager Sarah Dimmock, the purpose of which was to provide the Commissioner with an update on Hate Crime & Hate Incidents including:

- Information and a breakdown of Hate Incidents / Hate Crimes including initiatives to

- encourage reporting
- Community Engagement
- Vulnerability issues and initiatives
- Challenges and next steps

It is important to note the difference between a Hate Incident and a Hate Crime, and understand that all Hate Crimes will also be Hate Incidents but not all Hate Incidents will be Hate Crimes. The definitions are as follows:

- **A Hate Incident is defined as:**

“Any incident, which may or may not constitute a criminal offence, which is perceived by the victim or any other person, as being **motivated by prejudice or hate.**”

- **A Hate Crime is defined as:**

“Any hate incident, which constitutes a criminal offence, perceived by the victim or any other person, as being **motivated by prejudice or hate.**”

- **Hatred motivations are:**

Incidents and crimes that have either been or perceived to have been motivated by hatred due to a person’s protected characteristics as defined in the Equality Act 2010.

Changes to the Hate Crime / Hate Incident recording process were discussed & illustrated by a flowchart which can be viewed within the report (which is available on the Commissioner’s website). Accountability has now been given to the Local Focus Hub Inspectors and an Inspector must now contact a victim of Hate Crime within 72 hours. Trends can be identified and local focus hubs tasked accordingly with clear links in to education within that area.

The current picture shows a 19% rise in Hate Crime and Hate Incidents combined. There has been an increase in online reporting, but this is viewed as positive rather than negative and a lot of work has been undertaken to encourage increased reporting. There is an expectation that we will continue to see a rise over the next few years.

It was noted that the Constabulary do not routinely search through social media to see if comments are hate crimes, but these will be recorded if individuals make contact with the Constabulary.

The challenge is trying to establish if crime is increasing or if it is due to changes in recording processes (there have been changes nationally in how crimes are recorded). It is anticipated that this should plateau in the next 12 – 18 months and can then benchmark from crime data recording.

Repeat offenders and repeat victimisation will now be treated in a similar way to Domestic Abuse incidents via a multi-agency steering group similar to MARAC and looking at commissioned service gaps. This will provide victims with assurance and an enhanced service.

Education is key and education packs & lesson plans as well as other materials are available to

schools.

Social media campaigns have been run frequently and the Constabulary is now looking at other platforms such as Tik Tok, Instagram etc. rather than just Facebook and Twitter to increase engagement & awareness.

New recruits spend a period of time during training within a community placement & then feed back shared learning to the Constabulary.

Following a discussion, the presentation was noted.

**RESOLVED,** that,

- (i) The presentation be noted;

#### **007. THEMATIC REPORT – Anti-Social Behaviour (ASB)**

Superintended Sarah Jackson presented the report (a copy which is available on the Commissioner's website). The figures do not reflect the reality of what is going on with ASB. It was acknowledged that ASB has a real impact on people's lives within communities.

The Constabulary is working alongside partners within Local Focus Hubs across the County.

#### **LOCAL FOCUS HUBS**

A bespoke Neighbourhood Policing Strategy – which stipulates and embeds the Constabulary's commitment to Prevention and Deterrence and, Demand Reduction via the 6 National Neighbourhood Policing Principles. The 6 district based Local Focus Hubs (which are partnership hubs) are the delivery vehicle for this strategy. The Constabulary has in place:

- A bespoke Local Focus Hub operating model (Community Safety Partnership agreement for mode of operation and accountability framework).
- A County Prevention and Deterrence Strategy 2018 (revised from 2016).
- A revised Community Engagement Strategy- stipulating a consistent approach to engagement opportunities and responsibilities across the county for the NHP teams and LFHs.
- Embedded the Connected Communities framework- placed based, community collateral framework which underpins the Constabulary's and partners' approach to local communities. Empowering local communities to become more resilient and able to support themselves.
- Bespoke performance framework metrics. (undergoing further development in 19/20)
- Operating across a Common Data Platform (Microsoft O365 Teams). Final sign off so that partners can utilise delayed because of national security sign off

- Revised Role Profiles and Responsibilities (from Hub manager, Hub sergeant, Problem Solvers through to Volunteers and Specials) - to ensure clarity of purpose and responsibilities.
- A Bespoke Abstraction Policy for Neighbourhood Policing officers and staff- which ensures that NHP staff are able to commit to their functional and geographical areas of responsibility.
- Implementation of Communities T&CG process across the 6 districts, fitting within the Force T&CG framework.
- Integration of the HQ based Community Safety Department into the hub model with a revised remit of supporting all victims of serious crime and integration of the prevention agenda into core business.
- Bespoke training and development for Problem Solvers / PCSOs / Partners.
- The integration of 25 additional constables within the Neighbourhood Policing teams, providing a proactive capability within each of the Districts but also able to 'pulse police' when required.
- The integration of the additional CRO, MH and MFH officers to support the vulnerability agenda

These changes have brought about immediate and tangible improvements in terms of mode of operating, partnership working and the ability to deploy dedicated staff proactively when required.

Anti-social behaviour risk assessments are picked up through daily management meetings. Local Focus Hubs are picking issues up quickly and 'nipping it in the bud'.

Some ASB has moved into the online world, such as malicious communications (e.g. child to child in bedroom).

Through the Commissioner's council tax precept there has been extra investment in the Neighbourhood Policing Teams, providing an additional 25 officers in this area. PCSO's are targeting hot spots, areas of high demand come into the Local Focus Hubs and using mapping tools to overlay the data a full partnership response is provided. This approach is working really well and good practice is shared at bi-monthly meetings & rolled out across the Force.

Dedicated Inspectors working in partnership are looking at the national picture. Local examples of ASB were discussed during the meeting. It was acknowledged that there is a real drive for multi-agency working and the response the ASB can't always be police led. The Constabulary is working hard, along with education and health not to criminalise children

Engagement – All Chief Inspectors have re-written community engagement plans for each area. Mini-Police have been excellent especially in relation to parking around schools. Targetted awareness raising.

Local Focus pages on social media ensure up to date, relevant local information is available on-line and highlight any upcoming engagement events. Parish Clerks are encouraged to sign up to Constabulary Newsletters.

If a victim of ASB incurs 3 instances of ASB they can activate a community trigger which goes straight into the Local Focus Hubs. All victims receive a copy of the booklet 'Putting Victims First'.

Following a discussion, the presentation was noted.

**RESOLVED,** that,

- (i) The presentation be noted;

#### **008. THEMATIC REPORT – ENSURE OFFENDERS FACE A CONSEQUENCE OF THEIR CRIME**

The report was presented by Chief Inspector Jon Sherlock (a copy of which is available on the Commissioner's website), and exceptions were discussed in detail.

Compared to the national picture, Cumbria has nearly 50% more positive outcomes – 16.6% compared to 11.7%.

Adult cautions in Cumbria are twice as high as the national average, conditional cautions could be used more often in this area.

Lines of Investigation:

- When an investigation results in No Further Action assurance is provided as each investigation is subject to a review by both a Sergeant & an Inspector
- These ranks have experience and knowledge of the investigations their officers conduct and ensure all available lines of enquiry are explored
- Through training and awareness particularly in relation to Domestic Abuse, officers will always make victims aware of support available - *Scrutiny Panel; adult caution issued; victim requested offender participate in Turning The Spotlight programme; Victim Support (Turning The Spotlight service provider) made contact, but offender refused to participate*
- Domestic Abuse NFA Reviews by specially trained supervisors now provide an extra level of investigation and oversight to encourage more DA Prosecutions

Restorative Justice (delivered by REMEDI):

- REMEDI staff participate in Officer briefings to raise awareness
- Regular feedback is provided directly to officers and supervisors following Out of Court Disposal (OoCD) Scrutiny Panel meetings
- Recent example of RJ reviewed and praised by OoCD Panel where a group of young people assisted staff at the Civic Hall following a minor theft

The Constabulary has a documented Community Remedy Procedure that all staff have received training and guidance on. As per their training staff routinely provide victims with the options available to them when a case is dealt with out of court. Red Sigma however does not record Community Remedy, but the take up of OoCDs is highlighted on the data slide. Durham have now acknowledged the fact that the recording of Community Remedy is not possible on Red Sigma and developers are taking steps to rectify this

It was noted that prevention and intervention should be a partnership approach and not all be police led. Chief Inspector Sherlock has a working group that meets on a 6 weekly basis.

The Commissioner was re-assured that the Force is in a good place. Following a discussion, the presentation was noted.

**RESOLVED,** that,

- (i) The presentation be noted;

#### **009. ETHICS & INTEGRITY PANEL ANNUAL REPORT**

The Chair noted the Ethics & Integrity Panel Annual Report, a copy of which had previously been circulated with the agenda.

The Chair noted the work carried out by the Ethics & Integrity Panel, and the report was noted.

**RESOLVED,** that,

- (i) The report be noted;

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(Note: Members of the press and public left the meeting)

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## **PART 2 – ITEMS CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC**

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### **010. PART .2. – DECISION 003-2020 – ESTATE and FLEET STRATEGIES**

The report was presented by the Joint Chief Finance Officer.

The Estate and Fleet Strategies were presented for consideration by the Police and Crime Commissioner. Both strategies set the plans and strategic direction for estate and fleet activities across both the Office of the Police and Crime Commissioner and the Constabulary.

The covering paper provided the annual update to both the 2020 – 2021 Estate and Fleet Strategies. The strategies are updated annually to capture the changing operational requirements of the Commissioner and the Constabulary. The strategies set out the current and emerging issues together with the strategic priorities for the year.

#### **Recommendation:**

The Commissioner was asked to approve the 2020 Estate and Fleet strategies.

Following a discussion, the presentation was noted, and the recommendation was approved in accordance with the detail set out within the report.

**RESOLVED,** that,

- (i) The presentation be noted; and
- (ii) The recommendation was approved in accordance with the detail set out within the report;

### **011. PART .2. - DECISION 004-2020 – ICT STRATEGY 2020-2025**

The report was presented by the Joint Chief Finance Officer.

Cumbria Constabulary **Digital, Data and Technology Strategy 2020-2025**, replaces the Constabulary ICT Strategy 2019-2025. The strategy has been developed following the launch at the end of January 2020 of the National Digital, Data and Technology Strategy 2020-2030.



The strategy aims to ensure that all ICT activities are aligned with Digital, Information and Data Management to fully support both the priorities in the **Police & Crime Commissioner's Police and Crime Plan 2016 – 2020** and the requirements of **Cumbria Vision 25** which sets out the Constabulary's vision to be a vibrant, agile, innovative, and forward-thinking organisation that delivers for the communities of Cumbria and the Constabulary workforce.

The strategy is also cognisant of external influences which will significantly impact future direction which include:

- **National Programmes.** The approx. 17 national initiatives which include, for example, the Emergency Services Mobile Communication Programme which will replace the current Airwave provision;
- **Technical Landscape.** The delivery ICT services is changing with an emphasis on the use of cloud services and consumption of Software as a Service (SaaS)
- **Security Landscape.** Increased threat levels, for example as we rely more on the internet for Cloud based services, will inevitably result in increases in ICT budgetary requirements;
- **Data Protection.** The introduction of General Data Protection Regulation (GDPR) in May 18 is a major change to data protection law.
- **Economic landscape.** Brexit has added impetus to inflationary growth in ICT products, which are generally priced in dollars and are therefore vulnerable to exchange rate fluctuations.

The strategy outlines six key priority themes of delivery and the projects, outcomes and approaches that will deliver the Constabulary's strategic priorities, supporting Vision 25, in particular the Target Operating Model (detailed in Priority 1). The themes have not changed, although the deliverables within each theme have been updated to reflect what has been achieved in 2019 and from emerging demand.

The Constabulary has a highly innovative and ambitious mobility programme, which is at the forefront nationally. It is clear that the reliance on technology within the Constabulary is now higher than at any other time and will continue to grow. Staff need to have accessible data, and be more agile and flexible than ever before. The strategy therefore focuses on building solutions that are portable, cost effective and deliver operational policing systems and applications to all users whilst controlling implementation and on-going revenue budgets accordingly. It should be noted that the preservation of the 'end user experience' is a core principle of delivery.

The Strategy is designed to be a live document that is continually updated as part of the implementation of the strategy. As the business requirements of the Constabulary change, the strategy will be updated to reflect this.

The Commissioner is respectfully asked to approve the Cumbria Constabulary Digital, Data and Technology 2020-2025.



Following a discussion, the presentation was noted, and the recommendation was approved in accordance with the detail set out within the report.

**RESOLVED,** that,

- (i) The presentation be noted; and
- (ii) The recommendation was approved in accordance with the detail set out within the report;

**014. PART .2. – DECISION 005-2019 – PROCUREMENT STRATEGY 2019 - 2022**

The report was presented by the Joint Chief Finance Officer.

One year into the revised Commercial Strategy the Head of Commercial is pleased to report the impressive achievements the team have made including £706,000 cash savings, apprenticeship progress of 6 team members, improved contract delivery especially with custody healthcare, and significant input to the Business Transformation programme.

The Head of Commercial leaves the Constabulary in April with a recruitment exercise in place

The update report provides details of achievements and work plan for 2020/21 to maintain progress

The Commissioner was asked to receive, note and approve the progress and update to Procurement Strategy (2019-2022)

Following a discussion, the presentation was noted, and the recommendation was approved in accordance with the detail set out within the report.

**RESOLVED,** that,

- (i) The presentation be noted; and
- (ii) The recommendation was approved in accordance with the detail set out within the report;

Meeting concluded at 12:05pm

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

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# Office of the Police and Crime Commissioner Report

**REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°009 / 2020)**

**TITLE:** Capital Budget Monitoring 2019/20 Quarter 4 to March 2020 (Provisional Outturn)

## **Executive Summary:**

The attached report provides details of the provisional outturn on the capital budget for 2019/20. The figures quoted at this stage are provisional as the final accounts are still subject to audit, but it is not envisaged that there will be any significant changes.

## **Recommendation:**

The Commissioner is asked to:

- Note the provisional capital outturn position for 2019/20 as reported.
- Formally approve a change to the 2019/20 programme budget of £275k, being a net increase.
- Formally approve the changes to the 4-year capital strategy arising from re-profiling and detailed planning of approved schemes.
- Approve the determinations at section 4 (paragraph 4.1), in respect of the financing of the 2019/20 capital expenditure.

## **Police & Crime Commissioner**

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

**Police & Crime Commissioner / Chief Executive (delete as appropriate)**

**Signature:**

**Date: 20 May 2020**

**NOT PROTECTIVELY MARKED**

PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn



## Office of the Police & Crime Commissioner

**TITLE:** Capital Budget Monitoring 2019/20 – Quarter 4 to Mar 2020 (Provisional Outturn)

**Date of Meeting:** Public Accountability Conference 20 May 2020

**Executive Summary:**

The attached report provides an updated position of income and expenditure against the capital programme as approved for the 2019/20 financial year. Projections are based on actual expenditure up to the end of March 2020. Known changes to the capital programme budget approved to date have been included in the report, this includes the capital strategy approved by the Commissioner in February 2020.

**Recommendation:**

The Commissioner is asked to:

- Note the provisional capital outturn position for 2019/20 as reported.
- Formally approve a change to the 2019/20 programme budget of £275k, being a net increase.
- Formally approve the changes to the 4-year capital strategy arising from re-profiling and detailed planning of approved schemes.
- Approve the determinations at section 4 (paragraph 4.1), in respect of the financing of the 2019/20 capital expenditure.

**NOT PROTECTIVELY MARKED**

PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn

**MAIN SECTION****1. Introduction and Background**

- 1.1. The Commissioner approves on an annual basis a 10 year capital strategy and a more detailed four year capital programme. This includes the annual capital budget that finances the delivery of capital schemes and provides for investment in ICT, the estate, vehicles and equipment needed to deliver operational policing.
- 1.2. This report is set out in three main sections:
  - ◆ Section 2, provides an update on the capital budget for the 2019/20 financial year.
  - ◆ Section 3, provides a brief update on the overall capital programme for a four year period to 2022/23.
  - ◆ Section 4, sets out the statutory determinations required to be made by the Commissioner under part IV of the Local Government and Housing Act 1989 in relation to capital financing.

**2. Capital Budget 2019/20**

- 2.1. On 20 February 2019 the Commissioner approved an indicative 10 year capital strategy up to 2028/29 with a more detailed programme including capital financing for a four year period to 2022/23. The capital programme has subsequently been amended to incorporate the effect of the capital outturn position for 2018/19 and in year changes, such as variations to existing schemes, approved by the Commissioner. The Capital Strategy for 2020/21 and beyond, approved 19 February 2020, has also been reflected in the future year budgets where required.
- 2.2. The table below summarises the movement in the capital budget during 2019/20 and expenditure against it as at the end of the fourth quarter. Total capital expenditure during the year amounted to £6.331m against the budget of £7.500m which represents a net reduction of £1.168m (15.57%) against the approved budget for 2019/20. The overall variance is made up of slippage of expenditure to future years of £1.443m (of which £1.148m had been reported previously) and other net changes to the budget of £275k.

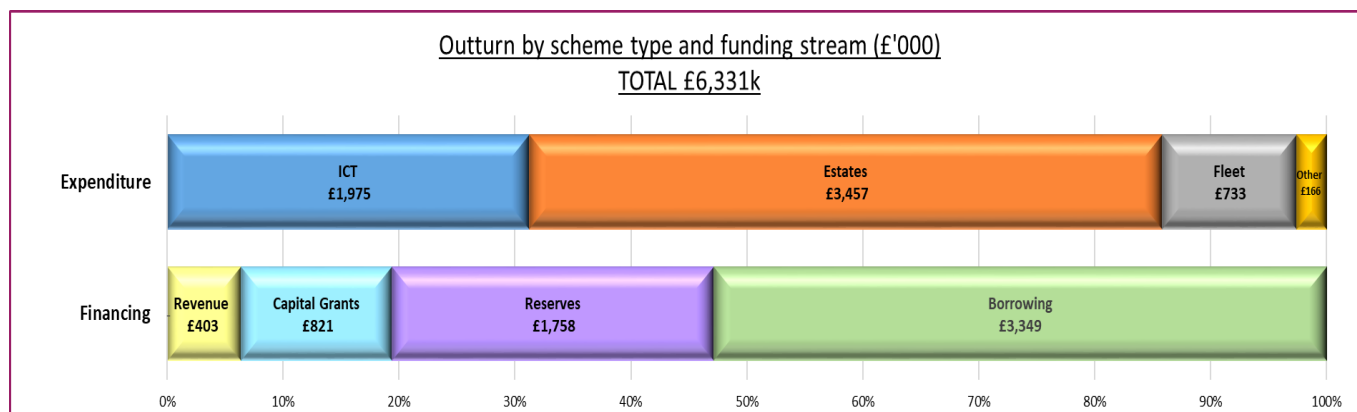
**NOT PROTECTIVELY MARKED**

PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 & Provisional Outturn

Capital Budget 2019/20 £000s	
Capital Budget 2019/20 (approved 20/02/19)	8,709
Impact of 2018/19 Outturn (approved 10/05/19)	26
New Schemes Approved/Drawdown	115
Budgets Changes - Approved	(1,350)
Approved Adjusted Budget 2019/20	7,500
Capital Outturn 2019/20 (Graph Below)	6,331
Forecast Variation	(1,169)
Made up of:	
Budget Changes (Under)/Overspend (Table 1)	275
Slippage to 2020/21 (Table 2)	(1,443)
	(1,169)

Table 1 Forecast Variation summary	Changes £000s
Pocket notebook Smartphones	(5)
Body Worn Video	(13)
Specialist Resource External Consultancy	(58)
Control Room Futures	(13)
Eden Deployment Centre	198
Operation Uplift	37
Operation Lecturn	129
	275

Table 2 - Slippage	Previously Reported	New Slippage Qtr 4	Total £'000s	% of Base Budget
ICT Schemes	0	0	0	0%
Estates Schemes	(193)	(28)	(221)	-6%
Fleet Schemes	(741)	(149)	(890)	-58%
Other Schemes	(250)	(82)	(332)	-22%
	(1,183.63)	(259)	(1,443)	-17%



A more detailed breakdown of the individual schemes that make up these amounts can be found at **Appendix A**.

**NOT PROTECTIVELY MARKED**

PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn

2.3. The paragraphs below provide a brief update on the progress on each of the main categories of scheme:

2.4. **ICT Schemes** are comprised of the rolling replacement programme in respect of ICT hardware, software and radios, together with schemes to support the roll out of larger specific projects. To help manage the finances of these schemes a prudent £2m slippage is built into the base budget at the start of the year. Changes of £1.9m (£1.1m at quarter 3) have been recorded against this £2m resulting in £0.1m being brought forward from 2020/21. Other changes now requiring approval are a net reduction of £88k.

- The ICT rolling replacement programmes were largely completed as planned in 2019/20.
- During 2019/20 the project to replace the pocket smartphone/Networks was approved, the procurement was completed and new devices were rolled out to officers.
- The project to replace and modernise the interview recording capability across the force was approved in November 2019 and authority was given to procure the system from the preferred supplier. The capital budget for this replacement is £400k in 2020/21. Payment schedules have been received and it shows that some of this budget will need to be moved to revenue as some of the expenditure does not meet the definition of capital expenditure.
- Other smaller areas of spend during 2019/20 were on WiFi improvements, digital policing and a small amount of specialist consultancy.

**R1)** The Commissioner is asked to approve the transfer to revenue of £5k from the Smartphones budget £13k from the control room futures budget and £13k from the replacement body worn cameras budget. These are to cover the costs of recurring licenses, staff costs and training that do not meet the definition of capital expenditure.

**R2)** The Commissioner is asked to note the return of budget from the ICT capital consultant's budget of £58k. A small amount of the budget has been reserved for firm ordered commitments but the balance for 2019/20 is now being returned

2.5. **Fleet Schemes** are comprised of the cyclical replacement of the Constabulary fleet of vehicles. The position reported previously at quarter 3 included slippage to future years of £741k (largely the single platform vehicle replacement) and other changes amounting to a net increase of £89k. There are no changes requiring approval but there is additional slippage of £149k.

**NOT PROTECTIVELY MARKED**

PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn

- During 2019/20 the budget and financing were both increased by £28k received from the Sellafield to replace one of the vehicles used by the dedicated Sellafield Policing Unit used by the team in Cumbria.
- During the inclement weather in February one of the specific winter 4x4 vehicles was written off whilst dealing with an immediate response incident. The cost of a replacement vehicle is £35k and was due for replacement in 2025/26. The replacement vehicle will be partly funded by a revenue contribution under the self-insurance programme.
- The budget for 2019/20 was amended before the start of the financial year to allow the fleet manager to integrate fully electric and hybrid vehicles into the current pool car fleet. To date there are two liveried community vehicles being deployed daily from North Cumbria. These vehicles were converted by the fleet teams with input from the Mobile and Digital project team in ICT. The vehicles are fitted with the full range of equipment to allow them to be used as mobile offices including smartphone connectivity, fingerprint scanner and laptop facilities. Five unmarked electric vehicles designated as general pool cars have also been deployed.

**R3)** The commissioner is asked to formally approve the budget transfer in relation to the written off winter vehicle of £35k from 2025/26 to 20/21 to facilitate its replacement.

2.6. **Estates Schemes** During 2019/20 the estates team have largely concentrated (from a capital perspective) on the completion of the Building project at HQ. The position reported previously at quarter 3 included slippage to future years of £193k and other changes amounting to a net reduction of £38k, this being a move to revenue to fund the Estates project manager role. Net changes now requiring approval are for an increase in overall cost of £198k and additional slippage of £28k.

- During 2019/20 construction was completed the Eden Deployment Centre at the headquarters site in Penrith. Small modifications have been made to the building to allow it to be used as a Learning and Development centre to facilitate the recruitment and training of the additional officers provided by the additional Government funding under operation Uplift. The additional expenditure to develop the Learning and Development Centre amounted to £198k.
- In light of current uncertainty regarding police funding all expenditure on the Eden Deployment centre has been financed from internal borrowing rather than depleting the capital reserve.



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- Two schemes of work were scheduled to take place in 2019/20 at the North Cumbria BCU headquarters at Durranshill. Works to replace the CCTV and cell call facility within the custody suite were completed whilst the scheme to improve the heating and ventilation plant at Durranshill has commenced but was not able to be finished during the financial year. This has led to a slippage into 2020/21 of £28k.

2.7. **Other Schemes** – This includes a number of diverse which do not fall into the previous categories. Highlights during 2019/20 include:

- Business Transformation - the budget for business transformation (£825k) was wholly transferred to the revenue budget as the final scheme approved was to deliver a hosted service rather than procure capital items to replace current systems. Other elements of the budget included reviews and improvements to business processes and structure redesign, which do not meet the definition of capital expenditure.
- Countywide CCTV. The amount remaining, £23k, is required for the link to the Digital Evidence Management System. This was phase 3 of the project and is planned to take place in 2020/21.
- Scanning equipment for accident investigation, which was match funded through an external contribution has been delayed. Permission has been given to carry the funding forward and the scheme is expected to complete in 2020/21
- Following the accelerated recruitment programme to maintain future police officer numbers a scheme was established to provide the additional pocket notebooks/smartphones and body cameras required for the additional officers. This scheme is now complete with the total expenditure of £37k. The equivalent amount has been transferred from the revenue budget to finance the expenditure.
- In response to the global pandemic it has been necessary to purchase additional equipment to facilitate working from different from different locations and in some cases working from home. In 2019/20 this expenditure amounted to £129k and was expended to purchase additional pocket notebooks/smartphones. The equivalent amount has been transferred from the revenue budget to finance the expenditure.

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**3. Capital Programme 2019/20 to 2022/23**

3.1. The table below provides a summary of the capital programme and associated capital financing over the four year period to 2022/23:

Summary of Capital Budget 2019/20 to 2022/23				
	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s
<b>Capital Expenditure</b>				
ICT Schemes	1,975	4,232	4,464	3,530
Estates Schemes	3,457	311	2,075	5,885
Fleet Schemes	733	3,083	776	1,470
Other Schemes	166	237	720	0
	6,331	7,863	8,035	10,885
<b>Capital Financing</b>				
Capital Receipts	0	0	1,521	1,544
Revenue Contributions	403	3,491	3,421	3,419
Capital Grants	821	4,372	1,518	97
Reserves	1,758	0	1,575	2,425
Borrowing	3,349	0	0	3,400
	6,331	7,863	8,035	10,885

A more detailed schedule is provided at **Appendix B** which also illustrates the whole life costs of the current projects within the capital programme.

3.2. There have been a number of changes to future year's expenditure since the 10 year capital strategy was approved. These are summarised in the table below

Changes to the Capital Programme following approval in February 2020					
	Yr0	Yr1	Yr2	Yr3-10	TOTAL
	2019/20	2020/21	2021/22	Future	TOTAL
	£000's	£000's	£000's	£000's	£000's
Approved Strategy	7,099	7,553	7,997	45,596	68,245
Current Expenditure Predictions	6,331	7,863	8,035	45,561	67,790
Difference	(768)	310	38	(35)	(455)
					0
Effects of slippage from 2019/20 to future years	(259)	221	38	0	0
Transfer to / from revenue	(939)	0	0	0	(939)
Budgets Brought Forward	108	(73)	0	(35)	0
Budgets returned on completion of scheme	(58)	0	0	0	(58)
New Schemes	165	0	0	0	165
Budget Increases	215	52	0	0	267
Correction of budget setting error	0	110	0	0	110
Difference	(768)	310	38	(35)	(455)

The corresponding financing has been moved to match this new profile.

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**4. Capital Determinations**

4.1. Part IV of the Local Government and Housing Act 1989 requires a number of “determinations” to be made and approved in relation to the financing of capital expenditure. These are set out below:

- ◆ There have been no capital receipts in 2019/20. Capital receipts from previous years, reserved to meet expenditure commitments in future years, amount to £2.096m. No capital receipts have been applied to meet capital expenditure under part IV (section 60.2) of the act in 2019/20
- ◆ A sum amounting to £486k has been set aside in the revenue account as a minimum revenue provision (MRP) for credit liabilities (section 63.5 of the act) in line with the policy agreed as part of the Treasury Management Strategy Statement in February 2019.

**5. Supplementary Information**

5.1. Appendices to this report are provided as follows:

- ◆ Appendix A – Capital Budget 2019/20
- ◆ Appendix B – Capital Programme 2019/20 to 2022/23

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**Appendix A****Capital Budget 2019/20**

<b>Capital Programme 2019/20</b>	<b>Original Approved Budget</b>	<b>Impact of 2018/19 Outturn</b>	<b>New Schemes Approved</b>	<b>Budget Changes Approved</b>	<b>Approved Adjusted Budget</b>	<b>Actual Expenditure to Mar-20</b>	<b>Draft Capital Outturn</b>	<b>Forecast Variation</b>
	£s	£s	£s	£s	£s	£s	£s	£s
<b>ICT Schemes</b>								
ICT End User Hardware Replacement (002x)	898	9	27	7	941	733	733	(208)
ICT Software Application Replacement (003x)	0	24	0	0	24	0	0	(24)
ICT Core Hardware Replacement (004x)	974	24	0	10	1,008	66	66	(942)
ICT ESN / Radio Replacement (005x)	114	0	0	(50)	64	0	0	(64)
ICT Core Infrastructure Replacement	0	0	0	0	0	0	0	0
ICT Infrastructure Solution Replacement (Projects)								
- Case & Custody	38	0	0	0	38	0	0	(38)
- Control Room Futures	2,299	(706)	0	(179)	1,414	1,148	1,148	(266)
- Business Futures	0	34	0	46	80	0	0	(80)
- Unspecified change to National systems (D)	52	0	0	0	52	0	0	(52)
- High Tech Crime Programme (I)	124	0	0	0	124	0	0	(124)
- High Tech Crime Storage Growth (I)	120	0	0	0	120	0	0	(120)
- Digital Policing Project	135	21	(50)	(14)	92	28	28	(64)
General Slippage	(2,000)	0	0	108	(1,892)	0	0	1,892
<b>Total ICT Schemes</b>	<b>2,754</b>	<b>(594)</b>	<b>(23)</b>	<b>(72)</b>	<b>2,065</b>	<b>1,975</b>	<b>1,975</b>	<b>(90)</b>
<b>Fleet Schemes</b>								
2018/2019 Slippage	349	28	0	(7)	370	268	268	(102)
2019/20 Approved Strategy	979	15	0	68	1,062	274	274	(788)
Rechargeable Vehicles	163	0	80	(52)	191	191	191	0
<b>Total Fleet Schemes</b>	<b>1,491</b>	<b>43</b>	<b>80</b>	<b>9</b>	<b>1,623</b>	<b>733</b>	<b>733</b>	<b>(890)</b>
<b>Estates Schemes</b>								
Whitehaven Police Station - Roof	37	0	0	0	37	0	0	(37)
Kendal Police Station - Roof	55	0	0	0	55	0	0	(55)
Roof Repairs - HQ Dog section	0	0	0	0	0	0	0	0
Other Existing Schemes	0	0	0	0	0	0	0	0
UPS HQ	100	0	0	0	100	0	0	(100)
Eden Deployment Centre	2,772	513	0	(37)	3,248	3,445	3,445	197
Garage Provision	0	0	0	0	0	0	0	0
Durranhill - CCTV system and cell call	0	12	0	0	12	12	12	0
West Resilience Flood Management	0	0	0	0	0	0	0	0
Durranhill heat and vent plant	0	28	0	0	28	0	0	(28)
Gas suppression cylinder replacements	0	0	0	0	0	0	0	0
<b>Total Estates Schemes</b>	<b>2,964</b>	<b>553</b>	<b>0</b>	<b>(37)</b>	<b>3,480</b>	<b>3,457</b>	<b>3,457</b>	<b>(23)</b>
<b>Other Schemes</b>								
CCTV	0	24	0	0	24	0	0	(24)
X2 Taser migration (I)	250	0	0	0	250	0	0	(250)
Glock Pistol Replacement	0	0	0	0	0	0	0	0
Business Transformation	1,250	0	0	(1,250)	0	0	0	0
Laser Scanning - Accident investigation	0	0	58	0	58	0	0	(58)
Operation Uplift	0	0	0	0	0	37	37	37
Operation Lecturn	0	0	0	0	0	129	129	129
<b>Total Other Schemes</b>	<b>1,500</b>	<b>24</b>	<b>58</b>	<b>(1,250)</b>	<b>332</b>	<b>166</b>	<b>166</b>	<b>(166)</b>
<b>Total Capital Expenditure 2019/20</b>	<b>8,709</b>	<b>26</b>	<b>115</b>	<b>(1,350)</b>	<b>7,500</b>	<b>6,331</b>	<b>6,331</b>	<b>(1,169)</b>

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PAC 2020-05-20 Item 07 - Capital Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn

**Appendix B****Capital Programme 2018/19 to 2021/22**

	Approved Budget	Revised Budget	Previous Years Spend	Draft Outturn 2019/20	Projected Outturn 2020/21	Projected Outturn 2021/22	Projected Outturn 2022/23	Projected TOTAL Cost	Variance (Under) / Overspend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>ICT Strategy 2019/20 onwards</b>									
ICT End User Hardware Replacement (002x)	3,137	3,170	0	733	444	1,636	340	3,152	(18)
ICT Software Application Replacement (003x)	35	35	10	0	25	0	0	35	0
ICT Core Hardware Replacement (004x)	4,588	4,708	292	66	3,414	398	481	4,651	(58)
ICT ESN / Radio Replacement (005x)	3,803	3,753	0	0	1,047	187	2,519	3,753	0
ICT Core Infrastructure Replacement	96	96	0	0	0	0	96	96	0
Case & Custody	797	797	758	0	0	38	0	797	0
Control Room Futures	5,687	5,509	3,132	1,148	759	100	356	5,496	(13)
Business Futures	127	173	93	0	80	0	0	173	0
Unspecified change to National systems (D)	216	216	0	0	106	54	55	216	0
National ANPR System / ANPR replacements	151	151	0	0	49	50	51	151	0
High Tech Crime Programme (I)	232	232	108	0	124	0	0	232	0
High Tech Crime Storage Growth (I)	120	120	0	0	120	0	0	120	0
Digital Policing Project	2,267	2,203	2,110	28	65	0	0	2,203	0
ICT Infrastructure Solution Replacement (Projects)	9,596	9,400	6,201	1,177	1,303	243	463	9,387	(13)
Savings Targets	(369)	(369)	0	0	0	0	(369)	(369)	0
General ICT Slippage	0	0	0	0	(2,000)	2,000	0	0	0
<b>Total Proposed ICT Schemes</b>	<b>20,886</b>	<b>20,794</b>	<b>6,503</b>	<b>1,975</b>	<b>4,233</b>	<b>4,464</b>	<b>3,530</b>	<b>20,705</b>	<b>(88)</b>
<b>Estates Strategy 2019/20 onwards</b>									
<u>Roof Repairs - Various</u>									
Whitehaven Police Station	38	38	0	0	38	0	0	38	0
Kendal Police Station	55	55	0	0	55	0	0	55	0
Roof Repairs - HQ Dog section	70	70	0	0	70	0	0	70	0
<u>Other Existing Schemes</u>									
UPS	100	100	0	0	100	0	0	100	0
Eden Deployment Centre	5,320	5,283	2,036	3,445	0	0	0	5,481	198
Garage Provision	500	500	0	0	0	500	0	500	0
Durranhill - CCTV system & M&E plant	115	115	43	12	0	0	60	115	0
West Resilience Flood Management	7,400	7,400	0	0	0	1,575	5,825	7,400	0
Durranhill heat and vent plant	50	50	22	0	28	0	0	50	0
Gas suppression cylinder replacements	20	20	0	0	20	0	0	20	0
<b>Total Proposed Estates Schemes</b>	<b>13,668</b>	<b>13,630</b>	<b>2,101</b>	<b>3,457</b>	<b>311</b>	<b>2,075</b>	<b>5,885</b>	<b>13,828</b>	<b>198</b>
<b>Vehicle Strategy 2019/20 onwards</b>									
2018/2019 Slippage	1,965	1,958	898	267	793	0	0	1,958	0
2019/20 Approved Strategy	4,568	4,671	0	274	2,151	776	1,470	4,671	0
Rechargeable Vehicles	250	331	0	192	139	0	0	331	0
<b>Total Proposed Vehicle Schemes</b>	<b>6,784</b>	<b>6,960</b>	<b>898</b>	<b>733</b>	<b>3,083</b>	<b>776</b>	<b>1,470</b>	<b>6,960</b>	<b>0</b>
<b>Other Schemes Strategy 2019/20 onwards</b>									
CCTV	1,619	1,619	1,095	0	24	500	0	1,619	0
X2 Taser migration	330	330	0	0	110	220	0	330	0
Glock Pistol Replacement	45	45	0	0	45	0	0	45	0
Laser Scanning - Accident investigation	0	58	0	0	58	0	0	58	0
Operation Uplift	0	0	0	37	0	0	0	37	37
Operation Lecturn	0	0	0	129	0	0	0	129	129
<b>Total Proposed Other Schemes</b>	<b>3,245</b>	<b>2,052</b>	<b>1,095</b>	<b>165</b>	<b>237</b>	<b>720</b>	<b>0</b>	<b>2,218</b>	<b>165</b>
<b>Total Schemes</b>	<b>44,583</b>	<b>43,436</b>	<b>10,597</b>	<b>6,331</b>	<b>7,863</b>	<b>8,035</b>	<b>10,885</b>	<b>43,711</b>	<b>275</b>

**NOT PROTECTIVELY MARKED**PAC 2020-05-20 Item 08 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2020 & Provisional Outturn (Part 1<sup>o</sup>)

## Constabulary Report to OPCC

<b>TITLE OF REPORT:</b>	<b>Revenue Budget Monitoring 2019/20 Quarter 4 to March 2020 and Provisional Outturn</b>
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<b>DATE OF MEETING:</b>	<b>Public Accountability Conference 20 May 2020</b>
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<b>ORIGINATING OFFICERS:</b>	<b>Mark Carter, Financial Services Manager and Michelle Bellis, Deputy Chief Finance Officer</b>
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<b>PART 1 or PART 2 PAPER:</b>	<b>PART 1 (OPEN) and PART 2 (CLOSED)</b>
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<p><b>Executive Summary:</b></p> <p>The attached report provides details of the provisional outturn on the Constabulary's revenue budget for 2019/20. The figures quoted at this stage are reported as provisional as the final accounts are still subject to audit but it is not envisaged that there will be any significant changes.</p> <p>The figures show net revenue expenditure on Constabulary controlled and managed budgets amounting to £121.214m which represents an underspend of £196k (0.16%) against the approved adjusted budget of £121.410m.</p> <p>The underspend is made up of an underspend on expenditure budgets of £71k (0.06%) and additional income totalling £125k (1.86%).</p> <p>During the year the Constabulary has experienced additional expenditure in relation to the part year effect of the recruitment of an additional 51 officers as part of Operation Uplift (the Government's plan to recruit an additional 20,000 officers nationally). In addition, there have been some additional costs and savings in responding to the Covid-19 pandemic, although because this event only began to impact in March, the majority of the financial impact will be felt in 2020/21 and subsequent years. Overall, expenditure has been contained just within the funding envelope provided by the Commissioner.</p> <p>The final underspend of £196k represents a reduction of £800k compared to the projected overspend reported at the end of Quarter 3 at 31 December of £604k.</p>
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PAC 2020-05-20 Item 08 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2020 & Provisional Outturn (Part 1&2)

The principal changes in the last quarter of the financial year related to reductions in expenditure on supplies and services and transport costs. Forecasts in relation to officer, PCSO and staff pay have been consistent from early in the financial year.

**Recommendation:**

The Commissioner is asked to note the Constabulary revenue budget provisional outturn for 2019/20.

## **MAIN SECTION**

### **1. Introduction and Background**

- 1.1 The purpose of this report is to provide information on the provisional revenue outturn for 2019/20. Total net expenditure amounts to £121.214m which is £196k below the approved budget. This represents a movement of £800k when compared to the forecast overspend reported at the end of Quarter 3 of £604k.
- 1.2 The total budget is based on the funding arrangement between the Commissioner and the Chief Constable. This was approved and signed off by both the Chief Constable and the Police & Crime Commissioner on 11 April 2019.
- 1.3 The approved funding amounted to £129.976m, which is made up of a net revenue budget of £124.481m plus a plant and equipment capital budget of £5.495m. This report deals solely with the revenue funding. The original approved funding has subsequently been amended by a number of budget adjustments. The revised net revenue budget stands at £121.410m.

### **2. Revenue Expenditure**

The provisional outturn of net revenue expenditure for 2019/20 is £121.214m, which is £196k (0.16%) below the approved adjusted budget of £121.410m, which represents a movement of £800k compared to the overspend forecast as at 31 December 2019 (£604k). The provisional outturn is made up of an underspend on expenditure of £71k (0.06%) and additional income of £125k (1.86%).

- 2.1 The principal variances at the end of the financial year, together with comparatives as reported at December, are outlined in the table below:



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PAC 2020-05-20 Item 08 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2020 &amp; Provisional Outturn (Part 1&amp;2)

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Explanation Paragraph	Projectd (Under)/Overspend	Change from DEC-19 to ADJ-20
	2019/20 £'000s	2019/20 £'000s	2019/20 £'000s	2019/20 %		@ DEC-19 £'000s	to ADJ-20 £'000s
Constabulary Funding							
Police Officers	85,872	86,480	608	0.71%	2.4	625	(17)
Police Community Support Officers	2,738	2,549	(189)	-6.90%	2.5	(187)	(2)
Police Staff	22,588	22,498	(90)	-0.40%	2.6	(40)	(50)
Other Employee Budgets	1,827	1,709	(118)	-6.46%	2.7	24	(142)
Transport Related Expenditure	2,291	2,155	(136)	-5.94%	2.8	(50)	(86)
Supplies & Services	10,618	10,444	(174)	-1.64%	2.9	359	(533)
Third Party Related Expenses	2,184	2,212	28	1.28%	2.10	(13)	41
<b>Total Constabulary Funding</b>	<b>128,118</b>	<b>128,047</b>	<b>(71)</b>	<b>-0.06%</b>		<b>718</b>	<b>(789)</b>
Income	(6,708)	(6,833)	(125)	1.86%	2.11	(114)	(11)
<b>Total Constabulary Funding Net of Income</b>	<b>121,410</b>	<b>121,214</b>	<b>(196)</b>	<b>-0.16%</b>		<b>604</b>	<b>(800)</b>

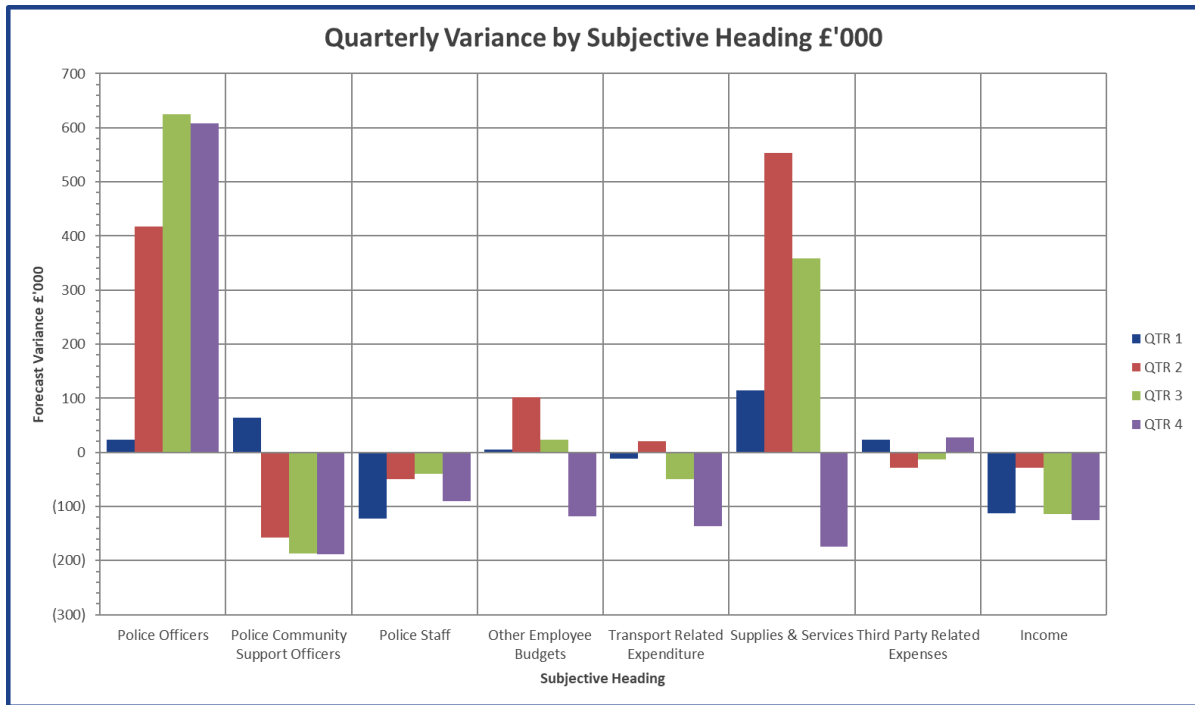
A more detailed analysis of the figures in the above table is provided at **Appendix A**. Commentary on specific variances is provided in the paragraphs below.

- 2.2 The provisional outturn variance reported for 2019/20 is £800k different to the variance forecast as at the end of December (Qtr. 3). The main reasons for this difference will be explained in the remainder of Section 2 heading by heading.

The quarterly reported variances for 2019/20 together with the comparators for 2018/19 are summarised in the table below:

Constabulary Reported Variance	(Under)/Overspend	
	2018/19 £000s	2019/20 £000s
Quarter 1 to 30 June	402	(15)
Quarter 2 to 30 September	749	830
Quarter 3 to 31 December	646	604
Quarter 4 to 31 March	217	(196)

The chart below provides a graphical analysis of the forecast variances for 2019/20 quarter by quarter by subjective heading.



**2.3 Police Officer Pay, Allowances and Overtime came in over budget by £608k (£625k as at December).**

The primary reason for the increased expenditure on police officer pay is as a result of the Constabulary response in relation to operation uplift, which is the Government’s pledge to increase national police officer numbers by 20,000. The cumulative effect of changes in the number and profile of officer recruitment and leavers against the original workforce plan have given rise to additional expenditure of £393k (£66k as at December). These changes include:

- Changes to the workforce plan in response to operation uplift including increased number of new recruits and, an increase in transferees £500k.
- Other changes to workforce plan including leavers & promotions, £126k
- Holiday pay/pay in lieu of notice £112k

offset by

- Pay Award at 2.5%, compared to 3% budgeted (£240k)
- Higher than budgeted numbers of officers who are not members of one of the police pension schemes (£105k).

**Appendix B** provides more detailed analysis in relation to police officer pay budgets and outturn for 2019/20

Police Overtime out-turn shows an overspend of £247k (£155k as at December) and has two principal explanations. A more detailed analysis of the overtime position by command/department is provided for information at **Appendix C**.

- Non-public holiday overtime has exceeded the budget by £230k (£143k as at December). This arises principally from additional expenditure in Territorial Policing (£189), Appleby Fair (£18k) and Operation Lectern, the policing response to the coronavirus outbreak (£16k). Expenditure on overtime has increased mainly due to pressure being experienced on overtime budgets in Territorial Policing Command.
- Public holiday payments came in under budget by £17k (£12k as at December). Of this £19k relates to Territorial Policing Command, £5k Appleby Fair offset by an underspend in Crime Command £10k.

Finally, Police Officer Pensions provisional outturn shows an underspend of £32k (£144k overspend as at December). Of the underspend £149k relates to a decrease in the number of individuals required to be retired under the pension regulations. In these circumstances, the Constabulary is required to meet the capital ill health charge of two times annual salary (approx. £80k per retirement). This underspend is offset by an increase in payments of injury allowances due to payment of arrears following a successful appeals.

#### 2.4 PCSO Pay, Allowances and Overtime came in under budget by £189k (£187k as at December).

During 2019/20 there was a reduced level of recruitment to PCSO posts to allow the Constabulary to concentrate on the recruitment of police officers in response to the Operation Uplift programme. The provisional underspend is as a result of the following changes to the workforce plan for PCSOs:

- Fewer starters x 8 FTE -£10k
- Changes in number and profile through the year of leavers -£160k
- Other Changes (Maternity, changes in hours etc.) -£19k

#### 2.5 Police Staff Pay & Allowances came in under budget by £90k (£40k underspend as at December).

The underspend has arisen through a combination of circumstances.

- Changes to establishment during 2019/20 (numbers and profile of leavers and recruitment, maternity changes to hours etc.) -£306k.

- Additional posts to facilitate the delivery of Operation Uplift £59k
- Holiday pay/pay in lieu of notice +£28k, honoraria payments +£29k

Police Staff Overtime provisional out-turn shows an overspend by £100k (£65k overspend as at December). The forecast overspend arises principally from increased expenditure in Territorial Policing (£43k), Crime Command (£30k), Operation Lectern (£5k) and Corporate Support (£10k).

**Appendix D** provides more detailed analysis in relation to police staff pay budgets and outturn for 2019/20.

2.6 Other Employee Expenditure came in under budget by £118k (£24k overspend as at December).

The primary reasons for the underspend are as follows:

- Training and Conference Fees £195k underspend (£98k overspend as at December). The underspend is made up of £60k leadership & skills development, £53k further education, £60k operational training and £8k training equipment. These underspends are offset by an additional £5k of expenditure due to Operation Uplift.

These underspends are offset somewhat by the following overspend:

- Agency Staff £7k (£10k as at December)
- Staff and Officer Recruitment Costs £32k (£66k under as at December). Costs associated with the recruitment of officers under Operation Uplift £28k. Other recruitment costs £4k
- Redundancy and Actuarial Strain £36k (£20k as at December). This relates to termination costs as a result of Constabulary decisions for which there is no budget provision.
- Staff Welfare Costs £3k (£25k as at December). These additional costs relate to medical consultants required to take part in the Police Medical Appeal Board processes in respect of the ill health retirement process.

2.7 Transport related expenditure came in under budget by £136k (£50k as at December).

The main reasons for the underspend are as follows:

- Vehicle Repair and Maintenance £82k (£40k as at December). Accident damage and other insurance repairs £35k, parts and tyres £42k, workshop equipment £7k.

## NOT PROTECTIVELY MARKED

PAC 2020-05-20 Item 08 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2020 & Provisional Outturn (Part 1&2)

- Vehicle Fuel £56k overspend (£9k as at December). The underspend can be attributed to a combination of lower than budgeted fuel prices at the end of the year, price fluctuations throughout the year and lower overall anticipated mileage.
- Car Hire, Allowances and Travel Expenses £32k underspend (£31k as at December). Due to reduced levels of activity.

These underspends are offset somewhat by underspends on Vehicle Hire £33k (£25k as at December) and £2k on Other Vehicle Costs – vehicle decontamination etc.

2.8 Supplies & Services related expenditure came in under budget by £174k (£359k overspend as at December).

The primary underspends are as follows:

- Contingency £144k (£150k as at December).
- Efficiency Savings £104k (£8k as at December).
- Forensic Costs £117k (£43k as at December). This is mostly due to capacity issues with suppliers particularly during the first quarter, which we not been able to recover over the remainder of the year.
- Consultancy Fees £54k (£43k as at December)
- Police Doctors & Surgeons £42k (£83k as at December). Monthly custody medical contract costs were lower than budgeted together with credits from previous years (£86k) offset by costs of Operation Lectern £42k
- Confiscated Animals £36k (£14k as at December). The cost of kennelling / dealing with confiscated animals.
- Catering and Canteen Services £22k (£17k as at December).
- Office Equipment, Furniture and Materials £26k (£17k as at December).
- Advertising (non-staff) and Public Relations costs £21k (£0 as at December)

The above underspends are offset by overspends on the following budgets:

- Accommodation & Subscriptions £231k (£240k as at December). Operation Uplift Training accommodation £48k, Other Training accommodation £183k.

- Operational Equipment £56k (£4k as at December) overspend, this relates to increased expenditure in relation to testing kits and consumables (£30k), firearms equipment (£13k), TASER (£12k).
- Clothing & Uniform £4k (£33k as at December) overspend of £75k due to Operation Uplift offset by savings due to reduced PCSO and specials recruitment £60k and other savings £10k.
- Custody Costs £59k (£60k as at December). Appropriate Adults Services £48k, Clothing, Consumables, Laundry etc. £11k.
- Police Pension Scheme Sanction Charges £31k (£30k as at December).
- Communications & Computing £11k (£258k underspend as at December). Operation Uplift £16k, networks costs £76k offset by savings on software maintenance £85k. The change from December to March is mainly due to reductions on computer hardware purchases (£120k) and computer software maintenance (£125k). including Red Sigma support 2019-20 (£62k).

2.9 Third Party related expenditure came in over budget by £28k (£13k underspend as at December).

The primary reasons for the overspend are as follows:

- Contributions to Contribution to Operation Elter and Undercover Inquiry Co-ordination Team £28k (£17k as at December).
- Contributions to National ICT projects £6k (£6k as at December).
- Outsourced Services £9k (£12k as at December). Pensions services £7k, Payroll services £2k
- Collaboration Payments £4k (£3k as at December). Safeguarding Vulnerable People.

The above underspends are offset by an under spend on TITAN NWROCU collaboration payments of £19k (£51k as at December).

2.10 Recovery of income has exceeded the budget by £125k (£114k as at December).

The main areas of over recovery of income are:

- Sources of Income from other forces £83k (£70k as at December). This relates to reimbursement of our costs for services provided to other forces.
- Refunds and rebates £46k (£74k as at December).

- Reimbursed Services £48k (£6k as at December).
- General trading Income £47k (£1k as at December). Estates managed services £27k, Insurance income £9k, UCLAN £5k.

This over recovery of income is offset somewhat by the following areas of under recovery of income:

- Proceeds of Crime Act income £73k (£51k as at December).
- Fees & Charges £25k (£10k under as at December). Rent / Accommodation £10k, URN Alarms £7k, Gym Membership £5k

### **3. Sponsorship Activity**

3.1 Under the terms of the funding arrangement, the Chief Constable is required to include in the annual revenue outturn report details of sponsorship activity undertaken/received in the year. Chief Officers responsibilities with regard to sponsorship are set out in section C13 of the Financial regulations and include:

- To determine whether gifts, loans or sponsorship will be accepted
- To ensure there are guidelines in place for staff with regard to gifts, loans and sponsorship and that all staff are aware of and operate within the guidelines.
- To ensure guidelines provide that the Joint CFO is advised of any gifts, loans or sponsorship prior to acceptance to ensure that decision making takes into consideration any financial implications including those pertaining to insurance and taxation.

3.2 During 2019/20 there were no new items of sponsorship which have been notified as accepted. The Constabulary does however continue to utilise a vehicle provided by DSG Ltd Morecambe for use by the community safety team in the south of the county, this vehicle is replaced on a regular basis.

### **4. Bad and Doubtful Debts**

4.1 In accordance with the funding arrangement, this revenue outturn report is required to include details of bad debts written off during the year and any provision for bad and doubtful debts made at 31 March 2020.

During 2019/20 there were no write offs of debtor invoices that were approved for write off by the Joint Chief Finance Officer Roger Marshall. A minor write off of 2p was made to one invoice under delegated limits as a result of a difference/rounding on a payment received.

4.2 At 31 March 2020 a provision for bad and doubtful debts has been established for an amount of £17,907. This provision relates to 17 debtor invoices for which uncertainty exists as to whether the debt will be recovered. The provision has substantially increased from that provided in previous years. In response to the coronavirus outbreak, a more detailed analysis of all debt outstanding at 31 March 2020 was undertaken and as a result of this exercise it was deemed prudent to set aside an increased amount for bad a doubtful debts. The sum of £17,907 provided represents 1.6% of the total outstanding debt at the year end. A schedule of these doubtful debts is provided at **Appendix E (Note Appendix E to be Part 2 Paper for Public Accountability Conference)**.

4.3 At 31 March 2020 the accounts receivable (debtors system) recorded that there were 106 invoices outstanding with a combined total of £1.100m arising from 69 separate customers. Of this sum, £970k (88%) relates to invoices that a classed as current as they have not yet met their due date. A further analysis of debtors as at 31 March 2020 is provided at **Appendix F. (Note Appendix F to be Part 2 Paper for Public Accountability Conference)**.

## **5. Supplementary Information**

5.1 Appendices to this report are provided as follows:

- Appendix A – Constabulary Revenue Budget monitoring as at the end of 2019/20.
- Appendix B – Police Officer Pay Further Analysis.
- Appendix C – Police Officer Overtime Analysis 2019/20.
- Appendix D – Police Staff Pay Further Analysis.
- Appendix E – Calculation of Provision for Bad & Doubtful Debts at 31 March 2020 **(Part 2)**.
- Appendix F – Analysis of Debts at 31 March 2020 **(Part 2)**.



**The Chief Constable for Cumbria Constabulary****Revenue Budget Monitoring Full Year 2019/20**

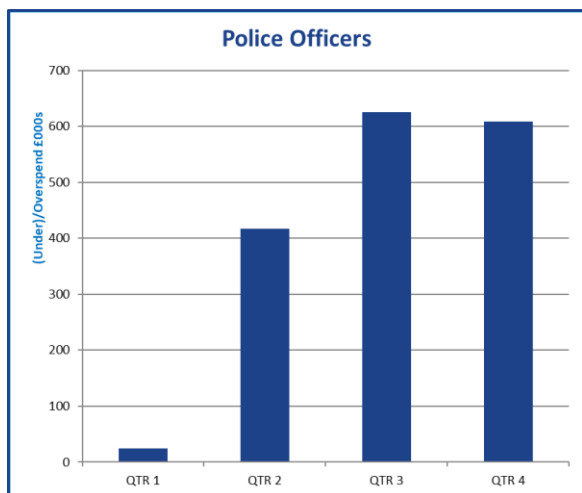
Description	Base Budget	Revised Budget	Provisional Expenditure / (Income)	Provisional (Under)/ Overspend	Forecast (Under)/ Overspend	Projected (Under) / Overspend @ DEC-19	Change DEC-19 to ADJ-20
	2019/20 £	2019/20 £	2019/20 £	2019/20 £	2019/20 %		
Constabulary Funding							
Police Officers	88,105,526	85,871,881	86,479,991	608,110	0.71%	625,395	(17,285)
Police Community Support Officers	2,738,236	2,738,236	2,549,116	(189,119)	-6.91%	(187,168)	(1,951)
Police Staff	22,496,766	22,588,138	22,497,896	(90,242)	-0.40%	(39,574)	(50,668)
Other Employee Budgets	1,341,001	1,826,989	1,708,658	(118,331)	-6.48%	23,692	(142,023)
Transport Related Expenditure	2,292,794	2,290,241	2,154,775	(135,466)	-5.91%	(49,686)	(85,780)
Supplies & Services	10,529,007	10,618,291	10,444,399	(173,892)	-1.64%	359,052	(532,945)
Third Party Related Expenses	2,188,724	2,184,386	2,212,476	28,090	1.29%	(12,857)	40,947
<b>Total Constabulary Funding</b>	<b>129,692,054</b>	<b>128,118,163</b>	<b>128,047,312</b>	<b>(70,851)</b>	<b>-0.06%</b>	<b>718,854</b>	<b>(789,706)</b>
Income	(5,210,621)	(6,708,731)	(6,833,531)	(124,800)	1.86%	(113,764)	(11,036)
<b>Total Constabulary Funding Net of Income</b>	<b>124,481,433</b>	<b>121,409,432</b>	<b>121,213,781</b>	<b>(195,652)</b>	<b>-0.16%</b>	<b>605,090</b>	<b>(800,742)</b>

### Police Officer Pay

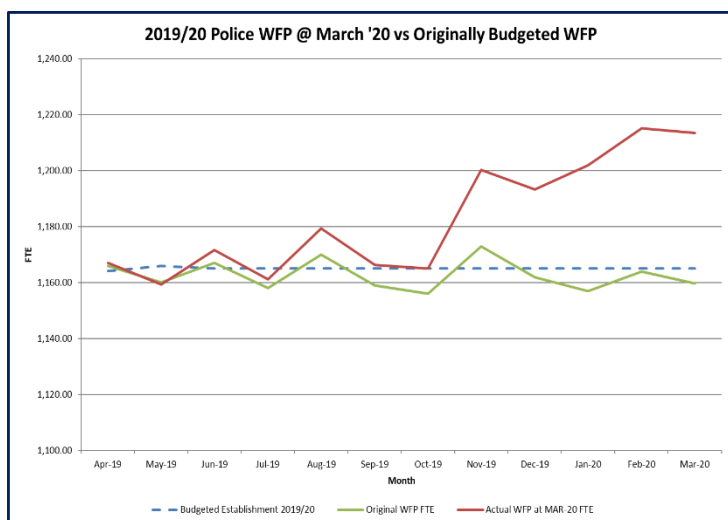
The table below provides a greater level of detail of the final year-end figures.

Description	Revised Budget 2019/20 £	Provisional Outturn 2019/20 £	Provisional (Under)/Overspend £	Projected Variance DEC-19 £	Change DEC-19 to ADJ-20 £
<b>Police Officers</b>					
Police Officer Pay	44,724	43,648	(1,076)	(1,106)	30
Police Officer National Insurance	5,217	5,093	(124)	(110)	(14)
Police Officer Employers Pension Contributions	32,992	32,735	(257)	(282)	25
Police Officer Contribution to Pension Fund	0	0	0	0	0
Police Officer Allowances & Other Payments	1,463	1,502	39	14	25
Police Officer Overtime	1,415	1,646	231	143	88
Police Officer Overtime - Public Holiday	661	677	16	12	4
Police Officer Turnover	(1,811)	0	1,811	1,811	0
Police Officer Ill Health & Injury Pensions	1,211	1,179	(32)	143	(175)
<b>Total</b>	<b>85,872</b>	<b>86,480</b>	<b>608</b>	<b>625</b>	<b>(17)</b>

Appendix C provides a more detailed analysis of police officer overtime and public holiday payments.



This chart shows how the police officer pay forecast has changed on a quarterly basis. The change from Quarter 1 to Quarter 2 represents the decision to recruit additional officers as part of the Government’s pledge to increase policing numbers by 20,000 (Operation Uplift).



This chart illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result. The two lines diverge following the decision to implement the Government’s pledge to increase policing numbers by 20,000 (Operation Uplift).

## Police Officer Overtime Analysis 2019/20

## 2019-20 Police Overtime (Excluding Public Holiday Working) : ADJ-20

Command / Directorate	Department	Revised Budget 2019/20 £	Provisional Outturn 2019/20 £	Provisional (Under)/Overspend 2019/20 £
Crime Command	Crime Command - General	0	30,337	30,337
	Investigations	278,950	294,648	15,698
	Safeguarding	39,302	27,931	(11,371)
	Intelligence	102,351	73,650	(28,701)
<b>Crime Command Total</b>		<b>420,603</b>	<b>426,567</b>	<b>5,964</b>
Territorial Policing Command	Territorial Policing Command - General	150,000	141,102	(8,898)
	Operational Support	344,612	460,267	115,655
	TPA North	71,044	121,556	50,512
	TPA South	78,536	96,047	17,511
	TPA West	67,774	82,746	14,972
<b>Territorial Policing Command Total</b>		<b>711,966</b>	<b>901,717</b>	<b>189,751</b>
Corporate Support	People Department	5,308	5,870	562
<b>Corporate Support Total</b>		<b>5,308</b>	<b>5,870</b>	<b>562</b>
Corporate Improvement	Business Improvement Unit	0	586	586
	Change Programme	0	58	58
<b>Corporate Improvement Total</b>		<b>0</b>	<b>644</b>	<b>644</b>
Seconded	712600-Seconded - NPAS	10,693	10,692	(1)
	722000-Seconded - Metropolitan Police	58	58	(0)
<b>Seconded Total</b>		<b>10,751</b>	<b>10,750</b>	<b>(1)</b>
Seconded - TITAN	717570-Seconded - North West ROCU (Merseyside)	5,725	5,725	0
<b>Seconded - TITAN Total</b>		<b>5,725</b>	<b>5,725</b>	<b>0</b>
Earmarked - Crime Command	747005-CT Prevent	300	256	(44)
	747020-CT Ports	2,800	2,562	(238)
	829005-SO13 Recharges	670	457	(213)
<b>Earmarked - Crime Command Total</b>		<b>3,770</b>	<b>3,275</b>	<b>(495)</b>
Earmarked - Territorial Policing	752005-Appleby Fair	40,250	58,589	18,339
	862000-One-off Mutual Aid	175,499	175,498	(1)
<b>Earmarked - Territorial Policing Total</b>		<b>215,749</b>	<b>234,087</b>	<b>18,338</b>
Earmarked - Sellafield	760000-Sellafield Site Policing	41,443	41,522	79
<b>Earmarked - Sellafield Total</b>		<b>41,443</b>	<b>41,522</b>	<b>79</b>
Projects - Op Uplift	102A - Op Uplift	0	31	31
<b>Projects - Op Uplift Total</b>		<b>0</b>	<b>31</b>	<b>31</b>
Earmarked - Op Lectern	637005-Op Lectern (Response to Novel Coronavirus)	0	16,052	16,052
<b>Earmarked - Op Lectern Total</b>		<b>0</b>	<b>16,052</b>	<b>16,052</b>
<b>Grand Total</b>		<b>1,415,315</b>	<b>1,646,240</b>	<b>230,925</b>

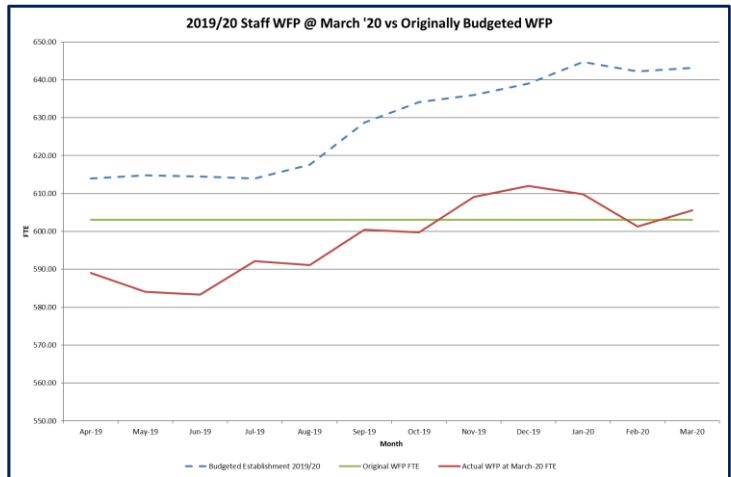
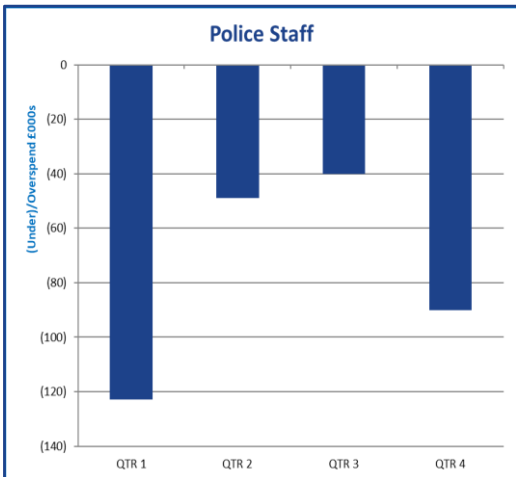
## 2019-20 Police Overtime (Public Holiday Working only) : ADJ-20

Command / Directorate	Department	Revised Budget 2019/20 £	Provisional Outturn 2019/20 £	Provisional (Under)/Overspend 2019/20 £
Crime Command	Investigations	68,787	72,021	3,234
	Safeguarding	22,929	2,232	(20,697)
	Intelligence	11,240	18,459	7,219
<b>Crime Command Total</b>		<b>102,956</b>	<b>92,712</b>	<b>(10,244)</b>
Territorial Policing Command	Territorial Policing Command - General	0	16,593	16,593
	Operational Support	172,232	173,463	1,231
	TPA North	117,676	130,862	13,186
	TPA South	142,358	137,452	(4,906)
	TPA West	116,746	109,546	(7,200)
<b>Territorial Policing Command Total</b>		<b>549,012</b>	<b>567,916</b>	<b>18,904</b>
Corporate Support	People Department	0	858	858
<b>Corporate Support Total</b>		<b>0</b>	<b>858</b>	<b>858</b>
Corporate Improvement	Change Programme	0	346	346
<b>Corporate Improvement Total</b>		<b>0</b>	<b>346</b>	<b>346</b>
Seconded	712600-Seconded - NPAS	1,012	1,012	0
<b>Seconded Total</b>		<b>1,012</b>	<b>1,012</b>	<b>0</b>
Seconded - TITAN	717570-Seconded - North West ROCU (Merseyside)	300	300	0
<b>Seconded - TITAN Total</b>		<b>300</b>	<b>300</b>	<b>0</b>
Earmarked - Territorial Policing	752005-Appleby Fair	6,000	11,188	5,188
<b>Earmarked - Territorial Policing Total</b>		<b>6,000</b>	<b>11,188</b>	<b>5,188</b>
Earmarked - Sellafield	760000-Sellafield Site Policing	1,520	2,520	1,000
<b>Earmarked - Sellafield Total</b>		<b>1,520</b>	<b>2,520</b>	<b>1,000</b>
Earmarked - Op Lectern	637005-Op Lectern (Response to Novel Coronavirus)	0	462	462
<b>Earmarked - Op Lectern Total</b>		<b>0</b>	<b>462</b>	<b>462</b>
<b>Grand Total</b>		<b>660,800</b>	<b>677,314</b>	<b>16,514</b>

**Police Staff Pay**

The table below provides a greater level of detail of the final year-end figures.

Description	Revised Budget 2019/20 £	Provisional Outturn 2019/20 £	Provisional (Under)/Overspend £	Projected Variance DEC-19 £	Change DEC-19 to ADJ-20 £
<b>Police Staff</b>					
Police Staff Pay	18,324	17,407	(917)	(840)	(77)
Police Staff National Insurance	1,732	1,686	(46)	(37)	(9)
Police Staff Pensions	2,791	2,678	(113)	(87)	(26)
Police Staff Allowances & Other Payments	208	267	59	35	24
Police Staff Overtime	289	416	127	93	34
Police Staff Overtime - Public Holiday	69	44	(25)	(29)	4
Police Staff Turnover	(825)	0	825	825	0
<b>Total</b>	<b>22,588</b>	<b>22,498</b>	<b>(90)</b>	<b>(40)</b>	<b>(50)</b>



The change in forecast quarter by quarter reflects changes in the WFP and a change in assumptions in relation to when vacant posts will be filled.

The chart above illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result.



# Office of the Police and Crime Commissioner Report

**REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°010/ 2020)**

**TITLE: Approval of The Commissioner's Revenue Budget Provisional Outturn 2019/20**

## **Executive Summary:**

The attached report presents the revenue budget financial outturn for the Commissioner for the 2019/20 financial year. Total net expenditure amounts to £103.415m compared to an approved budget of £103.742m. This is a net variance of £327k (0.32%). The variance represents an underspend of £196k in relation to funding provided to the Constabulary and an underspend of £131k on budgets managed by the OPCC. The forecast variation of a combined £327k underspend represents a reduction in the forecast variance of £746k compared to the £419k reported as at 31 December 2019.

## **Recommendation:**

- The Commissioner is asked to note the combined provisional outturn position of an underspend of £327k for the financial year 2019/20.
- The Commissioner is asked to approve the transfer of £195k of this underspend to a reserve to develop a new training and development system with the remaining £132k earmarked in a reserve to help fund 2020/21 expenditure on the Constabulary's response to and recovery from COVID-19.

## **Police & Crime Commissioner**

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

**Police & Crime Commissioner / Chief Executive (delete as appropriate)**

**Signature:**

**Date: 20 May 2020**



## Cumbria Office of the Police and Crime Commissioner Report

**Title:** Commissioner's Revenue Budget Monitoring 2019/20 Quarter 4 and Provisional Outturn 2019/20

**Date:** 20 May 2020

**Originating Officer:** Michelle Bellis – Deputy Chief Finance Officer

**Report of the Joint Chief Finance Officer**

### 1. Purpose of the Report

1.1. The purpose of this report is to provide information on the provisional revenue outturn for 2019/20. The figures quoted at this stage are reported as provisional as the final accounts are still subject to audit but it is not envisaged that there will be any significant changes. Total net expenditure amounts to £103.415m compared to an approved budget of £103.742m. This is a net variance of £327k (0.32%). The variance represents an underspend of £196k in relation to funding provided to the Constabulary and an underspend of £131k on budgets managed by the OPCC. The variation of £327k represents a reduction in the forecast variance of £746k compared to the £419k overspend reported as at 31 December 2019.

### 2. Recommendation

- 2.1. The Commissioner is asked to note the combined provisional outturn position of an underspend of £327k for the financial year 2019/20.
- 2.2. The Commissioner is asked to approve the transfer of £195k of this underspend to a reserve to develop a new training and development system with the remaining £132k earmarked in a reserve to help fund 2020/21 expenditure on the Constabulary's response to and recovery from COVID-19.

### 3. Revenue Expenditure

- 3.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £103.415m, and is £327k (0.32%) under the approved budget of £103.742m. The forecast underspend position is made up of an underspend of £131k in respect of budgets controlled by the Commissioner and an underspend of £196k in respect of Constabulary budgets.
- 3.2. The principal variances at the end of the financial year are outlined in the table below with comparative figures reported as at December 2019:

Description	Revised Budget 2019/20 £'000s	Provisional Outturn 2019/20 £'000s	Provisional (Under)/ Overspend 2019/20 £'000s	Provisional (Under)/ Overspend 2019/20 %	Projected (Under)/ Overspend @ DEC-19 £'000s	Change in Forecast DEC-19 to ADJ-20 £'000s
Office of the Police and Crime Commissioner	757	735	(22)	-2.91%	(23)	1
Other PCC Budgets	(17,814)	(17,923)	(109)	0.61%	(167)	58
Movements To / (From) Reserves	(611)	(611)	0	0.00%	0	0
<b>Total OPCC Budgets</b>	<b>(17,668)</b>	<b>(17,799)</b>	<b>(131)</b>	<b>0.74%</b>	<b>(190)</b>	<b>59</b>
Funding Provided to the Constabulary	121,410	121,214	(196)	-0.16%	604	(800)
<b>Net Expenditure</b>	<b>103,742</b>	<b>103,415</b>	<b>(327)</b>	<b>-0.32%</b>	<b>414</b>	<b>(741)</b>
External Funding	(103,742)	(103,742)	0	0.00%	5	(5)
<b>Total</b>	<b>0</b>	<b>(327)</b>	<b>(327)</b>		<b>419</b>	<b>(746)</b>

A more detailed analysis of the figures in the above table (not rounded) is provided at **Appendix**

**A.** Commentary on specific variances is provided in the paragraphs below.

- 3.3. The budget for the Office of the Police and Crime Commissioner came in under budget by £22k or 2.91% (previously £23k at December). The underspend is largely as a result of underspends on staffing.
- 3.4. The Other PCC Controlled Budgets came in under budget by £109k or 0.61% (previously under budget by £167k at December). The net underspend is made up of underspends on the following lines:
- Grant & Contributions £239k. This includes the government grant for Operation Uplift of £242k. Operation uplift refers to the government pledge to increase police officer numbers nationally by 20,000.
  - Reduced estates costs £157k. Including savings on repairs and maintenance (£72k), utilities (£29k), rates & rates (£45k), other (£10k).

These underspends are being partially offset by overspends on the following budget lines:

- Increase in the provision for bad and doubtful debts of £16k
- An increase in the contribution from revenue to fund capital expenditure £165k. This relates to expenditure for Operation Lectern, the policing response to the coronavirus outbreak (£128k) and Operation Uplift (£37k)
- An increased contribution at year end to the Constabulary balance sheet provision in respect of insurance & legal claims of a £86k.
- A reduction in the amount of investment income received in the year £22k, this is due in the main to decisions to invest prudently in the context of Brexit uncertainty.

- 3.5. The Commissioner provides funding to the Chief Constable to operate the Constabulary under the terms of a funding arrangement. The Chief Constable has reported a provisional outturn position of an underspend against this budget of £196k or 0.16% (£604k at December). The forecast underspend is made up of an underspend on expenditure budgets of £71k (previously an overspend of £718k at December) and an increase in income of £125k (previously £114k at December).

The underspend at the year-end is largely as a result of reduced expenditure on non staff budgets such as training £196k, vehicle repairs and maintenance and fuel of £139k, forensics costs £117k, custody medical contract £42k, ICT and efficiency savings £104k, together with increased income from reimbursed services £135k. The budgets for PCSOs and Police Staff pay also came in £189k and £90k under budget respectively.

These underspends were partially offset by additional expenditure on police pay £608k (Operation Uplift £500k, other workforce plan changes and overtime) and training accommodation £213k.

The Chief Constable has provided a separate report elsewhere on this agenda which provides a specific update regarding funding provided to the Constabulary.

- 3.6. The combined provisional outturn position is for an underspend of £327k. It is proposed that this underspent balance is transferred to a reserve to fund investment in a new training and



development system £195k with the remaining £132k set aside in a reserve to help fund 2020/21 expenditure on the Constabulary's response to and recovery from COVID-19.

- 3.7. The Commissioner maintains the police property act fund. This fund has been accumulated over a period of time as a result of the disposal of property coming into the possession of the police under the Police Property Act 1987 and the Powers of Criminal Courts Act 1973. On a quarterly basis community groups or individuals can submit applications for funding to the Commissioner, the proposals should support priorities within the Commissioner's Police and Crime Plan, have an impact on community safety and crime reduction or contribute to the delivery of the Constabulary youth strategy (e.g. diversionary activities for young people). At 31 March 2020, the fund amounted to £46k. During 2019/20 awards to successful applicants totalling £59k were made. Details of these can be found on the Commissioner's website <https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

## Appendix A

## Revenue Budget Monitoring 2019/20 – Provisional Outturn

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Projected (Under)/Overspend @ DEC-19	Change in Forecast DEC-19 to ADJ-20	Change in Forecast DEC-19 to ADJ-20
	2019/20 £	2019/20 £	2019/20 £	2019/20 %	£	£	%
<b>Office of the Police and Crime Commissioner</b>	<b>757,134</b>	<b>734,961</b>	<b>(22,173)</b>	<b>-2.93%</b>	<b>(22,704)</b>	<b>531</b>	<b>(2.34%)</b>
Other PCC Budgets							
Commissioned Services Budget	2,138,443	2,138,440	(3)	0.00%	0	(3)	0.00%
Sexual Assault Support Services	(23,188)	(23,189)	(1)	0.00%	0	(1)	0.00%
Council Tax Support for Care Leavers	0	5,000	5,000	0.00%	0	5,000	0.00%
Estates	4,194,601	4,037,134	(157,467)	-3.75%	(14,099)	(143,367)	1016.84%
Insurances	579,052	572,000	(7,052)	-1.22%	(7,618)	566	(7.43%)
Provisions for Insurance & Legal Liabilities	105,500	191,331	85,831	81.36%	0	85,831	0.00%
Technical Accounting	361,160	377,239	16,079	4.45%	0	16,079	0.00%
Capital Financing	3,066,427	3,231,496	165,069	5.38%	36,006	129,062	358.44%
Grants & Contributions	(28,071,163)	(28,309,724)	(238,561)	0.85%	(216,466)	(22,095)	10.21%
Interest/Investment Income	(165,000)	(142,845)	22,155	-13.43%	35,000	(12,845)	(36.70%)
	<b>(17,814,168)</b>	<b>(17,923,117)</b>	<b>(108,949)</b>	<b>0.61%</b>	<b>(167,177)</b>	<b>58,228</b>	<b>(34.83%)</b>
<b>Total Police &amp; Crime Commissioner Directly Controlled</b>	<b>(17,057,034)</b>	<b>(17,188,157)</b>	<b>(131,123)</b>	<b>0.77%</b>	<b>(189,881)</b>	<b>58,758</b>	<b>(30.94%)</b>
Constabulary Funding	128,118,163	128,047,312	(70,851)	-0.06%	718,854	(789,706)	(109.86%)
Constabulary Income	(6,708,731)	(6,833,531)	(124,800)	1.86%	(113,764)	(11,036)	9.70%
<b>Total Constabulary Funding</b>	<b>121,409,432</b>	<b>121,213,781</b>	<b>(195,652)</b>	<b>-0.16%</b>	<b>605,090</b>	<b>(800,742)</b>	<b>(132.33%)</b>
<b>Total Approved Budget</b>	<b>104,352,398</b>	<b>104,025,624</b>	<b>(326,774)</b>	<b>-0.31%</b>	<b>415,209</b>	<b>(741,983)</b>	<b>(178.70%)</b>
Transfers To/(From) Earmarked Revenue Reserves	1,147,909	1,147,909	0	0.00%	0	(0)	(100.00%)
Transfers To/(From) Capital Reserves	(1,758,449)	(1,758,449)	0	0.00%	0	0	0.00%
Aggregated External Financing	(103,741,858)	(103,741,858)	0	0.00%	5,000	0	0.00%
<b>Net Requirement</b>	<b>(0)</b>	<b>(326,774)</b>	<b>(326,774)</b>		<b>420,210</b>	<b>(741,983)</b>	



Peter McCall

# Treasury Management Activities 2019/20 Quarter 4 (January to March 2020) and Annual Report 2019/20

Public Accountability Conference 20 May 2020 and JAC Meeting 24 June 2020

## Purpose of the Report

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period January to March 2020, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

TMA are undertaken in accordance with the Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) approved by the Commissioner in February each year.

## Recommendations

The Commissioner is asked to note the contents of this report.

JAC Members are asked to note the contents of this report. The report is provided as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy.

## Economic Background

2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December, which settled the Brexit issue. The whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter one of 2020/21. Although the UK left the EU on 31 January 2020, we still have much uncertainty as to whether a comprehensive trade deal will be achieved by the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on the deadline of agreeing a deal by then.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and do nothing until March 2020; at this point it became clear that the coronavirus outbreak posed a huge threat to the economy of the

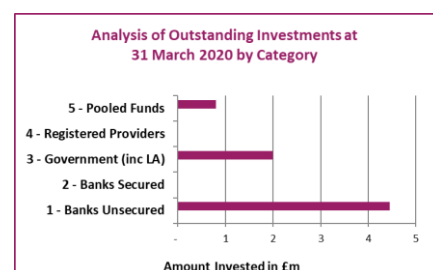
UK. Two emergency cuts in Bank Rate from 0.75%, therefore, occurred in March, first to 0.25% and then to 0.10%.

## TM Operations and Performance Measures

The Commissioners day to day TMA are undertaken in accordance with the TMSS. The TMSS establishes an investment strategy with limits for particular categories of investment and individual counterparty limits within the categories.

**Outstanding Investments:** As at 31 March 2020 the total value of investments was **£7.245m** and all were within TMSS limits.

The chart below shows the outstanding investments at 31 March by category.



A full list of the investments that make up the balance of £7.245m is provided at **Appendix A**.

**Investment Activity:** During quarter 4 a total of 4 investments with a combined value of £8.0m were made within TM categories 1-3 (banks unsecured, banks secured and Government). In addition to these there were regular smaller investments in category 5 (money market pooled funds).

**Non-specified investments:** The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 31 March the Commissioner had no investments meeting this description.

**Investment Income:** The base budget for investment interest receivable in 2019/20 was set at £165k but included an element (£45k) of interest that would be earned by investing in a property fund in 2019/20. Following uncertainty around the Brexit negotiations it was decided to delay any such investment. The actual income achieved against this target was £143k, which provides a shortfall of £22k. This reflects an end of year improvement from previous reports which forecast actual interest would be in the region of £130k.

The average return on investment during quarter 4 was 0.73%. As a measure of investment performance the rate achieved on maturing investments of over 3 months in duration is compared with the average BOE base rate for the period of the investment.

The table below illustrates the rate achieved on the three maturing investments of over three months duration in quarter 4 compared with the average base rate for the duration of the investment. The average base rate calculation include the two rate drops in March 2020 – From 0.75% to 0.25% on 11.03.2020 and then to 0.1% 19.03.2020.

Borrower	Value £m	Period (Months)	Actual Rate (%)	Average Base Rate (%)
Treasury bills	1.4	6	0.70%	0.69%
Lloyds	2.0	6	1.00%	0.75%
Nationwide	2	6	0.81%	0.75%

**Cash Balances:** The aim of the TMSS is to invest surplus funds and minimise the level of un-invested cash balances. The actual un-invested cash balances for the period January to March are summarised in the table below:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	88	3,946	59,806
Days Overdrawn	3	(1,020)	(1,020)

The bank account had only one large un-invested balance during quarter 4. This was for an amount of £59k and occurred on 19<sup>th</sup> February and

was in relation to seized cash of £59k being banked by central services. As is common practice transactions of this nature made during the day are not invested as they are subject to checking by the bank and may be reversed. The largest/only overdrawn balance occurred on 06<sup>th</sup> March (£1,020 - and carried over the weekend) and was as a result of a previously banked cheque being returned as the signature did not match the account mandate. A replacement cheque has now been received. The estimated interest incurred as a result of the unauthorised overdraft usage would be zero as the Commissioners accounts are pooled together.

## Prudential Indicators

In accordance with the Prudential Code, the TMSS includes a number of measures known as Prudential Indicators which determine if the TMSS meets the requirements of the Prudential Code in terms of *Affordability, Sustainability and Prudence*.

An analysis of the current position with regard to those prudential indicators for the financial year 2019/20 is provided at **Appendix B**. The analysis confirms that the Prudential Indicators set for 2019/20 have all being complied with.

## Annual Report on Treasury Management Operations 2019/20

**Treasury Strategy:** In February 2019 the Commissioner approved the 2019/20 Treasury Management Strategy Statement (TMSS). The TMSS incorporated the investment and borrowing strategies for the 2019/20 financial year. The investment strategy approved for 2019/20 was largely the same as had been adopted for the previous year. The limits for each category of investment were based on the relative security of each class of financial institution and a percentage of the estimated balances, which would be available for investment during the year.

In relation to borrowing, the Commissioner has an underlying need to borrow funds to finance the capital programme, which is measured by the Capital Financing requirement (CFR).

The CFR at the start of 2019/20 amounted to £19.35m (including

£4.75m relating to the PFI agreement for West Cumbria TPA HQ in Workington) leaving a £14.60m exposure to external borrowing at some time in the future, which is presently being covered by the use of internal funds (reserves).

The closing CFR for 2019/20 is anticipated to be £22.31m, of which £4.58m relates to the PFI thereby leaving a £17.73m exposure to the requirement to undertake external borrowing at some point.

During 2019/20 the Commissioner has maintained this strategy of using cash balances, arising primarily from reserves, to meet the cash flow commitments and was not therefore compelled to borrow.

Although long term borrowing rates remained relatively low during 2019/20, a conscious decision was made to defer long term financing decisions as the short term cost of

carrying debt (i.e. the differential between the borrowing rate estimated at 2.64% and the rate of 1.0% available as when such funding was invested), as this would have had an adverse effect on the revenue budget for the year and the immediate outlook period.

During 2018/19 the contract for the provision of treasury management advice services was re-tendered with the result that with effect from 1 April 2019 a new advisor (Link Asset Services Ltd) was appointed. Link Assets Services Ltd have continued to provide the advisory service during 2019/20.

The Commissioner, in consultation with the treasury advisors continues to look for the most opportune time to undertake any longer term borrowing to fund the capital financing requirement.

**Key Statistics**

**Principal:**

Number of investments placed during 2019/20 was **197** (218 in 2018/19).

Value of investments placed during 2019/20 was **£131.362m** (£135.565m in 2018/19).

Of these investments made, 63 were to external counterparties and as such will have attracted a £10 transfer fee per transaction. The transfer to the NatWest Liquidity Select account for overnight money is classed as an inter-account transfer' as the NatWest holds the Commissioner's main bank account. This type of transfer is free although we do pay a small fee to access the internet banking site.

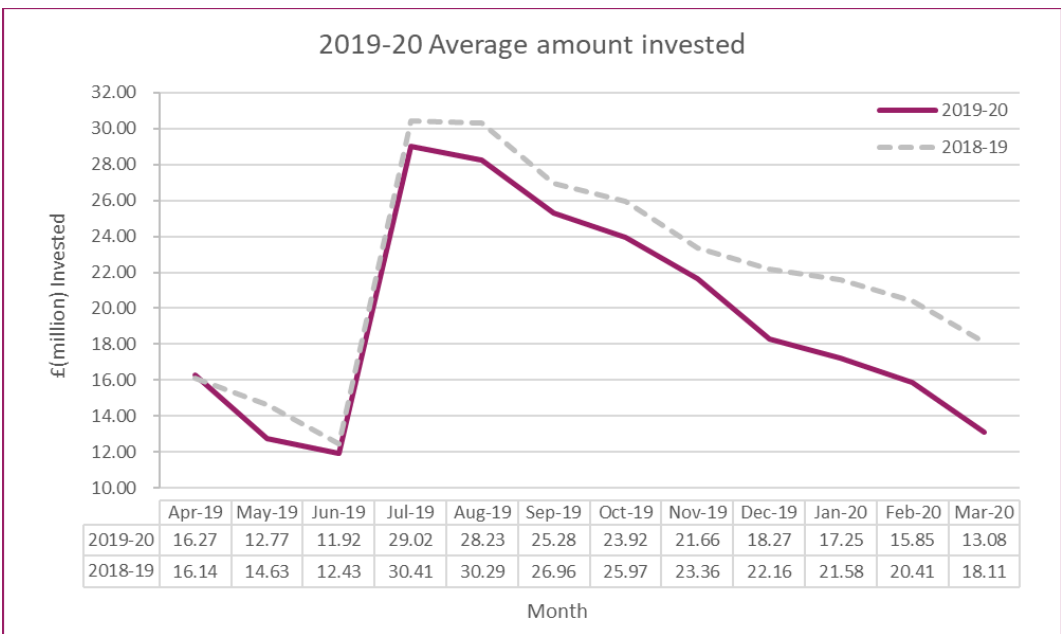
The **average** daily investment balance during 2019/20 was **£19.50m** (£21.90m in 2018/19).

The **highest** daily investment balance in 2019/20 was **£33.97m** (£35.11m in 2018/19)

The **lowest** daily investment balance in 2019/20 was **£7.24m** (£9.23m in 2018/19).

A detailed breakdown of the closing balance invested as at 31 March 2020 is provided at **Appendix A**.

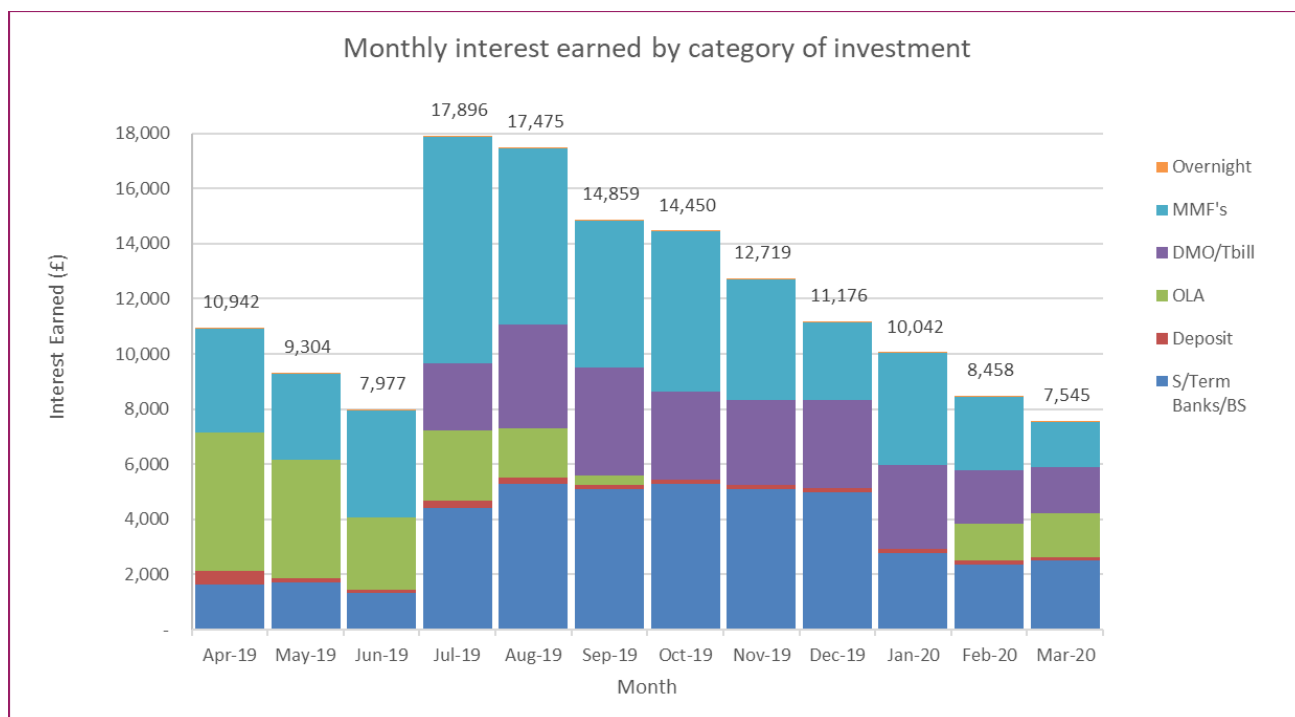
The level of cash reserves available to invest has followed the same pattern as seen in previous years. Following the introduction of the Home Office Police Pensions Grant in 2007/08, there has been an annual spike in investments in July, when the majority of the grant is received, followed by a gradual decline in balances as pension payments are made throughout the remainder of the year.



This chart illustrates the monthly average amounts invested during 2019/20 (with monthly comparatives for 2018/19).

**Interest:**

A total of £143k was earned in 2019/20 (£146k in 2018/19) from the Commissioner’s treasury management activities and can be broken down as follows:



The average return on investments for 2019/20 was 0.73% (0.67% in 2018/19).

The base rate started the year at 0.75% but was reduced by 0.50% to 0.25% on the 11<sup>th</sup> March 2020. It was then reduced by 0.15% to 0.1% on 19<sup>th</sup> March 2020 - this gives an average bank base rate of 0.72% for the year.

The table above shows the outturn on investment interest as £143k for 2019/20 which is £22k below the base budget of £165k. The base budget was increased by £45k in line with the plans to invest long term in a property funds. These funds yield higher returns as well as the potential for capital growth. They are backed, as the name suggests, by property. Uncertainty around the Brexit negotiations and the effect that this would have on property prices have resulted in this investment being delayed. With the global pandemic now also taking its toll on the UK economy it is unlikely that this investment will take place in the near future.

The base budget for 2020/21 is £96k and was set while the interest rate was predicted to remain at 0.75% until 2020/21 quarter 4 where it was expected to rise to 1.0%. The cash flow forecast has been remodelled to take account of the recent sudden rate cuts and the revised forecast for investment income in 2020/21 is £25k.

### Treasury Operations:

As discussed above the aim of the Treasury Management Strategy is to invest surplus cash and minimise the level of un-invested cash balances, whilst limiting risks to the Commissioner’s funds. Actual un-invested balances for 2019/20 for the Commissioner’s main bank account are summarised in the table below:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	359	4,039	99,280
Days Overdrawn	7	(942)	(2,745)

The largest credit balance occurred during quarter two, the largest overdrawn balance occurred during the third quarter.

The largest un-invested balance occurred on the 13th August (£99k) whereby a customer paid a large

invoice. In line with procedure, any funds banked during the day are subject to checking by the bank and could be removed from our account again while any issues are resolved, which would have resulted in an overdrawn account. It is therefore normal practice that this cash is not invested into the liquidity select account and would have been left in the main fund account.

The largest overdrawn balance occurred on the 22 of October (£3k) and was as a result of two cheques clearing. The banking industry have been encouraged to implement a faster clearing process for cheques, rather than the customary three days. On occasion, where a recipient banks at the same bank as

the Police and Crime Commissioners main fund account, a cheque may clear on the same day as it is presented, as in this case.

Both of these instances have previously been reported in the relevant quarterly activity report to the Commissioner and Members.

### Compliance with Prudential Indicators

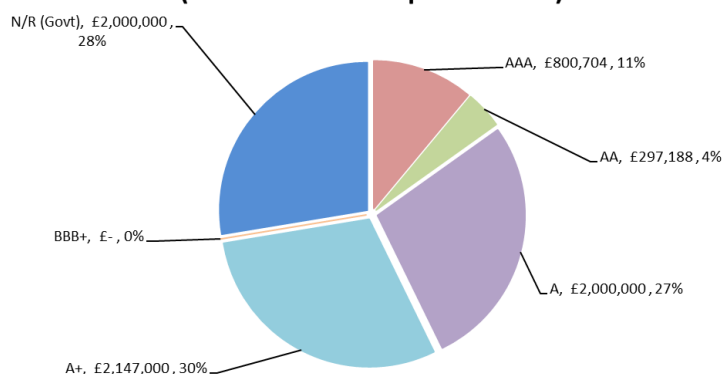
All treasury related Prudential Indicators for 2019/20, which were set in February 2019 as part of the annual Statement of Treasury Management Strategy, have been complied with. Further details can be found at **Appendix B**.



## Appendix A Investment Balance at 31 March 2020

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
<b>Category 1 - Banks Unsecured (Includes Banks &amp; Building Societies)</b>							
Svenska (Deposit Acc)	AA	Various	On Demand	N/A	0.30%	297,188	297,188
NatWest (Liquidity Select Acc)	A+	31/03/2020	01/04/2020	O/N	0.02%	147,000	147,000
Lloyds	A+	06/01/2020	06/04/2020	6	0.75%	2,000,000	2,000,000
Nationwide	A	08/01/2020	08/04/2020	8	73.00%	2,000,000	2,000,000
						<b>4,444,188</b>	<b>4,444,188</b>
<b>Category 2 - Banks Secured (Includes Banks &amp; Building Societies)</b>							
						<b>0</b>	<b>0</b>
<b>Category 3 - Government (Includes HM Treasury and Other Local Authorities)</b>							
Thurrock Council	N/R (Govt)	03/02/2020	03/08/2020	125	0.95%	2,000,000	2,000,000
						<b>2,000,000</b>	<b>2,000,000</b>
<b>Category 4 -Registered Providers (Includes Providers of Social Housing)</b>							
None						0	0
						<b>0</b>	<b>0</b>
<b>Category 5 -Pooled Funds (Includes AAA rated Money Market Funds)</b>							
Fidelity	AAA	Various	On demand	O/N		704	704
BlackRock	AAA	Various	On demand	O/N		0	0
Aberdeen Standard	AAA	Various	On demand	O/N		800,000	800,000
						<b>800,704</b>	<b>800,704</b>
<b>Total</b>						<b>7,244,892</b>	<b>7,244,892</b>








**Analysis of Outstanding Investments by Credit Rating of Counterparty at 31 March 2020 (Minimum Criteria per TMSS A-)**



Note – The credit ratings in the table & chart relate to the standing as at 31 March 2020, these ratings are constantly subject to change.

## Appendix B

### Prudential Indicators 2019/20

Prudential and Treasury Indicators		Result	RAG
<b>Treasury Management Indicators</b>			
<b>The Authorised Limit</b>			
<i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES	
<b>The Operational Boundary</b>			
<i>The operational boundary represents an estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	YES	
<b>Actual External Debt</b>			
<i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	
<b>Gross and Net Debt</b>			
<i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the PCC planning to borrow in advance of need	NO	
<b>Maturity Structure of Borrowing</b>			
<i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	
<b>Upper Limit for total principal sums invested for over 365 Days</b>			
<i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments within the approved limit	YES	
<b>Prudential indicators</b>			
<b>Ratio of Financing Costs to Net Revenue Stream</b>			
<i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs</i>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	
<b>Net Borrowing and the Capital Financing Requirement</b>			
<i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>	TEST - Is net debt less than the capital financing requirement	YES	
<b>Capital Expenditure and Capital financing</b>			
<i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2019/20</i>	TEST - Is the current capital outturn within planned limits	YES	
<b>Capital Financing Requirement</b>			
<i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	TEST - Is the capital financing requirement within planned limits	YES	



Peter McCall

# Office of the Police and Crime Commissioner Report

**REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°011 / 2020)**

**TITLE:** Internal Audit Annual Report 2019/20

## **Executive Summary:**

The attached report provides a summary of the outcomes of the work of internal audit for 2019/20 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).

## **Recommendation:**

The Commissioner is asked to note:

- The progress in delivering the 2019/20 audit plan. Noting that the Covid-19 pandemic at the end of the financial year meant that not all planned audits could be completed.
- The Head of Internal Audit's opinion and assurance statement on the PCC and the Chief Constable's overall systems of governance, risk management and internal control for the year ended 31<sup>st</sup> March 2020 and the basis for that opinion given that not all audits were completed.
- The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
- The results of the Quality Assurance and Improvement programme
- The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

## **Police & Crime Commissioner**

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

**Police & Crime Commissioner / Chief Executive (delete as appropriate)**

**Signature:**

**Date:**

# **CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE**

**Meeting date: 24 June 2020**

**From: Group Audit Manager (Cumbria Shared Internal Audit Service)**

## **INTERNAL AUDIT: ANNUAL REPORT 2019/20**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report provides a summary of the outcomes of the work of internal audit for 2019/20 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 1.2 Key points from internal audit's annual report are:
- The annual opinion of the Head of Internal Audit: based on work undertaken by Internal Audit during the year, the Group Audit Manager is able to provide Reasonable assurance over the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for governance, risk management and internal control.
  - Overall 92% of finalised audits resulted in Reasonable or Substantial assurance. One report issued in draft, awaiting management sign-off received Substantial assurance, once finalised the overall figure will increase to 93%.
  - Work on the 2019/20 Internal Audit plan was temporarily suspended in March 2020 following a request from the OPCC and Constabulary management due to resources being required to respond to COVID-19. Internal Audit undertook an assessment of work already done and

provided management with a position statement. We concluded that sufficient audit work had been undertaken to provide the annual opinion for both organisations so a decision was taken, at the request of the OPCC / Constabulary, to suspend audit work until the COVID-19 situation settled and there is some return to normality.

- The work of Internal Audit is considered to have provided an appropriate level of coverage to provide the opinions, and there have been no threats to Internal Audit's independence in the year to which this opinion relates.

- 1.3 All audits have received a positive response from management with agreed action plans in place to address all recommendations.
- 1.4 One follow up was finalised during the year. The assurance level for the Criminal Justice Unit was revised to Reasonable based on action taken to address the recommendations.
- 1.5 Summaries of the outcomes of all completed audits during the year are included at Appendix 1. The text shaded in grey has been reported to Joint Audit Committee through regular progress reports during the year.
- 1.6 Appendix 2 shows progress against the 2019/20 Internal Audit plan.

## **2.0 OVERVIEW**

- 2.1 Internal Audit's assessment of internal control forms part of the annual assessment of the systems of governance, risk management and internal control, which is now a mandatory requirement.
- 2.2 The Audit Plan aims to match internal audit coverage with the PCC and the Chief Constable's corporate risk assessment.
- 2.3 Internal Audit must conform to the Public Sector Internal Audit Standards which require the preparation by the Head of Internal Audit of an annual opinion on the overall systems of governance, risk management and control. Regular reporting to Joint Audit Committee enables emerging issues to be identified during the year.

## **3.0 RECOMMENDATION**

- 3.1 Joint Audit Committee members are asked to note:
  - The progress in delivering the 2019/20 audit plan.

- The request of the OPCC and Constabulary to temporarily suspend the 2019/20 Internal Audit plan due to the COVID-19 pandemic and its impact on the 2019/20 annual opinions.
- The Head of Internal Audit's opinion and assurance statement on the PCC and the Chief Constable's overall systems of governance, risk management and internal control for the year ended 31<sup>st</sup> March 2020.
- The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
- The results of the Quality Assurance and Improvement programme.
- The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

## **4.0 BACKGROUND**

- 4.1 The PCC and Chief Constable must make proper provision for Internal Audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the PCC and Chief Constable must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards or guidance.
- 4.2 Internal audit is responsible for providing independent assurance to the PCC and Chief Constable and to the Joint Audit Committee on the systems of governance, risk management and internal control.
- 4.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.

### **Internal Audit Opinion**

- 4.4 The purpose of this report is to give my opinion as the Head of Internal Audit for the PCC and the Chief Constable on the adequacy and effectiveness of both organisations' systems of risk management, governance and internal control from the work undertaken by internal audit for the year ended 31<sup>st</sup> March 2020. The annual opinion from the Head of the Internal Audit is a requirement of the Public Sector Internal Audit Standards.

- 4.5 This report is a key contributor to the PCC and the Chief Constable's Annual Governance Statements.
- 4.6 In giving this opinion, it should be noted that assurance can never be absolute and it is not possible to give complete assurance that there are no major control weaknesses. My opinion is based on the work undertaken by internal audit during the year, including the outcomes of follow up work.

## **Risk Management**

### **PCC**

- 4.7 Internal Audit's review of the PCC's risk management arrangements concluded that they are effective.
- 4.8 The OPCC's risk management strategy was updated in April 2017. The strategy comprehensively sets out the approach, objectives, framework, methodology and responsibilities in respect of risk management. We note that the OPCC's risk management strategy 2020-2023 was updated in March 2020 and that this will be used from 1 April 2020. The OPCC reviews its strategic and operational risks on a quarterly basis and meets with Officers within the Constabulary to review their strategic risks and any potential impact on the OPCC as part of the PCC's responsibility to hold the Chief Constable to account. The strategic risk register is presented to the Joint Audit Committee for review and scrutiny during the year.
- 4.9 Audit work undertaken during the year confirms that operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy.

### **Constabulary**

- 4.10 Our work undertaken on the Constabulary's risk management arrangements concluded that they are operating effectively.
- 4.11 The Constabulary's risk management policy in place in 2019/20 was approved in May 2019. The policy communicates the Constabulary's overall approach to risk management and sets out what is in place to embed a risk aware culture. The risk appetite for the force is defined within the policy alongside risk tolerance, risk categories, methodology, roles and responsibilities and accountability and governance arrangements.
- 4.12 The Constabulary's strategic risk register has been presented and discussed at Joint Audit Committee meetings during the year.

- 4.13 Various audits, undertaken during the year, have identified that key operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy, thereby demonstrating application of the policy in practice.

### **Governance**

- 4.14 Both organisations have a suite of documents setting out the governance arrangements in place. Cyclical reviews of the documents are timetabled to ensure the documents are kept under review and are current. These are subject to independent scrutiny by the Joint Audit Committee.
- 4.15 The corporate governance arrangements within the OPCC and Constabulary are based on the core principles of good governance set out by CIPFA/SOLACE and in line with the Nolan Principles.
- 4.16 Both organisations have Codes of Conduct setting expectations required of staff/officers.
- 4.17 Both organisations have an anti-fraud and corruption strategy in place.
- 4.18 Formal mechanisms are in place to engage with stakeholders (examples being Public Accountability Conferences, Collaborative Board meetings, events held / attended by the PCC, etc.).

### **Internal Control**

- 4.19 From work undertaken in 2019/20, all but one review received either substantial or reasonable assurance supporting our view that there are no significant control issues. One Constabulary review was given partial assurance (Trauma Risk incident Management (TRiM)). The Constabulary has chosen to provide this non-mandatory service to support the workforce and volunteers are clearly committed to supporting colleagues through this activity. Senior management have provided assurances that steps will be taken to address the issues raised in the report around ownership and oversight of the service, information management and improvement activity. We will undertake a follow up audit of TRiM during 2020/21.

### **Internal Audit Opinion 2019/20**

- 4.20 I am satisfied that sufficient internal audit work has been undertaken to allow me to give a conclusion on the adequacy and effectiveness of risk management, governance and internal control. I can also report that there has been no threat to the independence of internal audit that would impact on the provision of my annual opinion statement.



- 4.21 It should be noted that Internal Audit work was temporarily suspended at the end of March 2020 at the request of the Constabulary / OPCC due to their COVID-19 response. Whilst we would have anticipated completing at least one more audit to include within these annual opinions we consider that sufficient audit work has been undertaken in both organisations to provide the annual opinions.
- 4.22 In my opinion, the PCC and the Chief Constable's frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in practice. Where internal audit work has identified scope for improvements, the management response has been positive with agreed action plans in place to address all recommendations.
- 4.23 The Shared Service Group Audit Manager has undertaken review of all internal audit work contributing to the annual opinion statement and is able to confirm that all work has been undertaken in accordance with the Public Sector Internal Audit Standards and with the Quality Assurance and Improvement Programme. All audit work has been reviewed at key stages by the Audit Manager and is supported by appropriate evidence.

#### **Internal audit performance**

- 4.24 A suite of performance measures was used to monitor Internal Audit's performance during 2019/20. The results are shown at Appendix 3.

#### **Internal audit coverage and outputs**

- 4.25 13 reviews contributing to the assurance rating have been finalised. The outcome of one draft report has also been included in the annual opinion. We have included this outcome as the assurance level will not change when the report is finalised (OPCC – Police and Crime plan assessed as Substantial).
- 4.26 All audits relating to the OPCC have received an assurance level of substantial or reasonable.
- 4.27 Seven Constabulary reviews were assessed as providing reasonable assurance with reviews covering both organisations receiving reasonable assurance. One Constabulary audit received partial assurance. The audit of TRiM (Trauma Risk Incident Management) received partial assurance. The Constabulary has chosen to provide this non-mandatory service to support the workforce and volunteers are clearly committed to supporting colleagues through this activity. Senior management have provided assurances that steps will be taken to address the issues raised in the report around ownership and oversight of the service, information management and

improvement activity. We will follow up the four recommendations in this audit as part of our 2020/21 Internal Audit work.

- 4.28 Management responses to Internal Audit reports and recommendations have been positive.
- 4.29 Progress in implementing Internal Audit recommendations are monitored by the Joint Audit Committee at each meeting.
- 4.30 The following table summarises the total number of audit evaluations made during 2019/20 for the Constabulary, OPCC and systems operated jointly for both organisations for finalised reports.

Assurance level	Constabulary	OPCC	Joint	Total	%
Substantial	-	-	-	-	-
Reasonable	7	1	4	12	92
Partial	1	-	-	1	8
Limited	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>13</b>	<b>100</b>

- 4.31 In addition to the 13 finalised reviews we have also issued one draft report (OPCC – Police and Crime plan which was assessed as Substantial), the outcome of which has been included in consideration of the OPCC’s annual opinion.
- 4.32 We have also undertaken the following other work:
- Work on risk management for both organisations. The outcome is set out in paragraphs 4.7- 4.13 of this report and has been reflected within the annual opinion.
  - We have completed advisory / consultancy work on Seized Dogs and presented our findings to management and the JAC.
  - Completion of the advisory / consultancy work on Vehicle Utilisation was put on hold following the OPCC / Constabulary’s request to temporarily postpone work on the 2019/20 Internal Audit plan.
  - We have had early involvement in discussions around controls / considerations for the new financial system developments.
- 4.33 As outlined previously in this report, we temporarily suspended audit work on the 2019/20 audit plan at the request of the Constabulary and OPCC senior management due to the COVID-19 outbreak. Had we continued with work on the plan as in previous years a further one piece of work would have been

completed and the outcome included within the annual opinion of the Head of Internal Audit (creditors).

- 4.34 The Institute of Internal Auditors has commented that the annual opinion of the Head of Internal Audit should be based on the percentage of work completed due to COVID-19 and that where a limited amount of work has been done the Head of Internal Audit should flag that the opinion is based on that limited amount of work. We have completed 87% of the plan to final and draft report stage (14 out of 16 reviews).
- 4.35 Comparison of previous years reports included within the annual opinion of the Head of Internal Audit is shown in the table below.

Year	Constabulary	OPCC	Joint	Total
2019/20	8	2	4	<b>14</b>
2018/19	11	3	3	<b>17</b>
2017/18	12	2	2	<b>16</b>

- 4.36 Our work on creditors would have been completed in time to be included within the annual report and opinion if work on the audit plan had not been temporarily suspended. We have assessed that the work on benefits realisation arrangements within the Constabulary would have not been completed as arrangements were being changed and need to be embedded for us to complete this piece of work. With this being taken into consideration, had all of the plan been completed during the year a maximum of 16 reviews providing an assurance rating could have been reported. As we have completed 14 reviews my view is that this is sufficient coverage overall, and across the two organisations, for 2019/20 to give my Head of Internal Audit opinions.
- 4.37 Although my opinion is based on work that we have completed I have also considered the issue of what impact there would be if the outcome of the two reviews which have not been included in the annual opinion had been less than reasonable (and we have no indication at this point that this will be the case). This would give the overall position as:
- OPCC only (2 out of 2 reasonable or above) – 100%
  - Constabulary only (7 out of 9 reasonable or above) – 78%
  - Combined (4 out of 5 reasonable or above) – 80%

I have given both organisations ‘reasonable’ assurance in my Head of Internal Audit’s opinions for 2019/20. I am satisfied that had we completed the audit programme as planned, even if the other outstanding reviews were less than

reasonable, that it would not have impacted on my overall assessment of 'reasonable' assurance for both the PCC and the Chief Constable.

- 4.38 Appendix 1 provides the detail of audit work undertaken from the 2019/20 internal audit plan including work in progress from the 2018/19 plan. Text that is shaded in grey has been reported to Joint Audit Committee during the year and is included here for completeness.

### **Results of the Quality Assurance and Improvement Programme**

- 4.39 The QAIP was presented to JAC on 18<sup>th</sup> March 2020. We can confirm that the QAIP was followed in 2019/20.

### **Statement of Conformance with Public Sector Internal Audit Standards**

- 4.40 The risk based approach has been designed to ensure internal audit work is conducted in accordance with the Public Sector Internal Audit Standards. All audit work has been conducted in line with the agreed audit methodology and has been subject to quality assurance checks by Internal Audit management.

**Richard McGahon**  
**Group Audit Manager**  
14 May 2020

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## **APPENDICES**

***Appendix 1: Final reports issued to 14<sup>th</sup> May 2020***

***Appendix 2: Progress on all risk based audits from the 2019/20 plan including work in progress from the 2018/19 plan***

***Appendix 3: Internal audit performance measures to 14<sup>th</sup> May 2020***

Report Author: Emma Toyne, [emma.toyne@cumbria.gov.uk](mailto:emma.toyne@cumbria.gov.uk)

## Appendix 1 – Final reports issued to 14<sup>th</sup> May 2020

Assignments	Status	Assessment
Debtors	Report circulated to members of the Joint Audit Committee and included in 25 <sup>th</sup> July 2019 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Criminal Justice Unit Follow up	Report circulated to members of the Joint Audit Committee and included in 25 <sup>th</sup> July 2019 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Force Tasking & Co-ordination	Report circulated to members of the Joint Audit Committee and available on the Commissioner's website.	Reasonable
Local Focus Hubs	Report circulated to members of the Joint Audit Committee and included in 19 <sup>th</sup> September 2019 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Governance Structure	Report circulated to members of the Joint Audit Committee and included in 20 <sup>th</sup> November 2019 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Substantial
Seized dogs – Consultancy	Findings presented to management on 15 October 2019 and included in 20 <sup>th</sup> November 2019 Committee papers for discussion at the meeting.	N/A
Commercial Solutions - Procurement	Report circulated to members of the Joint Audit Committee and included in 18 <sup>th</sup> March 2020 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Blue Light Collaboration (OPCC)	Report circulated to members of the Joint Audit Committee and included in 18 <sup>th</sup> March 2020 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable

## Appendix 1 – Final reports issued to 14<sup>th</sup> May 2020

Trauma Risk Incident Management (TRiM)	Report circulated to members of the Joint Audit Committee and included in 18 <sup>th</sup> March 2020 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Partial
Firearms	Report circulated to members of the Joint Audit Committee and included in 18 <sup>th</sup> March 2020 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
OPCC Police and Crime Plan	Draft report issued – awaiting sign off by management (this is included here as it is expected this will be signed off before our Annual Report is presented to JAC)	Substantial
Body Worn Video	Report circulated to members of the Joint Audit Committee. Report available on the Commissioner's website.	Reasonable
Training	Report circulated to members of the Joint Audit Committee. Report available on the Commissioner's website.	Reasonable
Treasury management	Report circulated to members of the Joint Audit Committee. Report available on the Commissioner's website.	Reasonable
Financial sustainability	Report circulated to members of the Joint Audit Committee. Report available on the Commissioner's website.	Reasonable
Risk management and governance	Work completed and reported as part of the annual opinion for 2019/20.	Reasonable

## Appendix 1 – Final reports issued to 14<sup>th</sup> May 2020

In addition to the above we prepared and consulted on the 2020/21 draft Internal Audit plan with the Constabulary and OPCC. The proposed plan was presented to JAC at the meeting on 18<sup>th</sup> March 2020.

We completed the advisory / consultancy work on Seized Dogs and presented our findings to management and to JAC on 20<sup>th</sup> November 2019.

## Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Debtors (2018/19 WIP)	Completed	Yes
Constabulary	Governance structure (2018/19 WIP)	Completed	No - feedback form issued 18/02/2020
Constabulary	Neighbourhood policing hubs (2018/19 WIP)	Completed	Yes
Constabulary	Force Tasking and Co-ordination (2018/19 WIP)	Completed	Yes
Constabulary	Criminal Justice Unit – follow up (2018/19 WIP)	Completed	N/A
Constabulary / OPCC	Financial sustainability	Completed	N/A – feedback form issued 06/05/2020
Constabulary / OPCC	Benefits realisation	Work in progress – put on hold due to the OPCC / Constabulary’s request to temporarily suspend the 2019/20 Internal Audit plan. We had already ceased this work once as the Constabulary was revising its benefits realisation process, but these changes have been delayed due to COVID-19. As there is a further piece of work on benefits realisation in the 2020/21 Internal Audit plan it would make sense to roll the 2019/20 work to date into our	N/A



**Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work in progress**

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
		2020/21 audit.	
Constabulary / OPCC	Procurement	Completed	Yes
OPCC	Blue Light Collaboration	Completed	Yes
OPCC	Police and Crime Plan	Draft report awaiting management sign-off	N/A
Constabulary	Body Worn Video	Completed	No
Constabulary	TRIM (Trauma Risk Incident Management)	Completed	No
Constabulary	Firearms	Completed	Yes
Constabulary	Training	Completed	Yes
Constabulary	Consultancy – Vehicle Utilisation	Work in progress – our fieldwork was nearing completion and we need to discuss our findings with management in order to bring this piece of work to a close. This has been delayed due to the Constabulary’s request to temporarily suspend audit work so they could focus on the COVID-19 response.	N/A
Constabulary	Consultancy – Custody Medical Contract	Not yet started	N/A

**Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work in progress**

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Consultancy – Seized Dogs	Completed	N/A
Constabulary / OPCC	Risk management and governance	Completed	N/A
Constabulary / OPCC	Creditors	Work in progress – put on hold due to the OPCC / Constabulary’s request to temporarily suspend the 2019/20 Internal Audit plan.	N/A
OPCC	Treasury management	Completed	Yes
	Attendance at Police Audit Training & Development event	Attended event which took place on 26 & 27 September 2019.	N/A
	Internal Audit management	Completed	N/A

**Key:**

Complete	Work in progress	Not yet started
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### Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	95% (annual target)	81%	<p>Of the 20 pieces of work in the 2019/20 audit plan 16 were planned to result in a written report with an assurance rating. The 81% completion figure represents the 13 out of 16 finalised reports. In addition there is one draft report that has been issued and is awaiting management sign-off. Including this audit would raise the figure to 87%. The other 2 audits that were in progress have been temporarily put on hold at the request of the Constabulary / OPCC due to the COVID-19 situation.</p> <p>The other 4 pieces of planned work were:</p> <ul style="list-style-type: none"> <li>• work on risk management and governance (completed with an outcome of ‘reasonable assurance’ and incorporated into the annual opinion)</li> <li>• 3 pieces of advisory / consultancy work which do not receive an assurance rating (1 completed, 1 in progress but on hold due to COVOD-19 and 1 not started).</li> </ul>
Days delivered	Number of planned days delivered	281	248	<p>Three pieces of work in the 2019/20 plan were not completed:</p> <ul style="list-style-type: none"> <li>• 3 days to complete our work on creditors when this re-commences</li> <li>• 5 of the 20 days on ‘Benefits realisation’ have been used. The audit had commenced and was then put on hold as the Constabulary identified the systems in</li> </ul>

### Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
				<p>place were not suitable and a new process was being developed. This has been further delayed due to the COVID-19 outbreak. Given that systems are still to be agreed, and will take time to embed, we propose to not progress this work from the 2019/20 plan and to reduce the days in the plan by the 15 days remaining as 'Benefits realisation' is already included within the proposed 2020/21 audit plan</p> <ul style="list-style-type: none"> <li>15 days were allocated to advisory / consultancy work on the custody medical contract but work was not started in 2019/20. Given the temporary postponement of audit work at the request of the Constabulary and OPCC, and a need to then review the available resource for the 2020/21 audit plan, it is proposed that this piece of work is not taken forward.</li> </ul>
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final	% of final reports issued for Chief Officer / Director	90%	100%	

### Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
reports	comments within five working days of management response or closeout meeting.			
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys returned	100%	72%	Eight out of eleven forms issued for audits completed in 2019/20 were returned.
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on the nine forms returned. In addition to the eight forms returned for work in the 2019/20 plan we also received a completed form for an audit reported in the 2018/19 annual report.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	78%	



# Office of the Police and Crime Commissioner Report

## REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°013/ 2020)

### TITLE: Effectiveness of Governance Arrangements for OPCC 2019/20

#### Executive Summary: (Précis not more than 100 words)

The Commissioner to receive a report from the Chief Executive and Chief Finance Officer regarding the arrangements for governance and accompanied by the Commissioner's Annual Governance Statement for 2019/20. The report will be subject to subsequent review by the Joint Audit Committee and any recommendations reported back to the Commissioner prior to agreement of the statement for release.

#### Recommendation:

The Commissioner is asked to note the report and governance documents.

Following review by the Joint Audit Committee in June, the Commissioner will subsequently be asked :

- i. Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the Code of Corporate Governance 2020/21 and Annual Governance Statement 2019/20.
- ii. Approve for signature, where applicable with amendments, the Annual Governance Statement for 2019/20 and to the date of this meeting, which will then accompany the Statement of Accounts for 2019/20.

#### Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/~~do not approve~~ the recommendation(s) above

<b>Police &amp; Crime Commissioner / <del>Chief Executive</del> (delete as appropriate)</b>
<b>Signature:</b> _____ <b>Date: 20 May 2020</b>

## **PART 1 – NON CONFIDENTIAL FACTS AND ADVICE TO THE PCC**

### **1. Introduction & Background**

Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner is required to consider the findings of that review, approve the AGS and publish (which must include publication on the Commissioner's website) the Statements alongside the Statement of Accounts.

### **2. Issues for Consideration**

The Commissioner is the body charged with governance and must satisfy himself that the arrangements for governance are robust and properly reflected within the Annual Governance Statement. The entirety of those arrangements include the arrangements for Internal Audit. A separate report reviewing the effectiveness of the arrangements for Audit will be presented at a subsequent date. The report will be supported by the Annual Report of the Joint Audit Committee, which includes an assessment of the effectiveness of the internal audit function. That report is expected to conclude that the arrangements for audit are effective. The annual governance statement and the arrangements for compiling the statement are subject to annual audit.

### **3. Implications**

**(List and include views of all those consulted, whether they agree or disagree and why)**

- 3.1. Financial: n/a
- 3.2. Legal: The review of governance and the publication of an Annual Governance Statement meet the legal requirements of the Accounts and Audit Regulations 2015.
- 3.3. Risk: The Annual Governance Statement documents the arrangements for managing risk
- 3.4. HR / Equality: n/a
- 3.5. I.T.: n/a
- 3.6. Procurement: n/a

3.7. Victims: n/a

**4. Backgrounds / supporting papers**

(List any relevant business case, EIA, PID, Media Strategy and append to this form; list persons consulted during the preparation of the report)

Report on the Effectiveness of Governance Arrangements 2019/20

Annual Governance Statement 2019/20

<p><b>Public Access to Information</b>                  Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would not compromise the implementation of the decision being approved.</p>
<p>Is the publication of this form to be deferred? NO</p> <p>If yes, for what reason:</p> <p>Until what date (if known):</p>
<p>Is there a <b>Part 2</b> form - NO</p> <p>(If Yes, please ensure Part 2 form is completed prior to submission)</p>

**ORIGINATING OFFICER DECLARATION:**

<p>I confirm that this report has been considered by the Chief Officer Group and that relevant financial, legal and equalities advice has been taken into account in the preparation of this report.</p> <p><b>Signed:</b> ..... <b>Date:</b> .....</p>
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**OFFICER APPROVAL**

<p><b>Chief Executive / Deputy Chief Executive (delete as appropriate)</b></p> <p>I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner / Chief Executive (delete as appropriate).</p> <p><b>Signature:</b> ..... <b>Date: 20 May 2020</b></p>
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<p><b>Media Strategy</b></p>
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The decision taken by the Police & Crime Commissioner may require a press announcement or media strategy.

Will a press release be required following the decision being considered? NO

If yes, has a media strategy been formulated? YES / NO

Is the media strategy attached? YES / NO

What is the proposed date of the press release:

# Cumbria Office of the Police and Crime Commissioner and The Chief Constable for Cumbria Constabulary

## Effectiveness of Governance Arrangements 2019/20

Report of the Chief Executive and Joint Chief Finance Officer

### 1. Introduction and background

- 1.1 As it was in 2018/19, this report has been prepared as a joint report to cover both entities with details appropriate to each organisation as required.
- 1.2 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner and Chief Constable are required to consider the findings of that review, approve the respective AGS and publish (which must include publication on the Commissioner's and Constabulary's respective websites) the Statements alongside the Statement of Accounts. The AGS are prepared in accordance with the CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.
- 1.3 The Police and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out his corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2019/20 Code was subject to review by the Joint Audit Committee prior to approval by the Commissioner. It is the compliance with this Code by the Commissioner, together with an assessment of its effectiveness, which is reflected in the 2019/20 Annual Governance Statement.
- 1.4 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out her corporate governance framework. The Code is subject to review and updated annually alongside the process to review

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the arrangements for governance and prepare an Annual Governance Statement. The 2019/20 Code was subject to review by the Joint Audit Committee prior to approval by the Chief Constable. It is the compliance with this Code by the Chief Constable, together with an assessment of its effectiveness, which is reflected in the 2019/20 Annual Governance Statement.

## 2. Governance Framework & Effectiveness

- 2.1 The annual review of the arrangements for governance and their effectiveness support the production of the respective Annual Governance Statements for both the Police and Crime Commissioner and the Chief Constable. The review provides assurance on governance arrangements and the controls in place to achieve the organisational objectives. The review has been prepared by the Commissioner's Chief Executive, the Joint Chief Finance Officer and Constabulary Senior Officers in accordance with the CIPFA delivering good governance in local government guidance note for Police 2016. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act.
- 2.2 Within the OPCC, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles as a benchmark of good practice as a when designing and monitoring governance. Those core principles and the arrangements that support them are set out in the 2019/20 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit Committee in May 2019. The development of the Annual Government Statement is an integral part of the review, setting out how the Code has been complied with over the course of the year. Where the review has identified areas where developments are planned or improvements can be made, the AGS sets out an action plan to deliver those changes. The statement also highlights areas where further assurance is gained, such as the work of internal audit and the reports of the external auditors. The Commissioner's Annual Governance Statement setting out the review of governance arrangements for 2019/20 and to the date of this meeting, is presented to the Joint Audit Committee for review, prior to being received by the Commissioner for final endorsement and publication alongside the Statement of Accounts.
- 2.3 Within the Constabulary, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. These have been used as a review checklist. The first stage of the process has been to ensure that the Chief Constable's Code of Corporate Governance adequately reflects all the requirements of the framework. The second stage of the process has been to ensure that the Governance Statement has evidence of the arrangements and practices in place to comply with the framework. Where the review has identified areas where developments are planned or it is identified that improvements can be made, the intended actions are outlined in the 'Areas for Further Development and Improvement' for each core principle. The statement also highlights areas

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where further assurance is gained, such as the work of internal audit, the reports of the external auditors and the results of inspections carried out by Her Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2019/20 and to the date of this meeting is presented to the Joint Audit Committee for review, prior to being received by the Chief Officer Group for final endorsement and publication alongside the Statement of Accounts.

2.4 Whilst the review of arrangements described above has been specific to the production of the Annual Governance Statements, this process is supported by wider reviews of the arrangements for governance that take place during the financial year. This includes cyclical review and updates to core elements of the governance framework. During 2019/20 this has included a review and update of the Joint Procurement Regulations, and a review of the arrangements for anti-fraud, corruption and whistleblowing in both organisations. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have been identified. This is supplemented by specific assessments on compliance by the Joint Chief Finance Officer and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. Management assurances are obtained for all financial systems on an annual basis. These requirements, whilst challenging, have enabled an approach that has sought to ensure all arrangements take account of best practice, codes and guidance.

### 3. The Effectiveness of Internal Audit

3.1 Due to delays arising from the current Covid-19 crisis a separate report reviewing the effectiveness of the arrangements for Audit, which would, in normal circumstances, be presented to the Commissioner at this meeting, has been delayed. This report will include a review of the effectiveness of the internal audit function and the effectiveness of the Joint Audit Committee and is intended to demonstrate the effectiveness of the arrangements for Audit against independent and objective criteria as a contribution to good governance. The report will be presented to the Commissioner prior to release of the accounts for publication and, in doing so, will conclude the process of providing the necessary assurances that the governance arrangements set out in the respective Codes of Corporate Governance are working as intended and are effective.

### 4. The Code of Corporate Governance 2020/21

4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPCC and Constabulary. The 2020/21 Codes of Corporate

Governance applies the standards set out in the Delivering Good Governance in Local Government Framework published by CIPFA in 2016, with particular reference to the guidance notes for policing bodies, which recognise the governance implications of the structural differences between policing and other areas of local government. The CIPFA good governance framework is the best practice standard for Public Sector governance. The 2016 governance framework is based on seven principles, as set out in the respective codes and has a much broader focus on delivering value for money, including outcomes and demonstrating effective performance, often working in partnership to achieve this in comparison with the previous code.

## 5. Recommendations

5.1 Members of the Joint Audit Committee are asked to:

- (i) Review the respective Codes of Corporate Governance 2020/21
- (ii) Review the respective Annual Governance Statements 2019/20
- (iii) Make any recommendations with regard to the respective Codes, Statements and arrangements for governance for consideration by the Commissioner and Chief Constable prior to publication alongside the financial statements

5.2 The Commissioner and Chief Constable are asked to:

- (i) Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the respective Codes of Corporate Governance 2020/21 and Annual Governance Statements 2019/20.
- (ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2019/20 and to the date of this meeting, which will then accompany the respective Statements of Account for 2019/20.

**Gillian Shearer**

**Roger Marshall**

**Chief Executive**

**Joint Chief Finance Officer**

**Human Rights Implications:** None Identified

**Race Equality / Diversity Implications:** None Identified

**Personnel Implications:** None Identified

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**Financial Implications:** None Identified

**Risk Management Implications:** The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.

**Contact points for additional information:**

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## Police and Crime Commissioner for Cumbria

### Annual Governance Statement 2019/20

#### INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is

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carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. This is what we mean by governance. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at [www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk)

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance

Statement (AGS) to accompany the Commissioner's statement of accounts.

#### REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2019/20 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2019/20 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner’s governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.
- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Chief Internal Auditor, as set out in his annual report.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Police.

plan of planned future improvements for governance arrangements.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

#### REVIEW OF REQUIREMENTS AND ARRANGEMENTS

##### Ethics and Integrity

The Commissioner has in place arrangements for antifraud and corruption, which have been reviewed in 2019/20 by the Governance Manager, the conclusions of which were reported to the Joint Audit Committee in November 2019. The review concluded that arrangements are effective. Whilst fraud risk remains low within the OPCC office, matters of integrity are re-enforced including enhanced arrangements in respect of recording gifts and hospitality and/or supplier contact.

The anti-fraud and corruption arrangements also highlight mechanisms for confidential reporting and whistleblowing.

The process of commissioning services and award of grants present a potentially high risk with regard to integrity. Grant Regulations are in place to ensure that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. [The grant regulations will be reviewed in 2020.](#)

A fraud risk assessment undertaken by the Joint Chief Finance Officer in compliance with International Financial Reporting Standards did not reveal serious concerns.

In respect of the arrangements for standards, ethics and integrity, no complaints have been received against the Commissioner or members of his office in relation to matters of integrity.

During 2019/20 the Ethics and Integrity Panel have carried out dip sample processes and thematic inspections for a number of different areas of business including, adherence with the Code of Ethics and Code of Conduct,



public complaints, police misconduct and staff misconduct cases, all of which were found to support high standards of ethics and integrity. This enabled the Police and Crime Commissioner to fulfil his statutory duty to have oversight of the Constabulary's complaints and misconduct processes.

The scope of the Panel's work has developed during 2019/20 through the completion of six thematic inspections, in relation to Mental Health Detention, the use of Use of Force, the use of Spit Guards, the use of Stop and Stop/Search, the use of Body Worn Video and the Constabulary's Communications Centre. The findings of the Panel's work, including recommendations, have been reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny.

The Joint Audit Committee received the 2019/20 annual report of the Ethics & Integrity Panel in June 2019 to support assurances in respect of arrangements for standards and ethical governance.

On 1 February 2020 new legislation giving Commissioner's explicit responsibility for the performance of the local complaints system and hearing complaint appeals came

into force. New processes have been implemented. The OPCC has appointed an independent third-party to undertake the appeal reviews. Whilst, at the early stages this is working well.

#### Respecting the rule of law

Officers within the OPCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, the APCC and from the government. The Commissioner provides funding to the Constabulary's Legal Services Department, who deliver support to the OPCC on legal matters.

During the year formal reviews has been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit Committee against the respective CIPFA statements, which concluded there was full compliance.

Principle B: Ensuring openness and  
Comprehensive stakeholder  
engagement

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Openness

Openness is a key element of the role of the Commissioner and is not just about publishing information but listening and influencing as well. The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public. Examples of information that is published includes agendas and reports of public meetings, guidance on the Commissioner's funds, freedom of information requests, financial information and details of key decisions.

The Commissioner is highly committed to be the voice of the people of Cumbria. This is demonstrated through a

wide range of engagement opportunities for the public to make contact, so their views are heard and responded to.

The Commissioner has moved towards events where people are present rather than people coming specifically to see him. This involves working with community groups and events such as community lunches. The events are often held jointly with the force with issues identified and solutions discussed at the same time. During 2019/20 the Chief Constable has also joined some surgeries and supported community walk around opportunities.

To promote openness and transparency, all Public Accountability Conferences have been advertised to allow members of the press and public to attend, and all minutes arising from these meetings are published subsequently. An Annual Report, outlining the work of the Commissioner, is published.

During 2019/20 a review of the Communications and Engagement Strategies took place. In general terms the engagement over the last four years had been comprehensive and had been flexible to develop to meet the changing needs of how people like to communicate and especially the impact of social media. Work has

started on the new strategy but this has been postponed until later in 2020/21 as the new document was to be aligned with the new term in office of the new elected PCC.

#### Engaging Comprehensively with Institutional Stakeholders

The Commissioner is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit including:

- Chairing the Safer Cumbria Delivery Board, which is both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria.
- Membership of the Cumbria Leaders' Board.
- Chairing the Blue Light Collaboration Executive Leaders Board.

During 2019/20 the Commissioner has led a range of partnership working initiatives to deliver the Commissioning Strategy and ensure arrangements are in place for victims support services. This has included:

- Carrying out a Quality Assessment Framework Audit with criminal justice partners to monitor compliance

with the Victims Code in Cumbria and drive improvements in specific areas through this process.

- Working with Cumbria County Council and other statutory partners through Safer Cumbria, embedded a new integrated victims service, combining emotional and practical support for those affected by all types of crime with specialist domestic and sexual abuse services, to improve ease of access to the right support service.
- Continuing to work in collaboration with Get Safe Online and through local Community Safety Partnership to deliver a range of community events and workshops to prevent local people and businesses becoming victims of online crime.
- Funded Community Safety Partnerships to continue to work with communities and partners on issues impacting on their specific areas of Cumbria, including alcohol-related violence and antisocial behaviour.

- Funded Cumbria Youth Offending Service to engage two Parenting Support and Family Group Conference Co-ordinators.

### Engaging Stakeholders Effectively including Citizens and Service Users

The Policing Protocol Order highlights the accountability of the Police and Crime Commissioner to local people. This responsibility is delivered through the OPCC to ensure a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria to influence decisions.

The Commissioner is directly involved in all of the engagement activities and encourages the Commissioner's ethos of 'we, not they' to emphasise that communities, stakeholders and partners need to all work together to help deliver the Police and Crime Plan, to make Cumbria even safer.

During 2019/20 engagement included:

- Public surgeries/drop-ins at various locations - with a focus on going to where people are such as supermarkets and lunch groups.
- Numerous speaking engagements covering a broad range of topics from modern day slavery, to the work of a PCC and crime in the county.
- Meetings with a diverse range of community groups.
- Media engagements.
- Public consultation on setting the council tax precept and wider consultation especially at public events identifying policing priorities.
- The Commissioner's website.
- Social media: Twitter, Facebook and YouTube.
- Video blogs.
- Campaigns focusing on safer driving, phase 2 of CCTV and rural crime.
- Attendance at a variety of public events such as; force open days, emergency services days, agricultural shows, multi-cultural events, community events.
- The Commissioner held in January 2020 his highly successful Community Awards which show cased the

tremendous work that takes place in our communities to support our communities.

- The Commissioner visits many of the projects that are supported by the Community and Property Funds supporting local community groups and often diversion activities for young people.

The Commissioner's calendar of events was due to reduce in March 2020 as a result of the pending PCC Elections. As a result of the COVID-19 pandemic the PCC Elections have been postponed until May 2021. However, due to the Government restrictions the Commissioner has not been undertaking direct public engagement events but has undertaken a greater social media presence. Whilst, at the early planning stages work is being undertaken to facilitate online surgeries and other Commissioner activities.

The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept for 2020/21. More than 68% of the respondents (over 1,473) agreed with raising the council tax, which for a Band D property would represent an increase of £8.41 or 3.47%. The Commissioner also undertook a survey in autumn 2019 to determine the priorities of the public in

relation to police and crime matters and the results have influenced the Commissioner's decision of which campaigns to focus on.

The OPCC logs all quality of service issues that are raised with the Commissioner, which are tracked and escalated with the Chief Constable where appropriate. This feedback is also used by the Constabulary to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. As a result of public feedback improvements have been made to the waiting times when people call 101 and improve the service to the public across a broad range of issues primarily for anti-social behaviour.

In summary, the engagement with all stakeholders allows the Commissioner to develop a vision for policing services, which in turn influences decisions and is incorporated within the Police and Crime Plan.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Defining Outcomes

The Police Reform and Social Responsibility Act (PR&SRA) requires the Commissioner to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety. A new Police and Crime Plan was launched in November 2016, following the appointment of a new Police and Crime Commissioner for Cumbria.

The Police and Crime Plan 2016-2020 contains the police and crime objectives which all contribute toward achieving the PCC's overall aim 'to make Cumbria an even safer place'. Each objective is supported by actions that the Constabulary and/or partners will undertake to contribute to successful outcomes. These objectives and actions are underpinned by a comprehensive Accountability Framework used to assess how well the objectives are being achieved.

The priorities within the plan are:

- 1 Your Priorities For Cumbria
- 2 A Visible and Effective Police Presence

3 Tackle Crime and Anti-Social Behaviour

4 Ensure Offenders Face A Consequence For Their Crime

5 Always Put Victims First

6 Focus our Police on Online and Sexual Crime

7 Spend your Money Wisely

8 Supporting Young People

An action plan setting out how the objectives of the Police and Crime Plan has been developed within the OPCC. This is reviewed annually to ensure it reflects key activity and takes into consideration any emerging issues.

The PCC also regularly reviews progress against his police and crime objectives. Where grants have been awarded, the awards are made against agreed timescales and milestones for delivery and include success criteria or performance measures.

During 2019/20 a programme of work has been developed with the Police and Crime Panel to facilitate effective scrutiny of delivery of the plan's objectives. Thematic reports are presented to the Panel on a quarterly basis and follow terms of reference agreed in advance with the Panel Chair.

The Chief Constable is held to account for delivery of policing objectives through the PCC's Public Accountability Conferences (PACs). These meetings are divided into two key areas of business: performance and finance. A reporting schedule for these meetings is agreed annually with the Constabulary and ensures the PCC monitors performance against a number of areas of policing identified in the Police and Crime Plan. During 2019/20 thematic reports provided assurance on anti-social behaviour, criminal justice, domestic abuse, hate crime, police visibility, serious violence, mental health challenges for policing and cyber-crime. In addition, reports were also received covering financial monitoring, and ethics.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspections further support the Commissioner in holding the Chief Constable to account for performance of the force.

During 19/20 Internal Audit carried out a review focusing on the OPCC governance arrangements for monitoring the delivery of the Police & Crime Plan, which provided sustainable assurance.

The Police and Crime Act 2017 conferred a duty on Commissioners to collaborate on the delivery of emergency services. In 2019/20 the Commissioner continued to chair the Blue Light Collaboration Executive Leaders Board, which oversee joint work streams between Cumbria Constabulary, Cumbria Fire & Rescue Service (Cumbria County Council), and the North West Ambulance Service.

The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. This was reviewed and updated in 2017/18.

As part of the introduction of emergency legislation by the Government in response to the Covid-19 pandemic PCC elections scheduled for May 2020 were postponed for a year. In response the Commissioner has determined that the priorities identified in his 2016-2020 Police and Crime Plan would remain in place for the next year.

The OPCC will be issuing an addendum to the Police & Crime Plan outlining the key pieces of work it will focus on during 2020-2021, taking into consideration its response to Covid-19 over the coming months as the

Government begins to reduce the lockdown restrictions. However, in order to provide an immediate response to Covid-19, the OPCC has developed this Plan, detailing the measures and arrangements put in place and how the Commissioner will continue to fulfil his statutory responsibilities. The Commissioner will focus on:

- Supporting the Chief Constable to ensure she has sufficient resources to respond to the emergency and have oversight of how these resources are used.
- Facilitating and coordinating effective partnership working among agencies and groups working in community safety and the criminal justice system.
- Commissioning and co-commissioning services, particularly for victims of crime, and providing grants for policing and crime reduction purposes.

#### Sustainable economic, social and environmental benefits

The Head of Partnerships and Commissioning ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan. For the financial year 2019/2020 the PCC committed over £2.1m to projects and initiatives aimed at reducing offending and re-offending and supporting victims of crime. A

significant proportion of that funding has been committed to supporting the reduction in domestic abuse and sexual violence.

A review of the Joint Procurement Regulations was undertaken between the Office of Police and Crime Commissioner and Constabulary Commercial Department with changes implemented from April 2019. A Social Value Policy incorporating a modern slavery statement was approved during 2019/20 to support procurement and commissioning activity.

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Planning and Determining Interventions

During the course of 2019/20 the Commissioner's Public Accountability Conference received Constabulary

assurance covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) performance recommendations. This enabled the Commissioner to hold the Chief Constable to account. Crime data and police performance have also been regularly monitored.

The Commissioner will support the Chief Constable in helping to keep the public safe during the coronavirus outbreak. Principally this will involve working with the Chief Constable to understand the policing, crime and victim's needs as a direct result of the Covid-19 and will use local, regional and national structures to help support the Constabulary. Where required additional funding will be released to enable the Constabulary to deal effectively with the virus, initially this will be focused on ICT to facilitate remote working and the provision of personal, protective equipment to ensure the safety of officers and staff. Concurrently the Commissioner will lobby central Government for additional funding to mitigate the additional costs incurred by the Constabulary and to ensure that the Policing Minister and local MPs are made aware of the local policing challenges faced by the Constabulary.

The Commissioner will continue to hold the Chief Constable to account during the pandemic through regular one to one meetings and Public Accountability Conferences, albeit in a virtual format. The focus will also shift, at least in the short term, towards scrutiny of policing issues raised by the Government's emergency measures such as social distancing, travel and exercise.

The Cumbria 'Out of Court (OoCDs) Disposal Scrutiny Panel' is chaired the Head of Partnerships and Commissioning. OoCDs allow the police to deal quickly and proportionately with low level, often first time, offending, which can be appropriately resolved without a prosecution at court. The Panel seeks to increase the public's understanding and confidence in how the Constabulary uses OoCDs. 85% of cases scrutinised by the Panel in 2019 were considered to be appropriate, with Youth Conditional Cautions being rated 100% compliant. For the majority of cases a clear and well documented rationale for decision making was provided, with officers using their discretion and a high degree of professionalism when investigating often complex crimes. Following each Panel meeting feedback is given to officers and decision makers, which highlights good practice or

contributes towards training and improvements to the Constabulary's policies.

During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime Plan. Projects have included:

- Working in partnership with district, town and parish councils to extend the county wide CCTV system monitored by the police. An additional 24 cameras have been allocated in a number of towns (e.g. Brampton, Keswick and Milnthorpe) in addition to the cameras allocated under phase 1. The Commissioner was able to support through grant awards with the councils contributing towards some of the set-up costs and running costs.
- Working with Cumbria County Council, NHS and Local Authority partners to embed a victim support service, which integrates support for people who have experienced all types of crime.
- Continued to lead on the implementation of the Quality Assessment Framework developed in 2017-18 to review and improve how criminal justice and

support agencies comply with national standards for working with victims.

- The Commissioner continues to chair the Blue Light Collaboration Executive Leaders Board, which oversees joint work-streams between Cumbria County Council, Cumbria Fire & Rescue Service, the Constabulary and the North West Ambulance Service.
- Working with Cumbria's three Community Safety Partnerships and Get Safe Online to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet.
- Working with the Constabulary and through Safer Cumbria, to develop a better understanding of modern slavery and human trafficking across all partner agencies in Cumbria.
- Working with partners developed a year-long Safer Driving Campaign, in response to what local residents said is one of their main local concerns. The campaign highlights the many aspects of safer driving, focusing on a dedicated theme each month.

- In partnership with the County Council, funded Operation Encompass, an initiative that directly connects the police with schools across Cumbria to ensure children who have been exposed to domestic abuse receive immediate support.
- The Commissioner has also lead on a review of the Safer Cumbria Partnership structure, with the aim of ensuring effective working in collaboration with all partners and the joint commissioning of services to address needs across the county. He has also supported a county agreement to help strengthen how other strategic delivery boards link and interact with each other.

During the current pandemic the Commissioner remains committed to partnership working and will continue to work with partners to adapt existing mechanisms and structures so they can provide the provision of important services. He will also ensure that the Constabulary is working in partnership, locally, regionally and nationally, to provide an efficient and effective local response to Covid-19 and to support Cumbria's recovery back to normal life.



The Safer Cumbria Partnership will remain the primary vehicle by which community safety and criminal justice are delivered and national contingency plans are translated into local actions in areas such as early prison releases and court operations. The Commissioner also liaises closely with the Constabulary, who are chairing the Cumbria Strategic Co-ordination Group (SCG) that brings together key agencies to lead the county response to this national emergency. This enables the Commissioner to have a good oversight of the multi-agency emergency plans developed to mitigate the impact of Covid-19 and is using this information to shape his communication with the public, and his engagement with other partners.

The policing grant settlement, received in January 2020 provided £5.9m in additional grant funding for 2020/21, principally to support the first phase of Operation Uplift; the Government's plan to recruit 20,000 new officers by 2023. The settlement also provided Commissioners with a degree of flexibility to levy above inflation council tax increases. Following a public consultation exercise, the Commissioner approved the 2020/21 budget in February 2020 based on a council tax increase of 3.47%. Against a background of rising costs, the £132m provided to the Constabulary has allowed an increase of 51 officers in line

with its target through Operation Uplift and for other services to be maintained. In consultation with the Commissioner, the additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime Plan's principal objective of keeping Cumbria safe.

The future financial outlook remains uncertain. Existing financial risks regarding the sustainability of the Government's funding model, the cost of implementing the Emergency Services Network, pensions, the outcome of the next Comprehensive Spending Review, Brexit and a potential review of the Police Funding Formula have now been exacerbated by the financial implications of the Covid-19 pandemic. It is probable that funding will be constrained for the foreseeable future and additional expenditure will be incurred in dealing with the crisis.

Against this background, the normal modelling of a range of financial scenarios through the Medium Term Financial Planning process, undertaken jointly by the OPCC and Constabulary, will be enhanced in 2020/21 to better understand financial and service implications in the context of the pandemic.

#### Optimising Achievement of Intended Outcomes

All planning is undertaken in the context of a four year medium term financial strategy, incorporating financial modelling, operational plans and capital strategies.

Recommendations contained in a victim's needs assessment, conducted by the Victims Advocate in 2016/17, have provided a clear focus of activity for the PCC and partners' work and future commissioning strategy to keep victims safe and at the heart of the Criminal Justice system. During 2019/20 the Commissioner has:

- Provided restorative services, enabling victims to inform offenders of the impact a crime / antisocial behaviour incidents has had on them.
- Worked with partners to develop a consistent approach to Women'
- Together with Cumbria County Council, continued to fund an Integrated Independent Domestic Abuse & Sexual Abuse Crisis Support Service.
- Embedded a victim service, which integrates support for people who have experienced all types of crime working with the County Council, NHS and other local authority partners.



- Continued to develop and fund Cumbria Youth Commission, ensuring young people across the county have a voice on the issues and problems impacting on them.
- Commissioned Victim Support to provide emotional, practical, advocacy and signposting services.
- Continued to develop and fund the Bridgeway Sexual Assault Support Services, including a therapeutic service to help people who have experienced sexual abuse and sexual assault to cope and recover.
- Funded a county-wide Perpetrator Programme “Turning the Spotlight” for domestic abuse and “Step Up” for families experiencing child-on-parent or guardian violence.
- Reviewed and developed further the **Cumbria Together website**, which provides information and support for those affected by crime and anti social behaviour.
- Through his Innovation, Community and Property Funds the Commissioner has continued to provide financial support for numerous projects working with victims across Cumbria.

- Supported his Victims’ Advocate who continues to champion the cause for victims, and importantly, help drive up standards. As part of the OPCC contract management arrangements the Victims’ Advocate has carried out dip sampling of cases referred into various support services funded by the Commissioner to evaluate the quality of service and provide assurance. The Victims’ Advocate has continued to coordinate and chair quarterly meetings with victims of antisocial behaviour and crime receiving, first hand feedback on their personal experience and acting as a sound board for potential service developments. In addition, they have been involved in all initial officer training presenting information on the impact and ripple effect of crime, as well as cascading information about the services the OPCC commissions to support victims.

When Covid-19 was announced as a threat to public health in the UK, the OPCC made contact with all its commissioned service providers requesting an outline of their service delivery plans during the crisis. The OPCC continues to maintain regular contact with the providers to keep abreast of the situation and its impact on services in order to establish those areas

where funding will be needed most in the coming months. This information is shared on a weekly basis with the Constabulary and partners. Many of the services are offering remote support via telephone or web chat, and their helplines remain active. They continue to provide advocacy, emotional and psychological support to victims.

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

#### REVIEW OF REQUIREMENTS AND ARRANGEMENTS

##### Developing the entity’s capacity

The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA). The PRASA also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance

Officer (CFO). The monitoring officer has specific legal, financial and governance duties in addition to a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and guidance are codified in the Commissioner's scheme of delegation.

During 2019/20 there have been no major changes to the structure of the OPCC. The OPCC is a small team and works together to address any issues arising from staff turnover.

The Chief Executive and Deputy Chief Executive rotate roles on a six monthly basis and this provides a cost effective approach as well as offering greater resilience. This arrangement continues to work well.

The Commissioner and Chief Constable have agreed to a shared Chief Finance Officer arrangement. A protocol and range of safeguards have been put in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement has been conducted aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

### Developing the entity's leadership

The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE), while the Chief Finance Officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service. During 2019/20 the Chief Finance Officer and wider finance team have actively participated in the 'Achieving Financial Excellence in Policing' programme developed by the Chartered Institute of Public Finance and Accountancy.

During 2019/20 development activity for members of the Audit and Standards Committee included a session on treasury management and a visit to the Multi Agency Safeguarding Hub. A formal review of effectiveness of the Committee against the new CIPFA guidance for Audit Committees evidenced compliance with CIPFA guidance and elements constituting best practice. The full report of the Committee can be found on the Commissioner's website at:

<http://www.cumbria-pcc.gov.uk/governancetransparency/audit-committee.aspx>.

The four Independent Custody Visiting Panels continue to operate. Developments during the year included:

- Weekly visits to each of the four custody suites
- Recruitment campaigns to attract new candidates in Carlisle, Barrow, Kendal and West Cumbria.
- Induction training courses.
- Delivery of on-going ICVA thematic training packages for existing members. In 2019-20 the theme was Dignity in Custody.
- Membership of the Independent Custody Visitors Association (ICVA).
- Attendance at national, regional and local conferences

- Under the Animal Welfare Scheme, monthly visits to Cumbria Constabulary and the Civil Nuclear Constabulary to ensure the welfare of police dogs

The Commissioner has made the decision to suspend the scheme in its current format to protect all those involved and to prevent the spread of the coronavirus. The OPCC has implemented a temporary arrangement that will still enable it to maintain oversight and assurance. This involves the dip sampling of custody records on a weekly basis to assess the welfare of detainees and others working in the custody setting.

#### Developing the capability of individuals within the entity

A comprehensive OPCC Training Plan has been developed. This sets out the overall training plan for the office and cascades into individual responsibilities.

During 2019/20 arrangements to support staff in tasking and performance have been embedded and are working well:

- Weekly tasking meetings attended by all staff.

- Monthly team meetings focused on policy and procedures.
- Arrangements for performance reviews have also been embedded in 2019/20 with 12 weekly Strength Based Conversations and supporting 1-2-1s.

A monthly informal team catch-up also takes place where staff can share information about their role or themselves in a less formal environment.

During 2019/20 specific training has been provided for staff in the areas of personal safety, business analytics, governance framework, contract management, Code of Ethics, risk management and the budget. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Managing risk

The Commissioner's Risk Management Strategy is reviewed on a 3-year cyclical basis and is next due for review in 2020. A high level review is undertaken annually to ensure that the strategy reflects the current risk environment. Any changes are presented to the Joint Audit Committee.

Risk has become embedded within the everyday work of the OPCC, staff continually assess risks within their roles. Both strategic and operational risks are reviewed on a quarterly basis and appropriate updates made. The Commissioner also provides scrutiny of the Constabulary's management of strategic risks.

The strategic risk register is updated on a quarterly basis and currently incorporates risks in relation to future funding, financial and operational risks relating to the implementation of the Emergency Services Network, capacity within the Procurement function and compliance with General Data Protection Regulations. A further risk

was added in March 2020 in relation to potential business disruption following the Coronavirus outbreak.

The Commissioner's arrangements for Risk Management include procedures for Business Continuity, which are reviewed and tested throughout the year.

### Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of quarterly thematic reports from the Constabulary around priority areas of policing including, domestic abuse, serious violence, on-line crime, child sexual exploitation, sexual offences and reducing reoffending. In addition, six monthly performance reports provide an understanding of the demand placed on the Constabulary, how it addresses this demand and improves outcomes for victims. The Commissioner also receives updates on how the Constabulary is supporting victims of crime and antisocial behaviour and monitors the implementation of actions and recommendations arising from inspections, including those undertaken by HMICFRS. This is supported by regular one to one meetings between the Chief Constable and Commissioner. Senior officers within the OPCC also attend Constabulary meetings to provide challenge and

oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

All Police and Crime Panel meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. During 2019/20 the Panel has placed a significant focus on monitoring delivery of the Police and Crime Plan, receiving thematic reports against priority areas at each meeting. [Arrangements have been put in place to support the development of the Police and Crime Plan 2020/2024.](#) The Panel has also reviewed the work progressing as part of Blue Light Collaboration and supported the Commissioner's proposed precept for 2019/20.

### Robust Internal Control

During 2019/20 a number of areas of the corporate governance framework have been subject to cyclical review and update. This process is supported by the professional advice of the Joint Audit Committee. During 2019/20 the Committee has considered and provided scrutiny of the Joint Procurement Regulations, the Commissioner's the Code of Corporate Governance, the

Internal Audit Charter, the PCC Scheme of Delegation, the PCC's Arrangements for Anti-Fraud and Corruption, the Treasury Management Strategy, Statement of Accounts and Annual Governance Statement.

Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. As a result of the emergence of Covid-19 at the end of 2019-20, internal audit work has had to be temporarily suspended. The Head of Internal audit has concluded that the thirteen audits which have been completed are sufficient for an opinion on the PCC's arrangements for risk management, governance and internal control to be reached. Of the fourteen audits completed in 2019/20 covering the activities of the OPCC and Constabulary, 93% provided either substantial or reasonable assurance. The single audit relating specifically to the OPCC provided substantial assurance.

### Managing Data

The OPCC operates within the parameters of legislation governing the protection of data, ensuring that all data is appropriately stored and shared where necessary. Information is provided to members of the public under the Freedom of Information Act, with requests and

responses published on the Commissioner’s website. The Ethics and Integrity Panel provide additional assurance in this respect. Physical data within the OPCC is held securely with appropriate office and cabinet security provided. The OPCC is reliant upon Cumbria Constabulary in relation to business functions. Where this interdependency exists and the Constabulary are not fully compliant with the requirements of the General Data Protection Regulations (GDPR) introduced in May 2018, this will ultimately result in the OPCC being not being fully compliant. Regular meetings are held with the project lead to monitor compliance and developments. An action plan has been developed with the aim of ensuring that the OPCC meets the requirements of the General Data Protection Regulations.

The OPCC has a joint Data Protection Officer with Cumbria Constabulary. Any identified data breaches notified to, or within, the OPCC are highlighted to the Joint DPO to assess and advise of any course of action to be taken.

### Strong Public Financial Management

At the Public Accountability Conference on the 20<sup>th</sup> February 2019, the Commissioner set the 2019/20 annual budget and precept in the context of a medium term

financial strategy 2019-2023. In line with his duty to maintain the police force the Commissioner agreed a net revenue budget of £124.5m and a capital budget of £5.2m for the Chief Constable for the 2019/20 financial year and a funding arrangement that codifies the terms for that funding, including arrangements for financial management. The budget for 2019/20 also included £0.75m for the operation of the Office of the Police and Crime Commissioner and £2.2m funding within a commissioned services budget for victims, community safety and crime reduction.

During 2019/20 the Commissioner received regular financial reports including the revenue and capital budgets, in year monitoring of expenditure against budget and treasury management. A summary format of financial reports incorporating tables and graphs, wherever appropriate, is used to improve accessibility. Financial reports are published on the Commissioner’s website.

The outcome of all audits of financial arrangements during 2019/20 was an opinion that provided either reasonable or substantial assurance.

During 2019/20 financial sustainability, in the context of increasing costs and service pressures, flat government funding and the potential impact of a future review of the police funding formula, has remained on the Commissioner’s strategic risk register. During the year pensions issues, Operation Uplift and the Covid-19 pandemic have emerged has further financial risks. A number of mitigation measures have been put in place including the detailed medium term financial forecast, financial scenario planning, use of reserves and development of savings plans in conjunction with the Constabulary.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in transparency

The Commissioner is committed to good transparency. Every opportunity is taken to demonstrate the good work that the Commissioner is involved with especially around the support to third-parties and commissioned services. This is further reinforced by publishing information from across the OPCC using different formats to allow people to access information in range of forms. The Commissioner's website remains the central place for all information to be accessed.

Throughout the year the Commissioner has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. Further to this, the reported financial statements published in June 2019 include the statutory Chief Finance Officers' Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information alongside a business review.

#### Implementing good practices in reporting

The Commissioner's activities, performance and achievements have been published in an annual report, which can be found on the Commissioner's website at [www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk). It highlights the

commissioner's key achievements during his fourth year in office, including:

- Continuing to fund numerous community projects and support services to tackle the key priorities in the Police and Crime Plan, including on line safety, protecting vulnerable members of the community, supporting victims of domestic abuse and sexual violence, and empowering victims by providing the chance for them to meet or communicate with their offender to explain the real impact of the crime.
- Setting the policing budget for 2020/21, maintaining the additional 45 police officers secured over the previous two years and increasing by a further 51 police officers as the first phase of the Government's Operation Uplift Programme to recruit an additional 20,000 officers nationally.
- Improved youth engagement through the work of the Cumbria Youth Commission, Mini Police and Cadets.
- Prioritised and supported work to address the top public concerns raised with him namely, police visibility, safer driving and rural crime.

A revised and updated Code of Corporate Governance was adopted in line with the 2016 CIPFA Good Governance Framework for Local Government.

A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2019/20.

The Commissioner's unaudited financial statements for 2018/19 were released in May, with the final version published in July, thus meeting statutory deadlines for financial reporting. The External Auditor's Audit Findings report noted that the accounts were supported by excellent working papers.

#### Assurance and effective accountability

The external auditor's opinion for the 2018/19 financial year was that the Commissioner's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The auditors further confirmed in their Annual Audit Letter

that that the Commissioner had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee.

The Ethics and Integrity Panel monitors and reports on some specific areas of activity, such as complaint handling and ethical issues. During the pandemic the Panel will provide assurance around the Constabulary's use of the emergency powers by conducting dip-samples of the Fixed Penalty Notices issued relating to Covid-19 restrictions and the Governments Guidelines.

#### FURTHER INFORMATION

Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Annual Governance Statement. You can do this by using the

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Police and Crime Commissioner for Cumbria

\*Gill Shearer

Chief Executive

\*Roger Marshall

Chief Finance Officer

09 May 2020

\*Signatures are removed for the purposes of Publication on the website

Appendix A Update on 2019/20 Development and Improvement Plan

Ref	B/fwd from 2018/19 (ref)	Action	Lead Officer	Implementation by	Action Update 31 October 2019	Revised Implementation Date	Status
<b>Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and</b>							
CPA/1	CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	31-Mar-20	The new complaints legislation came into force from 1 February and a process has been introduced to facilitate the reviews.		Completed
<b>Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.</b>							
CPB/1	CPB/1	Review and evaluate Communications and Engagement arrangements.	Head of Communications and Business Services	31st December 2019	This work has been completed and the review will be used to develop the new Communications and Engagement Strategy.		Completed
CPB/2	CPB/1	Arising from the review of communications and engagement, develop an Engagement Strategy 2020-2024	Head of Communications and Business Services	30th June 2020	This objective is to be carried forward to the following year as a result of the PCC Elections being postponed.		Ongoing (original timescale extended)
<b>Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental</b>							
CPC/1	CPC/1	Implement and embed an over-arching governance framework for the OPCC.	Head of Communications and Business Services	30th June 2019	The framework has been developed and is implemented within the OPCC.		Completed
CPC/2		Undertake a review of how the OPCC works in Partnership (formal / informal) to allow resources to be used more efficiently and outcomes achieved more effectively.	Head of Partnerships and Commissioning	31st March 2020	The Safer Cumbria Health Check has been completed. Following stakeholder engagement new arrangements have now been implemented to take forward partnership priorities for Criminal Justice, Community safety and CONTEST		Completed
<b>Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended</b>							
CPD/1		Working with Cumbria County Council, the Constabulary, NHS England, Local District Councils, and other agencies, embed a new integrated Victims Service.	Head of Partnerships and Commissioning	31st March 2020	The new integrated service is in place and robust contract management arrangements are being implemented to ensure the new service is embedded.		Completed
CPD/2	CPD/2	Continue to collaborate with partner bodies to develop a consistent and join-up approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	31st March 2020	The WoW Centre is now open in the West of the county. The three Women's Centres have a consistent service offer.		Completed
CPD/3	CPD/3	Implement a joint Social Value Policy with the Constabulary including a Modern Slavery Statement	Head of Partnerships and Commissioning	30th September 2019	Complete		Completed



Ref	B/fwd from 2018/19	Action	Lead Officer	Implementation by	Action Update 31 October 2019	Revised Implementation Date	Status
<b>Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the</b>							
CPE/1		Implement a programme of training and development programme within the OPCC. safety.	Head of Communications and Business Services	30th September 2019	A programme of development and training has been finalised, approved by the OPCC Exec Team and is now being implemented		Completed
CPE/2		Review contract management arrangements and implement recommendations.	Head of Partnerships and Commissioning	31st March 2020	Although on track to complete the COVID-19 Pandemic and subsequent cancellation of PCC elections has delayed the completion of this action. This action will be carried forward into 20/21	30-Sep-20	Overdue / timescale exceeded
CPE/3	CPE/4	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	30th September 2019	Procurement Strategy 2019-2022 approved by COG and PCC early 2019. Phase 1 (mandatory steps) delivered resulting in an improved audit report. Now focusing on Opportunity phase where business partners will specialise in specific areas of Commercial activity. Future updates covered in Annual Commercial Report.		Completed
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial</b>							
CPF/1		Scope the approach and put in place arrangements to support the development of the Police & Crime Plan 2020/2024.	Head of Partnerships and Commissioning	31st January 2020	Due to COVID-19 and the subsequent cancellation of PCC elections this action will be carried forward into 19/20/21	Mar-21	Overdue / timescale exceeded





Cumbria Office of the Police and Crime Commissioner

Code of Corporate Governance 2020/21

## Foreword

Welcome and thank you for taking the time to read the Police and Crime Commissioner for Cumbria's Code of Corporate Governance. I am pleased to introduce this Code, which sets out the Commissioner's commitment to continue to uphold the highest possible standards of good governance. This document clearly demonstrates the Commissioner's and the senior management team drive to ensure that this is in place. Good governance is about how the Commissioner will ensure that he is doing the right things, in the right way, for the communities he serves, in a timely, inclusive, open, honest and accountable way.

The Code provides clarity about how the Commissioner and Chief Constable will govern their organisations both jointly and separately, in accordance with their statutory responsibilities. It will do this by highlighting the key enablers for ensuring good governance. The Code sets out how the organisations will govern, using the seven good governance principles as the structure for setting out the statutory framework and local arrangements.

Robust governance enables the Commissioner to pursue his vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

Gill Shearer  
Chief Executive and Monitoring Officer  
Office of the Police and Crime Commissioner

## Introduction

The Police Reform and Social Responsibility Act 2011 (PR&SRA) established Police and Crime Commissioners as elected officials with statutory functions and responsibilities for Policing and Crime within their area. Those responsibilities include: setting the strategic direction and objectives for policing and crime and disorder reduction in their area; maintaining the police force; and holding the Chief Constable to account. Police and Crime Commissioners also have wider responsibility for community safety, enhancing criminal justice and supporting victims.

The statutory and regulatory framework setting out the responsibilities, powers and duties of Police and Crime Commissioners is continually developing. The PR&SRA is supported by the Policing Protocol Order 2011, the Home Office Strategic Policing Requirement 2015 and the Home Office Financial Management Code of Practice 2018. The Anti-Social Behaviour, Crime and Policing Act 2014 has developed and conferred further powers in respect of the wider responsibilities of Police and Crime Commissioners. These powers have been extended through the Policing and Crime Act 2017.

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring that business is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Commissioner is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of his office.

In doing this, the Commissioner approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Commissioner governs and sets out the frameworks that are in place to support the overall arrangements for the Cumbria Office of the Police and Crime Commissioner (COPCC). The Code is based on the core principles of governance set out within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The Code is appended with a schematic that sets out diagrammatically all the key elements of the governance framework.

On an annual basis the Commissioner will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

## The Code of Corporate Governance

This code of corporate governance sets out how the Police and Crime Commissioner will govern. It is based on the seven good governance core principles highlighted by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, and supported by the Nolan Principles of Public Life. This Code uses those principles of governance as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

The seven good governance principles are:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

### NOLAN PRINCIPLES OF PUBLIC LIFE

*SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.*

*INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

*OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.*

*ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.*

*OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.*

*HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.*

*LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.*

## Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Police and Crime Commissioners are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

### **Business Code of Conduct:** Staff shall:

*Maintain the highest possible standards of probity in all commercial relationships;*

*Reject business practice which might reasonably be deemed improper and never use authority for personal gain;*

*Enhance the proficiency and stature of the organisation by acquiring and maintaining technical knowledge and the highest standards of behaviour;*

*Ensure the highest possible standards of professional competence, including technical and commercial knowledge;*

*Optimise the use of resources to provide the maximum benefit to the organisation.*

**INTEGRITY:** *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

## Ethics and Integrity

The arrangements for governance within the Office of the Police and Crime Commissioner are based on a culture of ethics, integrity and acting in the public interest. This is demonstrated and communicated through a number of policies and codes that set out the standards of conduct and personal behaviour expected in the Commissioner's office. Specifically:

- A Code of Conduct commits to the Nolan Principles of Public Life. The Code sets out

commitments with regard to how people will be treated, the use of resources, disclosure and conflicts of interest, disclosure of information and transparency.

- A Code of Ethics developed by the Association of Police and Crime Commissioners (APCC) has also been adopted by the Commissioner. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows

transparency in all areas of work of the Police and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in national forums. The principles are listed in the Code of Ethics with examples of how these are achieved.

- The Commissioner's arrangements for anti-fraud and corruption make clear the duty everyone has with regard to their own conduct and those of others. The arrangements incorporate an anti-fraud and corruption policy and plan covering the culture expected within the organisation and provide contact information for confidential reporting (whistleblowing).

- Anti-fraud and corruption procedures cover arrangements for integrity in respect of gifts and hospitality, completion of a register of interests, supplier contact and declarations of related party transactions. These ensure staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships. Staff are reminded on a monthly basis of the need to make declarations.

- The Office of Cumbria Police & Crime Commissioner is responsible for investigating complaints about the Chief Constable, any appointed Deputy Commissioner, the Office of Cumbria Police & Crime Commissioner's own staff and Independent Custody Visitors. A formal process exists for dealing with complaints. The arrangements are clearly set out, including the role of the Police and Crime Panel, on the 'contact us' section within the Commissioner's website. The protocol for managing complaints is set out in the Commissioner's Complaints Policy and reinforces

the commitment to upholding the highest ethical standards.

- Complaints against the Police & Crime Commissioner are referred by the Commissioner's Monitoring Officer to Cumbria County Council's Monitoring Officer on behalf of the Police and Crime Panel who investigates the complaints and then seeks to either resolve them locally with the complainant, or refers to the Independent Police Complaints Commission.

- A Business Code of Conduct supports the Procurement Regulations, re-enforcing the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity.

- Financial Regulations make arrangements for the proper administration of financial affairs. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity.

- Grant regulations are based on a framework that provides minimum standards and terms and conditions for the grant award process that seek to ensure grants are awarded within the public interest.

- The Commissioner and all staff are required to sign up to an anti-discrimination code that sets out values and standards with regard to the prevention of any kind of discrimination.

All policies and codes are reviewed on a cyclical basis to ensure they are operating effectively. Independent external assurance is provided through the work of an Ethics and Integrity Panel and Joint Audit Committee. The purpose of the Ethics and Integrity Panel is to promote and influence professional ethics in all aspects of



policing and within both organisations. It provides scrutiny and review in respect of the arrangements for codes of conduct, integrity and complaints. It also provides assurance to the public that any issues or concerns are highlighted and monitored.

The Joint Audit Committee provides scrutiny and review in respect of the Commissioner's arrangements for anti-fraud and corruption and financial, procurement and grant regulations. Agendas and papers are available to the public on the Commissioner's website to aid transparency.

The leadership values for the organisation have been developed by our staff to support good governance and advocate high standards of integrity and ethical behaviour. They are set out in our Corporate Plan. All staff within the OPCC have been appointed following open and transparent appointment processes. Following appointment staff commit to the various codes of conduct and ethical standards that are in place for the OPCC. All staff also undertake a structured induction process arranged by the Governance Manager.

## Respecting the Rule of Law

The Chief Executive is the Commissioner's Monitoring Officer with responsibility for ensuring that the Commissioner and staff of the Office of the Police and Crime Commissioner do not contravene any rule of law or engage in any activity that constitutes maladministration or injustice. The responsibilities of the Chief Executive are codified within legislation, within the Commissioner's scheme of delegation and within the documents comprising the Commissioner's wider governance framework. The Chief Executive is responsible to the Commissioner for ensuring that agreed procedures are followed and that all applicable

### **Our Values**

*We are a single team with a culture of trust and confidence*

*We develop the capacity and capability of our office to be effective and recognise high performance*

*We have empowered staff who are high performing, professional and have high levels of satisfaction in their roles*

*We embrace and deliver change, achieve national recognition for what we do and are exemplars of best practice*

*We hold ourselves to account for what we deliver, measuring our outcomes, customer satisfaction and value for money, striving for continuous improvement*

*We promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour*

statutes and regulations are complied with. The Chief Executive is supported by an internal legal team and will instruct external legal advisers where there are significant legal complexities or legal risk. The office structure includes a post of a deputy Monitoring Officer to ensure continuity in the delivery of this role in the absence of the Chief Executive.

## Principle B: Ensuring openness and comprehensive stakeholder engagement

Police and Crime Commissioners and their Offices are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

### Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders 2011, 2012 & 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public and wider stakeholders. This includes information in respect of the Commissioner, his staff, income and expenditure, property, decisions, policies and the independent custody visiting scheme. The Commissioner's Monitoring Officer has overall responsibility for ensuring compliance with the Orders and Scheme.

To ensure transparency of decision making, all decisions are recorded and published on the Commissioner's website for public scrutiny. The Police and Crime Panel may call in any decisions for further public scrutiny.

The Commissioner adopts rigorous standards in his decision-making and all decisions are taken solely in the public interest. This is achieved by adherence to a decision-making policy that sets out the parameters and the application of a set of principles that guide decision making. The approach within the policy adheres to the Good Governance Standard for Public Services and the Good Administrative Practice 2.

Reports for decision are based on a template that ensures the consequences of any recommendations are clearly explained and that there is clear

#### ***Decision Making Policy: Principles of Decision Making***

*Decision-making will be well informed*

*The decision-making process will be open and transparent*

*To have 'due regard' within the decision making process*

*Be rigorous and transparent about how the decisions are taken*

*All decisions of significant public interest will be recorded and published.*

*The PCC will uphold the highest standards of integrity and honesty when taking decisions, as set out in the Nolan Principles.*

reasoning and evidence for decisions. This includes relevant financial, legal, human resources, equality, procurement, IT and risk management advice.

### Engaging Comprehensively with Institutional Stakeholders

The Police and Crime Plan recognises the importance of stakeholder engagement and collaborative working in developing and delivering priorities for the future direction of policing, crime

reduction, and supporting victims. The process for development of the Plan includes consultation with the Police and Crime Panel, wider partners and the Constabulary. Consultation processes support the development of objectives and outcomes prior to the formal approval and publication of the Plan on the Commissioner's website.

The Plan recognises that in preventing crime and supporting victims a commitment to collaborative working is needed from a range of organisations involved in policing, community safety and criminal justice. The Plan commits to utilising the existing partnership structures across the County to do this wherever possible. This enables the Commissioner and partners to build commitment to shared priorities and to exercise oversight of the delivery of shared outcomes.

As part of these arrangements the Commissioner has signed up to the Cumbria Compact, an agreement and set of principles that govern effective relationships between public and third sector organisations.

Grant agreements govern the funding arrangements with partners and the third sector and set out the purpose, objectives and shared outcomes which that funding is planned to deliver.

Joint boards, collaborative procurement and third sector partnerships are central to the Commissioning Strategy that seeks to efficiently and effectively deliver the Police and Crime Plan. The underlying Commissioning Plan uses commissioning approaches and a grant framework that enable partners to determine interventions that will be appropriate and effective in delivering outcomes.

## Engaging Stakeholders Effectively including Citizens and Service Users

A Public Engagement Strategy sets out how the Commissioner will make arrangements for obtaining the views of the community on policing and for obtaining the views of victims of crime. The strategy aims to ensure clear channels of communication are in place with all sections of the community and other stakeholders. As part of the Public Engagement Strategy, the Commissioner undertakes formal consultation with the public, partners and other stakeholders in respect of the Police and Crime Plan and the budget.

The OPCC is instrumental in giving the people of Cumbria the ability to communicate with the Commissioner and plays a key role in ensuring public opinion can influence the Commissioner's decision making. The Office ensures a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria. The office plays a critical role in ensuring that two-way communication with communities take place and that the Commissioner is publically available to speak to communities and individuals.

The OPCC has responsibility for keeping people informed, ensuring that activities and decisions are transparent and that effective, transparent and accessible arrangements are in place for providing feedback. This includes the statutory requirement of producing and publishing an Annual Report setting out what has been achieved in a 12-month period.

The OPCC also supports the Commissioner around public affairs, if necessary, highlighting the impacts on policing and people in Cumbria.

A complaints process and quality of service procedure provides clarity over the arrangements to respond to the breadth of concerns raised by local people. If trends are identified these are used to improve customer service from the Constabulary and influence the decisions of the Police and Crime Commissioner.

## Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of the Police and Crime Commissioners' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

*The Commissioner's Police and Crime Plan can be found on our website at [www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk)*

### Defining Outcomes

The Police Reform and Social Responsibility Act (PRSR) 2011 and the Policing Protocol Order set out the purpose of the Police and Crime Commissioner, conferring statutory duties and responsibilities. These include the requirement to issue a Police and Crime Plan. The Plan sets out the vision and strategic direction for policing and reducing crime for the local area. It outlines police and crime objectives, priorities and outcomes for policing and victims that the Commissioner will focus on in carrying out his purpose.

Key performance indicators are set to support the objectives within the Police and Crime Plan. This is supported by a comprehensive performance management framework, which is embedded within a robust accountability and governance structure. The performance framework and HMICFRS inspection and value for money reports support the Commissioner in holding the Chief Constable to account for the performance of the force and its efficiency and effectiveness. User

Satisfaction Performance measures are included in the Performance Management Framework.

The Police and Crime Plan is developed alongside a Medium Term Financial Strategy that ensures funding is aligned to the resources needed to deliver priorities and outcomes. The forecast supports the Commissioner in setting a robust budget and in his purpose of maintaining the force for the Cumbria police area.

A Commissioning Strategy and framework supports the delivery of the Commissioner's wider duties and responsibilities and the objectives and outcomes within the Police and Crime Plan. The strategy sets out how the Commissioner will work with partners, including community and voluntary sector groups, to deliver activity and interventions that will support victims, improve community safety, reduce crime and enhance criminal justice. The strategy is underpinned by a commissioned services budget and programme.

## Sustainable economic, social and environmental benefits

A process is in place to support policy and strategy development. Oversight of the central policy record, including compliance with procedure and equality impact assessments, is managed by the Executive Team. This ensures that the sustainability of policies and strategies and the wider benefits and interrelationships across the business are fully understood.

When developing strategies, policies or business plans the Office of the Police and Crime Commissioner will undertake an impact assessment on such documents prior to their development. The outcomes of these assessments will inform development work and be taken into consideration when policies and strategies are approved. In this way, our policies and strategies provide a framework to support decision making.

The process for making decisions, particularly those that involve expenditure, includes an assessment of the longer term impact of proposals to ensure sustainability. Decisions on human resource planning, the most significant factor influencing the delivery of sustainable economic, social and environmental benefits, take account of the longer term financial outlook alongside projections of future turnover. This enables workforce planning and recruitment in a way that supports the economic management of training and supervision requirements and maximizes the benefits to the business.

All decision reports include a section which allows the author to identify any equality issues. These will be taken into account by the Commissioner when considering the decision.

To manage risk and ensure transparency of interests in decision making, the Commissioner and officers are required to make declarations where there are or may be perceived to be conflicts of interest. The role of the Monitoring Officer and the Commissioner's Oath of Office further supports decisions being made in the wider interest of the people of Cumbria, rather than representing any particular political interests.

The Police and Crime Plan and the policy and strategy documents that support it are developed to cover a four-year rolling timeframe and take into account feedback from public consultation and engagement.

All of these documents and the outcomes from consultation are published and are publicly available on the Commissioner's website. Information is published in a variety of mediums. The OPCC website has the functionality to assist in the access to information held. The COPCC would look to assist with translation of information or send information to a third party who can assist them. The COPCC website has the ability to translate into the main languages.



## Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Police and Crime Commissioners achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice and Commissioners have to make sure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

### Determining Interventions

The Commissioner sets the strategic direction for Policing and wider interventions within the Police and Crime Plan. The Plan is reviewed annually to ensure decision making on activity and outcomes remains robust. The Commissioner's decision making policy adopts a set of principles to ensure all decision making is well informed, that options are rigorously considered and information is provided on potential risks.

The Constabulary is the primary provider of policing services and the recipient of the substantial proportion of funding from the Commissioner to deliver the Police and Crime Plan. Achieving best value through the delivery of an effective policing strategy is a condition of the arrangements for funding between the Commissioner and the Constabulary. Decisions are made annually on the level of resources and how they should be directed as part of the Commissioner's budget setting process.

The performance, outcomes and costs of the Constabulary are monitored through a framework that includes external comparators (HMICFRS Value for Money Profiles), Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an annual Value for Money Conclusion from the External Auditors. Recommendations from PEEL inspections are used to review decisions in year on resources and determine whether intervention are needed to respond to inspection findings.

Grant and Procurement Regulations set out a framework for commissioning and procurement activity that supports the achievement of best value and practical interventions to support Police and Crime Plan outcomes within wider commissioned services. A review of value for money arrangements is reported annually to the Joint Audit Committee, focused on the Constabulary's activities. This provides external oversight of staffing and wider financial resources committed to fulfilling legal and regulatory requirements of the service.



### **Medium Term Financial Strategy Objectives**

*To deliver a robust and balanced medium term financial plan and annual budget supported by an in-year reporting framework that monitors its delivery.*

*To ensure arrangements for funding between the Commissioner and Constabulary deliver value for money and support the priorities of the Police and Crime Plan*

*To ensure capital expenditure plans are robustly scrutinised, fully funded for a minimum of four years and are supported by capital strategies that meet the needs of the business*

*To maintain a risk assessed level of reserves to meet unplanned expenditure and to provide revenue budget smoothing for intermittent costs.*

*To ensure treasury management activities provide for the security of the Commissioner's funds whilst meeting the cash management needs of the Commissioner and Constabulary*

*To provide a framework for financial governance that ensures the proper administration of the Commissioner's financial affairs*

## **Planning Interventions**

A Commissioning Strategy and joint Procurement Regulations set out how services will be planned, procured and delivered. The Safer Cumbria Partnership provides a flexible and supportive mechanism through which services can be developed and delivered with shared risk. Grant and contract management arrangements are in place to monitor and review service quality.

The Medium Term Financial Strategy sets out the financial plans for revenue and capital expenditure. An annual funding arrangement for the Chief Constable codifies the amounts and conditions of funding based on a financial proposal from the Constabulary. It sets out how the budget will be monitored including financial information and reporting requirements. Financial reporting provides a control to assess the extent to which planning assumptions for the budget have been matched by actual activity and expenditure in year. Further controls over the management of income and expenditure are detailed in the Commissioner's financial regulations. Key financial performance indicators for example prudential indicators, are set as part of the budget process, and monitored on a quarterly basis to ensure they are being met.

The Medium Term Financial Strategy sets out revenue forecasts of income and expenditure and the key financial assumptions and policies on which the forecasts are based. This supports a strategic approach to operational planning, savings requirements and decision making in support of the objectives within the Police and Crime Plan. It also ensures that the financial liabilities, risks and the level of provision and reserves within the budget are fully understood. The budget includes a 10 year capital programme aligned to plans for ICT, the estate and fleet, ensuring resources are balanced in the medium and longer term to meet the requirements of the business.

Financial, operational and commissioning plans are developed taking into account the feedback from the public and wider stakeholders. The Engagement Strategy sets out how the Commissioner will engage with a wide range of people and partners encompassing and including diversity within the



County. The Commissioner in his role of consulting with the public uses the guiding principles of we asked, you said, we did as many engagement activities personally involve the Commissioner. To formally support the role of two-way engagement a six-monthly paper is presented to the Commissioner outlining trends from the various forms of engagement and this information is used as an integral part in the process of any key decisions. Further communication tools are used to ensure target audiences are kept up to date of developments and key decisions for the Commissioner.

## Optimising Achievement of Intended Outcomes

The Medium Term Financial Forecast integrates the budget and funding arrangements for the Constabulary with the Commissioner's directly managed budgets. The totality of estimated funding forms the basis for considerations regarding the trade-off between resources for commissioning and resources for policing to optimise outcomes within the Police and Crime Plan. Strategic priorities within the Plan support decision making on the respective policing and commissioning strategies. This determines for example, the number of police officers, the balance between people resources verses equipment and the balance between supporting victim's verses crime prevention activity.

The budget process is based on a proposal from the Constabulary. It takes a zero-based approach, working closely with the business to forecast operational requirements over 4 years for revenue expenditure and 10 years for capital expenditure. This includes a series of 'star chambers' providing

Chief Officers with the forum through which budget holders can be challenged. Through the budget process targets and plans are developed for savings and consideration is given to growth bids to resource new and changing requirements.

The Medium Term Financial Strategy includes information on national financial settlements for policing and what is known about settlements in future years. It also sets out the key financial risks that could impact on funding and expenditure nationally and locally. Sensitivity analysis provides information on the potential impact of changes to assumptions. Collectively this supports decisions on resources, services, performance and outcomes and ensures the business has a robust understanding of risks to the affordability of future plans. The Strategy incorporates information on plans for savings and the impact of funding changes for the number of police officers, PCSO's and police staff. This supports an on-going dialogue and monitoring between the Commissioner and Constabulary in respect of the necessary business change and its impact on outcomes and performance.

Through our Commissioning Strategy we engage and consult with the wider community on support and service provision gaps, this ensures that commissioning objectives and outcomes align with the needs of the local community as well as creating an opportunity for providers to innovate. Commissioning to local based providers ensures the economic, social and environmental well-being of the wider Community. Awarding of Contracts or Grant Agreements are based on the social outcomes and measures which meet local priorities and needs as opposed to financial gains and benefits.

## Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Police and Crime Commissioners need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Commissioners must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Both the individuals involved and the environment in which Commissioners operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities

### Developing the entity's capacity

Legislation provides that the Commissioner must appoint a Chief Executive and a Chief Finance Officer (statutory officers). The Chief Executive is the Commissioner's Head of Staff with responsibility for overall management of the Commissioner's office. The Chief Finance Officer (CFO) operates on a shared basis acting as CFO for both the Commissioner and the Chief Constable. Both the Chief Executive and Chief Finance Officer have statutory responsibilities with regards to determining the requirements in respect of staffing resources.

The Chief Executive is a member of the Association of Police and Crime Chief Executives (APACCE) and operates within the APACCE statement on the role of the Chief Executive and Monitoring Officers for Police and Crime Commissioners. The Chief Executive's job profile is based on the APACCE model to ensure the right skills, experience and qualifications for the role. The role of Chief

Executive is undertaken on a six-month rotating basis with the Deputy Chief Executive.

The role and functions of the Chief Finance Officer to support the Commissioner's mandate is set out within the Home Office Financial Management Code of Practice and by the Chartered Institute of Public Finance and Accountancy (CIPFA), the CIPFA statement. The job profile for this role is based on the CIPFA Statement. Compliance with the statement is self-assessed on an annual basis and reviewed by the Joint Audit and Standards Committee. Professional body subscriptions ensure the Chief Finance Officer has access to up to date Codes of Practice, guidance and professional standards

The structure and arrangements for staffing ensures the Chief Executive has management of overall staffing as Head of Paid Service with responsibility for effective succession planning and resilience on matters of business within a small team.

A framework for the development and review of the corporate plan and underlying business plans ensures action plans and performance targets are delivered to support continuous improvement. The

The costs of the Constabulary are benchmarked annually with reports presented for scrutiny to the Joint Audit Committee. Comparisons to most similar group policing areas are used to inform the budget savings programme and reduce costs.

Procurement regulations are developed jointly with the Constabulary and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to support the understanding and skills of all staff engaged in the procurement process. The procurement strategy sets out how the function will develop to deliver best value from procurement activity. The procurement regulations are supported by a set of grant regulations governing commissioning activity through a grant based process.

## Developing the entity's leadership

The key functions and roles of the Commissioner, the Chief Executive/Monitoring Office and Chief Finance Officer are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). These functions and roles define the responsibilities for leadership and are codified in the Commissioner's Scheme of Delegation and wider documents within the Corporate Governance Framework.

The Chief Executive is the Commissioner's lead advisor. Key responsibilities include working with the Commissioner to enable delivery against his vision, strategy and identified priorities and facilitating the accurate and appropriate scrutiny of

### *Key functions and role of the Commissioner*

*Sets strategic direction & objectives of the force, issues the Police and Crime Plan (the Plan) & an annual report*

*Holds the Chief Constable to account for the exercise of his/her functions and force performance; Monitors complaints.*

*Receives all funding, decides the budget & precept; allocates funding to maintain an efficient and effective police force*

*Provides the link between the police and communities; publishes information on Commissioner and force performance*

*Responsible for the delivery of community safety, crime reduction, the enhancement of criminal justice and victim support*

the Constabulary's activities. The Chief Executive is also the Commissioner's statutory Monitoring Officer, providing support to ensure the Commissioner's functions are carried out and has specific legal, financial and governance duties in addition to those which derive from statutory responsibilities. The Chief Executive operates in accordance with professional standards and the legislative and fiduciary responsibilities of the statutory office.

The Chief Finance Officer is the lead financial advisor to the Commissioner and has statutory responsibility to ensure that the financial affairs of the Commissioner are properly administered. The CFO provides all financial advice, provides a statutory report on the robustness of the budget and ensures systems of internal financial control are effective.

The Commissioner's Scheme of Delegation is part of a wider governance framework that further details specific decision making and wider responsibilities of key officers in relation to areas of governance and ensure all staff have a shared understanding of

the roles, responsibilities and decision making authority within the Commissioner's Office. All governance documents are regularly reviewed and updated as roles develop to respond to changing legislation, regulations and other new requirements.

A member/officer protocol further sets out the roles of political office holders (the Commissioner/Deputy Commissioner) and non-political office holders (staff employees) to provide clarification on respective responsibilities and expectations around how relationships are anticipated to work. This is supported by arrangements for the declaration of interests to ensure the Commissioner, members and staff are free from relationships that would materially interfere with decisions making and their roles.

Members of the Joint Audit Committee are recruited for their specific skills and experience to fulfil the role of the Committee. Role profiles include a person specification that requires applicants to demonstrate a sound understanding and relevant professional experience. The Committee has clear terms of reference and membership that is consistent with the requirements of the Home Office Financial Management Code of Practice, and CIPFA guidance. Development sessions, access to relevant publications and CIPFA/Grant Thornton external workshops support members continued development.

The Cumbria ICV Scheme comprises of four panels of volunteer Custody Visitors. Every new volunteer is required to undertake a half-day basic induction course, followed by an accompanied night observation visit; thereafter, new visitors are trained "on the job" by attending visits in the

company of a more experienced colleague for the first six months. On-going ICV training is provided at the regular panel meetings and annual local and regional conferences.

In 2016 the OPCC became a member of the Independent Custody Visitors Association (ICVA) to which it pays an annual subscription. ICVA is a Home Office funded organisation set up to promote and support the effective provision of custody visiting nationally. ICVA works closely with government and criminal justice organisations providing advice on best practice for independent custody visiting schemes nationally; training; and publicity to Police and Crime Commissioner and custody visitors.

The Police and Crime Commissioner subscribes as a member of the Association of Police and Crime Commissioners (APCC). The APCC delivers daily written briefings received by the Commissioner and office staff, covering press and parliamentary reporting on those areas within the Commissioner's responsibilities to ensure the Office is kept updated on current developments.

The APCC and APACCE deliver national events to ensure Commissioners and their Chief Executives remain informed and have the opportunity to discuss significant issues and develop collective approaches. There are also bi-monthly regional meetings of Chief Executives and quarterly regional meetings of Commissioners and Chief Executives. The Chief Executive/Monitoring Officer leads for the Commissioner on ensuring that appropriate policies and procedures are adopted and followed to ensure the COPCC complies with relevant statutes and regulations and has the capacity to deliver across these requirements.

The CFO subscribes to the Police and Crime Commissioners' Treasurers' Society (PaCCTS), supporting continuous development and ensuring the CFO maintains a breadth of understanding on policing finance. Further capacity and expertise is commissioned to support specialist services for treasury management, taxation and insurance brokerage.

Arrangements for staff appraisal provide the opportunity to discuss and review individual performance and training and development needs.

## Developing the capability of individuals within the entity

The Commissioner has adopted a number of joint personnel policies with the Constabulary in addition to operating within a suite of COPCC specific policies that provide a framework for all issues related to employee management, terms and conditions. This includes policies on how staff and staff associations will be engaged in any change processes. There is a general principle for on-going consultation and engagement during any areas of business change, creating an environment where staff can perform well and where ideas and suggestions are welcomed.

Personnel policies aim to promote a motivated and competent workforce whilst supporting the health

and well-being of staff. They include arrangements for work-life balance through a scheme of flexible working and facilitate access to wider benefits e.g. special leave at times of specific personal need.

Business is carried out supported by policies and procedures that support the full range of human resource management responsibilities and all policies are subject to cyclical review in accordance with the Commissioner's policy framework. This supports continuous improvement, ensuring updated guidance is available for staff on how to carry out their roles and the wider responsibilities they should take into account.

All officers have clearly defined role descriptions and reporting lines based on the roles and the functions for which they are accountable, to ensure service delivery responsibilities are clear and can be monitored. Individual capabilities, performance and development requirements are assessed annually through a review process to agree the support, training and development staff need to carry out their duties and responsibilities.

Professional staff undertake continued professional development in line with the requirements of their professional bodies. The budget setting process provides for training and development budgets to support mandatory and discretionary training and development requirements.

## Principle F: Managing risks and performance through robust internal control and strong public financial management

Police and Crime Commissioners need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

### Managing risk

The Commissioner's Risk Management Strategy sets out the overall arrangements for managing risk including the arrangements for holding to account the Chief Constable in respect of those risks that fall within his functions. The Strategy establishes how risk is embedded throughout the various elements of corporate governance of the COPCC, whether operating solely or jointly with the Constabulary. The Strategy incorporates a clear framework of objectives, designates roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks, and supporting decision making in respect of mitigating action.

The strategy and risk registers are regularly reviewed to ensure a clear alignment between risk management activity and the organisation's objectives. Reporting formats ensure arrangements are dynamic and support the early identification of strategic and operational risks. Identified risks are logged on a risk register with clear ownership and are reviewed cyclically based on a score that

denotes the severity and impact of the risk should it occur. Every project run by the COPCC has a separate risk register. All decision and report forms include a section for the author to complete in which to identify any risks or potential risks. To ensure effective ownership and monitoring of risks, the Office of the Police and Crime Commissioner provides risk management training to all staff.

The arrangements for risk management are subject to on-going monitoring and review to ensure their continued effectiveness. This comprises review by internal audit and review by the Joint Audit Committee. The strategic risk register is presented to the Committee quarterly. The Committee also receives the Risk Management Strategy on a quarterly basis and a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk.

## Managing performance

The Commissioner holds Public Accountability Conferences, which facilitates the arrangements for monitoring service delivery and holding the Chief Constable to account. This is supported by regular one to one briefings between the Commissioner and Chief Constable and an office level Collaborative Board. Senior Officers within the OPCC attend strategic Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police and Crime Panel is the statutory body that provides the public accountability checks and balances in relation to the performance of the Commissioner and scrutiny of any decision made. The Panel receives cyclical information and reports on service delivery plans and progress towards outcomes. The Panel is consulted on the development of the Police and Crime Plan and budget, with a power of veto over the Commissioner's precept. The panel receives an Annual Report setting out what has been achieved in respect of delivery of the Police and Crime Plan objectives, and a financial outturn report comparing actual expenditure against the budget and including summary financial statements.

## Robust internal control

The Commissioner is responsible for reviewing the effectiveness of his governance framework including the system of internal control. This work is informed by the work of Chief Officers and Senior Managers who undertake an overarching review of key controls and governance arrangements in support of the key principles in this Code.

### *Police and Crime Panel Functions*

*The functions of the Police and Crime Panel include reviewing the draft police and crime plan, public scrutiny of the annual report and the power of veto over the level of the Commissioner's proposed precept*

Senior Managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. This is further supported by an annual fraud risk assessment completed by the Chief Finance Officer and reviewed by the external auditors. Arrangements for anti-fraud and corruption are subject to cyclical internal audit review.

An independent internal audit service is commissioned through shared service arrangements with the county council. Internal audit develops and delivers a risk based annual audit plan of work that reviews internal controls. This supports an annual opinion from the Chief Internal Auditor on the overall adequacy and effectiveness of the framework of governance, risk management and control.

An independent Joint Audit Committee assures cyclical internal reviews of key governance documents (e.g. financial regulations, arrangements for anti-fraud and corruption and the risk management strategy) at its November meeting and receives annual reports reviewing the effectiveness of arrangements for risk, governance and internal control in May and July. The Joint Audit Committee receive a copy of all internal and external audit reports, can table reports for discussion and monitor the implementation of audit recommendations. The Committee undertakes an annual self-assessment to ensure

on-going compliance with the CIPFA framework for Police Audit Committees.

## Managing Data

The Office of the Police and Crime Commissioner operates within the parameters of legislation, such as the Data Protection Act. It ensures that all data, including personal data, is appropriately stored and shared where necessary. Data is held in accordance with the COPCC Retention Schedule, removed or destroyed appropriately and access to information is restricted where appropriate to relevant members of staff. Data will not be held for longer than is necessary. Appropriate security measures are taken for both electronic and physical data. All staff are aware of their responsibilities when handling and storing both electronic and physical data and the need to comply with General Data Protection Regulations. The OPCC has a Joint Data Protection Officer with Cumbria Constabulary who provides expert advice and support.

## Strong public financial management

Arrangements for financial management support for the Commissioner in achieving outcomes and delivering strong operational and financial performance by ensuring that resources are used in accordance with approved plans for service delivery and investment. The arrangements for financial management are codified within a suite of financial governance documents and comply with the relevant CIPFA Codes of Practice and guidance. Financial management controls ensure expenditure is only committed in accordance with the approved

budget and the purpose for which approvals have been given. Financial monitoring supports the early identification of variances between actual expenditure and income, supporting timely decision making on remedial action.

A funding arrangement between the Commissioner and Constabulary sets out the consents and arrangements for financial management between the Commissioner and Chief Constable. This ensures funding within the Constabulary is directed toward the achievement of the Policing Strategy and priority outcomes within the Police and Crime Plan.

Financial regulations set out the role and responsibilities of Chief Officers and senior staff for financial management and governance. They include financial management standards to be adhered to by all staff across the organisation and the wider framework of controls including the arrangements for the statement of accounts.

Financial risks and mitigations are set out within the Medium Term Financial Strategy and are managed within the Commissioner's overall framework for managing risk. The Joint Chief Finance Officer takes ownership of all financial risks and reports to the Joint Audit and Standards Committee on the management of strategic financial risks. Arrangements for financial management are cyclically reviewed by the internal auditors for assurance and form part of the arrangements reviewed by the external auditors in forming their conclusions on the financial statements and value for money.



## Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

### Implementing good practice in transparency

The Commissioner's annual report is the primary communication through which the public can access and understand the performance and activities of the Commissioner and his Office. Design work for the report is commissioned from external media and communication professionals which alongside the written style aims to support transparency and public accessibility of the report.

All public documents are published on the COPCC website and are available in accessible formats. Further options can be offered on request. The intention is to ensure that all documents are written in such a way as to make them accessible to readers that may not have a detailed knowledge of the subject matter, though with some complex issues this is not always possible. The publication of key documents, such as the Police and Crime Plan, is supported by a media release to raise awareness of the document and its purpose.

Arrangements for financial reporting aim to ensure the accessibility of financial information for readers and users of financial reports. On complex matters of communication, for example consultation on budget, precept and services, professional support

has been procured to ensure a robust public understanding of complex issues.

### Implementing good practices in reporting

The Office publishes an annual report, scrutinised by the Police and Crime Panel, to communicate the Commissioner's activities, achievements and performance and that of the Chief Constable and the force. The annual report presents the performance outcomes achieved against an agreed framework of targets and measures.

The Commissioner is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting. Compliance with the Code of Practice ensures the comparability of financial information within the statements with other similar entities and their publication in accordance with statutory timeframes. The financial statements include a comprehensive income and expenditure statement, which is aligned to in year financial reporting and monitoring. A narrative statement by the Chief Finance Officer sets out the overall financial and business performance for the year within an accessible summary statement. The

financial statements include the external auditors report setting out the overall opinion and conclusions on value for money.

The Commissioner's overall arrangements for governance are reviewed annually against this Code of Corporate Governance with a report made on how it has been complied with. This 'Annual Governance Statement (AGS)' is subject to review by the Joint Audit and Standards Committee. The AGS includes an action plan setting out the work that will be undertaken over the following year to support continuous improvement in line with the principles of this Code and the CIPFA good governance framework.

The Commissioner and the Joint Audit Committee receive annually a report reviewing the governance arrangements for internal audit against the requirements of the Public Sector Internal Audit Standard (PSIAS).

## Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary, to report key matters arising from audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief and Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The audit findings report is published in the financial statements and presented to the Commissioner and Joint Audit Committee for

review. The Joint Audit Committee monitors the implementation of recommendations arising from the audit and have the expertise to challenge the external audit approach, supporting assurance of its effectiveness.

Further accountability is provided through the arrangements for internal audit. Internal audit is delivered through a shared service and in accordance with an Internal Audit Charter that ensures compliance with the PSIAS. An annual review of the effectiveness of the internal audit service, including the arrangements for the Joint Audit Committee, is undertaken annually by the Joint Chief Finance Officer against CIPFA best practice standards. The report is published on the Commissioner's website to support assurances on internal control.

The arrangements for accountability further incorporate challenge, reviews and inspections from HMICFRS. Whilst these are primarily aimed at Constabulary performance, elements of specific reviews include jointly delivered activities and specifically commissioned reports that cover governance across both organisations. Recommendations are reported to and monitored by the Commissioner and Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on some specific areas of activity, such as complaint handling and ethical issues. The Panel has carried out a series of thematic inspections into specific areas of Constabulary activity. The Panel are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

The arrangements in this document set out our framework for governance in accordance with CIPFA's Good Governance Principles and guidance. Annex A to this Code sets out our governance schematic, summarising the arrangements we have in place internally and sources of external guidance and support. Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.



We welcome your views on the Commissioner's Code of Corporate Governance. You can do this by using the contact information below:

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